



# WASHOE COUNTY

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## STAFF REPORT

BOARD MEETING DATE: April 25, 2017

**DATE:** March 17, 2017  
**TO:** Board of County Commissioners  
**FROM:** Dave Solaro, Arch., P.E., Director  
Community Services Department, 328-2040, [dsolaro@washoecounty.us](mailto:dsolaro@washoecounty.us)  
**THROUGH:** Kevin Schiller, Assistant County Manager  
**SUBJECT:** Approve a Lease Agreement between ECOL Partnership and Washoe County for a thirty-six month term, commencing May 1, 2017 through April 30, 2020, for the renewal of occupancy at 250 S. Rock Blvd. #100, for the Registrar of Voters' voting machine and equipment management facility [\$91,457.16 annually]. (All Commission Districts.)

### SUMMARY

The lease for the 10,513 square feet of storage for the Registrar of Voters' voting machine and equipment management facility will expire on April 30, 2017. The Community Services Department has been actively searching for a warehouse facility to acquire, but at this time the demand is high for warehouse space in the size range that is suitable for the County's needs. Approval of this Lease will allow the continuation of occupancy at 250 S. Rock Blvd., Suite 100, which provides for the storage of the County Voting machines and other voting equipment.

Washoe County Strategic Objective supported by this item: Safe, Secure and Healthy Communities.

### PREVIOUS ACTION

On April 22, 2014, The Board of County Commissioners (Board) approved a lease agreement for a 36 month term to occupy space at 250 S. Rock, #100.

On April 23, 2013, The Board approved a 1<sup>st</sup> Amendment to Lease to exercise the option that was included in the previous agreement for a 12 month term.

On May 26, 2009, the Board approved a Lease Agreement for a 48 month term to accept a lease concession to occupy space at 250 S. Rock, #100, for the term ending April 13, 2013.

On April 13, 2004, the Board approved a Lease Agreement to occupy space at 250 S. Rock, #100, for a sixty (60) month term ending April 30, 2009.

### BACKGROUND

On October 29, 2002, the Help America Vote Act (HAVA) was signed, requiring each State to develop a plan for implementation. The Nevada State Plan established specific requirements for

AGENDA ITEM # 5.G.

the implementation of this Act. This implementation included the transition to the Sequoia Electronic Voting Machines and the VVPAT audit trail equipment.

In April of 2004, the lease at 250 S. Rock Blvd. was established to accommodate and protect the electronic voting machines and related voting equipment.

In 2009 due to budget constraints, staff requested a lease renewal which created an immediate and on-going budget savings due to the current market conditions. The Lessor agreed to roll back the lease rate to the 2008 per square footage rate and further granted three (3) months of rent waiver (November 2009, June 2010 and July 2011) to extend occupancy for an additional forty (48) months. In April 2013, there was an extension in the term for twelve additional months, and one year later a thirty six month lease was executed. The current lease agreement expires April 30, 2017.

Staff has negotiated a new lease for a 36 month term while we continue to review opportunities to purchase warehouse space allowing the consolidation of the remaining storage leases. This process requires available, purchasable properties as well as a financial source to pay for a potential owned space.

The lease before the Board today includes a \$0.01 increase per square foot per month which is less than a 2% increase in cost, held for the entire three year period. This lease is still below market rate as compared to similar properties in the area.

### **FISCAL IMPACT**

This three year renewal has one 1.6% increase at the beginning of the new term and will remain fixed for the remaining term of the agreement at \$5,256.00 per month; additionally there are Common Area expenses estimated at \$2,365.43 per month. The CAM (common area maintenance costs) is estimated and will be reconciled to actual costs in January each year, which may require an adjustment. Funding is allocated in cost center C112100.

### **RECOMMENDATION**

It is recommended the Board of County Commissioners approve a Lease Agreement between ECOL Partnership and Washoe County for a thirty-six month term, commencing May 1, 2017 through April 30, 2020, for the renewal of occupancy at 250 S. Rock Blvd. #100, for the Registrar of Voters' voting machine and equipment management facility [\$91,457.16 annually].

