

BOARD OF REGENTS
BRIEFING PAPER

**1. AGENDA ITEM TITLE: University of Nevada, Reno- Lease of Office Space at 9075 W
Diablo Drive, Las Vegas, NV**

MEETING DATE: November 30 and December 1, 2017

2. BACKGROUND & POLICY CONTEXT OF ISSUE:

The University of Nevada, Reno enrolls over 1100 new freshmen from Southern Nevada annually. Critical to these efforts is a suitable office space, appropriately located to accommodate the staff and members of the public including counselors, teachers, community leaders, prospective students and their families. As related to the University's outreach mission, the office space will be utilized for recruitment staff as well as collaborative events with various academic units (most notably the College of Science, College of Agriculture, Biotechnology and Natural Resources and the College of Engineering). The space will also house a variety of college readiness programs and services including math placement tutoring, ACT & SAT preparation, and financial aid programs. The number and variety of these workshops will increase with the additional space in the proposed facility. The new location will also better serve the families from the high schools from which UNR enrolls the greatest number of students (Bishop Gorman, Palo Verde, Northwest Career and Technical Academy, and West Career and Technical Academy).

The University of Nevada, Reno recruiting office in Southern Nevada is currently located in the Cooperative Extension building located at 8050 Paradise Rd in Las Vegas, and occupies approximately 2,135SF, leased at \$2.17 PSF. Cooperative Extension needs to regain the space for their operations which prompted the need to find new space for this department. The new space needed to be larger than their current space to account for their loss of the shared space in the Cooperative Extension building, which included classroom and conference room space.

After reviewing various locations, a site was selected, and a lease agreement has been negotiated for approximately 6,510+/- sf located at 9075 W Diablo Drive (Exhibit 1), subject to Board of Regents approval.

General Terms of the proposed lease agreement:

- **Lease Term:** 63 months. The rent for the second, third, and fourth month is abated.
- **Rental Rate:** \$2.10 per sf per month.

Months of Lease Term	Monthly Base Rent (psf)	Monthly Base Rent (estimated total)
1	\$2.10	\$13,671.00
2 – 4	Abated	Abated
5 – 12	\$2.10	\$13,671.00
13 – 24	\$2.14	\$13,931.40
25 – 36	\$2.18	\$14,191.80
37 – 48	\$2.22	\$14,452.20
49 – 60	\$2.26	\$14,712.6
61 – 63	\$2.31	\$15,038.10

- **Lease Type:** Modified Gross Lease, with annual increases of 2%. UNR pays electric and janitorial.
- **Tenant Improvements:** Tenant improvements, at the Landlord's expense, have been negotiated; however, the property is currently in good condition and needs only minor improvements.
- **Option to Renew:** 60-month option to renew, with continued 2% annual rent increases.

University of Nevada, Reno General Counsel's Office, and NSHE Counsel/Director of Real Estate Planning have reviewed and approved the lease agreement.

3. SPECIFIC ACTIONS BEING RECOMMENDED OR REQUESTED:

University of Nevada, Reno President Marc Johnson is requesting Board of Regents approval for the Lease Agreement of approximately 6,510 sf located at 9075 W Diablo Drive in Las Vegas, NV (APN# 163-29-401-005) for a term of 63 months with an option to renew for an additional 60 months.

4. IMPETUS (WHY NOW?):

- The Southern Nevada recruiting office needs to relocate from existing space due to the need for additional space for the Cooperative Extension program.
- This proposed leased space suits the requirements of the Southern Nevada recruiting office in both size and location.
- The space is available now, which will enable the recruiting office to vacate the existing space upon completion of minor tenant improvements.

5. BULLET POINTS TO SUPPORT REQUEST/RECOMMENDATION:

- The space is available now at competitive market terms.
- Though the property is currently in good condition, landlord will provide tenant improvements, at landlord's sole expense to provide a turn-key facility.
- A 63-month contract, with the ability to renew the lease for an additional 60 months, gives UNR stability and predictability in mid-term and long-term future space planning efforts.
- Lease payments will be paid by the Student Services Division using currently budgeted funds.

6. POTENTIAL ARGUMENTS AGAINST THE REQUEST/RECOMMENDATION:

- The amounts budgeted for relocation and incremental rent could be used for other purposes.

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

- Cooperative Extension expansion could be accommodated at an off-site location, however splitting the functions would negatively impact operational efficiency. As such, this option is not being recommended.

8. COMPLIANCE WITH BOARD POLICY:

☒ Consistent With Current Board Policy: Title #4 Chapter #10 Section #1.9

☐ Amends Current Board Policy: Title #_____ Chapter #_____ Section #_____

☐ Amends Current Procedures & Guidelines Manual: Chapter #_____ Section #_____

☐ Other:_____

☐ Fiscal Impact: Yes X No _____

Explain: Initial term lease payments of \$990,952.20 and relocation costs of approximately \$5,000. Lease payments are \$699,076.35 above current space for the term of the contract.

Exhibit 1

LAPOUR CORPORATE CENTER

REAL ESTATE
MULTI-TENANCY OFFICE LEASE

Suite 200

Landlord:

Tierra Partners III, L.L.C.,
an Arizona limited liability company

and

Tenant:

Board of Regents of the Nevada System of Higher Education,
on Behalf of the University of Nevada, Reno

Dated as of _____, 2017

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LAPOUR CORPORATE CENTER
REAL ESTATE - OFFICE LEASE

THIS REAL ESTATE OFFICE LEASE (this "Lease"), dated for reference purposes only as of _____, 2017 (the "Effective Date"), is made by and between TIERRA PARTNERS III, L.L.C., an Arizona limited liability company registered to do business in Nevada ("Landlord"), and the Board of Regents of the Nevada System of Higher Education on behalf of the University of Nevada, Reno ("Tenant").

ARTICLE 1
BASIC TERMS

1.01 DEFINITIONS. For purposes of this Lease, the following terms shall have the following meanings:

(a) Tenant Improvements: see Work Letter attached hereto as Exhibit "B" and incorporated herein by this reference.

(b) Building and Project: That certain real property commonly known by the street address of 9075 W. Diablo Drive, located in the City of Las Vegas, County of Clark, State of Nevada, with zip code 89148 (hereinafter "Building"), situated on a 3.81 acre parcel commonly known as Clark County Assessor's Parcel #163-29-401-005, including all improvements thereon or to be provided by Landlord under the terms of this Lease (the "Project").

(c) Building Core: The area within the outermost finish face of that portion of the Building that incorporates those areas that provide service to the tenants of that floor and to the Building. These areas of service include: restroom facilities for men and women along with the vestibule and access, electrical, mechanical, and telephone rooms, janitor closets, elevators and service elevators along with lobby and stairs, vestibules, and all vertical floor penetrations for mechanical/electrical/plumbing for the Building.

(d) Building Shell: The Building has been completed with the following improvements: (a) roof and exterior walls (not including drywall); (b) unfinished floors throughout the Premises, broom clean; (c) building standard power and lighting power provided to the Building at a point within the Common Building Area to be determined by Landlord in its sole discretion; (d) core walls to the extent called for in Landlord's final plans and specifications for the construction of the Building; and (e) mechanical, plumbing, life safety, and HVAC systems provided to the Building at a point within the Common Building Area to be determined by Landlord in its sole discretion.

(e) Estimated Commencement Date: Estimated Commencement Date shall be February 1, 2018. At such time as the Commencement Date shall have been established, Landlord and Tenant shall execute a Commencement Memorandum (as herein defined, and attached hereto as Exhibit "E").

(f) Common Building Areas: All areas and facilities outside the Premises and within the exterior property boundary line of the Building and interior utility raceways within the Premises that are provided and designated by the Landlord from time to time for the general non-exclusive use of Landlord, Tenant and other tenants of the Building and their respective employees, suppliers, shippers, customers, contractors and invitees, including, without limitation, trash areas, roadways, sidewalks, walkways, landscaped areas, irrigation systems, lighting facilities, fences, gates, elevators, roof, common entrances, common areas within the Building, common pipes, conduits, wires and appurtenant equipment serving the Premises, exterior signs, Tenant directories, fire detection systems, sprinkler systems, security systems, and the parking facilities for the Building. Landlord has the right to change the Common Building Areas and to take other actions respecting these areas in accordance with Section 2.05 below.

(g) Expense Stop: The amount (per square foot of Tenant's Rentable Square Feet) Landlord herewith agrees to expend as its share of Operating Costs (which shall be a credit for Tenant to apply to offset Operating Costs charged to Tenant), not to exceed the total amount of Operating Costs for calendar year 2018 (the "Base Year") (per square foot of Rentable Square Feet in the Building). Tenant, at no time during the Lease Term, shall be responsible for any payment of operating expenses with an increase of more than 5% in the operating expenses on an Annual basis. ("Cap" on annual Operating Expenses).

(h) Initial Security Deposit: None.

(i) Laws: All applicable statutes, regulations, requirements, ordinances and orders promulgated by any federal, state, local or regional governmental authority whether prior to or following the Commencement Date of this Lease.

(j) Landlord's Address: Tierra Partners III, L.L.C.
c/o Joshua J. Meyer
3220 Lakeside Village Drive
Prescott, AZ 86301
928-445-0911
Email: josh@tierramanagement.com

(or as otherwise changed in writing to Tenant)

With a copy to: Sun Property Management
c/o Stephany Paleczny
6140 Brent Thurman Way Suite 140
Las Vegas, NV 89148
(702) 968-7331
Email: stephanyp@sunpm.net

(PLEASE REMIT ALL RENT PAYMENTS TO: Landlord's Address or as otherwise changed in writing to Tenant)

(k) Landlord's Broker: CBRE (Shalonda Hughes/Tanner Peterson).

(l) Lease Interest Rate: The lesser of (i) percentage points (2%) over that fluctuating rate of interest announced from time to time by Wells Fargo Bank, N.A. as its prime or reference commercial lending rate of interest (or in the event such bank is no longer announcing such rate, by such other federally regulated banking institution of comparable stature as Landlord shall determine), or (ii) the maximum interest rate permitted by law.

(m) Lease Term: Sixty-three (63) months beginning on the Commencement Date and continuing until Sixty-three (63) months after the first day of the first full month following the Commencement Date, unless otherwise extended as provided for herein.

(n) Leased Premises Address: 9075 W. Diablo Drive, Suite 200, Las Vegas, NV, 89148.

(o) Mortgagee: The mortgagee under a mortgage or beneficiary under a deed of trust holding a lien encumbering the Building.

(p) Operating Costs: All costs of any kind paid or incurred by Landlord because of or in connection with the ownership, management, maintenance, repair, replacement, or operation of the Building (including all Common Building Areas), including by way of illustration but not limitation, all of the following: (i) Real Property Taxes; (ii) all costs, charges and surcharges for utilities, water, sewage, janitorial, waste disposal and refuse removal and all other utilities and services provided to the Building which are not separately metered or billed directly to tenants of the Building; (iii) insurance costs for which Landlord is responsible under this Lease or which Landlord or any Mortgagee deems reasonably necessary or prudent; (iv) any costs levied, assessed or imposed pursuant to any applicable Laws; (v) the cost (amortized over such period as Landlord reasonably determines according to generally accepted accounting principles together with interest at the Lease Interest Rate on the unamortized balance) to the Building or equipment replacements made by Landlord after the Commencement Date that are intended to reduce other Operating Costs or are required by any Laws or are necessary in order to operate the Building at the same quality level as prior to such replacement; (vi) costs and expenses of operation, repair and maintenance of all mechanical portions and components of the Building Common Areas including, without limitation, plumbing, communication, heating, ventilating and air-conditioning ("HVAC"), elevator, and electrical and other common Building systems; (vii) utilities surcharges or any other costs levied, assessed or imposed by, or at the direction of, or resulting from statutes or regulations or interpretations thereof, promulgated by any federal, state, regional, municipal or local government authority in connection with the use or occupancy of the Building (including, without limitation, energy conservation charges or surcharges); (viii) all costs incurred in the management and operation of the Building including, without limitation, gardening and landscaping, maintenance of all parking areas, maintenance of general non Tenants specific signs, , painting, lighting, cleaning, and provision of Building security; (ix) all personal property taxes levied on or attributable to personal property used in connection with the Building; (x) depreciation on personal property owned by Landlord which is consumed in the operation or maintenance of the Building; (xi) (xii) commercially reasonable management fees (xiii) fees for required licenses and permits; (xiv) reasonable legal,

accounting and other professional fees; (xv) reasonable and appropriate reserves, held in an interest bearing account with the interest added back into those reserves, for repair and replacement; and (xvi) any reasonable expenses which would reasonably or customarily be included in the cost of operating, maintaining and repairing buildings similar to the Building. At Landlord's commercially reasonable discretion according to generally accepted accountings principles, Landlord shall have the right to amortize any of the costs of repair or maintenance of the Building over such period as Landlord reasonably determines together with interest at the Lease Interest Rate on the unamortized balance, in lieu of including the entire amount of such costs in Operating Costs in the year such costs are incurred. If the Building is not fully occupied during any portion of the Lease Term, (i) Landlord shall make an appropriate adjustment to Operating Costs for such period employing sound accounting and management principles, to determine the amount of Operating Costs that would have been incurred had the Building been one-hundred percent (100%) occupied during such period and (ii) such adjusted amount of Operating Costs shall be the amount utilized for purposes of Section 4.02 below. Operating Costs shall not include: (i) depreciation of the Building or equipment therein, (ii) commissions of real estate brokers and leasing agents, or (iii) any amounts paid by Landlord for tenant improvements, (iv) costs for negotiations, disputes or enforcement of leases, (v) costs associated with violations of leases or laws by Landlord, (VI) Cost of Capital Improvements.

(q) Option to Renew. Tenant, if not in default hereunder, shall have the option to renew the Lease for one (1) additional term of five (5) years. Any such extension of the Lease for an additional term shall be under the same terms, covenants and conditions as set forth herein except the Tenant shall have no option to further extend the Lease and except that the Base Rent shall increase two percent (2%) per year. Tenant must notify Landlord in writing not less than six (6) months prior to the expiration of the Lease of its election to exercise the above option.

(r) Permitted Uses: General Office associated with educational and student services and any other legally related, permitted uses.

(s) Premises: The office space in the approximate location within the Building, also known as Suite 200, as indicated on Exhibit "A" attached hereto and incorporated herein by this reference.

(t) Real Property Taxes: Any form of tax, assessment, license fee, license tax, business license fee, commercial rental tax, levy, charge, penalty, tax or similar imposition, imposed by any authority having the direct power to tax (including any city, county, state or federal government, or any school, agricultural, lighting, drainage, transportation, air pollution, environmental or other improvement or special assessment district) as against any legal or equitable interest of Landlord in the Building and/or the Premises, including, but not limited to, the following:

(i) any tax on a landlord's right to rent or right to other income from the Premises or against Landlord's business of leasing the Premises;

(ii) any assessment, tax, fee, levy or charge in substitution, partially or totally, of any assessment tax, fee, levy or charge previously included within the definition of Real Property Taxes (it is the intention of Tenant and Landlord that all such new and increased assessments, taxes, fees, levies and charges be included within the definition of Real Property Taxes for the purposes of this Lease);

(iii) any assessment, tax, fee, levy or charge allocable to or measured by the area of the Premises or the rent payable hereunder, including, without limitation, any gross income tax or excise tax levied by the state, county, city or federal government, or any political subdivision thereof, with respect to the receipt of such rent, or upon or with respect to the possession, leasing, operating, management and maintenance, alteration, repair, use or occupancy of the Building, or any portion thereof;

(iv) any assessment, tax, fee, levy or charge upon this transaction creating or transferring an interest or an estate in the Premises;

(v) any assessment, tax, fee, levy or charge based upon the number of people employed, working at, or using the Premises or the Building, or utilizing public or private transportation to commute to the Premises or the Building;

(vi) reasonable legal and other professional fees, costs and disbursements incurred in connection with proceedings to contest, determine or reduce Real Property Taxes; and

(vii) Real Property Taxes shall not include federal or state income, franchise, inheritance or estate taxes of Landlord or of any of the parties which comprise Landlord.

(u) Rentable Square Feet in the Building: The total rentable square feet in the Building has been measured according to ANSI/BOMA Z65.1-2010 Office Building Standard, Method B to be Sixty-Nine Thousand, Six (69,006) rentable square feet. If, during the Term of the Lease, the Building is re-measured and it is determined to be different, the Rent shall be adjusted accordingly.

