

BOARD OF REGENTS BRIEFING PAPER

1. AGENDA ITEM TITLE: Lease Agreement between KL QOZB, II, LLC and Nevada State University for an academic building in North Las Vegas

MEETING DATE: December 4-5, 2025

BACKGROUND & POLICY CONTEXT OF ISSUE:

Nevada State University (NSU) has a unique opportunity to establish a campus in North Las Vegas, achieving a milestone in expanding its regional presence as Nevada's only middle tier higher education provider. NSU's North Las Vegas campus will provide access to baccalaureate degrees and a wide-range of career readiness programs for what is currently an underserved student population in Nevada's third largest overall city and largest minority-majority municipality.

Specifically, NSU is requesting Board of Regents approval to enter into a ten year lease with KL QOZB, II, LLC (please see Exhibit A) for a newly constructed 30,000-square-foot academic building in the center of downtown North Las Vegas. As part of the larger 19-acre North Las Vegas Gateway Village—which will also include commercial office space, retail, childcare, healthcare facilities, and affordable housing—NSU's proposed campus will be located at the crossroads of two major public transportation arteries and within five miles of 14 Clark County School District High Schools. National studies, and NSU's own data, show that transportation and proximity can be major barriers to accessing higher education, and this proposed campus achieves the institution's strategic objective of meeting the students where they are.

As proposed in this lease, NSU would have exclusive use of a three-story, 30,000 square foot, newly constructed building at the intersection of Lake Mead Boulevard and Las Vegas Boulevard North, North Las Vegas, Nevada. The planned tenant improvements, which are funded entirely by the Landlord and are currently in draft design, enable NSU to create state of the art academic spaces that reflect best practices in education and NSU's commitment to small class sizes. This new campus is being designed to accommodate both current NSU students who may wish to take some or all of their classes there, as well as ensuring adequate space for growth.

It is anticipated that the new campus will be open in mid-2027, and its initial focus will be on the teacher education pipeline, expanding on the City of North Las Vegas' current efforts to increase the number of educators in the community. Additional course offerings will be developed through continued conversations with academic faculty, current and future students, the City of North Las Vegas, regional employers and community partners. Further, proposed course offerings, such as the above-mentioned teacher preparation framework, are being designed with a 12-month curriculum, where possible, allowing NSU to fully utilize the new campus year-round.

As with any new initiative, start-up costs and ongoing operating obligations must be accounted for. NSU has assembled a solid base of funding streams to ensure this new campus is self-sustaining without placing pressure on the Institution's existing budget. The cornerstone of these is a collaboration with the City of North Las Vegas Redevelopment Agency (NLVRDA) for a multi-year rent subsidy agreement, which is attached for your information (Exhibit B), and which will be executed concurrently with this lease. This commitment from the NLVRDA of \$7.53m provides funding for all building rent and operating obligations for the first five years of occupancy, limiting NSU's expenses for those first five years to only costs associated with academic operations. This rent-free window through 2032 also gives NSU sufficient time to incrementally build campus enrollment (and the associated weighted student credit hours) to the level necessary to secure funding

for ongoing expenses through the Legislature's Funding Formula for NSHE. (Please see Exhibit C for the budget overview and breakeven analysis.)

Start-up funding for the first several years until incremental formula funding is realized has also been identified and secured. The most significant of these sources is \$2.5m contained in SB 498 (25 Session) specifically for developing new academic programming at the North Las Vegas campus. That funding will be fully utilized this biennium on start-up activities and related new campus expenses such as furniture, fixtures and equipment, and technology. NSU has also secured a \$250,000 gift from NV Energy, as well as a \$500,000 anonymous gift, both committed for the purpose of expanding higher education access in North Las Vegas. The incremental registration fees from new North Las Vegas enrollments as well as earmarked internal funds for strategic growth make up the remaining dedicated start-up funding sources.

The initial term of the lease is ten years. The lease contains the option for either a ten year extension or the purchase of the building, which may be requested by NSU in the future based on market conditions. The lease is a triple-net lease with a base rent of \$30.00/sf/year, a 3% annual inflation increase, and estimated annual operating costs of \$550,000 to \$637,601. With the NLVRDA's \$7.53m subsidy, the effective average annual gross cost over the ten year lease term is \$28.49/sf. Based on NAI market rates for North Las Vegas in 2025 (\$29.64/sf gross), and assuming 3% inflation through the end of the initial lease term, the average market rate for comparable space is estimated to be \$37.13. This proposed space is approximately 23% below market rates for the term of the lease.

3. SPECIFIC ACTIONS BEING RECOMMENDED OR REQUESTED:

Nevada State University Acting President Amber Lopez Lasater requests approval of this Lease with KL QOZB, II, LLC for property located at the intersection of Lake Mead Boulevard and Las Vegas Boulevard North (Clark County Assessor parcel number TBD.) Acting President Lopez Lasater further requests that the Chancellor be granted authority to execute the Lease and any related documents necessary and appropriate (with any non-material amendments) as determined by the NSHE Chief General Counsel, or NSHE Special Real Estate Counsel, including approval of the Tenant Improvement plans, to carry out the terms and conditions of the Lease described above.

4. IMPETUS (WHY NOW?):

As NSU grows to address unmet student demand in North Las Vegas and prepares for its future space needs, this location and subsidized lease provide a unique opportunity to obtain new space at an affordable rate in a geographic location that minimizes transportation challenges for students.

5. CHECK THE NSHE STRATEGIC PLAN GOAL THAT IS SUPPORTED BY THIS REQUEST:

- Access (Increase access to higher education)
- Success (Improve student success)
- Close Institutional Performance Gaps
- Workforce (Meet workforce needs in Nevada)
- Research (Increase solutions-focused research)
- Coordination, Accountability, and Transparency (Ensure system coordination, accountability, and transparency)
- Not Applicable to NSHE Strategic Plan Goals

6. INDICATE HOW THE PROPOSAL SUPPORTS THE SPECIFIC STRATEGIC PLAN GOAL

Development of the new NSU campus in North Las Vegas will contribute to several of NSHE's strategic goals. Notably, it will enhance access and student success by providing modern learning spaces that make use of best practices in pedagogy, in a location that eliminates geographic barriers

to a large number of current and prospective NSU students. It will address workforce needs by providing tailored career development opportunities that are not currently available in the area. Likewise, the facility will contribute toward closing performance gaps by providing a planned and coordinated space for delivering academic advising and career counseling, while being a compelling draw for our outstanding faculty. Working in unison with the Henderson campus, Valley-wide educational opportunities leverage existing academic resources and provide scale to new initiatives, creating a higher return on taxpayer investments. The new facility will provide a cohesive sense of community, identity, and pride that will inspire all students to excel.

7. BULLET POINTS TO SUPPORT REQUEST/RECOMMENDATION:

- Enables NSU to move forward now with bringing new space online to match future student demand.
- Mitigates the transportation barriers impacting many current and future NSU students.
- Furtheres the partnership between the City of North Las Vegas and NSU in addressing the needs of area stakeholders, including students, employers, and the community.
- Availability of brand-new Class A space in this location, offered at a reduced rate, presents a unique opportunity to address future campus needs.

8. POTENTIAL ARGUMENTS AGAINST THE REQUEST/RECOMMENDATION:

The initial questions of affordability have been evaluated and addressed; no further arguments against have been brought forward.

9. ALTERNATIVE(S) TO WHAT IS BEING REQUESTED/RECOMMENDED:

As no other similarly priced or located lease space has been identified in the North Las Vegas area, alternatives would be limited to either forgoing expansion or pursuing less optimal locations outside of the target area.

10. RECOMMENDATION FROM THE CHANCELLOR'S OFFICE:

The Chancellor's Office recommends approval.

11. COMPLIANCE WITH BOARD POLICY:

- Consistent With Current Board Policy: Title # _____ Chapter # _____ Section # _____
- Amends Current Board Policy: Title # _____ Chapter # _____ Section # _____
- Amends Current Procedures & Guidelines Manual: Chapter # _____ Section # _____
- Other: _____
- Fiscal Impact: Yes No _____

Explain: The terms of the Lease agreement include a 10-year initial term with base rent and operating costs, net of the subsidy from the City of North Las Vegas RDA, equaling zero for years 1-5. Annual rents plus operating costs for years 6-10 range from \$1.62m to \$1.82m per year and total \$8.6m. This will be incorporated in NSU's budget as part of the Legislature's funding formula as Weighted Student Credit Hour generating academic space and funded similar to other new NSHE academic spaces.

EXHIBIT A

LEASE AGREEMENT

**BOARD OF REGENTS OF THE NEVADA SYSTEM OF HIGHER EDUCATION
ON BEHALF OF
NEVADA STATE UNIVERSITY AS TENANT**

and

KL QOZB, II, LLC AS LANDLORD

Lease covers Premises located at: Northwest corner of Lake Mead Blvd. & Las Vegas Blvd. Dr., North Las Vegas, NV 89030, shown on Exhibit "A"

Campus for which the space is leased:

Nevada State University

TABLE OF CONTENTS

ARTICLE 1 - PREMISES 4

ARTICLE 1 - PREMISES 4

1.1 Description 4

1.2 Area of Premises 4

ARTICLE 2 - TERM..... 4

2.1 Lease Term..... 4

ARTICLE 3 - RENT 5

ARTICLE 4 - Intentionally Omitted

ARTICLE 5 – Intentionally Omitted

ARTICLE 6 - NOTICES..... 5

ARTICLE 7 – TENANT IMPROVEMENTS..... 6

7.1 Tenant Improvements 6

7.2 Tenant Improvements Warranties 6

ARTICLE 8 – NOTICE OF COMPLETION 7

ARTICLE 9 – TIME LIMIT AND PRIOR TENANCY 7

ARTICLE 10 - USE 7

10.1 Use 7

10.2 Compliance with Laws 7

10.3 Hazardous Substances 8

ARTICLE 11 OPERATING EXPENSES 8

11.1 Definitions 8

11.2 Calculation and Payment of Direct Expenses 13

ARTICLE 12 – SERVICES, UTILITIES..... 14

ARTICLE 13 – INDEMNIFICATION 15

13.1 Landlord’s Obligation..... 15

13.2 Tenant’s Obligation..... 15

ARTICLE 14 – INSURANCE REQUIREMENTS 15

14.1 Tenant’s Insurance 15

14.2 Landlord’s Insurance..... 16

ARTICLE 15 – WAIVERS OF SUBROGATION 16

ARTICLE 16 – REPAIR AND MAINTENANCE 16

16.1 Landlord and Tenant Obligations 16

16.2 Failure of Landlord to Make Repairs 16

ARTICLE 17 – ALTERATIONS, MECHANICS’ LIENS	16
17.1 Alterations	17
17.2 Condition at Termination.....	17
17.3 Mechanic’s Liens	17
ARTICLE 18 – ASSIGNMENT AND SUBLETTING.....	17
ARTICLE 19 – ENTRY BY LANDLORD.....	17
ARTICLE 20 - DESTRUCTION.....	17
ARTICLE 21 – Intentionally Ommited	18
ARTICLE 22 – SERVICE COMPANIES.....	18
ARTICLE 23 – DEFAULT BY TENANT.....	18
23.1 Default	18
23.2 Remedies	19
ARTICLE 24 – DEFAULT BY LANDLORD	19
24.1 Default	19
24.2 Remedies	19
ARTICLE 25 - CONDEMNATION.....	19
ARTICLE 26 – HOLDING OVER.....	19
ARTICLE 27 - WAIVER.....	20
ARTICLE 28 – ATTORNEYS’ FEES	20
ARTICLE 29 – QUIET POSSESSION.....	20
ARTICLE 30 - SUBORDINATION.....	20
ARTICLE 31 – ESTOPPEL CERTIFICATE	20
ARTICLE 32 – MISCELLANEOUS PROVISIONS.....	21
32.1 No Amendments	21
32.2 Time of the Essence	21
32.3 Binding Effect	21
32.4 Invalidity	21
32.5 Warranty of Authority.....	21
32.6 Addendum	211
ARTICLE 33 - SIGNAGE	21
ARTICLE34 –RIGHT OF PURCHASE	21
ARTICLE 35 –OPTION TO EXTEND	21
Exhibits A-I.....	23-40

SUMMARY OF LEASE TERMS

This Summary of Lease Terms is intended for reference purposes only. Nothing contained herein shall supersede anything contained in the Lease or have any legally binding effect.

Tenant: BOARD OF REGENTS OF THE NEVADA SYSTEM OF HIGHER EDUCATION ON BEHALF OF NEVADA STATE UNIVERSITY

Landlord: KL QOZB, II, LLC

Address of Premises: Northwest corner of Lake Mead Blvd. & Las Vegas Blvd. Dr., North Las Vegas, NV 89030 (Article 1)

Rentable Square feet of Premises: A free standing building consisting of approximately 30,000 square feet (Article 1)

Premises Percentage of Building: 100% (Article 1)

Lease Commencement Date: One Hundred and Twenty (120) days after Substantial Completion (Article 2)

Lease Expiration Date: On the last day of the One Hundred and Twentieth (120th) month after the Lease Commencement Date (Article 2)

Base Rent: \$30.00 per square foot, which equals \$900,000 per annum and \$75,000 per month. Base rent shall increase at a rate of three percent (3%) per annum. (Article 3)

Addresses for Notices:

Landlord:

KL QOZB II, LLC,
Ryan Lefton, Managing Member
4764 Park Granada, Suite 200
Calabasas, CA 91302

Tenant:

NEVADA STATE UNIVERSITY
Attn: VP Finance and Business Operations
1300 Nevada State Drive
Henderson, NV 89002

(Article 6)

Use: Education, School, Library, Welcome Center, and Administrative office Space (Article 10)

Base Year for Operating Expenses: This is a Triple Net (NNN) Lease (Article 11)

Right to Purchase Property: The Board of Regents of the Nevada System of Higher Education, on behalf of Nevada State University (“Tenant”) shall have a right to purchase the property subject to and contingent upon the terms and conditions referenced in that certain Purchase Option (Article ____).

PREAMBLE

THIS LEASE is made as of the date of final execution (the "**Effective Date**"), by and between KL QOZB, II, LLC, a Delaware limited liability company ("**Landlord**") and the BOARD OF REGENTS OF THE NEVADA SYSTEM OF HIGHER EDUCATION ON BEHALF OF NEVADA STATE UNIVERSITY, a Nevada political subdivision ("**Tenant**").

Landlord and Tenant hereby agree as follows:

ARTICLE 1 - PREMISES

1.1 Description. Landlord hereby leases to Tenant and Tenant hereby leases from Landlord, upon the terms and conditions herein set forth, that certain real property and its appurtenances, situated at the Northwest corner of Lake Mead Blvd. & Las Vegas Blvd. Dr., North Las Vegas, NV 89030, a portion of APN: TBD, and described as a thirty thousand (30,000) square foot three-story building to accommodate educational uses and administrative office space as shown on the attached site plan as Exhibit A (and "Building") and the areas servicing the Building (including an adjacent parking area) ("Premises"), as depicted in Exhibit A, attached hereto and incorporated herein. The Premises shall be measured by standards for a single tenant building defined by 1980 ANSI/BOMA Standard published collectively by the American National Standards Institute and the Building Owners and Managers Association ("ANSI/BOMA Standard") ("**BOMA**"). The Building, the Premises, and the land on which the Building, the Premises and those areas are located are referred to collectively as the "**Real Property**".

1.2 Area of Premises. Thirty Thousand (30,000) rentable square feet of interior space.

ARTICLE 2 – TERM

2.1 Lease Term. The terms and provisions of this Lease shall be effective as of the Effective Date. The term of this Lease (the "**Lease Term**") shall be for Ten (10) years, commencing on the date that is one hundred and twenty (120) days after Substantial Completion (as defined below) (the "**Lease Commencement Date**") and ending on the last day of the calendar month of the Tenth (10th) year after the Lease Commencement Date (the "**Lease Expiration Date**"), unless this Lease is sooner terminated or extended pursuant to any provision hereof. Within thirty (30) days after the Lease Commencement Date, the parties shall execute a written memorial of such date in the form attached as Exhibit C. For all purposes under this Lease, all references to the Lease Term shall include any and all Extended Terms (as defined below), if applicable. Tenant shall have one (1) option to extend the Lease Term for an additional period of ten (10) years ("Extended Term"), as per the terms in section 26. "**Substantial Completion**" is defined as that point in the construction process when (i) a majority of all of the structural, mechanical, plumbing, electrical and other work specified in the **Approved Plans and Specifications** as defined in Addendum 4 has been performed; (ii) the paint, carpet, hard flooring materials, and base moldings, if any, have been installed, and a majority of the other finish work specified in the **Approved Plans and Specifications** has been completed, such that if Tenant took possession of the Premises it could, conduct normal business operations in the Premises, (iii) all Landlord base building and other work required under this lease has been completed, and (iv) Landlord has received from the applicable governmental authority, and provided a copy of such to Tenant, a Certificate of Occupancy (or the local equivalent such as a final permit sign-off) that allows Tenant to legally occupy the Premises. For all purposes under this Lease, "**Substantial Completion**," "**Substantially Complete**" and words of similar import shall be as defined herein.

ARTICLE 3 - RENT

3.1 Tenant shall pay to Landlord as "**Monthly Rent**" for the Premises the sum of Seventy-Five Thousand Dollars and 00/100 (\$75,000.00) which is an annual rent of Nine Hundred Thousand Dollars and 00/100 (\$900,000.00) subject to annual rental increases of three (3%) percent per year, payable in advance on or before the first day of each month, beginning on the month after the Redevelopment Agency makes its final Rent Subsidy payment as defined in the Interlocal Agreement by and between the City of North Las Vegas and Nevada State University (the "**Rent Commencement Date**"). The rent schedule is attached hereto as Exhibit J.

Further, if the Tenant's construction costs exceed the budgeted cost, the Tenant has two options to reimburse Landlord for the additional costs. **If the Tenant Improvements (as defined in Section 7.1) exceed Five Million Dollars and 00/100 (\$5,000,000.00) then Tenant shall pay as Additional Rent (defined below in Section 3.2 of this Agreement) at an additional rate of Thirty-Six Cents (\$0.36) per square foot on annual basis for every One Hundred Thousand Dollars and 00/100 (\$100,000.00) over the Five Million Dollars and 00/100 (\$5,000,000.00). For purposes of example only, if the increase in cost for Tenant Improvements is \$100,000 then the increase in Rent (defined below in the following paragraph) will be \$10,800 per annum and be payable monthly in the amount of \$900.00.**

If the Rent Commencement Date is other than the first day of a calendar month, then the Rent (as defined below) for that month shall be prorated on a daily basis, based on a thirty (30) day month. For all purposes under this Lease, "**Rent**" shall mean any and all sums that may become due and payable from Tenant under this Lease including, without limitation, Monthly Rent and Additional Rent (as defined below). Rent shall be payable to Landlord at the address specified in Article 6 or at such other address as Landlord may from time to time designate in writing.

3.2 Additional Rent. This is a "triple net (NNN) lease." Tenant shall pay on a monthly basis, beginning on the Rent Commencement Date and throughout the Lease Term, Tenant's estimated cost of Operating Expenses ("**Additional Rent**"). Notwithstanding the foregoing, Tenant shall be responsible to pay for the actual cost of agreed upon Operating Expenses throughout the Lease Term. Operating Expenses as defined in Article 11.

