

**BOARD OF REGENTS
BRIEFING PAPER**

1. AGENDA ITEM TITLE: University of Nevada, Reno School of Medicine- Lease of Real Property at 6130 Plumas Street, Reno, NV

MEETING DATE: July 19, 2019

2. BACKGROUND & POLICY CONTEXT OF ISSUE:

The University of Nevada, Reno School of Medicine (UNR Med) desire to lease approximately 11,598 square feet of space located at 6130 Plumas Street, Reno NV 89519. The space will be utilized to provide clinical care for patients by faculty, residents, and students; for faculty and staff office space for the Internal Medicine Department; and for required educational space for the Internal Medicine Residency Program and medical students.

After reviewing and touring various locations, a site was selected and a Lease Agreement (Exhibit 1) has been negotiated for approximately 11,598+/- sf located at 6130 Plumas Street Reno, NV (Exhibit 2). Space is close to turn key condition for the UNR Med use with only minor cosmetic and minor anticipated improvements required that will fall within the range of the allowance provided for by Landlord. Lease is a full service lease excluding janitorial.

General Terms of the Lease Agreement

- **Lease Term:** 64 months (months 12, 24, 36 & 64, rent is waived)
- **Rental Rate:** \$2.07 per sf per month.
- **Square Footage:** 11,598
- **Lease Type:** Full Service Lease, with annual increases of 2.5%. UNR Med pays janitorial
- **Tenant Improvements:** At landlord's expense, \$7.50psf Tenant Improvement allowance first term, \$5.00psf Tenant Improvement Allowance for second term.
- **Option to Renew:** 5 year option to renew, with continued 2.5% annual rent increases.
- **Option to Purchase:** Option Period: Months 60-69 for a purchase price of \$2,750,000 (contingent on future BOR approval).

School of Medicine General Counsel, University of Nevada, Reno General Counsel, 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 11,598 sf located at 6130 Plumas Street in Reno for a term of 64 months with an Option to renew such Lease Agreement for an additional 60 months. Additionally, an option to purchase exists, however, this option to purchase would return to the Board in 2024 for approval if a recommendation to exercise exists at that time.

4. IMPETUS (WHY NOW?):

Currently, these activities occur within clinic space leased from Renown Health, however, the clinic management of this practice will be reverting to UNR Med/ICS from Renown effective July 1, 2019 by mutual agreement of the parties. UNR Med/ICS is reclaiming responsibility for the practice in order to become more community-based, move into higher quality and visible space, and more effectively utilize space to enhance services to patients. This space also allows for sufficient space for faculty and staff workspace for the Internal Medicine department and high quality educational space to meet programmatic requirements. Additionally, some clinical research activities may be added to

this space as a part of the desire of UNR Med to expand clinical research opportunities to benefit patients and learners. UNR Med/ICS is required to find new space for these activities as they will only be able to remain in the leased space at Renown Health until approximately November 2019 via a minor lease.

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

- Access (Increase participation in post-secondary education)
- Success (Increase student success)
- Close the Achievement Gap (Close the achievement gap among underserved student populations)
- Workforce (Collaboratively address the challenges of the workforce and industry education needs of Nevada)
- Research (Co-develop solutions to the critical issues facing 21st century Nevada and raise the overall research profile)
- Not Applicable to NSHE Strategic Plan Goals

INDICATE HOW THE PROPOSAL SUPPORTS THE SPECIFIC STRATEGIC PLAN GOAL

- Provides high quality educational space to be utilized by internal medicine residents and medical students
- Supports a positive learning environment within a clinical care setting while providing access to high quality healthcare services at new access point in the city
- Provides a forum for expansion of clinical research in a setting convenient to patients

6. BULLET POINTS TO SUPPORT REQUEST/RECOMMENDATION:

- The property appropriately fits the needs of UNR Med/ICS in a strategic area of town
- An attractive fixed Option to Purchase has been negotiated to purchase the property in the future if strategically and financially prudent to do so, subject to Board approval.
- Building is reasonably turnkey with little improvement required.
- Desire to vacate higher cost and less visible space on the Renown campus
- Decreases the amount of space needed by >10% through more efficient layouts/flow
- Allows for the combination of UNR Med specialty geriatrics program with primary care services

7. POTENTIAL ARGUMENTS AGAINST THE REQUEST/RECOMMENDATION:

N/A

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

- Not move forward with this lease and look for an alternative location. It is unclear if UNR Med can stay in its current space beyond the short term extension.

9. RECOMMENDATION FROM THE CHANCELLOR'S OFFICE:

10. 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 No
Explain: Annual rental amount of \$288,094.32 with annual increases of 2.5% plus janitorial costs to be paid by a combination of UNR Med and clinical revenues.

EXHIBIT 1

**MEDICAL BUILDING
LEASE AGREEMENT WITH OPTION TO PURCHASE**

6130 PLUMAS STREET
RENO, NV 89519

ROPE, LLC
a Nevada limited liability company

LANDLORD

and

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

TENANT

LEASE DATED: _____ (for reference purposes)

LEASE SUMMARY

- 1. TENANT'S NAME Board of Regents of the Nevada System of Higher Education for the benefit of the University of Nevada, Reno School of Medicine
 - A. TENANT'S TRADE NAME University Health
- 2. TENANT'S CONTACT INFORMATION:
 - A. ADDRESS University of Nevada, Reno School of Medicine
1664 N. Virginia Street, M/S 0332
Reno, Nevada 89557-0332
Attn: Dean, School of Medicine
With a copy of all notices to:
University of Nevada
1050 Evans Ave.
Reno, NV 89512
Attn: Troy Miller, Director of Real Estate
And
Senior Associate Dean for Legal Affaris
1664 N. Virginia Street, M/S 1332
Reno, Nevada 89557-1332
- 3. PREMISES 6130 Plumas Street, Reno, NV 89519
being 11,598 SF (see Exhibit A)
- 4. USE Medical Clinic, Education Space, General Office
- 5. RENT COMMENCEMENT October 1, 2019
- 6. LEASE COMMENCEMENT October 1, 2019
- 7. EXPIRATION OF LEASE The last day of the 64th month following the Commencement Date. A "Lease Year" is a period of 12 consecutive calendar months commencing on the first day of the first full calendar month during the Lease term; provided that the first Lease Year shall also include any partial calendar month during which the Commencement Date occurs if the Commencement Date does not occur on the first day of a calendar month.
- 8. RENEWAL OPTIONS One (1) Five Year option
- 9. SCHEDULE OF MONTHLY RENT:
Rent Commencement Date through Month 12: \$24,002.00

Initials: _____ / _____
Landlord / Tenant

Month 13-24: \$ 24,602.05
 Month 25-36: \$ 25,217.10
 Month 37-48: \$ 25,847.53
 Month 49-60: \$ 26,493.72
 Month 61-64: \$ 27,156.06

10.	FULL SERVICE	Lease shall be “full service” as defined therein
11.	LANDLORD’S BROKER NAME	CBRE – Matt Grimes
12.	TENANT'S BROKER NAME	N/A
13.	COMPLIMENTARY RENT PERIOD	Months 12, 24, 36 & 64 shall be rent free.
14.	LANDLORD’S CONTRACTOR(S)	Selected by Landlord subject to Tenant’s Approval
15.	TENANT’S REPRESENTATIVE(S)	Jeremy Alltop, Senior Associate Dean of Administration and Finance
16.	AMOUNT DUE UPON EXECUTION	
	A. FIRST MONTH'S RENT	\$ 24,002.00
	TOTAL DUE UPON EXECUTION	\$ 24,002.00

LEASE AGREEMENT WITH OPTION TO PURCHASE

THIS LEASE AGREEMENT WITH OPTION TO PURCHASE (the “Lease”), effective October 1, 2019, is by and between ROPE, LLC, a Nevada limited liability company (hereinafter called “Landlord”), and the “Tenant” set forth in paragraph 1 of the Lease Summary, which is incorporated herein. Landlord and Tenant, for and in consideration of the covenants and agreements hereinafter, hereby agree that Landlord will lease to Tenant, and Tenant does hereby lease from Landlord, the premises hereinafter described for the term, at the rental and subject to and upon the terms, conditions and agreements herein set forth as follows:

ARTICLE 1

FUNDAMENTAL LEASE PROVISIONS

1. (a) Landlord Address for Notices: ROPE, LLC, a Nevada limited liability company
P.O. Box 34137
Reno, NV 89533
Telephone No. (775) 722-4803
- (b) Tenant Address for Notices: As set forth in paragraph 2 of the Lease Summary
- (c) Tenant's Trade Name: As set forth in paragraph 1 of the Lease Summary
- (d) Property Description: See Exhibit A
- (e) Premises: As set forth in paragraph 3 of the Lease Summary, being more particularly described in Exhibit A and having the square footage of leasable floor area as set forth in paragraph 3 of the Lease Summary.
- (f) Use: As set forth in paragraph 4 of the Lease Summary.
- (g) Lease Term: As set forth in paragraphs 5-8 of the Lease Summary
- (h) Monthly Rent: As set forth in paragraphs 9 & 13 of the Lease Summary
- (i) Rent Commencement Date: As set forth in paragraph 5 of the Lease Summary.
- (j) Expiration Date: As set forth in paragraph 7 of the Lease Summary, and Tenant is granted the Renewal Option set forth in paragraph 8 of the Lease Summary subject to the conditions of Exhibit D.
- (k) Annual Rent Adjustments Rent shall be increased as set forth in paragraph 9 of the Lease Summary and as set forth in Exhibit D for any renewal period.
- (l) Security Deposit: Waived
- (m) Broker(s): As set forth in paragraph 11 & 12 of the Lease Summary (see Article 34.16 below).
- (n) Guarantor(s): None

- (o) Exhibit A Legal Description - Site Plan
- Exhibit B Lease Rules and Regulations
- Exhibit C Confirmation Regarding Real Estate Agent Relationship and Duties Owed by a Nevada Real Estate Licensee
- Exhibit D Options to Renew
- Exhibit E Form Purchase and Sale Agreement

ARTICLE 2

PREMISES

2.1 Premises. The premises demised leased hereunder (hereinafter referred to as the “Premises”) are described on Exhibit A attached hereto. The Premises comprise an office which is referred to hereinafter and throughout this Lease as the “office space.” A general site plan showing, among other things, the principal improvements which comprise the property is attached hereto as Exhibit A and made a part hereof.–Landlord reserves to itself the right to install, maintain and replace equipment, machinery, pipelines, conduits and wiring behind the walls of the Premises.

2.2 Floor Area. The term “floor area” as used throughout this Lease shall be deemed to mean and include all areas used for the exclusive use of and occupancy by a tenant of Landlord, measured pursuant to the BOMA International 2017 Standard Measurement for Office Buildings.

2.3 Full Service Lease. Except for Tenant’s obligations expressly set forth in this Lease, this Lease shall be a full service lease and Landlord shall be responsible at Landlord’s sole cost and expense, for all operating costs of the Premises, including, but not limited to, all costs incurred by Landlord for the administration, operation, and maintenance of the Premises, Building and Common Area, including, but not limited to (i) Real property taxes and assessments; (ii) the cost of all utilities supplied to the Premises and the Common Area; (iii) Landlord’s insurance; (iv) costs incurred in managing the Premises and Common Area; and (v) the costs of maintenance and repair of the Premises and Common Area.

ARTICLE 3

TERM DELIVERY

3.1 Initial Term. The term of this Lease shall commence on the Lease Commencement Date as set forth in paragraph 7 of the Lease Summary and shall continue for the term specified as “Lease Term” in Article 1, Section 1. (g), above unless sooner terminated pursuant to the terms and conditions of this Lease. Landlord shall deliver the Premises to Tenant with the Landlord’s Work complete, with the Premises and building in which it is located (“Building”) in compliance with all fire, ADA, access and applicable building codes and legal requirements, with the Building’s structure and all mechanical, electrical, plumbing, HVAC, life safety and other building systems serving the Premises in good operating order and condition, with a certificate of occupancy or equivalent issued, and free of any occupants and any rights of possession by any other party (“Delivery Condition”). In the event Landlord does not deliver possession of the Premises to Tenant in the Delivery Condition by October 1, 2019 or sixty (60) days after the Board of Regents of the Nevada System of Higher Education approves this lease, whichever is later, the Landlord shall credit Tenant for three (3) days rent for each calendar day that delivery of the Premises is delayed.

Tenant and its contractors, vendors, and agents shall be permitted to access the Premises during the period which is approximately Forty Five (45) business days prior to the anticipated Commencement Date for the purpose of installing Tenant's furniture, fixtures, equipment and telephone and data systems and cabling in the Premises provided

Initials: _____ / _____
Landlord / Tenant

that such work shall not interfere with Landlord's completion of the Landlord's Work, and such early entry for such purposes shall not trigger the Commencement Date.

ARTICLE 4

RENTAL

Tenant covenants and agrees to pay as rental for the use and occupancy of the Premises, at the times and in the manner hereinafter provided, the following sums:

4.1 Monthly Rent for full service lease. Commencing on the Rent Commencement Date, and for the duration of the Lease Term, Tenant agrees to pay Landlord the monthly rental specified as monthly rent ("Monthly Rent") in Article 1, Section 1 (h), above on or before the fifth day of each calendar month for which rent is due, subject to adjustment as set forth below. Landlord will provide monthly invoices in each month for which rent is due and excluding those months indicated in paragraph 13 of the Lease Summary. Nothing in this Article 4.1 shall in any way diminish or be construed as waiving any of Landlord's other remedies by law or equity.

4.2 Rent Adjustment. Monthly Rent shall be adjusted during the Lease Term as set forth in paragraph 9 of the Lease Summary.

4.3 Additional Rent. Tenant shall pay as additional rent all other sums of money or charges required to be paid pursuant to the terms of this Lease, whether or not the same be designated "additional rent." Unless this Lease provides otherwise, all additional rent shall be paid with the next installment of Monthly Rent thereafter falling due hereunder, but nothing herein contained shall be deemed to suspend or delay the payment of any amount of money or charge at the time the same become due and payable hereunder or to limit any remedy of Landlord.

