



C I T Y O F
RENO
Memorandum

DATE: October 4, 2024


TO: Mayor and City Council

THROUGH: Jackie Bryant, Interim City Manager

FROM: Kerrie Koski, Director
Catie Harrison, Engineering Manager

DEPT: Public Works

SUBJECT: Neil Road Facility Remodel and Expansion Project
New Lease, Construction Bid Award and Community Health Alliance
\$400,000 Donation for construction



Council approved \$5 million in ARPA funds for the Neil Road Facility Remodel and Expansion Project under the access to healthcare priority category. The Neil Road facility is currently leased to the Community Health Alliance (CHA) to provide critical healthcare services to a traditionally underserved community. Public Works staff has worked with CHA and the design consultant on the Facility Remodel and Expansion Project to bring three items to the council for approval at the October 23, 2024, Council meeting. The items are summarized below.

- 1) New lease agreement with CHA- CAO prepared the lease with input from the City's property agent who worked with Parks and Facilities M&O on the terms. CHA has also reviewed and signed the lease. A summary of the terms is below. The lease is also attached.
 - a. 20 years with two 5-year extensions
 - b. \$1 per year rent with CHA responsible for paying all utilities, day-to-day maintenance, and repairs.
 - c. City is responsible for only HVAC, Mechanical systems, and the roof.
- 2) Construction Bid award to K7 Construction Inc.
 - a. City staff advertised and conducted a public bid in September. Three bids were received on October 1, 2024. K7 Construction Inc. submitted the best bid pursuant to NRS 338.
 - b. Staff recommends awarding the contract to K7 Construction Inc. in an amount not to exceed \$4,871,900. This brings the total project cost to \$5,400,000.

- c. CHA will be responsible for the purchase and installation cost of all furniture, fixtures & equipment. These costs are currently estimated by CHA to be \$900,000.
- 3) Donation acceptance of \$400,000 from CHA
- a. Per the MOU, the City allocated \$5,000,000 in ARPA funds, and any overage needs to be funded by CHA at the time of bid award.
 - b. Total project costs are anticipated to be \$5,400,000. Therefore, a \$400,000 Community Health Alliance donation is offered for council acceptance.

Attachment:

Lease Agreement – Community Health Alliance

LEASE AGREEMENT

Neil Road Family Service Center

By and between City of Reno
And
Community Health Alliance

This Lease Agreement (“Lease”) is made and entered into this ____ day of October, 20__, by and between the City of Reno, a Nevada municipal corporation, hereinafter “City” or “Landlord”, and Community Health Alliance, a non-profit corporation and a Federally Qualified Health Center, hereinafter “CHA” or “Tenant”.

WITNESSETH:

WHEREAS, the Landlord is the owner of certain land and improvements located at 3915 Neil Road commonly referred to as the Neil Road Family Services Center, hereinafter referred to as the “Property”; and,

WHEREAS, the Landlord desires to make portions of the Property available to private, non-profit organizations which provide social services to the community which the City finds to be consistent with its neighborhood plan, and to be beneficial to the general public; and,

WHEREAS, the Tenant is a private, non-profit organization with the ability and desire to provide such social services from the Property.

WHEREAS, this lease supersedes and terminates any existing lease currently in effect.

NOW, THEREFORE, in consideration of the foregoing recitals, which are incorporated herein in full by this reference, and the promises and commitments made herein, the sufficiency of which is hereby acknowledged, it is agreed as follows:

1. Leased Premises and Parking. Landlord does grant, demise and let unto Tenant, and Tenant does lease from Landlord the Leased Premises, known as 3915 Neil Road. Landlord also grants to Tenant a non-exclusive license, which is irrevocable during the term and any renewal of this Lease, to use the access ways, parking areas and sidewalks located on the Property which are reasonably necessary for Tenant’s use and enjoyment of the Leased Premises. Tenant may use the open turf, general park areas and other non-reservable facilities located on the Property. However, if Tenant desires to utilize the sports fields, picnic shelter, open turf, general park areas and any other facilities located on the Property on an exclusive basis for a special event, Tenant must comply with all procedures established for such use by Landlord and payment of associated fees, if any.

2. Term and Options. The term of this Lease shall be effective upon full execution by all parties. This lease shall continue for a period of twenty (20) years from the completion of

construction, unless sooner terminated pursuant to the provisions hereof. Completion of construction shall be when the certificate of occupancy is issued. Tenant shall have two (2) successive options to renew this Lease, if in good standing, for five years under the same terms and conditions. Said option shall be by written request by Tenant not less than 60 days prior to the end of the then current term.

