CLARK COUNTY BOARD OF COMMISSIONERS
AGENDA ITEM

Issue:	**Resolution of Intent to Lease with an Option Agreement Real Property at Public Auction**	Back-up:
Petitioner:	Jerome A. Stueve, Director of Real Property Management	Clerk Ref. #

Recommendation:

That the Board of County Commissioners approve and authorize the Chairman to sign a Resolution of Intent to Lease with an Option Agreement Real Property at Public Auction providing for the lease of ±2,596 acres of vacant Clark County-owned real property (Assessor's Parcel Numbers 266-00-001-001, 266-00-001-009, 266-00-001-010, and portions of 266-00-002-002 and 266-00-002-003), referred to as Parcel "A", located westerly of the Needles Highway and Aha Macav Parkway, Laughlin, Nevada and specifying the minimum bid for annual rent of $560,000; set a public auction for July 21, 2015 at 10:00 a.m. ***(For possible action)***

FISCAL IMPACT:

Fund #: N/A
Fund Center: N/A
Description: N/A

Fund Name: N/A
Funded Pgm/Grant: N/A
Amount: N/A

Added Comments:

BACKGROUND:

In June 2007, the State of Nevada, Colorado River Commission, pursuant to the Fort Mohave Valley Development Law, conveyed ownership of ±9,000 acres of land in the Fort Mohave Valley (Fort Mohave Land) to Clark County (County).

County owns ±2,596 acres of vacant real property (Assessor's Parcel Numbers 266-00-001-001, 266-00-001-009, 266-00-001-010 and portions of 266-00-002-002 and 266-00-002-003), referred to as Parcel "A", shown as Exhibit "A" in the attached Resolution of Intent to Lease with an Option Agreement (Resolution), located westerly of the Needles Highway and Aha Macav Parkway, Laughlin, Nevada (Property).

Two appraisals of the Property were prepared and the higher of the two was completed by Valbridge Property Advisors, setting the fair market value rent of the property for lease at $560,000 annually.

The option agreement, shown as Exhibit "B" of the Resolution, contains a three (3) year option period with total annual payments of $560,000. Any proceeds resulting from the lease will be deposited into the Fort Mohave Fund (Fund: 2340.000 Fund Center: 1080718000 Account: 587100).

Cleared for Agenda
6/16/15 HD

Agenda Item #
35

The County is leasing the property in 'as-is" condition and under the assumption that the successful bidder's leasing of the Parcel "A" is based upon the bidder's independent investigation. The Exclusive Lease conveying the property will be for a period of twenty (20) years with the option to extend for two (2) five (5) year terms. Annual three percent (3%) escalations are due on the anniversary of the Commencement Date of the lease.

Notice of the Lease auction shall be published and posted and the auction shall be conducted on July 21, 2015 at 10:00 a.m., all according to the procedure set forth in NRS 244.283.

This item was presented to the County Long Range Planning Committee on May 7, 2015.

Respectfully submitted,

JEROME A. STUEVE, Director

RESOLUTION OF INTENT TO LEASE WITH AN OPTION AGREEMENT REAL PROPERTYAT PUBLIC AUCTION

Parcel A
(Assessor's Parcel Number 266-00-001-001, 266-00-001-009, 266-00-001-010, and portions of 266-00-002-002, and 266-00-002-003)

WHEREAS, Clark County, a political subdivision of the State of Nevada ("**County**"), owns ±2,596 acres of vacant real property commonly described as Assessor's Parcel Number 266-00-001-001, 266-00-001-009, 266-00-001-010, and portions of 266-00-002-002, and 266-00-002-003, located westerly of Needles Highway and Aha Macav Parkway in Laughlin, Nevada ("**Property" or "Parcel A**"); and

WHEREAS, the Property is not needed for County purposes and leasing the property is in the County's best interest; and

WHEREAS, the County desires to lease the Property pursuant to NRS 244.281 and 244.283 allowing for real property owned by a county to be leased at public auction for the purpose of building a solar generating facility and related facilities on the Property; and

WHEREAS, the County desires to include an Option period to exercise the lease; and

WHEREAS, the Property has been appraised by two disinterested competent appraisers chosen as required by NRS 244.2795, and the highest of the two appraisals concludes that the annual rental value of the leased Property is Five Hundred Sixty Thousand Dollars ($560,000); and

WHEREAS, the Property was acquired pursuant to the Fort Mohave Valley Development Law, NRS Chapter 427; and

WHEREAS, pursuant to the Mohave Valley Development Law, section 5(2), the building of a solar generating facility and related facilities is consistent with the master plan adopted pursuant to Chapter 278 and is consistent with the plans and projects of any general improvement district, special district, town or city whose territory contains the land proposed for leasing and development; and

NOW THEREFORE, be it resolved by the Board of County Commissioners ("**Board**") that:

1. It is in the best interest of the County to lease the Property, with an option period, as provided in NRS 244.281 & 244.283, and the Board hereby declares the Property as surplus to the County's needs.

2. An Option to Lease the Property will be granted to the highest bidder at public auction on July 21, 2015, at 10:00 a.m. in the Commission Chambers at the Clark County Government Center, 500 S. Grand Central Parkway, Las Vegas, Nevada, during the regular Commission meeting, at which time and place all sealed bids will be opened, examined and declared and oral bids will be taken under the following terms and conditions:

a. Any sealed bids must be made on the County's bid form available at the Clark County Department of Real Property Management office, located on the 4th floor of the Clark County Government Center, 500 S. Grand Central Parkway, Las Vegas, Nevada 89155 (**"RPM Office"**), or by accessing Clark County's website at http://www.clarkcountynv.gov/Depts/real_property/Services/Pages/SurplusPropertySales.aspx

b. **THE MINIMUM ACCEPTABLE BID FOR THE PROPERTY IS:**

LEASE PARCEL A APN No.	SIZE	APPRAISED VALUE	MINIMUM BID
266-00-001-001, 266-00-001-009, 266-00-001-010 and portions of 266-00-002-002 and 266-00-002-003	±2,596 acres	$560,000 annual rent	$560,000 annual rent

c. **TERMS OF OPTION AND LEASE AGREEMENTS**

Successful bidder has three years to exercise the option to lease with an initial and subsequent monthly option fee payments (collectively "Option Fee"). The Option Fee, including all payments, is non-refundable regardless if successful bidder exercises the option.

The lease shall be for a term of twenty years with an option to extend the lease for two (2) additional five (5) year periods.

Rent shall be paid annually with the first rental payment due on or before the commencement date of the lease. Rent shall escalate at a rate of 3% per year.

Additional terms of the Option to Lease and Lease Agreement are found in said documents attached hereto as Exhibit B and incorporated herein by reference.

The sole purpose for which the Property and any improvements thereon may be used is for the construction, establishment, operation and maintenance of a solar generation facility.

d. Anyone interested in making either a written sealed bid or oral bid must register in person at the RPM Office between July 1, 2015 and July 13, 2015, during the hours of 8:00 a.m. to 4:30 p.m. To register, bidders must show valid government issued

I.D. and complete a registration form available at the RPM Office or online at the Department of Real Property Management's website: http://www.clarkcountynv.gov/Depts/real_property/Services/Pages/SurplusPropertySales.aspx. Registration forms must be completed and received at the RPM Office before 4:30 p.m. on July 13, 2015. Only individuals who have registered will be allowed to bid on the Property.

e. Sealed written bids will be accepted in person at the RPM Office prior to 4:30 p.m. on July 20, 2015. All bids must be signed and submitted in sealed envelopes clearly marked on the outside: **"ATTN: KRYNN WILLIAMS OR ROBERT TOMIYASU, REAL PROPERTY MANAGEMENT, LEASE PARCEL A." THE BIDDER'S NAME AND TELEPHONE NUMBER MUST ALSO APPEAR ON THE OUTSIDE OF THE ENVELOPE.** Any bids received and time-stamped after the deadline will not be considered.

f. Any sealed written bids will be opened, examined and declared by the Board before calling for oral bids. Any initial oral bid must exceed the highest written bid by at least five percent (5%), and subsequent bids must be in increments of Five Thousand Dollars ($5,000) or more above the previous highest oral bid.

g. The Board reserves the right to determine which bids conform to all terms and conditions specified in this Resolution. The Board may reject any and all bids, either written or oral, and withdraw the Property from the auction. The final acceptance or rejection of any bid may be made at the same meeting or at any adjourned session of the same meeting held within twenty-one (21) days. Unless the Board withdraws the Property, the Option to Lease the Property will be granted to the highest bidder.

h. **It is the bidders' responsibility to inspect the Property and to determine the Property's condition, value, current zoning district and master plan designation, access, matters affecting title, applicable development codes, and all other pertinent information about the Property.**

i. The County is leasing the Property in "as-is" condition and under the assumption that the successful bidder's leasing of the Property is based upon the bidder's independent investigation. The County makes no representations or warranties regarding the Property's physical condition or stability, the existence of hazardous materials on or under the surface of the Property, the Property's suitability for the bidders' purposes or for any other purpose, the Property's value, current zoning district, master plan designation, or access, or matters affecting title, or applicable development codes.

j. The Property shall be leased subject to existing liens, encumbrances, covenants, conditions, restrictions, reservations, rights-of-way, and easements.

k. The Property is to be optioned for cash. Within forty-eight (48) hours of the Board's final acceptance of the highest bid, the highest bidder shall pay the initial Option Fee Payment of $140,000 in the form of a cashier's check payable to "Clark County"

delivered to the RPM Office. **This Option Fee Payment, and all subsequent Option Fee Payments, is/are non-refundable.** If the Option Fee Payment is paid timely, the highest bidder will be deemed to be the successful bidder. If the highest bidder fails to timely deliver the Option Fee Payment as required, the next highest bidder may submit the **non-refundable** Option Fee Payment of $140,000 within forty-eight (48) hours of notification by the County. If the next highest bidder makes the payment within such time, he or she will be deemed to be the successful bidder.

l. The successful bidder shall sign the Option to Lease within ten (10) days of the Board's final acceptance of the highest bid. If successful bidder fails to sign the Option to Lease, successful bidder will still be bound by the terms and conditions. The Option Fee, including any and all payments, is/are non-refundable.

m. Any individual who submits a sealed or written bid on behalf of an entity shall be deemed to have represented and warranted that such individual has the legal power, right and authority to bind the entity to the Option to Lease the Property on the terms contained in this Resolution.

n. All bidders shall be deemed to have represented and warranted that either they, or the entity or individual they represent, have the funds necessary to pay the Option Fee and the amount bid.

PASSED, ADOPTED AND APPROVED this 16th day of June, 2015.

ATTEST

Lynn Marie Goya, County Clerk

CLARK COUNTY, NEVADA
BOARD OF COUNTY COMMISSIONERS

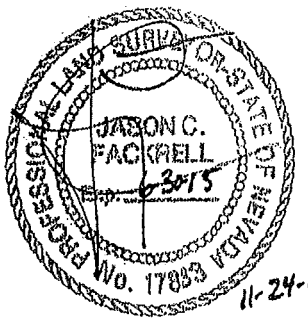
Steve Sisolak, Chairman

APPROVED AS TO FORM:
DISTRICT ATTORNEY
STEVEN B. WOLFSON

By
Shannon Wittenberger
Deputy District Attorney

PARCEL A - EXHIBIT A

2727 SOUTH RAINBOW BOULEVARD * LAS VEGAS, NEVADA 89146-5148
PHONE 702-873-7550 * FAX 702-362-2597



11-24-14

W.O. 7691
NOVEMBER 13, 2014
BY: TZ
CHK: JCF
APN 266-00-001-001,009, AND 010
PT. OF APN 266-00-002-002 AND 003

EXPLANATION:
THIS LEGAL DESCRIBES PARCELS OF LAND GENERALLY LOCATED WESTERLY OF NEEDLES HIGHWAY AND AHA MACAV PARKWAY FOR LEASE EASEMENT PURPOSES.

LEGAL DESCRIPTION

BEING ALL OF SECTIONS 1, 12 AND 13, TOWNSHIP 33 SOUTH, RANGE 65 EAST, M.D.M., CLARK COUNTY, NEVADA;

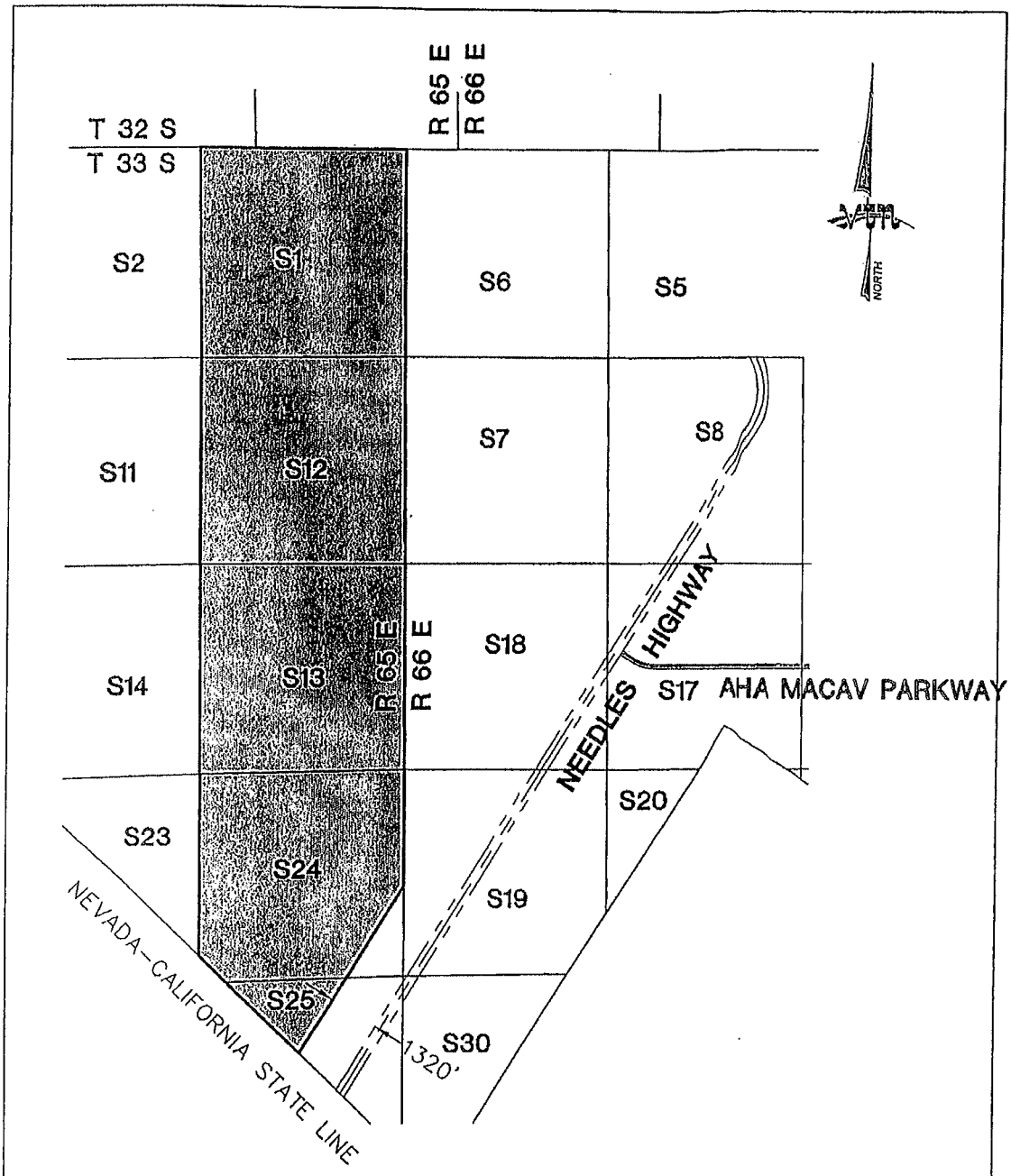
TOGETHER WITH ALL THAT PORTION OF SECTION 24 AND SECTION 25, SAID TOWNSHIP AND RANGE LYING WESTERLY OF A LINE LYING 1,320 FEET WEST OF AND RUNNING PARALLEL WITH THE WESTERLY RIGHT-OF-WAY OF NEEDLES HIGHWAY, ALL SHOWN ON THE "EXHIBIT TO ACCOMPANY LEGAL DESCRIPTION" ATTACHED HERETO AND MADE A PART HEREOF.

CONTAINING: 2,596 ACRES, MORE OR LESS, AS DETERMINED BY CLARK COUNTY GIS RECORD INFORMATION.

