

**City of Carson City
Agenda Report**

Date Submitted: July 26, 2011

Agenda Date Requested: August 4, 2011

Time Requested: Consent

To: Mayor and Supervisors

From: Parks and Recreation Department

Subject Title: For possible action to approve the lease of Suite 10 at 2621 Northgate Lane to the Capital City Circles Initiative ("Circles"), non-profit charitable organization, as it will be in the best interest of Carson City pursuant to NRS 244.284. (Juan F. Guzman / Anne Macquarie)

Staff Summary: The State of Nevada Emergency Response Commission has given us notice that they will not renew their current lease of Suite 10, which will expire on July 31, 2011. The Capital City Circles Initiative, a non-profit civic organization, has requested to lease the space for five years for \$1.00 per year. The lease is for one year with automatic renewals for four years.

Type of Action Requested: (check one)

☐ Resolution ☐ Ordinance
☒ Formal Action/Motion ☐ Other (Specify)

Does This Action Require A Business Impact Statement: ☐ Yes ☒ No

Recommended Board Action: I move to approve the lease of Suite 10 at 2621 Northgate Lane to the Capital City Circles Initiative ("Circles"), non-profit charitable organization, as it will be in the best interest of Carson City pursuant to NRS 244.284.

Explanation for Recommended Board Action: Nevada Revised Statutes (NRS) 244.284 empowers the Board of Supervisors to lease any real property owned by Carson City to a corporation for public benefit without complying with the provisions of NRS 244.283 and based on four conditions enumerated in the statute. The terms of the lease are based on the Board of Supervisors prior actions to lease space to the Ron Wood and R.S.V.P. non-profit organizations. Staff finds that Circles meets the statute required.

Applicable Statue, Code, Policy, Rule or Regulation:

NRS 244.284 - Lease or conveyance of real property of county to corporation for public benefit.

1. In addition to the powers conferred by NRS 450.500, the board of county commissioners may:

- (a) Lease any of the real property of the county for a term not exceeding 99 years; or
- (b) Convey any of the real property of the county, except property of the county that is operated or occupied by the county fair and recreation board, without consideration, if such real property is not needed for the public purposes of the county and is leased or conveyed to a corporation for public benefit, and the property is actually used for charitable or civic purposes.

2. A lease or conveyance pursuant to this section may be made on such terms and conditions as seem proper to the board of county commissioners.

3. If a corporation for public benefit to which property is conveyed pursuant to this section ceases to use the property for charitable or civic purposes, the property automatically reverts to the county.

4. As used in this section, "corporation for public benefit" has the meaning ascribed to it in NRS 82.021.

(Added to NRS by 1963, 690; A 1969, 218; 1975, 571; 2001, 1710; 2003, 918)

Fiscal Impact: Revenue of \$1.00 per year

Explanation of Impact: The Circles will pay for utilities based on a proportional share.

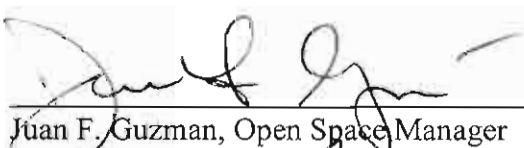
Funding Source: N/A

Alternatives:

- Not to approve the agreement
- Direct staff to negotiate a different agreement

Supporting Material:

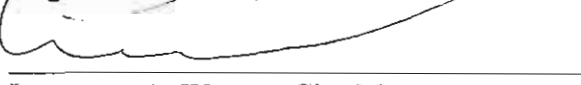
- Lease Agreement
- Letter of request

Prepared By: 
Juan F. Guzman, Open Space Manager

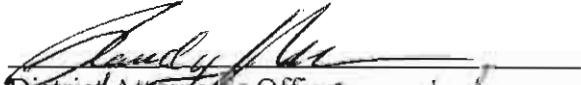
Date: 7/27/11

Reviewed By: 
Roger Moellendorf, Parks & Recreation Director

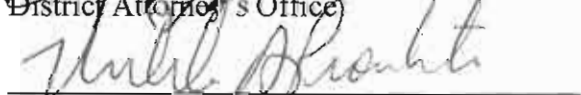
Date: 7/29/11


Lawrence A. Werner, City Manager

Date: 7/27/11


District Attorney's Office

Date: 7/26/11


Finance Department

Date: 7/26/11

Board Action Taken:

