

# BOARD OF REGENTS

## BRIEFING PAPER

### 1. AGENDA ITEM TITLE: University of Nevada, Reno – First Amendment to Lease at 2280 N. McDaniel Street in North Las Vegas for Cooperative Extension

MEETING DATE: June 6 & 7, 2024

### 2. BACKGROUND & POLICY CONTEXT OF ISSUE:

**Summary:** This amendment to lease of real property requires Board approval pursuant to Board of Regents Handbook Title 4, Chapter 10, Section 1(9), Table 9.1.

The University of Nevada, Reno (UNR) is seeking the Board of Regents' approval to amend a lease agreement to continue the lease of space located at 2280 North McDaniel Street in North Las Vegas, Nevada. (Exhibit 1). The First Amendment to Lease Agreement is attached. (Exhibit 2)

**Background:** The current lease, which terminates on October 31, 2024, was previously approved by the Board of Regents at the June 10 & 11, 2021 meeting. (Exhibit 3)

Cooperative Extension has been providing programs in the North Las Vegas (NLV) area for several years. This leased location has provided program opportunities conveniently for NLV residents. The City of NLV, along with many stakeholders, requested and supported an Extension office in NLV to have a greater presence and for NLV residents to have more access to the opportunities provided by Cooperative Extension programming. This NLV site is a key and integral part of giving residents the opportunity to participate. The Clark County Commissioners were supportive of Cooperative Extension opening an office in NLV and provided funding for the project and original lease. Cooperative Extension has allocated county funding for the proposed continuation of lease agreement.

#### Property:

- Address: 2280 N McDaniel Street, North Las Vegas 89030
- Single Tenant Occupancy
- Approximate Square foot of office space: 21,844
- Year Built: 1998, remodeled in 2021

#### Lease Terms:

- Term: 36 Months with one option of an additional 2-year term
- Type Lease: Modified Gross Lease.
- Tenant to pay Utilities: Water, Sewer, Electric, Gas, Trash/Janitorial
- Rent: \$42,107.25 per month (\$1.93psf).
- Annual Increase: 2.5%

### 3. SPECIFIC ACTIONS BEING RECOMMENDED OR REQUESTED:

University of Nevada, Reno President Brian Sandoval requests Board of Regents' approval for the First Amendment to Lease Agreement ("First Amendment") for the property located at 2280 N McDaniel Street in North Las Vegas, NV for the Cooperative Extension Program under the terms included herein. President Sandoval further requests that the Chancellor be granted authority to execute the First Amendment, any non-material or corrective amendments to the First Amendment, and any other ancillary agreements, documents, or applications that may be required to implement the First Amendment. 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 First Amendment, as approved by the Board of Regents.

**4. IMPETUS (WHY NOW?):**

- Clark County has provided funding for the Cooperative Extension Program operations at this location in North Las Vegas.
- The current lease terminates this year.

**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**

This proposal supports NSHE strategic plan goals. One aspect of the office in North Las Vegas (NLV) supports a business incubator space combined with an educational plan requirement. NLV is a rapidly growing community focused on community and economic development. Extension has faculty onsite that oversee the business incubator and the businesses go through an educational cycle with the faculty/Extension to help ensure success of that business leading to overall workforce development in the NLV area. Youth will engage in 4-H and other programs that include information on accessing post-secondary education and provide access to traditionally underrepresented youth in the NLV area. Cooperative Extension programs in college and career readiness help prep youth for success in post-secondary pursuits.

**7. BULLET POINTS TO SUPPORT REQUEST/RECOMMENDATION:**

- Funds have been allocated by Clark County to pay for this Lease obligation.
- Suitable available properties in this area of North Las Vegas are limited and this property will continue to serve the needs of the Extension office.
- Allows the Extension to serve a broader community in Southern Nevada

**8. POTENTIAL ARGUMENTS AGAINST THE REQUEST/RECOMMENDATION:**

- With funding from Clark County approved and available, none have been brought forward.

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

N/A

**10. RECOMMENDATION FROM THE CHANCELLOR'S OFFICE:**

The Chancellor's Office recommends for approval.

**11. COMPLIANCE WITH BOARD POLICY:**

X Consistent With Current Board Policy: Title # 4 Chapter # 10 Section # 1.9

☐ Amends Current Board Policy: Title # \_\_\_\_\_ Chapter # \_\_\_\_\_ Section # \_\_\_\_\_

☐ Amends Current Procedures & Guidelines Manual: Chapter # \_\_\_\_\_ Section # \_\_\_\_\_

☐ Other: \_\_\_\_\_

☐ Fiscal Impact: Yes \_\_\_\_\_ No X \_\_\_\_\_

Explain: Funds provided by Clark County.

Exhibit 1



## Exhibit 2

### FIRST AMENDMENT TO LEASE AGREEMENT

2280 and 2320 N. McDaniel Street

This First Amendment to Lease Agreement (“Amended Lease”) is entered into effective as of the date of execution by the last signing party (“Amendment Effective Date”) and modifies that certain Lease Agreement dated June 24, 2021 (“Lease”), by and between McDaniel, LLC, a Nevada Limited Liability Company (“Lessor”), and Board of Regents of the Nevada System of Higher Education, on behalf of the University of Nevada, Reno (“Lessee”), with respect to the Property commonly known as 2280 and 2320 N. McDaniel Street, North Las Vegas, Nevada, 89030 (the “Premises”). Unless otherwise defined in this Amended Lease, all defined terms used herein shall have the meaning ascribed to them in the Lease.

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree to modify and amend the Lease as follows:

#### 2.0 Lease Term.

Section 2.1 of the Lease is hereby deleted in its entirety and replaced with the following:

2.1 Unless otherwise extended or terminated earlier pursuant to the terms hereof, the term of this Lease shall be for a period of seventy-two (72) months, beginning on September 1, 2021, and ending on August 31, 2027 (the “**Term**”). Notwithstanding the foregoing, the Lease shall be effective and binding on the parties as of the date fully executed by the last signing party.

A new Section 2.3 is hereby added to the Lease as follows:

2.3 Option to Extend: Lessee shall have one (1) option to extend the Lease Term for an additional period of two (2) years, ending on August 31, 2029. Lessee may exercise such option by providing Lessor written notice of Lessee’s intent to renew no later than (6) months prior to the expiration of the then-existing Term. Such renewal shall be upon the same terms and conditions stated herein.

#### 3.0 Rent.

Notwithstanding anything contained in Section 3.1 of the Lease to the contrary, the parties agree the Monthly Rent during the time periods identified below, including the option period (if exercised), shall be as follows:

September 1, 2024-August 31, 2025: Monthly Rent: \$42,107.25

September 1, 2025-August 31, 2026: Monthly Rent: \$43,160.00

September 1, 2026-August 31, 2027: Monthly Rent: \$44,239.00

September 1, 2027-August 31, 2028: Monthly Rent: \$45,345.00

September 1, 2028-August 31, 2029: Monthly Rent: \$46,478.60

[Remainder intentionally blank]

The parties agree that except as amended herein, the Lease has not been modified or amended in any other regard, and the Lease and all other terms contained therein shall remain in full force and effect.

