

APN 002-121-01

APN 002-121-02

APN _____



0142078

LAND LEASE

Title of Document

Affirmation Statement

~~does~~ I, the undersigned hereby affirm that the attached document, including any exhibits, hereby submitted for recording **does not contain** the social security number, driver's license or identification card number, or any "Personal Information" (as defined by NRS 603A.040) 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, driver's license or identification card number, or any "Personal Information" (as defined by NRS 603A.040) of a person or persons as required by law: _____
(State specific law)

Lenard D. Smith
Signature Title

Lenard D. Smith
Print

10/9/12
Date

Grantees address and mail tax statement:

Lincoln Co. School District

P.O. Box 118

Panaca NV 89042



LAND LEASE

CORPORATION OF THE PRESIDING BISHOP OF THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS, a Utah corporation sole, whose address is 50 E. North Temple, 12th Floor, Salt Lake City, Utah 84150 (“**Lessor**”) and Lincoln County School District, whose address is 1191 Edwards Street, P.O. Box 118, Panaca, NV 89042, Phone: 775-728-4471, Fax: 775-728-4435 (“**Lessee**”) hereby enter into this Land Lease (this “**Lease**”), as of the 9 day of October, 2012.

1. **Leased Premises.** In consideration of the rents and covenants hereinafter reserved, Lessor does hereby rent and lease to Lessee, and Lessee hereby leases from Lessor the real property (the “**Property**”) situated in Lincoln County, State of Nevada described on the annexed Exhibit A.

2. **Term.** The term of this Lease shall be for a period of ten years or until the building is razed, whichever is sooner (the “**Term**”). Lessee is obligated to tear the building down before the end of the Term. If Lessee stops using the buildings located on the Property for a period of two years or more prior to the end of the Term and the Lessor terminates this lease by a 30 day written notice to Lessee stating that the building has not been used for more than two years and that Lessor elects to terminate, then Lessee will promptly tear down the building and vacate the property. Any easement that Lessee has for access to the Property across lands of Lessor shall also terminate at the end of the Lease.

3. **Rent.** Lessee shall pay to Lessor as rent for the Property One Dollar per year. Rent is to be paid annually on or before December 1. Rent shall be tendered to Lessor at 50 East North Temple, Salt Lake City, UT 84150, Property No. 504-6491.

4. **Payment of Taxes.** Lessee shall pay or qualify for exemption from all real estate taxes due and owing on the Property. Lessee shall pay all taxes due on its personal property used or kept on the Property, and Lessee shall pay any taxes imposed by the governmental authority on rental payments or on the leasehold, separate from ad valorem taxes of the Property.

5. **Utility Charges.** In addition to Rent herein agreed to be paid, Lessee agrees to pay before delinquency all charges for utilities used by Lessee or charged to the Property including, but not limited to, water, gas, heating, cooling, electricity, and power, and Lessee agrees not to permit any charges of any kind to accumulate against or become a lien against the Property. Lessor shall not have a duty to pay any utilities charges incurred by Lessee but may do so at its election, and if Lessor does pay any such utilities charges, the amounts paid shall be added to Rent herein and paid by Lessee thirty (30) days after notice demanding the same.

6. **Use of the Property.** Lessee shall use the Property for the purpose of operating its schools and for no other purpose without the prior written consent of Lessor.

7. **Encumbrance of Title.** Nothing herein contained shall authorize Lessee to do any act or make any contract so as to encumber or affect in any manner the title or rights of Lessor in the Property, it being understood that all repairs and alterations permitted to be made by Lessee upon or in the Property shall be paid for by Lessee in cash or its equivalent, and it is especially agreed, notice hereby given to that effect, that no contract, transfer, assignment, mortgage, judgment, mechanic’s lien, or other lien arising



out of the transactions of Lessee shall in any manner affect the title of Lessor in the Property or take precedence to any of the rights or interest of Lessor herein.

8. Acceptance of the Property. Lessee has examined the Property and shall be deemed to have accepted the Property in its then condition at the commencement of the Term. Lessee leases the Property in an "as is," "where is" condition, "with all faults," and not based upon any representations by Lessor as to the condition of the Property or as to the suitability of the Property for the purposes to which Lessee desires to put the Property.

9. Expenses, Laws, and Regulations. Lessee shall pay all operating expenses with respect to the Property and shall comply with all federal, state, and municipal laws, rules, regulations, and ordinances with regard to the use and condition of the Property.

