



STAFF REPORT

Report To: Board of Supervisors

Meeting Date: July 20, 2017

Staff Contact: Darren Schulz, Public Works Director

Agenda Title: For Possible Action: Discussion and possible direction to Staff regarding future maintenance of the Northgate Complex located at 2621 Northgate Lane, also known as APN 002-062-05. (Stephanie Hicks; SHicks@carson.org)

Staff Summary: As a follow up to the discussion at the February 2, 2017, Board of Supervisors' meeting regarding future options for the retention or disposal of the real property located at 2621 Northgate Lane, staff has met with the lessees to discuss additional maintenance options. Staff is proposing new language regarding maintenance responsibilities in the leases.

Agenda Action: Formal Action/Motion

Time Requested: 10 minutes

Proposed Motion

Move to direct staff to establish a maintenance agreement with the UNR Cooperative Extension and amend the lease agreements for the tenants at the Northgate Complex to include the proposed language regarding maintenance responsibilities.

Board's Strategic Goal

Efficient Government

Previous Action

June 1987. Board of Supervisor's approved an agreement for the support and conduct of cooperative extension work between the Agricultural/Extension Department of the University of Nevada System and Carson City.

April 18, 1996. Board of Supervisors approved the sale of 2621 Northgate Lane at public auction.

May 1, 1997. Board of Supervisors approved action to allow the Nevada Department of Transportation to put the property up for auction.

September 17, 2009. Board of Supervisors approved the lease agreement with Nevada Rural Counties RSVP Program, Inc. for Suite 6 at 2621 Northgate Lane.

March 18, 2010. Board of Supervisors approved the lease agreement with Ron Wood Family Resource Center for Suite 34-64 at 2621 Northgate Lane.

July 21, 2016. Board of Supervisors renewed the lease of Suite 10 at 2621 Northgate Lane to Capital City C.I.R.C.L.E.S. Initiative.

Background/Issues & Analysis

On February 2, 2017, staff presented to the Board of Supervisors for discussion an overview of the annual maintenance costs in the amount of \$25,250 for the Northgate Complex along with \$274,000 needed for major projects over the next five years. The City leases this building to non-profit organizations and provides office space as part of a cost allocation with the Board of Regents, University of Nevada System for its Extension program.

The Board discussed the benefits of providing City-subsidized space for non-profit organizations which are providing critical City services, but noted the importance of recovering maintenance costs. Options presented to the Board included: 1) continuing current use, 2) exercising the City's option to sell the building, and 3) deeding the property to the Regents at no cost, subject to the current leases. The Board requested staff confirm whether the City has the option to terminate the leases, but more importantly requested staff meet with the Lessees to discuss renegotiation of the maintenance terms in the agreements.

Staff has reviewed the leases with the District Attorney's Office and agrees that the City does have the right to terminate the lease agreements prior to the expiration of their terms, but only under certain circumstances established in the contracts, i.e., default, surrender, sale, mutual agreement, and early termination due to unforeseen circumstances. However, based on the terms of the leases, the City could not deed or gift the property to one of the non-profits.

As directed, staff met with the lessees who were all very willing to modify the lease agreements to take on minor maintenance issues. Staff and the lessees have drafted new language regarding maintenance responsibilities which will reduce overall maintenance costs to the City. This language is being provided to the Board for review and direction.

Applicable Statute, Code, Policy, Rule or Regulation

NRS 244.2795, NRS 244.281, and NRS 244.282

Financial Information

Is there a fiscal impact? Yes No

If yes, account name/number:

Is it currently budgeted? Yes No

Explanation of Fiscal Impact:

Alternatives

N/A

Board Action Taken:

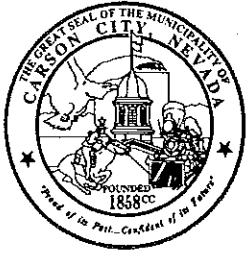
Motion: _____

1) _____

Aye/Nay

2) _____

(Vote Recorded By)



ALAN GLOVER
CARSON CITY CLERK-RECORDER
DIVISION OF RECORDING SECRETARY
2621 Northgate Lane, Suite #56
Carson City, Nevada 89706

Telephone: (775) 887-2086

Fax: (775) 887-2285

September 30, 2009

Janice R. Ayres, Executive Director
Nevada Rural Counties RSVP, Inc.
Post Office Box 1708
Carson City, Nevada 89702

Re: Lease Agreement

Dear Ms. Ayres:

Pursuant to e-mail correspondence from Facilities Maintenance Supervisor Bob Keith today, enclosed please find a corrected page 9 to the Lease Agreement between Carson City and Nevada Rural Counties RSVP, Inc., indicating the correct total square footage of 16,296 under paragraph 23, Utilities. Please disregard the previous letter of today's date indicating a total square footage of 21,000. (As noted in Mr. Keith's e-mail correspondence, this figure included the courtyard at the Northgate Complex and was in error.)

Please replace the incorrect page, in the original Lease Agreement provided to you by regular U.S. Mail on September 25, 2009, with the enclosed, corrected page 9.

Please contact me with any question.

Sincerely,

ALAN GLOVER, Clerk - Recorder

By: *Kathleen King*
Kathleen M. King, Deputy Clerk

/kmk

Encl.

c: Larry Werner, City Manager
Andrew Burnham, Public Works Department Director
Bob Keith, Facilities Maintenance Supervisor (entire Agreement)

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.

RSVP shall pay its proportional share of the cost of these utilities based on **RSVP's** gross leasable area divided by the gross leasable area of the building of which **RSVP's** premises are a part. The total square footage of the building is 16,296. The total square footage subject to this lease is 3,522 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 **RSVP** 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: **RSVP** shall promptly execute and comply with all statutes, rules, orders, building codes, ordinances, requirements, and regulations of the City, County, 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 **RSVP** from contesting the validity of any such regulations, rule or ordinance, provided **RSVP** 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,

LEASE AGREEMENT

THIS LEASE AGREEMENT is made and entered into this 17th day of Sept; 2009, by and between the Consolidated Municipality of **CARSON CITY**, hereinafter referred to as **CITY**, and **NEVADA RURAL COUNTIES RSVP PROGRAM, INC.**, a non-profit Nevada corporation, hereinafter referred to as **RSVP**.