4.4 Late Charge. Tenant acknowledges that the late payment by Tenant of any monthly installment of Monthly Rent, additional rent or any other charge required under this Lease will cause Landlord to incur certain costs and expenses not contemplated under this Lease, the exact amount of which costs being extremely difficult or impractical to fix. Such costs and expenses will include, without limitation, administrative and collection costs and processing and accounting expenses. Therefore, if any such sum is not received by Landlord five (5) days from the date such sum becomes due, Tenant shall immediately pay to Landlord a late charge equal to five percent (5%) of the sum that is due. Landlord and Tenant agree that this late charge represents a reasonable estimate of such costs and expenses and is fair compensation to Landlord for its loss suffered by such nonpayment by Tenant. Acceptance of this late charge shall not constitute a waiver of Tenant's default with respect to such nonpayment by Tenant nor prevent Landlord from exercising all other rights and remedies available to Landlord under this Lease. If any amount due hereunder to Landlord is not paid when due, the unpaid amount shall bear interest from the date due until paid at the the prime rate of the largest bank in Nevada as published by the State of Nevada Department of Business & Industry Financial Institutions Division plus four (4) percentage points; provided, however, that interest shall not be payable on late charges incurred by Tenant hereunder or on any amounts upon which a late charge is paid by Tenant hereunder. Notwithstanding the foregoing, Landlord will waive the late charge and interest payable by Tenant with respect to the first late payment by Tenant in any twelve (12) month period, provided Tenant delivers the required payment no later than five (5) business days after receipt of written notice from Landlord.

4.5 Place of Payment. All rental and other payments shall be paid by Tenant to Landlord at Landlord's address set forth in Article 1, Section 1 (a), above or at such other place as may from time to time be designated by Landlord in writing at least fifteen (15) days prior to the next ensuing payment date.

Initials: _____ / _____
Landlord / Tenant

ARTICLE 5

USE OF PREMISES

5.1 Use and Trade Name. Tenant shall use the Premises solely for the purposes of the Board of Regents of the Nevada System of Higher Education on behalf of the University of Nevada, Reno School of Medicine. Such use may include, but is not limited to, operation of a medical clinic by University of Nevada, Reno School of Medicine Integrated Clinical Services, Inc., doing business as University Health. Tenant further covenants and agrees that during the term hereof the Premises, and every part thereof, shall be kept by Tenant in a clean and wholesome condition, free of any objectionable noises, odors and nuisances, and that all health and police regulations shall, in all respects and at all times, be fully complied with by Tenant.

5.2 No Operating Covenant. Tenant has no obligation to operate or conduct any business or operations within the Premises or to conduct operations during any specific hours and the non-use, vacation or abandonment of the Premises or the cessation of operations shall not constitute a default of this Lease so long as Tenant continues to pay Rent and perform its obligations hereunder. Tenant and its employees shall have access to the Premises at all times, twenty-four (24) hours per day, each day of the year, subject to any normal security procedures as may be reasonably adopted by Landlord.

5.3 Refuse. Subject to the Landlord's obligations under Section 2.3 of the Lease, Tenant agrees that all trash and rubbish of Tenant shall be deposited in receptacles within the enclosures for such purposes and that there shall be no trash receptacles permitted to remain outside of the building of which the Premises are a part.

5.4 Condition of Premises. Subject to the Landlord's obligations under Section 2.3 of the Lease and Tenant's approval (which may not be unreasonably withheld) of Landlord's work to be done with respect to the Premises as set forth in Exhibit B to this Lease, Tenant agrees to accept the Premises in its "as-is" condition at the time of Landlord's delivery of the Premises to Tenant and throughout the Lease Term. Without limiting the foregoing, Tenant's rights in the Premises are subject to all covenants, conditions, restrictions (and other documents) recorded upon, or affecting, the Office Space, and all laws, ordinances and regulations governing and regulating the use and occupancy of the Premises. Tenant acknowledges that neither Landlord nor Landlord's agent has made any representation or warranty as to the present or future suitability of the Premises for the conduct of Tenant's business.

5.5 Compliance with Laws.

(a) Tenant hereby represents and warrants that it has investigated whether its proposed use of the Premises and its proposed manner of operation will comply with all applicable laws, and Tenant assumes the risk that its proposed use of the Premises and its proposed manner of operation are and will continue to be, in compliance with all applicable laws, including, without limitation, all zoning laws regulating the use and enjoyment of the Premises. Tenant agrees that under no circumstances will Tenant be released in whole or in part from any of its obligations under this Lease as a result of any governmental authority disallowing or limiting Tenant's proposed use of the Premises or its manner of operation. Additionally, Tenant agrees to comply with all legal requirements pertaining to Tenant's use and occupancy of the Premises, except that as to any such legal requirements requiring that alterations or improvements be made, Tenant shall only be responsible to the extent such legal requirements (i) mandate alterations to the interior of the Premises as a result of modifications made to the Premises by Tenant; or (ii) govern Tenant's specific use of the Premises for other than office use. However, in no event shall Tenant have any obligation to cure the violation of any legal requirements to the extent a violation of such requirements exists as of the date of the Commencement Date and such cure shall be the responsibility of Landlord.

(b) Tenant shall not use, occupy, or permit by Tenant's employees, agents, invitees and contractors the use or occupancy, of any of the Premises in any manner that would be a violation of any applicable federal, state or local law or regulation, regardless of whether such use or occupancy is lawful under any conflicting law, including without

Initials: _____ / _____
Landlord / Tenant

limitation any law relating to the use, sale, possession, cultivation, manufacture, distribution or marketing of any controlled substances or other contraband (whether for commercial, medical, or personal purposes), or any law relating to the medicinal use or distribution of marijuana (collectively, "Prohibited Activities"). The restriction on controlled substances set forth herein shall not include the lawful prescription and distribution of prescription and over the counter medications by licensed medical providers. Tenant shall upon demand provide Landlord with a written statement setting forth its compliance with this paragraph and stating whether any Prohibited Activities are or may be occurring in, on or around the Premises by Tenant or its employees, agents, invitees and contractors. If Landlord becomes aware that Tenant is engaged in any Prohibited Activities, Tenant shall be in default and Landlord may, in compliance with applicable law, terminate the Lease and/or take all actions permitted by law to discontinue such activities.

ARTICLE 6

CONSTRUCTION OF IMPROVEMENTS ON PREMISES

6.1 Landlord shall reimburse Tenant up to \$76,665.00 for Landlord approved improvements to the Premises within 30 days of receipt of invoices and lien releases.. Tenant, at Tenant's own expense, shall cause all improvements desired by Tenant, if any, to be constructed upon the Premises subject to Landlord's prior written consent (which consent shall not be unreasonably withheld) and upon such reasonable terms and conditions which Landlord may specify. In the event that a mechanic's lien has been filed and recorded against the Premises in connection with any of Tenant's improvements constructed upon the Premises by Tenant, any amount paid by Landlord to remove such a lien shall be an obligation of Tenant as additional rent hereunder. Tenant shall have one (1) year from the Commencement Date to complete Tenant Improvements.

6.2

ARTICLE 7

SIGNS

7.1 Advertising Media. Tenant is permitted to display appropriate signage on the premises to indicate the presence of Tenant and/or any clinic operated by University Health in accordance with Section 7.2. Tenant shall not install any exterior lighting or plumbing fixtures, shades or awnings, or make any exterior decoration or painting, or build any fences, or install any radio or television antenna, loud speakers, sound amplifiers or similar devices on the roof, ceiling or exterior walls of the Premises, or make any changes to the storefront without Landlord's prior written consent.

7.2 Sign Criteria. Tenant's signage will meet all city and governmental code requirements and approvals.

ARTICLE 8

Option to Purchase

8.1 Option to Purchase. At any time following month sixty (60) of the lease term (the "Preferential Purchase Period"), Landlord agrees that Tenant shall have the sole and exclusive right to purchase all (but not less than all) of the "Project" for the Purchase Price, as defined herein, on the terms and conditions of this Article 8. Close of escrow of the property shall take place no earlier than month sixty (60) of the lease term and no later than nine months following month sixty (60) of the lease term.

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Initials: _____ / _____
Landlord / Tenant

8.2 For purposes of this purchase option, the “Project” shall consist of that certain parcel of land located at 6130 Plumas Street, Reno, NV 89519, APN No. 042-222-17 (the “Land”), along with all building(s) (the “Building”) together with all other improvements, parking facilities and fixtures located on the Land (the Building and any and all improvements located on the Land are hereinafter referred to collectively as the “Improvements”) and all easements, appurtenances, development rights, and other benefits, if any pertaining to or affecting the Land (collectively, the “Easements”). The Land, Building, Improvements and Easements are collectively referred to as the “Real Property.”

8.3. Purchase Price: Two Million Seven Hundred Fifty Thousand Dollars (\$2,750,000)

8.4 Option Exercise Date. The “Option Exercise Date shall be the date during the Preferential Purchase Period in which Tenant gives Landlord written notice that that Tenant is exercising this option. The Option Exercise Date may be any date within the Preferential Purchase Period as elected in the sole discretion of Tenant. In the event that Tenant exercises this option, the parties agree to promptly execute a purchase and sale agreement in a commercially reasonable form and Landlord shall convey the Project by grant, bargain, sale deed and shall provide good and marketable title. The Parties agreed that a memorandum or declaration of this option may be recorded in the County Recorder of Washoe County. If Lessor defaults in its obligations under this Article 8, Lessee may in addition to any other rights and remedies available in law or equity, pursue an action against Lessor for specific performance.

8.5 Approval. Landlord and Tenant agree that any sale of the Project pursuant to this Article 8 must be approved by the Board of Regents of the Nevada System of Higher Education and that such approval may occur before, during or after the Preferential Purchase Period as long as the Option Exercise Date is within the Preferential Purchase Period.

8.6 Material Term. The option to purchase set forth in this Article 8 is a material term of the Lease between Landlord and Tenant.

8.7 Survival. The option to purchase shall survive any sale or transfer of the Project to a third party prior at any time prior to the end of the Preferential Purchase Period. Landlord will take no steps that would limit, extinguish, alter, or modify the option to purchase under this Article 8.

8.8 Form Purchase Agreement. Any purchase of the Project pursuant to this Lease shall be through a purchase and sale agreement substantially similar to the form attached to this Lease as exhibit E.

ARTICLE 9

TAXES

9.1 Personal Property Taxes. To the extent applicable, Tenant shall pay before delinquency any and all taxes, assessments, license fees and public charges levied, assessed or imposed at any time and which become payable during the term of this Lease upon Tenant's leasehold improvements, fixtures, equipment, furniture, inventories or merchandise and any other personal property installed or located on the Premises whether or not such assessment is made against Tenant or against Landlord, either separately or as part of the assessment of the office space, or any portion thereof, and whether installed by Landlord or by Tenant.

9.2 Exclusions. It is agreed and understood that the term “taxes” as used herein shall not include any franchise, excise, gift, estate, inheritance, succession, capital levy or transfer tax of Landlord arising out of or in connection with this Lease or Landlord's rights in the Premises, or any net income, excess profits or revenue tax, charge or levy against Landlord. It is also understood and agreed that as a public entity, Tenant may be exempt from certain taxes and shall not be responsible for taxes from which it is exempt.

ARTICLE 10

6

Initials: _____ / _____
Landlord / Tenant

INSURANCE

10.1 Tenant’s Insurance. Tenant shall at all times during the Lease Term and any extension thereof, and at its own cost and expense, procure and continue in force worker's compensation insurance, professional liability and commercial general liability insurance in connection with the use, maintenance, operation or condition of the Premises. If available, the policy shall name Landlord and its manager as an additional insured. Such insurance at all times shall be in an amount of not less than One Million Dollars (\$1,000,000.00) in any one occurrence and Three Million Dollars (\$3,000,000.00) in the aggregate. Maintaining insurance in accordance with this Section is not a waiver of the sovereign immunity of Tenant and/or a waiver of the liability limitations set forth in NRS 41.0305, et. seq.

10.2 Landlord’s Insurance. Landlord shall at all times during the term hereof maintain in effect a policy or policies of insurance covering (a) the building of which the Premises is a part providing protection against any peril generally included within the classification “Fire and Extended Coverage Insurance,” and insuring against such other risks as Landlord may designate (b) commercial general liability insurance in an amount of not less than One Million Dollars (\$1,000,000.00) in any one occurrence and Three Million Dollars (\$3,000,000.00) in the aggregate; and (c), in Landlord’s discretion, the rents payable hereunder.

ARTICLE 11

UTILITIES SERVICES

11.0 Building Services.

(A) Landlord agrees to furnish or cause to be furnished to the Premises the following utilities and services subject to the conditions and standards set forth herein, during the periods from 6:00 A.M.- 7:00 P.M., Monday through Friday, 7:00 A.M.- 5:00 P.M., Saturdays, except New Year’s Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day. Utility usage after the designated hours will be billed monthly to the Tenant at a rate of Thirty-Five Dollars (\$35.00) per utility hour.

(B) Landlord shall not be liable for, and Tenant shall not be entitled to any reduction of rental by reason of Landlord's failure to furnish any of the foregoing when such failure is caused by accident, breakage, repairs, strike, lockouts or other labor disturbances or labor disputes of any character, or by any other cause, similar or dissimilar, beyond the reasonable control of Landlord.

