

**FIRST AMENDMENT TO THE AMENDED AND RESTATED LEASE AGREEMENT
BETWEEN WASHOE COUNTY AND THE NEVADA HUMANE SOCIETY**

09/20/11

1. PARTIES

This First Amendment to the Amended and Restated Lease Agreement (dated 6/23/09), is entered into between Washoe County, a political subdivision of the State of Nevada, ("County") and the Nevada Humane Society ("NHS"), a Nevada non-profit corporation, or collectively referred to herein as the "Parties".

2. RECITALS

2.1 WHEREAS, the County and NHS, agreed to supersede and amend the previous agreements related to the Regional Animal Shelter operations through an Amended and Restated Lease Agreement dated June 23, 2009 ("Lease"); which superseded and replaced the previous agreements related to the facility use, control and cooperative elements for the facility shared at 2825 A Longley Lane; and

2.2 WHEREAS, County and NHS hereby desire to amend the Lease through this First Amendment for the purpose of modifying the utility billing to allow for an energy (solar) project to be installed and net metered for the benefit of NHS.

NOW, THEREFORE, the County and NHS hereby agree as follows:

THIS First Amendment ("Agreement") is made and entered into this first day of September, 2011, by and between WASHOE COUNTY, a political subdivision of the State of Nevada, hereinafter referred to as "County" or "Lessor" and the NEVADA HUMANE SOCIETY, a Nevada non-profit corporation, hereinafter called "NHS" or "Lessee" for the purpose of Amending Section Ten of the Lease as shown below by transferring the responsibility for the electricity billing of the facility into the name of NHS and modifying the responsibility for the reimbursement related to this expense.

8H(2)

SECTION TEN

UTILITIES, CUSTODIAL, TELEPHONE

A. All gas, water, sewer, other public utilities (other than electricity) and trash/garbage disposal for the normal intended use set forth in this Lease, shall be paid at the sole cost and expense of Lessor but will be included in the operating expenses of the Facility.

B. All electricity for the normal intended use set forth in this Lease, shall be paid at the sole cost and expense of the Lessee. Power produced for the benefit of Lessee through Lessee's third party agreements shall be calculated in a manner mutually agreeable to Lessor and Lessee as provided in this Lease agreement, equitably distributed in the monthly billing, and Lessor and Lessee hereby acknowledge and agree that Lessee shall be the sole beneficiary of all utility (i.e. NV Energy) net metering credits for the first 200 kilowatts of solar electricity generation capacity subject to such Lessee third party agreements. In case of default by the Lessee to pay the electricity payment, Lessor will pay the utility, and seek reimbursement thru means described elsewhere in this Lease.

C. Lessor shall provide regular interior trash removal and janitorial services to all areas of the Demised Premises (other than the areas excluded by mutual agreement of the parties pursuant to standard operating procedures). In addition, Lessor shall provide daily cleaning and sanitizing of public restrooms and other Common Areas, excluding holidays and other periods of closure recognized and observed by either Lessor or Lessee.

D. Lessee shall provide routine cleaning and sanitizing of all kennels, cages, pens, enclosures and animal holding areas including animal use facilities such as exercise/acquaintance areas, infirmary and rehabilitation areas on no less than a daily basis in areas specifically designated for use by Lessee.

E. Lessor shall provide routine cleaning and sanitizing of all kennels, cages, pens, enclosures and animal holding areas including animal use facilities such as exercise/acquaintance areas, infirmary and rehabilitation areas on no less than a daily basis in areas specifically designated for use by Lessor.

F. Except as otherwise mutually agreed, Lessee is responsible for and shall provide all of its telephone service needs of any and all kinds at its sole cost and expense, including installation and monthly service charges for equipment, fees, line and toll charges or any changes thereto specifically requested by Lessee.

G. Lessor shall pay any and all real property taxes and/or sewer assessment fees applicable to the real property upon which the Facility is located.

IN WITNESS WHEREOF, the Parties hereto have executed this First Amendment to Amended and Restated Lease Agreement (dated 6/23/09), as of the date and year first above written.

LESSEE: NEVADA HUMANE
SOCIETY

By: Bonney Brown
Bonney Brown
Executive Director

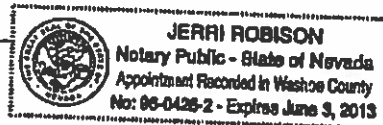
LESSOR: WASHOE COUNTY, a
Political Subdivision of the State of
Nevada (County)

By: John Breternitz
John Breternitz, Chairman
Washoe County Commission

STATE OF Nevada
COUNTY OF Washoe

On this 30th day of August, 2011, before me a Notary Public in and for the County of Washoe, State of Nevada, personally appeared Bonney Brown and —, known to me to be the person(s) described herein and who executed the foregoing instrument and who acknowledged to me that he executed the same freely and voluntarily on behalf of Lessee for the uses and purposes therein mentioned.

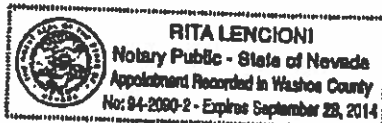
Jerrai Robison
Notary Public



STATE OF Nevada
COUNTY OF Washoe

On this 23rd day of August, ²⁰¹¹~~2010~~, before me a Notary Public in and for the County of Washoe, State of Nevada, personally appeared JOHN BRETERNITZ, known to me to be the person described herein and who executed the foregoing instrument and who acknowledged to me that he executed the same freely and voluntarily on behalf of Lessor for the uses and purposes therein mentioned.