ARTICLE 4 – Intentionally Omitted

ARTICLE 5 - Intentionally Omitted

ARTICLE 6 - NOTICES

All notices, statutory notices, demands, statements or communications given or required to be given by either party to the other hereunder ("Notice") shall be in writing and shall be (i) sent by United States certified or registered mail, postage prepaid, return receipt requested, or (ii) sent by recognized overnight delivery service (such as, but not limited to, Federal Express, DHL or UPS) with tracking capability, or (iii) delivered personally, in each case addressed as follows: (a) to Tenant at the appropriate address set forth below, or to such other place as Tenant may from time to time designate in a notice to Landlord; or (b) to Landlord at the addresses set forth below, or to such other firm or to such other place as Landlord may from time to time designate in a notice to Tenant. As a courtesy and having no legal effect, the parties shall endeavor to e-mail to other party copies of any notice delivered pursuant to this Section 6.

Any Notice will be deemed given (a) three (3) business days following the date of deposit with the United States Mail, (b) on the first business day following the date of deposit with a recognized overnight delivery service (delivery charges prepaid or billed to sender) for next business day delivery (c) on the date personal delivery is made, if given by personal delivery, and if delivery occurs after 5:00 p.m. in the time

zone of the recipient or on a non-business day, then such Notice shall be deemed given on the first business day following the date of delivery.

To Landlord: KL QOZB II, LLC,
Attn: Ryan Lefton, Managing Member
4764 Park Granada, Suite 200
Calabasas, CA 91302

and a copy to: FOX ROTHSCHILD LLP
Attn: Scott R. Kipnis, Esq. & Nicholas B. Malito, Esq.
101 Park Avenue, 17th Floor
New York, NY 10178

To Tenant: NEVADA STATE UNIVERSITY
Attn: VP Finance and Business Operations
1300 Nevada State Drive
Henderson, NV 89002

and a copy to: NEVADA STATE UNIVERSITY
Attn: General Counsel
1300 Nevada State Drive
Henderson, NV 89002

Rent payments shall be paid by ACH or sent to (need not be sent by certified mail):

KL QOZB II, LLC
4764 Park Granada, Suite 200
Calabasas, CA 91302

ARTICLE 7 - TENANT IMPROVEMENTS

7.1 **Tenant Improvements.** Prior to the Lease Commencement Date, Landlord shall prepare plans for and construct tenant improvements and make installations in the Premises (collectively, the "**Tenant Improvements**") in accordance with plans and specifications approved by Tenant and Landlord (the "**Approved Plans and Specifications**") and in accordance with the terms and conditions set forth in Exhibit G (the "**Work Agreement**"), attached hereto and incorporated herein. Landlord, and not Tenant, shall hold all contracts related to the planning and construction of the Tenant Improvements.

Landlord represents to Tenant that the Landlord at its sole cost and expense, and at no cost or expense to Tenant, shall deliver to Tenant all of the items set forth below in Exhibit "G" in accordance with existing applicable building codes, laws and regulations (collectively "**Code**"), including, without limitation, the Americans with Disabilities Act ("**ADA**") in good working order.

Landlord shall cure a breach of any of the foregoing representations at Landlord's sole cost and expense.

7.2 **Tenant Improvement Warranties.** Landlord warrants to Tenant that all materials and equipment furnished by Landlord in its improvement of the Premises shall be new unless otherwise specified in the Work Agreement, and that all of Landlord's work to be performed under the Work Agreement shall be of good and workmanlike quality, free from faults and defects, and in accordance with the final Approved

Plans and Specifications and the requirements of the Work Agreement. Any of Landlord's work not conforming to the above standards shall be considered defective.

For three (3) years after the date of Substantial Completion of the Tenant Improvements, Landlord shall, at its sole cost and expense, following written Notice from Tenant of a defective condition, unconditionally make any repair, replacement, correction or other alteration of any nature necessary by virtue of any defective construction of the Premises or defective materials used therein. Thereafter, Landlord shall promptly make or cause to be made all repairs, replacements, corrections or alterations, at no expense to Tenant, to correct latent defects in the Premises caused by a nonconformance with the Approved Plans and Specifications.

ARTICLE 8 – NOTICE OF COMPLETION

Landlord shall Substantially Complete construction of the Tenant Improvements within twenty-four (24) months after the Approved Plans and Specifications have been approved by Landlord and Tenant, subject to extension for any delay resulting from causes specified in subsections a and b of Article 9. Landlord shall, immediately upon Substantial Completion of the Tenant Improvements, give written Notice to Tenant of such completion.

ARTICLE 9 - TIME LIMIT AND PRIOR TENANCY

On the Lease Commencement Date, Landlord shall deliver possession of the Premises to Tenant in the condition required by Article 8 and Section 10.2, with Substantial Completion having been achieved as required by the terms of this Lease. No Rent shall accrue under this Lease, nor shall Tenant have any obligation to perform the covenants or observe the conditions herein contained, until the Premises have been so delivered. If Landlord's ability to deliver possession by the date as set forth in this Article 9 is delayed as a result of any of the following causes, the date for delivery shall be postponed without penalty to Landlord for a period of time equivalent to the period caused by such delay.

- a. Delays, if any, under the Work Agreement caused by Tenant regarding the Work Agreement (other than periods set forth in the Work Agreement for Tenant's review or approval);
- b. Acts of Tenant, its agents, or employees causing delays (other than periods set forth in this Lease and the Work Agreement for Tenant's review or approval); or
- c. Force Majeure events (but only to the extent that such event is not attributable to Landlord or its agents or employees).

ARTICLE 10 - USE

10.1 Use. Tenant shall use the Premises for educational and administrative office purposes, and other related uses (Permitted Uses") which Landlord warrants are allowed by the applicable zoning for the Premises and Building. Tenant may alter said use to any lawful purpose, upon the written consent of Landlord, which consent shall not be unreasonably withheld, conditioned, or delayed.

10.2 Compliance With Laws. Landlord represents and warrants to Tenant that, to the best of Landlord's knowledge, the construction (including all Landlord-constructed Tenant Improvements), the current and proposed uses, and the operation of the Building are in full compliance with all Applicable Laws (as defined

below) including, without limitation, applicable building and seismic codes, environmental, zoning and land use laws, and the Americans with Disabilities Act, except as follows: NONE. The term "**Applicable Law**" shall include all restrictions and covenants of record; all applicable federal, state and local statutes, regulations, rules, ordinances; and all other applicable governmental or court orders and requirements. Landlord, at Landlord's sole cost and expense, shall promptly make all repairs, replacements, alterations, or improvements to the Real Property and Building needed to comply with Applicable Laws. Tenant's Rent shall be abated while Tenant's use and enjoyment of the Premises is disrupted by any work required to be performed by Landlord under this Section 10.2.

10.3 Hazardous Substances. Tenant shall have no liability or responsibility for toxic or hazardous materials or substances in existence in, on, or about the Premises prior to Tenant's occupancy of the Premises or which result from Landlord's acts or omissions or which occur on any portion of Landlord's Real Property not occupied by Tenant, unless caused by Tenant, sublessee, its agents, employees, or invitees. Landlord specifically warrants that, as of the Effective Date, there are no known areas in, on, or about the Building and Real Property where hazardous or toxic materials or substances (including asbestos or PCBs) have been used, stored, or deposited. Landlord shall indemnify and hold Tenant harmless for the presence of any such hazardous materials or substances prior to Tenant's occupancy of the Premises, or which result from Landlord's acts or omissions in connection with the Premises.

ARTICLE 11 - OPERATING EXPENSES

11.1 Definitions. For the purposes of this Article, the following definitions shall apply:

- a. Tenant's Percentage: The portion of the Building occupied by Tenant pursuant to this Lease, which percentage is set forth in Section 1.1.
- b. Triple Net Lease. Landlord and Tenant acknowledge that, except as otherwise provided to the contrary in this Lease, it is their intent and agreement that this Lease be a "triple net" lease and that as such, the provisions contained in this Lease are intended to pass on to Tenant or reimburse Landlord for the direct costs and expenses reasonably associated with this Lease, the Building and the Tenant's operation therefrom. To the extent such costs and expenses payable by Tenant cannot be charged directly to and paid by Tenant, such costs and expenses shall be paid by Landlord but reimbursed by Tenant as additional Rent under this Lease. Landlord shall hold all contracts related to the vendors servicing Tenant's premises during the term of the Lease and any extensions thereafter. Landlord shall receive a five percent (5%) management fee for the administration and management of all vendor contracts ("Management Fee").
- c. Direct Expenses: Those expenses reasonably incurred by Landlord with respect to the maintenance and operation (excluding capital expenses, except as otherwise permitted hereunder) of the Building, including real and personal property taxes (as applicable), insurance, utilities, janitorial services, supplies, Management Fees not to exceed Five (5%) percent of the gross income derived from the operation of the property, and compensation (including employment taxes and fringe benefits) of persons for duties performed in connection with the maintenance and operation of the Building. Any capital expense that is chargeable shall be amortized over its useful life per GAAP standards.
- d. Operating Expenses:

The following are costs that may be included within the computation of Operating Expenses:

(i) all costs of managing, operating, maintaining and repairing the Building, including all floor, wall and window coverings and personal property, Building systems such as heat, ventilation and air conditioning systems, fire sprinkler systems, elevators, escalators (if applicable), and all other mechanical or electrical systems serving the Building and service agreements for all such systems and equipment, but only as any such cost is consistent with that of other comparable buildings in the same metropolitan area, in which the Building is located, and including the Building's share of any such costs of facilities used in common by the Building and other buildings, but excluding all costs as identified in Section 11.1(e) below;

(ii) the cost of compensation including employment taxes, similar governmental charges and other normal fringe benefits (such as medical, dental, life insurance etc. but not health club dues, tickets to special events, etc.) with respect to all persons who perform duties in connection with the management, landscaping, janitorial, painting, window cleaning and general cleaning services, security services and any other services related to the operation, maintenance or repair of the Building, including materials, supplies, and the rental costs of equipment and tools related to any of the foregoing, or contracts with independent third parties to provide such services or supplies;

(iii) costs in providing rubbish and waste pickup and disposal;

(iv) costs in providing all forms of security, but only to the extent necessary for the normal ongoing operation of the Building and only to the extent consistent with that utilized by similar buildings in the same metropolitan area in which the Building is located;

(v) insurance premiums for property, rental value, liability and any other types of insurance carried by Landlord as required in accordance with the provisions of the Lease relating to the insurance required to be provided by the Landlord with respect to the Building;

(vi) costs and expenses of utilities furnished to the Building and Common Area including all costs and expenses attributable to the supply of electrical service, water and sewage service, natural gas, and other steam, heat or cooling utility charges with respect to the Building and;

(vii) the Building's portion of charges of any easement maintained for the benefit of the Building;

(viii) license, permit and inspection fees associated with the ongoing operation and maintenance of the Building;

(ix) wages, salaries, normal employee benefits and taxes (or an allocation of the foregoing) for personnel working full or part time in connection with only the operation, maintenance and management of the Building;

(x) the Building's portion of accounting services directly attributable to the Building;

(xi) the Building's portion of administrative and management fees for the Building limited to the amount typically charged by independent management companies at buildings in the same metropolitan area in which the Building is located;

(xii) costs of indoor and outdoor landscaping of the Building, including the replacing, and replanting of flowers, grass and bushes, and the maintenance thereof;

(xiii) intentionally omitted;

(xiv) costs of any capital improvement made to the Building which improvement actually reduces Building Operating Expenses (limited to the amount of actual savings realized) or which is required by government regulation enacted following Tenant's occupancy, the amount of such costs to be amortized on a straight-line basis over a reasonable period; and

(xv) all real property taxes and assessments imposed by any governmental authority or agency on the Building and the land on which the Building is located (as applicable); any assessment levied in lieu of taxes; any non-progressive tax on or measured by gross rentals received from the rental of space in the Building (as applicable); and any other costs levied or assessed by, or at the direction of, any federal, state, or local governmental authority in connection with the use or occupancy of the Premises; any tax in this transaction or any documents to which Tenant is a party creating or transferring an interest in the Premises; but all said costs must have been payable during the time Tenant occupied the Premises.

(xvi) costs incurred in owning, operating, maintaining and repairing any underground or above ground parking garage and/or any other parking facilities associated with the Building, including, but not limited to, any expenses for parking equipment, tickets, supplies, signage/signs, claims insurance, cleaning, resurfacing, restriping, business taxes (as applicable), management fees and costs, structural maintenance, utilities, insurance of any form, real estate taxes (as applicable), and the wages, salaries, employee benefits and taxes for personnel working in connection with any such parking facilities;

The provisions of this Section 11.1(d) notwithstanding, expenses associated with service, utility, maintenance, or repair responsibilities indicated as 'not reimbursable' in Exhibits D and E, attached hereto and incorporated herein, shall not be included in Operating Expenses and shall not be reimbursable by Tenant to Landlord.

Subject to the provisions of this Section 11.1, the determination of Operating Expenses shall be made by Landlord in accordance with generally accepted accounting principles and practices consistently applied.

e. Exclusions: Subject to the items expressly allowed by Section 11.1(d) above, none of the following items shall be included in Operating Expenses:

(i) any expenses which under generally accepted accounting principles and sound management practices consistently applied would not be considered a normal maintenance or operating expense;

(ii) all costs associated with the operation of the business of the ownership or entity which constitutes "Landlord", as distinguished from the costs of Building operations, including, but not limited to, costs of partnership, accounting and legal matters, costs of defending any lawsuits with any mortgagee (except as the actions of Tenant may be in issue), costs of selling, syndicating, financing, mortgaging, or hypothecating any of the Landlord's interest in the Building, costs of any disputes between Landlord and its employees, costs of disputes of Landlord with Building management, or costs paid in connection with disputes with Tenant or any other tenants;

(iii) all costs (including permit, license and inspection fees) incurred in renovating or otherwise improving or decorating, painting or redecorating space for tenants or other occupants or in renovating or redecorating vacant space, including the cost of alterations or improvements to Tenant's Premises or to the premises of any other tenant or occupant of the Building;

(iv) any cash or other consideration paid by Landlord on account of, with respect to, or in lieu of the tenant improvement work or alterations described in clause (iii) above;

(v) costs incurred by Landlord for alterations or additions, which are considered capital improvements, and replacements under generally accepted accounting principles and sound management practices consistently applied;

(vi) costs incurred by Landlord in connection with the construction of the Building and related facilities, the correction of defects in construction, the discharge of Landlord's obligations under the work letter attached to any lease, or the cost of Landlord's negligence, including without limitation, the selection of building materials;

(vii) Intentionally Omitted.

(viii) cost of replacement of capital equipment;

(ix) any reserves for equipment or capital replacement;

(x) intentionally omitted;

(xi) costs for all items and services for which Tenant reimburses Landlord or pays to third parties without reimbursement;

(xii) depreciation and amortization of the Building;

(xiii) costs incurred due to violation by Landlord or Managing Agent or any tenant of the terms and conditions of any lease;

(xiv) payments in respect to overhead or profit to subsidiaries or affiliates of Landlord, or to any party as a result of a non-competitive selection process, for management or other services in or to the Building, or for supplies or other materials to the extent that the costs of such services, supplies, or materials exceed the costs that would have been paid had the services, supplies or materials been provided by parties unaffiliated with the Landlord on a competitive basis;

(xv) interest on debt or amortization payments on any mortgages or deeds of trust or any other debt service or instrument encumbering the Building or Real Property;

(xvi) Landlord's or Landlord's Managing Agent's general corporate overhead and general administrative expenses;

(xvii) wages, salaries and other compensation paid to any executive employee of Landlord or Landlord's Managing Agent above the grade of Building Manager;

(xviii) any cost or expense related to removal, cleaning, abatement or remediation of "hazardous material" in or about the Building or real property, including without limitation, hazardous substances in the ground water or soil, provided that Tenant shall pay all costs associated with any removal, clean-up or remediation directly caused by Tenant's activities;

(xix) any compensation paid to clerks, attendants, concierges or other persons working in or managing commercial concessions operated by Landlord or Landlord's Managing Agent;

(xx) payments and other related expenses incurred in leasing air conditioning systems, elevators or other equipment ordinarily considered to be of a capital nature, except equipment which is used in providing janitorial services and which is not affixed to the Building;

(xxi) advertising and promotional costs;

(xxii) the cost of repairs or other work incurred by reason of fire, windstorm or other casualty (except that deductibles paid pursuant to any insurance shall be included as Operating Expenses) or by the exercise of the right of eminent domain to the extent that Landlord is compensated therefor through proceeds of insurance or condemnation awards, or would have been so reimbursed if Landlord had in force all of the insurance required to be carried by Landlord under the provisions of this Lease;

(xxiii) leasing commissions, attorneys' fees, costs, disbursements and other expenses incurred in connection with negotiations or disputes with tenants or other occupants or prospective tenants or other occupants, or associated with the enforcement of any leases or the defense of Landlord's title to or interest in the Building or any part thereof or any part thereof, or legal or other professional fees incurred in connection with any real estate tax reduction proceedings;

(xxiv) "takeover" expenses, including but not limited to the expenses incurred by Landlord with respect to space located in another building of any kind or nature in connection with the leasing of space in the Building;

(xxv) all administrative and other costs related to the Building's leasing, marketing, and construction (tenant improvement or otherwise) programs, including, but not limited to, the reasonable allocation of the wages, salaries, employee benefits and taxes for all personnel involved in the management and operations of the Building and/or in the Building's leasing, marketing, and/or construction programs, and the reasonable allocation of the Building management office expenses such as office supplies, office equipment, telephone expenses, and all other miscellaneous administrative expenses;

(xxvi) Landlord's gross receipts taxes, personal and corporate income taxes, inheritance and estate taxes, and other business taxes and assessments, franchise, gift and transfer taxes;

(xxvii) any real estate taxes payable by Tenant or any other tenant in the Building under the applicable provisions in their respective leases;

(xxviii) real estate taxes allocable to the tenant improvements of Tenant or other tenants or occupants in the Building which are over and above the Landlord's standard tenant improvement allowance;

(xxix) costs of repair or replacement for any item covered by a warranty;

(xxx) costs of which Landlord is reimbursed by its insurance carrier or by any tenant's insurance carrier or by any other entity;

(xxxi) rental payments and any related costs pursuant to any ground lease of land underlying all or any portion of the Building;

(xxxii) any costs, fees, dues, contributions or similar expenses for political, charitable, industry association or similar organizations;

(xxxiii) any rental and any associated costs, either actual or not, for the Landlord's or Landlord's Managing Agent's management or leasing office;

(xxxiv) any costs associated with the purchase or rental of furniture and office equipment for the Landlord's or the Managing Agent's management, security, engineering, or other offices associated with the Building;

(xxxv) any bad debt loss, rent loss, or reserves for bad debt or rent loss;

(xxxvi) all assessments and special assessments due to deed restrictions, declarations and/or owners associations which accrue against the Building;

(xxxvii) costs incurred in connection with the original construction of the Building or Real Property or with any major changes to same, including but not limited to additions or deletions of floors, , upgrades of major Building or Real Property systems, etcetera; and

