APN: 002-164-01

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TO THE BOARD
Carson City - NV
William "Scott" Hoen Clerk-Recorder
Pg 1 of 21 Fee: $0.00
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FOR RECORDER'S USE ONLY

RESOLUTION NO. 2024-R-12

Extension of a lease of city real property

□ I, the undersigned, hereby affirm that the attached document, including any exhibits, hereby submitted for recording does not contain personal information of any person or persons. (NRS 239B.030)

□ I, the undersigned, hereby affirm that the attached document, including any exhibits, hereby submitted for recording does contain personal information of a person or persons as required by law. State specific law: _____

Signature

Hope Mills- Chief Deputy Clerk
Print Name & Title

WHEN RECORDED MAIL TO:

Carson City
885 E. Musser Street, suite 1032
Carson City, NV 89701

RESOLUTION NO. 2024-R-12

RESOLUTION OF THE BOARD OF SUPERVISORS OF CARSON CITY AUTHORIZING THE EXTENSION OF A LEASE OF CITY REAL PROPERTY WITH ASSESSOR'S PARCEL NUMBER ("APN") 002-164-01.

WHEREAS, the City is the owner of real property, consisting of a 14,450 square foot commercial space, located at 813 North Carson Street, further described as APN 002-164-01 ("Premises"); and

WHEREAS, the Children's Museum of Northern Nevada ("Children's Museum"), is a non-profit Nevada corporation that is recognized as exempt under section 501(c)(3) of the Internal Revenue Code; and

WHEREAS, the Children's Museum currently occupies the premises pursuant to a lease ("Lease") approved by the Board of Supervisors on February 4, 2021, and attached as Exhibit 1; and

WHEREAS, the Children's Museum actually utilizes the Premises for charitable or civic purposes, including normal museum operations, room rentals, children's birthday parties, field trips, special events, courtyard rental and church services; and

WHEREAS, the Premises are not currently needed for any municipal purpose; and

WHEREAS, the Children's Museum's continued use of the Premises would benefit the residents of Carson City; and

WHEREAS, the Lease's initial term expires on June 30, 2024, but the Children's Museum has requested that the Lease term be extended by three years pursuant to section 1.B of the Lease; and

WHEREAS, NRS 244.284 authorizes the Board of Supervisors to lease any real property of the City, for a term not exceeding 99 years, if the real property is not needed for the public purposes of the county and is leased to a corporation for public benefit;

NOW, THEREFORE, be it hereby resolved by the Carson City Board of Supervisors that:

1. The Children's Museum's continued use of the Premises satisfies the requirements of NRS 244.284, which allows City property, not needed for other City purposes, to be used by a corporation for public benefit, for charitable or civic purposes; and

2. The lease of said Premises to the Children's Museum is in the best interest of Carson City; and

3. The Lease with the Children's Museum's concerning the Premises is extended for another three-year term, beginning on July 1, 2024, and ending on June 30, 2027; all other terms of said Lease shall remain unchanged; and the Mayor is authorized to sign any documents necessary to effectuate the three-year extension authorized by this Resolution.

ADOPTED this 20th day of June, 2024.

VOTE: AYES: Supervisor Stacey Giomi
Supervisor Maurice White
Supervisor Curtis Horton
Supervisor Lisa Schuette
Mayor Lori Bagwell

NAYS: None

ABSENT: None

Lori Bagwell, Mayor

ATTEST:

William Scott Hoen, Clerk/Recorder

EXHIBIT 1

APN's: 002-164-01
Property Address:
813 North Carson Street,
Carson City, NV 89701

AFTER RECORDING RETURN TO:
CARSON CITY PUBLIC WORKS
ATTN: ROBERT NELLIS
REAL PROPERTY MANAGER
3505 BUTTI WAY
CARSON CITY, NV 89701

LEASE AGREEMENT

This LEASE AGREEMENT ("LEASE" or "Agreement") is made and entered into this 4th day of February 2021, by and between CHILDREN'S MUSEUM OF NORTHERN NEVADA, a non-profit Nevada corporation ("LESSEE"), and CARSON CITY, NEVADA, a consolidated municipality and political subdivision of the State of Nevada ("CITY"), hereinafter individually referred to as "Party" or collectively as "Parties."

