

**BOARD OF REGENTS
BRIEFING PAPER**

**1. Agenda Item Title: Approval of Lease SRK Engineering
Meeting Date: December 5, 2013**

2. BACKGROUND & POLICY CONTEXT OF ISSUE:

Pursuant to NSHE policy Title 4, Section 1.9, Purchasing Policy Leases and Section 3, Payment of Commissions TMCC wishes to enter into a long term lease for approximately 10,419 square feet of the total of 37,109 rentable square feet at its Meadowood North building with SRK Engineering. The commercial complex which includes two buildings was purchased in 2002. The south building was converted into a classroom building. The north building is leased out through a property management firm. The building has maintained an average occupancy rate of 85 percent and produces net revenues of between \$300,000 and \$390,000 annually. The building underwent major capital improvements in 2011 replacing the HVAC and lighting systems and the note was paid off in 2012.

The terms for the lease are 5 years at the rate proposed at \$13,128 per month with annual increases of 3%. A tenant improvement allowance of \$49,289 is also part of the agreement. The total value of the lease over the 5 year term is \$831,538. A lease agreement signed by SRK Engineering has been submitted to TMCC and is an attachment to this briefing paper. The commission rate for the property manager is 2.5% of the value of the new term, less 25 months commission of one lease terms that will be terminated early to create the consolidation for a total of \$15,271. (See Attachment 1)

3. SPECIFIC ACTIONS BEING RECOMMENDED OR REQUESTED:

President Maria Sheehan requests approval of the lease for SRK Engineering in the Meadowood North building. Further President Maria requests approval of the commission payment related to this transaction.

4. IMPETUS (WHY NOW?):

SRK Engineering currently has two leases within the building that will terminate at different times, for a total of 7,344 square feet. They have indicated a need for more space in the total amount of 10,419 square feet. It would be beneficial to have one lease for all the spaces that would terminate at the same time. SRK is our largest tenant and would create an "anchor tenant" for the building occupying the majority of the third floor. Their occupancy is also attracting tenants that are related to their business.

5. BULLET POINTS TO SUPPORT REQUEST/RECOMMENDATION:

SRK will be occupying 28% of the building. They are an international mining engineering company that is considered a "credit" tenant and as such has very little default risk associated with their tenancy.

SRK is a low impact tenant in that they do not create a lot of visitor traffic to the building.

6. POTENTIAL ARGUMENTS AGAINST THE REQUEST/RECOMMENDATION:

TMCC might need the space for college operations at some point.

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

Attempt to negotiate a shorter term lease.

8. COMPLIANCE WITH BOARD POLICY:

Consistent With Current Board Policy: Title # 4 Chapter # 10 Section # 1



November 1, 2013

Dr. Maria Sheehan, President
Truckee Meadows Community College
7000 Dandini Boulevard
Sierra Building, Room 202-D
Reno, NV 89512

Re: Lease 5250 Neil Road, Suite 300

Dear Dr. Sheehan:

Please find enclosed three (3) Leases and two (2) Lease Commission Invoices for SRK Consulting at 5250 Neil Road Ste 300. If everything meets your approval, please sign each Lease, and Commission Invoice. You may retain one of each for your records and return the rest to me.

Thank you in advance for your assistance.

Best Regards,
RE/MAX PREMIER PROPERTIES, AMO

A handwritten signature in black ink, appearing to read "Paul Infantino".

Paul Infantino
Commercial Property Manager

Enc.

RE/MAX Premier Properties
5250 Neil Rd, Suite 100, Reno, NV 89502
Office (775) 828-3380, Fax (775) 828-3365, T-Free (877) 330-3020

www.premierpropertiesnv.com

LEASING COMMISSION INVOICE

DATE: November 1, 2013 _____

TENANT: SRK Consulting _____

LOCATION: 5250 Neil Rd Ste 300 _____

G.L.A.: Ten Thousand Four Hundred Nineteen (10,419) s.f. _____

RENT:

Year One: Thirteen Thousand One Hundred Twenty Seven and 94/100 (\$13,127.94) / mo

Year Two: Thirteen Thousand Five Hundred Twenty One and 78/100 (\$13,521.78) / mo

Year Three: Thirteen Thousand Nine Hundred Twenty Seven and 43/100 (\$13,927.43) / mo

Year Four: Fourteen Thousand Three Hundred Forty Five and 25/100 (\$14,345.25) / mo

Year Five: Fourteen Thousand Seven Hundred Seventy Five and 61/100 (\$14,775.61) / mo

Total \$69,698.01 x 12mo = \$836,376.12

TERM: 5 years _____

GROSS RENTAL: \$836,376.12 _____

COMMISSION 2.5% OF LEASE OF \$ = **\$20,909.40**

Credit for charged commissions / previous lease = **(\$5,517.84)**

Total commissions due = **\$15,391.56**

(Or one month's rent minimum)

TOTAL COMMISSION = \$15,391.56

REMIT TO PREMIER PROPERTIES LEASING AGENT: Paul Infantino

CO-OP OFFICE AND LEASING AGENT: N/A _____

LANDLORD APPROVAL: _____

DATE SIGNED: _____

TOTAL COMMISSION = \$15,391.56

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DATE SIGNED: _____

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**OFFICE BUILDING LEASE
5250 NEIL ROAD**

This lease is made on this Twenty Second (24) day of October 2013 by and between Landlord: Board of Regents of the Nevada System of Higher Education (NSHE) on behalf of Truckee Meadows Community College, and Tenant: **SRK Consulting (U. S.), Inc. is a Colorado Corporation**

1. LEASE OF PREMISE

In consideration of the Rent (as defined in Section 5.2) and the provisions of this Lease, Landlord leases to Tenant and Tenant leases from Landlord the Premises shown by highlighted lines on the floor plan attached hereto as Exhibit "A". The Premises are located within the Building and Project described in Section 2.m. Tenant shall have the non-exclusive right (unless otherwise provided herein) in common with Landlord, other tenants, subtenants and invitees, to use of the Common Areas (as defined in Section 2.f). **Right of First Refusal:** Landlord shall not rent any unit or suite not currently leased by Lessee on the third floor of 5250 Neil Road without first offering the suite to Lessee.

2. DEFINITIONS

As used in the Lease, the following terms shall have the following meanings:

a. Base Rent:

December 1, 2013 through November 30, 2014

Thirteen Thousand One Hundred Twenty Seven and 94/100 (\$13,127.94)per month

December 1, 2014 through November 30, 2015

Thirteen Thousand Five Hundred Twenty One and 78/100 (\$13,521.78)per month

December 1, 2015 through November 30, 2016

Thirteen Thousand Nine Hundred Twenty Seven and 43/100 (\$13,927.43)per month

December 1, 2016 through November 30, 2017

Fourteen Thousand Three Hundred Forty Five and 25/100 (\$14,345.25) per month

December 1, 2017 through November 30, 2018

Fourteen Thousand Seven Hundred Seventy Five and 61/100 (\$14,775.61)per month

For Additional Rent N/A representing Tenant's share of estimated utility operation expenses for the year N/A, subject to adjustment as set forth in Section 5.3 herein below.

b. Rent Increase: Tenant's rent adjustment date of November 1 of each ensuing year is subject to an increase of three percent (3%) as calculated in section "a".

c. Base Year: 2013

d. Commencement Date: **December 1, 2013, or upon completion of tenant improvements within the suits 300 and 302 / 302 conference room, whichever occurs first.**

e. Expiration Date: **November 30, 2018** -- The term of this lease is for Sixty (60) months, unless otherwise sooner terminated in accordance with the provisions of the Lease.

f. Common Areas: The building lobbies, corridors and hallways, and parking areas, stairways, elevator and other generally understood public or common areas. Landlord shall have the right to regulate or restrict the use of Common Areas. Common areas to be upgraded per Landlord and Tenants approval.


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- g. **Index:** N/A
- h. **Landlord's Mailing Address:**
Nevada System of Higher Education
Truckee Meadows Community College
c/o RE/MAX Premier Properties, AMO
5476 Reno Corporate Drive
Reno, NV 89511
- i. **Tenant's Mailing Address:** 5250 Neil Road, Suite 300
Reno, Nevada 89502
- j. RESERVED
- k. RESERVED
- l. **Parking:** Tenant shall be permitted to park employee cars on a non-exclusive basis in the area(s) designated by Landlord for parking. Tenant shall abide by any and all parking and rules established from time to time by Landlord.
- m. **Premises:** That portion of the Building containing approximately **Ten Thousand Four Hundred Nineteen (10,419+/-) square feet** of useable area, shown by the highlighted lines on Exhibit "A", located on the Third (3rd) floor of the Building and known as Suite #300, 302, 303, 305, 302Conferance rm, 301G. (Collectively referred to as suite 300).
- n. **Project:** The building of which the Premises are a part (the "Building") and any other building or improvements on the real property (the "Property") located at 5250 Neil Road, Reno, NV, and further described as Exhibit "B". The project is known as Meadow Wood Office Plaza.
- o. **Rentable Area:** As to both the Premises and the Project, the respective measurements of floor areas as may from time to time be subject to lease by Tenant and all tenants of the Project, respectively, as determined by Landlord and applied on a consistent basis throughout the Project.
- p. **Security Deposit (Article 7):** None on Deposit.
- q. **State:** The State of Nevada
- r. **Tenant's Use Clauses (Article 8):** **General Office and Engineering Related Activities.**
- s. **Term:** The period commencing on the Commencement Date and expiring at midnight on the Expiration Date.
- t. **Useable Area:** The net useable floor area of **Ten Thousand Four Hundred Nineteen (10,419+/-) square feet**

3. **EXHIBITS AND SPECIAL CONDITIONS**

- 3.1 The exhibits and addenda listed below (unless lined out) are incorporated by reference in this Lease:
 - a. **Exhibit "A" – Floor Plan showing the Premises.**
 - b. **Exhibit "B" – Site Plan of Area**
 - c. **Exhibit "C" – Rules and Regulations pertaining to the Building.**
 - d. **Exhibit "D" – Duties Owed**

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e. **Exhibit "E" – Tenant Improvements**

3.2 The following Special Terms and Conditions are applicable:

(a.) **Tenant Improvements.** Landlord shall pay all costs of constructing Tenant Improvements according to Exhibit "E" not to exceed a total cost of Forty Nine Thousand Two Hundred Eighty Nine & 07/100 dollars (\$49,289.07). Tenant to pay for the cost of any additional Tenant's improvements or resulting from any change to the accepted Final Plans which exceed the Construction Allowance.

(b.) **Condition of Premises.** Landlord to upgrade all common areas including first floor lobby, all hallways, all bathrooms, the 3rd floor lobby area and upgrades to the elevator. Work to be completed by or before 6 months from date of commencement.

(c) **Brokerage Fees.** Upon execution of this Lease by both parties, Landlord shall pay to the Landlord's Broker and the Tenant's Broker a total brokerage leasing fee as per Leasing Contract for brokerage services rendered by said brokers to Landlord in this transaction. This agreement applies to the Option to Renew at a discounted rate under the same terms and conditions.

Tenant warrants and represents that it has not dealt with any real estate broker or agent in connection with this Lease or its negotiation except Tenant's Broker. Tenant shall indemnify and hold Landlord harmless from any cost, expense or liability (including costs of suit and reasonable attorney's fees) for any compensation, commission or fees claimed by any other real estate broker or agent in connection with this Lease or its negotiation by reason of any act of Tenant.

4. **DELIVERY OF POSSESSION**

If for any reason Landlord does not deliver possession of the premises to Tenant on the commencement date, Landlord shall not be subject to any liability for such failure, the expiration date shall not change and the validity of this lease shall not be impaired, but rent shall be abated until delivery of possession. "Delivery of possession" shall be deemed to occur on the date Landlord completes Landlord's work. If Landlord permits Tenant to enter into possession of the premises before the Commencement Date, such possession shall be subject to the provisions of this lease, including, without limitation, the payment of rent and Certificate of Tenant's Insurance as specified in Section 24.

5. **RENT**

5.1 **Payment of Base Rent:** Tenant agrees to pay the base rent for the premises. Monthly installments of base rent shall be payable in advance on the first day of each calendar month of the term. If the term begins (or ends) on other than the first (or last) day of a calendar month, the base rent for the partial month shall be prorated on a per diem basis. Tenant shall pay Landlord the first monthly installment of base rent when Tenant executes the lease.

5.2 **Definition of Rent:** All costs and utility expenses which Tenant assumes or agrees to pay to Landlord under this lease shall be deemed additional rent (which, together with the base rent is sometimes referred as the "Rent"). The rent shall be paid to the Building


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Manager (or other person) and at such place, as Landlord may from time to time designate in writing, without any prior demand therefore and without deduction or offset, in lawful money of the United States of America.

