

APN:

When Recorded, Return To:

LEASE-PURCHASE AGREEMENT

NEVADA STATE COLLEGE PROJECT

THIS LEASE-PURCHASE AGREEMENT (this "Lease" or "Agreement") is made effective as of [date], 2013, between the Nevada Real Property Corporation, as lessor (the "NRPC" or "Lessor"), and the STATE OF NEVADA, acting by and through the Nevada System of Higher Education ("NSHE") as lessee (collectively the "State" or "Lessee").

WHEREAS, in accordance with NRS 353.500 through 353.630 (collectively, the "Act"), NSHE has proposed the construction of a [describe project] (collectively, the "Project," which includes any changes or amendments to the Project actually constructed, as permitted in this Lease); and

WHEREAS, in accordance with NRS 353.550, NSHE has proposed the Project and anticipates that payment of a portion of the payments due under a lease-purchase agreement for the Project will be made with state appropriations; and

WHEREAS, the proposed Project has been approved by the Interim Finance Committee (the "IFC"); and

WHEREAS, in accordance with the Act, NSHE has submitted this Lease to the State Treasurer, the Chief of the Budget Division of the Department of Administration (the "Chief") and the State Land Registrar for their review and transmittal to the State Board of Finance; and

WHEREAS, this Lease has been approved by the State Board of Finance and the lease of the Premises (as defined below) to the NRPC (the "Ground Lease") has been approved by the State Board of Examiners, the State Board of Finance and the IFC; and

WHEREAS, upon the recommendation of the State Treasurer, the provisions of NRS 353.550(1)(d) prohibiting issuance of certificates of participation in this Lease have been waived by the State Board of Finance upon its finding that waiving such prohibition is in the best interests of the State and complies with federal securities laws; and

WHEREAS, the NRPC is a not-for-profit corporation created for the purpose of financing, acquiring, and leasing projects to the State and its agencies in accordance with the Act; and

WHEREAS, the NRPC is empowered to acquire property, to enter into agreements with the State and State agencies, including the Department, in furtherance of the purposes of the Act, and to acquire, develop, maintain, and finance real property and improvements, including the Project, and to lease such property and improvements to the State or its agencies; and

WHEREAS, pursuant to the Act, the State is authorized to enter into lease-purchase and other agreements extending beyond the biennium in which the agreement is executed for the purpose of acquiring improvements to real property if specified conditions are satisfied; and

WHEREAS, nothing herein obligates the Legislature of the State to make appropriations with which to make Rent (as defined herein) payments hereunder and nothing herein obligates the State to this Lease beyond the period for which an appropriation sufficient to make payments of Base Rent and Additional Rent (as defined herein) has been made by the Legislature;

NOW, THEREFORE, in consideration of the mutual promises, conditions, and covenants set forth herein, the parties agree:

ARTICLE I

DEFINITIONS

In addition to the terms defined elsewhere in this Lease, the following terms have the meanings given below unless the context clearly requires otherwise:

"Act" shall mean NRS 353.500 through 353.630, as amended and supplemented.

"Additional Rent" means any payments required to be made hereunder in addition to the Base Rent including, but not limited to, all required payments of the costs and expenses of the Trustee not paid with proceeds of the Certificates and payments required to be made into the Reserve Fund as provided in the Indenture.

"Authorized Officer," when used:

a. with respect to the Lessee, means the State Treasurer or other State official who is designated in writing by the State Treasurer as a person authorized to act for the State Treasurer for the purposes of this Lease. When acting as an Authorized Officer hereunder, if a state agency or officer's approval of any action hereunder is needed other than the approval of the State Treasurer, means the Chancellor or other NSHE official who is designated in writing by the Chancellor as a person authorized to act for the Chancellor for the purposes of this Lease;

b. with respect to Lessor, means the President of Lessor or any other or additional officer of Lessor designated in writing by the President of Lessor for the purposes of this Lease;

c. with respect to any assignee of Lessor, means the one or more officers or other representatives of the assignee designated in writing by such assignee as an Authorized Officer of Lessor for the purposes of this Lease.

"Base Rent" means the payments, including the principal and interest components of those payments, specified in Exhibit B.

"Business Day" means any day of the year other than Saturday or Sunday and any day which is a legal holiday for banks in Carson City, Nevada, Reno, Nevada, Las Vegas, Nevada, New York, New York or [trustee location], or on which the offices of the State Treasurer and State Controller are closed.

"Certificates of Participation" or "Certificates" shall mean the certificates evidencing a right to participate in the payments made by Lessee hereunder issued pursuant to the Indenture.

"Certificate Resolution" shall mean the resolution or resolutions of the NRPC, as amended and supplemented, authorizing the issuance of Certificates of Participation.

"Chancellor" means the Chancellor of NSHE or any successor in functions thereto.

"Code" means the Internal Revenue Code of 1986, as amended. References to the Code and sections of the Code include relevant applicable regulations, temporary regulations and proposed regulations thereunder.

"Cost of Acquisition" shall mean any proper and reasonable cost, whether or not specifically mentioned herein, of the Project, including costs, whether incurred by it or another, (1) of evaluating, analyzing and planning; (2) of acquiring real property or interests therein; (3) engineering, architecture, surveying and other services and of the plans, specifications and other design documents, (4) of project management, administration, inspection and similar services; (5) of developing and constructing improvements; (6) of furniture, fixtures, and equipment; (7) of any indemnity, surety bonds and insurance premiums; (8) of administrative, accounting, auditing, legal and other general expenses; (9) of fees and expenses of any trustees, depositories and paying agents, legal counsel, financial advisors, underwriters and other costs pertaining to the issuance of Certificates of Participation; (10) of any Base or Additional Rent to be paid on or before [expected completion date]; (11) of interest or financing charges incurred to temporarily finance the payment of any cost items described herein; and (12) of all other reasonable and necessary expenses not specified herein related to or incidental to the development, design, construction and acquisition of the Project, the financing thereof, and the placing of the Project in use and operation.

"Defeasance Obligations" means (1) cash, (2) non callable direct obligations of the United States of America ("Treasuries"), (3) evidences of ownership of proportionate

interests in future interest and principal payments on Treasuries held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying Treasuries are not available to any person claiming through the custodian or to whom the custodian may be obligated, (4) pre refunded municipal obligations rated "AAA" and "Aaa" by S&P and Moody's, respectively or (5) securities eligible for "AAA" defeasance under then existing criteria of S&P or any combination thereof.

"Event of Default" means an Event of Default described in Section 12.1.

"Event of Nonappropriation" means an Event of Nonappropriation described in Section 3.3.

"Fiscal Year" means a period of 12 consecutive months commencing on the first day of July and ending on the last day of June, or any other consecutive 12-month period which may be established hereafter as the Fiscal Year of Lessee for budgeting and appropriation purposes.

"Indenture" means the Indenture of Trust dated as of [date], 2013 between the NRPC and the Trustee pursuant to which the Certificates will be issued.

"Interest Rate for Advances" means that average of the interest rate per annum announced by the two largest banks in the State, as their "prime rate" or their "base rate" in effect as of any date hereinafter specified.

"Lease" or "Agreement" shall mean this Lease-Purchase Agreement, including any amendments or supplements thereto.

"Lease Payments" or "Rent" shall mean, the Base Rent and Additional Rent payable by Lessee in accordance with Article VI with respect to the Project.

"Lease Assignment" means the full and absolute assignment of the Lease by NRPC to the Trustee, including all rights to receive payment hereunder by Lessee as permitted in Section 4.2 hereof.

