



STAFF REPORT

Report To: Board of Supervisors **Meeting Date:** September 19, 2019

Staff Contact: Darren Schulz, Public Works Director

Agenda Title: For Possible Action: Discussion and possible action regarding a proposed resolution declaring it to be in the best interest of Carson City and its residents to offer the reconveyance of 449 West King Street (APN 003-207-04) to the persons that donated the property, the Brewery Arts Center; authorizing the City Engineer to make a written offer of reconveyance to the Brewery Arts Center; and authorizing the Mayor to execute a deed of reconveyance if the reconveyance is accepted. (Darren Schulz, DSchulz@carson.org; Dan Stucky, DStucky@carson.org; and Stephanie Hicks, SHicks@carson.org)

Staff Summary: Staff is requesting that 449 West King Street (APN 003-207-04) be reconveyed to the former owner, the Brewery Arts Center, who dedicated the property to the City on June 30, 1977. The City assumed ownership of the property in order to pursue Federal Economic Development Administration Grant Funds for the remodeling and construction of an arts center. Since that time, the property has been leased back to the Brewery Arts Center and there is no municipal use needed for this property. NRS 244.290 allows the Board of Supervisors to reconvey to the original owner all right, title and interest of the City to land donated to the City for any public use.

Agenda Action: Resolution **Time Requested:** 20 minutes

Proposed Motion

I move to adopt Resolution No. _____.

Board's Strategic Goal

Efficient Government

Previous Action

June 30, 1977: Carson City accepted a deed of dedication for 449 West King Street from the Carson City Art Alliance for the purpose of the property being used and maintained forever as a place to create, display, and contain works of art.

Background/Issues & Analysis

The Carson City Arts Alliance, which was later renamed the Brewery Arts Center, was established at the beginning of the Bi-Centennial to find a permanent center for the arts in Carson City.

On June 22, 1977, with contributions from local individuals and businesses, the Carson City Fair and Recreation Board, the Nevada Artists Association, and Carson City, the Carson City Arts Alliance purchased 449 West King Street (APN 003-207-04) from the Nevada Appeal. The property was subsequently deeded to the City on June 30, 1977, as the City was able to pursue Federal Economic Development Administration Funds for the remodeling and construction of the arts center.

The Brewery Arts Center officially opened on June 9, 1979. Since this time, the property has been leased back to the Brewery Arts Center to conduct arts and crafts programs, workshops, theater performances, meetings, lectures, and educational classes. Because there is no municipal use needed for this property, staff is recommending reconveyance to the Brewery Arts Center. The City has held the property for over 42 years. The City has met the terms for the grant which require the property be held for 40 years and therefore, would not owe any money back to the grantor.

The Brewery Arts Center has expressed interest in the reconveyance of the property. In addition to the reconveyance, an abandonment of a portion of South Minnesota Street is being heard as a separate item.

Applicable Statute, Code, Policy, Rule or Regulation

NRS 244.290

Financial Information

Is there a fiscal impact? No

If yes, account name/number: N/A

Is it currently budgeted? No

Explanation of Fiscal Impact: While there is no direct fiscal impact, the City will no longer be required to maintain property insurance on the Brewery Arts Center which totals approximately \$2,572 in annual premium.

Alternatives

Do not adopt the Resolution and provide alternative direction to staff.

Attachments:

- 1. [Resolution - BAC Reconveyance.docx](#)
- 2. [Draft Letter - BAC Reconveyance.docx](#)
- 3. [APN 003-207-04 BAC Reconveyance Deed.pdf](#)
- 4. [Deed Bk214 Pg696-697.pdf](#)
- 5. [CC Arts Alliance-BAC Lease.pdf](#)
- 6. [BAC_ Amendment to Articles of Incorporation of the CCAA to BAC filed 1.17.1983.pdf](#)

Board Action Taken:

Motion: _____	1) _____	Aye/Nay
	2) _____	_____

(Vote Recorded By)

RESOLUTION NO. 2019-R-_____

**A RESOLUTION REGARDING THE RECONVEYANCE OF
APN 003-207-04 TO THE BREWERY ARTS CENTER**

WHEREAS, it is a function of the City to operate and maintain municipal facilities; and