Lessee:

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

Recommended By:

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Bill Payne, Dean

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Brian Sandoval, President

Approved By:

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Patricia Charlton, Chancellor

Lessor:

McDaniel LLC, a Nevada Limited Liability Company

By:  \_\_\_\_\_ Date: 04/04/2024  
Paris Fakheri, Manager

## Exhibit 3

### LEASE AGREEMENT

THIS LEASE AGREEMENT (this "**Lease**"), is made by and between the Board of Regents of the Nevada System of Higher Education, on behalf of the University of Nevada, Reno, hereinafter referred to as "**Lessee**," and McDaniel, LLC, hereinafter referred to as "**Lessor**."

#### WITNESETH:

WHEREAS, Lessor is the owner of the Premises (defined below in Section 1.1 of this Lease); and

WHEREAS, Lessee desires to lease the Premises for the purposes set forth;

NOW, THEREFORE, Lessor and Lessee, for good and valuable consideration, the sufficiency of which is acknowledged, hereby agree as follows:

#### 1.0 Premises.

1.1 Description of Premises. Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, upon the terms and conditions herein set forth, that certain real property, buildings, and all appurtenances, rights, privileges and easements benefitting, belonging, or pertaining thereto, situated in the County of Clark, State of Nevada, and described as 2280 and 2320 North McDaniel Street, North Las Vegas, NV 89030 (the "**Premises**"). The Premises consist of approximately 21,844 rentable square feet, and are depicted in Exhibit A, attached hereto and incorporated herein by this reference. The Premises and the real property on which the Premises is located (including any adjacent parking structures and parking areas), are referred to collectively as the "**Real Property**." The Real Property is legally described in Exhibit A, which is attached hereto and incorporated herein by this reference.

1.2 Parking Areas. The Premises include, for Lessee's exclusive use, eighty-eight (88) parking spaces, including eight (8) existing covered parking spaces.

#### 2.0 Lease Term.

2.1 The term of this Lease shall be for a period of thirty-eight (38) months, beginning on September 1, 2021 and ending on October 31, 2024 (the "**Term**"). Notwithstanding the foregoing, the Lease shall be effective and binding on the parties as of the date fully executed by the last signing party.

2.2 Lessor shall deliver possession of the Premises to Lessee on or before September 1, 2021; provided, however, that possession must not be delivered to Lessee unless and until all Lessee Improvements (defined below in Section 7.1.1 of this Lease) have been fully completed in accordance with the provisions of Section 7.1 of this Lease, below. The date on which possession of the Premises is actually delivered to Lessee shall be referred to as the "**Delivery Date**."

#### 3.0 Rent.

##### 3.1 Monthly Rent.

3.1.1 Lessor reserves and Lessee agrees to pay as rent for the Premises without

notice or demand, monthly rent to the Lessor in the amount of Thirty Nine Thousand One Hundred U.S. Dollars and seventy-six cents (\$39,100.76) (the "**Monthly Rent**"), payable in advance on the first day of every month that is included in the Term, commencing September 1, 2021. If any month of the Term is less than a full calendar month, the rent for such month shall be prorated according to the number of days in that month.

3.1.2 Commencing with the second Contract Year (as that term is defined below), the Monthly Rent due from Lessee for each Contract Year during the Term shall be adjusted upward annually as of the first day of such Contract Year, in an amount equal to two and one-half percent (2.5%) of the Monthly Rent due for the immediately preceding Contract Year. For purposes of this Lease, "**Contract Year**" shall mean each period of twelve (12) consecutive months during the Term of this Lease, with the first Contract Year commencing on September 1, 2021, and with each subsequent Contract Year commencing on the anniversary thereof.

3.1.3 Notwithstanding anything contained in Section 3.1 of this Lease to the contrary, Lessor hereby irrevocably waives the payments of Monthly Rent that would otherwise be due from Lessee on October 1, 2021 and November 1, 2021.

3.2 For all purposes under this Lease, "**Rent**" shall mean any and all sums that may become due and payable from Lessee under this Lease. Rent shall be payable to Lessor at the address specified in Section 20 of this Lease or at such other address as Lessor may from time to time designate in writing.

#### 4.0 Use of the Premises.

4.1 Use. Lessee may use and occupy the Premises for any lawful purpose, including without limitation for office space; storage space; conducting meetings, trainings and educational classes; and any and all other uses related to Lessee's provision of Cooperative Extension activities, services, and programming.

4.2 Compliance with Laws. Lessee will conform to and comply with all applicable municipal, state, and federal laws in using the Premises, and will not use or suffer to be used the Premises in any manner in contravention of any applicable municipal, state or federal law, nor in such a manner that will increase the existing rate for property insurance for the Premises. Lessor shall conform to and comply with all applicable municipal, state, and federal regulations and laws in the operation of the Building and Real Property, including without limitation applicable building and seismic codes, OSHA, environmental, zoning and land use laws, and the Americans with Disabilities Act. In addition, the Lessor shall respond in writing to Lessee complaints within five (5) business days after receipt of a written complaint from Lessee, determine the cause of and remedy any building deficiencies and keep records of inspection, maintenance, and remedial actions and make such records available upon written request to Lessee management and the applicable regulatory agency.

4.3 Hazardous Substances. Lessee shall have no liability for the presence or use of any Hazardous Substance in, on, or about the Premises prior to Lessee's occupancy of the Premises; and neither shall Lessee have any liability for the violation of any Environmental Law related to the Real Property by Lessor or Lessor's agents, employees, or invitees. Lessor specifically warrants to Lessee that, as of the date of this Lease, there are no Hazardous Substances stored, used or deposited in, on, or about the Premises or Real Property except in strict compliance with all applicable Environmental Laws. Lessee may use or locate Hazardous

Substances in the Premises to the extent necessary for Lessee's intended use of the Premises. For purposes of this Lease, the following definitions shall apply:

The term "**Hazardous Substance**" shall mean (i) any chemical, compound, material, mixture, or substance that is now or hereafter defined or listed in, or otherwise classified pursuant to, any Environmental Laws as a "hazardous substance", "hazardous material", "hazardous waste", "extremely hazardous waste", "acutely hazardous waste," "radioactive waste", "infectious waste", "bio-hazardous waste", "toxic substance", "pollutant", "toxic pollutant," or "contaminant," as well as any formulation not mentioned herein intended to define, list, or classify substances by reason of deleterious properties such as ignitability, corrosivity, reactivity, carcinogenicity, toxicity, reproductive toxicity, "EP toxicity," or "TCLP toxicity"; (ii) petroleum, natural gas, natural gas liquids, liquified natural gas, synthetic gas usable for fuel (or mixtures of natural gas and such synthetic gas), and ash produced by a resource recovery facility utilizing a municipal solid waste stream, and drilling fluids, produced waters, and other wastes associated with the exploration, development, or production of crude oil, natural gas, or geothermal resources; (iii) "hazardous material" as defined in Nevada Revised Statutes § 459.7024; (iv) "pollutant" and "pollution" as defined in Nevada Revised Statutes §§ 445A.400 and 445A.405, respectively; (v) asbestos in any form; (vi) urea formaldehyde foam insulation; (vii) polychlorinated biphenyls (PCBs); (viii) radon; (ix) pesticides and other poisons; (x) lead, mercury, and other heavy metals; (xi) any other chemical, material, or substance that, because of its quantity, concentration, or physical or chemical characteristics, exposure to which is limited or regulated for health and safety reasons by any Governmental Authority, or which poses a significant present or potential hazard to human health and safety or to the environment if released into the workplace or the environment; and (xii) any substance the presence of which requires remediation or investigation under any federal, state, or local statute, regulation, ordinance, order, action, policy, or common law.