"Lease Term" shall mean the term of this Lease as provided in Section 3.2.

"NRPC" or "Lessor" shall mean the Nevada Real Property Corporation, a public not-for-profit corporation, of the State of Nevada.

"NRPC Administrative Costs" shall mean expenses of the NRPC (including reasonable reserves for such expenses) for allocable administration and general expenses of the NRPC, expenses for maintenance and repairs, insurance premiums, utility charges, legal, financial, architectural and engineering expenses, fees and expenses of fiduciaries under the Certificate Resolution, bond insurance, guaranty and/or letter of credit fees, interest and finance charges, and any other expenses or contingencies to be paid or provided for by the NRPC, all to the extent properly attributable to the Project and payable by the NRPC. NRPC Administrative Costs shall not include any Cost of Acquisition or any provision for depreciation, amortization or

similar charges or any expenses for maintenance and repairs, utility services or insurance to be paid for or provided by the State.

"Premises" shall mean the real property described in Exhibit B attached hereto and incorporated herein, all improvements thereon, and all appurtenances thereto, subject to the encumbrances described therein.

"Project" shall mean the leasehold interest in the Premises described in the Ground Lease and improvements thereon and all appurtenances thereto, subject to the encumbrances described in Exhibit B hereto.

"Project Fund" means the Project Account for the Project created in the Indenture and held by the Trustee from which the expenses of the Project will be paid.

"Trustee" means [trustee] and any successor thereto.

ARTICLE II

EFFECTIVE DATE

SECTION 2.1 Effective Date. This Lease shall be effective as of the date stated above upon its execution.

ARTICLE III

LEASE OF PROJECT; TERM OF LEASE

SECTION 3.1 Lease of the Project. The NRPC hereby leases the Project to the State acting by and through NSHE and the State acting by and through NSHE hereby leases the Project from the NRPC upon the terms and conditions set forth herein.

SECTION 3.2 Term of Lease. This Lease shall be in full force and effect from the effective date hereof for a term expiring on the earlier of:

- (a) _____;
 - (b) the date this Lease is terminated under Section 4.3;
 - (c) the date this Lease is terminated by the Lessee as provided in Section 3.3;
 - (d) the date on which this Lease is terminated by Lessor under Section 12.2;
- or
- (e) the date the Lessee acquires the Project pursuant to Article 15 hereof.

"Lease Term" shall mean the period between the effective date hereof and the date on which this Lease terminates (the "Termination Date") as provided in the foregoing sentence.

SECTION 3.3 SECTION 3.3. Termination Upon Non-Appropriation.

(a) Upon enactment by the legislature of a legislative measure constituting a NSHE budget appropriation for a Fiscal Year, but in no event later than 15th of July of the Fiscal Year, NSHE shall certify to the Authorized Office of the Lessee that funds have or have not been appropriated for the Fiscal Year in a sufficient amount to prevent termination under paragraph (b). The Authorized Officer of the Lessee will advise the Trustee promptly and in no case later than the first day of August of each Fiscal Year whether funds have been appropriated for the Fiscal Year sufficient to prevent this Lease from terminating under paragraph (b).

(i) No determination of nonappropriation shall be made unless (A) there is a failure of the legislature to appropriate money to NSHE for Nevada State College in an amount at least equal to payments due pursuant to this Agreement or (B) the legislature by express terms of a statute provides that, of the funds appropriated to NSHE for Nevada State College, no amount or an insufficient amount is available for payments due pursuant to this Agreement.

(ii) The Lessee shall substantially follow the form attached hereto (Attachment A) in rendering the certification required herein.

(b) This Lease shall terminate as of the first day of October of any Fiscal Year for which funds have not been appropriated for the Lease Payments required under this Lease in an amount sufficient to pay the Base Rent (taking into account any credits from capitalized interest as provided in Section 6.2(i) hereof) and reasonably anticipated Additional Rent due in that Fiscal Year. Upon the occurrence of such a termination, Lessee shall not be obligated to make Lease Payments hereunder with respect to the Fiscal Year for which such Termination occurs, but shall be obligated to make payments hereunder with respect to any period prior to the start of such Fiscal Year, to the extent sums have been appropriated for that purpose.

(c) As provided in NRS 353.550:

(i) All obligations of the State and any state agency are extinguished by the failure of the legislature to appropriate money for the ensuing Fiscal Year for payments due pursuant to this Agreement;

(ii) This Agreement does not encumber any property of the State or any state agency except for the Project that is leased under this Agreement;

(iii) Property of the State of Nevada and of any state agency, except for the Project that is leased under this Agreement, must not be forfeited if:

(1) The legislature fails to appropriate money for payments due pursuant to this Agreement; or

(2) The State of Nevada or any state agency breaches this Agreement;

(iv) For the 2013-2015 biennium in which this Agreement is executed, this Agreement does not require payments that are greater than the amount authorized for such payments pursuant to the applicable budget of the state agency.

ARTICLE IV

ACQUISITION, ASSIGNMENTS AND FINANCING

SECTION 4.1 Construction of Project; Assignment of Contracts. Pursuant to NRS 353.590, construction of the Project shall be conducted as specified in this Agreement.

(a) The Lessee, acting on behalf of Lessor, hereby agrees that it will make all contracts, orders, receipts, writings and instructions with any other persons, firms or corporations and in general do all things which may be necessary, requisite or proper for the Project. The Chancellor is responsible for administering the construction on behalf of Lessee. The Lessee agrees to comply with all applicable law in connection with the making of contracts for the Project. The Lessee and the Lessor further agree, notwithstanding anything to the contrary contained in this Lease, the Indenture or the Ground Lease, that all Project Documents (as defined in the Indenture) and the plans and specifications for the Project shall be entered into, obtained, made or approved, as appropriate, by the Lessee. The Lessee hereby further agrees that title to the Project and all fixtures thereto and to all Equipment or other personal property acquired with moneys deposited in the Project Fund shall be held by the Lessor, subject to this Lease, the Ground Lease and the Indenture.

(b) The Project shall be constructed in accordance with the Project Documents, subject to reasonable change orders or any other reasonable changes approved by the Lessee. The Lessee may change the plans and specifications for the Project and may change the description of the Project in order to permit the Project to be completed with amounts available therefor in the Project Fund, so long as such changes do not cause the Project to be suitable only for purposes other than lawful governmental purposes of the Lessee. So long as this Lease is in full force and effect and no Event of Nonappropriation or Event of Default shall have occurred, the Lessee shall have full power to carry out the acts and agreements provided in this Section, and such power is granted and conferred under this Lease to the Lessee, and is accepted by the Lessee and shall not be terminated or restricted by act of the Lessor, the Trustee or the Lessee, except as provided in this Section.

(c) The Lessee agrees to complete the Project, on behalf of the Lessor, through the application of moneys to be disbursed from the Project Fund pursuant to subsection (e) hereof and Section 3.04(c) of the Indenture by the Trustee upon the authorization by a requisition duly executed as provide in the Indenture. All property interests of the State in the improvements constructed or being constructed as part of the Project (including all work in progress, materials, supplies and other personal property being incorporated or to be incorporated into the Project) shall be the property of Lessor, subject to the provisions of the Ground Lease. The Lessee agrees to complete the Project with all reasonable dispatch, but if for any reason the Project is not completed and in place by such respective dates there shall be no resulting liability on the part of the Lessee or the Lessor or Lease Event of Default hereunder, and there shall be no diminution in or postponement of the Base Rent and Additional Rent required to be paid by the

Lessee during the Lease Term. However, in the event that the Project shall not have been completed and in place (as evidenced by the Certificate provided for in subsection (f) hereof) by [expected completion date], the Trustee, acting on behalf of the Lessor, shall, upon thirty days written notice to the Lessee, be authorized, but not required, to complete such Project from any moneys remaining in the Project Fund.