WHEREAS, on June 22, 1977, the Carson City Arts Alliance, which was later renamed the Brewery Arts Center, purchased 449 West King Street (APN 003-207-04) from the Nevada Appeal in order to develop an arts center;

WHEREAS, on June 30, 1977, the Carson City Board of Supervisors accepted a deed of dedication for 449 West King Street from the Carson City Art Alliance in order to pursue Federal Economic Development Administration Funds for the remodeling and construction of the arts center;

WHEREAS, the deed of dedication recorded on June 30, 1977, in the office of the Carson City Recorder as file number 71829 and re-recorded as file number 73228, as described and shown in Exhibit "A," states that the property is to be used forever as a place to create, display, and contain works of art;

WHEREAS, Carson City has no municipal use for the property and it is therefore in the best interest of Carson City and its residents that the property be returned to private ownership; and

WHEREAS, NRS 244.290 requires that before the City may sell or lease any donated property, the City must first offer reconveyance of the property to the person that donated the property upon terms prescribed by a resolution of the Board of Supervisors;

NOW, THEREFORE, BE IT RESOLVED:

(1) it is in the best interest of Carson City and its residents that the property located at 449 West King Street (APN 003-207-04) be returned to private ownership;

(2) the City Engineer is authorized to make a written offer of reconveyance of the property at 449 West King Street (APN 003-207-04) at no cost to the Brewery Arts Center;

(3) the offer of reconveyance shall be open for acceptance for a 45-day period from the date of the offer; and

(4) upon timely acceptance, the Mayor is authorized to execute a deed of reconveyance.

Upon motion by Supervisor _____, seconded by Supervisor _____, the foregoing Resolution was passed and adopted this ____th day of ____, 20__ by the following vote.

VOTE:

AYES:

NAYS:

ABSENT:

ABSTAIN:

Robert Crowell, Mayor

ATTEST

Aubrey Rowlett, Clerk
Carson City, Nevada



CARSON CITY NEVADA

Consolidated Municipality and State Capital

PUBLIC WORKS

September 19, 2019

Gina Hill, Executive Director
Brewery Arts Center
449 West King Street
Carson City, Nevada 89703

Re: Reconveyance of Brewery Arts Center

Dear Ms. Hill,

On September 19, 2019, the Carson City Board of Supervisors adopted Resolution No. _____ declaring it to be in the best interest of Carson City and its residents to offer to the Brewery Arts Center the reconveyance of 449 West King Street (APN 003-207-04). This letter is a written offer of reconveyance, pursuant to NRS 244.290, of the property that was donated to Carson City in document no. 71829 and 73228. This reconveyance is offered free of any cost to the Brewery Arts Center.

In order to accept this reconveyance and have a deed of reconveyance issued, the Brewery Arts Center must notify me within 45 days of the date of this offer that it accepts the reconveyance. If the Brewery Arts Center does not accept the reconveyance, Carson City may take other action that the Board of Supervisors deems to be in the interests of the Carson City.

Please do not hesitate to contact me with any questions.

Sincerely,

Dan Stucky, PE
City Engineer

APN 003-207-04

Address: 449 West King Street, Carson City, Nevada 89703

AFTER RECORDING RETURN TO:
REAL PROPERTY MANAGER
CARSON CITY PUBLIC WORKS
3505 BUTTI WAY
CARSON CITY, NEVADA 89701

QUITCLAIM DEED OF RECONVEYANCE

THIS DEED, made this ____ day of _____, 2019, by and between CARSON CITY, NEVADA, a CONSOLIDATED MUNICIPALITY, hereinafter called GRANTOR and BREWERY ARTS CENTER, hereinafter called GRANTEE,

WITNESSETH:

That said GRANTOR, for and in consideration of the sum of ONE DOLLAR (\$1.00), lawful money of the United States of America and other good and valuable consideration, the receipt whereof is hereby acknowledged, and acting in accordance with the provisions of Nevada Revised Statutes 244.290, does hereby remise, release and forever quitclaim unto the said GRANTEE all of the right, title and fee interest of said GRANTOR in and to that certain real property located at 449 West King Street (APN 003-207-04) as shown on Exhibit A.

IN WITNESS WHEREOF said GRANTOR has hereunto signed on the day and year first above written.

