LEASE AGREEMENT

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

WITNESSETH:

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

ONE. TERM OF LEASE.

1.1 - Term of Lease. LESSOR hereby leases unto LESSEE and LESSEE agrees to lease from LESSOR the premises outlined below: The State of Nevada is the owner of the real property at the Department of Health and Human Services, Northern Nevada Adult Mental Health Services | Sierra Regional Center Campus at: 605 South 21st Street(Sierra Regional Center);Buildings 325, 335, 345,
600/601, 602, 603, 604, 605, 606. 480 Galletti Way (Mental Health); Buildings 2A, 8B, 8C, 8 Central, 8 South, 14 and 15.

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

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

1.2 - Termination. This Lease may be terminated by either party prior to the date set forth in Section 1.1 above, provided that a termination shall not be effective until 90 days, or otherwise agreed upon by the Parties, after a party has served written notice upon the other party. This Lease may be terminated by mutual consent of both parties or unilaterally by either party without cause.
TWO. RENT. LESSEE agrees to pay to the LESSOR as and for rental for said Demised Premises the sum of: $0.00

THREE. UTILITIES AND SERVICES. See Attachment A

FOUR. REPAIR AND MAINTENANCE AND CONSTRUCTION.
See Attachment A

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

SIX. INSURANCE. 1. State, at its sole cost and expense, shall secure and maintain fire and all risk insurance on the building in which the Premises is located in an amount and coverage determined by the State. State shall also secure and maintain a policy of comprehensive general liability coverage, in an amount
of not less that $1,000,000 per occurrence, and at least $2,000,000
annual aggregate during the term or any extended term of this
Agreement.

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

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

      Minimum Requirements:

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

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

2. Automobile Liability

Bodily injury and property damage for any owned, hired, and non-
owned vehicles used in the performance of this Contract.
Combined Single Limit (CSL) $1,000,000

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

3. Worker's Compensation and Employers' Liability

Workers' Compensation Statutory

Employers' Liability

Each Accident $100,000

Disease - Each Employee $100,000

Disease - Policy Limit $500,000

a. Policy shall contain a waiver of subrogation against the State.

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

4. Builders' Risk Insurance or Installation Floater

In an amount equal to the initial Contract Amount plus additional coverage equal to Contract Amount for all subsequent change orders.
a. The State of Nevada, Department of Health and Human Services, the Contractor and subcontractors, shall be insureds on the policy.

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

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

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

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

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

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

B. ADDITIONAL INSURANCE REQUIREMENTS: The policies shall include, or be endorsed to include, the following provisions:
1. On insurance policies where the State of Nevada, Department (Division) of _____ is named as an additional insured, the State of Nevada shall be an additional insured to the full limits of liability purchased by the Contractor even if those limits of liability are in excess of those required by this Contract.

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

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

D. ACCEPTABILITY OF INSURERS: Insurance is to be placed with insurers duly licensed or authorized to do business in the state of Nevada and with an "A.M. Best" rating of not less than A-VII. The State in no way warrants that the above-required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.
E. VERIFICATION OF COVERAGE: Contractor shall furnish the State with certificates of insurance (ACORD form or equivalent approved by the State) as required by this Contract. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.

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

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

F. SUBCONTRACTORS: Contractors’ certificate(s) shall include all subcontractors as additional insureds under its policies or subcontractors shall maintain separate insurance as determined by the Contractor, however, subcontractor's limits of liability shall not be less than $1,000,000 per occurrence / $2,000,000 aggregate.
G. APPROVAL: Any modification or variation from the insurance requirements in this Contract shall be made by the State Risk Management Division or the Attorney General's Office, whose decision shall be final. Such action will not require a formal Contract amendment but may be made by administrative action.

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

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

5. Parties shall obtain a waiver, from any insurance company in which the Parties carry fire and all risk coverage ensuring the building, improvements and contents, waiving its subrogation rights against the other Party.

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

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

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

TEN. REMEDIES. The remedies given to LESSOR or LESSEE shall be cumulative, and the exercise of any one remedy shall not be to the exclusion of any other remedy.
ELEVEN. NOTICES. All notices under this Lease shall be in writing and delivered in person or sent by certified mail, return receipt requested, to LESSOR and LESSEE at their respective addresses set forth below or to such other address as may hereafter be designated by either party in writing:

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

LESSEE
Washoe County
1001 E Ninth St
Reno, NV 89514
Contact: Director Human Services

TWELVE. SEVERABILITY. If any term or provision of this Lease or the application of it to any person or circumstance shall to any extent determined in a legal proceedings to be invalid and unenforceable, the remainder of this Lease (or the application of such term or provision to persons or circumstances other than those as to which it is invalid or unenforceable) shall not be affected thereby, and each term and provision of this Lease shall be valid and shall be enforced to the extent permitted by law.