(d) The Lessee has estimated that the sum initially deposited into the Project Fund from proceeds of the Certificates and income anticipated to be derived from the investment thereof will be sufficient to pay the Cost of Acquisition. In the event and to the extent that the amounts available therefor in the Project Fund shall be insufficient to pay the entire Cost of Acquisition, the Lessee will make such modifications to the plans, drawings and specifications for the Project as will permit such Project to be completed from the amounts available therefor in the Project Fund, unless either (i) Lessee deposits sufficient additional amounts into the Project Fund to pay all of such Cost of Acquisition or (ii) the Lessee and the Lessor, with the cooperation of the Trustee as provided in Section 2.10 of the Indenture, enter into an amendment to this Lease and a supplemental indenture providing for the sale of additional Certificates to pay all such Cost of Acquisition. Neither the Lessee nor the Lessor is obligated to utilize any of its own funds, or any funds other than the proceeds of Certificates provided in Section 4.3 hereof, to pay any part of the Cost of Acquisition. Lessee and Lessor agree that the any issuers of surety bonds for the Project shall be entitled to information with respect to the balances in the Project Fund available for Cost of Acquisition as and when requested.

(e) So long as no Event of Nonappropriation or Event of Default shall occur, and so long as the Lessee's right to control the Project has not otherwise been terminated pursuant to subsection (c) hereof, the Trustee shall, at the direction of the Lessee as provided in the Indenture, disburse moneys from the Project Fund in payment of the Cost of Acquisition. Such disbursements shall be made upon receipt by the Trustee of a requisition in the form provided in the Indenture. Under the Indenture, the Lessor has authorized and directed the Trustee to disburse moneys from the Project Fund to pay Cost of Acquisition as provided herein. The Lessee hereby consents and agrees to such disbursements by the Trustee. If an Event of Nonappropriation or an Event of Default shall occur prior to completion of the Project, the Project Fund may be utilized by the Trustee, acting on behalf of the Lessor, to complete the Project, as provided in subsection (g) hereof, or may be disbursed as provided in Articles IV and VII of the Indenture, as the Trustee may deem appropriate in the best interests of the owners of the Certificates. Any requisition for the acquisition of any item of equipment having a cost of \$25,000 or more, or any requisition or requisitions for the acquisition of two or more substantially identical items of equipment having a total aggregate cost of \$25,000 or more, shall be accompanied by financing statements executed on behalf of the Lessee, in form acceptable to the Trustee, and any other documentation reasonably requested by the Trustee in order to protect the interests of the owners of the Certificates. Such financing statements and other documentation shall not be required for requisitions for the acquisition of items of equipment having a cost less than \$25,000.

(f) Upon the completion of the Project and the acceptance thereof by the Lessee, the [State Treasurer on behalf of the Lessee] or designee shall deliver to the Lessor and the Trustee a certificate in the form specified in the Indenture stating that, to the best of the Lessee's knowledge, based upon the representations of the contractors, architects, engineers,

vendors or other consultants, and except for any amounts estimated by the Lessee to be necessary for payment of any Cost of Acquisition not then due and payable with respect to such Project, such Project has been completed and accepted by the Lessee and all Cost of Acquisition have been paid. Notwithstanding the foregoing, such certificate shall not, and shall state that it does not, prejudice any rights against third parties which exist at the date of such certificate or which may subsequently come into being. Upon receipt of such certificate, the Trustee shall apply the balance of the amounts in the Project Fund (except for any amounts estimated by the Lessee to be necessary for payment of any Cost of Acquisition not then due and payable): (i) as a credit against the next principal installments of Base Rent payments coming due, (ii) to defease principal or interest payments of Base Rent coming due in the future designated by the Treasurer or his designee; (iii) by paying it to the State for deposit in the consolidated bond interest and redemption fund, or (iv) to any combination of such purposes, all as the Treasurer or his designee directs.

(g) All Project Documents, including all of the State's rights and interests therein, are hereby assigned to the Trustee, which assignment shall become effective only upon a termination of the Lease by reason of the occurrence of an Event of Nonappropriation or an Event of Default, or upon the Trustee's assuming control over completion of such Project as provided in the last sentence of subsection (c) hereof, except that notwithstanding any of such events, the State shall have the right to use the exterior façade design represented in the Project Documents on future projects at its sole risk, utilizing a properly registered or licensed design professional. All parties with access to the Project Documents, including the State, NRPC and its assigns, acknowledge they are subject to Ch. 402, Statutes of Nevada, 2003 ("Ch. 402") relating to disclosure or viewing the contents of restricted documents. Each contract the State or any agency thereof enters into, with respect to the Project shall provide that, upon written notice by the Trustee to the other party or parties thereto that any of the events described in the preceding sentence has occurred, (i) such contract shall be fully and freely assumable by the Trustee without the consent of any other person and the Trustee may choose to assume or not assume such contract; and (ii) if the Trustee does so assume such contract, the other party or parties thereto shall perform the agreements contained therein for the Trustee. Each such contract shall also provide that, upon an Event of Nonappropriation or an Event of Default, and upon written notice from the Trustee, the Trustee may terminate such contract and the other party or parties thereto shall then be entitled to payment only from amounts available therefor in the Project Fund and only for work done or other consideration furnished prior to or in connection with such termination.

(h) In addition to the insurance required under Section 7.3 hereof, the State shall procure or shall require the builder or builders of the Project to procure and to maintain builder's "all risk" insurance insuring the Project against loss or damage from any insurable perils, including floods and earthquakes if available on reasonable terms. Such insurance shall be in the amount of the full replacement cost of the Project and shall include loss of use or loss of rents and soft costs with reasonable limits approved by the State. All such insurance shall include NRPC as an additional named insured and shall contain a loss payable clause covering the interest of the Trustee. Prior to commencing construction of the Project, the Chancellor of NSHE or designee shall provide to the Treasurer and the Trustee a certificate stating that the builder has such insurance.

(i) On request, the Lessee shall furnish to the Trustee copies of any Project Documents, as soon after the commencement of the Lease Term as such Project Documents shall become available to the Lessee, subject however, to the requirements of Ch. 402. Neither the Project Documents nor any change or amendment thereto shall (i) cause the Project to be used for any purpose prohibited hereby or by the Constitution and laws of the State; (ii) result in a material reduction in the value of the Project (except as provided in subsections (b) and (d) of this section); (iii) adversely affect the ability of the Lessee to meet its obligations hereunder; or (iv) cause the Lessee to violate its covenants in Section 11.5 hereof.