The term "**Governmental Authority**" shall mean the authority of the United States, the State of Nevada, any political subdivision thereof, any city, any county, and any agency, regulatory body, court, central bank, department, commission, board, bureau, or instrumentality of any of them.

The term "**Environmental Laws**" shall mean any and all present and future federal, state, and local laws, ordinances, regulations, permits, guidance documents, policies, and any other requirements of Governmental Authorities relating to health, safety, the environment, or to any Hazardous Substances or Hazardous Substances Activity, including, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, the Resource Conservation Recovery Act, the Hazardous Materials Transportation Act, the Refuse Act, the Toxic Substances Control Act, the Clean Water Act, the Endangered Species Act, the Clean Air Act, the Occupational Health and Safety Act, and the applicable provisions of Chapter 459 of Nevada Revised Statutes and Nevada Revised Statutes Chapter 445, and the rules, regulations, and guidance documents promulgated or published thereunder.

The term "**Hazardous Substance Activity**" shall mean any actual or proposed use, storage, holding, existence, release (including any spilling, leaking, pumping, pouring, emitting, emptying, dumping, disposing into the environment, and the continuing migration into or through soil, surface water, or groundwater), emission, discharge, generation, processing, abatement, removal, disposition, handling, or transportation to or from the Real Property of any Hazardous Substances from, under, in, into, or on the Real Property or surrounding property, including, without limitation, the movement or migration of any Hazardous Substance from surrounding property or groundwater in, into, or onto the Real Property and any residual Hazardous Substance contamination in, on, or under the Real Property.

## 5.0 Condition of Premises and Repairs.

Subject to the completion of the Lessee Improvements (defined in Section 7.1.1 of this Lease below) to be provided by Lessor pursuant to the provisions of Section 7.1 of this Lease, below, if any, and subject to any deficiency that is not reasonably realized without Lessee occupying the Premises, Lessee has examined the Premises prior to the execution hereof, knows the condition thereof, and acknowledges that Lessee has received the Premises in good order and condition, and that no representation or warranty as to the condition or repair of the Premises has been made by Lessor. At the expiration of the Term, or any renewal or extension thereof, Lessee will yield up peaceably the Premises, along with any Lessee Improvements, to Lessor in as good order and condition as when the same were entered upon by Lessee, loss by fire or inevitable accident, damage by the elements, and reasonable use and wear excepted. Notwithstanding the foregoing or any provision of this Lease to the contrary, at the expiration of the Term, Lessee may remove any signage installed by Lessee, and any and all equipment or personal property not attached or affixed to the Premises, as set forth in Section 7.4 of this Lease, below.

## 6.0 Utilities and Common Area Maintenance.

6.1 Utilities. All applications and connections for sewer, water, gas, electricity, telephone, telecommunication, janitorial and other utility services for use of the Premises will be made in the name of Lessee only, and Lessee will be solely liable for utility charges as they become due. Lessor will not be liable to Lessee for damages or otherwise for any failure or interruption of any utility service furnished to the Premises or used by Lessee, and no such failure or interruption will entitle Lessee to withhold or abate any Rent, or to terminate this Lease; provided, however, that the foregoing limitation shall not apply to the extent such failure or interruption is caused or contributed to by any act or omission of Lessor.

6.2 Common Area Maintenance. Lessor shall be solely responsible for performing all common area maintenance and repairs to the Premises and Real Property, including without limitation, maintenance and repair of the building, parking lot, curbing and walkways, heating and cooling systems, outside lighting, indoor light fixtures, and fire and life safety systems, as well as trash removal, landscaping, and pest control services.

## 7.0 Alterations, Additions and Improvements:

### 7.1 Lessee Improvements:

7.1.1 Cost of Lessee Improvements. Lessor shall construct or install, at its sole cost and expense, the "**Lessee Improvements**," identified in the Lessor Work Agreement (defined in Section 7.1.2 below).

7.1.2 Lessee Improvement Warranties. Lessor warrants to Lessee that all materials and equipment furnished by Lessor in its improvements of the Premises shall be new unless otherwise specified in a work agreement executed by, and satisfactory in form and content to, Lessor and Lessee (the "**Lessor Work Agreement**," attached as Exhibit B hereto), and that all of Lessor's work to be performed under the Lessor Work Agreement shall be of good and workmanlike quality, free from faults and defects, and in accordance with the final Plans and Specifications, as such term is defined in the Lessor Work Agreement, and the requirements of the Lessor Work Agreement. Any of Lessor's work not conforming to the above standards, as reasonably determined by Lessee, shall be considered defective, and may be rejected by Lessee

at Lessor's sole cost and expense. The Lessee Improvements will be complete in all material respects on or before August 31, 2021. If Lessor fails to complete the Lessee Improvements in all material respects on or before that date, Lessee shall have the right to abatement of Rent until such time as the Lessee Improvements are completed. If the Lessee Improvements are not completed by October 31, 2021, in addition to Lessee's right to abatement of Rent continuing until such improvements are complete, Lessor will credit Lessee \$2,000 U.S. per day for every calendar day beyond October 31, 2021 until such improvements are completed, to be applied as a credit to Lessee's obligation to pay Rents.

For one (1) year after the date of Substantial Completion (defined in the Lessor Work Agreement) of the Lessee Improvements, Lessor shall, at its sole cost and expense, following written notice from Lessee, unconditionally make any repair, replacement, correction or other alteration of any nature necessary by virtue of any defective construction of the Premises or defective materials used therein. Thereafter, Lessor shall promptly make or cause to be made all repairs, replacements, corrections or alterations, at no expense to Lessee, to correct latent defects in the Premises caused by a nonconformance with the Plans and Specifications.

**7.2 Optional Additional Improvements.** Lessee shall have the right, but not the obligation, to construct or install, at its sole cost and expense, a kitchen within the Premises. Contractors and architects must have all appropriate licenses as required by the State of Nevada and shall be subject to the prior approval of Lessor, which approval shall not be unreasonably withheld, conditioned or delayed. Lessee shall notify Lessor at least ten (10) business days prior to commencing any such work, including alterations. Lessor agrees that it will not record a notice of non-responsibility under NRS Chapter 108.

**7.3** With exception of the provisions set forth in Section 7.2 of this Lease, above, Lessee shall not make, or suffer or permit to be made, any alterations, additions, or improvements to the Premises that require building permits or exceed \$2,500 in or about the Premises without first obtaining the prior written consent of Lessor, which consent shall not be unreasonably conditioned, withheld or delayed. Lessor's response shall be provided in writing to Lessee within ten (10) days of Lessee's written notice to Lessor; Lessor consent will be subject to the express condition that any and all alterations, additions, and improvements shall be done at Lessee's own expense, and that no liens of mechanics, material men, laborers, architects, artisans, contractors, subcontractors, or any other lien of any kind whatsoever shall be created against or imposed upon the Premises or any part thereof.

