

LEASE AGREEMENT

THIS LEASE, made this _____ day of _____, 2013, by and between RENO RODEO FOUNDATION, a non-profit Nevada corporation, whose address is 500 Ryland, Suite 200, Reno, Nevada, 89502, hereinafter called LESSEE, and the CITY OF SPARKS, NEVADA, a municipal corporation, hereinafter called LESSOR.

WHEREAS, LESSEE's non-profit purpose is to enhance and enrich the lives of children and families in northern Nevada and to cultivate, foster and promote interest and participation in rodeo activities, entertainment and the proper care and management of domestic animals and to provide and promote competitions, exhibitions, shows, seminars, lectures and entertainment of any and all descriptions for the general enjoyment and instruction of its members and public, and

WHEREAS, LESSOR has determined that the lease of the premises subject to this Lease Agreement to LESSEE will inure to the benefit of the public and the CITY OF SPARKS.

WITNESSETH

NOW, THEREFORE, in consideration of the agreements, conditions and covenants contained herein, the parties agree as follows:

1. DESCRIPTION OF PREMISES

LESSOR shall lease, demise and let to the LESSEE those certain premises situated in the City of Sparks, County of Washoe, State of Nevada, sometimes designated as 2200 Loop Road and commonly called "Gandolfo Rodeo Arena", including improvements thereon and containing personal property as evidenced by Exhibit "A" attached hereto. The demised premises include adjacent loading, unloading and parking areas including upper level parking and restrooms as designated in Exhibit B attached hereto necessary to accommodate LESSEE's needs.

2. TERM

A. The term of this lease shall be for an initial term of five (5) years beginning February 25, 2013 and ending February 24, 2018, with the option to renew for an additional five (5) year term, the extended term to begin on the expiration of the initial term. In order to exercise its option to extend this lease, LESSEE must give the LESSOR written notice of its election to exercise the option not later than sixty (60) days prior to the scheduled expiration of the term. LESSEE may only

exercise its option to extend the lease if it is not in default of any provision of this lease. Further, LESSEE's option to renew this lease is subject to and contingent upon written approval by the LESSOR's Director of Parks and Recreation.

B. The LESSEE, keeping and performing the covenants and agreements herein contained on the part of the LESSEE to be kept and performed, shall at all times during the said tenancy peaceably have, hold and enjoy the leased premises without suit, trouble or hindrance from the LESSOR; provided, however and it is further agreed, that LESSEE has performed and fulfilled each and every condition and covenant herein contained to be performed by said LESSEE.

C. That in the event of the termination of the within lease, or for any other reason, LESSEE will peaceably and quietly leave, surrender and yield up to the LESSOR the leased premises in good order, condition and repair, reasonable use and wear thereof excepted.

D. That it is further mutually covenanted and agreed that upon the termination of the term hereof, LESSEE shall not remove nor cause to be removed any improvements erected or emplaced by LESSEE on said leasehold pursuant to Paragraph 4 below, and said improvements shall upon said expiration or termination of the term hereof remain upon the premises and become property of LESSOR without compensation to LESSEE.

3. RENTAL

The LESSEE agrees to pay LESSOR as rent for the leased premises the sum of ONE DOLLAR (\$1.00) per year. Payments shall be made to LESSOR at the City of Sparks Finance Department, 431 Prater Way, Sparks, Nevada.

4. IMPROVEMENTS

LESSEE must obtain the prior written approval from the LESSOR's Parks and Recreation Director or designee before erecting improvements or making alterations upon the leased premises, and said written approval shall not be unreasonably withheld nor delayed. LESSEE shall pay all expenses and liabilities arising out of or in any way connected with such improvements and shall keep the leased premises and structures thereon free and clear of all liens of mechanic or materialmen.

