

LEASE

This Lease (the "Agreement") is made effective as of the 21st day of September, 2017 (the "Effective Date") by and between the City of North Las Vegas, a Nevada municipal corporation (the "City") and Ames Construction Inc., a Minnesota corporation (the "Ames Construction").

RECITALS

A. The City owns certain real property located at 2250 Las Vegas Boulevard North, North Las Vegas, Nevada 89030 (the "City Hall").

B. The Nevada Department of Transportation named Ames Construction as the best value bidder for the Interstate 15/Garnet interchange project, located just north of Apex Industrial park in North Las Vegas (the "Project").

C. Ames Construction has expressed a desire to lease a portion of the third floor of City Hall for its Nevada team to serve as a Southern Nevada office during the work schedule of the Project, which is anticipated to last approximately twelve (12) months.

D. The City has determined that entering into a lease with Ames Construction is in the best interests of its citizens since the establishment of a project management office for the Project will foster economic growth and development by expanding job opportunities for the community, as further set forth under the terms and conditions of this Agreement.

AGREEMENT

IN CONSIDERATION of the mutual covenants contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency the parties hereby acknowledge, the parties agree as follows:

1. Lease. The City leases to Ames Construction certain portions of City Hall, as more particularly described below and shown on the attached Exhibit A and B, the terms of which are hereby incorporated by reference into this Agreement (collectively, the "Premises"):

1.1. Commencing on the Effective Date and continuing until March 21, 2018, ^{SA} Ames Construction shall lease ~~Eight Thousand Two Hundred and Three square feet~~ ^{ten thousand and eight square feet} (10,008 ft²) on the third floor of the City Hall, as depicted in Exhibit A, comprised of Suites 300 and 310, which includes: (a) an open space/entry area 300, 302, 308, 316 and 317, (b) Offices 303, 304, 305, 306, 311, 313, 314, 318 and 319, (c) storage room/media space 307 and 312, (d) conference rooms 301 and 309, and (e) shared use of common space such as hallways, bathrooms, break rooms and health center.

1.2. Commencing on March 22, 2018 and continuing until September 22, 2018, Ames Construction shall lease Five Thousand Eight Hundred Four Nine square feet (5,849) on the third floor of City Hall, as depicted in Exhibit B, comprising Suite 310 and a portion of Suite 300, which includes: (a) open space/entry area 308, 316 and 317, (b) Offices 311, 313, 314, 318 and 319, (c) storage room/media space 312, (d) conference room 309, and (e) shared use of common space such as hallways, bathrooms, break rooms and health center.

1.3. Ames Construction will be permitted to remove the existing furniture in the Premises upon prior written notice to the City. Ames Construction shall be solely responsible for the cost and expense of the removal of the existing furniture, furnishings and cubicles and the relocation of any owned furniture, furnishings and cubicles. The City shall retain ownership of all removed or relocated furniture, furnishings and cubicles and shall notify Ames Construction of the storage location for the removed property.

2. Term and Renewal.

2.1. The term of this Agreement shall be commence on September 21, 2017 and shall continue for twelve (12) months, unless this Agreement is terminated earlier as provided herein (the "Term").

2.2. The City shall deliver possession of the Premises to Ames Construction upon the Commencement Date.

2.3. Unless earlier terminated as provided herein, at the expiration of the Term, Ames Construction shall be entitled to up to six (6) renewal terms of two (2) months each, under the terms and conditions set forth by the City, including, without limitation, an adjustment to the rent. Ames Construction shall provide prior written notice to the City at least one hundred and twenty (120) days prior to the expiration of the Term and at least thirty (30) days prior to the expiration of any renewal term as to whether Ames Construction intends to renew this Agreement, so that the City may provide the terms and conditions of such renewal term.

3. Rent.

3.1. Ames Construction shall pay to the City for the first six months (6) of the Term, at such place as the City may designate in writing, without prior any demands, deductions or set offs whatsoever, rent in the amount of One Hundred Eleven Thousand Eighty-Eight Dollars and 80/100 (\$111,088.80) to be paid in six (6) equal monthly installment payments of Eighteen Thousand Five Hundred Fourteen Dollars and Eighty Cents (\$18,514.80). During the second six (6) months of the Term, Ames Construction shall pay rent to the City in the amount of Sixty-Four Thousand Nine Hundred Twenty Three Dollars and 90/100 Dollars (\$64,923.90) to be paid in six (6) equal monthly installment payments of Ten Thousand Eight Hundred Twenty Dollars and Six Five Cents (\$10,820.65). All of the payments equaling One Hundred Seventy-Six Thousand and twelve Dollars and 70/100 (\$176,012.70), as described in this Section

3.1 and any other payment obligations of Ames Construction described anywhere else in this Agreement, shall all be considered "Rent" pursuant to the provisions of Nevada law.