NOTE: THE ABOVE DESCRIPTION AND RESULTANT ACREAGE WAS OBTAINED FROM RECORD INFORMATION AND DOES NOT REPRESENT AN ACTUAL SURVEY PERFORMED ON THE GROUND.

G:\7691\LEGALS\7691\LeaseEasement02.DOC
G:\7691\7691rec.DWG

PARCEL A - EXHIBIT A



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2727 SOUTH RAINBOW BOULEVARD
LAS VEGAS, NV 89146-5148

EXHIBIT TO ACCOMPANY LEGAL DESCRIPTION

CLARK COUNTY LEASE EASEMENT

SCALE	HORZ. 1"=4000
	VERT.
W.O. NO.	7691
DRAWN BY:	JCF
DATE:	11/10/14
SHEET	1 OF 1

EXHIBIT B

OPTION AGREEMENT TO LEASE REAL PROPERTY

THIS OPTION AGREEMENT TO LEASE REAL PROPERTY (the "**Agreement**") is made as of the Effective Date (defined below), by and between_____ ("Optionee"), and the County of Clark, State of Nevada ("**County**"). Optionee and County are sometimes hereinafter individually or collectively referred to as a "**Party**" or the "**Parties**."

RECITALS

A. County owns ±2,596 acres of vacant real property commonly described as parcels of land generally located westerly of Needles Highway and Aha Macav Parkway in Laughlin, Nevada, APN 266-00-001-001, 266-00-001-009 and 266-00-001-010 and portions of APN 266-00-002-002, and 266-00-002-003, and more particularly described in Exhibit A attached hereto and incorporated herein by this reference together with all easements, hereditaments, and appurtenances thereto (collectively, the "**Property**" or "**Parcel A**").

B. County acquired the Property pursuant to the Fort Mohave Valley Development Law, NRS Chapter 427 ("**FMV Law**").

C. Pursuant to NRS 244.283, an auction ("**Auction**') was held at which time bids were made for an option to lease the property substantially upon the terms and conditions specified in the attached Lease Agreement ("**Lease Agreement**"), Exhibit B attached hereto and incorporated herein by this reference, and pursuant to this Agreement at which time Optionee was the successful bidder.

D. Optionee proposes to build a solar generating facility and related facilities on the Property (collectively, the "**Project**").

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties agree as follows:

1. Definitions. In addition to the terms otherwise defined in this Agreement, as used in this Agreement, the following terms shall have the meanings set forth in this Section 1.

"**Effective Date**" means the date this Agreement is approved by the Board.

"**Hazardous Materials**" means any waste, product or other substance that is regulated as hazardous or toxic under any environmental law, including but not limited to any federal, state or local law, regulation or ordinance, addressing pollution prevention and/or protection of the environment, including but not limited to the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. sec. 9601, et seq., as amended, the Resource Conservation and Recovery Act, 42 U.S.C. sec. 6901, et seq., as amended, the Toxic Substance Control Act 15 U.S.C. sec. 2601, et seq., as amended, the federal Water Pollution Control Act, 33 U.S.C. sec. 1251, et seq., as amended, and NRS sec 459.400, et seq., as amended.

2. Option Fee. Optionee shall pay to County a non-refundable option fee **("Fee")** of One Million Six Hundred Eighty Thousand Dollars ($1,680,000) as outlined in Section 2.1 below.

2.1. Structure of Payments. The Fee shall be paid in installments ("Payments" or "Fee Payments") as follows. Failure to make any Payment by the due date shall be considered a material breach of this Agreement.

2.1.1. A payment of One Hundred Forty Thousand ($140,000) Dollars shall be paid within 48 hours of the Auction;

2.1.2. Monthly payments of Forty Six Thousand Six Hundred Sixty Six and 67/100 ($46,666.67) Dollars shall be paid commencing on November 21, 2015 and due on the 21st day of each month thereafter.

2.1 The Fee, including any and all Payments, is non-refundable.

3. Term. The term of this Agreement shall be three (3) years from the Effective Date ("**Option Period**") unless terminated prior to that date as specified in Section 6.1.

4. Grant of Option. County hereby grants to Optionee an exclusive option to lease the Property pursuant to the terms of this Agreement (the "**Option**").

5. Exercise of Option.

5.1 Notice of Exercise. If Optionee desires to exercise its Option to lease the Property within the Option Period, Optionee shall notify County in writing of such exercise no later than the expiration date of the relevant Option Period ("**Option Exercise Notice**").

5.2 Development Plan. Optionee shall submit a copy of Optionee's development plan outlining Optionee's intended development and construction of the project ("Development Plan") to the Director of Real Property Management ("Director") for approval ninety (90) days prior to the expiration date of the relevant Option Period.

5.2.1 Within thirty (30) days of receipt, the Director shall approve or reject the Development Plan in his sole discretion which shall not be unreasonably withheld. If the Development Plan is not approved, Optionee may resubmit a modified Development Plan for possible approval.

5.3 Lease. Within thirty (30) days after Optionee gives the Option Exercise Notice, Optionee shall execute the Lease Agreement attached hereto as Exhibit B pursuant to the terms specified and the rental amount determined at the Auction. This 30 day period may be extended for one additional 30 day period by mutual agreement of the parties ("**Option Extension Period**") and payment by Optionee to County of an additional non-refundable payment of One Hundred Forty Thousand Dollars ($140,000), prior to the Option Extension Period ("Extension Fee"). However, County is under no obligation to consent to the Option Extension Period and the decision to consent to the Option Extension Period is in the County's sole discretion.

6. Termination. In the event Optionee does not exercise the Option as specified in Section 5, this Agreement shall automatically terminate.

6.1 Optionee may terminate the Agreement at any time upon thirty (30) days notice to the County as long as all Fees and/or Fee Payments due and owing as of the time of the notice are paid in full.

7. Representations and Warranties.

7.1 By County. County represents and warrants to Optionee as of the Effective Date as follows:

7.1.1 Authority. This Agreement has been duly executed and delivered by County and constitutes a valid and binding obligation of County, enforceable in accordance with its terms.

7.1.2 County makes no representations, warranties or covenants regarding the title, condition, or stability of the Property, or its suitability for Optionee's purposes or for any other purpose or the existence of any Hazardous Materials on or within the Property. Optionee will assume responsibility for any Hazardous Materials on the Property and any environmental mitigation and/or cleanup as outlined in Section 9.1.

7.2 By Optionee. Optionee represents and warrants to County as of the Effective Date as follows:

7.2.1 Authority. This Agreement has been duly executed and delivered by Optionee and constitutes a valid and binding obligation of Optionee, enforceable in accordance with its terms.

7.2.2 No Violations. Neither the execution, delivery or performance of this Agreement will breach any statute, law, ordinance, rule or regulation of any governmental authority or conflict with or result in a breach of any of the terms, conditions or provisions of any judgment, order, injunction, decree or ruling of any court or governmental authority to which Optionee is subject or any agreements or instruments by which Optionee is bound, or constitute a default thereunder.

7.2.3 No Consents. No consent, approval or authorization of any governmental authority (other than County) or private party is required in connection with the execution, delivery and performance of this Agreement by Optionee.

8. County Hereby Agrees to the Following:

8.1 Access and Investigation. During the Option Period, County will afford Optionee and its representatives full and free access to the Property subject to the terms specified in Section 9.1.

8.1.1. County hereby agrees that if Lessee requires an easement for ingress, egress or regress over the County owned property adjacent to the Property because no other access is available, County will grant any such necessary non-exclusive easements within the County's sole discretion.

8.2 Selling of the Property; Encumbrances. During the Option Period, County shall not sell the Property or any portion thereof or subject the Property to any additional liens, encumbrances, covenants, conditions, easements, rights of way, or similar matters unless such matters are approved in writing by Optionee.

8.3 Land Use Matter and Other Regulatory Approvals and Cooperation. County shall cooperate with Optionee's efforts to obtain entitlements, permits, licenses, variances, grant approvals, tax credits and other federal, state or local government assistance or approvals for the development of the Project, provided that such cooperation is without additional cost or expense to County. County shall have no liability to Optionee, despite County's cooperation under this Section 8.3, if Optionee is unable to obtain a permit, approval, agreement, grant, tax credit, variance, or other entitlement or permission contemplated by this Section 8.3. County is under no obligation to grant any permits, licenses, variances or other approvals but only to assist as needed as the owner of the Property.

9. Optionee Hereby Agrees to the Following:

9.1 Condition and Use of Property. Optionee acknowledges that the County is making no representations regarding the title, condition, or stability of the Property, or its suitability for Optionee's purposes or for any other purpose or the existence of any Hazardous Materials on or within the Property. Optionee accepts the Property in an "as is" condition and will assume responsibility for any Hazardous Materials and costs of any environmental mitigation, cleanup and/or removal on the Property, provided, however, Optionee shall have no obligation to assume any such responsibility for any Hazardous Materials placed on the Property by the County and/or its employees, agents or contractors in a manner that imposes characterization, remediation or removal obligations under any environmental law. Optionee shall release and indemnify, defend and hold County and its officers and employees harmless from and against any and all obligations, liabilities, suits, claims, demands, fines, penalties, damages, losses and/or expenses in any way related to, connected with, or arising out of Hazardous Materials existing on, under or adjoining portions of the Property if Optionee is responsible for such Hazardous Materials and environmental mitigation, cleanup and/or removal. This provision does not apply to Hazardous Materials which are both pre-existing to this Agreement and not caused by the actions of Optionee or its employees, agents or contractors.

9.2 Activities on Property. Optionee's access to Property is subject to compliance with the following terms and conditions:

9.2.1 Use of the Property is authorized for the following purposes only: (1) the right to conduct geotechnical, biological and cultural resource investigations; (2) the right to conduct a Phase I environmental site assessment; (3) the right to undertake a Phase II environmental site assessment; (4) site surveys including, but not limited to, boundary and topography surveys; and (5) any other testing or assessment necessary to perform due diligence. Optionee shall not perform any construction work or grading, including any improvements or utilities.

9.2.2 Optionee agrees not to use or dispose of any hazardous materials at, within, or on the Property. If Optionee does discover hazardous material on the Property, then Optionee will dispose of the discovered Hazardous Material in accordance with applicable law.

9.2.3 Optionee agrees that if any of its agents, volunteers, representatives, contractors, and/or subcontractors cause to be placed on the Property any Hazardous Materials in a manner that imposes characterization, remediation or removal obligations under any environmental laws then OPTIONEE will be responsible, at their sole cost and expense, for such characterization, remediation and removal obligations as they pertain to the Property.

9.2.4 At all times Optionee will take all necessary actions to provide proper safety measures necessary to prevent harm to individuals and property including but not limited to safety measures required by the County.

9.3 Indemnification. Optionee shall indemnify and defend County against and hold County harmless from any damages, liability, costs, expenses, litigation, or claims incurred in or in connection with any lawsuit for the personal injury or death or property damages arising out of Optionee's access and/or use to the Property allowed or any lawsuit alleging that this Agreement violates applicable law, including, without limitation, the National Environmental Policy Act. County shall provide Optionee with notice of any such claims of liability with reasonable promptness and Optionee shall have the right of defense in such proceedings by counsel of its own choosing at Optionee's expense. County shall cooperate fully in all respects with Optionee in any such defense, including, without limitation, by making available to Optionee all pertinent information under the control of County.

9.4 Removal of Equipment and/or Preservation of Property. If Agreement is terminated for any reason, Optionee agrees to return the Property to reasonably the same condition as Property was prior to entry by Optionee to the satisfaction of the County. Optionee shall also remove any and all equipment and/or property of Optionee from the

Property. If Optionee fails to remove any and all equipment and/or property, or does not return the Property to reasonably the same condition, County shall have the right to take possession and ownership of any and all items, and/or repair the Property, and invoice Optionee for the associated costs and expenses. Optionee agrees to pay the invoice within thirty (30) days of receipt.

9.5 Insurance. Optionee, at its sole cost and expense, in addition to the indemnification clause above, shall obtain and maintain Comprehensive General Liability Insurance, and shall name, as an additional insured, the County, its officers, employees, volunteers and agents for the duration of this Permit. General liability coverage must be provided either on a Commercial General Liability Form or a Broad Form Comprehensive General Liability Form. No exceptions to the standard coverage provided by such forms are permitted. Policies must include, but need not be limited to, coverage for bodily injury, personal injury, Broad Form property damage, premises operations, and severability of interest, products and completed operations, contractual independent contractors. Optionee shall maintain at all times limits of no less than $1,000,000.00 combined single limit per occurrence for bodily injury (including death), personal injury and property damage. The insurance coverage supplied by Optionee must provide for a thirty (30) day notice to the County before implementation of a proposal to suspend, void, cancel or reduce in coverage, or in limits, the required insurance coverage. This notice requirement does not waive the insurance requirements contained herein. Optionee shall provide County with Certificates of Insurance within ten (10) working days after the execution of the Permit and prior to any access to or upon the Permitted Area. The certificates and endorsements for any and all insurance policies required by the Permit are to be signed by a person authorized by the insurer and licensed in the State of Nevada. The insurance obligation does not in any way limit Optionee's liability obligations to the County.

10. Procedures in the Event of Noncompliance.

10.1 Notice Procedures. In the event of any noncompliance with any provision of this Agreement, the party alleging such noncompliance shall deliver to the other a written notice ("**Notice**") containing the section of this Agreement alleged to have been violated and the nature of the alleged violation. The other party shall have thirty (30) days from the date of receipt of the Notice to cure any alleged default or noncompliance. If the default or noncompliance is not cured within the thirty (30) days, the County shall have the right to pursue any and all available remedies, including termination of this Agreement. Failure to provide the Notice is not deemed a waiver of any rights and/or remedies herein.

10.2 Interest. Any amount due from Lessee to County which is not paid within ten (10) days after the date due shall bear interest in the per annum amount equal to two percent (2%) in excess of the Prime Rate of interest announced from time to time by Bank of America, N.A. (or an equivalent rate announced by a comparable national bank selected by County in the event Bank of America, N.A. no longer announces a Prime Rate), but in no event in excess of the maximum interest rate permitted by law, from the

date such payment is due until paid, and the payment of such interest shall not excuse or cure any default by Lessee under this Agreement.

10.3 Late Charge. If Lessee fails to pay the Fee and/or Fee Payment(s) or any other amounts or charges which Lessee is obligated to pay under the terms of this Agreement when such Fee and/or Fee Payment(s) or other amount is due, Lessee shall pay County a late charge equal to five percent (5%) of such Fee Payment or other amount. County and Lessee agree that this late charge represents a reasonable estimate of such cost and expenses and is fair compensation to County for the loss suffered from such nonpayment by Lessee. Acceptance of any late charge shall not constitute a waiver of Lessee's default with respect to such nonpayment by Lessee nor prevent the County from exercising other rights or remedies available to County under this Agreement and applicable Nevada law. The parties further agree that the payment of either late charges or interest, as provided for in Sections 10.2 and 10.3 are distinct and separate from one another in that the payment of interest is to compensate County for the use of County's money by Lessee, while the payment of a late charge is to compensate County for the additional administrative expense incurred by County in handling and processing delinquent payments.

10.4 Optionee's Remedies. Optionee acknowledges the County would not have entered into this Agreement if the County were subject to damages. Notwithstanding any other provision in this Agreement, Optionee hereby waives any and all causes of action, except for specific performance, including, but not limited to, for monetary damages which arise out of or are related to this Agreement.

11. Modifications. No modifications of this Agreement shall be effective unless set forth in writing and signed by both Parties.

12. Real Estate Brokers. Each of the Parties hereto represents to the other that it has not entered into any agreement for the payment of any fees, compensation or expenses to any person, firm or corporation in connection with the transactions provided for herein.

13. Entire Agreement. The terms of this Agreement and the Lease Agreement constitute the entire Agreement between the Parties pertaining to the subject matter hereof, and all prior or contemporaneous agreements, representations, negotiations and understandings of the Parties, whether oral or written, are hereby superseded and merged herein.

14. Notices. Any and all notices and demands by either Party to the other Party required or desired to be given hereunder shall be in writing and shall be validly given or made only if deposited in the United States mail, certified or registered, postage prepaid, return receipt requested, if made by Federal Express or other similar courier service keeping records of deliveries and attempted deliveries or when served by telecopy or similar facsimile transmission. Service by mail or courier shall be conclusively deemed made on the first business day delivery is attempted or upon receipt, whichever is sooner. Facsimile transmissions received during business hours during a business day shall be deemed made on such business day. Facsimile transmissions received at any other time shall be deemed received on the next business day.