Motion: _____ 1: _____ Aye/Nay

2: _____

(Vote Recorded By)

LEASE AGREEMENT

THIS LEASE AGREEMENT is made and entered into the ____ day of _____, 2011, by and between the Consolidated Municipality of CARSON CITY, hereinafter referred to as **CITY**, and Capital City Circles Initiative, a non-profit Nevada corporation, hereinafter referred to as **CIRCLES**.

WHEREAS, the Carson City Board of Supervisors has determined that a facility located at 2621 Northgate Lane, Suite # 10, which was formerly occupied by the Carson City Planning Division (State of Nevada Emergency Response Commission) is not needed for public purposes of the CITY for a period of five (5) years commencing with the execution of this Lease Agreement; and

WHEREAS, CIRCLES is a non-profit charitable or civic organization under the provision of the Internal Revenue Code 501 (c) (3), and desires to use this facility for charitable or civic purposes and more specifically, to promote healthy family relationships through education and support services; and

WHEREAS, NRS 244.284 allows the Carson City Board of Supervisors to lease any real property of the CITY if such real property is not needed for the public purposes of the CITY and is let to a corporation for public benefit; and

WHEREAS, the Carson City Board of Supervisors specifically finds that this Lease meets the conditions of NRS 244.284; and

WHEREAS, a condition precedent to the CIRCLES' occupancy of the premises under this Lease is that CIRCLES must apply for and receive all required special use permits and/or variances and any other licenses or permits required by City, State, or Federal governmental agencies.

IN CONSIDERATION of the mutual promises of both parties and other good and valuable consideration as hereafter set forth, the parties hereto covenant and agree as follows:

CITY does hereby lease to CIRCLES and CIRCLES does hereby lease from CITY, the following described property hereinafter referred to as PREMISES:

2621 Northgate Lane, Suite # 10, Carson City, Nevada 89706

1. TERM:

A. Lease: The term of this Lease is for a period of one (1) year, beginning on the 1st day of September, 2011 and terminating at midnight on the 31st day of August, 2012, unless sooner terminated by mutual agreement of the parties or for violation of any term or condition of this Lease.

B. Option to Extend: Upon the expiration of the initial term of this Lease, CIRCLES is hereby granted the right to extend this Lease for four (4) additional one (1) year terms upon the same terms and conditions as contained herein, provided CIRCLES has fully and faithfully performed all of the covenants, terms and conditions of the Lease. CIRCLES shall give CITY notice of its intent to extend in writing at least sixty (60) calendar days prior to the expiration of the initial term of this Lease and every extended term thereafter. Renewal of this Lease beyond five (5) years shall be at the sole discretion of the Carson City Board of Supervisors which may base its decision to renew or not to renew on a number of factors, including but not limited to, the need to use the premises for a public purpose and the performance of CIRCLES under the terms of this Lease.

2. **RENTAL**: As rent for the premises, CIRCLES agrees to pay CITY, without offset or deduction the sum of ONE DOLLAR (\$1.00) per year due the 1st day of September for the initial one (1) year term of this Lease and for every extended term thereafter. The initial term shall begin on the 1st day of September 2011, and end on the 31st day of August 2012. CIRCLES shall be responsible for all costs of CIRCLES' operation, renovation of premises, and charges or expenses of any nature whatsoever including liens filed in connection with CIRCLES' operation of the premises.

3. **USE OF PREMISES**: The premises are leased to CIRCLES for the uses of promoting healthy family relationships through education and support services. Any change of this use shall not be made unless such change of use is lawful for charitable or civic purposes and CIRCLES first obtains the written consent of CITY. CIRCLES shall not use the premises for any other illegal purpose or for any purpose not expressly allowed by this Lease or consented to by CITY in writing.