11.2 Calculation and Payment of Direct Expenses.

a. Statement of Actual Direct Expenses and Payment by Tenant. Landlord shall give to Tenant following the end of each Expense Year, a statement (the "Statement") and backup which shall state the Direct Expenses incurred or accrued for such preceding Expense Year, and which shall indicate the amount of Tenant's Share of Direct Expenses. Upon receipt of the Statement for each Expense Year commencing or ending during the Lease Term, Tenant shall pay, within sixty (60) days, the full amount of Tenant's Share of Direct Expenses for such Expense Year, less the amounts, if any, paid during such Expense Year as "Estimated Direct Expenses," as that term is defined in Section 11.3(b), below, and if Tenant paid more as Estimated Direct Expenses than the actual Tenant's Share of Direct Expenses, Tenant shall receive a credit in the amount of Tenant's overpayment against Rent next due under this Lease. The failure of Landlord to timely furnish the Statement for any Expense Year shall not prejudice Landlord or Tenant from enforcing its rights under this Article 11. Even though the Lease Term has expired and Tenant has vacated the Premises, when the final determination is made of Tenant's Share of Direct Expenses for the Expense Year in which this Lease terminates, Tenant shall within sixty (60) days pay to Landlord such amount, and if Tenant paid more as Estimated Direct Expenses than the actual Tenant's Share of Direct Expenses, Landlord shall, within sixty (60) days, deliver a check payable to Tenant in the amount of the overpayment. The provisions of this Section 11.3(a) shall survive the expiration or earlier termination of the Lease Term for a period not to exceed twelve (12) months after Lease expiration or Lease termination.

b. Statement of Estimated Direct Expenses. In addition to the Statement, Landlord shall provide Tenant with a yearly expense estimate statement (the "Estimate Statement") and backup which shall set forth Landlord's reasonable estimate (the "Estimate") of the total amount of Direct Expenses for the then-current Expense Year. The Direct Expenses will include expenses reasonably incurred by Landlord with respect to the maintenance and operation (excluding capital expenses, except as otherwise permitted hereunder) of the Building, including real and personal property taxes, insurance, utilities, janitorial services, supplies, management fees not to exceed 5% of the gross income derived from the operation of the property, and compensation (including employment taxes and fringe benefits) of persons for duties performed in connection with the maintenance and operation of the Building. Any capital expense that is chargeable shall be amortized over its useful life per GAAP standards. The estimated Tenant's Share of Direct Expenses (the "Estimated Direct Expenses") will also be provided. The failure of Landlord to timely furnish the Estimate Statement for any Expense Year shall not preclude Landlord from enforcing its rights to collect any Estimated Direct Expenses under this Article 11, nor shall Landlord be prohibited from revising any Estimate Statement or Estimated Direct Expenses theretofore delivered to the extent necessary. Thereafter,

Tenant shall pay, within sixty (60) days, a fraction of the Estimated Direct Expenses for the then-current Expense Year (reduced by any amounts paid pursuant to the last sentence of this Section 11.2(b)). Such fraction shall have as its numerator the number of months which have elapsed in such current Expense Year, including the month of such payment, and twelve (12) as its denominator. Until a new Estimate Statement is furnished (which Landlord shall have the right to deliver to Tenant at any time), Tenant shall pay monthly, with the monthly Base Rent installments, an amount equal to one-twelfth (1/12) of the total Estimated Direct Expenses set forth in the previous Estimate Statement delivered by Landlord to Tenant.

11.3 Audit Right. Tenant shall have the right, at its own cost and expense, to audit or inspect Landlord's detailed records each year with respect to Operating Expenses, as well as all other Additional Rent payable by Tenant pursuant to this Lease. Landlord shall utilize, and cause to be utilized, accounting records and procedures conforming to generally accepted accounting principles consistently applied with respect to all of the Operating Expenses. Pursuant to the foregoing, Landlord shall be obligated to keep such records for all lease years associated with this Lease until two (2) years following the termination of the Lease. Tenant shall give Landlord not less than thirty (30) business days prior written Notice of its intention to conduct any such audit. Landlord shall cooperate with Tenant during the course of such audit, which shall be conducted during normal business hours in Landlord's Building management office. Landlord agrees to make such personnel available to Tenant as is reasonably necessary for Tenant, Tenant's employees and agents, to conduct such audit, but in no event shall such audit last more than ten (10) business days in duration for each lease year audited. Landlord shall make such records available to Tenant, Tenant's employees and agents, for inspection during normal business hours. Tenant, Tenant's employees and agents, shall be entitled to make photocopies of such records, provided Tenant bears the expense of such copying. If such audit discloses that the amount paid by Tenant has been overstated by more than ten percent (10%), then, in addition to immediately repaying such overpayment to Tenant, Landlord shall also pay the costs incurred by Tenant in connection with such audit.

11.4 Proration for Partial Year. Operating Expenses that cover a period of time not within the Lease Term shall be prorated on a daily basis.

ARTICLE 12 - SERVICES, UTILITIES

Services and utilities shall be furnished or obtained and the cost borne as outlined in Exhibit D, attached hereto and incorporated herein. In the event of failure by Landlord to furnish, in a satisfactory manner, any of the services and utilities to the Premises for which Landlord is responsible, Tenant may furnish or obtain the same if Landlord has not undertaken to correct such failure within thirty (30) days after written Notice, and, in addition to any other remedy Tenant may have, may deduct the amount thereof, including Tenant's service costs, from Rent.

Business Hours of the Building are as determined by Tenant and local municipal codes and regulations. Except as set forth below, Tenant, its agents, employees, patients and invitees ("Tenant Parties") shall have access to the Premises 24 hours per day, 365 days per year (366 days in the event of a leap year). Landlord shall not deny Tenant and Tenant Parties access to the Building, parking areas, and the Premises, except as otherwise may be necessary in order to perform Landlord's obligations hereunder or comply with applicable laws.

ARTICLE 13 - INDEMNIFICATION

13.1 Landlord's Obligation. Landlord shall indemnify, defend and hold harmless Tenant, its officers, agents, contractors, and employees from and against any claims, damages, costs, expenses, or liabilities (collectively "**Claims**") arising out of or in any way connected with this Lease including, without limitation,

by an authorized insurance company representative, must be submitted to the (Board, University, College or other appropriate name) by attachment to the Certificate of Insurance to evidence the endorsement of the (Board, University, College or other appropriate name) as insured.

- B. Property, Fire and Extended Coverage Insurance in an amount equal to one hundred percent (100%) of the full replacement value of the Building to conform with then current codes and the costs of demolition and debris removal, excluding land and the footings, foundations and installations below the basement level.

ARTICLE 15 - WAIVERS OF SUBROGATION

Landlord and Tenant each hereby waives any right of recovery against the other due to loss of or damage to the property of either Landlord or Tenant when such loss of or damage to property arises out of the acts of God or any form of casualty whether or not such casualty have been insured, self-insured or non-insured.

ARTICLE 16 - REPAIR AND MAINTENANCE

16.1 Landlord and Tenant Obligations. The respective repair and maintenance cost responsibilities of Landlord and Tenant are set forth in Exhibit E, Summary of Repair and Maintenance Responsibilities, which is attached hereto and incorporated herein.

16.2 Failure of Landlord to Make Repairs. If Landlord fails to commence performance of the obligations required of it in this Article 16 within thirty (30) days or within a reasonable time (based on the nature of the repair obligation as reasonably determined by Landlord) after written Notice from Tenant, Tenant may perform such maintenance or make such repairs at its expense and deduct the reasonable cost thereof from the Rent due hereunder.

ARTICLE 17 - ALTERATIONS, MECHANICS' LIENS

17.1 Alterations. No structural alterations or improvements in excess of \$150,000 shall be made to the Premises by Tenant or at Tenant's request without the prior written consent of Landlord, which consent shall not be unreasonably withheld, conditioned, or delayed. In the event Tenant, at its sole cost and expense, elects to have any alterations and/or improvements made to the Premises (collectively "Alterations") after the completion of the Tenant Improvements, Landlord agrees that, at Tenant's request, Landlord shall compete the Alteration and hire all design professional, contractors and/or vendors to perform the work, subject to (i) appropriate documentation for the payment of costs by Tenant, (ii) Landlord's approval of Tenant's work plans and specifications, which approval shall not be unreasonably withheld, delayed or conditioned, (iii) mutual selection of acceptable contractors and/or vendors by Landlord and Tenant, in each party's reasonable discretion, (iv) Landlord's request for competitive bids for the work from the approved contractors and/or vendors, and selection of the bid/cost proposal approved by Tenant, in its reasonable discretion, and (iv) other commercially reasonable terms and conditions required by Landlord as applicable. In addition to reimbursing Landlord for the costs of Alterations, Tenant shall pay to Landlord a construction supervision fee in an amount equal to five percent (5%) of the hard and soft construction costs of the Alteration(s).

17.2 Condition at Termination. Tenant may remove any fixtures, machinery and equipment installed in the Premises by Tenant or at Tenant's request upon termination of this Lease, if Tenant is not then in default under this Lease beyond all applicable grace, notice, and cure periods, and if Tenant repairs any damage to

the Premises caused by such removal. Upon termination of this Lease, Tenant shall return the Premises in the same condition as when delivered to Tenant upon Substantial Completion of the Tenant Improvements, reasonable wear and tear, damage by casualty, and alterations approved by Landlord excepted.

17.3 Mechanic's Liens. Each party shall keep the Premises free from any liens arising out of any work performed by, materials furnished to, or obligations incurred by such party. Tenant shall cause any lien filed against the Premises due to the acts or omissions of Tenant or its agents to be canceled and discharged of record by payment, bonding, or otherwise, within thirty (30) days after receipt of notice of such lien. If Tenant fails to discharge any such lien or claim of lien in accordance with the requirements of this Section (including payment or bonding) or if prior to the deadline for performance set forth herein Landlord in good faith determines that the failure to act could have a material and adverse effect upon its interests in the Premises, then Landlord shall have the right, but not the obligation, to take such actions as are reasonably necessary to avoid any material and adverse effect from the filed lien and all costs and expenses incurred in connection with such actions shall be charged to Tenant. In addition, if Landlord is named in a lawsuit to foreclose any lien arising from the acts or omissions of Tenant or following a failure by Tenant to discharge any lien as required by this Section, then Landlord shall be entitled to recover all costs and expenses incurred in answering and defending such lawsuit.

ARTICLE 18 - ASSIGNMENT AND SUBLETTING

Tenant shall not assign or sublet all or any portion of the Premises without the prior written consent of Landlord, which consent shall not be unreasonably withheld, conditioned, or delayed.

ARTICLE 19 - ENTRY BY LANDLORD

Tenant shall permit Landlord and Landlord's agents to enter the Premises to perform Landlord's obligations hereunder, with reasonable advance written notice of not less than 24 hours (except in the case of emergency), provided such entry is made in a reasonable manner and in compliance with Tenant's security requirements, and does not unreasonably interfere with the conduct of Tenant's business.

ARTICLE 20 - DESTRUCTION

20.1 Total Destruction. If the Premises are totally destroyed by fire or other casualty, either party may terminate this Lease, effective as of the date of such destruction, by giving written Notice to the other party. If Landlord elects not to terminate this Lease pursuant to this Section 20.1, then, within fifteen (15) days after such destruction (if Tenant has not yet terminated this Lease), Landlord shall give written Notice to Tenant of the number of days required to repair the Premises. Tenant's right to terminate under this Section 20.1 shall continue for an additional fifteen (15) days after Tenant's receipt of such notice.

20.2 Partial Destruction.

a. If such casualty shall render fifteen percent (15%) or less of the floor space, of the Premises unusable for the purpose intended, as determined by Tenant in its reasonable discretion, then Landlord shall restore the Premises as quickly as is reasonably possible, but in any event within ninety (90) days after such destruction.

b. If such casualty shall render more than fifteen percent (15%) of such floor space unusable, as determined by Tenant in its reasonable discretion, but not constitute total destruction, then Landlord shall give written notice to Tenant of the number of days required to repair the same. If Landlord has not given such notice within fifteen (15) days after such destruction, or if such repairs will require more than one

hundred twenty (120) days to complete, then Tenant may terminate this Lease by giving written notice to Landlord within thirty (30) days after such destruction.

20.3 Obligation to Repair. If neither party has terminated this Lease pursuant to Sections 20.1 or 20.2(b), then Landlord shall diligently prosecute the repair and restoration of the Premises and the Building, to substantially the same condition as they were in immediately before destruction or as close as possible thereto. If said repairs are not completed within the periods specified in Section 20.2(a) or in the notices required by Sections 20.1 and 20.2(b), as applicable, then Tenant, shall have the option to terminate this Lease.

If Tenant continues to occupy the Premises though partially destroyed, Rent shall be abated during the period and to the extent that the Premises are rendered unusable for Tenant's purposes, as determined by Tenant in its reasonable discretion.

ARTICLE 21 - (Intentionally Omitted)

ARTICLE 22 - SERVICE COMPANIES

Within thirty (30) days after occupancy of the Premises by Tenant, Landlord shall give Tenant written notice of the name, address and telephone number of Landlord's local representative or agency who is responsible for performing or fulfilling Landlord's responsibilities under this Lease as to 1) emergency repairs including for such things as active leaks/flooding, non-functioning HVAC, and broken elevators, and 2) general repairs, maintenance, and servicing of the Premises and any or all related equipment, fixtures and appurtenances. Landlord shall hold all contracts related to the vendors servicing Tenant's premises during the term of the Lease and any extensions thereafter. Landlord shall receive a Five percent (5%) management fee for the administration and management of all vendor contracts. If Landlord fails to provide such notice, Tenant may choose service companies as needed at Landlord's cost and without penalty from Landlord.

ARTICLE 23 - DEFAULT BY TENANT

23.1 Default. If any of the following events occur, each such event shall constitute a material breach of this Lease (each, an "Event of Default"):

- a. a default in the payment of Rent when such default continues for a period of ten (10) days after Tenant's receipt of written Notice from Landlord; or
- b. Tenant fails to perform its obligations or observe any other covenant or undertaking required of it under this Lease and such failure continues for a period of thirty (30) days after Tenant's receipt of written Notice thereof from Landlord specifying such failure. If the nature of Tenant's obligation is such that more than thirty (30) days are required for performance, then Tenant shall not be in default if Tenant commences performance within such thirty (30) day period and thereafter diligently prosecutes the same to completion; or
- c. Tenant is adjudicated bankrupt; or
- d. Tenant's lease interest is sold under execution of judgment.

23.2 Remedies. Upon an Event of Default, Landlord may, at Landlord's option, exercise any or all rights available to a landlord under the laws of the State of Nevada or in equity. Notwithstanding the foregoing

or anything to the contrary contained in this Lease, Tenant shall not be liable for any consequential, indirect, incidental, special, punitive, or exemplary damages, under any circumstances. If this Lease terminates pursuant to a default by Tenant hereunder, Landlord may immediately enter upon and repossess the Premises in accordance with Applicable Laws and cause any personal property of Tenant to be removed from the Premises and stored in any public warehouse at the risk and expense of Tenant.

ARTICLE 24 - DEFAULT BY LANDLORD

24.1 **Default.** Landlord shall be in default if Landlord fails to perform its obligations or observe any covenant or undertaking required of it under this Lease and such failure continues for a period of sixty (60) days after Landlord's receipt of written Notice from Tenant specifying such failure. If the nature of Landlord's obligation is such that more than sixty (60) days are required for performance, then Landlord shall not be in default if Landlord commences performance within such sixty (60) day period and thereafter diligently prosecutes the same to completion. Tenant's obligation to provide written Notice to Landlord of a default by Landlord is limited to those instances where knowledge of Landlord's default is within the actual knowledge of Tenant.

24.2 **Remedies.** If Landlord fails to cure a prospective default within the sixty (60) day period, Tenant shall provide to Landlord written Notice of Tenant's election to cure the default itself, all costs associated with such cure, including reasonable attorneys' fees (if any), shall be reimbursed by Landlord to Tenant within thirty (30) days of receipt of Tenant's invoice for said costs. However, upon Landlord's failure to so reimburse, at Tenant's option, said costs shall be deducted from Rent due hereunder. If Landlord's default hereunder prevents Tenant's use of the Premises, there shall be an abatement of Rent for the period of such non-use. No remedy or election under this Section 24.2 shall be deemed exclusive but shall, wherever possible, be cumulative with all other remedies at law or in equity.

ARTICLE 25 - CONDEMNATION

If any part of the Premises is taken or condemned for a public or quasi-public use, in a manner that materially interferes with the intended use of the Premises, this Lease shall terminate at the option of Tenant, as of the date title shall vest in the condemnor. Tenant shall provide written notice of termination to Landlord.

If Tenant does not elect to terminate this Lease under this provision, then this Lease shall remain in effect as to the part not taken and the Rent will be adjusted in the same ratio as the rentable square footage remaining is to the rentable square footage as leased prior to such taking.

In the event that this Lease is not terminated by reason of such condemnation, Landlord shall to the extent of severance damages received by Landlord in connection with such condemnation, repair any damage to the Premises caused by such condemnation except to the extent that Tenant has been reimbursed therefor by the condemning authority.

ARTICLE 26 - HOLDING OVER

If Tenant, with Landlord's consent, remains in possession of the Premises after the Lease Term, this Lease shall automatically be extended on a month-to-month basis at the monthly rent applicable to the last month of the Lease Term, subject to termination upon thirty (30) days' written Notice by either party. All other terms and conditions shall remain in full force and effect.

ARTICLE 27 - WAIVER

The waiver by Landlord or Tenant of any term, covenant or condition herein contained shall not be deemed to be a waiver of any other term, covenant or condition, nor shall either party's consent to any breach of any term, covenant or condition be deemed to constitute or imply its consent to any subsequent breach of the same or other term, covenant or condition herein contained.

ARTICLE 28 – INTENTIONALLY OMITTED

ARTICLE 29 - QUIET ENJOYMENT

As long as Tenant is not in default beyond all applicable grace, notice, and cure periods under this Lease, Tenant shall at all times during the term of this Lease peaceably and quietly have, hold and enjoy the Premises, without suit, trouble or hindrance from Landlord or any person claiming under Landlord.

ARTICLE 30 - SUBORDINATION

30.1 Premises Specified as Security Under Mortgage or Deed of Trust. This Lease shall be subordinate to the lien of any mortgage or deed of trust which may now exist for which the Premises is specified as security; provided that concurrently with the full execution and delivery of this Lease, Landlord shall enter into, and shall cause its lender to enter into, a mutually agreed upon subordination, non-disturbance and attornment agreement ("SNDA") in favor of Tenant, substantially in the form attached hereto as **Exhibit F**. Landlord shall deliver to Tenant the SNDA executed by Landlord and Landlord's Lender no later than ten (10) days after the Effective Date. Notwithstanding anything to the contrary contained herein, Tenant's obligation to pay Rent and perform the covenants herein contained shall not be affected by Landlord's failure to deliver the SNDA, but Landlord shall use its best efforts to deliver the SNDA as soon as reasonably practicable.

