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To: Chairman Ken Staton & MVWD Board of Directors

From: Joseph Davis, General Manager

Date: September 30, 2014

**Subject: Logandale Office Lease**

### **Background**

If the Board recalls, the District's Logandale property lease to SNWA expired in May of 2014. MVIC subleased the property from SNWA and would like to continue the lease under the same terms.

Staff took the liberty to draft a new lease agreement for the Directors review. The term of the lease will be for 5 years with a provision for a 5 year extension. The lease price will be for \$25,000.00 a year paid in monthly installments.

Staff has attached the proposed lease for your review.

AGREEMENT FOR THE LEASE OF REAL PROPERTY BETWEEN  
MUDDY VALLEY IRRIGATION COMPANY AND MOAPA  
VALLEY WATER DISTRICT

This Agreement for the Leasing of Real Property is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2014, (“Effective Date”) by and between the Muddy Valley Irrigation Company (“MVIC”), and the Moapa Valley Water District (“Moapa”), a political subdivision of the State of Nevada. For convenience, MVIC and Moapa are at times herein referred to individually as “Party” and collectively as “Parties”.

**RECITALS**

NOW, THEREFORE, In consideration of the mutual promises and covenants contained herein, the Parties hereto do agree as follows:

**Lease of Local Shop and Office Space:**

It is hereby agreed that MVIC hereby leases from Moapa and Moapa hereby leases to MVIC approximately 2.27 acres of land in Logandale, Moapa Valley, known as 2625 N. Moapa Valley Blvd., Clark County, Nevada, on which is located a fenced yard, approximately 1200 square feet of office space and approximately 3200 square feet of adjoining shop space. The terms and conditions of this lease are as follows:

- A. Term: This lease shall commence on the date of this Lease Agreement and shall continue for a Term of five (5) years from the Effective Date, with an option to extend for an additional five (5) years, exercisable by MVIC giving written notice to Moapa not less than ninety (90) days nor more than one hundred and twenty (120) days prior to the end of the lease Term.
- B. Rent: Rent shall be the sum of \$2,083.34 cash in advance for each month of the lease Term, with the first payment due within ten (10) days of commencement. Thereafter rental payments shall be made prior to the commencement of each month, with ten (10) days grace. In the event the option to extend this lease is exercised, only the rent shall be adjusted, based on the increase in the cost of living index for urban consumers in the Las Vegas area from the date of commencement of this lease to the date of notice of exercise of option to renew.
- C. Moapa’s maintenance: Moapa shall maintain the structural parts of the leased premises, which consist of the foundation, walls, roof and exterior doors.
- D. MVIC’s Maintenance: MVIC shall maintain the interior of the shop and office including all walls, lighting, plumbing, heating, air conditioning, all

plate glass on all windows, window and floor coverings, the exterior fence and exterior lighting.

- E. Moapa's insurance: Moapa shall carry fire and extended coverage insurance on the office and shop building to full insurable value. Moapa shall carry workers' compensation insurance in accordance with Nevada law to cover its employees.
- F. MVIC's insurance: MVIC shall maintain fire and extended coverage its contents that are located at the leased premises. MVIC shall carry workers' compensation insurance in accordance with Nevada law to cover its employees.
- G. Liability Insurance: MVIC shall maintain liability insurance naming Moapa as an additional insured in an amount not less than \$1,000,000.00 for each accident or occurrence and not less than \$2,000,000.00 in aggregate. Such amount may be increased every three years, based on reasonable increases as may be agreed on by the risk managers of both Moapa and MVIC.
- H. MVIC agrees to hold Moapa harmless for any injuries to person or property that occurs on or around the leased property. MVIC shall be solely responsible and liable for any such injuries that occur and will hold Moapa harmless by paying any required monetary damages and paying for any legal fees and costs that are necessary for Moapa's defense in the case of litigation.
- I. MVIC shall pay for all utilities furnished to and used within the leased property except that Moapa will furnish water, for indoor use and outdoor irrigation only, to the premises.
- J. Termination of lease: This lease may be terminated at any time upon mutual written agreement of both parties. In addition, if County officials provide notice to Moapa and/or MVIC that the lease violates the current zoning of the property, then Moapa may terminate the lease and MVIC will have sixty (60) days to vacate the premises.

K. Disputes: In the event of a dispute between Moapa and MVIC, the parties shall attempt during a ninety (90) day period to resolve the matter. In the event it cannot be resolved, either party may refer the matter to binding arbitration under Nevada law.

IN WITNESS WHEREOF the parties have executed this Agreement as of the day and year first above written.

MUDDY VALLEY IRRIGATION COMPANY

MOAPA VALLEY WATER DISTRICT

By: \_\_\_\_\_  
Scott Millington, General Manager

By: \_\_\_\_\_  
Ken Staton, President