THIRTEEN. AMENDMENT OR MODIFICATION. This Lease constitutes the entire agreement between the Parties and may only be amended or modified with the mutual consent of the Parties hereto, which amendment or modification must be in writing, executed and dated.
FOURTEEN. ASSIGNMENT OR SUBLEASE. In accordance with State law, upon prior written notice to and the prior approval in writing of LESSOR, this Lease may be assigned or subleased to any individual or entity.

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

INCORPORATED DOCUMENTS:

ATTACHMENT A: SCOPE OF WORK AND DELIVERABLES

ATTACHMENT B: WASHOE COUNTY PROPOSAL DATED July 2, 2018
IN WITNESS WHEREOF, the Parties hereto have executed this Lease as of the day and year first above written.

LESSOR
DEPARTMENT OF HEALTH AND HUMAN SERVICES

By _______________________
Richard Whitley, MS
Director

Date _______________________

LESSEE
WASHOE COUNTY, NV

By _______________________
Vaughn Hartung, Chair
Washoe County Commission

Date June 11, 2019

Reviewed as to form and compliance with law only:

By _______________________
Deputy Attorney General

Date _______________________

Approved by: BOARD OF EXAMINERS

By _______________________
Susan Brown
Clerk of the Board

Date _______________________

DPBH Lease Template Page 13 of 13 Revised 4/19
ATTACHMENT A

SCOPE OF WORK

STATE OF NEVADA, DEPARTMENT OF HEALTH AND HUMAN SERVICES

And

WASHOE COUNTY

PURPOSE
The intent of this memorandum is to institute an agreement allowing Washoe County to lease space on the Department of Health and Human Services, Northern Nevada Adult Mental Health to operate its Washoe County vulnerable-populations programs.

PREMISES
The State of Nevada is the owner of the real property at the Department of Health and Human Services, Northern Nevada Adult Mental Health Campus at: 605 South 21st Street, Sparks, NV 89431; buildings 325, 335, 345, 600/601, 602, 603, 604, 605, 606. 480 Galletti Way, buildings 8B, 8C, 8 Central, 8 South, 2A, 14, and 15 (the “Premises”).

USE OF PREMISES
Washoe County, through County staff and contracted providers shall use and occupy the Premises for the purpose of operating vulnerable population programs. Washoe County has had the opportunity to inspect the Premises and accepts the Premises ‘as-is.’ As such, the Premises are leased ‘as-is’ and the State does not warrant or guarantee that the Premises are in compliance with applicable building codes and fire/life safety codes, and ADA requirements. Therefore, the Premises may not be suitable for the stated Use of the Premises.

CONDITION OF PREMISES
At the end of term, Washoe County shall, at the expiration or termination of the Contract, return the premises to as good a condition as when the Certificate of Occupancy was issued, excluding conditions caused by acts of God, ordinary wear and tear, and approved alteration and improvements.

Current Condition of the Premises – The Premises are leased ‘as-is’ and may not be suitable in their current condition for the stated Use of Premises.

Washoe County is solely responsible for performing an assessment of all Premises to determine occupancy needs, building code compliance, ADA requirements and State Fire Marshal code compliance.
CONSTRUCTION OF IMPROVEMENTS

Washoe County shall be solely responsible for financing the planning, design, and construction necessary to bring the Premises into code compliance (Project). The State of Nevada is not responsible for funding the project.

Washoe County shall pay all fees and costs associated with the planning, design, and construction of the Project, including but not limited to, any fees and costs associated with licensing and permits issued by agencies of the State of Nevada.

Entry and construction on the Premises by Washoe County and its contractors is subject to obtaining a temporary right of entry for construction from the Division of State Lands.

Washoe County understands that final approval of any planning, design, and construction efforts for the Project is contingent upon Washoe County its contractors securing all necessary permits, licenses, and authorizations from all required agencies of the State of Nevada. The Department of Health and Human Services agrees to fully assist and cooperate with the Washoe County in these efforts but cannot guarantee the outcome. Final approval of the Project is contingent upon separate agreements and compliance with all polices, regulations, and laws of the State of Nevada as determined by the required agencies.

Washoe County must obtain a Right-of-Entry Agreement with the Division of State Lands to facilitate final design, construction, of the Project, including any utility connections, on the real properly. As a part of a Right-of-Entry Agreement, Washoe County and its contractor must submit all requested insurance, performance bonds, and other requirements before any entry or construction may begin.