(v) Tenant's Address: Board of Regents of the Nevada System of Higher Education on behalf of the University of Nevada, Reno
Attn: Real Estate
1664 N Virginia St MS 243
Reno, NV 89557
(775)784-4180

With a Copy to:
University of Nevada, Reno
Attn: General Counsel
1664 N Virginia St MS 0550

Reno, NV 89557

(or as otherwise changed in writing to Landlord)

(w) Tenant's Broker: Parker Realty (Melanie Braud/DeAnna Werbicky).

(x) Tenant's Guarantor: None.

(y) Tenant's Usable Square Feet: Approximately Five Thousand Seven Hundred Sixty-One (5,761) Usable Square Feet, subject to adjustment based on the Final Plans (as defined in the Work Letter). The Premises are stipulated for all purposes to contain said Tenant's Usable Square Feet, as adjusted pursuant to ANSI/BOMA Z65.1-2010 Office Building Standard, Method B based on the Final Plans.

(z) Tenant's Rentable Square Feet: Based on the current Building load factor of Twelve and Ninety-Nine One-Hundredths percent (12.99%), the Premises contain approximately Six Thousand Five Hundred Ten (6,510) Rentable Square Feet, subject to adjustment based upon the Final Plans (as defined in the Work Letter). The Premises are stipulated for all purposes to contain said Tenant's Rentable Square Feet, as adjusted pursuant to ANSI/BOMA Z65.1-2010 Office Building Standard, Method B based on the Final Plans.

1.02 BASE RENT. The "Base Rent" shall be determined based upon Tenant's Rentable Square Feet multiplied by the below Monthly Base Rent rate. The Base Rent schedule shall be as follows:

Months of Lease Term	Monthly Base Rent (psf)	Monthly Base Rent (estimated total)
1	\$2.10	\$13,671.00
2 – 4	Abated	Abated
5 – 12	\$2.10	\$13,671.00
13 – 24	\$2.14	\$13,931.40
25 – 36	\$2.18	\$14,191.80
37 – 48	\$2.22	\$14,452.20
49 – 60	\$2.26	\$14,712.6
61 – 63	\$2.31	\$15,038.10

1.03 EXHIBITS AND ATTACHMENTS. The following exhibits and attachments are attached to and made a part of this Lease:

Exhibit A – Site Plan

Exhibit B – Work Letter (and associated attachments)

Exhibit C – Rules and Regulations

Exhibit D – Estoppel Certificate

Exhibit E – Commencement Memorandum

Exhibit F – Project Signage Criteria

Exhibit G – SNDA

1.04 PARKING. Tenant shall be entitled to use up to eighteen (18) unreserved uncovered parking spaces and up to eight (8) covered/reserved parking spaces (or a total of up to twenty-six (26) parking spaces) on that area, and only on that area, shown on Exhibit A as the parking area of the Building. Tenant hereby acknowledges and agrees that the foregoing parking spaces are the total number of parking spaces available for use by Tenant, Tenant's agents, employees, contractors, invitees, successors or others using the Premises with Tenant's express or implied permission. In the event Tenant wishes to use any additional reserved covered parking spaces, subject to availability, Tenant shall pay an amount equal to the number of such additional covered parking spaces Tenant is entitled to use multiplied by the then-applicable fees for covered parking spaces (the "Parking Fees") which Landlord is charging for use of the covered parking spaces for the period time of use agreed to by the parties. Landlord shall have the right from time to time to increase the Parking Fees being charged Tenant for such additional covered parking spaces upon thirty (30) days prior written notice. Tenant agrees and acknowledges that Tenant shall be obligated to pay such rates regardless of whether or not Tenant actually uses or needs the covered parking spaces which Tenant is entitled to use. Such Parking Fees shall be payable monthly commencing upon the calendar month in which Tenant is entitled to use such additional covered parking spaces. If the commencement of the use of such additional covered parking spaces is other than the first day of a calendar month, the first installment of the Parking Fees shall be prorated on the basis of a thirty (30) day calendar month. For the duration of the Lease Term, there are no Parking Fees for the initial covered parking spaces listed above. In the event Tenant requires additional covered parking spaces, Landlord reserves the right to charge Tenant forty dollars (\$40) per stall per month.

1.05 SIGNAGE. In addition to the interior signage provided by Section 5.04 below, Tenant shall be permitted sole and exclusive right, subject to City regulation and the rights of other tenants, to install one (1) freeway frontage signage on the eastern exterior of the Building between the second floor and the third floor, at no monthly fee. Tenant shall be permitted sole and exclusive use of the top slot of the Primary Pylon Sign (but below the PUCN on the top of the sign) at no monthly fee. All signage and location of said signage shall be subject to Landlord's reasonable approval and in accordance with the provisions as set forth in the Project Signage Criteria. Tenant shall be responsible for all costs related to Tenant signage and removal of the signage and installation of a blank panel upon expiration of the Lease Term and any extension thereof.

ARTICLE 2 LEASE TERM AND COMMON BUILDING AREAS

2.01 LEASE OF PROPERTY FOR LEASE TERM. Landlord hereby leases the Premises to Tenant and Tenant leases the Premises from Landlord for the Lease Term. The Lease Term is for the period stated in Section 1 .01 (m) above and shall begin and end on the dates specified in Section 1.01 (m) above. The "Commencement Date" shall be the date specified in Section 1.01 (e) above for the beginning of the Lease Term.

2.02 DELIVERY OF POSSESSION.

(a) Landlord will be deemed to have delivered possession of the Premises to Tenant when Landlord has constructed or installed in the Premises the Work (as that term is defined in the Work Letter) to be constructed or installed by Landlord according to the Work Letter, as it may be adjusted pursuant to Section 2.02(c) below or the Work Letter. The date Landlord delivers possession is the "Early Occupancy." If no Work Letter is attached to this Lease, Landlord will be deemed to have delivered to Tenant possession of the Premises in its "as is" condition as of the Commencement Date. Tenant acknowledges that neither Landlord nor its agents or employees have made any representations or warranties as to the suitability or fitness of the Premises for the conduct of Tenant's business or for any other purpose, nor has Landlord or its agents or employees agreed to undertake any alterations or construct any tenant improvements to the Premises except as expressly provided in this Lease and the Work Letter.

(b) Landlord agrees to use commercially reasonable efforts to deliver possession of the Premises to Tenant with all of Landlord's Work in the Work Letter substantially completed by the Estimated Commencement Date (the "Estimated Completion Date") of February 1, 2018. If, despite said efforts, Landlord is unable to deliver possession as agreed, Tenant shall not be obligated to pay Rent or perform its other obligations until it receives possession of the Premises with all of the Tenant Improvements (as defined in the Work Letter) substantially complete. If Landlord does not complete Landlord's Work prior to February 15, 2018, Tenant will receive 2 days rent credit for every one day past February 15, 2018 that Landlord's Work remains unfinished. If Landlord does not complete Landlord's Work prior to March 31, 2018, in addition to the rent credit already earned, Tenant will have the option to either terminate this Lease or receive 5 days rent credit for every one day past March 31, 2018 that Landlord's Work remains unfinished. If Landlord does not complete Landlord's work by April 1, 2018, then Tenant may, at its option, by written notice to Landlord within ten (10) days of the Outside Date cancel this Lease, in which event the parties to the Lease shall be discharged from all obligations hereunder. In the event Tenant causes any delays in allowing Landlord to substantially complete Landlord's Work in the Work Letter, Tenant caused delays shall extend the Outside Date one day for every day of a Tenant caused delay, after notice by the Landlord and allowing the Tenant five (5) business days to cure.

(c) The Premises shall be deemed "substantially completed" when (i) Landlord has completed the Tenant Improvements (as defined in the Work Letter) other than details of construction which do not materially interfere with Tenant's use of the Premises and work in the work letter is at least 97% completed, and (ii) Landlord has obtained a permanent or temporary certificate of occupancy for the Premises (or its equivalent). For purposes of this Section 2.02, "Force Majeure Delays" shall mean and refer to a period of delay or delays encountered by Landlord affecting the Work because of delays due to excess time in obtaining governmental permits or approvals beyond the time period normally required to obtain such permits or approvals for similar space within the office/industrial center in which the Premises are located; fire, earthquake or other acts of God; acts of the public enemy; riot; insurrection; public unrest; governmental regulations of the sales of materials or supplies or the transportation thereof; strikes or boycotts;

shortages of material or labor or any cause beyond the reasonable control of Landlord or Tenant.

2.03 HOLDING OVER. Tenant shall vacate the Premises upon the expiration or earlier termination of this Lease. Tenant shall reimburse Landlord for and indemnify and hold Landlord harmless against all damages, claims, losses, penalties, charges, and expenses (including reasonable attorney's fees) incurred by Landlord resulting from any delay by Tenant in vacating the Premises. If Tenant does not vacate the Premises upon the expiration or earlier termination of this Lease, Tenant's occupancy of the Premises shall be a tenancy at sufferance, subject to all of the terms of this Lease applicable to a tenancy at sufferance, except that the Base Rent then in effect shall be equal to one hundred twenty five percent (125%) of the Base Rent in effect immediately prior to the expiration or earlier termination of this Lease. Nothing contained in this Section 2.03 shall be construed as consent by Landlord to any holding over of the Premises by Tenant, and Landlord expressly reserves the right to require Tenant to surrender possession of the Premises to Landlord upon the expiration or earlier termination of this Lease.

2.04 COMMON BUILDING AREAS. Tenant shall have the nonexclusive right to the use in common with other tenants in the Building, subject to the Rules and Regulations referred to in Section 13.15 below, the Common Building Areas appurtenant to the Premises, as they may change from time to time.

2.05 LANDLORD'S RIGHTS IN COMMON BUILDING AREAS. Landlord hereby reserves the right from time to time to do the following provided it is done without unreasonable interference with Tenant's use of the Premises:

(a) To install, use, maintain, repair and replace pipes, ducts, conduits, wires and appurtenant meters and equipment for service to other parts of the Building above the ceiling surfaces, below the floor surfaces, within the walls and in the central core areas, and to relocate any pipes, ducts, conduits, wires and appurtenant meters and equipment included in the Premises which are located in the Premises or located elsewhere outside the Premises, and to expand the Building;

(b) To make changes to the Common Building Areas, including, without limitation, changes in the location, size, shape and number of driveways, parking spaces, entrances, loading and unloading areas, ingress, egress, direction of traffic, landscaped areas, and walkways and the parking facilities for the Building as long as it does not unreasonably adversely affect Tenant;

(c) To close temporarily any of the Common Building Areas for maintenance purposes or to prevent prescriptive easements so long as access to the Premises remains reasonably available for Tenant's use;

(d) To designate other land outside the boundaries of the Building and/or the Project to be a part of the Common Building Areas;

(e) To add additional buildings and improvements to the Common Building Areas, including, without limitation, the construction of buildings, parking structures or surface parking areas;

(f) To use the Common Building Areas while engaged in making additional improvements, repairs or alterations to the Building, or any portion thereof provided, however, that such use of the Common Building Areas shall be reasonable, including without limitation, the duration and extent of such use; and

(g) To do and perform such other acts and make such other changes in, to or with respect to the Common Building Areas and the Building as Landlord may, in the exercise of sound business judgment, deem to be appropriate as long as it does not have unreasonable adverse effects on Tenant.

ARTICLE 3 BASE RENT

3.01 TIME AND MANNER OF PAYMENT. Base Rent is due on or before the first (1st) day of each month without offset, deduction or prior demand. The Base Rent for the first month of the Lease Term shall be prorated on the basis of the actual number of days in such month, if such month is a fractional month. If such month is a fractional month, then the Base Rent for such fractional month shall be due and payable on the Commencement Date. The Base Rent shall be payable at such of Landlord's Addresses or at such other place as Landlord may designate in writing.

ARTICLE 4 CHARGES PAYABLE BY TENANT

4.01 ADDITIONAL RENT. Additional charges payable by Tenant hereunder other than Base Rent are called "Additional Rent." Unless this Lease provides otherwise, all Additional Rent shall be paid with the next monthly installment of Base Rent. The term "Rent" shall mean Base Rent and Additional Rent. Notwithstanding the abatement of any Base Rent within the Lease Term, there shall be no abatement of Additional Rent whatsoever unless otherwise stated within this Lease. Tenant shall pay Landlord all Rent without offset, deduction or prior demand.

4.02 OPERATING COSTS.

(a) Tenant shall during the Lease Term, pay as Additional Rent an amount equal to the excess (the "Excess") from time to time of total annual Operating Costs per square foot of Tenant's Rentable Square Feet as grossed up, if applicable, over and above the Expense Stop. Tenant, at no time during the Lease Term, shall be responsible for any Excess payment of operating expenses in excess of 5% over the previous year's payment. The Excess shall be obtained by multiplying the (A) difference between the annual Operating Costs per square foot of Tenant's Rentable Square Feet and the Expense Stop, by (B) the square footage of Tenant's Rentable Square Feet.

(b) Tenant shall pay the Excess, in advance, in monthly installments with the Base Rent based on Landlord's good faith estimate of the Excess, subject to the 5% maximum increase in 4.02A above. Landlord may adjust such estimates from time to time as Landlord determines, which adjustment will be effective as of the next payment date for Base Rent after notice of such adjustment to Tenant. After the end of each calendar year, Landlord shall deliver to Tenant a statement ("Actual Statement"), in reasonable detail, of the actual Operating Costs incurred by Landlord during the preceding calendar year and the portion thereof required to be paid by Tenant hereunder, upon receipt of such statement, there shall be an adjustment between Landlord and Tenant, with payment to Landlord within thirty (30) days of Tenant's receipt of such statement or credit given to Tenant, as the case may be, to reflect the actual Operating Costs. Landlord's failure to provide such statement(s) shall in no way excuse Tenant from its obligation to pay Additional Rent and shall not constitute a waiver of Landlord's right to bill and collect such Additional Rent from Tenant in accordance with the terms of the Lease, so long as such Statement is provided to Tenant within a reasonable time after the end of the calendar year but no later than ninety (90) days after the start of the following calendar year.

(c) In the event of any dispute as to the amount of the Excess as set forth in the Actual Statement, Tenant shall have the right, once, and only once, a year after no less than thirty (30) days prior written notice and at reasonable times, to inspect and photocopy Landlord's Operating Costs records for the previous calendar year at Landlord's Address specified in Section 1.01(k) or via email. If, after such inspection and photocopy, Tenant continues to dispute the amount of the Excess as set forth in the Actual Statement, Tenant shall be entitled to retain a national, independent, certified public accountant reasonably mutually acceptable to Landlord and Tenant to audit Landlord's Operating Costs records for the previous calendar year (and for any year within three (3) years thereof in which a discrepancy is noted by Tenant) only to determine the proper amount of the Excess. Landlord shall be entitled to review the results of such audit promptly after completion of same. If such audit proves that Landlord has overcharged Tenant, then within thirty (30) days after the results of the audit are made available to Landlord, Landlord shall credit Tenant the amount of such overcharge toward the payments of Base Rent and Additional Rent next coming due under this Lease. If such audit proves that Landlord has undercharged Tenant, then within thirty (30) days after the results of the audit are made available to Tenant, Tenant shall pay to Landlord the amount of any such undercharge. Tenant agrees to pay the cost of such audit, provided that Landlord shall reimburse Tenant the amount of such cost if the audit proves that Landlord's determination of the Excess (as set forth in the Actual Statement) was in error by more than Three percent (3%). Landlord shall be required to maintain records of all Operating Costs for three (3) years following the issuance of the Actual Statement for such Operating Costs. The payment by Tenant of any amounts pursuant to this Section shall not preclude Tenant from questioning the correctness of any Actual Statement.

4.03 PERSONAL PROPERTY TAXES.

(a) Tenant shall pay all taxes charged against trade fixtures, utility installations, furnishings, equipment or any other personal property belonging to Tenant. Tenant shall use its best efforts to have personal property taxed separately from the Premises.

(b) If any of Tenant's personal property is taxed with the Premises, Tenant shall pay Landlord the taxes for the personal property within thirty (30) days after Tenant receives a written statement from Landlord for such personal property taxes.