4. **REPAIRS AND MAINTENANCE**: CITY shall be responsible for maintaining, at CITY'S expense, the building and grounds in keeping with the requirements of the CITY regarding structural integrity and current City, State, and Federal codes. CITY shall be responsible for maintaining, at CITY'S expense, the following: roof, foundation, exterior walls, underground plumbing, and HVAC system.

CIRCLES shall maintain the following: interior walls, flooring, paint, plumbing, electrical fixtures, fire protection equipment, and the interior of the premises in general.

CIRCLES shall be responsible for, at CIRCLES' sole expense, the repair of any damage to the building or grounds, caused either intentionally or due to negligence that is attributable to CIRCLES, its employees, agents, contractors, or invitees.

5. **ALTERATIONS, LIENS, ENCUMBRANCES, AND REPAIRS**: CIRCLES shall not make any permanent alterations, additions, improvements, or repairs in the

premises without first obtaining the consent of the CITY in writing. All alterations, additions, and improvements which are made shall be at the sole cost and expense of CIRCLES and shall become the property of the CITY upon completion, trade fixtures excluded. Upon expiration, or earlier termination of this Lease, CIRCLES shall peacefully and quietly surrender to CITY the premises, and all CIRCLES' improvements and alterations to the premises, in good order and repair (excepting ordinary wear and tear). Any work performed by CIRCLES must comply with all laws, ordinances, rules and regulations of the local agencies having jurisdiction hereof. CIRCLES agrees to hold the CITY free and harmless from all damage, loss, and expenses arising out of said work. CIRCLES agrees to keep and maintain the leased premises free from any liens or encumbrances caused by any act or omission of CIRCLES.

6. USE OF EXTERIOR GROUNDS: CIRCLES shall not conduct any business activity outside the premises, nor store vehicles or other property, nor perform any services on any sidewalk, parking lot, or other public area provided by CITY without the written consent of CITY, which consent shall not be unreasonably withheld if the proposed uses are for exhibits or activities which relate directly to the permitted uses as described herein.

7. ENTRY AND INSPECTION: CIRCLES shall permit CITY and its agents to enter the premises during normal business hours for any reasonable purpose, including, but not limited to: inspections; to show the premises to prospective purchasers or lessees; to post notices of non-responsibility for alterations, additions, or repairs or utility installations; for the purpose of placing upon the property or building in which said premises are located any ordinary "for sale" or "for lease" sign within six (6) months prior to the end of this Lease or any option thereof.

8. ASSIGNMENT AND SUBLEASING: CIRCLES may only assign this Lease or sublet the leased premises, in whole or in part, after first obtaining the written consent of CITY. If CITY consents, no assignments or sublease shall be effective until CIRCLES delivers a copy of the assignment or subleasing agreement to CITY and the assignee or sublessee agrees in writing to assume all of the obligations of CIRCLES under this Lease. No assignment or subletting will relieve CIRCLES from any obligations under this Lease. This consent by CITY to any assignment or subletting shall not be deemed to be a waiver on the part of CITY of any prohibition against any future assignment or subletting.

9. **INDEMNIFICATION:** Unless due to the sole negligence of CITY or CITY's failure to abide by the terms of this Lease, CIRCLES hereby indemnifies and agrees to hold CITY harmless from and against all claims, which either arise from or in connection with the possession, use, occupancy, management, repair, maintenance, or control of the premises or any portion thereof; or as a result from any default, breach, violation, or non-performance of this Lease or any provision of this Lease by CIRCLES. CIRCLES will defend, notwithstanding the CITY's right to participate, any claims against CITY with respect to the foregoing. CIRCLES will pay, satisfy, and discharge any judgments, orders, and decrees which are covered against CITY in connection with the foregoing. CITY hereby indemnifies and agrees to hold CIRCLES harmless and shall defend any claims against CIRCLES in any action where CITY was solely negligent or failed to abide by the terms of this Lease.

