



INCORPORATED COUNTY OF LOS ALAMOS LEASE AGREEMENT

1. PARTIES

This Lease Agreement ("Lease") is made and entered into on October 29, 2025, to be effective upon August 1, 2026 ("Effective Date"), by and between:

(a) **LESSEE, Incorporated County of Los Alamos**, an Incorporated County of the State of New Mexico, hereinafter called "County" or "Lessee."

1000 Central Avenue, Suite 310, Los Alamos, New Mexico 87544

(505) 662-8242
(telephone number)

(505) 663-1886
(facsimile number)

Eloisa Sanchez
(contact person)

(b) **LESSOR, Russ NM, LLC**, a New Mexico corporation and leasing agent for **1183 Diamond Drive, Unit D, Los Alamos, New Mexico 87544**, hereinafter called "Lessor."

4 Hazel Avenue, Colorado Springs, CO 80906

(719) 641-7858
(telephone number)

Russell Ross
(contact person)

2. PROPERTY LEASED

In return for the consideration described herein to be paid by the Lessee and the covenants set out herein to be kept by Lessee, Lessor hereby leases unto Lessee, the following described land and improvements thereon ("Leased Premises" or "Premises"), to wit:

Approximately 2457 square feet of net usable space, more fully shown on the floor plan attached hereto as Exhibit A, located **at 1183 Diamond Drive, Unit D, Los Alamos, New Mexico 87544**.

In addition to the above, the Leased Premises shall include the limited use of the land where the Premises are situated as follows: Lessee, its employees, agents, business invitees and licensees are granted non-exclusive rights to use, in common with others, the parking spaces, driveways, roadways, sidewalks specifically reserved for Lessee, etc., unless otherwise limited herein, or as provided in the attached exhibit.

3. MONTHLY RENTAL

In consideration of this lease for the Term set forth below, Lessee shall pay rent to Lessor, as follows:

August 1, 2026, through July 31, 2027, the sum of SEVENTY-NINE THOUSAND TWENTY-SEVEN DOLLARS AND NINETY-SIX CENTS (\$79,027.96), plus applicable gross receipts tax,

subject to adjustments as described herein. Each year, rent may be paid in eleven (11) monthly installments of SIX THOUSAND FIVE HUNDRED EIGHTY-FIVE DOLLARS AND SIXTY-SIX CENTS (\$6,585.66), and one (1) monthly installment of SIX THOUSAND FIVE HUNDRED EIGHTY-FIVE DOLLARS AND SEVENTY CENTS (\$6,585.70).

In addition to rent each month, Lessee shall pay Lessor TWO HUNDRED FIFTY-FIVE DOLLARS AND NINETY-THREE CENTS (\$255.93) per month as Lessee's share of common area maintenance costs.

August 1, 2027, through July 31, 2028, the sum of EIGHTY-TWO THOUSAND NINE HUNDRED SEVENTY-NINE DOLLARS AND THIRTY-SIX CENTS (\$82,979.36), plus applicable gross receipts tax, subject to adjustments as described herein. Each year, rent may be paid in eleven (11) monthly installments of SIX THOUSAND NINE HUNDRED FOURTEEN DOLLARS AND NINETY-FOUR CENTS (\$6,914.94), and one (1) monthly installment of SIX THOUSAND NINE HUNDRED FIFTEEN DOLLARS AND TWO CENTS (\$6,915.02).

In addition to rent each month, Lessee shall pay Lessor TWO HUNDRED SIXTY-EIGHT DOLLARS AND SEVENTY-THREE CENTS (\$268.73) per month as Lessee's share of common area maintenance costs.

August 1, 2028, through July 31, 2029, the sum of EIGHTY-SEVEN THOUSAND ONE HUNDRED TWENTY-EIGHT DOLLARS AND THIRTY-THREE CENTS (\$87,128.33), plus applicable gross receipts tax, subject to adjustments as described herein. Each year, rent may be paid in eleven (11) monthly installments of SEVEN THOUSAND TWO HUNDRED SIXTY DOLLARS AND SIXTY-NINE CENTS (\$7,260.69), and one (1) monthly installment of SEVEN THOUSAND TWO HUNDRED SIXTY DOLLARS AND SEVENTY-FOUR CENTS (\$7,260.74).

In addition to rent each month, Lessee shall pay Lessor TWO HUNDRED EIGHTY-TWO DOLLARS AND SEVENTEEN CENTS (\$282.17) per month as Lessee's share of common area maintenance costs.