3. Rent. Landlord agrees to let the Leased Premises to Tenant during the mentioned term the sum of \$1.00 per year, payable in advance on or before November 1, 2024, and any subsequent renewal options.

If Landlord does not receive full payment of any form of rent established by this Lease or any extension thereof in a timely manner, Tenant shall pay to Landlord a late charge of one hundred dollars (\$100.00), plus five percent (5%) interest, compounded annually, on all outstanding amounts. The parties agree the late charge represents a fair and reasonable estimate of the costs Landlord will incur by reason of such late payment. The provision for such late charge shall be in addition to all of Landlord's other rights and remedies at law and shall not be construed as a penalty or as limiting Landlord's remedies in any manner.

4. Holding Over. If Tenant remains in possession of the Leased Premises or any part thereof after the expiration of the Term or an extension thereof, with the express written consent of Landlord, said occupancy shall be a tenancy from month-to-month in the amount of \$2,000 per month for the basic rental fee payable on or before the fifth day of each month, and upon all the Terms hereof applicable to a month to month tenancy.

5. Security Deposit. A security deposit shall not be required of the Tenant. Tenant agrees that upon vacating the Leased Premises, it will complete all repairs it is obligated to complete under this Lease and leave the Leased Premises in as good condition as received, normal wear and tear excepted.

6. Obligation of Landlord. Except as provided otherwise in this Lease, Landlord warrants peaceful possession and quiet enjoyment of the Leased Premises to Tenant during the term hereof upon performance of Tenant's covenants herein.

7. Condition of Leased Premises. Tenant is in possession of the Lease Premises and has already made a physical inspection of the Leased Premises and acknowledges it has accepted the same in its present "as is" condition, including its fitness for Tenant's purposes.

8. Use of Leased Premises and Compliance with Applicable Laws. Unless specifically prohibited herein or by law, Tenant shall have the right to occupy, use, operate and conduct its business within and upon the Leased Premises for health care related activities, public referral and assistance programs, meetings and general office operations. All other uses anticipated or proposed must first be approved by Lessor.

Tenant must comply with all applicable laws, ordinances, and regulations of authorities having jurisdiction and relating to Tenant's use of the Leased Premises. Tenant specifically agrees to pay all costs associated with achieving such compliance, provided, however, that Tenant shall not be responsible for costs of upgrading or improving the Premises or improvements if the condition of

the Leased Premises or improvements does not comply with applicable laws, ordinances, and regulations, and such non-compliance has not resulted from Tenant's use of the Leased Premises.

9. Alterations, Improvements and Repairs. Tenant shall make no alterations, improvements or repairs to any portion of the Leased Premises or the Property without prior written approval of the Landlord. Further, Tenant agrees not to commit waste on the Leased Premises and to return and surrender same to Landlord upon termination of this Lease in good condition, normal wear and tear excepted. Tenant shall promptly notify Landlord of any necessary and emergency repairs.

10. Damage to Lease Premises. Tenant shall not cause damage or waste to the Leased Premises or the Property, which duty includes, but is not limited to, the following:

(a) The toilets and urinals shall not be used for any purpose other than those for which they were constructed, and no rubbish, newspapers or other substance of any kind which could cause harm to such fixtures shall be thrown into them.

(b) Tenant shall not cause structural damage to any portion of the Leased Premises, which includes, but is not limited to, damage to walls, ceilings, partitions, floors, wood, stone, or iron work, attachment of cabinets or other work which might result in damage to the Leased Premises. Tenant shall be permitted to hang pictures on the walls, but it must be done in a workmanlike manner and in such a way as not to damage or deface such walls in an abnormal manner.

Tenant agrees that it shall be held liable for and bear the full cost of repair, or replacement for the acts of its agents, employees, clients, occupants, invitees and guests which result in the breakage, stoppage or damage to Leased Premises and appurtenant facilities. All such repairs or replacements shall be conducted in a timely manner by Tenant. In those instances when replacement is necessary, the damaged item or improvement shall be replaced with a comparable item or improvement such that the Leased Premises will be restored to the condition which complies with all applicable codes, ordinances and regulations.

11. Inspections. In the event of an emergency or if Landlord determines in its sole discretion there exists a health, safety, welfare issue, Landlord shall be entitled to enter the Leased Premises without notice. Otherwise, Landlord, and its authorized agents or representatives, may enter the Leased Premises at all reasonable times provided Landlord first delivers at least twenty-four (24) hours advance written notice to Tenant (which may be accomplished by mail delivery of the notice to Tenant's designated representative) for any or all of the following purposes:

- (a) To examine the condition of the Leased Premises and/or of any adjacent premises owned, leased or controlled by Landlord;
- (b) With prospective tenants, to show the premises for lease;
- (c) To effectuate any necessary repairs, construction, improvements or perform maintenance;
- (d) Except as provided otherwise in this Lease, Landlord's rights hereunder shall require such entry and all work done by Landlord and its contractors be carried

out with as little interference with Tenant's business operations as is reasonable;
or

- (e) To determine and effectuate closure of restricted areas, as are reasonably deemed appropriate by Landlord after consultation with Tenant.

