

AMENDMENT #2 TO LEASE AGREEMENT

THIS AMENDMENT #2 TO THE ORIGINAL LEASE AGREEMENT between the County of Washoe, a political subdivision of the State of Nevada (County/Lessee) and IRG Plaza LLC (Lessor) originally effective June 1, 2024 ("Lease Effective Date") is hereby made to revise the LEASE AGREEMENT as follows:

Section Two – Term of Agreement: The agreement term shall be extended to a period of an additional 10 years, for a total agreement of 21 (twenty-one) years and one (1) month, ending on June 30, 2045, with the provision for up to three (3) additional renewal periods of five (5) year per additional renewal option with each of the additional renewal options being exercised at the County's sole discretion, or until cancelled in accordance with Section 22 of the original Lease Agreement. Should the County choose not to exercise a renewal option, the County shall provide Lessor with a minimum of one hundred eighty (180) calendar days' notice in writing.

Section Three – Rental and Common Area Expense: Amend to add the following annual payment amounts:

The annual escalation beginning in Year 12 and thereafter shall be three percent (3%), as follows:

- a. Year 12 – July 1, 2035 through June 30, 2036: \$570,305.00
- b. Year 13 – July 1, 2036 through June 30, 2037: \$587,414.00
- c. Year 14 – July 1, 2037 through June 30, 2038: \$605,036.00
- d. Year 15 – July 1, 2038 through June 30, 2039: \$623,187.00
- e. Year 16 – July 1, 2039 through June 30, 2040: \$641,883.00
- f. Year 17 – July 1, 2040 through June 30, 2041: \$661,139.00
- g. Year 18 – July 1, 2041 through June 30, 2042: \$680,973.00
- h. Year 19 – July 1, 2042 through June 30, 2043: \$701,402.00
- i. Year 20 – July 1, 2043 through June 30, 2044: \$722,444.00
- j. Year 21 – July 1, 2044 through June 30, 2045: \$744,117.00

Section Three – Rental and Common Area Expenses: Amend to add new Subsections (G) and (H) in their entirety as follows:

G. Repair Reimbursement

Notwithstanding anything to the contrary in the original Lease, this Amendment clarifies that if Lessor fails to timely perform any repair, replacement, maintenance, remediation, or other obligation assigned to Lessor under the original Lease or any subsequent amendment after receiving written notice (a "Repair Notice") thereof, and such failure causes damage to or necessitates the repair or replacement of property, building systems, or other items that would otherwise be the responsibility of Lessee under the Lease, then responsibility for repairing or replacing all damaged property, building systems, or other items arising from such failure shall, for that specific incident, become the responsibility of Lessor. This provision is limited to the damage(s) resulting from Lessor's failure to perform its obligations and shall not be construed as permanently modifying or reallocating the parties' respective repair, maintenance, or replacement obligations as allocated under the Original Lease for future incidents.

H. Property Management Costs:

The County does not require Lessor to provide a separate property management service. The County further acknowledges that Lessor's decision not to or Lessor's decision to provide continuous property management coverage shall not constitute negligence, a breach of this Lease, a failure to mitigate damages, or other basis for liability on the part of Lessor, and no adverse inference regarding Lessor's liability, performance of its obligations, or standard of care shall arise from the absence of twenty-four (24) hour per day, seven (7) day per week property management coverage. If Lessor elects to engage with a property management service, then Lessor shall be solely responsible for any property management, asset management, administrative, or similar fees incurred by Lessor for said service; and such costs shall not be charged to Lessee, either directly or indirectly, or shall not be included within any other charge payable by Lessee.

Section Five – Use of Premises: Delete the original Section 5(A) in its entirety and Replace with the following:

Lessee shall have the right to use the Premises solely for governmental human services purposes, including without limitation supportive living, recovery housing, transitional housing, housing stabilization, residential behavioral health, residential treatment support, reentry, family stabilization, and other substantially similar residential or supportive human-services programs operated by or on behalf of the Washoe County Human Services Agency, together with ancillary administrative, support, training, and governmental activities directly related thereto. Lessee may modify, rename, reorganize, consolidate, replace, or establish successor programs from time to time, provided the Premises continue to be used primarily for governmental human services purposes consistent with this Section 5(A).

The Premises shall not be used for governmental purposes unrelated to the foregoing permitted uses. Lessee shall not outsource, delegate, assign, subcontract, license, or otherwise permit the operation or management of the permitted use to any private, for-profit operator; provided, however, that Lessee may engage third-party contractors to provide ancillary services in support of the permitted use so long as Washoe County retains operational control and responsibility for the permitted use. For the avoidance of doubt, the Premises shall not be used for any commercial, retail, or other for-profit purpose.