### **POSSIBLE MOTION**

If the Board agrees with staff's recommendation, a possible motion would be: "Move to approve a Lease Agreement between ECOL Partnership and Washoe County for a thirty-six month term, commencing May 1, 2017 through April 30, 2020, for the renewal of occupancy at 250 S. Rock Blvd. #100, for the Registrar of Voters' voting machine and equipment management facility [\$91,457.16 annually]."

## **LEASE AGREEMENT**

THIS AGREEMENT is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2017, by and between ECOL Partnership, a Nevada General Partnership, hereinafter referred to as ("Lessor") and WASHOE COUNTY, NEVADA, a political subdivision of the State of Nevada, hereinafter called ("Lessee").

### **W I T N E S S E T H:**

WHEREAS, Lessor is the sole owner of the property located at 250 S. Rock Blvd., Reno, Nevada; and

WHEREAS, Lessee desires to continue to lease office and warehouse space from Lessor as described below;

WHEREAS, the parties desire by this Agreement to define their respective rights, duties and liabilities relating to occupancy in the property.

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, approximately 10,513 square feet of warehouse space in suite #100 ("Premises") in the complex generally known and designated as Rock Center, located at 250 S. Rock Blvd., Reno, Nevada ("Building"), together with the nonexclusive use of all common areas, entrances, hallways, elevators, restrooms, and exterior grounds. Unless otherwise specified, "Premises" shall only include that portion used exclusively by Lessee.

### **SECTION TWO TERM OF LEASE**

The term of this Agreement shall be Thirty-six (36) months commencing May 1, 2017 and terminating on April 30, 2020, unless terminated upon mutual agreement of the parties or as otherwise provided herein.

**SECTION THREE  
RENTAL AND COMMON AREA EXPENSE**

Effective upon the commencement date as defined in Section Two, above, Lessee agrees to pay Lessor, at such place as Lessor shall designate from time to time in writing, rent for the Premises described in Section One, above, as follows:

A. Monthly Rent Payments:

1. Lessee shall pay to Lessor as monthly "base rent" the sum of Five Thousand Two Hundred Fifty Six Dollars (\$5,256.00) per month for the entire (36) month period of this Agreement commencing May 1, 2017 through April 30, 2020; unless changed as specifically provided herein.

2. Lessee also agrees to pay monthly in addition to base rent a fee for a prorata share of the "common area maintenance expense." This additional monthly fee shall be in an initial amount of Two Thousand Three Hundred Sixty Five Dollars and Forty-three cents (\$2,365.43) per month through January 1, 2018, and this amount is adjusted annually per the terms below.

3. All rental payments shall be made payable to ECOL Partnership at P.O. Box 1209, Reno, Nevada, 89504. Rent payable hereunder is due the first (1st) day of each month and if not received by the Lessor or properly deposited into the U.S. Mail system by the tenth (10th) day, Lessee agrees to pay a surcharge equivalent to five (5%) percent of the monthly rental. Notwithstanding the foregoing, no late charge shall be assessed with respect to the first late payment of rent in a twelve (12) month period.

B. Commencing the second year and throughout the term of this Agreement and any extension thereof, the monthly fee owed by Lessee, in addition to base rent, for the "common area maintenance expense" shall be equal to Lessee's prorata share of the estimated "common area expenses." The parties agree that Lessee's prorata share shall be Sixteen percent (16%) of said "common area maintenance expense." As soon as reasonably practical after the expiration of each calendar year, Lessor shall deliver to Lessee a statement setting forth the expenses for the Common Area for such calendar year and the increased amount, if any, of Lessee's prorata share thereof, including; (a) the total of the specified category of expense incurred during the measuring period; (b) Lessee's prorata share of such category of expense and Lessee's aggregate contribution toward such category of expense; (c) the amount remaining unpaid toward Lessee's share of such category of expense or the amount by which Lessee's payments have exceeded Lessee's share

thereof. If Lessee's share of such expense exceeds Lessee's payments for the measuring period, Lessee shall pay to Lessor the deficiency within forty-five (45) days after receipt of such statement. If said payments exceed Lessee's share of such expenses, Lessor shall refund any excess within forty-five (45) days so long as Lessee has no further obligation to Lessor under the terms of this lease. Lessee's liability in connection with the payment of its share of all such expenses shall be prorated on the basis of a three hundred sixty-five (365) day year to account for any fractional portion of a year included in the term of its commencement and/or expiration. Lessor will provide to Lessee copies of all statements and reasonable supporting data regarding such items as the calculation of Lessee's share thereof and of other expenses paid pursuant hereto, upon receipt of a written request to provide such statements. In no event shall Lessee's prorata share of the "common area maintenance expense" increase in any given year during the initial term or any extension of this Agreement thereafter by more than two percent (2%) over the previous year's prorata share of the common area maintenance expense, provided that this referenced two percent (2%) annual cap does not apply to property taxes, property insurance, special assessments, electricity and gas usage for the Premises.

