

BOARD OF REGENTS

BRIEFING PAPER

1. AGENDA ITEM TITLE: University of Nevada, Reno- Request for Approval of First Modification of Lease Agreement at Southside School located at 190 E Liberty Street in Reno, Nevada

MEETING DATE: November 30 & December 1, 2023

2. BACKGROUND & POLICY CONTEXT OF ISSUE:

Due to the prior performance of a lease agreement for a period of 5 years, this modification of the lease will extend the lease period to greater than 5 years which requires Board approval pursuant to Board of Regents Handbook Title 4, Chapter 10, Section 1(9), Table 9.1.

UNR currently leases the building referred to as Southside School from the City of Reno with a lease agreement dated March 13, 2019. The lease is set to expire on March 31, 2024. (Exhibit 1)

UNR successfully utilized the building for education and community outreach initiatives, partnering with Washoe County School District, the Desert Research Institute, the Economic Development Authority of Western Nevada, and other local organizations.

Lease Modification Details (Exhibit 2):

The lease will remain a triple-net lease with a base rent of \$7,268 annually. Triple-net means that the lessee, UNR, has to cover the costs and expenses to maintain and operate the building in addition to the base rent.

Modification Term: Extend original lease for 2 years until March 31, 2026. Includes 2 (two) successive options to extend the lease for 1 (one) year each under the same terms and conditions. The term for this modification is 4 years total.

3. SPECIFIC ACTIONS BEING RECOMMENDED OR REQUESTED:

University of Nevada, Reno President Brian Sandoval requests Board of Regents' approval for a First Modification of Lease Agreement between UNR and City of Reno for the Southside School building located at 190 E Liberty Street Reno, Nevada. President Sandoval further requests that the Chancellor be granted authority to execute the Lease Modification, any non-material or corrective amendments to the Lease Modification, and any other ancillary agreements, documents, or applications that may be required to implement the Lease Modification. All such amendments and ancillary documents shall be reviewed and approved by the Chancellor, and NSHE Chief General Counsel, or, at the NSHE Chief General Counsel's request, NSHE Special Real Property Counsel, to confirm that they are necessary in order to implement the terms and conditions required to finalize the Lease Modification, as approved by the Board of Regents.

4. IMPETUS (WHY NOW?):

The current lease is set to expire on March 31, 2024.

5. CHECK THE NSHE STRATEGIC PLAN GOAL THAT IS SUPPORTED BY THIS REQUEST:

- Access (Increase access to higher education)
- Success (Improve student success)

- Close Institutional Performance Gaps
- Workforce (Meet workforce needs in Nevada)
- Research (Increase solutions-focused research)
- Coordination, Accountability, and Transparency (Ensure system coordination, accountability, and transparency)
- Not Applicable to NSHE Strategic Plan Goals

6. INDICATE HOW THE PROPOSAL SUPPORTS THE SPECIFIC STRATEGIC PLAN GOAL

Through education and community outreach partnerships, UNR has hosted after-school programs and provided a safe meeting space for K-12 students, teachers, and mentors. UNR was able to create opportunities for local start-up companies led not only by faculty and students but also by local community members. By providing low-cost office space, access to seed funding, and mentorship programs, UNR has helped in the growth of the local economy and created job opportunities.

7. BULLET POINTS TO SUPPORT REQUEST/RECOMMENDATION:

UNR leasing the Southside School building has had a major impact on the Reno community and the region. Continuation of the lease would help to ensure that these benefits will exponentially accrue in the future.

8. POTENTIAL ARGUMENTS AGAINST THE REQUEST/RECOMMENDATION:

None have been brought forward at this time.

9. ALTERNATIVE(S) TO WHAT IS BEING REQUESTED/RECOMMENDED:

Do not approve the modification and UNR might not be able to provide low-cost opportunities due to higher rent and lease maintenance costs elsewhere.

10. RECOMMENDATION FROM THE CHANCELLOR'S OFFICE:

The Chancellor's Office supports this request.

11. COMPLIANCE WITH BOARD POLICY:

Consistent With Current Board Policy: Title # 4 Chapter # 10 Section # 1(9), Table 1.9

Amends Current Board Policy: Title # _____ Chapter # _____ Section # _____

Amends Current Procedures & Guidelines Manual: Chapter # _____ Section # _____

Other: _____

Fiscal Impact: Yes No

Explain: The base rent is \$7,268 annually for the full term.

**LEASE AGREEMENT
SOUTHSIDE SCHOOL
190 E. Liberty Street**

13th THIS LEASE AGREEMENT ("Agreement" or "Lease") is made and entered into this 13th day of March, 2019 (the "Effective Date"), by and between the **CITY OF RENO**, a Nevada municipal corporation, (the "City" or "Lessor"), and **BOARD OF REGENTS OF THE NEVADA SYSTEM OF HIGHER EDUCATION** on behalf of **THE UNIVERSITY OF NEVADA, RENO** ("UNR" or "Lessee") and is entered into by the City under the provisions of NRS 277.050 as an exemption from appraisal and public auction requirements under NRS 268.059 – 268.062.

