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DOC # 0710857
10/09/2007 03:43 PM Deputy: DW
OFFICIAL RECORD
Requested By:
ROGER TEIG

Assessor's Parcel Number: 1319-00-002-034

Recording Requested By:

✓ Name: ROGER TEIG

Address: 1974 FOOTHILL RD,

City/State/Zip MINDEN, NV. 89423

Real Property Transfer Tax: _____

Douglas County - NV
Werner Christen - Recorder
Page: 1 Of 11 Fee: 24.00
BK-1007 PG- 2604 RPTT: 0.00



GROUND LEASE
(Title of Document)

This page added to provide additional information required by NRS 111.312 Sections 1-2. (Additional recording fee applies)

This cover page must be typed or legibly hand printed.

C:\bc docs\Cover page for recording

GROUND LEASE

This Ground Lease (this "Lease") is entered into on September ~~20~~ 2007 (the "Effective Date") by and between TEIG FAMILY INVESTMENTS, LLC, a Nevada limited liability company (as to 77% interest) and ROGER G. TEIG AND GAIL P. TEIG, TRUSTEES OF THE TEIG FAMILY 1995 TRUST DATED NOVEMBER 30, 1995 (as to a 23% interest) ("Landlord") and [ROGER G. TEIG AND GAIL P. TEIG] [ROGER G. TEIG AND GAIL P. TEIG, TRUSTEES OF THE TEIG FAMILY 1995 TRUST DATED NOVEMBER 30, 1995] ("Tenant"), with reference to the following facts and is as follows:

RECITALS:

A. Landlord is the owner of that certain real property located in the Town of Minden, County of Douglas, State of Nevada, and more particularly described in EXHIBIT A attached hereto and incorporated herein by this reference (the "Property").

B. Landlord desires to lease the Property to Tenant and Tenant desires to lease the Property from Landlord, on the terms and conditions set forth herein.

C. Landlord desires to grant to Tenant unlocated non-exclusive easements over the Property for purposes of ingress to and egress from the Property during the term of this Lease, which easements shall be appurtenant to and for the benefit of the leasehold estate granted hereby.

NOW, THEREFORE, in consideration of the mutual promises set forth below, Landlord and Tenant agree as follows:

1. Grant of Leasehold Estate; Access Easements. Landlord hereby leases to Tenant and Tenant hereby hires from Landlord, the Property on the terms and conditions set forth herein. Landlord hereby grants to Tenant unlocated non-exclusive easements over the Property for purposes of ingress to and egress from the Property, which easements are appurtenant to the leasehold estate granted hereby and shall terminate upon the expiration of the Lease Term.

2. Lease Term. The initial term of this Lease shall commence on the Effective Date and continue for a period of thirty-five (35) years, and shall thereafter be renewable for additional terms of ten (10) years each unless either party gives written notice to the other party of its intent not to renew within three (3) months of the expiration of the initial term or any renewal term (the initial term and any renewals thereof, the "Lease Term" or "term of this Lease").

3. Consideration. Tenant shall pay to Landlord annual rent in the amount of ONE THOUSAND AND NO/100THS DOLLARS (\$1,000.00), payable on the Effective Date and the anniversary thereof each year during the Lease Term.

4. Taxes and Assessments. Landlord agrees to pay during the Lease Term all real property taxes and assessments, if any, levied against the Property. Tenant agrees to pay all



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property taxes levied against the improvements made by Tenant to the Property and against any personal property of Tenant located on the Property.

5. Utilities. Tenant shall supply its own electrical power and other utilities to the Property at Tenant's sole cost and expense.

6. Use of Property.

6.1 Use. Tenant shall have the right to use the Property for any lawful purpose and to construct Improvements on the Property, built to such specifications as Tenant deems reasonable with respect to the Property. Landlord shall cooperate with Tenant in obtaining all necessary building and other permits in connection with such construction, at no cost to Landlord. Landlord shall have the right to approve the plans and specifications for the construction of Improvements as well as the contractor and/or subcontractors hired or retained for same by Tenant.

6.2 Indemnity Against Mechanic's Liens. Tenant agrees to pay all costs, expenses and liabilities arising out of, or in any way connected with, the construction of improvements on the Property, and to keep the Property free and clear of any and all mechanic's liens.

6.3 Operating Expenses. Tenant shall pay any and all expenses and charges incurred in connection with the operation of the Property and any improvements located thereon.