4.04 UTILITIES.

(a) Landlord agrees to furnish Tenant the following services in connection with the operation of the Building which shall be included and charged to tenants of the Building as part of Operating Costs. Landlord will furnish Tenant (150) hours per year of heating or air-conditioning in Building Common Areas at times other than the normal business hours at no charge to Tenant for the term of the Lease. Tenant will provide Landlord a (14) day minimum prior written notice of these extended hours.

(i) Hot and cold water at those points of supply provided for general use of other tenants in the Building.

(ii) Security in the form of limited access to the Building during other than Normal Business Hours shall be provided in such form as Landlord deems reasonably appropriate. Landlord may charge a reasonable fee for private security patrol services and card keys or other security devices. Except for Landlord's gross negligence or willful misconduct, Landlord, however, shall have no liability to Tenant, its employees, agents, invitees or licensees for losses due to theft or burglary, or for damages resulting from the actions of unauthorized persons on the Premises or in the Building and Landlord shall not be required to insure against such losses. Tenant shall cooperate fully in Landlord's efforts to maintain security in the Building and shall follow all regulations promulgated by Landlord with respect thereto.

(iii) The failure by Landlord to any extent to furnish, or the interruption or termination of these defined services in whole or part, resulting from causes beyond the reasonable control of Landlord shall not render Landlord liable in any respect nor be construed as an eviction of Tenant, nor work as an abatement of Rent, nor relieve Tenant from the obligation to fulfill any covenant or agreement hereof. Should any of the equipment or machinery used in the provision of such services for any cause cease to function properly, Tenant shall have no claim for offset or abatement of rent or damages on account of an interruption in service resulting therefrom, except as set forth herein. If Landlord has reasonable control of a service that has been interrupted or terminated and notwithstanding the foregoing, Tenant shall immediately provide written notice to Landlord in the event there is an interruption of essential utility services to be provided by Landlord to the Building such that the Premises are unfit for the conduct of Tenant's business. In the event that such interruption continues for a period in excess of three (3)

consecutive days due to no fault of Tenant and provided that Tenant served notice to Landlord of such interruption in accordance with the immediately prior sentence, then Tenant's Rent shall be abated until such time as essential utility services are restored to the extent that the Premises are fit for the conduct of Tenant's business. If Landlord fails to restore utility services to be provided by Landlord for a period in excess of Ten (10) consecutive days and such interruption is due to no fault of Tenant, then Tenant shall have the option to terminate this Lease by written notice to Landlord or receive a 5 day rent credit for every day utility service is not in service.

(b) Landlord has advised Tenant that presently NV Energy (the "Electric Service Provider") is the utility company selected by Landlord to provide electric service for the Building. Notwithstanding the foregoing, if permitted by law, Landlord shall have the right at any time and from time to time during the term of the Lease to either contract for service from a different company or companies providing electric service (each such company shall hereafter be referred to as "Alternate Service Provider") or to continue to contract for service from the Electric Service Provider. Tenant, at NO expense to Tenant, shall cooperate with Landlord, the Electric Service Provider, and any Alternate Service Provider at all times and, as reasonably necessary, shall allow Landlord, the Electric Service Provider, and any Alternate Service Provider reasonable access to the electric feeder lines, risers wiring and any other machinery within the Premises.

(c) Tenant shall be responsible for electricity, after a separate meter is installed at the sole cost of the Landlord, janitorial, telephone, cable or other data transmission lines, together with any taxes thereon.

4.05 INSURANCE.

(a) Landlord shall maintain property insurance on the Building Shell and appurtenant structures in the Common Building Areas in such amounts as Landlord and any Mortgagees may deem reasonably necessary or appropriate and commercially standard to other commercial office buildings in the immediate area, subject to caps below. The cost of such insurance shall be included within the definition of Operating Costs hereunder. Payments for losses thereunder shall be made solely to Landlord or the Mortgagees as their respective interests shall appear. In addition, Tenant shall obtain and keep in force at all times during the Lease Term, a policy or policies of insurance covering loss or damage to all of the improvements, betterments, personal property, utility installations, trade fixtures, furnishings, income and business contents located within the Premises (including all tenant improvements constructed in the Premises) other than the Building Shell in the amount of one hundred percent (100%) of the full replacement value thereof as reasonably ascertained by the Tenant's insurance carrier against risks of direct physical loss or damage, normally covered in an "all risk" policy (including the perils of flood and surface waters), as such term is used in the insurance industry; provided, however, that Tenant shall have no obligation to insure against earthquake

(b) Lessor agrees to maintain extended fire and casualty insurance

coverage on the leased premises, structures located thereon, and fixtures of Lessor located therein (within 30 days of the date hereof). Lessee agrees to maintain during the entire term of the Lease the following insurance coverage:

- a. The Board of Regents of the Nevada System of Higher Education on behalf of the University of Nevada, Reno is self-insured in accordance with the limitations of NRS 41.0305 to NRS 41.039.
- b. Lessee will be responsible for Fire and extended coverage of Lessee's fixtures, goods, wares and merchandise in or about the leases premises.
- c. Lessor and Lessee agree that Lessor shall be named as an additional insured on the excess liability policy or insurance. Each Party's additional insured obligations to the other shall be for the duties under this Lease. In the event, however, that Lessee discontinues its policy of self-insurance, then, the Lessee shall secure comprehensive public liability insurance in the minimum amount of two million dollars (\$2,000,000.00) for the loss from an accidental or from the malfeasance, misfeasance or nonfeasance of Lessee in the course of conducting its business for a single occurrence. Further, Lessor reserves its rights, also, pursuant to NRS 41.0305 through NRS 41.039.
- d. A letter of self-insurance and a certificate of excess liability insurance from Lessee's insurer must be provided to Lessor by Lessee within 30 days of inception of this Lease for the insurance coverage required by this Paragraph 18.

4.06 WAIVER OF SUBROGATION. Landlord and Tenant shall obtain from the issuers of the insurance policies referred to in Section 4.05(a) a waiver of subrogation provision in said policies and Landlord and Tenant hereby releases and relieves the other, and waives any and all rights of recovery against the other, or against their respective employees, officers, agents and representatives, for loss or damage arising out of or incident to the perils required to be insured against under Section 4.05(a) which perils occur in, on or about the Premises or Building, whether due to the negligence of Landlord or Tenant or their agents, employees, contractors or invitees, but except for gross negligence or willful misconduct.

4.07 LATE CHARGES. Tenant acknowledges that Tenant's failure to pay Base Rent or Additional Rent promptly may cause Landlord to incur unanticipated costs. The exact amount of such costs are impractical or extremely difficult to ascertain. Such costs may include, but are not limited to, processing and accounting charges and late charges which may be imposed on Landlord by any ground lease, mortgage or trust deed encumbering the Premises. Therefore, if Landlord does not receive any Rent payment within ten (10) days after it becomes due, Tenant shall pay Landlord a late charge equal to five percent (5%) of the overdue amount. The parties agree that such late charge represents a fair and reasonable estimate of the costs Landlord will

incur by reason of such late payment. In the event that a late charge is payable hereunder, whether or not collected, for three (3) consecutive installments of Rent, the Rent shall automatically become due and payable by cashier's check for the remainder of the Lease Term (unless otherwise waived by Landlord after a reasonable period of faithful performance).

4.08 INTEREST ON PAST DUE OBLIGATIONS. Any amount owed by Tenant to Landlord which is not paid after five (5) days written notice when due shall bear interest at the rate of (i) Twelve percent (12%) per annum, However, interest shall not be payable on late charges to be paid by Tenant under this Lease. The payment of interest on such amounts shall not excuse or cure any default by Tenant under this Lease. If the interest rate specified in this Lease is higher than the rate permitted by law, the interest rate is hereby decreased to the maximum legal interest rate permitted by law.

4.09 RETURN OF CHECK. If Base Rent or Additional Rent is paid by check and the check is returned to Landlord for any reason whatsoever without payment, Tenant shall be assessed a late charge and interest on past due amount pursuant to Sections 4.07 and 4.08, as well as a One Hundred Dollar (\$100.00) fee. If payment is returned for insufficient funds, Landlord has the right to demand that such payment be in the form of a cashiers or certified check. If Tenant has two (2) or more insufficient funds payments in a twelve (12) month period, Tenant shall, at Landlord's option, make all subsequent payments be in the form of a cashiers or certified check.

4.10 TERMINATION; ADVANCE PAYMENTS. Upon expiration of this Lease or other termination of this Lease not resulting from Tenant's default, and after Tenant has vacated the Premises in the manner required by this Lease, an equitable adjustment shall be made concerning advance rent and other advance payments made by Tenant to Landlord, and Landlord shall refund any unused portion of the Security Deposit (if any) to Tenant, or, if agreed to by all parties in writing, to Tenant's assignee or sub-tenant.

ARTICLE 5 USE OF PROPERTY

5.01 PERMITTED USES. Tenant may use the Premises only for the Permitted Uses set forth in Section 1 .01(r) above.

5.02 MANNER OF USE. Tenant shall not cause or permit the Premises to be used in any way (i) which constitutes (or would constitute) a violation of any Laws, occupancy certificate, the requirements of any board of fire underwriters or similar body, as any of the same now or in the future may exist, or (ii) which annoys or interferes with the rights of tenants or users of the Building, or (iii) which constitutes a nuisance or waste. Tenant, at its sole cost and expense, shall comply with all Laws now in force or which may hereafter be in force regulating the use, occupancy or alterations by Tenant of the Premises. Landlord makes no representation or warranty as to the suitability of the Premises for Tenant's intended use or whether such use complies with all such Laws.

5.03 HAZARDOUS SUBSTANCES.

(a) **Reportable Uses Require Consent.** The term "Hazardous Substance" as used in this Lease shall mean any product, substance, chemical, material or waste whose

presence, nature, quantity and/or intensity of existence, use, manufacture, disposal, transportation, spill, release or effect, either by its self or in combination with other materials expected to be on the Premises, is either: (i) potentially injurious to the public health, safety or welfare, the environment, or the Premises; (ii) regulated or monitored by any governmental authority; or (iii) a basis for potential liability of Landlord to any governmental agency or third party under any applicable statute or common law theory. Hazardous Substance shall include, but not be limited to, hydrocarbons, petroleum, gasoline, crude oil or any products or by-products thereof. Tenant shall not engage in any activity in or about the Premises which constitutes a Reportable Use (as hereinafter defined) of Hazardous Substances without the express prior written consent of Landlord and compliance in a timely manner (at Tenant's sole cost and expense) with all Applicable Requirements (as defined in Section 5.03(d)). "Reportable Use" shall mean (i) the installation or use of any above or below ground storage tank, (ii) the generation, possession, storage, use, transportation, or disposal of a Hazardous Substance that requires a permit from, or with respect to which a report, notice, registration or business plan is required to be filed with, any governmental authority, and (iii) the presence in, on or about the Premises of a Hazardous Substance with respect to which any Applicable Requirements require that a notice be given to persons entering or occupying the Premises or neighboring properties. In addition, Landlord may (but without any obligation to do so) condition its consent to any Reportable Use of any Hazardous Substance by Tenant upon Tenant's giving Landlord such additional assurances as Landlord, in its reasonable discretion, deems necessary to protect itself, the public, the Premises and the environment against damage, contamination or injury and/or liability, including but not limited to the installation (and, at Landlord's option, removal on or before Lease expiration or earlier termination) of reasonably necessary protective modifications to the Premises (such as concrete encasements) and/or the deposit of an additional Security Deposit.

(b) Duty to Inform Landlord. Tenant shall obtain Landlord's written consent, which consent shall be granted or withheld in Landlord's sole discretion, to the manufacturing, processing, distribution, using, producing, treating, storing (above or below ground level), disposing of, or allowing to be present, of any other Hazardous Substance in or about the Premises except for those previously approved in writing by Landlord or used in typical cleaning or standard office use of the Premises. In connection with each such consent requested by Tenant, Tenant shall submit to Landlord a description, including the composition, quantity and all other information requested by Landlord concerning the proposed presence of any Hazardous Substance. Landlord's consent to the presence of any Hazardous Substance may be deemed given only by inclusion of a description of the composition and quantity of the proposed Hazardous Substance on Landlord's written consent to the request. Landlord's consent to the presence of any Hazardous Substance at any time during the Lease Term or renewal thereof shall not waive the requirement of obtaining Landlord's consent to the subsequent presence of any other, or increased quantities of, any Hazardous Substance in or about the Premises. If Tenant knows, or has reasonable cause to believe, that a Hazardous Substance has come to be located in, on, under or about the Premises or the Building, other than as previously consented to by Landlord, Tenant shall immediately give Landlord written notice thereof, together with a copy of any statement, report, notice, registration, application, permit, business plan,

license, claim, action, or proceeding given to, or received from, any governmental authority or private party concerning the presence, spill, release, discharge of, or exposure to, such Hazardous Substance including but not limited to all such documents as may be involved in any Reportable use involving the Premises. Tenant shall not cause or permit any Hazardous Substance to be spilled or released in, on, under or about the Premises (including, without limitation, through the plumbing or sanitary sewer system). If any Hazardous Substance is present in or about the Premises, Landlord shall have the right upon reasonable notice to Tenant to engage a consultant to inspect the Premises and to review Tenant's use of Hazardous Substances and all of Tenant's practices with respect to such Hazardous Substances. Tenant shall cooperate in all respects with such inspections and reviews. All costs of such consultants shall be reimbursed to Landlord within fifteen (15) days of written demand by Landlord.

(d) Tenant's Compliance with Requirements. Tenant shall, at Tenant's sole cost and expense, fully, diligently and in a timely manner, comply with all "Applicable Requirements," which term is used in this Lease to mean all laws, rules, regulations, ordinances, directives, covenants, easements and restrictions of record, permits, the requirements of any applicable fire insurance underwriter or rating bureau, and the recommendations of Landlord's engineers and/or consultants, relating in any manner to the Premises (including but not limited to matters pertaining to (i) industrial hygiene, (ii) environmental conditions on, in, under or about the Premises, including soil and groundwater conditions, and (iii) the use, generation, manufacture, production, installation, maintenance, removal, transportation, storage, spill, or release of any Hazardous Substance), now in effect or which may hereafter come into effect. Tenant shall, within five (5) days after receipt of Landlord's written request, provide Landlord with copies of all documents and information, including but not limited to permits, registrations, manifests, applications, reports and certificates, evidencing Tenant's compliance with any Applicable Requirements specified by Landlord, and shall immediately upon receipt, notify Landlord in writing (with copies of any documents involved) of any threatened or actual claim, notice, citation, warning, complaint or report pertaining to or involving failure by Tenant or the Premises to comply with any Applicable Requirements.

If requested by Landlord in writing, Tenant shall provide Landlord a written certification, also signed by the manager of operations of Tenant at the Premises, certifying that:

(i) Tenant's business has been conducted in full compliance with the Applicable Requirements;

(ii) All Hazardous Substances (if any) related to Tenant's business have been disclosed to Landlord or in said certificate;

(iii) The method and frequency of off-site disposal of Hazardous Substances from the Premises, as described in the certificate, comply with the Applicable Requirements.

(e) Inspection; Compliance with Law. Landlord, Landlord's agents, employees, contractors and designated representatives, and any Mortgagees, shall have the right to enter the Premises at any time in the case of an emergency or during an active remediation, and otherwise at reasonable times with twenty four (24) hour advance written notice, for the purpose of inspecting the condition of the Premises and for verifying compliance by Tenant with this Lease and all Applicable Requirements, and Landlord shall be entitled to employ experts and/or consultants in connection therewith to advise Landlord with respect to Tenant's activities, including but not limited to Tenant's installation, operation, use, monitoring, maintenance, or removal of any Hazardous Substance on or from the Premises. The costs and expenses of any such inspections shall be paid by the party requesting the same, unless a default of this Lease by Tenant or a violation of Applicable Requirements or a contamination, caused or contributed to by Tenant, is found to exist or to be imminent, or unless the inspection is requested or ordered by a governmental authority as the result of any such existing or imminent violation or contamination caused by Tenant. In such case, Tenant shall, upon request, reimburse Landlord or Landlord's Mortgagee, as the case may be, for the costs and expenses of such inspections.