(C) Tenant will not, without written consent of Landlord, use any apparatus or device in the Premises, including, but without limitation thereto, machines using in excess of 120 volts, which will in any way increase the amount of electricity beyond what is usually furnished or supplied for the use of the Premises as medical clinical and office space, nor connect with electric current except through existing electrical outlets in the Premises, any apparatus or device, for the purpose of using electric current. This limitation expressly excludes any medical equipment, process and/or device needed in the normal operation of a medical clinic, even if such device uses an excess of 120 volts. If Tenant shall require water or electric current in excess of that usually furnished or supplied for the use of the Premises as a clinical and office space, Tenant shall first procure the written consent of Landlord, which Landlord may not unreasonably refuse, to the use thereof and Landlord may cause a water meter or electrical current meter to be installed in the Premises, so as to measure the amount of water and electric current consumed for any such use. The cost of any such meters and of installation, maintenance and repair thereof shall be paid for by the Tenant and Tenant agrees to pay to Landlord promptly upon demand therefor by Landlord for all such water and electric current consumed as

Initials: _____ / _____
Landlord / Tenant

shown by said meters, at the rates charged for such services by the local public utility furnishing the same, plus any additional expense incurred in keeping account of the water and electric current so consumed. If a separate meter is not installed, such excess cost for such water and electric current will be established by an estimate made by a utility company or electrical engineer.

(D) Further, in the event any governmental authority or public utility promulgates or revises any law, ordinance, rule or regulation, or issues mandatory controls or voluntary controls relating to the use or conservation of energy, water, gas, light or electricity, the reduction of automobile or other emissions, or the provision of any other utility or service, Landlord may take any reasonably appropriate action to comply with such law, ordinance, rule, regulation, mandatory control or voluntary guideline at Landlords sole expense without affecting Tenant's obligations hereunder.

ARTICLE 12

COMMON AREA MAINTENANCE COSTS

12.1 Common Area Expenses. Landlord shall, during the Lease Term, keep or cause the common area to be kept in a neat, clean and orderly condition, properly lighted and landscaped and shall repair any damage to the facilities thereof at Landlords expense.

12.2 Required Alterations. If at any time Landlord is required by any rule, regulation or law (“building regulations”) to make any changes, alterations, or improvements to the common area or Premises, including without limitation electrical, mechanical or other systems or components thereof (“required alterations”), but excluding required alterations attributable to Tenant's specific use and occupancy of the Premises, which alterations shall be Tenant's sole responsibility, all costs relating to such required alterations shall be at Landlord’s expense.

ARTICLE 13

INDEMNITY

13.1 Subject to and limited by the limitations on liability to state entities set forth in NRS 41.0305, et. seq., Tenant hereby agrees to indemnify and hold Landlord harmless from and against (a) any and all claims arising from Tenant's construction on or use of the Premises for the conduct of its business or from any activity, work, or thing done, permitted or suffered by Tenant and its agents and employees in or about the Premises; (b) any and all claims arising from any breach or default in the performance of any obligation on Tenant's part to be performed under the terms of this Lease, or arising from any act or negligence of Tenant, or any of its agents, contractors or employees; and (c) all costs, attorneys' fees, expenses and liabilities incurred by Landlord in defending any such claim or any action or proceeding brought thereon.

13.2 Landlord shall indemnify, hold harmless and defend, not excluding Tenant's right to participate, Tenant from and against all liability, claims, actions, damages, losses, and expenses, including, without limitation, reasonable attorneys' fees and costs, arising out of or related to: (a) any alleged negligent or willful acts or omissions of Landlord, its officers, employees and agents; or (b) any breach or default in the performance of any obligation on Landlord's part to be performed under the terms of this Lease

ARTICLE 14

QUIET POSSESSION

Initials: _____ / _____
Landlord / Tenant

Landlord agrees that Tenant, upon paying the rent and performing the covenants and conditions of this Lease, may quietly have, hold and enjoy the Premises during the term hereof.

ARTICLE 15

ESTOPPEL CERTIFICATE

Within twenty (20) business days after written request by Landlord, Tenant shall execute and deliver to Landlord a statement of facts relating to this Lease in a commercially reasonable form acceptable to Landlord, which statement may be conclusively relied upon with respect to any prospective purchase or encumbrance of the Premises. Tenant shall not be required to execute any estoppel certificate which seeks to materially alter, amend or modify the terms and conditions of this Lease.

ARTICLE 16

REPAIRS AND MAINTENANCE

16.1 Tenant's Maintenance Obligations. Subject to terms of this Full Service Lease, Tenant shall, during the term of this Lease and any option periods thereof, keep the premises, including all improvements constructed by Tenant therein, in good order, condition and repair, including the interior surface of exterior walls; the surface of interior walls, all windows, doors, door frames, and door closures; all plate glass; all carpeting and other floor covering; all electrical equipment installed by Tenant; and shall as necessary, or when required by governmental regulations make modifications or replacements thereof, normal wear and tear accepted. Landlord shall have no obligation to repair or maintain the Premises or improvements constructed therein except as expressly provided in this Lease. Tenant shall be responsible for its own janitorial cleaning within the Premises.

16.2 Landlord's Maintenance Obligations. Landlord shall keep in good order, condition and repair the foundations, exterior walls (excluding the interior surface of all walls and the exterior or interior of any windows, doors, plate glass and display windows), roof (excluding interior ceiling), all electrical equipment installed by Landlord; all heating and air conditioning equipment and all plumbing, electric and sprinkler systems, if any, of the Premises, except for any damage thereto caused by any act, negligence or omission of Tenant, and except for any Tenant installed structural alterations or improvements required by any governmental agency by reason of Tenant's use and occupancy of the Premises subject to Section 5.5.

16.3 Right of Entry. With 48 hour written notice, subject to applicable health care and educational privacy laws (e.g. HIPAA and FERPA). Tenant agrees to permit Landlord or Landlord's lender and their authorized representatives to enter the Premises at all reasonable times during usual business hours for the purpose of inspecting the same. Tenant further covenants and agrees that Landlord may go upon the Premises and make any necessary repairs to the Premises and perform any work therein that: (a) may be necessary to comply with any law, ordinance, rule or regulation of any public authority; or (b) Landlord may deem necessary to prevent waste or deterioration in connection with the premises. Notwithstanding the above or other provisions elsewhere in this Lease, Landlord's entry into the Premises for any reason shall only be during reasonable business hours following Tenant's receipt of at prior reasonable notice (except for an emergency, in which event only such notice as is reasonably practical under the circumstances shall be required). Landlord's access onto the Premises shall not unreasonably interfere with Tenant's business operations or use of the Premises and (emergencies excepted) Tenant may accompany Landlord during such entry. Tenant is subject to various laws and regulations which require Tenant to take reasonable steps to maintain the confidentiality of its students, patients and other nonpublic information. Landlord shall comply with all applicable laws to protect the privacy of non-public information located within the Premises during such entry.

Nothing herein contained shall imply any duty on the part of Landlord to do any such work which under any provisions of this Lease Tenant may be required to do, nor shall it constitute a waiver of Tenant's default in failing to

Initials: _____ / _____
Landlord / Tenant

do the same. No exercise by Landlord of any rights herein reserved shall entitle Tenant to any damage for any injury or inconvenience occasioned thereby nor to any abatement of rent. In the event Landlord makes or causes any such repairs to be made or performed, Landlord shall pay the cost thereof to Landlord unless damage caused specifically by Tenant's gross negligence. In the event of emergency repairs, Tenant hereby grants to Landlord the right to enter upon the Premises at any time.

16.4 Condition of Premises. Tenant agrees upon the expiration or earlier termination of this Lease to surrender the Premises to Landlord in good order, condition and repair, ordinary wear and tear excepted.

ARTICLE 17

ALTERATIONS

17.1 Permitted Alterations. Tenant shall not make any alterations or additions to the Premises nor make any contract therefor without first procuring Landlord's written consent (which shall not be unreasonably withheld by Landlord), except for non-structural, interior alterations, improvements or adjustments costing less than Ten Thousand Dollars (\$10,000.00). All alterations, additions and improvements made by Tenant to or upon the Premises (including floor coverings but excluding light fixtures, signs, cases, counters or other portable trade fixtures) shall at once when made or installed be deemed to have become the property of Landlord; provided, however if 60 days prior to termination of this Lease, Tenant shall promptly remove additions, improvements, fixtures, trade fixtures and installations which were placed in or on the Premises by Tenant and which are designated in said notice and shall repair any damage occasioned by such removal, unless such improvement was approved by Landlord in writing. If Tenant shall fail to remove any such addition, improvement, fixture or trade fixture as directed by Landlord, Landlord may effect such removal and repair at Tenant's expense. Tenant shall not be required to remove any of the improvements existing on the Commencement Date or any of the improvements that are a part of the Landlord's Work.

18.2 Standards of Construction. All work with respect to material alterations and/or additions, shall be done in a good and workmanlike manner and diligently pursue to completion to the end that the improvements on the Premises shall at all times be a complete unit except during the period of work. Any such changes, alterations and improvements shall be performed and done strictly in accordance with the laws and ordinances relating thereto.

ARTICLE 18

MECHANICS' LIENS

18.1 Mechanics' Liens. Tenant hereby agrees that it will pay or cause to be paid all costs for work done by it or caused to be done by it on the Premises (excluding work performed on Tenant's behalf by Landlord and/or a party that contracts directly with landlord), and it will keep the Premises free and clear of all mechanics' liens on account of work done by Tenant or persons claiming under it. Tenant hereby agrees to indemnify and save Landlord free and harmless against liability, loss, damage, costs, attorneys' fees, and all other expenses on account of claims of lien of laborers or materialmen or others for work performed or materials or supplies furnished for Tenant or persons claiming under it.

18.2 Contest of Lien. If Tenant shall desire to contest any claim of lien, it shall furnish Landlord adequate security of the value or in the amount of the claim, plus estimated costs and interest, and with Landlord's express approval, may provide alternatively a bond of a responsible corporate surety in such amount as is necessary to release the lien. If a final judgment establishing the validity or existence of a lien for any amount is entered, Tenant shall pay and satisfy the same at once.

18.3 Tenant's Default. If Tenant shall be in default in paying any charge for which a mechanics' lien claim and suit to foreclose the lien have been filed, and shall not have given Landlord security to protect the Premises and Landlord against such claim of lien, then Landlord may, but shall not be obligated to, pay the said claim and any costs, and the amount so paid, together with reasonable attorneys' fees incurred in connection therewith, shall be immediately due and owing from Tenant to Landlord, and Tenant agrees to and shall pay the same with interest as provided in this Lease from the dates of Landlord's payments.

18.4 Notice. Should any claims of lien be filed against the Premises or any action affecting the title to such property be commenced, the party receiving notice of such lien or action shall forthwith give the other party written notice thereof.

ARTICLE 19

DAMAGE AND DESTRUCTION

19.1 Restoration. In the event of the partial or total damage or destruction of the building of which the Premises are a part during the term hereof, from any cause, except if solely due to the negligent acts or omissions of Tenant, its agents or employees, or to the failure on the part of Tenant to perform or observe any of Tenant's covenants or conditions contained herein, Landlord shall forthwith repair and reconstruct said building to substantially the same condition which said building was in immediately prior to such damage or destruction, and the Premises to substantially the same the condition which Landlord furnished to Tenant upon the commencement of the term, provided such repairs or reconstruction can be made under then existing laws and regulations. With respect to any damage or destruction which Landlord is obligated to repair or may elect to repair under the terms of this Article, Tenant hereby waives the provisions of any law authorizing the termination of a lease upon the complete or partial destruction of the Premises.

If Landlord does not complete the required work within six (6) months from the occurrence of the damage or destruction or if the damage occurs during the last two (2) years of the term, Tenant may, at its option, terminate this Lease by written notice to Landlord.

19.2 Termination. Unless this Lease is terminated as provided above, such destruction shall in no way annul or void this Lease. Provided, however, the Monthly Rent shall be reasonably reduced by Landlord in proportion to the extent that Tenant is deprived of the use of the Premises.

ARTICLE 20

EMINENT DOMAIN

20.1 Definitions of Taking. The term "total taking" means the taking of so much of the Premises by right of eminent domain or other authority of law, including a voluntary transfer under the threat of the exercise thereof, which the remainder of the Premises is not suitable to conduct the business which Tenant intends to conduct therein. The term "partial taking" means the taking of a portion of the Premises which does not constitute a total taking as above defined.

20.1 Total Taking. If during the term hereof there shall be a total taking by public authority under the power of eminent domain, then this Lease, and the leasehold estate of Tenant in and to the Premises, shall cease and terminate as of the date the condemning authority takes actual physical possession of the Premises.

20.3 Partial Taking. If during the term hereof there shall be a partial taking of the Premises that is not more than 10% of the Premises, this Lease, as to the portion of the Premises so taken, shall terminate on the date on which the

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condemning authority takes actual physical possession of such portion, but this Lease shall continue in full force and effect as to the remainder of the Premises. The Monthly Rental payable by Tenant for the balance of the term shall be abated in the ratio that the floor area of the Premises taken bears to the total floor area of the Premises immediately prior to such taking, and Landlord shall make all necessary exterior and structural repairs or alterations in order to make the remaining portion of the Premises a complete architectural unit.

20.4 Award. If the taking occurs before the Option Exercise Date, all compensation and damages awarded for the taking of the Premises or any portion thereof shall belong to and be the sole property of Landlord, and Tenant shall not have any claim or be entitled to any award for diminution in value of its leasehold interest hereunder or for the value of any unexpired term of this Lease; provided, however, that Tenant shall be entitled to make its own claim for and receive any award that may be made for Tenant's improvements, or on account of any cost or loss Tenant may sustain in the removal of Tenant's trade fixtures, equipment, and furnishings. If the taking occurs after the Option Exercise Date but before the closing of the purchase and sale agreement for the Project, Tenant shall be awarded an amount equal to the costs it incurs to locate similar medical clinic and office space and occupy said space for a period of two (2) years, with any remaining compensation and damages being the property of the Landlord.