To County: Clark County Department of Real Property Management
500 S. Grant Central Pky. 4th Floor
Box 551825
Las Vegas, NV 89155-1825
Attn: Jerry Stueve, Director
Fax: (702) 455 - 4055

To Optionee:

Either Party may change its address for the purpose of receiving notices or demands under this Agreement by a written notice given in the manner required by this Section 14 to the other Party, which notice of change of address shall not become effective, however, until the actual receipt thereof by the other Party.

15. Binding Effect. This Agreement shall bind and inure to the benefit of the respective heirs, personal representatives, successive owners, and assigns of the Parties.

16. Further Assurances. The Parties shall at their own cost and expense execute and deliver such further documents and instruments and shall take such other actions as may be reasonably required or appropriate to evidence or carry out the intent and purposes of this Agreement or to show the ability to carry out the intent and purposes of this Agreement.

17. Captions. The captions used herein are for convenience only and are not a part of this Agreement and do not in any way limit or amplify the terms and provisions hereof.

18. Governing Law. This Agreement shall be governed by and construed under the laws of the State of Nevada without regard to its conflicts of laws principles. Clark County, Nevada, shall be the exclusive venue for any action brought by the parties in any way related to this Agreement.

19. Severability. If any term, provision, covenant or condition of this Agreement, or any application thereof, should be held by a court of competent jurisdiction to be invalid, void or unenforceable, all provisions, covenants, and conditions of this Agreement, and all applications thereof, not held invalid, void or unenforceable, shall continue in full force and effect and shall in no way be affected, impaired or invalidated thereby, provided that the invalidity, voidness or unenforceability of such term, provision, covenant or condition (after giving effect to the next sentence in this Section 22) does not materially impair the ability of the parties to consummate the transactions contemplated hereby. In lieu of such invalid, void or unenforceable term, provision, covenant or condition, there shall be added to this Agreement a term, provision, covenant or condition that is valid, not void and enforceable and is as similar to such invalid, void or unenforceable term, provision, covenant or condition as may be possible.

20. Counterparts. This Agreement may be executed in any number of counterparts, each of which when executed and delivered shall be an original, but all such counterparts shall

constitute one and the same Agreement. The signature page of any counterpart may be detached therefrom without impairing the legal effect of any signature(s) thereon, provided such signature page is attached to any other counterpart identical thereto except having additional signature pages executed by other parties to this Agreement attached thereto. A facsimile or electronically executed counterpart of this Agreement shall be effective to bind the parties executing the same to the terms of this Agreement.

21. Calculation of Time Periods. If any date herein set forth for the performance of any obligation by County or Optionee or for the delivery of any instrument or notice herein provided should be a Saturday, Sunday, or legal holiday, such performance or delivery may be made on the next business day following such Saturday, Sunday, or legal holiday. As used herein, the term "legal holiday," means any day for which financial institutions or post offices in Nevada are authorized to close for observance thereof, and the term "business day" means any day which is not a Saturday, Sunday, or legal holiday.

22. Exhibits. All attachments referred to herein and attached hereto are hereby made a part hereof and are incorporated herein by this reference.

23. Force Majeure. Whenever a day is appointed herein on which, or a period of time is appointed in which, either Party hereto is required to do or complete any act, matter or thing, the time for the doing or completion thereof shall be extended by a period of time equal to the number of days on or during which such Party is prevented from, or is unreasonably interfered with, the doing or completion of such act, matter or thing because of, war, warlike operation, weather or other acts of God. In no event shall such period of time be extended beyond one (1) year.

24. Real Property Taxation. Notwithstanding anything in this Option Agreement to the contrary, the County and Optionee agree that (i) Optionee is not, and shall not be deemed to be, leasing any portion of the Premises as of the Effective Date; (ii) except for any portion of the Premises that might be leased in the future by Optionee pursuant to one or more Lease Agreements, no portion of the Premises shall be leased, loaned, or otherwise made available to or used by Optionee except as specified in this Agreement which limits Optionee's use to preliminary feasibility testing procedures specified in Section 9.1; and (iii) it is the intent of Parties that consistent with NRS 361.157 and all other applicable laws, the Property shall be exempt from real property taxation pursuant to NRS 361.060(1) unless and until Parties fully execute a Lease Agreement regarding the Property. If it is determined by any taxing authority that the Property is not exempt during the Option Period, Optionee hereby agrees that Optionee will solely be responsible for any real property taxes assessed during the Option Period.

24.1 Contest. If the Property is determined not to be tax exempt during the Option Period, Optionee may, if it shall so desire, contest the validity or amount of any tax, exemption, or assessment against the Property, in which event Optionee may defer the payment thereof during the pendency of such contest if applicable law so permits; provided, however, that Optionee shall not allow any tax lien to be foreclosed on the Leased Premises, and, unless such tax is paid under protest, not later than ten (10) days prior to the date the same shall become delinquent, Optionee shall have: (i) deposited with a bank or

trust company reasonably acceptable to County, an amount sufficient to pay such contested item(s) together with the interest and penalties thereon (as reasonably estimated by County) with written instructions to said bank or trust company to apply such amount to the payment of such item(s) when the amount thereof shall be finally fixed and determined (with the remainder to be paid to Optionee); or (ii) provided County with other reasonably acceptable security. In the event County is required by law to join in any action or proceeding taken by Optionee to contest any such taxes or assessments, Optionee shall indemnify, defend and hold County and County's successors, assigns, agents, employees and representatives harmless from any and all costs, fees (including, but not limited to reasonable attorneys' fees), expenses, claims, judgments, orders, liabilities, losses or damage ("Claims") arising out of such action or proceeding excluding Claims arising from County's negligence or misconduct.

24.2 If, at any time, in the judgment of County reasonably exercised, it shall become necessary so to do, County, after written notice to Optionee, may, under protest if so requested by Optionee, pay such monies as may be required to prevent: (i) transfer of the Property to the Clark County Treasurer or the sale of the Property or any part thereof: or (ii) foreclosure of any lien created thereby. Any amounts so paid shall become immediately due and payable by Optionee to County, together with interest in the per annum amount equal to two percent (2%) in excess of the Prime Rate of interest announced from time to time by Bank of America, N.A. (or an equivalent rate announced by a comparable national bank selected by County in the event Bank of America, N.A. no longer announces a Prime Rate), but in no event in excess of the maximum interest rate permitted by law, and shall constitute additional rent hereunder. At Optionee's option, sole cost and expense, and in lieu thereof, Optionee may obtain lien release bonds in amounts equal to the claims of any such liens or as otherwise required by applicable law to obtain a full and timely release of such liens.

25. No Third-Party Beneficiaries. This Agreement is intended solely for the benefit of Optionee and County and is not intended to benefit, either directly or indirectly, any third party or member(s) of the public at large, except for those provisions of this Agreement specifically applicable to and for the benefit of a lender as provided in Section 11.5.

26. Assignment. This Agreement shall be personal to Optionee and shall not be assignable in whole or in part by Optionee, and Optionee shall not directly or indirectly encumber, transfer or convey the Optionee's interest in the Property except with the prior written consent of County. County agrees to provide such consent if the proposed assignment or transfer by Optionee is to a related party. For purposes of this Section 27, "related party" shall mean an entity that Optionee controls, Optionee is controlled by or is under at least fifty-one percent (51%) common control. Optionee shall notify County, in writing, of any such actions. Before any assignment will become effective, the Assignee will, by written instrument, assume and agree to be bound by the terms and conditions of this Agreement during the remainder of the term thereafter. When seeking consent to an assignment hereunder, Optionee will submit a copy of the document or instrument of assignment to County.

27. Compliance with Law. Optionee at all times agrees to comply with all applicable federal, state and local laws, regulations, codes and ordinances.

28. Memorandum of Option Agreement. Parties agree to execute a memorandum of option agreement ("Option Memorandum") concurrent with executing this Agreement and Parties shall have the right to record the Memorandum.

[SIGNATURE PAGE FOLLOWS]

The Parties have executed this Agreement as of the date stated below.

By: _____
Name: _____
Title: _____
Dated: _____

COUNTY:

BOARD OF COUNTY COMMISSIONERS,
COUNTY OF CLARK, STATE OF NEVADA

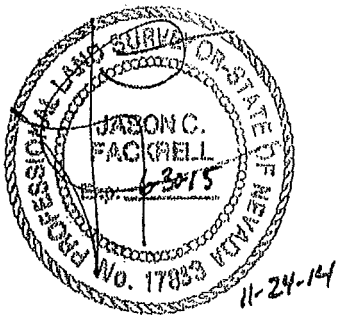
By: _____
Name: _____
Title: _____
Dated: _____

Exhibit A

Legal Description of the Property

PARCEL A - EXHIBIT A

2727 SOUTH RAINBOW BOULEVARD * LAS VEGAS, NEVADA 89146-5148
PHONE 702-873-7550 * FAX 702-362-2597



W.O. 7691
NOVEMBER 13, 2014
BY: TZ
CHK: JCF
APN 266-00-001-001,009, AND 010
PT. OF APN 266-00-002-002 AND 003

EXPLANATION:
THIS LEGAL DESCRIBES PARCELS OF LAND GENERALLY LOCATED WESTERLY OF NEEDLES HIGHWAY AND AHA MACAV PARKWAY FOR LEASE EASEMENT PURPOSES.

LEGAL DESCRIPTION

BEING ALL OF SECTIONS 1, 12 AND 13, TOWNSHIP 33 SOUTH, RANGE 65 EAST, M.D.M., CLARK COUNTY, NEVADA;

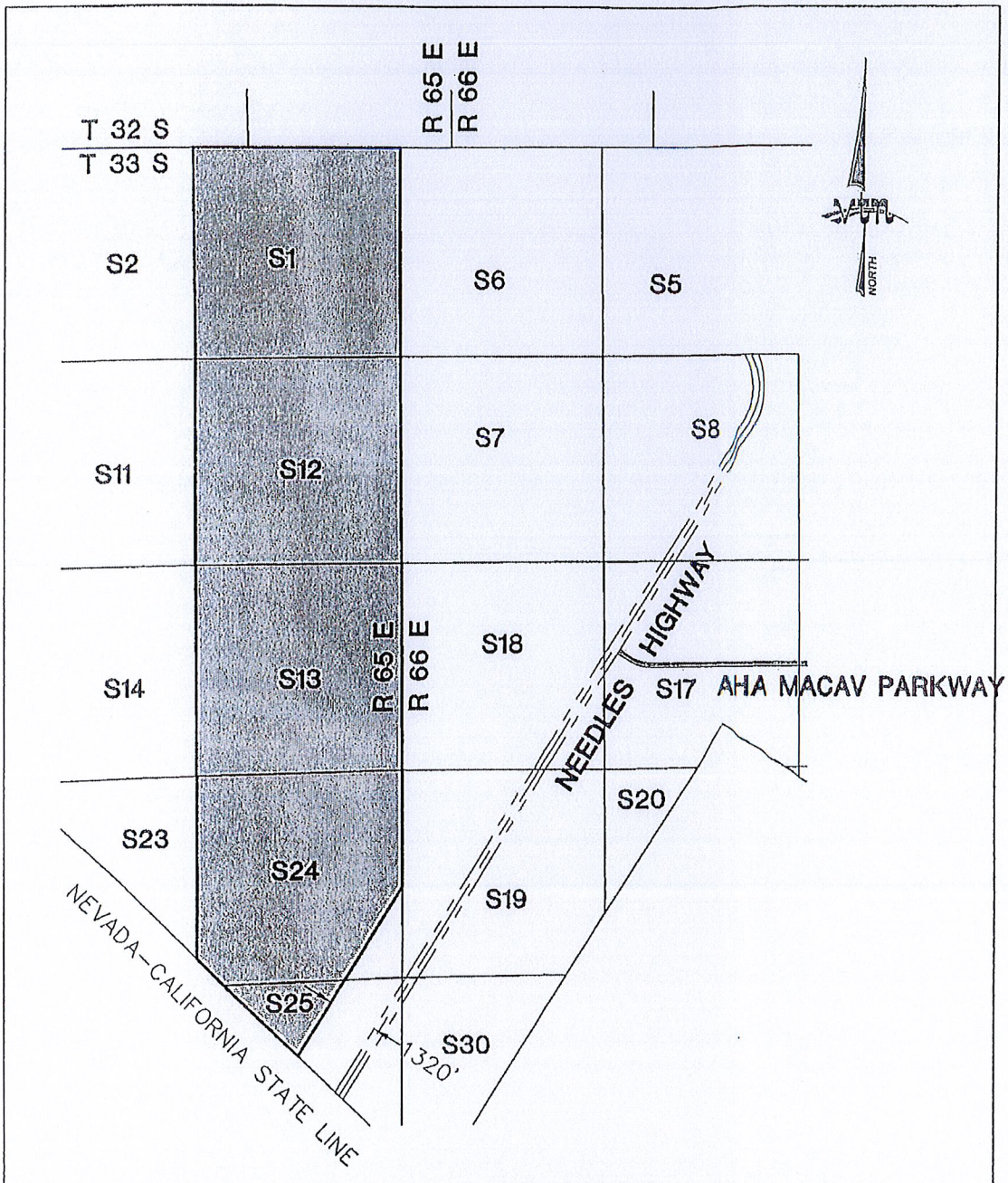
TOGETHER WITH ALL THAT PORTION OF SECTION 24 AND SECTION 25, SAID TOWNSHIP AND RANGE LYING WESTERLY OF A LINE LYING 1,320 FEET WEST OF AND RUNNING PARALLEL WITH THE WESTERLY RIGHT-OF-WAY OF NEEDLES HIGHWAY, ALL SHOWN ON THE "EXHIBIT TO ACCOMPANY LEGAL DESCRIPTION" ATTACHED HERETO AND MADE A PART HEREOF.

CONTAINING: 2,596 ACRES, MORE OR LESS, AS DETERMINED BY CLARK COUNTY GIS RECORD INFORMATION.

NOTE: THE ABOVE DESCRIPTION AND RESULTANT ACREAGE WAS OBTAINED FROM RECORD INFORMATION AND DOES NOT REPRESENT AN ACTUAL SURVEY PERFORMED ON THE GROUND.

G:\7691\LEGALS\7691\LeaseEasement02.DOC
G:\7691\7691rec.DWG

PARCEL A - EXHIBIT A



G:\7691\7691 rec.dwg

2727 SOUTH RAINBOW BOULEVARD LAS VEGAS, NV 89146-5148	EXHIBIT TO ACCOMPANY LEGAL DESCRIPTION	SCALE	HORZ. 1"=4000 VERT.
		W.O. NO.	7691
		DRAWN BY:	JCF
	CLARK COUNTY LEASE EASEMENT	DATE:	11/10/14
		SHEET	1 OF 1

EXHIBIT B

LEASE AGREEMENT

THIS LEASE AGREEMENT (the "**Lease Agreement**") is made as of this ____ day of _____, 2015 ("Commencement Date"), by and between _____ ("Lessee"), and the County of Clark, State of Nevada ("**County**" or "Lessor"). Lessee and County are sometimes hereinafter individually or collectively referred to as a "**Party**" or the "**Parties**."

RECITALS

WHEREAS, County owns ±2,596 acres of vacant real property commonly described as parcels of land generally located westerly of Needles Highway and Aha Macav Parkway in Laughlin, Nevada, APN 266-00-001-001, 266-00-001-009 and 266-00-001-010 and portions of APN 266-00-002-002, and 266-00-002-003, and more particularly described in Exhibit A attached hereto and incorporated herein by this reference together with all easements, hereditaments, and appurtenances thereto (collectively, the "**Property**" or **"Parcel A"**).

WHEREAS, County acquired the Property pursuant to the Fort Mohave Valley Development Law, NRS Chapter 427 ("**FMV Law**").

WHEREAS, pursuant to the FMV Law, the Clark County Board of County Commissioners ("**BCC**") approved planning and developmental studies necessary for the development of the Fort Mohave Valley to be performed and, pursuant to these studies, a master plan was adopted pursuant to NRS Chapter 278.

WHEREAS, the amended modification of the Master Plan of Development was approved on July 22, 2011, by Ms. Amy Lueders, Acting State Director of the United States Department of the Interior, Bureau of Land Management, which allows for renewable energy (solar) facilities to be developed on the Property.

WHEREAS, on June 16, 2015, the BCC adopted a resolution to lease, finding that leasing the Property for the purpose of building a solar generating facility and related facilities on the Property is in the best interest of the county;

WHEREAS, pursuant to NRS 244.283, an auction ("**Auction**') was held on July 21, 2015, at which time bids were made for an option to lease the property upon the terms and conditions specified in the Option Agreement to Lease Real Property ("**Option Agreement**") and the Lease Agreement at which time Lessee was the successful bidder.