Rita Lencioni
Notary Public



26/2009

COPY

**AMENDED AND RESTATED LEASE AGREEMENT
BETWEEN WASHOE COUNTY AND THE NEVADA HUMANE SOCIETY**

1. PARTIES

This Agreement is entered into between Washoe County, a political subdivision of the State of Nevada, ("County") and the Nevada Humane Society (NHS), a Nevada non-profit corporation, or collectively referred to herein as the "Parties".

2. RECITALS

2.1 **WHEREAS**, the County and NHS, entered into the original Lease Agreement on January 10, 2006, (a copy of which is attached as Exhibit 1 to this Second Amendment) pursuant to which the County and NHS, among other things, established a Lessor/Lessee relationship at the newly constructed Regional Animal Services Shelter, whereby the County agreed to lease to NHS certain space therein in order for NHS to conduct its operations; and

2.2 **WHEREAS**, the County and NHS, on December 19, 2006 entered into the First Amendment to the Lease Agreement ("First Amendment") (a copy of which is attached hereto as Exhibit 2), which amended the description of the demises premises and the description of the "Supplemental Lease Payments" contained in the Lease Agreement; and

2.3 **WHEREAS**, the County and NHS agree that a further modification to the definition of "Supplemental Lease Payment" is appropriate in accordance with Section 4C of the June 17, 2003 "Lease Payment Agreement" and Section Four of the January 10, 2006 "Lease Agreement"; and

2.4 **WHEREAS**, the County has determined that the demised premises (as defined by the Lease Agreement constitutes fifty-eight (58%) percent of the facility; and

2.5 **WHEREAS**, County and NHS hereby desire to amend and restate, for future clarity sake, the language of the original January 10, 2006 Lease Agreement and Exhibits:

1. By incorporating the amendments set forth in the December 19, 2006 First Amendment to Lease Agreement, and
2. By modifying certain language of the Lease Agreement as set forth in this Second Amendment, and
3. By revising the "Description of Demised Premises" attached as Exhibit "A" to the original Lease Agreement (Exhibit 1 hereto) as set forth herein;

2.6 **WHEREAS**, This Amended and Restated Lease Agreement and Exhibits (the "Agreement") are intended to supersede the January 10, 2006 Lease Agreement and Exhibits in their entirety,

NOW, THEREFORE, the County and NHS hereby agree as follows:

THIS AGREEMENT ("Agreement") is made and entered into this 10th day of January, 2003, by and between WASHOE COUNTY, a political subdivision of the State of Nevada, hereinafter referred to as "Lessor," or "County" and the NEVADA HUMANE SOCIETY, a Nevada non-profit corporation, hereinafter called "Lessee" or "NHS".

WITNESSETH:

WHEREAS, Lessor will construct and be the sole owner of a facility to be known as the Regional Animal Services Shelter, or by such other name as the parties hereto mutually agree, located at 2825 Longley Lane, Reno, Washoe County, Nevada, the purpose of which will be to operate a consolidated regional animal services agency;

WHEREAS, the parties to this Agreement have entered into that certain Lease Payment Agreement, dated as of June 17, 2003 (the "Lease Payment Agreement"), pursuant to which the parties hereto are cooperating in the development of the facility;

WHEREAS, this facility will have certain operational space available for lease to Lessee to conduct operations of the Nevada Humane Society, which space the County has committed to offer to lease to the NHS pursuant to the terms of the Lease Payment Agreement;

WHEREAS, Lessee desires to lease from Lessor that certain space designated for use by the Nevada Humane Society (as described more fully below, the "Demised Premises");

WHEREAS, in connection with the lease of the Demised Premises, the Parties have entered into a definitive agreement (the "Professional Services Agreement") in connection with the operation of the Facility and this Lease pursuant to which NHS will perform certain services hereinafter delineated for the benefit of the County (the "NHS Services"), and also pursuant to which the County will perform certain services in cooperation with NHS and in conjunction with the provision of the NHS Services by NHS (the "County Services"); and

WHEREAS, the parties desire by this Lease to define their respective rights, duties and liabilities relating to the lease of the Demised Premises,

NOW, THEREFORE, in consideration of the mutual covenants contained herein, all of which the parties promise to keep and perform, the parties hereto agree as follows:

SECTION ONE

DESCRIPTION OF PREMISES; CONSTRUCTION; POSSESSION

Lessor hereby demises unto Lessee that portion of the Facility which includes a minimum of 24,000 square feet of space designated for the sole use of Lessee more fully described on Exhibit A, together with any additional space exclusively reserved for NHS, and with the non-exclusive use of Common Areas, entrances, hallways, exterior grounds restrooms and parking in common with Lessor and other tenants of Lessor. Lessor shall tender possession of the Demised Premises to Lessee on or before the Commencement Date, provided, however, that Lessee may, with the permission of Lessor's contractor and at Lessee's sole risk, enter into the Demised Premises from time to time prior to completion of construction to visually inspect the Demised Premises and Common Areas; provided, further, that such entry shall be done in such manner as not to interfere with the construction. Notwithstanding such entry and Lessee's occupancy of the Demised Premises for the purposes of doing business, the term shall begin and rent shall be payable as set forth below, but the beginning of the Initial Term (as defined below) and payment of rental hereunder shall not preclude Lessee from requiring Lessor to correct defects in the construction work related to the Demised Premises at the earliest possible

date in accordance with the approved plans and specifications governing the construction work.