10. **LIABILITY INSURANCE:** CITY shall not be liable to CIRCLES, or to any person whatsoever, for any damage caused by the acts or omissions of any persons occupying any space adjacent to or adjoining the premises unless the CITY or its agents caused the loss or damage. Except for loss or damage caused by the CITY'S sole negligence, CITY shall not be responsible or liable to CIRCLES for any loss or damage resulting to CIRCLES or CIRCLES' property from, but not limited to, water, gas or steam; or the bursting, stoppage, or leakage of pipes. CIRCLES agrees to indemnify and hold the CITY harmless from and defend the CITY against any and all such claims or liability for any injury or damage to any person or property whatsoever, occurring in or on the premises or occurring as a result of the use of any of the facilities or appliances anywhere on the premises at 2621 Northgate Lane, Suite # 10. CIRCLES further agrees to provide and pay for a general liability insurance policy with a limit of at least \$1,000,000 per occurrence and in the aggregate for bodily injury or death resulting therefrom, or for damage to the premises and shall name CITY as an additional insured by endorsement. A certificate of said insurance shall be presented to CITY prior to occupancy of the premises. The policy of insurance shall not be suspended, voided, canceled, or reduced in coverage without the prior written consent of CITY and shall contain a provision that written notice of cancellation or of any material change in said policy by the insurer shall be delivered to CITY no less than THIRTY (30) days in advance of the effective date thereof. Said policy of insurance shall be primary coverage for all claims and losses arising from the use, occupancy, and operation of the premises under this Agreement.

11. DEFAULT:

A. DEFINITION OF DEFAULT: Each of the following events shall constitute a default:

- 1) Insolvency (this includes an assignment for the benefit of creditors; filing or acquiescing to a petition in any court in any bankruptcy, reorganization, composition, extension, arrangement or insolvency proceedings).
- 2) Assignment by operation of law.
- 3) Vacating the premises after occupation.
- 4) Refusing to take possession of the premises or permitting the premises to remain unoccupied and unattended.
- 5) Failure to pay any installment of rent or any other charge required to be paid by CIRCLES under this Lease when due and payable and said failure continues for ten (10) days after written notice.
- 6) Failure to perform any other conditions required to be performed by CIRCLES under this Lease and said failure continues for fifteen (15) days after written notice.
- 7) Loss of non-profit status.
- 8) Failure to continuously use the leased premises for the purposes described herein.

B. EFFECT OF DEFAULT: If a default occurs, CITY shall give CIRCLES a written notice of intention to terminate this Lease at the expiration of a thirty (30) day notice period. The written notice shall specify the breach. At the expiration of the notice period, the term of this Lease shall end if said default has not been cured by CIRCLES within said thirty (30) day period. CIRCLES must then quit and surrender the premises to CITY. CIRCLES' liability under all the provisions of this Lease shall continue notwithstanding any expiration, surrender, or reentry, repossession or disposition pursuant to the following paragraph with a setoff to CIRCLES for any new rents collected by CITY from any new tenant during the term of this Lease.

Upon the expiration or earlier termination of this Lease, CITY or its agents or employees may immediately, or anytime thereafter, reenter the premises and remove CIRCLES, CIRCLES' agents, any subtenants, licensees, concessionaires, or invitees, and any of their property from the premises.

Reentry and removal may be effectuated by summary dispossession proceedings

or by a suitable action or proceeding at law, by force, or otherwise. If the term of this Lease expires, CITY may repossess and enjoy the premises. CITY shall be entitled to the benefits of all provisions of law respecting the speedy recovery of lands and tenements held over by CITY or proceedings in forcible entry and detainer. CIRCLES' liability, subject to any setoff, will survive CITY'S reentry, the Institution of summary proceeding, and the issuance of any warrants with respect thereto.

