

LEASE AGREEMENT

This Lease Agreement is between the Verdi History Preservation Society, Inc., a Nevada Non-Profit Corporation ("Lessor") and Truckee Meadows Fire Protection District, a Nevada political subdivision ("Lessee," together with Lessor, the "Parties") and is dated January 21, 2020.

Lessee has responsibility for and provides fire protection services within its boundaries.

Lessor owns real property (the "Property") designated APN 038-401-02 and commonly known as 165 Bridge Street, which is located in the Verdi area of Washoe County, Nevada. There is currently a fire station apparatus facility ("Station") and the building known as the Old Verdi School House ("School") located on the Property.

Lessee has occupied a portion of the Property for purposes of providing its fire-protection services, wants to continue to occupy that portion, and Lessor wants Lessee to continue to occupy that portion of the Property.

Therefore, the Parties agree as follows:

SECTION ONE DESCRIPTION OF PREMISES

Lessor hereby leases to Lessee and Lessee hereby leases from Lessor, for Lessee's exclusive use, those portions of the Property consisting of the five-bay fire station and use of the driveway immediately adjacent to the Station bay doors (the "Premises") for purposes of access thereto. Lessee acknowledges and agrees that Lessor uses the Station for storage of equipment and has access at all times to the Premises for purposes of ingress and egress to the other portions of the Station. Lessor retains exclusive ownership and use of the School.

SECTION TWO TERM AND RENEWAL OF AGREEMENT

The term of this Agreement shall be for five years ("Term"), commencing on the Effective Date, which shall be the date of last signature hereto, unless either this Agreement is extended or earlier terminated by the Parties as provided herein. Lessee shall have the right, at its option, to extend the Term for two consecutive periods of five years each (each such period, an "Extension Period"). Notwithstanding the above, Lessee's right to extend is subject to the following conditions

precedent: (i) the Lease shall be in full force and effect at the time Lessee exercises its option to extend; (ii) no uncured event of default by Lessee shall exist at the time notice is given or during the period from exercise of the extension through and including the last day of the then current Term; and (iii) Lessee shall exercise its option to extend the Term by giving Lessor written notice thereof not less than four months before the expiration of the original or the then-current extended Term, as the case may be. Any exercise of an extension option as herein provided shall operate as an extension of the Term hereof, so that this Lease and each and every covenant and provision thereof shall be and remain in full force and effect during the Term as extended and with the same force and effect as if the Term were originally for such extended period.

SECTION THREE RENT

During the Term, the Parties agree and confirm that Lessee shall occupy the subject Premises under the following terms and conditions:

A. Commencing on July 1, 2020, and continuing on the first of every month through June 30, 2024, Lessee agrees to pay as rent to Lessor the sum of \$100 per month, without offset or demand.

B. In the event Lessee exercises its option to extend the Term, the Parties agree that no later than three months before the commencement of each applicable Extension Period they will reassess the rent payment in order to evaluate Lessor's expenses, the cost equity as well as Lessee's potential cost sharing and agree to either continue the same rental amount or agree to increase the rental amount based upon the expenses and the occupancy at that time. Mutually agreeable changes to rental payment under this Agreement shall be expressed in a formal written amendment hereto approved by the parties' respective governing bodies. Notwithstanding the foregoing, in no event shall the rental payment be less than the previous term's rental payment.

C. Lessor shall be responsible for all costs and expenses related to the Premises and the Property, subject to the provisions in Sections Six and Seven below.

SECTION FOUR PROPERTY MAINTENANCE

A. Lessee shall maintain the portion of the leased Property in good condition and repair, ordinary wear and tear excepted, including maintenance of the driveway in the current condition as of the Effective Date.

B. Property maintenance shall include, but is not limited to, all such maintenance, repair and construction work as shall be required to preserve and maintain the leased Property and all improvements; maintenance and servicing of heating, ventilating and air conditioning systems; sweeping, snow removal and trash disposal; maintenance and servicing of landscaping areas; lighting and all utilities utilized in connection therewith and modifications required for compliance with any statutes, ordinances and/or regulations, including required changes in installations for supply of utilities or sanitary facilities or other public facilities; and other maintenance in the Lessor's judgment necessary for the operation of the leased Property.

SECTION FIVE USE OF PREMISES

Lessee shall occupy and use the leased Premises for the purpose of storing and maintaining fire apparatus, equipment and providing Fire Protection services.. The Premises may also be used for miscellaneous incidental purposes related to the storage of equipment or materials and supplies and repair items.

SECTION SIX MAINTENANCE, REPAIRS AND IMPROVEMENTS

A. Except as otherwise specifically set forth herein; Lessee shall perform all maintenance to the leased Premises and shall bear the cost thereof for all facilities and maintenance expenses. Lessee shall keep the Premises in a neat, clean and sanitary condition, and shall neither commit nor permit any waste or nuisance thereon.

E. Lessee shall permit Lessor or its authorized agent to enter into and upon the demised 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.

F. Lessee shall keep the Premises free from any liens arising out of any and all work that it may perform, or materials furnished, or obligations incurred by Lessee. Should the Premises or Property be subject to a lien by reason of Lessee's acts or omission to act, Lessor shall notify Lessee in writing of Lessor's intent to take action against Lessee for resolving such matters. Lessee shall have thirty (30) days from the date of notice of any lien within which to remove said encumbrance without breaching the provisions of this Agreement.

H. Lessee shall not make any alterations, additions or changes of any kind to the Premises without first obtaining the written consent of Lessor. "Alterations" includes, but is not limited to, installing shelving, painting, changing or installing fixtures. Any alterations, changes, or additions

approved by Lessor shall be made at Lessee's sole cost and expense and shall be completed free and clear of all mechanics' liens and claims and shall be in full compliance with posted security provisions of Nevada Revised Statutes Chapter 108.

**SECTION SEVEN
UTILITIES, CUSTODIAL, TELEPHONE AND TAXES**

- A. Lessee shall pay electricity for the Station.
- B. Lessee shall pay the utility service fees for gas, and water for the Station; and any other public utility service fees associated with the leased Premises, including Lessee's telephone service.
- C. Any repair costs to the septic tank and leach field shall be paid solely by Lessor.

**SECTION EIGHT
WAIVER**

Any failure on the part of either party to take action against the other for any breach or covenant herein shall not be construed to constitute a waiver of any other or subsequent breach. All waivers must be in writing and signed by the waiving party.

**SECTION NINE
CONDEMNATION, DAMAGE OR DESTRUCTION**

A. Condemnation: In the event that any part of the Premises hereby demised 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. 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 rent and use shall be reduced in proportion to the area of that portion of the Premises taken for such public purpose. All damages awarded as compensation for diminution in value to the leasehold or to the fee of the Premises shall belong to and be the property of the party suffering the damages. Lessee shall have the right to claim and recover from the condemning authority such compensation as may be separately awarded or recoverable by Lessee in Lessee's own right on account of any and all damages to Lessee's business by reason of the condemnation and for or on account of any cost or loss to which Lessee might be put in removing Lessee's furniture, fixtures, equipment and leasehold improvements.

B. Damage or Destruction Fully Covered by Insurance. If, during the Term of this Agreement, the Station is destroyed or damaged, and the insurance proceeds payable to Lessor and any and all persons named as loss payees therein under any and all policies or insurance, as a result of such damage

or destruction (which proceeds are herein sometimes collectively called “the Insurance Proceeds”) are in an amount equal to, or greater than, the cost of putting the Station in a condition substantially similar to its condition at the time of the damage or destruction (which cost is hereby sometimes called “Replacement Cost”); then Lessor shall, at Lessor’s expense, cause the Station to be so reconstructed and repaired within a reasonable time after the occurrence of the event causing such damage or destruction and this Agreement shall remain in full force and effect.

C. Damage or Destruction Not Fully Covered By Insurance. In the event the Station is damaged or destroyed and the amount of Insurance Proceeds is less than the Replacement Cost, then either party may, at its option, elect to pay the difference between the Replacement Cost and the Insurance Proceeds (herein “Uninsured Cost of Reconstruction”), and cause the Station to be reconstructed within a reasonable time after the event causing such damage or destruction. In such event, the parties shall cause all Insurance Proceeds to be applied to such cost of reconstruction and this Agreement shall remain in full force and effect. In the event neither party elects to pay the Uninsured Cost of Reconstruction, then this Agreement shall terminate and be of no further force and effect.

SECTION TEN INDEMNIFICATION

A. To the fullest extent provided by law and in the manner authorized by law, Lessor shall hold harmless, indemnify and defend Lessee from and against any claim, suit or liability due to injury, including death, or property damage, caused by the acts or negligence of Lessor or its agents, employees, contractors, subtenants, successors or assigns.

B. To the fullest extent provided by law and in the manner authorized by law, Lessee shall hold harmless, indemnify and defend Lessor from and against any claim, suit or liability due to injury, including death, or property damage, caused by the acts or negligence of Lessee or its agents, employees, contractors, subtenants, successors or assigns.

C. The indemnity obligations set forth in this section shall survive the expiration or earlier termination of this Agreement.

SECTION ELEVEN INSURANCE

The Parties hereto agree as follows:

(1) Lessor shall secure and maintain fire and extended insurance on the building in which the Premises are located in an amount and coverage determined by Lessor during the Term or any Extension Period of this Agreement.

(2) Lessee shall secure and maintain policies of comprehensive or commercial general liability coverage (occurrence form), in an amount of not less than \$1,000,000 per occurrence, and at least \$1,000,000 annual aggregate during the Term of this Agreement, for the Premises. Lessor is responsible for securing and maintaining all necessary insurance for the remainder of the Property.

(3) The Parties may fund any financial obligation relating to its negligence and liability through a program of self-funding, and the Washoe County Risk Management Division shall approve insurance policy limits and retention amounts.

SECTION TWELVE QUIET ENJOYMENT

Lessee, while in compliance with the terms and covenants herein, is entitled to the quiet enjoyment of the demised Premises for the term hereby created without interference by Lessor or its agents, employees, contractors, subtenants, successors or assigns.

SECTION THIRTEEN ASSIGNMENT AND SUBLEASE

This Agreement may be assigned or the Premises sublet only with the prior written consent of Lessor, which consent shall not be unreasonably withheld, conditioned or delayed, provided the proposed use of the Premises by the assignee is acceptable and the proposed assignee is, in Lessor's judgment, a suitable tenant which can demonstrate to Lessor's satisfaction that it is compatible with the Station, consistent with the use and other tenants of the Station and has the financial and operational capability to remain through the Term and satisfy the Lessee's obligations hereunder.

SECTION FOURTEEN 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 Lessor c/o Verdi History Preservation Society, P.O. Box 221, Verdi NV 89439 and to Lessee c/o Truckee Meadows Fire Protection District, Fire Chief, 1001 E. Ninth Street, Reno, NV 89512. Any service by mail shall be deemed served within three business days after deposit in the United States Post Office.

**SECTION FIFTEEN
ATTORNEYS' FEES**

Should either party hereto institute any action or proceeding to enforce any provision hereof or for damages by reason of an alleged breach of any provision of this Agreement, each party shall be responsible for their own costs and expenses of such action, including attorneys' fees.

**SECTION SIXTEEN
DEFAULT, TERMINATION AND REVERSION OF TITLE**

A. Upon the expiration or earlier termination of this Agreement, Lessee shall quit the Premises peaceably, with no damage to the Premises; normal wear and tear excepted, and shall remove all of Lessee's personal property from the Premises, which Lessor designates to be so removed.

B. Except as otherwise specifically set forth herein, the failure by Lessee or Lessor to observe or perform any covenants, conditions or provisions of this Agreement required to be made, observed or performed by such party, after 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 subject to the 30-day cure period is such that more than 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.

**SECTION SEVENTEEN
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 the state court of competent jurisdiction located in Washoe County, Nevada and to the service of process by any means authorized by said state 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 EIGHTEEN
FUNDING OUT CLAUSE;**

18.3. Under NRS 244.320 and 354.626, if the Lessee's governing body doesn't appropriate or budget funds for the purposes specified in this contract, or the Lessor's governing body has been required, in its discretion, to amend previous appropriations or budgeted amounts to eliminate or reduce

funding for the purposes of this contract, this contract shall be terminated without penalty, charge, or sanction.

**SECTION NINETEEN
GOVERNMENTAL IMMUNITIES**

Lessee does not waive and intends to assert any applicable governmental immunities including NRS chapter 41 immunities.

**SECTION TWENTY
EFFECT OF AGREEMENT**

This Agreement constitutes the entire agreement between the Parties. Each of the covenants, warranties, and agreements herein contained are binding on the parties hereto, their successors, assigns and legal representatives.

Signatures on next page.

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

VERDI HISTORY PRESERVATION SOCIETY, a Nevada non-profit corporation (LESSOR)

By: Barbara A. Ting
Barbara A. Ting, President

TRUCKEE MEADOWS FIRE PROTECTION DISTRICT, a political subdivision of the State of Nevada, (LESSEE)

By: [Signature]
Chair

STATE OF NEVADA)
) ss.
COUNTY OF WASHOE)

This instrument was acknowledged before me on January 21, 2020 by Bob Lucey as Chair of the Washoe County Board of Commissioners.

Nancy L. Parent
Notary Public