Robert L. Crowell, Mayor

Date

STATE OF _____)

COUNTY OF _____)

This instrument was acknowledged before me on this ____ day of _____, 2019 by _____.

Notary Public

Exhibit "A"

I. Description of Premises

Lessor leases to lessee the premises located at southwest corner of Division and King Street, Carson City, State of Nevada, and described more particularly as follows:

All of Lots 1, 2, 3, 4, 5, 6, 7, and 8, and the North Twenty-Five Feet (25 ft.) of Lots 9 and 10, all in Block 9 of Sears, Thompson and Sears Division, Carson City, Nevada, together with that certain parcel of land located in the aforesaid Block 9 of said Sears, Thompson and Sears Division of Carson City, Nevada, which parcel is particularly described as follows, to wit:

Beginning at a point on the easterly line of Block 9, Sears, Thompson and Sears Division to Carson City, Nevada, which point is southerly Eighty Feet (80 ft.) from the northeast corner of said Block 9; running thence southerly along said easterly line of said Block 9, a distance of Ten Feet (10 ft.); thence, a right angle westerly, One Hundred Seventy Feet (170 ft.), more or less, to the westerly line of said Block 9; thence northerly along said westerly line, Ten Feet (10 ft.); thence, at a right angle easterly, One Hundred Seventy Feet (170 ft.), more or less, to the point of beginning; said parcel being shown on the Original Plat of said Sears, Thompson and Sears Division to Carson City, as an alley Ten Feet (10 ft.) in width, running easterly and westerly through said Block 9.

Filed for Record at Request of
Carson City

AUG 26 1977 at 40

Min. Past 3 o'clock P.M.

Recorded in Book 214

of official Records

Page 696

Carson City, Nevada

By *[Signature]*

Carson City Recorder

File No. 73228

Fee m/c

Re-
This document is recorded for the sole purpose of attaching exhibit "A"

DEED OF DEDICATION

THIS INDENTURE made this 30 day of June, 1977, by and between CARSON CITY ARTS ALLIANCE, a Nevada non-profit corporation, party of the first part, and CARSON CITY, a political subdivision in the State of Nevada, party of the second part,

W I T N E S S E T H:

That said party of the first part, in consideration of the sum of Ten Dollars (\$10.00), lawful money of the United States of America, to it in hand paid by said party of the second part, the receipt whereof is hereby acknowledged, does hereby GIVE AND DEDICATE to the party of the second part, that certain real property situate in Carson City, Nevada, that is particularly described on Exhibit A attached hereto and made a part hereof.

TOGETHER with the tenements, hereditaments and appurtenances thereunto belonging or appertaining, and the reversion and reversions, rents, issues and profits thereof.

TO HAVE AND TO HOLD said premises, together with the appurtenances, unto said party of the second part and to its successors and assigns, to be used and maintained forever as a place to create, display and contain works of art, including, but not limited to, paintings, drawings, architecture, sculpture, poetry, music, dancing, dramatic arts, lectures, education, handiwork, and generally anything in the formation or accomplishment, production, study or enjoyment of which art in any sense has entered. Provided, however, that if any part of the property hereby dedicated shall not be used and maintained for any of the purposes mentioned above, or if any part shall cease to be used and maintained for any of such purposes, or if any part shall be used for any other purpose inconsistent with such purposes, then all the right, title and interest in and to the property and to the improvements thereon, shall revert to and revest in dedicator, its successors or assigns, as fully and completely as if this instrument had not been executed.

Party of the second part joins in the execution of this instrument for the purpose of evidencing its consent to accept the foregoing dedication upon the terms and conditions therein set forth.

IN WITNESS WHEREOF, party of the first part has executed this conveyance the day and year first above written.

CARSON CITY

CARSON CITY ARTS ALLIANCE

By David J. Groves

By Elizabeth R. Block

STATE OF NEVADA)
) ss.
CARSON CITY)

On this 30 day of June, 1977, personally appeared before me, a Notary Public, Elizabeth R. Block known to me to be the person described in and who acknowledged that she executed the foregoing instrument in behalf of CARSON CITY ARTS ALLIANCE.



