

BOARD OF REGENTS  
BRIEFING PAPER

**Agenda Item Title:** University of Nevada School of Medicine Lease Located  
at 745 W. Moana Lane, Reno, Nevada

**Meeting Date:** December 3-4, 2015

**1. BACKGROUND & POLICY CONTEXT OF ISSUE:**

The University of Nevada School of Medicine (UNSOM) requests approval to extend a Lease Agreement (Exhibit 1) for office space for Mojave Adult, Child and Family Services administrative offices, patient care and clinical use in Reno, Nevada. Mojave has provided varied and comprehensive services for adults and children with psychiatric disabilities for the past 14 years. Mojave's Mission Statement is "To assist individuals with mental illness through the provision of community based services, empowering people to live safely and participate in their community, while pursuing personal goals and maximizing the quality of life."

The current office space meets the needs of Mojave for its current and future mission, so the University is requesting a 3 year extension of the Lease, based on the general terms below.

General Terms of the Amendment to extend the Lease Agreement (Exhibit 2).

- **Lease Term:** Thirty Six (36) months. 3 months' rent is abated during the term.
- **Space:** 17,390 sf on the first floor within 745 W. Moana Lane, Reno, NV 89509 (Exhibit 3).
- **Rental Rate:** \$28,693.50 (\$1.65 per sf) per month, an effective rent of \$1.51psf with three months abated rent included within the lease term. There is no annual increase in the rent for the three year period also providing for additional savings over the prior contract.
- **Lease Type:** Full service, 2016 base year lease.
- **Tenant Improvements:** Ample improvements at Landlord's sole expense including new interior paint, carpet as requested by Mojave, in addition to other improvements at no cost to Tenant.
- **Option to Renew:** One (1) Thirty Six (36) Month Option to Renew for \$1.70psf per month in year one, \$1.75psf per month in year two and year three. Rent to be waived for February 2019, February 2020 and January 2022, which is an effective rent of \$1.59psf for the option period.

**2. SPECIFIC ACTIONS BEING RECOMMENDED OR REQUESTED:**

University of Nevada, Reno President Marc Johnson is requesting Board of Regents' approval to lease approximately 17,390 sf within 745 W. Moana Lane, Reno, NV 89509 for a term of Thirty Six (36) months, with an Option to renew the Lease for an additional Thirty Six (36) months.

**3. IMPETUS (WHY NOW?):**

- Current Lease expires on January 31, 2016
- This lease provides an opportunity for Mojave to continue its program and offer services to the community.

**4. BULLET POINTS TO SUPPORT REQUEST/RECOMMENDATION:**

- The space meets all the requirements needed by Mojave for their current missions and services.
- Attractive rents have been negotiated as compared to market rates, and approximately a 15% reduction of the current contract’s rental rates.
- Lease is a base year full service lease, limiting exposure to operating and any other expenses.
- Tenant Improvements are to be delivered to Mojave on a turn-key basis at Landlord’s sole expense.

**5. POTENTIAL ARGUMENTS AGAINST THE REQUEST RECOMMENDATION:**

- None

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

- Move to an alternative site with hope of finding a location with similar rent, appropriate zoning, public transportation and other current requirements for such use. This alternative will incur both moving and hold over penalties at 745 Moana Lane, with the current lease expiring January of 2016.

**7. COMPLIANCE WITH BOARD POLICY:**

Consistent With Current Board Policy: Title #4 Chapter #10 Section #1.9  
 Amends Current Board Policy: Title #\_\_\_\_\_ Chapter #\_\_\_\_\_ Section #\_\_\_\_\_  
 Other:\_  
 Fiscal Impact: Yes \_X\_ No\_\_\_\_\_  
 Explain: Rents will decrease compared to current rates by approximately 15%, or \$29,000 annually.

\_\_\_\_\_Reviewed by Chancellor

\_\_\_\_\_Reviewed by General Counsel as to form

Exhibit 1  
MOANA LANE OFFICE PARK LEASE  
RENO, NEVADA

*2 sided Copy*

THIS OFFICE LEASE is entered into by Landlord and Tenant as described in the following Basic Lease Information on the Date which is set forth for reference only in the following Basic Lease Information. Landlord and Tenant agree:

**ARTICLE 1--BASIC LEASE INFORMATION**

1.1 **Basic Lease Information.** In addition to the terms which are defined elsewhere in this Lease, the following defined terms are used in this Lease:

(a) **DATE:** August 2, 2006

(b) **LANDLORD:** HUCKABAY PROPERTIES, INC.

(c) **LANDLORD'S ADDRESS:** 2531 Lakeridge Shores Circle  
Reno, Nevada 89519

with a copy at the same time to: \_\_\_\_\_

(d) **TENANT:** NFRP dba Mojave Adult, Child & Family Services

(e) **TENANT'S ADDRESS:** 745 West Moana Lane, Suite 100, Reno, Nevada 89509

with a copy at the same time to: Jim Parcels

4000 E. Charleston Blvd., Ste. B-230  
Las Vegas, NV 89104

(f) **BUILDING ADDRESS:** 745 West Moana Lane

(g) **PREMISES:** The Premises shown on Exhibit A to this Lease, known as Suite 100

(h) **RENTABLE AREA OF THE PREMISES:** 17,390 square feet. Rent shall not apply to shaded area on attachment 1 for 1<sup>st</sup> 6 months (2,634 RSF)

(i) **RENTABLE AREA OF THE BUILDING:** 58,529 square feet.

(j) **TERM:** 60 months, beginning on the Commencement Date and expiring on the Expiration Date.

(k) **COMMENCEMENT DATE:** October 1, 2006 February 1, 2007, or as extended by the Tenant Improvement construction.

(l) **EXPIRATION DATE:** September 30, 2011 January 31, 2012, or as extended by the Tenant Improvement construction.

(m) **SECURITY DEPOSIT:** \$ 28,693.50

(n) **BASE MONTHLY RENT:**

\$ 28,693.50 per month subject to adjustment pursuant to Article 4. Rent shall not apply to 2,634 RSF for 1<sup>st</sup> 6 months. \$24,347.40/mo rent for 1<sup>st</sup> 6 months.

(o) **OPERATING EXPENSES BASE:** First 12 months of lease.

(p) **TENANT'S SHARE:** 29.71 % (determined by dividing the Rentable Area of the Premises by the Rentable Area of the Building and multiplying the resulting quotient by 100 and rounding to the 3rd decimal place).

(q) **PARKING SPACES:** 69 (51 covered and 18 uncovered), spaces according to Article 26.

(r) **PARKING CHARGE:** \$ 0 per parking space per month.

(s) **BROKER:** Stark & Associates

(t) **BUILDING OPERATING HOURS:** Normal hours of operations and standard use for the building shall be 7:00 AM to 6:00 PM Monday through Friday.

(u) **OVERTIME UTILITIES:** Overtime utilities will be billed at \$45 per hour of non standard use. This rate is subject to the same increase as the local utility rate.

(v) **BUILDING KEYS:** Landlord and Tenant will each have a set of keys for Premises, except for Tenant's pharmacy room, which will only be accessed by Tenant. Landlord will NOT have keys or access to Tenant's pharmacy room.

1.2 **Definitions:**

(a) **ADDITIONAL RENT:** Any amounts which this Lease requires Tenant to pay in addition to Base Monthly Rent.

(b) **BUILDING:** The building which is located on the Land and of which the Premises are a part.

(c) **LAND:** The land on which the Project is located.

(d) **PRIME RATE:** The rate of interest from time to time announced by Bank Of America ("BOA"), or any successor to it, as its prime rate. If BOA or any successor to it ceases to announce its prime rate, the Prime Rate will be a comparable interest rate designated by Landlord which replaces the Prime Rate.

(e) **PROJECT:** The development consisting of the Land and all improvements built on the Land including without limitation the Building, parking lot, parking structure, if any, walkways, driveways, fences, and landscaping.

(f) **RENT:** The Base Monthly Rent and Additional Rent.

If any other provision of this Lease contradicts any definition of this Article, the other provision will prevail.

1.3 **Exhibits.** The following addendum and exhibits are attached to this Lease and are made part of this Lease:

EXHIBIT A--The Premises, as outlined in red.

EXHIBIT B-- Rules and Regulations.

## ARTICLE 2--AGREEMENT

Landlord leases the Premises to Tenant, and Tenant leases the Premises from Landlord, according to this Lease. The duration of this Lease will be the Term. The Term will commence on the Commencement Date, and will expire on the Expiration Date.

## ARTICLE 3--DELIVERY OF PREMISES

3.1 Delivery of Possession. Landlord will be deemed to have delivered possession of the Premises to Tenant on the Commencement Date, as it may be adjusted pursuant to the Work Letter. Landlord will construct or install in the Premises the improvements to be constructed or installed by Landlord according to Exhibit A. Tenant acknowledges that neither Landlord nor its agents or employees have made any representations or warranties as to the suitability or fitness of the Premises for the conduct of Tenant's business or for any other purpose, nor has Landlord or its agents or employees agreed to undertake any alterations or construct any tenant improvements to the Premises except as expressly provided in this Lease. If for any reason, Landlord cannot deliver possession of the Premises to Tenant on the Commencement Date, this Lease will not be void or voidable, and Landlord will not be liable to Tenant for any resultant loss or damage.

3.2 Early Entry. If Tenant is permitted entry to the Premises prior to the Commencement Date for the purpose of installing fixtures or any other purpose permitted by Landlord, such early entry will be at Tenant's sole risk and subject to all the terms and provisions of this Lease as though the Commencement Date had occurred, except for the payment of Rent which will commence on the Commencement Date. Tenant, its agents or employees will not interfere with or delay Landlord's completion of construction of the improvements. All rights of Tenant under this Section 3.2 will be subject to the requirements of all applicable building codes, zoning requirements, and federal, state, and local laws, rules, and regulations, so as not to interfere with Landlord's compliance with all laws, including the obtaining of a certificate of occupancy for the Premises. Landlord has the right to impose such additional conditions on Tenant's early entry as Landlord, in its reasonable discretion, deems appropriate, including, without limitation, an indemnification of Landlord and proof of insurance, and will further have the right to require that Tenant execute an early entry agreement containing such conditions prior to Tenant's early entry.

## ARTICLE 4--BASE MONTHLY RENT

Throughout the Term of this Lease, Tenant will pay Base Monthly Rent to Landlord as rent for the Premises. Base Monthly Rent will be paid in advance on or before the first day of each calendar month of the Term. If the Term commences on a day other than the first day of a calendar month or ends on a day other than the last day of a calendar month, then Base Monthly Rent will be appropriately prorated by Landlord based on the actual number of calendar days in such month. If the Term commences on a day other than the first day of a calendar month, then the prorated Base Monthly Rent for such month will be paid on or before the first day of the Term. Base Monthly Rent will be paid to Landlord, without written notice or demand, and without deduction or offset, in lawful money of the United States of America at Landlord's Address, or to such other address as Landlord may from time to time designate in writing.

The Base Monthly Rent will be increased on each anniversary of the Commencement Date as described below. Landlord's delay or failure in computing or billing for these adjustments will not impair the continuing obligation of tenant to pay Base Monthly Rent as adjusted pursuant to this Article. Tenant's obligation to pay Base Monthly Rent as adjusted by this Article will continue up to the expiration of this Lease and will survive any earlier termination of this Lease.

Year 1:	\$ 1.65 per rentable square standard foot, per month, fully serviced.
Year 2:	\$ 1.70 per rentable square standard foot, per month, fully serviced.
Year 3:	\$ 1.75 per rentable square standard foot, per month, fully serviced.
Year 4:	\$ 1.80 per rentable square standard foot, per month, fully serviced.
Year 5:	\$ 1.85 per rentable square standard foot, per month, fully serviced.

## ARTICLE 5--OPERATING EXPENSES

### 5.1 General.

(a) In addition to Base Monthly Rent, beginning on the Commencement Date, Tenant will pay Tenant's Share of the amount by which the Operating Expenses paid, payable or incurred by Landlord in each calendar year or partial calendar year during the Term exceeds the product of (i) the Operating Expenses Base times (ii) the Rentable Area of the Building. If Operating Expenses are calculated for a partial calendar year, the Operating Expenses Base will be appropriately prorated. TENANT'S SHARE BECOMES PAYABLE EFFECTIVE YEAR TWO AFTER COMMENCEMENT DATE.

(b) As used in this Lease, the term "Operating Expenses" means:

(1) All actual costs of management, operation and maintenance of the Project, including without limitation, real and personal property taxes and assessments (and any tax levied in whole or in part in lieu of or in addition to real property taxes); wages, salaries and compensation of employees; consulting, accounting, legal, janitorial, maintenance, guard, and other services; management fees and costs (charged by Landlord, any affiliate of Landlord, or any other entity managing the Project and determined at a rate consistent with prevailing market rates for comparable services and projects); reasonable reserves for Operating Expenses; that part of office rent or rental value of space in the Project used or furnished by Landlord to enhance, manage, operate, and maintain the Project; power, water, waste disposal, and other utilities; materials and supplies; maintenance and repairs; insurance obtained with respect to the Project; depreciation on personal property and equipment (except as set forth in (c) below or which is or should be capitalized on the books of Landlord); and any other costs, charges, and expenses which, under generally accepted accounting principles, would be regarded as management, maintenance, and operating expenses; and

(2) The cost (amortized over such period as Landlord will reasonably determine) together with interest at the greater of (A) the Prime Rate prevailing plus 2% or (B) Landlord's borrowing rate for such capital improvements plus 2%, on the unamortized balance of any capital improvements (i) which are made to the Project by Landlord for the purpose of reducing Operating Expenses, or (ii) which are made to the Project by Landlord and which are required under any governmental law or regulation that was not applicable to the Project at the time it was constructed (whether or not such law or regulation is applicable to the Project as a result of Landlord's or any tenant's status under such law or regulation, Landlord's or any tenant's use, occupancy, or alteration of any portion of the Project, or improvements made by or for any tenant in its premises). Notwithstanding the foregoing, the Operating Expenses will not include the cost of capital improvements which are required to be made to any tenant's premises and which such tenant is required to make pursuant to Section 8.1.