7. Ownership of Improvements.

7.1 Tenant's Ownership of Improvements and Fixtures. It is expressly understood and agreed that during the Lease Term any and all improvements, fixtures, machinery and equipment of whatsoever nature at any time constructed, placed or maintained upon any part of the Property (collectively, "Improvements") shall be the property of Tenant.

7.2 Ownership of Improvements at End of Lease Term. At the expiration or earlier termination of the Lease Term, any or all of the Improvements on the Property shall become the property of Landlord without any further action by the parties hereto and without the payment of any consideration to Tenant by Landlord.

8. Assignment and Subletting.

8.1 Assignment. This Lease is freely assignable by Tenant.

8.2 Subletting. Tenant shall have the right to transfer, mortgage and sublet the Property without Landlord's consent or any fees.

9. Duty to Repair. Tenant, at Tenant's own cost and expense at all times during the term of this Lease, agrees to keep and maintain, or cause to be kept and maintained, all Improvements on the Property. Landlord, at Landlord's own cost and expense at all times during the term of this



Lease, agrees to keep and maintain, or cause to be kept and maintained, all infrastructure, common areas and facilities for the common use and benefit of tenants on the Property.

10. Insurance; Tenant's Indemnity.

10.1 Insurance Coverage. At all times during the Lease Term, Tenant shall, at Tenant's sole cost and expense, procure and maintain a policy of insurance naming Landlord and Tenant as the insureds thereunder with coverage against claims for personal injury, death or property damage arising from the use, occupancy, disuse or condition of the Property or the Improvements thereon, under a comprehensive broad form policy of general public liability insurance, with coverage amounts of not less than One Million and no/100ths Dollars (\$1,000,000) for bodily injury or death to one person, One Million and no/100ths Dollars (\$1,000,000) for any one accident or occurrence and One Million and no/100ths Dollars (\$1,000,000) for property damage. Tenant shall also insure any Improvements for their full replacement value. All insurance provided for in this Lease shall be issued by insurers of recognized responsibility licensed to do business in the State of Nevada. At least fifteen (15) days prior to the expiration date of any policy, the original renewal policy for such insurance shall be delivered by Tenant to Landlord. Within twenty-five (25) days after the premium on any policy shall become due and payable, Landlord shall be furnished with satisfactory evidence of its payment. To the extent obtainable, each policy shall contain an agreement by the insurer that such policy shall not be cancelled except (a) upon thirty (30) days prior written notice to Landlord and (b) that the coverage afforded thereby shall not be affected by the performance of any work in or about the Property. If Tenant provides any insurance required by this Lease in the form of a blanket policy, Tenant shall furnish satisfactory proof that such blanket policy complies in all respects with the provisions of this Lease and that the coverage thereunder is at least equal to the coverage which would be provided under a separate policy covering the Property.

10.2 Waiver of Subrogation. Tenant and Landlord each waive any and all rights of recovery against the other, or against the officers, employees, agents and representatives of the other, for loss or damage, where such loss or damage is insured against under any insurance policy in force at the time of such loss or damage. Tenant shall, upon obtaining the policies of insurance required hereunder, give notice to the insurance carriers that the foregoing mutual waiver of subrogation is contained in this Lease.

10.3 Indemnity and Waiver. Tenant shall indemnify, defend and hold Landlord harmless from any and all claims arising from Tenant's use of the Property and from any activity which may be permitted or suffered by Tenant in or about the Property, and from any and all costs, attorneys' fees, expenses and liabilities incurred in the defense of any such claim or in any action or proceeding brought thereon.

10.4 Disposition of Insurance Proceeds. Notwithstanding any provision of this Lease to the contrary, (i) in the event of a covered loss, if insurance proceeds are sufficient to restore or repair the Property (and the improvements thereon), they shall be paid to Landlord's mortgagor (or an insurance trustee selected by same) for disbursement as restoration and repairs progress; (ii) in the event of a covered loss, if insurance proceeds are insufficient to restore or



repair the Property (and the improvements thereon) and the shortfall is not made up for by either Landlord or Tenant, then the insurance proceeds are to be paid to Landlord's mortgagee to be applied in full against Landlord's unpaid loan balance; (iii) if no loan balance exists, the proceeds of any insurance shall be paid to Landlord.

