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A.P.N. ADJ. 1022-29-402-002

Project <u>F-003-1(1)</u>

E.A. 20201

Parcel U-395-DO-000.469

Agreement Number R267-04-030

AFTER RECORDING RETURN TO:

NEVADA DEPT. OF TRANSPORTATION

RIGHT-OF-WAY DIVISION

ATTN: KEVIN OLSEN

1263 S. STEWART ST.

CARSON CITY, NV 89712

LEGAL DESCRIPTION PREPARED BY:

HEIDI A. MIRELES

NEVADA DEPARTMENT OF TRANSPORTATION

1263 S. STEWART ST.

CARSON CITY, NV 89712

MULTI USE LEASE
Nevada Department of Transportation

THIS LEASE, made this f^{2} day of f day of f day of f day of f between TOPAZ LODGE, INC., A NEVADA CORPORATION, whose mailing address is 500 Damonte Ranch Parkway, Suite 980, Reno, NV 89511, hereinafter called the LESSEE, and the STATE OF NEVADA, acting by and through its Department of Transportation, hereinafter called the LESSOR.

WITNESSETH:

The LESSOR, for and in consideration of the agreements, conditions, covenants and stipulations of the LESSEE as hereinafter provided, agrees as follows:

(a) To lease, demise and let to the LESSEE those certain premises situate in the County of Douglas, State of Nevada, said leased area being more particularly described as follows: situate, lying and being in the County of Douglas, State of Nevada, and more particularly described as being a parcel or strip of land lying within the right-of-way of US-395, over and across a portion of the SW 1/4 of the SW 1/4 of Section 29, T. 10 N., R. 22 E., M.D.M., and more fully described as follows, to wit:

Being a parcel or strip of land 45.00 feet in width, the westerly line of said parcel being 30.00 feet right of and parallel with the centerline of US-395, extending from a point 30.00 feet right of and measured radially from Highway Engineer's Station "X" 24+74.72 P.O.C.; thence northerly a distance of 261.44 feet to a point 30.00 feet right of and measured radially from Highway Engineer's Station "X" 27+34.43 P.O.C. The westerly boundary of said parcel shall be coincident with a line 30.00 feet right of and parallel with the "X" centerline of said US-395.

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Parcel U-395-DO-000.469 continued

The easterly boundary of said parcel is coincident with the westerly boundary line of that land described in that certain document filed in Official Records of Douglas County, Nevada, on July 2, 1984, as Document Number 103033 in Book 784 at Page 133; said parcel contains an area of 11,823 square feet, more or less.

Said parcel is identified as parcel number U-395-DO-000.469, on Exhibit "A", attached hereto and made a part hereof.

The parties hereto covenant and agree as follows:

1. TERM

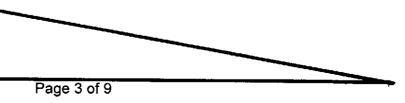
- (a) The term of this lease shall be for a primary term of five (5) years beginning July 1, 2004 and ending June 30, 2009, plus the option to renew for two extended terms of five (5) years each, the first of such extended terms to begin on the expiration of the initial term and each successive extended term to begin on the expiration of the term immediately preceding.
- (b) The LESSEE'S option of renewing this lease is subject to approval of the LESSOR, and shall be exercised in writing by means of certified or registered mail notice to the LESSOR at least thirty (30) days prior to the commencement of the renewal period.
- (c) 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 and quietly have, hold and enjoy the leased premises without suit, trouble or hindrance from the LESSOR; provided, however, that LESSEE has performed and fulfilled each and every condition and covenant herein contained to be performed by LESSEE.
- (d) In the event of the termination of the lease by the expiration thereof, or for any other reason, LESSEE will peaceably and quietly leave, surrender and yield up to the LESSOR all and singular the leased premises in good order, condition and repair, reasonable use and wear thereof excepted, and damage by earthquake, fire and public calamity, by the elements or by act of God excepted.
- (e) This lease may be terminated at any time for any reason by the LESSEE or the LESSOR upon thirty (30) days prior notice in writing, serving same upon LESSOR or LESSEE as the case may be. This lease will automatically terminate when the LESSOR serves notice upon LESSEE that LESSOR requires the leased premises for a highway purpose, and in such event LESSEE waives any claim for compensation.