Notwithstanding the foregoing, the Premises shall not be used or operated as an emergency homeless shelter, low-barrier shelter, navigation center, overnight shelter, warming center, or other facility whose primary purpose is to provide temporary emergency shelter to people experiencing homelessness. Nothing in this Section shall prohibit the occupancy or participation of individuals who are experiencing or have previously experienced homelessness, provided the Premises continue to be used for the governmental human services purposes otherwise permitted under this Lease.

Section Eight – Maintenance, Repairs and Inspections: Amend to add new Subsections (F), (G), (H), and (I) in their entirety as follows:

F. Compliance Requirements for Repairs, Maintenance, and other Service Work

All repairs, maintenance, and other service work performed by or on behalf of Lessor, at Lessor's expense, shall be performed in a good and workmanlike manner by properly licensed contractors and in material compliance with applicable laws, codes, regulations, and required permits. If any such work is determined to be materially noncompliant by a mutually agreed-upon third-Party inspector, Lessor shall, upon written notice from Lessee describing such material noncompliance in reasonable detail, have a commercially reasonable period of time, taking into account the nature of the required corrective work and any applicable regulatory requirements, to cure such material noncompliance. If such material noncompliance presents an immediate material health or safety issue or is required by applicable law to be corrected within a shorter period, Lessor shall use commercially reasonable efforts to address such conditions within such shorter required period. Lessee shall not be responsible for any failure by Lessor to comply with the foregoing requirements, except to the extent arising from Lessee's negligence or willful misconduct.

All repairs, maintenance, and other service work performed by or on behalf of Lessee, at Lessee's expense, shall be performed in a good and workmanlike manner by properly licensed contractors and in material compliance with applicable laws, codes, regulations, and required permits. If any such work is determined to be materially noncompliant by a governmental authority having jurisdiction or by a mutually agreed-upon third-Party inspector, Lessee shall, upon written notice from Lessor describing such material noncompliance in reasonable detail, have a commercially reasonable period of time, taking into account the nature of the required corrective work and any applicable regulatory requirements, to cure such material noncompliance. If such material noncompliance presents an immediate material health or safety issue or is required by applicable law to be corrected within a shorter period, Lessee shall use commercially reasonable efforts to address such conditions within such shorter required period. Lessor shall not be responsible for any failure by Lessee to comply with the foregoing requirements, except to the extent arising from Lessor's negligence or willful misconduct.

G. Failure to Perform; Resulting Damage

All repairs, maintenance, and other service work that is required to be performed by or on behalf of Lessor in accordance with this Lease, at Lessor's expense, shall be performed by licensed contractors and in compliance with all applicable laws, codes, regulations, and required permits ("Legal Requirements"). If such work is determined to be materially noncompliant by a mutually agreed-upon third-party inspector, Lessor shall, upon written notice (which notice shall be sent in accordance with Section 20) from Lessee, commence correcting such noncompliance within sixty (60) calendar days at Lessor's sole cost and expense, or sooner if required to address any emergency condition. Lessee shall not be held liable for Lessor's material noncompliance.

All repairs, maintenance, and other service work that is required to be performed by or on behalf of Lessee in accordance with this Lease, at Lessee's expense, shall be performed by licensed contractors and in compliance with all applicable laws, codes, regulations, and required permits ("Legal Requirements"). If such work is determined to be materially noncompliant by a mutually agreed-upon third-party inspector, Lessee shall, upon written notice (which notice shall be sent in accordance with Section 20) from Lessor, commence correcting such noncompliance within sixty (60) calendar

days at Lessee's sole cost and expense, or sooner if required to address any emergency condition. Lessor shall not be held liable for Lessee's material noncompliance.

H. Code Compliance and Accessibility

Lessor shall be responsible, at its sole cost and expense, for performing any repairs, replacements, alterations, improvements, or other work expressly assigned to Lessor under this Lease. Except as expressly provided in the lease or its subsequent amendments, Lessee accepts the Premises and the Building in their "AS IS, WHERE IS, WITH ALL FAULTS" condition as defined in the original Lease, and nothing in this agreement shall require Lessor to proactively repair, replace, upgrade, modernize, alter, or improve the Premises, Building, or Property solely to achieve compliance with applicable federal, state, or local laws, regulations, codes, ordinances, permits, or accessibility requirements, including the Americans with Disabilities Act and similar accessibility laws, unless otherwise expressly required by this Lease or applicable law.