3.2. All Rent shall be paid at such place as the City may designate in writing, without prior any demands, deductions or set offs whatsoever.

3.3. Commencing on October 1, 2017 and continuing every month thereafter, each of the Rent payments shall be payable in advance on the first (1st) day of each calendar month.

3.4. The parties acknowledge and agree that the rent payments set forth in Section 3.1 shall cover Ames Construction's share of utility costs, light janitorial services, use of common areas, security personnel during the City's normal business hours, and parking as more particularly described herein. Notwithstanding the foregoing, Ames Construction shall be solely responsible for the cost and expenses of telephone and computer installation and usage.

3.5. Prior to moving into the Premises, Ames Construction will pay a security deposit in the amount of Eighteen Thousand Five Hundred Fourteen Dollars and Eighty Cents (\$18,514.80).

4. Late Charges. If Ames Construction fails to pay any installment of Rent within fifteen (15) days of the due date, Ames Construction shall pay the City a late payment charge equal to five percent (5%) of any overdue amount ("Late Charge"). The parties acknowledge that the Late Charge is a fair and reasonable amount to compensate the City in the event of a late payment.

5. Acceptance of the Premises. Ames Construction has had the full opportunity to inspect and approve the condition of the Premises. Ames Construction accepts the Premises in its current condition, "as-is", "where is" and with all faults. The City shall not be responsible for improvements of any type on the Premises. During the Term and any renewal term of this Agreement, Ames Construction agrees to maintain the Premises in the same or better condition as of the Commencement Date, at Ames Construction's sole cost and expense.

6. Permitted Use.

6.1. Ames Construction shall only use the Premises as administrative offices for Ames Construction personnel. The Premises shall not be open to the general public. Ames Construction shall not use the Premises for any other use without the prior written consent of the City.

6.2. Ames Construction shall not hold any community events or other public events on the Premises or on any portion of the City Hall without prior written consent of the City.

6.3. Ames Construction shall not use or permit the use of the Premises in a manner that is unlawful, creates damage, waste or a nuisance, or that disturbs occupants of or causes damage to neighboring premises, properties or any other portion of the City Hall.

6.4. Ames Construction shall have access to the Premises twenty-four hours a day, seven days a week, unless otherwise directed by the City Manager. The City shall provide security access cards for Ames Construction employees. Ames Construction shall pay Fifteen and no/100 Dollars (\$15.00) for each initial security access card for its personnel. Lost security access cards will be replaced at a cost of Twenty-Five Dollars and no cents (\$25.00) for each card, to be paid by Ames Construction. Ames Construction shall designate one person to serve as a liaison to communicate with the City regarding the Premises, including, without limitation, to request security access cards, to plan lock changes and to request building maintenance assistance.

6.5. Ames Construction shall comply with all City rules, regulations and policies currently in effect or which the City may hereafter adopt for the safety, care and orderly operation of the Premises and for the benefit and comfort of other occupants of the Premises. The City shall make available to Ames Construction a copy of the current and applicable rules, regulations and policies in effect as of the Effective Date. The City will provide written notice of any changes or additions to the rules, regulations, and policies which will impact the Premises.

6.6. Ames Construction may use all appliances, furniture and furnishings owned by the City in the Premises during the term of this Agreement. Any additional appliances, furniture, fixtures and equipment necessary for Ames Construction's intended use of the Premises shall be provided by Ames Construction, at its sole cost and expense; provided, however, that Ames Construction shall obtain the City's written approval prior to installing any appliances. The City does not warranty, nor will it replace, any appliances during the term.

7. Taxes. Ames Construction shall promptly pay and discharge when due all taxes, assessments and other governmental charges, if any, levied on or attributable to personal property located upon the Premises, or Ames Construction's use of the Premises. The City shall promptly pay and discharge when due all taxes, assessments and other governmental charges for any utilities or services serving the Premises.

8. City's Insurance. At City's expense, the City shall maintain a self-insurance retention in such an amount to afford the City adequate protection of the City Hall. Any proceeds of such insurance shall be the sole property of the City to use as the City determines, in its sole discretion.

9. Ames Construction's Insurance. During the term of this Agreement, Ames Construction shall obtain and keep in force at its own expense, the following insurances: (a) Workers' Compensation Insurance as required by applicable legal requirements, covering all

persons employed in connection with the matters contemplated hereunder and with respect to whom death or injury claims could be asserted against City or Ames Construction and (b) Commercial General Liability (bodily injury and property damage) insurance in a policy limit of not less than \$1,000,000 for combined single limit per occurrence. Such Commercial General Liability insurance policy shall be endorsed as to include the City as an additional insured.