WHEREAS, the **CITY** has financially supported **RSVP** and its programs in the past and wishes to continue to support the work of **RSVP**; and

WHEREAS, the Carson City Board of Supervisors has determined that a facility located at 2621 Northgate Lane, Suite #6, which was formerly occupied by the Carson City Building Division, is not needed for public purposes of the county for a period of ten (10) years commencing with the execution of this Lease Agreement; and

WHEREAS, the **RSVP** 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, for fostering greater civic engagement for citizens aged 55 and older by providing meaningful opportunities for volunteering in their communities, and by providing high impact independent living programs for low-income and homebound seniors to assist them in staying independent and in their own homes as long as possible; and

WHEREAS, NRS 244.284 allows the Carson City Board of Supervisors to lease any real property of the county if such real property is not needed for the public purposes of the county 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 **RSVP's** occupancy of the premises under this Lease is that the **RSVP** 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 **RSVP** and **RSVP** does hereby lease from **CITY**, the following described property hereinafter referred to as "the premises":

2621 Northgate Lane, Suite #6

Carson City, Nevada

1. TERM: a. Lease: The term of this Lease is for a period of ten (10) years, beginning on the 17th day of Sept., 2009, and terminating at midnight on the 17th day of Sept., 2019 , unless sooner terminated by mutual agreement of the parties or for violation of any term or condition of this Lease.

b. Option to Renew Lease: Upon the expiration of the initial term of this Lease, **RSVP** may request to renew this Lease upon the same terms and conditions as contained herein, for a ten -year period, by providing notice of its desire to remain on the premises for an additional ten years. Said notice must be provided in writing at least sixty (60) calendar days prior to the expiration of the initial term of this Lease. Renewal of this Lease 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 the **RSVP** under the terms of this Lease.

2. RENTAL: As rental for the premises, **RSVP** agrees to pay **CITY**, without offset or deduction:

The sum of ONE DOLLAR (\$1.00) per year due the 17th day of Sept. of each year for the initial ten (10) year term of this Lease, which shall begin on the 17th day of Sept., 2009, and end on the 17th day of Sept., 2019 . **RSVP** shall be responsible for all costs of **RSVP's** operation, renovation of the premises, and charges or expenses of any nature whatsoever including liens filed in connection with **RSVP's** operation of the premises.

3. THE USE OF PREMISES: The premises are leased to **RSVP** for the uses of fostering greater civic engagement for citizens aged 55 and older by providing meaningful opportunities for volunteering in their communities, and by providing high impact independent living programs for low-income and homebound seniors to assist them in staying independent and in their own homes as long as possible. Any change of this use shall not be made unless such change of use is lawful, for charitable or civic purposes and **RSVP** first obtains the written consent of **CITY**. **RSVP** shall not use the premises for any illegal trade, manufacturing, or other business, or for 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 county regarding structural integrity and current City, State, and Federal codes. This shall include, but shall not be limited to the following:

Roof, foundation, exterior walls, underground plumbing, and exterior grounds.

Interior walls, flooring, paint, plumbing, HVAC appurtenant to the space, electrical fixtures, fire protection equipment, and the interior of the premises in general.

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

5. ALTERATIONS, LIENS, ENCUMBRANCES, AND REPAIRS: **RSVP** 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 the **RSVP**, and shall become the property of the **CITY** upon completion, trade fixtures excluded. Upon expiration, or earlier termination of this Lease, **RSVP** shall peacefully and quietly surrender to **CITY** the premises, and all **RSVP's** improvements and alterations to the premises, in good order and repair (excepting ordinary wear and tear). Any work performed by **RSVP** must comply with all laws, ordinances, rules and regulations of the local agencies having jurisdiction hereof. **RSVP** agrees to hold the **CITY** free and harmless from all damage, loss, and expenses arising out of said work. **RSVP** agrees to keep and maintain the leased premises free from any liens or encumbrances caused by any act or omission of **RSVP**.

6. USE OF EXTERIOR GROUNDS: **RSVP** 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 reasonably withheld if the proposed uses are for exhibits or activities which relate directly to the permitted uses as described herein.

7. ENTRY AND INSPECTION: **RSVP** 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: **RSVP** 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 **RSVP** 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 **RSVP** under this Lease. No assignment or subletting will relieve **RSVP** 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, **RSVP** 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 **RSVP**. **RSVP** will defend, notwithstanding the **CITY's** right to participate, any claims against **CITY** with respect to the foregoing. **RSVP** 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 **RSVP** harmless and shall defend any claims against **RSVP** 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 **RSVP**, 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 **RSVP** for any loss or damage resulting to **RSVP** or **RSVP's** property from, but not limited to, water, gas or steam; or the bursting, stoppage, or leakage of pipes. **RSVP** 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 #6. **RSVP** 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 **RSVP** 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 **RSVP** 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 **RSVP** 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 **RSVP** within said thirty (30) day period. **RSVP** must then quit and surrender the premises to **CITY**. **RSVP's** 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 **RSVP** 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 **RSVP**, **RSVP's** 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. **RSVP's** 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, **RSVP** shall remain liable (in addition to accrued liabilities) to the extent legally permissible for the rent and all other charges **RSVP** would be required to pay until the date this Lease would have naturally expired had such earlier termination not occurred. **RSVP's** 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: **RSVP** shall pay **CITY** and/or **CITY** shall pay **RSVP** reasonable attorney's fees and court costs incurred in any lawsuit or action instituted by **CITY** or **RSVP** to enforce the provisions of this Lease upon determination of the prevailing party.
- E. WAIVER OF REDEMPTION: Except for setoffs discussed above, **RSVP** 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 **RSVP** is dispossessed for any cause, or in case **CITY** obtains possession of the premises as herein provided.
- F. CITY MAY CURE RSVP'S DEFAULT: If **RSVP** is in default under this Lease, **CITY** may cure the default at any time for **RSVP**. If **CITY** cures a default for **RSVP**, **RSVP** 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 **RSVP** 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 courts in the State of Nevada and must be filed in the First Judicial District Court located in Carson City.