C. Common Area expenses mean the total of all items of cost and expenses related to owning, maintaining, operating and managing the Common Area as specifically described in Section Four, below.

#### **SECTION FOUR COMMON AREA MAINTENANCE**

A. Lessor shall maintain the Common Areas in good condition and repair. The term "Common Areas" means all areas and facilities outside the Premises and within the exterior boundaries of the property that are provided and designated by the Lessor from time to time for the general use and convenience of the Lessee and other tenants or owners of portion of the property pursuant to reciprocal easement agreements and their respective authorized representatives and invitees, and of public invitees.

B. Common area maintenance shall include, but is not limited to, all such maintenance, repair and construction work as shall be required to preserve and maintain the utility of the Common Area; maintenance, repair, resurfacing and painting of pedestrian walkways, throughways, roadways, service corridors, parking areas and patios; maintenance and servicing of common area elevators, common area heating, ventilating and air conditioning systems; sweeping, snow removal, trash disposal and other janitorial services of the common areas;

maintenance and servicing of sprinkler systems, gardening and landscaping areas; lighting and all utilities utilized in connection therewith; maintenance and repairs of exterior roofs, exterior roof coverings, exterior supporting structures, walls and overhead roll-up doors; and reasonable management fees (not to exceed six percent (6%) of the rents) and other maintenance in the Lessor's judgment necessary for the operation of the Common Areas.

#### **SECTION FIVE HOLDING OVER**

Lessee shall provide Lessor with ninety (90) day notice, prior to the expiration of the initial term or any extensions thereof, of their intent to holdover. Any holding over of the Premises by Lessee after the expiration of the term hereof (or any renewal period, as applicable) shall be construed to be a tenancy from month-to-month with no change in the monthly rental amount due to a maximum period of four (4) months after which time Lessee will either quit and vacate the Premises or enter into a new lease agreement. All other terms and conditions stated herein shall remain in full force and effect to the extent they are not inconsistent with this Section. If Lessee fails to surrender the Premises upon the expiration of the holdover period, Lessee shall pay to Lessor rent in the amount of one hundred fifty percent (150%) above the current rental rate, set forth herein. If Lessee fails to surrender the Premises upon the expiration of the holdover period, Lessee shall hold the Lessor harmless from all damages resulting from Lessee's failure to surrender, including without limitation, claims from a succeeding tenant resulting from Lessee's failure to surrender the Premises.

#### **SECTION SIX USE OF PREMISES**

A. Lessee shall use the Premises for conducting business activities of Washoe County or for other related general government purposes. Lessee shall not use, or permit said Premises or any part thereof to be used for any purpose other than the conduct of the necessary business of Washoe County governmental programs.

B. Lessee shall not conduct or at any time knowingly permit its employees, agents or visitors to conduct activity on the Premises which is unlawful or in violation of any federal or state statute, code or regulation.

#### **SECTION SEVEN ALTERATIONS AND IMPROVEMENTS**

A. The parties hereby acknowledge that the Premises are in good condition and are architecturally acceptable to Lessee, and shall not be altered, repaired or changed except as

provided herein.

B. Lessee agrees that it shall not erect partitions, install or change any doors or windows, or place any nails, screws or other implements or fasteners into the wood work or walls, except such items as are necessary to suitably decorate or make the Premises attractive for the purposes intended, without the prior written consent of Lessor. Upon Lessor's request, Lessee shall prepare plans and specifications of such work and submit the same to Lessor for its approval prior to making such alterations or improvements. Approval will not be unreasonably withheld.

