

LEASE AGREEMENT

THIS AGREEMENT (“Agreement”) is made and entered into this _____ day of _____, 2018, by and between Washoe County, Nevada, a political subdivision of the State of Nevada, hereinafter called “Lessor” and the Tahoe Transportation District (TTD), hereinafter called, “Lessee”.

W I T N E S S E T H:

WHEREAS, Lessor is the sole owner of the Premises located at 855 Alder Avenue, Incline Village, Nevada, Washoe County and is further described below, which area is not currently needed for the public purposes of Washoe County; and

WHEREAS, Lessee is a Nevada/California bi-state special purpose district which facilitates, implements and delivers transportation projects in the Tahoe Basin, provides operational authority for transit services in the Tahoe Basin, and acts as the Consolidated Transportation Service Agency for the Tahoe Basin; and

WHEREAS, the Parties are public agencies as defined within Nevada Revised Statutes 277.050; and

WHEREAS, the Parties desire by this Agreement to define their respective rights, duties and liabilities relating to the Premises; and

NOW THEREFORE, in consideration of the mutual covenants contained herein, the parties hereto agree as follows:

SECTION ONE

DESCRIPTION OF PREMISES

Lessor hereby leases unto Lessee, and Lessee hereby leases from Lessor, an office space of approximately 148 square feet (“Premises”) in the building generally known as the Incline Village Community Center at 855 Alder Avenue Incline Village, Nevada (“Building”) and further depicted in Exhibit B, together with the nonexclusive use of common areas, meeting room, kitchen, hallways, entrances, restrooms and parking areas.

Unless otherwise specified, “Premises” shall include only that portion used exclusively by Lessee.

SECTION TWO
TERM OF THIS AGREEMENT

The term of this Agreement shall be for thirty-six months, commencing May 9, 2018, and will terminate May 31, 2021, unless sooner terminated or extended upon mutual agreement of the parties or as otherwise provided herein.

SECTION THREE
RENTAL

As long as Lessee remains a Nevada/California bi-state special purpose district in good standing, Lessee may occupy the Premises at a rental rate of one dollar and seventy (\$1.70) per square foot or **Two hundred forty four dollars and 80/cents (\$244.80)** per month for the thirty-six (36) month period, which includes utilities, snow removal, telephone, internet access, waste removal, janitorial and desk. The monthly rental shall be paid in arrears at the end of each month, without notice, offset or demand.

SECTION FOUR
RENEWAL OPTION

In the event Lessor does not need the space and Lessee is in compliance with its duties and obligations under this Agreement, Lessee shall have one (1) option to renew this Agreement for an additional Twenty-four (24) months, the rental amount shall include a 3% increase, and include all other terms and conditions as set forth in this Agreement. Said option shall be exercised by Lessee delivering a written request to Lessor, not less than ninety (90) days prior to the end of the then current term and the request shall require approval by Lessor.

SECTION FIVE
USE OF PREMISES

A. Lessee shall not use or permit the Premises or any part thereof to be used for any purpose other than the conduct of the necessary business of the Lessee as a Nevada/California bi-state special purpose district/governmental agency.

B. It is understood that Lessee shall have exclusive use of the Premises, but that other areas of the Building are occupied and used by others, including but not limited to Lessor, other Lessees and the public.

C. Lessee shall not conduct or at any time knowingly permit its employees, agents or visitors to conduct activity on the Premises that is unlawful or in violation of any federal or state statute, code or regulation. The Premises shall not be used for storage, transfer, processing, etc. of any toxic or hazardous materials.

D. Lessee shall not sub-lease any portion of the Premises or Building.

SECTION SIX

ALTERATIONS AND IMPROVEMENTS

A. Lessee hereby acknowledges that the Premises are in a condition architecturally acceptable to Lessee, and shall not be altered, repaired or changed without the prior written consent of Lessor. Prior to commencement of any alteration or improvement, Lessee shall prepare plans and specifications of such work and submit same to Lessor.

B. Lessee agrees that it shall not paint, erect partitions, install or change any doors or windows, reconfigure or replace office desk furniture in Premises, or place any nails, screws or other implements or fasteners into the woodwork or walls or furniture without the prior written consent of the Lessor.

C. Lessor reserves the right from time to time at its own expense to make such improvements, alterations, renovations, changes, and repairs in and about the Premises as Lessor shall deem desirable. Except where such improvements, alterations, changes and repairs unreasonably disrupt Lessee's use and peaceful enjoyment of the Premises, Lessee shall make no claim against Lessor for abatement of rent for interference with Lessee's leasehold interest or for loss or damage to its business during such improvements, alterations, renovations, changes and repairs.