WHEREAS, Lessee has exercised its option to lease the Property under the Option Agreement and intends to build a solar generating facility and related facilities on the Property (collectively, the "**Project**"), and County is willing to lease the Property for such purposes.

WITNESSETH

1. Premises and Term.

1.1 Premises. In consideration of the obligation of Lessee to pay rent as hereinafter provided and in consideration of the other terms, provisions, covenants and conditions hereof, County hereby demises and leases to Lessee, and Lessee hereby takes from County, an exclusive leasehold interest in the Property as described in Exhibit A, for purposes of design, construction, establishment, operation and maintenance of a solar generation facility, as more fully provided in the Lease Agreement.

1.2 Easement and Rights-Of-Way.

1.2.1 County and Lessee hereby agree that if Lessee requires an easement for ingress, egress, regress and/or utilities over the property of County adjacent to the Property for the construction and/or maintenance of the Improvements (defined below in Section 5.1) on the Property because no other access is available, County will grant any such necessary non-exclusive easements within the County's sole discretion.

1.2.2 The County makes no representations or warranties regarding any existing easements or rights-of-way or any other encumbrances on the Property.

1.3 Term. This Lease Agreement shall commence upon signature of the latter of both parties and shall be within the time limits specified in Section 5 of the Option Agreement ("Commencement Date"), and shall be for a term of twenty (20) years ("Lease Term").

1.3.1 Extension Option. Provided that this Lease Agreement has not been terminated by either party as provided in this Lease Agreement, and further provided that Lessee is in compliance with all of the covenants and conditions in this Lease Agreement, and is not in default at the time of exercise of the option or at the commencement of an extended term, then Lessee shall have the option ("Lease Extension Option") to extend this Lease for two (2) additional five (5) year periods (hereinafter "Lease Extension Term") under the same terms and conditions of the original Lease Agreement and as specified in Section 2.2 regarding rental escalation. Lessee shall notify the County, in writing, at least thirty (30) days, but no more than one hundred fifty (150) days, prior to the end of the initial Lease Term, of its intent to exercise the Lease Extension Option.

1.4 Owner's Representations and Warranties. County makes no representations or warranties concerning the Property or any matters with respect thereto, except as expressly stated herein. Lessee agrees that it is entering into this Lease Agreement based on its own investigation and analysis of the Property and Lessee's experience in this type of development project. Lessee agrees and understands that the Property is leased in an "as is", "where is" condition without any

representation or warranty by the County and County has not made any promises, covenants or agreements to alter, improve, adapt, or repair the Property.

1.4.1 Authority. This Agreement has been duly executed and delivered by County and constitutes a valid and binding obligation of County, enforceable in accordance with its terms.

2. **Rent.**

2.1 Rent Payments. Except as otherwise provided herein, Lessee shall pay to County, commencing as of the Commencement Date, the annual rental amount of [amount determined at auction](or _____ per acre) ("Base Rent") for the Property.

2.2 Rental Adjustments. The base rent set forth in subparagraph 2.1 will be escalated three percent (3%) annually beginning on the first anniversary of the Commencement Date and each subsequent anniversary during the term of the Lease Agreement and any Lease Extension Term.

2.3 Rental payments shall be due and payable on the Commencement Date and each anniversary thereafter, without deduction or setoff except as specifically provided herein. Lessee shall pay, without notice or demand, to County at the address below, the annual rental payment as set forth in Section 2.1, without setoff or deduction whatsoever, in advance on or before the Commencement Date and each anniversary thereafter during the Lease Term and any Lease Extension Term.

Remit checks to:

Clark County Real Property Management
Real Property Management
Attn: Director
P.O Box 551825
Las Vegas, NV 89155-1825

2.4 Interest. Any amount due from Lessee to County which is not paid within ten (10) days after the date due shall bear interest in the per annum amount equal to two percent (2%) in excess of the Prime Rate of interest announced form time to time by Bank of America, N.A. (or an equivalent rate announced by a comparable national bank selected by County in the event Bank of America, N.A. no longer announces a Prime Rate), but in no event in excess of the maximum interest rate permitted by law, from the date such payment is due until paid, and the payment of such interest shall not excuse or cure any default by Lessee under this Lease Agreement.

2.5 Late Charge. If Lessee fails to pay rent or any other amounts or charges which Lessee is obligated to pay under the terms of this Lease Agreement when such rent or other

amount is due, Lessee shall pay County a late charge equal to five percent (5%) of such rent or other amount. County and Lessee agree that this late charge represents a reasonable estimate of such cost and expenses and is fair compensation to County for the loss suffered from such nonpayment by Lessee. Acceptance of any late charge shall not constitute a waiver of Lessee's default with respect to such nonpayment by Lessee nor prevent the County from exercising other rights or remedies available to County under this Lease Agreement and applicable Nevada law. The parties further agree that the payment of either late charges or interest, as provided for in Sections 2.4 and 2.5, are distinct and separate from one another in that the payment of interest is to compensate County for the use of County's money by Lessee, while the payment of a late charge is to compensate County for the additional administrative expense incurred by County in handling and processing delinquent payments.

3. **Holding Over by Lessee.** Should Lessee or any assignee, sub-Lessee or licensee of Lessee fail to vacate the Property or any part thereof after the expiration or earlier termination of the Lease Term or Extended Lease Term, unless otherwise agreed in writing, such failure to vacate shall constitute and be construed as a tenancy from month-to-month upon the same terms and conditions as set forth in this Lease Agreement, but at a monthly rental rate in the amount equal to one hundred fifty percent (150%) of the then Base Rent immediately preceding the expiration of the Lease Term or Lease Extension Term, if applicable. Nothing contained in this Section 3 shall be construed as consent by County to any holding over by Lessee, and County expressly reserves the right to require Lessee to surrender possession of the Property upon the expiration of the Lease Term or Lease Extension Term, if applicable, or upon the earlier termination hereof, and to assert any remedy in law or equity to evict Lessee and/or collect damages in connection with such holding over. Notwithstanding the foregoing, Lessee shall have 280 days to remove Lessee's Personal Property and remaining Improvements which County wants removed from the Property as set forth in Section 5.12 and said 280 day period shall not be deemed a hold over period, and there shall be no additional charge or rental for such entry.

4. **Use of Property.**

4.1 Permitted Use. The sole purpose for which the Property and Improvements thereon may be used, in the absence of the prior written approval of the Director of Real Property Management ("Director") or his/her designee, is for the construction, establishment, operation and maintenance of the Project ("Permitted Use").

4.1.1 If any governmental license or permit is required for the lawful conduct of any business activity to be carried on by Lessee on the Property, then Lessee shall not undertake such activity until it has procured and maintains such license or permit for so long as the same is required, make such license or permit available for inspection by County, and comply at all times with all terms and conditions thereof.

4.2 Required Use. Upon completion of construction as provided in Section 5.4 and Section 5.5, Lessee shall not terminate generation of solar power for more than 24 months within a 36 month period. Doing so shall be considered a material default of this Lease Agreement and

allow County to terminate this Lease Agreement under the provisions of the Lease Agreement and pursue any and all available remedies.

4.2.1 Upon termination of generation of solar power for more than a 14 day period, Lessee shall immediately notify County in writing of the termination and the reason(s) therefor. Lessee shall continue to update Lessor on a weekly basis of the status of the solar power generation and the reasons for any continued failure to generate solar power until generation is resumed.

4.2.2 Lessor hereby agrees to allow County to audit Lessor's records at County's request regarding the termination or stoppage of solar power generation.

4.2.3 Failure to comply with any of these requirements in Section 4.2 shall be considered a material default of this Lease Agreement and will allow County to terminate this Lease Agreement under the provisions of this Lease Agreement and pursue any and all available remedies.

4.3 Prohibited Uses. Lessee covenants and agrees that it will not use or suffer or permit any person or persons to use the Property or any part thereof for a use or purpose in violation of the laws of the United States of America or the laws, ordinances, regulations or requirements of the State of Nevada, Clark County, and/or other lawful authorities having jurisdiction. Nothing contained herein shall be deemed to prevent Lessee from making a use of the Property claimed by any governmental authority having jurisdiction to be within the scope of the preceding sentence provided that: (i) Lessee is contesting the application or interpretation of such laws or the determinations of any such lawful authority; (ii) County is given written notice thereof prior to the commencement of any such contest; (iii) such contest is prosecuted by Lessee with all reasonable diligence; and (iv) Lessee provides County with such assurances or security as County may reasonably require to ensure that neither the Property nor County's rights under this Lease Agreement may be adversely affected by such contest.

4.3.1. Lessee shall promptly, and upon demand by County, reimburse County for any additional premium charged for any insurance policy maintained by County resulting from Lessee's failure to comply with the provisions of this Section 4 and for any other costs reasonably incurred by County in enforcing the provisions of this Section.

5. Construction.

5.1 Improvements. County shall have the right and opportunity to review all concept, construction and development plans for the solar generation facilities and related facilities which Lessee intends to construct on the Property ("Improvements").

5.1.1 Development Plans. Lessee shall submit Development Plans to the County as required in the Option Agreement. Prior to any type of construction, the Development Plans shall be approved by the Director of Real Property Management ("Director") or his or her designee, at his or her sole discretion; however, approval shall

not be unreasonably withheld, conditioned or delayed. The following Development Plans shall be provided by Lessee: (i) architectural elevations; (ii) site plans, including plans for grading, utilities, access, parking and fencing; (iii) phasing plan (if any); and (iv) project description.

5.1.2 Construction Plans. Lessee shall follow the County's development process and all codes, regulations, specifications and any other applicable legal requirements in the construction and maintenance of the Project, Improvements and Property. Lessee shall provide copies of any and all permits or approvals to the Director prior to any construction or repairs.

5.2.3 Record Drawings. Lessee shall provide to County any record drawings within ninety (90) days after completion of any Improvements.

5.2 County's Improvement Work. County shall have no obligation whatsoever to improve or alter the Property or any area that will be subject to any easement agreement or where the Property may ultimately connect to any public roadway.

5.3 General Contractor. Any and all general or other contractors used to construct and/or maintain the Project shall be licensed in Nevada. All engineering performed for Lessee shall conform to the applicable law so the State of Nevada and all engineering shall be approved by professional engineers licensed in the State of Nevada. Lessee shall make commercially reasonable efforts to hire local labor and materials subject to all applicable laws.

5.4 Commencement of Lessee's Construction. Lessee's Duty to Reclaim the Land. Subject to obtaining all required permits, Lessee shall commence construction of the Project in accordance with applicable laws. Lessee shall proceed with construction in accordance with Lessees approved Development Plans, with reasonable diligence and in good and workmanlike manner.

5.5 Time period for construction. Lessee shall commence construction within one year of the Commencement Date or pursuant to the approved Development Plans and complete construction within three (3) years of the Commencement Date or pursuant to the approved Development Plans. The Development Plans may be amended with the Director's approval, in his sole discretion, which approval will not be unreasonably withheld.

5.6 Failure to construct the Project pursuant to the approved Development Plans and within the time lines and manner specified in Section 5.4 and/or Section 5.5 shall be considered a material default of this Lease Agreement and allow County to terminate this Lease Agreement and pursue any and all available remedies.

5.7 In the event Lessee abandons this Project and/or this Lease Agreement is terminated at any time for any reason Lessee shall, at its own expense and to the extent reasonably possible, return the Property to its original grade and appearance. Before commencement of construction, Lessee shall provide County with insurance, or a bond, deposit,

letter of credit or other security in the amount of two million dollars ($2,000,000) to cover the cost of removing Improvements constructed by Lessee on the Property and returning the Property to its original grade and appearance. The form of security shall be subject to County's approval, not to be unreasonably withheld, conditioned, or delayed. County and Lessee intend that the form of security and amount shall be agreed upon based on reasonably estimated removal costs, the likely date when Improvements would be removed, and the parties' mutual desire that the Project be successful and profitable, and shall be based on terms reasonably acceptable to both parties, which terms shall include that such security shall be limited to secure Lessee's obligations under this Section 5.7 and County's ability to draw or collect on such security shall be subject to Lessee's sixty (60) day cure period in addition to any other cure periods provided for in this Lease Agreement.

5.8 Liability. Lessee covenants and agrees that the Project shall be constructed, operated, repaired and maintained during the Lease Term and any applicable Extended Lease Term without cost or expense to County and in accordance with the requirements of all laws, ordinances, codes, orders, rules and regulations of all governmental authorities having jurisdiction over the Property and easements, and in a good workmanlike manner. Lessee agrees to defend, indemnify and hold County, its successors, assigns, agents, employees and attorneys harmless from and against any and all cost, liability, expense, damage or injury resulting from or arising in connection with the construction, operation, repair and maintenance of the Project and/or Property during the Lease Term and any applicable Extended Lease Term, excluding any cost, liability, expense, damage or injury resulting form or arising in connection with County's negligence or willful misconduct or solely from County's actions.

5.9 Insurance. Prior to commencing any construction on the Property, Lessee shall obtain, or cause its contractors to obtain on behalf of Lessee, its contractors and agents and without cost to County, Builder's Risk Insurance covering such Project and Improvements to the full extent of the insurable value thereof during the construction period. Lessee shall also cause its contractor(s) to obtain or cause to be obtained Workers' Compensation Insurance covering all persons employed in connection with any demolition, construction, maintenance or repair with respect to whom death or bodily injury claims could be asserted against County, Lessee or the Property during the construction period. Lessee shall also obtain general liability insurance for the mutual benefit of County, Lessee and the Property. All of the aforementioned policies shall be in the form and shall contain the liability limits specified in Section 8 hereof. Lessee and its contractors and subcontractors shall have the right to self-insurance with respect to their workers' compensation insurance obligations to the extent permitted by applicable law.

5.10 No Subordination of County's Fee Title. County shall not be required to subordinate its fee interest in the Property or its reversionary interest in any Improvements to be constructed thereon to any lien or interest, including liens to secure Lessee's construction loan or other financing.

5.11 Liens and Fees. Lessee shall at all times indemnify, save and hold harmless County and County's successors, assigns, agents, employees and representatives and the Property against all liens or claims which may ripen into liens, and against all reasonable attorneys' fees and other reasonable costs and expenses, growing out of or incurred by reason of or with respect to any construction done by or for Lessee on the Property excluding liens or claims resulting from County's negligence or willful misconduct, or Leasehold Mortgages permitted by this Agreement. Should Lessee fail to fully discharge any such lien or claim, or in the alternative fail to post a bond sufficient to discharge such lien or claim within thirty (30) days after written request by County, then County, at its option, may pay the same or any part thereof excluding such liens or claims which Lessee contests in good faith the validity or amount of such liens or claim. No bond required by the County shall exceed 125% of the amount claimed unless otherwise required by law. All amounts so paid by County, together with interest in a per annum amount equal to two percent (2%) in excess of the Reference Rate of interest announced from time to time by Bank of America National Trust and Savings Association (or an equivalent rate announced by a comparable national bank selected by County in the event Bank of America no longer announces a Reference Rate), but in no event in excess of the maximum interest rate permitted by law, from the time of payment until repayment, shall be repaid by Lessee within thirty (30) days written notice by County.

5.12 Ownership of Improvements.

5.12.1 Moveable Trade Fixtures and Equipment. During the Lease Term and any applicable Lease Extension Term, all movable trade fixtures and equipment including, without limitation, Lessee's solar panels, turbines, electric generators, boilers, and step-up transformers, and related installed equipment (collectively "Lessee's Personal Property") shall remain and continue to be the property of Lessee and may be repaired or replaced at Lessee's sole discretion during the term of this Lease Agreement. Lessee's Personal Property may be removed at any time during the term of this Lease Agreement provided that Lessee repairs any damage to the Property caused by such removal and the removal does not in any way weaken or otherwise adversely affect in any material respect the structural integrity of the Property or Improvements that remain on the Property. County agrees that Lessee's Personal Property may be leased from one or more equipment lessors and that Lessee may execute and enter into equipment leases with respect to Lessee's Personal Property. Further, Lessee may grant one or more security interests in Lessee's Personal Property to one or more lenders. From time to time, within thirty (30) days after request by Lessee, County shall execute and deliver an instrument in favor of Lessee's equipment lessor or lender confirming the provisions hereof and in which County: (i) acknowledges and agrees that Lessee's Personal Property constitutes the personal property of Lessee, and shall not be considered to be part of the Property, regardless of whether or by what means they become attached thereto; (ii) agrees that it will not claim any interest in such Lessee's Personal Property; (iii) agrees that any equipment lessor or lender may enter the Leased Premises for the purpose of exercising any right it may have under the

provisions of any equipment lease or security instrument, including the right to remove Lessee's Personal Property, provided that such equipment lessor or lender agrees to repair any damage resulting from such removal in accordance with the provisions hereof; (iv) confirms that status of this Lease, including without limitation whether there is any Event of Default hereunder; and (v) agrees to give the equipment lessor or lender copies of notices of default or amendments to this Lease Agreement. Such instrument shall be prepared by Lessee or Lessee's equipment lessor or lender, subject to County's approval, not to be unreasonably withheld, conditioned or delayed.

5.12.2 Fixtures. All such Improvements which are not movable trade fixtures or equipment shall remain on the Property and automatically become the property of County upon the expiration or earlier termination of this Lease Agreement unless County gives written notice to Lessee that any or all such Improvements are to be removed, in which case Lessee shall, to the extent reasonably practicable, remove all above grade structures provided, however, that Lessee shall have no obligation to remove foundations, footings, and other similar below ground Improvements so long as Lessee covers such Improvements with soil, at Lessee's sole cost and expense, and within two hundred eighty (280) days after: (i) the expiration or earlier termination of this Lease; or (ii) notice from County given not later than one hundred eighty (180) days after the expiration or termination of this Lease, whichever is later, as to that portion of the Property upon which such Improvement to be removed are situated. If Lessee removes the Improvements as provided in this Section 5.12.2, title to such Improvements shall then be vested in Lessee.

5.12.3 Lessee's Failure to Remove Improvements. If Lessee fails to remove any Improvement, as required by this Lease Agreement and Section 5.7, then County may undertake and complete such removal, and the cost of such removal, together with interest in a per annum amount equal to two percent (2%) in excess of the Reference Rate of interest announced from time to time by Bank of America National Trust and Savings Association (or an equivalent rate announced by a comparable national bank selected by County in the event Bank of America no longer announces a Reference Rate), but in no event in excess of the maximum interest rate permitted by law, shall be payable on demand by Lessee to County.

5.13 Land Use Matter and Other Regulatory Approvals and Cooperation. County and Lessee acknowledge that Lessee intends to construct the solar facilities for electrical power generation upon the Property. County agrees to execute or join with Lessee as necessary in the execution of (i) any reciprocal non-exclusive easement agreements and in applications to obtain such subdivisions, parcel maps, use permits or use or zoning changes or variances or other federal, state or local permits or licenses, and (ii) any grant applications, applications for tax credits or abatements, or applications for state, federal or local government assistance or approvals as may be reasonably necessary for Lessee's development and use of the Property, all at Lessee's sole expense and without cost or expense to County. Subject to the conditions set forth in the preceding sentence, County shall cooperate with Lessee's efforts to obtain entitlements,

permits, licenses, variances, grant approvals, tax credits and other federal, state or local government assistance or approvals for the development of Lessee's Improvements, provided that such cooperation is without additional cost or expense to County. County shall have no liability to Lessee, despite County's cooperation under this Section 5.13, if Lessee is unable to obtain a permit, approval, agreement, grant, tax credit, variance, or other entitlement or permission contemplated by this Section 5.13. County is under no obligation to grant any permits, licenses, variances or other approvals but only to assist as needed as the owner of the Property.

5.14 Materials Removal. The development of the Property for Lessee's intended and stated purpose may require the excavation and removal of certain materials from such site. Removal of said materials from the site shall be in accordance with and subject to the express written approval of County, not to be unreasonably withheld, conditioned or delayed. At no time shall removal of any materials during the construction of this project be construed as the granting to Lessee of any mineral right or rights and shall be done in accordance with any rules, regulations, ordinances and any other applicable laws.

5.15 Off-site Improvements. For any off-site work necessary for Lessee's use of the Property, Lessee shall abide by all currently applicable laws, ordinances, regulations, standards and specifications, or other requirements of Clark County, Nevada and any other governing authority in the particular circumstances of the development herein specified.

5.15.1 Lessee, at its own cost, shall perform and complete all off-site work and improvements required to connect the Property to public roads and connect the Property to existing utility service and power lines, including, without limitation, construction of streets, sewers, water systems, curbs, electrical systems, gutters, sidewalks, street lighting, driveways, drainage, rights of way, accesses, signs, lawns, trees, shrubs, survey monuments, reference lines or points, etc., in accordance with currently applicable ordinances, regulations, standards and specifications, or other requirements of Clark County, Nevada, in the particular circumstances of the development herein specified .

5.15.2 Lands shall not be cleared of vegetation, graded or the natural ground surface thereof otherwise disturbed on any portion of land until a grading plan has first been submitted to and approved by the County.

5.15.3 Approval of Off-Site Work after Inspection. Dedication inspection and approval of any item of off-site work shall not forfeit the right of the County to require the corrections of quality workmanship or materials at any time during the course of work, although previously approved by oversight. The County shall disapprove of work or require corrections only if the work in question (i) does not comply with applicable codes, laws, or regulations, or (ii) does not comply with plans previously approved by the County, or (iii) creates an unreasonable risk of harm to the safety of persons working on or about the Property. If the County disapproves any work, it shall state in writing and with reasonable detail the reasons for disapproval.

5.15.4 Nothing herein shall relieve Lessee of the responsibility for proper construction and maintenance of the off-site work, materials and equipment required or performed under the terms of this Lease Agreement until all work has been completed by Lessee and such work has been dedicated to and accepted by the County.

5.15.5 Lessee shall retain ownership, control, and maintenance responsibilities over roadways for vehicular and pedestrian access from existing streets to the Property. However, the County retains the right to allow future developer(s) of nearby lands and County personnel to utilize the roadway for access. Should the County grant future developer(s) access to the roadway constructed by Lessee, County shall mandate future developer(s) enter into a joint operations and maintenance agreement with Lessee for the segment of roadway constructed in accordance with this Lease.

5.15.6 Lessee shall retain ownership and control over the power lines and related connections required to connect Lessee's power generation facilities to the electrical grid.

5.15.7 Lessee shall perform any alterations or connections that are required to existing utility lines or utility improvements because of the work contemplated by this Lease Agreement to bring utilities to the Property, without cost to County.

5.15.8 The Lessee shall complete said off-site improvements prior to occupancy of any such off-site structure or as required by applicable law, and no certificate of occupancy shall be issued until any off-site improvements are accepted by the County.

5.15.9 Lessee shall protect and take care of all off-site work until its completion and the dedication to and final acceptance by the County of such work. During move-in, construction and move-off, Lessee shall keep the site free and clear from dangerous accumulation of rubbish and debris and shall maintain sufficient and proper barricades, lights, etc. for the protection of the public. Final acceptance of the work will not be made by the County until the area falling under this Lease Agreement and adjacent property has been cleared of all rubbish, surplus materials and equipment resulting from the contractor's operation, to the satisfaction of the County.

6. **Utilities**. Lessee shall pay all charges incurred for the use of utility services at the Property including, without limitation, gas, electric, water and telephone. Lessee shall pay all utility connection charges and any charges associated with getting utility services extended to the Property.

7. **Taxes, Assessments and other Governmental Impositions.**

7.1 Payment. Subject to the following sentence, Lessee shall pay, within thirty (30) days after receipt of written demand from County, any real estate taxes, assessments (both general and special) and other governmental impositions which are levied against the Property; provided that Lessee shall have no obligation to pay any of such taxes, assessments and impositions more than ten (10) days prior to the date the same are due to the taxing authority.

Lessee's obligations under this Section 7.1 shall extend only to taxes, assessments and impositions which are properly allocable to the Lease Term and any Lease Extension Term. Any tax, assessment, imposition or other similar expense which is properly allocable to any period prior to the Commencement Date or any period after the date of termination or expiration of this Lease Agreement shall not be the obligation of Lessee.

7.2 Contest. Lessee may, if it shall so desire, contest the validity or amount of any tax or assessment against the Property, in which event Lessee may defer the payment thereof during the pendency of such contest if applicable law so permits; provided, however, that Lessee shall not allow any tax lien to be foreclosed on the Property, and, unless such tax is paid under protest, not later than ten (10) days prior to the date the same shall become delinquent, Lessee shall have: (i) deposited with a bank or trust company reasonably acceptable to County, an amount sufficient to pay such contested item(s) together with the interest and penalties thereon (as reasonably estimated by County) with written instructions to said bank or trust company to apply such amount to the payment of such item(s) when the amount thereof shall be finally fixed and determined (with the remainder to be paid to Lessee); or (ii) provided County with other reasonably acceptable security as determined by County in its sole discretion. In the event County is required by law to join in any action or proceeding taken by Lessee to contest any such taxes or assessments, Lessee shall indemnify, defend and hold County and County's successors, assigns, agents, employees and representatives harmless from any and all costs, fees (including, but not limited to reasonable attorneys' fees), expenses, claims, judgments, orders, liabilities, losses or damage ("Claims") arising out of such action or proceeding excluding Claims arising from County's negligence or misconduct.

If, at any time, in the judgment of County reasonably exercised, it shall become necessary so to do, County, after written notice to Lessee, may, under protest if so requested by Lessee, pay such monies as may be required to prevent: (i) transfer of the Property to the Clark County Treasurer or the sale of the Property or any part thereof: or (ii) foreclosure of any lien created thereby. Any amounts so paid shall become immediately due and payable by Lessee to County, together with interest in the per annum amount equal to two percent (2%) in excess of the Prime Rate of interest announced from time to time by Bank of America, N.A. (or an equivalent rate announced by a comparable national bank selected by County in the event Bank of America, N.A. no longer announces a Prime Rate), but in no event in excess of the maximum interest rate permitted by law, and shall constitute additional rent hereunder. At Lessee's option, sole cost and expense, and in lieu thereof, Lessee may obtain lien release bonds in amounts equal to the claims of any such liens or as otherwise required by applicable law to obtain a full and timely release of such liens.

7.3 Substitute Taxes. Notwithstanding anything herein to the contrary, if at any time during the Lease Term or Extended Lease Term there shall be levied or assessed in substitution of real estate taxes, in whole or in part, a tax, assessment or governmental imposition (other than a general gross receipts or income tax) on the rents reserved herein, and said tax, assessment or governmental imposition shall be imposed upon County, then Lessee shall pay the same as

hereinabove provided, but only to the extent that such new tax, assessment or governmental imposition is a substitute for real estate taxes previously imposed.

7.4 Installment Payments. Notwithstanding anything herein to the contrary, if at any time during the Lease Term or Extended Lease Term any assessment (either general or special) is levied upon or assessed against the Property or any part thereof, and if such assessment is permitted to be paid in installments and Lessee elects to pay such assessment in installments, then Lessee's obligation under this paragraph to pay such assessment shall be limited to the amount of such installments (plus applicable interest thereon charged by the taxing authority, if any) which become due during the Lease Term.

8. Insurance.

8.1 Fire Insurance. Lessee shall maintain so called "all risk" fire and extended coverage insurance (including vandalism, malicious mischief and earthquake and flood insurance, if commercially available at reasonable cost) on the Improvements, with a limit of or in an amount not less than one hundred percent (100%) of the replacement value thereof, less the cost of excavations, foundation, footings and underground tanks, conduits, pipes, pilings and other underground items. Payments for losses shall be made to a third party escrow or construction control account reasonably and mutually acceptable to County and Lessee and shall be disbursed from such account to Lessee and Lessee's contractors to pay for the restoration of the Improvements in accordance with the provisions of this Lease Agreement.

8.2 Liability Insurance. Lessee shall also insure against property damage and public liability arising by reason of occurrences on or about the Property by maintaining a policy or policies of commercial general liability insurance, including contractual liability coverage, insuring against tort liabilities assumed under this Lease, on an "occurrence" basis, •with a primary liability limit of not less than One Million Dollars ($1,000,000.00), and having a combined primary and excess coverage limit of not less than Five Million Dollars ($5,000,000.00).

8.3 Worker's Compensation. Lessee shall maintain (at its sole cost and expense) workers' compensation and employers' liability insurance covering all of its employees as required by the laws of the State of Nevada. Lessee shall have the right to self-insure with respect to such required coverage to the extent permitted by applicable law.

8.4 Policy Requirements. Except for workers' compensation insurance, all insurance policies required to be maintained by Lessee hereunder shall be with responsible insurance companies, authorized to do business in the State of Nevada if required by law, and, except for workers' compensation policies, shall name County as an additional insured, as its interests may appear, and shall provide for cancellation only upon thirty (30) days prior written notice to County. Except for workers' compensation insurance, Lessee shall evidence all insurance coverage by delivering to County, prior to taking possession of the Property, and thereafter from time to time upon request by County, certificates issued by the insurance companies , if any,

underwriting such risks. Except for workers' compensation insurance, Lessee shall, at the expiration of any such policy, furnish County with renewals or "binders" thereof or certificates evidencing the same. Should Lessee fail to timely procure such insurance or the requisite evidence thereof, then County may procure such insurance and charge the cost thereof to Lessee, which cost shall be payable by Lessee upon demand, and as additional rent , together with interest in the per annum amount equal to two percent (2%) in excess of the Prime Rate of interest announced from time to time by Bank of America, N .A. (or an equivalent rate announced by a comparable national bank selected by County in the event Bank of America, N.A. no longer announces a Prime Rate), but in no event in excess of the maximum interest rate permitted by law. With respect to workers' compensation insurance, Lessee shall furnish County with reasonable evidence that Lessee has complied with its obligations under this Lease.

9. Repairs. Lessee shall maintain the Property in accordance with all applicable laws, it being understood that County shall not be required to make any repairs to the Property during the Lease Term or any applicable Lease Extension Term.

10. Alterations. Lessee shall have the right to make, at its sole cost and expense, additions, alterations and changes (hereinafter referred to as "**Alterations**") in or to the Improvements, provided that an Event of Default shall not then exist, and subject to the following conditions:

10.1 Permits. No Alterations shall be undertaken unless and until Lessee shall have procured and paid for, so far as the same may be required from time to time, all required permits and authorizations of the County required by its codes and ordinances and other governmental authorities having jurisdiction.

10.2 Construction. All Alterations shall be pursued promptly to completion, shall be done in a good and workmanlike manner, and shall be in compliance with all applicable permits and authorizations, building and zoning laws and all other laws, ordinances, orders, rules, regulations and requirements of all federal, state and local governments, departments, commissions, boards and officers.

10.3 Inspection. During construction of either the Improvements or any Alterations, and subject to applicable laws and to Lessee's security policies, County shall have the right to go upon and inspect such Improvements and Alterations at all reasonable times and upon reasonable notice and shall have the right to post and keep posted thereon notices of non-responsibility or such other notices as County may deem necessary or proper for the protection of County 's interest in the Property, such postings to be completed in such a manner as to not interfere with Lessee's construction or business operations.

10.4 Liens, Claims and Fees. The provisions and requirements of Section 5.9 apply to any and all construction performed on the Property by or on behalf of Lessee including, but not limited to, initial construction, Alterations and/or maintenance. Lessee shall indemnify, defend, satisfy and hold harmless County and County's heirs.

10.5 Insurance. Prior to making any material Alterations to any building or work of improvement, Lessee and Lessee's subcontractors and agents shall comply with Section 5.9.

11. Equipment, Fixtures and Signs.

11.1 Equipment and Fixtures. Lessee shall have the right to erect, install, maintain and operate on the Property such equipment, trade and business fixtures, and other personal property as Lessee may deem necessary or appropriate, and such shall not be deemed to be part of the Property, but shall remain the property of Lessee, as provided in Section 5.12.

11.2 Permitted Signs. Lessee shall be entitled to erect upon the Property such signs as may be permitted pursuant to current County ordinances governing signs. Lessee's rights under this Section 11.2 are subject to Lessee's receipt of any and all necessary governmental approvals, permits and consents.

12. Damage by Fire or Other Casualty.

12.1 Material Damage to Improvements. In the event all or any substantial portion of the Improvements shall be damaged or destroyed in whole or in part by fire or any other casualty such that the cost to repair and restore the Improvements exceeds twenty percent (20%) of the replacement cost of the Improvements ("Material Damage"), then Lessee may terminate this Lease with a 60 day notice to Director along with proof that the cost to repair or replace exceeds replacement cost as required above, and provided, however, that Lessee removes all of Lessee's Personal Property pursuant to Section 5.12.

Use of any insurance proceeds shall be governed by the applicable provisions of Lessee's lenders' financing documents. Notwithstanding the foregoing, in the event that Lessee or Lessee's lenders make the good faith determination that the Facility is incapable of being rebuilt, repaired and/or restored to permit operation on a commercially feasible basis, all casualty insurance proceeds received by Lessee shall be applied by Lessee in the following order of priorities:

(i) First, demolition and/or removal of the Improvements per Section 5.12.

(ii) Second, to the payment of any rent in arrears, if any; and

(ii) Third, to Lessee and/or its lenders as required by any financing documents.

12.2 Additional Cost of Restoration. If Lessee elects to rebuild the Improvements, and if the insurance proceeds received by or for the account of Lessee shall be insufficient to pay the entire cost of such repairs and restoration, then Lessee shall supply the amount of any such deficiency and shall apply the same to the payment of the cost of such repair and restoration. Under no circumstances shall County be obligated to make any payment or contribution towards the cost of any repairs or restoration.

13. Condemnation

13.1 Termination. If all of the Property (or if less than all, but the remaining portion will not permit Lessee to operate its business on the Property as determined by Lessee, in its sole and absolute discretion) shall be acquired by the right of condemnation or eminent domain for any public or quasi-public use or purpose, or sold to a condemning authority under threat of condemnation or in lieu thereof, then the Lease Term shall cease and terminate as of the date of title vesting in such proceeding (or sale) and all rent shall be paid up only to that date.

13.2 Partial Condemnation. In the event of a partial taking or condemnation by the County which takes less than a substantial portion of the Property and if the remaining portion will permit Lessee to continue to operate its business on the Property as determined by Lessee, in its sole and absolute discretion, then Lessee, at Lessee' s sole cost and expense, shall proceed with reasonable diligence to restore the Property to a condition, to the extent practicable, comparable to its condition at the time of such condemnation less the portion lost in the taking, and this Lease shall continue in full force and effect, but subject to Section 14.3 below, with a pro rata reduction of rent. The rent in such circumstances will be reduced in accordance with the following formula: Current Rent Payable multiplied by (Number of Acres Condemned divided by Total Acreage Leased) = Current Rental Amount.

13.3 Payment of Award. In the event of any condemnation, taking or sale, as aforesaid, and whether whole or partial, County shall be entitled to the entire award for the Property. Use of any condemnation proceeds other than those allocated to the Property shall be governed by the applicable provisions of Lessee's lenders' financing documents. If there is no Leasehold Mortgage on Lessee's interest in the Property, or if condemnation proceeds remain after any payments to the holders of any Mortgages in accordance with Lessee's lenders' financing documents, then notwithstanding any term to the contrary contained in this Section 14.3, Lessee shall be entitled to the greater of (i) the fair market value of Lessee's interest in the Property and the Improvements, or (ii) the loss of goodwill arising from the taking or condemnation of the Property and cessation of Lessee's business on the Property, without duplication of value calculated pursuant to clause (i) above. Any amounts remaining after payment to County for the value of the Property and payments to Lessee and Lessee's lenders in accordance with this Section 14.3, shall be paid to County. Furthermore, in the event that the County invokes the right of condemnation or eminent domain which results in the condemnation, taking or sale of the Property, Lessee and its lenders (if any) shall be entitled to the entire award for the value of the Property. Notwithstanding the above allocation of the entire award to County, if the Property shall be restored by Lessee as herein provided, then Lessee shall first be entitled to recover the costs and expenses it incurred in such restoration out of any such award. Nothing contained in this Section14.3 shall be deemed to prevent Lessee from seeking a separate award from the taking authority if other than the County for the taking of Lessee's personal property and fixtures or for relocation and business interruption expenses incurred by Lessee as a result of such taking.

14. **Liability and Indemnification.**

14.1 Lessee Indemnity. Lessee shall indemnify County for all claims, causes of action and lawsuits which arise out of Lessee's use of the Property other than those caused by the negligence of County, its employees or agents. Lessee agrees to hold harmless, indemnify and defend County and its agents, officers and employees against any and all claims or liability of any kind, including liability for attorneys' fees and other litigation costs and expenses, for any injury, death, damage, or loss to any person or property whatsoever, including employees and property of County, occurring in, on or about the Property, adjacent streets or sidewalks or any part thereof, due to the negligence, fault, act or omission of Lessee, its agents, officers employees and invitees or due to the breach or default of Lessee under this Lease Agreement.

14.2 Notice of Indemnity. County shall provide Lessee notice of any claim of liability for which County may seek indemnification pursuant to Section 14.1 with reasonable promptness and Lessee shall thereupon defend such claim by counsel of its own choosing, at Lessee's expense. County shall cooperate fully in all respects with Lessee in any such defense at Lessee's expense, including, without limitation, by making available to Lessee all pertinent information under the control of County. If Lessee elects to defend any such claim, County may, at County's expense, participate in such matter with counsel of County's own choosing.

14.3 Survival. The provisions of this Section 14 shall survive termination of this Lease Agreement.

15. **Right of Inspection**. Subject to applicable laws and Lessee's normal security policies, County, its agents and representatives, shall be entitled to enter upon and inspect the Property at any time during normal business hours and upon prior reasonable notice to Lessee (or, in the case of an emergency, at any time and with or without notice), provided only that such inspection shall not unreasonably interfere with Lessee's business. Lessee reserves the right to require that County be accompanied by a representative of Lessee while on the Property.

16. **Warranty of Title and Quiet Enjoyment.**

16.1 Quiet Enjoyment. County represents that if Lessee performs all its obligations under this Lease, Lessee shall have and enjoy throughout the term of this Lease the quiet and undisturbed enjoyment of the Property.

16.2 Encumbrances and Attornment. County represents that it will not grant, create or suffer any claim, lien, encumbrance, easement, restriction or other charge or exception to title to the Property which would have any adverse effect upon Lessee's rights or obligations under this Lease. If County's interest in the Property or in this Lease Agreement is sold or conveyed upon the exercise of any remedy provided for in any mortgage loan, or otherwise by operation of law or at County's discretion, then this Lease Agreement will not be affected in any way, and Lessee will attorn to and recognize the new owner as the Lessor under this Lease Agreement. Lessee will confirm such attornment in writing within ten (10) days after Lessee's receipt of a written request for attornment.

16.3 Adjacent Land Uses. County represents that County will not allow any county owned land adjacent to the Property to be used for any purpose which would materially interfere with Permitted Use.

17. Force Majeure. The time for performance by County or Lessee of any term, provision or covenant of this Lease Agreement shall be deemed extended by time lost due to delays or hindrance of performance resulting from unusual flooding, landslide, earthquake, volcanic activity, storm, hurricane, tornado, other natural disaster, and any other cause not within the reasonable control of County or Lessee, as the case may be, to the extent such delays are not attributable to the fault or negligence of the party claiming relief (an "Event of Force Majeure"). Any party asserting an Event of Force Majeure as an excuse shall have the burden of proving that reasonable steps were taken (under the circumstances) to minimize delay or damages caused by foreseeable events, that all non-excused obligations were substantially fulfilled, and that the other party was timely notified of the likelihood or actual occurrence which would justify such an assertion so that other prudent precautions could be contemplated.

18. No Brokers. Lessee Warrants that it has not had any contact or dealings with any person or real estate broker which would give rise to the payment of any finders' fee or brokerage commission by County in connection with this Lease Agreement, and Lessee shall indemnify, hold harmless and defend County from and against any liability with respect to any such finder's fee or brokerage commission. County warrants that it has not had any contact or dealings with any person or real estate broker which would give rise to the payment of any finders' fee or brokerage commission by Lessee in connection with this Lease Agreement, and County shall indemnify, hold harmless and defend Lessee from and against any liability with respect to any such finders' fee or brokerage commission.

19. County - Lessee Relationship. It is understood and agreed that County shall in no event be construed or held to be a partner, joint venturer or associate of Lessee in the conduct of Lessee's business, nor shall County be liable for any debts incurred by Lessee in Lessee's business. It is understood and agreed that the relationship between the parties hereto is and at all times shall remain that of Lessee and Lessor.

20. Assignment and Subletting.

20.1 Assignment and Subletting. Except as permitted herein, Lessee shall not assign this Lease Agreement, in whole or in part, or sublet the whole or any part of the Property without the prior written consent of County, which shall not be unreasonably withheld, conditioned or delayed.

20.1.1 Notice. Any assignment made pursuant to the provisions of Section 20.1 or Section 20.2 of this Lease Agreement shall be subject to a written request and notice thereof made by Lessee to County not less than sixty (60) calendar days prior to the effective date of said assignment.

20.1.2 To be considered by County as a potential assignee of this Lease Agreement the following conditions are required: (i) no Event of Default (hereinafter defined) has occurred and is continuing at the time of the request for consent to the assignment; (ii) the use to be made of the Property by the assignee or sub-lessee is permitted by this Lease Agreement and all applicable laws; (iii) the assignor and/or assignee provides to County documentation that the assignee is solvent and financially able to meet the projected costs of the obligations to be assumed for the unexpired portion of the Lease Term as they come due; (iv) the assignee assumes in writing the performance of all of the terms, provisions and covenants of this Lease Agreement on the part of Lessee to be kept and performed; and (v) Lessee delivers to County within fifteen (15) days (or as soon thereafter as is reasonably practicable) after the assignment a duly executed assumption agreement (containing the conditions set forth in this Section 20.1.2 (i) through (iv), (the "Assignment Conditions") and all related bonds, surety agreements, insurance policies and contracts required by the Lease Agreement issued in the name of the assignee and the County.

20.1.3 Except where an assignment pursuant to this Section 20.1 satisfies the Assignment Conditions at the time of such assignment and is approved by the County, then, unless County otherwise consents thereto, such assignment shall not be deemed to constitute a novation or in any way release the applicable assignor from further performance of its obligations under this Lease Agreement, and such assignor shall continue to be liable for all obligations of "Lessee" hereunder for the balance of the Lease Term and any applicable Lease Extension Term with the same force and effect as if no such assignment had been made.

20.1.4 Assignment to Affiliates. Notwithstanding Section 20.1, and subject to the notice provisions of this Section 20, Lessee shall have the right to assign this Lease Agreement and shall have the right to sublet a portion of the Property without County's consent, to (i) any assignee which controls or is controlled by or under common control with Lessee, (ii) any partnership in which Lessee is a general partner, any limited liability company which is controlled by Lessee, or (iii) any member of Lessee which holds not less than a twenty-five percent (25%) interest in the profits or capital of Lessee. County shall not be entitled to any increase in rent as a result of the sublet of a portion of the Property to any such affiliate pursuant to clause (i) above. Unless County otherwise consents thereto, which consent shall not be unreasonably withheld, such assignment under this Section 20.1.4 shall not be deemed to constitute a novation or in any way release the applicable assignor from further performance of its obligations under this Lease Agreement, and such assignor shall continue to be liable for all obligations of "Lessee" hereunder for the balance of the Lease Term and any Lease Extension Term with the same force and effect as if no such assignment had been made.

20.2 Encumbrance or Assignment as Security.

20.2.1 Definitions.

20.2.1.1. The term "**Leasehold Mortgage**" as used in this Lease shall mean a first mortgage, a first deed of trust, a sale-leaseback (wherein the leaseback is prior to all other security interests in Lessee's leasehold estate) or other security instrument or device by which Lessee's leasehold estate is mortgaged, conveyed, assigned, or otherwise transferred in whole or in part, to secure a debt or other obligation.

20.2.1.2. The term "**Leasehold Mortgagee**" as used in this Lease shall refer to any party which is not affiliated with Lessee and which is the holder of a Leasehold Mortgage (which in the case of a deed of trust is the beneficiary thereof and in the case of a sale-leaseback is the Lessee) in respect to which the notice provided for by Section 20.2.3 has been given and received and as to which the provisions of this Section 20.2 are applicable.

20.2.2 Lessee's Right to Mortgage its Leasehold Interest. Notwithstanding any other provision contained in this Lease Agreement, Lessee shall have the right to encumber or assign its interest in this Lease Agreement, or assign its interest in any sublease hereunder by a Leasehold Mortgage or Leasehold Mortgagee, or assign its interest by foreclosure or assignment in lieu of foreclosure under such Leasehold Mortgage to any institutional lender or other lender or party as mortgagee or to any other purchaser at a foreclosure sale or party acquiring through deed in lieu or other like exercise of remedies under the Leasehold Mortgage, with County's consent which shall not be unreasonably withheld. Any such party acquiring such interest may thereafter assign its interest with County's consent which shall not be unreasonably withheld. Foreclosure of any Leasehold Mortgage may be effectuated by the exercise of a power of sale in accordance with the provisions of Chapter 107 of the Nevada Revised Statutes or by any other means permitted under Nevada law. There may be more than one Leasehold Mortgage on Lessee's interest in the Improvements and this Lease Agreement except that there may be only one Leasehold Mortgage at any given time constituting a first lien thereon (other than as provided in the following sentence) (which Leasehold Mortgagee may consist of more than one person or entity so long as such multiple persons or entities act through one collateral agent). Notwithstanding the foregoing, beneficiaries of two (2) separate Leasehold Mortgages may act collectively as a Leasehold Mortgagee, so long as (i) such beneficiaries act through one (1) collateral agent; and (ii) such Leasehold Mortgages are, by virtue of an intercreditor or similar agreement between such beneficiaries (a copy of which shall be provided to County before it shall be effective as to County), of equal first priority. All obligations imposed hereunder on any Leasehold Mortgage or Mortgagee shall bind all such Leasehold Mortgages and Mortgagees. Except for a Leasehold Mortgage constituting a first lien on Lessee's interest in the

Improvements and Lease Agreement and otherwise complying with the requirements herein for a Leasehold Mortgage, no mortgage, or mortgagee thereunder, shall be entitled to the benefits of any provision of this Lease Agreement except as set forth in Section 20.2.2.

20.2.3 Notice to County. Upon execution and recordation of a Leasehold Mortgage (or any amendment, supplement or modification thereto), Lessee shall give written notice to County of the name and mailing address of the Leasehold Mortgagee (which shall be deemed such Leasehold Mortgagee's address hereunder until changed by notice to County and Lessee as provided in Section 21).

20.2.4 Cancellation, Surrender and Modification. No cancellation, surrender or modification of this Lease Agreement shall be effective as to any Leasehold Mortgagee unless consented to in writing by such Leasehold Mortgagee.

20.2.5 Notice of Default and Right to Cure. County, upon providing Lessee any notice of: (i) default under this Lease, (ii) a termination of this Lease, or (iii) a matter on which County may predicate or claim a default, shall at the same time provide a copy of such notice to any Leasehold Mortgagee. No such notice by County to Lessee shall be deemed to have been duly given unless and until a copy thereof has been so provided to any Leasehold Mortgagee. From and after such notice has been given to a Leasehold Mortgagee, such Leasehold Mortgagee shall have the same period, after the giving of such notice, for remedying any default or acts or omissions which are the subject matter of such notice or causing the same to be remedied, as is given Lessee after the giving of such notice to Lessee, plus in each instance, the additional periods of time specified in Sections 20.2.6 and 20.2.7, to remedy, commence remedying or cause to be remedied the defaults or acts or omissions which are the subject matter of such notice specified in any such notice. County shall accept such performance by or at the instigation of such Leasehold Mortgagee as if the same had been done by Lessee. Lessee authorizes each Leasehold Mortgagee to take any such action at such Leasehold Mortgagee's option and does hereby authorize entry upon the Property by the Leasehold Mortgagee or a receiver or other agent or designee of the Leasehold Mortgagee for such purpose.

20.2.6 Termination for Lessee Default. Anything contained in this Lease Agreement to the contrary notwithstanding, if any default shall occur which entitles County to terminate this Lease Agreement, County shall have no right to terminate this Lease Agreement unless, following the expiration of the period of time given Lessee to cure such default or the act or omission which gave rise to such default, County shall notify any Leasehold Mortgagee of County's intent to so terminate at least thirty (30) days in advance of the proposed effective date of such termination if such default is capable of being cured by the payment of money, and at least ninety (90) days in advance of the proposed effective date of such termination if such default is not capable of being cured

by the payment of money. The provisions of Section 20.2.7 below shall apply if, during such thirty (30) or ninety day (90) cure period, any Leasehold Mortgagee shall:

(a) notify County of such Leasehold Mortgagee's desire to avoid any termination of this Lease by County; and

(b) pay or cause to be paid all rent and other payments then due and in arrears as specified in the notice to such Leasehold Mortgagee and which may become due during such thirty (30) or ninety (90) day cure period, provided, however, that such payment shall not be deemed a waiver of any other default; and

(c) comply, or in good faith and with reasonable diligence commence to comply, with all non-monetary requirements of this Lease Agreement then in default and reasonably susceptible of being complied with by such Leasehold Mortgagee (provided, however, that such Leasehold Mortgagee shall not be required during such period to cure or commence to cure any default consisting of Lessee's failure to satisfy and discharge any lien, charge or encumbrance against Lessee's interest in this Lease Agreement or the Property junior in priority to the lien of the Leasehold Mortgage held by such Leasehold Mortgagee, so long as such lien, charge or encumbrance does not also encumber or threaten County's interest in the Property).

(d) If the Lessee default is cured, including any penalties or interest or other terms, within the supplemental cure period provided to the Leasehold Mortgagee, and the conditions outlined in (a)-(c) above have been met, this Lease shall continue in full force and effect as if Lessee had not defaulted under this Lease and the Leasehold Mortgagee shall have no obligation to commence any foreclosure proceedings to prevent the termination of the Lease.

20.2.7 Procedure on Default.

20.2.7.1 If County shall elect to terminate this Lease Agreement by reason of any default of Lessee that is not cured within any applicable cure period, and if a Leasehold Mortgagee shall have proceeded in the manner provided for by Section 20.2.6, the specified date for the termination of this Lease Agreement as fixed by County in its termination notice shall be extended for a period of not more than twelve (12) months provided that such Leasehold Mortgagee shall, during such twelve (12) month period:

(a) pay or cause to be paid the rent, additional rent and other monetary obligations of Lessee under this Lease Agreement as the same become due (subject to all applicable notice and cure periods), and continue its good faith efforts to perform all of Lessee's other obligations under this Lease Agreement, excepting obligations of Lessee to satisfy or otherwise discharge any lien, charge or encumbrance against Lessee's interest in this

Lease Agreement or the Property junior in priority to the lien of the Leasehold Mortgage held by such Leasehold Mortgagee, so long as such lien, charge or encumbrance does not also encumber or threaten County's interest in the Property; and

(b) if not enjoined or stayed, take steps to acquire or sell Lessee's interest in this Lease Agreement by foreclosure of the Leasehold Mortgage or other appropriate means and prosecute the same to completion with due diligence.

20.2.7.2 If at the end of such twelve (12) month period such Leasehold Mortgagee is complying with Section 20.2.7.1, this Lease Agreement shall not then terminate, and the time for completion by such Leasehold Mortgagee of its proceedings shall continue so long as such Leasehold Mortgagee is enjoined or stayed and thereafter for so long as such Leasehold Mortgagee proceeds to complete steps to acquire or sell Lessee's interest in this Lease Agreement by foreclosure of the Leasehold Mortgage or by other appropriate means with reasonable diligence and continuity. Nothing in this Section 20.2.7.2, however, shall be construed to extend this Lease Agreement beyond the Lease Term, or to require a Leasehold Mortgagee to continue such foreclosure proceedings after the subject Lessee default has been cured. If the default shall be cured and the Leasehold Mortgagee shall discontinue such foreclosure proceedings, this Lease Agreement shall continue in full force and effect as if Lessee had not defaulted under this Lease.

20.2.7.3 If a Leasehold Mortgagee is complying with Section 20.2.7.1, upon the acquisition of Lessee's leasehold estate herein by such Leasehold Mortgagee or its designee or any other purchaser at a foreclosure sale or otherwise, and upon the discharge of any lien, charge or encumbrance against Lessee's interest in this Lease Agreement or the Property which is junior in priority to the lien of the Leasehold Mortgage, including discharge by foreclosure, and which Lessee is obligated to satisfy and discharge by reason of the terms of this Lease, this Lease Agreement shall continue in full force and effect as if Lessee had not defaulted under this Lease.

20.2.7.4. The making of a Leasehold Mortgage shall not be deemed to constitute an assignment or transfer of this Lease Agreement or of the leasehold estate hereby created, nor shall any Leasehold Mortgagee, as such, be deemed to be an assignee or transferee of this Lease Agreement or of the leasehold estate hereby created so as to require such Leasehold Mortgagee, as such, to assume the performance of any of the terms, covenants or conditions, except as stated in Section 20.2.6. if applicable, on the part of Lessee to be performed hereunder, but the purchaser, including Leasehold Mortgagee, at any sale of this Lease

Agreement and of the leasehold estate hereby created in any proceedings for the foreclosure of any Leasehold Mortgage, or the assignee or transferee of this Lease Agreement and of the leasehold estate hereby created under any instrument of assignment or transfer in lieu of the foreclosure of any Leasehold Mortgage, shall be deemed to be an assignee or transferee within the meaning of this Lease Agreement, and shall be deemed to have agreed to perform all of the terms, covenants and conditions on the part of Lessee to be performed hereunder from and after the date of such purchase and assignment

20.2.7.5. Notwithstanding any other provisions of this Lease Agreement, any sale of this Lease Agreement and of the leasehold estate hereby created in any proceedings for the foreclosure of any Leasehold Mortgage, or the assignment or transfer of this Lease Agreement and of the leasehold estate hereby created in lieu of the foreclosure of any Leasehold Mortgage shall be deemed to be a permitted sale, transfer or assignment of this Lease Agreement and of the leasehold estate hereby created.

20.2.7.6. Nothing in this Section 20.2 shall limit County's ability to enforce this Lease Agreement by any means (including, but not limited to, an action for specific performance and/or injunction) other than termination, reentry or taking possession after expiration of the cure periods, if any, provided in Section 22.1. County shall have the right to terminate the Lease, reenter and/or take possession of the Property subject to the terms and conditions of this Lease, including, without limitation the provisions of Section 20.2.5, 20.2.6 and 20.2.7.

20.2.7.7 Neither the bankruptcy nor the insolvency of Lessee shall be grounds for terminating this Agreement as long as all material obligations of Lessee under the terms of this Agreement are performed by the Leasehold Mortgagee in accordance with the terms of this Agreement.

20.2.7.8 If this Agreement terminates because of Lessee's default or if the leasehold estate is foreclosed, or if the Agreement is rejected or disaffirmed pursuant to bankruptcy law or other law affecting creditors' rights, the Owner shall, upon written request from any Leasehold Mortgagee within ninety (90) days after such event, enter into a new lease (the "New Lease") for the Property.

20.2.9 Legal Proceedings. County shall give any Leasehold Mortgagee prompt notice of any legal proceedings between County and Lessee involving obligations under this Lease Agreement. Any Leasehold Mortgagee shall have the right to intervene in any such proceedings and be made a party to such proceedings at its or Lessee's cost, and the parties hereto do hereby consent to such intervention. In the event that any Leasehold Mortgagee shall not elect to intervene or become a party to any such proceedings, County shall give the Leasehold Mortgagee notice of, and a copy of, any award or decision made in any such proceedings.

20.2.10 No Merger. So long as any Leasehold Mortgage is in existence, unless any Leasehold Mortgagee shall otherwise expressly consent in writing, the fee title to the Property and the leasehold estate of Lessee therein created by this Lease Agreement shall not merge but shall remain separate and distinct, notwithstanding the acquisition of said fee title and said leasehold estate by County or by Lessee or by a third party, by purchase or otherwise.

20.2.11 Future Amendments. In the event Lessee hereafter seeks to encumber its leasehold estate, County agrees to amend this Lease Agreement from time to time to the extent reasonably requested by a prospective Leasehold Mortgagee, provided that such proposed amendments do not materially and adversely affect the rights of County or its interest in the Property. All reasonable expenses incurred by County in connection with any such amendment shall be paid by Lessee.

20.2.12 Prepaid Rent. If any Leasehold Mortgagee, its designee or other purchaser has acquired the leasehold estate of Lessee pursuant to foreclosure, conveyance in lieu of foreclosure or other proceedings, such Leasehold Mortgagee, its designee or other purchaser shall succeed to the rights of Lessee, if any, in and to any prepaid rent paid by Lessee pursuant to this Lease Agreement. In such event, Lessee shall no longer have any rights to such prepaid rent, and County shall hold such prepaid rent for and on behalf of such Leasehold Mortgagee, its designee or other purchaser.

20.2.13 Estoppel. County shall, without charge, at any time and from time to time hereafter, but not more frequently than twice in any one-year period, within fifteen (15) days after written request from Lessee to do so, certify by written instrument duly executed and acknowledged to any Leasehold Mortgagee or purchaser, or proposed Leasehold Mortgagee or proposed purchaser, or any other, person or entity specified in such request: (a) as to whether this Lease Agreement has been supplemented or amended, and if so, the substance and manner of such supplement or amendment; (b) as to the validity and force and effect of this Lease Agreement, in accordance with its terms; (c) as to the existence of any default hereunder; (d) as to the commencement and expiration dates of the Lease Term; (e) as to receipt of notice by County of and consent, but not the approval of the terms, by County, if applicable, to the Leasehold Mortgage or sale, or proposed Leasehold Mortgage or proposed sale; and (f) as to any other matters as may be reasonably so requested, at the discretion of the County.

20.2.14 Notices. Notices from County to the Leasehold Mortgagee shall be mailed to the address furnished to County pursuant to Section 20.2.3, and those from the Leasehold Mortgagee to County shall be mailed to the address designated pursuant to the provisions of Section 21 hereof. Such notices, demands and requests shall be given in the manner described in Section 21 and shall in all respects be governed by and shall be deemed to be effective in accordance with the provisions of that Section.

21. **Notices and Payments.**

Any notice or document required or permitted to be delivered hereunder or by law shall be deemed to be delivered, whether actually received or not, (a) when delivered in person, (b) upon confirmed receipt (or the first business day thereafter if receipt does not occur during business hours on a business day) if such item is sent by facsimile transmission/email to the appropriate party at its facsimile number/email address set forth below or at such other number as it shall have thereafter specified by written notice delivered in accordance with this Article 22 (provided that a copy of such notice is also sent by another method pertained hereunder within one (1) business day after the same is transmitted by facsimile/email), (c) four (4) business days after such item is deposited in the United States mail, postage prepaid, certified or registered, return receipt requested, (d) one (1) business day after such item is deposited with Federal Express or other nationally recognized overnight courier, shipping charges prepaid, addressed to the appropriate party hereto at its address set out below, or at such other address as it shall have theretofore specified by written notice delivered in accordance herewith:

COUNTY: Clark County Department of Real Property Management
500 S. Grant Central Pky. 4th Floor
Box 551825
Las Vegas, NV 89155-1825
Attn: Jerry Stueve, Director
Fax: (702) 455 - 4055

LESSEE:

Payments of the Base Rent and other rent due to County from Lessee shall be deemed to be remitted only upon actual receipt thereof by County.

22. **Default.**

22.1 Events of Default. Each of the following events shall be an "**Event of Default**" under this Lease Agreement:

22.1.1 Lessee shall fail to pay any installment of rent hereby reserved as and when the same shall become due and shall not cure such default within thirty (30) days after written notice thereof is given by County to Lessee;

22.1.2 Subject to the following sentence, Lessee shall fail to comply with any term provision or covenant of this Lease Agreement other than the payment of rent, and shall not cure such failure within ninety (90) days after written notice thereof given by

County to Lessee. If such default cannot reasonably be cured within ninety (90) days, then Lessee shall have an additional reasonable period of time, as determined by the Director in his sole discretion, within which to cure such default so long as Lessee commences to cure such default within the initial ninety (90) day period and thereafter diligently prosecutes such cure to completion;

22.1.3 Lessee shall be adjudged insolvent, make a transfer in fraud of creditors or make an assignment for the benefit of creditors;

22.1.4 A receiver or trustee shall be appointed for all or substantially all of the assets of Lessee and Lessee shall not have had such appointment discharged within thirty (30) days after Lessee receives written notice of such appointment.

22.2 County's Remedies. Upon the occurrence of any Event of Default, County shall have the option to pursue any one or more of the following remedies, in addition to any other remedies available by law, subject to the provisions of Section 20.2 and the Lessee's rights under Section 5.12:

22.2.1 Terminate this Lease Agreement in which event Lessee shall immediately surrender the Property to County, and if Lessee fails so to do, County may, without prejudice to any other remedy which it may have for possession or arrearages in rent, enter upon and take possession of the Property and remove Lessee and any other person who may be occupying the Property, in compliance with applicable laws and regulations, without being liable to prosecution or for any claim for damages; and County may recover from Lessee any and all amounts and damages as may be permitted by applicable law.

22.2.2 Enter upon and take possession of the Property and remove Lessee and other persons who may be occupying the Property, or any part thereof, in compliance with applicable laws and regulations, without being liable to prosecution or for any claim for damages, and relet the Property, as Lessee's agent, and receive the rent therefore; and Lessee agrees to pay County on demand any deficiency that may arise by reason of such reletting.

22.2.3 Enter upon the Property, without being liable to prosecution or for any claim for damages, and do whatever Lessee is obligated to do under the terms of this Lease Agreement; and Lessee agrees to reimburse County on demand for any reasonable and/or necessary, expenses which County may incur in thus effecting compliance with Lessee's obligations hereunder.

Pursuit of any of the foregoing remedies shall not preclude pursuit of any of the other remedies herein provided or any other remedies provided by law, nor shall pursuit of any remedy herein provided constitute a forfeiture or waiver of any rent due to County hereunder or of any damage accruing to County by reason of the violation of any of the terms, provisions and covenants herein contained. Forbearance by County to enforce one or more of the remedies

herein provided upon the occurrence of an Event of Default does not constitute a waiver of the right to pursue any and all available remedies.

23. **Hazardous Materials.** Lessee's use of Hazardous Materials or Material, as defined in Section 23.5, upon the Property is restricted under this Section 23.

23.1 Covenant. Lessee covenants to County that it will not use, or allow to be used on the Property, or bring onto, or allow to be brought onto, the Property, any Hazardous Substance, as defined below, except us may be reasonably required in connection with its business on the Property as specifically permitted under Section 5.1, and then only in full compliance with all applicable federal, state and local laws. Lessee shall require any permitted sublease to contain provisions similar to those set forth in this Section 23.

Prior to the expiration or earlier termination of this Lease Agreement, Lessee shall, at Lessee's sole cost and expense, furnish to County a report addressed to County prepared by either a qualified engineering firm or environmental consultant ("**Lessee's Consultant**") selected by Lessee and reasonably approved by County, stating that Lessee's Consultant has examined the Property and reporting whether the Property contains Hazardous Substances in violation of applicable Environmental Laws. If Lessee's Consultant determines that there exists Hazardous Material in violation of applicable Environmental Laws Lessee shall, at its sole cost and expense and in compliance with Environmental Laws, perform remediation or removal of any Hazardous Material in violation of Environmental Laws. In no event shall the Lessee be responsible for Hazardous Materials on the Property which both pre-existed the Effective Date of the Option Agreement and were not caused by the actions of Optionee or its employees, agents or contractors..

23.2 Lessee Responsibility. County makes no representations regarding condition of the Property or the existence of any Hazardous Materials. Lessee assumes responsibility for its compliance with any and all applicable Hazardous Materials law and as outlined in Section 9.1 of the Option Agreement.

23.3 Right of Entry. Subject to applicable laws and Lessee's normal security policies, County reserves the right to enter the Property and all Improvements thereon at any reasonable time and upon reasonable notice, and at any time in exigent circumstances, for the purpose of inspecting and examining the Property for the presence of any Hazardous Substance and whenever County has a reasonable basis for believing that Lessee has not complied with this Section 24. If the results of such inspection or examination reveal the presence of Hazardous Material in, on or about the Property, then Lessee shall reimburse County for its costs incurred in undertaking such inspection and examination, and Lessee shall immediately comply with Section 24.1 required remediation and removal.

23.4 Indemnity. Lessee shall indemnify, defend and hold County and its successors, assigns, agents, employees and representatives harmless from any and all **Indemnified Costs** (as the same are hereinafter defined) caused by the presence of Hazardous Material in, on or about

the Property, or incurred by County in connection with the release, removal or storage of any Hazardous Material on or about the Property during the Lease Term. This indemnity shall not be affected or impaired by the expiration or any earlier termination of this Lease Agreement and shall survive any such expiration or termination. "Indemnified Costs" means all actual liabilities, claims, actions, causes of action, judgments, orders, damages, reasonable costs, reasonable expenses, fines, penalties and losses (including sums paid in settlement of claims and all reasonable consultant, expert and legal fees), including those incurred in connection with any investigation of site conditions or any cleanup, remedial, removal or restoration work (whether of the Property or any other property), or any resulting damages, harm or injuries to the person or property of any third parties or to any natural resources. Without limiting the foregoing, Indemnified Costs incurred by County as a result of any work of cure, mitigation, cleanup, remediation, removal or restoration shall bear interest in the per annum amount equal to two percent (2%) in excess of the Prime Rate of interest announced from time to time by Bank of America, N .A. (or an equivalent rate announced by a comparable national bank selected by County in the event Bank of America, N.A. no longer announces a Prime Rate), but in no event in excess of the maximum interest rate permitted by law, until paid in full. In addition, Indemnified Costs are recoverable by County regardless of whether: (i) the Indemnified Costs are incurred or suffered pursuant to the order of any federal, state or local governmental agency relating to the clean-up, remediation or other responsive action required by any applicable law; or (ii) County now, or hereafter has or should have had actual knowledge of any environmental condition giving rise to any indemnity obligation of Lessee under this Section.

23.5 Hazardous Material Defined. As used herein, the term "Hazardous Material" shall include: (i) petroleum or any of its fractions, flammable substances, explosives, radioactive materials, hazardous wastes or substances, toxic wastes or substances or any other similar materials or pollutants which pose a hazard to the Property, or to persons on or about same, or which cause the Property to be in violation of any law or local approval, or are defined as or included in the definition of "hazardous substances", "hazardous wastes", "hazardous materials", or "toxic", or words of similar import under any applicable law, including, but not limited to: (A) the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. § 9601 et seq.; (B) the Hazardous Materials Transportation Act, as amended., 49 U.S.C. 1801 et seq.; (C) the Resource Conservation and Recovery Act, as amended., 42 U.S.C. § 6901, et seq.; and (D) regulations adopted and publications promulgated pursuant to the aforesaid laws (collectively, the "Environmental Laws"); (ii) asbestos in any form which is or could become friable, urea formaldehyde foam insulation, transformers or other equipment which contain dielectric fluid containing levels of polychlorinated biphenyls in excess of 50 parts per million; and (iii) any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any governmental authority under any Environmental Laws.

24. **Right to Abate Rent**. Lessee shall have the right to abate rent on this Lease Agreement if after the Commencement Date an Event of Force Majeure occurs and provided Lessee is taking

reasonable steps to minimize delay and damages caused by foreseeable events, rent payable under this Lease may be abated for up to three hundred sixty five (365) days.

24.1 In order to exercise the right to abate under this Section 25, Lessee shall inform County in writing of Lessee's intent to abate rent and the reason(s) for so doing.

25. Community Involvement. Lessee is committed to being an active participant in the Clark County community and will support Clark County through following:

25.1 Commitment to Hire Local and Employ Veterans. Lessee will use its best efforts to hire local companies and workers for performance of services for the project. Local shall be determined to be the Las Vegas Metropolitan Area and the State of Nevada. It shall be the practice of Lessee to establish a proactive program to employ qualified veterans and to establish this policy as applicable for all subcontractors and suppliers.

25.2 Buy American/American Made Equipment. While it may not be possible to utilize American made equipment or products in all instances due to cost or availability, where practical, Lessee will use its best efforts to incorporate American made equipment and materials into the work of the project.

26. Miscellaneous.

26.1 Captions. The captions used in this Lease Agreement are for convenience only and shall not be deemed to amplify, modify or limit the provisions hereof.

26.2 Meanings. Words of any gender used in this Lease Agreement shall be construed to include the other gender, and words in the singular shall include the plural and vice versa, unless the context otherwise requires.

26.3 Successors and Assigns. Subject to the restrictions set forth herein as to assignment and subletting by Lessee, this Lease Agreement shall be binding upon and shall inure to the benefit of County and Lessee and their respective heirs, legal representatives, successors and assigns.

26.4 Entire Agreement. Any Exhibits annexed to this Lease Agreement are hereby incorporated by this reference, with the same force and effect as if they were set forth in this Lease Agreement in their entirety. This Lease Agreement contains the entire agreement of County and Lessee with respect to the subject matter hereof and all previous documents, undertakings and agreements, whether verbal, written or otherwise, between the parties hereto concerning the subject matter hereof are hereby cancelled and shall not affect or modify any of the terms or obligations set forth in this Lease Agreement, except as the same may be made part of this Lease Agreement in accordance with its terms, including the terms of any of the Exhibits. This Lease Agreement cannot be altered, amended or modified except by a written instrument, executed by both such parties.

26.5 Time. In the event the date for performance of an obligation or delivery of any notice hereunder falls on a day other than a business day, then the date for such performance or delivery of such notice shall be postponed until the next ensuing business day. Any references to "business days" contained herein are references to normal working business days (i.e., Monday through Friday of each calendar week, exclusive of Federal and Nevada state holidays).

26.6 Severability. If any term or provision, or any portion thereof, of this Lease Agreement, or application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, then the remainder of this Lease Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term and provision of this Lease Agreement shall be valid and be enforced to the fullest extent permitted by law.

26.7 Counterparts. This Lease Agreement may be signed in one or more counterparts with the same force and effect as if all required signatures were contained in a single, original instrument.

26.8 Attorneys' Fees. In the event of litigation between the parties to enforce this Lease Agreement, the prevailing party in any such action shall be entitled to recover reasonable costs and expenses of litigation, including, without limitation, reasonable attorneys' fees and costs allowed by law.

26.9 Governing Law. This Lease Agreement shall be construed, interpreted, and enforced pursuant to the laws of the State of Nevada. Venue for all disputes under this Lease Agreement shall be Las Vegas, Clark County, Nevada.

26.10 No Party Deemed Drafter. The parties agree that neither party shall be deemed the drafter of this Lease Agreement and that in the event this Lease Agreement is ever construed by a court of law or equity; such court shall not construe this Lease or any provision hereof against either party as the drafter thereof. County and Lessee acknowledge that each has contributed substantially and materially in the preparation of this instrument.

26.11 Binding Obligation. Lessee hereby represents and warrants to County that this Lease Agreement, as well as the consummation of the transactions contemplated hereby, is valid and binding upon Lessee; the individuals executing this Lease Agreement on behalf of Lessee are authorized to so act; and that the execution hereof does not constitute a default (or an event which, with notice or the passage of time or both, will constitute a default) under any contract to which Lessee is a party or by which Lessee is bound.

26.12 Third Party Beneficiary. This Lease Agreement is not intended to create any rights, powers or interest in any third party, other than Leasehold Mortgagees pursuant to the provisions of Section 20.2, and, this Lease Agreement is entered into for the exclusive benefit of the undersigned Parties.

26.13 All capitalized terms used in the Lease Agreement, but not defined herein shall have the same meaning as those capitalized terms used in the Option Agreement, unless otherwise stated.

26.14 Memorandum of Lease. Parties agree to execute a memorandum of lease ("Memorandum") concurrent with executing the Lease and Parties shall have the right to record the Memorandum.

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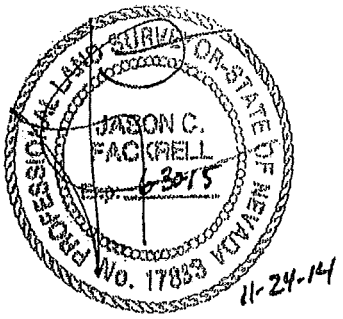
PARCEL A - EXHIBIT A

2727 SOUTH RAINBOW BOULEVARD * LAS VEGAS, NEVADA 89146-5148
PHONE 702-873-7550 * FAX 702-362-2597



W.O. 7691
NOVEMBER 13, 2014
BY: TZ
CHK: JCF
APN 266-00-001-001,009, AND 010
PT. OF APN 266-00-002-002 AND 003

EXPLANATION:
THIS LEGAL DESCRIBES PARCELS OF LAND GENERALLY LOCATED WESTERLY OF NEEDLES HIGHWAY AND AHA MACAV PARKWAY FOR LEASE EASEMENT PURPOSES.

LEGAL DESCRIPTION

BEING ALL OF SECTIONS 1, 12 AND 13, TOWNSHIP 33 SOUTH, RANGE 65 EAST, M.D.M., CLARK COUNTY, NEVADA;

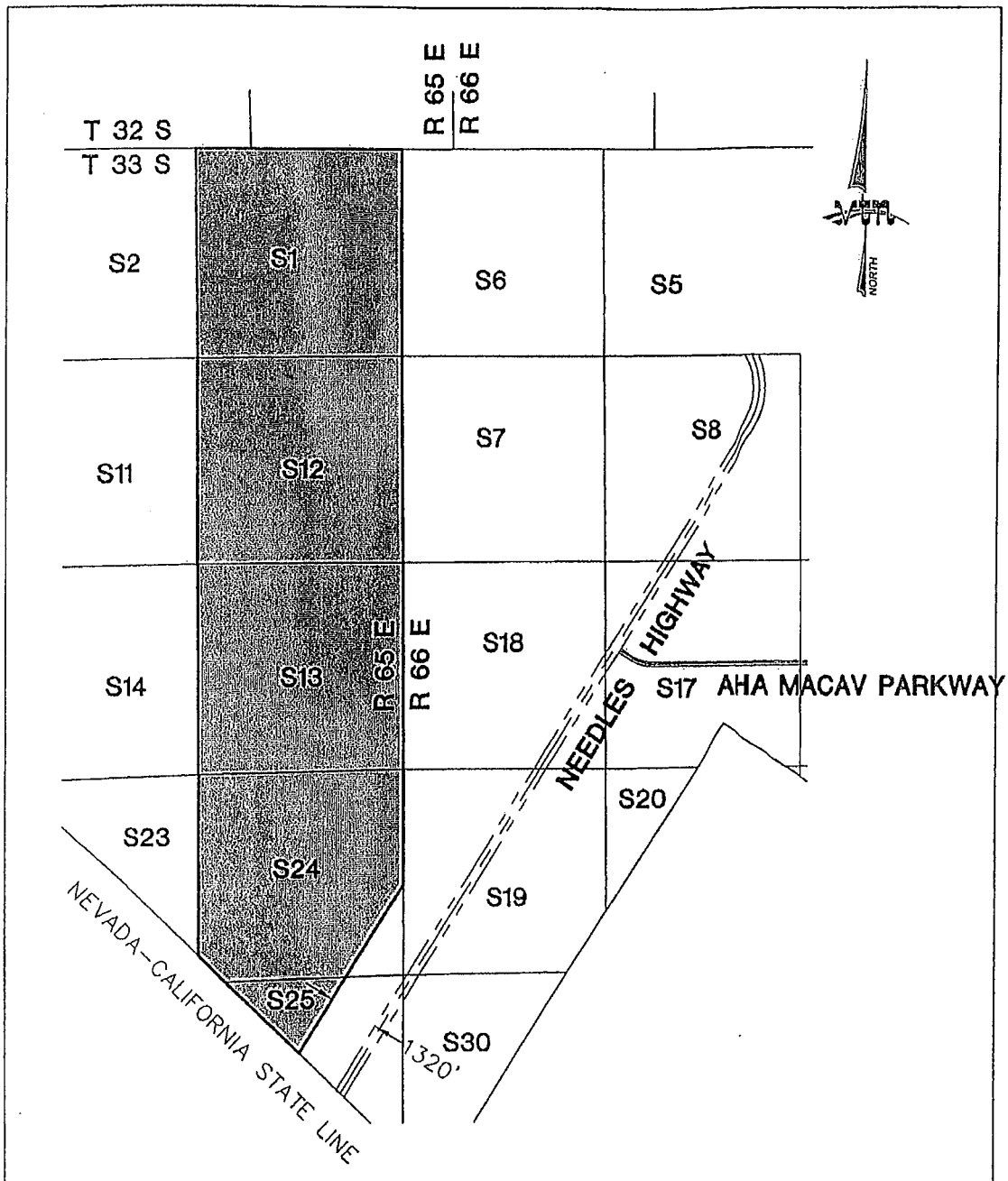
TOGETHER WITH ALL THAT PORTION OF SECTION 24 AND SECTION 25, SAID TOWNSHIP AND RANGE LYING WESTERLY OF A LINE LYING 1,320 FEET WEST OF AND RUNNING PARALLEL WITH THE WESTERLY RIGHT-OF-WAY OF NEEDLES HIGHWAY, ALL SHOWN ON THE "EXHIBIT TO ACCOMPANY LEGAL DESCRIPTION" ATTACHED HERETO AND MADE A PART HEREOF.

CONTAINING: 2,596 ACRES, MORE OR LESS, AS DETERMINED BY CLARK COUNTY GIS RECORD INFORMATION.

NOTE: THE ABOVE DESCRIPTION AND RESULTANT ACREAGE WAS OBTAINED FROM RECORD INFORMATION AND DOES NOT REPRESENT AN ACTUAL SURVEY PERFORMED ON THE GROUND.

G:\7691\LEGALS\7691\LeaseEasement02.DOC
G:\7691\7691rec.DWG

PARCEL A - EXHIBIT A



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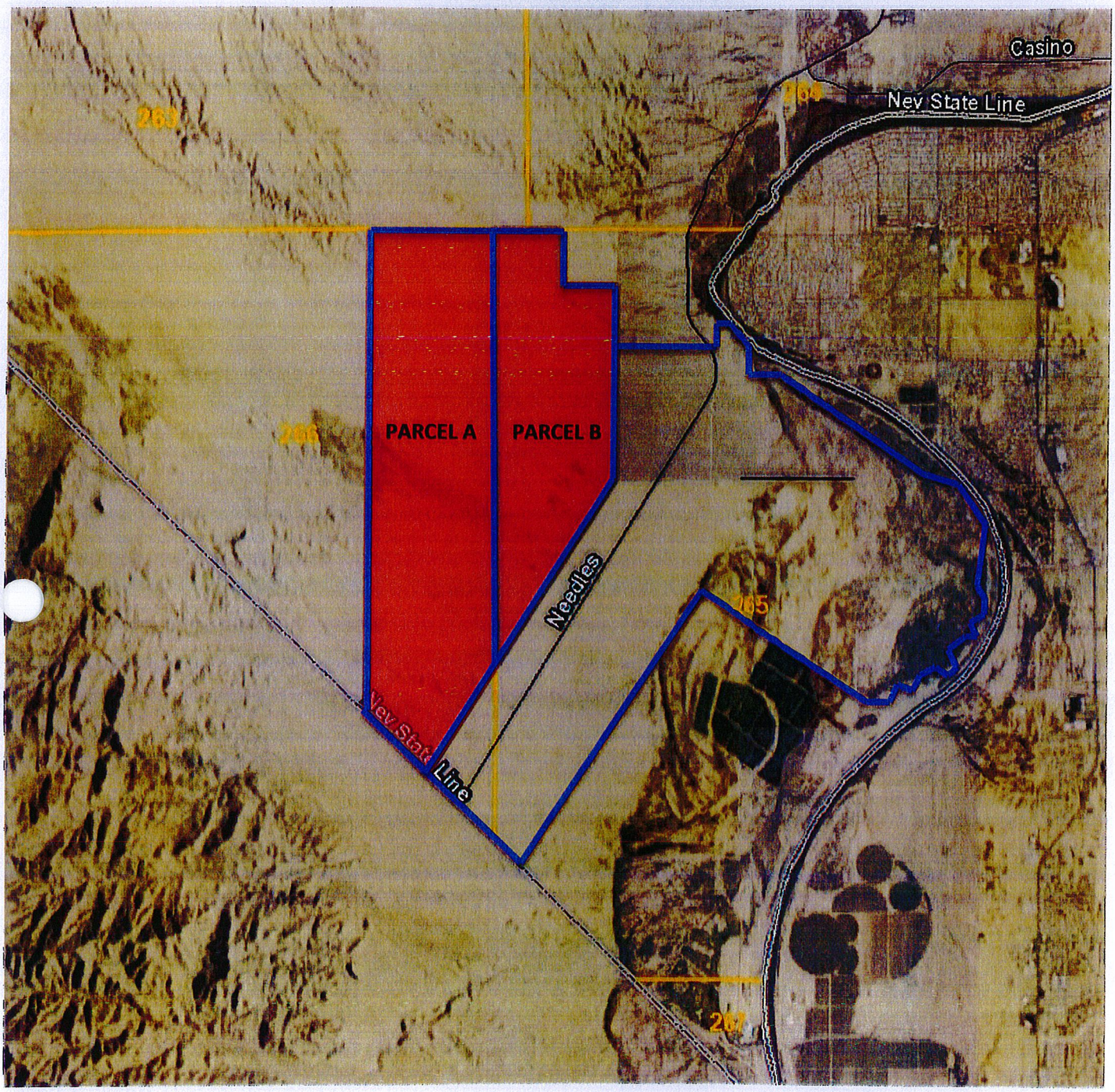
2727 SOUTH RAINBOW BOULEVARD
LAS VEGAS, NV 89146-5148

EXHIBIT TO ACCOMPANY LEGAL DESCRIPTION	SCALE HORZ. 1"=4000
	VERT.
	W.O. NO. 7691
	DRAWN BY: JCF
CLARK COUNTY LEASE EASEMENT	DATE: 11/10/14
	SHEET 1 OF 1


Casino
Nev State Line
263
264
PARCEL A
PARCEL B
Needles
265
Nev State Line
267