The Lessor and the Lessee, for and in consideration of the keeping by the parties of their respective obligations hereinafter contained agree as follows:

Article I. Premises

1. **Lessor's demise.** Upon the terms and conditions hereinafter set forth, and in consideration of the payment of the rents and the prompt performance by the Lessee of the covenants and agreements, to be kept and performed by the Lessee, the Lessor does lease, let, and demise to the Lessee and the Lessee hereby leases from the Lessor, that certain lot or parcel of land and related improvements which is more particularly described as and depicted in Exhibit A, attached hereto and incorporated herein by this reference (hereinafter called the "Property" or "Premises").

2. **Energy Conservation Fixtures.** For purposes of this Lease, Lessee shall have the use of the energy conservation fixtures affixed to the Premises set forth in Exhibit B attached hereto (the "Energy Conservation Fixtures" or "ECF's"). At all times during the term of this Lease, Lessor shall have the obligation to maintain the ECF's. For the duration of this Lease, Lessee agrees that it will not take any action or omit to take any action with respect to the Lease, if the act or omission (i) would cause interest on the ECFs to lose their exclusion from gross income for federal income tax purposes under Section 103 of the Tax Code, or (ii) would cause interest on the ECFs to lose their exclusion from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code.

3. **Conditions.** This Lease is hereby made subject to the following conditions and limitations:

- (a) All conditions, restrictions, and limitations now appearing of record;
- (b) Lessee shall continue at all times to manage, operate, maintain and repair the Premises in decent, safe and sanitary condition;
- (c) Zoning ordinances of any municipality, the County of Washoe, State of Nevada, and any other competent governmental body now existing or which may hereafter exist during the life of this Lease;
- (d) Any questions of survey, the Lessee having satisfied itself as to the boundary lines and contents of the Premises as well as with the sufficiency of the Lessor's present title; and,
- (e) The Lessee's proper performance of all the terms and conditions contained in this Lease.

4. **Permitted use.** Lessor hereby grants to Lessee use of the Premises for all reasonable tax-exempt educational, business and office related uses associated with the activities of the University of Nevada, Reno or the Nevada System of Higher Education.

5. **Disclaimer of representations and warranties.** Lessee and Lessor agree that (i) except as specified in this Agreement, neither Lessor nor any agent or representative of Lessor has made any representations or warranties regarding the Premises, including without limitation any representations or warranties concerning the Premises' physical condition, access, zoning laws, environmental matters, utilities, physical equipment or fixtures on the Premises, or any other matter affecting the Premises or its use; and (ii) except for the representations and warranties in this Agreement, Lessee has not relied and will not rely on any implied warranties, guaranties, statements, representations, or information about the Premises, whether made by the Lessor or any agents or representatives of the Lessor. Lessee has examined the Premises, is familiar with its physical condition, and by leasing the Premises, Lessee will be deemed to have approved the condition of the property and, except as otherwise provided in this Lease, accepts the Premises "AS IS, WHERE IS" and in its current state and condition, without any warranties whatsoever regarding its condition except as specifically described in this Agreement, and with all faults and defects, if any, that may be located on, under, or around the Premises, whether known or unknown, suspected or unsuspected, actual or potential. Notwithstanding the foregoing, Lessor represents and warrants that no Hazardous Substances have been used, stored, manufactured or disposed in or upon the Premises. Furthermore, Lessor acknowledges that this representation and warranty is a material term of this Agreement.

Article II. Term

The term of this Agreement shall commence on April 1, 2019 and shall expire on March 31, 2024, unless sooner terminated as provided below.

Article III. Rent; Conveyance

1. **Base Rent.** Lessee agrees pay to Lessor, as Rent for the use and occupancy of the Premises, the sum of Seven Thousand Two Hundred Sixty Eight Dollars (\$7,268) per year, payable by Lessee in advance on the first day of each and every year during the term of this Lease commencing on April 1, 2019.

2. **Triple Net Lease.** This Lease shall, except as hereinafter provided to the contrary, shall be a triple net lease. Accordingly, the Lessee shall pay all costs, expenses, and obligations related to the care and maintenance of the Premises, or any improvements thereon, which may arise or become due during the term of this Lease, and shall indemnify and hold harmless the Lessor from and against the same. For work that is performed by Lessor shall be billed and reimbursed as stated in Exhibit C attached hereto (Southside School Maintenance Rates). Nothing in this Lease shall be deemed to require the Lessee to pay or discharge any liens or mortgages of any character which may later be placed upon the Premises by the Lessor's affirmative acts.