- C. DEFICIENCY: If this Lease is terminated pursuant to Paragraph (B) above, CIRCLES shall remain liable (in addition to accrued liabilities) to the extent legally permissible for the rent and all other charges CIRCLES would be required to pay until the date this Lease would have naturally expired had such earlier termination not occurred. CIRCLES' liability for rent shall continue notwithstanding reentry or repossession of the premises by CITY subject to a setoff pursuant to Paragraph (B) above.
- D. ATTORNEY'S FEES AND COSTS: CIRCLES shall pay CITY and/or CITY shall pay CIRCLES responsible attorney's fees and court costs incurred in any lawsuit or action instituted by CITY or CIRCLES to enforce the provisions of this Lease upon determination of the prevailing party.
- E. WAIVER OF REDEMPTION: Except for setoffs discussed above, CIRCLES hereby waives (to the extent legally permissible), for Itself and all persons who claim by, through, or under it, any right of redemption or for the restoration or the operations of this Lease in case CIRCLES is dispossessed for any cause, or in case CITY obtains possession of the premises as herein provided.
- F. CITY MAY CURE CIRCLES'DEFAULT: If CIRCLES is in default under this Lease, CITY may cure the default at any time for CIRCLES. If CITY cures a default for CIRCLES, CIRCLES shall reimburse CITY for any amount expended by CITY in connection with said cure. CITY shall also be entitled to interest at the maximum legal rate on any amount advanced by CITY to cure a default of CIRCLES from the date the expense is incurred to the date of reimbursement.

The rights and remedies of CITY set forth herein are in addition to any other rights and remedies now or hereinafter provided by law. All rights and remedies shall be cumulative and not exclusive of each other. No delay or omission by CITY in exercising a right or remedy shall exhaust or impair the same or constitute a waiver of, or acquiescence to,

a default. No waiver of a default shall extend to or affect any other default or impair any right or remedy with respect thereto. No waiver of a default shall be effective, unless it is in writing.

12. CHOICE OF LAW AND FORUM: The laws of the State of Nevada shall govern the validity, construction, interpretation, and effect of this Lease. The parties agree that any dispute and/or legal proceedings regarding this Lease shall be subject to the sole jurisdiction of the State in courts in the State of Nevada and must be filed in the First Judicial District Court located in Carson City.

13. DESTRUCTION OF PREMISES: CIRCLES shall maintain a policy of insurance to cover events of complete or partial destruction of the premises without fault, negligence or carelessness on the part of CIRCLES, Its agents, employees, volunteers, or those holding possession of the premises under it.

14. HOLDING OVER: Should CIRCLES hold over beyond the term hereby created with the consent of CITY, CIRCLES shall become a tenant from month to month subject to the terms herein specified and CIRCLES shall continue to be a month-to-month tenant until the tenancy is terminated by CITY or until CIRCLES has given CITY a written notice at least one month prior to the termination of the monthly tenancy of its intention to terminate the tenancy.

15. SALE OF PREMISES: In the event of a sale or conveyance by CITY of the building containing the premises, the sale may be subject to the terms and conditions of this Lease. CITY may cancel this Lease at its sole discretion in the event of a sale or conveyance of the building containing this premise. If CITY cancels this Lease pursuant to this paragraph, CITY shall provide written notification of the termination of this Lease to CIRCLES not fewer than THIRTY (30) days prior to the date this Lease shall terminate. If the lease is cancelled pursuant to this paragraph, CIRCLES and CITY agree that CIRCLES shall not be entitled to any consideration or compensation for the cancellation of this Lease and shall vacate the premises not more than THIRTY (30) days after the date of the sale or conveyance. If the sale is subject to the terms and conditions of this Lease, CIRCLES agrees to look solely to the successor in interest of CITY to satisfy the terms of this lease. CITY may transfer any security deposits held from CIRCLES to its successor in interest and thereupon CITY shall be discharged from any further liability in reference thereto.

16. CONDEMNATION: If all the premises are taken by eminent domain, condemnation, or purchase under threat thereof, except for a taking for temporary use, this

Lease shall be canceled automatically as of the taking date. If only a part of the premises is taken, CITY may cancel this Lease at its sole discretion. The option to cancel may be exercised within six (6) months of the taking date by giving CIRCLES notice that the option has been exercised.

