

5-28-08  
C.3  
B-1384

**LEASE AGREEMENT**  
**for**  
**APARTMENT AT SKY TAVERN**

THIS LEASE AGREEMENT is made and entered into this 28<sup>th</sup> day of May, 2008, by and between the **CITY OF RENO**, a Nevada municipal corporation hereinafter referred to as "Lessor" and **SKY TAVERN JUNIOR SKI PROGRAM, INC.**, a Nevada non-profit corporation, hereinafter referred to as "Lessee."

1  
RECITALS

- 1.1 **Owner.** Lessor is the sole owner of the premises described below commonly known as the City's apartment at Sky Tavern.
- 1.2 **Existing Agreement.** Sky Tavern Junior Ski Program and the City of Reno are affiliated by virtue of an agreement they entered on July 14, 1998, for the use of certain improved real property known as Sky Tavern. That agreement is be amended substantially concurrently herewith. The 1998 agreement, as amended, shall hereafter be referred to as the "Agreement".
- 1.3 **Intent.** The parties desire to house an employee of Lessee at the City's apartment at Sky Tavern in exchange for the employee performing certain duties at Sky Tavern which benefit both parties, including upkeep of Sky Tavern which the City of Reno would otherwise have to provide.
- 1.4 **Findings of Lessor.** In approving this Lease, and based upon the recommendations of Staff, the Reno City Council finds as follows:
  - 1.4.1 Lessee is a nonprofit organization that is exempt under section 501(c)(3) of the Internal Revenue Code.
  - 1.4.2 Lessee is affiliated with the City by virtue of the Agreement.
  - 1.4.3 Lessee provides valuable services to the residents of the City that the City would otherwise be required to pay for by providing a ski program and by providing the maintenance of Sky Tavern provided for herein.
  - 1.4.4 The rent provided for herein in the form of services is reasonable and appropriate under the factors enumerated in NRS 268.053, particularly in that the real property will be used to facilitate the lessee's providing recreation services of value to members of the public, will assist the Parks, Recreation and Community Services Department in loss prevention and facility upkeep, and will not result in significant expenses to the City.

- 1.5 **Rights.** The parties' desire by this Lease to define their respective rights, duties and liabilities relating to the premises on the terms and conditions set forth herein.
- 1.6 **Lessor's Designee.** The City of Reno's Parks, Recreation and Community Services Department (PRCS) shall designate a representative who shall have authority as set forth hereafter.

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DESCRIPTION OF PREMISES

- 2.1 **Premises.** The subject property of this Lease is the apartment that Lessor owns at Sky Tavern, Reno, Nevada ("Apartment").

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TERM OF LEASE

- 3.1 **Term.** The Apartment will be leased to Lessee until July 14, 2009, unless extended pursuant to mutual written agreement of the parties hereto.
- 3.2 **Earlier Termination of Agreement.** In the event of termination of the Agreement prior to expiration of the aforementioned Term, this lease shall also terminate and Lessee shall have a thirty (30) day period from the date of receipt of written notice from Lessor to vacate the Apartment.

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RENTAL

- 4.1 **Services in Lieu of Rent.** In consideration for leasing the Apartment, Lessee will not pay rent but, instead, shall provide the following services at the Sky Tavern Ski Area and Lodge:
- 4.1.1 Secure the premises by ensuring that all doors, windows, gates and padlocks are locked at appropriate times to prevent unauthorized access; in addition Lessee shall be responsible for promptly reporting to the PRCS designee and necessary authorities any vandalism, broken windows, exterior lighting malfunctions, unauthorized motor vehicles or campfires.
- 4.1.2 Install post and maintain signage as directed and designated by the City of Reno.
- 4.1.3 By December 1<sup>st</sup> of each year, secure picnic tables to deck area by chaining/cabing such tables to the deck grating. In the event the picnic tables are removed, Lessee shall return tables to deck area and re-secure to prevent unauthorized usage.