Marble T. Hoffman
Notary Public

Filed for Record at Request of CARSON CITY
JUL 1 - 1977 at 2:01 pm's. Past 2:00 o'clock P.M.
Recorded in Book 211 of Official Records
Page 288 Carson City, Nevada
Steve Shapiro Carson City Recorder
File No. 71829

N/C

BOOK 211 PAGE 696

211 288

Exhibit "A"

I. Description of Premises

Lessor leases to lessee the premises located at southwest corner of Division and King Street, Carson City, State of Nevada, and described more particularly as follows:

All of Lots 1, 2, 3, 4, 5, 6, 7, and 8, and the North Twenty-Five Feet (25 ft.) of Lots 9 and 10, all in Block 9 of Sears, Thompson and Sears Division, Carson City, Nevada, together with that certain parcel of land located in the aforesaid Block 9 of said Sears, Thompson and Sears Division of Carson City, Nevada, which parcel is particularly described as follows, to wit:

Beginning at a point on the easterly line of Block 9, Sears, Thompson and Sears Division to Carson City, Nevada, which point is southerly Eighty Feet (80 ft.) from the northeast corner of said Block 9; running thence southerly along said easterly line of said Block 9, a distance of Ten Feet (10 ft.); thence, a right angle westerly, One Hundred Seventy Feet (170 ft.), more or less, to the westerly line of said Block 9; thence northerly along said westerly line, Ten Feet (10 ft.); thence, at a right angle easterly, One Hundred Seventy Feet (170 ft.), more or less, to the point of beginning; said parcel being shown on the Original Plat of said Sears, Thompson and Sears Division to Carson City, as an alley Ten Feet (10 ft.) in width, running easterly and westerly through said Block 9.

Filed for Record at Request of
Carson City

AUG 26 1977 at 40

Min. Past 3 o'clock P.M.

Recorded in Book 214

of official Records

Page 696

Carson City, Nevada

By *[Signature]*

Carson City Recorder

By _____

File No. 73228

Fee m/c

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LEASE OF MUNICIPAL PROPERTY

This Lease made June 24, 1977, between Carson City, a municipality organized under the laws of the State of Nevada, herein referred to as lessor, and Carson City Arts Alliance, Inc., a corporation organized under the laws of the State of Nevada, herein referred to as lessee.

WITNESSETH:

WHEREAS, lessee is desirous of obtaining a suitable location in Carson City for the establishment of a structure or building to house the Carson City Arts Alliance, and a facility within which to conduct arts and crafts programs, workshops, theater performances, meetings, lectures, educational classes, and the like; and

WHEREAS, lessor deems it beneficial to Carson City and the inhabitants thereof that such a facility be made available to the citizens of Carson City under the least financial burden placed upon said citizens; and

WHEREAS, lessee has purchased a suitable site and structure within which to house a facility as mentioned in the first recital paragraph above; and

WHEREAS, lessor and lessee have obtained funding through Title II of the Public Works Act of 1976 for the renovation and/or construction of a facility as described in the first recital paragraph herein; and

WHEREAS, it is a condition of the said Public Works Act that in order to obtain the said funding through the act, the property that is the subject of the expenditure of the public works funds be owned by a public entity, and Carson City Arts Alliance, Inc., has concurrently herewith dedicated certain property to Carson City for the purpose expressed herein;

NOW, THEREFORE, in consideration of mutual covenants contained herein, the parties agree as follows:

I. Description of Premises

Lessor leases to lessee the premises located at southwest corner of Division and King Street, Carson City, State of Nevada, and described more particularly as follows:

1 All of Lots 1, 2, 3, 4, 5, 6, 7, and 8, and the North Twenty-Five
2 Feet (25 ft.) of Lots 9 and 10, all in Block 9 of Sears, Thompson and
3 Sears Division, Carson City, Nevada, together with that certain
4 parcel of land located in the aforesaid Block 9 of said Sears, Thompson
5 and Sears Division of Carson City, Nevada, which parcel is
6 particularly described as follows, to wit:

7 Beginning at a point on the easterly line of Block 9,
8 Sears, Thompson and Sears Division to Carson City,
9 Nevada, which point is southerly Eighty Feet (80 ft.) from
10 the Northeast corner of said Block 9; running thence Southerly
11 along said easterly line of said Block 9, a distance of Ten Feet
12 (10 ft.); thence, a right angle westerly, One Hundred Seventy
13 Feet (170 ft.), more or less, to the westerly line of said Block
14 9; thence northerly along said westerly line, Ten Feet (10 ft.);
15 thence, at a right angle easterly, One Hundred Seventy
16 Feet (170 ft.), more or less, to the point of beginning; said
17 parcel being shown on the Original Plat of said Sears,
18 Thompson and Sears Division to Carson City, as an alley Ten
19 Feet (10 ft.) in width, running easterly and westerly through
20 said Block 9.