Before construction may begin Washoe County must submit all required plans, designs, construction-related materials, performance bond and required insurance for the construction projects to the Division of Public Works for final review, approval, and issuance of a permit. The Project will be subject to the State Public Works Division’s Building Official inspection.

Washoe County shall give DHHS and SPWD notice of construction projects. The notice shall be given to the state a minimum of 60 days prior to construction notice to proceed. Each notice shall be accompanied by the anticipated start and end date.

Upon completion of construction of the Project, the State of Nevada by and through the Department of Health and Human Services shall maintain ownership of the land, buildings, and all fixtures. Washoe County will forever relinquish any right or claim of ownership of the Project and the State of Nevada shall thereafter maintain and control it, except as limited by this Agreement.

Washoe County agrees that it must follow all certification, permitting, inspection, licensing and review processes and procedures throughout the duration of the Project. This memorandum does not constitute a waiver of any requirements of the policies, regulations, and laws of the State of Nevada.
SERVICES
Washoe County agrees, to provide through contract or their own programs the following services to include:

a. Janitorial services  
b. Telephone services  
c. Computer and data services and repairs  
d. Interior and exterior pest control  
e. Snow and ice removal  
f. 24 hour per day 7 days per week security personnel

MAINTENANCE
Washoe County shall take good care of the Premises and all personal property contained therein, and keeps the same in neat, clean and in good maintenance. Any and all repairs and/or maintenance must be performed by licensed contractors and in compliance with State Public Works Division, Building Official requirements, including plan check, permitting and inspection if required.

Washoe County agrees to provide maintenance and make any and all necessary efforts to keep the buildings in good condition during the term of the Contract, including but not limited to:

a. Fire sprinklers and systems, fire extinguisher service, life safety and security systems (as required by governmental authorities)  
b. Heating and air conditioning  
c. Hot water heaters and boilers  
d. Exterior and interior paint  
e. Exterior and interior lighting  
f. Plumbing  
g. Electrical  
h. Exterior and interior Walls  
i. Window and doors that fail  
j. Restrooms  
k. General roof maintenance, clearing gutters, and other clearing of debris  
l. Sidewalks associated with buildings identified in Premises section and mutually agreed upon between Washoe County and the Department of Health and Human Services.  
m. Fencing associated with buildings identified in Premises section and mutually agreed upon between Washoe County and the Department of Health and Human Services.  
n. Landscaping maintenance to include seasonal cleanup of grounds associated with the buildings identified in Premises section and mutually agreed between Washoe County and the Department of Health and Human Services.  
o. Utilities provided by the State to the premises occupied by Washoe County under this agreement shall be paid for by Washoe County to the State as a common expense due to the nature of the metering of utilities. The common expense shall be allocated as a percentage of square footage occupied by each party on the campus and paid per that percentage of the individual utility bill. For example, electrical service is provided through one meter to the entire campus, Washoe County will pay based on the percentage of total square footage of the campus divided by the space occupied by Washoe County. A review for utility use abnormalities
shall be conducted by Washoe County and the State of Nevada to verify this approach at the end of year one. If it is determined that a better process to split the cost of utilities is appropriate Washoe County will make necessary adjustments.

Washoe County shall make all repairs and replacements to the premises which are necessary during the term of this lease to the standards of the current codes adopted by the SPWB and permitted by the authority having jurisdiction. In addition to Washoe County’s maintenance obligations, Washoe County shall also be responsible for replacement of major building components including but not limited to boilers, HVAC and fire sprinklers and other systems as necessary. All work performed must be in conformance with State Public Works Board construction standards, building codes and other applicable codes, and permitting and inspection when required.

The State of Nevada by and through the Department of Health and Human Services shall be responsible for the structural elements of the building.

The State of Nevada, by and through the State Public Works Division maintains the roofs, pursuant to Preventative Maintenance Agreements. In the event any roof requires repairs it shall be performed in a manner consistent with those existing agreements. If replacement of a roof is necessary, the Department of Health and Human Services shall pursue replacement pursuant to the State’s Capital Improvement Program. Any construction performed by State in connection with roof replacement shall include necessary actions to protect Washoe County Property and personnel from loss, damage, and injury and to the extent possible avoid disrupting Washoe County’s use and occupancy of the premises.

**EQUIPMENT/OFFICE SUPPLIES**

Washoe County is responsible for supplying its own equipment and office supplies necessary for the operation of its program. Washoe County shall be permitted to use existing appliances in the building. Should any of these appliances fail, Washoe County shall be responsible for repairing or replacing these appliances.