30.2 Future Mortgages or Deeds of Trust. This Lease shall be subordinated to the lien of any mortgages and deeds of trust which are hereafter placed against the Landlord's interest or estate in the property provided that the mortgagee or beneficiary under such mortgage or deed of trust shall agree in writing that, in the event of a foreclosure of same or of any other such action or proceeding for the enforcement thereof, or of any sale thereunder, this Lease shall not be barred, terminated, cut off, or foreclosed, nor will the rights and possession of Tenant hereunder be disturbed if Tenant shall not then be in default beyond all applicable grace, notice, and cure periods under the terms of this Lease, and Tenant shall attorn to the purchaser at such foreclosure, sale or other action or proceeding, provided that such purchaser shall assume the obligations of Landlord hereunder. The foregoing subordination shall be effective without the necessity of having any further instruments executed by Tenant, but, at Landlord's election, Tenant shall, upon demand, enter into a subordination, non-disturbance, and attornment agreement, in 1) a commercially reasonable form reasonably acceptable to Tenant or 2) if such form is attached to the Lease as Exhibit F, then in the form attached to as Exhibit F, with such mortgagee or beneficiary.

ARTICLE 31 - ESTOPPEL CERTIFICATE

Within thirty (30) days of written Notice by one party to the other, each will execute, acknowledge and deliver to the other an estoppel certificate in writing declaring any modifications, defaults or advance payments and whether the Lease, as may be modified, is in full force and effect. Any such certificate may be conclusively relied upon for the intended transaction for which the statement was requested.

ARTICLE 32 - MISCELLANEOUS PROVISIONS

32.1 No Amendments. No amendment of this Lease shall be valid unless made in writing and signed by the parties hereto, and no oral understanding or agreement not incorporated herein shall be binding on either party hereto.

32.2 Time of the Essence. Subject to Section 32.6 below, time limits in this Lease are to be strictly observed. Time is of the essence in the performance of, and compliance with, each term and provision of this Lease.

32.3 Binding Effect. Subject to any provision hereof restricting assignment or subletting by Tenant, this Lease shall bind the parties, their personal representatives, successors, and assigns.

32.4 Severability. The invalidity of any provision of this Lease as determined by a court of competent jurisdiction shall in no way affect the validity of any other provision hereof.

32.5 Warranty of Authority. If Landlord is a corporation, trust, limited liability company, partnership, or any other form of entity, each person executing this Lease on behalf of Landlord hereby represents, covenants, and warrants that he/she is duly authorized to execute and deliver this Lease on behalf of said entity. Concurrently with its execution of this Lease, Landlord shall deliver to Tenant evidence of such authority satisfactory to Tenant.

32.6 Force Majeure. “**Force Majeure**” shall mean a prevention, delay or stoppage of a party’s performance of its obligations under this Lease which arises as a result of **(i)** events beyond the reasonable control, prevention and foreseeability of the party affected by the delay, including, without limitation, strikes, acts of God, inability to obtain labor or materials, governmental restriction or delay (but only to the extent that any such delay is not attributable to the failure of the party whose performance is delayed to comply with requirements imposed by Applicable Laws), enemy action, civil commotion, fire, or other casualty, but **(x)** expressly excluding financial inability, and **(y)** expressly acknowledging that the actions of any party’s employees, agents and invitees are to be deemed to be within the reasonable control, prevention and foreseeability of such party for the purposes of this definition; or **(ii)** with respect to a claim of Force Majeure by **(x)** Tenant as the affected party, any default by Landlord, which adversely affects Tenant’s ability to perform, and **(y)** Landlord as the affected party, any default by Tenant, which adversely affects Landlord’s ability to perform.

32.6 Internet Service. Landlord shall allow high speed internet services providers such as cable companies to provide service to the Premises. Any charges incurred for such services shall be the responsibility of the Tenant or the service provider.

32.7 Addendum and Exhibits. In the event of conflict between this Lease and any Addendum or Exhibit attached hereto, the provisions of such Addendum or Exhibit shall control.

32.8 Choice of Law; Dispute Resolution. This Lease shall be governed by and interpreted according to the law of the State of Nevada. In the event of a dispute between any of the parties arising from or related to this Lease, the parties shall first submit to mandatory non-binding mediation. Such mediation must occur within 90 days of Notice of initiation of dispute resolution. Notwithstanding the foregoing, in the event of imminent irreparable harm, the requirement to first mediate disputes shall not bar any party from seeking judicial relief, but the parties must engage in non-binding mediation at the earliest opportunity. In the event that resolution is not obtainable through mediation, forum and venue shall be proper in the Eighth Judicial District Court in and for Clark County, Nevada.

32.9 Fiscal Fund-Out Termination. Notwithstanding any other provision, term, or condition of this Lease to the contrary, Tenant, pursuant to Article 9, Section 3 of the Nevada Constitution, or any applicable law enacted by the Nevada legislature, may terminate this Lease in the event any funding authority fails to appropriate funds to enable the obligations of this Lease to be fulfilled. If for any reason Tenant’s funding from state and/or federal sources is not appropriated or is withdrawn, limited, or impaired, such that sufficient funding is not available to meet its financial obligations under this Lease, then Tenant may terminate this Lease without penalty (“Fiscal Fund-Out Termination”). Such termination shall be effective thirty (30) days after receipt by Landlord of written notice from Tenant to terminate pursuant to this Section 32.9. Tenant shall not be considered in default of any provision, term, or condition of this Lease by terminating this Lease pursuant to this Section 32.9. Upon any such Fiscal Fund-Out Termination, the Term of this Lease shall terminate as provided herein. . Tenant further acknowledges that the Fiscal Fund Out Termination provision is intended to address bona fide funding shortfalls and may not be invoked for convenience, including (without limitation) Tenant’s desire to relocate to another premises or to obtain more favorable lease terms elsewhere. Tenant shall act in good faith in exercising a Fiscal Fund-Out Termination, and shall not intentionally fail to seek or secure funding in order to trigger a Fiscal Fund Out Termination.

32.10 Not a Public Work. Landlord and Tenant each acknowledge and agree that no public money or other Tenant funds have been utilized in connection with any construction or improvements called for under this Lease on the part of Landlord, and that Tenant has not, and will not engage with any contractor, subcontract, engineer or other materials or service provider for any such construction or improvements. Neither Landlord nor Tenant anticipates that Nevada Revised Statutes Chapter 338 is applicable to the improvements and construction called for under this Lease, if deemed applicable, Landlord shall be responsible for providing reports, statements of compliance and any other forms and records required by law or by the Office of the Nevada Labor Commissioner with respect to the said construction and improvements. Further, Landlord shall indemnify, defend, save and hold harmless, the Nevada System of Higher Education, Nevada State University, the Board of Regents, of the Nevada System of Higher Education, and the agents and employees of each from and against any violations or alleged violation of any of the provisions of Chapter 338 of the Nevada Revised Statutes arising in connection with this Lease.

32.11 Memorandum of Lease. Landlord and Tenant shall execute a memorandum of lease (the “Memorandum of Lease”) of this Lease in the form of Exhibit K attached to this Lease for recording. Any recording, realty transfer, documentary, stamp, or other tax imposed upon the execution or recording of the Memorandum of Lease shall be paid by Tenant.

ARTICLE 33 – SIGNAGE

33.1 Building Directory and Suite Signage. Tenant, at its cost and expense, shall have the right to interior signage.

33.2 Building Exterior Signage. Tenant, at its cost and expense, shall have the right to exterior Building signs (Tenant’s Exterior Signage) subject to all applicable governmental approvals. Landlord approves “Nevada State University” and/or “NSU”, and Tenant’s use of its logo, font, and colors for Tenant’s Exterior Signage. Tenant, at its own cost and expense, shall be responsible for the installation of Tenant’s Exterior Signage, subject to Landlord's approval of the installation method and timing. There shall be no additional rent or licensing costs during the initial term and any extensions of the lease term for Tenant’s Exterior Signage.

ARTICLE 34 – RIGHT TO PURCHASE

34.1 Right to Purchase.

(a) Tenant shall have the exclusive right, but not the obligation, to purchase the Premises in which it holds a leasehold interest under the terms of this Lease, commencing in the tenth (10th) year of the Lease Term ("Purchase Option"), provided, however, that in such event Tenant and Landlord shall reasonably cooperate in the execution of such parking and access as are necessary for Tenant's continued use of the Premises thereafter.

(b) This right shall be exercisable only if Tenant is not in default under the terms of this Lease and upon the following terms and conditions:

- i. Purchase Price. The purchase price shall be shall be the higher of Y) the fair market value of the Premises, or Z) Twenty-Six Million Dollars and 00/100 (\$26,000,000.00), provided, however, that such fair market value shall be established by the average of the value established by two (2) independent appraisals, each made by an appraiser chosen by each of Tenant and Landlord, respectively. Such appraisals shall be promptly commissioned by each of Tenant and Landlord promptly upon the Notice provided by Tenant as set forth in the following subparagraph.
- ii. Exercise of Purchase Option. If Tenant wishes to exercise the Purchase Option for the Purchase Price as set forth in Section 34.1.(a)(i) then Tenant may exercise the Purchase Option by delivering written Notice to Landlord not less than two hundred seventy (270) days before the end of the ninth (9th) year of the Lease Term. Time is of the essence with respect to Tenant exercising the Purchase Option.
- iii. Purchase and Sale Agreement. The Purchase Option shall be effectuated by means of a purchase and sale agreement, drafted by Tenant and reasonably acceptable to Landlord.

(c) Closing. Closing of the purchase of the Premises by Tenant under the Purchase Option shall take place no later than one hundred twenty (120) days after the earlier of the determination of (i) the Fair Market Value or (ii) the Purchase Price, whichever is applicable. Time is of the essence with respect to the closing. At Closing, Landlord shall convey the Premises to Tenant by a general warranty deed, free and clear of all encumbrances, except for those non-delinquent encumbrances, covenants, and restrictions of record as of the Closing date and any liens or encumbrances placed by Subtenant.

(d) Miscellaneous. The Purchase Option is personal to the original named Tenant ("Nevada State University") and may only be exercised by said Tenant and not by any assignee or sublessee of Tenant's interest in this Lease, except with the prior written consent of Landlord, which consent may be withheld in Landlord's sole discretion. Tenant shall have no right of first refusal and Landlord shall not be restricted in any way from selling the Premises to a third-party at any time during the Lease Term.

ARTICLE 25 - OPTION TO EXTEND

26.1 Option Term. Provided Tenant is not in default under this Lease beyond any applicable cure period, Tenant shall have one (1) option to extend the Term of this Lease for an additional period of ten (10) years (the "Option Term"), on the same terms and conditions as set forth in this Lease, except that Base

Rent during the Option Term shall increase annually by three percent (3%) over the previous year's Base Rent.

26.2 Exercise of Option. Tenant may exercise the option by giving Landlord written notice of its election to exercise the option no earlier than nine (9) months and no later than six (6) months prior to the expiration of the initial Term. If Tenant fails to give such notice within the specified time period, Tenant shall have no right to extend the Term of this Lease and this Lease shall terminate on the last day of the initial Term.

TENANT:

BOARD OF REGENTS OF THE
NEVADA SYSTEM OF HIGHER EDUCATION
ON BEHALF OF
NEVADA STATE UNIVERSITY
a Nevada political subdivision

By:

Its:

Date:

LANDLORD:

KL QOZB, II, LLC
a Delaware limited liability company

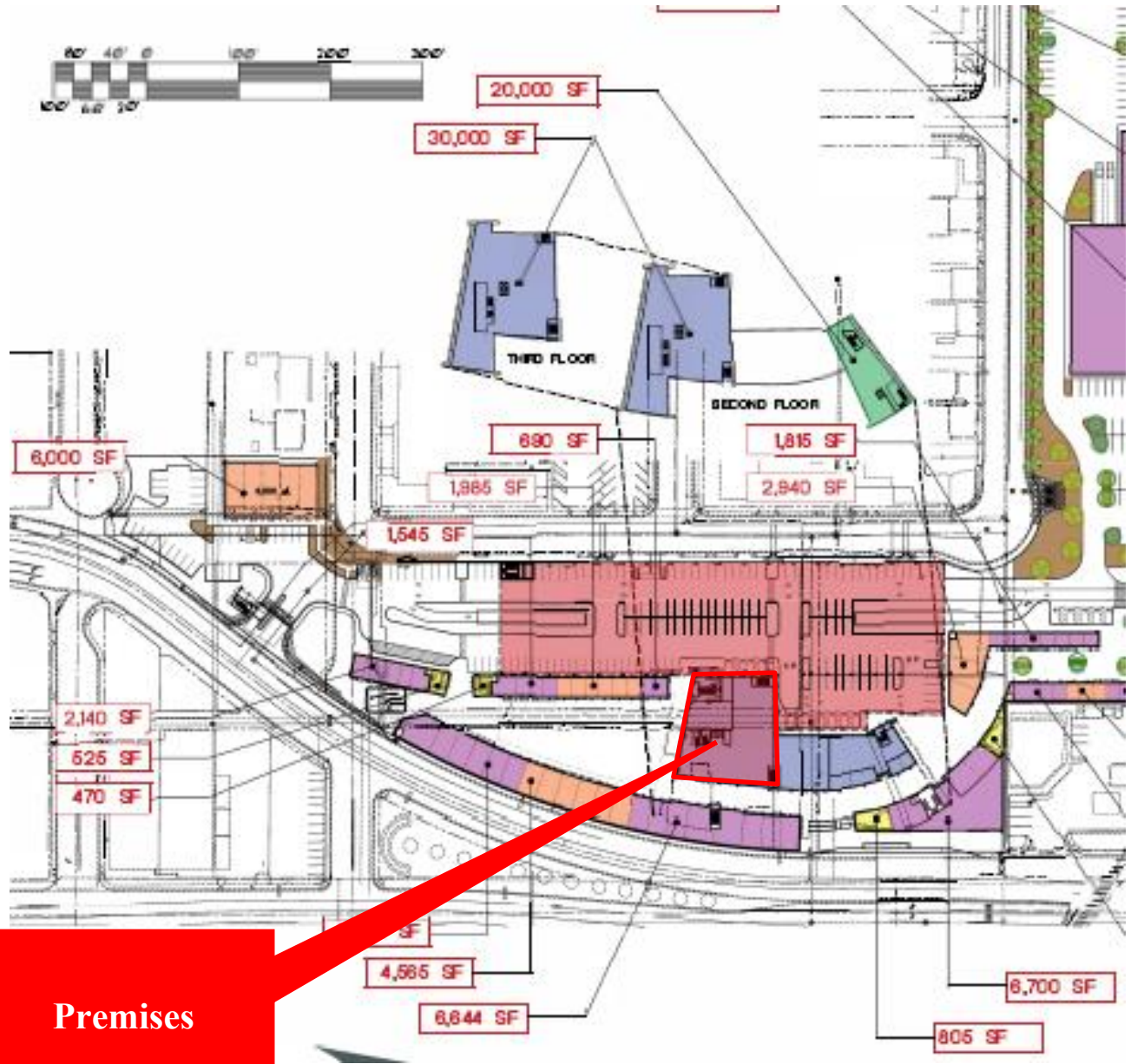
By

Its:

Date:

EXHIBIT A

Site Plan



Premises

EXHIBIT B

Floor Plan

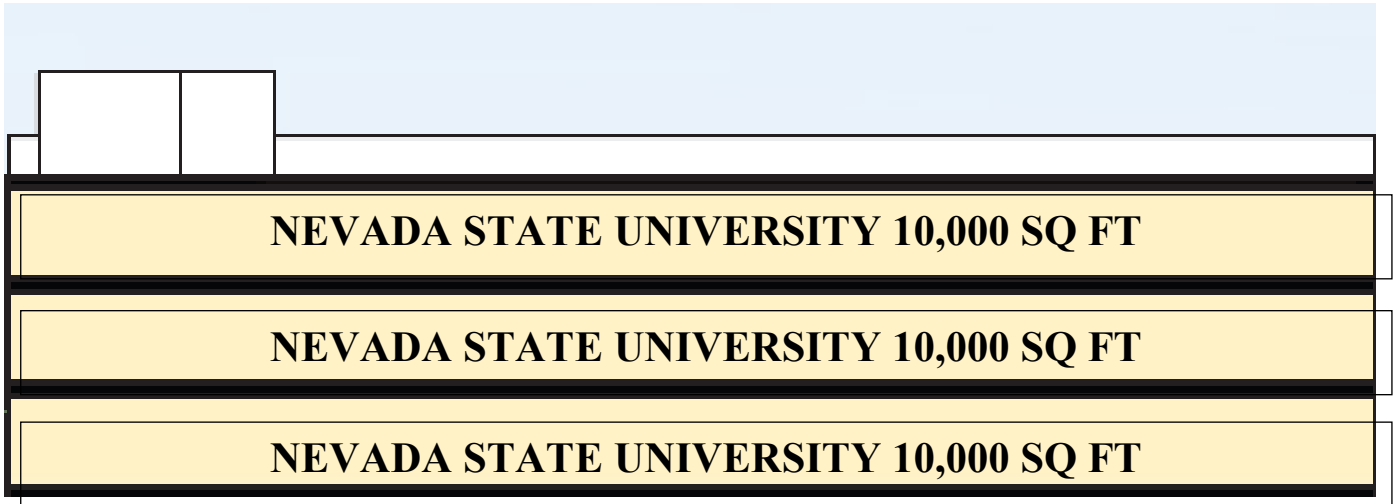


EXHIBIT C

CONFIRMATION OF LEASE TERM

This Confirmation of Lease Term is entered into as of _____, 20____
between _____, ("Landlord"), and the Board of Regents of the Nevada System of Higher
Education, behalf of NEVADA STATE UNIVERSITY
("Tenant").

WHEREAS, Landlord and Tenant entered into that certain Lease dated _____ for
the Premises located at _____ (the "Lease").

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

1. Lease Term. Landlord and Tenant agree that the Lease Term as defined in the Lease commences on _____ (the "Lease Commencement Date") and ends on _____ (the "Lease Expiration Date"), unless sooner terminated or extended pursuant to the terms of the Lease.

2. Purchase Option. Landlord and Tenant agree that the Purchase Option as defined in the Lease commences on _____, unless sooner terminated or extended pursuant to the terms of the Lease.

The parties have caused this Confirmation of Lease Term to be executed as of the date first set forth above.