5.3 Project Utility Costs-Waived

5.4 Taxes Payable by Tenant: In addition to the Rent and any other charges to be paid by Tenant hereunder, Tenant shall reimburse Landlord upon demand for any and all taxes payable by Landlord (other than net income taxes) which are not otherwise reimbursable under this lease, whether or not now customary or within the contemplation of the parties, where such taxes are upon, measured by or reasonably attributable to (a) the cost or value of Tenant's equipment, furniture, fixtures and other personal property located in the Premises, or the cost or value of any leasehold improvements made in or to the Premises by or for Tenant, other than Building Standard Work made by Landlord, regardless of whether title to such improvements is held by Tenant or Landlord; (b) the gross or net Rent payable under this lease, including, without limitation, any rental or gross receipts tax levied by any taxing authority with respect to the receipt of Rent hereunder; (c) the possession, leasing, operation, management, maintenance, alteration, repair, use or occupancy by Tenant of the premises or any portion thereof; or (d) this transaction or any document to which Tenant is a party creating or transferring an interest or an estate in the Premises. If it becomes unlawful for Tenant to reimburse Landlord for any costs as required under this lease, the Base Rent shall be revised to net Landlord the same net Rent after imposition of any tax or other charge upon Landlord as would have been payable to Landlord but for the reimbursement being unlawful.

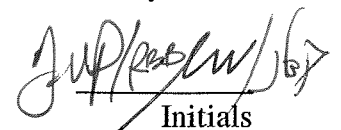
6. INTEREST AND LATE CHARGES

If Tenant fails to pay when due any rent or other amounts or charges which Tenant is obligated to pay under the terms of the lease, the unpaid amounts shall bear interest at the maximum rate then allowed by law. Tenant acknowledges that the late payment of any monthly installment of base rent will cause the Landlord to lose the use of that money and incur costs and expenses not contemplated under this lease, including without limitation, administrative and collection costs and processing and accounting expenses, the exact amount of which is extremely difficult to ascertain. Therefore, in addition to interest, if any such installment is not received by Landlord within ten (10) days from the date it is due, Tenant shall pay Landlord a late charge equal to ten percent (10%) of such installment. Landlord and Tenant agree that this late charge represents a reasonable estimate of such costs and expenses and is fair compensation to Landlord for the loss suffered from such nonpayment by Tenant. Acceptance of any interest or late charge shall not constitute a waiver of Tenant's default with respect to such nonpayment by Tenant nor prevent Landlord from exercising any other rights or remedies available to Landlord under this lease.

7. SECURITY DEPOSIT -- None on Deposit

8. TENANT'S USE OF THE PREMISES

Tenant shall use the premises solely for the purposes set forth in Tenant's Use Clause. Tenant shall not use or occupy the premises in violation of law or any covenant, condition or restriction affecting the building or project or the certificate of occupancy issued for the building or project, and shall, upon notice from Landlord, immediately discontinue any use of


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the premises which is declared by any government authority having jurisdiction to be a violation of law or the certificate of occupancy. Tenant, at Tenant's own cost and expense, shall comply with all laws, ordinances, regulations, rules and/or any directions of any governmental agencies or authorities having jurisdiction which shall, by reason of the nature of tenant's use or occupancy of the premises, impose any duty upon Tenant or Landlord with respect to the premises or its use or occupation. A judgment of any court of competent jurisdiction or the admissions by Tenant in any action or proceeding against Tenant that the Tenant has violated any such laws, ordinances, regulations, rules and/or directions in the use of the premises shall be deemed to be a conclusive determination of that fact as between Landlord and Tenant. Tenant shall not do or permit to be done anything which will invalidate or increase the cost of any fire, extended coverage or other insurance policy covering the building or project and/or property located therein, and shall comply with all rules, orders, regulations, requirements and recommendation of the Insurance Services Office or any other organization performing a similar function. Tenant shall promptly upon demand reimburse Landlord for any additional premium charges for such policy by reason of Tenant's failure to comply with the provisions of this Article. Tenant shall not do or permit anything to be done in or about the premises which will in any way obstruct or interfere with the rights of other tenants or occupants of the building or project, or injure or annoy them, or use or allow the premises to be used for any improper, immoral, unlawful or objectionable purpose, nor shall Tenant cause, maintain or permit any nuisance in, or about the premises. Tenant shall not commit or suffer to be committed any waste in or upon the premises.

9. **SERVICES AND UTILITIES**

Provided that Tenant is not in default hereunder, Landlord agrees to furnish to the premises during generally recognized business days, and during hours determined by Landlord in its sole discretion, and subject to the Rules and Regulations of the building or project, electricity for normal desk top office equipment and normal copying equipment and heating ventilation and air conditioning ("HVAC") as required in Landlord's judgment for the comfortable use and occupancy of the premises. If Tenant desires HVAC at any other time, Landlord shall use reasonable efforts to furnish such service upon reasonable notice from Tenant and Tenant shall pay Landlord's charges therefore on demand. Landlord shall also maintain and keep lighted the common stairs, common entries and restrooms in the building. Landlord shall not be in default hereunder or be liable for any damages directly or indirectly resulting from, nor shall the rent be abated by reason of (i) the installation, use or interruption of use of any equipment in connection with the furnishings of any of the foregoing services, (ii) failure to furnish or delay in furnishing any such services where such failure or delay is caused by accident or any condition or event beyond the reasonable control of Landlord, or by the making of necessary repairs or improvements to the premises, building or project, or (iii) the limitation, curtailment or rationing of, or restrictions on, use of water, electricity, gas, or any other form of energy serving the premises, building or project. Landlord shall not be liable under any circumstances for a loss of or injury to property or business, however, occurring, through or in connection with or incidental to failure to furnish any such services. If Tenant uses heat generating machines or equipment in the premises which affect the temperature otherwise maintained by the HVAC system, Landlord reserves the right to install supplementary air conditioning units in the premises and the cost thereof, including the cost of

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installation, operation and maintenance thereof, shall be paid by Tenant to Landlord upon demand by Landlord.

Tenant shall not, without the written consent of Landlord which shall not be unreasonably withheld, use any apparatus or device in the premises, including without limitation, electronic data processing machines, punch card machines or machines using in excess of 120 volts, which consumes more electricity than is usually furnished or supplied for the use of premises as general office space, as determined by Landlord. Tenant shall not connect any apparatus with electric current except through existing electrical outlets in the premises as general office space (as determined by Landlord), without first procuring the written consent of Landlord which shall not be unreasonably withheld, and in the event of consent, Landlord may have installed a electrical current meter in the premises to measure the amount of electrical current consumed. The cost of any such meter and of its installation, maintenance and repair shall be paid for by the Tenant and Tenant agrees to pay Landlord promptly upon demand for all such water and electrical current consumed as shown by said meters, at the rates charged for such services by the local public utility plus any additional expense incurred in keeping account of the water and electric current so consumed. If a separate meter is not installed, the excess cost for such water and electric current shall be established by an estimate made by a utility company or electrical engineer hired by Landlord at Tenant's expense.

Landlord shall provide lighting replacement for building standard lights, restroom supplies, window washing and janitor services in a manner that such services are customarily furnished to comparable office buildings in the area.

10. CONDITION OF THE PREMISES

Tenants are presently in possession of the premise and therefore are accepted as in good order and satisfactory condition, except for such matters as to which Tenant gave Landlord notice on or before the Commencement Date. No promise of Landlord to alter, remodel, repair or improve the Premises, the Building or the Project and no representation, express or implied, respecting any matter or thing relating to the Premises, Building, Project or this Lease (including, without limitation, the condition of the Premises, the Building or the Project) have been made to Tenant by Landlord or its Broker or Sales Agent, other than as may be contained herein or in a separate exhibit or addendum signed by Landlord and Tenant.

11. CONSTRUCTION, REPAIRS, AND MAINTENANCE

- a. **Landlord's Obligations:** Landlord shall perform Landlord's Work, if any, to the Premises as described in Section 3.2.a and 3.2.b. Special Conditions (if applicable). Landlord shall maintain in good order, condition and repair the Building and all other portions of the Premises not the obligation of Tenant or of any other tenant in the Building.
- b. **Tenant's Obligations:**
 - (1). Tenant at Tenant's sole expense shall, except for services furnished by Landlord pursuant to Article 9 hereof, maintain the Premises in good order, condition and repair, including the interior surfaces of the ceilings, walls, and floors, all doors, all interior windows, all plumbing, pipes and fixtures, electrical


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wiring, switches and fixtures, Building Standard furnishings, and special items and equipment installed by or at the expense of Tenant.

(2). Tenant shall be responsible for all repairs and alterations in and to the Premises, Building, and Project and the facilities and systems thereof, the need for which arises out of (i) Tenant's use or occupancy of the Premises, (ii) the installation removal, use or operation of the Tenant's Property (as defined in Article 13) in the Premises, (iii) the moving of Tenant's Property into or out of the Building, or (iv) the act, omissions, misuse or negligence of Tenant, its agents, contractors, employees or invitees.

(3). If Tenant fails to maintain the premises in good order, condition and repair, Landlord shall give Tenant notices to do such acts as are reasonably required to so maintain the Premises. If Tenant fails to promptly commence such work and diligently prosecute it to completion, then Landlord shall have the right to do such acts and expend such funds at the expense of Tenant as are reasonably required to perform such work. Any amount so expended by Landlord shall be paid by Tenant promptly after demand with interest at prime commercial rate then being charged by Bank of America plus two percent (2%) per annum, from the date of such work, but not to exceed the maximum rate then allowed by law. Landlord shall have no liability to Tenant for any such damage, inconvenience, or interference with the use of the Premises by Tenant as a result of performing any such work.

- c. **Compliance with Law:** Landlord and Tenant shall each do all acts required to comply with all applicable laws, ordinances, and rules of any public authority relating to their respective maintenance obligations as set forth herein.
- d. **Waiver by Tenant:** Tenant expressly waives the benefits of any statute now or hereafter in effect which would otherwise afford the Tenant the right to make repairs at Landlord's expense or to terminate this lease because of Landlord's failure to keep the Premises in good order, condition and repair.
- e. **Load and Equipment Limits:** Tenant shall not place a load upon any floor of the Premises, which exceeds the load per square foot, which such floor was designed to carry, as determined by Landlord or Landlord's structural engineer.
- f. **Non-Liability of Landlord:** Tenant will and hereby does assume all risk of loss or damage to furniture, fixtures, supplies, merchandise, and other property, by whomsoever owned, stored or placed in, upon or about the Premises and does hereby agree that Landlord will not be responsible for loss or damage to any such property, unless caused by the willful act or gross neglect of Landlord, and Tenant hereby agrees to indemnify and save harmless Landlord and against any and all claims for such loss or damage, other than damage caused by the willful act or gross neglect of Landlord or arising out of a defect which Landlord is required hereunder to repair and has failed to remedy within a reasonable time after having been given notice in writing thereof. Without prejudice to the generality of the foregoing, Landlord shall not be liable for any damage to any property at any time stored or kept in the Premises or in any other part of the Building, either from rain or from any other water which may leak, issue or flow from any part of the building, or from pipes or plumbing of the same or from any other place or quarter, nor shall Landlord be liable for any damage to property in the Building caused by accident or damage of any character arising out of defects of construction

either of the Building, or the Premises or any machinery, equipment, electrical wiring or facility therein or failure or breakdown thereof or from lack of repair or proper operation of the same or from any other cause, unless the cause shall be a defect which Landlord is required hereunder to repair and Landlord shall have failed to remedy such defect within a reasonable time after written notice thereof. Tenant shall give to Landlord prompt written notice of any accident to, or defect in, any water or other pipes or plumbing, electric lights or fixtures or other fixtures or other equipment or apparatuses of the Premises. Tenant acknowledges that it has notice that Landlord may develop the area around the Building, and Tenant hereby waives any claim it might have for damages which might result from such development, including, without limitation, damages from noise, dirt, dust, vibration and restrictions of light, air, and access during any demolition of existing improvements or erection of new improvements or thereafter. Landlord shall give tenant 90 day written notice of planned construction in or around the premises that would cause excessive vibration to the subject property.

- g. Tenant shall give Landlord prompt notice of any damage to or defective condition in any part or apparatus of the Building's mechanical, electrical, plumbing, HVAC, or other systems serving, located in, or passing through the Premises.
- h. Upon the expiration or earlier termination of this lease, Tenant shall return the Premises to Landlord clean and in the same condition as on the date Tenant took possession, except for normal wear and tear. Any damage to the Premises, including any structural damage, resulting from Tenant's use or from the removal of Tenant's fixtures, furnishings, and equipment pursuant to Section 13b shall be repaired by Tenant at Tenant's expense.