(c) The Operating Expenses will not include: (1) depreciation on the Project (other than depreciation on personal property, equipment, window coverings on exterior windows provided by Landlord and carpeting in public corridors and common areas); (2) costs of alterations of space or other improvements made for tenants of the Project; (3) finders' fees and real estate brokers' commissions; (4) ground lease payments, mortgage principal or interest; (5) capital items other than those referred to in clause (b)(2) above; (6) costs of

replacements to personal property and equipment for which depreciation costs are included as an Operating Expense; (7) costs of excess or additional services provided to any tenant in the Building which are directly billed to such tenants; (8) the cost of repairs due to casualty or condemnation which are reimbursed by third parties; (9) any cost due to Landlord's breach of this Lease; (10) any income, estate, inheritance, or other transfer tax and any excess profit, franchise, or similar taxes on Landlord's business; (11) all costs, including legal fees, relating to activities for the solicitation and execution of leases of space in the Building; and (12) any legal fees incurred by Landlord in enforcing its rights under other leases for premises in the Building.

(d) The Operating Expenses which vary with occupancy and which are attributable to any part of the Term in which less than 95% of the Rentable Area of the Building is occupied by tenants, will be adjusted by Landlord to the amount which Landlord reasonably believes that they would have been if 95% of the Rentable Area of the Building had been so occupied.

(e) Tenant acknowledges that Landlord has not made any representation or given Tenant any assurances that the Operating Expenses Base will equal or approximate the actual Operating Expenses per square foot of Rentable Area of the Premises for any calendar year during the Term.

**5.2 Estimated Payments.** During each calendar year or partial calendar year in the Term, in addition to Base Monthly Rent, Tenant will pay to Landlord on the first day of each month an amount equal to 1/12 of the product of Tenant's Share multiplied by the "Estimated Operating Expenses" (defined below) for such calendar year. "Estimated Operating Expenses" for any calendar year shall mean Landlord's reasonable estimate of Operating Expenses for such calendar year less the product of the Operating Expenses Base multiplied by the Rentable Area of the Building and shall be subject to revision according to the further provisions of this Section 5.2 and Section 5.3. During any partial calendar year during the Term, Estimated Operating Expenses will be estimated on a full-year basis. During each December during the Term, or as soon after each December as practicable, Landlord will give Tenant written notice of Estimated Operating Expenses for the ensuing calendar year. On or before the first day of each month during the ensuing calendar year (or each month of the Term, if a partial calendar year), Tenant will pay to Landlord 1/12 of the product of Tenant's Share multiplied by the Estimated Operating Expenses for such calendar year; however, if such written notice is not given in December, Tenant will continue to make monthly payments on the basis of the prior year's Estimated Operating Expenses until the month after such written notice is given, at which time Tenant will commence making monthly payments based upon the revised Estimated Operating Expenses. In the month Tenant first makes a payment based upon the revised Estimated Operating Expenses, Tenant will pay to Landlord the difference between the amount payable based upon the revised Estimated Operating Expenses and the amount payable based upon the prior year's Estimated Operating Expenses, for each month which has elapsed since December. If at any time or times it reasonably appears to Landlord that the actual Operating Expenses for any calendar year will vary from the Estimated Operating Expenses for such calendar year, Landlord may, by written notice to Tenant, revise the Estimated Operating Expenses for such calendar year, and subsequent payments by Tenant in such calendar year will be based upon such revised Estimated Operating Expenses.

**5.3 Annual Settlement.** Within 120 days after the end of each calendar year or as soon after such 120-day period as practicable, Landlord will deliver to Tenant a statement of amounts payable under Section 5.1 for such calendar year prepared and certified by Landlord. Such certified statement will be final and binding upon Landlord and Tenant unless Tenant objects to it in writing to Landlord within 30 days after it is given to Tenant. If such statement shows an amount owing by

Tenant that is less than the estimated payments previously made by Tenant for such calendar year, the excess will be held by Landlord and credited against the next payment of Rent; however, if the Term has ended and Tenant was not in default at its end, Landlord will refund the excess to Tenant. If such statement shows an amount owing by Tenant that is more than the estimated payments previously made by Tenant for such calendar year, Tenant will pay the deficiency to Landlord within 30 days after the delivery of such statement. Tenant may review Landlord's records of the Operating Expenses, at Tenant's sole cost and expense, at the place Landlord normally maintains such records during Landlord's normal business hours upon reasonable advance written notice.

**5.4 Final Proration.** If this Lease ends on a day other than the last day of a calendar year, the amount of increase (if any) in the Operating Expenses payable by Tenant applicable to the calendar year in which this Lease ends will be calculated on the basis of the number of days of the Term falling within such calendar year and Tenant's obligation to pay any increase or Landlord's obligation to refund any overage will survive the expiration or other termination of this Lease.

#### **5.5 Other Taxes.**

(a) Tenant will reimburse Landlord upon demand for any and all taxes payable by Landlord (other than as set forth in subparagraph (b) below), whether or not now customary or within the contemplation of Landlord and Tenant:

(1) Upon or measured by Rent, including without limitation, any gross revenue tax, excise tax, or value added tax levied by the federal government or any other governmental body with respect to the receipt of Rent; and

(2) Upon this transaction or any document to which Tenant is a party creating or transferring an interest or an estate in the Premises.

(b) Tenant will not be obligated to pay any inheritance tax, gift tax, transfer tax, franchise tax, income tax (based on net income), profit tax, or capital levy imposed upon Landlord.

(c) Tenant will pay promptly when due all personal property taxes on Tenant's personal property in the Premises and any other taxes payable by Tenant, the non-payment of which might give rise to a lien on the Premises or Tenant's interest in the Premises.

**5.6 Additional Rent.** Amounts payable by Tenant according to this Article 5 will be payable as Rent, without deduction or offset. If Tenant fails to pay any amounts due according to this Article 5, Landlord will have all the rights and remedies available to it on account of Tenant's failure to pay Rent.

### **ARTICLE 6--INSURANCE**

**6.1 Landlord's Insurance.** At all times during the Term, Landlord will carry and maintain:

(a) Fire and extended coverage insurance covering the Project, its equipment and common area furnishings, and leasehold improvements in the Premises to the extent of the Tenant Finish Allowance (as that term is defined in the Work Letter);

(b) Bodily injury and property damage insurance; and

(c) Such other insurance as Landlord reasonably determines from time to time.

The insurance coverages and amounts in this Section 6.1 will be reasonably determined by Landlord, based on coverages carried by prudent owners of comparable buildings in the vicinity of the Project.

**6.2 Tenant's Insurance.** At all times during the Term, Tenant will carry and maintain, at Tenant's expense, the following insurance, in the amounts specified below or such other amounts as Landlord may from time to time reasonably request, with insurance companies and on forms satisfactory to Landlord:

(a) Bodily injury and property damage liability insurance, with a combined single occurrence limit of not less than \$3,000,000.



All such insurance will be equivalent to coverage offered by a Commercial General Liability form including, without limitation, personal injury and contractual liability coverage for the performance by Tenant of the indemnity agreements set forth in Article 21 of this Lease;

(b) Insurance covering all of Tenant's furniture and fixtures, machinery, equipment, stock and any other personal property owned and used in Tenant's business and found in, on or about the Project, and any leasehold improvements to the Premises in excess of the allowance, if any, provided pursuant to the Work Letter in an amount not less than the full replacement cost. Property forms will provide coverage on a broad form basis insuring against "all risks of direct physical loss." All policy proceeds will be used for the repair or replacement of the property damaged or destroyed; however, if this Lease ceases under the provisions of Article 18, Tenant will be entitled to any proceeds resulting from damage to Tenant's furniture and fixtures, machinery and equipment, stock and any other personal property;

(c) Worker's compensation insurance insuring against and satisfying Tenant's obligations and liabilities under the worker's compensation laws of the state in which the Premises are located, including employer's liability insurance in the limits required by the laws of the state in which the Project is located; and

(d) If Tenant operates owned, hired or non owned vehicles on the Project, comprehensive automobile liability will be carried at a limit of liability not less than \$500,000 combined bodily injury and property damage.

**6.3 Forms of the Policies.** Certificates of insurance, together with copies of the endorsements when applicable naming Landlord and any others specified by Landlord as additional insureds, will be delivered to Landlord prior to Tenant's occupancy of the Premises and from time to time at least 10 days prior to the expiration of the term of each such policy. All Commercial General Liability or comparable policies maintained by Tenant will name Landlord and such other persons or firms as Landlord specifies from time to time as additional insureds entitling them to recover under such policies for any loss sustained by them, their agents and employees as a result of the negligent acts or omissions of Tenant. All such policies maintained by Tenant will provide that they may not be terminated nor may coverage be reduced except after 30 days' prior written notice to Landlord. All Commercial General Liability and property policies maintained by Tenant will be written as primary policies, not contributing with and not supplemental to the coverage that Landlord may carry.

**6.4 Waiver of Subrogation.** Tenant waives all rights of recovery against the Landlord and against its officers, employees, agents, and representatives, on account of loss by or damage to tenant's property or the property of others under its control, to the extent that such loss or damage is insured against under any fire and extended coverage insurance policy which may be in force at the time of the loss or damage.

**6.5 Adequacy of Coverage.** Landlord, its agents and employees, make no representation that the limits of liability specified to be carried by Tenant pursuant to this Article 6 are adequate to protect Tenant. If Tenant believes that any of such insurance coverage is inadequate, Tenant will obtain such additional insurance coverage as Tenant deems adequate, at Tenant's sole expense.

#### ARTICLE 7--USE

The Premises will be used only for general business office purposes, and purposes incidental to that use, and for no other purpose. Tenant will use the Premises in a careful, safe, and proper manner. Tenant will not use or permit the Premises to be used or occupied for any purpose or in any manner prohibited by any applicable laws. Tenant will not commit waste or suffer or permit waste to be committed in, on, or about the Premises. Tenant will conduct its business and control its

employees, agents, and invitees in such a manner as not to create any nuisance or interfere with, annoy, or disturb any other tenant or occupant of the Project or Landlord in its operation of the Project.

Tenant's core business functions include psychiatric care, individual, and family counseling for adults and children. Mental health counseling often includes treatment of patients who have substance abuse issues. Tenant WILL NOT allow or accommodate over night stays, detox, or other long term drug rehab functions.

#### ARTICLE 8--REQUIREMENTS OF LAW; FIRE INSURANCE

**8.1 General.** For the purposes of this Section 8.1, "Applicable Laws" means all laws, statutes, ordinances and governmental rules, regulations, or requirements now in force or in force after the Date, the requirements of any board of fire underwriters or other similar body constituted now or after the Date, and any direction or permanent occupancy certificate issued pursuant to any law by any public officer or officers, as well as the provisions of all recorded documents affecting the Premises. At its sole cost and expense, Tenant will promptly comply with Applicable Laws insofar as they relate to (a) Tenant's use, occupancy, or alteration of the Premises; (b) the condition of the Premises resulting from Tenant's use, occupancy, or alteration of the Premises; or (c) alterations to the Premises required as a result of Tenant's status under Applicable Laws. Tenant will not be required to comply with Applicable Laws with respect to structural changes or changes outside the Premises unless related to (y) Tenant's use or occupancy of the Premises or (z) improvements or alterations made by or for Tenant.

#### **8.2 Hazardous Materials.**

(a) Landlord warrants and represents that, to its actual knowledge, neither the Premises nor the Project contains any Hazardous Materials in any quantity that violates Environmental Law (defined in subsection 8.2(c)). Landlord will not use or conduct operations on or at the Project or manufacture, store, sell, use, dispose of, release, or discharge Hazardous Materials on or at the Project in any manner which violates Environmental Law or which causes there to be any liability under Environmental Law. Landlord will indemnify and hold Tenant harmless from and against any and all liability, claims, suits, actions, proceedings, damages, costs, and expenses, including, without limitation, attorneys' fees and costs, imposed upon or incurred by Tenant arising out of or in connection with a misrepresentation by Landlord of Landlord's representation set forth in this Section 8.2(a) or a breach of the provisions of this Section 8.2(a), unless such liability, claims, suits, actions, proceedings, damages, costs, or expenses are imposed upon or incurred by Tenant as a result of the actions of a tenant that is not an affiliate of Landlord.

(b) Tenant will not use or conduct operations on or at the Premises or the Project or manufacture, store, sell, use, dispose of, release, or discharge or permit the manufacture, storage, sale, use, disposal, release, or discharge of Hazardous Materials on the Project in any manner which violates Environmental Law or which causes there to be any liability under Environmental Law. Tenant will indemnify and hold Landlord harmless from and against any and all liability, claims, suits, actions, proceedings, damages, costs, and expenses, including, without limitation, attorneys' fees and costs, imposed upon or incurred by Landlord arising out of or in connection with a breach of the provisions of this Section 8.2(b) during the term of this Lease or any other period of possession of the Premises by Tenant. Tenant's obligations under this Section 8.2(b) will survive the expiration or prior termination of this Lease.