TENANT:

BOARD OF REGENTS OF THE
NEVADA SYSTEM OF HIGHER EDUCATION
ON BEHALF OF
NEVADA STATE UNIVERSITY

By: _____

Title: _____

Dated: _____

LANDLORD:

KL QOZB II, LLC

By: _____

Title: _____

Dated: _____

EXHIBIT D

SUMMARY OF SERVICES, OPERATING EXPENSES, AND UTILITIES

The following is a summary of service and utility responsibilities of Landlord and Tenant:

	N O T A P P L I C A B L E	L A N D L O R D	T E N A N T	F R E Q U E N C Y
Paper Supplies, dispensers and waste containers (Premises & restrooms)			X	
Light bulbs & fluorescent light tubes and starters			X	
Ballasts and transformers for fluorescent lights, light switches and electrical outlets			X	
Heating and air conditioning control switches			X	
Janitorial service for interior of Premises (dust, waste removal, vacuum, mop, cleaning)			X	
Janitorial service for exterior of Premises			X	
Carpet, tile and linoleum			X	
Gas			X	
Electric			X	
Water			X	
Window washing – interior			X	
Landscaping and gardening			X	
Drapes, blinds, window shades			X	
Kitchen appliances			X	
Refuse, rubbish & garbage disposal			X	
Pest control			X	
Medical Waste			X	

EXHIBIT E

SUMMARY OF REPAIR, OPERATING EXPENSES, AND MAINTENANCE RESPONSIBILITIES

The following is a summary of repairs and maintenance responsibilities of Landlord and Tenant:

	Landlord	Tenant	Not Applicable
Foundations	X		
Exterior & Bearing Walls	X		
Roof	X		
Electrical Systems		X	
Lighting Systems		X	
Plumbing Systems		X	
Heating Systems		X	
Ventilation Systems		X	
Air Conditioning Systems		X	
Alarm Systems		X	
Plate Glass		X	
Windows & Window Frames		X	
Gutters, Drains, Downspouts		X	
Elevators		X	
Floor Slabs	X		
Ceilings		X	
Interior Walls		X	
Interior Doors		X	
Interior Surfaces & Windows		X	
Appliances & Fixtures		X	
Repainting of Interior Walls (every ____ years)		X	
Base and/or moldings		X	
Parking Lot Area	X		
Other:			

EXHIBIT F

SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT

RECORDING REQUESTED BY, AND
WHEN RECORDED MAIL TO:

Space Above For Recorder's Use

**SUBORDINATION, NON-DISTURBANCE AND
ATTORNMENT AGREEMENT**

This SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT (“Non-Disturbance Agreement”), is made as of _____, by and among KL QOZB, II, LLC, whose address is 4764 Park Granada Suite 200, Calabasas, CA 91302 (“Landlord”), and BOARD OF REGENTS OF THE NEVADA SYSTEM OF HIGHER EDUCATION ON BEHALF OF NEVADA STATE UNIVERSITY, whose address is 1300 Nevada State Drive, Henderson, NV 89002 (“Tenant”), for the benefit of LENDER _____, a Lender _____, whose address is _____ (“Lender”), with reference to the following:

RECITALS

A. Landlord and Tenant have entered into that certain lease agreement dated _____ (“Lease”), with respect to that certain real property located at Northwest corner of Lake Mead Blvd. & Las Vegas Blvd. Dr., North Las Vegas, NV 89030, a portion of APN: TBD (“Property”), as described in Exhibit A, a portion of which does now or shall in the future constitute the demised premises (“Premises”), for the term and on the conditions set forth in the Lease.

B. Landlord has executed, is executing or will execute a Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing (“Deed of Trust”) for the benefit of Lender, encumbering Landlord’s fee interest in the Property as security for repayment of a loan made by Lender to Landlord (“Loan”). The Loan is evidenced by a promissory note (“Note”) made by Landlord in favor of Lender.

C. Tenant and Lender wish to expressly subordinate the leasehold estate under the Lease to the lien of the Deed of Trust, and to establish certain rights, safeguards, obligations and priorities with regard to their respective interests by means of this Non-Disturbance Agreement.

AGREEMENT

IN CONSIDERATION of the mutual covenants of the parties and other good and valuable consideration, Lender and Tenant agree as follows:

1. Tenant hereby subordinates its leasehold interest in the Property and all of Tenant’s rights under the Lease, including without limitation any option, right of first refusal or right of first offer to purchase the Property or any portion thereof, to the lien of the Deed of Trust and all extensions, renewals, modifications, consolidations and replacements of the Note and Deed of Trust, to the full extent of all obligations secured by the Deed of Trust; and the Deed of Trust shall unconditionally be and at all times remain a lien or charge on the Property, prior to and superior to the Lease and leasehold interest of Tenant.

2. Notwithstanding anything in Paragraph 1 above to the contrary, so long as no event of default by Tenant has occurred and remains uncured beyond all applicable grace, notice and cure periods, then:

(a) Tenant's peaceful and quiet possession of the Premises shall not be disturbed and Tenant's rights and privileges under the Lease shall not be diminished by Lender's exercise of its rights or remedies under the Deed of Trust. Tenant shall not be named or joined in any foreclosure, trustee's sale, or other proceeding to enforce the Deed of Trust.

(b) Lender or any purchaser or successor-in-interest shall recognize the leasehold estate of Tenant under all of the terms, covenants and conditions of the Lease for the remaining balance of the term with the same force and effect as if Lender or such other purchaser or successor-in-interest were the landlord under the Lease. Lender or such other purchaser or successor-in-interest shall be bound to Tenant under all the terms, covenants and conditions of the Lease, and Tenant shall, from the date of such succession to the Landlord's interest under the Lease, have the same remedies against such party for breach of the Lease that Tenant would have had under the Lease against Landlord.

(c) The succession of Lender or such other purchaser or successor-in-interest to the interest of Landlord under the Lease shall not interfere or otherwise interrupt Tenant in its use and quiet enjoyment of the Premises pursuant to the Lease.

3. In consideration of Lender's covenants under Paragraph 2 above, in the event Lender or any other purchaser at a foreclosure sale or sale under private power contained in the Deed of Trust, succeeds to the interest of Landlord under the Lease by reason of any foreclosure of the Deed of Trust or the acceptance by Lender of a deed in lieu of foreclosure or by any other method, it is agreed that Tenant shall recognize and be bound to Lender or such other purchaser, and to any and all successors-in-interest to Lender or such other purchaser, under all the terms, covenants and conditions of the Lease for the remaining balance of the term of the Lease, with the same force and effect as if Lender or such other purchaser or successor-in-interest were the landlord under the Lease, and Tenant does hereby agree to attorn to Lender or to such other purchaser or successor-in-interest as its landlord; and such attornment shall be effective and self-operative without the execution of any further instruments on the part of any parties to this Non-Disturbance Agreement, immediately upon Lender's or other purchaser's or successor-in-interest's succeeding to the interest of Landlord under the Lease.

4. Tenant agrees to pay to Lender as assignee of the rents and other payments under the Lease which come due to Landlord under the terms of the Lease after the time Tenant receives written notice from Lender requesting that such sums be paid to Lender. Such payment to Lender by Tenant will continue, subject to the terms and conditions and rights of Tenant under the Lease, until the first to occur of the following: (i) no further amounts are payable by Tenant under the Lease; (ii) Lender gives Tenant written notice that the rents and other payments be paid to Landlord; or (iii) Lender gives Tenant written notice that a purchaser has succeeded to the interests of Landlord and Lender under the Lease, after which time the rents and other payments will be paid as directed by such purchaser. Landlord specifically consents to the foregoing.

5. Landlord agrees that Tenant will be entitled to rely on the notices given by Lender and further agrees that Tenant will be entitled to full credit under the Lease for any rents and other payments made in accordance with Paragraph 4 of this Non-Disturbance Agreement to the same extent as if such payments were made directly to Landlord.

6. Tenant shall not exercise any abatement, offset or deduction from rent or other sums payable by Tenant under the Lease, or exercise any right to terminate the Lease, unless and until: (i) Tenant has delivered to Lender written notice, describing with reasonable specificity each event of default claimed by Tenant to exist; and (ii) such event of default is not cured within the cure period, if any, specified in the Lease.

7. Nothing in this Non-Disturbance Agreement is intended to constitute an agreement by Lender to perform any obligation of Landlord as landlord under the Lease prior to the time Lender obtains title to the Property by power of sale, judicial foreclosure or transfer in lieu thereof.

8. Landlord and Tenant acknowledge that Lender shall now or hereafter extend credit to Landlord in reliance upon the statements of Landlord and Tenant as set forth above.

9. The provisions of this Non-Disturbance Agreement shall be binding upon and shall inure to the benefit of the parties to this Non-Disturbance Agreement and their respective heirs, representatives, successors and assigns.

10. Landlord and Tenant each shall serve upon Lender a copy of any notice given to the other party under the Lease, in the same manner provided for notice under the Lease. With respect to notices given under this Non-Disturbance Agreement, all notices to Lender, Landlord or Tenant shall be sent by personal delivery, or by certified U.S. mail, return receipt requested, or by Federal Express or other nationally recognized overnight commercial mail service, to the address given for each such party at the beginning of this Non-Disturbance Agreement, and shall be deemed given upon personal delivery, or three (3) days after such deposit in the U.S. mail, postage prepaid, as the case may be, or on the date of scheduled delivery if sent by Federal Express or other nationally recognized commercial mail service.

11. This Non-Disturbance Agreement may be executed in counterparts, each of which will be deemed an original document, but all of which will constitute a single document.

12. Neither this Non-Disturbance Agreement nor any of the provisions hereof can be changed, waived, discharged or terminated, except by an instrument in writing signed by Tenant and Lender.

13. The recitals and all exhibits attached hereto and referred to herein are true and correct and are hereby incorporated herein by reference.

14. This Non-Disturbance Agreement shall be executed in recordable form and shall be recorded in the Official Records of the County in which the Property is located at the request of Tenant or Lender.

[Balance of Page Intentionally Blank]

To indicate their agreement to the above, the parties or their authorized representatives or officers have signed this document.

Lender:

Tenant:

BOARD OF REGENTS OF THE
NEVADA SYSTEM OF HIGHER
EDUCATION
ON BEHALF OF NEVADA STATE
UNIVERSITY

By _____
Title _____

By _____
Title _____

B
y

Landlord:

KL QOZB II, LLC

By _____
Title _____

[INSERT NOTARY ACKNOWLEDGMENT]

Exhibit G

WORK AGREEMENT

THIS WORK LETTER (the "Agreement") supplements the Lease to which this Agreement is attached. The terms used herein shall have the same meanings as set forth in the Lease, unless such meanings are expressly contradicted herein. In addition, all rights and remedies of Landlord and Tenant under the Lease shall apply in the event of a default in any of the provisions of this Agreement, and this Agreement is hereby made a part of the Lease.

- 1. Building Improvements. Building improvements are an approximate 30,000 square foot building(s) of approximately 10,000 square feet per floor and an adjacent parking structure for the mutual use of the tenant and tenants of the commercial center.**

1.2 Building Improvements. Landlord shall construct and install (collectively, "Construct") the Building Improvements to the Premises as set forth herein pursuant to plans and specifications mutually approved by the Landlord and Tenant and prepared by the Building Architect. The definition of the Building Improvements shall include all costs associated with completing the Improvements, including but not limited to, (A) design, construction design, architectural, and engineering fees, (B) contracting, labor and material costs, municipal fees (specific to acquiring the Tenant Improvement building permit), plan check and permit costs, document development and/or reproduction costs, (C) built-in furniture and telecommunications cabling and equipment, (D) the costs incurred for the Premises to comply with Code (collectively, the "Code Compliance Costs"), (E) a key-card security access system for the Premises, (F) architecture, (G) engineering and consultant fees, and (H) construction management.

The cost of preparing the plans and specifications for the Tenant Improvements and the cost of constructing the Tenant Improvements shall, except as otherwise provided herein, be borne by Tenant, and at Tenant's election.

The cost of preparing the initial Schematic Drawings, as defined below, and one (1) revision, shall be borne by landlord.

- 2. Plans and Specifications.**

2.1 Schematic Drawings. Within One Hundred Twenty (120) days following the full execution and delivery of this Lease to the Tenant and Tenant's receipt of CAD and/or .pdf files of existing as-built architectural and MEP (mechanical, electrical, plumbing) drawings for the building's architect's use to prepare the Schematic drawings therein (the "Schematic Drawings"), Tenant shall meet with the Building Architect and provide program instructions and other such information as is necessary or appropriate for the Building Architect to prepare the Schematic Drawings. Such Schematic Drawings, upon completion thereof, shall be submitted to Landlord and Tenant for approval. Within twenty (20) days after Tenant's receipt of such Schematic Drawings, Tenant shall notify Landlord and Building Architect of the changes, if any, which Tenant desires to make to such Schematic Drawings, which notice shall be in writing and shall identify with specificity the changes which Tenant desires to make and shall attach a copy of the Schematic Drawings initialed by Tenant and showing the desired changes (the "Tenant's Schematic Notice"). Within a reasonable time following Landlord's receipt of the Schematic Drawings and Tenant's Schematic Notice, Landlord shall either reasonably approve or disapprove thereof. If Landlord disapproves, Landlord shall specify in writing the changes which Landlord requires and the Schematic Drawings shall be revised by the Building Architect to reflect those changes described in Tenant's Schematic Notice which are not disapproved by Landlord and such other items needed to satisfy Landlord's objections thereto. At Landlord's request, upon completion of the revised Schematic Drawings, Landlord and Tenant shall initial same, thereby acknowledging their approval of the form of such Schematic Drawings.

2.2 Final Plans. Upon completion of the Schematic Drawings as revised in accordance with Section 2.1 above, the Building Architect shall prepare final plans and specifications and working drawings (collectively the "Approved Plans and Specifications") based upon and incorporating such Schematic Drawings as revised as provided hereinabove, and information provided by Tenant concerning its requirement, including but not limited to its mechanical, electrical, plumbing, HVAC, fire life safety, and other necessary information required to complete the Approved Plans and Specifications. Upon completion of the Approved Plans and Specifications, same shall be submitted to Landlord and Tenant for approval. Such Approved Plans and Specifications may exclude certain finish specifications (such as the color of paint or the color or design of wall or floor coverings, etc.) so long as such specifications are not needed in order to submit the Approved Plans and Specifications for Permits (as hereinafter defined) and so long as such specifications are delivered to Landlord for Landlord's approval thereof within forty-five (45) days after delivery to Landlord of the Approved Plans and Specifications. Such finish specifications shall not be incorporated into the Tenant Improvements until same are approved by Landlord in writing. Within thirty (30) days after Tenant's receipt of the Approved Plans and Specifications, Tenant shall notify Landlord and the Building Architect of the changes, if any, which Tenant desires to make to such Approved Plans and Specifications, which notice shall be in writing and shall identify with specificity the changes which Tenant desires to make and shall attach a copy of the Approved Plans and Specifications initialed by Tenant and showing the desired changes (the "Tenant's Final Notice"). Without Landlord's prior written consent, which shall not be unreasonably withheld or delayed, Tenant shall not change any portion of the Approved Plans and Specifications which incorporate the improvements depicted in the Schematic Drawings, as revised in accordance with Section 2.1 above, or which is a natural progression of such improvements. Within a reasonable time following Landlord's receipt of the Approved Plans and Specifications and Tenant's Final Notice, Landlord shall approve or disapprove thereof. If Landlord disapproves, Landlord shall identify in writing and with specificity the reason for Landlord's disapproval, and the Approved Plans and Specifications shall be revised by the Building Architect to reflect those changes described in Tenant's Final Notice which are not disapproved by Landlord and such other items needed to satisfy Landlord's objections thereto. The improvements depicted on the Approved Plans and Specifications, as so revised, shall constitute the "Tenant Improvements." Landlord and Tenant shall initial same, thereby acknowledging their approval of the form of such Approved Plans and Specifications.

2.3 Standard of Review by Tenant. Tenant agrees that any changes which it desires to make as set forth in Tenant's Schematic Notice and Tenant's Final Notice shall be reasonable and made in good faith. In the event Landlord and Tenant have any differences with respect to changes each desires to make to the Schematic Drawings or Approved Plans and Specifications, Landlord and Tenant shall promptly meet and use good faith efforts to resolve the differences.

3. Permits. As soon as practicable following completion of the Approved Plans and Specifications, Landlord or the Building Architect shall submit the Approved Plans and Specifications to all appropriate governmental authorities, pay the appropriate filing fees, and attempt to obtain all permits and approvals (the "Permits") necessary or appropriate to allow the Construction of the Tenant Improvements. If, as part of the procedure of obtaining or attempting to obtain Permits, any governmental agencies or authorities request changes in the Approved Plans and Specifications, the Approved Plans and Specifications shall be modified to incorporate such changes unless Landlord or Tenant do not approve thereof, which approval shall not be unreasonably withheld. The Building Architect shall promptly revise the Approved Plans and Specifications as required by such governmental agencies or authorities unless such required revisions are reasonably disapproved of by Landlord or Tenant.

4. Construction. Prior to commencement of any Work, Landlord will provide Tenant with Landlord's estimate of the cost of completing the Tenant Improvements and the construction schedule of the Approved Contractor, as that term is defined below, it being understood that the construction schedule may require reasonable revisions periodically during construction. Tenant may provide feedback on such cost estimate and construction schedule within Ten(10) business days of receipt. Based on the Approved Plans and Specifications, Tenant shall have the right to provide Landlord with the name of up to two (2) general contractors that Landlord shall contact to solicit sealed fixed price Cost Proposals/Bids ("Bids"), and Landlord shall also solicit sealed fixed price Bids from at least two (2) other general contractors. All general contractors submitting sealed fixed price Bids shall be subject to reasonable mutual approval by Landlord

and Tenant (the "Approved Contractors"). The qualifications of all general contractors must include documented experience building similar improvements. Landlord shall provide Tenant with complete copies of the Bids, which Bids shall include the cost of all Tenant Improvement Allowance items and construction of the Tenant Improvements including but not limited to, (a) all hard construction costs, general conditions, supervision fees, contractor's profit and overhead, and subcontractor costs; and (b), if applicable, Governmental fees and costs of permits in connection with the Tenant Improvements. Tenant may, within ten (10) days of receipt of the Bids, provide feedback in writing or deliver written notice (the "Feedback Notice") to Landlord setting forth suggestions for revisions to the quantity and/or quality of various items in the Approved Plans and Specifications. Upon receipt by Landlord of a Disapproval Notice, the process in this Section 3c may be repeated no more than two (2) times within a fourteen (14) day period commencing upon Landlord's receipt of said Disapproval Notice. Upon Landlord's consideration of a Bid, the contractor submitting the Bid may become the Approved Contractor for the Tenant Improvements. The above notwithstanding, if the total cost of the Tenant Improvements, including subsections (a) & (b) contained above, is equal or less than the Tenant Improvement Allowance, if Landlord and Tenant are unable to mutually agree upon the selection of the contractor, then Landlord shall have the right to select the contractor from list of Approved Contractors; if the total cost of the Tenant Improvements, including subsections (a) & (b) contained above, is greater than the Tenant Improvement Allowance, if Landlord and Tenant are unable to mutually agree upon the selection of the contractor, then Landlord shall have the right to select the contractor from list of Approved Contractors. The Approved Contractor as selected above shall construct the Tenant Improvements in accordance with the Approved Plans and Specifications for which Permits are issued as well as in accordance with all terms and conditions set forth in this Addendum. The Approved Contractor shall commence and thereafter complete the construction of the Tenant Improvements in a reasonably diligent and first-class manner; provided, however, neither Landlord nor the Approved Contractor shall be obligated to incur overtime premium wage rates or be obligated to construct any improvements not set forth in such Approved Plans and Specifications. Landlord and the Approved Contractor shall notify the Building Architect in writing of any changes in construction of the Premises due to field conditions or Building modifications that may occur and changes may be made (whether or not they affect the cost of construction) without the Tenant's consent (but in no event shall such costs exceed \$200,000.00), unless such changes are necessary to preserve the structural integrity of the Building or Leased Premises or any Building Systems. Landlord shall hold the construction contract with the Approved Contractor.

5. **Costs of Construction – Building Improvements.** Landlord shall pay all construction costs and expenses (the "Construction Costs") incurred in the construction, planning, and design of the Building. Construction Costs shall include, in addition to any other items or costs set forth elsewhere in this Work Letter, without limitation the costs of: (a) the Building Architect, engineers and space planners (including design fees and costs); (b) materials including acquiring, fabricating or constructing such materials as may be required; (c) all fees and charges associated with plan check and permitting of the Tenant Improvements; (d) testing and inspection, trash removal, contractor's fees and general conditions; (e) changes in the Base, Shell and Core work when such changes are required by the Approved Plans and Specifications, including all direct architectural and/or engineering fees and expenses incurred in connection therewith; (f) any changes to the Approved Plans and Specifications and/or Building Improvements; (g) sales and use taxes; (h) reimbursement to Landlord in a sum equivalent to five percent (5%) of the total Cost of Construction as and for Landlord's Project Management Fee; and (i) all other reasonable costs to be expended by Landlord in connection with the construction of the Building Improvements.