WITNESSETH:

WHEREAS, the Carson City Board of Supervisors has determined that the real property more particularly described below ("premises") is not currently needed for public purposes of the CITY; and

WHEREAS, LESSEE is a non-profit charitable or civic organization which is recognized as exempt under the section 501(c)(3) of the Internal Revenue Code; and

WHEREAS, LESSEE desires to use the premises for a charitable or civic purpose, and more specifically for a Children's Museum; and

WHEREAS, NRS 244.284 authorizes the Carson City Board of Supervisors to lease any real property of the City for a term not exceeding 99 years if the real property is not needed for the public purposes of the county, is leased to a "corporation for public benefit" as that term is defined by NRS 82.021, and the property is actually used for a charitable or civic purpose; and

WHEREAS, the Carson City Board of Supervisors hereby determines that the purpose of this LEASE meets the statutory requirements established by NRS 244.284; and

WHEREAS, as a condition precedent to the LESSEE's occupancy of the premises under the terms and conditions of this LEASE, the LESSEE agrees it must apply for and obtain any and all necessary special use permits or variances, as applicable, that may be required pursuant to the City's zoning regulations set forth in the Carson City Municipal Code, and any other licenses or permits required under local, state or federal laws or regulations; and

NOW THEREFORE, IN CONSIDERATION of the mutual promises contained herein and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the Parties hereto covenant and agree as follows:

CITY does hereby lease to LESSEE, and LESSEE does hereby lease from CITY, the following premises, generally described as:

813 North Carson Street, Carson City, Nevada 89701
(approximately 14,450 +/- square feet of commercial space)

1. **TERM:**

A. LEASE: The initial term of this LEASE is for a period of 3 years, 5 months, beginning on the 4th day of February 2021 and terminating on the 30th day of June 2024, unless sooner terminated by mutual agreement of the parties or for violation of any term or condition of this LEASE.

B. LEASE RENEWAL: Upon the expiration of the initial term of this LEASE, LESSEE may request to renew this LEASE for a three year term commencing on the 1st day of July 2024 and terminating on the 30th day of June 2027. To request a renewal or extension of this LEASE, LESSEE must provide to the CITY notice of its desire to remain on the premises for the additional term not less than 90 calendar days before the date of expiration of the initial term of this LEASE. The notice must be made in writing and, if applicable, any proposed changes or modifications to the existing terms and conditions of this LEASE. Any renewal or extension of this LEASE must be approved by the Carson City Board of Supervisors, in its sole discretion. LESSEE hereby expressly acknowledges and agrees that LESSEE has no right or reasonable expectation that a request for renewal or extension of this LEASE will be granted, and further acknowledges and agrees that the Carson City Board of Supervisors may base its decision whether to renew or extend this LEASE on a number of factors including, without limitation, a need by the CITY to use the premises for a different purpose and the performance of the

LESSEE under the terms of this LEASE.

2. **RENTAL:**

As rental for the premises, LESSEE agrees to pay CITY, without offset to deduction, the sum of ONE DOLLAR ($1.00) each year of the term of this LEASE. The first payment is due and payable the 1st day of July 2021, and then each July 1 thereafter during the term of this Lease. Except as otherwise expressly provided in this Agreement, LESSEE is responsible for all costs of LESSEE's operation, renovation of the premises and charges or expenses of any nature whatsoever, including, without limitation, any lien that is imposed that arises from or is related to LESSEE's operation of and within the premises.

3. **THE USE OF PREMISES:**

A. The premises are leased to LESSEE for exclusively the following purposes:

a Children's Museum, Room Rentals including Birthday Parties, Field Trips, Special Events, Courtyard Rental and Church Services.

B. Any change in the use of the premises is strictly prohibited and in breach of this LEASE unless: (1) the change is lawful and consistent with LESSEE's charitable or civic purposes; and (2) LESSEE first obtains the written consent of CITY. LESSEE shall not use the premises for any purpose that is unlawful with local, state or federal laws and regulations, or for any purpose not expressly authorized by this LEASE or agreed to in writing by the CITY.

4. **REPAIRS AND MAINTENANCE:**

A. Except as otherwise provided herein, CITY is responsible, at its sole expense and in accordance with any applicable local, state or federal law, regulation or code relating to structural integrity, for the following maintenance and repair of the building and grounds at all times during the term of this LEASE: the roof, including periodic gutter cleaning as necessary; foundation; exterior and interior walls; flooring replacement within the premises, as may be necessitated by normal wear and tear; plumbing; jointly-used electrical panels; the HVAC (heating, ventilation and air conditioning) system; and remediation of hazardous conditions not caused by the LESSEE.

B. Except as otherwise provided herein, LESSEE is responsible, at its sole expense and in accordance with any applicable local, state or federal law, regulation or code relating to structural integrity, for the proper and reasonable maintenance and repair of the premises at all

times during the term of this LEASE to prevent the premises from entering into a state of disrepair, including, without limitation, elevator service and maintenance and the fire protection system and fire ratings. Except for ordinary maintenance or repair that is common to the normal, daily upkeep of the premises and which does not affect the structure, egress, energy conservation or plumbing, sanitary, gas, electrical or other utilities, such proper and reasonable maintenance and repair of the premises must be performed by a person who is licensed in the State of Nevada to perform the maintenance or repair. The maintenance and repair required to be performed within the premises by LESSEE pursuant to this paragraph B of Section 4 includes:

(1) Maintenance of the flooring, but only in such a manner that is consistent with the use of techniques and products approved by the CITY Facilities Maintenance Manager or his or her designee in advance of the commencement of any work; paint; electrical outlets, switches and fixtures; equipment that is used for fire protection or suppression, including, without limitation, any existing fire, smoke or gas detectors and fire extinguishers previously installed within the premises, but excluding general maintenance or repair of any building-wide fire protection or suppression system; and the interior of the premises in general, including, without limitation, maintenance to remediate water leaks, plugged or leaking toilets, non-functioning bulbs, non-functioning lighting ballasts and damage to walls and any plate glass that is damaged due to LESSEE's use; and

(2) Repair of any damage that is directly or proximately caused by the LESSEE, its employees, agents, volunteers, contractors or invitees.