(c) For purposes of this Lease, "Hazardous Materials" means any explosives, radioactive materials, hazardous wastes, or hazardous substances, including, without limitation, substances defined as "hazardous substances" in the Comprehensive Environmental



Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. §§ 9601-9657; the Hazardous Materials Transportation Act of 1975, 49 U.S.C. §§ 1801-1812; the Resource Conservation and Recovery Act of 1976, 42 U.S.C. §§ 6901-6987; or any other federal, state, or local statute, law, ordinance, code, rule, regulation, order, or decree regulating, relating to, or imposing liability or standards of conduct concerning hazardous materials, waste, or substances now or at any time hereafter in effect (collectively, "Environmental Law").

**8.3 Certain Insurance Risks.** Tenant will not do or permit to be done any act or thing upon the Premises or the Project which would (a) jeopardize or be in conflict with fire insurance policies covering the Project, and fixtures and property in the Project, or (b) increase the rate of fire insurance applicable to the Project to an amount higher than it otherwise would be for general office use of the Project, or (c) subject Landlord to any liability or responsibility for injury to any person or persons or to property by reason of any business or operation being carried on upon the Premises.

#### ARTICLE 9--ASSIGNMENT AND SUBLETTING

**9.1 General.** Tenant, for itself, its heirs, distributees, executors, administrators, legal representatives, successors and assigns, covenants that it will not assign, mortgage or encumber this Lease, nor sublease, or permit the Premises or any part of the Premises to be used or occupied by others, without the prior written consent of Landlord in each instance, which consent will not be unreasonably withheld or delayed. Any assignment or sublease in violation of this Article 9 will be void. If this Lease is assigned, or if the Premises or any part of the Premises are subleased or occupied by anyone other than Tenant, Landlord may, after default by Tenant, collect rent from the assignee, subtenant or occupant, and apply the net amount collected to Rent. No assignment, sublease, occupancy or collection will be deemed a waiver of the provisions of this Section 9.1, the acceptance of the assignee, subtenant or occupant as tenant, or a release of Tenant from the further performance by Tenant of covenants on the part of Tenant contained in this Lease. The consent by Landlord to an assignment or sublease will not be construed to relieve Tenant from obtaining Landlord's prior written consent in writing to any further assignment or sublease. No permitted subtenant may assign or encumber its sublease or further sublease all or any portion of its subleased space, or otherwise permit the subleased space or any part of its subleased space to be used or occupied by others, without Landlord's prior written consent in each instance.

**9.2 Submission of Information.** If Tenant requests Landlord's consent to a specific assignment or subletting, Tenant will submit in writing to Landlord (a) the name and address of the proposed assignee or subtenant; (b) the business terms of the proposed assignment or sublease; (c) reasonably satisfactory information as to the nature and character of the business of the proposed assignee or subtenant, and as to the nature of its proposed use of the space; (d) banking, financial, or other credit information reasonably sufficient to enable Landlord to determine the financial responsibility and character of the proposed assignee or subtenant; and (e) the proposed form of assignment or sublease for Landlord's reasonable approval.

**9.3 Payments to Landlord.** If Landlord consents to a proposed assignment or sublease, then Landlord will have the right to require Tenant to pay to Landlord a sum equal to (a) any rent or other consideration paid to Tenant by any proposed transferee which (after deducting the costs of Tenant, if any, in effecting the assignment or sublease, including reasonable alteration costs, commissions and legal fees) is in excess of the Rent allocable to the transferred space which is then being paid by Tenant to Landlord pursuant to this Lease; (b) any other profit or gain (after deducting any necessary expenses incurred) realized by Tenant from any such sublease or assignment; and (c) Landlord's reasonable attorneys' fees and costs incurred in connection

with negotiation, review and processing of the transfer. All such sums payable will be payable to Landlord at the time the next payment of Base Monthly Rent is due.

**9.4 Prohibited Transfers.** The transfer of a majority of the issued and outstanding capital stock of any corporate tenant or subtenant of this Lease or a majority of the total interest in any partnership tenant or subtenant, however accomplished, and whether in a single transaction or in a series of related or unrelated transactions, will be deemed an assignment of this Lease or of such sublease requiring Landlord's consent in each instance. For purposes of this Article 9, the transfer of outstanding capital stock of any corporate tenant will not include any sale of such stock by persons (other than those deemed "insiders" within the meaning of the Securities Exchange Act of 1934, as amended) effected through "over-the-counter-market" or through any recognized stock exchange.

**9.5 Permitted Transfer.** Landlord consents to an assignment of this Lease, or sublease of all or part of the Premises, to a wholly-owned subsidiary of Tenant or the parent of Tenant or to any corporation into or with which Tenant may be merged or consolidated; provided that Tenant promptly provides Landlord with a fully executed copy of such assignment or sublease and that Tenant is not released from liability under the Lease.

**9.6 Remedies.** If Tenant believes that Landlord has unreasonably withheld its consent pursuant to this Article 9, Tenant's sole remedy will be to seek a declaratory judgment that Landlord has unreasonably withheld its consent or an order of specific performance or mandatory injunction of the Landlord's agreement to give its consent; provided that Tenant may recover damages if a court of competent jurisdiction determines that Landlord has acted arbitrarily and capriciously in evaluating the proposed assignee's or subtenant's creditworthiness, identity, and business character and the proposed use and lawfulness of the use.

#### ARTICLE 10--RULES AND REGULATIONS

Tenant and its employees, agents, licensees and visitors will at all times observe faithfully, and comply strictly with, the rules and regulations set forth on Exhibit B. Landlord may from time to time reasonably amend, delete or modify existing rules and regulations, or adopt reasonable new rules and regulations for the use, safety, cleanliness and care of the Premises, the Building, and the Project, and the comfort, quiet and convenience of occupants of the Project. Modifications or additions to the rules and regulations will be effective upon 30 days' prior written notice to Tenant from Landlord. In the event of any breach of any rules or regulations or any amendments or additions to such rules and regulations, Landlord will have all remedies which this Lease provides for default by Tenant, and will, in addition, have any remedies available at law or in equity, including the right to enjoin any breach of such rules and regulations. Landlord will not be liable to Tenant for violation of such rules and regulations by any other tenant, its employees, agents, visitors or licensees or any other person. In the event of any conflict between the provisions of this Lease and the rules and regulations, the provisions of this Lease will govern.

#### ARTICLE 11--COMMON AREAS

As used in this Lease, the term "common areas" means, without limitation, the hallways, entryways, stairs, elevators, driveways, walkways, terraces, docks, loading areas, restrooms, trash facilities and all other areas and facilities in the Project which are provided and designated from time to time by Landlord for the general nonexclusive use and convenience of Tenant with Landlord and other tenants of the Project and their respective employees, invitees, licensees or other visitors. Landlord grants Tenant, its employees, invitees, licensees and other visitors a nonexclusive license for the Term to use the common



areas in common with others entitled to use the common areas, subject to the terms and conditions of this Lease. Without advance written notice to Tenant (except with respect to matters covered by subsection (a) below) and without any liability to Tenant in any respect, provided Landlord will take no action permitted under this Article 11 in such a manner so as to materially impair or adversely affect Tenant's substantial benefit and enjoyment of the Premises, Landlord will have the right to:

(a) Close off any of the common areas to whatever extent required in the opinion of Landlord and its counsel to prevent a dedication of any of the common areas or the accrual of any rights by any person or the public to the common areas;

(b) Temporarily close any of the common areas for maintenance, alteration or improvement purposes; and

(c) Change the size, use, shape or nature of any such common areas, including erecting additional buildings on the common areas, expanding the existing Building or other buildings to cover a portion of the common areas, converting common areas to a portion of the Building or other buildings, or converting any portion of the Building (excluding the Premises) or other buildings to common areas. Upon erection of any additional buildings or change in common areas, the portion of the Project upon which buildings or structures have been erected will no longer be deemed to be a part of the common areas. In the event of any such changes in the size or use of the Building or common areas of the Building or Project, Landlord will make an appropriate adjustment in the Rentable Area of the Building or the Building's pro rata share of exterior common areas of the Project, as appropriate, and a corresponding adjustment to Tenant's Share of the Operating Expenses payable pursuant to Article 5 of this Lease.

#### ARTICLE 12--LANDLORD'S SERVICES

12.1 Landlord's Repair and Maintenance. Landlord will maintain, repair and restore the common areas of the Project, including lobbies, stairs, elevators, corridors and restrooms, the windows in the Building, the mechanical, plumbing and electrical equipment serving the Building, and the structure of the Building in reasonably good order and condition.

#### 12.2 Landlord's Services.

(a) Landlord will furnish the Premises with those services customarily provided in comparable office buildings in the vicinity of the Project, including, without limitation, (1) electricity for lighting and the operation of low-wattage office machines (such as desk-top micro-computers, desk-top calculators and typewriters) during Business Hours (as that term is defined below), although Landlord will not be obligated to furnish more power to the Premises than is proportionally allocated to the Premises under the Building design; (2) heat and air conditioning reasonably required for the comfortable occupation of the Premises during Business Hours; (3) access and elevator service; (4) lighting replacement during Business Hours (for building standard lights but not any special Tenant lights, which will be replaced at Tenant's sole cost and expense); (5) restroom supplies; (6) window washing with reasonable frequency, as determined by Landlord; and (7) daily cleaning service on weekdays. Landlord may provide, but will not be obligated to provide, any such services (except access and elevator service) on Holidays or weekends.

(b) Tenant will have the right to purchase for use during Business Hours and non-Business Hours the services described in clauses (a)(1) and (2) in excess of the amounts which Landlord has agreed to furnish so long as (1) Tenant gives Landlord reasonable prior written notice of its desire to do so; (2) the excess services are reasonably available to Landlord and to the Premises; and (3) Tenant pays as Additional Rent (at the time the next payment of Base Monthly Rent is due) the cost of such excess service from time to time charged

by Landlord; subject to the procedures established by Landlord from time to time for providing such additional or excess services.

(c) The term "Business Hours" means 7:00 a.m. to 6:00 p.m. on Monday through Friday, except Holidays (as that term is defined below). The term "Holidays" means New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

12.3 Tenant's Costs. Whenever equipment or lighting (other than building standard lights) is used in the Premises by Tenant and such equipment or lighting affects the temperature otherwise normally maintained by the design of the Building's air conditioning system, Landlord will have the right, after prior written notice to Tenant, to install supplementary air conditioning facilities in the Premises or otherwise modify the ventilating and air conditioning system serving the Premises; and the cost of such facilities, modifications, and additional service will be paid by Tenant as Additional Rent. If Landlord reasonably believes that Tenant is using more power than Landlord furnishes pursuant to Section 12.2, Landlord may install separate meters of Tenant's power usage, and Tenant will pay for the cost of such excess power as Additional Rent, together with the cost of installing any risers, meters or other facilities that may be necessary to furnish or measure such excess power to the Premises.

12.4 Limitation on Liability. Landlord will not be in default under this Lease or be liable to Tenant or any other person, for direct or consequential damage, or otherwise, for any failure to supply any heat, air conditioning, elevator, cleaning, lighting, security, surges or interruptions of electricity, or other service Landlord has agreed to supply during any period when Landlord uses reasonable diligence to supply such services. Landlord will use reasonable efforts to diligently remedy any interruption in the furnishing of such services. Landlord reserves the right temporarily to discontinue such services at such times as may be necessary by reason of accident, repairs, alterations or improvements, strikes, lockouts, riots, acts of God, governmental preemption in connection with a national or local emergency, any rule, order or regulation of any governmental agency, conditions of supply and demand which make any product unavailable, Landlord's compliance with any mandatory governmental energy conservation or environmental protection program, or any voluntary governmental energy conservation program at the request of or with consent or acquiescence of Tenant, or any other happening beyond the control of Landlord. Landlord will not be liable to Tenant or any other person or entity for direct or consequential damages resulting from the admission to or exclusion from the Building or Project of any person. In the event of invasion, mob, riot, public excitement, strikes, lockouts, or other circumstances rendering such action advisable in Landlord's sole opinion, Landlord will have the right to prevent access to the Building or Project during the continuance of the same by such means as Landlord, in its sole discretion, may deem appropriate, including, without limitation, locking doors and closing parking areas and other common areas. Landlord will not be liable for damages to person or property or for injury to, or interruption of, business for any discontinuance permitted under this Article 12, nor will such discontinuance in any way be construed as an eviction of Tenant or cause an abatement of Rent or operate to release Tenant from any of Tenant's obligations under this Lease.

#### ARTICLE 13--TENANT'S CARE OF THE PREMISES

Tenant will maintain the Premises (including Tenant's equipment, personal property and trade fixtures located in the Premises) in their condition at the time they were delivered to Tenant, reasonable wear and tear excluded. Tenant will immediately advise Landlord of





any damage to the Premises or the Project. All damage or injury to the Premises, or the Project, or the fixtures, appurtenances and equipment in the Premises or the Project which is caused by Tenant, its agents, employees, or invitees, may be repaired, restored or replaced by Landlord, at the expense of Tenant and such expense (plus 15% of such expense for Landlord's overhead) will be collectible as Additional Rent and will be paid by Tenant within 10 days after delivery of a statement for such expense.