13. DESTRUCTION OF PREMISES: **RSVP** 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 **RSVP**, its agents, employees, volunteers, or those holding possession of the premises under it.

14. HOLDING OVER: Should **RSVP** holdover beyond the term hereby created with the consent of **CITY**, **RSVP** shall become a tenant from month to month subject to the terms herein specified and **RSVP** shall continue to be a month-to-month tenant until the tenancy is terminated by **CITY** or until **RSVP** 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 premises. If **CITY** cancels this Lease pursuant to this paragraph, **CITY** shall provide written notification of the termination of this Lease to **RSVP** not fewer than 30 days prior to the date this Lease shall terminate. If the lease is cancelled pursuant to this paragraph, **RSVP** and **CITY** agree that **RSVP** shall not be entitled to any consideration or compensation for the cancellation of this Lease and shall vacate the premises not more than 30 days after the date of the sale or conveyance. If the sale is subject to the terms and conditions of this Lease, **RSVP** 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 **RSVP** 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 **RSVP** 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 **RSVP** shall continue to comply with **RSVP's** 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**. **RSVP** hereby waives any interest in condemnation proceeding or litigation.

17. SUBORDINATION: **RSVP** 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 **RSVP**. **RSVP** 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 **RSVP** a written agreement providing in effect that so long as **RSVP** is not in default in the performance of its obligations under this Lease, **RSVP** shall not be disrupted in its possession of the premises hereunder.

18. SIGNS: **RSVP** shall be allowed to place one sign (**RSVP**) 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 insure 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. **RSVP** 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 **RSVP** prior to the expiration of the term hereof. Acceptance by **CITY** of surrender of the premises by **RSVP** must be evidenced by a written acknowledgement of acceptance of surrender by **CITY**. The voluntary or other surrender of this Lease by **RSVP**, 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 parties at 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
 201 N. CARSON STREET, CARSON CITY, NV 89701

RSVP: **EXECUTIVE DIRECTOR, NEVADA RURAL COUNTIES RSVP**
 PROGRAM, INC.
 P.O. BOX 1708, CARSON CITY, NV 89702

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.
RSVP shall pay its proportional share of the cost of these utilities based on **RSVP's** gross leasable area divided by the gross leasable area of the building of which **RSVP's** premises are a part. The total square footage of the building is 16,296. The total square footage subject to this lease is 3,522 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 **RSVP** 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: **RSVP** shall promptly execute and comply with all statutes, rules, orders, building codes, ordinances, requirements, and regulations of the City, County, 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 **RSVP** from contesting the validity of any such regulations, rule or ordinance, provided **RSVP** 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 **RSVP's** breach of any other condition contained herein, **RSVP** 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**. **RSVP** shall be entitled to attorney's fees in the same manner if judgment is rendered in favor of **RSVP**.

29. WAIVER: The failure of **CITY** or **RSVP** 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 **RSVP** 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 **RSVP** 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

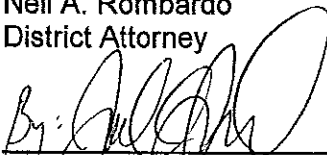
ATTEST:


Clerk-Recorder

LESSEE: NEVADA RURAL COUNTIES RSVP PROGRAM, INC.
Non-Profit Corporation

By: 
Janice Ayres, Director

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

By: 
Deputy District Attorney

BOS Approved
3/18/10

LEASE AGREEMENT

THIS LEASE AGREEMENT is made and entered into this 18th day of March 2010, by and between the Consolidated Municipality of **CARSON CITY**, hereinafter referred to as **CITY**, and **Ron Wood Family Resource Center**, a non-profit Nevada corporation, hereinafter referred to as **CENTER**.

WHEREAS, the **CITY** has financially supported **CENTER** and its programs in the past and wishes to continue to support the work of **CENTER**; and

WHEREAS, the Carson City Board of Supervisors has determined that a facility located at 2621 Northgate Lane, Suite #s 34-64, which was formerly occupied by the Carson City Planning Division, is not needed for public purposes of the county for a period of ten (10) years commencing with the execution of this Lease Agreement; and

WHEREAS, the **CENTER** 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 county if such real property is not needed for the public purposes of the county 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 **CENTER's** occupancy of the premises under this Lease is that the **CENTER** 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 **CENTER** and **CENTER** does hereby lease from **CITY**, the following described property hereinafter referred to as "the premises":

2621 Northgate Lane, Suite #s 34-64

Carson City, Nevada

1. TERM: a. Lease: The term of this Lease is for a period of ten (10) years, beginning on the 1st day of August, 2010, and terminating at midnight on the 30th day of July, 2020, unless sooner terminated by mutual agreement of the parties or for violation of any term or condition of this Lease.

b. Option to Renew Lease: Upon the expiration of the initial term of this Lease, **CENTER** may request to renew this Lease upon the same terms and conditions as contained herein, for a ten -year period, by providing notice of its desire to remain on the premises for an additional ten years. Said notice must be provided in writing at least sixty (60) calendar days prior to the expiration of the initial term of this Lease. Renewal of this Lease 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 the **CENTER** under the terms of this Lease.

2. RENTAL: As rental for the premises, **CENTER** agrees to pay **CITY**, without offset or deduction:

The sum of ONE DOLLAR (\$1.00) per year due the 1st day of August of each year for the initial ten (10) year term of this Lease, which shall begin on the 1st day of August 2010, and end on the 30th day of July, 2020. **CENTER** shall be responsible for all costs of **CENTER's** operation, renovation of the premises, and charges or expenses of any nature whatsoever including liens filed in connection with **CENTER's** operation of the premises.