C. Notwithstanding any other provision of this LEASE, LESSEE is responsible, at its sole expense and in accordance with any applicable local, state or federal law, regulation or code relating to structural integrity, including, but not limited to, the State Historic Preservation Office ("SHPO"), for the proper and reasonable repair of any damage to the building and grounds that is directly or proximately caused by the LESSEE, its employees, agents, volunteers, contractors or invitees.

D. CITY will not incur any liability, including, without limitation, compensation or damages, for any inconvenience, annoyance, injury to or interference with LESSEE's business operations arising from or relating to the provision of maintenance or the making of any repairs, alterations or improvements in or to any portion of the premises, building or grounds which are

performed in a commercially reasonable manner and deemed necessary or beneficial at the sole discretion of CITY.

E. For the purposes of this Agreement, the term "grounds" shall be deemed to include, as applicable, the parking lot, landscaping and sidewalks appurtenant to the premises.

5. ALTERATIONS, LIENS, ENCUMBANCES, AND REPAIRS:

A. LESSEE shall not make any permanent alterations, additions, improvements or repairs to the premises without first obtaining in writing the consent and approval of CITY. This provision does not apply to any alteration, addition, improvement or repair that is merely cosmetic in nature or any repair that is immediately necessary as the result of an emergency and any delay in time to obtain written consent and approval of CITY before the repair is made would likely cause further damage to the premises. LESSEE shall not disturb the asbestos ceiling tiles in the Main Exhibit Hall by any means. LESSEE will not paint ceiling unless written permission has been obtained from CITY.

B. LESSEE agrees that any alteration, addition, improvement or repair that is made to the premises is at the sole expense of the LESSEE and, upon termination of this LEASE, becomes the exclusive property of CITY of which LESSEE shall have no claim of title or interest. This provision does not apply to any movable trade fixtures. LESSEE shall be liable for and must pay prior to any delinquency all taxes and assessments, real and personal, levied against the premises or against any trade or other fixtures or any other improvements placed by LESSEE in or about the premises. On demand by CITY, LESSEE must provide CITY with satisfactory evidence of such payments.

C. LESSEE shall, upon termination of this LEASE, surrender to CITY the premises and any permanent fixtures in good condition, order and repair, excluding any condition that is attributable solely to normal wear and tear.

D. LESSEE shall comply or, if employing the services of another in altering, adding, improving or repairing the premises, ensure the compliance with, any applicable local, state or federal law, regulation or code relating to such work, including, but not limited to, the SHPO. LESSEE agrees to release and hold harmless CITY from any and all liability for damages or injury arising from or relating to any such work that is performed by any person, including circumstances involving any condition of the premises, building or grounds that is known or reasonably should have been known to CITY. LESSEE further agrees to indemnify CITY from any and all claims, demands, causes of action, suits, procedures, costs, damages and liabilities,

including, without limitation, attorney's fees, arising from or relating to the conduct of LESSEE or its employees, agents, volunteers, contractors or invitees, and to provide CITY reimbursement as necessary and appropriate.

E. LESSEE shall ensure at all times that the premises are kept free and clear of any liens or encumbrances that may be caused by any act or omission of LESSEE or its employees, agents, volunteers, contractors or invitees, including, without limitation, any liens arising from or relating to any work performed, materials furnished or obligations incurred by LESSEE. CITY may require, at CITY's sole option, that LESSEE provide to CITY, at LESSEE's sole cost and expense, a lien and completion bond in an amount equal to one and one-half (1 ½) times any and all estimated cost of any improvements, additions or alterations in the premises, to ensure CITY against any liability for mechanics and materialmen's liens and to ensure completion of any such work.

6. USE OF EXTERIOR GROUNDS: LESSEE shall not conduct any business activity outside the premises. LESSEE shall not, without the express written permission of the CITY, store any vehicle or any other personal property or perform any service on any sidewalk, parking lot or other public area of the CITY. CITY agrees that it will not unreasonably withhold permission if a proposed use is for a temporary activity which relates directly to the authorized use of the premises described in this Agreement.

7. HAZARDOUS SUBSTANCES:

A. DUTY TO INFORM CITY: If LESSEE knows, or has reasonable cause to believe, that a hazardous substance has come to be located in, on, under or about the premises, other than as previously consented to by CITY, LESSEE must immediately give written notice of such fact to CITY and provide CITY with a copy of any report, notice, claim or other documentation which it has concerning the presence of such hazardous substance.