#### ARTICLE 14--ALTERATIONS

##### 14.1 General.

(a) During the Term, Tenant will not make or allow to be made any alterations, additions or improvements to or of the Premises or any part of the Premises, or attach any fixtures or equipment to the Premises, without first obtaining Landlord's written consent. Landlord's consent to such alterations, additions, or improvements or Landlord's approval of the plans, specifications, and working drawings for such alterations, additions, or improvements will create no responsibility or liability on the part of Landlord for the completeness, design sufficiency, or compliance with all laws, rules, and regulations of governmental agencies or authorities with respect to such alterations, additions, or improvements. All such alterations, additions and improvements consented to by Landlord, and capital improvements which are required to be made to the Project as a result of the nature of Tenant's use of the Premises:

(1) Will be performed by contractors approved by Landlord and subject to conditions specified by Landlord (which may include requiring the posting of a mechanic's or materialmen's lien bond); and

(2) At Landlord's option, will be made by Landlord for Tenant's account, and Tenant will reimburse Landlord for their cost (including 15% for Landlord's overhead) within 10 days after receipt of a statement of such cost.

(b) Subject to Tenant's rights in Article 16, all alterations, additions, fixtures and improvements, whether temporary or permanent in character, made in or upon the Premises either by Tenant or Landlord, will immediately become Landlord's property and, at the end of the Term will remain on the Premises without compensation to Tenant, unless when consenting to such alterations, additions, fixtures, or improvements, Landlord has advised Tenant in writing that such alterations, additions, fixtures, or improvements must be removed at the expiration or other termination of this Lease.

14.2 Free-Standing Partitions. Tenant will have the right to install free-standing work station partitions, without Landlord's prior written consent, so long as no building or other governmental permit is required for their installation or relocation; however, if a permit is required, Landlord will not unreasonably withhold its consent to such relocation or installation. The free-standing work station partitions for which Tenant pays will be part of Tenant's trade fixtures for all purposes under this Lease. All other partitions which are installed in the Premises are and will be Landlord's property for all purposes under this Lease.

14.3 Removal. If Landlord has required Tenant to remove any or all alterations, additions, fixtures and improvements which are made in or upon the Premises pursuant to this Article 14, prior to the Expiration Date, Tenant will remove such alterations, additions, fixtures and improvements at Tenant's sole cost and will restore the Premises to the condition in which they were before such alterations, additions, fixtures, improvements and additions were made, reasonable wear and tear excepted.

#### ARTICLE 15--MECHANICS' LIENS

Tenant will pay or cause to be paid all costs and charges for work (a) done by Tenant or caused to be done by Tenant, in or to the

Premises, and (b) for all materials furnished for or in connection with such work. Tenant will indemnify Landlord against and hold Landlord, the Premises and the Project free, clear and harmless of and from all mechanics' liens and claims of liens, and all other liabilities, liens, claims and demands on account of such work by or on behalf of Tenant, other than work performed by Landlord pursuant to the Work Letter. If any such lien, at any time, is filed against the Premises, or any part of the Project, Tenant will cause such lien to be discharged of record within 10 days after the filing of such lien, except that if Tenant desires to contest such lien, it will furnish Landlord, within such 10-day period, security reasonably satisfactory to Landlord of at least 150% of the amount of the claim, plus estimated costs and interest or comply with such statutory procedures as may be available to release the lien. If a final judgment establishing the validity or existence of a lien for any amount is entered, Tenant will pay and satisfy the same at once. If Tenant fails to pay any charge for which a mechanics' lien has been filed, and has not given Landlord security as described above, or has not complied with such statutory procedures as may be available to release the lien, Landlord may, at its option, pay such charge and related costs and interest, and the amount so paid, together with reasonable attorneys' fees incurred in connection with such lien, will be immediately due from Tenant to Landlord as Additional Rent. Nothing contained in this Lease will be deemed the consent or agreement of Landlord to subject Landlord's interest in the Project to liability under any mechanics' or other lien law. If Tenant receives written notice that a lien has been or is about to be filed against the Premises or the Project or any action affecting title to the Project has been commenced on account of work done by or for or materials furnished to or for Tenant, it will immediately give Landlord written notice of such notice. At least 15 days prior to the commencement of any work (including, but not limited to, any maintenance, repairs, alterations, additions, improvements or installations) in or to the Premises, by or for Tenant, Tenant will give Landlord written notice of the proposed work and the names and addresses of the persons supplying labor and materials for the proposed work. Landlord will have the right to post notices of non-responsibility or similar written notices on the Premises in order to protect the Premises against any such liens.

#### ARTICLE 16--END OF TERM

At the end of this Lease, Tenant will promptly quit and surrender the Premises broom-clean, in good order and repair, ordinary wear and tear excepted. If Tenant is not then in default, Tenant may remove from the Premises any trade fixtures, equipment and movable furniture placed in the Premises by Tenant, whether or not such trade fixtures or equipment are fastened to the Building; Tenant will not remove any trade fixtures or equipment without Landlord's prior written consent if such fixtures or equipment are used in the operation of the Building, or if the removal of such fixtures or equipment will result in impairing the structural strength of the Building. Whether or not Tenant is in default, Tenant will remove such alterations, additions, improvements, trade fixtures, equipment and furniture as Landlord has requested in accordance with Article 14. Tenant will fully repair any damage occasioned by the removal of any trade fixtures, equipment, furniture, alterations, additions and improvements. All trade fixtures, equipment, furniture, inventory, effects, alterations, additions and improvements on the Premises after the end of the Term will be deemed conclusively to have been abandoned and may be appropriated, sold, stored, destroyed or otherwise disposed of by Landlord without written notice to Tenant or any other person and without obligation to account for them. Tenant will pay Landlord for all expenses incurred in connection with the removal of such property, including, but not limited to, the cost of repairing any damage to the Building or Premises caused by the removal



of such property. Tenant's obligation to observe and perform this covenant will survive the expiration or other termination of this Lease.

#### ARTICLE 17--EMINENT DOMAIN

If all of the Premises are taken by exercise of the power of eminent domain (or conveyed by Landlord in lieu of such exercise) this Lease will terminate on a date (the "termination date") which is the earlier of the date upon which the condemning authority takes possession of the Premises or the date on which title to the Premises is vested in the condemning authority. If more than 25% of the Rentable Area of the Premises is so taken, Tenant will have the right to cancel this Lease by written notice to Landlord given within 20 days after the termination date. If less than 25% of the Rentable Area of the Premises is so taken, or if the Tenant does not cancel this Lease according to the preceding sentence, the Base Monthly Rent will be abated in the proportion of the Rentable Area of the Premises so taken to the Rentable Area of the Premises immediately before such taking, and Tenant's Share will be appropriately recalculated. If 25% or more of the Building or the Project is so taken, Landlord may cancel this Lease by written notice to Tenant given within 30 days after the termination date. In the event of any such taking, the entire award will be paid to Landlord and Tenant will have no right or claim to any part of such award; however, Tenant will have the right to assert a claim against the condemning authority in a separate action, so long as Landlord's award is not otherwise reduced, for (a) Tenant's moving expenses and (b) leasehold improvements owned by Tenant.

#### ARTICLE 18--DAMAGE AND DESTRUCTION

(a) If the Premises or the Building are damaged by fire or other insured casualty, Landlord will give Tenant written notice of the time which will be needed to repair such damage, as determined by Landlord in its reasonable discretion, and the election (if any) which Landlord has made according to this Article 18. Such notice will be given before the 30th day (the "notice date") after the fire or other insured casualty.

(b) If the Premises or the Building are damaged by fire or other insured casualty to an extent which may be repaired within 120 days after the notice date, as reasonably determined by Landlord, Landlord will promptly begin to repair the damage after the notice date and will diligently pursue the completion of such repair. In that event this Lease will continue in full force and effect except that Base Monthly Rent will be abated on a pro rata basis from the date of the damage until the date of the completion of such repairs (the "repair period") based on the proportion of the Rentable Area of the Premises which Tenant is unable to use during the repair period.

(c) If the Premises or the Building are damaged by fire or other insured casualty to an extent which may not be repaired within 120 days after the notice date, as reasonably determined by Landlord, then (1) Landlord may cancel this Lease as of the date of such damage by written notice given to Tenant on or before the notice date or (2) Tenant may cancel this Lease as of the date of such damage by written notice given to Landlord within 10 days after Landlord's delivery of a written notice that the repairs cannot be made within such 120-day period. If neither Landlord nor Tenant so elects to cancel this Lease, Landlord will diligently proceed to repair the Building and Premises and Base Monthly Rent will be abated on a pro rata basis during the repair period based on the proportion of the Rentable Area of the Premises which Tenant is unable to use during the repair period.

(d) Notwithstanding the provisions of subparagraphs (a), (b), and (c) above, if the Premises or the Building are damaged by uninsured casualty, or if the proceeds of insurance are insufficient to pay for the repair of any damage to the Premises or the Building, Landlord will have the option to repair such damage or cancel

this Lease as of the date of such casualty by written notice to Tenant on or before the notice date.

(e) If any such damage by fire or other casualty is the result of the willful conduct or negligence or failure to act of Tenant, its agents, contractors, employees or invitees, there will be no abatement of Base Monthly Rent as otherwise provided for in this Article 18. Tenant will have no rights to terminate this Lease on account of any damage to the Premises, the Building, or the Project, except as set forth in this Lease.

#### ARTICLE 19--SUBORDINATION

19.1 General. This Lease and Tenant's rights under this Lease are subject and subordinate to any ground or underlying lease, mortgage, indenture, deed of trust or other lien encumbrance (each a "Superior Lien"), together with any renewals, extensions, modifications, consolidations and replacements of such Superior Lien, now or after the Date affecting or placed, charged or enforced against the Land, the Building, or all or any portion of the Project or any interest of Landlord in them or Landlord's interest in this Lease and the leasehold estate created by this Lease (except to the extent any such instrument will expressly provide that this Lease is superior to such instrument). This provision will be self-operative and no further instrument of subordination will be required in order to effect it. Notwithstanding the foregoing, Tenant will execute, acknowledge and deliver to Landlord, within 20 days after written demand by Landlord, such documents as may be reasonably requested by Landlord or the holder of any Superior Lien to confirm or effect any such subordination.

19.2 Attornment and Non-Disturbance. Tenant agrees that in the event that any holder of a Superior Lien succeeds to Landlord's interest in the Premises, Tenant will pay to such holder all rents subsequently payable under this Lease. Further, Tenant agrees that in the event of the enforcement by the holder of a Superior Lien of the remedies provided for by law or by such Superior Lien, Tenant will, upon request of any person or party succeeding to the interest of Landlord as a result of such enforcement, automatically become the Tenant and attorn to such successor-in-interest without change in the terms or provisions of this Lease. Such successor-in-interest will not be bound by (a) any payment of Rent for more than one month in advance, except prepayments in the nature of security for the performance by Tenant of its obligations under this Lease; (b) any amendment or modification of this Lease made without the written consent of such successor-in-interest (if such consent was required under the terms of such Superior Lien); (c) any claim against Landlord arising prior to the date on which such successor-in-interest succeeded to Landlord's interest; or (d) any claim or offset of Rent against the Landlord. Upon request by such successor-in-interest and without cost to Landlord or such successor-in-interest, Tenant will, within 20 days after written demand, execute, acknowledge and deliver an instrument or instruments confirming the attornment, so long as such instrument provides that such successor-in-interest will not disturb Tenant in its use of the Premises in accordance with this Lease.

#### ARTICLE 20--ENTRY BY LANDLORD

Landlord, its agents, employees, and contractors may enter the Premises at any time in response to an emergency and at reasonable hours to:

- (a) Inspect the Premises;
- (b) Exhibit the Premises to prospective purchasers, lenders or tenants;
- (c) Determine whether Tenant is complying with all its obligations in this Lease;
- (d) Supply cleaning service and any other service to be provided by Landlord to Tenant according to this Lease;

(e) Post written notices of non-responsibility or similar notices; or

(f) Make repairs required of Landlord under the terms of this Lease or repairs to any adjoining space or utility services or make repairs, alterations or improvements to any other portion of the Building; however, all such work will be done as promptly as reasonably possible and so as to cause as little interference to Tenant as reasonably possible.

Tenant, by this Article 20, waives any claim against Landlord, its agents, employees or contractors for damages for any injury or inconvenience to or interference with Tenant's business, any loss of occupancy or quiet enjoyment of the Premises or any other loss occasioned by any entry in accordance with this Article 20. Landlord will at all times have and retain a key with which to unlock all of the doors in, on or about the Premises (excluding Tenant's vaults, safes and similar areas designated in writing by Tenant in advance). Landlord will have the right to use any and all means which Landlord may deem proper to open doors in and to the Premises in an emergency in order to obtain entry to the Premises, provided that Landlord will promptly repair any damages caused by any forced entry. Any entry to the Premises by Landlord in accordance with this Article 20 will not be construed or deemed to be a forcible or unlawful entry into or a detainer of the Premises or an eviction, actual or constructive, of Tenant from the Premises, or any portion of the Premises, nor will any such entry entitle Tenant to damages or an abatement of Base Monthly Rent, Additional Rent, or other charges which this Lease requires Tenant to pay.