11. Condemnation. If a portion of the Property is taken or the Property is taken in its entirety by a governmental authority pursuant to its power of eminent domain, or if the Property or portion thereof is sold to a governmental authority as a result of its threat of condemnation proceedings against the same (which taking and threat of condemnation proceedings are herein sometimes collectively called "condemnation"), then: (a) any condemnation award shall be payable to Landlord's mortgagee, (b) in the event of a partial taking which results in a condemnation award to Tenant, the condemnation award will be paid to a trustee selected by Landlord's mortgagee, which trustee shall disburse funds to Landlord for the purpose of rebuilding the improvements on the Property (unless Landlord's mortgagee consents in writing to distribution of the condemnation award directly to Landlord).

12. Default and Remedies.

12.1 Defaults. The occurrence of any one or more of the following events shall constitute a default and breach of this Lease by Tenant:

(a) The failure by Tenant to make any payment required to be made by Tenant hereunder as and when due where such failure shall continue for a period of fifteen (15) days.

(b) The failure by Tenant to observe or perform any of the covenants, conditions or provisions of this Lease to be observed or performed by Tenant other than described in subparagraph 12.1(a) above, where such failure shall continue for a period of sixty (60) days after written notice thereof from Landlord to Tenant, which notice shall describe the nature of Tenant's default and shall be given in the manner set forth in paragraph 13.9 below; provided, however, that if the nature of Tenant's default is such that more than sixty (60) days are reasonably required for its cure, then Tenant shall not be deemed to be in default if Tenant commences such cure within the sixty (60) day period and thereafter diligently prosecutes such cure to completion.

12.2 Remedies. In the event of any such default or breach by Tenant which remains uncured after notice as provided herein, Landlord may terminate Tenant's right to possession of the Property, in which case this Lease shall terminate.

12.3 Default by Landlord. Landlord shall not be in default hereunder unless Landlord fails to perform obligations required of Landlord within a reasonable time, but in no event sooner than within sixty (60) days after written notice by Tenant to Landlord given in the manner provided in paragraph 13.9 below. The notice shall specify the nature of Landlord's default. If the nature of Landlord's obligation is such that more than sixty (60) days are required for performance thereof, then Landlord shall not be in default if Landlord commences performance within such sixty (60) day period and thereafter diligently prosecutes the same to completion.



12.4 Notice to Landlord's Mortgagor. If Tenant defaults under this Lease, or if Landlord is made aware that Tenant alleges a default by Landlord, then Landlord shall provide prompt written notice of the default to Landlord's mortgagor. In any such instance, Landlord's mortgagor shall have the option (but shall not be so obligated) of curing the default.

13. General Provisions.

13.1 Time of Essence. Time is of the essence of this Lease and of each provision hereof.

13.2 Unavoidable Delay; Force Majeure. If either party shall be delayed or prevented from the performance of any act required by this Lease by reason of acts of God, strikes, lockouts, labor troubles, inability to procure materials, restrictive governmental laws or regulations, or other cause, without fault and beyond the reasonable control of the party obligated (financial inability excepted), performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay; provided, however, nothing in this paragraph shall excuse Tenant from the prompt payment of rent or other charge required of Tenant, except as may be expressly provided in this Lease.

13.3 Successors-in-Interest. Each and all of the covenants, conditions and restriction ins this Lease shall inure to the benefit of, and shall be binding upon, the successors-in-interest of Landlord and the authorized assignees, transferees, subtenants, licensees and other successors-in-interest of Tenant. The term "Landlord" as used herein shall at all times mean the owner of the reversionary interest in the Property. The obligations of Landlord hereunder shall be binding upon Landlord and Landlord's successors and assigns only during their respective periods of ownership of the reversionary interest.

13.4 Holdover. If Tenant shall hold over after the expiration of the Lease Term, Tenant's tenancy shall be from month-to-month on the same terms, covenants and conditions as set forth herein.

13.5 Entire Agreement. This Lease contains the entire agreement of the parties with respect to the matters covered by this Lease and no other agreement, statement or promise made by any party, or to any employee, officer or agent of any party, which is not contained in this Lease shall be binding or valid.

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

13.7 Relationship of Parties. Nothing contained in this Lease shall be deemed or construed by the parties or by any third person to create the relationship of principal and agent or of partnership or of a joint venture, or of any association between Landlord and Tenant, other than the relationship of Landlord and Tenant.



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13.8 Attorney's Fees. In the event either Landlord or Tenant shall bring any action or proceeding for damages for an alleged breach of any provision of this Lease or to enforce protect or establish any right or remedy of either party, the prevailing party shall be entitled to recover as a part of such action or proceedings reasonable attorney's fees and court costs.