- 4.1.4 Upon 24 hour advance notice from Lessor of an event requiring the need for snow removal, utilize equipment provided, owned, maintained and insured by Lessee to provide for snow removal from the upper parking lot and all walkways, driveways and entries surrounding Sky Tavern Lodge.
  - 4.1.5 Inspect, report and clean up debris left by non-scheduled, non-permitted users.
  - 4.1.6 Inspect the facility and premises after scheduled events to ensure that they have been left in a satisfactorily clean condition and call the PRCS designee if the facility and premises have not been left in such condition or a problem is discovered. The PRCS designee will fax copies of rental agreements for all scheduled, permitted user groups. At times, groups will be permitted to use the Sky Tavern Lodge without Lessor's staff member in attendance. All scheduled groups will be responsible for their own clean up.
  - 4.1.7 Clean up and properly dispose of weeds, tree limbs and other detritus in the immediate vicinity of the lodge to maintain a neat and clean appearance, and to avoid excessive build up of flammable material.
  - 4.1.8 Monitor propane tank level on a bi-weekly basis and, when needed, call the PRCS designee to order propane for Sky Tavern heating. Lessee shall keep propane fill area clear from snow to facilitate refueling.
  - 4.1.9 Serve to inform non-permitted users to obtain a Sky Tavern Winter Use Permit and provide users with contact information on how to obtain such permit. Notify PRCS enforcement personnel or the PRCS Representative if non-conformance is observed.
  - 4.1.10 Ensure garbage is placed in appropriate receptacles. Make sure that garbage receptacles, when outdoors, are contained in a bear-proof enclosure or devise. Ensure that garbage is not left in containers in the lodge which may lead to a rodent problem. Have garbage receptacles ready for pick up by Waste Management on designated day & time.
- 4.2 **Workers' Compensation Insurance.** Lessee agrees to maintain Workers Compensation coverage for its employees performing the services set forth in Paragraph 4.1 of the Lease. This coverage shall remain in effect

for twelve (12) months a year for the entire term of the Lease, and so long as lessee is providing such services.

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UTILITIES

- 5.1 **Utilities.** Lessor agrees to provide utilities including, without limitation, electric, propane, water and septic.
- 5.2 **Residential Phone Service.** Lessee shall be responsible for providing residential phone service.

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USE OF PREMISES

- 6.1 **Private Residence.** The Apartment shall be used and occupied by an employee, officer or director of Lessee (hereafter "Employee") exclusively as a private residence for the Employee and his or her immediate family and for no other purpose.
- 6.2 **Prior Approval of Employee.** Lessee shall inform Lessor of the identity of any Employee it proposes to house at the Apartment at least seven (7) days prior to occupation, although Lessor may shorten this time at its discretion. Lessor shall have the right conduct a reasonable background investigation of any prospective Employee, including a criminal background check, and Lessee shall cooperate reasonably in the investigation. No prospective Employee may occupy the premises without prior written approval of the PRCS designee, which approval shall not be withheld without reasonable cause.
- 6.3 **Maximum number of Occupants.** Lessee's Employee may be permitted no more than one overnight guest for an extended period (in excess of 2 nights) subject to written approval from the PRCS designee. Guest must execute a waiver and hold harmless agreement with the City of Reno prior to occupancy.
- 6.4 **Employee Agreement.** Prior to permitting a prospective Employee to use the Apartment, Lessee shall cause the prospective Employee to execute an agreement in the form of Exhibit A, hereto, and provide a copy of the agreement to Lessor.
- 6.5 **Notice of Vacancy.** Lessee shall immediately notify Lessor in the event the Apartment becomes vacant or in the event the Lessee learns the Apartment is to become vacant.