The foregoing procedures relating to inspection and entry into the Leased Premises do not restrict, or inhibit in any way, the authority, power and legal jurisdiction of Landlord as a municipal corporation to enact and enforce laws, regulations and code provisions, and all matters legally related thereto. In regards to Landlord's actions taken pursuant to this Lease, Tenant hereby waives any claim for damages or for any injury or inconvenience to or interference with Tenant's services, any loss of occupancy or quiet enjoyment of the Leased Premises, and any other loss occasioned thereby, except for any failure of Landlord to exercise due care for Tenant's property. For each of the aforesaid purposes, Landlord shall at all times have and retain a key with which to unlock all of the doors in, upon and about the Leased Premises, excluding Tenant's vaults, safes and files, and Landlord shall have the right to use any and all means which Landlord may deem proper to open said doors in an emergency, in order to obtain entry to the Leased Premises without liability to Tenant except for any failure to exercise due care for Tenant's property. Any entry to the Leased Premises obtained by Landlord by any of said means, or otherwise shall not under any circumstances be construed or deemed to be a forcible or unlawful entry into, or a detainer of, the Leased Premises, or an eviction of Tenant from the Leased Premises or any portion thereof.

12. Maintenance. During the continuance of this Lease the Tenant shall keep in good state of repair and maintain in decent, safe and sanitary condition all buildings, furnishings, fixtures, and equipment which Tenant has, brings, constructs, or places upon the demised premises. The Tenant shall not suffer or permit any waste, or neglect of any building or other property to be committed. The Tenant shall repair, replace, and renovate the property as often as necessary to keep the buildings and other property subject to this Lease in decent, safe and sanitary repair and condition. If for any reason Landlord is required to perform any maintenance work on behalf of the Tenant, all work performed by Landlord shall be billed to the Tenant and reimbursed to Landlord at the actual costs incurred by Landlord.

Tenant shall be responsible for day-to-day maintenance of the Leased Premises to maintain it in good condition and repair, in compliance with all applicable laws, codes and administrative regulations and minimum standards for maintenance of public buildings as established by Landlord, which will include procedures for the prevention of the spread of disease and infection. Tenant's duties to perform maintenance shall include, but not be limited to:

- (a) Repairs necessary to maintain the Leased Premises in good condition, replacing ceiling light bulbs and repair or replacement of basic plumbing;

- (b) Repairs due to vandalism and building damage to the Leased Premises shall be performed in accordance with the minimum maintenance standards within forty-eight (48) hours after discovery of the vandalism or damage, provided labor, materials, parts and other items necessary to complete such repairs are available within the forty-eight (48) hour time period. Otherwise, such repairs shall be promptly completed as soon as the necessary labor, materials, parts or other items become available. Notwithstanding the foregoing, graffiti removal from the

exterior of the Leased Premises shall be completed within twenty-four (24) hours after consulting with Landlord's representatives, which contact must be made within twenty-four (24) hours of discovery, to identify the best method for removal of the graffiti. All paint colors and brands for any repair shall be approved by the City prior to use on the Leased Premises;

(c) Tenant shall provide for its own janitorial services, paper products, and cleaning supplies;

(d) Tenant shall be responsible for snow and ice removal to entrance of Lease Premises;

(e) Tenant shall be responsible pest control;

(f) Tenant shall be responsible for washing of windows of the Lease Premises;

(g) Tenant shall perform any interior painting required as a result of its use of the Leased Premises. All interior painting shall be in same colors, or substitute color as may be approved by Landlord in writing;

(h) Tenant shall maintain in good condition, repair, and replace flooring treatments, including tile, laminates, and carpeting, when necessary, and in compliance with minimum replacement standards applicable to public buildings;

(i) Tenant shall maintain in good condition and repair all interior needs, including walls, floors, doors, windows, fixtures, basic plumbing and electrical fixtures, with the exception of the HVAC and Mechanical systems and roof, located within the Leased Premises; and,

(j) If Tenant uses any other portion of the Property, including its picnic, shelter, and play areas, it shall clean up all debris, spills, litter, and garbage the same day as its use of the Property, and shall leave the Property in as good as condition as it was prior to the use thereof by Tenant.