D. The parties agree that all the erections, additions, furniture, fixtures and improvements, excepting only decorative items, made in or upon the Premises shall be Lessor's property and shall remain upon the Premises at the termination of this Agreement by lapse of time or otherwise, without compensation to Lessee.

E. The erection, construction, installation or making of any approved improvements shall be accomplished and completed in a workmanlike manner and in compliance with all applicable state and municipal laws and regulations.

F. Lessee shall keep the Premises free from any liens arising out of any work performed, or materials furnished, or obligations incurred by Lessee.

SECTION SEVEN
UTILITIES, TELEPHONE AND WASTE REMOVAL

A. Lessor shall supply heating, air conditioning, electricity, water, internet, waste removal, and phone service to the Premises at its own expense. It is mutually understood and agreed that Lessor shall not be liable for damages, by abatement of rent or otherwise, for failure to furnish or delay in furnishing of heat and air conditioning when such failure to furnish or delay in furnishing is occasioned by strikes, lockouts, labor controversies, accident or casualty, or any cause beyond the reasonable control of Lessor.

B. Lessee shall be provided keys to the front door entrance. It is agreed and understood that normal business days of operation for the Incline Village Community Center shall be 7:00 a.m. to 8:00 p.m., Monday through Friday, or as needed, exclusive of designated County Holidays. Lessee agrees not to duplicate any keys and shall request copies from Lessor. In the event that Lessee has a lost or missing key, Lessee shall pay for all costs associated with re-keying the Premises and replacement keys.

C. In the event Lessee does not secure the building and Lessor is required to respond with a staff member, Lessor shall bill and Lessee shall pay for reasonable charges for Lessor's emergency response.

SECTION EIGHT
JANITORIAL

Lessor shall provide janitorial services to the Premises at the zero cost and expense of Lessee.

SECTION NINE
COMMON AREA MAINTENANCE, REPAIRS AND INSPECTIONS

A. Lessor shall be responsible for making all routine repairs and for performing routine maintenance to the Premises, at Lessor's sole expense. Lessee agrees that all damage done to the Premises by Lessee or its invitees or any person present because of Lessee's occupation of the Premises, shall be paid by Lessee.

B. Lessee shall keep the Premises free from any liens arising out of any work performed, or materials furnished, or obligations incurred by Lessee.

C. Lessor shall maintain, at its sole cost and expense, the roof, exterior walls and windows of said building in which the Premises are located.

D. Lessor shall be responsible for providing snow removal to the entrance of the Premises.

E. Lessee shall permit Lessor or its authorized agents to enter into and upon the Premises at all reasonable times for the purpose of inspecting the same, or for the purpose of making repairs or maintaining the building in which the Premises are located.

SECTION TEN

SIGNS

Lessee agrees that no sign or advertisement shall be painted or affixed to any part of the outside or inside of the building in which the Premises are located except as described and authorized on Exhibit A, Rules and Regulations attached hereto, or upon approval by the Division Director of Operations, Washoe County Community Services Department.

SECTION ELEVEN

WAIVER

Any failure on the part of either party to take action against the other for any breach of covenant herein shall not be construed to constitute a waiver of any other or subsequent breach.

SECTION TWELVE

DESTRUCTION OF PREMISES

A. In the event of a partial destruction of said Premises or the building of which the said Premises is a part from any cause attributable to the fault of Lessor, Lessor shall forthwith repair the same within sixty (60) days, provided such repair can be made within said period under the laws and regulations of state, federal, county or municipal authorities and Lessor wishes to make such repairs. If required repairs are commenced promptly, this Agreement shall not be modified. If such repairs cannot be made in sixty (60) days or if Lessor does not wish to make the repairs, this Agreement may be terminated at the option of Lessor. In the event that the building in which the Premises may be situated be destroyed to the extent of not less than thirty-three and one-third (33 1/3) percent of the replacement cost thereof, Lessor may elect to terminate the Agreement, whether the Premises be injured or not. A total destruction of the building in which said Premises are situated shall terminate this Agreement. This provision is not intended to affect the rights of either party to seek recovery against the person responsible for the damages.

B. Lessor shall provide Lessee with notice of intent regarding the decision to make or delay repairs within ten (10) working days of the event creating the damage or destruction contemplated in this Agreement.