#### ARTICLE 21--INDEMNIFICATION, WAIVER, AND RELEASE

**21.1 Indemnification.** Except for any injury or damage to persons or property on the Premises which is proximately caused by or results proximately from the negligence or deliberate act of Landlord, its employees or agents, and subject to the provisions of Section 6.4, Tenant will neither hold nor attempt to hold Landlord, its employees or agents liable for, to the extent limited in accordance with NRS 41.0305 to NRS 41.039 and Tenant will indemnify and hold harmless Landlord, its employees and agents from and against, any and all demands, claims, causes of action, fines, penalties, damages (including consequential damages), liabilities, judgments, and expenses (including, without limitation, reasonable attorneys' fees) incurred in connection with or arising from: (a) the use or occupancy or manner of use or occupancy of the Premises by Tenant or any person claiming under Tenant; (b) any activity, work, or thing done or permitted by Tenant in or about the Premises, the Building, or the Project; (c) any breach by Tenant or its employees, agents, contractors, or invitees of this Lease; and (d) any injury or damage to the person, property, or business of Tenant, its employees, agents, contractors, or invitees entering upon the Premises under the express or implied invitation of Tenant.

If any action or proceeding is brought against Landlord, its employees or agents by reason of any such claim for which Tenant has indemnified Landlord, Tenant, upon written notice from Landlord, will defend the same at Tenant's expense, with counsel reasonably satisfactory to Landlord.

**21.2 Waiver and Release.** Tenant, as a material part of the consideration to Landlord for this Lease, by this Section 21.2, waives and releases all claims against Landlord, its employees and agents with respect to all matters for which Landlord has disclaimed liability pursuant to the provisions of this Lease.

#### ARTICLE 22--SECURITY DEPOSIT

Tenant has deposited the Security Deposit with Landlord as security for the full, faithful and timely performance of every provision of this Lease to be performed by Tenant. If Tenant defaults with respect to any provision of this Lease, including but not limited to the

provisions relating to the payment of Rent, Landlord may use, apply or retain all or any part of the Security Deposit for the payment of any Rent, or any other sum in default, or for the payment of any other amount which Landlord may spend or become obligated to spend by reason of Tenant's default, or to compensate Landlord for any other loss or damage which Landlord may suffer by reason of Tenant's default. If any portion of the Security Deposit is so used, applied, or retained Tenant will within 5 days after written demand deposit cash with Landlord in an amount sufficient to restore the Security Deposit to its original amount. Landlord will not be required to keep the Security Deposit separate from its general funds and Tenant will not be entitled to interest on the Security Deposit. The Security Deposit will not be deemed a limitation on Landlord's damages or a payment of liquidated damages or a payment of the Base Monthly Rent due for the last month of the Term. If Tenant fully, faithfully and timely performs every provision of this Lease to be performed by it, the Security Deposit or any balance of the Security Deposit will be returned to Tenant within 60 days after the expiration of the Term. Landlord may deliver the funds deposited under this Lease by Tenant to the purchaser of the Building in the event the Building is sold, and after such time, Landlord will have no further liability to Tenant with respect to the Security Deposit.

#### ARTICLE 23--QUIET ENJOYMENT

Landlord covenants and agrees with Tenant that so long as Tenant pays the Rent, and observes and performs all the terms, covenants and conditions of this Lease on Tenant's part to be observed and performed, Tenant may peaceably and quietly enjoy the Premises subject, nevertheless, to the terms and conditions of this Lease and Tenant's possession will not be disturbed by anyone claiming by, through or under Landlord.

#### ARTICLE 24--EFFECT OF SALE

A sale, conveyance or assignment of Landlord's interest in the Building or the Project will operate to release Landlord from liability from and after the effective date of such sale, conveyance or assignment upon all of the covenants, terms and conditions of this Lease, express or implied, except those liabilities which arose prior to such effective date, and, after the effective date of such sale, conveyance or assignment, Tenant will look solely to Landlord's successor-in-interest in and to this Lease. This Lease will not be affected by any such sale, conveyance or assignment, and Tenant will attorn to Landlord's successor-in-interest to this Lease, so long as such successor-in-interest assumes Landlord's obligations under the Lease from and after such effective date.

#### ARTICLE 25--DEFAULT

**25.1 Events of Default.** The following events are referred to, collectively, as "Events of Default" or, individually, as an "Event of Default":

(a) Tenant defaults in the due and punctual payment of Rent, and such default continues for 5 days after written notice from Landlord; however, Tenant will not be entitled to more than 1 (one) written notice for monetary defaults during any 12-month period, and if after such written notice any Rent is not paid when due, an Event of Default will be considered to have occurred without further notice;

(b) Tenant vacates or abandons the Premises;

(c) This Lease or the Premises or any part of the Premises are taken upon execution or by other process of law directed against Tenant, or are taken upon or subject to any attachment by any creditor of Tenant or claimant against Tenant, and said attachment is not discharged or disposed of within 15 days after its levy;

(d) Tenant files a petition in bankruptcy or insolvency or for reorganization or arrangement under the bankruptcy



laws of the United States or under any insolvency act of any state, or admits the material allegations of any such petition by answer or otherwise, or is dissolved or makes an assignment for the benefit of creditors;

(e) Involuntary proceedings under any such bankruptcy law or insolvency act or for the dissolution of Tenant are instituted against Tenant, or a receiver or trustee is appointed for all or substantially all of the property of Tenant, and such proceeding is not dismissed or such receivership or trusteeship vacated within 60 days after such institution or appointment;

(f) Tenant fails to take possession of the Premises on the Commencement Date of the Term; or

(g) Tenant breaches any of the other agreements, terms, covenants or conditions which this Lease requires Tenant to perform, and such breach continues for a period of 30 days after written notice from Landlord to Tenant or, if such breach cannot be cured reasonably within such 30-day period, if Tenant fails to diligently commence to cure such breach within 30 days after written notice from Landlord and to complete such cure within a reasonable time thereafter.

**25.2 Landlord's Remedies.** If any one or more Events of Default set forth in Section 25.1 occurs then Landlord has the right, at its election:

(a) To give Tenant written notice of Landlord's intention to terminate this Lease on the earliest date permitted by law or on any later date specified in such notice, in which case Tenant's right to possession of the Premises will cease and this Lease will be terminated, except as to Tenant's liability, as if the expiration of the term fixed in such notice were the end of the Term;

(b) Without further demand or notice, to reenter and take possession of the Premises or any part of the Premises, repossess the same, expel Tenant and those claiming through or under Tenant, and remove the effects of both or either, using such force for such purposes as may be necessary, without being liable for prosecution, without being deemed guilty of any manner of trespass, and without prejudice to any remedies for arrears of Base Monthly Rent or other amounts payable under this Lease or as a result of any preceding breach of covenants or conditions; or

(c) Without further demand or notice to cure any Event of Default and to charge Tenant for the cost of effecting such cure, including, without limitation, reasonable attorneys' fees and interest on the amount so advanced at the rate set forth in Section 27.21, provided that Landlord will have no obligation to cure any such Event of Default of Tenant.

Should Landlord elect to reenter as provided in subsection (b), or should Landlord take possession pursuant to legal proceedings or pursuant to any notice provided by law, Landlord may, from time to time, without terminating this Lease, relet the Premises or any part of the Premises in Landlord's or Tenant's name, but for the account of Tenant, for such term or terms (which may be greater or less than the period which would otherwise have constituted the balance of the Term) and on such conditions and upon such other terms (which may include concessions of free rent and alteration and repair of the Premises) as Landlord, in its reasonable discretion, may determine and Landlord may collect and receive the rent. Landlord will in no way be responsible or liable for any failure to relet the Premises, or any part of the Premises, or for any failure to collect any rent due upon such reletting. No such reentry or taking possession of the Premises by Landlord will be construed as an election on Landlord's part to terminate this Lease unless a written notice of such intention is given to Tenant. No written notice from Landlord under this Section or under a forcible or unlawful entry and detainer statute or similar law will constitute an election by Landlord to terminate this Lease unless such notice specifically so states. Landlord reserves the right following any such reentry or

reletting to exercise its right to terminate this Lease by giving Tenant such written notice, in which event this Lease will terminate as specified in such notice.

**25.3 Certain Damages.** In the event that Landlord does not elect to terminate this Lease as permitted in Section 25.2(a), but on the contrary, elects to take possession as provided in Section 25.2(b), Tenant will pay to Landlord: (a) Base Monthly Rent and other sums as provided in this Lease, which would be payable under this Lease if such repossession had not occurred, less (b) the net proceeds, if any, of any reletting of the Premises after deducting all of Landlord's reasonable expenses in connection with such reletting, including, without limitation, all repossession costs, brokerage commissions, attorneys' fees, expenses of employees, alteration and repair costs and expenses of preparation for such reletting. If, in connection with any reletting, the new lease term extends beyond the existing Term, or the premises covered by such new lease include other premises not part of the Premises, a fair apportionment of the rent received from such reletting and the expenses incurred in connection with such reletting as provided in this Section will be made in determining the net proceeds from such reletting, and any rent concessions will be equally apportioned over the term of the new lease. Tenant will pay such rent and other sums to Landlord monthly on the day on which the Base Monthly Rent would have been payable under this Lease

**25.4 Continuing Liability After Termination.** If this Lease is terminated on account of the occurrence of an Event of Default, Tenant will remain liable to Landlord for damages in an amount equal to Base Monthly Rent and other amounts which would have been owing by Tenant for the balance of the Term, had this Lease not been terminated, less the net proceeds, if any, of any reletting of the Premises by Landlord subsequent to such termination, after deducting all of Landlord's expenses in connection with such reletting, including, without limitation, the expenses enumerated in Section 25.3. Landlord will be entitled to collect such damages from Tenant monthly on the day on which Base Monthly Rent and other amounts would have been payable under this Lease if this Lease had not been terminated, and Landlord will be entitled to receive such Base Monthly Rent and other amounts from Tenant on each such day. Alternatively, at the option of Landlord, in the event this Lease is so terminated, Landlord will be entitled to recover against Tenant as damages for loss of the bargain and not as a penalty:

(a) The worth at the time of award of the unpaid Rent which had been earned at the time of termination;

(b) The worth at the time of 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;

(c) The worth at the time of award of the amount by which the unpaid Rent for the balance of the Term of this Lease (had the same not been so terminated by Landlord) after the time of award exceeds the amount of such rental loss that Tenant proves could be reasonably avoided;

(d) Any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom.

The "worth at the time of award" of the amounts referred to in clauses (a) and (b) above is computed by adding interest at the per annum interest rate described in Section 27.21 on the date on which this Lease is terminated from the date of termination until the time of the award. The worth at the time of award of the amount referred to in clause (c) above is computed by discounting such amount at the discount rate of

the Federal Reserve Bank of Kansas City, Missouri, at the time of award plus 1%.

**25.5 Cumulative Remedies.** Any suit or suits for the recovery of the amounts and damages set forth in Sections 25.3 and 25.4 may be brought by Landlord, from time to time, at Landlord's election, and nothing in this Lease will be deemed to require Landlord to await the date upon which this Lease or the Term would have expired had there occurred no Event of Default. Each right and remedy provided for in this Lease is cumulative and is in addition to every other right or remedy provided for in this Lease or now or after the Date existing at law or in equity or by statute or otherwise, and the exercise or beginning of the exercise by Landlord of any one or more of the rights or remedies provided for in this Lease or now or after the Date existing at law or in equity or by statute or otherwise will not preclude the simultaneous or later exercise by Landlord of any or all other rights or remedies provided for in this Lease or now or after the Date existing at law or in equity or by statute or otherwise. All costs incurred by Landlord in collecting any amounts and damages owing by Tenant pursuant to the provisions of this Lease or to enforce any provision of this Lease, including reasonable attorneys' fees from the date any such matter is turned over to an attorney, whether or not one or more actions are commenced by Landlord, will also be recoverable by Landlord from Tenant.

**25.6 Waiver of Redemption.** Tenant waives any right of redemption arising as a result of Landlord's exercise of its remedies under this Article 25.

#### ARTICLE 26--PARKING

The Parking Spaces are located around the Building. If any Parking Spaces are assigned and reserved to Tenant, Tenant will pay the Parking Charges set forth in Section 1.1(r). The parking areas outside the Building will be unassigned, unreserved, and undesignated. Tenant will be entitled to use the Parking Spaces and parking areas during the Term subject to the rules and regulations set forth on Exhibit B, and any amendments or additions to them.

#### ARTICLE 27--MISCELLANEOUS

**27.1 No Offer.** This Lease is submitted to Tenant on the understanding that it will not be considered an offer and will not bind Landlord in any way until Tenant has duly executed and delivered duplicate originals to Landlord and Landlord has executed and delivered one of such originals to Tenant.

**27.2 Joint and Several Liability.** If Tenant is composed of more than one signatory to this Lease, each signatory will be jointly and severally liable with each other signatory for payment and performance according to this Lease. The act of, written notice to, written notice from, refund to, or signature of, any signatory to this Lease (including without limitation modifications of this Lease made by fewer than all such signatories) will bind every other signatory as though every other signatory had so acted, or received or given the written notice or refund, or signed.

**27.3 No Construction Against Drafting Party.** Landlord and Tenant acknowledge that each of them and their counsel have had an opportunity to review this Lease and that this Lease will not be construed against Landlord merely because Landlord has prepared it.

**27.4 Time of the Essence.** Time is of the essence of each and every provision of this Lease.

**27.5 No Recordation.** Tenant's recordation of this Lease or any memorandum or short form of it will be void and a default under this Lease.