5. LESSOR'S RESERVATION OF ACCESS AND USE

LESSOR reserves to itself free and unrestricted access and use of Loop Road, all open storage areas and all parking areas adjacent to Gandolfo Rodeo Arena. The foregoing reservation shall not operate to deprive LESSEE of free and unrestricted access to and use of Gandolfo Rodeo Arena or to deprive LESSEE of loading, unloading and parking area including upper level restroom, and upper level parking as designated in Exhibit B. The foregoing reservation shall also not cause scheduling conflicts with LESSEE's use of the leased premises. LESSOR shall have free unrestricted access to its building and facilities on the leased premises and may conduct inspections of the leased premises with at least forty-eight (48) hours notice and appointment.

A. LESSEE is permitted to have overnight live-in units on premises during the duration of an event. Overnight stays are subject to preapproval by the Director of Parks and Recreation. LESSOR shall provide information about the stays as requested by the Director of Parks and Recreation prior to any approval being granted.

B. If LESSOR for any reason declares a State of Emergency, LESSOR reserves the right to have unrestricted and exclusive access and use, to the exclusion of LESSEE or LESSEE's subleases, of the HORSEMAN PARK area including all areas referenced in this Lease agreement irrespective if LESSEE has programmed the area. LESSOR agrees to return property to LESSEE in the same or substantially the same condition to LESSEE as LESSOR found the property upon termination of the State of Emergency.

6. SUBLEASES AND ASSIGNMENTS

A. LESSEE shall not assign this lease. LESSEE shall not lease or rent the premises for longer than 15 consecutive days in a 30 day period without LESSOR's prior written approval.

B. No holding over by LESSEE shall operate to renew this lease without the written consent of LESSOR endorsed thereon.

C. Any and all rental fees charged by LESSEE may be imposed and collected at LESSEE's discretion.

7. WAIVER

The waiver by LESSOR or any breach of any condition herein contained shall not be deemed

to be a waiver of such condition or any subsequent breach of the same.

8. NOTICES

Any and all notices or demands by or from LESSOR to LESSEE, or LESSEE to LESSOR, shall be in writing, served personally or by mail.

LESSOR: City of Sparks
Parks and Recreation Director
P.O. Box 857
Sparks, NV 89432

LESSEE: Reno Rodeo Foundation
500 Ryland, Suite 200
Reno, NV 89502

9. TRASH AND UTILITIES

A. LESSEE shall pay when due all charges for electricity furnished and supplied by Meter No. 148798, unless said charges are incurred by LESSOR.

B. LESSEE shall pay when due all charges for water usage on Meter No. 29 597891 unless said charges are incurred by LESSOR.

C. LESSEE shall pay for all garbage and trash removal which exceeds the on-site capacity currently provided by the LESSOR.

10. INDEMNIFICATION

A. That this said lease is made upon the express condition that the City of Sparks, its officers, agents and employees are to be free from all liability and claim for damage by reason of any person or persons, including LESSEE, or damage to property of any kind whatsoever and to whomsoever belonging, including LESSEE, from any cause whatsoever, while in, upon or in any way connected with the said leased premises while using, or any occupancy hereunder during the term of this lease or any extension hereof, save and except in the case of LESSOR's negligent or intentional acts and/or omissions. However, LESSEE shall not be responsible or liable in any manner, directly or indirectly, for any claims, damages or losses (including attorney's fees), whether known or unknown, disclosed or undisclosed, arising from, by reason of or in connection with the existence of any hazardous materials, or the storage, use, spill, release or disposal of any hazardous materials on or within the subject premises, save and except those hazardous materials created or

placed on or within the subject premises by LESSEE.

B. LESSEE shall hold harmless and indemnify LESSOR against all liabilities and losses incurred by reason of LESSEE's use of the demised premises during the term of this lease save and except with respect to loss or liabilities arising by reason of the LESSOR's use of certain portions of the premises pursuant to Paragraph 5. LESSOR shall hold harmless and indemnify LESSEE with respect to negligent or intentional actions and omissions of LESSOR's employees and agents for harm to LESSEE or third parties arising in connection with LESSOR's use of the subject premises. LESSOR further agrees to hold harmless and indemnify LESSEE with respect to any claims, damages or losses (including attorney fees), whether known or unknown, disclosed or undisclosed, arising from, by reason of or in connection with the existence of any hazardous materials, or the storage, use, spill, release or disposal of any hazardous materials on or within the subject premises, save and except those hazardous materials created or placed on or within the subject premises by LESSEE.