12. **ALTERATIONS AND ADDITIONS**

- a. Tenant shall not make any additions, alterations, or improvements to the Premises without obtaining the prior written consent of Landlord. Landlord's consent which shall not be unreasonably withheld may be conditioned on Tenant's removing any such additions, alterations, or improvements upon the expiration of the Term and restoring the Premises to the same condition as on the date Tenant took possession. All work with respect to any addition, alteration or improvement shall be done in a good and workmanlike manner by properly qualified and licensed personnel approved by Landlord, and such work shall be diligently prosecuted to completion.
- b. Tenant shall pay the costs of any work done on the Premises pursuant to Section 12a, and shall keep the Premises, Building and Project free and clear of liens of any kind. Tenant shall indemnify, defend against and keep Landlord free and harmless from all liability, loss, damage, costs, attorneys' fees and any other expense incurred on account of claims by any person performing work or furnishing materials or supplies for Tenant or any person claiming under Tenant. Tenant shall keep Tenant's leasehold interest, and any additions or improvements, which are or become the property of Landlord under this lease, free and clear of all attachment or judgment liens. Before the actual commencement of any work for which a claim or lien may be filed, Tenant shall give Landlord notice of the intended commencement date a sufficient time before that date to enable Landlord to post notices of non-responsibility or any other notices which


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Landlord deems necessary for the proper protection of Landlord's interest in the Premises, Building, or the Project, and Landlord shall have the right to enter the Premises and post such notices at any reasonable time.

- c. Landlord may require, at Landlord's sole option, that Tenant provide to Landlord at Tenant's expense, a lien and completion bond in an amount equal to at least one and one half (1½) times the total estimated cost of any additions, alterations, or improvements to be made in or to the Premises, to protect Landlord against any liability for Mechanic's and Materialmen's Liens and to insure timely completion of the work. Nothing contained in the Section 12c shall relieve Tenant of its obligations under Section 12b to keep the Premises, Building and Project free of all liens.
- d. Unless their removal is required by Landlord as provided in Section 12a, all additions, alterations, and improvements made to the Premises shall become the property of Landlord and be surrendered with the Premises upon the expiration of the Term; provided, however, Tenant's equipment, machinery and trade fixtures which can be removed without damage to the Premises shall remain the property of Tenant and may be removed, subject to the provisions of Section 13b.

13. **LEASEHOLD IMPROVEMENTS: TENANT'S PROPERTY**

- a. All fixtures, equipment, improvements and appurtenances attached to or built into the Premises at the commencement of or during the Term, whether or not by or at the expense of Tenant ("Leasehold Improvements"), shall be and remain a part of the Premises, shall be the property of Landlord and shall not be removed by Tenant, except as expressly provided in Section 13b.
- b. With the exception of the enclosed Inventory, all movable partitions, business and trade fixtures, machinery and equipment, communications equipment and office equipment located in the Premises and acquired by or for the account of Tenant, without expense to Landlord, which can be removed without structural damage to the Building, and all furniture furnishings and other articles of movable personal property owned by tenant may be removed by Tenant at any time during the Term; provided that if any of Tenant's Property is removed, Tenant shall promptly repair any damage to the Premises or to the Building resulting from such removal.

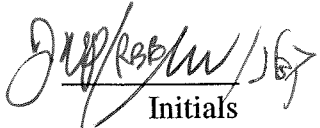
14. **RULES AND REGULATIONS**

Tenant agrees to comply with (and cause its agents, contractors, employees, and invitees to comply with) the rules and regulations attached hereto as Exhibit "C" and with such reasonable modifications thereof and additions thereto as Landlord may from time to time make. Landlord shall not be responsible for any violation of said rules and regulations by other tenants or occupants of the Building or Project.

15. **CERTAIN RIGHTS RESERVED BY LANDLORD**

Landlord Reserves the following rights, exercisable without liability to Tenant for (a) damage or injury to property, person or business, (b) causing an actual or constructive eviction from the Premises, or (c) disturbing Tenant's use of Premises:

- a. To name the Building and Project and to change the name or street address of the Building and to reassign suite numbers within the building;


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- b. To install and maintain all signs on the exterior and interior of the Building and Project;
- c. To have passkeys to the Premises and all doors within the Premises, excluding Tenant's vaults and safes.
- d. At any time during the Term, and on reasonable prior notice to Tenant, to inspect the Premises, and to show the Premises to any prospective purchaser or mortgagee of the Project, or to any assignee of any mortgage on the Project, or to others having an interest in the Project or Landlord, and during the last six months of the Term should Landlord and Tenant not be able to mutually agree to new terms and conditions of said lease and/or extension thereof, to show the premises to prospective tenants thereof; and
- e. To enter the Premises for the purpose of making inspections, repairs, alterations, additions or improvements to the Premises or the Building (including, without limitation, checking, calibrating, adjusting or balancing controls and other parts of the HVAC system), and to take all steps as may be necessary or desirable for the safety, protection, maintenance or preservation of the Premises or the Building or Landlord's interest herein, or as may be necessary or desirable for the operation or improvement of the Building or in order to comply with laws, orders or requirements of governmental or other authority. Landlord agrees to use its best efforts (except in an emergency) to minimize interference with Tenant's business in the Premises in the course of any such entry.

16. **ASSIGNMENT, SUBLETTING AND MORTGAGING**

Tenant shall not, without the prior written consent of Landlord, which shall not be unreasonably withheld, assign this lease or any interest herein, sublet the Premises or any part thereof, or mortgages this lease or any interest herein. The term "sublet" shall include, without limitation, permitted use of the Premises by any party other than Tenant. Any of the foregoing acts without such consent shall be void and constitute a default under this lease. With any request for such a consent, Tenant shall pay to Landlord a reasonable fee, not to exceed Five Hundred Dollars (\$500.00), as set by Landlord, for review of the transaction. Any such consent by Landlord shall not release Tenant from any of Tenant's obligations hereunder, or be deemed to be a consent to any subsequent assignment, subletting or mortgage. No assignment, subletting or mortgaging can be made if there is any default by Tenant under the terms of this lease.

If at any time or from time to time Tenant intends to assign, sublet or mortgage, the following provisions shall govern:

- a. As to a proposed assignment, Tenant shall submit to Landlord for review an agreement to assign, executed by both Tenant and the proposed assignee, setting forth the terms of the proposed assignment in full, together with current financial statements of the assignee, and the original cost of and unamortized cost of Tenant's leasehold improvement. Landlord shall notify Tenant in writing as to whether or not consent will be given within ten (10) days after receipt of all necessary information regarding the agreement to assign. If Landlord does not so notify, Landlord's consent to assignment shall be assumed. If consent is given or so assumed, Tenant shall pay to Landlord as consideration therefore one-half (1/2) of


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any sums or other economic consideration payable to Tenant as a result of such assignment, over and above tenants base rent whether or not received by Tenant, except payments received which are to reimburse Tenant for the then unamortized cost of leasehold improvement made to the Premises by Tenant. An executed copy of the assignment with the undertaking of the assignee to observe and perform all obligations of the Tenant hereunder shall be furnished to Landlord for review and written consent prior to entry by assignee into possession. In lieu of consent or refusal of consent to assignment, Landlord shall have the option, exercisable by written notice to Tenant within said ten (10) day period, to acquire Tenant's interest under this lease (free of any agreement to assign) by payment to Tenant of an amount equal to said unamortized cost of leasehold improvements. This lease shall not, nor shall any interest herein be assignable as to the interest of Tenant by operation of law without the written consent of Landlord.

- b. As to a proposed sublease of all or portion of the Premises, Tenant shall submit to Landlord for review an agreement to sublease, executed by Tenant and the proposed sublessee, setting forth the terms of the proposed sublease in full, together with current financial statements of the sublessee. Landlord shall have the following options exercisable by written notice to Tenant within ten (10) days after receipt of the proposed agreement to sublease; (i) Landlord may sublet from Tenant such space at the rental rate and other terms set forth in the proposed sublease agreement, or (ii) Landlord may consent to the proposed sublease on the terms submitted, subject to the provisions set forth below, or (iii) Landlord may refuse consent to the proposed sublease. If Landlord does not exercise its option to sublet the Premises or notify Tenant that it refuses consent to the proposed sublease within the ten (10) day period specified, Landlord's consent shall be assumed to be given, subject to the provisions set forth below. If consent is given or so assumed, Tenant shall sublet such space subject to the following conditions:
1. The sublease shall be on the same terms set forth in the agreement to sublease given to Landlord;
 2. No sublease shall be valid and no sublessee shall take possession of the Premises subleased until an executed counterpart of such sublease, together with a current certificate of insurance attached thereto as evidence that a comprehensive general liability insurance policy is in effect, naming Landlord, Tenant and the sublessee as insured, have been delivered to Landlord for review and written consent. Such certificate of insurance shall conform to the provisions of Paragraph 24 herein.
 3. No sub lessee shall have a right to sublet further or to assign its interest;
 4. One-half (1/2) of any sums or other economic consideration payable from time to time to Tenant as result of such subletting, whether or not received by Tenant and whether denominated rentals under the sublease or otherwise, which exceed in the aggregate the total sums which Tenant is obligated to pay to Landlord under this lease, prorated to reflect obligations allocable to that portion of the Premises subject to such sublease (except rental or other payments received which are attributable to the amortization of the cost of leasehold improvement made to the sublet portion of the Premises by Tenant), shall be payable to Landlord

as additional rent under this lease without affecting or reducing any other obligation of Tenant hereunder;

5. The sublease and all rights of the sublessee thereunder shall be subject to this lease; and
6. As to a proposed mortgage, Tenant shall submit to Landlord for a review, a copy of the proposed mortgage and the note to be secured thereby. Landlord's consent shall not be unreasonably withheld if the proposed mortgagee is a recognized lending institution and the mortgage is for the purpose of making improvements on the subject Premises. Upon recordation of all documents relating to the mortgaging of this lease or any interest herein, Tenant shall deliver to Landlord certified copies of same as soon as possible thereafter.
7. Landlord's consent for any assignment, sublease or mortgage must be secured and any such consent shall not be unreasonably withheld.

17. **HOLDING OVER**

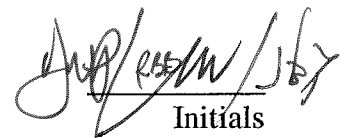
If after expiration of the Term, Tenant remains in possession of the Premises, without a Lease renewal and with Landlord's permission (express or implied), Tenant shall become a tenant from month to month only, upon all the provisions of this Lease (except as to term and Base Rent), but the "Monthly Installment of Base Rent" payable by Tenant shall be increased to one hundred-fifty percent (150%) of the Monthly Installments of Base Rent payable by Tenant at the expiration of the Term. Such monthly rent shall be payable in advance on or before the first day of each month. If either party desires to terminate such month-to-month tenancy, it shall give the other party not less than thirty (30) days advance written notice of the date of termination.

18. **LIENS**

Tenant shall keep the Premises free from any lien, charge or encumbrance arising out of any act or negligence of Tenant, including, without limitation, any work performed by or for Tenant, materials furnished by or for Tenant, or obligations incurred by Tenant.

19. **DAMAGES TO PREMISES**

- a. In Case the Premises or the Building shall be destroyed or damaged by fire or other casualty, making the Premises or the Building untenable, Landlord may, at Landlord's option, exercise by written notice to Tenant within ninety (90) days from the happening of the casualty, elect that said damages be repaired. If Landlord does not so elect that said damages be repaired, this lease may be terminated by either party as of the date of such damage, by written notice to the other. And Landlord shall cause prompt reimbursement of Security Deposit subject to any rent or other monies due from Tenant. If Landlord elects that said damages be repaired, Landlord shall at its own expense promptly repair said damages to the Building, and any damages to the Premises shall be repaired in accordance with the provisions of Paragraph 24 herein. Tenant shall be entitled to an abatement of the rent, or a fair and just proportion thereof, according to the nature of the damage sustained, until the Premises have been made fit for occupancy and use as certified by the American Blood Association for a medical laboratory for a

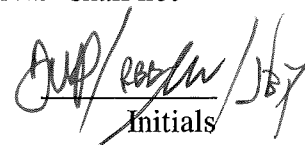

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blood storage center, unless such damage or destruction was caused by the act of negligence of Tenant, its employees, agents or invitees.

- b. If Landlord becomes obligated to repair or reconstruct the Premises or the Building, Landlord shall be relieved of such obligation and Landlord may terminate this lease if Landlord is unable to obtain the necessary labor or materials, or if Landlord is unable to perform such obligation due to any cause beyond its control, including, but not limited to strikes, lockouts, labor disturbances, acts of civil or military authorities, restrictions by municipal authorities, restrictions by municipal ordinances or federal or state statutes and military activity, riots or civil commotions.