9.1. Certificates of insurance indicating that such insurance is in effect shall be delivered to the City before the Effective Date of this Agreement. If Ames Construction is underwritten on a claims-made basis, the retroactive date shall be prior to or coincident with the Commencement Date of this Agreement, and the certificate of insurance shall state that coverage is claims-made and the retroactive date. It is further agreed that Ames Construction shall provide the City with 30-day advance written notice of policy cancellation of any insurance policy required to be maintained by Ames Construction.

9.2. All insurance policies required hereunder, and all renewals thereof, shall be provided by a company or companies authorized to do business in Nevada and having a A.M. Best rating of A+ or higher, and shall expressly: (a) provide that such policies shall not be cancelled or altered without thirty (30) days prior written notice to the City, (b) waive subrogation against the City, its officers, agents, servants and employees, (c) provide that they are primary and noncontributing with any insurance which City may carry, (d) include or be endorsed to cover Ames Construction's contractual liability to the City, (e) be signed by a person authorized by that insurer and licensed by the State of Nevada and (f) disclose all deductibles and self-insured retentions in the certificate of insurance. No deductible or self-insured retention may exceed \$250,000 without the written approval of the City.

10. Utilities. The City warrants that the existing electrical and plumbing systems on the Premises shall be in good working order at the commencement of the Term of this Agreement. Ames Construction has satisfied itself as to the adequacy of any City-owned utility equipment and the quantity of telephone lines and other service connections to the Premises available for Ames Construction's use. Ames Construction shall make all arrangements for, and pay directly all costs of telephone service on the Premises and data service to the Premises. The City shall make all arrangements for any additional utility services supplied to the Premises, including without limitation, water, waste water, gas, heat, air conditioning, electrical service, sewer and trash, the proportionate share of these costs shall be included in the Rent.

11. Maintenance and Condition. Ames Construction shall keep the Premises clean, safe, and in as good order and repair as the Premises during the term of this Agreement. Ames Construction shall use the Premises in a reasonable manner. Ames Construction shall pay for all damage to the Premises and repairs required due to any act or negligence of Ames Construction, its employees or agents. Ames Construction agrees to maintain and repair the Premises in compliance with all laws, ordinances, and regulations.

12. Security. The City agrees to provide limited security services for the Premises to the common areas of the City Hall and the parking area on Monday through Thursday from 8:00 am PST to 7:00 pm PST, the proportionate share of these costs has been included in the Rent. Ames Construction shall not secure any additional security services unless Ames Construction obtains prior written approval from the City Manager.

13. Limited Janitorial Services. Ames Construction shall be entitled to limited janitorial services of the Premises, including daily cleaning of restrooms, daily cleaning of third floor break room, vacuuming of Premises upon a schedule determined by the City, and daily removal of all trash deposited into the large bins in the break room. Ames Construction personnel shall be responsible for all personal work area trash collection. The City's janitorial service does not include emptying trash containers within Ames Construction's office space.

14. Tenant Improvements.

14.1. Ames Construction shall not paint or deface the Premises, or make any alterations, additions, or improvements without obtaining the prior written consent of the City. Unless otherwise agreed to in writing, all alterations, additions, and improvements shall become the property of the City and shall remain on the Premises at the expiration or termination of this Agreement.

14.2. Ames Construction Inc. may use all furniture and furnishings in the Premises during the Term, and any renewal term, of this Agreement. Any removal of existing furniture and furnishings or additional furniture, fixtures and equipment necessary for Ames Construction's intended use of the Premises shall be provided by Ames Construction, at its sole cost and expense and upon prior written approval of the City.

14.3. The City shall not provide any exterior signage on the City Hall from the Ames Construction. The City shall provide interior signage in the City Hall for Ames Construction. to the same extent provided for other City departments.

15. Parking. Ames Construction's personnel are entitled to use the employee parking areas (non-customer identified parking) adjacent to the City Hall. Ames Construction will not have any designated parking spaces. All parking spaces shall be used on a first come, first served basis. Neither Ames Construction nor its personnel will leave any vehicles overnight in the parking areas adjacent to the City Hall.

16. Hazardous Materials Prohibited. Ames Construction shall not use the Premises, nor permit the Premises to be used, for storing, disposing of, or treating any hazardous substances, hazardous waste, regulated substance, radioactive waste, solid waste as defined by the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. §

9601 *et seq.*; the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 *et seq.*; the Toxic Substance Control Act, 15 U.S.C. § 2601 *et seq.*, the Federal Hazardous Substances Act, 15 U.S.C. § 1261 *et seq.*; The Occupational Safety and Health Act, 29 U.S.C. § 61 *et seq.*; the Hazardous Materials Transportation Act, 49 U.S.C. § 1801 *et seq.*; NRS Ch. 444; and NRS Ch 459.

17. Brokers. The City and Ames Construction each warrant to the other that it has not dealt with any broker or agent in connection with this Agreement.

18. Loss or Damage. Unless caused by the negligence or intentional act or omission of the City or its employees or agents, the City shall not be liable for any loss, damage or theft of any property of Ames Construction or others kept or stored in or about the Premises.

19. Indemnification. Notwithstanding any of the insurance requirements set forth herein or limits of liability set forth therein, Ames Construction shall defend, protect, indemnify and hold harmless the City, and its officers, agents and employees, from any liabilities, claims, damages, losses, expenses, proceedings, suits, actions, decrees, judgments, reasonable attorney fees, and court costs which the City suffers, or its officers, agents or employees suffer, as a result of, or arising out of, the negligent or intentional acts or omissions of Ames Construction, its subcontractors, agents, and employees, or anyone employed by any of them, in fulfillment or performance of the terms, conditions or covenants of this Agreement. This Section 19 shall survive the termination or expiration of this Agreement until such time as the applicable statutes of limitation expire.

20. Default. Ames Construction shall be in default of this Agreement upon the occurrence of any one of the following events:

20.1. Failure to pay any installment of Rent or any other amount required herein which shall continue for thirty (30) days after the same is due; or

20.2. Failure to perform or observe any other covenant, term or condition of this Agreement which shall not be corrected within thirty (30) days after written notice from the City, or for such longer period as may be reasonably necessary to correct such default.

20.3. In the event that Ames Construction is in default of this Agreement, the City shall be entitled to all legal and equitable remedies, including, without limitation, the right to terminate the Agreement. Upon such termination, all rights and obligations of the parties hereunder shall cease and the City shall not be liable to Ames Construction for any cost or expense related to relocating or securing replacement premises.

21. No Waiver. The failure of the City or Ames Construction to require strict performance by the other of any covenant, term or condition of this Agreement is not a waiver

for the future of any breach of the same or any other covenant, term or condition herein. The City's acceptance of rent is not a waiver of any breach by Ames Construction.

22. Remedies Cumulative. To the extent permitted by law, the rights and remedies of the parties herein are cumulative, and the exercise of any one of them will not be deemed to be in exclusion of any other. The rights and remedies herein are in addition to any other rights and remedies available to the parties at law or equity.

23. Surrender and Holding Over. At the expiration or sooner termination of this Agreement, Ames Construction. will remove its effects and peaceably deliver possession of the Premises to the City in as good repair and condition as they were at the commencement of this Agreement, ordinary wear and tear excepted. Any property left on the Premises after Ames Construction. vacates or abandons the Premises shall be deemed abandoned and the City may remove, store or dispose of the same as it sees fit, subject to applicable law. Ames Construction. holds over beyond the expiration or termination of this Agreement and rent is accepted by the City, a month to month tenancy only shall be created which will otherwise be governed by the terms and conditions of this Agreement. Nothing in this section shall be construed as consent to any holding over by Ames Construction.

24. Notices. All notices and communications under this Agreement shall be in writing and shall be deemed to be properly given when delivered personally or sent by certified mail, return receipt requested, to the following:

City: City of North Las Vegas
Attn: Gina Gavan, Director of Economic Development
2250 Las Vegas Boulevard North, Suite 900
North Las Vegas, Nevada 89030

Ames Construction Inc.:
Seth Alexander, Project Manager
3737 West 2100 South
West Valley City, UT 84120

or to such other address as either party may specify in writing to the other.

25. Entire Agreement. This Agreement contains the entire agreement and understanding between the parties regarding the Premises and is subject to no agreements, conditions or representations that are not expressly set forth herein. This Agreement may only be amended in writing and signed by both the City and Ames Construction.

26. Invalid Provision. If any provision of this Agreement shall be invalid or unenforceable, the remaining provisions shall remain in full force and effect.

27. Captions. The captions in this Agreement are inserted only for convenience and in no way construe or interpret the provisions hereof or affect their scope or intent.

28. Governing Law. The laws of the State of Nevada and the North Las Vegas Municipal Code govern this Agreement without regard effect to any choice of law provisions.