10. Insurance.

a. Lessee shall maintain a commercial general liability insurance policy with bodily injury and property damage liability coverage acceptable to Lessor and to which Lessor has been added as an additional named insured applicable to the Property and the activities of Lessee or Lessor thereon, with a combined single limit of not less than \$500,000.00 per occurrence, during the Term and shall furnish to Lessor a certificate of insurance evidencing such insurance and which provides Lessor with thirty (30) days prior written notice of any cancellation or material change in the policy.

b. Lessee assumes the risk for its use and operation upon the Property and shall be solely responsible for providing casualty insurance for Lessee's personal property on the Property which shall not be covered by any insurance carried by Lessor.

c. Lessee shall have the right to satisfy its insurance obligations hereunder by means of self-insurance to the extent of all or part of the required insurance.

11. Indemnities. Lessee, during continuance of this Lease, covenants and agrees to indemnify and save harmless Lessor for, from, and against each and every loss, cost, damage, and expense, including reasonable attorneys' fees and court costs arising out of any accident or other occurrence causing injury to or death of persons or damage to property due to the condition of the Property or of the streets and roads in front of or adjacent thereto, or the use or neglect thereof by Lessee. Lessee further agrees to pay all reasonable expenses and attorneys' fees incurred by Lessor in the event that Lessee shall default under the provisions of this Section.

12. Waiver. Any waiver of any default in the payment of the Rent or other charges, or any failure by Lessor to enforce the provisions of this Lease upon any default by Lessee shall not be construed as creating a custom of deferring payment nor as modifying in any way the terms and conditions of this Lease, nor as a continuing waiver, nor as a waiver of Lessor's right to terminate the Lease as herein provided, nor otherwise to enforce the provisions hereof for any subsequent default.

13. Assigning and Subletting. Lessee shall not have the right to assign or sublet the whole or any portion of the Property without the prior written consent of Lessor, which Lessor may grant or withhold at its sole and absolute discretion. If Lessor consents to one assignment or sublease, that consent does not authorize a subsequent assignment or sublease and Lessee, the Assignee, or SubLessee must again obtain Lessor's written consent, subject to all the provisions of this Section 13, which Lessor may grant or withhold at its sole and absolute discretion.



14. Default.

a. Failure of Lessee to perform any of its obligations hereunder shall constitute an **“Event of Default.”** Upon the occurrence of an Event of Default, Lessor shall:

i. If the Event of Default relates to the payment of money, give Lessee a ten (10) day written notice of default;

ii. If the Event of Default relates to any other obligation not deemed to be an emergency by Lessor, Lessor shall give Lessee a thirty (30) day written notice of default; and/or

iii. If the Event of Default is deemed by Lessor to be an emergency requiring immediate attention, Lessor shall give Lessee telephonic notice of default followed by written notice requiring immediate cure of the default.

b. Upon expiration of the notice period provided above, if Lessee has not cured the Event of Default, Lessor may take any of the following actions, or any other actions allowed in law or equity:

i. Cure the Event of Default at the expense of Lessee, in which case any costs incurred by Lessor in curing the Event of Default shall be additional rent hereunder and shall be due and payable to Lessor within thirty (30) days after receipt of an invoice therefor;

ii. Terminate this Lease by written notice of termination to Lessee. Absent such written notice of termination, no action by Lessor shall be deemed to be a termination of this Lease;

iii. Proceed under the laws of the State of Nevada to reenter and take possession of the Property, expelling Lessee therefrom and relet the Property without terminating the Lease, with Lessee to be liable for costs and expenses of reletting as well as any difference in rental through the remainder of the Term;

iv. Any combination of the foregoing remedies and those provided in law or equity.

15. Attorneys’ Fees. If Lessor shall commence any legal proceedings against Lessee for an Event of Default, as provided above, or for any other relief because of any default by Lessee and shall prevail therein, Lessee shall, in each and every such instance, pay to Lessor all expenses thereof, including reasonable attorneys’ fees and costs, including attorneys’ fees and costs on appeal or in any bankruptcy or similar action. If Lessee shall commence any legal proceedings against Lessor for relief because of any default by Lessor and shall prevail therein, Lessor shall in each and every instance pay to Lessee all expenses thereof, including reasonable attorneys’ fees and costs, including attorneys’ fees and costs on appeal or in any bankruptcy or similar action. The term “prevail,” as used above, shall mean to obtain substantially the relief sought.