13. Capital Repairs to Leased Premises. Tenant has accepted the Leased Premises in its "as is" condition. "Capital Repairs" shall mean a repair needed for the Leased Premises that is not included as a responsibility of Tenant under the terms and conditions of this Lease. Capital Repairs shall not include the maintenance responsibilities of Tenant and costs attributable to repairs or replacement to the extent covered by insurance or warranties, or which are otherwise paid for by a third party (i.e., a party other than Tenant), or costs of management or administration of the Leased Premises. Possible examples of Capital Repairs include, but are not limited to, roof and flashing repairs, sidewalk repairs, door replacement, and electrical, mechanical, or plumbing upgrades and repairs, and HVAC repairs. All Capital Repairs shall be performed in a workmanship manner and shall comply with applicable codes and regulations.

Landlord shall be granted access to the Leased Premises at a minimum of once a year or upon written notification to Tenant in order to determine if any Capital Repairs are needed.

Landlord shall be responsible for Capital Repairs and Tenant has no direct obligation to perform, complete and pay for such Capital Repairs. However, it is recognized and acknowledged that Landlord is a public entity which must comply with public purchasing and bidding laws and the timing, completion or non-completion of Capital Repairs may be contingent on available budgetary funding.

14. Halls and Stairways. The sidewalks, halls, passages and stairways shall not be obstructed by Tenant, its agents, employees, clients, guests or invitees, or used by them for any purpose other than for ingress and egress.

15. Alarm, Security and Fire Systems and Wiring. Tenant shall be responsible for proper use of equipment for monitoring of security and alarm systems to protect the Leased Premises, and all associated costs and fees. Tenant shall comply with Landlord's written instructions for use of the alarm system provided that Tenant shall be entitled to determine when the alarm system is activated so as to accommodate Tenant's use of the Leased Premises for the purposes described in this Lease. Electric wiring of every kind shall be introduced and connected as directed by Landlord and no boring or cutting for wires will be allowed except with the prior written consent of Landlord. The location of telephones, call boxes and similar equipment shall be subject to approval of Landlord. In regards to the life safety system installed in the Leased Premises for fire prevention and suppression, Tenant agrees to monitor the Leased Premises and to make sure any fire response is also reported to the appropriate staff or department of the City, as designated by Landlord. The tenant is responsible for the fire alarm monitoring services and annual inspections as required by Law. Copies of the inspections will be provided to the City annually.

16. Safes, Moving, Furniture, Etc. Landlord shall approve the weight, size and position of all safes and other property brought into the Leased Premises, and also the times of moving the same in and out of the building, and all such moving must be done under the supervision of Landlord. Landlord will not be responsible for any loss or damage to any such safe or property from any cause; but all damage done to the building by moving or maintaining any such safe or property shall be repaired at the expense of Tenant.

17. Signs. Prior approval of Landlord will be obtained relating to the content, placement, and location of any signage to be placed by Tenant at the Leased Premises. Tenant shall be responsible for the costs and maintenance of Tenant's signage. Tenant may affix or post banners, posters or notices within the interior of the Leased Premises in order to promote and publicize events and activities relating to allowed uses of the Leased Premises and other matters which may benefit Tenant's operations or persons using the facility. Tenant shall not affix or post any manner of sign, banner, poster, or notice anywhere on the outside of the Leased Premises or elsewhere on the exterior of the Property unless such sign complies with all laws, codes and regulations and Landlord's prior written consent is obtained. Landlord also shall be entitled to approve all signage, including signs on exterior doors and on doors leading into the Leased Premises to properly identify Tenant and its hours of operation.

18. Smoking/Alcohol/Illegal Substances. Tenant shall not permit smoking, alcohol, or any illegal substance at any time anywhere within the Leased Premises, restrooms or common areas.

Tenant shall notify its agents, employees, clients, guests and invitees as necessary to enforce the smoking prohibition.

19. Disturbing the Peace and Noise Abatement. Tenant shall not conduct its operations in a manner, or install or operate any sound or music device on the Leased Premises, as to disturb or annoy other Tenants of the building or neighboring properties. Tenant shall not install any antennae, aerial wires or other equipment on or outside of the Leased Premises without the prior written approval of the Landlord.

20. Locks and Keys. No additional locks or bolts of any kind shall be placed upon any of the gates, locks, doors or windows installed by Landlord, or shall any changes be made in existing locks or the mechanisms thereof. Tenant must upon the termination of Tenant's tenancy, restore to Landlord all keys furnished to or otherwise procured by Tenant and in the event of the loss of any keys so furnished, Tenant shall pay to Landlord the replacement cost thereof.