SECTION THIRTEEN

CONDEMNATION

In the event that any part of the Premises shall be condemned or taken by any county, federal, state or other authority for any purpose, then the term of this Agreement shall cease on the part so taken from the day the possession of that part is required for any public purpose. Thereafter the Lessee or the Lessor shall have the right to either cancel this Agreement or to continue in the possession of the remainder of the same under the terms herein provided, except that the area of occupancy shall be reduced in proportion to the area of that portion of the Premises taken for such public purpose. All damages awarded for the taking of the Premises for any public purpose shall belong to and be the property of the party suffering such damage whether such damage is awarded as compensation for diminution in value to the leasehold or to the fee of the Premises.

SECTION FOURTEEN

INDEMNIFICATION

A. Lessee shall hold harmless, indemnify and defend Lessor, its officers, agents and employees from any loss or liability, financial or otherwise resulting from any claim, demand, suit, action or other cause of action based on bodily injury including death or property damage to any person, including Lessee's employees, that is caused by any action, either direct or passive, or the omission or failure to act or negligence on the part of the Lessee, its employees, agents or representatives, or caused by any action arising out of the use of the Premises or Lessee's duties and responsibilities under this Agreement.

B. Pursuant to Nevada Revised Statutes, Chapter 41 and without waiving any provisions thereof, Lessor shall hold harmless, indemnify and defend Lessee from and against any loss, damage, claim, suit or liability due to injury, including death, or property damage, to any third party arising out of the negligent or alleged negligent acts or omissions of the Lessor, its agents, contractors or employees, concerning the Premises and the Lessor's duties and responsibilities pursuant to this Agreement.

C. Neither party shall waive and intend to assert any liability limitations allowed under Chapter 41 of Nevada Revised Statutes.

SECTION FIFTEEN

INSURANCE

A. Lessor, at its sole cost and expense, shall:

(1) Secure and maintain fire and extended insurance, or provide for such through its Self-funded Insurance Program, on the building in which the Premises is located in an amount and coverage determined by Lessor during the term or any extended term of this Agreement.

(2) Secure and maintain through its Risk Management Division a Self-Funded Insurance Program, of comprehensive or commercial general liability coverage (occurrence form), in an amount of not less than \$1,000,000 per occurrence, and at least \$2,000,000 annual aggregate during the term of this Agreement.

B. Lessee, at its sole cost and expense, shall:

(1) Secure fire and extended insurance on all contents owned by the Lessee located at the demised Premises.

(2) Secure and maintain an Insurance Program, of comprehensive or commercial general liability coverage (occurrence form), in an amount of not less than \$1,000,000 per occurrence, and at least \$2,000,000 annual aggregate during the term of this Agreement.

Washoe County, its officers, agents, employees and volunteers are to be included as insureds as respects damages and defense arising from: (i) condition and operations of the Premises; (ii) activities performed by or on behalf of Lessee; (iii) products and completed operations of Lessee; (iv) operation of automobiles owned, leased, hired, or borrowed by the Lessee.

(3) Lessee may fund any financial obligation relating to its negligence and liability through either a self-funded program or through an Insurance Carrier maintaining an A rating by A.M. Best. Any and all claims related to the use of the demised Premises by Lessee shall be forwarded to Lessor in a timely manner.

(4) Lessee hereby expressly waives and releases any cause of action or right of recovery which Lessee may have hereafter against the Lessor for any loss or damage to the demised Premises, or to the contents thereof belonging to either, caused by fire, explosion, or any other risk and,

(5) Lessee shall obtain a waiver from any insurance carrier with which Lessee carries fire, explosion or any other risk coverage insuring the Premises or the contents thereof releasing its subrogation rights against Lessor.

(6) In the event Lessee's occupancy causes any increase of premium for Lessor's insurance on the Premises, or any parts thereof, above the rate applicable to the type of occupancy identified in this Agreement, Lessee shall have fifteen (15) days after receipt of written notification from Lessor of such increase to correct or mitigate said circumstances which resulted in the need for a premium increase. If Lessee is unable to mitigate or correct said hazardous occupancy, Lessee shall upon written agreement pay the increased premium or Lessor may terminate said Agreement.

SECTION SIXTEEN

FUNDING OUT CLAUSE

Pursuant to NRS 244.320, in the event Lessor fails to appropriate budget funds specifically for the purpose of maintaining the Premises, in any subsequent fiscal year after the effective date of the Agreement, Lessee hereby agrees to cancel this Agreement and hold Lessor harmless from any penalty, charge or sanction. Lessor agrees to provide written notice to Lessee of this eventuality, should it occur.