C. The parties agree that all the erections, additions, fixtures and improvements, except only movable equipment, office furniture, shelving and any decorative items which can be removed without substantially affecting the integrity of the building, made in or upon said Premises shall remain upon the Premises at the termination of said term by lapse of time or otherwise, without compensation to Lessee. Any improvements required by Lessee, that would require beyond normal power requirements; may be separately metered and the cost of any additional power usage for that equipment will be the responsibility of Lessee.

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

#### **SECTION EIGHT LESSOR IMPROVEMENTS**

A. Lessor reserves the right from time to time and at its own expense to make such improvements, alterations, renovations, changes, and repairs in and about the building in which the Premises are located including the demised Premises, as Lessor shall deem necessary or desirable provided Lessor prior to entering the demised Premises gives Lessee a minimum forty-eight (48) hours notice of its intent to do so, and, 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, changes and repairs.

B. Lessor shall make all improvements in a safe, workmanlike manner so as not to prove hazardous to tenants and/or the public.

#### **SECTION NINE MAINTENANCE, REPAIRS AND INSPECTIONS**

A. Lessor shall be responsible for performing periodic maintenance to the interior of the Premises in a reasonable and timely manner. Lessor, however, shall not be responsible for making repairs or replacements caused by the willful destruction or negligence of Lessee, Lessee's contractor's, agents or employees.

B. Lessee, at its own expense, shall provide exterior window cleaning and shall keep the Premises at all times in a neat, clean and sanitary condition, and shall neither commit nor permit any waste or nuisance thereon.

C. Lessor shall maintain, at its sole cost and expense, parking areas including snow removal, the roof, sidewalks, windows, exterior walls and overhead roll-up doors of said building, subject to reimbursement through CAM.

D. Lessor specifically warrants the existing elevators, plumbing, electrical, HVAC system and all improvements in place at the time of delivery to be free from inherent or latent material defects and warrants same for the term of the Lease.

E. Lessor, at its sole expense, shall provide maintenance, repair and replacement of all plumbing including plumbing fixtures, elevators and central mechanical equipment, to specifically include elevators, water heaters, heating, ventilating and air conditioning equipment, necessary to provide service to the Premises and maintain the Premises in a reasonable and safe manner and in full compliance with all mandated federal, state and local regulatory requirements subject to reimbursement through CAM.

F. Lessee shall permit Lessor or its authorized agent 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.

G. Lessee, as appropriate, 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. Lessee shall have thirty (30) days from the date of notice of said lien, as provided by Lessor, within which to remove said encumbrance without breaching the provisions of this Agreement.

H. Lessor is solely responsible for compliance with and all necessary expenses associated with any modification required for compliance with any statutes, ordinances and/or regulations, including required changes in installations for supply of utilities or sanitary facilities or other modifications, which may be required for compliance with the requirements of the American's Disability Act (ADA).



I. Lessee will be responsible for the reasonable day to day maintenance associated with the interior of the premises to include replacement of light bulbs.

**SECTION TEN  
UTILITIES, CUSTODIAL, TELEPHONE AND PARKING**

A. All gas, electricity, water, sewer, and other public utilities for normal warehouse use (except telephone service) specifically used upon and separately metered to the Premises shall be paid at the sole cost and expense of Lessee.

B. Lessee, at its sole cost and expense, shall provide interior trash removal and janitorial services to the premises as well as cleaning and sanitizing of public restrooms within the Premises, Monday through Friday, excluding holidays, and shall provide interior window cleaning on a periodic basis, in accordance with Lessor's established schedule.

C. Lessee shall pay for all telephone service costs incurred for installation of equipment and establishment of initial service and for ongoing monthly service charges for equipment, fees, line and toll charges or any changes thereto specifically requested by Lessee.

D. Lessor shall pay all real property taxes and/or sewer assessment fees applicable to the real property upon which the Building is located subject to reimbursement through the CAM charges.

**SECTION ELEVEN  
SIGNS**

Lessee agrees that no sign or advertisement shall be painted or affixed to any part of the outside of the building in which the Premises are situated without the prior written approval of Lessor, which consent shall not be unreasonably withheld.