B. LESSEE REMEDIATION: LESSEE shall not cause or permit any hazardous substance to be spilled or released in, on, under or about the premises, including, without limitation, through the plumbing or sanitary sewer system, and shall promptly, at LESSEE's expense, comply with all applicable federal, state and local requirements and recommendations of CITY's engineers or consultants, and take all investigatory and remedial action reasonably recommended, whether or not formally ordered or required, for the cleanup of any contamination of, and for the maintenance, security or monitoring of the premises or neighboring properties, that was caused or materially contributed to by LESSEE, or pertaining to or involving

any hazardous substance brought onto the premises during the term of this LEASE, by or for LESSEE, or any third party.

C. LESSEE INDEMNIFICATION: LESSEE shall indemnify, defend and hold CITY, its public officers, employees and agents, harmless from and against any and all loss or damages, liabilities, judgments, claims, expenses, penalties and attorneys' and consultants' fees arising from or relating to any hazardous substance brought on the premises by or for LESSEE, or any third party. LESSEE's obligations shall include, without limitation, the effects of any contamination or injury to person, property or the environment created or suffered by LESSEE, and the cost of investigation, removal, remediation, restoration and abatement, and shall survive the expiration or termination of this LEASE. No termination, cancellation or release agreement entered into by CITY and LESSEE shall release LESSEE from its obligations under this LEASE with respect to hazardous substances, unless specifically so agreed by CITY in writing at the time of such agreement.

D. CITY INDEMNIFICATION: Except as otherwise provided herein, CITY shall indemnify, defend, reimburse and hold LESSEE, its employees and lenders, harmless from and against any and all environmental damages, including the cost of remediation, which are suffered as the direct result of hazardous substances on the premises prior to LESSEE taking possession or which are caused by the gross negligence or willful misconduct of CITY.

E. INVESTIGATIONS AND REMEDIATIONS: CITY shall retain the responsibility and pay for any investigations or remediation measures required by governmental entities having jurisdiction with respect to the existence of hazardous substances on the premises prior to LESSEE taking possession, unless such remediation measure is required as a result of LESSEE's use, in which event LESSEE shall be responsible for such payment. LESSEE shall cooperate fully in any such activities at the request of CITY, including, without limitation, allowing CITY and its employees or agents to have reasonable access to the premises at reasonable times to carry out CITY's investigative and remedial responsibilities.

F. CITY TERMINATION OPTION: If a hazardous substance condition occurs during the term of this LEASE, unless LESSEE is responsible therefor, CITY may, at CITY's option: (1) investigate and remediate such hazardous substance condition, if required, as soon as reasonably practicable at CITY's expense, in which event this LEASE shall continue in full force and effect; or (2) give written notice to LESSEE of CITY's desire to terminate this LEASE. In the event CITY elects to give a termination notice, LESSEE may, within ten (10) days after

receipt of the notice, give written notice to CITY of LESSEE's commitment to pay the amount by which the cost of the remediation of such hazardous substance condition and provide CITY with funds or satisfactory assurance. In such event, this LEASE continues in full force and effect, and CITY shall proceed to make such remediation as soon as reasonably practicable after the required funds are available. If LESSEE does not give such notice and provide the required funds or assurance thereof within the time provided herein, this LEASE shall terminate as of the date specified in CITY's notice of termination.

G. As used in this Section 7, "hazardous substance" means any product, substance or waste, including, without limitation, hydrocarbons, petroleum, gasoline, crude oil or any byproducts or fraction thereof, whose presence, use, manufacture, disposal, transportation or release, either by itself or in combination with other materials expected to be on the premises, is: (1) potentially injurious to the public health, safety or welfare, the environment or the premises; (2) regulated or monitored by any governmental authority; or (3) a basis for potential liability of CITY to any governmental agency or third party under any applicable statute or common law theory.

8. ENTRY AND INSPECTION: CITY and its employees or agents shall have the right to enter the premises during normal business hours for any reasonable purpose, including, without limitation, for inspections, to show the premises to prospective buyers or other lessees, to post notices of non-responsibility for alterations, additions, repairs or utility installations, or to place upon the premises any ordinary signage indicating that the premises are "for sale" or "for lease."

9. ASSIGNMENT AND SUBLEASING: LESSEE may only assign this LEASE or sublet the premises, in whole or in part, upon:

A. the express written consent of the City Manager, which may be granted or withheld by the City Manager solely at City Manager's discretion;

B. the execution of a signed, written agreement between LESSEE and assignee or sublessee wherein assignee or sublessee agrees to assume all of the obligations of LESSEE under this LEASE; and

C. delivery of a copy of the assignment or sublease agreement to the City Manager.

No assignment or sublease is effective until all of these requirements are met. LESSEE hereby acknowledges and expressly agrees that an assignment or sublease does not release LESSEE from any obligation under this LEASE and that City Manager's consent to any assignment or sublease shall not be deemed to be an express or implied waiver of CITY's right under this

LEASE to prohibit any future assignment or sublease without the written consent of the City Manager. CITY acknowledges that LESSEE has sublet limited use of the premises to Redemption Church (SUBLESSEE) and that SUBLESSEE has agreed to comply with the terms of this Lease through an executed Memorandum of Understanding between LESSEE and SUBLESSEE that expires on December 31, 2021. CITY agrees that the Redemption Church sublease and Memorandum of Understanding may be renewed annually for the duration of this LEASE. CITY may revoke permission for the Redemption Church sublease in writing.