11. INSURANCE

A. Minimum Limits of Insurance

LESSEE shall maintain coverage and limits no less than:

1. General Liability: \$1,000,000 (or amount customarily carried by LESSEE, whichever is greater) combined single limit per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, the general aggregate limit shall be increased to equal twice the required occurrence limit.

B. Other Insurance Provisions

The policies are to contain, or be endorsed to contain, the following provisions:

1. General Liability and Automobile Liability Coverages

a. City, its officers, agents, employees, and volunteers are to be included as insureds in respects to damages and defense arising from: activities performed by or on behalf of LESSEE, including the insured's general supervision of LESSEE; products and completed operations of LESSEE; premises owned, occupied, or used by LESSEE; or automobiles owned, leased, hired,

or borrowed by the LESSEE. The coverage shall contain no special limitations on the scope of protection afforded to City, its officers, employees, or volunteers.

b. LESSEE's insurance coverage shall be Primary insurance as it relates to City, its officers, agents, employees, and volunteers. Any insurance or self-insurance maintained by City, its officers, employees, or volunteers shall be excess of LESSEE's insurance and shall not contribute with it in any way.

c. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to City, its officers, agents, employees, or volunteers.

d. LESSEE's insurance shall apply separately to each insured against whom a claim is made or suit is brought, except with respect to the limits of the insurer's liability.

2. All Coverages

Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled, or non-renewed by either LESSEE or by the insurer, reduced in coverage or in limits except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to City except for nonpayment of premium.

C. Acceptability of Insurers

Insurance is to be placed with insurers with a Best's rating of no less than A-: VII. City, with the approval of the Risk Manager, may accept coverage with carriers having lower Best's ratings upon review of financial information concerning LESSEE and insurance carrier. City reserves the right to require that LESSEE's insurer be a licensed and admitted insurer in the State of Nevada, or on the Insurance Commissioner's approved but not admitted list.

D. Verification of Coverage

LESSEE shall furnish City with certificates of insurance and with original endorsements affecting coverage required by this contract. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.

All certificates and endorsements are to be received and approved by City before work commences. The City reserves the right to require complete certified copies of all required insurance policies at any time. LESSEE must provide the following documents to City of Sparks, Attention:

Purchasing Division, P.O. Box 857, Sparks, NV 89432-0857:

1. Certificate of Insurance. LESSEE must provide a Certificate of Insurance form to THE CITY OF SPARKS to evidence the insurance policies and coverage required of LESSEE.

2. Additional Insured Endorsements. An original Additional Insured Endorsement, signed by an authorized insurance company representative, must be submitted to the City, by attachment to the Certificate of Insurance, to evidence the endorsement of THE CITY OF SPARKS as additional insured.

3. Policy Cancellation Endorsement. Except for ten days notice for non-payment of premium, each insurance policy shall be endorsed to specify that without thirty (30) days prior written notice to the City, the policy shall not be cancelled, non-renewal of coverage and/or limits reduced or materially altered, and shall provide that notices required by this paragraph shall be sent by certified mail to the address specified above. A copy of this signed endorsement must be attached to the Certificate of Insurance.

E. Sublessees or Rentors

Contractor shall require that all sublessees, rentors or other users of the premises not covered by LESSEES' policy shall furnish separate certificates and endorsements to the City prior to their use of the facility. All coverages for Sublessees, rentors and other users of the premises shall be subject to all of the requirements stated herein.

F. Miscellaneous Conditions

1. LESSEE shall be responsible for and remedy all damage or loss to any property, including property of City, caused in whole or in part by LESSEE, any SUBLESSEE, or anyone employed, directed, or supervised by LESSEE.

2. Nothing herein contained shall be construed as limiting in any way the extent to which LESSEE may be held responsible for payment of damages to persons or property resulting from its operations or the operations of any SUBLESSEE under it.