21 II. Rent

22 Lessee shall pay lessor the sum of one dollar (\$1.00) each year
23 as and for rent of the said premises, beginning on June 24, 1977.

24 III. Acknowledgement of Existing Trust Deed and Promissory Note 25 Securing the Property

26 The parties do hereby acknowledge that Donrey, Inc., is the
27 beneficiary of a Deed of Trust on the property, such Deed of Trust being
28 security for a promissory note from Carson City ArtsAlliance, Inc. to
29 Donrey, Inc., in the amount of forty thousand dollars (\$40,000). Carson
30 City ArtsAlliance, Inc., agrees that in no way shall Carson City become
31 liable for such promissory note. Carson City ArtsAlliance, Inc., further
32 agrees to hold Carson City harmless from any action to collect the
above-mentioned promissory note or any foreclosure proceeding should
the note be in default.

IV. Term of Lease

The term of this lease shall be for ninety-nine (99) years to
commence on June 24, 1977, and terminate on June 24, 2076, unless sooner
terminated by a breach of the terms and conditions of this lease by
lessee, or by an abandonment of the premises by lessee. Lessee shall
surrender the premises to lessor immediately on the termination of the
lease term.

1 It is acknowledged by the parties hereto that the said premises
2 has been dedicated to Carson City by Carson City Arts Alliance, Inc., on
3 condition that Carson City lease said property to Carson City Arts Alliance,
4 Inc., on the terms contained herein.

5 Lessee and lessor do hereby acknowledge this property was dedicated
6 to Carson City and this lease was created between Carson City and Carson
7 City Arts Alliance, Inc., to facilitate the receiving of certain monies
8 from Title II of the Public Works Act of 1976, for the remodeling and
9 construction of an Arts Center in Carson City.

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11 V. Use of Premises

12 Lessee shall use the premises only in conjunction with its purpose
13 stated in the Articles of Incorporation of Carson City Arts Alliance, Inc.,
14 as of June 24, 1977.

15 Lessor agrees and acknowledges that Carson City has no determination
16 in the operation, management, and control of the entire leased premises,
17 other than those terms stated in this lease.

18 VI. Restrictions on Use

19 Lessee shall not keep, use, or sell anything prohibited by any policy
20 of fire insurance covering the premises, and shall comply with all require-
21 ments of the insurers applicable to the premises necessary to keep in force
22 the fire and liability insurance.

23 VII. Waste, Nuisance, or Unlawful Activity

24 Lessee shall not allow any waste or nuisance on the premises, nor
25 use or allow the premises to be used for any unlawful purpose. Lessee
26 shall not use the premises for any purpose in violation of any federal, state,
27 or municipal statute or ordinance, or of any regulation, order, or directive
28 of a governmental agency, as such statutes, ordinances, regulations, orders,
29 or directives now exist or may hereafter provide, concerning the use and
30 safety of the demised premises. On the breach of any provision hereof
31 by lessee, lessor may at his option terminate this lease forthwith and
32 reenter and repossess the demised premises.

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2 VIII. Improvements

3 All additions, changes, and other improvements erected or placed
4 on the demised premises shall remain thereon and shall not be removed
5 therefrom, and at the expiration of this lease, all such improvements shall
6 be the property of Carson City, lessor. This section shall not apply to
7 trade fixtures.

8 Any building or buildings hereafter built upon the demised premises
9 by lessee, shall be constructed and maintained in compliance with the laws
10 of the State of Nevada, and the fire, building, and health ordinances and
11 rules of Carson City, and shall be built under the inspection and subject to
12 the lawful requirements of the building department of such municipality
13 or of such other agency or office authorized by law to inspect or make
14 rules covering the erection and inspection of buildings.

