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THIS LEASE AGREEMENT (the "Lease"), made and entered into this 13th day of June 2019, **DEPARTMENT OF HEALTH AND HUMAN SERVICES**, hereinafter referred to as LESSOR, and the **Washoe County, NV** hereinafter referred to as LESSEE, (hereinafter collectively known as "the Parties").

8 W I T N E S S E T H:

9 For and in consideration of the rents herein reserved and
0 the covenants, terms and conditions herein contained: Whereas
1 the Parties entered into an Interlocal Agreement on November 13,
2 2018 for the Premises outlined in the Interlocal Agreement as
3 605 South 21st Street, Sparks NV 89431; buildings
4 606,604,601,603,325,345,335 & 480 Galletti Way, Sparks NV 89431;
5 buildings 8C,8 Central, 8 South, 2A,14 and 15 the "Premises". It
6 is agreed by all Parties the afore mentioned Interlocal
7 Agreement will terminate by incorporation of parts of this
8 Agreement as Attachment A into this Lease and upon approval of
9 this Lease.

21 ONE. TERM OF LEASE.

1.1 - Term of Lease. LESSOR hereby leases unto LESSEE and LESSEE agrees to lease from LESSOR the premises outlined below: The State of Nevada is the owner of the real property at the Department of Health and Human Services, Northern Nevada Adult Mental Health Services | Sierra Regional Center Campus at: 605 South 21st Street(Sierra Regional Center);Buildings 325, 335,

1 345, 600/601, 602, 603, 604, 605, 606. 480 Galletti Way (Mental
2 Health); Buildings 2A, 8B, 8C, 8 Central, 8 South, 14 and 15.

3 LESSEE at LESSEE's sole expense will renovate buildings 8
4 Central and 8 South for occupancy by DHHS Staff. The State of
5 Nevada and DHHS staff must give approval of the renovation work
6 of the aforementioned premises before being required to move
7 into building 8 Central & 8 South at Mental Health and they
8 agree to not unreasonably withhold that approval under the terms
9 of this lease. In consideration for Washoe County's renovations
10 of buildings 8 Central and 8 South, DHHS will permit the
11 occupancy by Washoe County of buildings 602 & 605 for the term
12 of the lease. Upon mutual agreement by both Parties additional
13 facilities located at 480 Galletti Way and 605 South 21st in
14 Sparks Nevada may be incorporated into the term of the lease by
15 amendment at a later date.

16 This Lease will be effective upon approval by the Nevada
17 State Board of Examiners, expected to be approved on **June 13,**
18 **2019, terminating July 31, 2033.**

19 1.2 - Termination. This Lease may be terminated by either
20 party prior to the date set forth in Section 1.1 above, provided
21 that a termination shall not be effective until 90 days, or
22 otherwise agreed upon by the Parties, after a party has served
23 written notice upon the other party. This Lease may be
24 terminated by mutual consent of both parties or unilaterally by
25 either party without cause.

1 **TWO. RENT.** LESSEE agrees to pay to the LESSOR as and for
2 rental for said Demised Premises the sum of: **\$0.00**

3
4 **THREE. UTILITIES AND SERVICES.** See Attachment A

5
6 **FOUR. REPAIR AND MAINTENANCE AND CONSTRUCTION.**

7 See Attachment A

8
9 **FIVE. INDEPENDENT PUBLIC AGENCIES.** The parties are
10 associated with each other only for the purposes and to the
11 extent set forth in this Lease, and in respect to performance of
12 services pursuant to this Lease, each party is and shall be a
13 public agency separate and distinct from the other party and,
14 subject only to the terms of this Lease, shall have the sole
15 right to supervise, manage, operate, control, and direct
16 performance of the details incident to its duties under this
17 Contract. Nothing contained in this Lease shall be deemed or
18 construed to create a partnership or joint venture, to create
19 relationships of an employer-employee or principal-agent, or to
20 otherwise create any liability for one agency whatsoever with
21 respect to the indebtedness, liabilities, and obligations of the
22 other agency or any other party.

23
24 **SIX. INSURANCE.** 1. State, at its sole cost and expense,
25 shall secure and maintain fire and all risk insurance on the
building in which the Premises is located in an amount and
coverage determined by the State. State shall also secure and

maintain a policy of comprehensive general liability coverage, in an amount of not less than \$1,000,000 per occurrence, and at least \$2,000,000 annual aggregate during the term or any extended term of this Agreement.

2. Washoe County, at its sole cost and expense, shall provide coverage with limits of liability not less than those stated below. An excess liability policy or umbrella liability policy may be used to meet the minimum liability requirements provided that the coverage is written on a "following form" basis.

1. Commercial General Liability - Occurrence Form Policy shall include bodily injury, property damage, broad form contractual liability and XCU coverage.

Minimum Requirements:

- ☐ General Aggregate \$2,000,000
- ☐ Products - Completed Operations Aggregate \$1,000,000
- ☐ Personal and Advertising Injury \$1,000,000
- ☐ Each Occurrence \$1,000,000

a. The policy shall be endorsed to include the following additional insured language: "The State of Nevada shall be named as an additional insured with respect to liability arising out of the activities performed by, or on behalf of the Contractor, including completed operations".