**7.4** Alterations, additions, or improvements on or in the Premises at the commencement of the Term, and that may be thereafter erected or installed therein, shall become part of the Premises and the sole property of Lessor, except that all moveable non-fixtures, or fixtures removed by Lessee with the Premises being repaired to original condition, shall be and remain Lessee's property and shall not become the property of Lessor.

**8.0 Lessor's Right of Entry.**

Lessor shall have the right, with twenty four (24) hours' prior written notice, and only during normal business hours, to enter upon the Premises to inspect the same and to make reasonably needed improvements, alterations, and additions to the Premises, providing such improvements, alterations, and additions are reasonably necessary or convenient to the use to which the Premises are being put at the time. Any such activities by Lessor shall not unreasonably interfere with Lessee's use of the Premises.

## 9.0 Insurance.

9.1 During the Term, and any extension thereof, Lessee shall maintain and fund a self-insurance program in accordance with and sufficient to cover the Lessee's liability under Nevada Revised Statutes ("**NRS**") Chapter 41, as amended from time to time. Lessee shall provide Lessor with evidence of such coverage upon full execution of this Lease. Coverage shall include liability arising out of bodily injury, wrongful death, and property damage. Lessee agrees, at its expense, to provide property insurance on its contents within the Premises, and Lessee shall carry and provide proof of workers' compensation insurance if such insurance is required of Lessee by NRS 616B.627 or proof that compliance with the provisions of NRS, Chapters 616A-D, or any other related chapters, is not required.

9.2 Lessor shall, at Lessor's sole expense, procure, maintain, and keep in force for the duration of this Lease the following insurance conforming to the minimum requirements specified below. Unless specifically noted herein or otherwise agreed to by the Lessee, the required insurance shall be in effect at commencement of this Lease and shall continue in full force and effect until this Lease expires and Lessee vacates the Premises.

9.2.1 Workers' Compensation Insurance. Lessor shall carry and provide proof of workers' compensation insurance if such insurance is required of Lessor by NRS 616B.627 or proof that compliance with the provisions of NRS Chapter 616A-D and all other related chapters, is not required.

### 9.2.2 Commercial General Liability Insurance:

- a. Minimum limits required:
  - \$2,000,000 General Aggregate
  - \$1,000,000 Products & Completed Operations Aggregate
  - \$1,000,000 Personal and Advertising Injury
  - \$1,000,000 Each Occurrence
- b. Coverage shall be on an occurrence basis and shall cover liability arising from premises, operations, independent contractors, completed operations, personal injury, products, and liability assumed under contract.
- c. Lessee shall be added as an additional insured on Lessor's liability policy.

9.2.3 Property Insurance: Lessor shall maintain in full force and effect all-risk "special perils" insurance insuring the Premises and contents thereof (excluding personal property of Lessee) in an amount not less than full replacement cost.

9.2.4 Deductibles and Self-Insured Retentions: Insurance maintained by Lessor shall apply on a first dollar basis without application of a deductible or self-insured retention unless otherwise specifically agreed to by the Lessee. Such approval shall not relieve Lessor from the obligation to pay any deductible or self-insured retention.

9.2.5 Approved Insurer: Each insurance policy shall be issued by insurance companies authorized to do business in the State of Nevada or eligible surplus lines insurers acceptable to the State and having agents in Nevada upon whom service of process may be made.

9.2.6 Evidence of Insurance: Prior to the start of this Lease, Lessor must provide to Lessee the Accord 25 Certificate of Insurance form or a form substantially similar to evidence the insurance policies and coverages required of Lessor.

9.3 Lessor hereby expressly waives and releases any cause of action or right of recovery which Lessor may have hereafter against Lessee for any loss, damage, or injury to the Premises, or to the contents thereof belonging to either, caused by fire, explosion, or any other risk covered by insurance. Lessor agrees to cause its insurance policies to contain a waiver of subrogation clause reflecting the provisions of this Section 9.3.

#### 10.0 Indemnification.

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

10.2 Lessee shall not be liable for claims arising out of the use of the common areas of the Premises and parking lots located on the Real Property.

10.3 Lessor shall indemnify, defend and hold harmless Lessee, its regents, officers, employees and agents from and against any and all liabilities, claims, losses, costs or expenses to the person or property of another, lawsuits, judgments and/or expenses, including attorney fees, arising either directly or indirectly from any act or failure to act by the Lessor or any of its officers or employees, which may occur during or which may arise out of the performance of this Lease.

#### 11.0 Assignment and Subletting.

This Lease shall not be assigned, subleased, or mortgaged in whole or in part without the prior written consent of Lessor, which shall not be unreasonably withheld; provided however, that Lessee may transfer or assign this Lease to the Nevada System of Higher Education, or any institution thereof, without the prior written consent of the Lessor, provided, however, that Lessee shall provide Lessor with timely notice of any such assignment or transfer of the Lease.

#### 12.0 Destruction.

If at any time during the Term, or any extension or renewal thereof, the Premises shall be totally or partially destroyed by fire, earthquake, or other calamity, then Lessor shall have the option to rebuild or repair the same, provided written notice of such intent to rebuild or repair shall be sent to Lessee within the period of thirty (30) days after the damaging event; and to rebuild or repair the same in as good condition as they were immediately prior to such calamity. In such case, a just and proportionate part of the rental herein specified shall be abated until such Premises shall have been rebuilt and repaired. In case, however, Lessor elects not to rebuild or repair said Premises, Lessor shall so notify Lessee by written notice within the period of thirty (30) days after the event in question, and thereupon this Lease shall terminate upon Lessee's sole discretion.

### 13.0 Early Termination.

13.1 Fiscal Fund-Out Termination. Notwithstanding any other provision, term or condition of this Lease to the contrary, Lessee, pursuant to Article 9, Section 3 of the Nevada Constitution, or any applicable law enacted by the Nevada legislature, may terminate this Lease in the event any funding authority fails to appropriate funds to enable the obligations of this Lease to be fulfilled. Such termination shall be effective thirty (30) days after receipt of written notice from Lessee to terminate pursuant to this Section 13.1. Lessee shall not be considered in default of any provision, term or condition of this Lease by terminating this Lease pursuant to this Section 13.1.

13.2 In the event of early termination of this Lease pursuant to Section 13.1 of this Lease, Lessee shall, within sixty (60) days of the effective date of such termination, reimburse Lessor on a pro rata basis for the unamortized value of the Lessee Improvements remaining as of the effective date of the termination. For purposes of this Section 13.2, the unamortized value of the Lessee Improvements shall initially be deemed to be \$157,000 U.S. Dollars, and shall thereafter be decreased by \$4,131.58 U.S. Dollars per month for each month of the Term preceding the effective date of termination. By way of example only, if the Lease is terminated under Section 13.1 of this Lease, above, at the end of the twenty-fourth (24th) month of the Term, the pro rata unamortized value of the Lessee Improvements as of the effective date of the termination would be \$57,842.08.