**27.6 No Waiver.** The waiver by Landlord of any agreement, condition or provision contained in this Lease will not be deemed to be a waiver of any subsequent breach of the same or any other agreement, condition or provision contained in this Lease, nor will

any custom or practice which may grow up between the parties in the administration of the terms of this Lease be construed to waive or to lessen the right of Landlord to insist upon the performance by Tenant in strict accordance with the terms of this Lease. The subsequent acceptance of Rent by Landlord will not be deemed to be a waiver of any preceding breach by Tenant of any agreement, condition or provision of this Lease, other than the failure of Tenant to pay the particular Rent so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such Rent.

**27.7 Limitation on Recourse.** Tenant specifically agrees to look solely to Landlord's interest in the Project for the recovery of any judgments from Landlord. It is agreed that Landlord (and its shareholders, venturers, and partners, and their shareholders, venturers and partners and all of their officers, directors and employees) will not be personally liable for any such judgments. The provisions contained in the preceding sentences are not intended to, and will not, limit any right that Tenant might otherwise have to obtain injunctive relief against Landlord or relief in any suit or action in connection with enforcement or collection of amounts which may become owing or payable under or on account of insurance maintained by Landlord.

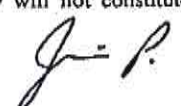
**27.8 Estoppel Certificates.** At any time and from time to time but within 10 days after prior written request by Landlord, Tenant will execute, acknowledge and deliver to Landlord, promptly upon request, a certificate certifying (a) that this Lease is unmodified and in full force and effect or, if there have been modifications, that this Lease is in full force and effect, as modified, and stating the date and nature of each modification; (b) the date, if any, to which Rent and other sums payable under this Lease have been paid; (c) that no written notice of any default has been delivered to Landlord which default has not been cured, except as to defaults specified in said certificate; (d) there is no Event of Default under this Lease or an event which, with notice or the passage of time, or both, would result in an Event of Default under this Lease, except for defaults specified in said certificate; and (e) such other matters as may be reasonably requested by Landlord. Any such certificate may be relied upon by any prospective purchaser or existing or prospective mortgagee or beneficiary under any deed of trust of the Building or any part of the Project. Tenant's failure to deliver such a certificate within such time will be conclusive evidence of the matters set forth in it.

**27.9 Waiver of Jury Trial.** Landlord and Tenant by this Section 27.9 waive trial by jury in any action, proceeding or counterclaim brought by either of the parties to this Lease against the other on any matters whatsoever arising out of or in any way connected with this Lease, the relationship of Landlord and Tenant, Tenant's use or occupancy of the Premises, or any other claims (except claims for personal injury or property damage), and any emergency statutory or any other statutory remedy.

**27.10 No Merger.** The voluntary or other surrender of this Lease by Tenant or the cancellation of this Lease by mutual agreement of Tenant and Landlord or the termination of this Lease on account of Tenant's default will not work a merger, and will, at Landlord's option, (a) terminate all or

any subleases and subtenancies or (b) operate as an assignment to Landlord of all or any subleases or subtenancies. Landlord's option under this Section 27.10 will be exercised by written notice to Tenant and all known sublessees or subtenants in the Premises or any part of the Premises.

**27.11 Holding Over.** Tenant will have no right to remain in possession of all or any part of the Premises after the expiration of the Term. If Tenant remains in possession of all or any part of the Premises after the expiration of the Term, with the express or implied consent of Landlord: (a) such tenancy will be deemed to be a periodic tenancy from month-to-month only; (b) such tenancy will not constitute a



renewal or extension of this Lease for any further term; and (c) such tenancy may be terminated by Landlord upon the earlier of 30 days' prior written notice or the earliest date permitted by law. In such event, Base Monthly Rent will be increased to an amount equal to 150% of the Base Monthly Rent payable during the last month of the Term, and any other sums due under this Lease will be payable in the amount and at the times specified in this Lease. Such month-to-month tenancy will be subject to every other term, condition, and covenant contained in this Lease.

**27.12 Notices.** Any notice, request, demand, consent, approval or other communication required or permitted under this Lease must be in writing and will be deemed to have been given when personally delivered, sent by facsimile with receipt acknowledged, deposited with any nationally recognized overnight carrier which routinely issues receipts, or deposited in any depository regularly maintained by the United States Postal Service, postage prepaid, certified mail, return receipt requested, addressed to the party for whom it is intended at its address set forth in Section 1.1. Either Landlord or Tenant may add additional addresses or change its address for purposes of receipt of any such communication by giving 10 days' prior written notice of such change to the other party in the manner prescribed in this Section 27.12.

**27.13 Severability.** If any provision of this Lease proves to be illegal, invalid or unenforceable, the remainder of this Lease will not be affected by such finding, and in lieu of each provision of this Lease that is illegal, invalid or unenforceable, a provision will be added as a part of this Lease as similar in terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable.

**27.14 Written Amendment Required.** No amendment, alteration, modification or addition to the Lease will be valid or binding unless expressed in writing and signed by Landlord and Tenant. Tenant agrees to make any modifications of the terms and provisions of this Lease required or requested by any lending institution providing financing for the Building, or Project, as the case may be, provided that no such modifications will materially adversely affect Tenant's rights and obligations under this Lease.

**27.15 Entire Agreement.** This Lease, the Exhibits and Addenda, if any, contain the entire agreement between Landlord and Tenant. No promises or representations, except as contained in.

**27.16 Captions.** The captions of the various Articles and Sections of this Lease are for convenience only and do not necessarily define, limit, describe or construe the contents of such Articles or Sections.

**27.17 Notice of Landlord's Default.** In the event of any alleged default in the obligation of Landlord under this Lease, Tenant will deliver to Landlord written notice listing the reasons for Landlord's default and Landlord will have 30 days following receipt of such notice to cure such alleged default or, in the event the alleged default cannot reasonably be cured within a 30-day period, to commence action and proceed diligently to cure such alleged default. A copy of such notice to Landlord will be sent to any holder of a mortgage or other encumbrance on the Building or Project of which Tenant has been notified in writing, and any such holder will also have the same time periods to cure such alleged default.

**27.18 Authority.** Tenant and the party executing this Lease on behalf of Tenant represent to Landlord that such party is authorized to do so by requisite action of the board of directors, or partners, as the case may be, and agree upon request to deliver to Landlord a resolution or similar document to that effect.

**27.19 Brokers.** Landlord and Tenant respectively represent and warrant to each other that neither of them has consulted or negotiated with any broker or finder with regard to the Premises except

the Broker named in Section 1.1, if any. Each of them will indemnify the other against and hold the other harmless from any claims for fees or commissions from anyone with whom either of them has consulted or negotiated with regard to the Premises except the Broker. Landlord will pay any fees or commissions due the Broker.

**27.20 Governing Law.** This Lease will be governed by and construed pursuant to the laws of the State in which the Project is located.

**27.21 Late Payments.** Any Rent which is not paid when due will accrue interest at a late rate charge of the Prime Rate plus 5% per annum (but in no event in an amount in excess of the maximum rate allowed by applicable law) from the date on which it was due until the date on which it is paid in full with accrued interest.

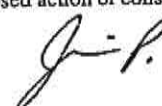
**27.22 No Easements for Air or Light.** Any diminution or shutting off of light, air or view by any structure which may be erected on lands adjacent to the Building will in no way affect this Lease or impose any liability on Landlord.

**27.23 Tax Credits.** Landlord is entitled to claim all tax credits and depreciation attributable to leasehold improvements in the Premises. Promptly after Landlord's demand, Landlord and Tenant will prepare a detailed list of the leasehold improvements and fixtures and their respective costs for which Landlord or Tenant has paid. Landlord will be entitled to all credits and depreciation for those items for which Landlord has paid by means of any tenant finish allowance or otherwise. Tenant will be entitled to any tax credits and depreciation for all items for which Tenant has paid with funds not provided by Landlord.

**27.24 Relocation of the Premises.** Landlord reserves the right to relocate the Premises to substantially comparable space within the Project, pursuant to this Section 27.24. Landlord will give Tenant a written notice of its intention to relocate the Premises, and Tenant will complete such relocation within 60 days after receipt of such written notice. If the space to which Landlord proposes to relocate Tenant is not substantially comparable to the Premises, Tenant may so notify Landlord, and if Landlord fails to offer space satisfactory to Tenant, Tenant may terminate this Lease effective as of the 30th day after the date of Landlord's initial written notice. If Tenant does relocate within the Project, then effective on the date of such relocation this Lease will be amended by deleting the description of the original Premises and substituting for it a description of such comparable space. Landlord agrees to reimburse Tenant for its actual reasonable moving costs to such other space within the Project, the reasonable costs of reprinting stationery, and the costs of rewiring the new Premises for telephone and computers comparably to the original Premises.

**27.25 Financial Reports.** Within 15 days after Landlord's request, Tenant will furnish Tenant's most recent audited financial statements (including any notes to them) to Landlord, or, if no such audited statements have been prepared, such other financial statements (and notes to them) as may have been prepared by an independent certified public accountant, or, failing those, Tenant's internally prepared financial statements. Tenant will discuss its financial statements with Landlord and will give Landlord access to Tenant's books and records in order to enable Landlord to verify the financial statements. Landlord will not disclose any aspect of Tenant's financial statements which Tenant designates to Landlord as confidential except (a) to Landlord's lenders or prospective purchasers of the Project, (b) in litigation between Landlord and Tenant, and (c) if required by court order.

**27.26 Landlord's Fees.** Whenever Tenant requests Landlord to take any action or give any consent required or permitted under this Lease, Tenant will reimburse Landlord for all of Landlord's reasonable costs incurred in reviewing the proposed action or consent,



including, without limitation, reasonable attorneys', engineers' or architects' fees, within 10 days after Landlord's delivery to Tenant of a statement of such costs. Tenant will be obligated to make such reimbursement without regard to whether Landlord consents to any such proposed action.

27.27 Binding Effect. The covenants, conditions and agreements contained in this Lease will bind and inure to the benefit of Landlord and Tenant and their respective heirs, distributees, executors, administrators, successors, and, except as otherwise provided in this Lease, their assigns.

Landlord and Tenant have executed this Lease as of the day and year first above written.

**LANDLORD:**

HUCKABAY PROPERTIES, INC.

By:

Name: Karen Manning

Its: General Manager

Date:

**TENANT:**

MOJAVE ADULT, CHILD & FAMILY SERVICES

By:

Name:

Its:


Date:



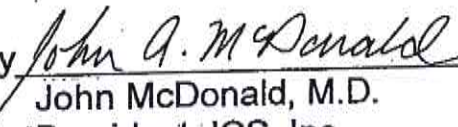
Board of Regents of the Nevada System of Higher Education  
acting by and through the University of Nevada School of  
Medicine and The University of Nevada School of Medicine  
Integrated Clinical Services, Inc. on behalf of the Nevada Family  
Practice Residency Program, Inc.

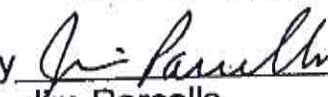
RECOMMENDED:

By  9/21/06  
James E. Rogers  
Chancellor, NSHE  
Date

By  9/21/06  
Milton Glick  
President, UNR  
Date

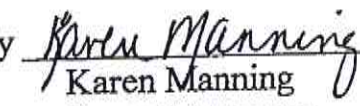
APPROVED:

By  9/20/2006  
John McDonald, M.D.  
President, ICS, Inc  
Date

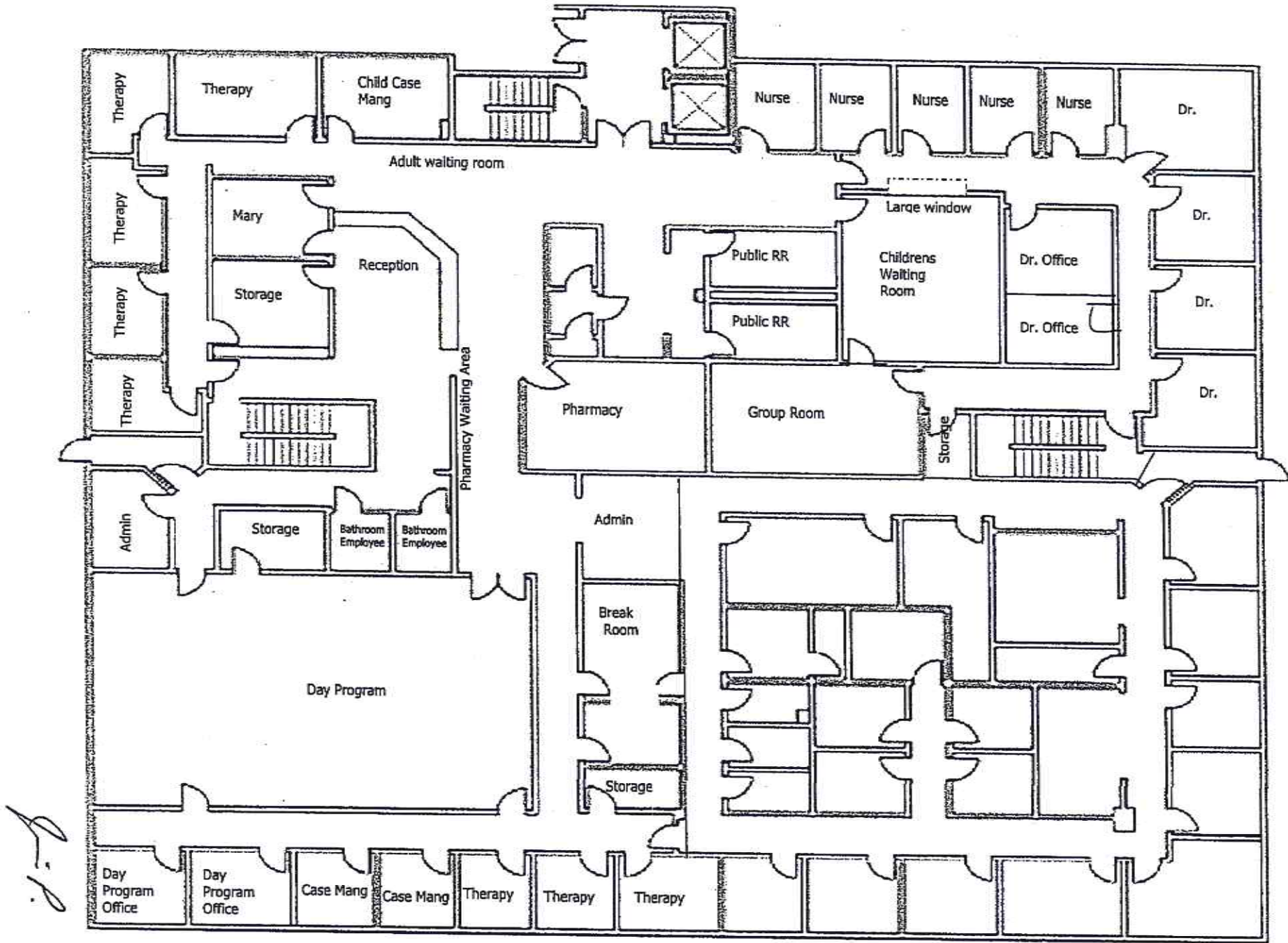
By  9/19/06  
Jim Parcels  
President, NFPRP, Inc  
Date

Landlord: Huckabay Properties, Inc.