Article IV. Payment of Taxes

1. **Lessee's obligations.** The Lessee shall pay, before any fine, penalty, interest, or cost may be added, become due, or be imposed for nonpayment thereof, the following: all applicable taxes, assessments, water and sewer rents, rates and charges, transit taxes, charges for public utilities, excises, levies, licenses and permit fees and other governmental charges, general and special, ordinary

and extraordinary, unforeseen and foreseen, of any kind and nature, which at any time during the term of this Lease may be assessed, levied, confirmed, imposed upon, or grow or become due and payable out of or in respect of, or become a lien on, the Premises, or any improvements thereon, or any part thereof or any appurtenance thereto, or otherwise arising out of any rent or income received by the Lessee from any subtenant, any use or occupation of the Premises, and such franchises as may be appurtenant to the use of the Premises, or any document (to which the Lessee is a party) creating or transferring an interest or estate in the Premises.

2. **Obligations altered.** Nothing herein shall require the Lessee to pay municipal, state, or federal income taxes assessed against the Lessor, the Lessor's municipal, state, or federal capital levy, estate, succession, inheritance, or transfer taxes, or corporate franchise taxes imposed upon any corporate owner of the fee of the Premises.

3. **Mode of payment.** Lessor shall deliver an invoice for taxes and other charges for which Lessee is responsible under this Lease to Lessee in writing and Lessee shall pay the invoice within sixty (60) days of the invoice. If, however, the Lessee desires to contest the validity of any tax or tax claim, it may do so without being in default hereunder, provided it gives the Lessor written notice of its intention to contest the tax or claim.

4. **Lessee's default.** If the Lessee fails, refuses, or neglects to make any payment required in this Article, the Lessor may collect or enforce any payment pursuant to this section in the same manner as though it were an installment of rent specifically required by the terms of the Lease to be paid by the Lessee, on the day when the Lessor demands repayment of or reimbursement therefor.

5. **Proration.** Notwithstanding the above, the taxes for the first and last years of this Lease shall be prorated proportionately between Lessor and Lessee.

Article V. Mechanics' Liens

1. **No lien.** The Lessee and Lessor shall not subject the Premises to any mechanics' or materialmen's liens or other lien of any kind, except to the extent that the creation of such lien or liens is specifically authorized by a provision in this Lease.

2. **Release of lien.** If any lien is claimed or filed, the party responsible for the lien shall cause the lien to be released within thirty (30) days after it is given written notice that a claim has been filed. The party responsible for the lien shall cause such release either by paying the amount necessary to relieve and release the Premises from the claim, or in any other manner which, as a matter of law, will result, within the thirty (30) day period, in releasing the lien.

Article VI. Governing Law, Cumulative Remedies

1. **Governing law.** All of the rights and remedies of the parties shall be governed by the provisions of this instrument and by the laws of the State of Nevada. Any dispute arising under or in connection with this Lease or related to any matter which is the subject of this Lease shall be subject to the exclusive jurisdiction of the Second Judicial District Court of the State of Nevada.

2. **Cumulative remedies.** During the continuance of the Lease, the Lessor shall have all rights and remedies which this Lease and the laws of the State of Nevada assure to it. All rights and remedies accruing to the Lessor shall be cumulative; that is, the Lessor may pursue all rights that the

law and this Lease afford to it, in whatever order the Lessor desires and the law permits without being compelled to resort to any one remedy in advance of any other.

Article VII. Indemnification

1. **Indemnification by Lessee.** To the extent limited in accordance with NRS 41.0305 to NRS 41.039, Lessee shall indemnify, defend, and hold harmless Lessor from and against any and all liabilities, claims, losses, lawsuits, judgements, and/or expenses, including attorney fees, arising either directly or indirectly from any act or omission by Lessee or any of its officers or employees, which may occur during or which may arise out of the performance of this Agreement. Lessee will assert the defense of sovereign immunity as appropriate in all cases, including malpractice and indemnity actions. Lessee's indemnity obligation for actions sounding in tort is limited in accordance with the provisions of NRS 41.035.

2. **Indemnification by Lessor.** To the extent limited in accordance with NRS 41.0305 to NRS 41.039, Lessor shall indemnify, defend, and hold harmless Lessee from and against any and all liabilities, claims, losses, lawsuits, judgements, and/or expenses, including attorney fees, arising either directly or indirectly from any act or omission by Lessor or any of its officers or employees, which may occur during or which may arise out of the performance of this Agreement. Lessor will assert the defense of sovereign immunity as appropriate in all cases, including malpractice and indemnity actions. Lessee's indemnity obligation for actions sounding in tort is limited in accordance with the provisions of NRS 41.035.

Article VIII. Insurance Requirements

Lessee and Lessor shall maintain self-insurance sufficient to cover and protect their respective interests in the Premises. Lessee shall maintain a policy or policies of insurance or self-insurance covering loss or damage to all of the improvements and business contents located within the Premises in the amount of the full replacement value thereof. With respect to any third-party insurance policy held by Lessor and Lessee, including any excess or umbrella coverage, each hereby waives subrogation and all of rights of recovery against the other party and any other person or entity claiming subrogation or rights of recovery. Upon demand, each party shall provide the other a statement of self-insurance.