13.3 In the event of early termination of this Lease for any reason, the Lessee shall have a reasonable period of time with which to vacate the Premises.

### 14.0 Default by Lessee.

14.1 Default. If any of the following events occur, each such event shall constitute a material breach of this Lease (each, an “**Event of Default**”):

14.1.1 A default in the payment of Rent when such default continues for a period of thirty (30) days after Lessee’s receipt of written notice from Lessor; or

14.1.2 Lessee fails to perform its obligations or observe any other covenant or undertaking required of it under this Lease and such failure continues for a period of thirty (30) days after Lessee’s receipt of written notice thereof from Lessor specifying such failure. If the nature of Lessee’s obligation is such that more than thirty (30) days are required for performance, then Lessee shall not be in default if Lessee commences performance within such thirty (30) day period and thereafter diligently prosecutes the same to completion; or

14.1.3 Lessee is adjudicated bankrupt; or

14.1.4 Lessee’s lease interest is sold under execution of judgment.

14.2 Remedies. Upon an Event of Default, Lessor may, at Lessor’s option, exercise any or all rights available to a Lessor under the laws of the State of Nevada. Notwithstanding the foregoing or anything to the contrary contained in this Lease, Lessee shall not be liable for any consequential, indirect, incidental, special, punitive, or exemplary damages, under any circumstances.

15.0 Default by Lessor.

15.1 Default. Lessor shall be in default if Lessor fails to perform its obligations or observe any other covenant or undertaking required of it under this Lease and such failure continues for a period of thirty (30) days after Lessor's receipt of written notice from Lessee specifying such failure. If the nature of Lessor's obligation is such that more than thirty (30) days are required for performance, then Lessor shall not be in default if Lessor commences performance within such thirty (30) day period and thereafter diligently prosecutes the same to completion. Lessee's obligation to provide written notice to Lessor of a default by Lessor is limited to those instances where knowledge of Lessor's default is within the actual knowledge of Lessee.

15.2 Remedies. If Lessor fails to cure a prospective default within the above period, Lessee shall have the option to cure the default or to terminate this Lease, in addition to any other remedies at law or in equity. Should Lessee elect to cure the default itself, all costs associated with such cure, including reasonable attorneys' fees (if any), shall be reimbursed by Lessor to Lessee within thirty (30) days of receipt of Lessee's invoice for said costs. However, upon Lessor's failure to so reimburse, at Lessee's option, said costs shall be deducted from Rent due hereunder. If Lessor's default hereunder prevents Lessee's use of the Premises, there shall be an abatement of Rent for the period of such nonuse. No remedy or election under this Section 15.2 shall be deemed exclusive but shall, wherever possible, be cumulative with all other remedies at law or in equity.

16.0 Holding Over.

Lessee's holding or continued use or occupancy beyond the Term shall be construed as a tenancy from month to month at the same monthly Rent and subject to the same conditions set forth in this Lease.

17.0 Condemnation.

17.1 In the event the Premises, or any part thereof, are taken, damaged consequentially or otherwise, or condemned by public authority, this Lease shall terminate as to the part so taken, as of the date title shall vest in said public authority, and the Rent reserved shall be adjusted so that Lessee shall be required to pay for the remainder of the Term only that portion of the Rent reserved in the proportion that the Premises remaining after the taking, damaging, or condemnation bears to the whole of the Premises before the taking, damaging, or condemnation. All damages and payments resulting from said taking, damaging, or condemnation of the Premises shall accrue to and belong to Lessor, and Lessee shall have no right to any part thereof.

17.2 In the event only a part of the Premises is taken and the portion remaining is unsuitable or insufficient for Lessee's purposes, Lessee has the right or option to terminate this Lease as to the remaining portion by giving written notice to Lessor specifying the date of termination.

18.0 Quiet Enjoyment.

On payment of Rent and performance of the covenants and agreements on the part of Lessee to be paid and performed hereunder, Lessee shall peaceably have and enjoy the Premises and all of the rights, privileges, and appurtenances granted herein.

19.0 Discrimination.

In the use or occupancy of the Premises Lessee will not discriminate unlawfully against any person on the basis of race, color, national origin, religion, sex, or handicap.

20. Notices.

Any notice to either party hereunder must be in writing signed by the party giving it, and shall be served either personally or by registered or certified mail addressed as follows:

TO THE LESSEE:

Board of Regents of the Nevada System of Higher Education  
on behalf of the University of Nevada, Reno  
c/o University Real Estate  
1664 N Virginia St./MS 0243  
Reno Nevada 89557-0243

With a Copy to:

University of Nevada, Reno  
General Counsel's Office  
1664 N Virginia St./MS 0550  
Reno Nevada 89557-0550

TO THE LESSOR:

McDaniel, LLC  
222 S Rainbow Blvd, Suite 119  
Las Vegas, NV 89145

or to such other addressee as may be hereafter designated by written notice. All such notices shall be effective only when received by the addressee.

21.0 Miscellaneous.

21.1 Non-Waiver.

The failure of either party to exercise any of its rights under this Lease for a breach thereof shall not be deemed to be a waiver of such rights, nor shall the same be deemed to be a waiver of any subsequent breach, either of the same provision or otherwise.

21.2 Binding on Heirs, Successors, and Assigns.

This Lease shall be binding upon and inure to the benefit of the heirs, personal representatives, and permitted assigns, as applicable, of the Lessor and the Lessee.

21.3 Entire Agreement.

This Lease (with its attachments, if any) constitutes the entire understanding between the parties with respect to the subject matter hereof and supersedes any and all prior understandings and agreements, oral and written, relating hereto.

21.4 Modification.

This Lease may be amended at any time only upon mutual agreement in writing, and signed by the parties.

21.5 Force Majeure.

Neither party shall be deemed to be in violation of this Lease if it is prevented or delayed from performing any of its obligations hereunder due to strikes, failure of public transportation, civil or military authority, governmental restrictions, governmental regulations, governmental controls, act of public enemy, pandemics, epidemics or other outbreaks of diseases or other infections accidents, fires, explosions, or acts of God, including, without limitation, earthquakes, floods, winds, or storms. In such an event the intervening cause must not be through the fault of the party asserting such an excuse, and the excused party is obligated to promptly perform in accordance with the provisions of this Lease after the intervening cause ceases.

21.6 Governing Law.

Lessor and Lessee agree that the laws of the State of Nevada shall govern the validity, construction, interpretation and effect of this Lease. Any and all disputes arising out of or in connection with this Lease shall be litigated only in the Eighth Judicial District Court in and for the County of Clark, State of Nevada, and Lessor hereby expressly consents to the jurisdiction of said court.

21.7 Integration.

The terms of this Lease supersede all prior or contemporary written or verbal agreements, discussions, or negotiations by or between the parties hereto, and this Lease shall be deemed to be the final agreement between the Lessor and Lessee related to the subject matter hereof.

21.8 Mutually Drafted.

The parties acknowledge and agree that all parties have jointly participated in the negotiation and drafting of this Lease upon advice of their own independent counsel or that they have had the opportunity to do so and this Lease shall be construed fairly and equally as to all parties as if drafted jointly by them. The parties hereby irrevocably waive the benefit of any rule of contract construction which disfavors the drafter of any agreement.