(j) In the event of any default under any of the Project Contracts (as defined in the Indenture) or otherwise in connection with any portion of the Project, or in the event of a breach of warranty with respect to any materials, workmanship or performance or with respect to any part of the Project, which default or breach results in frustration of the purpose for which such portion of the Project was intended, the Lessee shall promptly proceed, if deemed appropriate in the reasonable judgment of the Lessee's officials charged with the authority to direct the institution of any suit, action or proceeding, either separately or in conjunction with others, to pursue diligently its remedies, including any remedy against the surety of any bond securing the performance of any Project Contract. Lessor agrees to cooperate with Lessee in any way reasonably requested by Lessee in any such action or proceeding. The net proceeds of any amount recovered by way of damages, defects, adjustments or otherwise in connection with the foregoing, remaining after deduction of expenses incurred in such recovery (including without limitation, attorneys' fees and costs), and after reimbursement to the Lessee of any amounts theretofore paid by the Lessee and not previously reimbursed to the Lessee for correcting or remedying the default or breach of warranty which gave rise to the proceedings, shall be paid to the Trustee, for deposit into the Project Fund if received before the Completion Date, or if received thereafter, to be applied, at the option of the Lessee as long as an Event of Nonappropriation or Event of Default has occurred: (i) to making improvements to the Project, including correcting the condition which resulted the recovery or (ii) to payment of the next Base Rent Payments coming due. If an Event of Nonappropriation or an Event of Default has occurred before the receipt of such net proceeds, the Trustee, acting on behalf of the Lessor, may use such proceeds to improve the Project or to make a disbursement as provided in Articles IV and VII of the Indenture, as the Trustee may deem appropriate in the best interests of the owners of the Certificates.

SECTION 4.2 Assignments.

(a) Subject only to (i) the prior written consent of the Trustee, if any, and if none, of the Lessor (ii) receipt of written confirmation that the then outstanding ratings of the Certificates will not be adversely affected thereby, and (iii) Lessee's delivery of an opinion of nationally recognized bond counsel that such assignment, transfer, or other disposition will not adversely affect the excludability from gross income for federal income tax purposes of the interest component of the Base Rent payments and of the interest with respect to the Certificates, Lessee may assign, transfer, pledge, hypothecate or grant any security interest in or otherwise dispose of this Lease, or the Project, or any interest in this Lease or the Project, inclusive of Lessee's options to purchase granted in Article XV, above. In addition, provided it does not violate Section 11.5 hereof, Lessee may sublease the Project or permit it to be operated by anyone other than Lessee, Lessee's employees or persons authorized by Lessee in connection

with Lessee's operation and maintenance for the Project provided that Lessee continues to be responsible for Lease Payments and all expenses of assignment or subletting.

(b) Lessor shall assign, without recourse, all of its rights, title and interests and responsibilities and obligations in and to this Lease, the Project and any documents executed with respect to this Lease to the Trustee, pursuant to the Indenture. Upon such an assignment by NRPC, NRPC shall have no further obligations under the Lease. Those assigned rights, title and interest of Lessor may be further assigned, and the assignees may grant or assign a security interest in this Lease and the Project, in whole or in part. Any such assignee shall have all of the rights and obligations of Lessor which are transferred under this Lease. Upon such assignment, Lessor or its assignee will cause written notice of the assignment to be sent to Lessee and no further action will be required by Lessor or its assignee or by Lessee to evidence the assignment, but Lessee will acknowledge such assignment in writing if so requested. Trustee, as assignee, is a beneficiary of all representations and warranties made by the State in this Lease and in the Ground Lease.

(c) Lessee acknowledges that Lessor will assign to Trustee, Lessor's rights, title and interest under this Lease. Such an assignment will be made in order to facilitate the issuance of the Certificates, and Lessee agrees to reasonably cooperate with Lessor in any such Certificate offering. Lessee will make such disclosures as are necessary to comply with Rule 15c-12 of the Securities Exchange Commission of the United States, and sign a certificate evidencing such an agreement.

(d) Subject to the preceding subsections, this Lease inures to the benefit of and is binding upon the successors or assigns of the parties to this Lease.

SECTION 4.3 Financing the Cost of Acquisition. The NRPC agrees to use its best efforts to have the Certificates promptly issued. In the event the Certificates are not issued by [December 1, 2014] for any reason, the NRPC shall promptly transfer all of its interest in the Project to the State, and this Agreement will terminate. All proceeds received from the sale of the Certificates shall be deposited into the Project Fund, held by the Trustee and used for payment of the Cost of Acquisition. Interest earned on proceeds of the Certificates shall be applied in the circumstances described in the Indenture to the Cost of Acquisition, or if it is not needed for that purpose, provided in the last sentence of Section 4.1(f) hereof.

ARTICLE V

USE OF PROJECT

SECTION 5.1 Use of Project. The Project may be used by NSHE or for any other permitted public uses as may be lawful and in the best interests of NSHE and the State. The NRPC agrees that NSHE may enter into such agreements as may be reasonable and appropriate with private persons or companies for the purpose of operating the Project provided such agreements do not adversely affect the exclusion of interest on the Certificates of Participation from gross income for purposes of federal income taxation or subject the Project to ad valorem property taxes.

ARTICLE VI

RENT

SECTION 6.1 Payment of Rent. In consideration of the lease of the Project, the Lessee [NSHE on behalf of the State] shall pay, Rent computed as follows:

(a) As Base Rent, without any set off or deduction whatsoever the amounts shown in the "Total Base Rent" column of Exhibit B, on the date those amounts are due. Such payments shall be made by wire transfer directly to the Trustee, as assignee of Lessor's rights to receive Base Rental payments.

(b) As Additional Rent, the amounts due hereunder in addition to Base Rent. In addition to third parties to whom additional rent is paid, NRPC shall be entitled to receive Additional Rent for its reasonable NRPC Administrative Costs attributable to the Project as they become due and are paid by NRPC, as approved by the Chancellor of NSHE with notice to the State Treasurer, provided that the legislature has budgeted sufficient funds to pay those expenses or legally available funds are otherwise provided by NSHE to the State. The NRPC will provide to the State and NSHE an estimate of its NRPC Administrative Costs for each biennium commencing on July 1 of each odd numbered year not later than June 15 of the calendar year preceding the calendar year in which each biennium commences.

Any installment of Rent which is not paid by Lessee [NSHE on behalf of the State] on or before the due date thereof shall, from and after said due date, bear interest until paid at the highest rate per annum attributable to any of the Installments of Base Rent as shown in Exhibit B hereto; time being of the absolute essence of this obligation.

SECTION 6.2 Credits against Base Rent. There shall be credited against the amount of Base Rent otherwise payable hereunder amounts equal to (i) that portion of the proceeds of the sale of any Certificates that is to be applied to capitalized interest as provided in Exhibit B and in the definition of "Cost of Acquisition"; (ii) any earnings or the proceeds of the Certificates that are applied to payment of Base Rent as provided in the Indenture; (iii) any moneys paid as Base Rent as provide in Section 4.1(f)(i) hereof or Section 10.1 hereof; and (iv) any moneys otherwise deposited with the Trustee, invested in Defeasance Obligations that mature on or before one or more Base Rent Payment Dates and directed by the Authorized Officer to be applied toward designated amounts of Base Rent (not to exceed the amount available as a result of the maturity of such securities) on those designated Base Rent payment dates. Twenty-five (25) days prior to the date on which any payment of Base Rent is due, the Trustee shall notify the Authorized Officer as to the exact amounts which will be applied in reduction of Base Rent due on such date. If further amounts applicable in reduction of Base Rent accrue during such 25 day period, such amounts shall be applied as a reduction of the next succeeding payment of Base Rent or, if such date is the final payment date, then such accrued amounts shall be applied as a reduction of the final payment of Base Rent. The Base Rent is also subject to prepayment in whole or in part by the State if it provides monies or Defeasance Obligations to the Trustee sufficient to prepay or defease designated amounts of designated maturities of the Certificates in the time and manner provided in the Indenture together with instructions designating the amounts and maturities to be so prepaid or defeased and specifying

the prepayment date or dates, if any, and in such an event, the Base Rent due after such a defeasance or prepayment (which shall consist of an amounts sufficient to timely pay all principal and interest due with respect to the remaining Outstanding (as defined in the Indenture) Certificates) shall be recalculated by the Trustee and an amended Exhibit B shall be provided by Trustee to attach hereto. In addition, in the event of the issuance of Additional Certificates as provided in Section 2.10 of the Indenture, the Base Rent due shall be recalculated by the Trustee and an amended Exhibit B shall be provided by Trustee to attach hereto.