3. In addition to any other remedies City may have if LESSEE fails to provide or maintain any insurance policies or policy endorsements to the extent and within the time herein required, City may, at its sole option:

a. Purchase such insurance to cover any risk for which City may be liable through the operations of LESSEE under this Agreement and deduct or retain the amount of the premiums for such insurance from any sums due under the Agreement;

b. Order LESSEE to stop work under this Agreement and/or withhold any payments which become due LESSEE hereunder until LESSEE demonstrates compliance with the requirements hereof; or,

c. Terminate the Agreement.

It is further agreed that in case, at any time, during the continuance of this indenture, the LESSEE shall fail, refuse or neglect, after being given (10) days notice required in and by this instrument to be procured by the LESSEE, or to keep and maintain the same in full force and effect, the LESSOR, at its option (and without such act constituting a waiver of the default by the LESSEE thus occurring) may procure or renew such insurance and thereupon, the amount or amounts of money paid as the premium or premiums thereon, plus interest at a rate of twelve (12) percent per annum shall be collectible as though it were rent then matured hereunder and shall be due and payable within thirty (30) days after written demand for reimbursement therefore shall have been made by the LESSOR upon the LESSEE and the LESSEE's failure to effect such reimbursement within such time thereafter, such demand shall constitute a default herein.

12. **DAMAGE OR DESTRUCTION**

If during the term of this Lease the facility shall be partially damaged or destroyed by fire or other hazard, contingency, casualty, including but not limited to earthquake or other cause or risk, including any destruction required by any authorized public authority, (excluding any damage or destruction resulting from LESSEE's act, use or occupancy), and as a result the facility or other permanent improvement is declared unsafe or unfit for occupancy by any authorized public authority for any reason other than LESSEE's act, use or occupancy (whether or not such destruction or damage is covered by insurance), this Lease shall not terminate. If by election or otherwise, LESSEE repairs or reconstructs the facility, the insurance payable as a result of the damage or destruction shall be applied to the cost of repair or reconstruction.

13. NO PARTNERSHIP

Nothing contained in this Lease shall be deemed, construed or represented by LESSOR or LESSEE or by any third person to create the relationship of principal or agent, or of a partnership, or of a joint venture, or of any other association of any kind or nature between LESSOR and LESSEE. Nor shall any act or acts of either LESSOR or LESSEE be deemed to be any relationship between LESSOR and LESSEE other than that of LESSOR and LESSEE.

14. TERMINATION

A In the event LESSEE breaches any condition of this lease, LESSOR shall serve written notice of the breach and its intent to terminate the lease based thereon at least thirty (30) days prior to the intended termination date. In the event LESSEE fails to remedy the breach within said thirty (30) day period, the lease may be terminated and LESSOR may then reenter the premises.

B Upon termination of the lease as provided herein or upon expiration of the term of the lease, LESSEE shall at its expense vacate the premises and leave the same in a clean and orderly condition. LESSEE shall be liable to LESSOR for the cost to remove equipment and debris from the leased premises.

C In the event LESSEE fails to remove its personal property and/or fails to clean the leased premises, LESSOR may make diligent efforts to cause the leased property to be cleaned and thereafter seek reimbursement from LESSEE for all costs associated with the removal of LESSOR's personal property and/or cleanup of the leased premises.

15. PREMISES TO BE USED FOR LEGAL PURPOSES ONLY

A The LESSEE covenants and agrees that during the term hereof, it will conform to, and observe all ordinances, rules, laws and regulations of the County of Washoe, State of Nevada, and the United States of America, and all public authorities, boards, or officers, relating to said premises, or improvements upon the same, or use thereof, and will not, during such term, permit the same to be used for any illegal or immoral purpose, business or occupation.

B LESSEE shall secure all necessary permits required in connection with operations on the leased premises and shall comply with all federal, state and local statutes, ordinances or regulations which may affect in any respect LESSEE's use of the leased premises.

16. MAINTENANCE AND REPAIR

A. LESSEE shall be responsible for the maintenance and repair of the demised premises, including the arena facility, concession stand, bathrooms, corrals, fences, announcer's booth and all other improvements thereon, whether designated as real or personal property, except as otherwise provided in Subsection (b) below.