21.9 Counterparts; Electronic Delivery.

This Lease may be executed in two or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same agreement, and shall become effective when one or more counterparts have been signed by each party delivered to the other party, it being understood that both parties need not sign the same counterpart. Executed counterparts of this Lease may be delivered in portable document format (PDF) by e-

mail, in either case with delivery confirmed. On such confirmed delivery, the signatures in the PDF data file shall be deemed to have the same force and effect as if the manually signed counterpart had been delivered to the other party in person.

IN WITNESS WHEREOF, the authorized representatives of the parties have executed this Lease Agreement effective as of the date of execution by the last signing party.


LESSEE:

LESSOR:

BOARD OF REGENTS OF THE NEVADA  
SYSTEM OF HIGHER EDUCATION, on  
behalf of the UNIVERSITY OF NEVADA,  
RENO

MCDANIEL, LLC

Recommended by:

  
\_\_\_\_\_  
Bill Payne, Dean

6/15/2021  
\_\_\_\_\_  
Date


  
\_\_\_\_\_  
Brian Sandoval, President

6/17/21  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Paris Fakheri, Manager

5-4-21  
\_\_\_\_\_  
Date

Approved by:

  
\_\_\_\_\_  
Melody Rose, Chancellor

6-24-21  
\_\_\_\_\_  
Date

## **Exhibit A**

### **Description of Office or Building Space**

Address: 2280 and 2320 N. McDaniel Street, North Las Vegas, NV 89030

Legal Description:

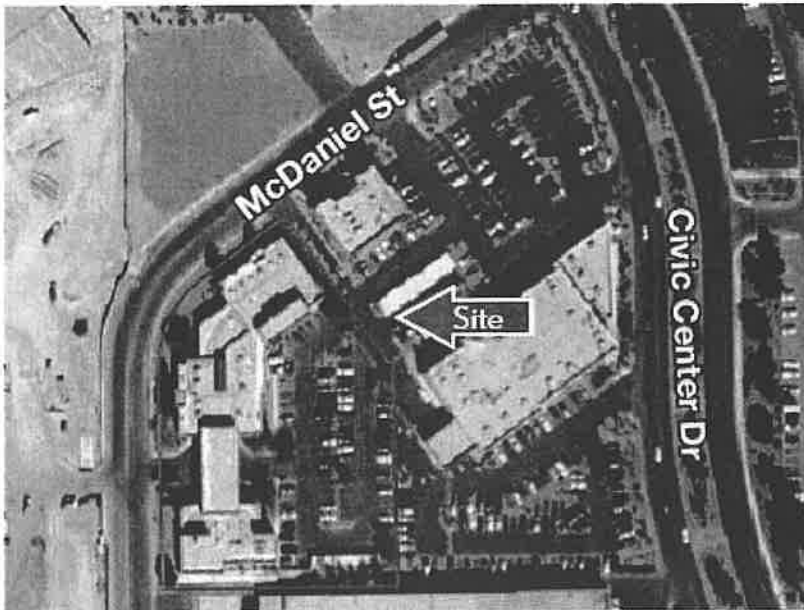
PARCEL 1:

THAT PORTION OF THE EAST HALF (E 1/2) OF THE NORTHEAST QUARTER (NE 1/4) OF SECTION 23, TOWNSHIP 20 SOUTH, RANGE 61 EAST, M.D.B. & M., AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: PARCEL TWO (2) AS SHOWN BY MAP THEREOF IN FILE 70 OF PARCEL MAPS, PAGE 95 IN THE OFFICE OF THE COUNTY RECORDER, CLARK COUNTY, NEVADA.

PARCEL 2:

A NON-EXCLUSIVE EASEMENT AS SET FORTH IN DOCUMENT RECORDED SEPTEMBER 21, 1995 IN BOOK 950921 AS DOCUMENT NO. 01187 AND AMENDED BY DOCUMENT RECORDED MARCH 25, 2004 IN BOOK 20040325, AS DOCUMENT NO. 01632, IN THE OFFICE OF THE COUNTY RECORDER, CLARK COUNTY, NEVADA.

Site Map:



## **Exhibit B**

### **Lessor Work Agreement**

Lessor shall construct or install, at its sole cost and expense, and in conformance with the final Plans and Specifications (defined below), the Lessee Improvements identified on space plans attached hereto as Exhibit B-1.

1. Minimum Standards. Notwithstanding anything contained in this Lessor Work Agreement to the contrary, the parties agree the Lessee Improvements shall meet the following minimum standards:

(a) Heating, Ventilation, and Air Conditioning. Lessor shall provide one ton per approximately 250 square feet. All HVAC units, wiring for unit installation, and distribution ductwork for the HVAC system as needed within the Premises;

(b) Distribution of electrical services from the main switch gear, plumbing services and fire sprinklers as needed for Lessee Improvements;

(c) Lessee selected finishes which shall be included as a part of these Lessee Improvements which may not yet be selected in Exhibit B-1 are below (the specific pattern or color to be selected by Lessee within 10 days of Lease execution);

1. Carpet: Patacraft/Broadloom 28oz./26oz. Solution Dyed Pattern Loop;
2. Wall base: 4" rubber base;
3. VCT: Armstrong Raffia Stream;
4. Painting of the Premises, up to a one (1) color scheme, with up to five (5) accent walls of a different color;
5. 1" Silver/Grey aluminum blinds on all windows;
6. Lighting, to be specified by Lessor and reasonably approved by Lessee in writing;
7. Drop T-Bar Ceiling in all areas, except where code might require hard lid ceilings.

2. Final Plans and Specifications. Lessor shall cause to be prepared detailed plans and specifications for the Lessee Improvements, including all plans and specifications necessary for the governing building authority and to provide a full build-out of the improvements as described in Exhibit B-1. Lessor shall provide such plans and specifications to Lessee for its review and approval (which approval shall not be unreasonably withheld, conditioned, or delayed). Lessee shall, within a reasonable period of time, notify Lessor whether it approves of the submitted plans and specifications. If Lessee disapproves of such plans and specifications, then Lessee shall notify Lessor thereof specifying in reasonable detail the reasons for such disapproval, in which case Lessor shall, within a reasonable period of time after such notice, revise such plans and specifications in accordance with Lessee's objections and submit the revised documents to Lessee for its review and approval. This process shall be repeated until the plans and

specifications have been finally approved by Lessor and Lessee. The plans and specifications approved by Lessor and Lessee shall be referred to as the “**Plans and Specifications.**”

3. Walk-Through; Punchlist. When Lessor considers the Lessee Improvements in the Premises to be Substantially Completed, as defined below, Lessor will notify Lessee and, within a reasonable time period thereafter, Lessor’s Construction Representative and Lessee’s Construction Representative, along with Lessor’s contractor, shall conduct a walk-through of the Premises and identify any necessary touch-up work, repairs and minor completion items that are necessary for final completion of the Lessee Improvements. Lessor cause its contractor to correct all such punchlist items within thirty (30) days, at Lessor’s sole expense. Lessee’s Construction Representative shall confirm (sign off) said written punchlist items to indicate approval thereof. As used herein, “**Substantial Completion,**” and any derivations thereof mean the Lessee Improvements work in the Premises is substantially completed (as reasonably determined by Lessee) in accordance with the final Plans and Specifications.