6.6 **Relationship of Parties.** Nothing herein shall be construed to constitute a partnership or joint venture. With respect to any employee or agent of Lessee providing services covered by this Agreement, the parties understand:

6.6.1 There shall be no withholding of income or other taxes by Lessor;

6.6.2 There shall be no Industrial Insurance coverage provided by Lessor;

6.6.3 There shall be no participation or contribution by Lessor to the Nevada Public Employees Retirement System;

6.6.4 There shall be no participation in group insurance plans which shall be available to the employees of Lessor;

6.6.5 Lessor agrees to comply with all statues, federal and state regarding compensation for employees and make such compensation in a timely manner. Failure to do so will constitute a breach of this Agreement.

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CONDITION OF PREMISES

7.1 **Inspection.** Lessee stipulates that it has examined the Apartment and that it is at the time of this Lease, in good order, repair and safe, clean and habitable condition.

7.2 **Compliance.** Lessee shall comply with all sanitary laws, ordinances rules and orders of appropriate governmental authorities affecting the cleanliness, occupancy and preservation of the Apartment, sidewalks and roadways connected thereto during the term of this Lease.

7.3 **Furnishings.** Lessee shall provide its own furnishings and appliances, as needed. Lessor shall not be responsible for repairing or replacing refrigerator, washer or dryer.

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PETS

8.1 **Control of Pets.** Lessee shall be permitted to keep a maximum of two (2) pet dogs at the Apartment. If the pet dogs are kept outdoors, they must be kenneled or otherwise controlled in a fashion acceptable to the Lessor. Lessee agrees to submit to Lessor, on an annual basis, proof of any and all County required vaccinations for said pet(s). Lessee shall at all times control pets to ensure that they cause no interference or disturbance of any

authorized activities or users at Sky Tavern Ski Area and Lodge. Lessee shall ensure pet fecal matter is properly removed and disposed. Failure to control pets to the satisfaction of Lessor shall be grounds for termination.

- 8.2 **Liability.** Lessee agrees to indemnify Lessor against, and hold harmless from, any and all claims for injury, property damage or disturbances which may be as a result of Lessee's pets or their actions, behaviors or activities.

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MAINTENANCE AND REPAIR

- 9.1 Lessee shall maintain premises and provide the necessary upkeep of the Apartment for normal use and occupancy. Lessee shall promptly notify the Lessor of any problems at the Apartment which require extensive repair. Except as stated in section 11.4, Lessor shall make all repairs necessary to maintain the habitability of the Apartment during the term of this Lease.

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ALTERATIONS OR IMPROVMENTS

- 10.1 No alterations, modifications or additions, including without limitation, electrical and plumbing changes, are to be made to the Apartment without prior written authorization of the Lessor.

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DAMAGE TO PREMISES

- 11.1 **Security Deposit.** Lessor's representative shall have discretion to require a security deposit as a condition of occupancy at any time. If required, Lessee shall pay Lessor a one time security deposit of \$500 as a condition of further occupancy of the Apartment. Lessor shall then retain the full security deposit for the remaining term of Lease. Upon termination of the Lease, Lessor shall inspect the condition of the premises. If the premises are left in a satisfactory condition, Lessor agrees to return the full security deposit to Lessee. If, however, the premises require repair of damage caused by Lessee the security deposit will be retained by Lessor and used to offset the cost of any necessary repairs.
- 11.2 **Modification.** Lessee shall be responsible for any damage caused by any unauthorized alteration, modification or addition to the Apartment.
- 11.3 **Damage.** Lessee shall be responsible for all damage to the Apartment caused by his negligent or intentional acts or by that of his family, guests, agent or visitors. Lessor shall not be responsible for loss or damage to

Lessee's furnishings, appliances or personal property at the Apartment, unless caused by the gross negligence or intentional act of Lessor.

- 11.4 **Repair; Rebuild.** If the Apartment should be damaged other than by Lessee's negligence or willful act or that of his family, agent, guest or visitor to the extent that Lessor shall decide not to repair or rebuild, the term of the Lease shall end immediately. If Lessor decides to repair or rebuild, Lessee shall be responsible for moving expenses and substitute housing cost if Lessee is required to temporarily vacate the premises during repair or rebuilding of the Apartment.