SECTION 6.3 Best Efforts to obtain Appropriation. [State Treasurer and] NSHE shall use their reasonable best efforts to include sufficient funds to include all Lease Payments due in each biennium in the State's budget for that biennium.

ARTICLE VII

OPERATION AND MAINTENANCE OF THE PROJECT

SECTION 7.1 Operation, Repairs, and Maintenance. NSHE shall, throughout the term of this Lease, at the NSHE's cost and expense, keep and maintain the Project and all equipment, fixtures, additions and improvements thereof in good order and condition and shall make all ordinary and necessary repairs, renewals, and replacements with respect to the Project.

SECTION 7.2 Taxes and Utilities. NSHE shall timely pay all taxes, assessments, costs, expenses, charges for water, electricity, lights, heat, power, sewage, telephone, and other utility services, rendered or supplied upon or in connection with the Project during the term of this Lease.

SECTION 7.3 Insurance.

(a) NSHE shall provide the following insurance for the Project and shall include NRPC in its property and liability insurance programs at all times during the Lease Term:

(i) The Project shall be insured under property insurance policy at 100% of replacement cost (to the extent such insurance is reasonably available) or included in a self-insurance program with similar protections;

(ii) NSHE shall also maintain liability insurance for the Project (to the extent such insurance is reasonably available) or include the Project in a self-insurance program for liability risks;

(b) Insurance policies shall be procured from companies authorized to do business in the State of Nevada and which have an A.M. Best rating of A- VII or better. NSHE shall include NRPC as a named insured on its liability insurance policy and include NRPC and the Trustee as Additional Insureds as their interest may appear, on its property insurance policy or protect the interests of NRPC and the Trustee to a similar extent through its self-insurance program.

(c) The NRPC and NSHE hereby release each other from any and all liability or responsibility to the other as to any person claiming through or under either by way of subrogation or otherwise for any loss or damage to property caused by any casualty insured by the above-described insurance coverages, even if the loss is caused by the fault or negligence of the other party or by any party for whom the other party is responsible.

(d) NSHE shall, by August 1 of each year, certify to the Trustee that it has in effect the insurance coverage described above for the period described in such certificate. If the coverage applies for a period shorter than 12 months, a new certificate indicating that the State has the insurance coverage described above shall be provided in the last month covered by the prior certificate.

SECTION 7.4 Payments by Lessor. If Lessee fails to pay operation, repair or maintenance expenses or taxes, assessments and other charges as required by Sections 7.1 and 7.2, or to pay insurance premiums or to maintain insurance as required by Section 7.3, Lessor, or Trustee, may (but shall not be obligated to), upon 10 days, advance written notice to Lessee, advance and apply moneys to pay any such required charges or items. Any moneys so advanced shall be payable by Lessee as Additional Rent on written demand therefor and shall bear interest from the date of advancement at the Interest Rate for Advances.

ARTICLE VIII

INDEMNITY

SECTION 8.1 Indemnification. The State and NSHE each hereby agrees to defend, protect, hold harmless and indemnify the NRPC and its agents, employees, representatives, successors, and assigns (including the Trustee), against all demands, claims, liabilities, causes of action or judgments, and all loss, expense and damage of any and every sort and kind, including, but not limited to, costs of investigations and attorneys' fees and other costs of defense, for:

(a) injury to person or property occurring in, upon or about the Project or any adjacent or related real property or improvements owned, occupied or controlled by the State, NSHE or any of its agencies, departments, bureaus or other state governmental entities;

(b) injury to person or property arising out of the use or occupancy of the Project or relating in any manner to operations conducted thereon;

(c) any other premises liability relating to the Project including, without limitation, any environmental liabilities;

(d) any loss to person or property to the extent of its self-insurance, if any;
and

(e) all liability whatsoever arising out of any public or governmental activities of the State of any kind or nature whatsoever.

The State's and NSHE's obligation to indemnify the NRPC shall be subject to the limitations set forth in NRS Chapter 41 and this Section 8.1 specifically does not waive the State's or NSHE's limited liability.

ARTICLE IX

ALTERATIONS, ADDITIONS, AND IMPROVEMENTS

SECTION 9.1 Alterations, Additions, and Improvements. The State and NSHE shall have the right, at any time and from time to time during the term of this Lease, at the State's or NSHE's cost and expense, to make such repairs, replacements, alterations, additions, expansions and improvements, structural or otherwise, to the Project and the furniture, fixtures and equipment thereof, as the State or NSHE shall deem necessary or desirable in connection with its use of the Project. All such repairs, replacements, alterations, additions and improvements shall be of such character as to not materially reduce or otherwise materially adversely affect the value of the Project or the rental value thereof and all the costs thereof shall be promptly paid or discharged so that the Project shall at all times be free of liens or claims for labor and materials supplied thereto. All repairs, replacements, alterations, additions, fixtures and permanent improvement to the Project shall be and become a part of the Project and subject to this Agreement.

ARTICLE X

DAMAGE, DESTRUCTION, AND CONDEMNATION

SECTION 10.1 Damage, Destruction, or Condemnation. In the event of damage, destruction, or condemnation of the Project, or any part thereof, the net proceeds of any insurance or condemnation awards with respect to the Project and, to the extent necessary, the proceeds of any additional Certificates of Participation which are issued pursuant to an agreement of the parties hereto, shall be used and applied to repair, restore, rebuild, or replace the Project. In case of any damage to or destruction of the Project or any part thereof, Lessee will promptly give or cause to be given written notice thereof to Lessor generally describing the nature and extent of such damage or destruction. There shall be no abatement or diminution of Base Rent and Lessee shall, whether or not the net proceeds of insurance, if any, received on account of such damage or destruction shall be sufficient for such purpose, promptly commence and complete, or cause to be commenced and completed, the repair or restoration of the Project as nearly as practicable to the value and condition thereof existing immediately prior to such damage or destruction, with such changes or alterations, however, as Lessee may deem necessary for proper operation of the Project. The net proceeds of any insurance, self insurance program payments or condemnation available (the "Net Proceeds") shall be held by Trustee. If an Event of Nonappropriation or Event of Default has not occurred Net Proceeds shall applied to the costs of such repair or restoration of the Project as such costs are incurred by Lessee, except that Net Proceeds of any lost income or lost rental insurance policies (or such components of insurance policies) shall be applied to payment of Base Rent.

In the event of total destruction or condemnation of the Project, so long as an Event of Nonappropriation or Event of Default has not occurred, Lessor and Lessee shall apply Net Proceeds and any other moneys available for the purpose, to the acquisition and installation of replacement facilities to constitute the Project, unless Lessee exercises its option to purchase the Project pursuant to Article 15.

If an Event of Nonappropriation or an Event of Default has occurred before the receipt of Net Proceeds, the Trustee, acting on behalf of the Lessor, may use such proceeds to improve the Project or to make a disbursement as provided in Articles IV and VII of the Indenture, as the Trustee may deem appropriate in the best interests of the Owners (as defined in the Indenture) of the Certificates.