(f) Landlord represents and warrants to Tenant that to the knowledge of Landlord the Premises, the Building containing the Premises (the "Project"), and the parcel of real estate upon which the Project and Building are situated (the "Real Estate") are not the subject of any liens, actions, or proceedings relating to Hazardous Substances (as hereinafter defined) or Environmental Laws (as hereinafter defined) and the Landlord is not a party to any such action or proceeding and the Landlord has received no notice of any such lien, action or proceeding that is pending or threatened. Landlord shall notify Tenant of any subsequent lien, action or proceeding of which Landlord has knowledge that may hereinafter be pending or threatened. To Landlord's knowledge: (a) no Hazardous Substances are or have been located, stored, or disposed on or released or discharged from (including groundwater contamination) the Premises, Project, or Real Estate; (b) the Premises, Project, or Real Estate, and their use and operation currently comply with all federal, state, and local requirements relating to the protection of health and all Environmental Laws, and all necessary permits have been obtained under Environmental Laws; and (c) there is no past or ongoing leakage or spillage of Hazardous Substances from gasoline tanks used or owned by other tenants, which are located in the lower levels of the Project or any migration of Hazardous Substances onto neighboring property.

Provided Tenant, Tenant's invitees, employees, and/or agents have not caused the non-compliance with any Environmental Law, Landlord shall, at no cost or expense to the Tenant as Operating Expense or otherwise, take all actions necessary to comply with all Environmental Laws affecting the Premises, the Real Estate or Project, including, without limitation, removal, containment and remedial actions required by any Environmental Laws or any governmental agencies in the enforcement of Environmental Law affecting the Premises, Real Estate, or Project, and shall indemnify Tenant from and against any and all costs, claims, expenses, damages, liens, losses, and judgments arising out of the presence of Hazardous Substances or Landlord's failure to comply with Environmental Laws.

5.04 SIGNS AND AUCTIONS. Tenant shall be allowed building signage on the Master Building Directory located in the lobby, as well as on the Tenant's entrance to the Premises, on a

one-time basis at Landlord's cost and expense. Any changes to the initial signage shall be at Tenant's sole cost and expense. Subject to the foregoing, Tenant shall not place any signs on the Premises without Landlord's reasonable prior written consent. Tenant shall not conduct or permit any auctions or sheriff's sales at the Premises.

5.05 INDEMNITY.

To the extent limited in accordance with NRS 41.0305 to NRS 41.039 Tenant shall indemnify, defend, and hold harmless Landlord from and against any and all liabilities, claims, losses, lawsuits, judgments, and/o expenses, including attorney fees, arising either directly or indirectly from any act of failure to act by Tenant or any of its officers or employees, which may occur during or which may arise out of the performance of this Agreement. Tenant will assert the defense of sovereign immunity as appropriate in all cases, including malpractice and indemnity actions. Tenant's indemnity obligation for actions sounding in tort is limited in accordance with the provisions of NRS 41.035 to \$100,000.00 per cause of action.

Landlord shall indemnify, defend, and hold harmless Tenant, its officers, employees, and agents from and against any and all liabilities, claims, losses, costs or expenses to the person or property of another, lawsuits, judgment, and/or expenses, including attorney fees, arising either directly or indirectly from any act or failure to act by Landlord or any of its officers or employees, which may occur during or which may arise out of the performance of this Agreement.

5.06 LANDLORD'S ACCESS. Landlord or its agents may enter the Premises at all reasonable times to show the Premises to potential buyers, investors or tenants or other parties (for prospective tenants, only during the last six months of the Term), or for any other purpose Landlord deems necessary. Landlord shall give Tenant twenty four (24) hour prior written notice of such entry, except in the case of an emergency. Landlord may place customary "For Sale" or "For Lease" signs on the Premises.

ARTICLE 6

CONDITION OF PROPERTY; MAINTENANCE, REPAIRS AND ALTERATIONS

6.01 EXISTING CONDITIONS. Except as may be set forth in the Work Letter and the Addendum, Tenant accepts the Premises in its condition "AS-IS" as of the date of execution of this Lease, subject to all recorded matters and Laws and latent defects in the Landlord's Work. Landlord warrants no knowledge of any recorded matters, laws and latent defects which would adversely affect Tenant's proposed use. Tenant acknowledges that neither Landlord nor any employee or agent of Landlord has made any representation as to the suitability of the Premises for Tenant's intended use.

6.02 EXEMPTION OF LANDLORD FROM LIABILITY. Landlord, its officers, managers, directors, shareholders, members, agents, servants and employees shall not be liable for and subject to those limitations set forth in NRS 41.035, Tenant shall indemnify and hold Landlord and its officers, managers, directors, shareholders, members, agents, servants and employees harmless from and against all claims, losses, damages, expenses, penalties and charges arising from or in connection with any damage or injury to the person, business (or any loss of income therefrom), goods, wares, merchandise or other property of Tenant, Tenant's employees, invitees, customers, any other person in or about the Premises, or any other person claiming under Tenant whether such damage or injury is caused by or results from: (a) fire, steam, electricity, water, gas or rain, subject to Section 4.06; (b) the breakage, leakage, obstruction or other defects of pipes,

sprinklers, wires, appliances, plumbing, air conditioning or lighting fixtures or any other cause, subject to Section 4.06; (c) the failure, delay or diminution in the quality or quantity of any utilities or services supplied to the Premises or the Building caused by Tenant; (d) inconvenience or annoyance arising from the necessity of repairing any portion of the Building or the Premises; (e) reasonable temporary interruption in the use of the Premises; (f) the termination of this Lease by reason of the unforeseen destruction of the Premises. Nor shall any of the same be construed as an eviction of Tenant, nor, unless otherwise permitted under this Lease, work an abatement of Rent, nor relieve Tenant from any obligation under this Lease. Without limiting the foregoing, Landlord, its officers, managers, directors, shareholders, members, agents, servants and employees shall not be liable for and Tenant shall hold Landlord and its officers, managers, directors, shareholders, members, agents, servants and employees harmless, subject to those limitations set forth in NRS 41.035, from and against all claims, losses, damages, expenses, penalties and charges arising from or in connection with the following as caused by Tenant, its employees, agents, contractors or invitees: (i) any defect or shortcoming in or failure of plumbing, heating or air conditioning or ventilation systems, elevators, electric wiring or installation thereof, water pipes, stairs, railings or walks; (ii) any equipment or appurtenances becoming out of repair; (iii) the bursting, leaking or running of any tubing, radiant panel fire sprinkler system, electric fixture, valve, fitting, tank, washstand, water closet, waste pipe, drain or other pipe or tank or any other water and/or moisture related release and/or condition and all consequences and/or conditions relating from same, upon or about the Premises or the Building; (iv) the backing up of any sewer pipe or downspout; (v) the escape of steam, hot or cold water; (vi) water, snow or ice being upon or coming through the roof of the Building or any other place upon or near the Premises; (vii) the failing of any fixture, brick, plaster or stucco; (viii) broken glass; (ix) any act or omission of co-tenants or other occupants of the Building; (x) the exercise of any rights by Landlord under this Lease; or (xi) any act or omission of parties other than Landlord, its employees, agents, officers, directors, managers, shareholders, members and servants nor shall any of the foregoing be construed as an eviction of Tenant, nor, unless otherwise permitted under this Lease, work an abatement of Rent, nor relieve Tenant from any obligation under this Lease. The provisions of this Section 6.02 shall not, however, exempt Landlord from liability for Landlord's negligence or willful misconduct. In addition to any limitation of Landlord's liability contained in the Lease, except as expressly set forth in this Lease, Tenant shall have no rights whatsoever to offset or deduct against any Rent or any other sums due Landlord under the Lease for any reason whatsoever, including Landlord's default, nor shall Tenant have any rights at any time to cure any defaults of the Landlord under this Lease.

6.03 LANDLORD'S OBLIGATIONS. Landlord shall, as a part of Operating Costs, perform routine maintenance and repair of all structural and mechanical portions and components of the Building and Premises including, without limitation, plumbing, HVAC and electric lighting service for the Premises and all Common Areas and service areas of the Building in the manner and to the extent reasonably deemed by Landlord to be standard for buildings similar to the Building located in Las Vegas, Nevada, and required by any applicable building codes. Notwithstanding the above, if any of the tenant improvements in the Premises are not Building standard, in the work letter of this lease or approved by Landlord in Writing, such as but not limited to, lighting fixtures, repair or replace shall be a direct responsibility of the Tenant and shall not be part of the Operating Costs. Landlord shall have no obligation to make repairs under this Section 6.03 until a reasonable time after Landlord receives written notice from Tenant of the need of such repairs.

In the event Landlord shall fail to perform or observe any of the covenants, provisions or conditions contained in this Lease on its part to be performed or observed and such failure shall continue for thirty (30) days, unless such is an emergency (requiring no notice) or reasonably adversely affecting Tenant in which Landlord shall take diligent steps to cure immediately, after receipt of written notice of default from Tenant, (except that if such failure cannot be cured within said thirty (30) day period this period shall be extended for a reasonable additional time provided that Landlord commences to cure within said thirty (30) day period and proceeds diligently thereafter to effect such cure), Landlord shall be responsible to Tenant for all damages sustained by Tenant as a result of Landlord's breach. If the Landlord fails to timely remedy a default or make repairs that Landlord is obligated to perform under this Lease, or to commence to timely cure such default if the default is not curable within said thirty (30) days, and diligently proceed to complete such curing, the Tenant shall have the right to cure the default at Landlord's cost or make such repairs at Landlord's costs, and be reimbursed promptly by Landlord. Such repairs shall be performed at competitive market rates.

6.04 TENANT'S OBLIGATIONS.

(a) Tenant shall, at Tenant's sole cost and expense, keep all portions of the Premises in good order, condition and repair, normal wear and tear excepted..

(b) If Tenant fails to maintain or repair the Premises for damages directly caused by Tenant as required by this Section 6.04, Landlord may, upon thirty (30) days' prior notice to Tenant (except that no notice shall be required in the case of an emergency), enter the Premises and perform such maintenance or repair on behalf of Tenant. In such event shall reimburse Landlord for all costs incurred in performing such maintenance or repair, including five percent (5%) of such costs for Landlord's supervision, immediately upon demand.

6.05 ALTERATIONS, ADDITIONS, AND IMPROVEMETS.

(a) Tenant shall not make any structural alterations, additions, or improvements to the Premises without Landlord's prior written consent, which may be withheld in Landlord's reasonable discretion, including, without limitation, any alterations, additions, or improvements to the exterior of the Premises or the Building (including signage). Tenant shall not need to obtain Landlord approval for minor, non-code/permit required improvements that would not exceed \$2,500. Tenant shall deliver to Landlord, for Landlord's approval prior to any construction, a complete set of plans and specifications for the proposed alterations, additions or improvements, copies of contracts with general contractors, evidence of contractor's insurance and bonds, and all necessary permits for such construction. Landlord may require Tenant to provide demolition and/or lien and completion bonds in form and amount satisfactory to Landlord. Tenant shall promptly remove any alterations, additions, or improvements constructed in violation of this Section 6.05(a) upon Landlord's written request. All alterations, additions, and improvements will be accomplished in a good and workmanlike manner, in conformity with all applicable Laws, and by a contractor approved by Landlord. Landlord's approval of the plans, specifications and working drawings for Tenant's alterations shall create no responsibility

or liability on the part of Landlord for their completeness, design, sufficiency, or compliance with all laws, rules and regulations of governmental agencies or authorities. Upon completion of any such work, Tenant shall provide Landlord with "as built" plans, copies of all construction contracts, proof of payment for all labor and materials and certificates of completion and/or occupancy from the applicable governmental municipalities.

(b) Tenant shall pay when due all claims for labor and material furnished to the Premises. Tenant shall give Landlord at least ten (10) days prior written notice of the commencement of any Structural work and/or work that will exceed \$2,500 on the Premises. Landlord may elect to record and post notices of non-responsibility on the Premises. Tenant will not permit to be created or to remain undischarged any lien, encumbrance or other charge (arising out of any work done or materials or supplies furnished by any contractor, subcontractor, mechanic, laborer or materialman or any mortgage, conditional sale, security agreement or chattel mortgage, or otherwise by or for Tenant) which might be or become a lien or encumbrance or other charge (collectively a "Charge") against or upon the Premises, the Building or any part thereof. If any claim or lien or notice of claim or lien on account of an alleged debt of Tenant or any notice of contract or Charge by a person engaged by Tenant or Tenant's contractor to work on the Premises shall be filed against or upon the Premises, the Building or any part thereof, Tenant shall within fifteen (15) days after demand from Landlord cause the same to be discharged of record by payment, deposit, bond, order of a court of competent jurisdiction or otherwise. If Tenant shall fail to cause such claim or lien or notice of claim or lien or other Charge to be discharged within the period aforesaid, then, in addition to any other right or remedy it may have, Landlord may, but shall not be obligated to, discharge the same by payment, deposit or by bonding proceedings, and in any such event Landlord shall be entitled, if Landlord so elects, to compel the prosecution of an action for the foreclosure of the same by the claimant and to pay the amount of any judgment in favor of the claimant with interest, costs and allowances. Any amount so paid by Landlord and all interest, costs and expenses, including reasonable attorney's fees, incurred by Landlord in connection therewith shall constitute additional rent payable by Tenant under the Lease and shall be paid by Tenant to Landlord on demand. No work which Landlord permits Tenant to do shall be deemed to be for the immediate use and benefit of Landlord and no mechanics' or other claim, lien or other Charge shall be allowed against the estate, rights, title or interests of Landlord by reason of any consent given by Landlord to Tenant to do work in or about the Premises or provide materials therefore. Prior to commencement of any work or the delivery of any material to the Premises by any contractor, subcontractor or materialman (herein collectively called "Contractor"), Tenant shall deliver to the Landlord a signed and acknowledged waiver (or release) of liens from each such Contractor in a form approved by Landlord, and, to the extent permitted by law, Tenant shall at Tenant's expense cause a duly executed and notarized counterpart of any such waiver or release to be recorded in the Office of the Clark County Recorder.

6.06 CONDITION UPON TERMINATION. Upon the termination of this Lease, Tenant shall surrender the Premises to Landlord, broom clean and in the same condition as received, except for ordinary wear and tear which Tenant was not otherwise obligated to remedy under any provision of this Lease. In addition, Landlord may require Tenant to remove any

alterations, additions or improvements after the initial Landlord Work and to restore the Premises to its prior condition, all at Tenant's expense. All alterations, additions and improvements which Landlord has not required Tenant to remove shall become Landlord's property and shall be surrendered to Landlord upon the termination of the Lease, except that Tenant may remove any of Tenant's machinery, equipment or personal property which can be removed without material damage to the Premises. Tenant shall repair, at Tenant's expense, any damage to the Premises caused by the removal of any such machinery or equipment. In no event, however, shall Tenant remove any of the following materials or equipment without Landlord's prior written consent: any power wiring or power panels; affixed lighting or lighting fixtures; wall coverings; drapes, blinds or other window coverings; carpets or other attached floor coverings; heaters, air conditioners or any other heating or air conditioning equipment that is attached to the premises; fencing or security gates; or other similar building operating equipment.

ARTICLE 7

DAMAGE OR DESTRUCTION

7.01 PROPERTY DAMAGE. If the Premises or any part thereof shall be damaged by fire or other peril, Tenant shall give prompt written notice thereof to Landlord. In case the Building shall be so damaged that substantial alteration, repair or reconstruction of any portion of the Building shall, in Landlord's sole opinion, be required (whether or not the Premises shall have been damaged by such peril) or in the event any Mortgagee shall require that the insurance proceeds payable as a result of a peril be applied to the payment of the mortgage debt or in the event of any material uninsured loss to the Building, Landlord may, at its option, terminate this Lease by notifying Tenant in writing of such termination within ninety (90) days after the date of such casualty. If, under the reasonable estimation of a licensed third-party contractor, the restoration cannot be completed within one hundred eighty (180) days, then either party may elect to cancel this Lease by thirty (30) days written notice to the other. If Landlord does not thus elect to terminate this Lease, Landlord shall, as Landlord's sole obligation, commence and proceed with reasonable diligence to restore the Building Shell and Tenant Improvements (as defined in the Work Letter) to substantially the same condition in which it was immediately prior to the occurrence of the peril to the extent of the insurance proceeds available to Landlord. When the Building Shell and Tenant Improvements (as defined in the Work Letter) have been restored by Landlord, Landlord or Tenant, at Landlord's option, shall complete the restoration of the Premises, including the reconstruction of all improvements in order to complete the Premises and restore the Premises to the same condition and build-out as prior to the casualty. However, in no event shall Landlord's costs to complete the restoration exceed the insurance proceeds. If Tenant is responsible for such restoration of the Premises, any plans and specifications for such restoration and reconstruction and the contractor retained by Tenant for such restoration and reconstruction shall be subject to the reasonable approval of Landlord. Any shortfall between the amount of insurance proceeds and the actual costs of such reconstruction shall be deposited by Tenant prior to the commencement of such reconstruction and, if additional costs occur, immediately upon demand. All insurance proceeds payable pursuant to policies maintained by Tenant pursuant to Section 4.05 shall be applied by Tenant to such reconstruction. Landlord shall not be liable for any inconvenience or annoyance to Tenant or injury to the business of Tenant resulting in any way from such damage or the repair thereof, except as set forth in Section 7.02 below, unless such damage was caused by the negligence or willful misconduct of Landlord or its agents, servants, employees, invitees or contractors. Notwithstanding anything in the Lease to the contrary, Tenant's

rights to any insurance proceeds as described in this Section 7.01 shall be subject and subordinate to the rights of any Mortgagee.