If there is a taking of the premises for temporary use, this Lease shall continue in full force and effect, and CIRCLES shall continue to comply with CIRCLES' obligations under this Lease, except to the extent compliance is rendered impossible or impracticable by reason of the taking.

All compensation awarded upon the condemnation or taking shall belong to CITY. CIRCLES hereby waives any interest in condemnation proceeding or litigation.

17. SUBORDINATION: CIRCLES agrees that this Lease is and shall be subordinate to any mortgage, deed of trust, or other instrument of security, existing on the land and building of which the premises are a part. Such subordination is hereby made effective without any further act by CIRCLES. CIRCLES agrees at any time, upon request by CITY, to execute and deliver any instrument, release or other document that may be required in connection with subjecting and subordinating this Lease to any lien or mortgage, deed of trust, or other instrument of security.

This provision shall be without effect unless and until the holder of the mortgage, deed of trust, or other instrument of security in question delivers to CIRCLES a written agreement providing in effect that so long as CIRCLES is not in default in the performance of its obligations under this Lease, CIRCLES shall not be disrupted in its possession of the premises hereunder.

18. SIGNS: CIRCLES shall be allowed to place one sign with the words, "CAPITAL CITY CIRCLES INITIATIVE" on the exterior walls of the premises after obtaining a City permit and the written consent of the CITY.

It is the intention of CITY to ensure aesthetically tasteful uniformity in the building of which the premises are a part. CITY may, without liability, enter onto the premises and remove any such sign, marquee, awning, decoration or attachment affixed in violation of this paragraph. CIRCLES agrees to pay the cost of removal thereof.

19. SURRENDER OF LEASE: No act or conduct of CITY, whether consisting of the acceptance of the keys to the premises or otherwise, shall be deemed to constitute an acceptance of the surrender of the premises by CIRCLES prior to the expiration of the term hereof. Acceptance by CITY of surrender of the premises by CIRCLES must be evidenced by a written acknowledgement of acceptance of

surrender by CITY. The voluntary or other surrender of this Lease by CIRCLES, or a mutual cancellation thereof, shall not constitute a merger, and CITY may terminate all or any existing subleases, subtenancies, or concessions, or may, at its sole option, accept any and all such subleases, subtenancies, or concessions as being legally binding and enforceable.

20. NOTICES: Notices to the respective parties must be in writing and sent by certified or registered mail, addressed to the respective party and the addresses set forth below or at such other address as either party may elect to provide in advance in writing to the other party.

**CITY: CARSON CITY MANAGER
CITY OF CARSON CITY
201 N. CARSON STREET, SUITE 2
CARSON CITY, NV 89701**

**CIRCLES: VICE PRESIDENT
BOARD OF DIRECTORS
CAPITAL CITY CIRCLES INITIATIVE
2621 NORTHGATE LANE, SUITE #10
CARSON CITY, NV 89706**

21. NO ORAL CHANGES: This lease may not be changed or terminated orally.

22. SUCCESSOR AND ASSIGNS: Except as otherwise provided, this Lease shall bind and inure to the benefit of the parties and their respective successors, representatives, heirs, and assigns.

23. UTILITIES: The following utilities shall be supplied to the premises by CITY: electrical power, gas, water, sewer, and garbage service. CIRCLES shall pay its proportional share of the cost of these utilities based on CIRCLES' gross leasable area divided by the gross leasable area of the building of which CIRCLES' premises are a part. The total square footage of the building is 16,296 square feet. The total square footage subject to this lease is 952 square feet.

CITY shall not be liable for failure to furnish any of the above services when such failure is caused by conditions beyond the control of CITY, or by accidents, repairs, or strikes; nor shall CITY be liable, except when solely negligent, for loss or injury to property, however occurring through or in connection with or incidental to the furnishing of any of the aforementioned services.