20.5 Proration of Rent. If this Lease is terminated pursuant to the provisions of this Article, then all rentals and other charges payable by Tenant to Landlord hereunder shall be paid up to the date on which possession shall be taken, or not reasonably suitable for Tenant's use, by the condemning authority and any rentals and other charges theretofore paid by Tenant which are applicable to any period subsequent to the date possession is taken, shall be repaid to Tenant by Landlord, and the parties shall thereupon be released from all further liability hereunder.

20.6 Rights of Termination. Tenant hereby waives any statutory rights of termination which may arise by reason of any partial taking of the Premises under the power of eminent domain.

20.7 Subordination. The foregoing provisions of Article 21 are and shall be subordinate to the lien of any trust deed of trust of any bank insurance company or other lending institution now of record or recorded after the date of this Lease affecting the Premises. Such subordination is effective without any further act of Tenant. Tenant shall, from time to time on request from Landlord, execute and deliver any commercially reasonable documents or instruments that may be required by the lender to effectuate any subordination.

ARTICLE 21

DEFAULTS BY TENANT AND LANDLORD'S REMEDIES

21.1 Events of Default. The occurrence of any one or more of the following events shall constitute a material default and breach of this Lease by Tenant:

(a) Any failure by Tenant to pay the rental or make any other payment required to be made by Tenant hereunder when due and not thereafter paid within fifteen (15) business days following receipt of written notice from Landlord.

(b) A failure by Tenant to observe and perform any other provision of this Lease to be observed or performed by Tenant, where such failure continues for Thirty (30) days after written notice thereof by Landlord to Tenant; provided, however, that if the nature of such default is such that the same cannot reasonably be cured within such thirty (30) period, Tenant shall not be deemed to be in default if Tenant shall within such period commence such cure and thereafter diligently prosecute the same to completion.

21.2 Landlord's Right to Terminate Lease. In the event of a material default by Tenant which is not timely cured pursuant to Section 21.1(b) of this Lease, then in addition to any other remedies available to Landlord at law or in equity, Landlord shall have the option to terminate this Lease and all rights of Tenant hereunder by giving sixty (60) day written notice to Tenant of such intention to terminate. In the event that Landlord shall elect so to terminate this Lease then Landlord may recover from Tenant:

- (a) The worth at the time of award of any unpaid rent which had been earned at the time of such termination; plus
- (b) The worth at the time of award of the amount by which the unpaid rent which would have been earned after termination subject to Landlord's duty to reasonably mitigate its damages; plus
- (c) Any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom.

ARTICLE 22

DEFAULTS BY LANDLORD

22.1 Tenant's Remedies. In the event Landlord shall neglect or fail to perform or observe any of the covenants, provisions, or conditions contained in this Lease on its part to be performed or observed within thirty (30) days after written notice of default (or if more than thirty [30] days shall be required because of the nature of the default, if Landlord shall within such period commence such cure and thereafter diligently prosecute the same to completion), then in that event Tenant shall be entitled to all rights and remedies available at law or in equity except as otherwise expressly set forth herein, and Landlord shall be liable to Tenant for any and all damages sustained by Tenant as a result of Landlord's breach, which expressly includes the cost to Tenant for obtaining any services that Landlord is required to provide under this Lease.

22.2 Right to Cure. If the Premises or any part thereof are at any time subject to a first mortgage or a first deed of trust (hereinafter called "Mortgagee" for purposes of this Article only) and Tenant is given written notice thereof, including the post office address of such Mortgagee, then Tenant shall give written notice to such Mortgagee, specifying the default in reasonable detail, and affording such Mortgagee a reasonable opportunity to make performance for and on behalf of Landlord. If and when the said Mortgagee has made performance on behalf of Landlord, such default shall be deemed cured.

ARTICLE 23

LANDLORD'S RIGHTS TO EXHIBIT PREMISES

Landlord and the authorized representatives of Landlord may enter the Premises at all times for the purpose of exhibiting the same to prospective purchasers and, during the final six (6) months of the term of this Lease or any extension(s) thereof, may exhibit the Premises for hire and may display on the property, the usual "For Lease" signs, and such signs shall remain unmolested upon the Premises. Such entry shall be upon advance reasonable notice to Landlord and Tenant may accompany Landlord during such entry. Tenant is subject to various laws and regulations which require Tenant to take reasonable steps to maintain the confidentiality of its customer and other nonpublic information. Landlord will protect the privacy of non-public and confidential information located within the Premises during such entry. This provision does not apply if Tenant exercises its right to purchase under Section 8 of this Lease.

ARTICLE 24

SUBORDINATION, ATTORNMENT

24.1 Subordination. Tenant accepts this Lease subject and subordinate to any mortgage, deed of trust, or other lien presently existing hereafter arising upon the Premises or the building of which the Premises are a part, and to any renewals, refinancing, and extension thereof. Upon request of Landlord, Tenant shall in writing subordinate its rights hereunder to any mortgage or deed of trust or other lien presently existing or hereafter arising upon the Premises, and to all advances made or hereafter to be made upon the security thereof, or the interest of any lease in which Landlord

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is lessee. Any such mortgage deed of trust trustee or beneficiary or lessor of Landlord may at its option subordinate its mortgage or lease to this Lease and Tenant agrees to execute any document accomplishing same.

24.2 Attornment. In the event any proceedings are brought for the foreclosure of such lien, or in the event of the exercise of the power of sale under any mortgage or deed of trust made by the Landlord covering the Premises, or should the Lease in which Landlord is lessee be terminated, Tenant shall attorn to the purchaser upon any such foreclosure or sale or termination and recognize such purchaser or lessor as the landlord under this Lease.

24.3 Lease Continues. The provisions of this Article to the contrary notwithstanding, and so long as Tenant is not in default hereunder, this Lease shall remain in full force and effect for the full term hereof.

ARTICLE 25

ASSIGNMENT, SUBLETTING AND ENCUMBRANCE

25.1 Consent of Landlord. Tenant shall retain the right either directly or indirectly, voluntarily or by operation of law assign, license, concede, franchise, transfer, mortgage, hypothecate, or otherwise encumber all or any part of Tenant's interest in this Lease or in the Premises, and retain the right to sublet, franchise, change ownership, license or concede all or any part of the Premises (herein collectively referred to in this Article as "Assignment") with the prior written consent of Landlord in each instance, which consent shall not be unreasonably withheld. However, Tenant may assign this Lease or sublet all or any portion of the Premises without the consent of Landlord but on notice to Landlord to any of the following: (i) any subsidiary or affiliate of Tenant; (ii) any successor to Tenant by merger, acquisition, consolidation or operation of law; or (iii) any person or entity that acquires all or substantially all of Tenant's assets or business at the Premises. For purposes of this Article 25, the term "Assignee" shall mean any assignee, licensee, concessionaire, franchisee, transferee, mortgagee, or sublessee.

25.2 Tenant's Application. Subject to 25.7 of the lease, in the event Tenant desires at any time to assign this Lease or sublet the Premises, or any portion thereof, Tenant shall give written notice to Landlord of its intention, requesting Landlord's consent thereto. Such written notice shall be submitted to Landlord no more than ninety (90) days and no less than thirty (30) days prior to the effective date of such proposed assignment, and shall contain the following information: (a) a notice of intention to assign the Lease or sublet the Premises, requesting Landlord's consent thereto; (b) the proposed effective date of the proposed assignment; (c) the name of the proposed Assignee; (d) the nature of the business to be carried out upon the Premises by the proposed Assignee; (e) the terms and provisions of the proposed assignment; (f) a copy of the proposed assignment or, if the same is not available, the letter of commitment or letter of intent; (g) a current financial statement of the proposed Assignee (which, upon Landlord's request shall be an audited financial statement if available); and (h) such other information Landlord may reasonably request. Landlord may, at any time within thirty (30) days after its receipt of such notice of a proposed assignment, approve or disapprove of such proposed Assignment in writing to Tenant, or elect to terminate this Lease as provided in Section 26.9 below. If Landlord consents to the proposed assignment in writing, so long as Tenant shall not be in breach or default of any of its obligations under this Lease, Tenant may enter into the assignment in accordance with the terms and conditions contained in Tenant's notice. If Landlord fails to exercise its right to consent to or disapprove of the proposed assignment within such thirty (30) day period, Landlord shall be deemed to have approved such proposed assignment.

25.3 No Release of Tenant. No consent by Landlord to any Assignment by Tenant shall relieve Tenant of any obligation to be performed by Tenant under this Lease, whether occurring before or after such consent or Assignment. The consent by Landlord to any Assignment shall not relieve Tenant from the obligation to obtain Landlord's express written consent to any other Assignment. The acceptance of rent by Landlord from any person or entity other than Tenant shall not be deemed to be a waiver by Landlord of any provision of this Lease or a consent to any Assignment, or a release of Tenant from any obligation under this Lease. Consent to one (1) Assignment shall not be deemed to constitute consent to any subsequent Assignment.

25.4 Form of Assignment. Each assignment to which there has been the consent of Landlord shall be by an instrument in writing in form reasonably satisfactory to Landlord and shall be executed by the transferor, assignor, sublessor, licensor, concessionaire, hypothecator or mortgagor, and the assignee. One (1) fully executed copy of such written instrument shall be delivered to Landlord. Failure to first obtain in writing Landlord's consent or failure to comply with the provisions of this Article shall operate to prevent any such Assignment from becoming effective.

25.6 Assumption of Obligations. Each Assignee, other than Landlord, shall assume all of the obligations of Tenant under this Lease related to that portion of the Premises subject to the Assignment, and shall be and shall remain liable, both jointly and severally with Tenant, for the payment of all rent, and for the due performance of all of the terms, covenants, conditions and agreements herein contained on Tenant's part to be performed for the remainder of the term of this Lease.

25.7 Entities with the Nevada System of Higher Education. Tenant is not required to seek permission of Landlord to assign the Premises to another institution or school within the Nevada System of Higher Education. In the event of such assignment, Tenant will notify Landlord in writing of the assignment at least thirty (30) days before the effective date.

25.8 Option to Terminate. Landlord may elect, by written notice to Tenant given within thirty (30) days after receipt of Tenant's notice of a proposed Assignment to any party other than another institution or school within the Nevada System of Higher Education, to terminate this Lease, or in the case of a proposed Assignment of a portion of the Premises, to terminate this Lease with respect to such portion, effective as of a date not less than thirty (30) days following Landlord's notice of such election; provided, however, the Landlord's termination shall be void if, within ten (10) business days of receipt of notice from Landlord that Landlord is electing to terminate any portion of this Lease, Tenant notifies Landlord that it is not pursuing the Assignment. Upon such termination, Tenant shall be relieved from any further liability under this Lease (regarding the portion of the Premises which are no longer subject to this Lease) accruing after the date of such termination.

ARTICLE 26

NOTICES

Whenever under this Lease a provision is made for any demand, notice or declaration of any kind or where it is deemed desirable or necessary by either party to give or serve any such notice, demand or declaration to the other, it shall be in writing and either served personally or sent by registered mail or certified mail, return receipt requested, with postage prepaid, addressed to Tenant or Landlord, as the case may be, at the address specified as "Address for Notices" for each in Article 1 of this Lease. Either party may by like notice at any time and from time to time designate a different address to which notices shall be sent. Notice shall be effective when personally delivered as above specified. Notice deposited in the mail in the manner hereinabove described shall be effective from and after the expiration of four (4) calendar days after it is so deposited.

ARTICLE 27

SALE OF PREMISES BY LANDLORD

Notwithstanding anything contained herein to the contrary, Landlord may assign, in whole or in part, Landlord's interest in this Lease, and may sell all or part of its interest in property holdings within the office space. In the event of any sale or exchange of the Premises by Landlord and/or an assignment by Landlord of this Lease with new owner accepting all obligations by Landlord within this lease and without modifying, limiting or altering Tenant's rights under this Lease, Landlord shall be and is hereby entirely freed and relieved of all liability under any and all of its

covenants and obligations contained in or derived from this Lease arising out of any act, occurrence or omission relating to the Premises or to this Lease occurring after the consummation of such sale or exchange and/or assignment.

ARTICLE 28

TITLE OF LANDLORD

Landlord covenants that as of the date hereof Landlord is the fee title owner of the Property and there are no liens upon its estate other than (a) the effect of covenants, conditions, restrictions, easements, mortgages or deeds of trust, rights of way, and any other matters or documents of record (hereinafter referred to as the "Agreements"); (b) the effect of any zoning laws of the City, County and State where the office space is situated; and (c) general and special taxes not delinquent. Tenant agrees: (i) that as to its leasehold estate it, and all persons in possession or holding under it, will conform to and will not violate the terms of the Agreements or said matters of record; and (ii) that this Lease is and shall be subordinate to the Agreements and any amendments or modifications thereto, and Tenant further agrees, at the option of Landlord, to execute and return to Landlord within ten (10) business days after written demand therefor by Landlord, an agreement in a commercially reasonable form provided by Landlord with said written notice subordinating this Lease to the Agreements as long as such document does not materially alter or amend Tenant's rights and/or Landlord's obligations under this Lease.

ARTICLE 29

FISCAL FUND OUT

The continuation of this Lease beyond the current biennium is subject to and contingent upon sufficient funds being appropriated, budgeted, and otherwise made available by the State Legislature and other sources to the University of Nevada, Reno School of Medicine. Tenant may terminate this Lease, and Landlord waives any and all claim(s) for damages, effective sixty days from receipt of written notice (or any date specified thereafter) if for any reason the funding from State and/or federal sources limits, restricts, or impairs Tenant's funding or ability to satisfy its rental payment obligation. Proof by Tenant of a diminution in funding which was intended to be used as all or part of the funding for the payment of the rental under this lease shall be provided to Landlord including copies of supporting state or federal documents.