APPROVED:

By  9-25-06  
Karen Manning  
General Manager  
Date





## RULES AND REGULATIONS

### Page 1 of 3

1. Landlord may from time to time adopt appropriate systems and procedures for the security or safety of the Building, any persons occupying, using or entering the Building, or any equipment, finishings or contents of the Building, and Tenant will comply with Landlord's reasonable requirements relative to such systems and procedures.

2. The sidewalks, halls, passages, exits, entrances, elevators, and stairways of the Building will not be obstructed by any tenants or used by any of them for any purpose other than for ingress to and egress from their respective premises. The halls, passages, exits, entrances, elevators, escalators and stairways are not for the general public, and Landlord will in all cases retain the right to control and prevent access to such halls, passages, exits, entrances, elevators and stairways of all persons whose presence in the judgment of the Landlord would be prejudicial to the safety, character, reputation and interests of the Building and its tenants, provided that nothing contained in these Rules and Regulations will be construed to prevent such access to persons with whom any Tenant normally deals in the ordinary course of its business, unless such persons are engaged in illegal activities. No Tenant will be permitted to place or install any object (including, without limitation, radio and television antenna, loud speakers, sound amplifiers, microwave dishes, solar devices, or similar devices) on the exterior of the Building or on the roof of the Building.

3. No sign, placard, picture, name, advertisement or written notice visible from the exterior of Tenant's premises will be inscribed, painted, affixed or otherwise displayed by Tenant on any part of the Building or the Premises without the prior written consent of Landlord. Landlord will adopt and furnish to Tenant general guidelines relating to signs inside the Building on the office floors. Tenant agrees to conform to such guidelines. All approved signs or lettering on doors will be printed, painted, and affixed or inscribed at the expense of the Tenant by a person approved by Landlord. Other than draperies expressly permitted by Landlord and building standard mini-blinds, material visible from outside the Building will not be permitted. In the event of the violation of this Rule by Tenant, Landlord may remove the violating items without any liability, and may charge the expense incurred by such removal to the Tenant or Tenants violating this Rule.

4. No cooking will be done or permitted by any Tenant on the Premises, except in areas of the Premises which are specially constructed for cooking and except that use by the Tenant of microwave ovens and Underwriters' Laboratory approved equipment for brewing coffee, tea, hot chocolate and similar beverages will be permitted, provided that such use is in accordance with all applicable federal, state and city laws, codes, ordinances, rules and regulations.

5. No Tenant will employ any person or persons other than the cleaning service of Landlord for the purpose of cleaning the Premises, unless otherwise agreed to by Landlord in writing. Except with the written consent of Landlord, no person or persons other than those approved by Landlord will be permitted to enter the Building for purpose of cleaning it. No Tenant will cause any unnecessary labor by reason of such Tenant's carelessness or indifference in the preservation of good order and cleanliness. Should Tenant's actions result in any increased expense for any required cleaning, Landlord reserves the right to assess Tenant for such expenses.

6. The toilet rooms, toilets, urinals, wash bowls and other plumbing fixtures will not be used for any purposes other than those for which they were constructed, and no sweepings, rubbish, rags, or other foreign substances will be thrown in such plumbing fixtures. All damages resulting from any misuse of the fixtures will be borne by the Tenant who, or whose servants, employees, agents, visitors or licensees, caused the same.

7. No Tenant will in any way deface any part of the Premises or the Building of which they form a part. In those portions of the Premises where carpet has been provided directly or indirectly by Landlord, Tenant will at its own expense install and maintain pads to protect the carpet under all furniture having casters other than carpet casters.

8. No Tenant will alter, change, replace or rekey any lock or install a new lock or a knocker on any door of the Premises. Landlord, its agents or employees, will retain a pass (master) key to all door locks on the Premises. Any new door locks required by Tenant or any change in keying of existing locks will be installed or changed by Landlord following Tenant's written request to Landlord and will be at Tenant's expense. All new locks and rekeyed locks will remain operable by Landlord's pass (master) key. Landlord will furnish each Tenant, free of charge, with two (2) keys to each door lock on the Premises, and two (2) Building/area access cards. Landlord will have the right to collect a reasonable charge for additional keys and cards requested by any Tenant. Each Tenant, upon termination of its tenancy, will deliver to Landlord all keys and access cards for the Premises and Building which have been furnished to such Tenant.

9. The elevator designated for freight by Landlord will be available for use by all tenants in the Building during the hours and pursuant to such procedures as Landlord may determine from time to time. The persons employed to move Tenant's equipment, material, furniture or other property in or out of the Building must be acceptable to Landlord. The moving company must be a locally recognized professional mover, whose primary business is the performing of relocation services and must be bonded and fully insured. A certificate or other verification of such insurance must be received and approved by Landlord prior to the start of any moving operations. Insurance must be sufficient in Landlord's sole opinion, to cover all personal liability, theft or damage to the Project, including, but not limited to, floor coverings, doors, walls, elevators, stairs, foliage and landscaping. Special care must be taken to prevent damage to foliage and landscaping during adverse weather. All moving operations will be conducted at such times and in such a manner as Landlord will direct, and all moving will take place during non-business hours unless Landlord agrees in writing otherwise. Tenant will be responsible for the provision of the Building security during all moving operations, and will be liable for all losses and damages sustained by any party as a result of the failure to supply adequate security. Landlord will have the right to prescribe the weight, size and position of all equipment, materials, furniture or other property brought into the Building. Heavy objects will, if considered necessary by Landlord, stand on wood strips of such thickness as is necessary to properly distribute the weight. Landlord will not be responsible for loss of or damage to any such property from



## RULES AND REGULATIONS

### Page 2 of 3

any cause, and all damage done to the Building by moving or maintaining such property will be repaired at the expense of Tenant. Landlord reserves the right to inspect all such property to be brought into the Building and to exclude from the Building all such property which violates any of these Rules and Regulations or the Lease for which these Rules and Regulations are a part. Supplies, goods materials, packages, furniture and all other items of every kind delivered to or taken from the Premises will be delivered or removed through the entrance and route designated by Landlord, and Landlord will not be responsible for the loss or damage of any such property unless such loss or damage results from the negligence of Landlord, its agents or employees.

10. No Tenant will use or keep in the Premises or the Building any kerosene, gasoline or inflammable or combustible or explosive fluid or material or chemical substance other than limited quantities of such materials or substances reasonably necessary for the operation of maintenance of office equipment or limited quantities of cleaning fluids and solvents required in Tenant's normal operations in the Premises. Without Landlord's prior written approval, no Tenant will use any method of heating or air conditioning other than that supplied by Landlord. No Tenant will use or keep or permit to be used or kept any foul or noxious gas or substance in the Premises.

11. Landlord will have the right, exercisable upon written notice and without liability to any Tenant, to change the name and street address of the Building.

12. Landlord will have the right to prohibit any advertising by Tenant mentioning the Building which, in Landlord's reasonable opinion, tends to impair the reputation of the Building or its desirability as a building for offices, and upon written notice from Landlord, Tenant will refrain from or discontinue such advertising.

13. Tenant will not bring any animals (except "Seeing Eye" dogs) or birds into the building, and will not permit bicycles or other vehicles inside or on the sidewalks outside the Building except in areas designated from time to time by Landlord for such purposes.

14. All persons entering or leaving the Building between the hours of 6 p.m. and 7 a.m. Monday through Friday, and at all hours on Saturdays, Sundays and holidays will comply with such regulations as Landlord may establish and modify from time to time. Landlord reserves the right to limit reasonable or restrict access to the Building during such time periods.

15. Each Tenant will store all its trash and garbage within its Premises. No material will be placed in the trash boxes or receptacles if such material is of such nature that may not be disposed of in the ordinary and customary manner of removing and disposing of trash and garbage without being in violation of any law or ordinance governing such disposal. All garbage and refuse disposal will be made only through entryways and elevators provided for such purposes and at such times as Landlord designates. Removal of any furniture or furnishings, large equipment, packing crates, packing materials and boxes will be the responsibility of each Tenant and such items may not be disposed of in the Building, trash receptacles nor will they be removed by the Building's janitorial service, except at Landlord's sole option and at the

Tenant's expense. No furniture, appliances, equipment or flammable products of any type may be disposed of in the Building trash receptacles.

16. Canvassing, peddling, soliciting, and distribution of handbills or any other written materials in the Building are prohibited, and each Tenant will cooperate to prevent the same.

17. The requirements of the tenants will be attended to only upon application by written, personal or telephone notice at the office of the Building. Employees of Landlord will not perform any work or do anything outside of their regular duties unless under special instructions from Landlord.

18. A directory of the Building will be provided for the display of the name and location of tenants only and such reasonable number of the principal officers and employees of tenants as Landlord in its sole discretion approves, but Landlord will not in any event be obligated to furnish more than one (1) directory strip for each 2,500 square feet of Rentable Area in the Premises. Any additional name(s) that Tenant desires to place in such directory must first be approved by Landlord, and if so approved, Tenant will pay to Landlord a charge, set by Landlord, for each additional name. All entries on the building directory display will conform to standard and style set by Landlord in its sole discretion. Space on any exterior signage will be provided in Landlord's sole discretion. No tenant will have any right to the use of any exterior sign.

19. Tenant will see that the doors of the Premises are closed and locked and that all water faucets, water apparatus, and utilities are shut off before Tenant or Tenant's employees leave the Premises, so as to prevent waste or damage, and for any default or carelessness in this regard Tenant will make good all injuries sustained by other tenants or occupants of the Building or Landlord. On multiple-tenancy floors, Tenant will keep its doors to the Building corridors closed at all times except for ingress and egress.

20. Tenant will not conduct itself in any manner which is inconsistent with the character of the Building as a first quality building or which will impair the comfort and convenience of the other tenants in the Building.

21. Neither Landlord nor any operator of the parking areas within the Project, as the same are designated and modified by Landlord, in its sole discretion from time to time (the "Parking Areas") will be liable for loss of or damage to any vehicle or any contents of such vehicle or accessories to any such vehicle, or any property left in any of the Parking Areas, resulting from fire, theft, vandalism, accident, conduct or other users of the Parking areas and other persons, or any other casualty or cause. Further, Tenant understands and agrees that: (a) Landlord will not be obligated to provide any traffic control, security protection or operator for the Parking Areas; (b) Tenant uses the Parking Areas at its own risk; and (c) Landlord will not be liable for personal injury or death, or theft, loss of or damage to property. Tenant waives and releases Landlord from any and all liability arising out of the use of the Parking Areas by Tenant, its employees, agents, invitees, and visitors, whether brought by any such persons or any other person.



## RULES AND REGULATIONS

Page 3 of 3

22. Tenant (including Tenant's employees, agents, invitees, and visitors) will use the Parking Spaces solely for the purpose of parking passenger model cars, small vans and small trucks and will comply in all respects with any rules and regulations that may be promulgated by Landlord from time to time with respect to the Parking Areas. The Parking Areas may be used by Tenant, its agents or employees, for occasional overnight parking of vehicles. Tenant will ensure that any vehicle parked in any of the Parking Spaces will be kept in proper repair and will not leak excessive amounts of oil or grease or any amount of gasoline. If any of the Parking spaces are at any time used (a) for any purpose other than parking as provided above; (b) in any way or manner reasonably objectionable to Landlord; or (c) by Tenant after default by Tenant under the Lease, Landlord, in addition to any other rights otherwise available to Landlord, may consider such default an Event of Default under the Lease.