Should Lessee and Lessor agree to extend the term of this Lease, the extension shall be on the same terms and conditions set forth herein, except that the annual rent and common area maintenance costs shall be adjusted as follows:

August 1, 2029, through July 31, 2030, the sum of NINETY-ONE THOUSAND FOUR HUNDRED EIGHTY-FOUR DOLLARS AND SEVENTY-FIVE CENTS (\$91,484.75), plus applicable gross receipts tax, subject to adjustments as described herein. Each year, rent may be paid in eleven (11) monthly installments of SEVEN THOUSAND SIX HUNDRED TWENTY-THREE DOLLARS AND SEVENTY-TWO CENTS (\$7,623.72), and one (1) monthly installment of SEVEN THOUSAND SIX HUNDRED TWENTY-THREE DOLLARS AND EIGHTY-THREE CENTS (\$7,623.83).

In addition to rent each month, Lessee shall pay Lessor TWO HUNDRED NINETY-SIX DOLLARS AND TWENTY-EIGHT CENTS (\$296.28) per month as Lessee's share of common area maintenance costs.

August 1, 2030, through July 31, 2031, the sum of NINETY-SIX THOUSAND FIFTY-EIGHT DOLLARS AND NINETY-NINE CENTS (\$96,058.99), plus applicable gross receipts tax, subject to adjustments as described herein. Each year, rent may be paid in eleven (11) monthly installments of EIGHT THOUSAND FOUR DOLLARS AND NINETY-ONE CENTS (\$8,004.91),

and one (1) monthly installment of EIGHT THOUSAND FOUR DOLLARS AND NINETY-EIGHT CENTS (\$8,004.98).

In addition to rent each month, Lessee shall pay Lessor THREE HUNDRED ELEVEN DOLLARS AND NINE CENTS (\$311.09) per month as Lessee's share of common area maintenance costs.

Rent shall be paid in a timely manner, and shall not be subject to delay, offset or reduction during the term and extended terms of this Lease.

4. TERM OF LEASE

The initial term shall be three (3) years, commencing on August 1, 2026 (the "Commencement Date") and ending on July 31, 2029, unless earlier terminated in accordance with this Lease. Upon expiration, the term may be renewed for up to two (2) additional one-year periods on the same terms and conditions, with annual rent and common area maintenance costs subject to a three percent (5%) increase per year, as outlined in Paragraph 3 above, unless otherwise modified by mutual written amendment.

4.01 Lessee is presently in possession of the premises and accepts same pursuant to the terms of the Lease, as of the effective date, in its existing condition.

4.02 *Holding Over.* Any holding over by Lessee, after the expiration of the Lease term, shall be on a month-to-month basis, with rent being payable monthly at the rate of 1.5 multiplied by the monthly installment of rent payable immediately prior to the holding over, and all other terms of this Lease shall continue to apply.

5. GENERAL TERMS AND CONDITIONS

5.01 Utilities. Lessee shall furnish, at Lessee's cost, all customary and necessary utilities to the Leased Premises including but not limited to, electric, gas, water and sewer. Lessor is specifically not required to provide telephone and other communication installation, hookup or maintenance.

5.02 Taxes and Maintenance. The Parties hereby agree that this Lease is and shall be an absolute net lease and, as such, Lessee shall have no liability or responsibility, financial or otherwise, with respect to the Leased Premises (including, without limitation, for taxes, insurance, or maintenance) to Lessor or any other person, except as specifically set forth herein. Lessor covenants and agrees to pay all taxes and governmental charges of whatever nature, levied and assessed or to be levied and assessed, on or against the Leased Premises during the term of this Lease.

Lessee shall promptly repair damage to the Leased Premises and damage to the building, parking areas, sidewalks, and personal property within or on them, excluding ordinary wear and tear caused by Lessee, its employees, invitees, contractors or agents.

Excepting those damages to be repaired by Lessee, Lessor shall, at all times, exercise reasonable diligence and efforts to keep the Leased Premises, including the heating, ventilating and air conditioning systems servicing the Premises, in good working condition. Lessor shall maintain all sidewalks in good, clean, safe, secure, and sanitary condition and repair. Lessor shall further exercise reasonable efforts to keep exterior sidewalks, and parking areas free and clear of ice and snow.

Lessee shall, upon the expiration or sooner termination of this Lease, surrender the Leased

Premises to the Lessor in good condition, ordinary wear and tear excepted.