ARTICLE 30

HAZARDOUS AND TOXIC MATERIALS

30.1 Hazardous Materials. For purposes of this Lease, "Hazardous Materials" means any explosives, radioactive materials, hazardous wastes, or hazardous substances, without limitation substances defined as "hazardous substances" in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. §§ 9601-9657; the Hazardous Materials Transportation Act of 1975, 49 U.S.C. §§ 1801-1812; the Resource Conservation and Recovery Act of 1976, 42 U.S.C. §§ 6901-6987; or any other federal, state, or local statute, law, ordinance, code, rule, regulation, order, or decree regulating, relating to, or imposing liability or standards of conduct concerning hazardous materials, waste, or substances now or at any time hereafter in effect (collectively, "Hazardous Materials Laws"). The term "Hazardous Materials" expressly excludes any and all materials that are customarily used and/or are present in the operation of a medical clinic providing treatment to patients.

30.2 Notification. Tenant will not cause or permit the storage, use, generation, or disposition of any Hazardous Materials in, on, or about the Premises by Tenant, its agents, employees, or contractors, . Tenant will not permit the Premises to be contaminated by any Hazardous Materials in violation of any Hazardous Materials Laws caused by Tenant or its employees, agents, contractors or invitees. Tenant will immediately advise Landlord in writing at the

time Tenant becomes aware of (i) any and all enforcement, cleanup, remedial, removal, or other governmental or regulatory actions instituted, completed, or threatened pursuant to any Hazardous Materials Laws relating to any Hazardous Materials affecting the Premises; and (ii) all claims made or threatened by any third party against Tenant, Landlord, or the Premises relating to the damage, contribution, cost recovery, compensation, loss, or injury resulting from any Hazardous Materials in, on, or about the Premises.

30.3 Decontamination. Upon the expiration or termination of this agreement, Tenant will contract with an environmental cleanup service to decontaminate and remove any and all radioactive materials, hazardous wastes, or hazardous substances, up to and including chemotherapy, immunotherapy and biotherapies, hazardous blood products, without limitation substances defined as “hazardous substances” in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. §§ 9601-9657; the Hazardous Materials Transportation Act of 1975, 49 U.S.C. §§ 1801-1812; the Resource Conservation and Recovery Act of 1976, 42 U.S.C. §§ 6901-6987; or any other federal, state, or local statute, law, ordinance, code, rule, regulation, order, or decree regulating, relating to, or imposing liability or standards of conduct concerning hazardous materials, waste, or substances now or at any time hereafter in effect (collectively, “Hazardous Materials Laws”).

30.4 Indemnification. Subject to and limited by the limitation on damages set forth in NRS 41.0305 et. seq., Tenant will be solely responsible for and will defend, indemnify and hold Landlord, its agents, and employees including attorneys' fees and costs, arising out of or in connection with Tenant's breach of its obligations in this Article 30. Tenant will be solely responsible for and will defend, indemnify, and hold Landlord, its agents, and employees harmless from and against any and all claims, costs, and liabilities, including attorneys' fees and costs, arising out of or in connection with the removal, cleanup, and restoration work and materials necessary to return the Premises to the condition existing prior to the introduction of Hazardous Materials by Tenant, its agents, employees, or contractors. Tenant's obligations under this Article 30 will survive the expiration or other termination of this Lease.

ARTICLE 31

MISCELLANEOUS

31.1 Separate Entities. Nothing herein contained, either in method of computing rent or otherwise, shall create between the parties hereto, or be relied upon by others as creating, any relationship of partnership, association, joint venture, or otherwise. The sole relationship of the parties hereto shall be that of landlord and tenant.

31.2 Applicable Law. The laws of the State of Nevada shall govern the validity, performance and enforcement of this Lease. Should either party institute legal suit or action for enforcement of any obligation contained herein, it is agreed that the venue of such suit or action shall be in Washoe County, Nevada.

31.3 Gender. The word “Tenant” shall be deemed and taken to mean each and every person or party identified as the Tenant herein, whether the same shall be composed of one (1) or more individual(s) or entity(ies); and if Tenant shall be comprised of more than one (1) individual or entity, any notice required or permitted by the terms of this Lease may be given by or to any one (1) thereof and shall have the same force and effect as if given by or to all thereof. The use of the neuter singular pronoun to refer to Tenant shall be deemed a proper reference even though Tenant may be an individual, a partnership, a corporation, a limited liability company or a group of two (2) or more individuals, partnerships, corporations or limited liability companies. The necessary grammatical changes required to make the provisions of this Lease apply in the plural sense where there is more than one (1) tenant and to either corporations, partnerships, limited liability companies, associations, or individuals, males or females, shall in all instances be assumed as though in each case fully expressed.

31.4 Successors. The terms and agreements as contained in this Lease shall apply to, run in favor of and shall be binding upon and inure to the benefit of the parties hereto, and their respective heirs, assigns and successors-in-interest.

31.5 Entire Agreement. This Lease and its integrated attachment(s) and exhibits constitute the entire agreement of the parties and such are intended as a complete and exclusive statement of the promises, representations, negotiations, discussions, and other agreements that may have been made in connection with the subject matter hereof. Unless an integrated attachment to this Lease specifically displays a mutual intent to amend a particular part of this Lease, general conflicts in language between any such attachment and this Lease shall be construed consistent with the terms of this Lease. Unless otherwise expressly authorized by the terms of this Lease, no modification or amendment to this Lease shall be binding upon the parties unless the same is in writing and signed by the respective parties hereto.

31.6 Time is of the Essence. Time is of the essence under this Lease.

31.7 Captions. The titles of Articles and Sections herein are for convenience only and do not in any way define, limit or construe the contents thereof.

31.8 Execution of Lease. The submission of this document for examination and negotiation does not constitute an offer to lease, or a reservation of, or option for, the Premises; and this document shall become effective and binding only upon execution and delivery hereof by Tenant and by Landlord (or, when duly authorized, by Landlord's agent or employee). No act or omission of any agent of Landlord or of Landlord's broker shall alter, change or modify any of the provisions hereof. This Lease is not binding on Tenant until approved by the Board of Regents of the Nevada System of Higher Education.

31.9 Waiver of Redemption. Tenant hereby expressly waives any and all rights of redemption granted by or under any present or future laws in the event of Tenant being evicted or dispossessed for any cause, or in the event of Landlord obtaining possession of the Premises by reason of the violation by Tenant of any of the covenants and conditions of this Lease or otherwise.

31.10 Severability. If any provision of this Lease shall be determined to be void by any court of competent jurisdiction, then such determination shall not affect any other provision of this Lease and all such other provisions shall remain in full force and effect; and it is the intention of the parties hereto that if any provision of this Lease is capable of two constructions, only one (1) of which would render the provision valid, then the provision shall have the meaning which renders it valid.

31.11 Force Majeure. Any prevention, delay or stoppage due to strikes, lockouts, labor disputes, acts of God, inability to obtain labor or materials or reasonable substitutes therefor, governmental restrictions, governmental regulations, governmental controls, enemy or hostile governmental action, civil commotion, fire or other casualty, and other causes beyond the reasonable control of the party obligated to perform any term, covenant or condition of this Lease, shall excuse the performance by such party for a period equal to any such prevention, delay or stoppage except the obligations imposed with regard to rental and other charges to be paid by Tenant or Landlord pursuant to this Lease. Financial inability is not an event of force majeure.

31.12 Rules and Regulations. Tenant agrees and covenants to comply with all of Landlord's rules and regulations as set forth in Exhibit B attached hereto. Such rules and regulations may be amended by mutual agreement of the parties. If there is a conflict between the said rules and regulations and any of the provisions of this Lease, the provisions of this Lease shall prevail.

31.13 Holding Over. In the event Tenant shall hold over the Premises after the expiration of the term hereof without the express written consent of Landlord, Tenant shall become a tenant at sufferance only, at a rental rate equal to one hundred fifteen percent (115%) of the Monthly Rental (which was in effect immediately prior to the commencement of the hold over period), and otherwise subject to the terms, covenants, and conditions herein specified, so far as applicable. Notwithstanding the foregoing, Tenant shall have the unconditional right to holdover for a period of up to six (6) months at the rental rate specified in the preceding sentence and during such period Tenant shall have the right to terminate the Lease upon no less than 30 days written notice to Landlord.

Initials: _____ / _____
Landlord / Tenant

31.14 Attorney's Fees. In the event that at any time after the date hereof either Landlord or Tenant shall institute any action or proceeding against the other relating to the provisions of this Lease, or any default hereunder, then and in that event, the party not prevailing in such action or proceeding shall reimburse the prevailing party for the reasonable expenses of attorney's fees and all costs and disbursements incurred therein by the prevailing party, including without limitation, any such fees, costs, or disbursements incurred on any appeal from such action or proceeding. Determination of the prevailing party shall be pursuant to Nevada law. The provisions contained in this Section 31.14 shall survive the expiration or earlier termination of this Lease.

31.15 Brokers. In connection with this Lease, Tenant warrants and represents that it has had no dealings with any broker other than the Brokers named in Article I and that it knows of no person who is or might be entitled to a commission, finder's fee or other like payment in connection herewith other than the Brokers named in Article I and does hereby indemnify and agree to hold Landlord harmless from and against any and all loss, liability and expenses that Landlord may incur should such warranty and representation prove incorrect.

31.16 No Inducements. Tenant warrants and represents that there have been no representations or statements of fact with respect to the Premises, the surrounding area or otherwise, whether by Landlord, its agents or representatives, any lease broker or any other person, which representations or statements have in any way induced Tenant to enter this Lease or which have served as the basis in any way for Tenant's decision to execute this Lease, except as contained in this Lease. Tenant acknowledges that it has completed its due diligence and has determined that the Premises are fit for Tenant's intended use and purposes.

31.18 Name Change. Tenant acknowledges and agrees that, from time to time during the term of this Lease, the name of the medical building may be changed by the party entitled to make such a change.

31.19 Security Protection. Tenant acknowledges that Landlord does not provide security or other protection at the Premises. Tenant may install alarm and other security systems. However, no part of any such system shall be mounted on or be visible from the exterior of the Premises. Upon the termination of this Lease, Tenant shall, at its sole cost and expense, remove all components of any security system it installs in or about the Premises and restore any damage to the Premises and/or building from such installation and removal thereof.

{INTENTIONALLY LEFT BLANK}

31.20 Confidentiality and Public Records. Landlord and Tenant agree to keep from public disclosure any information that is either confidential under the law or identified by the other party as confidential. This notwithstanding, pursuant to NRS 239.010, information or documents received from Landlord may be open to public inspection and copying. Tenant will have the duty to disclose unless a particular record is made confidential by law or a common law balancing of interests. Landlord may label specific parts of an individual document as a "trade secret" or

Initials: _____ / _____
Landlord / Tenant

"confidential" in accordance with NRS 333.333, provided that Landlord thereby agrees to indemnify (including for attorney's fees and penalties) and defend Tenant for honoring such a designation. The failure to so label any document that is released by Tenant shall constitute a complete waiver of any and all claims for damages caused by any release of the records.

IN WITNESS WHEREOF, the parties hereto have executed this Lease as of the date subscribed below.

LANDLORD:

ROPE, LLC, a Nevada limited liability company

By: _____

_____, Manager

Date

TENANT:

By: _____

Its: _____

Date

EXHIBIT A

DESCRIPTION OF PREMISES

The Premises are located in the building at that certain real property commonly known as: 6130 Plumas Street, Reno, State of Nevada, comprising approximately 11,598 SF, parcel of real property described as follows: PARCEL NO. 4 OF PARCEL MAP NO. 1865 FOR SOUTHWEST INVESTORS, ACCORDING TO THE MAP THEREOF, FILED IN THE OFFICE OF THE COUNTY RECORDER OF WASHOE COUNTY, STATE OF NEVADA, ON JULY 24, 1985, AS FILE NO. 1011309, OFFICIAL RECORDS.

SITE PLAN



Initials: _____ / _____
Landlord / Tenant

EXHIBIT B

RULES AND REGULATIONS

LEASE RULES AND REGULATIONS

1. No awning shall be permitted on any part of the premises, without Landlord's consent. Tenant shall not place anything or allow anything to be placed against or near any glass partitions or doors or windows which may appear unsightly, in the reasonable opinion of Landlord, from outside the premises.
2. No tenant and no employee or invitee of any tenant shall go upon the roof of the building.
3. If Tenant requires a burglar alarm or similar services, it shall first obtain, and comply with, Landlord's reasonable instructions in their installation.
4. Tenant shall not place a load upon any floor, which exceeds the load per square foot, which such floor was designed to carry and which is allowed by law. Landlord shall have the right to prescribe the weight, size and position of all equipment, materials, furniture or other property brought into the Premises. Heavy objects shall stand on such platforms as determined by Landlord to be necessary to properly distribute the weight. Damage done to the building by maintaining or moving such equipment or other property shall be repaired at the expense of Tenant.
5. The toilet rooms, toilets, urinals, wash bowls and other apparatus shall not be used for any purpose other than that for which they were constructed, no foreign substance of any kind whatsoever shall be thrown therein, and the expense of any breakage, stoppage or damage resulting from the violation of this rule shall be borne by the Tenant who, or whose employees or invitees, shall have caused it.
6. Tenant shall not install any radio or television antenna, loudspeaker or other device on the roof or exterior walls of Tenant's space, without Landlord's consent, such consent not to be unreasonably withheld.
7. All garbage and refuse disposal shall be made in accordance with reasonable directions issued from time to time by Landlord.
8. The delivery of shipping or merchandise, supplies and fixtures to and from the Premises shall be subject to such Rules and Regulations as in the judgment of Landlord are necessary for the proper operation of the premises.
9. Landlord may waive any one or more of these Rules and Regulations for the benefit of any particular Tenant or Tenants, but no such waiver by Landlord shall be construed as a waiver of such Rules and Regulations in favor of any other Tenant, nor prevent Landlord from thereafter enforcing any such Rules and Regulations against any or all of the Tenants.
10. These Rules and Regulations are in addition to, and shall not be construed to in any way modify or amend, in whole or in part, the terms, covenants, agreements and conditions of any lease of premises.
11. Tenant shall be responsible for the observance of all the foregoing Rules by Tenant's employees, agents, clients, customers, invitees and guests.