6. **Change Orders & Tenant Delay.** Subsequent to approval of the Approved Plans and Specifications and approved Bid, any changes or additions requested by Tenant and consented to by Landlord ("Change Orders") shall be at the sole cost and expense of Tenant, and the increased cost of construction of the Tenant Improvements, including such Change Orders, shall be the responsibility of Tenant. A Tenant Delay is defined as any actual delay in the completion of the construction of the Tenant Improvements that may arise solely as a result of (i) Tenant's failure to timely meet its obligations under this Work Agreement within the time periods specified, and (ii) any delay in completion of the construction of the Tenant Improvements caused by an approved Change Order. The Commencement Date shall not be delayed by, nor shall Rent be abated as a result of any delays in Substantial Completion of the Tenant Improvements due to a Tenant Delay.

7. Punch List. Tenant agrees to deliver to Landlord, in writing, a "punch list" identifying with specificity all defects in the Tenant Improvements (including, without limitation, identification of all areas where the Tenant Improvements do not conform with the Approved Plans and Specifications for which Permits were issued) as modified by Change Orders. Such punch list shall be delivered to Landlord, if at all, within thirty (30) days following Substantial Completion, as that term is defined in Section 8 below. Tenant shall be deemed to have accepted the Premises and approved of the construction of the Tenant Improvements if Tenant does not deliver such punch list to Landlord within said number of days then Tenant shall be deemed to have accepted the Premises and approved of the construction of Tenant Improvements to the extent of all portions of the Tenant Improvements which are not described with specificity as defective in such punch list. Landlord agrees to complete such punch list items within forty-five (45) days of Landlord's receipt of such punch list from Tenant, if such punch list is delivered as provided herein.

8. Substantial Completion. Per Article 3 of the Lease Addendum.

9. No Miscellaneous Charges. Neither Tenant nor the Approved Contractor shall be charged for parking or for the use of electricity, water, toilet facilities and elevators during the construction of the Tenant Improvements.

10. Tenant's Access During Construction. Tenant and its agents and contractors shall have access to the Premises during the construction of the Tenant Improvements for activities and purposes related to construction of the Premises or preparation of the Premises for occupancy. Landlord shall provide to Tenant, at the earliest practicable time but in no event later than thirty (30) days prior to the date of Substantial Completion, Landlord's best estimate of the date of Substantial Completion. Tenant may, beginning five (5) days prior to Landlord's best estimate of the date of Substantial Completion, enter the Premises for the purpose of installing furniture, fixtures, and equipment. Tenant's representatives on the Premises during construction shall cooperate with the Approved Contractor and not delay in any way the performance any Work (including but not limited to the construction of Tenant Improvements).

EXHIBIT H

SIGN CRITERIA

This Sign Criteria has been established for the purpose of the mutual benefit of Landlord and all tenants in the Shopping Center. Any installed nonconforming or unapproved signs shall at Landlord's option be brought into conformance at the sole expense of Tenant. Landlord shall administer and interpret the Sign Criteria.

A. GENERAL REQUIREMENTS

1. Tenant shall submit or cause to be submitted to Landlord for approval prior to fabrication, four (4) copies of detailed drawings specifying the location, size, layout, design methods of illumination and color of the proposed sign, including lettering and/or any special logo graphics.
2. After written approval of Tenant's sign plans by Landlord, all permits for signs and their installation shall be obtained by Landlord at Tenants cost prior to sign installation.
3. Tenant shall be responsible for the fulfillment of all requirements and specifications of this Sign Criteria.
4. Any signs installed or placed by Tenant on the Premises or within the Common Area without the prior written approval of the Landlord will be subject to removal and proper installation at Tenant's sole cost and expense. Tenant shall upon request of Landlord immediately remove any sign, advertisement, declaration, lettering or notice which Tenant has placed or permitted to be placed in, upon, above or about the Premises, and which has not been approved in writing by Landlord, and if Tenant fails or refuses to do so, Landlord may enter upon the Premises and remove the same. Tenant shall be responsible for damages to cover the cost of repairs to sign fascia or removal of signage resulting from unapproved installations. Tenant shall be solely responsible for any and all fines, duties and liens whatsoever imposed upon Landlord or the Shopping Center by any governmental body or agency having jurisdiction thereover pertaining to any sign which Tenant has placed or permitted to be placed in, upon, above or about the Premises which is in violation of any ordinance, rule, law, directive, regulation, requirement, guideline or order of such body or agency. Tenant agrees that the exterior signs of the Premises shall remain illuminated during the standard hours of operation of the Shopping Center established by Landlord.
5. The Tenant or Tenant's Sign Contractor shall review all architectural, structural and electrical documents as they relate to building wall and/or canopies and storefront details at the proposed location of signage prior to preparation of signage drawings and specifications. In addition, the Tenant's Sign Contractor should visit the project site to become familiar with as-built conditions and verify all dimensions at sign's location.
6. Tenant is responsible for maintaining the good appearance and proper operating condition of its signs. Tenant shall, upon termination of this Lease and at Tenant's expense, remove all associated signs and restore the walls of the Premises to their original condition.

B. GENERAL SPECIFICATIONS/PROHIBITED SIGNS

1. Only signage provided for in this Sign Criteria and specifically approved by Landlord pursuant to the Sign Criteria shall be allowed for the Premises.
2. Tenant shall cause its signage to be installed so that it is operative on or before the date the Tenant is required to open its store for business to the public in the Shopping Center.
3. The following signs are prohibited for the Premises:
 - i. Conventional acrylic faced sign cabinets with applied copy on illuminated backgrounds.

- ii. Painted or hand lettered signs on building fascia or storefronts.
- iii. Flashing, moving or audible signs.
- iv. Luminous-vacuum formed type plastic letters.
- v. Window signs except where specifically approved by Landlord.
- vi. Inflatable signs or graphic devices.
- vii. Freestanding attraction boards, posters or other permanent advertising devices.
- viii. Paper, cardboard or Styrofoam signs.
- ix. Freestanding monument signs for tenant identification.
- x. Signs with exposed neon tubing and raceways.
- xi. Signs with gold or silver plastic trim cap that contrast with letter returns.

C. CONSTRUCTION REQUIREMENTS

- 1. All exterior signs shall be secured by concealed fasteners, stainless steel, or nickel or cadmium plated.
- 2. No labels shall be permitted on the exposed surface of signs, except those required by local ordinance, which shall be applied in an inconspicuous location.
- 3. All penetrations of the building structure required for sign installation shall be neatly sealed in a watertight condition.
- 4. Tenant's Sign Contractor shall repair any damage to the property caused by its work.
- 5. Tenant shall be fully responsible for the operations of Tenant's Sign Contractor.
- 6. All electrical signs and their installation must comply with all local building and electrical codes.
- 7. No exposed conduit, neon tubing or raceways shall be permitted.
- 8. All conductors and other equipment shall be concealed.

D. DESIGN REQUIREMENTS: Wall Signage

- 1. All signage for the Premises shall conform to specifications established by the Landlord and approved by the City of North Las Vegas as part of this Comprehensive Sign Plan. Specifications include size, placement, colors and materials to be utilized in the construction and installation of tenant signage.
- 2. Maximum size of all permitted wall signs for any single Tenant shall be determined by the following formula, as the same may be restricted by applicable governmental regulations: The maximum aggregate sign area per each in-line Shop Tenant shall be calculated by multiplying two (2.0) times the length of the Shop Tenant's storefront(s) and/or elevations(s) occupied by the Shop Tenant. As a minimum, each inline Shop Tenant is permitted a minimum sign area of fifty (50) square feet. In no instance shall any in-line Shop Tenant's signage area exceed one hundred (100) square feet. All in-line Shop Tenant signage shall be confined to the "envelope" designated for the in-line Shop Tenant's suite(s) as illustrated on the elevations included as part of this Comprehensive Sign Plan. Note: Due to varying architectural embellishments and design articulations of the building elevations, designated sign "envelopes" may differ in size and placement relative to the in-line Shop Tenant's Premises. In all circumstances, the sign "envelope" height shall not exceed thirty inches (30"). Length of the sign "envelope" may vary. The Maximum aggregate sign area for each Major Tenant occupying 15,000 square feet or greater shall be calculated by multiplying two (2.0) times the length of the Major Tenant's storefront(s) and/or elevation(s) occupied by the Major Tenant.
- 3. Letter Heights for In-Line Shop Tenants Maximum letter height shall be regulated as follows: In-Line Shop Tenants shall be limited to a 24" upper case letter height. Landlord shall have sole discretion in varying the established height limitation(s).
- 4. Maximum length of an In-Line Shop Tenant's sign shall in no instance exceed the length of the designated sign "envelope" specified for use by the In-Line Shop Tenant. Landlord shall designate the exact placement of all In-Line Shop Tenant signage.

5. Logos and Ancillary sign elements shall be permitted subject to Landlord approval. In no instance shall a Logo and/or Ancillary sign element exceed 30" in height nor be greater in area than 25% of the area of the primary sign element. 6. Fabrication Specifications:

- i. All letters and logos are to be fabricated from .050 aluminum material. Letters shall be approximately five inches (5") deep. They shall be fabricated as pan channel letters and logos with illuminated acrylic faces. The letter and logo returns shall be pre-finished aluminum or painted to match Gloss Black. The trimcap shall be 3/4" Black to match the letter returns.
- ii. Letters and logos shall be internally illuminated utilizing LED modules. Exposed neon tubing and exposed raceways are prohibited.
- iii. It is recommended that In-Line Shop Tenant's signage utilize one (1) of the following acrylic colors for the primary sign element:

- Acrylite 211-1 Red or equal
- Acrylite 407-2 Yellow or equal
- Acrylite 015-2 White or equal
- Acrylite 015-2 White w/Perforated Black Vinyl Overlay
- Acrylite 607-1 Blue or equal
- Acrylite 506-0 Green or equal

Logos may be multi-colored in accordance to Tenant's design specifications subject to Landlord approval.

iv. National tenants with an occupancy of 1,500 square feet or greater shall be permitted to use their trademarked corporate letter style and color specifications of exterior signage, subject to Landlord's written consent.

v. Vinyl lettering shall be permitted on the storefront glass, but will be restricted to the business name and hours of operation only. The maximum size lettering shall be 2" for the business name and 1" for the hours of operation. vi. Each tenant who has a non-customer backdoor for receiving merchandise may have their name applied to the door with 2" vinyl lettering. Position on door to be determined by Landlord. Color of vinyl to be determined by Landlord

EXHIBIT I

Prohibited Uses

Lessee shall not permit the storage, display, sale or solicitation of merchandise or services conducted in any area of the Shopping Center (including, but not limited to, the sidewalks and parking lot other than as expressly set forth in the Lease) except within the Leased Premises. Lessee will not use, lease or sublease, or permit the use of, any portion of the Leased Premises for any business which creates strong, unusual or offensive odors, fumes, dust or vapors, or may constitute a public or private nuisance, or which emits noise or sounds which are objectionable due to intermittence, beat, frequency, shrillness or loudness, or which creates unusual fire, explosive or other hazards or which is used, in whole or in part, as or for warehousing, the dumping, disposing, incinerating, or reduction of garbage or refuse; the sale, distribution or exhibition of indecent or pornographic literature; or which is used for any of the following uses, any or all of which shall be prohibited by Lessee *unless expressly permitted on paragraph 10.1 of the Lease*:

adult book store	flea market	pawn shop
alcoholic beverage sales	funeral parlor	pet store selling live pets or offering pet services such as grooming and boarding
amusement arcade	game arcade	plant nursery
amusement center	game room	prescription drug sales
animal raising	gas station	psychic
automobile body shop	grocery store	religious organization
automobile dealership	gun store	restaurant
automobile parts, supplies	head shop	sale of drugs
accessories or related products	health club, spa or gymnasium	sale of food items for off premises consumption
automotive repairs and service	health spa	sale, rental, repair, storage or service of trucks and/or trailers and recreational vehicles
bar	hospital	skating rink
billiard parlor	house of worship	sporting facility
boat sale or display	industrial use	stockyard
bowling alley	judo school	supermarket
brothel	junk yard	swimming pool sales
car rental	karate school	target range
car wash	labor camp	taxidermist
carnival	laundromat	theater
catering hall	manufacturing use	trailer court
cult meeting place	massage parlor	trailer sales
dance hall	meeting hall	veterinary hospital
dental office	mobile home park	warehouse use
discotheque	mobile home sales	weight loss center
drug store or pharmacy	monument sales	
department	mortuary	
dry cleaner	movie theater	
exercise club	night club	
extermination or similar service	off-track betting parlor	
factory use	palm reader	
firing range		

any use which, at the time Lessee intends to implement such use; (i) conflicts with the permitted use or exclusive use of another Lessee, or (ii) violates any prohibited use which may be contained in another Lessee's lease.

EXHIBIT J
RENT SCHEDULE
[To be completed]

EXHIBIT K

FORM OF MEMORANDUM OF LEASE

RECORDING REQUESTED BY:

WHEN RECORDED, RETURN TO:

Space above this line for Recorder’s Office only

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE (“Memorandum of Lease”) is made and entered into as of _____, 2025, by and between BOARD OF REGENTS OF THE NEVADA SYSTEM OF HIGHER EDUCATION on behalf of Nevada State College, a constitutional entity of the State of Nevada (“Tenant”) and KL QOZB, II, LLC (“Landlord”).

1. _____ Landlord is the owner of that certain real property located in the City of North Las Vegas, Nevada and more particularly described on Attachment A attached hereto (the “Land”).

2. _____ For and in consideration of the mutual covenants, agreements, and conditions set forth in that certain unrecorded Lease Agreement by and between Landlord and Tenant, dated _____, 2025 (the “Lease”).

3. _____ Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, upon all the terms and conditions of the Lease, the Land as more particularly described in the Lease.

4. _____ The term of the Lease shall be for a period not to exceed approximately _____ () years commencing on the Commencement Date as more particularly set forth therein.

5. _____ This Memorandum of Lease has been prepared to provide notice that the Land is subject to the terms and conditions of the Lease, which terms are hereby incorporated by reference into this Memorandum of Lease.

6. _____ In no event shall the terms of this Memorandum of Lease be deemed to modify, amend, limit, or otherwise affect the terms and conditions of the Lease. In the event of any inconsistency between the terms of this Memorandum of Lease and the terms of the Lease, the terms of the Lease shall control.

7. _____ This Memorandum of Lease may be executed in any number of counterparts, each of which shall be deemed an original and all of which, when taken together, shall be deemed to be one and the same document. Signature pages may be taken from a counterpart and attached to other counterparts to form on document, which shall constitute a fully executed document that may be recorded.

8. The Lease includes an option to purchase in favor of Tenant, as provided in the Lease.

IN WITNESS WHEREOF, Landlord and Tenant have caused their duly authorized representatives to execute this Memorandum of Lease as of the date first written above.

LANDLORD:

KL QOZB, II, LLC

By: _____

Name: _____

Title: _____

Date: _____

TENANT:

BOARD OF REGENTS OF THE NEVADA SYSTEM OF
HIGHER EDUCATION

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT B

INTERLOCAL AGREEMENT FOR PARTIAL RENT SUBSIDY UNDER LEASE AGREEMENT FOR NEVADA STATE UNIVERSITY CAMPUS

This Interlocal Agreement for Partial Rent Subsidy Under Lease Agreement for Nevada State University Campus (“Agreement”) is made and entered into this ____ day of _____, 2025 (“Effective Date”), by and between the City of North Las Vegas Redevelopment Agency, a public body, corporate and politic (“RDA”), and the Board of Regents, Nevada System of Higher Education on behalf of Nevada State University (“NSU”), a Nevada political subdivision. The RDA and NSU are collectively referred to herein individually as a “Party”, and collectively as the “Parties.”

RECITALS

WHEREAS, the North Las Vegas Downtown Master Plan and Investment Strategy (“Master Plan”) was adopted with respect to the redevelopment of an area within the City of North Las Vegas, Nevada (“City”) identified as the Downtown Redevelopment Core Subdistrict (“Downtown Redevelopment Subdistrict”). Among the goals of the Master Plan are the elimination of areas within the Downtown Redevelopment Subdistrict suffering from economic hardship and the promotion of sound development of blighted areas within the Downtown Redevelopment Subdistrict;

WHEREAS, the RDA, as part of the City’s Master Plan, desires to improve and revitalize the Downtown Redevelopment Subdistrict;

WHEREAS, the provision of higher education is a desirable use of real property that promotes the advancement of the economy and improves quality of life for North Las Vegas residents;

WHEREAS, the City currently has only one Nevada System of Higher Education campus located within its jurisdiction;

WHEREAS, the RDA desires NSU to operate a higher education campus in North Las Vegas, specifically in the Downtown Redevelopment Subdistrict, to assist the RDA in providing North Las Vegas residents with better access to higher education services, and to assist the RDA in its efforts to revitalize Downtown Redevelopment Subdistrict under the City’s Master Plan;

WHEREAS, the RDA and NSU desire to coordinate their resources to allow NSU to operate an NSU campus in the Downtown Redevelopment Subdistrict;

WHEREAS, NSU has entered into a Lease Agreement (“Lease”) with KL QOZB, II, LLC, a Delaware limited liability company (“Landlord”), attached hereto as **Exhibit A**, to lease the Premises (as defined in the Lease) located near the northwest corner of E. Lake Mead Blvd. & Las Vegas Blvd. N., North Las Vegas, NV 89030, and which are located in the Downtown Redevelopment Subdistrict;

WHEREAS, the Premises to be leased include a free-standing building of approximately 30,000 square feet, which NSU will operate primarily as an NSU campus, and associated facilities;

WHEREAS, to help ensure NSU can operate an NSU campus on the Premises, the RDA has agreed to pay a rent subsidy on behalf of NSU, which shall be remitted directly to the Landlord for Monthly Rents due under the Lease on behalf of NSU, in the total amount of \$7,528,222, pursuant to the terms set forth herein (“Rent Subsidy”);

WHEREAS, NSU shall be solely responsible for the payment of all other amounts owed to the Landlord under the Lease, including but not limited to Additional Rent and Operating Expenses over and above the annual Rent Subsidy (as both terms are defined in the Lease), and all of NSU’s other obligations under the Lease;

WHEREAS, NSU agrees to remit to the Landlord the payment of all Monthly Rents due to Landlord under the Lease after the Rent Subsidy is exhausted;

WHEREAS, pursuant to NRS 277.180, the Parties may enter into an interlocal contract with other public agencies for the performance of any governmental service, activity, or undertaking which any of the public agencies entering into the contract are authorized by law to perform; and

WHEREAS, the Parties desire to enter into this Agreement, pursuant to the authority granted by NRS 277.180, in order to specify the roles, rights, and obligations of the Parties.