7.02 REDUCTION OF RENT. If the Premises is destroyed or damaged and Landlord or Tenant repairs or restores the Premises pursuant to the provisions of this Article Seven, any Base Rent payable during the period commencing as of the date of the casualty and continuing for the period of time, required for Tenant and Landlord to complete the repairs described in this Article Seven, due to such damage, repair and/or restoration shall be reduced according to the degree, if any, to which Tenant's use of the Premises is impaired as of the date of the casualty as determined by Landlord. If any casualty is the result of the fault or negligence of Tenant or any of Tenant's agents, employees or invitees, the Base Rent hereunder shall not be diminished during the repair of such damage. In the event this Lease is terminated pursuant to this Article Seven, such termination shall be effective as of the date of the casualty.

ARTICLE 8 CONDEMNATION

8.01 CONDEMNATION. If the whole or substantially the whole of the Building or the Premises shall be taken for any public or quasi-public use, by right of eminent domain or otherwise or shall be sold in lieu of condemnation, then this Lease shall terminate as of the date when physical possession of the Building or the Premises is taken by the condemning authority. If less than the whole or substantially the whole of the Building or the Premises is thus taken or sold, either Landlord or Tenant (whether or not the Premises are affected thereby) may terminate this Lease by giving written notice thereof to the other party; in which event this Lease shall terminate as of the date when physical possession of such portion of the Building or Premises is taken by the condemning authority. If the Lease is not so terminated upon any such taking or sale, the Rent payable hereunder shall be diminished by an equitable amount, and Landlord shall, to the extent Landlord deems feasible, restore the Building and the Premises to substantially their former condition, but such work shall not exceed the scope of the work done by Landlord in originally constructing the Building and installing improvements in the Premises, nor shall Landlord in any event be required to spend for such work an amount in excess of the amount received by Landlord as compensation for such taking. All amounts awarded upon a taking of any part or all of the Building or the Premises shall belong to Landlord, and Tenant shall not be entitled to and expressly waives all claims to any such compensation. Notwithstanding the foregoing, Tenant shall have the right to pursue an award with the condemning authority solely for Tenant's personal property.

ARTICLE 9 ASSIGNMENT AND SUBLETTING

9.01 LANDLORD'S CONSENT REQUIRED. No portion of the Premises or of Tenant's interest in this Lease may be acquired by any other person or entity, whether by assignment, mortgage, sublease, license, transfer, operation of law, or act of Tenant, without Landlord's prior written consent, which consent shall not be unreasonably withheld, conditioned

or delayed. Any attempted transfer without consent shall be void and shall constitute a non-curable breach of this Lease.

9.02 LANDLORD'S ELECTION. Tenant's request for consent to any transfer described in Section 9.01 above shall be accompanied by a written statement setting forth the details of the proposed transfer, including the name, business and financial condition of the prospective transferee, financial details of the proposed transfer (e.g., the term of and rent and security deposit payable under any assignment or sublease), and any other information Landlord deems relevant. Landlord shall have the right in Landlord's reasonable discretion (a) to withhold consent; (b) to grant consent; or (c) to exercise its rights pursuant to Section 9.02(b). If Landlord consents to any sublease and Tenant receives rent or other consideration, either initially or over the term of a sublease, in excess of the Rent called for hereunder, or, in case of the sublease of a portion of the Premises, in excess of such Rent fairly allocable to such portion ("Profits"), then Tenant shall pay Landlord, as Additional Rent hereunder, promptly after its receipt, fifty percent (50%) of such Profits, after an equitable deduction for any transaction costs.

(a) Except for any permitted transfer to an affiliate of Tenant, in the event that Tenant requests (the "Request Notice") that Landlord consent to any transfer described in Section 9.01 of all or any part of the Premises, in lieu of approving or disapproving such transfer, Landlord shall have the right and option (the "Recapture Option"), exercisable by Landlord giving Tenant written notice within thirty (30) days after Landlord's receipt of the Request Notice, of terminating the Lease with respect to the Premises, or any part thereof, which is the subject of the Request Notice. If Landlord elects to exercise such Recapture Option as to the entire Premises, the Lease shall terminate effective on the thirtieth (30th) day after the date of Landlord's written notice of Landlord's exercise thereof, whereupon the Rent shall be adjusted as of the date of such termination and the parties shall be released thereby without further obligation to the other party coincident with the surrender of possession of the Premises to the Landlord, except for items which have theretofore accrued and are then unpaid and except for obligations of Tenant which survive the expiration or termination of this Lease. If Landlord elects to exercise such Recapture Option as to only part of the Premises, the Lease shall terminate only as to such portion effective on the thirtieth (30th) day after the date of Landlord's written notice of Landlord's exercise thereof, whereupon the Rent payable under the Lease shall be reduced in the proportion that the Tenant's Rentable Square Feet of the released portion of the Premises bears to the total Tenant's Rentable Square Feet of the Premises immediately prior to the exercise of the Recapture Option. As a result of the exercise of the Recapture Option as to only part of the Premises, Landlord, its successors and assigns, shall also be granted by Tenant, without charge, such rights of access to the remainder of the Premises as were to be given to the proposed transferee and as is reasonable and necessary to permit occupancy of the recaptured portion of the Premises. The Recapture Option shall not be exhausted by any one exercise thereof by Landlord, but shall be exercisable from time to time and as often as there is any transfer described in Section 9.01. The Recapture Option may be exercised by any assignee of Landlord's right, title and interest in the Lease or any other person which at the time of the Request Notice is Landlord under the Lease. If after receipt of the Request Notice, Landlord requests reasonable additional or further information which Landlord reasonably requires to consider a transfer described in Section 9.01, Tenant shall deliver such reasonable information to Landlord upon Landlord's request and the

period for Landlord to exercise the Recapture Option shall be extended by the number of days between Landlord's request for Landlord's receipt of such additional or further information.

9.03 NO RELEASE OF TENANT. No transfer consented to by Landlord, shall release Tenant or change Tenant's primary liability to pay the rent and to perform all other obligations of Tenant under this Lease unless otherwise agreed to in writing between Landlord and Tenant. Upon the occurrence of any default under this Lease, Landlord may proceed directly against Tenant without the necessity of exhausting any remedies against any subtenant or assignee. Upon termination of this Lease, any permitted subtenant shall, at Landlord's option, attorn to Landlord and shall pay all Rent directly to Landlord. Landlord's acceptance of Rent from any other person shall not constitute a waiver of any provision of this Article Nine. Consent to one transfer shall not constitute a consent to any subsequent transfer. Landlord may consent to subsequent assignments or modifications of this Lease by Tenant's transferee, without notifying Tenant or obtaining its consent. Such action shall not relieve Tenant of its liability under this Lease.

9.04 NO MERGER. No merger shall result from Tenant's sublease of the Premises under this Article Nine, Tenant's surrender of this Lease or the termination of this Lease in any other manner. In any such event, Landlord may terminate any or all sub-tenancies or succeed to the interest of Tenant as sub-landlord thereunder.

ARTICLE 10 DEFAULTS; REMEDIES

10.01 COVENANTS AND CONDITIONS. Tenant's performance of each of Tenant's obligations under this Lease is a condition as well as a covenant. Tenant's right to continue in possession of the Premises is conditioned upon such performance. Time is of the essence in the performance of all covenants and conditions.

The Landlord covenants and agrees that so long as the Tenant performs all of its obligations under this Lease, the Tenant shall have quiet enjoyment of the Premises and all appurtenances thereto and Landlord shall not, during the term of this Lease, in any manner, interfere with, or disturb, the quiet enjoyment and use by the Tenant, or any lawful Premises occupants under this Lease. Landlord's right to enter upon the Premises to repair or to exercise or perform any other right or obligation under the terms of this Lease shall be exercised in a manner consistent with the Tenant's right of quiet enjoyment as set forth herein subject to the terms and conditions of this Lease.

10.02 DEFAULTS. Landlord and Tenant agree that the terms of this Lease shall govern any default of Tenant hereunder, except to the extent that such terms are inconsistent with any applicable Landlord-Tenant laws, in which case the applicable laws shall govern. Tenant shall be in material default under this Lease:

- (a) If Tenant abandons the Premises or if Tenant vacates the Premises for Sixty (60) consecutive days, coupled with a failure to pay rent when due;

(b) If Tenant fails to pay Rent or any other charge required to be paid by Tenant, as and when due after Thirty(30) days written notice from Landlord notifying Tenant it is past due;

(c) If Tenant fails to perform any of Tenant's non-monetary obligations under this Lease for a period of thirty (30) business days after written notice from Landlord; provided that if more than thirty (30) business days are required to complete such performance, Tenant shall not be in default if Tenant commences such performance within such Thirty (30) day period and thereafter diligently pursues its completion;

(d) If Tenant makes a general assignment or general arrangement for the benefit of creditors; (ii) if a petition for adjudication of bankruptcy or for reorganization or rearrangement is filed by or against Tenant and is not dismissed within thirty (30) days; (iii) if a trustee or receiver is appointed to take possession of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease and possession is not restored to Tenant within thirty (30) days; or (iv) if substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease is subjected to attachment, execution or other judicial seizure which is not discharged within thirty (30) days. If a court of competent jurisdiction determines that any of the acts described in this Section (d) is not a default under this Lease, and a trustee is appointed to take possession (or if Tenant remains a debtor in possession) and such trustee or Tenant transfers Tenant's interest hereunder, then Landlord shall receive, as Additional Rent, the difference between the rent (or any other consideration) paid in connection with such assignment or sublease and the rent payable by Tenant hereunder;

10.03 REMEDIES. On the occurrence of any default by Tenant, Landlord may, at any time thereafter, with or without notice or demand and without limiting Landlord in the exercise of any right or remedy which Landlord may have:

(a) Terminate Tenant's right to possession of the Premises by any lawful means, in which case this Lease shall terminate and Tenant shall immediately surrender possession of the Premises to Landlord, or, if permitted by applicable Law, Landlord shall have the right to effect a lock out of Tenant from the Premises, in which event Tenant hereby releases Landlord from any and all damages including but not limited to damages related to interruption of Tenant's business. Landlord shall make reasonable efforts to mitigate any damages resulting from Tenant's default, including using diligent efforts to relet the Leased Premises on such terms and conditions existing within this Lease. In such event, Landlord shall be entitled to recover from Tenant all damages incurred by Landlord by reason of Tenant's default, including without limitation (i) the worth at the time of the award of the unpaid Base Rent, Additional Rent and other charges which had been earned at the time of the termination; (ii) the worth at the time of the award of the amount by which the unpaid Base Rent, Additional Rent and other charges which would have been earned after termination until the time of the award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; (iii) the worth at the time of the award of the amount by which the unpaid Base Rent, Additional Rent and other charges which would have been paid for the balance of the Lease Term after the time of award exceeds

the amount of such rental loss that Tenant proves could have been reasonably avoided; and (iv) any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under the Lease or which in the ordinary course of things would be likely to result therefrom, including, but not limited to, any reasonable costs or expenses incurred by Landlord in maintaining or preserving the Premises after such default, the cost of recovering possession of the Premises, expenses of reletting, including necessary renovation or alteration of the Premises, Landlord's reasonable attorneys' fees incurred in connection therewith, and any real estate commission paid or payable. As used in subparts (i) and (ii) above, the "worth at the time of the award" is computed by allowing interest on unpaid amounts at the rate of Twelve percent (12%) per annum, or such lesser amount as may then be the maximum lawful rate, accruing the date such payments are due until paid. As used in subpart (iii) above, the "worth at the time of the award" is computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of the award, plus one percent (1%);

(b) Maintain Tenant's right to possession, in which case this Lease shall continue in effect whether or not Tenant shall have abandoned the Premises. In such event, Landlord shall be entitled to enforce all of Landlord's rights and remedies under this Lease, including the right to recover Rent as it becomes due hereunder. Landlord's election to maintain Tenants right to possession shall not prejudice Landlord's right, at any time thereafter to terminate Tenant's right to possession and proceed in accordance with Section 10.03(a) above;

(c) Pursue any other remedy now or hereafter available to Landlord under the laws or judicial decisions of the State of Nevada.

10.04 CUMULATIVE REMEDIES. Landlord's exercise of any right or remedy shall not prevent it from exercising any other right or remedy.

ARTICLE 11 PROTECTION OF LENDERS

11.01 SUBORDINATION. Landlord shall have the right to subordinate this Lease to any deed of trust or mortgage encumbering the Premises, any advances made on the security thereof and any renewals, modifications, consolidations, replacements or extensions thereof, whenever made or recorded. However, Tenant's right to quiet possession of the Premises during the Lease Term shall not be disturbed if Tenant pays the rent and performs all of Tenant's obligations under this Lease and is not otherwise in default. If any Mortgagee elects to have this Lease prior to the lien of its ground lease, deed of trust or mortgage and gives written notice thereof to Tenant, this Lease shall be deemed prior to such ground lease, deed of trust or mortgage whether this Lease is dated prior or subsequent to the date of said ground lease, deed of trust or mortgage or the date of recording thereof. If in connection with obtaining construction, interim or permanent financing for the Building, the lender shall request modifications to this Lease as a condition to such financing, Tenant will not unreasonably withhold or delay its consent thereto, provided that such modifications do not increase the obligations of Tenant hereunder and do not otherwise materially adversely affect Tenant's rights hereunder.

11.02 ATTORNMENT. If Landlord's interest in the Premises is acquired by any ground Landlord, beneficiary under a deed of trust, mortgagee, or purchaser at a foreclosure sale, Tenant shall attorn to the transferee of or successor to Landlord's interest in the Premises and recognize such transferee or successor as Landlord under this Lease.

11.03 SIGNING OF DOCUMENTS. Tenant shall sign and deliver any instruments or documents necessary or appropriate to evidence any such attornment or subordination or agreement to do so. Such subordination and attornment documents may contain such provisions as are customarily required by any ground Landlord, beneficiary under a deed of trust or mortgagee. If Tenant fails to do so within twenty (20) business days after written request, Tenant shall be deemed to have approved and accepted such instrument.

11.04 ESTOPPEL CERTIFICATES.

(a) Upon Landlord's written request, Tenant shall execute, acknowledge and deliver to Landlord a written statement certifying, if applicable; (i) that none of the terms or provisions of this Lease have been changed (or if they have been changed, stating how they have been changed); (ii) that this Lease has not been canceled or terminated; (iii) the last date of payment of the Base Rent and other charges and the time period covered by such payment; (iv) that to the Tenant's knowledge that Landlord is not in default under this Lease (or, if Landlord is claimed to be in default, stating why); (v) that the Work (as defined in the Work Letter) has been substantially completed by Landlord, if Landlord was responsible for the construction of the Work, or stating any items of such Work which are not substantially completed; and (vi) such other matters as may be reasonably required by Landlord or the holder of a mortgage, deed of trust or lien to which the Premises is or becomes subject. Tenant shall deliver such statement to Landlord within twenty (20) business days after Landlord's request. Any such statement by Tenant may be given by Landlord to any prospective purchaser or encumbrancer of the Premises. Such purchaser or encumbrancer may rely conclusively upon such statement as true and correct.