10. INDEMNIFICATION: Unless as a result of the sole negligence of CITY or CITY's failure to abide by the terms of this LEASE, LESSEE hereby indemnifies and agrees to hold CITY harmless from and against all claims, which either arise from or in relation to the possession, use, occupancy, management, repair, maintenance or control of the premises or any portion thereof, or as a result of any default, breach, violation or non-performance of this LEASE or any provision of the LEASE by LESSEE. LESSEE will defend, notwithstanding the CITY's right to participate, any claims against CITY with respect to the foregoing. LESSEE will pay, satisfy, and discharge any judgments, orders and decrees which are recovered against CITY in connection with the foregoing. CITY hereby indemnifies and agrees to hold LESSEE harmless and to defend any claims against LESSEE in any action where CITY was solely negligent or failed to abide by the terms of this LEASE.

11. LIABILITY INSURANCE: CITY will not be liable to LESSEE, or to any other person, for any damage caused by an act or omission of any person occupying any space adjacent to or adjoining the premises unless the CITY or its agents caused the loss or damage. Except for loss or damage caused by CITY's sole negligence, CITY will not be responsible or liable to LESSEE for any loss or damage incurred by LESSEE or affecting LESSEE's property from, but not limited to, any natural or manmade disaster or water, gas or steam, or the bursting, stoppage or leakage of pipes. LESSEE agrees to indemnify and hold the CITY harmless from and defend the CITY against any and all such claims or liability for any injury or damage to any person or property whatsoever, occurring in or on the premises or occurring as a result of the use of any of the facilities or appliances anywhere on the premises. LESSEE further agrees to provide and pay for a general liability insurance policy with a minimum limit of One Million and no/100 Dollars ($1,000,000.00) per occurrence and Two Million and no/100 Dollars ($2,000,000.00) aggregate for bodily injury or death resulting therefrom, or for damage to the premises and shall name CITY as an additional insured by endorsement. This policy of insurance must be primary

coverage for all claims and losses arising from the use, occupancy and operation of the premises under this Agreement. LESSEE must also maintain comprehensive, extended coverage insurance upon LESSEE's personal property located in the premises. The policies of insurance required herein must not be suspended, voided, canceled or reduced in coverage without the prior written consent of CITY and must contain a provision that written notice of cancellation or of any material change in said policy by the insurer shall be delivered to CITY not less than THIRTY (30) days in advance of the effective date thereof. The minimum limits of the policy of insurance required by this Section do not limit the liability of LESSEE hereunder. LESSEE must, prior to occupancy of the premises, deliver to CITY copies of the policies of insurance required herein or certificates evidencing the existence and amounts of such insurance with loss payable clauses reasonably satisfactory to CITY.

12. DEFAULT:

A. Each of the following individual events constitutes a default of this LEASE:

(1) Insolvency, including an assignment for the benefit of creditors or the filing or acquiescence to a petition in any court in any bankruptcy, reorganization, composition, extension, arrangement or insolvency proceeding.

(2) Assignment by operation of law.

(3) Vacating of the premises for a period of 30 consecutive days after occupancy, without the written consent of the CITY.

(4) Refusal to take possession of the premises or any conduct of allowing the premises to remain unoccupied and unattended.

(5) Failure to pay any installment of rent, if applicable, or any other charge required to be paid by LESSEE under this LEASE when due and payable and said failure remains uncorrected 10 days after the date on which written notice from the CITY is received.

(6) Failure to perform any other duty or obligation required to be performed by LESSEE under this LEASE and the failure remains uncorrected 10 days after the date on which written notice from the CITY is received.

(7) Loss of non-profit status.

(8) Failure to continuously use the leased premises for the purposes described herein.

B. EFFECT OF DEFAULT: In the event of default by LESSEE for breach of any term or

condition of this LEASE, CITY may by written notice advise LESSEE of CITY's intention to cancel or terminate this LEASE upon the expiration of 30 days after the date on which the notice from the CITY is received. A written notice provided under this paragraph B of this Section 12 must specify the breach. If, at the expiration of the notice period, the LESSEE has not cured the default, the term of this LEASE automatically terminates. Upon such automatic termination, LESSEE must immediately quit and surrender the premises to CITY. LESSEE's liability under all of the provisions of this LEASE will continue notwithstanding any such automatic termination and surrender, or reentry, repossession or other disposition pursuant to the following paragraph with a setoff to LESSEE for any new rents collected by the CITY from any new tenant during the term of this LEASE. Such setoff shall not exceed the financial obligation of LESSEE under the LEASE.