B. LESSEE covenants through the entire term of the lease at the LESSEE's sole cost and expense to make all repairs, alterations and/or improvements, whether ordinary or extraordinary, that may be required by any present or future law, ordinances, regulations or statutes in connection with the occupation and use of the demised premises, save and except roads, streets, curbs, sidewalks, parking lot, complete repaving and stripping and off-premises sewer, drainage, water and other technical and safety delivery systems of any kind. LESSEE further covenants to make all repairs which may be necessary to prevent the building or buildings and/or furniture, and furnishings from falling into a state of ill repair; and the term "ill repair" means such a state of repair that the failure to cure it would constitute a legal waste.

C. LESSEE shall keep and maintain at its expense the leased premises free of debris and flammable or explosive materials of every description and at all times keep the premises in an orderly, clean, safe and sanitary condition. In the event LESSEE fails to maintain the leased premises in accordance with the provisions contained herein, LESSOR may initiate cleanup efforts and thereafter charge all such costs to LESSEE.

17. CONDITION AND FITNESS FOR USE OF DEMISED PREMISES

A. LESSEE acknowledges that the leasing of the premises, including all improvements and personal property thereon, was after examination and inspection of their condition by the LESSEE, and that no representations or warranties were made by the LESSOR or its agents.

B. LESSEE acknowledges that the LESSOR has made no representations or warranties that the demised premises are fit for any particular use despite any past usage of the premises.

C. LESSEE acknowledges that water will be available on the demised premises only from April 1st to October 1st of each calendar year. However, LESSOR's Director of Parks and Recreation may, upon written application by the LESSEE, make water available at other times

provided that to do so poses no threat of damage to the water delivery system or premises.

18. SECURITY

LESSEE shall be responsible for the security and safety of the demised premises and may take whatever steps are lawful and reasonably necessary under the circumstances to provide for the security and safety of the premises, persons and animals thereon.

19. POLICY OF NON-DISCRIMINATION

LESSEE covenants and agrees that it will not discriminate against any person on the basis of race, creed, religion, national origin, age or sex.

20. SEVERANCE

If any term, covenant or condition of the lease is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of this lease shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

21. ATTORNEY FEES

In the event any action, suit or proceeding is brought for the enforcement of, or the declaration of rights pursuant to, this lease or as a result of any alleged breach of any provision of this lease, the prevailing party shall be entitled to recover its costs and expenses, including reasonable attorney's fees, from the losing party, and any judgment or decree rendered in such a proceeding shall include an award thereof.

22. GENERAL COVENANTS

A. This lease shall constitute the entire contract between the parties hereto, and no modification hereof shall be binding unless endorsed hereon in writing.

B. All covenants and agreements herein contained shall extend to and be obligatory upon the heirs, executors, administrators, successors and assigns, as the case may be, of the respective parties.

C. The provisions of this lease may be altered, changed or amended only by the written and signed mutual consent of the parties hereto.

IN WITNESS WHEREOF, the parties have hereunto set their hands the day and year hereinabove first written.

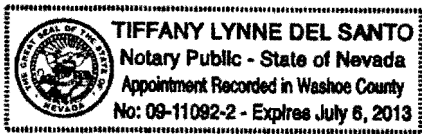
LESSEE
RENO RODEO FOUNDATION

BY: [Signature]

STATE OF NEVADA)
COUNTY OF WASHOE)

ss.

On this 12th day of February, 2013, before me, a Notary Public, personally appeared Mark J. Elston from Reno Rodeo Foundation, who acknowledged to me that he executed the foregoing instrument.



[Signature]
NOTARY PUBLIC

LESSOR
CITY OF SPARKS

BY: _____
GENO MARTINI, Mayor

ATTEST:

TERESA GARDNER
City Clerk

APPROVED AS TO FORM:
[Signature]
SHIRLE EITING
Senior Assistant City Attorney

STATE OF NEVADA)
COUNTY OF WASHOE)

ss.

On this ____ day of _____, 2013, before me, a Notary Public, personally appeared _____ from Reno Rodeo Foundation, who acknowledged to me that he executed the foregoing instrument.

NOTARY PUBLIC