Article IX. Environmental Compliance

1. "Hazardous substances" shall mean any hazardous or toxic substances, materials, or wastes, the removal of which is required, the maintenance of which is prohibited or penalized, or for which a permit is required under applicable Environmental Laws, including, but not limited to, any substance, material or waste which is (i) petroleum, (ii) gas (including natural, synthetic or liquefied), (iii) asbestos containing material, (iv) flammable, radioactive, corrosive or carcinogenic, (v) polychlorinated biphenyls, (vi) designated as a hazardous substance pursuant to Section 311 of the Clean Water Act, 33 USC §1251, et seq. (33 USC §1321), or listed pursuant to §307 of the Clean Water Act (33 USC §1317), (vii) defined as a "hazardous waste" in the Resource Conservation and Recovery Act, 42 USC §6901, et seq. (42 USC §6903), (viii) defined as a "hazardous substance" or "toxic substance" pursuant to the Comprehensive Environmental Response, Compensation and

Liability Act, 42 USC §9601, et seq. (42 USC §9601), or the Hazardous Material Transportation Act, (49 USC §1801, et seq., (ix) listed in the United States Department of Transportation Hazardous Material Tables (49 CFR 172.101), (x) designated by the Environmental Protection Agency as hazardous substances (40 CFR Part 302), as amended, or (xi) is regulated pursuant to Chapters 444, 445, 445A, 445B, 459, 477, 590 or 618 of the Nevada Revised Statutes or the International Fire Code, as amended and as adopted by the City of Reno. Notwithstanding the foregoing, "hazardous substances" shall not include (a) those substances commonly used and found in an office setting, and (b) those substances used in cleaning and other products used in everyday commerce

2. In regards to Lessee's use of the Premises, Lessee shall, at Lessee's own expense, comply with all local, state, and federal regulations and any successor legislation and regulations including, but not limited to, the laws associated with the definition of hazardous substances above ("Environmental Requirements").

3. Lessee represents and warrants to Lessor that it will not use, or allow its agents to use, any hazardous substance on the 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 term of this Agreement, and should any fact or circumstance change during the term so that such representation and warranty is no longer correct, Lessee shall immediately notify Lessor of such change in fact or circumstance.

4. To the extent limited in accordance with NRS 41.0305 to NRS 41.039 or other applicable law, Lessee shall hold Lessor harmless from, and defend and indemnify Lessor against, any and all claims or liability for any injury or damage to any person or property caused by the presence of hazardous substances in, on, under, or about the Premises which are placed in, on, under or about the Premises by Lessee, and for any costs or liability incurred by Lessor in connection with the release, removal, or storage of any hazardous substance placed in, on, under or about the Premises by Lessee during the term of this Lease. The provisions of this indemnity shall remain in full force and effect and shall not be affected or impaired by any termination of this Agreement and shall survive any such termination. Lessee shall not be responsible or liable for, and shall have no duty to defend or indemnify Lessor for any claims or liability or for any injury or damage to any person or property caused by the presence of hazardous substances in, on, under or about the Premises which existed in, on, or about the Premises prior to the Effective Date of this Lease. Lessee's indemnity obligation for actions sounding in tort is limited in accordance with the provisions of NRS 41.035.

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

6. In the event of the release or spill of any hazardous substance on or from the Premises, Lessee shall immediately give Lessor notice thereof if such release or spill is in a quantity or of quality requiring notice to any public authority or agency.

7. Lessee shall promptly supply Lessor with copies of all notices, reports, correspondence, and submissions made by Lessee 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 Agreement.

8. Upon the termination of this Agreement for whatever reason, Lessee shall promptly:

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

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

9. Lessee shall not create with respect to the 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)).

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

Article X. Condemnation

1. If, at any time during this Lease, all or any portion of the Premises or the improvement of any building located thereon is taken, appropriated or condemned by reason of eminent domain (including a conveyance in lieu of a taking) by a condemning authority, the Lessee shall retain the proceeds and awards in the condemnation proceedings attributable to the Lessee's leasehold interest

2. If, at any time during this Lease, all or any portion of the Premises or the improvements of any building located thereon is taken, appropriated or condemned by reason of eminent domain (including a conveyance in lieu of a taking) by a condemning authority, the Lessee may terminate the Lease by providing written notice to the Lessor. Within thirty (30) days after Lessee notifies Lessor that it is terminating this Lease, Lessee shall surrender possession of the Premises to Lessor and the parties' obligations under this Lease are terminated.

3. For purposes of this article, the term "condemning authority" shall not include Lessor or Lessee and neither shall condemn all or any portion of the Premises or the interest of the other in the Premises.