EXHIBIT D

RENEWAL OPTIONS - One (1) Five Year option

Tenant shall have one (1) option to extend the term of this Lease for a period of five (5) years (an “**Option Extension Period**”). If Tenant elects to exercise an option to extend, Tenant shall give Landlord written notice of its exercise of the option (“**Option Notice**”) not less than two hundred seventy (270) days prior to the expiration of the then applicable term. The lease of the Premises during an Option Extension Period shall be upon all of the terms and conditions as set forth in this Lease, except that Monthly Rent for the Option Extension Period shall be in accordance with the following rent schedule:

Months 1-12: \$ 27,156.06

Months 13-24: \$27,834.96

Months 25-36: \$28,530.84

Months 37-48: \$29,244.11

Months 49-60: \$29,975.21

Upon the commencement date of the Option Extension Period, Landlord shall provide Tenant a \$5.00/SF (\$51,110.00) Tenant Improvement Allowance on the 10,222 square foot main floor of the Premises.

EXHIBIT E

Purchase and Sale Agreement

1. The Board of Regents of the Nevada System of Higher Education on Behalf of the University of Nevada, Reno School of Medicine (hereinafter “Buyer”)¹, agrees to purchase, and Rope, LLC, (hereinafter called “Seller”), agrees to sell, the real property described in Section 2 (hereinafter referred to as the “Real Property”). This Purchase and Sale Agreement may be referred to herein as the “Agreement.”

2. REAL PROPERTY ADDRESS AND LEGAL DESCRIPTION. The Real Property is located at 6130 Plumas Street, Reno NV 89519, County of Washoe, State of Nevada, having APN 042-222-17 and being improved with a 11,598± square foot free standing retail building situated on 1.04± acres of land and is legally described as set forth in the attached Exhibit A.

3. EARNEST MONEY.
 - (i) Within three (3) business days of mutual execution of this Agreement, Buyer shall deposit funds in the amount of One Hundred Fifty Thousand Dollars, (\$150,000.00), (the “Earnest Money Deposit”) as earnest money to the Title Company (further defined in Section 7 below). The Earnest Money Deposit shall become nonrefundable according to the schedule outlined in Section 6 of this Agreement, subject to the other terms and conditions of this Agreement.

 - (ii) The entire Earnest Money Deposit and the accumulated interest thereon shall be applied against the Purchase Price (as defined below) at Closing (as defined below). In the event this Agreement is terminated as a result of the Seller’s breach hereunder, or Seller’s inability to perform, or as further set forth in Sections 6, 8, 12, 14, and 15 hereof, all of the Earnest Money Deposit, including any accumulated interest, shall be immediately returned to the Buyer by the Title Company. Except as otherwise set forth in this Agreement, and as outlined in Section 32, in the event this Agreement is terminated after the Satisfaction Date, as defined in Section 6, or after Buyer’s conditions precedent set forth in Section 6 of this Agreement have been waived or satisfied, or the sale fails to close by reason of a breach by Buyer, the Earnest Money Deposit shall be paid to or retained by Seller.

 - (iii) The Earnest Money Deposit shall be deposited with the Title Company and shall be held in trust in accordance with the terms and conditions of this Agreement.

4. PRICE/TERMS. The total purchase price (the “Purchase Price”) is Two Million, Seven Hundred Fifty Thousand and 00/100 Dollars (\$2,750,000.00), payable as follows:

¹ Terms defined in this Agreement are summarized in Attachment 1 “Index of Defined Terms”.

- (i) \$150,000.00 Earnest Money Deposit as set forth in this Agreement, plus interest thereon;
- (ii) Balance of the Purchase Price to be paid in cash at Closing (defined below in Section 9).

5. INCLUDED ITEMS. All of Seller's rights and interests in the Real Property (including all easement and appurtenant rights), all of Seller's interest in the "Space Leases"², all of Seller's interest in personal property, including plans, specifications, licenses, permits, warranties and other intangibles, if any, owned by Seller as well as personal property located on the Real Property, and all appurtenances and hereditaments appertaining to the Real Property. Notwithstanding the foregoing, Buyer shall not assume any obligations of Seller other than those that are appurtenant to the Real Property, and the Space Leases, and shall have no duties under the same including but not limited to maintenance and service agreements, ("Service Contracts") unless Buyer elects in writing to assume one or more Service Contracts in Buyer's sole and absolute discretion. Seller shall indemnify, defend and hold harmless, Buyer from any claims, costs, damages or judgements against Buyer arising from or related to any Service Contracts which are not assumed by Buyer. The obligation of Seller to indemnify Buyer as set forth in this Section shall survive Closing.

6. ADDITIONAL TERMS, CONDITIONS, AND CONTINGENCIES.

- (i) The date upon which all of Buyer's due diligence conditions and contingencies, excluding Section 32, must either be satisfied or waived, by forty-five (45) days from mutual execution of this Agreement (the "Satisfaction Date"). The Closing of this transaction is contingent upon satisfaction or waiver by Buyer of the conditions set forth in this Section 6 on or before the Satisfaction Date. Upon mutual execution of this Agreement, Seller shall cooperate in Buyer's efforts related to such inspection and due diligence. Within five (5) business days of execution Seller shall provide to Buyer legible copies of the following, if any: Space Leases, Service Contracts, and any other contracts and/or agreements which Buyer will assume or may choose to assume at the Closing. Seller shall also provide to Buyer all documentation regarding the Real Property including, without limitation, soil reports, permits, construction documents and other reports and documents related to any construction on the Real Property. As Buyer will be a proposed Occupant, Buyer may meet with current Tenants to further evaluate Buyer's future programing of the building, subject to existing contract terms.
- (ii) In the event that on or prior to the Satisfaction Date, Buyer, in its sole discretion, is not satisfied with the condition of the Property for any reason, including, but not limited to, the state of title to the Real Property, the condition of the Real Property, or the Space Leases, then, on or prior to the Satisfaction Date, Buyer shall have the right by giving written notice to Seller and Title Company to cancel and terminate this Agreement without liability. In such event the Earnest Money Deposit, including any accumulated interest, shall be returned to Buyer by Title Company. The failure of Buyer to give written notice of such cancellation and termination by the Satisfaction Date shall be deemed to be waiver by Buyer of all such conditions and an election to proceed to Closing, subject to Section 32 of this Agreement. If Buyer elects or is deemed to have elected to proceed with this transaction beyond the Satisfaction Date, the Earnest Money Deposit shall become non-refundable, and applied to the Purchase Price at Closing, except as otherwise expressly provided in this Agreement.

² "Space Leases" means all leases, licenses, or other occupancy or use agreements (other than subleases, licenses or concession agreements, made by tenants who lease space at the Real Property), including all modifications, addenda, and supplements thereto and guarantees thereof, applicable to any part of the Real Property.

- (iii) Seller agrees up and until either Closing or this Agreement is terminated, that Seller will not enter into any new Space Leases or renew any existing Space Leases, without the prior written approval of Buyer.
- 7. TITLE COMPANY/ESCROW AGENT. The parties agree that the Title Company shall be Ticor Title Company, Attn: Rebecca Rich, ("Title Company"). Title Company shall provide any required title policy and preliminary report or commitment and shall act as the escrow agent relating to the sale of the Real Property pursuant to this Agreement. Each party agrees to pay one-half of the Title Company's escrow fee.
- 8. TITLE INSURANCE. Seller shall provide and pay for an ALTA Owner's Standard Coverage Title Policy (containing all of the standard printed title exceptions) insuring the Buyer for the amount of the Purchase Price. Any additional premiums ordered by Buyer for extended coverage and any survey required by the Title Company shall be paid by Buyer. Seller shall cause the Title Company to provide Buyer with a preliminary title report or commitment together with copies of all underlying documents giving rise to any exceptions listed therein within five (5) business days after mutual execution and delivery of this Agreement. Buyer shall have until the Satisfaction Date to object, by written notice to Seller, to the condition of title as set forth in the report. In the event the Buyer makes written objection to any exception to title, Seller shall have a reasonable time, not to exceed Ten (10) days, to satisfy any such objection to exception or provide affirmative title insurance coverage, and in the event the Seller cannot remove, or is unwilling to remove, such objected to exceptions or provide affirmative title insurance coverage, the Buyer may elect, as its sole remedy, to (a) either terminate this Agreement and receive back the Earnest Money Deposit and any accrued interest or (b) proceed to Closing, taking title subject to such exceptions. If the Buyer does not object within the time frame set out above, the Buyer shall be deemed to have accepted the condition of the title, except for monetary liens caused or suffered by through or under Seller, which, in all instances, shall be paid at Closing in full by Seller. In the event Buyer elects to terminate this Agreement as provided herein, the Buyer shall be entitled to the return of the Earnest Money Deposit and any accrued interest. The final title insurance policy shall be delivered to the Buyer by the Title Company as soon as possible after Closing.
- 9. CLOSING DATE. "Closing" shall be deemed to be the date on which the deed is recorded and the sales proceeds are available for disbursement to Seller and as otherwise directed by the parties. Buyer and Seller shall deposit with the Title Company all funds and instruments necessary to complete the sale. Closing shall occur no later than fifteen (15) Business Days following the satisfactory approval of the terms of the purchase and sale of the Real Property by the Board of Regents of the Nevada System of Higher Education pursuant to Section 32 of this Agreement, but in no event beyond two hundred seventy (270) calendar days from the Effective Date of this agreement.
- 10. DOCUMENTS TO BE DELIVERED AT OR PRIOR TO CLOSING. On the date of Closing or such earlier date set forth below, Seller shall have executed, or caused to be executed, and delivered to the Title Company the following documents in a form reasonably acceptable to Buyer and Seller:
 - (i) Grant Bargain Sale Deed (in the form attached hereto as Exhibit C)

- (ii) An Assignment and Assumption of all Space Leases, warranties, contracts (including Service Contracts, as set forth on Exhibit B), and guarantees that affect the Real Property (in the form attached hereto as Exhibit D)
- (iii) Bill of Sale (in the form attached hereto as Exhibit E)
- (iv) At least thirty days prior to Closing or such later time as specified by Buyer, subordination and non-disturbance agreements, and/or Estoppel Certificates fully executed by all tenants, guarantors, or others having rights under the Space Leases (in the form attached hereto as Exhibit F), and by Closing under the Agreement, Seller shall be deemed to make a representation and warranty that all of matters set forth in the Estoppel Certificates are true and remain accurate as of Closing, and such representation and warranty shall survive Closing.
- (v) At least thirty days prior to Closing or such later time as specified by Buyer, Subordination, Non-Disturbance and Attornment Agreements fully executed by all tenants, guarantors, or others having rights under the Space Leases in a commercially reasonable form supplied by Buyer.
- (vi) Any other instruments or documents reasonably requested by Buyer

11. POSSESSION/PRORATION/CLOSING COSTS. Buyer shall be entitled to possession of the Real Property on the day of Closing. Taxes and water assessments (using the last available assessment as a basis) shall be prorated as of Closing. Utilities shall be paid by Seller through Closing. Any tenant security deposits held by Seller shall be credited to Buyer at Closing. Recording costs shall be paid by Buyer. Seller shall be entitled to all income produced by the Real Property that is allocable to the period prior to the Closing and shall be responsible for all expenses allocable to the period prior to the Closing. Buyer shall be entitled to all income and responsible for all expenses allocable up to and including 12:01 A.M on the date of Closing. All prepaid rentals, other prepaid payments (other than monthly real estate tax or CAM estimates or installments), security deposits, electric, gas, sewer and water deposits deposited with Seller by tenants under any Space Leases, license agreements or concession agreements relating to the Real Property, if any, shall all belong to Buyer, in the event Buyer elects to assume the same in its sole and absolute discretion and all shall be assigned and delivered to Buyer at Closing, whereupon Seller shall be released from all liability with respect thereto. Buyer shall not be responsible for any charges, salaries, vacation pay, or fringe benefits of employees of Seller prior to or following the Closing and those shall not be prorated. Seller shall be responsible for any obligations to perform any alterations, reimburse any tenant for improvements done on or before the time of Closing, and/ or pay any incentives or commissions arising out of or related to the Space Leases. The obligations in the preceding sentence shall survive Closing for 12 months. All accounts receivable under the Space Leases which are past due by thirty days prior to closing shall be the property of Buyer. The parties agree that the pro-rations at Closing shall be based upon estimates and the parties agree to adjust the same post-Closing in the event they determine the same are inaccurate.

12. DEFAULT. If the Closing does not take place because of Buyer's default, the Earnest Money Deposit including any accrued interest shall be retained by Seller as agreed-upon liquidated damages as Seller's sole remedy for such default, and thereupon this Agreement shall be null and void and of no further force or effect whatsoever. The parties hereto expressly agree that Seller's actual damages in the event of a default by Buyer would be extremely difficult or impractical to ascertain and that the amount of the Earnest Money Deposit represents the parties' reasonable estimate of such damages. If the Closing does not take place because of Seller's default and refusal to close despite Buyer's willingness to do so (such willingness includes waiver by Buyer of any uncured title objection properly made by Buyer or material breach of representation or warranty by Seller) (such willful default and refusal being hereinafter

referred to as a “Seller Default”), then Buyer, as its sole and exclusive right and remedy as a result of such Seller Default, may elect, in its sole discretion, to either (i) cancel this Agreement, in which event the Earnest Money Deposit, including any accrued interest, shall be immediately returned to Buyer by Title Company, or (ii) Buyer may enforce specific performance of this Agreement without any reduction or abatement of the Purchase Price. Notwithstanding the foregoing, Seller shall have the right to abate or reduce the Purchase Price in the amount of any monetary liens caused or suffered by through or under Seller. In the event of default by either of the parties in their performance of the terms or conditions of this Agreement, the defaulting party agrees to pay all attorneys’ fees and costs incurred by the non-defaulting party and in the event of suit the prevailing party shall be entitled to its reasonable attorneys’ fees and costs.