Notwithstanding the foregoing, whenever Lessor performs any repair, replacement, alteration, improvement, or other work required or permitted under this Lease, such work shall be performed in compliance with all legal requirements applicable to the work being performed, including any code, accessibility, or other upgrades required as a result of such work. Nothing in this Section, however, shall be construed to require Lessor to undertake additional upgrades or improvements beyond those required in connection with the scope of the work being performed.

For the avoidance of doubt, if any federal, state, or local governmental authority, court, agency, or other entity having jurisdiction determines that any repair, replacement, alteration, modification, upgrade, or other work relating to the Premises, Building, or Property is required to comply with the Americans with Disabilities Act ("ADA"), any other accessibility requirement, building code, life-safety requirement, or other applicable law, regulation, ordinance, or legal requirement, to the extent such work relates to the ownership, structure, or accessibility of the Premises, Building, or Property, such work is hereby expressly assigned to Lessor under this Lease, and Lessor shall be solely responsible, at its sole cost and expense, for performing and paying for such work.

Section Sixteen – Hazardous Substances: Amend to add new Subsection (E) in its entirety as follows:

E. Hazardous Materials

The parties acknowledge and agree that Section 16 of the Lease is clarified as follows:

Lessee accepts the Premises in its 'AS IS, WHERE IS' condition in accordance with the original agreement and subsequent amendments and acknowledges that Lessor has made no representation or warranty regarding the environmental condition of the Premises or the Building.

Nothing in the Lease shall prohibit Lessor or the Lessee from conducting reasonable inspections, environmental assessments, sampling, or testing to identify, evaluate, or document the presence or absence of Hazardous Materials affecting the Premises; provided, Lessee shall not conduct any such inspections, except in connection with the performance of any repairs that are the responsibility of

Lessee pursuant to the terms of the Lease. Such activities shall not, by themselves, create or expand any responsibility of Lessor or Lessee as defined in the original agreement and subsequent amendments.

Each party shall promptly provide the other with copies of any material environmental reports, sampling results, notices of violation, governmental correspondence, or other material communications relating to Hazardous Materials affecting the Premises or the Building.

This amendment further clarifies that where the original agreement assigns responsibility to Lessor for Hazardous Substances, Lessor shall, at its sole cost and expense, promptly investigate, monitor, contain, remediate, abate, remove, encapsulate, repair, restore, or otherwise respond to such Hazardous Substances as required by applicable law or any governmental authority having jurisdiction. Such obligations shall constitute obligations expressly assigned to Lessor under the Lease.

The obligations of Lessor under Section 16(C), including its duty to indemnify, defend, hold harmless, investigate, remediate, restore, and otherwise respond to Hazardous Substances for which Lessor is responsible, shall survive the expiration or earlier termination of the Lease to the same extent that Section 16(B) provides for the survival of Lessee's obligations.

Section Twenty – Notices: Delete the original Section 20 in its entirety and Replace with the following:

All notices and demands which may be required to be served upon the respective Parties to this Agreement shall be in writing and delivered via electronic mail (Email.) The Email communication will be deemed as the official form of notice and shall be considered as “served or received” by either Party within two County business days. Although not required, either Party may, at its own discretion, also send same correspondence in hard-copy via in-person delivery, by a recognized overnight courier, or by certified mail, postage prepaid if so desired. Communications to and from the Parties shall be emailed to:

Lessee: HSA-Contracts@washoecounty.gov
Lessor: EAronson@iliadrealty.com
CDonnelly@iliadrealty.com
MChin@iliadrealty.com
SGarahan@rosenbergestis.com

If desired, hard-copy communications may be addressed to:

Lessee: Washoe County Human Services Agency, 350 S. Center Street, Attn: HSA Contracts Manager Reno, NV 89501

Lessor: IRG Plaza, LLC, 180 Varick Street, Suite 1100, New York, NY 10014, Attn: Elliott Aronson, with a copy to Rosenberg & Estis, P.C., 11 Grand Central East, f/k/a 733 Third Avenue, New York, New York 10017, Attn: Sean M. Garahan, Esq. or at such other address as the Parties may designate and serve upon the other.

ALL OTHER TERMS AND CONDITIONS OF THE ORIGINAL LEASE AGREEMENT SHALL REMAIN UNCHANGED. IN WITNESS WHEREOF, all Parties of the AGREEMENT hereto have set their hands and subscribed their signatures to effect this AMENDMENT #2 as of the dates indicated with their signatures.

COUNTY OF Washoe County

By/Date: _____
Mark Stewart, Washoe County Purchasing & Contracts Manager

IRG Plaza, LLC

By/Date: _____
Elliot Aronson, Authorized Signatory for IRG Plaza, LLC