Upon the expiration or early termination of this LEASE, CITY or its agents or employees may immediately, or anytime thereafter, enter the premises and remove LESSEE, LESSEE's agents, any subtenants, licensees, concessionaires or invitees and any of their property from the premises. Reentry and removal may be effectuated by summary dispossession proceedings or by a suitable action or proceeding at law, by force or by any other lawful means for repossession and enjoyment by CITY of the premises. CITY is entitled to the benefits of all provisions of law concerning the speedy recovery of lands and tenements held over by CITY or proceedings in forcible entry and detainer. LESSEE's liability, subject to any setoff, will survive CITY's reentry, the institution of summary proceeding and the issuance of any warrants with respect thereto.

C. DEFICIENCY: If this LEASE is terminated pursuant to paragraph B of this Section12, LESSEE will remain liable to the extent legally permissible and in addition to accrued liabilities for any rent, repairs, and all other applicable charges LESSEE would have been required to pay until such date this LEASE would have terminated in accordance with the initial term of this LEASE had earlier termination not occurred. LESSEE's liability for any rent, repairs, and all other applicable charges will continue notwithstanding reentry or repossession of the premises by CITY subject to a setoff pursuant to paragraph B of this Section 12.

D. ATTORNEY'S FEES AND COSTS: The prevailing Party in any action or proceeding to enforce the terms of this Agreement has the right to collect from the other Party its reasonable costs and necessary disbursements and attorney's fees in initiating or defending the action or proceeding, as applicable.

E. WAIVER OF REDEMPTION: Except for any setoff expressly set forth hereinabove, LESSEE hereby waives to the fullest extent legally permissible, for itself and for all other persons

who claim by, through or under LESSEE, any right of redemption or for the restoration of this LEASE in the event LESSEE is dispossessed for any cause or in the event CITY obtains possession of the premises in accordance with this LEASE.

F. CITY MAY CURE LESSEE'S DEFAULT: If LESSEE is in default of this LEASE, CITY may, at its sole discretion and without incurring any ongoing duty or obligation, cure the default at any time for LESSEE. If CITY cures a default for LESSEE, LESSEE must reimburse CITY for any amount expended by CITY in connection to the cure. CITY is also entitled to interest at the maximum legal rate on any amount advanced by CITY to cure a default of LESSEE, calculated from the date the expense is incurred to the date of reimbursement.

G. RIGHTS AND REMEDIES: The rights and remedies of CITY set forth herein are in addition to any other rights and remedies now or hereinafter provided by law. All rights and remedies of CITY are cumulative and not exclusive of each other. No delay or omission by CITY in exercising a right or remedy shall be construed to exhaust or impair the same or constitute a waiver of, or acquiescence to, a default. No waiver of a default shall be construed to extend to or affect any other default or impair any right or remedy of CITY with respect thereto. A voluntary waiver by CITY of any default of LESSEE is not valid or binding unless it is in made in writing.

13. CHOICE OF LAW AND FORUM: The Parties hereby agree that the laws of the State of Nevada govern the validity, construction, interpretation and effect of this LEASE. The Parties further agree that any dispute or legal proceeding arising from or relating to this LEASE is subject to the sole jurisdiction of the state courts in the State of Nevada and must be filed in the First Judicial District Court located in Carson City.

14. HOLDING OVER AND TENANCY AT WILL: LESSEE has no right to retain possession of the premises beyond the expiration or termination of this LEASE. If, notwithstanding any other provision of this LEASE and only by express written consent of CITY, LESSEE continues to remain in the premises for an unspecified duration beyond the initial term of this LEASE, tenancy of the premises will be from month to month only and shall not constitute a renewal or extension of this LEASE. In the event of such a holdover, LESSEE hereby agrees to pay any rent and other applicable charges as provided herein and to comply with all covenants, conditions, provisions and obligations of this LEASE for the period of time that LESSEE holds over. During such tenancy at will, LESSEE may possess the premises until such time CITY provides LESSEE written notice of termination not less than 10 days before the end of the month.

15. SALE OF PREMISES: In the event of a sale or conveyance by CITY of the premises, the sale or conveyance may be subject to the terms and conditions of this LEASE. CITY may, however, elect at its sole discretion to terminate this LEASE in the event of a sale or conveyance. If CITY terminates this LEASE pursuant to this Section 15, CITY must provide to LESSEE written notification of the termination not less than thirty (30) days before the date on which this LEASE is to terminate as a result of the sale or conveyance. If this LEASE is terminated pursuant to this Section 15, the Parties hereby agree that LESSEE is not entitled to any consideration or compensation for the termination and that LESSEE will vacate the premises on or before date of sale or conveyance. If CITY elects not to terminate this LEASE upon the sale or conveyance of the premises and instead elects for the sale or conveyance to be subject to the terms and conditions of this LEASE, LESSEE agrees to look solely to the successor in interest of CITY to satisfy the terms of this LEASE and to release CITY from any liabilities or obligations arising from or relating to this LEASE. CITY may transfer any security deposits held from LESSEE to its successor in interest and thereupon CITY is discharged from any further liability related thereto.