(b) If Tenant does not deliver such statement to Landlord within such twenty (20) business day period, Landlord, and any prospective purchaser or encumbrancer, may conclusively presume and rely upon the following facts: (i) that the terms and provisions of this Lease have not been changed except as otherwise represented by Landlord; (ii) that this Lease has not been canceled or terminated except as otherwise represented by Landlord; (iii) that not more than one month's Base Rent or other charges have been paid in advance; and (iv) that Landlord is not in default under the Lease. In such event, Tenant shall be estopped from denying the truth of such facts. The failure of Tenant to provide such written statement shall constitute a material default under this Lease and Tenant shall be liable for all of Landlord's actual damages resulting from such failure.

11.05 TENANTS FINANCIAL CONDITION. Intentionally deleted.

ARTICLE 12 LEGAL COSTS

12.01 LEGAL PROCEEDINGS. If any action for breach of or to enforce the provisions of this Lease is commenced, the court in such action shall award to the party in whose favor a judgment is entered, a reasonable sum as attorneys' fees and costs.

12.02 LANDLORD'S CONSENT. Tenant shall pay Landlord's reasonable attorneys' fees, not to exceed \$500, incurred in connection with Tenants request for Landlord's consent under Article Nine (Assignment and Subletting), or in connection with any other act which Tenant proposes to do and which requires Landlord's consent or waiver.

ARTICLE 13 MISCELLANEOUS PROVISIONS

13.01 NON-DISCRIMINATION. Tenant promises, and it is a condition to the continuance of this Lease, that there will be no discrimination against, or segregation of, any person or group of persons on the basis of age, race, color, sex, creed, national origin, sexual orientation or ancestry in the leasing, subleasing transferring, occupancy, tenure or use of the Premises or any portion thereof.

13.02 LANDLORD'S LIABILITY. As used in this Lease, the term "Landlord" means only the current owner or owners of the fee title to the Premises or the leasehold estate under a ground lease of the Premises at the time in question. Each Landlord is obligated to perform the obligations of Landlord under this Lease only during the time such Landlord owns such interest or title. However, each Landlord shall deliver to its transferee all funds previously paid by Tenant if such funds have not yet been applied under the terms of this Lease. Notwithstanding anything to the contrary contained in the Lease, Tenant agrees that it shall look solely to the estate and the property of Landlord in the land and Building of which the Premises are a part (subject to the prior rights of any Mortgagee in the building) for the collection of any judgment (or other judicial process) requiring the payment of money by Landlord or its officers, directors, managers, shareholders, members, employees, contractors, servants and/or agents in the event of any default or breach by Landlord or its officers, directors, managers, shareholders, members, employees, contractors, servants and/or agents with respect to any of the terms, covenants, and conditions of this Lease to be observed or performed by Landlord or any other liability of Landlord or its officers, directors, managers, shareholders, members, employees, contractors, servants and/or agents in connection, directly or indirectly, with this Lease, and no other assets of Landlord or its officers, directors, managers, shareholders, members, employees, contractors, servants and/or agents shall be subject to levy, execution or other procedures for the satisfaction of Tenant's remedies.

13.03 SEVERABILITY. A determination by a court of competent jurisdiction that any provision of this Lease or any part thereof is illegal or unenforceable shall not cancel or invalidate the remainder of such provision or this Lease, which shall remain in full force and effect.

13.04 INTERPRETATION. The captions of the Articles and Sections of this Lease are to assist the parties in reading this Lease and are not a part of the terms or provisions of this Lease. Whenever required by the context of this Lease, the singular shall include the plural and the plural

shall include the singular. The masculine, feminine and neuter genders shall each include the other. In any provision relating to the conduct, acts or omissions of Tenant, the term "Tenant" shall include Tenant's agents, employees, contractors, invitees, successors or others using the Premises with Tenant's expressed or implied permission.

13.05 INCORPORATION OF PRIOR AGREEMENTS; MODIFICATIONS. This Lease is the only agreement between the parties pertaining to the lease of the Premises, and no other agreements are effective. All amendments to this Lease shall be in writing and signed by all parties. Any other attempted amendment shall be void.

13.06 NOTICES. All notices required or permitted under this Lease shall be in writing and shall be personally delivered or sent by a nationally recognized overnight courier or sent by certified mail, return receipt requested, postage prepaid. Notices to Tenant shall be delivered to Tenant's Address specified in Section 1.01(v) above, except that upon Tenant's taking possession of the Premises, the Premises shall be Tenant's address for notice purposes. Notices to Landlord shall be delivered to Landlord's Address specified in Section 1.01(k) above. Notices deposited in the mail in the manner hereinabove described shall be effective from and after the expiration of three (3) calendar days after it is so deposited. All other notices shall be effective upon delivery or attempted delivery in accordance with this Section 13.06. Either party may change its notice address upon written notice to the other party.

13.07 WAIVERS. All waivers must be in writing and signed by the waiving party. Landlord's or Tenant's failure to enforce any provision of this Lease or its acceptance of rent shall not be a waiver and shall not prevent Landlord from enforcing that provision or any other provision of this Lease in the future. No statement on a payment check from Tenant or in a letter accompanying a payment check shall be binding on Landlord, and Landlord may, with or without notice to Tenant, negotiate such check without being bound to the conditions of such statement.

13.08 NO RECORDATION. Tenant shall not record this Lease without prior written consent from Landlord. However, either Landlord or Tenant may require that a "short form" memorandum of this Lease executed by both parties be recorded; provided that, in such event, Tenant hereby covenants and agrees that, upon the expiration or earlier termination of the Lease Term, Tenant will execute and deliver a quitclaim deed to Landlord in form reasonably satisfactory to Landlord, in favor of Landlord, or Landlord's successor in interest, releasing and conveying any and all right, title, or interest of Tenant in the Premises, the Building and the Project.

13.09 BINDING EFFECT; CHOICE OF LAW. This Lease binds any who legally acquires any rights or interest in this Lease from Landlord or Tenant. However, Landlord shall have no obligation to Tenant's successor unless the rights or interests of Tenant's successor are acquired in accordance with the terms of this Lease. This Lease shall be governed by and construed in accordance with the laws of the State of Nevada.

13.10 CORPORATE AUTHORITY; PARTNERSHIP AUTHORITY. If Tenant is a corporation, each person signing this Lease on behalf of Tenant represents and warrants that he has full authority to do so and that this Lease binds the corporation. If Tenant is a partnership or limited liability company, each person signing this Lease for Tenant represents and warrants that he is a general partner of the partnership or member or manager of the limited liability company,

that he has full authority to sign for the partnership or limited liability company and that this Lease binds the partnership or limited liability company and, in the case of a partnership, all general partners of the partnership. Tenant shall give written notice to Landlord of any general partners or member's withdrawal or addition. Within thirty (30) days after this Lease is signed, Tenant shall deliver to Landlord a copy of Tenant's recorded statement of partnership, certificate of limited partnership or articles of organization. In the event Tenant is other than an individual, concurrently with Tenant's execution of this Lease, Tenant shall provide to Landlord a certificate of good standing or its equivalent that confirms that Tenant is duly qualified to do business in the state in which the Premises is located.

13.11 FORCE MAJEURE. If Landlord or Tenant cannot perform any of its obligations (other than Tenant's obligation to pay Rent) due to events beyond its control, the time provided for performing such obligations shall be extended by a period of time equal to the duration of such events. Events beyond Landlord's or Tenant's control include, but are not limited to, acts of God, war, civil commotion, labor disputes, strikes, fire, flood or other casualty, shortages of labor or material, governmental regulation or restriction and weather conditions.

13.12 EXECUTION OF LEASE. This Lease may be executed in counterparts, and, when all counterpart documents are executed, the counterparts shall constitute a single binding instrument. The delivery of this Lease by Landlord to Tenant shall not be deemed to be an offer and shall not be binding upon either party until executed and delivered by both parties.

13.13 BROKERS AND LEASING AGENTS. Landlord represents and warrants to Tenant, and Tenant represents and warrants to Landlord, that no broker, leasing agent or finder has been engaged by it other than Landlord's Broker (if any) specified in Section 1.01(k) and Tenant's Broker (if any) specified in Section 1.01(w) in connection with any of the transactions contemplated by this Lease, or to its knowledge is in any way connected with any of such transactions. Subject to the terms and conditions of a written commission agreement ("Commission Agreement") entered into between Landlord and Tenant's Broker (if any), Landlord shall be responsible for the payment of a commission to Tenant's Broker in accordance with the Commission Agreement. In the event of any claims for broker's or finders' fees or commissions in connection with the negotiation, execution or consummation of this Lease other than by Landlord's Broker (if any) or Tenant's Broker (if any), Tenant shall indemnify, save harmless and defend Landlord from and against such claims if they shall be based upon any statement or representation or agreement made by Tenant, and Landlord shall indemnify, save harmless and defend Tenant if such claims shall be based upon any statement, representation or agreement made by Landlord.

13.14 RULES AND REGULATIONS. Tenant shall reasonably observe and comply with the "Rules and Regulations," a copy of which is Exhibit "C" attached hereto and incorporated herein by this reference, and all reasonable modifications thereof and additions thereto from time to time put into effect by Landlord upon written notice to Tenant. Landlord shall not be responsible to Tenant for the violation or non-performance by any other tenant or occupant of the Building of any of said Rules and Regulations, but will make reasonable efforts to enforce such.

13.15 BUILDING PLANNING. Intentionally deleted.

13.16 WAIVER OF JURY TRIAL. To the extent such waiver is permitted by law, the parties hereto waive trial by jury in any action or proceeding brought in connection with this Lease.

13.17 LEED CERTIFICATION. LaPour Corporate Center is a LEED Certified building. In connection with the foregoing, Tenant acknowledges and agrees that it shall not permit smoking by its employees, invitees, contractors or agents inside the Building or within one hundred feet (100') of the Building's entries, outdoor air intakes and operable windows. Use of designated smoking areas by the dumpsters is encouraged.

LaPour Corporate Center follows a LEED Green Cleaning Policy (IEQp3) to maintain the Project's commitment to environmentally effective Operations and Maintenance. This Policy is applicable to those areas of the Project that are controlled by Landlord. This Policy applies to all cleaning procedures, cleaning material purchases, and cleaning services that occur inside, and on the building site and grounds for LaPour Corporate Center. Tenants are encouraged to follow the Green Cleaning Policy for any areas not controlled by Landlord.

LaPour Corporate Center follows a recycling program. There are separate dumpsters for recycling and waste materials. Everything can be recycled, except food waste and bathroom waste. Tenants are encouraged to follow the recycling program.

Tenant has received a copy of the LaPour Corporate Center's LEED Tenant Design and Construction Guidelines and is encouraged to follow green practices to insure maximum performance of the entire Building. Tenant is obligated to comply with the requirements stated in the Tenant Design and Construction Guidelines for Indoor Environmental Quality Credit 4.1 (EQc4.1). Intent of EQc4.1 is to reduce the quantity of indoor air contaminants that are odorous, irritating and/or harmful to the comfort and well-being of installers and occupants. Requirements for this credit include that all adhesives and sealants used on the interior of the building shall comply with the requirements of the reference standards detailed under this credit in the Tenant Design and Construction Guidelines, Tenant shall also reference the Building Standards and Specifications for requirements mandated to comply with the LEED Energy and Atmosphere Prerequisite 2 in order to maintain the target energy efficiency for the Building and systems. Tenant is further encouraged to utilize environmentally sensitive materials and practices at the Project.

IN WITNESS WHEREOF, Landlord and Tenant have signed this Lease in the State of Nevada on the day and year first above written.

TENANT:

BOARD OF REGENTS OF THE NEVADA SYSTEM OF HIGHER EDUCATION ON
BEHALF OF THE UNIVERSITY OF NEVADA, RENO

By: _____
Name: _____
Its: _____

Dated: _____

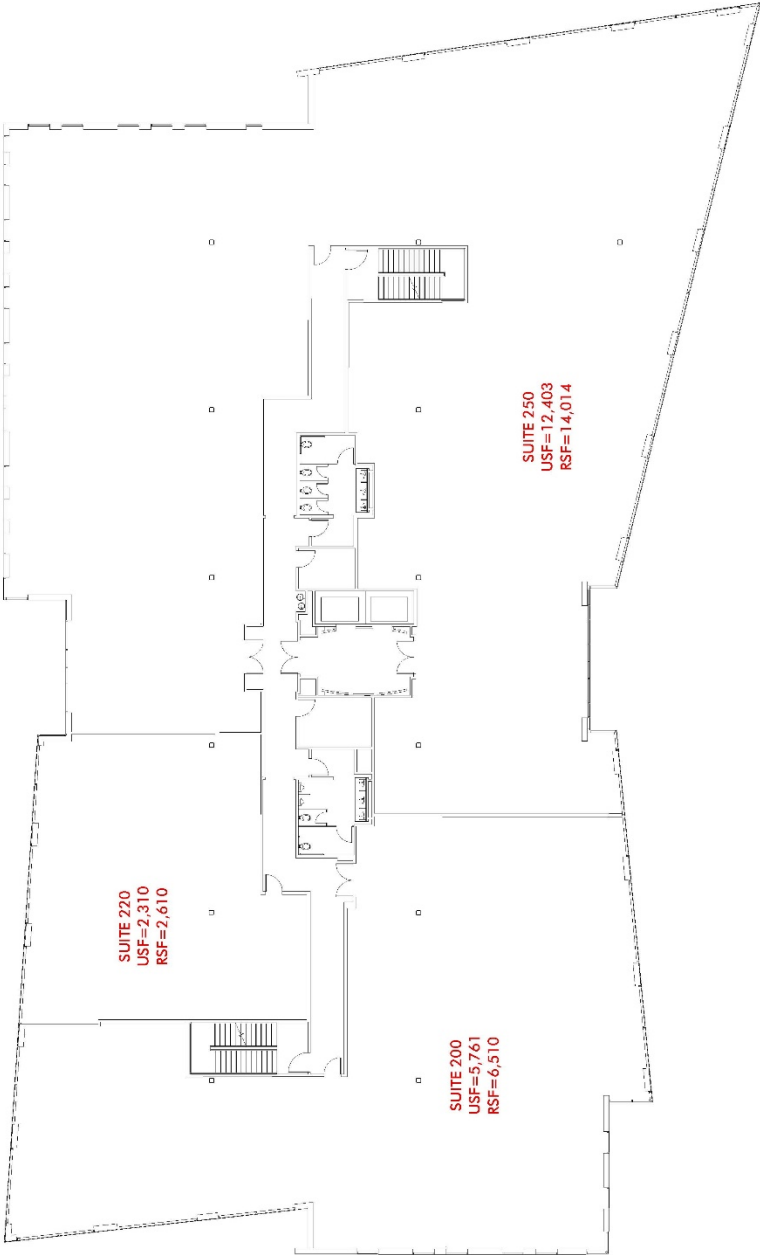
LANDLORD:

TIERRA PARTNERS III, L.L.C.

By: _____
Joshua J. Meyer
Its: Manager

Dated: _____

EXHIBIT "A"
PREMISES



AUGUST 9, 2017

WEST DIABLO DRIVE
BOMA CALCULATIONS - SECOND FLOOR PLAN

KGA ARCHITECTURE

9075

Reserved Parking



209	Uncovered		
68	Covered/Reserved		
7	ADA		
<hr/>			
284	Total		

University of Reno Nevada



56, 70-77 University of Reno Nevada

EXHIBIT "B"

WORK LETTER

Landlord shall provide Tenant with a "turn-key" tenant improvement package per the mutually accepted space plan attached hereto including final notes and finish levels. Said turn-key allowance shall include all costs associated with construction including design, permits, project management and actual construction.

The Landlord will not be responsible for phone, data and cabling expenses or for furniture and trade fixture expenses. A trade fixture is a piece of equipment which has been attached to the property that is used specifically in Tenant's trade or business. Landlord will contract with a qualified general contractor for the tenant improvements and oversee the improvements.

Landlord warrants Landlord's Improvements against defective workmanship and materials for a period of 90 days after Substantial Completion of Landlord's Improvements. Landlord's sole obligation under this warranty is to repair or replace, as necessary, any defective item caused by poor workmanship or materials if Tenant notifies Landlord of the defective item within such applicable 90 day period.