20. **CONDEMNATION**

- a. Termination of Lease as to Portion Taken. Unless otherwise terminated hereunder, if the Premises or any part thereof or interest therein be taken by condemnation (other than a temporary taking which is provided for in Paragraph 21f) this lease shall terminate as to the part so taken as of the time possession thereof shall vest in the condemner or title thereof shall vest in the condemner, whichever shall first occur.
- b. Landlord's Option to Terminate. If (i) the Premises or any part thereof or interest therein is taken by condemnation or (ii) a substantial portion of the Building is taken by condemnation and the Landlord shall decide to discontinue the use or operation of the Building, or to demolish, alter or rebuild the same, as a result of such taking, then in any such event stated in (i) or (ii), Landlord shall have the right to terminate this lease by giving Tenant written notice of termination within sixty (60) days after such taking. Any such termination shall be effective as of the last day of the calendar month next following the month in which such notice is given.
- c. Tenant's Option to Terminate. If more than twenty-five percent (25%) of the Premises is taken by condemnation and if the remaining part is thereby rendered unfit for Tenant's use, Tenant shall have the right to terminate this lease by giving Landlord written notice of termination within fifteen (15) days after possession is lost or title passes, whichever shall first occur. Any such termination shall be effective as of the last day of the calendar month next following the month in which such notice is given.
- d. Reduction of Rental. If part of the Premises is taken by condemnation (other than temporary taking which is provided for in Paragraph 21f) and neither Landlord nor Tenant shall terminate this lease as provided herein, then this lease shall continue in full force and effect as to the part of the Premises not taken and the rent herein shall be reduced, as of the date of such taking, in the same proportion as the useable floor area of the Premises not taken and the rent herein shall be reduced, as of the date of such taking, in the same proportion as the useable floor area of the premises and shall have been reduced as a result of such taking. On any such termination the rent and the other charges, if any, payable hereunder shall be prorated as of the date of such termination, provided that rent shall be payable by Tenant to Landlord for any holdover tenancy according to the provisions of Paragraph 17 of this lease.
- e. Right of Compensation. In the event of any taking specified in a., b. or c. above, all compensation and damages payable or to be paid for or by reason of such taking shall be payable and shall be the sole property of Landlord without any apportionment to Tenant, and Tenant hereby assigns to Landlord any right to compensation or damages for its leasehold interest in the Premises condemned. Termination of this lease by Landlord pursuant to Paragraph 21b or by Tenant pursuant to Paragraph 21c shall not


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affect the respective rights of Landlord and Tenant to compensation and damage and Tenant shall not hereby be prevented from filing any claim for the taking of any fixtures owned by Tenant and for moving expenses.

- f. Taking for a Limited Period. If the Premises or any part thereof shall be taken by condemnation for a limited period, this lease shall not terminate and the Tenant shall continue to pay in full the rent provided for herein, in the manner and at the times herein specified and, except only to the extent that Tenant is prevented from so doing by reason of any order of the condemning authority, Tenant shall continue to perform and observe all of the other covenants, agreements, terms and provision of this lease as though such taking had not occurred. In the event of any such taking, Tenant shall be entitled to the entire amount paid by the governmental authority with respect to governmental occupancy of the Premises during the term of this lease (whether paid by the authority as damages, rent or otherwise), and in the event any such governmental occupancy extends beyond the date of termination of this lease, all such amount paid by the governmental authority shall be prorated as of the date of termination of this lease; provided, however, that Landlord shall have a lien on all amounts payable to Tenant and may require Tenant to assign to it the same, to be held without interest as security for the payment of rent and other sums payable by Tenant to accrue during the period. Tenant covenants that at the termination of any such limited or specified period prior to the expiration or earlier termination of this lease, Tenant will, at its sole cost and expense, restore the Premises and improvement therein as may be reasonably possible to the condition which the same were prior to such taking.

21. INDEMNIFICATION

- a. Tenant shall indemnify and hold Landlord harmless against and from liability and claims of any kind for loss or damage to property of Tenant or any other person, or for any injury or death of any person, arising out of: (1) Tenant's use and occupancy of the Premises, or any work, activity or other things allowed or suffered by Tenant to be done in, or on or about the Premises; (2) any breach or default by Tenant of any of Tenant's obligations under this lease; or (3) any negligent or otherwise tortuous act or omission of Tenant, it's agents, employees, invitees or contractors. Tenant shall at Tenant's expense, and by counsel satisfactory to Landlord, defend Landlord in any action or proceeding arising from any such claim and shall indemnify Landlord against all costs, attorneys' fees, expert witness fees and any other expenses incurred in such action or proceeding. As a material part of the consideration for Landlord's execution of this lease, Tenant hereby assumes all risk of damages or injury to a person or property in, on or about the premises for any cause.
- b. Landlord shall not be liable for injury or damage which may be sustained by the person or property of Tenant, it's employees, invitees or customers, or any other person in or about the Premises, caused by or resulting from fire, steam, electricity, gas, water or rain which may leak or flow from or into any part of the Premises, or from the breakage, leakage, obstruction or other defects of pipes, sprinklers, wires, appliances, plumbing, air conditioning or lighting fixtures, whether such damage or injury results from conditions arising upon the Premises or upon other portions of the Building or Project or from other sources. Landlord shall not be liable for any damages arising from any act or omission of any other tenant of the Building of Project.


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22. **INDEMNITY AND RISK OF INJURY**

Tenant will and does hereby assume all risk of bodily injury, wrongful death and/or property damage occasioned by any nuisance made or suffered in the Premises, or resulting from any failure on the part of Tenant to maintain the Premises in a safe condition, and Tenant hereby agrees to indemnify and save harmless Landlord from and against any and all claims for bodily injury, wrongful death and/or property damage by persons (including without limiting the generality of said term, officers, partners, employees or agents of Tenant or Landlord) arising out of, caused by, occasioned by or resulting from any such accident, fire, nuisance, or failure to maintain, except where such injury or death is caused by the willful act or gross neglect of Landlord, or the failure of Landlord, after reasonable written notice of a structural defect to repair the same. Without limitation, Tenant will indemnify and save harmless Landlord against and from any and all claims by or on behalf of any person or persons, firm or firms, corporation or corporations, arising from the conduct or management of any work or thing whatsoever done by Tenant in or about, or from Transactions of Tenant concerning the Premises, and will further indemnify and save Landlord harmless against and from any and all claims arising from any breach or default on the part of Tenant in the performance of any covenant or agreement on the part of Tenant to be performed pursuant to the terms of this lease, or arising from any act or negligence of Tenant, or any of its Agents, contractors, servants, employees, or licensees and from and against the costs, attorney's fees, expenses and liabilities incurred in or about any such claim or any action or proceeding brought thereon.

23. **TENANT'S INSURANCE**

1) Property Insurance. Tenant shall procure at Tenant's sole cost and expense and keep in effect from the date of this Lease and at all times until the end of the Term, insurance on all personal property and fixtures of Tenant and all improvements made by or for Tenant to the Premises, insuring such property for the full replacement value of such property.

(2) Liability Insurance. Tenant shall procure at Tenant's sole cost and expense and keep in effect from the date of this Lease and at all times until the end of the Term either Comprehensive General Liability insurance or Commercial General Liability insurance applying to the use and occupancy of the Premises and the Building, and any part of either, and any areas adjacent thereto, and the business operated by Tenant, or by any other occupant on the Premises. Such insurance shall include Broad Form Contractual Liability insurance coverage insuring all of Tenant's indemnity obligations under this Lease. Such coverage shall have a minimum combined single limit of liability of at least One Million Dollars (\$1,000,000.00), and a general aggregate limit of Two Million Dollars (\$2,000,000.00). All such policies shall be written to apply to all bodily injury, property damage or loss, personal injury and other covered loss, however occasioned, occurring during the policy term, shall be endorsed to add Landlord and any party holding an interest to which this Lease may be subordinated as an additional insured, and shall provide that such coverage shall be primary and that any insurance maintained by Landlord shall be excess insurance only. Such coverage shall also contain endorsements: (i) deleting any employee exclusion on personal injury coverage; (ii) including employees as additional insureds; (iii) deleting any liquor liability exclusion; and (iv) providing for coverage of employer's automobile non-ownership liability. All such insurance shall provide for severability of interests; shall provide that an act or


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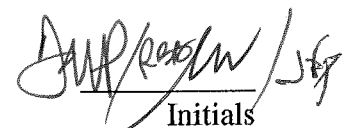
omission of one of the named insureds shall not reduce or avoid coverage to the other named insureds; and shall afford coverage for all claims based on acts, omissions, injury and damage, which claims occurred or arose (or the onset of which occurred or arose) in whole or in part during the policy period. Said coverage shall be written on an "occurrence" basis, if available. If an "occurrence" basis form is not available, Tenant must purchase "tail" coverage for the most number of years available, and tenant must also purchase "tail" coverage or if the retroactive date of an "occurrence" basis form is changed so as to leave a gap in coverage for occurrences that might have occurred in prior years. If a "claims made" policy is ever used, the policy must be endorsed so that Landlord is given the right to purchase "tail" coverage should Tenant for any reason not do so or if the policy is to be cancelled for nonpayment of premium.

3. Landlord is self-insured in accordance with the limitation of NRS 41.0305 to NRS 41.039.

C. Indemnification. Landlord shall not be liable to Tenant for any loss or damage to person or property caused by theft, fire, acts of God, acts of a public enemy, riot, strike, insurrection, war, court order, requisition or order of governmental body or authority or for any damage or inconvenience which may arise through repair or alteration of any part of the Building or Project or failure to make any such repair, except as expressly otherwise provided in Paragraph 10. Tenant shall indemnify, defend by counsel acceptable to Landlord, protect and hold Landlord harmless from and against any and all liabilities, losses, costs, damages, injuries or expenses, including reasonable attorneys' fees and court costs, arising out of or related to: (1) claims of injury to or death of persons or damage to property occurring or resulting directly or indirectly from the use or occupancy of the Premises, or from activities of Tenant, Tenant's Parties or anyone in or about the Premises or Project, or from any cause whatsoever; (2) claims for work or labor performed, or for materials or supplies furnished to or at the request of Tenant in connection with performance of any work done for the account of Tenant within the Premises or Project; and (3) claims arising from any breach or default on the part of Tenant in the performance of any covenant contained in this Lease. The foregoing indemnity shall not be applicable to claims arising from the active negligence or willful misconduct of Landlord. The provisions of this Paragraph shall survive the expiration or termination of this Lease with respect to any claims or liability occurring prior to such expiration or termination.

24. **WAIVER OF SUBROGATION**

To the extent permitted by law and without affecting the coverage provided by insurance to be maintained hereunder, Landlord and Tenant each waive any right to recover against the other for: (a) damages for injury to or death of persons; (b) damages to property; (c) damages to the Premises or any part thereof; and (d) claims arising by reason of the foregoing due to hazards covered by insurance to the extent of proceeds recovered therefrom. This provision is intended to waive fully, and for the benefit of each party, any rights and/or claims which might give rise to a right of subrogation in favor of any insurance carrier. The coverage obtained by each party pursuant to this Lease shall include, without limitation, a waiver of subrogation by the carrier which conforms to the provisions of this paragraph.


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25. **TENANT ESTOPPEL CERTIFICATES**

Within ten (10) days after written request from Landlord, Tenant shall execute and deliver to Landlord or Landlord's designee, a written statement certifying (a) that this lease is unmodified and in full force and effect, or is in full force and effect as modified and stating the modifications; (b) the amount of Base Rent and the date to which Base Rent and additional rent have been paid in advance; (c) the amount of any security deposited with Landlord; and (d) that Landlord is not in default hereunder or, if Landlord is claimed to be in default, stating the nature of any claimed default. Any such statement may be relied upon by a purchaser, assignee or lender. Tenant's failure to execute and deliver such statement within the time required shall at Landlord's election be a default under this lease and shall also be conclusive upon Tenant that; (1) this lease is in full force and effect and has not been modified except as represented by Landlord; (2) there are no uncured defaults in Landlord's performance and that Tenant has no right of offset, counter-claim or deduction against Rent; and (3) not more than one month's Rent has been paid in advance.