SECTION 10.2 Eminent Domain. Lessee hereby covenants and agrees that to the extent it may lawfully do so, during the Lease Term, Lessee will not exercise the power of condemnation with respect to the Project. Lessee further covenants and agrees, to the extent it may lawfully do so, that if for any reason the foregoing covenant is determined to be unenforceable or if Lessee should fail or refuse to abide by such covenant and condemns the Project, the appraised value of the Project shall not be less than the amount necessary to defease the then outstanding Certificates in accordance with Section 15.3.

ARTICLE XI

PARTICULAR COVENANTS

SECTION 11.1 Compliance with Laws and Regulations. The State or NSHE shall, at its own cost and expense, promptly comply with, or cause to be complied with, all laws and ordinances, rules, regulations and other governmental requirements, whether or not the same require structural repairs or alterations, which may be applicable to the State, NHE, the Project or the use or manner of use of the Project. The State and NSHE shall also observe and comply with the requirements of all policies and arrangements of insurance at any time in force with respect to the Project.

SECTION 11.2 Covenant Against Waste. The State and NSHE covenant not to do or suffer or permit to exist any hazardous materials, contamination, waste, damage, disfigurement or injury to, or public or private nuisance, in or upon the Project and agrees to pay all costs, changes, penalties or any other expense reasonably incurred or to be incurred to remove, restore or reclaim the Project or premises thereof.

SECTION 11.3 Right of Inspection. The State and NSHE covenant and agree to permit the NRPC and its authorized agents and representatives to enter the Project at reasonable times during usual business hours for the purpose of inspecting the same, subject to reasonable security requirements and procedures of the State, including Ch. 402.

SECTION 11.4 Condition of Project. The NRPC makes no representation or warranty regarding the condition of the Project or land underlying or adjacent thereto and the NRPC shall not be liable for any latent or patent defects in the Project. The NRPC agrees,

however, to cooperate in enforcing any claims or warranties arising thereunder for the benefit of the State.

SECTION 11.5 Tax Covenants.

(a) Lessee covenants for the benefit of the Lessor and the holders of any Certificates, that it will not take any action or omit to take any action with respect to this Lease, the proceeds of any such Certificates, any other funds of Lessee or the Project if such action or omission (i) would cause the interest component of the Base Rent to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Code or (ii) would cause the interest component of the Base Rent to lose its exclusion from alternative minimum taxable income as defined in Section 55(b)(2) of the Code except to the extent such interest is required to be included in the adjusted current earnings adjustment applicable to corporations under Section 56 of the Code in calculating corporate alternative minimum taxable income. The foregoing covenant shall remain in full force and effect notwithstanding the payment in full of the Base Rent or the termination of this Lease until the date on which all obligations of Lessee in fulfilling the above covenant under the Code have been met; provided that this covenant does not prohibit Lessee from determining to discontinue making appropriations to pay amounts due hereunder as provided in Section 3.3, and does not apply to any actions or inactions with respect to any periods of time after this Lease is terminated pursuant to Section 3.3.

(b) Lessee covenants and agrees to execute and deliver a tax certificate concurrently with the execution and delivery of any Certificates in form and substance reasonably satisfactory to permit bond counsel to opine that the interest component of Base Rent is excluded from gross income for federal income tax purposes.

SECTION 11.6 Covenant of Quiet Enjoyment. NRPC covenants that it has full right, power and authority to enter into this Lease and that, so long as the State shall pay the Rent and shall duly observe all of its covenants and agreements in this Lease, the State shall have, hold, and enjoy, during the Lease Term, peaceful, quiet, and undisputed possession of the Project.

SECTION 11.7 Covenant Not to Encumber Project. Neither Lessor nor Lessee shall encumber the Project in any manner except for

- (a) Permitted encumbrances (as defined below); and
- (b) Encumbrances for the benefit of the Trustee and Certificate owners contemplated in the Indenture.

ARTICLE XII

DEFAULT

SECTION 12.1 Events of Default.

- (a) The following shall be events of default under this Lease:

(i) Failure by the State to pay the Base Rent as the same shall become due for any reason other than an Event of Nonappropriation, or

(ii) Lessee's failure to make any other or any other payment pursuant to this Lease when due for any reason other than an Event of Nonappropriation, and the continuing failure to make such payment for a period of sixty (60) Business Days following receipt of notice of failure to make payment; or

(iii) Lessee's failure to perform or observe any other covenant, condition or agreement to be performed or observed by it under this Lease, and the failure is not cured within 60 days after written notice of the failure to Lessee, provided that if Lessee proceeds to take curative action that, if begun and prosecuted with due diligence, cannot be reasonably completed within the 60 day period, that period may be extended to any extent necessary to enable Lessee to complete the curative action diligently; or

(iv) a receiver, liquidator or trustee shall be appointed for Lessee; or Lessee shall be adjudicated a bankrupt or insolvent; or any petition for bankruptcy or arrangement pursuant to the federal bankruptcy law, or any similar federal or state law, shall be filed by or against, consented to, or acquiesced in by, Lessee.

(b) Notwithstanding the foregoing, if, by reason of Force Majeure (as defined below), Lessee is unable to perform or observe any agreement, term or condition of this Lease, other than any obligation to make the Lease Payments required under this Lease, Lessee shall not be deemed in default during the continuance of such inability. However, Lessee shall use its best efforts to remove or diminish the effects thereof, provided that the settlement of strikes or other labor disturbances shall be entirely within the discretion of the Lessee. For the purpose of this subsection, the term "Force Majeure" means, without limitation, the following:

(i) acts of God; strikes, lockouts or other labor disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States or any civil or military authority, other than the State (with respect to Lessee only); insurrections; civil disturbances; riots; epidemics; landslides; lightning; earthquakes; fires; hurricanes; tornadoes; storms; droughts; floods; explosions; breakage, malfunction or accident to facilities, machinery, transmission pipes or canals; partial or entire failure of utilities; shortages of labor, materials, supplies or transportation; or

(ii) any other cause, circumstance or event not reasonably within the control of Lessee, as the case may be.

SECTION 12.2 Remedies.

(a) Upon the occurrence of an Event of Default, and as long as the Event of Default is continuing, Lessor may, at its option, exercise any one or more of the following remedies; provided, however, that there shall be no right under any circumstances to accelerate the maturities of the Base Rent payments or to otherwise declare any Base Rent not then past due or in default to be immediately due and payable:

(i) By written notice to Lessee, request Lessee to (and Lessee agrees that it will) promptly return possession of the Project to Lessor, and/or, at Lessor's option, Lessor may enter upon the Project and take immediate possession thereof, provided, however, Lessee shall be entitled to ten (10) days to vacate the Project premises and conduct its affairs during such time without interference by Lessor;

(ii) Terminate this Lease and the option to purchase granted hereunder and sublease or sell its rights to the Project (subject to the Ground Lease).

(iii) Sublease the Project for the account of Lessee, holding Lessee liable for all applicable Lease Payments and other payments due during the Lease Term to the effective date of such subleasing and for the difference between the rental and other amounts paid by the sublessee pursuant to such sublease and the amounts payable during the then current Lease Term by Lessee under this Lease; or

(iv) Exercise any other right, remedy or privilege which may be available to it under the applicable laws of the State or any other applicable law, to enforce the terms of this Lease, or to recover damages for the breach of this Lease or to rescind this Lease as to the Project.