3. THE USE OF PREMISES: The premises are leased to **CENTER** 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 **CENTER** first obtains the written consent of **CITY**. **CENTER** 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: **CENTER** shall be responsible for maintaining at **CENTER's** expense, the building and grounds in keeping with the requirements of the **CITY** regarding structural integrity and current City, State, and Federal codes. This shall include, but shall not be limited to, the following:

Roof, foundation, exterior walls, underground plumbing, and exterior grounds.

Interior walls, flooring, paint, plumbing, HVAC appurtenant to the space, electrical fixtures, fire protection equipment, and the interior of the premises in general.

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

5. **ALTERATIONS, LIENS, ENCUMBRANCES, AND REPAIRS:** **CENTER** 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 the **CENTER**, and shall become the property of the **CITY** upon completion, trade fixtures excluded. Upon expiration, or earlier termination of this Lease, **CENTER** shall peacefully and quietly surrender to **CITY** the premises, and all **CENTER's** improvements and alterations to the premises, in good order and repair (excepting ordinary wear and tear). Any work performed by **CENTER** must comply with all laws, ordinances, rules and regulations of the local agencies having jurisdiction hereof. **CENTER** agrees to hold the **CITY** free and harmless from all damage, loss, and expenses arising out of said work. **CENTER** agrees to keep and maintain the leased premises free from any liens or encumbrances caused by any act or omission of **CENTER**.

6. **USE OF EXTERIOR GROUNDS:** **CENTER** 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 reasonably withheld if the proposed uses are for exhibits or activities which relate directly to the permitted uses as described herein.

7. **ENTRY AND INSPECTION:** **CENTER** 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:** **CENTER** 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 **CENTER** 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 **CENTER** under this Lease. No assignment or subletting will relieve **CENTER** 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, **CENTER** 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 **CENTER**. **CENTER** will defend, notwithstanding the **CITY's** right to participate, any claims against **CITY** with respect to the foregoing. **CENTER** 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 **CENTER** harmless and shall defend any claims against **CENTER** 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 **CENTER**, 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 **CENTER** for any loss or damage resulting to **CENTER** or **CENTER's** property from, but not limited to, water, gas or steam; or the bursting, stoppage, or leakage of pipes. **CENTER** 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 #s 34 - 64. **CENTER** 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 **CENTER** 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 **CENTER** 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 **CENTER** 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 **CENTER** within said thirty (30) day period. **CENTER** must then quit and surrender the premises to **CITY**. **CENTER's** 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 **CENTER** 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 **CENTER**, **CENTER's** 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. **CENTER's** 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, **CENTER** shall remain liable (in addition to accrued liabilities) to the extent legally permissible for the rent and all other charges **CENTER** would be required to pay until the date this Lease would have naturally expired had such earlier termination not occurred. **CENTER's** 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: **CENTER** shall pay **CITY** and/or **CITY** shall pay **CENTER** responsible attorney's fees and court costs incurred in any lawsuit or action instituted by **CITY** or **CENTER** to enforce the provisions of this Lease upon determination of the prevailing party.
- E. WAIVER OF REDEMPTION: Except for setoffs discussed above, **CENTER** 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 **CENTER** is dispossessed for any cause, or in case **CITY** obtains possession of the premises as herein provided.
- F. CITY MAY CURE CENTER'S DEFAULT: If **CENTER** is in default under this Lease, **CITY** may cure the default at any time for **CENTER**. If **CITY** cures a default for **CENTER**, **CENTER** 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 **CENTER** 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: **CENTER** 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 **CENTER**, its agents, employees, volunteers, or those holding possession of the premises under it.

14. HOLDING OVER: Should **CENTER** hold over beyond the term hereby created with the consent of **CITY**, **CENTER** shall become a tenant from month to month subject to the terms herein specified and **CENTER** shall continue to be a month-to-month tenant until the tenancy is terminated by **CITY** or until **CENTER** 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 premises. If **CITY** cancels this Lease pursuant to this paragraph, **CITY** shall provide written notification of the termination of this Lease to **CENTER** not fewer than 30 days prior to the date this Lease shall terminate. If the lease is cancelled pursuant to this paragraph, **CENTER** and **CITY** agree that **CENTER** shall not be entitled to any consideration or compensation for the cancellation of this Lease and shall vacate the premises not more than 30 days after the date of the sale or conveyance. If the sale is subject to the terms and conditions of this Lease, **CENTER** 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 **CENTER** 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 **CENTER** 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 **CENTER** shall continue to comply with **CENTER's** 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**. **CENTER** hereby waives any interest in condemnation proceeding or litigation.

17. **SUBORDINATION:** **CENTER** 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 **CENTER**. **CENTER** 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 **CENTER** a written agreement providing in effect that so long as **CENTER** is not in default in the performance of its obligations under this Lease, **CENTER** shall not be disrupted in its possession of the premises hereunder.

18. **SIGNS:** **CENTER** shall be allowed to place one sign (**CENTER**) 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 insure 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. **CENTER** 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 **CENTER** prior to the expiration of the term hereof. Acceptance by **CITY** of surrender of the premises by **CENTER** must be evidenced by a written acknowledgement of acceptance of surrender by **CITY**. The voluntary or other surrender of this Lease by **CENTER**, 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
 201 N. CARSON STREET, CARSON CITY, NV 89701

**CENTER: EXECUTIVE DIRECTOR
RON WOOD FAMILY RESOURCE CENTER
ADDRESS
CARSON CITY, NV 8970_**

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.
CENTER shall pay its proportional share of the cost of these utilities based on **CENTER's** gross leasable area divided by the gross leasable area of the building of which **CENTER's** premises are a part. The total square footage of the building is ~~3,522~~^{16,296}. The total square footage subject to this lease is 8,148 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 **CENTER** 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: **CENTER** shall promptly execute and comply with all statutes, rules, orders, building codes, ordinances, requirements, and regulations of the City, County, 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 **CENTER** from contesting the validity of any such regulations, rule or ordinance, provided **CENTER** 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 **CENTER's** breach of any other condition contained herein, **CENTER** 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**. **CENTER** shall be entitled to attorney's fees in the same manner if judgment is rendered in favor of **CENTER**.