29. Access to Premises. The City and its agents shall have the right to enter the Premises during the normal business hours of Ames Construction. upon prior, reasonable notice (provided that no such notice shall be required in case of emergency) for the purpose of examining or inspecting the same, serving or posting and keeping posted thereon notices as required by law and for making such repairs, to the Premises or the City Hall as necessary.

30. Compliance with Law. Ames Construction agrees to comply with all applicable federal, state and local laws and that it will not, at any time, during the Term, carry any stock of goods or do anything in or about the Premises that would reasonably tend to increase the insurance rates upon the City Hall.

31. No Assignment. Ames Construction shall not and have no power to, either voluntarily or by operation of law, sell, assign, transfer or hypothecate this Agreement, or sublet the Premises or any part thereof, or permit the Premises or any part thereof to be occupied by anyone other than Ames Construction or its employees without the prior written consent of the City.

32. Prevailing Party. In the event any action is commenced by either party against the other in connection herewith, the prevailing party shall be entitled to its costs and expenses, including reasonable attorneys' fees, as determined by the court, including without limitation, fees for the services of the City Attorney's Office. This Section shall survive the termination of this Agreement until the applicable statutes of limitation expire.

33. Counterparts. This Agreement may be executed in counterparts.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date set forth above.

CITY OF NORTH LAS VEGAS,
a Nevada municipal corporation

By:

John J. Lee, Mayor

Attest: _____

AMES CONSTRUCTION INC.,
a Minnesota corporation

By:


Name: Seth Alexander
Authorized Representative

Catherine A. Raynor, MMC, City Clerk

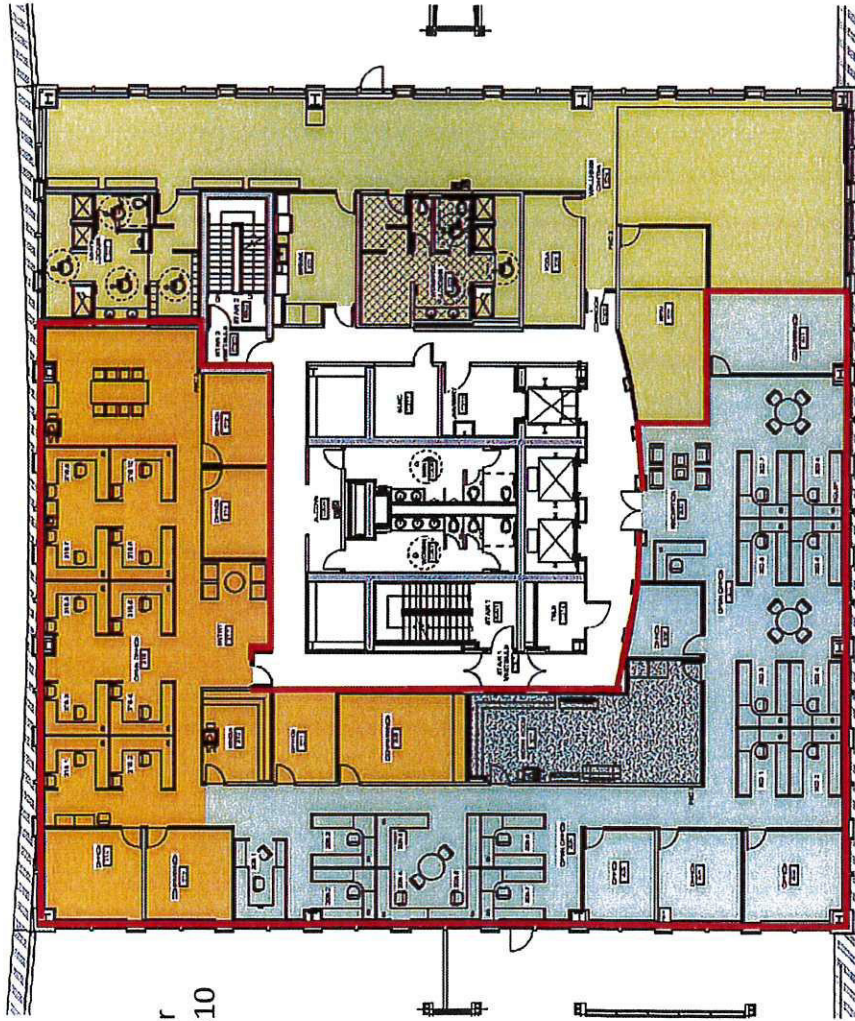
Title:

APPROVED AS TO FORM:

By:

Micaela Rustia Moore, City Attorney

Exhibit A



3rd Floor
Suites 310
& 300

SA

Exhibit B