16. Hazardous Materials. Lessee hereby represents to Lessor, and hereby agrees to certify to Lessor, on the date of termination of this Lease, that to the best of Lessee’s knowledge, without inquiry, no toxic or hazardous substances, including, without limitation, asbestos, and the group of organic compounds known as polychlorinated biphenyls, have been generated, treated, stored or disposed of, or otherwise deposited in or located on the Property nor has any activity been undertaken on the Property which would cause (i) the Property to become a hazardous waste treatment storage or disposal facility within the meaning of, or otherwise bring the Property within the ambit of, the Resource Conservation



Recovery Act of 1986 (hereinafter called "RCRA"), 42 U.S.C. § 6901, et seq., or any similar state law or local ordinance, (ii) a release or threatened release of hazardous waste from the Property within the meaning of, or otherwise bring the Property within the ambit of, the Comprehensive Environmental Response Compensation Liability Act of 1980 (hereinafter called "CERCLA"), 42 U.S.C. §§ 9601-9659, or any similar state law or local ordinance or any other environmental law, or (iii) the discharge of pollutants or effluents into any water source or system, or the discharge into the air of any emissions, which would require a permit under the Federal Water Pollution Control Act, 33 U.S.C. § 1251, et seq., or the Clean Air Act, 42 U.S.C. § 7401, et seq., or any similar state law or local ordinance. Lessee hereby further represents to Lessor, and shall certify to Lessor on the termination date of the Lease, that (i) there are no substances or conditions in or on the Property which may support a claim or cause of action under RCRA, CERCLA, or any other federal, state, or other environmental regulatory requirement, and (ii) no underground storage tanks or underground deposits are located on the Property and Lessee shall hold Lessor harmless from any and all hazardous waste which may be discovered contrary to the terms of this provision, and agrees to the removal of said hazardous waste all at the expense of Lessee, and to hold Lessor harmless therefrom. In the event Lessor hereafter shall discover or determine the existence of any environmental hazard that existed as of the termination date of this Lease that occurred as a result of Lessee's behavior, or any act or emission of Lessee occurring prior to the termination date of this Lease, the result of which may require remedial action pursuant to any law or may be the basis for the assertion of any third-party claim, including claims of governmental entities, Lessor shall promptly notify Lessee thereof and Lessee shall, at its sole cost and expense, proceed with due diligence to take the appropriate action in response thereto. In the event that Lessee fails to so proceed with due diligence, Lessor may, at its option, proceed to take the appropriate action and shall have the full right of indemnification for all costs and expenses incurred by Lessor in connection therewith and for the diminution in the value of the Property attributable to Lessee's failure to perform as required by this Section 16.

17. Time of Essence. Time is of the essence of this Lease.

18. Captions. The captions used as headings of the various paragraphs are for convenience only, and are not to be considered as part of this Lease, or used in determining the intent or context thereof.

19. Benefit. This Lease shall inure to the benefit of and be binding upon the parties hereto, their respective heirs, executors, administrators, successors and assigns subject, however, to the provisions hereof with respect to Lessee's assignment.

20. Notices and Demands. Any notice to be given by either party to the other with respect to this Lease shall be in writing and shall be deemed effective: (a) upon personal delivery to the other party at the address set forth in this first paragraph of this Lease, or at such other address as either party may designate in writing (or upon the refusal of any such attempted personal delivery); (b) one (1) day after deposit with a nationally recognized air courier service for overnight delivery, addressed as set forth in first paragraph of this Lease, with delivery charges prepaid; or (c) three (3) days after deposit in the United States mail, certified, return receipt requested, postage prepaid (or as of any earlier date evidenced by a receipt from the United States Postal Service). All notices shall be effective when received.

21. Entire Agreement; Modifications. This Lease shall constitute the entire agreement between the parties. Any prior understanding or representation of any kind preceding the date of this Lease shall not be binding upon either party, except to the extent incorporated in this Lease. Any modification of this Lease or additional obligation assumed by either party in connection with this Lease shall be binding only if evidenced in a writing signed by each party or an authorized representative of each party.



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

LESSOR:

CORPORATION OF THE PRESIDING BISHOP OF THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS, a Utah corporation sole

By: *Terry F. Rudd*
Name: Terry F. Rudd
Title: AUTHORIZED AGENT
Date: 9-24-12

LESSEE:

LINCOLN COUNTY SCHOOL DISTRICT

By: *Nyck L. Holton*
Name: Nyck L. Holton
Title: Superintendent
Date: 10-9-12



**Exhibit A**

A tract of land within Block 25 (Known as the Public Square) in the Town of Panaca, Lincoln County, Nevada and more particularly described as follows:

Beginning at a point monumented by a stainless steel disk stamped L SMITH PLS 1275 from which the west quarter corner of said Section 9, Township 2 South, Range 69 East M.D.M., bears S 19°39'53" W 1023.06 feet;

Thence N 00°08'44" W 40.00 feet to a point within an existing building;

Thence S 89°31'21" E 64.84 feet;

Thence S 00°35'15" E 22.68 feet;

Thence N 89°54'21" W 10.45 feet;

Thence S 00°28'39" W 17.26 feet;

Thence N 89°31'21" W 54.37 feet to the point of beginning;

Containing 2417 square feet more or less.

Together with a right of way for ingress and egress from and to 4th Street as may reasonably be required by Lessee for its use of the leased premises.