If either Lessor or Lessee fails to implement repairs or to maintain the Premises and all appurtenances thereto in reasonably good repair, reasonable wear and tear excepted, such failure shall be considered a breach of this Lease, and the other party shall notify the breaching party in accordance with Paragraph 5.22 below. If, within TEN (10) days after notice has been given, the breaching party fails to promptly repair damages or defects as requested or fails to promptly take all action reasonable and necessary to effect such repairs, and thereafter work diligently and without unnecessary delays toward timely completion of repairs, then the non-breaching party may undertake the repairs or maintenance set forth in the written demand and bill the breaching party. The breaching party shall pay the billed amount within TWENTY (20) days.

5.03 Use. Lessee shall use the Premises for office purposes related to the operation of Los Alamos Public Health Office and primary health care services, and the Social Services Division of Los Alamos County. Lessee and Lessor agree Lessee may use and occupy the Premises for the purposes of a medical clinic, including customary clinic uses such as offices, examining rooms, laboratories, pharmacy, and the like, by the state of New Mexico Department of Health.

5.04 Non Disturbance: No Assignment. Lessor hereby covenants and agrees that hereafter and during the term of this Lease, it will not rent, lease or otherwise furnish space in this or any adjacent buildings under its control to any enterprise which, in the usual exercise of its business, could be expected to create unreasonable noise or odors injurious or disruptive to Lessee's normal activities. If Lessee experiences unreasonable noise or odors that are injurious or disruptive to Lessee's normal activities, Lessee shall notify Lessor in accordance with Paragraph 5.22 below. If, within TEN (10) days after notice has been given, Lessee continues to experience such unreasonable noise or odors, then Lessor shall be in default, for purposes of Paragraph 5.23 below, and Lessee may terminate this Lease in accordance with Paragraph 5.23.

Except as provided in this Lease, Lessee covenants and agrees that it will not assign nor sublet any portion of the Lease Premises. Lessee further agrees that it will not permit any noxious or hazardous materials, gases or odors onto the Leased Premises or the Building, parking areas and sidewalks due to any activity by it, its invitees, employees, agents, or contractors. Lessee shall reimburse Lessor for the reasonable costs incurred in remediating or cleaning any area contaminated by any such material, gas or odor within THIRTY (30) days of such remediation or cleaning.

5.05 Quiet Enjoyment and Assurance of Title. Lessor further warrants and represents that it has good and sufficient title to the Leased Premises and has full power and authority to execute this Lease and to place Lessee in possession of the Premises in full satisfaction of and compliance with the terms and conditions herein. Lessor shall not attempt to impose upon Lessee any requirements of other legal instruments related to these Premises not referred to herein or made a part hereof. Lessor warrants and shall hold harmless and defend Lessee's possession against the claims of all persons to the leasehold interests of Lessee.

5.06 No Conflict. Lessor warrants that the proposed operations of Lessee on the Premises do not violate any restriction imposed against the Premises.

5.07 Indemnification. Lessor shall indemnify, defend, and hold harmless Lessee, its Council members, employees, agents and representatives from and against any and all liabilities, claim, damages, demands, actions (legal or equitable) and costs and expenses, including without

limitation attorneys' fees, of any kind or nature, or liability for injury, death, or property damage arising out of the performance of Lessor's obligations hereunder to the extent such claims, damages, expenses or liability may result in whole or in part from negligent acts or omissions of the Lessor, its officers, employees, agents or subcontractors.

5.08 Improvements and Alterations by Lessee. After the Commencement Date, Lessee, at its sole cost and expense, shall have the right to install within the Leased Premises any fixtures, equipment, facilities, and other improvements required by Lessee for the conduct of Lessee's business on the Leased Premises; provided however, Lessee shall obtain Lessor's approval to plans and specifications of such improvements, which approval shall not be unreasonably withheld, by submitting detailed plans and specifications to Lessor not less than THIRTY (30) days prior to the expected date of commencement of such improvements.

5.09 Signs. Any signs desired by Lessee to indicate Lessee's name, location and purpose shall be prepared and installed in accordance with Lessor's applicable and reasonable rules and regulations and in keeping with building decor. Any special requirements of Lessee contrary to the above must be agreed to between the parties in writing.

5.10 Condemnation. If during the term of this Lease, the Premises, or any portion thereof, shall be condemned for any public purpose, Lessee shall have the option to terminate this Lease upon THIRTY (30) days' notice to Lessor.