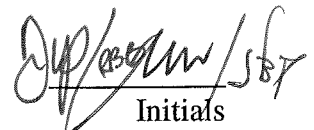
26. **TRANSFER OF LANDLORD'S INTEREST**

In the event of any sale or transfer by Landlord of the Premises, Building or Project, and assignment of this lease by Landlord, Landlord shall be and is hereby entirely freed and relieved of any and all liability and obligations contained in or derived from this lease arising out of any act, occurrence or omission relating to the Premises, Building, Project or lease occurring after the consummation of such sale or transfer, providing the purchaser shall expressly assume all of the covenants and obligations of Landlord under this lease. If any security deposit or prepaid Rent has been paid by Tenant, Landlord may transfer the security deposit or prepaid Rent to Landlord's successor and upon such transfer, Landlord shall be relieved of any and all further liability with respect thereto.

27. **DEFAULT**

27.1 Tenant's Default The occurrence of any one or more of the following events shall constitute a default and breach of this lease by Tenant:

- a. If Tenant abandons or vacates the Premises; or
- b. If the Tenant fails to pay any rent or any other charges required to be paid by Tenant under this lease and such failure continues for ten (10) days after such payment is due and payable; or
- c. If Tenant fails to promptly and fully perform any other covenant, condition or agreement
- d. Contained in this lease and such failure continues for thirty (30) days after written notice thereof from Landlord to Tenant; or
- e. If a writ of attachment or execution is levied on this lease or on any of Tenant's property; or
- f. If Tenant makes a general assignment for the benefit of creditors, or provides for an arrangement, composition, extension or adjustment with its creditors; or
- g. If Tenant files a voluntary petition for relief or if a petition against Tenant in a proceeding under the federal bankruptcy laws or other insolvency laws is filed and not withdrawn or dismissed within forty-five (45) days thereafter, or if under the provisions of any law providing for reorganization or winding up of corporations, any court of competent jurisdiction assumes jurisdiction, custody or control of Tenant or any


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- substantial part of its property and such jurisdiction, custody or control remains in force unrelinquished, unstayed or unterminated for a period of forty-five (45) days; or
- h. If in any proceeding or action in which Tenant is a party, a trustee, receiver, agent or custodian is appointed to take charge of the premises or Tenant's property (or has the authority to do so) for the purpose of enforcing a lien against the premises or Tenant's property; or
 - i. If Tenant is a partnership or consists of more than one (1) person or entity, if any partner of the partnership or other person or entity is involved in any of the acts or events described in the subparagraphs d through g above.

27.2 Remedies

In the event of Tenant's default hereunder, then in addition to any other rights or remedies Landlord may have under any law, Landlord shall have the right, at Landlord's option, without further notice or demand of any kind to do the following with five (5) days written notice:

- a. Terminate this lease and Tenant's right to possession of the Premises and re-enter the Premises and take possession thereof, and Tenant shall have no further claim to the Premises or under this lease; or
- b. Continue this lease in effect, re-enter and occupy the Premises for the account of Tenant, and collect any unpaid Rent or other charges which have or thereafter become due and payable; or
- c. Re-enter the Premises under the provisions of subparagraph b, and thereafter elect to terminate this lease and Tenant's right to possession of the Premises.

If the Landlord re-enters the Premises under the provisions of subparagraph b or c above, Landlord shall not be deemed to have terminated this Lease or the obligation of Tenant to pay Rent or other charges thereafter accruing, unless Landlord notifies Tenant in writing of Landlord's election to terminate this Lease. In the event of any re-entry or retaking of possession by Landlord, Landlord shall have the right, but not the obligation, to remove all or any part of Tenant's property in the Premises and to place such property in storage at a public warehouse at the expense and risk of Tenant. If Landlord elects to re-let the Premises for the account of Tenant, the rent received by Landlord from such re-letting shall be applied as follows:

First: To the payment of any indebtedness other than Rent due hereunder from Tenant to Landlord.

Second: To the payment of any costs of such re-letting.

Third: To the payment of the cost of any alterations or repairs to the Premises.

Fourth: To the payment of Rent due and unpaid hereunder; and the balance, if any shall be held by Landlord and applied in payment of future Rent as it becomes due.

If that portion of rent received from the re-letting, which is applied against, the Rent due hereunder is less than the amount of the Rent due, Tenant shall pay the deficiency to Landlord promptly upon demand by Landlord. Such deficiency shall be calculated and paid monthly. Tenant shall also pay to Landlord, as soon as determined, any costs and expenses incurred by Landlord in connection with such re-letting or in making alterations and repairs to the Premises, which are not covered by the rent received from the re-letting.


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Should the Landlord elect to terminate this lease under the provisions of subparagraph a. or c. above, Landlord may recover as damages from Tenant the following:


1. **Past Rent:** The worth at the time of the award of any unpaid Rent which had been earned at the time of termination; plus
2. **Rent Prior To Award:** The worth at the time of the award of the amount by which the unpaid Rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus
3. **Rent After Award:** The worth at the time of the award of the amount by which the unpaid Rent for the balance of the Term after the time of award exceeds the amount of the rental loss that Tenant proves could be reasonably avoided; plus
4. **Proximately Caused Damages:** Any other amount necessary to compensate Landlord for all 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 there from, including, but not limited to, any costs or expenses (including attorneys' fees), incurred by Landlord in (a) retaking possession of the Premises, (b) maintaining the Premises after Tenant's default, (c) preparing the Premises for re-letting to a new tenant, including any repairs or alterations, and (d) re-letting the Premises, including broker's commissions.

"The worth at the time of the award" as used in subparagraphs 1 and 2 above, is to be computed by allowing interest at the rate of ten percent (10%) per annum. "The worth at the time of award" as used in subparagraph 3 above, is to be computed by discounting the amount at the discount rate of the Federal Reserve Bank situated nearest to the Premises at the time of the award plus one percent (1%).

The waiver by Landlord of any breach of any term, covenant or condition of this Lease shall not be deemed a waiver of such term, covenant or condition or of any subsequent breach of the same or any other term, covenant or condition. Acceptance of the rent by Landlord subsequent to any breach hereof shall not be deemed a waiver of any preceding breach other than the failure to pay the particular rent so accepted, regardless of Landlord's knowledge of any breach at the time of such acceptance of rent. Landlord shall not be deemed to have waived any term, covenant or condition unless Landlord gives Tenant written notice of such waiver.

27.3 Landlord's Default.

If Landlord fails to perform any covenant, condition or agreement contained in this lease within thirty (30) days after receipt of written notice from Tenant specifying such default, or if such default cannot reasonably be cured within thirty (30) days, or if Landlord fails to commence to cure within thirty (30) day period, then Landlord shall be liable to Tenant for any damages sustained by Tenant as a result of Landlord's breach; provided, however, it is expressly understood and agreed that if Tenant obtains a money judgment against Landlord resulting from any default or other claim arising under this lease, that judgment shall be satisfied only out of the rents, issues, profits, and other income actually received on account of Landlord's right, title, and interest in the Premises, Building or Project, and no other real, personal or mixed property of Landlord (or any first mortgagee or first deed of trust beneficiary of Landlord) fails to cure the default as provided herein, then Tenant shall have the right to cure


Initials

that default at Landlord's expense. Tenant shall not have the right to terminate this lease or to withhold, reduce or offset any amount against any payments of Rent or any other charges due and payable under this lease except as otherwise specifically provided herein.

28. **NOTICES**

All notices, approvals and demand permitted or required to be given under this lease shall be in writing and deemed duly served or given if personally delivered or sent by certified or registered U.S. mail, postage prepaid, and addressed as follows: (a) if to Landlord, to Landlord's mailing address and to the Building Manager, and (b) if to Tenant, to Tenant's mailing address; provided, however, notices to Tenant shall be deemed duly served or given if delivered or mailed to Tenant at the Premises. Landlord and Tenant may from time to time by notice to the other designate another place for receipt of future notices.

29. **GOVERNMENT ENERGY OR UTILITY CONTROLS**

In the event of imposition of federal, state or local government controls, rules, regulations, or restrictions, or restrictions on the use or consumption of energy or other utilities during the Term, both Landlord and Tenant shall be bound thereby. In the event of a difference in interpretation by Landlord and Tenant of any such controls, the interpretation of Landlord shall prevail, and Landlord shall have the right to enforce compliance therewith, including the **right of entry in the Premises to effect compliance.**

30. **RELOCATION OF PREMISES N/A**

31. **QUIET ENJOYMENT**

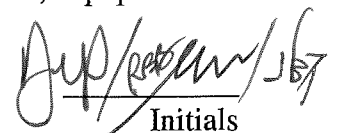
Landlord agrees that upon payment of the rent herein provided for, and upon the observance and performance by Tenant of the covenants hereinafter contained and on the part underlying lease and any mortgage on Landlord's estate, Tenant shall peaceably hold and enjoy the Premises for the term hereby demised.

32. **OBSERVANCE OF LAW**

Tenant shall not use the Premises or permit anything to be done in or about the Premises which will in any way conflict with any law, statute, ordinance or government rule or regulation now in force or which may hereafter be enacted or promulgated. Tenant shall, at its sole cost and expense, promptly comply with all laws, statutes, ordinances and governmental rules, regulations or requirements now in force or which may hereafter be in force, and with the requirements of any board of fire insurance underwriters or other similar bodies now or hereafter constituted, related to, or affecting condition, use or occupancy of the Premises, excluding structural changes not related to or affected by Tenant's improvements or acts. The judgment of any court of competent jurisdiction or the admission of Tenant in any action against Tenant, whether Landlord is a party thereto or not, that Tenant has violated any law, ordinance or governmental rule, regulation or requirement, shall be conclusive of that fact as between Landlord and Tenant.

33. **FORCE MAJEURE**

Any prevention, delay or stoppage of work to be performed by Landlord or Tenant which is due to strikes, labor disputes, inability to obtain labor, materials, equipment or


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reasonable substitutes therefore, acts of God, governmental restrictions or regulations or controls, judicial orders, enemy or hostile government actions, civil commotion, fire or other casualty, or other causes beyond the reasonable control of the party obligated to perform hereunder, shall excuse performance of the work by that party obligated to perform hereunder, and shall excuse performance of the work done by that party for a period equal to the duration of that prevention, delay or stoppage. Nothing in this Article 35 shall excuse or delay Tenant's obligation to pay Rent or other charges under this lease.

34. CURING TENANT'S DEFAULT

If Tenant defaults in the performance of any of its obligations under this lease, Landlord may (but shall not be obligated to) without waiving such default, perform the same for the account of and at the expense of Tenant. Tenant shall pay Landlord all costs of such performance promptly upon receipt of a bill thereafter.

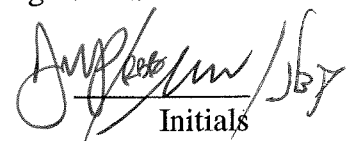
35. SIGNS/ADVERTISING

Tenant shall not affix, paint, erect or inscribe any sign, projection, awning, signal or advertisement of any kind to any part of the Premises, Building, or Project, including without limitation, the inside or outside of windows or doors, without the written consent of Landlord except as permitted under the Rules and Regulations of the Building (Exhibit "C"). Landlord shall have the right to remove any signs or other matter, installed without Landlord's permission, without being liable to Tenant by reason of such removal, and to charge the cost of removal to Tenant as additional rent hereunder, payable within ten (10) days of written demand by Landlord.

36. HAZARDOUS MATERIALS

Tenant shall not (either with or without negligence) cause or permit the escape, disposal or release of any biologically or chemically active or other hazardous substances or materials. Tenant shall not allow the storage or use of such substances or materials in any manner not sanctioned by law or by the highest standards prevailing in the industry for the storage and use of substances except to use in the ordinary course of Tenant's business, and then only after written notice is given to Landlord of the identity of such substances or materials. Without limitation, hazardous substances and materials shall include those described in The Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Section 6901 et seq., the Resource Conservation and Recovery Act, as amended 16 U.S.C. 3401, et seq., any applicable state or local laws and the regulations adopted under these acts.

If any lender or governmental agency shall ever require testing to ascertain whether or not there has been any release of hazardous materials, then the reasonable costs thereof shall be reimbursed by Tenant to Landlord upon demand as additional charges if such requirement applies to the Premises. In addition, Tenant shall execute affidavits, representations and the like from time to time at Landlord's request concerning Tenant's best knowledge and belief regarding the presence of hazardous substances or materials on the Premises. In all events, Tenant shall indemnify Landlord in the manner elsewhere provided in this lease from any release of hazardous materials on the Premises occurring while Tenant is in possession, or elsewhere if caused by Tenant or persons acting under Tenant. The foregoing covenants shall


Initials

survive the expiration or earlier termination of the lease term. Landlord shall indemnify Tenant with respect to claims arising from any introduction of hazardous material into the Premises by Landlord in violation of hazardous materials laws.