Article XI. Changes and Alterations

1. **Lessee's changes and alterations.** Lessee, at Lessee's expense, may make any alterations, additions or improvements ("Alterations") to the Property. For those Alterations that require a building permit, Lessee must obtain Lessor's written consent (which consent shall not be unreasonably withheld) prior to undertaking the Alterations. For those Alterations that do not require a building permit, Lessee may proceed without approval from Lessor. All Alterations shall be done

promptly and in a good and workmanlike manner and in compliance with all laws, ordinances, orders, rules, regulations and requirements of all federal, state and municipal governments and appropriate departments, commissions, boards and officers thereof, and in accordance with the orders, rules and regulations of the Board of Fire Underwriters where the Premises is located, or any other body exercising similar functions. Along with any request for Lessor's consent and before commencement of the Alterations or delivery of any materials to be used in the Alterations to the Premises Lessee shall furnish Lessor with plans and specifications detailing the Alterations. Upon completion of the Alterations, Lessee shall, upon Lessor's request, furnish Lessor with contractor's affidavits or unconditional lien releases and full and final waivers of liens, and receipted bills covering all labor and materials expended and used. Lessee shall permit Lessor to inspect any construction operations in connection with the Alterations. Lessee shall promptly remove any Alterations constructed in violation of this Section upon Lessor's reasonable written request. All Alterations (other than Lessee's movable trade fixtures and equipment) made or installed by Lessee shall immediately, upon completion or installation thereof, become the property of Lessor without payment therefor by Lessor. Lessee shall have the right to place and install personal property, equipment, movable trade fixtures and other temporary installations in and upon the Premises. All personal property, equipment, moveable trade fixtures and other temporary installations, whether acquired by Lessee at commencement of this Lease or placed and installed on the Premises thereafter, shall remain Lessee's property, free and clear of any claim by Lessor.

2. **Liens.** Lessee and Lessor shall keep the Premises free from any mechanics', materialmen's, designer's or other liens arising out of any work performed, materials furnished or obligations incurred on the Premises. Lessor shall have the right at all times to post and keep posted on the Premises any notices which it deems necessary for protection from such liens. If any such liens are filed and are not released of record by payment or posting of a proper bond within thirty (30) days after such filing, Lessor may, without waiving its rights and remedies based on such breach by Lessee and without releasing Lessee from any obligations hereunder, cause such liens to be released by any means it shall deem proper, including payment of the claim giving rise to such lien or posting security to cause the discharge of such lien, in which event all reasonable amounts paid by Lessor shall immediately be due and payable by Lessee as Additional Rent. To the extent limited in accordance with NRS 41.0305 to NRS 41.039 or other applicable law, Lessee hereby indemnifies, protects, defends and holds Lessor harmless from any liability, cost, obligation, expense (including, without limitation, reasonable attorneys' fees and expenses and attorneys' fees incurred in enforcing of this indemnity), or claim of any mechanics', materialmen's, design professional's or other liens in any manner relating to any work performed, materials furnished or obligations incurred by or for Lessee or any person or entity claiming by, through or under Lessee. Lessee shall notify Lessor in writing thirty (30) days prior to commencing any Alterations so that Lessor shall have the right to record and post notices of non-responsibility or any other notices deemed necessary by Lessor on the demised premises. Lessee shall not create, and shall promptly discharge and satisfy of record, any other lien, encumbrance, charge, security interest, or other right or interest which shall be or become a lien, encumbrance, charge or security interest upon the Premises, or any portion thereof.

Article XII. Fiscal Fund Out Right

It is understood and agreed, notwithstanding the provisions, terms, and conditions of this Lease, that, pursuant to NRS 354.626 or other applicable law, in the event any recognized funding authority fails to appropriate sufficient funds to the Nevada System of Higher Education or its Divisions, Colleges, or Departments, to enable obligations to be fulfilled under this Lease for the ensuing fiscal

year or any part thereof, all rights and obligations of Lessor and Lessee under this Lease shall terminate upon sixty (60) days written notice to Lessor of Lessee's intent to exercise this "Fiscal Fund Out Right".

Article XIII. Default

1. **Effect of default by lessee.** If at any time the Lessee:
 - (a) defaults in the payment of any rent on the day it is due and payable; or
 - (b) or fails to perform any other covenant under this Lease;

the Lessor may declare this Lease terminated. Notwithstanding the foregoing, Lessor may not declare a default until after sixty (60) days written notice has been given to Lessee to cure the default (and if the default cannot be reasonably cured within sixty (60) days Lessor shall allow additional reasonable time to cure provided Lessee is diligently attempting to cure the default). If the default remains uncured for sixty (60) days after written notice thereof, and after any extensions granted hereunder, the Lessor may re-enter upon any part of the premises and the building or buildings and improvements situated on it, as provided by law. The Lessor shall also have all other remedies provided by law and this instrument.