5.11 Destruction of Premises. If Leased Premises, during the term of this Lease or prior to Commencement Date hereof, shall be partially damaged by fire or any other cause or causes, the same shall be promptly repaired within THIRTY (30) days by Lessor. During such repair, if the Leased Premises cannot be fully utilized by Lessee, rent due hereunder shall be either proportionately reduced or abated in accordance with the degree of non-use. But, if the Leased Premises are so damaged as to render the Premises unfit for occupancy, then, and from the date of such damage, this Lease shall cease and be void; and rent and other obligations hereunder shall be due and payable only to the date of such damage.

5.12 Default of Lessee. If Lessee is in default in the payment of rentals or shall otherwise breach its covenants or obligations hereunder (such default not being caused by Lessor); and shall be and remain in default for a period of THIRTY (30) days after written notice from Lessor to Lessee of such default, Lessor shall have the right and privilege of terminating this Lease and declaring the same at an end, and of entering upon and taking possession of Premises, and shall have the remedies now or hereafter provided by law for recovery of rent, repossession of Premises and damages occasioned by such default.

5.13 Default of Lessor. If Lessor shall breach or be in default in the performance of any of the covenants or obligations imposed upon Lessor by this Lease, and shall remain in default for a period of THIRTY (30) days after written notice from Lessee to it of such default, Lessee shall have the right and privilege of terminating this Lease and declaring the same at an end, and shall have the remedies now or hereafter provided by law for recovery of damages occasioned by such default.

5.14 Hazardous Substances. Lessor warrants and represents that any use, storage, treatment or transportation of Hazardous Substances that has occurred in or on the Premises prior to the Commencement Date of this Lease has been in compliance with all applicable federal, state, and local laws, regulations, and ordinances. Lessor additionally warrants and represents that no release, leak, discharge, spill, disposal, or emission of Hazardous Substances has occurred in,

on, or under the Premises, and that the Premises are free of Hazardous Substances as of the Commencement Date of this Lease. Lessee warrants and represents that it will not use or store any Hazardous Materials in the Premises except in usual quantities for Lessee's intended use of the Premises and in accordance with all applicable law.

Lessor hereby releases Lessee from, and Lessor will be responsible for, any and all claims, damages, fines, judgments, penalties, costs, liabilities, or losses (including, without limitation, any and all sums paid for settlement of claims and for fees of attorneys, consultants, and experts) arising during or after the Lease term from or in connection with the presence or suspected presence of Hazardous Substances in or on the Premises, unless the Hazardous Substances are present solely as a result of Lessee's occupancy of the Premises. Without limitation of the foregoing this indemnification shall include any and all costs incurred due to any investigation of the site or any cleanup, removal, or restoration mandated by a federal, state, or local agency or political subdivision, unless the Hazardous Substances are present solely as a result of negligence, willful misconduct, or other acts of Lessee, Lessee's agents, employees, contractors, or invitees. This indemnification shall specifically include any and all costs due to Hazardous Substances that flow, diffuse, migrate, or percolate into, onto, or under the Premises after the Lease term commences.

As used herein, "Hazardous Substance" means any substance that is toxic, ignitable, reactive, or corrosive and that is regulated by any local government, the State of New Mexico, or the United States Government. "Hazardous Substance" includes any and all material or substances that are defined as "hazardous waste," "extremely hazardous waste," or a "hazardous substance" pursuant to state, federal, or local governmental law. "Hazardous Substance" includes but is not restricted to asbestos, polychlorobiphenyls ("PCBs"), solvents, pesticides, and petroleum.

5.15 Licenses. Lessor agrees that at all times under this Lease, Lessor shall hold all necessary professional and business licenses, including Los Alamos County business licenses, which will be obtained and maintained by Lessor for any and all of his agents, consultants, subcontractors, or representatives.

5.16 Insurance. At all times during the term of this Lease, Lessor shall maintain a policy of fire and extended coverage insurance, issued by and bonded upon a State of New Mexico licensed insurance company, covering the Leased Premises and leasehold improvements (exclusive of contents), in an amount equal to \$2,065,700. Lessee shall have no interest in said policy or policy proceeds and Lessor shall not be obligated to insure any furnishings, equipment, trade fixtures, or other personal property which Lessee may place or cause to be placed upon the Leased Premises, or any improvements which Lessee may construct thereon. Lessor shall additionally purchase and maintain a policy or policies of comprehensive general liability insurance with a \$750,000 per Occurrence Limit, insuring Lessor against loss of life, bodily injury and/or property damage with respect to the operation of the buildings, parking lots and other improvements associated with the land upon which the Leased Premises are located, and any other losses caused by or related to the duties and obligations of Lessor under the terms of this Lease. Lessor shall secure and maintain all necessary Workers' Compensation insurance as may be required by law to cover Lessor's employees hereunder. Lessee will maintain General Liability insurance with a maximum of \$750,000 per occurrence and Workers' Compensation insurance throughout the term of the lease. Lessee shall provide an automobile liability policy with a limit of not less than \$750,000. Anything in this Lease to the contrary notwithstanding, no insurance carrier of either party shall have a right of subrogation against any other party to this Lease.