29. WAIVER: The failure of **CITY** or **CENTER** 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 **CENTER** 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 **CENTER** 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.

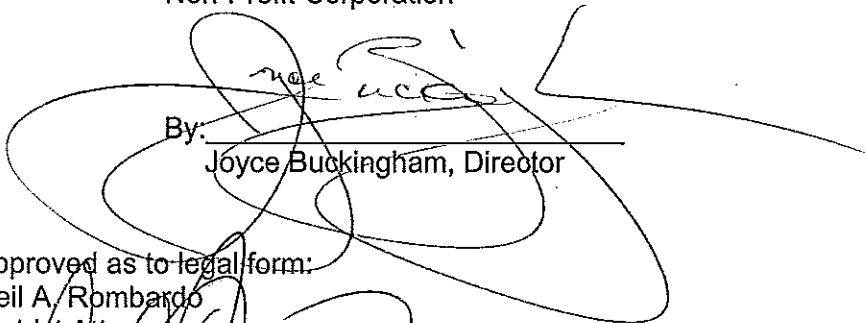
LESSOR: CARSON CITY

By: 
ROBERT L. CROWELL, Mayor

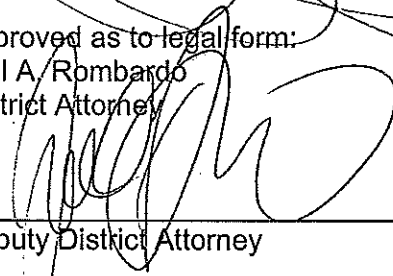
ATTEST:


ALAN GLOVER, Clerk-Recorder

LESSEE: RON WOOD FAMILY RESOURCE CENTER
Non-Profit Corporation

By: 
Joyce Buckingham, Director

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


Deputy District Attorney



STAFF REPORT

Report To: Board of Supervisors

Meeting Date: July 21, 2016

Staff Contact: Darren Schulz, Public Works Director

Agenda Title: For Possible Action: To approve the lease of Suite 10 at 2621 Northgate Lane to the Capital City C.I.R.C.L.E.S. Initiative, non-profit charitable organization, as it will be in the best interest of Carson City pursuant to NRS 244.284. (Stephanie Hicks, SHicks@carson.org)

Staff Summary: The lease between Carson City and the Capital City C.I.R.C.L.E.S. Initiative, a non-profit organization, for the office space at 2621 Northgate Lane, Suite #10 expires on August 31, 2016. The Capital City C.I.R.C.L.E.S. Initiative has requested a new five-year (5-year) lease with one (1) five-year option to renew subject to the same basic terms and conditions as the previous lease.

Agenda Action: Formal Action/Motion

Time Requested: 5 minutes

Proposed Motion

Move to approve the lease of Suite 10 at 2621 Northgate Lane to the Capital City C.I.R.C.L.E.S. Initiative, non-profit charitable organization as it will be in the best interest of Carson City pursuant to NRS 244.284.

Board's Strategic Goal

Quality of Life

Previous Action

August 4, 2011. Approval of the lease of Suite 10 at 2621 Northgate Lane to the Capital City C.I.R.C.L.E.S. Initiative, non-profit charitable organization, as it will be in the best interest of Carson City pursuant to NRS 244.284. Motion approved 4-0; 1 abstaining.

Background/Issues & Analysis

Nevada Revised Statute (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 as listed below.

In July of 2011, the Capital City C.I.R.C.L.E.S. Initiative requested to lease Suite 10 at 2621 Northgate Lane which was being vacated by the State of Nevada Emergency Response Commission. The Capital City C.I.R.C.L.E.S. Initiative requested to lease the space for five years for \$1.00 per year. The lease term was for one year with automatic renewals for four years. The item was heard and approved at the August 4, 2011 Board of Supervisor's meeting.

Since this time, the Capital City C.I.R.C.L.E.S. Initiative has complied with all their obligations under the lease. On May 16, 2016, the City received a request from the Capital City C.I.R.C.L.E.S. Initiative requested a new five (5) year lease with one (1) five year option to renew subject to the same basic terms and conditions as the previous lease.

The terms of the lease are based on the previous lease agreement and the Board of Supervisors prior actions to lease space to other non-profit organizations. Staff finds that Capital City C.I.R.C.L.E.S. Initiative meets the statute requirements.

Applicable Statute, 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.

Financial Information

Is there a fiscal impact? Yes No

If yes, account name/number:

Is it currently budgeted? Yes No

Explanation of Fiscal Impact:

Alternatives

Do not approve the lease of Suite 10 at 2621 Northgate Lane to the Capital City C.I.R.C.L.E.S. Initiative, non-profit charitable organization as it will be in the best interest of Carson City pursuant to NRS 244.284.

Approve the lease agreement with modifications.

Board Action Taken:

Motion: APP

1) BB
2) LB

Aye/Nay 4/0

DM
(Vote Recorded By)

Mayor Crowell Abstained

APN's: 002-062-05
Property Address: 2621 Northgate Lane, Suite #10

RECORDED AT THE
REQUEST OF
Carson City Board
2016 AUG 15 PM 4:26
FILE NO. 467080
SUSAN MERRIWETHER
CARSON CITY RECORDER
[Signature]

AFTER RECORDING RETURN TO:
CARSON CITY PUBLIC WORKS
ATTN: STEPHANIE HICKS, REAL PROPERTY MANAGER
3505 BUTTI WAY
CARSON CITY, NV 89701

MAIL TAX STATEMENT TO:
CARSON CITY PUBLIC WORKS
ATTN: STEPHANIE HICKS, REAL PROPERTY MANAGER
3505 BUTTI WAY
CARSON CITY, NV 89701

LEASE AGREEMENT

This LEASE AGREEMENT ("LEASE" or "Agreement") is made and entered into this 4th day of August, 2016, between Capital City C.I.R.C.L.E.S. Initiative, a non-profit Nevada corporation ("LESSEE"), and CARSON CITY, NEVADA, a consolidated municipality and political subdivision of the State of Nevada ("LESSOR" or "CITY").