In the event of a dispute between the parties as to the Earnest Money Deposit deposited hereunder by Buyer, the Title Company holding the Earnest Money Deposit may file an interpleader action in a court of competent jurisdiction located in Washoe County, Nevada to resolve any dispute between the parties.

The Buyer and Seller authorize the Title Company holding the Earnest Money Deposit to utilize as much of the Earnest Money Deposit as may be necessary to advance the costs and fees required for filing of any such action. The cost of such action shall be paid by the party which is not the prevailing party.

13. TITLE CONVEYANCE. Title to the Real Property is to be conveyed by Grant Bargain Sale deed in the form attached as Exhibit C and is to be marketable and insurable except for rights reserved in federal patents, building or use restriction, building and zoning regulations and ordinances of any governmental unit, rights of way and easements established or of record, and any other liens, encumbrances or defects (except for monetary liens caused or suffered by Seller by through or under Seller) approved or deemed approved by Buyer as of the Satisfaction Date. In the event any personal property is included as part of the contemplated sale, it shall be conveyed by bill of sale and shall be free and clear of all liens, claims and encumbrances.
14. RISK OF LOSS. Seller shall keep the Real Property insured against loss by fire and other casualty usually insured against in the market area of the Real Property until the Closing. In the event the Property has suffered any damage, destruction or casualty loss over \$5,000 prior to Closing, which Seller has refused to repair, whether or not covered by insurance, then this Agreement shall be voidable, in the sole discretion of the Buyer (with the Earnest Money Deposit, including any accumulated interest, being returned to Buyer by Title Company) by written notice to Seller within ten (10) calendar days from the date Buyer receives notice of such damage. Alternatively, Buyer may elect to proceed with Closing without adjustment to the Purchase Price (only by written notice of such election) and, in such event, Seller shall pay or assign the proceeds of the insurance to Buyer (and pay to Buyer the amount of any deductible in cash) at Closing.
15. CONDEMNATION. In the event any eminent domain or condemnation proceedings are commenced prior to Closing affecting any portion of, or interest in, the Real Property Buyer in Buyer’s sole discretion may either (a) elect to terminate Buyer’s obligation to purchase the Real Property by giving written notice to Seller at any time prior to Closing (with the Earnest Money Deposit, including any accumulated interest,

being returned to Buyer by Title Company) or (b) elect to complete the purchase of Real Property and require Seller to immediately appoint Buyer as its attorney-in-fact to negotiate with the condemning entity, and, in such event, Buyer shall receive all sums awarded in such condemnation proceeding of the Real Property, excluding any amounts attributable to adverse impacts on other property owned by Seller. Seller hereby agrees to immediately give notice to Buyer of any condemnation or contemplated condemnation of the Real Property and Buyer hereby agrees to, within ten (10) days of such notice, give written notice to Seller of Buyer's election with respect thereto.

16. **CONDITION OF REAL PROPERTY AT CLOSING.** Except as set forth elsewhere in this Agreement, Buyer agrees to purchase the Real Property in "as-is" (existing) condition, where is, with all faults but Seller shall maintain the Real Property until the Closing in its present condition, ordinary wear and tear excepted; shall fully perform its obligation under the Space Leases, subject to the provisions of Sections 14 and 15 on casualty and condemnation; shall continue to conduct business in the ordinary course consistent with past practice; and shall not enter into any new or additional agreement, whether oral or written, related to the Real Property and the Space Leases. In addition, subject to NRS 41.032, et. seq., Buyer releases Seller from any obligation, claim, liability, action, cost or expense (including, without limitation, attorneys' fees) related to any Hazardous Material (as defined below) at any time used, deposited, stored, disposed of, placed or otherwise located in or on, or released from, the Real Property or any facility operated on the Real Property in violation of environmental laws, unless actually used, deposited, stored, disposed of, placed or released by Seller and except as set forth in Section 30(vi) hereof.
17. **ENTIRE AGREEMENT/AMENDMENT.** This Agreement supersedes all previous written or oral agreements, representations, statements, negotiations, and understandings, and constitutes the entire agreement of whatsoever kind or nature existing between or among the parties respecting the within subject matter and no party shall be entitled to benefits or subject to obligations other than those specified herein. This Agreement may not be amended, supplemented, canceled or discharged except by written instrument executed by all parties hereto. This Agreement may be executed in two or more counterparts, each and all of which shall be deemed an original and all of which together shall constitute one instrument; it shall be sufficient that the signature of each party appear on one or more counterparts.
18. **REPRESENTATION CONFIRMATION AND ACKNOWLEDGEMENT OF DISCLOSURE.**
Seller's Broker: CBRE
Seller's Agent(s): Matthew Grimes

Check one (1) box in Section 1 below and one (1) box in Section 2 below to confirm that in this transaction, the brokerage(s) involved had the following relationship(s) with the Buyer(S) and SELLER(S).

Section 1:

- (i) The Buyer is not represented by a broker.
- (ii) The broker working with the Buyer(S) is acting as a LIMITED DUAL AGENT for the Buyer(S).
- (iii) The brokerage working with the Buyer(S) is acting as a LIMITED DUAL AGENT for the Buyer(S), and has an ASSIGNED AGENT acting solely on behalf of the Buyer(S).
- (iv) The broker working with the Buyer(S) is acting as a NONAGENT for the Buyer(S).

Section 2:

- A. The brokerage working with the SELLER(S) is acting as an AGENT for the SELLER(S).
- B. The brokerage working with the SELLER(S) is acting as a LIMITED DUAL AGENT for the SELLER(S).
- C. The brokerage working with the SELLER(S) is acting as a LIMITED DUAL AGENT for the SELLER(S), and has an ASSIGNED AGENT acting solely on behalf of the SELLER(S)
- D. The brokerage and agent working with the SELLER(S) is acting as a NONAGENT for the SELLER(S).

EACH PARTY UNDERSTANDS THAT HE/SHE IS A "CUSTOMER" AND IS NOT REPRESENTED BY A BROKER UNLESS THERE IS A SIGNED WRITTEN AGREEMENT FOR AGENCY REPRESENTATION.

- 19. RESPONSIBLE BROKER. The responsible broker in this transaction is the designated broker for Matthew Grimes - CBRE.
- 20. COMMISSION. Per a separate agreement.
- 21. ESCROW INSTRUCTIONS. The Title Company is instructed to, in a manner consistent with the terms hereof: receive and hold deposits and other funds; disburse such funds in accordance with this Agreement; prepare closing statements for execution by Buyer and Seller; receive documents, secure their execution and acknowledgement, record them in the proper sequence, deliver originals to the appropriate parties, and deliver copies of all documents signed by either party to both parties. If a dispute arises regarding any funds held by the closing agent, such agent shall have no obligation to resolve such dispute but shall hold the same pending resolution of such dispute, and may at its option bring an action in interpleader.
- 22. GOVERNING LAW. This Agreement has been executed and delivered in and shall be interpreted, construed, enforced and governed by and in accordance with the laws of Nevada. Any case or claim arising from or related in any way to this Agreement shall be brought in a court of competent jurisdiction in Washoe County, Nevada
- 23. **TIME. Time is of the essence of this Agreement, and each party hereto agrees to promptly perform such acts as are reasonably required in connection herewith.**

24. **NOTICES. All notices required hereunder shall be given in writing and shall be deemed effective upon delivery, whether delivered in person, by electronic transmission with receipt acknowledged by the recipient thereof, by overnight delivery with any reputable overnight courier service, or by the US Postal Service registered or certified mail and addressed to the parties at the addresses set forth below.**

If to Buyer: University of Nevada, Reno
1664 N. Virginia St.
Real Estate (239)
Reno, NV 89557-0550
Phone (775)784-4180

With Copy to:

University of Nevada, Reno
Senior Associate Dean for Legal Affairs (1332)
1664 N. Virginia St.
Reno Nevada 89557-0550
Phone: (775) 784-6005
Fax: (775) 784-7741

If to Seller: Rope, LLC

If to Title Company: Ticor Title Company
5441 Kietzke Lane, Suite 100
Reno Nevada 89511
Attn: Rebecca Rich
Phone: 775.824.3232
Fax: 775.824.3233
Email: rebecca.rich@ticortitle.com

25. **GENERAL PROVISIONS. The following general provisions apply to this Agreement:**

- (i) **Severability. In the event any provision of this Agreement is held to be invalid, illegal, or unenforceable for any reason and, in any respect, if the extent of such invalidity, illegality or unenforceability does not destroy the basis of the bargain herein such invalidity, illegality, or unenforceability shall in no event affect, prejudice, or disturb the validity of the remainder of this Agreement, which shall be in full force and effect, and enforceable in accordance with its terms as if such provisions had not been included, or had been modified as provided below, as the case may be. To carry out the intent of the parties hereto as fully as possible, the invalid, illegal or unenforceable provisions(s), if possible, shall be deemed modified to the minimum extent necessary and possible to render such provisions(s) valid and enforceable.**
- (ii) **Gender and Number. Whenever the context to this Agreement requires, the gender of all words herein shall include the masculine, feminine, and neuter, and the number of all words herein shall include the singular and plural. The term "person" when used herein shall mean an individual, partnership, joint venture, corporation, trust, government entity, and association.**
- (iii) **Sovereign Immunity. The parties agree that Buyer and its employees are subject to sovereign immunity and the corresponding limitations of liability set forth in NRS 41.031 et. seq. (including NRS 41.0135). Nothing in this Agreement should be construed as a waiver of sovereign immunity and/or the protections of NRS 41.031 et. seq., by Buyer.**
- (iv) **Independent Relationship. It is mutually understood and agreed that Seller and Buyer, in performing their respective duties and obligations under this Agreement, are at all times acting and performing as independent contractors with respect to each other. Each party shall be solely responsible for and shall comply with all state and federal laws pertaining to employment taxes, income withholding, unemployment compensation contributions and other employment related statutes applicable to that party.**
- (v) **Waiver of Breach. The waiver by either party of a breach or violation of any provision of this Agreement shall not operate as, or be construed to constitute, a waiver of any subsequent breach of the same or another provision hereof.**
- (vi) **Public Records. Pursuant to NRS 239.010, information or documents received by Buyer under this Agreement may be open to public inspection and copying. Buyer may have the duty to disclose unless a particular record is made confidential by law or a common law balancing of interests.**

- (vii) **Third Parties. None of the provisions of this Agreement shall be for the benefit of third parties or enforceable by any third party. Any agreement to pay an amount and any assumption of a liability herein contained, expressed or implied, shall only be for the benefit of the parties hereto and such agreement or assumption shall not inure to the benefit of any third party.**

26. **BUSINESS DAY. A business day is herein defined as Monday through Friday, 8:00 am to 5:00 pm in Reno, Nevada. A business day shall not include any Saturday, Sunday, or legal holiday recognized by the State of Nevada in NRS 236.015. If the day for performance of an obligation under this agreement is a Saturday, Sunday or legal holiday, the time for performance shall be the next subsequent business day.**
27. **CALENDAR DAY. A calendar day is herein defined as Monday through Sunday, midnight to midnight, in Reno, Nevada. A calendar day shall include any legal holiday. Any reference to “day” or “days” in this Agreement means the same as a calendar day, unless specifically enumerated as a “business day.” However, if the day for performance of an obligation under this agreement is a Saturday, Sunday or legal holiday, the time for performance shall be the next subsequent business day.**
28. **BINDING EFFECT – ASSIGNMENT. This Agreement shall be binding upon the successors and assigns of the parties hereto, but may not be assigned by Buyer except in accordance with this Section. Buyer may assign this Agreement with Seller’s consent, which consent shall not be unreasonably withheld, conditioned, or delayed. Notwithstanding the foregoing, following prior written notice given by Buyer to Seller, Buyer may assign this Agreement to an entity affiliated with Buyer without the prior written consent of Seller, provided that Buyer concurrently provides to Seller a fully executed copy of the assignment and assumption agreement entered into between Buyer and such assignee, in form and substance reasonably satisfactory to Seller.**
29. LEGAL REPRESENTATION. The parties expressly acknowledge they have been represented by counsel of their own choice in connection with this Agreement and have discussed the terms of this Agreement with such counsel to the extent each party believes it to have been necessary to fully understand the terms hereof. In entering into this Agreement, the parties represent and declare that each of them fully understands the terms and effect of this Agreement.
30. REPRESENTATIONS, WARRANTIES AND COVENANTS OF SELLER. Seller represents and warrants to, and covenants with, Buyer as follows:
- (i) Seller has the power and authority to execute, deliver, and perform this Agreement, and the transactions contemplated hereby have been fully authorized.
 - (ii) This Agreement has been duly and validly executed and delivered by Seller and constitutes a valid and legally binding obligation of Seller, enforceable against Seller in accordance with its terms.
 - (iii) No approval or consent of any person, firm, or other entity is required to be obtained by Seller to permit Seller to consummate the transactions contemplated by this Agreement.

- (iv) The Space Leases described on Exhibit B comprise all the Space Leases presently existing, and have not been materially amended or modified except (if at all) as may be set forth on Exhibit B. Seller has neither given nor received any outstanding, uncured notice of default to or from any Space Lease tenant. Following that date which is two (2) business days prior to the Satisfaction Date (the "Cut Off Date") and prior to Closing, Seller will not, without the prior written consent of Buyer (which Buyer agrees not to unreasonably withhold or delay), cancel (except for default by a tenant) or materially amend any Space Lease or enter into any new Space Lease or any Service Contract affecting the Real Property not cancelable on thirty (30) days' notice. On or prior to the Cut Off Date, Seller may take any of the foregoing actions without Buyer's consent, provided Seller delivers a copy of any new documentation evidencing same to Buyer not less than one (1) business day prior to the Satisfaction Date.
- (v) To Seller's current, actual knowledge, there is no equitable, legal, or administrative suit, action, arbitration, or other proceedings pending or threatened against or affecting Seller or the Real Property.
- (vi) To Seller's current, actual knowledge, (a) no "Hazardous Material" is or has been transported to or from, or generated, placed, held, released, located, stored, or disposed of on, under, or at the Real Property in violation of environmental laws, (b) neither the Real Property nor any part of any improvements and equipment thereon contains any asbestos or polychlorinated biphenyls, (c) Seller has not received any notice of any action or proceeding relating to any Hazardous Material or notice of any release or threatened release thereof on, under or at the Real Property or any notice contrary to (a) and (b) above, and (d) no underground storage tanks are or have been located on the Real Property. In addition, Seller represents and warrants no Hazardous Materials have been transported to or from, or generated, placed, held, released, located, stored, or disposed of on, under, or at the Real Property by Seller.