NOW, THEREFORE, for and in consideration of the premises and mutual covenants herein contained, it is agreed as follows:

AGREEMENT

**SECTION I
RDA RIGHTS AND RESPONSIBILITES**

1. The RDA shall provide a Rent Subsidy to NSU by paying NSU’s Monthly Rent (as defined in the Lease) for the Premises due to the Landlord in the total amount of \$7,528,222 for the first five years after the Rent Commencement Date (as defined in the Lease) in the amounts specified in Schedule A below or until the total amount of the Rent Subsidy is exhausted.

Schedule A	
Year 1	\$1,450,000
Year 2	\$1,477,000
Year 3	\$1,504,810

Year 4	\$1,533,454
Year 5	\$ 1,562,958
TOTAL:	\$7,528,222

2. The RDA shall remit the Rent Subsidy payments directly to the Landlord in the amounts set forth in Schedule A. The RDA may elect to remit such payments to the Landlord as one or more lump sum payments.

3. In the event the Lease is terminated for any reason prior to the exhaustion of the Rent Subsidy, the RDA will have no further obligation under this Agreement to remit any Monthly Rent or remaining portion of the Rent Subsidy to Landlord under the Lease.

4. Except as set forth herein, the RDA shall not be responsible in any way for any of NSU's obligations under the Lease, including but not limited to, payment of Additional Rent or Operating Expenses over and above the annual Rent Subsidy amounts (as those terms are defined in the Lease).

5. The RDA shall have the right to assign its rights and obligations under this Agreement, subject to prior approval by NSU, which approval will not be unreasonably withheld.

**SECTION II
NSU RESPONSIBILITES**

1. NSU shall be solely responsible for all Monthly Rent due to Landlord beginning on the first (1st) month after the Rent Subsidy is exhausted and thereafter for the remainder of the Lease.

2. Except as otherwise provided in this Agreement, NSU shall be solely responsible for all tenant obligations under the Lease, including, but not limited to, payment of all other amounts tenant owes to the Landlord under the Lease, including, but not limited to, payment of Additional Rent and/or Operating Expenses over and above the annual Rent Subsidy amounts (as those terms are defined in the Lease), throughout the term of the Lease.

**SECTION III
TERM & TERMINATION**

1. The term of this Agreement shall commence on the Effective Date and continue until the earlier of the following occurs: (i) RDA remits the entire amount of the Rent Subsidy to Landlord; or (ii) termination of the Lease between NSU and Landlord.

2. The Parties agree that, if a material change in conditions warrants a revision to the terms of this Agreement, the Parties will promptly commence good faith negotiations to establish an equitable and practical amendment of this Agreement.

3. In the event that either Party fails to meet its obligations hereunder, the non-defaulting Party may terminate this Agreement, provided, however, that the non-defaulting Party provides the defaulting Party with notice of the default and the defaulting Party is provided at least a thirty (30) day period to cure such default.

SECTION IV MISCELLANEOUS PROVISIONS

1. Applicable Law. The laws of the State of Nevada and the North Las Vegas Municipal Code shall govern the validity, construction, performance and effect of this Agreement, without regard to conflicts of law.

2. Dispute Resolution. In the event of dispute arising under this Agreement, the Parties shall attempt to amicably resolve the matter through escalating levels of management. Disputes which cannot be informally resolved shall be litigated rather than submitted to arbitration. The parties to this Agreement consent to the jurisdiction of any court of competent jurisdiction in Clark County, Nevada to adjudicate any dispute related to this Agreement or actions to enforce or interpret the terms of this Agreement. Each Party hereby waives its right to trial by jury in any action, proceeding or counterclaim brought by either Party against the other on any matters whatsoever arising out of or in any way connected with this Agreement.

3. Severability. The illegality or invalidity of any provision or portion of this Agreement shall not affect the validity of the remainder of this Agreement.

4. Assignment. Except as otherwise provided herein, neither Party shall assign, transfer or delegate any rights, obligations or duties under this Agreement without the prior written consent of the other Party.

5. Entire Agreement. This Agreement contains the entire agreement between the Parties hereto pertaining to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written. No supplement, modification, waiver or termination of this Agreement shall be binding unless executed in writing by the Party to be bound. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions, whether or not similar, nor shall such waiver constitute a continuing waiver unless otherwise expressly provided.

6. Non-Waiver. The failure to enforce or the delay in enforcement of any provision of this Agreement by a Party shall in no way be construed to be a waiver of such provision or right unless such party expressly waives such provision or right in writing.

7. No Third-Party Beneficiaries. Nothing expressed or implied in this Agreement is intended, or should be construed, to confer upon or give any person or entity not a Party to this

Agreement any third-party beneficiary rights, interests, or remedies under or by reason of any term, provision, condition, undertaking, warranty, representation, or agreement contained in this Agreement.

8. Independent Parties. The Parties are associated with each other only for the purposes and to the extent set forth in this Agreement, and in respect to performance of services pursuant to this Agreement, the Parties are and shall be a public agency separate and distinct from the other. Nothing contained in this Agreement shall be deemed or construed to create a partnership or joint venture, to create relationships of an employer-employee or principal-agent or to otherwise create any liability for one agency whatsoever with respect to the indebtedness, liabilities, and obligations of the other agency or any other.

9. Notice. All notices, demands and other instruments required or permitted to be given pursuant to this Agreement shall be in writing and be deemed effective upon delivery in writing if served by personal delivery, by overnight courier service, by facsimile or by overnight express mail, or upon posting if sent by registered or certified mail, postage prepaid, return receipt requested, and addressed as follows:

To NSU:

Attn: Vice President Finance and
Business Operations
1300 Nevada State Drive
Henderson, NV 89002
Telephone No. (702) 992-2312
fbo@nevadastate.edu

With a copy to:

Berna Rhodes-Ford
General Counsel
1300 Nevada State Drive
Henderson, NV 89002
Telephone No. (702) 992-2378
berna.rhodes-ford@nevadastate.edu

To RDA:

Jared Luke
Senior Director, Economic Development
Department
2250 Las Vegas Boulevard N., Ste. 920
North Las Vegas, Nevada 89030
Telephone No. (702) 633-1087
lukej@cityofnorthlasvegas.com

With a copy to:

City of North Las Vegas
City Attorney's Office
2250 Las Vegas Blvd. N., Ste. 810
North Las Vegas, NV 89030
Telephone No. (702) 633-1050
cityattorney@cityofnorthlasvegas.com

Notice shall be deemed to have been given hereunder when written notice is: (i) received by the party to whom it is directed by personal service; (ii) three (3) days after deposit with the United States Post Office, by registered or certified mail, postage prepaid and addressed to the party to whom the noticed is addressed; or (iii) one (1) day after deposit with a nationally recognized air courier service such as FedEx for overnight delivery. Either Party may change its address for the purpose of receiving notices by providing written notice to the other.

10. Counterparts. The delivery of electronic copies of any Party's signature hereon, or on any other agreement or instrument to be delivered in connection herewith shall be valid and binding for all purposes. This Agreement may be executed in counterparts, each of which executed counterparts shall be deemed an original, but which, together, shall constitute one and the same instrument. Signature pages may be detached from the counterparts and attached to a single copy of this document to physically form one document.

[Remainder of Page Left Intentionally Blank. Signature Page to Follow.]

IN WITNESS WHEREOF, the RDA and NSHE of behalf of NSU have caused this Agreement to be executed as of the Effective Date.

City of North Las Vegas Redevelopment Agency,
a public body, corporate and politic

Board of Regents, Nevada System of Higher Education, obo Nevada State University,
a Nevada political subdivision

By: _____
Ruth Garcia-Anderson, Chairwoman

By: _____
Matthew McNair, Chancellor

Attest:

By: _____
Jackie Rodgers, Secretary

Approved as to Form:

By: _____
Andy Moore, Agency Counselor

EXHIBIT C

Nevada State University
North Las Vegas Campus



Preliminary Budget - October 2025

	Startup	FY 28	FY 29	FY 30	FY 31	FY 32	FY 33	FY 34	FY 35	FY 36	FY 37
Formula Enrollment:											
Student H/C	tbd	200	200	320	320	450	450	450	450	450	450
Student FTE	tbd	118	118	188	188	265	265	265	265	265	265
Student WSCH	tbd	5254	5254	8521	8521	12169	12169	12169	12169	12169	12169
Formula Funding	\$ -	\$ -	\$ -	\$ 994,888	\$ 1,008,735	\$ 1,711,762	\$ 1,761,755	\$ 2,593,486	\$ 2,643,943	\$ 2,694,546	\$ 2,745,232
SB 498 (25 Session)	\$ 2,500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Registration Fees	tbd	\$ 453,492	\$ 476,166	\$ 799,959	\$ 839,957	\$ 1,240,249	\$ 1,302,262	\$ 1,367,375	\$ 1,435,744	\$ 1,507,531	\$ 1,582,907
Philanthropy	\$ -	\$ 400,000	\$ 400,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
NSU Institutional Funds	\$ -	\$ 519,854	\$ 541,380	\$ -	\$ -	\$ -	\$ 781,479	\$ -	\$ -	\$ -	\$ -
NLVRDA Rent Subsidy	\$ -	\$ 1,450,000	\$ 1,477,000	\$ 1,504,810	\$ 1,533,454	\$ 1,562,958	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted Fees	\$ -	\$ 100,000	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenue Budget	\$ 2,500,000	\$ 2,923,346	\$ 2,994,546	\$ 3,299,657	\$ 3,382,146	\$ 4,514,970	\$ 3,845,496	\$ 3,960,861	\$ 4,079,686	\$ 4,202,077	\$ 4,328,139
Salaries/Benefits - Instruction	\$ 125,000	\$ 1,092,346	\$ 1,125,117	\$ 1,390,644	\$ 1,432,363	\$ 1,741,714	\$ 1,793,965	\$ 1,847,784	\$ 1,903,218	\$ 1,960,315	\$ 2,019,124
Salaries/Benefits - Admin	\$ 300,000	\$ 108,000	\$ 111,240	\$ 114,577	\$ 118,015	\$ 121,555	\$ 125,202	\$ 128,958	\$ 132,826	\$ 136,811	\$ 140,916
Salaries/Benefits - Classified	\$ 75,000	\$ 150,000	\$ 154,500	\$ 159,135	\$ 163,909	\$ 168,826	\$ 173,891	\$ 179,108	\$ 184,481	\$ 190,016	\$ 195,716
Salaries/Benefits - Student	\$ -	\$ 63,000	\$ 64,890	\$ 66,837	\$ 68,842	\$ 70,907	\$ 73,034	\$ 75,225	\$ 77,482	\$ 79,807	\$ 82,201
Rent	\$ -	\$ 900,000	\$ 927,000	\$ 954,810	\$ 983,454	\$ 1,012,958	\$ 1,043,347	\$ 1,074,647	\$ 1,106,886	\$ 1,140,093	\$ 1,174,296
Building Operating/NNN Lease	\$ -	\$ 550,000	\$ 550,000	\$ 550,000	\$ 550,000	\$ 550,000	\$ 566,500	\$ 583,495	\$ 601,000	\$ 619,030	\$ 637,601
Office Exp/Operating	\$ -	\$ 45,000	\$ 46,350	\$ 47,741	\$ 49,173	\$ 50,648	\$ 52,167	\$ 53,732	\$ 55,344	\$ 57,005	\$ 58,715
Information Tech/Connectivity	\$ 600,000	\$ 15,000	\$ 15,450	\$ 15,914	\$ 16,391	\$ 16,883	\$ 17,389	\$ 17,911	\$ 18,448	\$ 19,002	\$ 19,572
Furnishing, Fixtures, Equip	\$ 900,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Instructional/Sim/Lab Equip	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Misc Programming/Other	\$ 300,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expense Budget	\$ 2,500,000	\$ 2,923,346	\$ 2,994,547	\$ 3,299,657	\$ 3,382,146	\$ 3,733,491	\$ 3,845,496	\$ 3,960,861	\$ 4,079,686	\$ 4,202,077	\$ 4,328,139
Net (Breakeven)	\$0	\$0	\$0	\$0	\$0	\$781,479	\$0	\$0	\$0	\$0	\$0



Board of Regents

North Las Vegas Campus Lease

December 2025

Agenda Item Summary

Requesting Board of Regents approval of a 10 year lease for the establishment of a campus in North Las Vegas

Who: NSU in collaboration with City of North Las Vegas and Agora Realty & Management, Inc.

What: Satellite Site (30k sq ft; 3-story; 10-year lease, new construction)

- Academic programming (courses, degrees, workforce development)
- All-inclusive student access hub (recruitment, advising, financial aid, tutoring, career services)
- Modern academic and support spaces incorporating best practices in instruction

Where: North Las Vegas Gateway Village (Lake Mead Blvd. and Las Vegas Blvd. North)

When: Mid-2027 completion



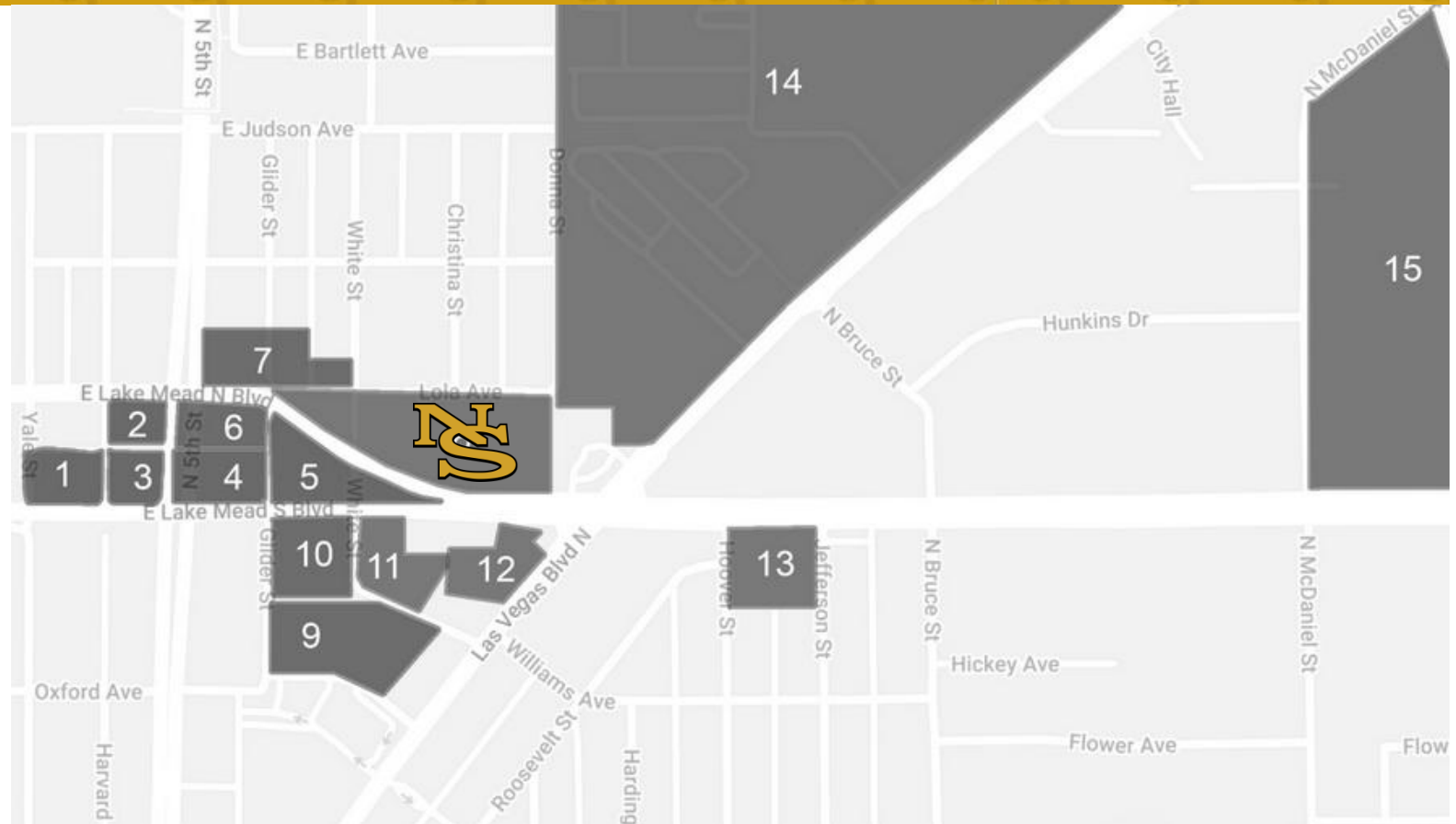


NEVADA STATE UNIVERSITY

NLV Gateway Village Project

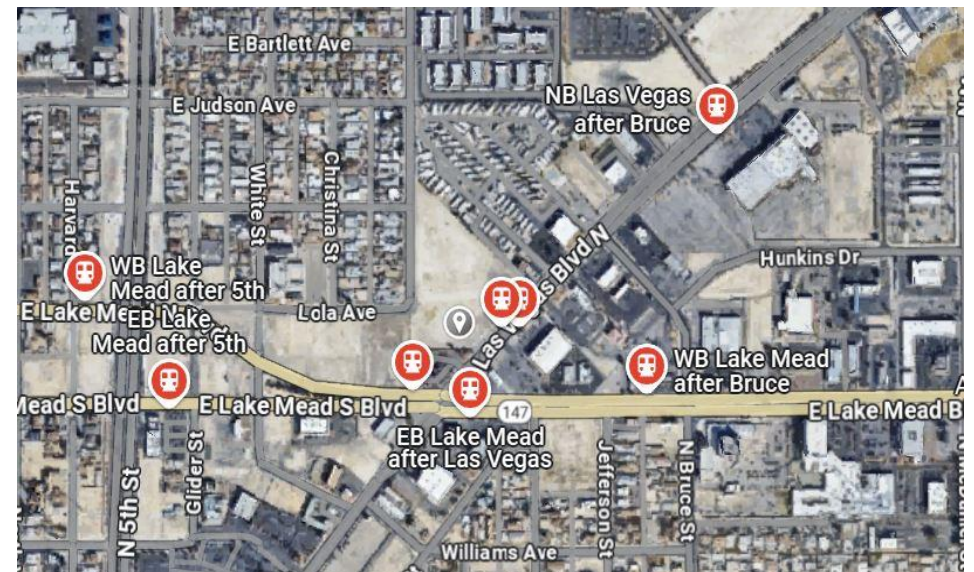


- 19-acre multi-use redevelopment
- Commercial Office Space
- Retail & Restaurant
- Healthcare
- Affordable Housing
- Childcare



Location Considerations

- **Increase access**
 - ✓ Reduce commute times
 - ✓ Better access to public transportation options→
- **Increase enrollment capacity**
 - ✓ Increase educational space to serve more students
 - ✓ Create tailored spaces for new degree offerings
- **Foster community-tailored educational offerings**
 - ✓ Custom curriculum offerings for the region
 - ✓ Direct engagement with local employers



Lake Mead & Las Vegas Blvd

NSU Student Feedback

Student Comments from the 2025 National Survey of Student Engagement

Question: What can improve?

"Educational experience can be improved at this institution if this institution was closer to the city rather than very far out away from many students who live in the city."