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ASSIGNMENT AND SUBLETTING

- 12.1 **Assignment.** Lessee shall not assign, sublet or grant any concession or license to use the Apartment or any part thereof, except to the extent use is permitted by Employee as provided herein.

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RIGHT OF INSPECTION

- 13.1 **Inspection.** Given a minimum of one day's notice, Lessor and its agents shall have the right at all reasonable times during the term of this Lease to enter the Apartment for the Purpose on inspecting the premises.
- 13.2 **Deficiencies.** Any deficiencies or problems will be promptly reported to Lessee. Unless the deficiency or problem is the responsibility of the Lessor, the Lessee is responsible for promptly correcting the deficiency or problem. If Lessee does not promptly correct the situation, Lessor may take whatever action it deems necessary and bill Lessee for any expenses incurred. Payment will be due within fifteen (15) days.

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HOLD HARMLESS AND INSURANCE

- 14.1 **Hold Harmless.** Lessee agrees to defend, hold harmless and indemnify Lessor from and against any loss, claim, demand or suit due to personal injury, bodily injury, or property damage to any party (including Employee and any agent, guest or visitor) resulting from any acts or omissions of the Lessee.
- 14.2 **General Liability Insurance.** Lessee agrees that at all times during the existence of this Agreement, it shall maintain in force a comprehensive general liability insurance policy covering and insuring all parties or property occasioned by the activities of the Lessee on Lessor's property. The liability insurance policy is to be a one million dollar (\$1,000,000.00),

combined, single limit, occurrence based policy, in a form satisfactory to the Lessor's Risk Manager. Lessee agrees to furnish a Certificate of Insurance/Endorsement to Lessor's Risk Manager, at Lessee's expense, and to name the Lessor as an Additional Insured under the liability policy. The liability policy shall contain a provision that such policy shall not be cancelled until thirty (30) days prior written notice of cancellation has been received by the Lessor. Insurance coverage by this paragraph shall be provided by a company licensed to do business in the State of Nevada with a Best rating of A.VII or above.

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DEFAULT

- 15.1 If any default is made in the performance of or compliance with any term or condition hereof, the Lease, at the option of the Lessor, shall terminate and be forfeited and Lessor may re-enter the Apartment and remove all persons and contents therefrom. Lessee shall be given written notice of any default or breach and termination and forfeiture of the Lease shall not result if, within five (5) business days of receipt of such notice. Lessee has corrected the default or breach or has taken action reasonably likely to effect such correction within a reasonable time.

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TERMINATION

- 16.1 Upon termination of the Lease and vacating the Apartment, Lessee shall restore the property to its original condition, normal wear and tear expected, and return all keys and other items that were issued Lessee.
- 16.2 Lessee shall immediately notify Lessor in the event an approved Employee vacates the apartment. If another Employee is not identified, approved and the apartment occupied within 14 days of the apartment becoming vacant, Lessor shall have the right to terminate the lease by giving notice of termination, effective immediately. The PRCS Representative may extend this time period in writing. Failure to declare a termination shall not waive the right to declare termination at any other time.
- 16.3 The Lease may be terminated immediately for any cause that threatens the health or safety of the public or may reasonably be perceived as a threat to the structural integrity of the Apartment.
- 16.4 The Lease may be terminated for any breach of the Lease which is not remedied within seven (7) days of giving notice of the breach, provided that if the breach may not reasonably be remedied within seven days, then the lease shall be terminated if Lessee fails to commence reasonable steps



to remedy the breach within seven (7) days and pursue them diligently to completion.