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- (f) It is further mutually covenanted and agreed that upon the expiration or termination of the term hereof, LESSEE shall remove or cause to be removed, within thirty (30) days and at its own expense, any and all improvements erected or emplaced by LESSEE on said leasehold, leaving and surrendering said premises in as good order and condition as the premises were in when delivered to LESSEE. Should LESSEE not remove improvements they shall upon said expiration or termination of the term hereof become property of LESSOR upon its option and without compensation by him to the LESSEE.
- (g) No holding over by LESSEE shall operate to renew this lease without the written consent of LESSOR endorsed thereon.

2. RENTAL

- (a) The LESSEE agrees to pay LESSOR as rent for the leased premises the sum of TWO HUNDRED FIFTY AND NO/100 DOLLARS (\$250.00) per year payable to the LESSOR at 1263 S. Stewart St. Carson City, NV 89712, commencing on the 1st day of June 2004, and thereafter payable on or before the 1st day of June for each successive year for which due. In the event of termination, any unearned rental for the remainder of that period wherein termination occurs shall be returned to LESSEE.
- (b) If LESSEE fails to pay the rent in full by the 5th calendar day of each June for which due, LESSEE shall pay a late charge in the amount of TWENTY-FIVE AND NO/100 DOLLARS (\$25.00). If a check presented by LESSEE for payment of rent is dishonored by any bank, LESSEE shall pay a non-payment charge in the additional amount of TWENTY-FIVE AND NO/100 DOLLARS (\$25.00).
- (c) The LESSEE shall pay any gas, heat, light, power, telephone service and other utility costs that are supplied to the leased premises.
- (d LESSOR and LESSEE agree that the rental amount agreed herein shall be automatically reviewed and reevaluated by LESSOR and, if necessary, renegotiated within at least thirty (30) days of the expiration of each five (5) year increment of the term hereof.
- (e) If any rent shall be due and unpaid after the same shall become payable as aforesaid; or if LESSEE shall not perform and fulfill each and every one of the conditions and covenants herein contained to be performed by LESSEE, or if LESSEE discontinues business in the leased premises for more than a continuous sixty (60) day period; or if LESSEE attempts to sell or assign this lease; such act or acts of omission or commission may, at the option of LESSOR, constitute a forfeiture of all rights under the lease and a voiding of the lease and an ending of the term of this lease, and the further occupancy of leased premises after such forfeiture shall be deemed held and taken as a forcible detainer by LESSEE; and LESSOR may, with notice and legal process, evict and dispossess the LESSEE from premises.



SUBLEASES, ASSIGNMENTS AND ASSIGNMENTS BY OPERATION OF LAW

- (a) LESSEE shall not assign this lease without the prior written consent of LESSOR, nor sublet the leased premises in any event.
- (b) No holding over by LESSEE shall operate to renew this lease without the written consent of LESSOR endorsed thereon.

4. WAIVER

The waiver by LESSOR of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition or any subsequent breach of the same, or any other term, covenant or condition herein contained. The subsequent acceptance of rent hereunder by LESSOR shall not be deemed to be a waiver of any preceding breach by LESSEE of any term, covenant or condition of this lease other than the failure of LESSEE to pay the particular rental so accepted, regardless of LESSOR'S knowledge of preceding breach at the time of acceptance of such rental.

NOTICES

Any and all notices or demands by or from LESSOR to LESSEE, or LESSEE to LESSOR, shall be in writing. They shall be served either personally or by mail, service shall be conclusively deemed made at the time of service. If served by certified mail, service shall be conclusively deemed made forty-eight (48) hours after the deposit thereof in the United States mail, postage prepaid, addressed to the party to whom such notice or demand is to be given and the issuance of receipt therefor. Any notice or demand to LESSOR may be given to LESSOR at 1263 S. Stewart St. Carson City, NV 89712 or at such other place or places as shall be designated by LESSOR from time to time. Any notice or demand to LESSEE shall be given to LESSEE at 500 Damonte Ranch Parkway, Suite 980, Reno, NV 89511.

6. IMPROVEMENTS, REPAIRS, MAINTENANCE AND USE OF THE PROPERTY

- (a) LESSEE shall place no improvements in, on or upon the leased premises except those approved in writing by the LESSOR. No additional construction or alterations shall be made in or upon the leased premises without prior consent and approval of both LESSOR and the Federal Highway Administration.
- (b) LESSEE shall be responsible for the reestablishment by a registered land surveyor of any permanent survey markers or highway right of way monuments disturbed or obliterated during the term of this lease, at LESSEE'S expense.
- (c) LESSEE shall place no advertising signs, signboards, or other advertising material on the leased premises during the term of this lease, without prior approval of LESSOR.
- (d) LESSEE shall pay all charges for water, gas, electricity, sewage and trash disposal furnished and supplied to or upon any part of the leased premises.