"Another campus closer"

"Having more forms of transportation for students who live far from campus"

"Making housing more affordable so people can afford to dorm and not commute such far distances (my daily commute as a full time student has been 1 hour to school and 1 hour back (2 hrs total) for my 4 years of schooling which has been hard on me financially with car maintenance, breakdowns, and finding alternative transportation)"

"Transportation from all over the valley"

"Having satellite campuses throughout the valley or another campus"

"Bigger campus and more entrances to campus. less construction, overall the locality of the university is a little inconvenient"

"Ease of access to the campus"



Site Layout, Services, & Programming

- Traditional classrooms
- High-tech interactive teleconferencing rooms
- Computer lab and testing center
- Group collaboration and study spaces
- Online course access hubs
- Tutoring facilities
- Faculty and staff offices
- Course offerings:
 - Core curriculum, complete degrees, 2+2 offerings, continuing education
- Career coaching services
- Workforce development offerings



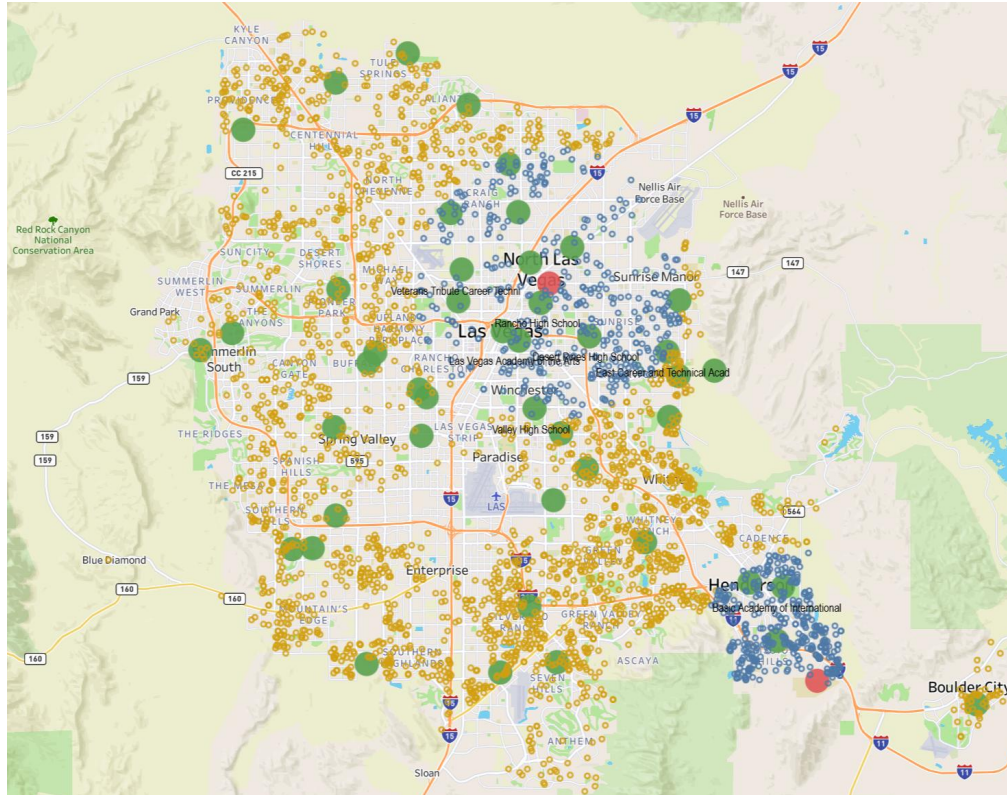
System Goal Alignment



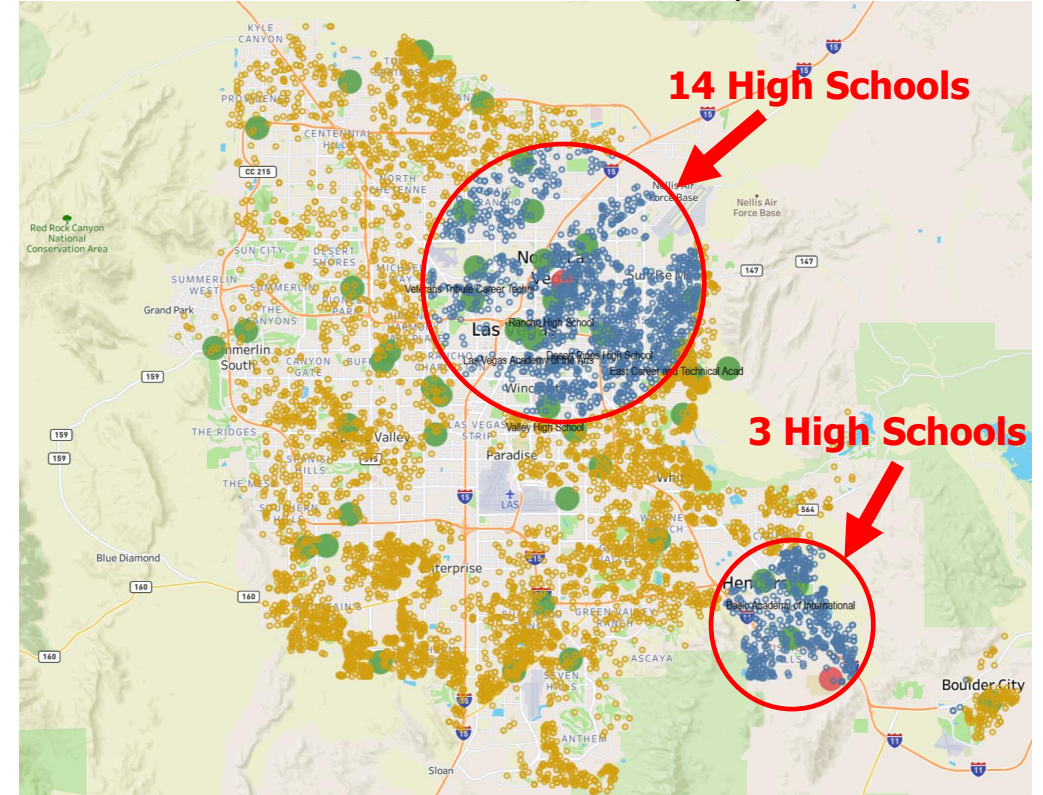
- ✓ Increase **access** to higher education.
 - New facility in underserved area with greater transportation options.
- ✓ Improve student **success** and close institutional performance **gaps**.
 - State-of-the-art facility designed for best practices in instruction and student support.
- ✓ Meet **workforce** needs in Nevada.
 - Tailored baccalaureate and certificate programs developed in conjunction with area employers, with an initial focus on teacher pipeline programs.
- ✓ Ensure system **coordination, accountability, and transparency**.
 - Working in unison with the Henderson campus, Valley-wide educational opportunities leverage existing academic resources and provide scale to new initiatives, creating a higher return on taxpayer investments.

Students within 5mi Radius of Henderson and NLV Campuses

- Student inside 5mi
- Student outside 5mi
- CCSD High School
- NSU Campus & NLV Site



Fall 2015



Fall 2025



Headcount Growth and Applicant Conversion within 5mi Radius

Fall 2015

- ❑ Within 5 miles of Existing NSU Campus
 - Headcount (Non-CE): 403
 - Headcount (CE): 0
 - Total: 403
 - Application to Enrollment Rate: 56%

- ❑ Within 5 miles of NLV Satellite Campus
 - Headcount (Non-CE): 404
 - Headcount (CE): 0
 - Total: 404
 - Application to Enrollment Rate: 24%

Fall 2025

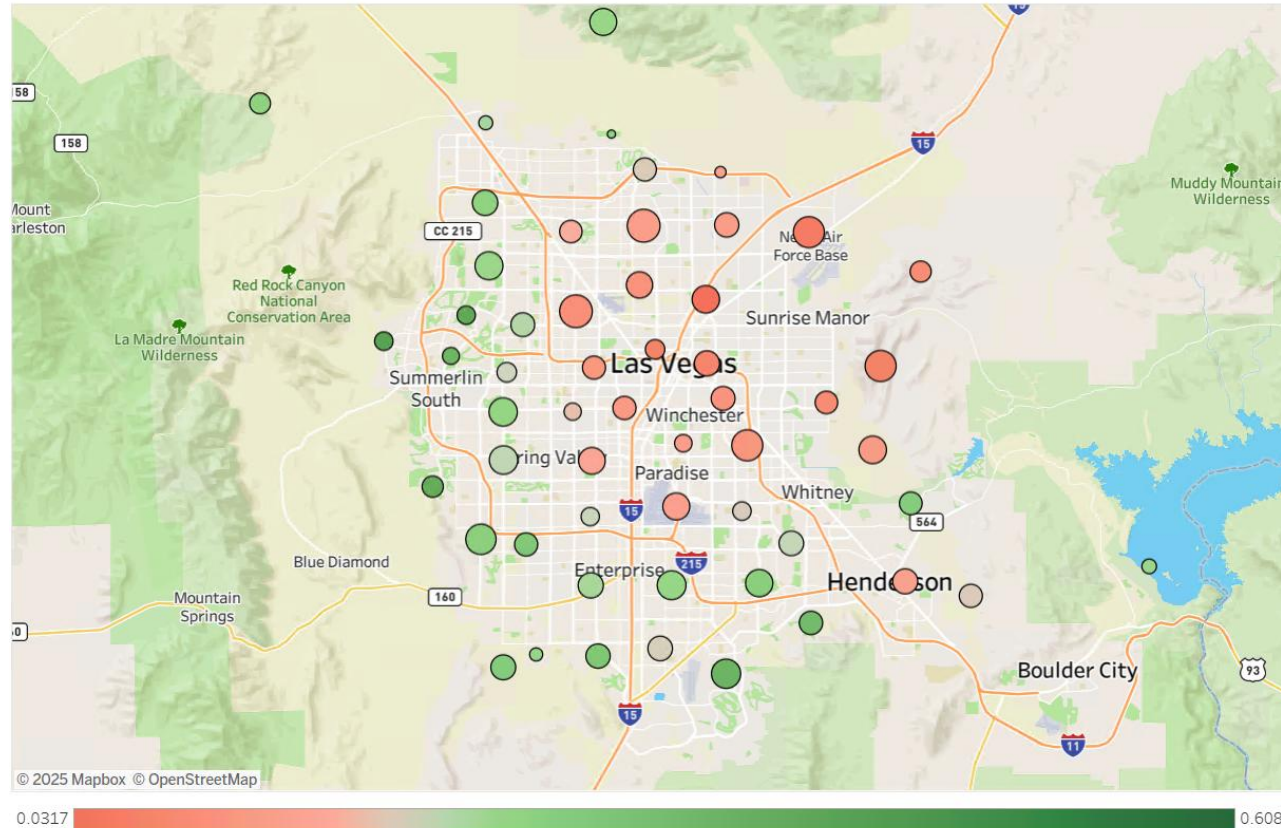
- ❑ Within 5 miles of Existing NSU Campus
 - Headcount (Non-CE): 372 (-7.7%)
 - Headcount (CE): 199
 - Total: 571 (+41.7%)
 - Application to Enrollment Rate: 52% (-4%)

- ❑ Within 5 miles of NLV Satellite Campus
 - Headcount (Non-CE): 877 (+117%)
 - Headcount (CE): 596
 - Total: 1,473 (+265.5%)
 - Application to Enrollment Rate: 28% (+4%)

Today: About 1 in 5 NSU students live within 5 miles of the NLV site.



Degree Attainment (2020)

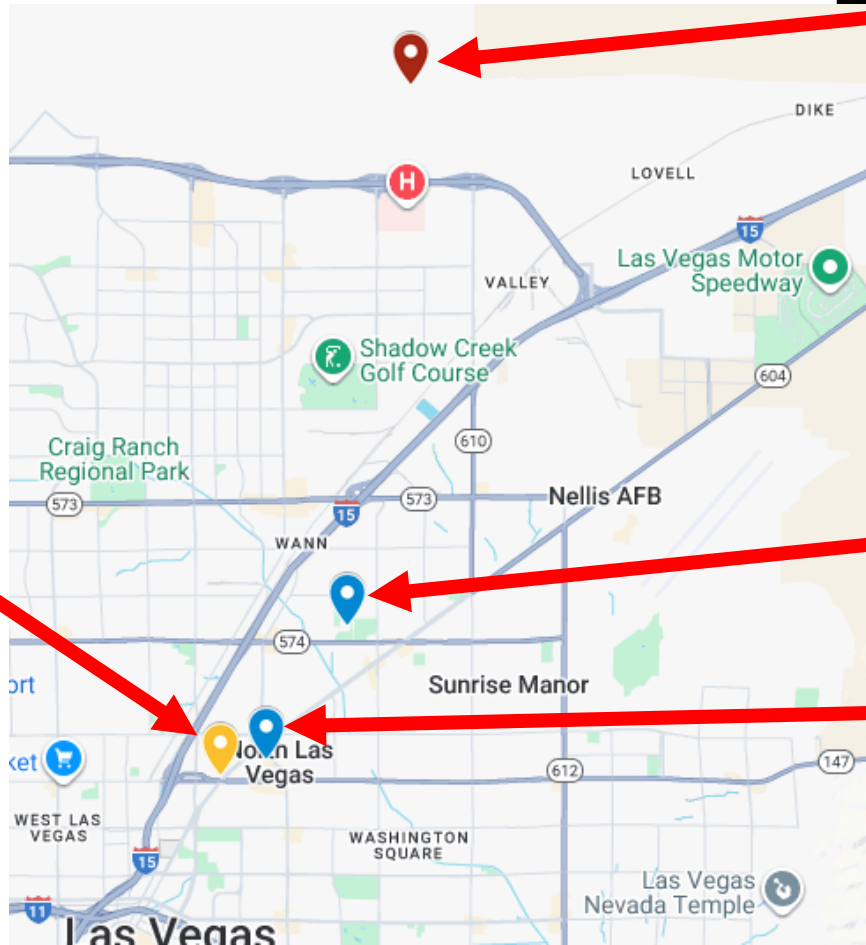


Bachelor's or Higher Attainment



Higher Ed in North Las Vegas

Future UNLV North Campus



Future NSU NLV Campus

CSN North Las Vegas Campus

UNR Extension



Expanding NSU's Regional Presence

- North Las Vegas is Nevada's third largest city and largest minority-majority municipality.
- North Las Vegas currently has very limited access to baccalaureate education opportunities; NSU has a unique opportunity to expand higher education access.
- Enrollment and applications have increased substantially from North Las Vegas area in last decade, but conversion rate remains low in part due to long commute.
- NSU will augment existing local efforts to build teacher pipeline.
- NLV regional economic development is dependent upon growing a skilled workforce.
- Ongoing discussions with CSN and UNLV on collaborative initiatives that will complement current and future academic programming in North Las Vegas.



Increasing Student Capacity

- NSU continues to grow with preliminary Fall 25 over Fall 24 increases:
 - Headcount growth = 13.7%
 - FTE growth = 9.0%
 - Planning in advance for necessary space to accommodate future demand
- From a review of student level data, NSU anticipates ~400-450 current students would take one or more classes at the new site. This will open space in existing facilities at the Henderson campus for future enrollment increases.
- 30,000 sf of new academic space in North Las Vegas addresses capacity challenges to growth.



Proposed Lease Terms

- 10 Year Lease, Triple Net (operating costs are the responsibility of NSU)
- Option for either a 10-year extension or purchase (future consideration)
- Base Rent of \$30.00/sf/year with 3% annual increase
- City of North Las Vegas RDA rent subsidy for years 1-5: \$7.53m

Fiscal Year	FY 28	FY 29	FY 30	FY 31	FY 32	FY 33	FY 34	FY 35	FY 36	FY 37	10 Year total
Facility Costs											
Rent	\$ 900,000	\$ 927,000	\$ 954,810	\$ 983,454	\$ 1,012,958	\$ 1,043,347	\$ 1,074,647	\$ 1,106,886	\$ 1,140,093	\$ 1,174,296	\$ 10,317,491
Building Op Expense	\$ 550,000	\$ 550,000	\$ 550,000	\$ 550,000	\$ 550,000	\$ 566,500	\$ 583,495	\$ 601,000	\$ 619,030	\$ 637,601	\$ 5,757,626
Lease Obligation	\$ 1,450,000	\$ 1,477,000	\$ 1,504,810	\$ 1,533,454	\$ 1,562,958	\$ 1,609,847	\$ 1,658,142	\$ 1,707,886	\$ 1,759,123	\$ 1,811,897	\$ 16,075,117
RDA Rent Subsidy	\$ (1,450,000)	\$ (1,477,000)	\$ (1,504,810)	\$ (1,533,454)	\$ (1,562,958)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (7,528,222)
Net Facility Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,609,847	\$ 1,658,142	\$ 1,707,886	\$ 1,759,123	\$ 1,811,897	\$ 8,546,895

- 10-year effective average annual gross cost \$28.49 (including RDA subsidy yrs 1-5)
- NAI 2025 market rate for North Las Vegas is \$29.64 gross
- Market rate, assuming 3% annual inflation, averages \$37.13 gross over 10-year period
- Space is priced approximately 23% under projected market rate for the term of the lease



North Las Vegas Campus Budget

Summary Budget & Breakeven Analysis:

- initial enrollment of **200** new students total in years 1 and 2
- increasing to **320** new students total in years 3 and 4
- financials are stable by year 5 (coinciding with the end of the rent subsidy) at **450** new students total

Nevada State University North Las Vegas Campus Budget Projection											
	FY 28	FY 29	FY 30	FY 31	FY 32	FY 33	FY 34	FY 35	FY 36	FY 37	
Breakeven Enrollment (HC)	200	200	320	320	450	450	450	450	450	450	
Registration Fees	\$ 453,492	\$ 476,166	\$ 799,959	\$ 839,957	\$ 1,240,249	\$ 1,302,262	\$ 1,367,375	\$ 1,435,744	\$ 1,507,531	\$ 1,582,907	
State Formula Funding	\$ -	\$ -	\$ 994,888	\$ 1,008,735	\$ 1,711,762	\$ 1,761,755	\$ 2,593,486	\$ 2,643,943	\$ 2,694,546	\$ 2,745,232	
Institution 1 time funds	\$ 1,019,854	\$ 1,041,380	\$ -	\$ -	\$ (781,479)	\$ 781,479	\$ -	\$ -	\$ -	\$ -	
Net Facility Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,609,847)	\$ (1,658,142)	\$ (1,707,886)	\$ (1,759,123)	\$ (1,811,897)	
Instruction	\$ (1,092,346)	\$ (1,125,117)	\$ (1,390,644)	\$ (1,432,363)	\$ (1,741,714)	\$ (1,793,965)	\$ (1,847,784)	\$ (1,903,218)	\$ (1,960,315)	\$ (2,019,124)	
Admin Salaries	\$ (258,000)	\$ (265,740)	\$ (273,712)	\$ (281,924)	\$ (290,381)	\$ (299,093)	\$ (308,065)	\$ (317,307)	\$ (326,827)	\$ (336,631)	
Student Workers	\$ (63,000)	\$ (64,890)	\$ (66,837)	\$ (68,842)	\$ (70,907)	\$ (73,034)	\$ (75,225)	\$ (77,482)	\$ (79,807)	\$ (82,201)	
Operating	\$ (60,000)	\$ (61,800)	\$ (63,654)	\$ (65,564)	\$ (67,531)	\$ (69,556)	\$ (71,643)	\$ (73,792)	\$ (76,006)	\$ (78,286)	
Total Breakeven	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

Note: Costs reflect total new facility and operating expenses for the North Las Vegas campus; revenues shown are only those associated with new University enrollments.





Questions?