Subject to the foregoing, Lessee shall accept the Demised Premises in its condition as of the Commencement Date, subject to all applicable laws, ordinances, regulations, covenants and restrictions. Lessor represents and warrants the suitability of the Demised Premises for the provision of the NHS Services and the County Services. Except as expressly provided herein, in no event shall Lessor have any obligation for any defects (except for latent defects) in the Demises Premises. Lessor shall, promptly after the completion of construction of the Facility, at Lessor's expense, provide Lessee with a full copy of the permitted construction drawings of the Demises Premises.

SECTION TWO

TERM OF LEASE

This Lease shall be effective as of the Effective Date. The term of this Lease shall be one hundred eighty (180) months commencing on the first day that Lessor offers the Demised Premises for occupancy by Lessee, which offer shall be made in writing no less than fifteen (15) calendar days prior to such date (the "Commencement Date"), and terminating exactly one hundred eighty (180) months later (the "Initial Term") (subject to extension as provided in Section 3 below), unless earlier terminated upon mutual agreement of the parties or as otherwise provided herein.

SECTION THREE

RENEWAL

Lessee shall have the option of two (2) additional and separate renewal terms, provided Lessee is not in default at the time of the exercise of an option. Said renewals shall commence upon expiration of the Initial Term or any extension or renewal thereof

and shall each be for a period of one hundred twenty (120) months (a "Renewal Term"). NHS shall give written notice of its exercise of its option to renew at least one hundred twenty (120) days prior to the expiration of this Lease or any Renewal Term. The rent payable for each year of each such Renewal Term shall be calculated on the same basis as described in Section 4.2 below.

SECTION FOUR

RENTAL

Effective upon the Commencement Date, Lessee agrees to pay Lessor, at such place as Lessor shall designate from time to time in writing, supplemental lease payments (as more fully defined below, the "Supplemental Lease Payments") for the Demised Premises as follows:

1. Supplemental Lease Payments due for the first five (5) years of the Lease shall be based on an amount that represents NHS's Pro Rata Share (fifty-eight percent (58%)) of expenses that are specifically related to the Facility, which the County has determined, pursuant to Section 4C of the Lease Payment Agreement, is sufficient:

(i) to pay all of the operational expenses of the County related to NHS Space (and any additional space reserved for the exclusive use of NHS) plus

(ii) to pay NHS's pro-rata share of all expenses of the County related to Common Areas. Beginning as of July 1, 2008, and continuing while this Lease Agreement is effective, NHS's pro rata share of crematory energy cost will correspond to the number of "operational days" as designated below:

- Pro rata energy share will equal the total energy bill minus the estimated dollar cost per operational day (estimated \$375.00 for

FY 08-09) times the number of operational days to equal the total adjusted energy bill

- Fifty-eight (58%) percent of the adjusted energy bill plus ten (10%) percent of the estimated dollar cost per operational day (estimated \$375.00 for FY 08-09) times the number of operational days will equal the NHS share; the ten (10%) percent multiplier and dollar cost per operational day shall be subject to re-evaluation and change on annual fiscal year basis, based on the total number of animals handled on behalf of NHS and as mutually agreed upon by the parties.

(iii) -The Parties acknowledge and agree that changes to the shared expense or calculation of the crematory energy cost as stated above will be needed in the future. Because of the nature of these expenses, any such changes may be accomplished by written agreement between Washoe County, by and through the Washoe County Public Works Director and by the Executive Director of the Nevada Humane Society without further action by either the Washoe County Board of Commissioners or the Nevada Humane Society Board of Directors.

Such expenses shall not include costs, expenses, depreciation or amortization for capital repairs and capital replacements required to be made by Lessor hereunder; provided, however, that such repairs and replacements required to be made by Lessor hereunder shall not include subsequent capital improvements to NHS Space or Common Areas, including fixtures, equipment and furnishings related to such space or areas, as to which

NHS shall pay its Pro Rata Share of the amortization thereof; and, provided, further, that NHS shall be solely responsible for repair and/or replacement of furniture and equipment (other than fixtures) in the NHS Space (notwithstanding the County's initial ownership of such furniture and equipment). Moreover, NHS shall pay its Pro Rata Share of the costs of repair or replacement of furniture and equipment in the Common Areas. In addition, such operational expenses shall not include costs related to the disposal of medical waste related to NHS's operations, which shall be the sole responsibility of NHS. Further, such expenses shall not include: (i) costs incurred in connection with the correction of defects in design or construction; (ii) interest, principal, or other payments on account of any indebtedness that is secured by any encumbrance on any part of the Facility, or rental or other payments under any ground lease; (iii) costs of selling, syndicating, financing, mortgaging or hypothecating any part of or interest in the Facility; (iv) depreciation; (v) Lessor's overhead costs, including equipment, supplies, accounting and legal fees, rent and other occupancy costs or any other costs associated with the operation or internal organization and function of Lessor as a governmental entity; (vi) fees or other costs for professional services provided by space planners, architects, engineers, and other similar professional consultants, real estate commissions and marketing and advertising expenses; (vii) costs of defending or prosecuting litigation with any party, unless a favorable judgment would reduce or avoid an increase in common area expenses; (viii) costs incurred as a result of Lessor's violation of any lease, contract, law or ordinance, including fines and penalties; (ix) late charges, interest or penalties of any kind for late or other improper payment of any obligation; (x) costs of removing Hazardous Substances (as defined below) or of correcting any other conditions in order to

comply with any environmental law or ordinance (but this exclusion shall not constitute a release by Lessor of Lessee for any such costs for which Lessee is liable pursuant to Section 17 of this Lease); (xi) costs for which Lessor is reimbursed from any other source; and (xii) costs related to any building or land not included in the Facility, including any allocation of costs incurred on a shared basis, such as centralized accounting costs. The County shall at least annually estimate the amount of the Supplemental Lease Payments due in the ensuing year and such Supplemental Lease Payments shall be paid in twelve (12) monthly installments on the first day of each month, commencing with first day of the first calendar month following the Commencement Date.