2. **Lessor-Lessee relationship only.** The relationship between the parties is that of Lessor and Lessee. The Lessee specifically acknowledges that all statutory proceedings regulating the relationship of Lessor and Lessee respecting collection of rent or possession of the premises, accrue to the Lessor.

3. **Lessor's remedies.** Nothing herein shall be construed as authorizing the Lessor to declare this Lease in default, however, unless the default is for the nonpayment of rent in violation of the terms of this Lease and the default remains uncured for sixty (60) days after written notice thereof and after any extensions allowed as set forth in subsection 1 above. If the alleged default consists of any other violation, the Lessor may not declare this Lease in default until the violation continues for ninety (90) days after the Lessor gives the Lessee written notice thereof. However, nothing contained herein shall be construed as precluding the Lessor from having any other remedy that may be necessary to preserve its right and its interest in the premises and this Lease, even before expiration of the grace or notice periods provided for in this Section, if under the then existing circumstances, the allowance of the grace or the giving of the notice would prejudice or endanger the Lessor's rights and estate in this Lease and the demised premises, consistent with the intent of this Agreement as set forth in Article III, Section 2, above.

4. **Default period.** All default and grace periods shall be deemed to run concurrently and not consecutively.

5. **Legal costs; receiver.** Lessee covenants and agrees with the Lessor that, during the term of this lease, if the Lessor, upon the Lessee's default, elects to file suit to enforce the Lease and protect its rights, the Lessor may, as ancillary to such suit, apply to any court of competent jurisdiction for the appointment of a receiver of the Premises, and the improvements and buildings located thereon. Thereupon, the parties expressly covenant and agree that the court shall immediately appoint a receiver with the usual powers and duties of receivers in like cases. The court shall make the appointment as a matter of strict right to the Lessor, without reference to the adequacy or inadequacy of the value of the property subject to the Lessor's lien, to the Lessee's solvency or insolvency, or to

the commission of waste. Nothing contained in this Section shall be construed as empowering the Lessor to collect rents accruing from the Premises, unless and until the Lessee is in default.

Article XIV. Repair and Maintenance Obligations

During the continuance of this Lease the Lessee shall keep in good state of repair and maintain in decent, safe and sanitary condition all buildings, furnishings, fixtures, and equipment which Lessee has, brings, constructs, or places upon the demised premises. The Lessee shall not suffer or permit any waste, or neglect of any building or other property to be committed. The Lessee 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. Should repairs or maintenance exceed more than twenty five (\$25,000) thousand dollars the Lessee shall have the ability to terminate the lease with sixty (60) days written notice to Lessor of Lessee's intent to terminate the lease. If for any reason Lessee requires Lessor to perform any maintenance work on behalf of the Lessee all work performed by Lessor shall be billed and reimbursed as stated in Exhibit C attached hereto (Southside School Maintenance Rates).

Article XV. Demolition

Although it is the Lessee's duty under the terms hereof to keep and maintain all buildings and improvements on the premises in good repair, this shall not be construed as empowering the Lessee to demolish any buildings on the Premises except as otherwise provided in this Lease.

Article XVI. Additional Covenants of Lessee

1. **Access during emergencies.** Notwithstanding anything to the contrary in this Lease, Lessee shall provide Lessor immediate access to the Premises in the event of any emergency. For purposes of this section, "emergency" shall mean a sudden or unforeseen happening that requires immediate action to protect lives or property.

2. **Early Termination.** Upon early termination only of this Lease for whatever reason, the Lessee shall peaceably and quietly deliver to the Lessor possession of the Premises.

Article XVII. Quiet Enjoyment

So long as the Lessee keeps and performs all of its covenants and conditions under this Lease, it shall have quiet, undisturbed, and continued possession of the Premises, free from all claims against the Lessor and all persons claiming under, by, or through the Lessor.

Article XVIII. Right of Entry

The Lessor and its agents may enter upon the premises at all reasonable times, with at least forty-eight (48) hour written notice, to examine their condition and use, so long as that right is exercised in a manner that does not interfere with the Lessee in the conduct of its business on the Premises. If the Premises are damaged by fire, windstorm, or other casualty which causes them to be exposed to the elements, the Lessor may enter upon them to make emergency repairs. However, if it does so, the act or acts shall not be deemed to excuse the Lessee from its obligation to keep the Premises in repair, and the Lessee shall, upon the Lessor's demand, immediately reimburse it for the reasonable cost of any required emergency repairs.

Article XIX. Miscellaneous

1. **Force majeure.** If the Lessor or Lessee is delayed, hindered, or prevented from performing any act required hereunder by reason of strikes, lockouts, labor troubles, inability to procure materials, failure of power, restrictive government laws or regulations, riots, insurrection, the act, failure to act or default of the other party, war, or other reason beyond its control, then performance of the act shall be excused for the period of the delay. In that event, the period for the performance of the act shall be extended for a period equivalent to the period of the delay.