21. Animals and Vehicles. Tenant shall not allow anything to be placed on the outside window ledges of the premises or to be thrown out of the windows of the Leased Premises. No bicycle or other vehicle shall be brought inside the building located on the Leased Premises. No animal, except for service animals or class pets that are permitted by Landlord, shall be brought into the offices, halls, corridors, elevators or any other part of the building by Tenant or the agents, employees, clients, guests or invitees of Tenant.

22. Fire Lanes. Tenant shall not park within or block access to any Fire lane established on the Property, and agrees to comply with all code requirements pertaining thereto.

23. Defects and Unsafe Conditions. Tenant shall give Landlord immediate notice of any accidents to or defects in the water pipes, gas pipes, electric lights and fixtures, heating apparatus, or any other unsafe or hazardous condition so it can be fixed without increased cost and/or damage to the facility. If the item is within Tenant's duties of maintenance, Tenant shall secure the area and commence repair within twenty-four (24) hours. If the item is within Landlord's duties of capital repair, Landlord shall secure the area and determine how to proceed with the repair, which may require compliance with the public purchasing process applicable to local governments. Tenant agrees that it shall be liable for and bear the costs of any damage resulting from the failure of Tenant to give timely notice of any unsafe conditions or defects.

24. Environmental Compliance.

24.1. In regards to Tenant's use of the Leased Premises, Tenant shall, at Tenant's own expense, comply with all local, state, and federal regulations and any successor legislation and regulations including, but not limited to, (i) the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C., Sec. 9601 et seq.), (ii) the Hazardous Materials Transportation Act, as amended (49 U.S.C., Sec. 1801 et seq.), (iii) the Resource Conservation and Recovery Act of 1976, as amended (42 U.S.C., Sec. 6901 et seq.), (iv) NRS Chapters 444 (Sanitation), 445A (Water Controls), 445B (Air pollution), 445C (Environmental Requirements), 445D (Environmental Covenants), 459 (Hazardous Materials),

477 (State fire Marshal), 590 (Petroleum Products and antifreeze) and 618 (Occupational safety); and (v) the Fire Code. ("Environmental Requirements").

24.2 Tenant represents and warrants to Landlord that it will not use, or allow its agents to use, any hazardous substance or material on the Leased Premises, with the exception of those substances reasonably necessary to the usual and customary operation of its business. This representation and warranty shall continue in full force and effect throughout the lease term, and should any fact or circumstance change during the lease term so that such representation and warranty is no longer correct, Tenant shall immediately notify Landlord of such change in fact or circumstance.

24.3 Tenant shall hold Landlord harmless from, and defend and indemnify Landlord against, any and all claims or liability for any injury or damage to any person or property caused by the presence of hazardous materials or substances in, on, or about the Leased Premises which are placed in, on, or about the Leased Premises by Tenant, and for any costs or liability incurred by Landlord in connection with the release, removal, or storage of any hazardous substance or material placed in, on, or about the Leased Premises by Tenant. The provisions of this indemnity shall remain in full force and effect and shall not be affected or impaired by any termination of this Lease and shall survive any such termination. Tenant shall not be responsible or liable for, and shall have no duty to defend or indemnify Landlord for any claims or liability or for any injury or damage to any person or property caused by the presence of hazardous materials or substances in, on, or about the Leased Premises which existed in, on, or about the Leased Premises prior to the date Tenant originally took possession of said premises.

24.4 Tenant shall at all times maintain current permits required for all of its operations on the Leased Premises, including those required for the use, storage, or disposal of hazardous substances and materials, in, on, or about the Leased Premises; provided, however, that nothing in this paragraph shall imply Landlord's consent to Tenant's storage, use, or disposal of any hazardous substance or material in, on, or about the Leased Premises, with the exception of those substances reasonably necessary to the usual and customary operation of its business.

24.5 In the event of the release or spill of any hazardous substance or material from the Leased Premises, Tenant shall immediately give Landlord notice thereof if such release or spill is in a quantity or of quality requiring notice to any public authority or agency.

24.6 Tenant shall promptly supply Landlord with copies of all notices, reports, correspondence, and submissions made by Tenant to the Environmental Protection Agency, the United States Occupational Safety and Health Administration, or any other local, state, or federal authority which required submission of any information concerning environmental matters or hazardous wastes or substances pursuant to laws, including, but not limited to, the Environmental Requirements set forth in this Lease.