13.9 Notices.

(a) Delivery of Notices. Unless otherwise specifically provided herein, any communication, notice or demand of any kind whatsoever which either party may be required or may desire to give to or serve upon the other shall be in writing and delivered by personal service (including express or courier service), by electronic communication, whether by telex, telegram or telecopy (if confirmed in a writing sent by registered or certified mail, postage prepaid, return receipt requested or by reputable overnight delivery service), by registered or certified mail, postage prepaid, return receipt requested or by reputable overnight delivery service, to the addresses stated below and shall be deemed to have been given at the time of personal delivery or, in the case of mailing of such notice, at the end of the second full day following the date of mailing.

(b) Notices to Landlord. All notices, demands or requests from Tenant to Landlord shall be given to Landlord at:

TEIG FAMILY INVESTMENTS, LLC
1974 Foothill Road
Minden, Nevada 89423

(c) Notices to Tenant. All notices, demands or requests from Landlord to Tenant shall be given to Tenant at:

[ROGER G. TEIG AND GAIL P. TEIG]
1974 Foothill Road
Minden, Nevada 89423

(d) Change of Address. Each party shall have the right, from time to time, to designate a different address by notice given in conformity with this paragraph.

13.10 Recording. Neither this Lease nor a memorandum hereof shall be recorded unless Landlord agrees to same.

13.11 Counterparts; Delivery of Signatures. This Lease may be executed by the parties in counterparts, each of which shall be deemed to be an original copy. Signatures may be delivered by facsimile or electronic means.

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IN WITNESS WHEREOF the parties hereto have entered into this Lease on the day and year first above written.

Landlord:

TEIG FAMILY INVESTMENTS, LLC,
a Nevada limited liability company

By: *Roger G. Teig*

Its: MANAGER

THE TEIG FAMILY 1995 TRUST DATED NOVEMBER 30, 1995

Roger G. Teig TRUSTEE
ROGER G. TEIG, TRUSTEE

Gail P. Teig TRUSTEE
GAIL P. TEIG, TRUSTEE

Tenant:

[ROGER G. TEIG AND GAIL P. TEIG] [ROGER G. TEIG AND GAIL P. TEIG, TRUSTEES
OF THE TEIG FAMILY 1995 TRUST DATED NOVEMBER 30, 1995]

Ground Lease

State of Nevada
County of Douglas County

This instrument was acknowledged by me on October 9, 2007, by Roger & Gail Teig.

Shannon Decorse
(Signature of notarial officer)

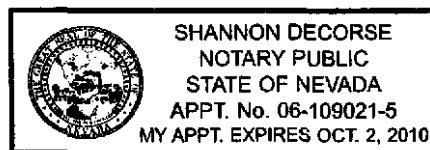


EXHIBIT A

Legal Description

**DESCRIPTION
LEASE AREA
A PORTION OF ADJUSTED PARCEL 1, DOC. No 676319
(A.P.N. 1319-00-002-034)**

All that real property situate in the County of Douglas, State of Nevada, described as follows:

A parcel of land located within portions of the Southwest one-quarter of Section 22, Township 13 North, Range 19 East, Mount Diablo Meridian, more particularly described as follows:

Commencing at the southwest corner of Adjusted Parcel 4 as shown on the Record of Survey to Support a Boundary Line Adjustment for Teig Family 1995 Trust & Teig Family Investments, LLC recorded May 31, 2006 in the office of Recorder, Douglas County as Document No. 676319, the POINT OF BEGINNING

thence South 00°02'15" West, 182.20 feet to the northerly edge of a 50 foot Private Access Easement as shown on Map of Division Into Large Parcels LDM #2002 for Teig Family Ltd. Partnership and Pamela Lyn Niehoff recorded August 8, 1996 in said office of Recorder as Document No. 393888;

thence along the northerly edge of said Private Access Easement, North 79°43'40" West, 370.88 feet;
thence North 04°00'00" East, 328.82 feet;
thence South 88°00'00" East, 342.46 feet to the west line of said Adjusted Parcel 4;

thence along said west line South 00°02'15" West, 200.00 feet to the POINT OF BEGINNING, containing 2.89 acres, more or less, and as shown on attached Exhibit "A" Lease Area.