SECTION SEVENTEEN

COSTS AND ATTORNEY'S FEES

Should either party hereto institute any action or proceeding to enforce or interpret any provision hereof or for damages by reason of an alleged breach of any provision of this Agreement, neither party shall be entitled to recover any amount as a reasonable attorney's fee, for any reason, even if said party is deemed to be the prevailing party in such action or proceeding. Cost of suit may be awarded as allowed by law.

SECTION EIGHTEEN

CHOICE OF LAW; VENUE

This Agreement shall be construed in accordance with and be governed by the laws of the State of Nevada. All parties hereto consent to the personal jurisdiction of any state or federal court of competent jurisdiction located in Washoe County, Nevada and to the service of process by any means authorized by any such state or federal court or under the laws of the State of

Nevada. The exclusive venue of any action, proceeding or counterclaim arising out of or in connection with this Agreement shall be Washoe County, Nevada.

SECTION NINETEEN

QUIET ENJOYMENT

Lessee, while in compliance with the terms and covenants herein, is entitled to the quiet enjoyment of the Premises for the term hereby created.

SECTION TWENTY

NOTICES

All notices and demands which may be required to be served upon the respective parties to this Agreement shall be in writing and may be served either personally or by certified mail, postage prepaid, addressed to Lessee, at the address of the Premises herein demised and upon Lessor, to Director of Operations, Washoe County Community Services Department, P.O. Box 11130, Reno, NV 89520-0027 or at such other address as the parties may designate and serve upon the other. Any service by mail shall be deemed served upon deposit with the United States Post Office.

SECTION TWENTY-ONE

HAZARDOUS SUBSTANCES

A. Lessee shall not cause or permit any hazardous substances to be used, stored, manufactured, released or disposed in or upon the Premises, except in the minimum quantities as are customary and usual in connection with Lessee's permitted use. If the Premises become contaminated as a result of a violation by Lessee of this Section Twenty One, for which Lessee is legally liable, Lessee shall indemnify, defend and hold Lessor harmless from all related claims, judgments, penalties, costs or losses, including all expenses incurred for investigation, removal, remediation and restoration mandated by federal, state and local governments.

B. If hazardous substances have been used, stored, manufactured or disposed in or upon the Premises or connected areas outside the Premises, or if the Premises or connected areas outside the Premises, are or become contaminated in any manner, for which Lessor is legally liable, Lessor shall indemnify, defend and hold Lessee harmless from all related claims, judgments, penalties, costs or losses, including all expenses incurred for investigation, removal, remediation and restoration mandated by federal, state and local governments.

C. "Hazardous Substances" mean all toxic, ignitable, reactive and corrosive substances regulated by federal, state or local governments.

SECTION TWENTY-TWO

RULES AND REGULATIONS

The rules and regulations of Lessor set forth as Exhibit "A", which may be amended from time to time, are expressly made part of this Agreement and Lessee agrees to abide by the same to the extent said rules and regulations are not inconsistent with the terms of this Agreement.

SECTION TWENTY-THREE

TERMINATION

A. Upon termination of this Agreement, Lessee shall quit the Premises peaceably, with no damage to the Premises, normal wear and tear excepted. Lessee shall remove all personal property therein.

B. It is understood and agreed that either party may cancel this Agreement with or without cause upon providing 30 days written notice to the other party or as specifically defined below.

C. The failure by Lessee or Lessor to make any payment or observe or perform any covenants, conditions or provisions of this Agreement required to be made, observed or performed by such party, after thirty (30) days written notice of such default shall constitute a default of this Agreement by such party; provided, however, that if the nature of the default (other than the payment of money) is such that more than thirty (30) days are reasonably required for its cure, then the defaulting party shall not be deemed to be in default if such party commences such cure within the thirty (30) day period and thereafter diligently prosecutes such cure to completion. Upon default, the non-defaulting party may pursue all remedies available under Nevada law, including termination of this Agreement and recovery of all damages caused by such default.

SECTION TWENTY-FOUR

EFFECT OF AGREEMENT

A. This Agreement constitutes the entire contract between the parties and no obligations other than those set forth herein will be recognized unless endorsed hereon in writing.

B. The covenants and agreements herein contained are binding on the parties hereto, their successors, assigns and legal representatives.