16. CONDEMNATION: If the entirety of the premises is taken by eminent domain, condemnation, or purchase under threat thereof, except for a taking for temporary use, this LEASE is automatically canceled as of the date of taking. If only a portion of the premises is taken, CITY may terminate this LEASE at its sole discretion. The option to terminate pursuant to a partial taking may be exercised by CITY not more than 6 months after the date of the taking by providing to LESSEE written notice that the LEASE will be terminated.

If there is a taking of the premises for temporary use, this LEASE shall continue in full force and effect, and LESSEE must continue to comply with LESSEE's obligations under this LEASE except to the extent compliance is rendered impossible or impracticable by reason of the taking. All compensation awarded upon the condemnation or taking belongs to CITY and LESSEE shall have no claim thereto in law or equity. LESSEE hereby expressly waives any interest in a condemnation proceeding or litigation.

17. SUBORDINATION: LESSEE agrees that this LEASE is and shall be subordinate to any mortgage, deed of trust or other instrument of security, existing on the land and building of which the premises are a part. Such subordination is hereby made effective without any further act by LESSEE. LESSEE agrees at any time, upon request by CITY, to execute and deliver any instrument, release or other document that may be required in connection with subjecting and subordinating this LEASE to any lien or mortgage, deed of trust or other instrument of security.

This provision is of no legal effect unless and until the holder of the mortgage, deed of trust or other instrument of security in question delivers to LESSEE a written agreement providing in effect that so long as LESSEE is not in default in the performance of its obligations under this LEASE, LESSEE shall not be disrupted in its possession of the premises hereunder.

18. SIGNS: LESSEE shall not place or permit to be placed any sign, marquee, awning, decoration or other attachment on, through, or to the roof, exterior windows, doors or exterior walls of the premises without first obtaining any applicable City permit and the written consent of CITY as Party to this Agreement. LESSEE agrees that CITY has an interest in ensuring an aesthetically tasteful uniformity in the building of which the premises are a part and further agrees that in furtherance of this interest CITY may, without prior permission or liability, enter onto the premises and remove any such sign, marquee, awning, decoration or attachment affixed in violation of this Section 18. LESSEE further agrees to pay all costs incurred by CITY for the removal thereof.

19. SURRENDER OF LEASE: No act or conduct of CITY, whether consisting of the acceptance of the keys to the premises or otherwise, shall be deemed to constitute an acceptance of the surrender of the premises by LESSEE prior to the expiration of the term hereof. Acceptance by CITY of surrender of the premises by LESSEE must be evidenced by a written acknowledgement of acceptance of surrender by CITY. The voluntary or other surrender of this LEASE by LESSEE, or a mutual cancellation thereof, shall not constitute a merger, and CITY may terminate all or any existing subleases, subtenancies or concessions, or may, at its sole option and discretion, accept any and all such subleases, subtenancies or concessions as being legally binding and enforceable.

20. NOTICES: All written notices or demand of any kind which either Party hereto may be required or may desire to serve on the other in connection with this LEASE must be delivered by personal service, by registered or certified mail, recognized overnight courier service, facsimile transmission or confirmed electronic mail, addressed to the respective Parties at the physical addresses, facsimile numbers or electronic mail addresses set forth below:

CITY: CARSON CITY MANAGER
CARSON CITY
201 N. CARSON STREET
CARSON CITY, NV 89701
FAX: (775) 887-2286

LESSEE: EXECUTIVE DIRECTOR
CHILDREN'S MUSEUM OF NORTHERN NEVADA
813 N. CARSON STREET
CARSON STREET, NV 89701
email: CBrandon@cmnn.org

Service of any such notice or demand so made by personal delivery, registered or certified mail, recognized overnight courier or facsimile transmission shall be deemed complete on the date of actual delivery as shown by the addressee's registry or certification receipt or, as to facsimile transmissions, by transmission confirmation, as applicable, or at the expiration of the third (3rd) business day after the dispatch, whichever is earlier in time. Either Party hereto may from time to time, by notice in writing served upon the other as aforesaid, designate a different mailing address or facsimile number to which all such notices or demands are thereafter to be addressed.

21. NO ORAL CHANGES: This LEASE may not be amended or terminated orally.

22. SUCCESSOR AND ASSIGNS: Except as otherwise provided, this LEASE shall bind and inure to the benefit of the Parties and their respective successors, representatives, heirs, and assigns.

