

1 LEASE AGREEMENT

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

8 W I T N E S S E T H:

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

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20 ONE. TERM OF LEASE.

21 1.1 - Term of Lease. LESSOR hereby leases unto LESSEE and  
22 LESSEE agrees to lease from LESSOR the premises outlined below:  
23 The State of Nevada is the owner of the real property at the  
24 Department of Health and Human Services, Northern Nevada Adult  
25 Mental Health Services | Sierra Regional Center Campus at: 605  
South 21<sup>st</sup> Street (Sierra Regional Center); Buildings 325, 335, 345,

1 600/601, 602, 603, 604, 605, 606. 480 Galletti Way (Mental Health);  
2 Buildings 2A, 8B, 8C, 8 Central, 8 South, 14 and 15.

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

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

19 1.2 - Termination. This Lease may be terminated by either  
20 party prior to the date set forth in Section 1.1 above, provided  
21 that a termination shall not be effective until 90 days, or  
22 otherwise agreed upon by the Parties, after a party has served  
23 written notice upon the other party. This Lease may be terminated  
24 by mutual consent of both parties or unilaterally by either party  
25 without cause.

1 TWO. RENT. LESSEE agrees to pay to the LESSOR as and for  
2 rental for said Demised Premises the sum of: \$0.00

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4 THREE. UTILITIES AND SERVICES. See Attachment A

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6 FOUR. REPAIR AND MAINTENANCE AND CONSTRUCTION.  
7 See Attachment A

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

22  
23 SIX. INSURANCE. 1. State, at its sole cost and expense,  
24 shall secure and maintain fire and all risk insurance on the  
25 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

1 of not less than \$1,000,000 per occurrence, and at least \$2,000,000  
2 annual aggregate during the term or any extended term of this  
3 Agreement.

4  
5 2. Washoe County, at its sole cost and expense, shall provide  
6 coverage with limits of liability not less than those stated below.  
7 An excess liability policy or umbrella liability policy may be  
8 used to meet the minimum liability requirements provided that the  
9 coverage is written on a "following form" basis.

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

13 Minimum Requirements:

- 14  General Aggregate \$2,000,000
- 15  Products - Completed Operations Aggregate \$1,000,000
- 16  Personal and Advertising Injury \$1,000,000
- 17  Each Occurrence \$1,000,000

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

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25 2. Automobile Liability

Bodily injury and property damage for any owned, hired, and non-  
owned vehicles used in the performance of this Contract.

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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.

1 a. The State of Nevada, Department of Health and Human  
2 Services, the Contractor and subcontractors, shall be  
3 Insureds on the policy.

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

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

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

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

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

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

B. ADDITIONAL INSURANCE REQUIREMENTS: The policies shall  
include, or be endorsed to include, the following provisions:

1 1. On insurance policies where the State of Nevada, Department  
2 (Division) of \_\_\_\_\_ is named as an additional insured, the  
3 State of Nevada shall be an additional insured to the full  
4 limits of liability purchased by the Contractor even if those  
5 limits of liability are in excess of those required by this  
6 Contract.

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

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

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22 D. ACCEPTABILITY OF INSURERS: Insurance is to be placed with  
23 insurers duly licensed or authorized to do business in the state  
24 of Nevada and with an "A.M. Best" rating of not less than A-VII.  
25 The State in no way warrants that the above-required minimum  
insurer rating is sufficient to protect the Contractor from  
potential insurer insolvency.

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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.



1 G. APPROVAL: Any modification or variation from the insurance  
2 requirements in this Contract shall be made by the State Risk  
3 Management Division or the Attorney General's Office, whose  
4 decision shall be final. Such action will not require a formal  
5 Contract amendment but may be made by administrative action.

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

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

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

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22 **SEVEN. BREACH OR DEFAULT.** In the event of any failure by  
23 LESSOR or LESSEE to keep and comply with any of the terms,  
24 covenants or provisions of this Lease or remedy any breach thereof,  
25 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

1 party is diligently pursuing the removal or cure of such breach,  
2 a reasonable time shall be allowed beyond the thirty (30) days. In  
3 the event of breach or default by LESSEE which is not removed or  
4 cured within the time limits set forth above, LESSOR may in  
5 addition to any other right of re-entry or possession and at  
6 LESSOR'S sole option, consider the Lease forfeited and terminated  
7 and may re-enter and take possession of the Demised Premises,  
8 removing all persons and property there from with prior  
9 notification to LESSEE so that arrangements concerning the removal  
10 of property can be made.

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

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

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25 **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.

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**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

1 by the Parties hereto and approved by the Nevada State Board of  
2 Examiners.

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4 **FOURTEEN. ASSIGNMENT OR SUBLEASE.** In accordance with State  
5 law, upon prior written notice to and the prior approval in writing  
6 of LESSOR, this Lease may be assigned or subleased to any  
7 individual or entity.

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

13 **INCORPORATED DOCUMENTS:**  
14 **ATTACHMENT A: SCOPE OF WORK AND DELIVERABLES**  
15 **ATTACHMENT B: WASHOE COUNTY PROPOSAL DATED July 2, 2018**  
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1 IN WITNESS WHEREOF, the Parties hereto have executed this Lease as  
2 of the day and year first above written.

3  
4 **LESSOR**

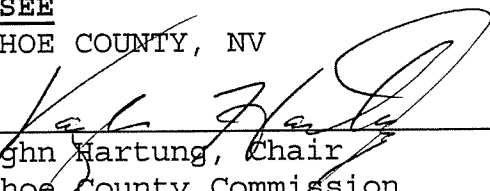
DEPARTMENT OF HEALTH AND HUMAN SERVICES

5 By \_\_\_\_\_  
6 Richard Whitley, MS  
7 Director

8 Date \_\_\_\_\_

9  
10 **LESSEE**

WASHOE COUNTY, NV

11 By  \_\_\_\_\_  
12 Vaughn Hartung, Chair  
13 Washoe County Commission

14 Date June 11, 2019

15  
16 Reviewed as to form and compliance with law only:

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18 By \_\_\_\_\_  
19 Deputy Attorney General

20 Date \_\_\_\_\_

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22 Approved by: BOARD OF EXAMINERS

23 By \_\_\_\_\_  
24 Susan Brown  
25 Clerk of the Board

Date \_\_\_\_\_

## **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 21<sup>st</sup> 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 property. 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 buildings 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.