5.17 Waiver. The failure of Lessee or Lessor to insist in any one or more instances on a strict

performance of any of the covenants of this Lease shall not constitute a waiver or relinquishment of such covenants in future instances, but the same shall continue and remain in full force and effect.

5.18 Binding on Successors. This Lease and each and all of its covenants, obligations and conditions hereof shall inure to the benefit of and be binding upon the heirs, personal representatives, successors and assigns of Lessor, and the successors and permitted assignees of Lessee.

5.19 Integration and Amendments. All proposals, negotiations, notices, and representations with reference to matters covered by this Lease are merged in this instrument and no amendment or modification thereof shall be valid unless evidenced in writing and signed by both parties as identified below.

5.20 New Mexico Law. This Lease has been prepared, is being executed and delivered, and it is intended to be performed in the State of New Mexico, and the substance of laws of New Mexico, as well as the applicable Federal laws of the United States of America shall govern the validity, construction, and enforceability of this Lease.

5.21 Entirety. This Lease embodies the entire agreement between the parties and supersedes all prior agreements and understandings, if any, relating to the subject matter hereof. If any provision of this Agreement is held to be unenforceable for any reason: (i) such provision will be reformed only to the extent necessary to make the intent of the language enforceable; and (ii) all other provisions of this Agreement will remain in effect.

5.22 Notice. Any notice required or permitted to be delivered under this Lease shall be deemed received when sent by United States mail, postage prepaid, certified mail, return receipt requested, addressed to Lessor or Lessee, as the case may be, at the address stated in below:

To Lessee:

Incorporated County of Los Alamos
Attn: Eloisa Sanchez
Community Services Department
1000 Central Avenue, Suite 310
Los Alamos, New Mexico 87544

To Lessor:

Russ NM LLC
% Russell Ross, Managing Member
4 Hazel Avenue
Colorado Springs, Colorado 80906
(719)641-7858

5.23 Termination. Lessee may terminate this Lease for breach of material covenant by the Lessor, if such breach has not been corrected within THIRTY (30) days of written notice thereof as determined by the party sending the termination notice. The termination shall be effective upon THIRTY (30) days after written notice of the breach, unless the breach has been corrected within that time, as determined by the party sending the termination notice.

Lessee may terminate this Lease upon SIXTY (60) days prior written notice if the state of New Mexico's Department of Health ceases its use of the Premises. Lessee may terminate this Lease without cause upon NINETY (90) days prior written notice to Lessor.

This Lease shall terminate on the first day of any County fiscal year for which funds to pay compensation hereunder are not appropriated by the County Council. Lessee shall make reasonable efforts to give Lessor at least NINETY (90) days advance notice that funds have not been and are not expected to be appropriated for that purpose. Lessee reserves the absolute right, upon written notice to Lessor, to terminate this Lease if the County Council does not appropriate funds for the purpose of paying the rent hereunder.

5.24 Invalidity of Prior Agreements. This Lease supersedes all prior contracts or agreements, either oral or written, that may exist between the parties with reference to the services described herein and expresses the entire agreement and understanding between the parties with reference to said services. It cannot be modified or changed by any oral promise made by any person, officer, or employee, nor shall any written modification of it be binding on County until approved in writing by both Lessee and Lessor.

6.0 Legal Recognition of Electronic Signatures. Pursuant to NMSA 1978 §14-16-7, this Agreement may be signed by electronic signature.

7.0 Duplicate Original Documents. This document may be executed in counterparts, each of which shall be deemed an original.

IN WITNESS WHEREOF, the parties have executed this Lease on the date(s) set forth opposite the signatures of their authorized representatives to be effective for all purposes on the date first written above.

ATTEST

**INCORPORATED COUNTY OF LOS ALAMOS,
LESSEE**

**MICHAEL D. REDONDO
COUNTY CLERK**

BY: _____
**ANNE W. LAURENT DATE
COUNTY MANAGER**

Approved as to form:

**J. ALVIN LEAPHART
COUNTY ATTORNEY**

Russ NM LLC, LESSOR

BY: _____
DATE

EXHIBIT A