"Hazardous Material" means, without limitation, any substance or material defined as or included in the definition of "hazardous substances", "hazardous wastes", "hazardous materials", "extremely hazardous waste", "acutely hazardous waste", "restricted hazardous waste", "toxic substances" (including toxic mold) or "known to cause cancer or reproductive toxicity", (or words of similar import) petroleum products (including crude oil or any fraction thereof) or any other chemical, substance or material which is prohibited, limited or regulated under any federal, Nevada, or local (meaning the location where the Real Property is located) law, ordinance, regulation, order, permit, license, decree, common law, or treaty regulating, relating to or imposing liability or standards concerning materials or substances known or suspected to be toxic or hazardous to health and safety, the environment, or natural resources. For purposes of this Section, laws and regulations shall include, but not be limited to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. §9601, *et seq.*; the Hazardous Materials Transportation Act, 49 U.S.C. §1901, *et seq.*; the Resource Conservation and Recovery Act, 42 U.S.C. §6901, *et seq.*, the Federal Water Pollution Control Act, 33 U.S.C. §1251, *et seq.*; the Clean Air Act, 42 U.S.C. §7401, *et seq.*; the Toxic Substances Control Act, 15 U.S.C. §2601, *et seq.*; the Oil Pollution Act of 1990, 33 U.S.C. §2701, *et seq.*; the Occupational Safety and Health Act, 29 U.S.C. §651, *et seq.*; the Emergency Planning and Community Right-To-Know Act, 42 U.S.C. §11001, *et seq.*; and in the regulations adopted pursuant to such laws; and any substance or material which has been determined by a

state, federal or local governmental authority with jurisdiction over the Real Property to be capable of posing a risk of injury to health or safety in sufficient quantity to pose a meaningful risk.

31. 1031 EXCHANGE. If either party desires to structure this transaction as a tax-deferred exchange of like-kind property within the meaning of Section 1031 of the Code, the other party agrees to cooperate reasonably in effecting such exchange; provided, however, that (i) the cooperating party shall not, in connection with such exchange, be required to delay the date of Closing, or incur any additional obligation, liability, cost, expense or fee, enter into any additional agreement other than typical consents and related agreements or acquire or take title to any property other than the Real Property, and (ii) the effectuating party shall be responsible for making all determinations as to the legal sufficiency of, and all tax and other considerations relating to, such exchange and any exchange documentation, and the cooperating party shall in no event be responsible for, or in any way be deemed to warrant or represent, any tax or other consequences of such exchange.

{SPACE INTENTIONALLY LEFT BLANK}

32. FINAL APPROVAL. This Agreement is contingent upon the approval of the terms of the sale by the Board of Regents of the Nevada System of Higher Education at their (Date to Be Inserted) meeting. If the Board of Regents, in its sole and absolute discretion, does not approve the terms of this Agreement, the Agreement shall be deemed null and void without the necessity of further documentation and shall be deemed to be of no binding effect whatsoever. Further, if the terms of this Agreement are not approved by the Board of Regents, the Earnest Money Deposit, including any accrued interest, shall be refunded immediately to Buyer by Title Company.

IN WITNESS WHEREOF, Buyer and Seller have executed this Agreement as of the last signature date below.

BUYER: Board of Regents of the Nevada System of Higher Education on behalf of the University of Nevada, Reno School of Medicine

SELLER: Rope, LLC

By: _____
 Print Name: _____
 Its: _____
 Date: _____
 Address: _____
 Telephone: _____

By: _____
 Print Name: _____
 Date: _____
 Address: _____
 Telephone: _____

RECCOMENDED BY:

 Thomas L. Schwenk, MD Date
 Vice President, Division of Health Sciences
 Dean, University of Nevada, Reno School of Medicine

 Marc Johnson Date

President, University of Nevada, Reno

ATTACHMENT 1

Index of Defined Terms

“Agreement” means the Purchase and Sale Agreement between the Board of Regents of the Nevada System of Higher Education on Behalf of the University of Nevada, Reno School of Medicine and Rope, LLC.

“Business Day” means Monday through Friday, 8:00 am to 5:00 pm in Reno, Nevada. A business day shall not include any Saturday, Sunday, or legal holiday recognized by the State of Nevada in NRS 236.015.

“Buyer” means the Board of Regents of the Nevada System of Higher Education on Behalf of the University of Nevada, Reno School of Medicine.

“Calendar Day” means Monday through Sunday, midnight to midnight, in Reno, Nevada. A calendar day shall include any legal holiday.

“Closing” means the date on which the deed is recorded and the sales proceeds are available for disbursement to Seller and as otherwise directed by the parties. Buyer and Seller shall deposit with the Title Company all funds and instruments necessary to complete the sale.

“Earnest Money Deposit” means the One Hundred Fifty Thousand Dollar deposit from Buyer, identified in Section 3(i) of the Purchase and Sale Agreement.

“Hazardous Materials” means any substance or material defined as or included in the definition of “hazardous substances”, “hazardous wastes”, “hazardous materials”, “extremely hazardous waste”, “acutely hazardous waste”, “restricted hazardous waste”, “toxic substances” (including toxic mold) or “known to cause cancer or reproductive toxicity”, (or words of similar import) petroleum products (including crude oil or any fraction thereof) or any other chemical, substance or material which is prohibited, limited or regulated under any federal, state or local law, ordinance, regulation, order, permit, license, decree, common law, or treaty regulating, relating to or imposing liability or standards concerning materials or substances known or suspected to be toxic or hazardous to health and safety, the environment, or natural resources

“Purchase Price” means the price paid by Buyer to Seller to purchase the Real Property (Two Million Seven Hundred Fifty Thousand and 00/100 Dollars (\$2,750,000.00)).

“Real Property” means the property and improvements at 6130 Plumas Street, Reno NV 89519, County of Washoe, State of Nevada, having APN 042-222-17 and being improved with a 11,598± square foot free standing retail building situated on 1.04± acres of land and is legally described as set forth in the attached Exhibit A to the Purchase and Sale Agreement.

“Satisfaction Date” means the date upon which all of Buyer’s due diligence conditions and contingencies, excluding approval by the Board of Regents of the Nevada System of Higher Education, must either be satisfied or waived.

“Seller” means Rope, LLC.

“Service Contracts” means any warranties, maintenance, service, supply, management or other agreements presently in effect, or which may come into effect, of whatsoever nature affecting the Real Property.

“Space Leases” means all leases, licenses, or other occupancy or use agreements (other than subleases, licenses or concession agreements) made by tenants who lease space at the Real Property, including all modifications, addenda, and supplements thereto and guarantees thereof, applicable to any part of the Real Property.

“Title Company” means Ticor Title Company, Attn: Rabecca Rich, which shall provide any required title policy and preliminary report or commitment and shall act as the escrow agent relating to the sale of the Real Property pursuant to this Agreement.

“Effective Date” means the date upon which the Agreement was fully executed.

EXHIBIT A

DESCRIPTION OF PREMISES

The Premises are located in the building at that certain real property commonly known as: 6130 Plumas Street, Reno, State of Nevada, comprising approximately 11,598 SF, parcel of real property described as follows:
PARCEL NO. 4 OF PARCEL MAP NO. 1865 FOR SOUTHWEST INVESTORS, ACCORDING TO THE MAP THEREOF,
FILED IN THE OFFICE OF THE COUNTY RECORDER OF WASHOE COUNTY, STATE OF NEVADA, ON JULY 24, 1985,
AS FILE NO. 1011309, OFFICIAL RECORDS

EXHIBIT B
DUE DILIGENCE MATERIALS

1. Any existing ALTA Survey.
2. Plans and specifications of the project "as built" including floor and site plans.
3. An itemized list of all personal property to be included in the sale.
4. Summary of insurance cost and coverage, including all certificates of coverage.
5. Copy of any warranties, maintenance, service, supply, management or other agreements presently in effect, or which may come into effect, of whatsoever nature affecting the Real Property (defined as "Service Contracts" in the Agreement).
6. Complete record of income and expenses for the most recent three (3) calendar years and the most current monthly statement of income and expenses for the current year for the Real Property.
7. Copy of real estate tax bills and assessments for the last year and current year for the Real Property.
8. Current commitment for title insurance from the Title Company, together with the copies of all documents referred to therein and all documents giving rise to exceptions to title for the Real Property.
9. Any and all soils, asbestos, hazardous waste, and Phase I environmental assessment reports related to the Real Property.
10. Licenses, permits, and certificates of occupancy related to the Real Property.
11. Copy of all Space Leases and any subsequent amendments or addenda encumbering the property. Said Space Leases include those set forth on the attachment "C".
12. An accounting of all Tenant deposits, prepaid rents, and other funds held resulting from the Space Leases for the Real Property.

EXHIBIT C

Form of Assignment and Assumption of Space Leases

THIS ASSIGNMENT AND ASSUMPTION OF LEASES (this "Assignment") dated as of _____, _____, is between Rope, LLC ("Assignor") and The Board of Regents of the Nevada System of Higher Education on Behalf of the University of Nevada, Reno School of Medicine.

("Assignee").

WHEREAS, Assignor is the lessor under certain leases executed with respect to the Property (as defined below), which leases are described in Schedule I attached hereto (the "Leases");

WHEREAS, Assignor and Assignee have entered into that certain Purchase and Sale Agreement and Joint Escrow Instructions dated effective as of _____, _____ (the "Agreement"), pursuant to which Assignee agreed to purchase the real property and improvements described therein (the "Property") from Assignor and Assignor agreed to sell the Property to Assignee, on the terms and conditions contained therein.

WHEREAS, Pursuant to the Agreement, Assignor desires to assign its interest as landlord under the Leases to Assignee, and Assignee desires to accept the assignment thereof, on the terms and conditions set forth below.

Now therefore, the parties hereto agree as follows:

1. As of the date on which the Property is conveyed to Assignee pursuant to the Agreement (the "Conveyance Date"), Assignor hereby assigns to Assignee all of its right, title and interest in and to the Leases;
2. Assignor hereby agrees to indemnify Assignee against and hold Assignee harmless from any and all liabilities, losses, claims, damages, costs or expenses, including, without limitation, reasonable attorneys' fees and costs (collectively, the "Claims"), originating prior to the Conveyance Date and arising out of the Assignor's obligations under the Leases;

3. As of the Conveyance Date, Assignee hereby assumes all of Assignor's obligations under the Leases and agrees to indemnify Assignor against and hold Assignor harmless from any and all Claims originating on or subsequent to the Conveyance Date and arising out of the Assignee's obligations under the Leases as assumed by Assignee pursuant to this Assignment;

4. In the event of any dispute between Assignor and Assignee arising out of the obligations of the parties under this Assignment or concerning the meaning or interpretation of any provision contained herein, the losing party shall pay the prevailing party's costs and expenses of such dispute, including, without limitation, reasonable attorneys' fees and costs;

5. This Assignment shall be binding on and inure to the benefit of the parties hereto and their respective successors and assigns; and

6. This Assignment may be executed in any number of counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

Assignor and Assignee have executed this Assignment as of the day and year first written above.

ASSIGNOR:

ASSIGNEE:

Rope, LLC

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

By: _____

By: _____

Its:

Its:

Schedule 1

EXHIBIT D

Form of Estoppel

TENANT ESTOPPEL CERTIFICATE

_____, (“Tenant”), is the tenant under that lease dated _____, as amended (the “Lease”), with respect to Tenant’s occupancy of a portion of the premises (the “Leased Premises”) located at 6130 Plumas Street, Reno NV 89519 (the “Property”). The Board of Regents of the Nevada System of Higher Education on behalf of the University of Nevada, Reno School of Medicine (“New Landlord”), has purchased or will purchase the Property and the landlord interest under the Lease from Rope, LLC (“Current Landlord”).

Tenant, with full knowledge that New Landlord, in purchasing the Property, is each relying upon the truth, accuracy, and completeness of Tenant’s statements made in this certificate, certifies, represents, and warrants to New Landlord that:

1. **Attached to this Certificate is a complete true and correct copy of tenant’s Lease at the Property. There are no amendments that are not attached. There are no oral agreements or modifications to the Lease. The attached Lease (including attached amendments, if any) contains the complete agreement between the Current Landlord and the Tenant with respect to the lease of the Premises.**
2. **There are no breaches of any covenant, condition, warranty or obligation under the Lease that give rise to a default by Current Landlord or Tenant. Current Landlord is in full compliance with all terms, conditions or covenants of the Lease.**
3. **All payments by Tenant under the Lease are current as of the date of this Certificate.**
4. **The monthly rent is presently \$ _____ per month due on the first of the month. The Tenant has not paid to Current Landlord any amount as prepaid rent except for this month (current rent). Tenant has paid Current Landlord the amount of \$ _____ as security deposit.**
5. **The Lease expires on _____ . The Lease may be extended _____ times for a period of _____ years.**
6. **As of today, Tenant has no defenses or offsets to enforcement of the Lease.**
7. **Except those rights granted by the Lease, Tenant disclaims all right, title and interest to the Leased Premises**
8. **Tenant has no right to purchase the Leased Premises.**

Dated as of _____, _____.

Tenant:

By _____

Exhibit 2