IN WITNESS WHEREOF, the parties hereto have set their hands as of the day and year first above written.

LESSOR:

Washoe County, acting by and through its
Board of County Commissioners

LESSEE:

Tahoe Transportation District
a California Nevada Bi-State Governmental
Agency

By _____
Marsha Berkgigler
Chair, Washoe County Commission

By _____
printed name:
title:

STATE OF NEVADA)
 :
COUNTY OF WASHOE)

On this ____ day of _____, 2018, before me a Notary Public in and for the County of Washoe, State of Nevada, personally appeared **Marsha Berkgigler**, known or proved to me to be the person described herein and who acknowledged to me that she executed the same freely and voluntarily and for the uses and purposes therein mentioned.

Notary Public

STATE OF NEVADA)
 :
COUNTY OF WASHOE)

On this ____ day of _____, 2018, before me a Notary Public in and for the County of Washoe, State of Nevada, personally appeared _____, known or proved to me to be the person described herein and who acknowledged to me that she executed the same freely and voluntarily and for the uses and purposes therein mentioned.

Notary Public

EXHIBIT “A”

Lease (Office) Rules and Regulations of the Building

First: Lessee, its agents, employees, invitees and any person present because of Lessee's occupation of the Premises, shall not in any way obstruct the sidewalks, entry passages, corridors, halls, stairways, or use the same in any other way than as a means of passage to and from their respective offices, not permit anything to be done in the Premises, nor bring nor keep anything therein, which will in any way increase or tend to increase the rate of fire insurance, or which will obstruct or interfere with the rights of other tenants, or in any way injure or annoy them, or which shall conflict with the regulations of the Fire Department or the fire laws or with any insurance policy on the building or any part thereof, or with rules or ordinances established by the District Board of Health; and they shall not make or permit any improper noises in the building, nor throw substances of any kind out of the windows or doors, or in the halls or passageways, nor sit on nor place anything upon the window sills, nor bring into nor keep within the building any animal, bicycle, or motorcycle; and Lessee agrees that it will pay any damages that Lessor may suffer by a violation of this clause.

Second: The sash doors, sashes, windows, glass doors, partitions, lights and skylights, that reflect or admit light into the halls or other places of the building shall not be covered or obstructed. In this connection, no drapes or other type window covering may be utilized without prior approval of Lessor.

Third: The waterclosets and urinals shall not be used for any purposes other than for which they were constructed and no plaster of Paris, sweepings, rubbish, ashes, newspaper or other substances of any kind shall be thrown into them. Waste and excessive use of water or heat will not be allowed.

Fourth: No sign, advertisement or notice shall be inscribed, painted, or affixed on any part of the outside or inside of said building without the written consent of Lessor, and if such consent shall be given by Lessor, any such sign, advertisement or notice shall be inscribed, painted or affixed by Lessor, but the cost of any painting, inscribing, of affixing shall be charged to and paid by Lessee.

Fifth: When electric wiring of any kind is introduced it must be connected as directed by Lessor and no boring or cutting of walls, woodwork or wires shall be done without the consent of

Lessor. The location of telephones, telegraph instruments, electric appliances, call boxes, etc. shall be prescribed by Lessor. All work related to the wiring must be presented to and approved by Lessor's Community Services Department.

Sixth: Lessor shall have the right to prescribe the weight, size and position of all safes and other property brought into the building and also the times and manner of moving the same in and out of the building and all such moving must be done under the supervision of Lessor. Lessor will not be responsible for loss of damage to any such safe or property from any cause but all damage done to the building by moving or maintaining any such safe or property shall be repaired at expense to Lessee. At Lessor's election all safes shall stand on timbers of such size and shall be designated by Lessor.

Seventh: Lessee must observe strict care not to leave the Premises exposed to the elements and for any default or carelessness in this respect Lessee shall make good all injuries or damages sustained by other tenants in the building and by Lessor.

Eighth: All glass, locks and trimmings in or upon the doors and windows belonging to the building, shall be kept whole and whenever any part thereof shall be broken, the same shall immediately be replaced or repaired and put in order under the direction and to the satisfaction of Lessor and shall be left whole or in good repair, together with the same number and kind of keys as may be received by Lessee on entering upon possession and of any part of said building, or during tenancy.

Ninth: The Premises shall not be used for lodging or sleeping purposes.

Tenth: All furniture provided by the lessor shall remain in good repair. Installed office furniture in shared space shall not be reconfigured without approval and agreement of Community Services Department.