37. **MODIFICATION**

Landlord shall have the right at any time and from time to time, to unilaterally amend the provisions of this lease if Landlord is advised by counsel that all or any portion of the monies paid by Tenant to Landlord hereunder are, or may be deemed to be, unrelated business income within the meaning of the United States Internal Revenue Code or regulations issued there under, and Tenant agrees that it will execute all documents or instruments necessary to effect such amendments, provided that no such amendment shall result in Tenant having to pay in the aggregate more money on account of its occupancy of the demised premises under the terms of this lease as so amended and provided further, that no such amendment or amendments shall result in Tenant receiving under the provisions of this lease less services that it is entitled to receive, nor services of a lesser quality.

38. **SUBORDINATION**

Upon written request of Landlord, or any first mortgagee or first deed of trust beneficiary of Landlord, or ground lessor of Landlord, Tenant shall, in writing subordinate its rights under this lease to the lien of any first mortgage or first deed of trust, or to the interest of any lease in which Landlord is lessee, and to all advances made or hereafter to be made there under. However, before signing a subordination agreement, Tenant shall have the right to obtain from any lender or lessor or Landlord in such subordination, an agreement in writing providing that, as long as Tenant is not in default hereunder, this lease shall remain in effect for the full term. The holder of any security interest may, upon written notice to Tenant, elect to have this lease prior to its security interest regardless of the time of the granting or recording of such security interest.

In the event of any foreclosure sale, transfer in lieu of foreclosure or termination of the lease in which Landlord is lessee, Tenant shall attorn to the purchaser, transferee or lessor as the case may be, and recognize that party as Landlord under this lease, provided such party acquires and accepts the Premises subject to this lease.

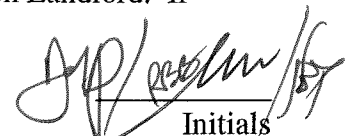
39. **MISCELLANEOUS**

- a. **Accord and Satisfaction; Allocation of Payment:** No payment by Tenant or receipt by Landlord of a lessor amount than the rent provided for in this lease shall be deemed to be other than on account of the earliest due rent, nor shall any endorsement or statement on any check or letter accompanying any check or payment as rent be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of the rent or pursue any other remedy provided for in this lease. In connection with the foregoing, Landlord shall have the absolute right in its sole discretion to apply any payment of Tenant then not current and due or delinquent.
- b. **Addenda:** If any provision contained in an addendum to this lease is inconsistent with any other provision herein, the provision contained in the addendum shall control, unless otherwise provided in the addendum.
- c. **Attorney's Fees:** In the event of any action or proceeding brought by either party hereto against the other based upon or arising out of any breach of the terms and conditions hereof,


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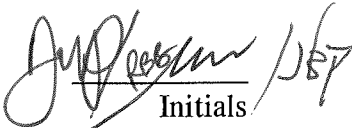
the prevailing party shall be entitled to recover all costs, including reasonable attorney's fees from the other. Tenant also agrees to pay all costs and reasonable attorney's fees, which may be incurred or paid by Landlord in enforcing without litigation any of the covenants, conditions or agreements contained in this lease, and all such amounts shall be deemed additional rent payable upon demand.

- d. **Captions, Articles and Section Numbers:** The captions appearing within the body of this lease have been inserted as a matter of convenience and for reference only and in no way define, limit or enlarge the scope of meaning of this lease. All references to Article and Section numbers refer to Articles and Sections in this lease.
- e. **Changes Requested By Lender:** Neither Landlord or Tenant shall unreasonably withhold its consent to changes or amendments to this lease requested by the lender on Landlord's interest, so long as these changes do not alter the basic business terms of this Lease or otherwise materially diminish any rights or materially increase any obligations of the party from whom consent to such change or amendment is requested.
- f. **Choice of Law:** This lease shall be construed and enforced in accordance with the laws of the State of Nevada.
- g. **Consent:** Notwithstanding anything contained in this lease to the contrary, Tenant shall have no claim, and hereby waives the right to any claim against Landlord for money damages by reason of any refusal, withholding or delaying by Landlord of any consent, approval or statement of satisfaction, and in such event, Tenant's only remedies therefore shall be an action for specific performance, injunction or declaratory judgment to enforce any right to such consent, etc.
- h. **Corporate Authority:** If Tenant is a corporation, each individual signing this lease on behalf of Tenant represents and warrants that he is duly authorized to execute and deliver this lease on behalf of the corporation, and that this lease is binding on Tenant in accordance with its terms. Tenant shall, at Landlord's request, deliver a certified copy of a resolution of its board of directors authorizing such execution.
- i. **Counterparts:** This lease may be executed in multiple counterparts, all of which shall constitute one and the same lease.
- j. **Execution of Lease: No Option:** The submission of this lease to Tenant shall be for examination purposes only, and does not and shall not constitute a reservation of or option for Tenant to lease, or otherwise create any interest of Tenant in the Premises or any other Premises within the Building or Project. Execution of this lease by Tenant and its return to Landlord shall not be binding on Landlord notwithstanding any time interval, until Landlord has in fact signed and delivered this lease to Tenant.
- k. **Furnishing of Financial Statements: Tenant's Representatives:** In order to induce Landlord to enter into this lease, Tenant agrees that it shall promptly furnish Landlord, from time to time, upon Landlord's written request, with financial statements reflecting Tenant's current financial condition. Tenant represents and warrants that all financial statements, records and information furnished by Tenant to Landlord in connection with this lease are true, correct and complete in all respects.
- l. **Further Assurances:** The parties agree to promptly sign all documents reasonably requested to give effect to the provisions of this lease.
- m. **Mortgage Protection:** Tenant agrees to send by certified or registered mail to any first mortgagee or first deed of trust beneficiary of Landlord whose address has been furnished to Tenant, a copy of any notice of default served by Tenant on Landlord. If


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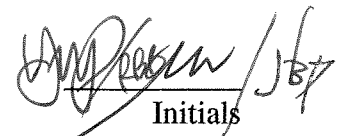
Landlord fails to cure such default within the time provided for in this lease, such mortgagee or beneficiary shall have an additional thirty (30) days to cure such default; provided that if such default cannot reasonably be cured within that thirty (30) day period, then such mortgagee or beneficiary shall have such additional time to cure the default as is reasonably necessary under the circumstances.

- n. **Prior Agreements: Amendments:** This lease contains all of the agreements of the parties with respect to any matter covered or mentioned in this lease, and no prior agreement or understanding pertaining to any such matter shall be effective for any purpose. No provisions of this lease may be amended or added to except by an agreement in writing signed by the parties or their respective successors in interest.
- o. **Recording:** Tenant shall not record this lease without the prior written consent of Landlord. Tenant, upon the request of Landlord, shall execute and acknowledge a "short form" memorandum of this lease for recording purposes.
- p. **Severalty:** A final determination by a court of competent jurisdiction that any provision of this lease is invalid shall not affect the validity of any other provision, and any provision so determined to be invalid shall, to the extent possible, be construed to accomplish its intended effect.
- q. **Successors and Assigns:** All of the covenants, agreements, terms and conditions contained in this lease shall apply to, accrue to and be binding upon Landlord and Tenant and their respective heirs, personal representatives, successors and assigns. On any sale or conveyance by Landlord of the building, the buyer or grantee shall become responsible for all of the covenants and conditions herein contained and on the part of Landlord to be observed or performed after the time of such sale or conveyance and the seller or grantor shall be released there from except as to the obligations already accrued. If at anytime during the term hereof the ownership of Tenant's business shall be changed as a result of any sale of assets, sale of stock, merger, consolidation or otherwise so as to result in a change in the controlling interest in said business, Tenant shall give immediate notice thereof to Landlord and Landlord may terminate this lease at anytime after receipt of such notice or if such notice shall not given, after discovery by Landlord of such change in controlling interest by giving Tenant sixty (60) days written notice of such termination unless Tenant shall furnish reasonably adequate assurance that there has been no reduction in the financial responsibility of Tenant as a result of the change.
- r. **Time of the Essence:** Time is of the essence in this lease.
- s. **Waiver:** No delay or omission in the exercise of any right or remedy of Landlord upon any default by Tenant shall impair such right or remedy or be construed as a waiver of such default. The receipt and acceptance by Landlord of delinquent rent shall not constitute a waiver of any other default; it shall constitute only a waiver of timely payment for the particular rent payment involved. No act or conduct of Landlord, including, without limitation, the acceptance of keys to the premises, shall constitute and acceptance of the surrender of the premises by Tenant before the expiration of the term. Only a written notice from Landlord to Tenant shall constitute acceptance of the surrender of the premises by Tenant before the expiration of the term. Only a written notice from the Landlord to Tenant shall constitute acceptance of the surrender of the premises and accomplish a termination of the lease. Landlord's consent to or approval of any act by Tenant requiring Landlord's consent or approval shall not be deemed to be a waiver or render unnecessary Landlord's consent to or approval of any subsequent act by Tenant. Any waiver by Landlord of any


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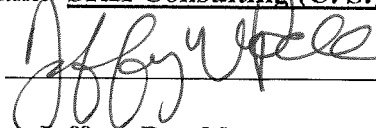
default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of the lease.

- t. **Additional Definitions** the term "Premises", wherever it appears herein includes and shall be deemed to include (except where such meaning would be clearly repugnant to the context) the space demised and all improvements therein. The space demised shall consist of the area shown outlined on Exhibit "A" and be bounded by the unfinished interior surfaces of the perimeter walls and windows, the unfinished surfaces of interior load bearing walls, the unfinished top of the floor slab and the unfinished bottom of the floor slab of the floor above, excluding, however, any stairs and other items within said boundaries which are not included in rentable area as defined in Paragraph 2m above. The term "improvements" wherever it appears herein shall include all improvements existing at the commencement of the term hereof or at any time thereafter built by anyone in the space hereby demised, including, without limitation, all walls and partitions which are not load bearing, the interior decorated or finished surfaces of all perimeter and load bearing walls and floor slabs, all non-standard ceilings and ceiling light fixtures, all interior windows, all entrance doors, all mechanical and electrical conduits, wiring, fixtures and equipment, all floor tile, carpeting and wall covering and all other fixtures of all kinds, excluding, however, water, electric, telephone and other utility lines, ducts, conduits and other facilities serving other portions of the building which may pass through the demised area, and excluding also the air-conditioning ducts and equipment, ceiling and ceiling light fixtures if of the standard type furnished by Landlord, all of which excluded items shall be the responsibility of Landlord, and with respect to which Landlord reserves the right to install, repair, replace, maintain and remove the same in its discretion. The paragraph headings herein are for convenience of reference, and shall in no way define, limit or describe the scope or intent of any provisions of this lease. The term "Landlord" in this lease shall include the above-named Landlord and its successors and assigns. In any Case, where this lease is signed by more than one person, the obligations hereunder shall be joint and several. The term "Tenant" or any pronoun used in place thereof shall indicate and include the masculine or feminine, the singular or plural number, individuals, firms or corporations, and each of their respective successors, personal representatives and permitted assigns, according to the context hereof.
- u. **Prior Agreements: Amendments:** This lease contains all of the agreements of the parties with respect to any matter covered or mentioned in this lease, and no prior agreement or understanding pertaining to any such matter shall be effective for any purpose. No provisions of this lease may be amended or added to except by an agreement in writing signed by the parties or their respective successors in interest. Upon full execution of this Lease, this Lease shall replace and supersede that certain lease by and between Landlord and Tenant entered into July 15, 2004 as amended November 1, 2007, September 14, 2010, and October 26, 2011 for the Premises located at 5250 Neil Road Ste 300 and 303, Reno, NV 89502.


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IN WITNESS WHEREOF, the parties hereto have executed this lease as of the dates set forth below.

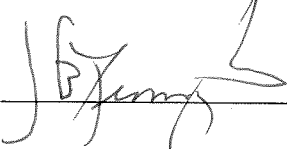
Tenant: SRK Consulting (U. S.), Inc.