2. Automobile Liability

Bodily injury and property damage for any owned, hired, and non-owned vehicles used in the performance of this Contract.

Combined Single Limit (CSL) \$1,000,000

- a. The policy shall be endorsed to include the following additional insured language: "The State of Nevada shall be named as an additional insured with respect to liability arising out of the activities performed by, or on behalf of the Contractor, including automobiles owned, leased, hired or borrowed by the Contractor".

3. Worker's Compensation and Employers' Liability

Workers' Compensation	Statutory
Employers' Liability	
Each Accident	\$100,000
Disease - Each Employee	\$100,000
Disease - Policy Limit	\$500,000

- a. Policy shall contain a waiver of subrogation against the State.
- b. This requirement shall not apply when a contractor or subcontractor is exempt under N.R.S., AND when such contractor or subcontractor executes the appropriate sole proprietor waiver form.

4. Builders' Risk Insurance or Installation Floater

1 In an amount equal to the initial Contract Amount plus
2 additional coverage equal to Contract Amount for all subsequent
3 change orders.

4 a. The State of Nevada, Department of Health and Human
5 Services, the Contractor and subcontractors, shall be
6 Insureds on the policy.

7 b. Coverage shall be written on an all risk, replacement
8 cost basis and shall include coverage for soft costs, flood
9 and earth movement.

10 c. Policy shall be maintained until whichever of the
11 following shall first occur: (1) final payment has been
12 made; or, (2) until no person or entity, other than the
13 State of Nevada, has an insurable interest in the property
14 required to be covered.

15 d. Policy shall be endorsed such that the insurance shall
16 not be canceled or lapse because of any partial use or
17 occupancy by the State.

18 e. Policy must provide coverage from the time any covered
19 property becomes the responsibility of the Contractor, and
20 continue without interruption during construction,
21 renovation, or installation, including any time during
22 which the covered property is being transported to the
23 construction installation site, or awaiting installation,
24 whether on or off site.

25 f. Policy shall contain a waiver of subrogation against the
State of Nevada.

1 g. Contractor is responsible for the payment of all policy
2 deductibles.

3 B. ADDITIONAL INSURANCE REQUIREMENTS: The policies shall
4 include, or be endorsed to include, the following provisions:

5 1. On insurance policies where the State of Nevada,
6 Department (Division) of _____ is named as an additional
7 insured, the State of Nevada shall be an additional insured
8 to the full limits of liability purchased by the Contractor
9 even if those limits of liability are in excess of those
10 required by this Contract.

11 2. The Contractor's insurance coverage shall be primary
12 insurance and non-contributory with respect to all other
13 available sources.
14

15 C. NOTICE OF CANCELLATION: Contractor shall for each insurance
16 policy required by the insurance provisions of this Contract
17 shall not be suspended, voided or canceled except after
18 providing thirty (30) days prior written notice been given to
19 the State, except when cancellation is for non-payment of
20 premium, then ten (10) days prior notice may be given. Such
21 notice shall be sent directly to (State of Nevada
22 Representative's Name & Address). Should contractor fail to
23 provide State timely notice, contractor will be considered in
24 breach and subject to cure provisions set forth within this
25 contract.

1 D. ACCEPTABILITY OF INSURERS: Insurance is to be placed with
2 insurers duly licensed or authorized to do business in the state
3 of Nevada and with an "A.M. Best" rating of not less than A-VII.
4 The State in no way warrants that the above-required minimum
5 insurer rating is sufficient to protect the Contractor from
6 potential insurer insolvency.

7
8 E. VERIFICATION OF COVERAGE: Contractor shall furnish the State
9 with certificates of insurance (ACORD form or equivalent
10 approved by the State) as required by this Contract. The
11 certificates for each insurance policy are to be signed by a
12 person authorized by that insurer to bind coverage on its
13 behalf.

14
15 All certificates and any required endorsements are to be
16 received and approved by the State before work commences. Each
17 insurance policy required by this Contract must be in effect at
18 or prior to commencement of work under this Contract and remain
19 in effect for the duration of the project. Failure to maintain
20 the insurance policies as required by this Contract or to
21 provide evidence of renewal is a material breach of contract.

22 All certificates required by this Contract shall be sent
23 directly to (State's Representative's Name and Address). The
24 State project/contract number and project description shall be
25 noted on the certificate of insurance. The State reserves the
right to require complete, certified copies of all insurance
policies required by this Contract at any time.

1
2 F. SUBCONTRACTORS: Contractors' certificate(s) shall include
3 all subcontractors as additional insureds under its policies or
4 subcontractors shall maintain separate insurance as determined
5 by the Contractor, however, subcontractor's limits of liability
6 shall not be less than \$1,000,000 per occurrence / \$2,000,000
7 aggregate.

8
9 G. APPROVAL: Any modification or variation from the insurance
10 requirements in this Contract shall be made by the State Risk
11 Management Division or the Attorney General's Office, whose
12 decision shall be final. Such action will not require a formal
13 Contract amendment but may be made by administrative action.