4. Construction Representatives. Lessor’s and Lessee’s representatives for coordination of construction and approval of plans and specifications will be as follows, provided that either party may change its representative upon written notice to the other:

Lessee Construction Representative:

Board of Regents of the Nevada System of Higher Education  
on behalf of the University of Nevada, Reno  
Eric Killian  
Southern Area Director  
Telephone: 702-257-55542  
Email: [killiane@unr.edu](mailto:killiane@unr.edu)

Lessor Constructions Representative:

McDaniel, LLC  
Yoram Yehuda  
Construction Manager  
Telephone: 818-212-8005  
Email: [yorammiami@gmail.com](mailto:yorammiami@gmail.com)

*Remainder intentionally blank / signatures on next page.*

LESSEE:

BOARD OF REGENTS OF THE NEVADA  
SYSTEM OF HIGHER EDUCATION, on  
behalf of the UNIVERSITY OF NEVADA,  
RENO

LESSOR:

MCDANIEL, LLC

Recommended by:


  
\_\_\_\_\_  
Bill Payne, Dean

6/15/2021  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Paris Fakheri, Manager

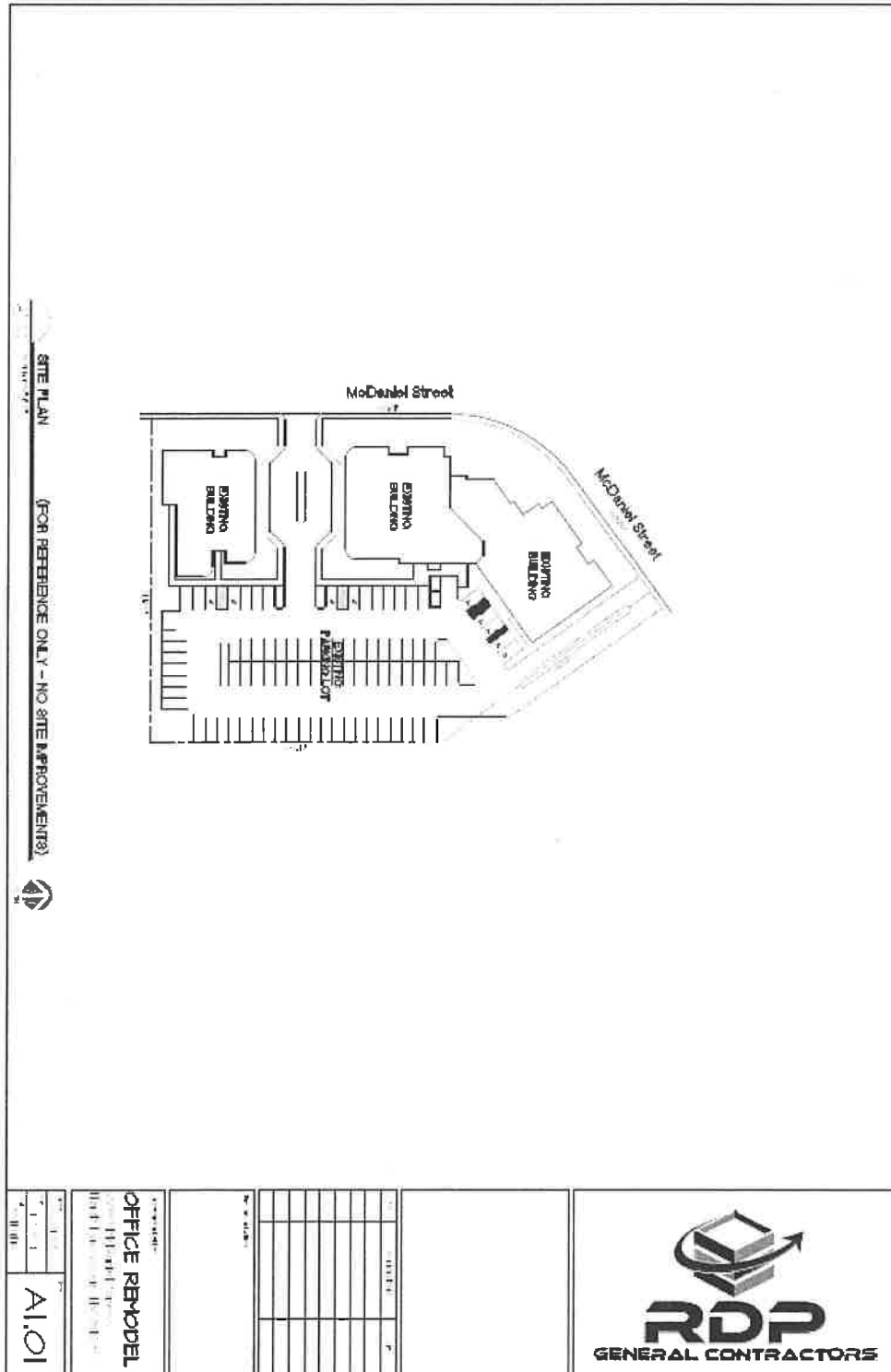
5-4-21  
\_\_\_\_\_  
Date

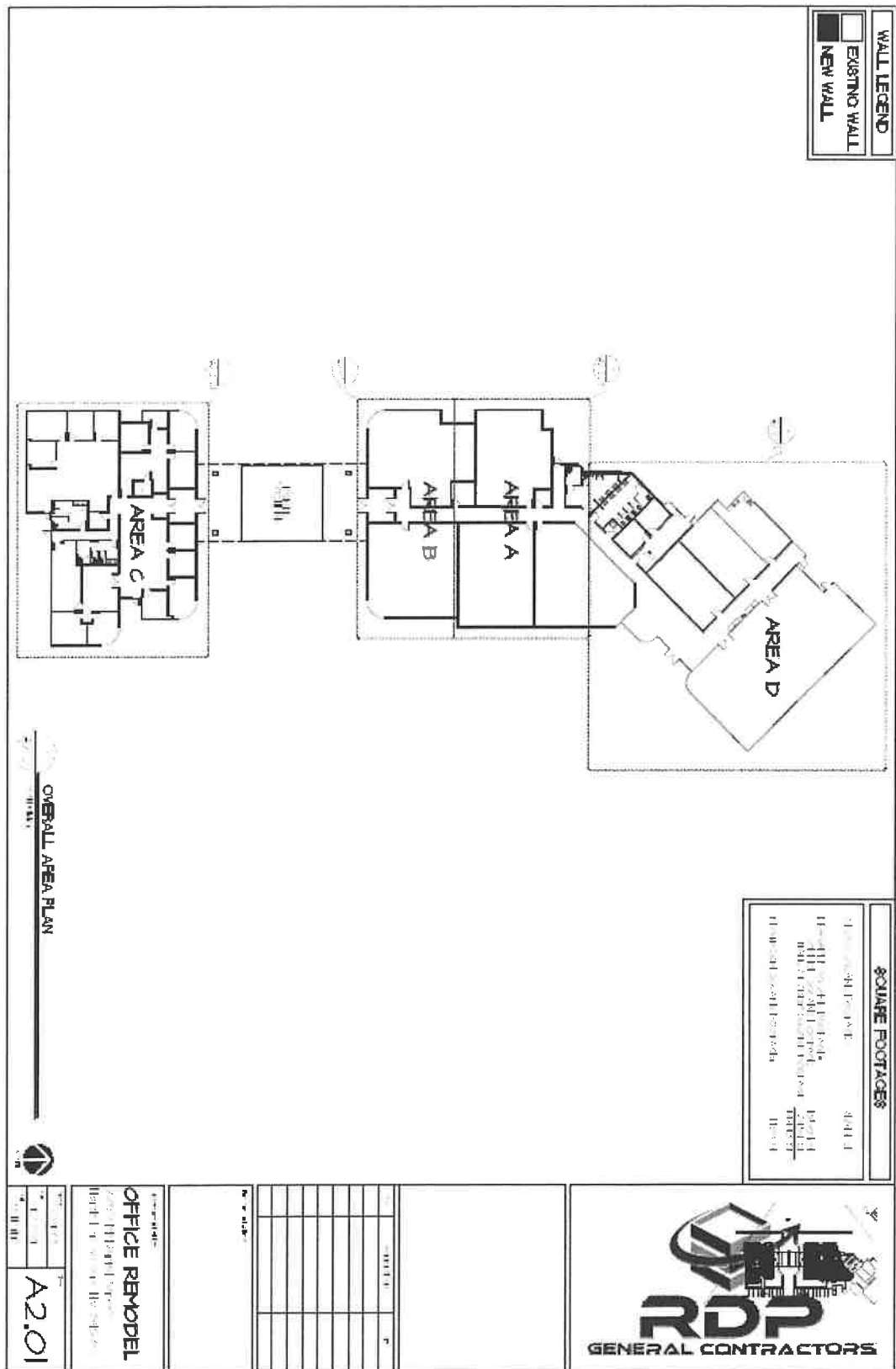
Approved by:

  
\_\_\_\_\_  