15 IX. Repairs and Maintenance

16 Lessee, at his own expense, shall maintain the demised premises
17 and appurtenances thereto in good repair, and in at least as good condition
18 as that in which they were delivered, allowing for ordinary wear and tear.
19 Also, lessee shall maintain the demised premises in accord with the ordinances
20 of Carson City and the direction of the appropriate public officers.

21 Should the demised premises be destroyed in whole or in part by
22 fire or other casualty or by lessee's want of ordinary care, lessee shall,
23 on receiving written notice from lessor, promptly rebuild or restore the
24 premises to their like condition, or to construct a like facility. Such
25 rebuilding or restoration shall be at lessee's expense, and lessee shall
26 remain liable for any rent hereunder at all times during the lease term.

27 X. Utilities

28 Lessee shall initiate, contract for, and obtain, in its name, all
29 utility services required on the demised premises, including, but not
30 limited to, gas, electricity, telephone, water, and sewer connections and
31 services, and lessee shall pay all charges for those services as they
32 become due. If lessee fails to pay the charges, lessor may elect to for-
feit or terminate this lease if lessee fails or refuses to pay the charges
for utility services as assessed or incurred.

1 Lessor shall not be liable for any personal injury or property damage
2 resulting from the negligent operation or faulty installation of utility
3 services provided for use on the demised premises, nor shall lessor be
4 liable for any injury or damage suffered by lessee as a result of the failure
5 to make necessary repairs to the utility facilities.

6 Lessee shall be liable for any injury or damages to the equipment or
7 service lines of the utility suppliers that are located on the demised prem-
8 ises, resulting from the negligent or deliberate acts of lessee, or the
9 agents or employees of lessee.

10 XI. Taxes and Assessments

11 It is acknowledged that Carson City does not pay property taxes,
12 however, because of the term of this lease, should taxes or other assess-
13 ments be levied on the property, lessee shall pay and discharge when due,
14 as part of the rental of the demised premises all state, municipal, and
15 local taxes, assessments, levies and other charges, general and special,
16 ordinary and extraordinary, of whatever name, nature, and kind, that
17 are or may be during the term hereof, beginning on June 24, 1977, levied,
18 assessed, imposed, or charged on the land or the premises hereby demised,
19 or on the building or buildings and improvements now thereon or hereafter
20 to be built or made thereon.

21 XII. Insurance

22 Lessee shall indemnify and save harmless the lessor, its officers,
23 agents and employees, from and against any and all claims, demands,
24 loss or liability of any kind or nature which lessor, its officers, agents
25 and employees, or any of them, may sustain or incur or which may be
26 imposed upon them or any of them, for injury to or death of any persons
27 or damage to any property in the use of the premises leased herein.

28 As a condition precedent to the effectiveness of this Lease and in
29 partial performance of the lessee's obligations hereunder, the lessee
30 shall obtain and maintain in full force and effect during the term of this
31 Agreement, a policy or policies of liability insurance in carriers and in
32 a form satisfactory to lessor with minimum limits of \$100,000/\$300,000

1 bodily injury and \$100,000 property damage insurance, or equivalent. The
2 lessor shall be named as an additional insured in such policies.

3 Lessee shall maintain adequate fire and extended casualty insurance
4 on the premises to cover replacement costs.

5 The policy shall further provide that the same shall not be cancelled
6 or coverage reduced until a thirty (30) day written notice of cancellation
7 has been served upon the lessor.

8 Lessee shall deliver an acceptable certificates of insurance to lessor.

9 The procuring of such policies of insurance shall not be construed
10 to be a limitation upon the lessee's liability, or as a full performance
11 on its part of the indemnification provisions of this Lease, lessee's
12 obligation being, notwithstanding said policies of insurance, for the full
13 and total amount of any damage, injury or loss caused by negligence or
14 neglect connected with its operation under this lease.

15 XIII. Nonliability of Lessor for Damages

16 Lessor shall not be liable for liability or damage claims for injury
17 to persons or property from any cause relating to the occupancy of the
18 premises by lessee, including those arising out of damages or losses
19 occurring on sidewalks and other areas adjacent to the leased premises
20 during the term of this lease or any extension thereof. Lessee shall
21 indemnify lessor from all liability, loss, or other damage claims or
22 obligations resulting from any injuries or losses of this nature;

23 XIV. Nonliability of Lessor for Liens and Assessments

24 Lessee also shall indemnify lessor against all liens and charges
25 of any and every nature that may at any time be established against the
26 premises or any improvements thereon or any part thereof as a consequence,
27 direct or indirect, of any act or omission of lessee or as a consequence,
28 direct or indirect, of the existence of lessee's interest under this lease.