14
15 3. Parties may fund any financial obligation relating to its
16 negligence and liability through a program of self-funding
17 administered by its Risk Management Division.

18
19 4. Parties hereby expressly waive and release any cause of
20 action or right of recovery which they may have hereafter
21 against the other Party for any loss or damage to the Premises,
22 or to the contents there of belonging to either, caused by fire
23 explosion, or any other risk covered by insurance.

24
25 5. Parties shall obtain a waiver, from any insurance company in
which the Parties carry fire and all risk coverage ensuring the

1 building, improvements and contents, waiving its subrogation
2 rights against the other Party

3
4 **SEVEN. BREACH OR DEFAULT.** In the event of any failure by
5 LESSOR or LESSEE to keep and comply with any of the terms,
6 covenants or provisions of this Lease or remedy any breach
7 thereof, the defaulting party shall have thirty (30) days from
8 the receipt of written notice of such default or breach within
9 which to remove or cure said default or breach, or in the event
10 the defaulting party is diligently pursuing the removal or cure
11 of such breach, a reasonable time shall be allowed beyond the
12 thirty (30) days. In the event of breach or default by LESSEE
13 which is not removed or cured within the time limits set forth
14 above, LESSOR may in addition to any other right of re-entry or
15 possession and at LESSOR'S sole option, consider the Lease
16 forfeited and terminated and may re-enter and take possession of
17 the Demised Premises, removing all persons and property there
18 from with prior notification to LESSEE so that arrangements
19 concerning the removal of property can be made.

20
21 **EIGHT. HOLDOVER TENANCY.** If LESSEE holds possession of the
22 Demised Premises after the expiration of this Lease or if
23 written notice of intent to renew for any option period herein
24 is not provided as specified, this Lease shall become a month-
25 to-month lease on the terms herein specified.

1 **NINE. WAIVER.** The failure of LESSOR or LESSEE to insist
2 upon strict performance of any of the covenants, terms or
3 provisions contained in this Lease, shall not be construed to be
4 a waiver or relinquishment of any such covenant, term or
5 provision or any other covenants, terms or provisions, but the
6 same shall remain in full force and effect.

7
8 **TEN. REMEDIES.** The remedies given to LESSOR or LESSEE
9 shall be cumulative, and the exercise of any one remedy shall
10 not be to the exclusion of any other remedy.

11
12 **ELEVEN. NOTICES.** All notices under this Lease shall be in
13 writing and delivered in person or sent by certified mail,
14 return receipt requested, to LESSOR and LESSEE at their
15 respective addresses set forth below or to such other address as
16 may hereafter be designated by either party in writing:

17 **LESSOR**

18 Department of Health and Human Services
19 Division of Public and Behavioral Health
20 4150 Technology Way
21 Carson City, NV 89706
22 Telephone: (775) 684-4200

23 **LESSEE**

24 Washoe County
25 1001 E Ninth St
26 Reno, NV 89514
27 Contact: Director Human Services

28 **TWELVE. SEVERABILITY.** If any term or provision of this
29 Lease or the application of it to any person or circumstance
30 shall to any extent determined in a legal proceedings to be

1 invalid and unenforceable, the remainder of this Lease (or the
2 application of such term or provision to persons or
3 circumstances other than those as to which it is invalid or
4 unenforceable) shall not be affected thereby, and each term and
5 provision of this Lease shall be valid and shall be enforced to
6 the extent permitted by law.

7
8 **THIRTEEN. AMENDMENT OR MODIFICATION.** This Lease
9 constitutes the entire agreement between the Parties and may
10 only be amended or modified with the mutual consent of the
11 Parties hereto, which amendment or modification must be in
12 writing, executed and dated by the Parties hereto and approved
13 by the Nevada State Board of Examiners.

14
15 **FOURTEEN. ASSIGNMENT OR SUBLEASE.** In accordance with State
16 law, upon prior written notice to and the prior approval in
17 writing of LESSOR, this Lease may be assigned or subleased to
18 any individual or entity.

19
20 **FIFTEEN. PRIOR APPROVAL OF THE NEVADA STATE BOARD OF**
21 **EXAMINERS.** This Lease is contingent upon prior approval by the
22 Nevada State Board of Examiners and is not binding upon the
23 Parties hereto or effective until such approval.

24 **INCORPORATED DOCUMENTS:**

25 ATTACHMENT A: SCOPE OF WORK AND DELIVERABLES

ATTACHMENT B: WASHOE COUNTY PROPOSAL DATED July 2, 2018

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12 IN WITNESS WHEREOF, the Parties hereto have executed this Lease
13 as of the day and year first above written.
14

15 **LESSOR**

16 DEPARTMENT OF HEALTH AND HUMAN SERVICES

17 By _____
18 Richard Whitley, MS
19 Director

20 Date _____
21

22 **LESSEE**

23 WASHOE COUNTY, NV

24 By _____

25 Date _____

Reviewed as to form and compliance with law only:

By _____
Deputy Attorney General

Date _____

Approved by: BOARD OF EXAMINERS

By _____
Susan Brown
Clerk of the Board

Date _____