24. QUIET ENJOYMENT: The CITY agrees that as long as CIRCLES is in full compliance with the provisions of this Lease, it shall be entitled to quietly enjoy the premises for the full term of this Lease. No use shall be made or permitted to be made of the premises or any part thereof and no acts will be done therein which may disturb the quiet enjoyment of any other tenant in the building of which the premises are a part.

25. SNOW REMOVAL: Snow and ice removal shall be the responsibility of CITY.

26. COMPLIANCE WITH THE LAW: CIRCLES shall promptly execute and comply with all statutes, rules, orders, building codes, ordinances, requirements, and regulations of the City, State, and Federal governments, including OSHA, the Americans with Disabilities Act of 1990 (42 USC Section 12101 through 12213 and 47 USC Sections 225.611) and their underlying regulations and rules, which are applicable to the premises. Nothing herein contained shall be construed to restrict CIRCLES from contesting the validity of any such regulations, rule or ordinance, provided CIRCLES indemnifies CITY to its reasonable satisfaction against the consequences of non-compliance during the period of dispute.

27. ENTIRE AGREEMENT: This instrument along with any exhibits and attachments hereto constitutes the entire agreement between the parties. This Agreement may only be altered, amended, or revoked by an instrument in writing signed by both parties. It is understood that there are no oral agreements between the parties hereto and that all previous negotiations, discussions, and previous leases between the parties hereto affecting this Lease are superseded by this Lease.

28. ATTORNEY'S FEES: In case suit shall be brought for an unlawful detainer of the premises, for the recovery of any rent due under the provisions of this Lease, or for CIRCLES' breach of any other condition contained herein, CIRCLES shall pay to CITY reasonable attorney's fees which shall be deemed to have accrued on the commencement of the action and shall be paid on the successful completion of this action by CITY. CIRCLES shall be entitled to attorney's fees in the same manner if judgment is rendered in favor of CIRCLES.

29. WAIVER: The failure of CITY or CIRCLES to insist upon strict performance of

any of the covenants, terms or provisions contained in this Lease or to exercise any option herein conferred in any one or more instances, shall not be construed to be a waiver or relinquishment of any said covenants, terms, or provisions, but the same shall remain in full force and effect.

30. REMEDIES: The remedies given to CITY and CIRCLES shall be cumulative and the exercising of any one remedy shall not be to the exclusion of any other remedy.

31. EARLY TERMINATION: This Lease may be terminated prior to the end of the term set forth herein above or prior to the natural expiration of any renewal period if the purpose of this Lease is substantially impaired or obstructed by any unforeseen event, occurrence, or circumstance outside the control of CITY or CIRCLES without prejudice or penalty to either party hereto and without such event, occurrence or circumstance being defined, interpreted, or construed as a breach or default on the part of either party.

32. FORCE MAJEURE: Any delay or stoppage of business due to acts of God, enemy or hostile action, fire or other casualty, shall excuse the performance by either party to this Lease for a period equal to any such delay or stoppage.

IN WITNESS WHEREOF, the parties hereto have inscribed their names, and if corporations have authorized their officers by resolution to execute this Lease in duplicate, the day and year herein above written.

LESSOR: CARSON CITY

By: _____
ROBERT L. CROWELL, Mayor

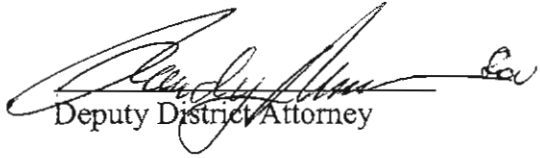
ATTEST:

ALAN GLOVER, Clerk-Recorder

LESSEE: CAPITAL CITY CIRCLES INITIATIVE
Non-Profit Organization

By: _____
ANNE MACQUARIE, Vice President

Approved as to legal form:
Neil A. Rombardo
District Attorney


Deputy District Attorney

Adopted this _____ day of _____, 20____.

AYES: Supervisors _____

NAYES: Supervisors _____

ABSTAIN: Supervisors _____

ABSENT: Supervisors _____

Robert A. Crowell, Mayor

ATTEST:

Alan Glover, Clerk-Recorder