24.7 Upon the expiration or termination of this Lease for whatever reason, Tenant shall promptly:

(a) Remove any and all hazardous materials and substances that Tenant has placed, or allowed to be placed, in, on, or about the Leased Premises, and

(b) Remove and replace any fixture, mechanical, storage, distribution, or other system or improvement in and to the Leased Premises that was involved in Tenant's use, storage, or disposal of hazardous materials or substances and which cannot otherwise be returned to a completely uncontaminated condition, unless otherwise agreed between Landlord and Tenant.

24.8 Tenant shall not create with respect to the Leased Premises, or permit any of its agents to create any lien, security interest, or other charge or encumbrance of any kind, including, without limitation, any lien imposed pursuant to §107(f) of the Superfund Amendments and Reauthorization Act of 1986 (42 U.S.C. §9607(1)).

24.9 Tenant shall permit Landlord and Landlord's agents, servants and employees, including, but not limited to, legal counsel and environmental consultants and engineers, reasonable access to the Leased Premises for the purpose of environmental inspections and sampling during regular business hours, provided that Landlord first provides Tenant twenty-four (24) hours notice, and further provided that such inspections and sampling do not interfere in any manner with Tenant's ability to conduct its usual business on the Leased Premises.

24.10 As used in this Lease, the term "hazardous material and substances" shall include: flammable substances, explosives, radioactive materials, hazardous wastes or substances, toxic wastes or substances, or any other materials or pollutants which pose a hazard to the Leased Premises, or to persons on or about same, cause the Leased Premises to be in violation of any local, state, or federal law or regulation, or are defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous material," or "toxic," or words of similar import under any applicable local, state, or federal law or under the regulations adopted or publications promulgated pursuant thereto.

25. Utilities, Taxes and Miscellaneous Expenses. Tenant shall be responsible for establishing and paying for all general utilities in its own name and pay all costs associated with such. The term general utilities shall mean any utilities providing service to the entire building that includes the Leased Premises, including electric, gas, water, sewer, telephone, communication services, trash, security system monitoring of fire, and burglar alarm. If for any reason Landlord has to pay any of the mentioned utilities herein for any reason, Tenant shall promptly reimburse Landlord within thirty (30) days of invoice.

Tenant shall pay before delinquency, any and all taxes, assessments, fees and any other expense associated with its occupation of the property, levied or assessed and which become payable or due as a result of its occupation of the Leased Premises, including but not limited to any such expenses on Tenant's equipment, furniture, fixtures and personal property located in the facilities. Tenant shall not be responsible for payment of any special assessments against the real property or improvements owned by Landlord, or for any real property taxes in that Landlord is exempt from the payment of real property taxes on property which it owns.

26. Personal Property. Tenant is entitled to keep personal property related to its business operations at the Leased Premises. Tenant's personal property shall be removed upon the termination or expiration of this Lease. Tenant shall not be entitled to remove any personal property which is owned or paid for by Landlord. Landlord shall be and is entitled to retain any personal property of Tenant not removed prior to expiration or termination of this Lease.

27. Insurance. Tenant shall, at its expense, obtain and keep in force during the term of occupation of the Leased Premises a policy of comprehensive general liability insurance insuring both itself and the City against any liability arising out of the use, occupancy or maintenance of the facility and all areas appurtenant thereto. Such insurance shall have a Combined Single Limit of at least \$4,000,000 including both liability and property damage, and insure against any liability for personal injury, death or property damage, as set forth above, and shall be written on a form acceptable to the Risk Manager for the City of Reno. Tenant shall deliver to City prior to occupancy of the facility copies of policies of liability insurance required herein or certificates evidencing the existence and amounts of such insurance with loss payable clauses satisfactory to the City's Risk Manager. No policy shall be cancelable or subject to reduction of coverage except after thirty (30) days prior written notice to the City. Tenant shall, at Tenant's expense, obtain and keep in force during the term of this Lease, a policy of fire, theft and other perils insurance covering tenant's furniture, fixtures, goods, supplies, computers, wares, merchandise and other personal property maintained on the Leased Premises.

Tenant hereby agrees that Landlord shall not be liable for injury to Tenant's business or for damage to the goods, supplies, computers, wares, merchandise or other property of Tenant, Tenant's agents, employees, clients, invitees, guests or any other person in or about the Leased Premises or the Property, nor shall Landlord be liable for injury to the person of Tenant, Tenant's employees, agents, contractors, invitees, clients or customers, whether such damage or injury is caused by or results from fire, steam, electricity, gas, water, rain, ice or snow, or from the breakage, leakage, obstruction or other defects of pipes, sprinklers, wires, appliances, plumbing, air conditioning, or lighting fixtures, or from any other cause, including without limitation, any failure in the supply of any of the items or services to the Property, whether said damage or injury results from conditions arising upon the Leased Premises or upon the Property or from any other sources or places, and regardless of whether the cause of such damage or injury or the means of repairing the same is inaccessible to Tenant. Landlord shall not be liable for any damages arising from any act or negligence of any other Tenant on any portion of the Property.