23. UTILITIES: LESSEE shall obtain, maintain and pay for all utilities, including, without limitation, electricity, natural gas, water, sewer, trash, landscape maintenance, telephone and internet. To the extent any such utilities are not separately metered, CITY may elect to obtain one or more utility service for the premises, in which event CITY may prorate the cost of any such utility service for the premises and charge LESSEE for the same by providing a written invoice. Payment must be made by LESSEE not more than thirty (30) calendar days after the date of invoice. CITY shall not be liable in any respect whatsoever for the inadequacy, stoppage, interruption or discontinuance of any utility service due to riot, strike, labor dispute, breakdown, accident, repair or any other cause beyond CITY's reasonable control or in cooperation with governmental request or directions.

24. QUIET ENJOYMENT: CITY agrees that so long as LESSEE is in full compliance with the provisions of this LEASE, LESSEE is entitled to quietly enjoy the premises for the full term of this LEASE. No use shall be made or permitted to be made of the premises or any part thereof and no acts will be done therein which may disturb the quiet enjoyment of any other tenant in the building of which the premises are a part.

25. SNOW REMOVAL: CITY and LESSEE agree CITY shall not be responsible for snow and ice conditions which are acts of God. Snow and ice removal from the grounds shall be the responsibility of LESSEE

26. COMPLIANCE WITH THE LAW: LESSEE shall promptly execute this LEASE and comply with all applicable local, state and federal laws and regulations, including, without limitation, rules, orders, building codes, ordinances, policies, the Americans with Disabilities Act of 1990 (42 U.S.C. §§ 12101 et seq.), the Nevada Occupational Safety and Health Act, federal occupational safety and health standards which the Secretary of Labor promulgates or amends, and any other requirements. Nothing herein contained shall be construed to restrict LESSEE from contesting the validity of any such local, state or federal provisions, but only if LESSEE indemnifies CITY to CITY's reasonable satisfaction against the consequences of noncompliance during any period of dispute.

27. ENTIRE AGREEMENT: This instrument, along with any fully executed exhibits and attachments hereto, constitutes the entire agreement between the Parties. This Agreement may only be altered, amended, or revoked by an instrument in writing signed by both Parties, notwithstanding any other provisions of this LEASE. It is understood that there are no oral agreements between the Parties hereto and that all previous negotiations, discussions and previous leases between the Parties affecting this LEASE are expressly superseded by this LEASE.

28. ATTORNEY'S FEES: In the event any action or proceeding is brought for an unlawful detainer of the premises, for the recovery of any rent other applicable charges due under the provisions of this LEASE or for LESSEE's breach of any other condition contained herein, LESSEE shall pay to CITY reasonable attorney's fees, which shall be deemed to have accrued on the commencement of the action and must be paid upon the successful completion of the action by CITY. LESSEE is entitled to attorney's fees in the same manner if judgment is rendered in favor of LESSEE.

29. WAIVER: The failure of CITY or LESSEE to insist upon strict performance of any of the covenants, terms or provisions contained in this LEASE or to exercise any option herein conferred in any one or more instances, shall not be construed to be a waiver or relinquishment of any said covenants, terms or provisions, but the same shall remain in full force and effect.

30. REMEDIES: The remedies given to CITY and LESSEE are cumulative, and the exercising of any one remedy is not to the exclusion of any other remedy.

31. EARLY TERMINATION: This LEASE may be terminated before the end of the term set forth hereinabove or before the expiration of any renewal or extension period, if applicable, if notice of at least 90 days is provided to the other Party:

A. By CITY, if CITY determines that there is a need to use the premises for a different public purpose.

B. By CITY, if CITY determines that insufficient public money has been appropriated to perform some or all of CITY's obligations in accordance with this LEASE, without any such termination for non-appropriation or insufficient appropriation being defined or construed as a breach or default on the part of either Party.

C. By LESSEE, if LESSEE determines that securing the use of different premises would be more advantageous for LESSEE and CITY agrees there is no detriment to CITY. For purposes of this provision only, termination of this LEASE alone shall not be construed as a detriment to the CITY.

D. By CITY or LESSEE, if either CITY or LESSEE determines that the purpose of this LEASE is substantially impaired or obstructed by any unforeseen event, occurrence or circumstance outside the control of CITY or LESSEE, without prejudice or penalty to either Party hereto and without such event, occurrence or circumstance being defined or construed as a breach or default on the part of either Party.

32. FORCE MAJEURE: Any delay or stoppage of business due to acts of God, enemy or hostile action, fire or other casualty, shall excuse the performance by either Party to this LEASE for a period equal to any such delay or stoppage.

[The remainder of this page is blank. The signature blocks begin on the next page.]

IN WITNESS WHEREOF, the Parties have executed this LEASE on the day and year first above written.

CITY:

CARSON CITY, NEVADA, A CONSOLIDATED MUNICIPALITY

Lori Bagwell

Lori Bagwell, Mayor

LESSEE:

CARSON CITY CHILDREN'S MUSEUM, a Nevada Non-Profit Corporation

PRESIDENT

Melanie McCormick

Attest:

Aubrey Rowlatt

Aubrey Rowlatt, Clerk-Recorder

Approved as to Form:

Deputy District Attorney Todd Reese