- (e) LESSEE agrees to 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.
- (f) LESSEE agrees to keep and maintain at its sole expense, the leased premises free of all weeds, noxious plants, debris and flammable, explosive or hazardous materials of every description, and at all times keep the premises in an orderly, clean, safe and sanitary condition.
- (g) All work performed by LESSEE under this lease shall be in accordance with the current editions of the State of Nevada Standard Specifications for Road and Bridge Construction and the Standard Plans for Road and Bridge Construction, and shall be accomplished to the satisfaction of the District Engineer. Copies of applicable plans and specifications are available upon request from the District Engineer.
- (h) LESSEE shall use the leased premises during the term of this lease for customer parking and landscaping.
- (i) LESSEE shall not do or permit anything to be done in or about the leased premises which will in any way obstruct or interfere with the rights of other LESSEES or occupants of the building or injure or annoy them or use or allow the leased premises to be used for any improper, immoral, unlawful or objectionable purpose, nor shall LESSEE cause, maintain or permit any nuisance in, on or about the leased premises. LESSEE shall not commit or suffer to be committed any waste in or upon the leased premises.
- (j) LESSEE'S violation of any provision of this lease, and failure to correct said violation within a reasonable time after receipt of notice from LESSOR in accordance with the provisions of Paragraph 5 of this lease, shall constitute a forfeiture of all LESSEE'S rights hereunder and shall constitute a voiding and termination of the lease as provided herein.
- (k) The leasing of the premises by LESSEE was after examination of their present condition and without any representation or warranties on the part of LESSOR or its agents. LESSEE and LESSOR have inspected the premises and agree that the premises are free of hazardous substances in their present condition.
- (I) LESSEE will obey all laws concerning health and safety with respect to hazardous substances, and shall indemnify LESSOR and hold LESSOR harmless from any and all costs and expenses arising out of the use of hazardous substances on the premises.
- (m) LESSOR retains the right to enter the leased premises without announcement to inspect and perform field tests on air, water and soil.
- (n) Landscaping within the STATE'S right-of-way shall not exceed 2 feet in height unless prior approval is obtained from LESSOR.

7. RIGHT OF ENTRY

LESSOR specifically reserves the right of entry by any authorized officer, engineer, employee, agent or contractor of the LESSOR for the purpose of inspecting the premises, or the doing of any and all acts necessary or proper on the premises in connection with the protection, maintenance, repair, reconstruction, and operation of the premises with 48 hours written notice to LESSEE.

8. INDEMNIFICATION AND INSURANCE

- (a) LESSEE hereby agrees to fully exonerate, indemnify, defend and hold harmless the State of Nevada, any of its departments, divisions, agencies, officers or employees from and against all claims or actions, and all expenses incidental to the defense of any such claims or actions, based upon or arising out of damage or injury (including death) to persons or property due to any error, negligence, omission or act of the LESSEE or any person employed by LESSEE, or any others for whose acts the LESSEE is legally liable. The sums shall include, in the event of any action, the amount of the judgment, court costs, expenses of litigation, expert witness fees and reasonable attorney's fee.
- (b) The LESSEE shall furnish a Certificate, Declarations Page and an Endorsement designating the LESSOR as an additional insured evidencing Commercial General Liability Insurance, with a minimum limit of One Million and no/100 Dollars (\$1,000,000.00) per occurrence. Such insurance shall be maintained for the entire period of the LEASE. This policy shall include 30-days advance written notice of any cancellation of said policy. It is further understood and agreed upon by the parties that the LESSEE shall procure, pay for and maintain the above-mentioned insurance coverage at its own sole cost and expense.
- (c) The LESSEE'S Commercial General Liability and any umbrella or excess liability policies shall be endorsed to add the State of Nevada, its officers, agents, employees and volunteers as additional insureds; said additional insured to be designated as follows: State of Nevada Department of Transportation, 1263 South Stewart Street, Carson City, Nevada 89712. The LESSEE'S insurance shall apply separately to each insured against whom a claim is made or suit is brought, except with respect to the limit of the insurer's liability. Each insurance policy shall be endorsed to provide that coverage shall not be canceled, suspended, voided, non-renewed or restricted by LESSEE or the insurer except after 30 days prior written notice by certified mail, return receipt requested, given to the LESSOR.
- (d) The right to indemnification provided above shall be in addition to, and not in lieu of, any other remedy otherwise available to the State or LESSOR. This indemnification obligation shall not be diminished or limited in any way to the total insurance policy limits required by this lease or otherwise available to the LESSEE.
- (e) Upon signing this lease, LESSEE shall provide the LESSOR with a copy of the insurance binder, and within not more than fifteen (15) days after the effective date of the policy, shall furnish to LESSOR a Certificate of Insurance and endorsement relative to the policy.