Such Supplemental Lease Payments shall be payable monthly in arrears in accordance with the terms set forth above; provided, however, that, at Lessor's option, it may delay the payment due date from the first of each month to such other date later in such month when bills for utilities related to operational expenses shall be available.

2. Supplemental Lease Payments due after the first five years shall be determined by negotiation between the parties; but at a minimum shall be sufficient to pay the expenses described in Section 1(i) and (ii) above.

3. All Supplemental Lease Payments shall be made payable to Washoe County, Department of Public Works, at P.O. Box 11130, Reno, NV 89520-0027. Supplemental Lease Payments or other amounts payable hereunder shall be due the first (1st) business day of each month (if not extended pursuant to Lessor's option set forth above) and if not received by the Lessor or properly deposited into the U.S. Mail system by the tenth (10th) calendar day (or the tenth (10th) calendar day following such

extension), Lessee agrees to pay a surcharge equivalent to five (5%) percent of the monthly Supplemental Lease Payment amount. Notwithstanding the foregoing, no late charge shall be assessed with respect to the first two (2) late payments of rent in a twelve-month (12) period.

SECTION FIVE

COMMON AREA MAINTENANCE

A. Lessor shall maintain the Facility and Common Areas in good condition and repair. The term "Facility and Common Areas" means all interior and exterior areas and structures within the exterior boundaries of the Facility, including that which is provided and designated by the Lessor from time to time for the general use and convenience of the Lessee and other tenants of Lessor.

B. Facility and Common Area maintenance shall include, but is not limited to, all such maintenance, repair and construction work as shall be required to preserve and maintain the utility of the Facility and Common Area; maintenance, repair, resurfacing and painting of pedestrian walkways, throughways, roadways, service corridors, parking areas and patios; maintenance and servicing of elevators, heating, ventilating and air conditioning systems; sweeping, snow removal, trash disposal and other janitorial services of the Common Areas; maintenance and servicing of sprinkler systems, gardening and landscaping areas; lighting and all utilities utilized in connection therewith; maintenance and repairs of exterior roofs, exterior roof coverings, exterior supporting structures, walls and overhead roll-up doors; exterior and interior window cleaning; painting; cleaning of hard surface floors and carpeted areas; telephone systems, excluding those necessary for the operation of Lessee's operations and use; other mechanical systems such as plumbing, security and electrical; and modifications required for compliance with any statutes, ordinances and/or regulations, including required changes in installations for supply of utilities or sanitary facilities or other public

facilities; and other maintenance in Lessor's reasonable judgment necessary for the operation of the Facility and Common Areas.

SECTION SIX

USE OF PREMISES

A. Lessee shall use the Premises to conduct activities and operations of the Nevada Humane Society, including but not limited to the provision of the NHS Services, and shall not use or permit said Demised Premises or any part thereof to be used for any other purpose.

B. Lessee shall not conduct or at any time knowingly permit its employees, agents or visitors to conduct activity on the Premises that is unlawful or in violation of any applicable federal or state statute, code or regulation.

SECTION SEVEN

ALTERATIONS AND IMPROVEMENTS

A. The parties hereby acknowledge that upon Lessee's acceptance of possession of the Demised Premises, the Demised Premises are in good condition and are architecturally acceptable to Lessee, except for items that are Lessor's express responsibility herein and any punchlist items agreed to in writing by Lessor and Lessee, and shall not be altered, repaired or changed except as provided herein and in accordance with Section 4H of the Lease Payment Agreement.

B. Without the prior written consent of Lessor, Lessee agrees that it shall not alter the Premises or erect partitions, install or change any doors or windows, or place any nails, screws or other implements or fasteners into the wood work or walls, except such items, changes or installations as are necessary to suitably decorate or make the Premises attractive or useful for the purposes intended or such items, changes or installations as are contemplated and permitted by the terms of the Lease Payment Agreement, including but not limited to NHS's rights pursuant to Section 4F and 4G thereof. Subject to the terms given in the previous sentence, upon Lessor's request,

Lessee shall prepare plans and specifications of such work and submit the same to Lessor for its approval prior to making such alterations or improvements. Said approval will not be unreasonably withheld.

C. Except as otherwise provided in accordance with the terms and conditions of the Lease Payment Agreement, including but not limited to Section 3D thereof, the parties agree that all the erections, additions, fixtures and improvements, except only movable equipment, office furniture, shelving and any decorative items that can be removed without substantially affecting the integrity of the Facility, made in or upon said Demised Premises shall remain upon the Demised Premises at the termination of said term by lapse of time or otherwise, without compensation to Lessee.