(b) Lessee will remain liable for all covenants and obligations under this Lease, and for all legal fees and other costs and expenses to the extent permitted by law, including court costs awarded by a court of competent jurisdiction upon final adjudication, incurred by Lessor with respect to the enforcement of any of the remedies under this Lease, which liability shall survive any termination of this Lease.

(c) No remedy conferred or reserved to Lessor by this Lease is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Lease or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair or be construed to be a waiver of any such right or power, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle Lessor to exercise any remedy reserved to it in this Lease, it shall not be necessary to give any notice, other than any notice required by law or for which express provision is made in this Lease.

(d) If an Event of Default occurs and Lessor incurs expenses, including attorneys' fees and expenses, in connection with the enforcement of or the collection of amounts due under this Lease, Lessee shall reimburse Lessor for the expenses so incurred upon demand, together with interest thereon from the date of demand for payment at the Interest Rate for Advances.

(e) No failure by Lessor to insist upon strict performance by Lessee of any provision of this Lease shall constitute a waiver of Lessor's right to strict performance and no express waiver shall be deemed to apply to any other existing or subsequent right to remedy the failure by Lessee to observe or comply with any provision of this Lease.

ARTICLE XIII

SURRENDER OF PROJECT

SECTION 13.1 Surrender of Project. In the event that the State fails to appropriate funds to pay Rent due hereunder or this Lease is otherwise terminated due to an Event of Default or Event of Nonappropriation, the State shall immediately quit and surrender the Project to the NRPC in good condition, ordinary wear and tear excepted.

ARTICLE XIV

LIMITATION ON OBLIGATIONS

SECTION 14.1 Obligations of the NRPC and the State Limited to Certain Resources. Notwithstanding any other provisions of this Lease, no obligation assumed by or imposed upon the NRPC by this Lease shall require the performance of any act by the NRPC except to the extent, if any, that the cost and expense of such performance may be paid from the proceeds of the Certificates of Participation or from other funds legally available to the NRPC to meet the cost and expense of such performance.

No obligation assumed by or imposed upon the State by this Lease shall require the performance of any act by the State, including, but not limited to, the payment of Rent, except to the extent that funds may be available for such performance or payment from State appropriations or other funds legally available therefore. This Lease shall not be construed as obligating the Legislature of the State of Nevada to make future appropriations for the payment of Rent or the performance of any other obligations under this Lease. In the event that appropriated funds are not legally available for payment of Rent or other obligations hereunder, then this Lease shall be terminated. The liability of the State for payment of Rent as it becomes due shall be in consideration of the right of the State, whether or not exercised, to occupy and/or use the Project.

ARTICLE XV

RIGHT TO PURCHASE

SECTION 15.1 Right to Purchase. At any time following the Effective Date stated in Section 2.1, if there is not then existing an Event of Default which would not be cured or remedied by the payments provided for in this Section, Lessee, upon five (5) days' prior written notice to the Lessor and Trustee, has the right to purchase the Project on any date by paying to Trustee the amount necessary to defease this Lease pursuant to Section 15.3. Thereafter, upon payment of that purchase price, Lessor and Trustee shall convey all their right, title and interest in the Project to Lessee, in accordance with Section 15.2. If Lessee has paid all of the Base Rent hereunder listed on Exhibit B and all Additional Rent due, and this Lease terminates pursuant to Section 3.2(a) hereof, Lessee shall be deemed to have exercised its option to purchase the Project unless it otherwise notifies Lessor and Trustee in writing.

SECTION 15.2 Transfer of Title.

(a) Upon Lessee's exercise of the purchase option granted in Section 15.1, the Project shall become the property of Lessee unencumbered by this Lease and all of Lessor's right, title and interest in the Project shall pass to Lessee or at its direction, to its designee. In such case, Lessor and its assignee, if any, or both, as the case may be, agree to execute such instruments and do such things as Lessee's reasonably requests, all at the expense of Lessee, in order to effectuate transfer of any and all of Lessor's right, title and interest in the Project to Lessee or its designee. Unless otherwise directed in writing by Lessee, title shall be vested in "the Nevada System of Higher Education."

(b) Upon any transfer of title hereunder the transferor's interest in the Project shall be conveyed free and clear of all liens, encumbrances, covenants, conditions, restrictions, easements, and rights-of-way of record, leases or other tenancy agreements and other matters of record, except (i) the lien with respect to current taxes, not yet delinquent, (ii) those portions of current assessments not yet due and payable, (iii) anything of record or not of record that in any way affects title to the Project resulting from acts or omissions of Lessee or consented to by Lessee, (iv) any liens and encumbrances now existing listed on Exhibit A, or placed on the Project during the Lease Term by Lessee and Lessor jointly or otherwise expressly allowed by Lessor and Lessee in writing, (v) easements and rights of way granted by the State pursuant to paragraph 5 of the Ground Lease, and (vi) any defects in title, covenants, conditions, restrictions, easements, rights-of-way of record listed in Exhibit A hereto (the items described in clauses (i), (ii), (iv), (v) and (vi) above are herein "Permitted Encumbrances").

SECTION 15.3 Defeasance.

(a) All Base Rent will be deemed to be paid when:

(i) money or Defeasance Obligations or a combination thereof which mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient moneys to pay when due the principal and interest on and any other payments (including redemption premiums) in connection with all then outstanding Certificates to the final maturity date thereof or to a date on which such Certificates have been called for prior redemption is irrevocably deposited in trust with a commercial bank with trust powers and irrevocably set aside exclusively to make such payments, and

(ii) all reasonable, necessary and proper fees, compensation and expenses of Trustee pertaining to the Lease and Trustee's duties in connection therewith and with the Certificates are paid or provided for to the satisfaction of Trustee.

(b) When all Base Rent is deemed paid, as provided above, and Trustee has received the written legal opinion of nationally recognized bond counsel to the effect that the deposit of money or Defeasance Obligations in trust will not cause the interest components of the Base Rent, thereafter payable from those sources, to be subject to federal income tax under the Code, Lessor (and any Certificate holder) will be entitled to payment of that Base Rent solely from that money or the proceeds of those Defeasance Obligations and the right, title and interest of Lessor and Trustee under this Lease as to the Project shall then cease, terminate and become

void, and Lessee, or its designee shall succeed to all right, title and interest in the Project, subject however, to any requirements which shall survive any such termination. The Lessor shall then execute such instruments and undertake all such acts, all at the expense of Lessee including, without limitation, recording fees, transfer taxes if applicable, and reasonable attorneys' fees to evidence transfer of all remaining title interest in the Project to Lessee or Lessee's designee.

ARTICLE XVI

MISCELLANEOUS

SECTION 16.1 Pledge of Rent, Approval of Indenture. It is expressly understood and agreed by the parties hereto that the NRPC will pledge and assign the Base Rent and its rights and interest under this Lease to the Trustee under the Indenture. The form of the Indenture has been provided to Lessee and Lessee hereby approves the Indenture and agrees to the provisions therein that apply to the State.

SECTION 16.2 Notices. All notices or other communications hereunder shall be sufficiently given and shall be deemed given on the second business day following the day on which the same are mailed by electronic mail or certified mail, postage prepaid, addressed as follows:

(a) If to the State, to each of the following:

(i) to the State Treasurer, 101 N. Carson, #4, Carson City, Nevada
89701

(ii) to NSHE, 2501 Enterprise Road, Reno; NV 89512: Vice
Chancellor for Finance & Administration;

(iii) to State Lands, to the attention of the Administrator, 333 Nye
Lane, Room 118, Carson City, Nevada 89706;

(b) If to the NRPC, to the attention of President, Nevada Real Property
Corporation, 101 N. Carson, #4, Carson City, Nevada 89701.

