

**WASHOE COUNTY SCHOOL DISTRICT
BUS LEASE AGREEMENT**

THIS AGREEMENT made on this 1st day of December, 2011 by and between the BOARD OF TRUSTEES OF THE WASHOE COUNTY SCHOOL DISTRICT, a body corporate, hereinafter referred to as "Lessor," and CITY OF SPARKS PARKS AND RECREATION, hereinafter referred to as "Lessee."

RECITALS

- A. The Lessor owns certain school buses that the Lessee desires to use in connection with Parks & Recreation Programs.
- B. The Lessor is willing to lease said school buses to the Lessee under the terms and conditions set forth below.

NOW, THEREFORE, in consideration of the mutual covenants and conditions set forth herein, Lessor and lessee hereby agree as follows:

WITNESSETH

1. The foregoing recitals are incorporated herein as though set forth in full.
2. The Lessor hereby leases to Lessee school buses TO BE USED BY Lessee as fully set forth in this Agreement.
3. The term of this lease shall be for a period commencing at 12:00 a.m. on the 1st day of January, 2012, and expiring on 11:59 p.m. on the 31st day of December, 2012. Lessor shall retain and maintain absolute ownership and control of said school buses and Lessee's use of said school buses shall in no way interfere with Lessor's use of the school buses.
4. In consideration of the foregoing, Lessee agrees to promptly pay to Lessor \$2.50 per mile for each actual mile logged by said buses during the term of this Agreement. If there is a change in operating cost for Lessor, then Lessee agrees to pay the adjusted cost per mile for actual miles logged provided that Lessor provides thirty (30) days written notice prior to the effective date of the cost adjustment. In the event Lessee does not use said buses for its contemplated programs, there will be no charge to Lessee.
5. During the duration of this Agreement and while the buses are in its possession and use, Lessee shall have absolute control of such equipment in the same manner as though Lessee was the owner thereof. While school is in session the bus drivers will be employees of the Lessor.
6. During recreational times (i.e. school breaks, summer vacation) the Lessee shall employ and have absolute supervision over the drivers of said school buses, provided that it shall employ drivers and/or supervisors from a pool of qualified bus drivers and/or supervisors, the names of who are supplied by Lessor. Lessor shall not, however, interfere in any manner with said drivers and/or supervisors while working for Lessee during the period of this Agreement and said drivers shall occupy the relation of servants to the Lessee as master and there shall be no employment relationship between Lessor and any of said drivers during the time they are working for Lessee as provided hereunder. Lessee shall be obligated to pay drivers' wages, workers' compensation, and other insurance, taxes and/or payments pertaining to said drivers as may be required by law and indemnify Lessor relating to the actions of said drivers as provided in paragraph 8 below.
7. The Lessor agrees to maintain the said equipment at its own expense including but not limited to lubrication, fuel, tires, repairs, and cleaning; provided, however, Lessee shall perform all emergency on the road maintenance while the buses are in Lessee's

possession, and further be responsible for returning any inoperable buses to the Lessor's designated maintenance or storage area.

8. Lessee shall indemnify, hold Lessor harmless and defend Lessor from any and all liability and claims, including but not limited to costs and attorneys' fees, which may result from the negligent and/or intentional acts of Lessee and its employees. Lessor shall indemnify, hold Lessee harmless, and defend Lessee up to the statutory limits set forth in NRS Chapter 41 for any and all liability and claims including costs and attorneys fees, which may result from the negligent or intentional act of Lessor's employees or agents.
9. In the event any bus is damaged while in possession of Lessee, Lessee shall be responsible to repair and/or pay to the Lessor the fair market value of said bus prior to such damage, if repair is not practically or economically feasible.
10. The Lessee shall furnish automobile liability insurance on each bus used in the above outlined programs. Such insurance shall name Lessor as an additional insured and shall provide Lessor with thirty (30) days notice of cancellation of the policy. Lessee shall also name Lessor as an additional insured on its excess liability policy or policies.

Lessee shall maintain a One Million Dollar (\$1,000,000) Automobile Liability policy, a One Million Dollar (\$1,000,000) General Liability Policy, and a Three Million Dollar (\$3,000,000) Umbrella Liability policy. Lessee shall provide Lessor with Certificates of Insurance and additional insured endorsement(s) reflecting the above coverage and limits.

11. Lessee shall pick up said buses at and return said buses to points designated by Lessor.
12. Upon the expiration of this lease agreement, Lessee shall promptly restore possession of all the school buses to Lessor in as good a condition as when received, ordinary wear and tear excepted.
13. This Agreement shall be binding upon the parties hereto and their successors in interest.
14. This Agreement shall be governed by the laws of the State of Nevada.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the day and year first above written.

WASHOE COUNTY SCHOOL DISTRICT

"LESSOR"

By 

City of Sparks Parks & Recreation
"LESSEE"

By 