D. The erection, construction, installation or making of any improvements shall be accomplished in a workmanlike manner and in compliance with all applicable federal, state, county and municipal laws and regulations. Lessee shall keep the Demised Premises free from any liens arising out of any and all work that it may perform, or materials furnished, or obligations incurred by Lessee. Lessee shall have thirty (30) days from the date of notice of said lien, as provided by Lessor, to remove said encumbrance without breaching the provisions of this Lease.

SECTION EIGHT

LESSOR IMPROVEMENTS

A. Subject to the requirements of Section 4H of the Lease Payment Agreement, Lessor reserves the right from time to time and at its own expense to make such improvements, alterations, renovations, changes, and repairs in and about the Facility, including the Demised Premises, as Lessor shall deem necessary or desirable; provided, however, that Lessor shall, prior to entering the Demised Premises, give Lessee as much prior notice as is reasonably practicable, but no less than forty-eight (48) hours' notice of its intent to do so, and, except where such improvements, alterations, changes and repairs unreasonably and/or materially disrupt Lessee's use and peaceful enjoyment

of the Demised Premises, Lessee shall make no claim against Lessor for abatement of rent for interference with Lessee's leasehold interest or for loss or damage to its business during such improvements, alterations, changes and repairs.

B. Lessor shall make all improvements in a safe, workmanlike manner so as not to prove hazardous to tenants, animals and/or the public.

C. Lessor shall keep the foundations and roof in good condition and repair, and will make all repairs necessary to maintain the structural soundness of the floors and walls during the term hereof. Lessor shall make all building changes or installations required to conform with applicable laws and ordinances in effect from the Commencement Date through the term. In the event Lessor shall fail or neglect to make any repairs that under the terms of this Lease Lessor is required to make, and in the event that such failure or neglect shall continue notwithstanding written notice from Lessee and the lapse of a reasonable period of time to commence and complete such repairs, Lessee may cause such repairs to be made or completed and may deduct from subsequent installments of Supplemental Lease Payments an amount sufficient to reimburse it for reasonable out-of-pocket expenses incurred in making or completing such repairs, accompanied by appropriate documentation indicating costs associated with such repairs. Lessee shall not commit any undue waste in, on and around the Demised Premises and shall conform with all applicable laws and ordinances respecting the use and occupancy thereof.

SECTION NINE

MAINTENANCE, REPAIRS AND INSPECTIONS

A. Lessor shall be responsible for performing periodic maintenance to the interior of the Demised Premises in a reasonable and timely manner. Lessor, however, shall not be responsible for making repairs or replacements caused by the negligence or willful destruction by Lessee, Lessee's contractors, agents or employees.

B. Lessor shall provide exterior and interior window cleaning and shall keep the Demised Premises at all times in a neat, clean and sanitary condition.

C. Lessor shall maintain parking areas in a clean and safe condition, including snow removal, the roof, sidewalks, windows, exterior walls and overhead roll-up doors of said Facility.

D. Lessor shall provide reasonable maintenance, repair and replacement of all plumbing, including plumbing fixtures, elevators and central mechanical equipment, water heaters, heating, ventilating and air conditioning equipment necessary to provide service to the Facility and maintain the Demised Premises in a reasonable and safe manner and in full compliance with all mandated federal, state and local regulatory requirements.

E. Lessee shall permit Lessor or its authorized agent to enter into and upon the Demised Premises at all reasonable times for the purpose of inspecting the same, or for the purpose of making repairs or maintaining the Facility; provided, however, that in the event Lessor intends to make repairs or perform maintenance that would materially disrupt Lessee's use and enjoyment of the Demised Premises, Lessor shall give advance notice thereof to Lessee as soon as practicable, but, absent exigent circumstances, in no event less than fifteen (15) days in advance of such repairs or maintenance.

SECTION TEN

UTILITIES, CUSTODIAL, TELEPHONE

A. All gas, electricity, water, sewer, other public utilities and trash/garbage disposal for the normal intended use set forth in this Lease, shall be paid at the sole cost and expense of Lessor but included in the operating expenses of the Facility.

B. Lessor shall provide regular interior trash removal and janitorial services to all areas of the Demised Premises (other than the areas excluded by mutual agreement of the parties pursuant to standard operating procedures). In addition, Lessor shall provide daily cleaning and sanitizing of public restrooms and other Common Areas,

excluding holidays and other periods of closure recognized and observed by either Lessor or Lessee.

C. Lessee shall provide routine cleaning and sanitizing of all kennels, cages, pens, enclosures and animal holding areas including animal use facilities such as exercise/acquaintance areas, infirmary and rehabilitation areas on no less than a daily basis in areas specifically designated for use by Lessee.

D. Lessor shall provide routine cleaning and sanitizing of all kennels, cages, pens, enclosures and animal holding areas including animal use facilities such as exercise/acquaintance areas, infirmary and rehabilitation areas on no less than a daily basis in areas specifically designated for use by Lessor.

E. Except as otherwise mutually agreed, Lessee is responsible for and shall provide all of its telephone service needs of any and all kinds at its sole cost and expense, including installation and monthly service charges for equipment, fees, line and toll charges or any changes thereto specifically requested by Lessee.

F. Lessor shall pay any and all real property taxes and/or sewer assessment fees applicable to the real property upon which the Facility is located.