WITNESSETH:

WHEREAS, the LESSOR has financially supported the LESSEE and its programs in the past and wishes to continue to support the work of the LESSEE; and

WHEREAS, the Carson City Board of Supervisors has determined that the premises described herein are not needed for public purposes of the LESSOR for a period of five (5) years commencing with the execution of the LEASE Agreement; and

WHEREAS, LESSEE 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 county if such real property is not needed for the public purposes of the county and is let to a corporation for public benefit; and

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

WHEREAS, a condition precedent to the LESSEE's occupancy of the premises under this LEASE is that the LESSEE 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:

LESSOR does hereby lease to LESSEE, and LESSEE does hereby lease from LESSOR, the following described property hereinafter referred to as "the premises":

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

1. TERM:

A. LEASE: The term of this LEASE is for a period of five (5) years, beginning on the 1st day of September, 2016 and terminating at midnight on the 31st day of August, 2021, unless sooner terminated by mutual agreement of the parties or for violation of any term or condition of this LEASE.

B. OPTION TO RENEW LEASE: Upon the expiration of the initial term of this LEASE, LESSEE may request to renew this LEASE, provided LESSEE has fully and faithfully performed all of the covenants, terms and conditions of the LEASE. LESSEE shall give LESSOR notice of its desire to remain on the premises for an additional term. Said notice must be provided in writing at least sixty (60) calendar days prior to the expiration of the initial term of this LEASE. Renewal of this LEASE 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 the LESSEE under the terms of this LEASE.

2. RENTAL: As rental for the premises, LESSEE agrees to pay LESSOR, without offset to deduction the sum of ONE DOLLAR (\$1.00) per year due the 1st day of September, 2016, and each September 1, annually during the term of the Lease. LESSEE shall be responsible for all

costs of LESSEE's operation, renovation of the premises, and charges or expenses of any nature whatsoever including liens filed in connection with LESSEE's operation of the premises.

3. THE USE OF PREMISES: The premises are leased to LESSEE 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 LESSEE first obtains the written consent of LESSOR. LESSEE shall not use the premises for any illegal trade, manufacturing, other business, or for other illegal purpose or for any purpose not expressly allowed by this LEASE or consented by the LESSOR in writing.

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

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

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

5. ALTERATIONS, LIENS, ENCUMBANCES, AND REPAIRS: LESSEE shall not make any permanent alterations, additions, improvements, or repairs in the premises without first obtaining the consent of the LESSOR in writing. All alterations, additions, and improvements which are made, shall be at the sole cost and expense of the LESSEE, and shall become the property of the LESSOR upon completion, trade fixtures excluded. Upon expiration, or early termination of this LEASE, LESSEE shall peacefully and quietly surrender to LESSOR the premises, and all LESSEE's improvements and alterations to the premises, in good order and repair (excepting ordinary wear and tear). Any work performed by LESSEE must comply with all laws, ordinances, rules, and regulations of the local agencies having jurisdiction hereof. LESSEE agrees to hold the LESSOR harmless from all damage, loss, and expenses arising out of said work. LESSEE 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: LESSEE 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 LESSOR without the written consent of LESSOR, 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: LESSEE shall permit LESSOR 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: LESSEE may only assign this LEASE or sublet the leased premises, in whole or in part, after first obtaining the written consent of the LESSOR. If LESSOR consents, no assignments or sublease shall be effective until LESSEE delivers a copy of the assignment or subleasing agreement to LESSOR and the assignee or sublessee agrees in writing to assume all of the obligations of LESSEE under this LEASE. No assignment or subletting will relieve LESSEE from any obligations under this LEASE. This consent by LESSOR to any assignment or subletting shall not be deemed to be a waiver on the part of LESSOR of any prohibition against any future assignment or subletting.

9. INDEMNIFICATION: Unless due to the sole negligence of LESSOR or LESSOR's failure to abide by the terms of this LEASE, LESSEE hereby indemnifies and agrees to hold LESSOR 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 the LEASE by LESSEE. LESSEE will defend, notwithstanding the LESSOR's right to participate, any claims against LESSOR with respect to the foregoing. LESSEE will pay, satisfy, and discharge any judgments, orders, and decrees which are recovered against LESSOR in connection with the foregoing. LESSOR hereby indemnifies and agrees to hold LESSEE harmless and shall defend any claims against LESSEE in any action where LESSOR was solely negligent or failed to abide by the terms of this LEASE.

10. LIABILITY INSURANCE: LESSOR shall not be liable to LESSEE, 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 LESSOR or its agents caused the loss or damage. Except for loss or damage caused by LESSOR's sole negligence, LESSOR shall not be responsible or liable to LESSEE for any loss or damage resulting to LESSEE or LESSEE's property from, but not limited to, any natural or manmade disaster, or water, gas or steam; or the bursting, stoppage, or leakage of pipes. LESSEE agrees to indemnify and hold the LESSOR harmless from and defend the LESSOR 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. The LESSEE further agrees to provide and pay for a general liability insurance policy with a minimum limit of One Million and no/100 Dollars (\$1,000,000.00) per occurrence and Two Million and no/100 Dollars (\$2,000,000.00) aggregate for bodily injury or death resulting therefrom, or for damage to the premises and shall name LESSOR as an additional insured by endorsement. A certificate of said insurance shall be presented to LESSOR 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 LESSOR 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 LESSOR 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 for a period of thirty (30) consecutive days after occupancy.
- (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 LESSEE under this LEASE when due and payable and said failure continues for ten (10) days after written notice.

- (6) Failure to perform any other condition required to be performed by LESSEE under this LEASE and the failure shall continue 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, LESSOR may give LESSEE a notice of intention to cancel or 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 LESSEE within said thirty (30) day period. LESSEE must then quit and surrender the premises to LESSOR. LESSEE's liability under all of the provisions of this LEASE will continue notwithstanding any expiration and surrender, or reentry, repossession or disposition pursuant to the following paragraph with a setoff to LESSEE for any new rents collected by the LESSOR from any new tenant during the term of this LEASE.