2. **Estoppel certificates.** Either party shall, without charge, at any time and from time to time hereafter, within ten days after the others' written request of the other, certify by instrument duly executed and acknowledged to any mortgagee or purchaser or proposed mortgagee or proposed purchaser, or any other person, firm, or corporation specified in the request as to:

- (a) Whether this Lease has been supplemented or amended, and, if so, the substance and manner of the supplement or amendment;
- (b) The validity and force and effect of this Lease, in accordance with its tenor as then constituted;
- (c) The existence of any default thereunder;
- (d) The existence of all offsets, counterclaims, or defenses thereto on the part of the other party;
- (e) The commencement and expiration dates of the term of this Lease; and
- (f) All other matters that may reasonably be so requested.

Any such certificate may be relied upon by the party who requested it and any other person, firm, or corporation to whom it may be exhibited or delivered, and the contents of the certificate shall be binding on the party executing it.

3. **Duplicates; recordation.** Either party shall, at any time, at the other's request, promptly execute duplicate originals of an instrument, in recordable form, which shall constitute a short form of lease. This will set forth a description of the demised premises, the term of this Lease, and any other portion thereof, except for the rental provisions, requested by either party.

4. **Reserved.**

5. **Assignment.** Lessee shall not have the right to assign or option any portion of the Premises without first obtaining the Lessor's prior written consent, which must be in compliance with NRS 268.048 – 268.064, inclusive.

6. **Consent not to be unreasonably withheld.** The Lessor shall not unreasonably withhold its consent, permission, or approval for any act which may be required or desired by the Lessee under the provisions of this Lease.

7. **Covenants running with land; binding effect.** All covenants, conditions, and obligations contained herein or implied by law are covenants running with the land and shall attach and bind and inure to the benefit of the Lessor and Lessee and their respective heirs, legal representatives, successors, and assigns, except as otherwise provided herein.

8. **Non-waiver.** No waiver of a breach of any covenant in this Lease shall be construed to be a waiver of any succeeding breach of the same covenant. No delay or failure by either party to exercise any right under this Lease, and no partial or single exercise of that right, shall constitute a waiver of that or any other right, unless otherwise expressly provided herein.

9. **Arrears.** All arrearages in the payment of rent shall bear interest from the date when due and payable at the then prime rate of CitiBank, New York, New York per annum until paid.

10. **Written modifications.** No modification, release, discharge, or waiver of any provision hereof shall be of any force, effect, or value unless signed in writing by the Lessor, or its duly authorized agent or attorney.

11. **Entire agreement.** This instrument contains the entire agreement between parties as of this date. The execution hereof has not been induced by either party by representations, promises, or understandings not expressed herein. There are no collateral agreements, stipulations, promises, or undertakings whatsoever upon the respective parties in any way touching the subject matter of this instrument which are not expressly contained in it.

12. **Notices.** All notices between the parties in connection with this Lease shall be in accordance with its terms. Notice shall be given by registered or certified mail, deposited in the United States mails with postage prepaid. The notices shall be addressed as follows:

For the Lessor:

City of Reno
Attn: Property Agent
P.O. Box 1900
Reno, NV 89505

For the Lessee:

UNR
Attn: Director of Real Estate
Mail Stop 243
Reno Nevada 895557
(775) 784-4180
With a Copy to:

UNR, Office of General Counsel
Mail Stop 550
1664 N. Virginia Street
Reno, NV 89557-0550

Either party may change the place for giving notice by written notice in the manner set forth in this Section.

13. **Headings.** Headings in this Lease are for convenience and reference only and shall not be used to interpret or construe its provisions.

14. **Time of essence.** Time is expressly declared to be of the essence of this Lease.

In witness whereof the Lessor and the Lessee have hereunto set their hands and seals, the day and year above written.

IN WITNESS WHEREOF, the parties have executed this agreement effective as of the date first written above.

LESSEE:

LESSOR:

**NEVADA SYSTEM OF HIGHER
EDUCATION on behalf of the
UNIVERSITY OF NEVADA, RENO**

**CITY OF RENO, a Nevada municipal
corporation**

By: Crystal Abba
Thom Reilly, Chancellor
Crystal Abba for Thom Reilly



By: Hillary Schieve
Hillary Schieve
Mayor

Recommended by:

Marc Johnson 3-6-19
Marc Johnson, UNR President

ATTEST:
By: Ashley D. Turney
Attest:
Ashley D. Turney, City Clerk

APPROVED AS TO FORM

By: Craig Satta
City Attorney's Office

- Exhibits: Exhibit A: Demised Premises
 Exhibit B: Energy Conservation Fixtures
 Exhibit C: Southside School Maintenance Rates

EXHIBIT A:
Premises



EXHIBIT B:
Energy Conservation Fixtures

For the duration of this Lease, the Premises shall not include the following energy conservation measures installed by the Lessor:

- (a) ECM #017-01: Lighting System Improvements (Control & Vending Misers Included were applicable);
- (b) ECM #017-21: Retro-Commissioning –Programmable Thermostats.