**SECTION TWELVE  
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.

**SECTION THIRTEEN  
DESTRUCTION OF PREMISES**

In the event of a partial destruction of said Premises or the buildings of which the Premises is a part during the said term, from any cause, Lessor shall forthwith repair the same within one hundred-twenty (120) days, provided such repair can be made within said period under the laws and regulations of the state, federal, county or municipal authorities. If required repairs are commenced promptly, this Agreement shall not be modified, except that Lessee shall

be entitled to a proportionate reduction of rent if a portion of the demised Premises are rendered unusable or substantially impaired while repairs are being made. If such repairs cannot be made in one hundred-twenty (120) days, this Lease Agreement may be terminated at the option of Lessee. Lessee shall notify Lessor of its election to terminate the lease within twenty-one (21) days following the date Lessee receives written notice from Lessor of its inability to repair the building within the one hundred-twenty (120) day period due to such damage or destruction. A total destruction of the building in which the Premises is 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, subject, however, to the provision of Section Fourteen.

#### **SECTION FOURTEEN 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 rent shall be paid up to that day and thereafter the Lessee or the Lessor shall have the right to either cancel this Lease or to continue in the possession of the remainder of the same under the terms herein provided, except that the rent 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 Lessor. 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.

#### **SECTION FIFTEEN INDEMNIFICATION**

A. 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 acts or omissions of the Lessor, its agents or employees, in connection with the ownership of the Property and the Lessor's duties and responsibilities pursuant to this Agreement.

B. Pursuant to Nevada Revised Statutes, Chapter 41 and without waiving any provisions thereof, Lessee, shall hold harmless, indemnify and defend Lessor 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 Lessee, its agents, contractors or employees, arising out of the use of the demised Premises and the Lessee's duties and responsibilities pursuant to this Agreement.

## **SECTION SIXTEEN INSURANCE**

A. Lessor, at its sole cost and expense, subject to CAM reimbursement as provided in Section 4 (b) above, shall:

(1) Secure and maintain fire and extended insurance 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.

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

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

(2) Lessee may fund any financial obligation relating to its negligence and liability through a program of self-funding administered by its Risk Management Division. Any and all claims related to the use of the demised Premises by Lessee shall be forwarded to Lessee in a timely manner.

(3) 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 covered by Lessee's insurance and,

(4) 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.

(5) 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 for the least hazardous type of occupancy legally permitted in the Premises, 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 terminate said Lease Agreement.

**SECTION SEVENTEEN  
HAZARDOUS SUBSTANCES**

A. Lessee shall not cause or permit any hazardous substances to be used, stored, manufactured 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 Seventeen, 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, together with Lessor's attorney's fees.

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, together with Lessee's attorney fees.

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

**SECTION EIGHTEEN  
SUBORDINATION, ATTORNMENT AND NON-DISTURBANCE**

A. This Lease, at Lessor's option, shall be subordinated to any mortgage, deed of trust, or any other hypothecation for security now or hereafter placed upon Lessor's leasehold interest in the real property or building of which the Premises are a part and which constitute a mortgage or deed of trust lien or encumbrance against Lessor's interest in such Premises or building and to any and all advances made on the security thereof and to all the renewals, modifications, amendment, consolidations, replacements and extensions thereof.

B. Lessee agrees to execute any documents required to effectuate such subordination to the lien of any mortgage, deed of trust, or other security document, as the case may be, and failing to do so within thirty (30) days after written demand shall give Lessor the right to terminate this Lease and immediately re-enter the Premises.

C. Lessee shall in the event of the sale or assignment of Lessor's interest in the real property or building of which the Premises are a part, or in the event of any proceeding brought

for the foreclosure of, or in the event of exercise of the power of sale under any mortgage or deed of trust made by Lessor covering the Premises, attorn to the purchaser or assignee and recognize such purchaser or assignee as Lessor under this Lease Agreement.

D. Any purchaser, assignee, or other party acquiring Lessor's interest in the real property or Building of which the Premises are a part, agrees to recognize the validity and enforceability of this Lease and that notwithstanding any default by Lessor with respect to any mortgage, deed of trust, or other security document, Lessee's possession, quiet enjoyment and all of Lessee's rights under this Lease Agreement in and to the Premises shall not be disturbed by such purchaser, assignee or other party unless Lessee is in default under the terms of this Lease.