Upon the expiration or earlier termination of this LEASE, LESSOR or its agents or employees may immediately, or anytime thereafter, reenter the premises and remove LESSEE, LESSEE's 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, LESSOR may repossess and enjoy the premises. LESSOR shall be entitled to the benefits of all provisions of law respecting the speedy recovery of lands and tenements held over by LESSOR or proceedings in forcible entry and detainer. LESSEE's liability, subject to any setoff, will survive LESSOR'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, LESSEE shall remain liable (in addition to accrued liabilities) to the extent legally permissible for the rent and all other charges LESSEE would be required to pay until

the date this LEASE would have naturally expired had such earlier termination not occurred. LESSEE's liability for rent shall continue notwithstanding reentry or repossession of the premises by LESSOR subject to a setoff pursuant to Paragraph (B) above.

(D) ATTORNEY'S FEES AND COSTS: LESSEE shall pay LESSOR and/or LESSOR shall pay LESSEE reasonable attorney's fees and court costs incurred in any lawsuit or action instituted by LESSOR or LESSEE to enforce the provisions of this LEASE upon determination of the prevailing party.

(E) WAIVER OF REDEMPTION: Except for setoffs discussed above, LESSEE 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 LESSEE is dispossessed for any cause, or in case LESSOR obtains possession of the premises as herein provided.

(F) CITY MAY CURE LESSEE'S DEFAULT: If LESSEE is in default under this LEASE, LESSOR may cure the default at any time for LESSEE. If LESSOR cures a default for LESSEE, LESSEE shall reimburse LESSOR for any amount expended by LESSOR in connection with said cure. LESSOR shall also be entitled to interest at the maximum legal rate on any amount advanced by LESSOR to cure a default of LESSEE from the date the expense is incurred to the date of reimbursement. The rights and remedies of LESSOR 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 LESSOR 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 courts in the State of Nevada and must be filed in the First Judicial District Court located in Carson City.

13. DESTRUCTION OF PREMISES: LESSEE 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 LESSEE, its agents, employees, volunteers, or those holding possession of the premises under it.

14. HOLDING OVER: Should LESSEE holdover beyond the term hereby created with the consent of LESSOR, LESSEE shall become a tenant from month to month subject to the terms herein specified and LESSEE shall continue to be a month-to-month tenant until the tenancy is terminated by LESSOR or until LESSEE has given LESSOR 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 LESSOR of the building containing the premises, the sale may be subject to the terms and conditions of this LEASE. LESSOR may cancel this LEASE at its sole discretion in the event of a sale or conveyance of the building containing this premise. If LESSOR cancels this LEASE pursuant to this paragraph, LESSOR shall provide written notification of the termination of this LEASE to LESSEE not fewer than 30 days prior to the date this LEASE shall terminate. If the LEASE is cancelled pursuant to this paragraph, LESSEE and LESSOR agree that LESSEE shall not be entitled to any consideration or compensation for the cancellation of this LEASE and shall vacate the premises not more than 30 days after the date of the sale or conveyance. If the sale is subject to the terms and conditions of this LEASE, LESSEE agrees to look solely to the successor in interest of LESSOR to satisfy the terms of this LEASE. LESSOR may transfer any security deposits held from LESSEE to its successor in interest and thereupon LESSOR 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, LESSOR 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 LESSEE 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 LESSEE shall continue to comply with LESSEE's 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 LESSOR. LESSEE hereby waives any interest in condemnation proceeding or litigation.

17. SUBORDINATION: LESSEE 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 LESSEE. LESSEE agrees at any time, upon request by LESSOR, 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 LESSEE a written agreement providing in effect that so long as LESSEE is not in default in the performance of its obligations under this LEASE, LESSEE shall not be disrupted in its possession of the premises hereunder.

18. SIGNS: LESSEE 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 LESSOR.

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

In addition, LESSEE may add its name to the directory of tenants located to the west of the building of which the premises are a part provided sufficient room exists and the letters are professionally fabricated.

19. SURRENDER OF LEASE: No act or conduct of LESSOR, 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 LESSEE prior to the expiration of the term hereof. Acceptance by LESSOR of surrender of the premises by LESSEE must be evidenced by a written acknowledgement of acceptance of surrender by LESSOR. The voluntary or other surrender of this LEASE by LESSEE, or a mutual cancellation thereof, shall not constitute a merger, and LESSOR 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.

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20. NOTICES: Notices to the respective parties must be in writing and sent by certified or registered mail, addressed to the respective parties at 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.

LESSOR: CARSON CITY MANAGER
CITY OF CARSON
201 N. CARSON STREET, CARSON CITY, NV 89701

LESSEE: 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. LESSEE shall pay its proportional share of the cost of these utilities based on LESSEE's gross leasable area divided by the gross leasable area of the building of which LESSEE's premises are a part. The total square footage of the building is 16,296. The total square footage subject to this LEASE is 952 square feet.

LESSOR shall not be liable for failure to furnish any of the above services when such failure is caused by conditions beyond the control of LESSOR, or by accidents, repairs, or strikes; nor shall LESSOR 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 LESSOR agrees that as long as LESSEE 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 LESSOR.

26. COMPLIANCE WITH THE LAW: LESSEE shall promptly execute LEASE 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 LESSEE from contesting the validity of any such regulations, rule or ordinance, provided LESSEE indemnifies LESSOR 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 LESSEE's breach of any other condition contained herein, LESSEE shall pay to LESSOR 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 LESSOR. LESSEE shall be entitled to attorney's fees in the same manner if judgment is rendered in favor of LESSEE.