28. Hold Harmless. Tenant shall indemnify and hold harmless Landlord against and from any and all claims arising from Tenant's use of the Leased Premises for the conduct of its business or from any activity, work or other thing done, permitted or suffered by the Tenant in or about the Leased Premises, and shall further indemnify and hold harmless Landlord against and from any and all claims arising from any breach or default in the performance of any obligation on Tenant's part to be performed under the terms of this Lease, or arising from any act or negligence of the Tenant, or any officer, agent, employee, client, guest, or invitee of Tenant, and from all and against all costs, attorney's fees, expenses and liabilities incurred as a result of any such claim or any action or proceeding brought thereon, and, in any case, action or proceeding brought against Landlord by reason of any such claim, Tenant upon notice from Landlord shall defend the same at Tenant's

expense by counsel reasonably satisfactory to Landlord. Tenant as material part of the consideration to the Landlord hereby waives all claims in respect thereof against Landlord.

Landlord or its agents shall not be liable for any damage to property entrusted to agents, employees, clients, guests or invitees of Tenant at the Leased Premises, nor for loss or damage to any property by theft or otherwise, nor for any injury or damage to persons or property resulting from fire, explosion, falling plaster, steam, gas, electricity, water or rain which may leak from any part of the Leased Premises or from the pipes, appliances or plumbing works therein or from the roof, street or subsurface or from any other place resulting from dampness or any other cause whatsoever, unless caused by or due to the negligence of Landlord, its agents, servants or employees. Landlord or its agents shall not be liable for interference with the loss of business or services by Tenant, nor shall Landlord be liable for any latent defect in the Leased Premises. Tenant shall give prompt notice to Landlord in case of fire or accidents in the Leased Premises or of defects therein or in the fixtures or equipment.

29. Mutual Termination and Notice of Cancellation. In addition to other termination rights contained in the Lease, the parties may mutually agree to terminate this Lease by written agreement.

30. Termination for Lack of Funding. The parties expressly agree that in the event Landlord fails or is unable to obligate any portion of or all necessary and requisite local, federal, state or other appropriated funding necessary for payment of amounts due under this Lease, including funding of Capital Repairs, either party shall be entitled to cancel this Lease upon providing thirty (30) days written notice to the other party. It is hereby expressly understood that this Lease is subject to the availability of appropriated funds on the part of Landlord.

31. Cancellation for Cause. In addition to any right to which it may be entitled by law or under this Lease, either party may cancel this Lease upon and after default by the other party in the performance of any of the terms and conditions herein required to be kept and performed by such party, and its failure to remedy such breach for a period of ninety (90) days after receipt of written notice of the existence of such default. Additionally, Landlord may cancel this Lease with twenty-four (24) hours written notice in the event Tenant loses its legal non-profit status.

32. Default. The occurrence of any one or more of the following events shall constitute a default and breach of this Lease by Tenant:

- (a) The vacating or abandonment of the Leased Premises by Tenant;
- (b) The failure by Tenant to make any payment required to be made hereunder, as and when due, where such failure shall continue for a period of ten (10) days after written notice thereof by Landlord to Tenant;
- (c) Tenant is no longer a non-profit corporation and/or a Federally Qualified Health Center.

- (d) The failure by Tenant to observe or perform any of the covenants, conditions or provisions of this Lease to be observed or performed by the Tenant, where such failure shall continue for a period of sixty (60) days after written notice thereof by Landlord to Tenant; provided, however, that if the nature of Tenant's default is such that more than sixty (60) days are reasonably required for its cure, then Tenant shall not be deemed to be in default if Tenant commences such cure within said sixty (60) day period and thereafter diligently pursues such cure to completion. This provision shall not apply if a different period of time is specifically provided in this Lease to comply with the applicable term and condition; in that event, the applicable period of time shall control; or

33. Remedies in Default. In the event of any default or breach by Tenant, Landlord may at any time thereafter, with or without notice or demand and without limiting Landlord in the exercise of a right or remedy that Landlord may have by reason of such default or breach:

- (a) Terminate Tenant's right to possession of the Leased Premises by any lawful means, in which case this Lease shall terminate and Tenant shall immediately surrender possession of the Leased Premises to Landlord. In such event Landlord shall be entitled to recover from Tenant all damages incurred by Landlord by reason of Tenant's default including, but not limited to, the cost of recovering possession of the Leased Premises; including expenses necessary for renovation and alteration of the Leased Premises, and reasonable attorney's fees;
- (b) Maintain Tenant's right to possession, in which case this Lease shall continue in effect whether or not Tenant shall have abandoned the Leased Premises. In such event Landlord shall be entitled to enforce all of Landlord's rights and remedies under this Lease;
- (c) Terminate this Lease; and
- (d) Pursue any other remedy now or hereafter available to Landlord under the laws or judicial decision of the State of Nevada.