29 XV. Partial Destruction of Premises

30 Partial destruction of the leased premises shall not render this lease
31 void or voidable, nor terminate it.
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XVI. Encumbrance, Assignment, Sublease, or License

Lessee shall not encumber, or assign the lease or premises, or any right or privilege connected therewith without first obtaining the written consent of lessor. A consent by lessor shall not be a consent to a subsequent encumbrance, or assignment. An unauthorized encumbrance, or assignment, by lessee shall be void and shall terminate the lease at the option of lessor. The interest of lessee in this lease is not assignable by operation of law without the written consent of lessor. The subleasing of the premises shall be determined by lessee in connection with its rights under paragraph V., page 3 hereof.

XVII. Breach

The failure of lessee to comply with each and every term and condition of this lease shall constitute a breach of this lease. Lessee shall have ten (10) days after receipt of written notice from lessor of any breach to correct the conditions specified in the notice, or if the corrections cannot be made within the ten (10) day period, lessee shall have a reasonable time to correct the default if action is commenced by lessor within ten (10) days after receipt of the notice.

Upon breach of this lease by lessee, lessor may terminate the lease on giving theirty (30) days' written notice of termination to lessee. On termination lessor may recover from lessee all damages proximately resulting from the breach, including the cost of recovering the premises.

XVIII. Sale of Property by Lessor

Carson City, lessor, agrees not to sell the property during the term of this lease or any extension thereof.

XIX. Succession

Each and all of the covenants, terms, agreements and conditions herein contained intended to and do bind the successors and assigns of the respective parties hereto.

XX. Entire Agreement

This document contains the entire agreement of the parties hereto.

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XXI. Employees of Lessee

The parties hereto agree that the agents and employees or anyone else connected with or in any manner working for lessee shall in no way be considered employees of lessee. It is acknowledged that lessee is an independent contractor.

IN WITNESS WHEREOF, the said parties have executed this instrument the day and year first above written.

LESSOR:

CARSON CITY
A Consolidated Municipality

Harold Jacobsen
By _____
Harold Jacobsen
Mayor

ATTEST:

Vaughn E. Smith
Vaughn E. Smith, Clerk

LESSEE:

CARSON CITY ARTS ALLIANCE, INC.

By _____
Title: _____

Filed for Record at Request of
CARSON CITY
AUG 8 1977 at 20
Min. Past 1 o'clock P.M.
Recorded in Book 213
of official Records
Page 563

Pete Lyman
Carson City Recorder

File No. 32771
Fee n/c

JAN 17 1983

AMENDMENT TO THE ARTICLES OF INCORPORATION 89701

THE UNDERSIGNED SECRETARY OF STATE

OF THE

CARSON CITY ARTS ALLIANCE

[Handwritten signature]

N. 2942-75

Resolved, that the name of the Carson City Arts Alliance,
do and is hereby changed to the BREWERY ARTS CENTER.

Resolved, that the President and Secretary of this corp-
oration be, and are hereby, instructed to certify to and file
a copy of this resolution in the Office of the Secretary of
State of Nevada, and likewise a copy with the City Clerk of
Carson City, as required by law to effect such change of name.

We, the undersigned, President and Secretary of the
above named corporation, hereby certify that the above and
foregoing resolution was duly adopted by the Board of Directors
and a majority of the membership of this non-profit organiz-
ation at its Annual Meeting, April 30, 1982.

T. R. Barben II
T. R. Barben II, President

Julie Sulahria
Julie Sulahria, Secretary

State of Nevada)
City of Carson City) ss

On this January 5, 1983, before me, the
undersigned personally appeared, T. R. Barben II and Julie
Sulahria, known to me to be the persons whose names are sub-
scribed to the foregoing Amendment to the Articles of Incorp-
oration and acknowledge to me that they executed the same.

Carrie L. Perry
Notary