29. WAIVER: The failure of LESSOR or LESSEE 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 LESSOR and LESSEE 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 before the end of the term set forth hereinabove or before the expiration of any renewal period, if applicable, if notice of at least 180 days is provided to the other party:

A. By the LESSOR, if the LESSOR determines that there is a need to use the premises for a public purpose.

B. By the LESSEE, if the LESSEE determines that securing the use of different premises would be more advantageous for the LESSEE.

C. By the LESSOR or the LESSEE, if either the LESSOR or the LESSEE determines that the purpose of this LEASE is substantially impaired or obstructed by any unforeseen event,

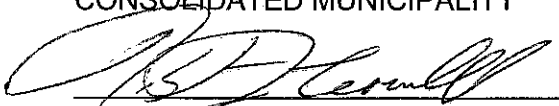
occurrence or circumstance outside the control of the LESSOR or LESSEE, without prejudice or penalty to either party hereto and without such event, occurrence or circumstance being defined or construed as a breach or default on the part of either party.

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 have executed this LEASE on the day and year first above written.

LESSOR:

CARSON CITY, NEVADA, A
CONSOLIDATED MUNICIPALITY



Mayor – Robert L. Crowell

LESSEE:

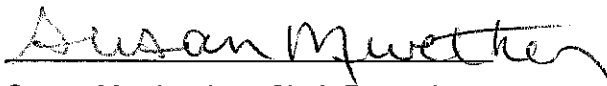
CAPITAL CITY CIRCLES INITIATIVE



~~Jeff Paul, Vice President~~

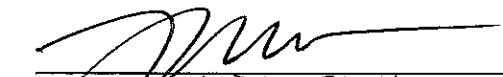
Shelly A. Dean, President

Attest:



Susan Merriwether, Clerk-Recorder

Approved as to Form:


for: J. DANIEL YU
District Attorney

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****** The following proposed amendatory language (in italics) was prepared and approved by the District Attorney's Office, and is intended to replace in entirety those provisions of the existing lease agreements for the Northgate Complex (copies of which are attached or included with the staff report for reference and comparison) concerning the same duties and obligations described below. The following language is also intended to be a template, and will be modified as necessary to fit the particular context of each individual lease agreement.

4. MAINTENANCE AND REPAIRS:

(A) Except as otherwise provided herein, LESSOR shall be responsible, at its sole expense and in accordance with any applicable local, state or federal law, regulation or code relating to structural integrity, for the proper and reasonable maintenance and repair of the building and grounds at all times during the term of this LEASE Agreement. Such proper and reasonable maintenance and repair of the building and grounds is limited to the roof, including periodic gutter cleaning as necessary; foundation; exterior and interior walls; plumbing; jointly-used electrical panels; and the HVAC (heating, ventilation and air conditioning) system.

(B) Except as otherwise provided herein, LESSEE shall be responsible, at its sole expense and in accordance with any applicable local, state or federal law, regulation or code relating to structural integrity, for the proper and reasonable maintenance and repair of the premises at all times during the term of this LEASE Agreement to prevent the premises from entering into a state of disrepair. Such proper and reasonable maintenance and repair of the premises includes:

(1) Maintenance of the flooring, but only in such a manner that is consistent with the use of techniques and products approved by the CITY Facilities Maintenance Manager in advance of the commencement of any work; paint; electrical wiring and fixtures; equipment that is used for fire protection or suppression; and the interior of the premises in general.

(2) Repair of any damage that is directly or proximately caused, whether intentionally or negligently, by the LESSEE, its employees, agents, volunteers, contractors or invitees.

(C) Notwithstanding any other provision of this LEASE Agreement, LESSEE shall be responsible, at its sole expense and in accordance with any applicable local, state or federal law, regulation or code relating to structural integrity, for the proper and reasonable repair of any damage to the building and grounds that is directly or proximately caused, whether intentionally or negligently, by the LESSEE, its employees, agents, volunteers, contractors or invitees.

(D) LESSEE shall, in cooperation with every other tenant in the building, arrange for the cleaning, supplying, maintaining and repairing, whenever necessary, of every restroom facility, including fixtures, which services the building. LESSEE shall contribute its share of the cost for such responsibilities at such time and manner as mutually agreed upon with the

other tenants, and must be calculated by dividing the gross area of the premises by the gross leasable area of the building.

(E) For the purposes of this LEASE Agreement, the term "grounds" shall be deemed to include the parking lot, landscaping and sidewalks appurtenant to the building.

5. ALTERATIONS, LIENS, ENCUMBRANCES, AND REPAIRS:

(A) LESSEE shall not make any permanent alterations, additions, improvements or repairs to the premises without first obtaining in writing the consent and approval of LESSOR. This provision does not apply to any alteration, addition, improvement or repair that is merely cosmetic in nature.

(B) LESSEE agrees that any alteration, addition, improvement or repair that is made to the premises is at the sole expense of the LESSEE and, upon termination of this LEASE Agreement, becomes the exclusive property of LESSOR of which LESSEE shall have no claim of title or interest. This provision does not apply to any movable trade fixtures.

(C) LESSEE shall, upon termination of this LEASE Agreement, surrender to LESSOR the premises and any permanent fixtures in good condition, order and repair, excluding any condition that is attributable solely to normal wear and tear.

(D) LESSEE shall comply or, if employing the services of another in altering, adding, improving or repairing the premises, ensure the compliance with, any applicable local, state or federal law, regulation or code relating to such work. LESSEE agrees to release and hold harmless LESSOR from any and all liability for damages or injury arising from or relating to any such work that is performed by any person, including circumstances involving any condition of the premises, building or grounds that is known or reasonably should have been known to LESSOR. LESSEE further agrees to indemnify LESSOR from any and all claims, demands, causes of action, suits, procedures, costs, damages and liabilities, including, without limitation, attorney's fees, arising from or relating to the conduct of LESSEE or its employees, agents, volunteers, contractors or invitees, and to provide LESSOR reimbursement as necessary and appropriate.

(E) LESSEE shall ensure at all times that the premises are kept free and clear of any liens or encumbrances that may be caused by any act or omission of LESSEE or its employees, agents, volunteers, contractors or invitees.