SECTION ELEVEN

SIGNS, MONUMENTS, ARTIFACTS OR OTHER SYMBOLIC RECOGNITION

Subject to Section 4F of the Lease Payment Agreement, Lessee agrees that no signs, advertisements, monuments, artifacts or other symbolic recognition shall be painted or affixed to any part of the outside of the Facility in which the Premises are situated without the consent of Lessor, which consent shall not be unreasonably withheld.

SECTION TWELVE

WAIVER

Any failure on the part of either party to take action against the other for any breach or covenant herein shall not be construed to constitute a waiver of any other or subsequent breach.

SECTION THIRTEEN

DESTRUCTION OF PREMISES

In the event of a partial destruction of said Demised Premises or the Facility during the said term, from any cause, Lessor shall forthwith repair the same within two hundred ten (210) days, provided such repair can be made within said period under the laws and regulations of the state, federal, county or municipal authorities. If required repairs are commenced promptly, this Lease shall not be modified, except that Lessee shall be entitled to a proportionate reduction of Supplemental Lease Payments if, in Lessee's reasonable judgment, a portion of the Demised Premises are rendered unusable or substantially impaired while repairs are being made. If such repairs cannot be made in two hundred ten (210) days, this Lease may be terminated at the option of either party. Either party shall notify the other of such party's election to terminate the Lease within twenty-one (21) days following the date Lessee receives written notice from Lessor of its inability to repair the Facility within the two hundred ten (210) day period due to such damage or destruction. Such termination shall be without prejudice to the exercise by either party of any available remedies related to such termination. A total destruction of the Facility in which the Demised Premises are situated shall terminate this Lease. This provision is not intended to affect the rights of either party to seek recovery against the person responsible for the damages, subject, however, to the provisions of Section 14 below.

SECTION FOURTEEN

CONDEMNATION

In the event that any part of the Demised Premises or the Common Areas of the Facility shall be condemned or taken by any municipal, county, federal, state or other authority for any purpose, and if, in the reasonable judgment of Lessor or Lessee such condemnation would prevent or materially interfere with such party's use of such part of the Demised Premises or the Facility, then the term of this Lease shall cease on the part

so taken from the day the possession of that part is required for any public purpose. The Supplemental Lease Payments shall be paid up to that day and thereafter the Lessee or the Lessor shall have the right to either cancel this Lease or to continue in the possession of the remainder of the same under the terms herein provided, except that the Supplemental Lease Payments shall be reduced in proportion to the area of that portion of the Demised Premises or Common Areas of the Facility taken for such public purpose. All damages awarded as compensation for diminution in value to the fee of the Demised Premises shall belong to and be the property of Lessor. Lessee shall have the right to claim and recover from the condemning authority such compensation as may be separately awarded or recoverable by Lessee in Lessee's own right on account of any and all damages to Lessee by reason of the condemnation, including but not limited to damages to Lessee resulting from loss of the value of Lessee's leasehold interest, loss of the use of the Demised Premises, which use is intended in part to compensate NHS for the NHS Commitment, and for or on account of any cost or loss to which Lessee might be put in removing Lessee's furniture, fixtures, equipment and leasehold improvements.

SECTION FIFTEEN

INDEMNIFICATION

A. Pursuant to Nevada Revised Statutes ("NRS"), Chapter 41, and without waiving any provisions thereof, the parties hereto agree that each will be responsible for any liability or loss that may be incurred as a result of any claim, demand, cost or judgment made against that party arising from any negligent act or negligent failure to act by any of that party's employees, agents or servants in connection with work or responsibilities performed pursuant to this Lease.

B. Pursuant to Chapter 41 of the NRS, and without waiving any provisions thereof (except for the provisions of NRS 41.033), the parties hereto agree to hold harmless, indemnify and defend each other from and against any and all losses, liabilities

or expenses of any nature to the person or property of a third party to which each may be subjected as a result of any claim, demand, action or cause of action arising out of the negligent acts, errors or omissions on the part of the employees, agents or servants of the other party.

SECTION SIXTEEN

INSURANCE

A. Each party hereto shall provide for their financial responsibilities regarding their respective liabilities hereunder through the purchase of insurance or the provision of a self-funded program pursuant to Nevada law.

B. Lessor will obtain and maintain property and fire insurance on the Facility on an all risk, replacement cost basis for full replacement coverage of the Facility and at such additional amounts as Lessor may deem prudent. Lessor shall develop a charge for losses within its deductibles under the property insurance charge in the Facility's operating expenses. Lessor shall cause Lessee to be named as an additional insured on Lessor's insurance policies related to the Facility.

C. Lessor (for itself and on behalf of its invitees, employees, contractors and agents) hereby expressly waives and releases any cause of action or right of recovery that Lessor may have hereafter against the Lessee for any loss or damage to the Demised Premises, or to the contents thereof belonging to either, caused by fire, explosion, or any other risk to the extent covered by insurance.

D. Lessee shall obtain and maintain fire insurance on all contents owned by Lessee located at the Demised Premises.

E. Lessee (for itself and on behalf of its invitees, employees, contractors and agents) hereby expressly waives and releases any cause of action or right of recovery that Lessee may have hereafter against the Lessor for any loss or damage to the Demised

Premises, or to the contents thereof belonging to either, caused by fire, explosion, or any other risk to the extent covered by Lessee's insurance or self insured program.