34. Notices. All notice to be given hereunder shall be in writing and shall be deemed given upon the lapse of two days after deposit into the United States mail postage prepaid, or upon hand delivery if hand delivered, addressed as follows:

Landlord: City of Reno
Attn: Property Manager
P. O. Box 1900
Reno, Nevada 89505

Tenant: Community Health Alliance
Attn: Chief Executive Officer
680 S. Rock Blvd.
Reno, NV 89502

Cc: City of Reno,
Attn: Director of Parks & Recreation
P. O. Box 1900
Reno, Nevada 89505

Either party may designate different addresses and representatives from time to time, by providing notice of such change to the other party in writing.

35. Assignment, Sublease. Tenant shall not permit use of any portion of the Leased Premises by anyone not a party to this Lease, assign this Lease, or sublet any portion of the Leased Premises without first obtaining the Landlord's prior written consent which consent will not be unreasonably withheld. If Landlord agrees to permit such use, assignment or a sublet of any portion of the Leased Premises, Tenant acknowledges that Landlord must comply with the Nevada Revised Statutes to process such arrangement and also that Landlord shall be entitled to all rents associated therewith.

36. Liens. Tenant shall not encumber this Lease, leasehold estate or any improvements thereon, nor shall Tenant permit any liens to be filed against the Property on account of any labor, material or supplies for which the lien laws of Nevada authorize the filing of a lien, but agrees to promptly pay for such labor, materials or supplies before liens are filed.

37. Waiver. It is agreed that a failure on the part of Landlord to declare this Lease canceled for default by Tenant in any one or more of the terms, covenants or conditions will not be considered or construed as a waiver of such rights on any further or future default on the part of Tenant. It is further mutually agreed that any failure on the part of Landlord to take action against Tenant for any breach of term, covenant or condition herein shall not be construed to constitute a waiver of any other or subsequent breach nor shall the subsequent acceptance of rent hereunder by Landlord be construed as a waiver of any precedent breach of any term, covenant or condition by Tenant.

38. Force Majeure. Landlord shall not be deemed in default with respect to any of the terms, covenants and conditions of this Lease on Landlord's part to be performed, if Landlord fails to timely perform same and such failure is due in whole or in part to any strike, lockout, labor trouble (whether legal or illegal), civil disorder, inability to procure materials, failure of power, restrictive governmental laws and regulations, riots, insurrections, war, fuel shortages, accidents, casualties, acts of God, acts caused directly or indirectly by Tenant (or Tenant's agents, employees, clients, guests or invitees) or any other cause beyond the reasonable control of Landlord.

39. Section and Paragraph Headings. The section and paragraph headings contained herein are for convenience in reference and are not intended to define, govern, limit, modify or in any manner affect the scope, meaning or intent of the provisions of this Lease.

40. Time. Time is of the essence of this Lease and of the performance of each and every provision hereof.

41. Governing Law. This Lease will be governed by and construed in accordance with the laws of the State of Nevada. Venue for initiation of any legal action shall be a court of competent jurisdiction located in Washoe County, Nevada.

42. Representative Authority. Each individual executing this Lease on behalf of Tenant and Landlord represents and warrants that he/she is duly authorized to execute and deliver this Lease, and that this Lease is binding upon said parties in accordance with its terms. Tenant shall, within thirty (30) days after execution of this Lease, deliver to Landlord a certified copy of a resolution of the Board of Directors of its non-profit organization authorizing or ratifying the execution of this Lease.

43. Entire Agreement/Amendments. This Lease together with all exhibits expressly incorporated herein by reference and attached hereto shall constitute the whole agreement between the parties. There are no terms, obligations, covenants or conditions other than those contained herein. No modification or amendment of this Lease shall be valid or effective unless evidenced by an agreement in writing signed by both parties.

IN WITNESS WHEREOF Landlord and Tenant have caused this Lease to be executed the day and year written at the top of this Lease.

Community Health Alliance

Tenant

By: 

Name: D. OSCAR DELGADO

Title: CEO

City of Reno

Landlord

By: Hillary L. Schieve, Mayor

ATTEST:

Mikki Huntsman, City Clerk

APPROVED AS TO LEGAL FORM:

Susan Ball Rothe, Deputy City Attorney