By: 

Name: Jeffrey Parshley

Title: Practice Leader

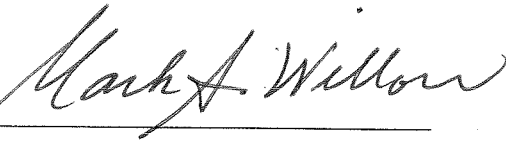
Date: 1 NOV 2013

By: 

Name: J.B. Pennington

Title: PRACTICE LEADER REND MALLING

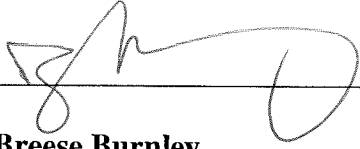
Date: 1 NOV 13

By: 

Name: Mark A. Willow

Title: Practice Leader

Date: 11-1-13

By: 

Name: R. Breese Burnley

Title: PRACTICE LEADER

Date: 11-1-13

Landlord: The Board of Regents of the Nevada System of Higher Education on behalf of Truckee Meadows Community College

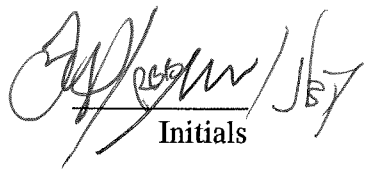
By: _____

Name: Dr. Maria Sheehan

Title: President

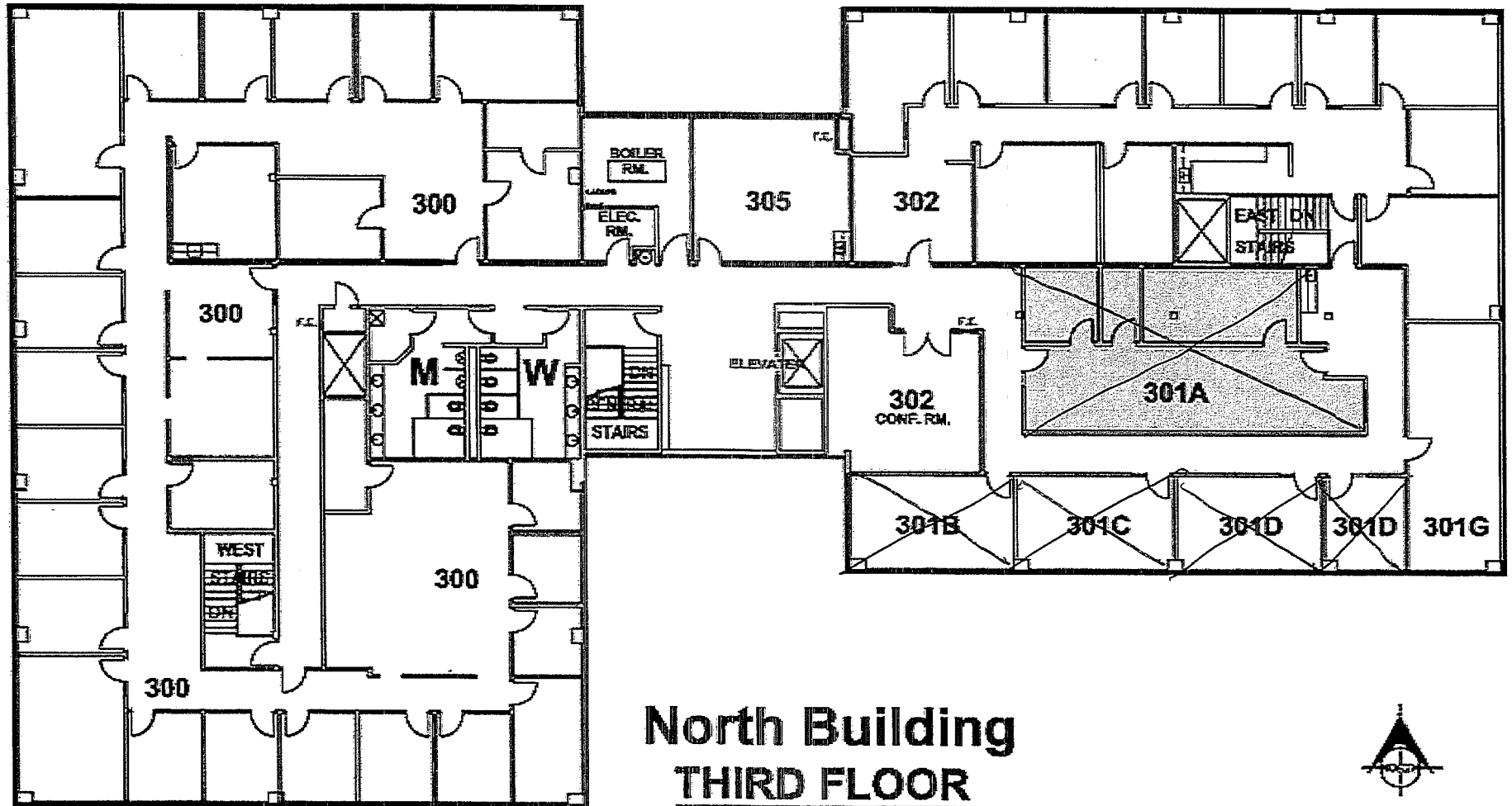
Date: _____

Board of Regents of the Nevada System of Higher Education _____ Date _____
Daniel J. Klaich, Chancellor


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A

Meadowood Center 5250 Neil Road



North Building THIRD FLOOR



MEADOW WOOD OFFICE PLAZA

SITE PLAN

5250 AND 5270 NEIL ROAD

RENO, NEVADA 89502

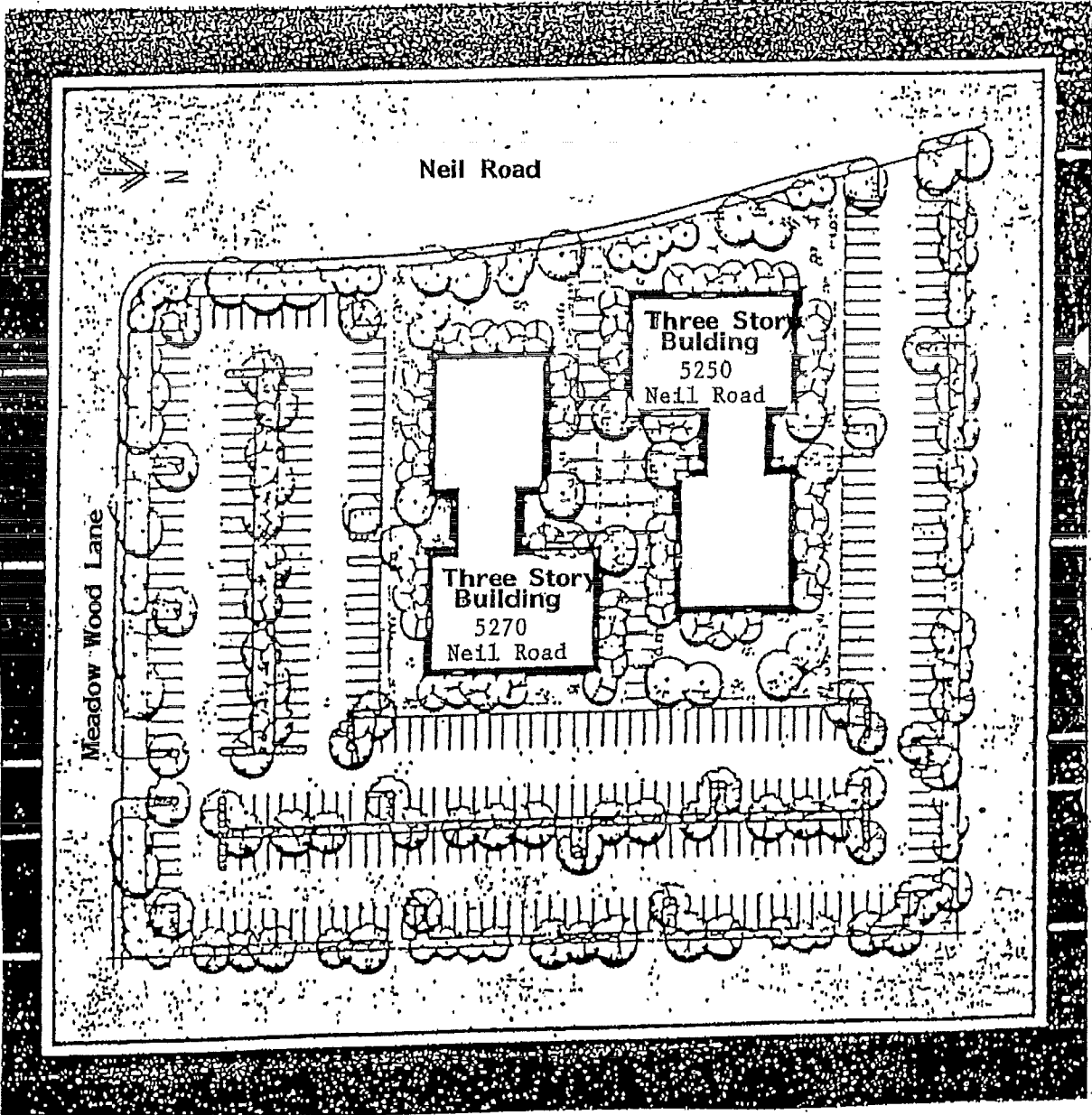


EXHIBIT "C"

RULES AND REGULATIONS

RULES AND REGULATIONS: These rules and regulations have been adopted for the purpose is insuring order and safety in the Building and to maintain the rights of Tenants and Landlord. Landlord reserves the right to modify, supplement or rescind any of these rules for the safety, care and cleanliness of the Project and the preservation of good order therein. 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 or Tenants, nor prevent Landlord from thereafter enforcing any such rules and regulations against any or all of the Tenants of the Building. Each Tenant shall be liable for injury or damage caused by the infraction of any of these rules by its employees, agents or invitees, and Landlord may repair such damage, sharing the cost of the same with such Tenant, which amount shall be added to rent due for the ensuing month. 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 in the Building.

Closing Premises: Each Tenant shall see that his demised Premises are securely locked and will exercise caution to insure that all water faucets and powered equipment are shut off before Tenant or Tenant's employees leave the Building, so as to prevent waste or damage.

Common Rooms: Rooms used in common by Tenants shall be subject to regulations adopted by Landlord.

Dedication- Prevention Of: Landlord reserves the right to close off any and all of the plazas, promenades and sidewalks of the Building for twenty-four hours once every five years to prevent dedication.

Directories And Door Signage: The Building directories are provided for displaying the name and location of each Tenant. The Landlord shall provide for the initial listing. Thereafter, a charge will be made for each name added to or other change to Tenant's name. The initial directory listing and door signage and all such additions or changes will require Landlord's approval. Tenant shall provide Landlord with a written request for any additions or changes to their listing. Door signage shall be charged to Tenant and be standard size and form throughout the Building.

Window Display: Tenant will not use any method or type of display or window advertising without Landlord's prior written approval which shall only be given if the proposals are considered by Landlord to be consistent with the Building character and the covenants, conditions and restrictions of the Business Park.

Signs, Screens and Awnings: No notice or advertisement visible from the exterior of the Building or the premises will be permitted without prior written approval of Landlord. All graphics, curtains, blinds, shades or screens visible from the exterior of the Building or any premises demised, where permitted, shall conform to Building standards as specified by Landlord from time to time and the covenants, conditions and restrictions of the Business

Park. In the event of the violation of this rule by any Tenant, Landlord may remove same without any liability, and may charge the expense incurred thereby to the Tenant involved.

Outside Furnishings: Tenant shall not place any movable objects including antennas, outdoor furniture, etc., in the parking areas, landscaped area, or other areas outside of said premises.

Electrical and Air Conditioning Systems: No Tenant shall alter the standard building lighting or air conditioning system or install any special wiring or abnormal power consuming equipment without written approval of Landlord. If the Tenant desires telegraphic, telephonic, or other electric connections, Landlord or its agent will direct the electrician as to where and how the wires may be introduced, and without such direction, no boring or cutting of wires will be permitted. Any such installation and connection shall be made at Tenant's expense. If air conditioning and/or power is used out of normal Building operating hours or there is abnormal consumption thereof, the Tenant involved shall pay on demand a reasonable charge.

Janitor Service: No one other than those approved in writing by Landlord shall be permitted to perform any janitorial service in the Building. Janitor service, if supplied by Landlord, shall not include shampooing or spot-cleaning of carpets nor dry cleaning of draperies. Landlord shall not be responsible for any loss of or damage to any Tenant's property by the janitor, its employees or any other person performing janitorial services

Maintenance Requests: The requirements of a Tenant will be attended to only upon application by such Tenant to Landlord. Building employees will not perform any work outside of regular duties unless under special instructions from the Landlord or its authorized agent. Tenant shall not cause any unnecessary labor by reasons of Tenant's carelessness or indifference in the preservation of good order and cleanliness. Tenant shall give Landlord prompt notice of any defects in the water, sewage, gas pipes, electrical lights and fixtures, heating apparatus, or any other service equipment.

Obstruction Of Common Areas: Unless otherwise posted, all common areas will be used only for ingress and egress to the demised premises. Landlord retains the right to control and prevent access onto the property, by any and all persons other than those persons having a legal right to ingress to and egress from the demised premises. Only persons authorized by Landlord will be permitted in areas housing mechanical, electrical or equipment of any kind.