Brian Sandoval, President

6/17/21  
\_\_\_\_\_  
Date

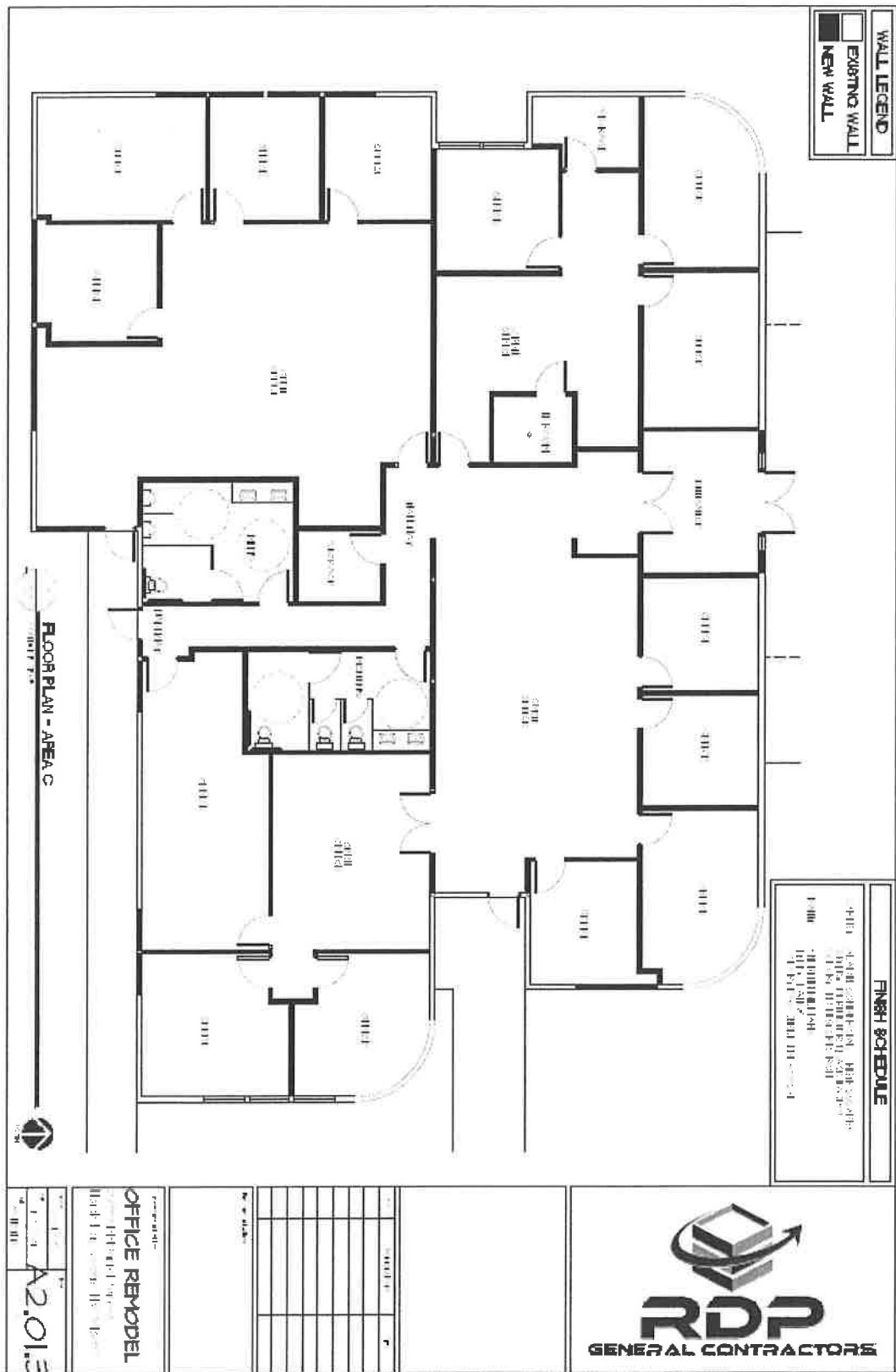
**Exhibit B-1**  
**SPACE PLANS**















University of Nevada, Reno

**Brian Sandoval**  
President

**MEMORANDUM**

**TO:** Chancellor Melody Rose  
**FROM:** President Brian Sandoval  
**DATE:** June 3, 2021  
**SUBJECT:** Signature Authority

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I will be on Furlough and Annual Leave from Saturday, June 12 to Friday, June 25, 2021.

During my absence, I have designated signature authority to Executive Vice President and Provost, Dr. Jeff Thompson for June 12-17 and June 22-25, 2021 and Vice President of Student Services, Dr. Shannon Ellis for June 18-21, 2021. They have been given authority to sign on University of Nevada, Reno business and financial transactions as well as personnel documents, including but not limited to notices of termination/non-reappointment during these specified dates.

BES/af

**Office of the President**  
Clark Administration, Room 201  
University of Nevada, Reno/0001  
Reno, Nevada 89557-0001  
(775) 784-4805  
brian@unr.edu  
[www.unr.edu/president](http://www.unr.edu/president)