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NOTICES

- 17.1 **Service.** Any notices, request or instructions by a party to be given to another party shall be given in writing, by personal delivery or are to be mailed by certified mail with return receipt requested, to the following addresses or by facsimile copy to the respective number set forth below:

If to Lessor: CITY OF RENO  
c/o Director,  
Parks Recreation and Community Services Department  
P.O. Box 1900  
Reno, Nevada 89505  
Fax Number: (775) 334-2598

**WITH COPY TO:**

City of Reno  
City Attorney's Office  
Attn: Creig Skau, Esq.  
P.O. Box 1900  
Reno, Nevada, 89505  
Fax Number: (775) 334-2420

If to Lessee: Sky Tavern Junior Ski Program, Inc.  
C/O Bill Henderson, Executive Director  
California Building, Idlewild Park  
P.O. Box 1709, Reno, NV 89509-1709  
Fax: (775) 323-4864  
Email: [bill.henderson@skytavern.com](mailto:bill.henderson@skytavern.com)

- 17.2 **Effective Date:** A notice shall be effective on the date of personal delivery if personally delivered before 5:00 p.m. (local time), otherwise on the day following personal delivery, or two (2) business days following the date the notice is postmarked, if mailed as set forth above or, of by facsimile, on the date of actual notice if received before 5:00 p.m. (local time) otherwise on the next business day. Any party may change the address to which notice is to be given by informing the other of such change of address in the manner set forth above.


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REMEDY

18.1 Should either party bring legal action to enforce any provisions of this Lease, the prevailing party shall be entitled to an award of costs and a reasonable attorney's fee.


**SKY TAVERN JUNIOR SKI PROGRAM, INC. (Lessee)**

By:   
Chris Bender, President

Date: 4-18-08

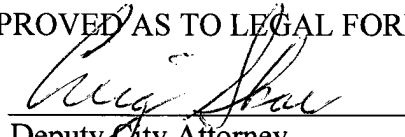
**CITY OF RENO (Lessor)**

ATTEST:

By:   
Robert A. Cashell, Mayor

  
CITY CLERK

APPROVED AS TO LEGAL FORM:

By:   
Deputy City Attorney



## Exhibit A

To Lease Agreement between City of Reno and Sky Tavern Junior Ski Program, Inc.

### APARTMENT USE AGREEMENT

THIS AGREEMENT is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2008, by and between the **SKY TAVERN JUNIOR SKI PROGRAM, INC.**, a Nevada non-profit corporation, hereinafter referred to as "Employer," and \_\_\_\_\_, hereinafter referred to as "Employee".

### RECITALS

- A. Employer has entered into a lease agreement ("Lease") with the City of Reno to lease an apartment at Sky Tavern ("Apartment") owned by the City of Reno. The rent for the Lease is the provision of maintenance and other services at Sky Tavern by an Employee (as defined in the Lease) of Employer.
- B. Employee desires to reside at the Apartment in exchange for his or her duties of employment, including but not limited to, performing Employer's maintenance and other obligations contained in the Lease.
- C. The parties desire to acknowledge certain duties and relationships.

NOW, THEREFORE, the parties agree as follows:

1. Employer hereby grants revocable permission to Employee to use the Apartment.
2. Employee acknowledges that he or she has received a copy of the above referenced Lease.
3. Employee agrees to perform the duties and abide by the limitations set forth in the Lease, in addition to any other duties assigned him or her by Employer. Employee will reasonably cooperate in any background check performed by the City of Reno and will inform the City of Reno and Employer in advance if he or she vacates the premises permanently or for any period longer than three (3) days.
4. Employee understands and agrees that he is not an employee, agent, partner or joint venturer of the City of Reno and that the City of Reno will not be providing employee benefits, including but not limited to: wages; Industrial Insurance coverage; participation in or contributions toward the Nevada Public Employees Retirement System; or group insurance plans available to employees of the City of Reno.
5. Employee agrees that The City of Reno may rely on the representations made herein.

**EMPLOYER:**

**SKY TAVERN JUNIOR SKI PROGRAM, INC.**

By: \_\_\_\_\_  
Chris Bender, President

Date: \_\_\_\_\_

**EMPLOYEE:**

\_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_  
Print Name