(f) Should LESSEE fail to keep insurance as described above in full force and effect, LESSOR may, in accordance with Paragraph 1 (e) of this lease, void and terminate the tenancy.

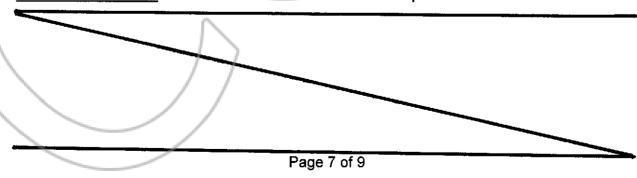
9. FAIR EMPLOYMENT PRACTICES

During the term of this lease, the LESSEE, for itself, its personal representatives, successors in interest and assigns, shall comply with the regulations pertaining to nondiscrimination and Title VI of the Civil Rights Act of 1964, as contained in Title 23 Code of Federal Regulations, Part 200, and Title 49 Code of Federal Regulations, Part 21, which are hereby incorporated by reference and made a part of this lease.

10. GENERAL COVENANTS

- (a) This lease shall constitute the entire contract between LESSOR and LESSEE, and no modification hereof shall be binding unless it is in writing and signed by the parties.
- (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) This lease and the rights and obligations of the parties hereto shall be governed by and construed according to, the laws of the State of Nevada. The parties consent to the jurisdiction of the Nevada district courts for enforcement of this lease.
- (d) As used herein the terms LESSOR and LESSEE shall include the plural as well as the singular, and the feminine as well as the masculine, and the neuter.
 - (e) Time is of the essence of each and all of the terms and provisions of this lease.
 - (f) This lease shall be recorded.
- (g) It is specifically agreed between the parties executing this agreement that it is not intended by any of the provisions of any part of the agreement to create in the public or any member thereof a third party beneficiary status hereunder, or to authorize anyone not a party to this agreement to maintain a suit for personal injuries or property damage pursuant to the terms or provisions of this agreement.
 - (h) LESSEE has provided LESSOR with a Federal Tax Identification Number

 LESSEE'S form of business is a Corporation



- (i) This lease constitutes the entire agreement of the parties and as such is intended as a complete and exclusive statement of the promises, representations, negotiations, discussions, and other agreements that may have been made in connection with the subject matter hereof. Unless an integrated attachment to this lease specifically displays a mutual intent to amend a particular part of this lease, general conflicts in language between any such attachment and this lease shall be construed consistent with the terms of this lease. Unless otherwise expressly authorized by the terms of this lease, no modification or amendment to this lease shall be binding upon the parties unless the same is in writing and signed by the respective parties hereto and approved by the Attorney General.
- (j) The illegality or invalidity of any provision or portion of this agreement shall not affect the validity of the remainder of the agreement and this agreement shall be construed as if such provision did not exist and the unenforceability of such provision shall not be held to render any other provision or provisions of this agreement unenforceable.

IN WITNESS WHEREOF the parties hereto have executed this lease the day and year first above written.

LESSEE:	LESSOR:
TOPAZ LODGE, INC.	STATE OF NEVADA acting by and through it
	DEPARTMENT OF TRANSPORTATION
Ву: 6/1/04	may algunity 7/14/04
ROBERT A. CASHELL, JR., Date	Director Date
President	
	REVIEWED AND RECOMMENDED BY:
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Date

Deputy Attorney General

STATE OF Devada
On this
IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written. IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.
STATE OF NEVADA CARSON CITY
On this day of , 200, personally appeared before me, the undersigned, a Notary Public in and for Carson City, State of Nevadar Fundy Edgington & Department of Transportation of the State of Nevada who subscribed to the above instrument for the Nevada Department of Transportation under authorization of Nevada Revised Statutes, Chapter 408.205; that he affirms that the seal affixed to said instrument is the seal of said Department; and that said instrument was executed for the Nevada Department of Transportation freely and voluntarily and for the uses and purposes therein mentioned.
IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written. STATE OF NEVADA STATE OF NEVADA MO.04-88723-3 My Appt. Exp. April 16, 2008 MO.04-88723-3 My Appt. Exp. April 16, 2008 MO.04-88723-3 My Appt. Exp. April 16, 2008

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