The improvements include:

1. Demise Premises per attached floor plan;
2. New paint throughout (one color);
3. Replace existing carpet;
4. Re-key exterior doors and provide ten (10) copies of the key;
5. Provide two (2) keys for interior offices with locking hardware;
6. Demolish two (2) existing offices per Exhibit A;
7. Replace broken/damaged/stained ceiling tiles;
8. Replace damaged/broken window coverings;
9. All light fixtures to be fully operational, with working bulbs;
10. Professionally clean suite; and
11. Replace Baseboards.
12. Install new glass doors at the front entrance

FLOOR PLAN

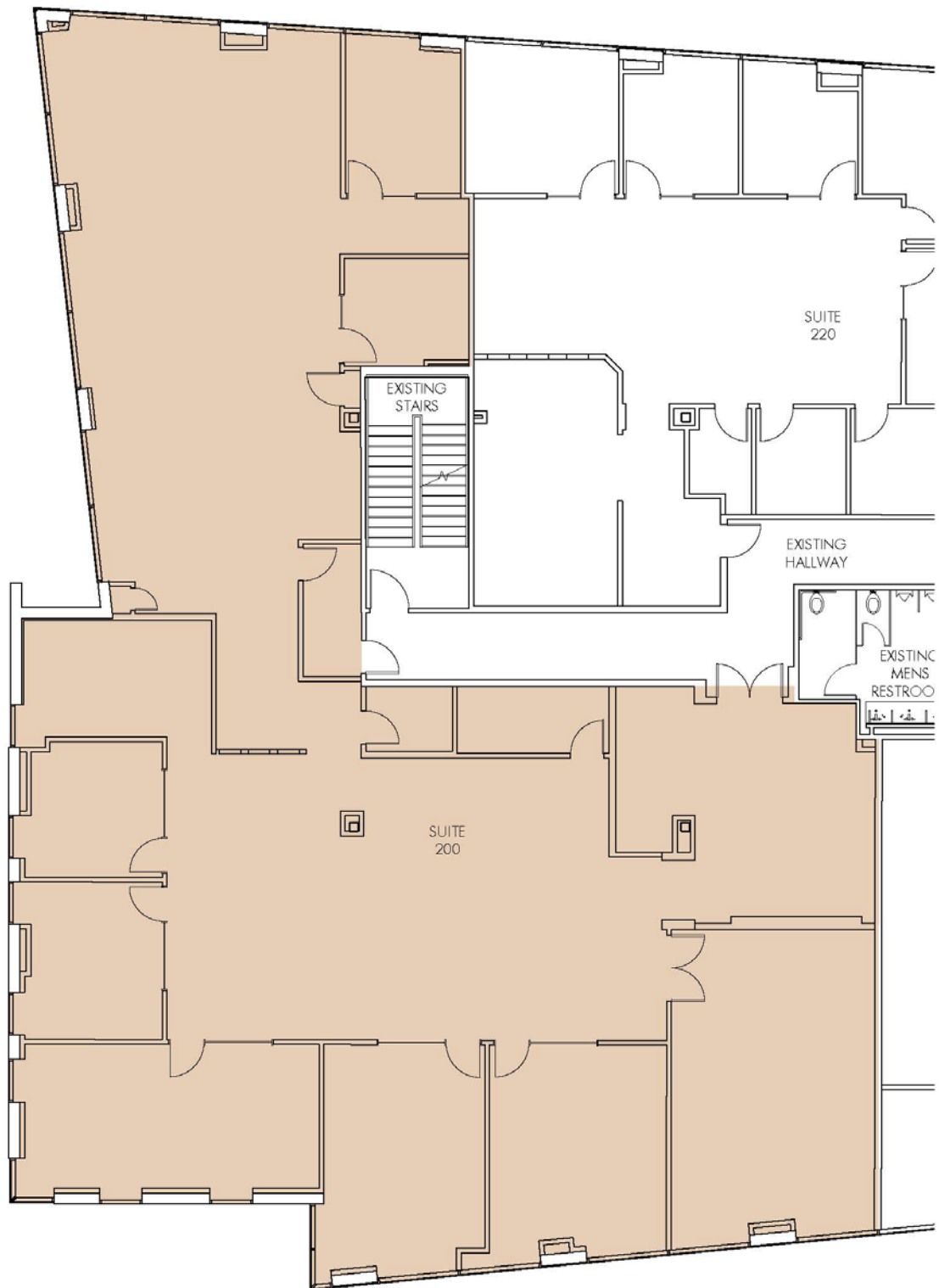


EXHIBIT "C"

RULES AND REGULATIONS

Tenant shall faithfully observe and comply with the following Rules and Regulations. Landlord shall not be responsible to Tenant for the nonperformance of any of said Rules and Regulations by, or otherwise with respect to, the acts or omissions of any other tenants or occupants of the Project; provided, however, Landlord shall enforce the Rules and Regulations against all tenants in a non-discriminatory manner.

Tenant, or its officers, agents, employees, contractors or vendors, shall not obstruct sidewalks, doorways, vestibules, halls, corridors, stairways, lobbies, and other common areas (the "Public Areas") with refuse, furniture, boxes, or other items. The Public Areas shall not be used for any purpose other than ingress and egress to and from the Premises, or for going from one part of the Building to another part of the Building. Tenant's doors to the Premises shall not be blocked open and shall remain closed at all times, unless first approved in writing by Landlord in its sole discretion.

1. Plumbing, fixtures and appliances shall be used only for the purposes for which constructed and no unsuitable material shall be placed therein.

2. No signs, directories, posters, advertisements, or notices shall be painted on or affixed to any portion of the Building or Premises or other parts of the Building, including within Tenant's Premises, which are visible from any Public Areas or the Building exterior, except in such color, size, and style, and in such places, as shall be first approved in writing by Landlord at its sole discretion. The Premises shall be identified by a standard suite sign, which Landlord shall order at Tenant's expense. Landlord shall have the right to remove all unapproved signs without notice to Tenant, at Tenant's expense.

3. Tenant shall not do, or permit anything to be done in or about the Building, or bring or keep anything therein, that will in any way increase the possibility of fire or other hazard or increase rate of fire or other insurance on the Building. Tenant shall not use or keep in the Building any flammable or explosive fluid or substance or any illuminating materials. No space heaters or portable fans shall be operated in the Building. Tenant must submit to Landlord a certificate of fire retardancy for any fresh evergreens (i.e. Christmas tree, wreaths) to be brought onto the Premises.

4. Tenant shall notify Landlord when safes or other heavy equipment are to be taken in or out of the Building, and such moving shall only be done after written permission is obtained from Landlord on such conditions as Landlord may require at its sole discretion. Landlord shall have the power to prescribe the weight and position of heavy equipment or other objects, which may overstress any portion of the Building. All damage done to the Building by such heavy items will be repaired at the sole expense of the Tenant.

5. During normal business hours, Tenant may receive routine deliveries at the Premises (i.e. office supplies, bottled water, mail couriers, and parcel shipments). All such deliveries must be made via the Building's designated service access route and under no circumstances through the front lobby door. Tenant's initial move-in, move-out, and all other non-

routine deliveries (i.e. furnishings, large equipment) must occur after normal business hours and only after written permission is obtained from Landlord, on such conditions as Landlord may require in its reasonable discretion. In any event of use of any building elevators for such deliveries, Tenant is responsible for the protection of the elevators.

6. Tenant shall cooperate with Landlord in keeping the Premises neat and clean.

7. Tenant shall not cause or permit any improper noises in the Building, or allow any unpleasant odors to emanate from the Premises, or otherwise interfere, injure or annoy in any way other tenants in the Building, or persons having business with them.

8. No animals shall be brought into or kept in or about the Building, with the exception of service animals.

9. When conditions are such that Tenant must dispose of small shipping crates or boxes, it will be the responsibility of Tenant to break down and dispose of same in the refuse container designated by Landlord. The disposal of large shipping crates or boxes (or other large objects or quantities), which in Landlord's reasonable determination could overload the designated refuse container, must be accommodated through Tenant's mover or vendor or may otherwise be prearranged through Landlord at an additional charge to Tenant's account.

10. No machinery of any kind, other than ordinary office machines such as typewriters, calculators, facsimile equipment and personal computer equipment shall be operated on the Premises unless first approved in writing by Landlord in its sole discretion. Tenant shall not place a load upon the Premises exceeding the average pounds of live load per square foot of floor area specified by Landlord, with the partitions to be considered a part of the live load. Landlord reserves the right to prescribe the weight and position of all safes and heavy equipment which Tenant desires to place in the Premises so as to distribute properly the weight thereof. Safes and other heavy objects shall, if considered necessary by Landlord, stand on supports of such thickness as is necessary to properly distribute the weight. Landlord will not be responsible for loss of or damage to any such safe or property in any case. Any damage to any part of the Project, its contents, occupants, or visitors by moving or maintaining any such safe or other property shall be the sole responsibility and expense of Tenant. Tenant's business machines and mechanical equipment which cause vibration or noise that may be transmitted to the other portions of the Project shall be so installed, maintained and used by Tenant as to eliminate such vibration or noise. Landlord, at Landlord's option and at Tenant's expense (payable promptly upon demand as Additional Rent), shall be responsible for all structural engineering required to determine structural load.

11. No bicycles, motorcycles or similar vehicles will be allowed in the Building. Segways and other similar multi-purpose motorized vehicles shall not be allowed in the Building, unless, and only to the extent that, they are necessary to assist a bona fide medical condition and do not otherwise interfere with the operation of the Building or the use of the Building by other tenants.

12. No nails, hooks, or screws shall be driven into or inserted in any part of the Common Area unless first approved in writing by Landlord.

13. After normal business hours, Landlord reserves the right to exclude from the Building any person who does not possess an authorized means of access such as a key, card key, or a prearranged written authorization and who is otherwise not an employee or guest of Tenant. Tenant and its officers, agents or employees shall utilize card keys only as instructed by Landlord, and in no event shall Tenant allow access to anyone, other than its officers, agents, employees, guests, or vendors.

14. Canvassing, soliciting and peddling in Public Areas, or otherwise within the Building, are strictly prohibited. Unless otherwise approved by Landlord in writing, Tenant shall not use the Premises for the sale of newspapers, magazines, periodicals, theater tickets, or any other goods or merchandise to other tenants in the Building or the general public. Tenant shall not use the Premises for any business or activity other than that specifically provided for in Tenant's Lease. Tenant shall not make door-to-door solicitation of business from other tenants in the Building.

15. Landlord shall initially give Tenant ten (10) keys to the Building/ Premises. Tenant shall make no duplicates of such keys. Additional keys shall be obtained only from Landlord, at a reasonable fee to be determined by Landlord. No additional locks shall be placed upon any doors, unless first approved by Landlord in writing. Upon termination of Tenant's Lease, Tenant shall surrender all keys to the Premises (and, if applicable, card keys) to Landlord and shall otherwise give Landlord the combination of all locks on the Premises.

16. Tenant will not locate furnishings or cabinets adjacent to mechanical or electrical access panels or over air conditioning outlets so as to prevent operating personnel from servicing such units as routine or emergency access may require. Cost of moving such furnishings for Landlord's access will be billed to Tenant. The lighting and air conditioning equipment of the Building is the exclusive charge of Landlord and its employees.

17. Tenant shall comply with all parking rules and regulations as posted and distributed by Landlord from time to time.

18. No portion of the Building shall be used for the purpose of lodging rooms.

19. Tenant shall not waste electricity, water, or other utilities. Tenant will comply with any governmental energy-saving laws, or regulations of which Tenant has received notice. Tenant agrees to cooperate fully with Landlord to assure the effective operation of the Building's heating and air conditioning and to refrain from adjusting thermostat controls throughout any common building areas.

20. Tenant shall not place vending machines or dispensing machines of any kind in the Premises, unless first approved in writing by Landlord in its reasonable discretion.

21. Landlord's written approval, which shall be at Landlord's reasonable discretion, must be obtained prior to changing from the standard blinds. Landlord will control all blinds that may be visible from the exterior or Public Areas of the Building and shall have the right to have Tenant change any unapproved blinds at Tenant's expense.

22. Tenant shall not make any changes or alterations to any portion of the Building without Landlord's prior written approval, which may be given in accordance with Section 6.05 of the Lease. All such work shall be done by Landlord or by Landlord's contractors and/or workers approved by Landlord, who must work under Landlord's supervision and within Landlord's standards and guidelines.

23. Tenant shall not use the name of the Building in connection with or in promoting or advertising the business of Tenant except as Tenant's address, without Landlord's prior written approval, which may be given on such conditions as Landlord may require in its sole discretion.

24. Tenant shall comply with all safety, fire protection, and evacuation procedures and regulations established by Landlord or any governmental agency. Landlord has the right to evacuate the Building in the event of an emergency or catastrophe. Landlord reserves the right to prevent access to the Building in cases of invasion, mob, riot, bomb threat, public excitement, or other commotion by closing the doors or by taking other appropriate action.

25. Tenant assumes any and all responsibility for protecting the Premises from theft, robbery, and pilferage, which includes keeping doors locked when the Premises are not fully inhabited.

26. This is a LEED certified smoke-free building. Smoking is not permitted within the building or one hundred feet (100') from any entrance to the building. Tenant is encouraged to use smoking area near dumpsters.

27. Landlord has the right to designate a property management company to, among other things, monitor and enforce these Rules and Regulations.

28. Tenant is solely responsible for the cost to maintain and repair any and all "Above Standard" items installed within their Premises (i.e., computer room air conditioning unit, sinks, garbage disposals, dishwashers, custom locking devices, specialty lighting, private restroom fixtures, etc.).

29. Landlord reserves the right to rescind any of these Rules and Regulations and to make such other and further rules and regulations as in its sole judgment shall from time to time be required for the successful and professional operation of the Building, which rules shall be binding upon each tenant and its officers, agents, employees, guests, and vendors upon delivery to tenant, provided such rules and regulations do not unreasonably restrict or interfere with Tenant's use of, and access to, the Premises or increase Tenant's obligations under this Lease or decrease Tenant's rights under this Lease.

EXHIBIT "D"
ESTOPPEL CERTIFICATE

STATEMENT OF TENANT AND RELEASE

Date: _____

To Whom It May Concern:It is our understanding that you have committed to place a mortgage upon the subject premises, and as a condition precedent thereof have required this certification of the undersigned.

The undersigned, as Tenant, under that certain lease dated _____ made with TIERRA PARTNERS III, L.L.C. as Landlord, hereby ratifies said lease and certifies that:

1. the undersigned has entered into occupancy of the premises described in said lease on _____, and
2. the undersigned is presently open and conducting business with the public in the premises; and
3. as of the date hereof, to Tenant's actual knowledge, the operation and use of the premises do not involve the generation, treatment, storage, disposal or release of a hazardous substance or a solid waste into the environment and that the premises are being operated in accordance with all applicable requirements, zoning ordinances and building codes; and
4. the minimum rental in the annual amount of \$ _____ was payable from the date of occupancy; and
5. that said lease is in full force and effect and has not been assigned, modified, supplemented or amended in any way except by First Amendment, dated _____ and neither party thereto is in default thereunder; and
6. that the same represents the entire agreement between the parties as to this leasing; and
7. that the term of said lease expires on _____; and

8. as of the date hereof, to Tenant's actual knowledge, that all conditions under said lease to be performed by the Landlord have been satisfied, including, but without limitation, all co-tenancy requirements thereunder; and

9. all required contributions by Landlord to Tenant on account of Tenant's improvements have been received; and

10. on this date, to Tenant's actual knowledge, there are no existing defenses or offsets which the undersigned has against the enforcement of said lease by the Landlord; and

11. that no rental has been paid in advance and a security in the amount of \$_____ (or no security) has been deposited with Landlord; and

12. that Tenant's floor area is _____ (_____) square feet; and that rental for 20_____ has been paid.

Any capitalized but undefined terms contained herein shall have the same meaning as set forth in the lease.

Board of Regents of the Nevada System of Higher
Education on behalf of the University of Nevada,
Reno

Name: _____

Its: _____

EXHIBIT "E"
COMMENCEMENT MEMORANDUM

Board of Regents of the Nevada System of Higher Education
9075 W. Diablo Drive, Suite 200
Las Vegas, NV 89148

Re: LaPour Corporate Center
9075 W. Diablo Drive, Suite 200, Las Vegas, NV 89148

Dear Tenant:

With reference to that certain lease (the "Lease"), dated _____ 20____, between TIERRA PARTNERS III, L.L.C., an Arizona limited liability company ("Landlord"), and BOARD OF REGENTS OF THE NEVADA SYSTEM OF HIGHER EDUCATION, a division of the State of Nevada ("Tenant"), you are hereby notified of the following. All capitalized terms not otherwise defined herein shall have the same meaning as set forth in the Lease.