F. In the event Lessee's occupancy causes any increase of premium for Lessor's insurance on the Demised Premises, or any parts thereof, above the rate applicable for facilities and operations similar to those contemplated pursuant to this Lease, Lessee shall have fifteen (15) days after receipt of written notification from Lessor of such increase to correct or mitigate said circumstances that resulted in the need for a premium increase. If Lessee is unable to mitigate or correct said circumstances, Lessee shall pay the amount of the increase in the premium.

SECTION SEVENTEEN

HAZARDOUS SUBSTANCES

A. Lessee shall not cause or permit any Hazardous Substances (as defined below) to be used, released, stored, manufactured or disposed of in or upon the Demised Premises or the Facility, except in the minimum quantities as are customary and usual in connection with Lessee's permitted use, including without limitation medical waste generated by the NHS operations as contemplated hereunder. If the Demised Premises or the Facility become contaminated as a result of a violation by Lessee of this Section or for which Lessee is otherwise legally liable, Lessee shall indemnify, defend and hold Lessor harmless from all related claims, judgments, penalties, costs or losses, including all expenses incurred for investigation, removal, remediation and restoration mandated by federal, state and local governments, together with Lessor's reasonable attorney's fees.

B. If Hazardous Substances have been used, released, stored, manufactured or disposed of in or upon the Demised Premises or the Facility, or if the Demised Premises or the Facility are or become contaminated in any manner for which Lessor is legally liable, Lessor shall indemnify, defend and hold Lessee harmless from all related claims, judgments, penalties, costs or losses, including all expenses incurred for

investigation, removal, remediation and restoration mandated by federal, state and local governments, together with Lessee's attorney fees.

C. Lessor warrants and represents to Lessee that the condition of the Demised Premises and the Facility complies with all relevant environmental laws in that no Hazardous Substances have been disposed of or are located on the Demised Premises or elsewhere within the Facility in violation of applicable law.

D. "Hazardous Substances" shall mean all toxic, ignitable, contaminated, reactive or corrosive substances regulated by federal, state or local governments.

SECTION EIGHTEEN

ATTORNMEN T AND NON-DISTURBANCE

A. Lessee shall in the event of the sale or assignment of Lessor's interest in the Facility, or in the event of any proceeding brought for the foreclosure of the Demised Premises, attorn to the purchaser or assignee and recognize such purchaser or assignee as Lessor under this Lease.

B. Any purchaser, assignee, or other party acquiring Lessor's interest in the Facility, shall agree to recognize the validity and enforceability of this Lease and shall agree that notwithstanding any default by Lessor with respect to any security document, Lessee's possession, quiet enjoyment and all of Lessee's rights under this Lease in and to the Demised Premises shall not be disturbed by such purchaser, assignee or other party unless Lessee is in default under the terms of this Lease.

SECTION NINETEEN

QUIET ENJOYMENT

Lessee, while in compliance with the terms and covenants herein, is entitled to the quiet enjoyment and peaceful possession of the Demised Premises for the term hereby created, and Lessor shall warrant and defend Lessee in such enjoyment and possession.

SECTION TWENTY

ASSIGNMENT AND SUBLEASE

This Lease may not be assigned or the Demised Premises sublet without the prior written consent of Lessor. In addition, no less than ninety (90) days prior to assignment of this Lease or lease of any portion of the Facility to any additional tenant, Lessor shall give Lessee reasonable written notice of such proposed assignment or lease, including a description of the proposed assignee or tenant. Lessor hereby warrants that any such assignment or lease shall conform to and not interfere with the purposes of this Lease and the other agreements between the parties hereto.

SECTION TWENTY-ONE

NOTICES

Notices hereunder shall be effective on the date of delivery if delivered to a party hereto at the address listed in this Section, or to any new address located in Washoe County, Nevada, provided by that party by notice delivered pursuant to this Section, and shall be effective three (3) days after the date of mailing thereof if mailed by first class, postage prepaid mail, certified return receipt requested. Unless otherwise provided, notice provided to each party shall be as follows:

If to the County:

(for physical delivery)

(for U/S Mail)

Washoe County, Nevada
Attn: Director of Public Works
1001 E. 9th Street
Reno, NV 89512
P O Box 11130
Reno, NV 89520
775-328-2040
775-328-3699 (fax)

With a copy to:

Washoe County, Nevada
District Attorney's Office-Civil Division
50 W. Liberty (Short Tower), Third Floor
Reno, Nevada 89501
Attn: Assistant District Attorney, Civil
775-337-5700
775-337-5732 (fax)

If to NHS to:

Nevada Humane Society
2825 Longley Lane, Suite B
Reno, NV 89502
Attn: Executive Director
775-856-2000
775-284-7060 (fax)

SECTION TWENTY-TWO

ATTORNEY'S FEES

Should any party hereto institute any action or proceeding to enforce any provision hereof or for damages by reason of an alleged breach of any provision of this Lease, the prevailing party shall be entitled to recover such amounts as may be adjudged to be reasonable attorney's fees for the services rendered to the prevailing party in such action or proceeding, together with costs incurred.

SECTION TWENTY-THREE

TERMINATION

A. Upon termination of this Lease, Lessee shall quit the Demised Premises peaceably, with no damage to the Demised Premises, normal wear and tear and damage outside the control of Lessee excepted, and shall remove all of Lessee's personal property from the Demised Premises.