Repairs/Alterations/Additions to Premises: Prior to commencement of construction for any repair, alteration or addition to the Premises, Tenant shall submit to Landlord in writing for Landlord's written approval the following: 1) Work Description; 2) Work Schedule; 3) Names of Architect, General Contractor and any Sub-Contractors; 4) Working Drawings and Specifications; 5) Copy of Building Permit; 6) Copy of Performance Bond and Insurance Certificate (by Contractor); and 7) Copy of Completion Bond (by Tenant). Tenant shall also provide Landlord with lien releases upon request. Only contractors approved by Landlord shall be permitted to carry out any repairs, alterations or additions within the Premises and/or the Building. Any painting or decorating as may be agreed to be done shall be done during regular working hours; should the Tenant desire such work done on Sundays, holidays, or outside of regular working hours, the Tenant shall pay for any extra cost thereof.

Furniture Move-In:

(A) Furniture, equipment or supplies shall be moved in or out of the Building, only upon the elevator designated by the Landlord (if the building is so equipped), and then only during such hours and in such manner as may be prescribed by the Landlord.

(B) No safe or article, the weight of which may constitute a hazard or danger to the Building or its equipment, shall be moved into the premises.

(C) Safes and other equipment, the weight of which is not excessive, shall be moved into, from, or about the Building only during such hours and in such manner as shall be prescribed by the Landlord, and the Landlord shall have the right to designate the location of such articles in the space hereby demised.

Removal Of Property: Each Tenant shall deliver a list of any fixtures or improvements in the premises which Tenant desires to remove from the Building, and the list must be approved in writing by Landlord before any such fixture or improvement is removed.

Vehicular And Bicycle Parking: The parking areas within the office park complex shall be used solely for the parking of passenger vehicles during normal office hours. The parking of trucks, trailers, recreational vehicles and campers is specifically prohibited. No vehicle of any type shall be stored in the parking areas at any time. In the event that a vehicle is disabled, it shall be removed within 48 hours. There shall be no "for sale" or other advertising signs on or about any parked vehicle. All vehicles shall be parked in the designated parking areas in conformation with all signs and other markings. Bicycles or other vehicles shall not be permitted in the offices, halls, corridors, and elevators in the building, nor shall any obstruction of sidewalks or entrances of the building by such be permitted. Bicycles shall be parked in racks provided, if any.

Advertising: Tenant shall not use the name of the Building in connection with or in promoting or advertising the business of Tenant except as to Tenants address. Landlord shall have the right to prohibit the use of the name of the Project or other publicity by Tenant which in Landlord's opinion tends to impair the reputation of the Project or its desirability for the other Tenants. Tenant will refrain from or discontinue such publicity upon notification by Landlord.

Keys and Locks: No locks other than those provided by Landlord shall be placed on any doors without the written consent of the Landlord. Two keys per lock will be furnished to Tenant by Landlord. Lock cylinders and keys shall be changed by Landlord at Tenant's expense upon receipt of written request from Tenant. All keys will be surrendered upon termination of the lease. Building janitors and contract cleaners will be provided with a passkey to offices in the Building unless Tenant declines the Floor Master Option in writing and thereby understands that Landlord will not be responsible for providing janitorial services and emergency access to that demised area.

Animals: No animals or pets are allowed in Building, or demised premises at any time except for Seeing Eye dogs.

Removal From Premises: Landlord reserves the right to exclude or expel from the complex any person who in the judgment of the Landlord is intoxicated or under the influence of liquor or drugs or who shall in any manner do any act in violation of the Rules and Regulations of the said project.

Solicitors: Landlord reserves the right to eject from the Building any solicitors, canvassers or peddlers and any other class of persons who, in the judgment of Landlord, are annoying or interfering with any of Tenant's or Landlord's operations or who are otherwise undesirable. Canvassing, peddling, soliciting and distribution of any written materials in the Building are prohibited and each Tenant shall cooperate to prevent the same.

Trash: Each Tenant shall store all its trash and garbage for removal by janitors within the interior of its demised premises. No material, rubbish or debris shall be placed in trash boxes or receptacles if such material is of such nature as to be in violation of any law or ordinance governing disposal of same. All Tenant construction debris shall be removed from the Premises by Tenant, its contractors or its employees.

Non-Smoking Building: No smoking shall be allowed anywhere within the building premises. This is for the comfort and safety of all occupants and shall be strictly enforced.

Building Holidays: The following holidays shall be observed by the Building. Regular building services such as janitorial services will not be provided on such days.

New Year's Day
President's Day
Memorial Day
Independence Day

Labor Day
Thanksgiving Day and Friday after.
Christmas Day

The above listed holidays may be changed from time to time and the designated holidays shall be based on the predominant practice in the business community.

Use: Except with the prior written consent of Landlord, no Tenant shall conduct any business other than that specifically provided for in its lease. No Tenant shall permit its demised premises to be used in a manner offensive or objectionable to the other tenants or Landlord. No cooking shall be done or permitted in the Premises nor shall Tenant cause or permit any unusual or objectionable odors to be produced upon or permeate from its Premises. No Tenant shall at anytime bring, allow or keep upon the Premises any flammable, combustible or explosive fluid, chemical or substance in such quantities as may endanger or imperil the demised premises or any other premises or the property or lives of other persons. No Tenant shall make or permit to be made any unreasonable vibration, unseemly noise or disturb or interfere with occupants of this or adjoining buildings or premises or those having business with them whether by the use of any business machines and other equipment, musical instruments, radio or television sets, phonographs, singing or the making of any disturbing sounds. The Premises shall not be used for lodging or sleeping.

Vacating Premises: Each Tenant shall give Landlord at least 90 days prior written notice of its intention to vacate the demised premises. Tenant shall notify Landlord in writing prior to Tenant's temporary vacating of premises for more than seven (7) days.

Violations: Landlord shall not be responsible to any Tenant for the nonobservance or violation of any rules and regulations by any other Tenant or other persons. Tenant shall be deemed to have read these rules and regulations and to have agreed by them as a condition to its occupancy of the space leased.

Washrooms: The lavatory facilities and other water apparatus shall not be used for any purpose other than that for which they were constructed. The expense to repair any breakage, stoppage or damage resulting from the violation of this rule shall be borne by the Tenant whose employees or visitors shall have caused the expense.

Water: Water will be supplied by Landlord for drinking and toilet purposes only.

Windows and Door: No windows, glass doors or any other light sources that reflect light into the lobbies or other places of the Building shall be obstructed or covered except in a manner approved in writing by Landlord.

The Landlord reserves the right to make such other and further reasonable rules and regulations as in its judgment may from time to time be needful and desirable for the safety, care, and cleanliness of the premises and for the preservation of good order therein.

EXHIBIT "C",

HEALTH CLUB RULES

The Health Club is an amenity offered for the exclusive use of the Tenants and their employees at the Office Complex. No guests shall be allowed without the consent of the Lessor.

The Health Club will be open from 7 a.m. to 6:30 p.m. Monday through Friday; closed on Saturday and Sunday.

The use of the equipment in the Health Club is at each user's own risk. All Tenants desiring to use the Health Facility must, for insurance reasons, sign a waiver provided by the Landlord that states that they are responsible for any injuries that might occur while using the facility.

All Tenants with medical conditions should consult their physician before starting an exercise regimen.

Access to the Health Facility will be available only with a Key Card assigned by the Management to provide security and protect the premises from vandalism and damage.

A nominal monthly fee may be charged to any tenant who signs up to use the facility. This fee will be used to defray the maintenance and cleaning costs of the facility and to monitor the facility's use.

The Health Club or the Lessor shall not be responsible or liable for articles lost or stolen in the locker rooms or in the lockers.

In the event of any disagreements and conflicts regarding the use of any of the Health Club facilities, decisions will be made by the Lessor and all such decisions will be final.

DUTIES OWED BY A NEVADA REAL ESTATE LICENSEE

This form does not constitute a contract for services nor an agreement to pay compensation.

In Nevada, a real estate licensee is required to provide a form setting forth the duties owed by the licensee to:

- a) Each party for whom the licensee is acting as an agent in the real estate transaction, and
- b) Each unrepresented party to the real estate transaction, if any.

Licensee: The licensee in the real estate transaction is <u>Paul Infantino</u> whose license number is <u>S. 0076862</u> . The licensee is acting for [client's name(s)] _____ _____ who is/are the <input type="checkbox"/> Seller/Landlord; <input type="checkbox"/> Buyer/Tenant.
Broker: The broker is <u>Kevin Sigstad</u> , whose company is <u>RE/MAX Premier Properties</u> .

Licensee's Duties Owed to All Parties:

A Nevada real estate licensee shall:

1. Not deal with any party to a real estate transaction in a manner which is deceitful, fraudulent or dishonest.
2. Exercise reasonable skill and care with respect to all parties to the real estate transaction.
3. Disclose to each party to the real estate transaction as soon as practicable:
 - a. Any material and relevant facts, data or information which licensee knows, or with reasonable care and diligence the licensee should know, about the property.
 - b. Each source from which licensee will receive compensation.
4. Abide by all other duties, responsibilities and obligations required of the licensee in law or regulations.

Licensee's Duties Owed to the Client:

A Nevada real estate licensee shall:

1. Exercise reasonable skill and care to carry out the terms of the brokerage agreement and the licensee's duties in the brokerage agreement;
2. Not disclose, except to the licensee's broker, confidential information relating to a client for 1 year after the revocation or termination of the brokerage agreement, unless licensee is required to do so by court order or the client gives written permission;
3. Seek a sale, purchase, option, rental or lease of real property at the price and terms stated in the brokerage agreement or at a price acceptable to the client;
4. Present all offers made to, or by the client as soon as practicable, unless the client chooses to waive the duty of the licensee to present all offers and signs a waiver of the duty on a form prescribed by the Division;
5. Disclose to the client material facts of which the licensee has knowledge concerning the real estate transaction;
6. Advise the client to obtain advice from an expert relating to matters which are beyond the expertise of the licensee; and
7. Account to the client for all money and property the licensee receives in which the client may have an interest.

Duties Owed By a broker who assigns different licensees affiliated with the brokerage to separate parties.

Each licensee shall not disclose, except to the real estate broker, confidential information relating to client.

Licensee Acting for Both Parties: You understand that the licensee _____ may or _____ may not, in the future act for two or more parties who have interests adverse to each other. In acting for these parties, the licensee has a conflict of interest. Before a licensee may act for two or more parties, the licensee must give you a "Consent to Act" form to sign.

I/We acknowledge receipt of a copy of this list of licensee duties, and have read and understand this disclosure.			
_____ <i>Seller/Landlord</i>	_____ <i>Date</i>	_____ <i>Time</i>	_____ <i>Buyer/Tenant</i>
_____ <i>Seller/Landlord</i>	_____ <i>Date</i>	_____ <i>Time</i>	_____ <i>Buyer/Tenant</i>
			_____ <i>11/1/13 1250pm</i>

EXHIBIT E

TENANT IMPROVEMENTS

RE: SRK 5250 Neil RD Ste 300

**TENANT
IMPROVEMENTS:**

1) Flooring

a. Suite 300	\$17,856.67
b. Suite 301G	\$1,134.60
c. Suite 305	\$1,307.83
Total	\$20,299.10
d. Suite 302	\$10,307.86
Total both Ste	\$30,606.96

Based on building standard provided by Flooring Solutions.
Any upgrade to be paid for by Tenant.

2) Tenant Improvements

Expand break room to encompass storage room ste 300 (Includes flooring and cabinetry to match current cabinetry & relocate library and file cabinets, remove ste 302 conf rm closet, counter top on the South wall, sink, cabinets, replace with new sink / cabinets)
\$9,378.00

3) Blinds

Replace blinds to match existing in Ste 300 (Head rails only)

a. Ste 300 North wall only	\$1,443.00
b. Ste 305	\$ 455.80
Total	\$1,898.80

c. Ste 302 \$2,985.31

4) Paint

a. Ste 300 (New break rm)	\$340.00
b. Ste 301G	\$290.00
Total	\$630.00
c. Ste 302	\$1,790.00 5yr

5) Labor

a. Move furniture / clean up	\$1,000.00
b. Install blinds	\$1,000.00

**COMMON AREA
IMPROVEMENTS:**

Elevator

- 1) Door jams and door skin replaced in stainless steel per existing bid
- 2) Upgrade cab ceiling and add LED lighting
- 3) Take out side mirrors
- 4) Replace sides and all existing paneling with new paneling

First Floor

- 1) Upgrade the entrance lobby. SRK to approve the Interior design provided by TMCC.
- 2) Upgrade hallway flooring

Third floor

- 1) Upgrade third floor common area, to include new flooring, blinds, paint, furniture, décor, etc. SRK to approve the interior design provided by TMCC.

Bathroom

- 1) Update to match décor of common area
- 2) Deep cleaning of floors and tile/grout
- 3) Replace faucets to match