The above described parcel of land represents a portion of Adjusted Parcel 1, Document No. 676319, A.P.N. 1319-00-002-034, and is not intended for inclusion in a document conveying fee ownership. To do so is a violation of state law and/or local ordinance.

The Basis of Bearing is the west line of Adjusted Parcel 4, as shown on said Record of Survey recorded as Document No. 676319.

Note: Refer this description to your title company before incorporating into any legal document.

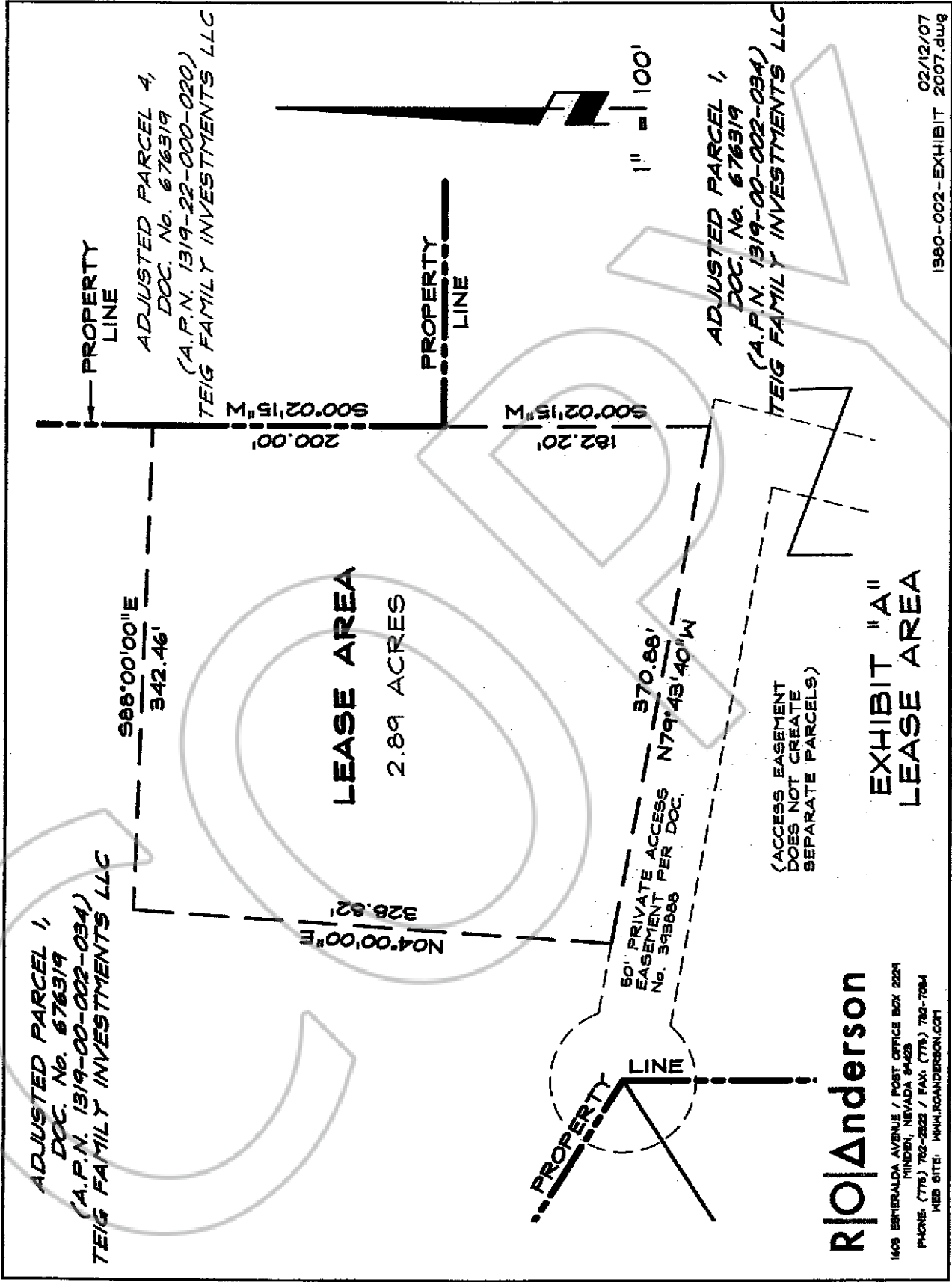
Prepared by: R.O. Anderson Engineering, Inc.
P.O. Box 2229
Minden, Nevada 89423



Exp. 12-31-09

COPIES





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