1. The Commencement Date of the Lease shall be _____, and the Lease will expire at midnight on _____, if not extended or renewed or terminated earlier pursuant to the Lease.
2. The Premises consists of _____ (_____) square feet of Rentable Square Feet and _____ (_____) square feet of Useable Square Feet.
3. Tenant has provided an initial payment of _____ and ____/100 Dollars (\$_____) upon execution of the Lease Agreement, to be credited toward month one (1) of the Lease Term.
4. As of the date hereof, to Tenant's actual knowledge, Tenant has accepted the Premises and all conditions of the Premises under said Lease to be performed by the Landlord have been satisfied.

Very truly yours,

TIERRA PARTNERS III, L.L.C.

By: _____
Joshua J. Meyer
Its: Manager

EXHIBIT "F"

TENANT SIGN CRITERIA

LaPour Corporate Center

Section I

INTRODUCTION

The purpose of these sign criteria is to ensure the design and production of quality signage, which reflects the integrity of the architecture and the intent of the Owner and Landlord. This sign criteria has been developed to communicate the particular parameters each tenant is to follow so their individual office signage will be effective and also compliment the Project as a whole. Performance will be strictly enforced. Landlord will remove any nonconforming signs at the Tenant's sole expense.

This sign criteria has been written in sections with numbered articles for easy reference. Each tenant and their sign contractor is to read Section I through Section VIII. Sections V through Section VIII deal with specific sign types and related design drawings contained within this sign criteria. For those sign types which are to be employed by any given tenant, the section(s) relating to each sign type must be reviewed and adhered to by each tenant and their sign contractor.

Section II

APPROVAL PROCEDURE

1. Tenant shall submit to Landlord for approval, before fabrication, four (4) detailed color design prints indicating the location, size, layout, design and color of the proposed sign, including all the lettering and/or logo, prior to submitting to the County of Clark for review, approval and permit.
2. Tenant or its representative sign company shall obtain all permits for signs and their installation. Tenant shall be responsible for submitting its sign prints to the appropriate County agency for approval.
3. A dated signature of approval by Landlord will be placed on each sign design print prior to submittal to the County of Clark for a building permit.

Section III

SIGN TYPE SCHEDULE

Intentionally deleted

Section IV

GENERAL SIGN CRITERIA

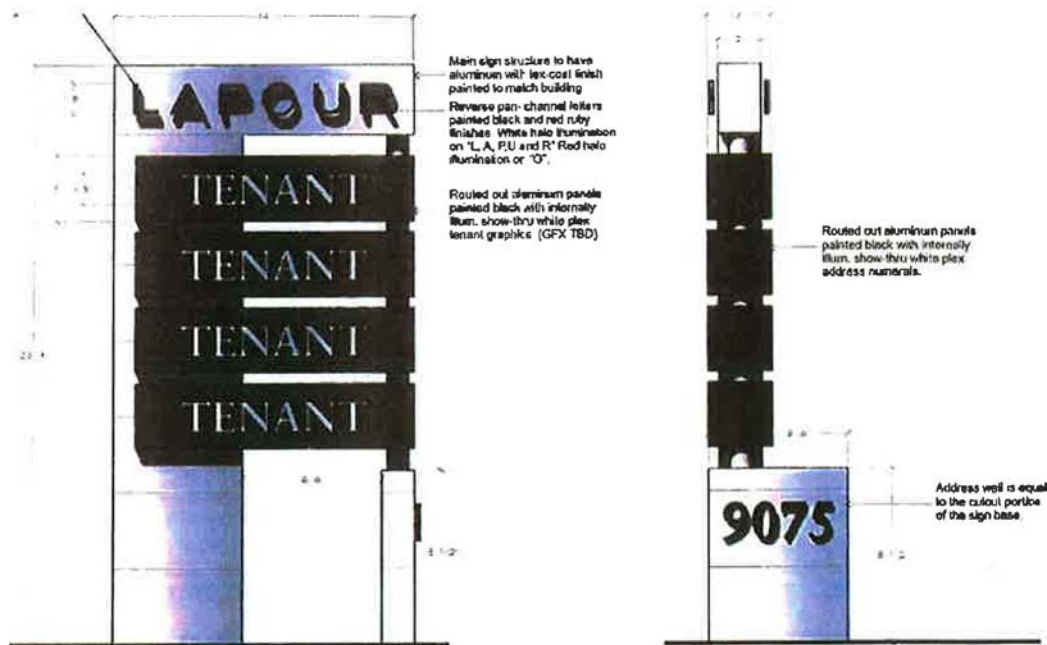
1. Tenant signage shall include only the business name "University of Nevada, Reno" and established logo symbol.

2. Maintenance of each sign is the responsibility of the tenant who erected and installed it. Letterforms which require repair will be replaced or repaired within thirty (30) days of damage or notice from Landlord. If the signage is not rectified within the thirty (30) day period, Landlord will repair the sign at the tenant's expense.
3. Signs will be free of all labels and manufacturer's advertising with the exception of UL code requirements.
4. Roof mounted signs will not be allowed.
5. No sign will be painted directly onto a wall or surface of the building.
6. No moving, audible, animated or flashing signs will be allowed.
7. No banners, pennants or temporary signs may be displayed on any part of the building or in the parking area. Temporary signs may not be placed on the inside surface of any window or hung closer than ten (10) feet behind the inside window without prior approval of Landlord.
8. Cooperative tenant seasonal promotions signing will be permitted only upon review and approval of Landlord.
9. Tenant signs must be located visually centered, horizontally and vertically within the fascia sign band or Primary Pylon sign identification panel.
10. Tenant will be fully responsible for the operation of his sign contractor and will indemnify, defend and hold harmless Landlord and its agents from damages or liabilities resulting from tenant's sign contractor's work. Tenant's sign contractor must submit to Landlord a certificate of liability insurance prior to commencing work on the premises.
11. Tenant will immediately remove all signs representing a discontinued service and/or project or upon vacating the building.
12. Upon removal of any signs by the tenant, any damage to the building fascia or sign area will be repaired by the tenant or by Landlord at the tenant's expense. Repair work to be completed within a ten (10) day period.

Section V

PRIMARY PYLON SIGN

1. Availability of tenant identification panels on the Project Pylon is based on the sole discretion of the Landlord or may be established within the context of the tenant's lease agreement.
2. Tenant identification panels will have the tenant business name as it appears on the lease, routed out and backed up with white Plexiglas overlaid with perforated black vinyl.
3. All tenant identification panels will use a maximum Seventeen (17) inch Helvetica font.



Section VI

TENANT

1. Availability of parapet signs on the building is at the sole discretion of Landlord regardless of a tenant's gross lease able space.
2. The maximum allowable letter shall not exceed thirty six (36) inches for a single line of copy on the parapet.
3. Corporate logos may be utilized, with Landlord's consent, in conjunction with letter styles and may exceed the maximum letter height above or below the typeface by ten percent (10%).
4. Parapet identification signs, colors and sign materials shall be approved by Landlord.
5. The maximum sign band area and location shall be solely determined by Landlord.

Section VII

TENANT LOBBY DIRECTORY

1. Availability of tenant identification on the lobby Tenant Directory is based on the sole discretion of the Landlord or may be established within the context of the tenant's lease agreement.
2. The Tenant Directory will be furnished, installed and maintained by Landlord at its sole discretion.
3. Tenant identification, if any, on the directory will be limited to the Tenant's business name as it appears on the lease and their respective suite number.

Section VIII

TENANT SUITE ENTRY SIGN

1. Tenant identification of the tenant suite entry sign will be limited to the Tenant's business name as it appears on the lease and their respective suite number.
2. The tenant suite entry sign will only be purchased through Landlord or their designated vendor in order to insure uniformity of the suite entry signs.

EXHIBIT "G"
SUBORDINATION, NON-DISTURBANCE, AND ATTORNMENT AGREEMENT

WHEN RECORDED RETURN TO:

SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT

THIS SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT ("Agreement"), is dated as of the ____ day of _____, 20____, and is executed by and among Farm Bureau Life Insurance Company, an Iowa corporation ("Lender"), with its principal office at 5400 University Avenue, West Des Moines, Iowa 50266, Attn: Real Estate and Commercial Mortgage Manager; Board of Regents of the Nevada System of Higher Education, a division of the State of Nevada ("Tenant"), having an address of 9075 W. Diablo Dr., Suite 200, Las Vegas, NV 89148; and, Tierra Partners, III, L.L.C., an Arizona limited liability company ("Borrower") having an address of 3220 Lakeside Village Drive, Prescott, Arizona 86301.

WITNESSETH:

WHEREAS, Borrower is the owner in fee simple of that certain real property and all improvements thereon situated in the City of Las Vegas, County of Clark, State of Nevada, more particularly described on Exhibit "A" attached hereto and made a part hereof (the "Property");

WHEREAS, Tenant has entered into that certain Lease Agreement dated _____, 20____, as the same may have been or may be amended ("Lease"), with Borrower covering a portion of the Property consisting of certain premises more fully described in said Lease ("Leased Premises");

WHEREAS, by Mortgage, Security Agreement, Financing Statement and Fixture Filing with Absolute Assignment of Rents and Leases, as the same may be amended or otherwise modified from time to time (the "Mortgage") and by an Absolute Assignment of Leases, Rents and Income, as the same may be amended or otherwise modified from time to time ("Assignment of Leases"), recorded or to be recorded in the Official Records of Clark County, Nevada, concurrently with or prior to the recordation of this Agreement, Borrower has granted a first mortgage lien and security interest in the Property and the Leased Premises and an assignment of all leases, rents and income to and from the Property and the Leased Premises to Lender; and

WHEREAS, Tenant agrees to subordinate the Lease to the lien and charge of the Mortgage and the Assignment of Leases, and Tenant desires to be assured of continued occupancy of the

Leased Premises under the terms of the Lease, subject to the terms of the Mortgage and Assignment of Leases;

NOW, THEREFORE, in consideration of the mutual promises, covenants and agreements herein contained, the parties hereto, intending to be legally bound hereby, promise, covenant and agree as follows:

1. The Lease, and all estates, rights and interests, (including but not by way of limitation, any renewal, extension or expansion options set forth or contained therein), liens and charges therein contained or created thereunder, are and shall be and continue to be subject and subordinate in all respects to the lien, terms, provisions, rights, conditions and effect (collectively the "lien") of the Mortgage and the Assignment of Leases insofar as the lien affects the Property, the Leased Premises and all real and personal property of which the Leased Premises forms a part, and to all renewals, modifications, consolidations, replacements and extensions of the Mortgage and the Assignment of Leases, to the full extent of the indebtedness secured by the Mortgage and the Assignment of Leases, with the same force and effect as if the Mortgage and the Assignment of Leases had both been executed, delivered, and duly recorded among the above-mentioned public records, prior to the execution and delivery of the Lease.

2. In the event Lender should succeed to the interest of Borrower under the Lease, whether by foreclosure of the Mortgage, or by deed in lieu of foreclosure, or otherwise, Lender agrees not to affect or disturb Tenant's right to possession of the Leased Premises so long as Tenant is not in default under any of the terms, covenants or conditions of the Lease.

3. In the event that Lender shall succeed to the interest of Borrower under the Lease, Lender and Tenant hereby agree to be bound to one another under all of the terms, covenants and conditions of the Lease, subject to the terms and conditions set forth in this Agreement. Accordingly, from and after such event, Lender and Tenant shall have the same remedies against one another for the breach of an agreement contained in the Lease as Tenant and Borrower had before Lender succeeded to the interest of Borrower.

4. In the event Lender or any other new owner shall exercise its or their rights under the Assignment of Leases, or the absolute assignment of rents under the Mortgage whereby the Lease rights of Borrower have been assigned to Lender, Tenant agrees to make all payments of rent or other sums payable by Tenant under the Lease directly to Lender or such other new owner (as the case may be) upon written notice by Lender or such other new owner to Tenant.

5. Tenant hereby warrants and represents, covenants and agrees with Lender:

(i) Not to alter, amend or modify the Lease in any respect without the prior written consent of Lender;

(ii) To deliver to Lender a duplicate of each notice of default delivered to Borrower promptly after such notice is given to Borrower;

(iii) That Tenant is now the sole owner of the leasehold estate created by the Lease and shall not hereafter assign, mortgage, lien or encumber the Lease or any interest therein, or sublease all or any part of the Leased Premises except as may be expressly permitted by the terms thereof.

(iv) Not to seek to terminate the Lease by reason of any default of Borrower without prior written notice thereof to Lender and the lapse thereafter of such time as under the Lease was granted to remedy the default, within which time Lender, at its option, may remedy any such default and Tenant shall accept any such cure or remedy from Lender; provided, however, that with respect to any default of Borrower under the Lease which cannot reasonably be remedied by Borrower or Lender within such time, if Lender or Borrower commences to cure such default within such time and thereafter diligently proceeds with such efforts, Lender or Borrower shall be permitted such time as is reasonably necessary to complete curing such default;

(v) Not to anticipate the payment of rent, deposits or other sums due under the Lease or make payment of any rent or other sums due, under Lease for more than 30 days in advance of the date due; and

(vi) To promptly certify in writing to Lender, in connection with any proposed assignment of the Mortgage and Assignment of Leases, whether or not any default on the part of Borrower or Tenant then exists under the Lease and to specify in reasonable detail the nature of any claimed default.

6. Tenant acknowledges and agrees that Lender has not assumed and does not have any obligation or liability under or pursuant to the Lease by reason of the Mortgage or the Assignment of Leases until Lender forecloses the Mortgage or accepts a deed in lieu of foreclosure, and then Lender shall be obligated under the Lease subject to the terms of this Agreement.

7. All notices to be given pursuant to this Agreement shall be sufficient if delivered to a nationally recognized overnight delivery service, addressed to the following described addresses of the parties hereto, or to such other address as a party may request in writing: (1) If to Borrower, then at its address first set forth above in this Agreement; (2) if to Tenant, then at its address first set forth above in this Agreement; and (3) if to Lender, then at its address first set forth above in this Agreement, Attn: Real Estate and Commercial Mortgage Manager; with a copy to Parker, Simons & McNeill, P.L.C., 5400 University Avenue, West Des Moines, Iowa 50266. Any time period provided in the giving of any notice hereunder shall commence upon, and notice given in accordance herewith shall be effective upon, the date delivered to said overnight delivery service.

8. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, administrators, executors, successors and assigns. This Agreement may be executed by the parties hereto in one, two or more counterparts, all of which shall constitute but one and the same document. Signature and notarized pages of any counterpart may be removed from such counterpart and attached to any other counterpart without in any way affecting or impairing the validity, binding effect or binding nature of any such counterpart(s).

IN WITNESS WHEREOF, the undersigned have executed and delivered this Subordination, Non-Disturbance and Attornment Agreement as of the date set forth in the acknowledgement below, to be effective as of the day and year first above written.

TENANT:

Board of Regents of the Nevada System of Higher Education, on Behalf of the University of Nevada, Reno

By: _____

Name: _____

Title: _____

STATE OF _____)

) ss.

COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 20____, by _____ as _____ of _____, on behalf of such _____.

Name: _____

Notary Public

My Commission Expires: _____

[SIGNATURE PAGE TO SNDA]

BORROWER:

Tierra Partners III, L.L.C., an Arizona limited liability company

By: _____
Joshua J. Meyer
Its: Manager

STATE OF _____)

) ss.

COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____,
20____, by Joshua J. Meyer, as Manager of Tierra Partners III, L.L.C., an Arizona limited
liability company, on behalf of such limited liability company.

Name: _____

Notary Public

My Commission Expires: _____

[SIGNATURE PAGE TO SNDA]

LENDER:

Farm Bureau Life Insurance Company, an Iowa corporation

By: _____

Name: _____

Title: _____

STATE OF IOWA)

) ss.

COUNTY OF POLK)

The foregoing instrument was acknowledged before me this _____ day of _____,

20____, by _____ as _____

of Farm Bureau Life Insurance Company, an Iowa corporation, on behalf of such corporation.

Name: _____

Notary Public

My Commission Expires: _____

[SIGNATURE PAGE TO SNDA]

EXHIBIT “A”

Legal Description

[EXHIBIT A TO SNDA]