#### **SECTION NINETEEN 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.

#### **SECTION TWENTY ASSIGNMENT AND SUBLEASE**

This Lease Agreement may be assigned or the Premises sublet only with the prior written consent of the Lessor. Lessor shall consent to an assignment or subletting provided the proposed assignee is, in Lessor's judgment, a suitable tenant, which can demonstrate to Lessor's satisfaction that it is compatible with the Building and other tenants of the Building and has the financial and operational capability to remain through the lease term. Any rents or other consideration due from an assignee or sublessee, in excess of the rents due under this Lease from Lessee shall be paid to Lessor.

#### **SECTION TWENTY-ONE 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 the Lessee at the address of the Premises herein demised, with a copy to Washoe County Community Services Department, P.O. Box 11130, Reno, NV 89520-0027, and ECOL Partnership, P.O. Box 1209 Reno, NV 89504, 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 in the United States Post Office. Once Washoe County Recorder's Office records the Agreement, the recorded document shall be returned to, Washoe County Community Services Department.

**SECTION TWENTY-TWO  
ATTORNEY'S FEES**

Should any party hereto institute any legal action or proceeding of any kind, to enforce any provision hereof or for damages by reason of an alleged breach of any provision of this Agreement, the prevailing party shall be entitled to recover such amounts as may adjudged to be reasonable attorney's fees for the services rendered to the prevailing party in such action or proceeding, together with costs incurred.

**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 and damage outside the control of Lessee excepted, and shall remove all of Lessee's personal property from the Premises.

B. The failure by Lessee or Lessor to make any payment or observe or perform any covenants, conditions or provisions of this Lease 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 Lease 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 the Lease and recovery of all damages caused by such default.

C. In the event Lessee shall acquire a County owned building, in which Lessee shall conduct the same function it is currently performing in place of its operation in the demised Premises, Lessee may cancel this Agreement at any time by giving Lessor three (3) months prior written notice of its intention to do so.

**SECTION TWENTY-FOUR  
CHOICE OF LAW; VENUE**

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

**SECTION TWENTY-FIVE  
FUNDING OUT CLAUSE**

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

**SECTION TWENTY-SIX  
DEBARMENT, SUSPENSION AND OTHER RESPONSIBILITY MATTERS**

The Lessor certifies to the best of its knowledge and belief that it and its principals and agents:

A. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal department or agency;

B. Have not within a three year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

C. Are not presently indicted for or otherwise criminally or civilly charged by a Government entity (federal, state, or local) with commission of any of the offenses enumerated in paragraph (1) (b) of this certification; and

D. Have not within a three-year period preceding this application/proposal had one or more public transactions (federal, state, or local) terminated for cause or default. I understand that a false statement on this certification may be ground for rejection of this proposal or termination of the award. In addition, under 18 SUC Sec. 1001, a false statement may result in a fine of up to \$10,000 or imprisonment for up to 5 years, or both.

**SECTION TWENTY-SEVEN  
EFFECT OF AGREEMENT**

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

B. Each of the covenants, warranties, and agreements herein contained are binding on the parties hereto, their successors, assigns and legal representatives. In the event of any breach of these covenants, warranties and agreements by Lessee during the duration of this Agreement, whether or not discovered by or known to Lessor during the lease term, Lessor expressly reserves unto itself the right to pursue appropriate legal action against Lessee to correct or cure said breaches or deficiencies.

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

LESSEE: WASHOE COUNTY, a political sub-division of the State of Nevada

By: \_\_\_\_\_  
Bob Lucey, Chairman

LESSOR: ECOL Partnership

By: \_\_\_\_\_

Its: \_\_\_\_\_

STATE OF NEVADA )  
 ) ss.  
COUNTY OF WASHOE )

On this \_\_\_\_ day of \_\_\_\_\_, 2017, before me, a Notary Public, personally appeared \_\_\_\_\_, known to me to be the Chairman of the Board of County Commissioners of Washoe County, who acknowledged to me that s/he executed the foregoing document on behalf Lessee.

\_\_\_\_\_  
Notary Public

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_ day of \_\_\_\_\_, 2017, before me a Notary Public, personally appeared \_\_\_\_\_, known to me to be the person described herein, who acknowledged to me that s/he executed the forgoing document on behalf of Lessor.

\_\_\_\_\_  
Notary Public