EXHIBIT C

Southside School Maintenance Rates

Rate for regularly scheduled maintenance services/repair = \$63.46 per hour

Rate for emergent/overtime maintenance services/repair = \$90.20 per hour

Any materials needed for repairs will be billed at rate charged.

Lessor will pay and bill Lessee annually for reoccurring monthly charges.

Elevator maintenance charges = \$154.50 monthly

Annual Elevator State Inspection = \$150.00 or rate charged

State of Nevada Elevator Permit = \$200.00 or rate charged

Fire and Burglar Alarm Monitoring = \$120.00 per quarter or rate charged

*Lessee can supply their own Janitorial service or upon request Janitorial services can be supplied at the current cleaning schedule (\$500.00 monthly includes one cleaning per week for bottom floor and stair wells and five days a week for lobby, break area and restrooms).

Nevada System of Higher Education

System Administration
4300 South Maryland Parkway
Las Vegas, NV 89119-7530
Phone: 702-889-8426
Fax: 702-889-8492



System Administration
2601 Enterprise Road
Reno, NV 89512-1666
Phone: 775-784-4901
Fax: 775-784-1127

MEMORANDUM

TO: NSHE Board of Regents
Chancellor's Cabinet
NSHE Presidents

FROM: *Thom*
Thom Reilly, Chancellor

DATE: August 17, 2017

SUBJECT: Delegated Signature Authority – Crystal Abba

With this memorandum, I delegate Vice Chancellor Crystal Abba as the administrator in charge with signature authority during any time that I am absent from the office. I also delegate overall signature authority for reviewed legal documents to Vice Chancellor Abba.

If you have any questions, please feel free to contact me.

Thank you.

cc: Eileen Biosi
Michelle Blodgett
Keli Bucci
Cynthia Hunt
Toni Odom-McNeil
Valerie Pedroza
Dani Williams

FIRST MODIFICATION OF LEASE AGREEMENT

THIS FIRST MODIFICATION OF LEASE AGREEMENT is made and entered into this _____ day of October, 2023, by and between the **CITY OF RENO**, a Nevada municipal corporation ("Lessor"), and **BOARD OF REGENTS OF THE NEVADA SYSTEM OF HIGHER EDUCATION on behalf of THE UNIVERSITY OF NEVADA, RENO**, a Nevada non-profit corporation ("Lessee").

RECITALS:

A. Lessor and Lessee have previously entered into a Lease Agreement on March 13, 2019 ("the Lease") for the Premises and related improvements identified in the Lease known as Southside School located at 190 E Liberty Street, Reno, NV.

B. Pursuant to Article II of the Lease, the Lease is to expire on March 31, 2024.

C. Lessor and Lessee now wish to amend the Lease to extend the term of the Lease an additional two years.

NOW, THEREFORE, in consideration of the foregoing Recitals, and in accordance with, the terms, covenants and conditions hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each party hereto, the parties hereby agree to the following:

1. **TERM.** The term of the Lease in Article II is now extended until March 31, 2026.
2. **OPTIONS TO RENEW:** Lessee shall have two (2) successive options to renew the Lease, if in good standing, for one year each under the same terms and conditions. If Lessee is in good standing and not in default of the terms of this Lease, the Property Manager shall have authority to approve the applicable option to renew this Lease, which approval shall be required to be in writing not less than sixty (60) days prior to the then current term expiring.

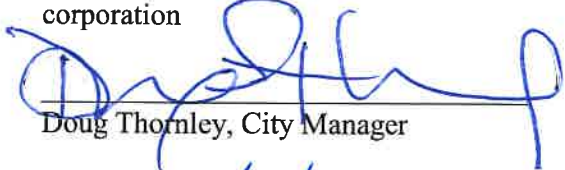
Except as set forth herein, all other terms and conditions of the Lease Agreement remain unchanged and in full force and effect.

SIGNATURES ON NEXT TWO PAGES

IN WITNESS WHEREOF, Lessor and Lessee have caused this First Modification of Lease Agreement as of the date in the opening paragraph.

LANDLORD:

City of Reno, a Nevada municipal corporation



Doug Thornley, City Manager

Date: 10/10/2023

Approved to Form:

Jasmine Mehta

Jasmine Mehta (Sep 29, 2023 14:03 PDT)

Jasmine Mehta, Deputy City Attorney

TENANT:

Nevada System of Higher Education on behalf of the University of Nevada, Reno

RECOMMENDED BY:

Brian Sandoval, President, UNR

Date: _____

SIGNATURES CONTINUED ON NEXT PAGE

APPROVED BY:

Patricia Charlton, Chancellor, NSHE

Date: _____