The State, NHSE or the NRPC may, by notice given hereunder, designate any further or different addresses to which subsequent notices or other communications shall be sent. Notice may be also given by personal delivery of a written notice if to the State by serving the written notice upon the Treasurer and the Administrator, or to NSHE by serving written notice upon the Chancellor or if to the NRPC by serving the written notice upon its President.

SECTION 16.3 Severability. In case any one or more of the provisions of this Lease shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this Lease, but this Lease shall be construed and enforced as if such illegal or invalid provision had not been contained herein.

SECTION 16.4 Attorney Fees. In the event either party to this Agreement is required to initiate or defend litigation with respect to the terms hereof or to enforce any of its rights hereunder, the prevailing party in such litigation shall be entitled to reasonable attorney's fees incurred in such litigation, including all discovery costs and costs of expert witnesses, together with all reasonable litigation expenses.

SECTION 16.5 Headings. The article and section headings contained herein are for convenience and reference and are not intended to define or limit the scope of any provision of this Lease.

SECTION 16.6 Counterparts. This Lease may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 16.7 Amendments. The NRPC and the State shall not, without the written consent of the Trustee as provided in the Indenture, consent or agree to or permit any rescission of or amendment to or otherwise take any action under or in connection with this Lease which will reduce the payments required to be made by the State hereunder or which will in any manner materially impair or adversely affect the rights of the NRPC hereunder, and any action by the NRPC or the State in violation of this covenant shall be null and void as to the NRPC and the State. [add NSHE?]

SECTION 16.8 Governing Law. This Lease and the rights and obligations of the parties hereto shall be governed by, and construed according to, the laws of the State of Nevada. The parties consent to the exclusive jurisdiction of the Nevada state district courts for enforcement of this Lease and to exclusive venue in the Nevada state district court in Carson City. The parties waive any immunity from suit based on this Lease they otherwise may have in any lawsuit brought in Nevada district court in Carson City.

IN WITNESS WHEREOF, the parties hereunto have caused this Lease to be executed as of the day and year first hereinabove set forth.

NEVADA REAL PROPERTY CORPORATION

By _____
President

STATE OF NEVADA:

By _____

Approved and Accepted by the NEVADA
SYSTEM OF HIGHER EDUCATION

By: _____

Executed by the Governor of the State of Nevada

Brian Sandoval, Governor

STATE OF NEVADA)
) ss.
CARSON CITY)

This instrument was acknowledged before me on _____ by
_____ as _____ of the Nevada Real Property
Corporation.
(SEAL)

Notary Public

STATE OF NEVADA)
) ss.
CARSON CITY)

 This instrument was acknowledged before me on _____ by
_____ as _____.

(SEAL)
Notary Public

STATE OF NEVADA)
) ss.
CARSON CITY)

This instrument was acknowledged before me on _____ by
_____ as _____.
(SEAL)

Notary Public

STATE OF NEVADA)
) ss.
_____)

This instrument was acknowledged before me on _____ by Brian Sandoval as Governor of the State of Nevada.
(SEAL)

Notary Public

EXHIBIT A

A PORTION OF ASSESSOR'S PARCEL NO.

Title Exceptions:

- 1. The herein described property is tax exempt.
- 2. The lien, if any, of supplemental taxes, assessed pursuant to provisions adopted by the Nevada Legislature, and as disclosed by the Nevada Revised Statutes.
- 3. Any additional liens which may be levied by reason of said premises being within the boundaries of the [Las Vegas Valley Water District, Las Vegas Regional Flood Control District].
- 4. Easements, dedications, reservations, provisions, relinquishments, recitals, building set back lines, certificates, and any other matters as provided for or delineated on the subdivision map referenced in the legal description contained herein.

Reference is hereby made to said Plat for particulars. If one is not included herewith, one will be furnished upon request.

- 5. Subject to any matters that may be determined by an accurate ALTA/ASCM Survey that are not disclosed by the public records.
- 6. A Uniform Commercial Code Financing Statement, securing the terms and conditions contained therein,
Debtor:
Secured Party:
Recorded:

: As Document No.
: Official Records of _____, Nevada.

- 7. An Indenture of Trust upon the covenant, conditions and provisions contained therein,

Dated: [DATE], 2013
Lessor: NEVADA REAL PROPERTY CORPORATION, A NONPROFIT CORPORATION
Lessee: [trustee], A NATIONAL BANKING ASSOCIATION
Recorded: TO BE DETERMINED
: as Document No. TO BE DETERMINED,
: Official Records of Clark County, Nevada.

- 8. A Lease affecting the premises described herein, executed by and between the parties named herein, for the term and upon the terms, covenants and conditions therein provided,

Dated: TO BE DETERMINED
Lessor: NEVADA SYSTEM OF HIGHER EDUCATION
Lessee: NEVADA REAL PROPERTY CORPORATION
Term: AS THEREIN PROVIDED
Recorded: TO BE DETERMINED
: as Document No. TO BE DETERMINED
: Official Records of Clark County, Nevada.

9. a Lease-Purchase Agreement affecting the premises described herein, executed by and between the parties named herein, for the term and upon the terms, covenants and conditions therein provided,

Dated: TO BE DETERMINED
Lessor: NEVADA REAL PROPERTY CORPORATION
Lessee: STATE OF NEVADA ACTING BY AND THROUGH THE
NEVADA SYSTEM OF HIGHER EDUCATION
Term: AS THEREIN PROVIDED
Recorded: TO BE DETERMINED
: as Document No. TO BE DETERMINED
: Official Records of Clark County, Nevada.

EXHIBIT B

(Attach Schedule of Base Rentals)

<u>Payment Due Date</u>	<u>Interest Rate</u>	<u>Principal Due</u>	<u>Interest Due</u>	<u>Total Due</u>	<u>Capitalized Interest Estimated Offset</u>	<u>Net Estimated Due</u>
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ATTACHMENT A
[On Nevada System for Higher Education letterhead]

Date:

To: The Authorized Officer of the Lessee

From: NSHIE

Subject: Certification that sufficient funds have/have not been appropriated for Fiscal Year _____ for Lease Revenue, Certificates of Participation, (Nevada State College Project), Series 2013C (“the Project”)

Pursuant to subsection 3.3(a) of the Lease Purchase Agreement (“LPA”) relating to the Project, the undersigned hereby certifies as follows (check one):

That funds have been appropriated for Fiscal Year _____ in a **sufficient** amount to prevent termination of the Lease Purchase Agreement (“LPA”) pursuant to paragraph b of subsection 3.3 thereof.

That funds have **not** been appropriated for Fiscal Year _____ in a **sufficient** amount to prevent termination of the Lease Purchase Agreement (“LPA”) pursuant to paragraph b of subsection 3.3 thereof. Check, as applicable:

_____ the Legislature did not appropriate money to NSHE for Nevada State College in an amount at least equal to payments due pursuant to this Agreement

_____ the legislature, by express terms of a statute, provided that, of the funds appropriated to NSHE for Nevada State College, no amount or an insufficient amount shall be available for payments due pursuant to this Agreement.

Nevada System of Higher Education

Dated: _____

By: _____
Chancellor or Chancellor’s Designee
If Designee, title: