

Official Record

Recording requested By
LINCOLN COUNTY DISTRICT ATTORNEY

Lincoln County - NV

Leslie Boucher - Recorder

Fee: Page 1 of 7
RPTT Recorded By: AE
Book- 258 Page- 0698



0136555

APN 010-173-05

APN _____

APN _____

CONTRACT FOR THE LEASE OF OFFICE SPACE

Title of Document

Affirmation Statement

X I, the undersigned hereby affirm that the attached document, including any exhibits, hereby submitted for recording **does not contain** the social security number of any person or persons. (Per NRS 239B.030)

_____ I, the undersigned hereby affirm that the attached document, including any exhibits, hereby submitted for recording **does contain** the social security number of a person or persons as required by law:

(State specific law)

Howard _____
Signature Title DA Secretary

Mercedes Howard _____
Print

10/15/10 _____
Date

Grantees address and mail tax statement:

PENNYER VALLEY ELECTRIC CO.
HC 61 BDX 42
ALAMO NV 89001



CONTRACT FOR THE LEASE
OF
OFFICE SPACE

This CONTRACT FOR THE LEASE OF OFFICE SPACE (hereinafter the "Agreement") entered into this the 27 day of September, 2010 by and between Lincoln County (hereinafter "Lessor") and the Penoyer Valley Electric Company (hereinafter "Lessee").

NOW, THEREFORE, FOR AND IN CONSIDERATION OF mutual covenants and agreements contained herein, and other good and valuable considerations the receipt and sufficiency of all of which is hereby acknowledged the parties hereto do hereby covenant, contract and agree as follows, to-wit:

SECTION 1. GOVERNING LAW.

This Agreement shall be governed by and construed in accordance with the laws of the State of Nevada.

SECTION 2. LEASE OF REAL PROPERTY.

2.1 LEASE. Lessor hereby demises and leases to Lessee and Lessee hereby takes and rents from Lessor a portion of the D.C. Day Park in Lincoln County, Nevada (APN #010-173-05), more specifically described as Lot 5 in Block 3 in the SW1/2 SW1/4 NE1/4 of Section 36 of Township 3 South in Range 55 East of the Mount Diablo Base and Meridian, such portion being a 24'6" x 20'4" wooden building with three exterior doors and four windows 216 feet from the south property line at the south entrance to the property together with all improvements, easements, rights, licenses and appurtenances used in connection therewith or belonging thereto (hereinafter the "Property").

2.2 PARKING. Lessor also demises and grants to Lessee during the existence of this Agreement the shared use of all parking spaces adjacent to the building. Lessor shall retain use of such parking and shall not guarantee available parking to Lessee at any time.

2.3 TERM. The initial term of the Lease shall begin on the first (1st) day of October 2010 and shall terminate on the first (1st) day of October 2020. This Agreement shall automatically renew at the end of the initial term for an additional term of one (1) year on the same terms and conditions set forth herein unless either party provides written notice of its intent to terminate the Agreement at least thirty (30) days prior to the end of the then existing term. Lessor acknowledges a credit for rental payments through December 2018 as detailed below in section 2.4 of this agreement.

2.4 RENT. During the initial term and any additional term of the Lease, Lessee shall pay unto Lessor the sum of One-Hundred Dollars (\$100) per month as rent for the Property. The monthly rental shall be due on the first (1st) of the month and if not paid by the tenth (10th)

day of such month, there shall be a late charge of \$25.00 due for such month. If this Lease shall begin on any day other than the first day of a month or terminate on any day other than the last day of a month, then the rent due under this agreement for such month shall be calculated on a pro rata basis. Lessee shall receive a credit of Eight-Thousand and Six-Hundred Dollars (\$8,600) for repairs and improvements to the property, which Lessor shall apply to Lessee's first eighty-six (86) rent payments.

2.5 USE OF PREMISES. The Property and improvements thereon are hereby Leased for use as office and meeting space. Lessee agrees not to use or permit the use of the Property for illegal purposes. Lessee may not conduct any other activities on the Property without prior written consent of Lessor. Lessee shall not permit (a) overnight lodging in the Property, or (b) the solicitation of business by hand bills on the Property. Lessee shall not permit any third party to access the Property outside the presence of Lessee, Lessee's employees, or Lessee's agent. Lessor grants Lessee exclusive rights to the property, except that Lessor reserves the right to have a county nurse occupy a portion of the building at the Lessor's discretion without unreasonable interference with Lessee's use and enjoyment of the property.

2.6 ALTERATIONS, TRADE FIXTURES, FINANCING. Lessee shall have the right to make such alterations and improvements to the Property as it deems necessary or desirable upon giving written notice of same to Lessor. Such alterations and improvements shall comply with all applicable construction laws and regulations and shall conform generally with the existing improvements on the Property. The Lessee shall keep the Property free from any and all liens arising out of the work performed or materials furnished in making such improvements. Lessee agrees to provide to Lessor photographs and a detailed description of any equipment and furnishings that it installs within 30 days of installation.

2.7 ASSIGNMENT AND SUBLEASING. Lessee shall not have the right to assign this Lease nor sublet the Property in whole or in part without first procuring the written consent of the Lessor, which consent shall not be unreasonably withheld. After any consent to assignment or sublease, Lessee shall remain fully liable for payment of rent and other covenants and obligations of the Lessee herein contained.

2.8 NUISANCES. Lessee shall promptly comply with all of the ordinances of Lincoln County, or of any other governmental body applicable for said premises and to all ordinances and requirements enforced by the state board of health, sanitary, fire departments or Sheriff of Lincoln County for the correction, prevention and abatement of nuisances in and about or connected with the Property because of Lessee's use thereof during the term of this Agreement, all at Lessee's expense. Lessee shall provide for the removal of its own trash, waste paper, boxes, and cartons and shall not permit any accumulation of such materials. Lessee shall not engage in any act that shall constitute a nuisance.

2.9 ENTRY, INSPECTION, REPAIRS AND MAINTENANCE. Lessee shall permit Lessor and his agents to enter the Property at all reasonable times for any of the following purposes to inspect the same: (i) to maintain the building in which the said premises are located, (ii) to make repairs to the Property as the Lessor is obligated or may elect to make, and (iii) to



post notices of non-responsibility for alterations or additions or repairs. Lessor shall provide all necessary repairs to the building structure including, but not limited to, exterior repairs, roof, siding, windows, and septic lines. Lessee shall maintain the premises including, but not limited to, cleaning, day-to-day upkeep, painting, and interior (non-structural) repairs.

2.10 REMOVAL OF EQUIPMENT AND FURNISHINGS. Lessor agrees that Lessee shall have the right, at any time, including upon termination, to remove all equipment and furnishings that Lessee owns.

SECTION 3. DEFAULT.

If either party defaults in compliance with any term, covenant, representation or warranty on their part herein contained, the non-defaulting party shall give the defaulting party ten (10) days written notice to cure the default. If the defaulting party, prior to the expiration date of the notice, has neither cured the default nor given the non-defaulting party adequate security for the remedy thereof, then the non-defaulting party may, at its option, terminate this Agreement and take any other such action available in law or equity and as the non-defaulting party deems appropriate to remedy or compensate it for the defaulting party's breach or default.

SECTION 4. INDEMNITY AND INSURANCE.

(A) Indemnity. Lessee shall indemnify and hold harmless Lessor from any and all losses, fines, suits, damages, expenses, claims, demands and actions of any kind resulting from their negligence, breach, or violation or non-performance of any condition hereof. Lessor agrees to seek recovery under this Section 4(A) only if the losses suffered are not covered by the policies of insurance provided in 4(B) below and payment is not made under said policies.

(B) Insurance: Lessee shall, during the entire term of the Lease keep in full force and affect a policy of public liability insurance with respect only to the rented Property described in Section 2.1 of this agreement and the business operated by Lessee in the Property. Lessee shall name Lessor as an additional insured.

SECTION 5. DESTRUCTION OF PREMISES.

If Property, including improvements thereon, are injured by fire or other casualty, Lessee shall have the exclusive right and option to either terminate this Agreement or reconstruct and/or repair the said damaged improvements and continue this Lease under its terms and conditions as if no such casualty occurred by giving written notice to Lessor of Lessee's intention to so continue this Lease within thirty (30) days after the date of said damage or casualty. In the event that Lessee so elects to continue this Lease, any insurance proceeds payable as a result of said fire or casualty shall be first applied to pay the reconstruction or repair of said improvements, and any balance of such insurance proceeds after payment of said reconstruction or repair shall be paid to whoever owns the insurance policy under which payment is made.



SECTION 6. RELATIONSHIP OF PARTIES.

It is understood and agreed that the relationship of the parties hereto is strictly that of Lessor and Lessee and that the Lessor has no ownership in the Lessee's enterprise and the Agreement shall not be construed as a joint venture or partnership. The Lessee is not and shall not be deemed to be an agent or representative of the Lessor.

SECTION 7. AGREEMENT BINDING ON ASSIGNS.

All covenants, conditions, agreements, and undertakings contained in this Agreement shall extend to and be binding on the respective heirs, successors and assigns of the respective parties hereto the same as if they were in every case named and expressed.

SECTION 8. ATTORNEY'S FEES.

It is further understood and agreed by and between the Lessor and Lessee that, on account of breach or default by either party of any of their obligations hereunder, it shall become necessary for the other party to employ and/or consult with an attorney to give advice, or to enforce or demand any of either party's rights or remedies hereunder, then, and in any such event, the defaulting or breaching party shall pay all attorney fees, court costs and other expenses occasioned by such default(s) or breach(es).

SECTION 9. NOTICES.

Until further written notice to Lessee, all rent checks from Lessee to Lessor shall be served or sent to:

Lincoln County Treasurer
P.O. Box 416
Pioche, Nevada 89043

Until further written notice to Lessee, all notices from Lessee to Lessor shall be served or sent to:

Lincoln County District Attorney
P.O. Box 60
Pioche, Nevada 89043

Until further written notice to Lessor, all notices from Lessor to Lessee shall be served or sent to Lessee at the following address:

Penoyer Valley Electric Company
HC61 Box 42
Alamo, Nevada 89001



All notices to be given under this Agreement shall be in writing and shall be served personally or sent by United States certified or registered mail.

SECTION 10. ENTIRE AGREEMENT.

This Agreement contains all of the agreements and conditions made between the parties hereto and may not be modified orally or in any other manner other than by agreement in writing signed by all parties hereto or their respective successors in interest.

SECTION 11. PARTIAL INVALIDITY.

If any section, paragraph, sentence or portion of this Agreement or the application thereof to any party or circumstance shall, to any extent, be or become invalid or illegal, such provision is and shall be null and void, but, to the extent that said null and void provisions do not materially change the overall agreement and intent of this entire agreement, the remainder of this Agreement shall not be affected thereby and each remaining provision of this Agreement shall be valid and enforceable to the fullest extent provided by law.

WITNESS THE SIGNATURES of the parties hereto on this the 27 day of September, 2010.

Paul Mathews
Lessor: Paul Mathews, Chairperson
Lincoln County Board of Commissioners

Paula Clayton
Lessee: Paula Clayton, Chairperson
Penoyer Valley Electric Company

Approved as to form:
Gregory J. Barlow Deputy
Gregory J. Barlow, District Attorney
Lincoln County

Sharon L. Taylor
SHARON L. TAYLOR, V.P.

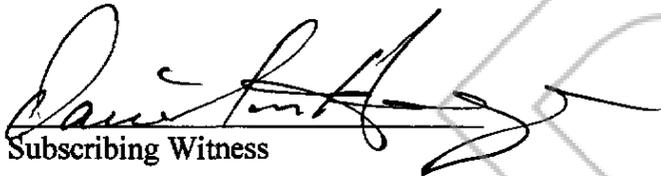
James R. Medlin
JAMES R. MEDLIN, DIRECTOR

Robert Anthony Clabaugh
ROBERT ANTHONY CLABAUGH, DIRECTOR



STATE OF NEVADA)
) ss.
COUNTY OF LINCOLN)

On the 27 day of September 2010, Paula Clayton, Sharon L. Taylor, James R. Medlin, AND Robert Anthony Clabaugh personally appeared before me, whom I know to be the person who signed this jurat of a subscribing witness while under oath, and swears that he or she was present and witnessed PAULA CLAYTON, SHARON L. TAYLOR, JAMES R. MEDLIN, AND ROBERT ANTHONY CLABAUGH sign their name to the above document.


Subscribing Witness

Signed and sworn before me on the 15 day of October 2010, by DANIEL M. HOOGE, a subscribing witness.


NOTARY PUBLIC

My Commission Expires:

Dec 10, 2011