B. The failure by Lessee to make any payment due hereunder or the failure of either party hereto to observe or perform any covenants, conditions or provisions of this Lease required to be made, observed or performed by such party, after thirty (30) days' written notice of such default shall constitute a default of this Lease by such party; provided, however, that if the nature of the default (other than the payment of money) is such that more than thirty (30) days are reasonably required for its cure, then the defaulting party shall not be deemed to be in default if such party commences such cure within the thirty (30) day period and thereafter diligently prosecutes such cure to completion. Upon default, the non-defaulting party may pursue all remedies available

under Nevada law, including termination of the Lease and recovery of all damages caused by such default.

SECTION TWENTY-FOUR

CHOICE OF LAW; VENUE

This Agreement shall be construed in accordance with and governed by the laws of the State of Nevada. The parties consent to the personal jurisdiction of any state or federal court of competent jurisdiction located in Washoe County, Nevada and to the service of process by any means authorized by any such state or federal court under the laws of the State of Nevada. The exclusive venue of any action, proceeding or counterclaim arising out of or in connection with this Agreement shall be Washoe County, Nevada.

SECTION TWENTY-FIVE

EFFECT OF AGREEMENT

A. Except as otherwise specifically provided herein, this Lease constitutes the entire contract between the parties with respect to the subject matter hereof, and no obligation other than those set forth herein will be recognized unless endorsed hereto in writing.

B. Each of the covenants, warranties, and agreements herein contained are binding on the parties hereto, their successors, assigns and legal representatives. In the event of any breach of these covenants, warranties and agreements by a party during the duration of this Lease, whether or not discovered by or known to the other party during the lease term, such other party expressly reserves unto itself the right to pursue appropriate legal action against the party at fault to correct or cure said breaches or deficiencies.

SECTION TWENTY-SIX

DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS

A. Lessee, Nevada Humane Society, certifies to the best of its knowledge and belief that it and its principals:

1. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions or providing the NHS Services contemplated herein by any federal department or agency:

2. Have not within a three year period preceding this Lease been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction; or for violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

3. Are not presently indicted for or otherwise criminally or civilly charged by a government entity (federal, state, or local) with commission of any of the offenses enumerated in paragraph (1) (b) of this certification; and

4. Have not within a three-year period preceding this application/proposal had one or more public transactions (federal, state, or local) terminated for cause or default.

5. Understand that a false statement on this certification may be grounds for termination of the Lease. In addition, under 18 USC Sec. 1001, a false statement may result in a fine of up to \$10,000 or imprisonment for up to five (5) years, or both.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals as of
the date and year first above written.

LESSOR: WASHOE COUNTY, a political
subdivision of the State of Nevada

By: _____
David E. Humke, Chairman
Board of County Commissioners

ATTEST:

Washoe County Clerk

LESSEE: NEVADA HUMANE SOCIETY,
a Nevada non-profit corporation

By: Bonney Brown
Bonney Brown
Its: Executive Director

EXHIBIT "A"

DESCRIPTION OF DEMISED PREMISES


A minimum of 24,000 square feet of space within the Washoe County Regional Animal Shelter designated for the sole use of Lessee with any additional space exclusively reserved for Nevada Humane Society (NHS), together with the non-exclusive use of the common areas which include the education rooms, catering kitchen, public restrooms, entrances, hallways, staff lounge, staff restrooms and locker areas, exterior grounds and parking in common with Lessor.


The demised premises also includes Additional Kennel space which was demised to the Lessee and became part of the demised premises on January 1, 2007 under the following terms and conditions:

Lessor tendered possession of the Additional Kennels to Lessee on January 1, 2007. For purposes of the Lease of the Additional Kennel space, the lease term during which the additional kennels shall be part of the demised premises shall be for a period of three (3) years commencing January 1, 2007. At the end of that three year period, the parties may mutually agree to an extension for one additional three (3) year period. Upon re-evaluation at the end of such term the parties may mutually agree to continue extending such term for additional successive three (3) year periods thereafter; provided, however, that any such renewal term shall not extend beyond the term(including any renewals thereof) of the Lease. In the event that the parties fail to agree on such an extension, the amendment relative to the Additional Kennel space shall terminate, and the NHS pro rata share shall revert to fifty-six (56%).

STATE OF Nevada)
)
COUNTY OF Washoe)
) :ss.

On this 19 day of May, 2008 before me a
Notary Public in and for the County of Washoe, State of Nevada,
personally appeared, Bonney Brown known to me to be the person
described herein and who executed the foregoing instrument and who acknowledged to
me that he/she executed the same freely and voluntarily on behalf of Lessee, for the uses
and purposes therein mentioned.


Notary Public

	CAROYN THOMAS Notary Public - State of Nevada Appointment Recorded in Washoe County No: 99-S4798-2 - Expires May 15, 2011
---	--

STATE OF _____)
)
COUNTY OF _____)
) :ss.

On this _____ day of _____, 2008 before me a
Notary Public in and for the County of _____, State of _____,
personally appeared David E. Humke, Chairman, Board of County Commissioners,
known to me to be the person described herein and who executed the foregoing
instrument and who acknowledged to me that he executed the same freely and voluntarily
on behalf of Lessee, for the uses and purposes therein mentioned.

Notary Public

STATE OF _____)
:ss.
COUNTY OF _____)

On this _____ day of _____, 200~~8~~ before me a Notary Public in and for the County of _____, State of _____, personally appeared Amy Harvey, Washoe County Clerk, known to me to be the person described herein and who executed the foregoing instrument and who acknowledged to me that she executed the same freely and voluntarily on behalf of Lessor, for the uses and purposes therein mentioned.

Notary Public