23. Tenant's right to use the Parking Areas will be in common with other tenants of the Project and with other parties permitted by Landlord to use the Parking Areas. Landlord reserves the right to assign and reassign, from time to time, particular parking spaces for use by persons selected by Landlord provided that Tenant's rights under the Lease are preserved. Landlord will not be liable to Tenant for any unavailability of Tenant's designated spaces, if any, nor will any unavailability entitle Tenant to any refund, deduction, or allowance. Tenant will not park in any numbered space or any space designated as: RESERVED, HANDICAPPED, VISITORS ONLY, or LIMITED TIME PARKING (or similar designation).

24. If the Parking Areas are damaged or destroyed, or if the use of the Parking areas is limited or prohibited by any governmental authority, or the use or operation of the Parking areas is limited or prevented by strikes or other labor difficulties or other causes beyond Landlord's control, Tenant's inability to use the Parking Spaces will not subject Landlord or any operator of the Parking Areas to any liability to Tenant and will not relieve Tenant of any of its obligations under the Lease and the Lease will remain in full force and effect.

25. Tenant has no right to assign or sublicense any of its rights in the Parking Spaces, except as part of a permitted assignment or sublease of the Lease; however, Tenant may allocate Parking Spaces among its employees.

26. No act or thing done or omitted to be done by Landlord or Landlord's agent during their term of the Lease in connection with the enforcement of these Rules and Regulations will constitute an eviction by Landlord of any Tenant nor will it be deemed an acceptance of surrender of the Premises by any Tenant, and no agreement to accept such termination or surrender will be valid unless in writing signed by Landlord. The delivery of keys to any employee or agent of Landlord will not operate as a termination of the Lease or surrender of the Premises unless such delivery of keys is done in connection with a written instrument executed by Landlord approving termination or surrender.

27. In these Rules and Regulations, Tenant included the employees, agents, invitees and licensees of Tenant and others permitted by Tenant to use or occupy the Premises.

28. 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 will be construed as a waiver of such Rules and Regulations in favor of any other Tenant or tenants, nor prevent Landlord from enforcing any such Rules and Regulations against any or all of the Tenant s of the Building after such waiver.

29. These Rules and Regulations are in addition to, and will not be construed to modify or amend, in whole or in part, the terms, covenants, agreements and conditions of the Lease.



**AMENDMENT NO. 1  
TO LEASE AGREEMENT**

This Amendment, effective as of February 1, 2012, is made and entered into by and between Windsor West Ventures, LLC ("Landlord") and The Board of Regents of the Nevada System of Higher Education on behalf of the University of Nevada School of Medicine and NFPRP, Inc. dba Mojave Adult, Child & Family Services ("Tenant"), and modifies that certain Lease Agreement dated as of August 2, 2006 between Landlord and Tenant, for Suite 100 in the building located at 745 W. Moana Lane, Reno, Nevada, 89509. In consideration of the mutual covenants set forth herein, Landlord and Tenant agree as follows:

1. Defined Terms. Terms defined in the Lease shall have the same meanings when used in this Amendment.

2. Premises.

2.1 Premises. Paragraph 1.1(g) of the Lease is hereby restates that the Premises as of February 1, 2012, to include only Suite 100, Remains Unchanged.

2.2 Rentable Area of the Premises. Paragraph 1.1(h) of the Lease states that the Premises, effective as of February 1, 2012, includes Suite 100 which consists of Seventeen thousand three hundred ninety (17,390) rentable square feet on the 1st Floor or Plaza Level.

3. Term. Sections 1.1(j) and 1.1(k) are hereby deleted and replaced with the following Section 1.1(j): "1.1(j) The Term is hereby extended Forty Eight (48) months effective February 1, 2012 and expiring January 31, 2016 ("Term"),

a) Early Termination: For a period of thirty (30) days from August 1 through August 30th in both years 2013, and August 2014, Tenant may choose to terminate the Lease Agreement before the natural expiration of the Agreement. Under such right, six month written notice would be given by Tenant to Landlord within timeframes above, and lease would terminate 6 months from date of notice. At the end of the six months the Agreement will be terminated and the Landlord will not hold the Tenant accountable for any of the monthly installments remaining in the term of this Agreement.

b) If Tenant terminates lease early per Section 3, Tenant will reimburse Landlord for the free first month rent abatement and the half month allowance for tenant improvements as listed in Section 4.

4. Base Monthly Rent. Section 1.1(n) of the Lease is hereby amended to add the following: "1.1(n) Base Monthly Rent:

a) Rent:

Year 6: \$1.55psf fully serviced

Year 7: \$1.60psf fully serviced  
Year 8: \$1.65psf fully serviced  
Year 9: \$1.70psf fully serviced

Year 6 February 1, 2012 through January 31, 2013 = \$26,954.50  
Year 7 February 1, 2013 through January 31, 2014 = \$27,824.00  
Year 8 February 1, 2014 through January 31, 2015 = \$28,693.50  
Year 9 February 1, 2015 through January 31, 2016 = \$29,563.00

b) Rent Abatement: The First month February 1, 2012 and the Last Month: January 1, 2016 shall have no rent due.

c) Tenant Improvement: Shall be equal to one half the second month rent or \$13,477.25 and shall be applied as statement credits on the second, third and fourth months of year six equally.

5. Operating Expense Base: Effective February 1, 2012, Section 1.1(o) is hereby deleted and replaced with the following: "1.1(o) OPERATING EXPENSE BASE: Calendar Year 2013.

6. Tenant's Share: Effective February 1, 2012, Section 1.1(p) is hereby restated with the following: "1.1(p) TENANT'S SHARE: 29.71% (determined by dividing the Rentable Area of the Premises by the Rentable Area of the Building and multiplying the resulting quotient by 100 and rounding to the second decimal place)." Remains Unchanged.

7. Parking Spaces: Effective February 1, 2012, Section 1.1(q) is hereby confirmed and replaced with the following: "1.1(q) PARKING SPACES. 69 total (51 covered and 18 uncovered) according to Article 26." Remains Unchanged.

8. Code Compliance: Landlord confirms that during the Term, at Landlord's sole cost and expense, the Building and Premises, including but not limited to mechanical, electrical, plumbing, fire and life safety, roof, slab, and parking lot are and will be maintained in good working condition. In addition, during the term, at Landlord's sole cost and expense, the building and the Premises shall be in compliance with the Americans with Disabilities Act and any other laws, ordinances or regulations, including ASHRAE, seismic and environmental and applicable building codes.

9. Landlord's Address: Section 1.1(c) is hereby deleted and replaced with the following: "1.1 (c) LANDLORD'S ADDRESS:

1986 Windsor Drive,  
N. Palm Beach, FL 33308.  
Attn: Robert R Pavese  
Telephone: 775 298-1301.

10. Tenant's Address. Section 1.1(e) is hereby deleted and replaced with the following:

"1.1(e) TENANT'S ADDRESS:

745 W Moana Lane  
Suite 100  
Reno, NV 89509

With a copy to:

Jim Parcels  
4000 E. Charleston Blvd  
Suite 230  
Las Vegas, NV 89104

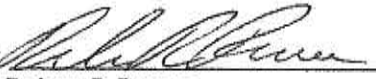
11. Amendment to Lease. This Amendment shall constitute an amendment of the Lease. Other than to the extent explicitly amended by this Amendment, the Lease shall remain unchanged and in full force and effect.

12. Counterparts. This Amendment may be executed in two or more counterparts, all of which shall constitute one and the same document.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

Landlord:


Windsor West Ventures, LLC

By:   
Robert R Pavese  
Title: Manager, Windsor West Ventures LLC


Date Signed: 1/12/12

Tenant:

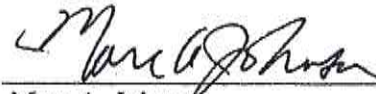
The Board of Regents of the Nevada System of Higher Education on behalf of the University of Nevada School of Medicine and NFPRP, Inc. dba Mojave Adult, Child & Family Services

By:   
Jim Parcels  
President, NFPRP, Inc.

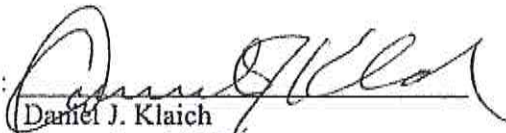
Date Signed: 1/13/12

By:   
Thomas L. Schwenk, MD  
Vice President, Division of Health Sciences  
Dean, School of Medicine  
President, Integrated Clinical Services, Inc.

Date Signed: 1/20/12

By:   
Marc A. Johnson  
President, University of Nevada, Reno

Date Signed: 1-30-12

By:   
Daniel J. Klaich  
Chancellor, NSHE

Date Signed: 2/10/12



**SECOND AMENDMENT TO FULL SERVICE OFFICE LEASE**

THIS SECOND AMENDMENT TO FULL SERVICE OFFICE LEASE (the "Amendment") is made and entered into as of September 30, 2015 (the "Effective Date"), by and between Windsor West Ventures LLC ("Landlord") (as successor-in-interest to Huckabay Properties, Inc. ["Original Landlord"]), and The Board of Regents of the Nevada System of Higher Education on behalf of the University of Nevada School of Medicine and Nevada Family Practice and Residency Program, Inc. dba Mojave Adult, Child & Family Services ("Tenant") (as assignee of NFPRP dba Mojave Adult Child & Family Services ["Original Tenant"]).

**R E C I T A L S:**

A. Landlord and Tenant are parties to that certain Full Service Office Lease dated August 2, 2006 (the "Original Lease"), including that certain Addendum No. 1 (the "Lease Addendum") incorporated into the Original Lease, by and between Landlord, as landlord, and Original Tenant, as tenant, as amended by that certain First Lease Amendment, dated \_\_\_\_\_ (the "First Amendment"), (the Original Lease, as previously amended, is hereinafter referred to as the "Lease"), pursuant to which Tenant currently leases from Landlord that certain Premises commonly known as Suite 100, containing approximately 17,390 rentable square feet in the aggregate, within the building located at 745 West Moana Lane, Reno, Nevada, as more particularly described in the Lease. Landlord has succeeded to the interest of Original Landlord as "Landlord" under the Lease.

B. The current Term of the Lease is scheduled to expire by its terms on January 31, 2016. Landlord and Tenant desire to extend the Term and further amend the terms of the Lease as hereinafter set forth.

C. Defined terms which are used in this Amendment without definition have the meanings given to them in the Lease.

**A G R E E M E N T:**

NOW, THEREFORE, in consideration of the foregoing Recitals, the mutual covenants and agreements contained in this Amendment and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant hereby agree as follows:

1. Extended Term. The Term of the Lease is hereby extended for thirty six (36) months (the "Extended Term"), commencing on February 1, 2016 (the "Extended Term Commencement Date"), and expiring on January 31, 2019 (the "Extended Term Expiration Date"), unless sooner terminated in accordance with the terms and conditions of the Lease, as amended by this Amendment (the "Amended Lease"). No such extension shall operate to release Tenant from liability for any amounts owed or defaults which exist under the Lease prior to the Extended Term Commencement Date.

1. Minimum Rent. Effective as of the Extended Term Commencement Date, and continuing for the duration of the Extended Term, Tenant shall pay monthly installments of Minimum Rent for the Premises in the amount of Twenty Eight Thousand Six Hundred Ninety Three and 50/100ths Dollars (\$28,693.50). All such Minimum Rent shall be payable by Tenant to Landlord in accordance with the terms of the Amended Lease.
2. Rent Abatement: February 2016, February 2017, January 2019 shall have no rent due. If Tenant exercises the Renewal Option in 4 below, February 2019, February 2020, January 2022 shall have no rent due.
3. Condition of Leased Premises. Tenant is currently in possession of the Premises pursuant to the Lease and acknowledges that Landlord shall provide the following improvements, at Landlord's sole expense, within 60 days of complete execution of this Amendment unless otherwise noted:
  - Replace Carpet: Please see attached schematic that highlights carpet areas (carpet areas denoted by letter "C" and non-carpet areas (tile) have a blue line). New Paint throughout Common Areas of the Premises
  - Repair the women's public restroom walls, which are in disrepair and the wallpaper that is hanging from the walls.
  - The sink in the employee break room is very small. A larger sink with a garbage disposal shall be installed meeting Tenant's reasonable approval.
  - Exterior Windows to be washed on an annual basis.
  - Tile floors to be cleaned and waxed and carpets, other than the carpet that is to be replaced, cleaned. Tile to be waxed and carpet to be cleaned again in January of 2018. If Renewal Option is exercised in 4 below, Tile to be waxed and carpet to be cleaned again in January of 2019 and January of 2021.

4. Renewal Option. LESSEE shall have one (1) option to extend (the "**Renewal Option**") the Extended Term for an additional three (3) years (the "**Option Period**") provided; (a) LESSEE shall notified LESSOR in writing ("**Option Notice**") of LESSEE's election to exercise the option on the date that is no less than one hundred eight (180) days prior to the expiration of the Extended Term, and (b) at the time of the Option Notice LESSEE is not in default under this Lease.

Renewal Option Lease Rate: Year 4: \$1.70psf per month fully serviced  
 Year 5: \$1.75psf per month fully serviced  
 Year 6: \$1.75psf per month fully serviced

5. Fiscal Fund Termination without Penalty or Default. Notwithstanding the provisions, terms and conditions of this Lease, pursuant Article 9, Sec. 3 of the Nevada Constitution and NRS 353.260 or other applicable law, in the event any recognized funding authority fails to appropriate funds to the Nevada System of Higher Education, the University of Nevada Reno or the University of Nevada School of Medicine, or their divisions, departments

or colleges, to enable the obligations to be fulfilled under this Lease for the ensuing fiscal year or any part thereof, all rights and obligations of Lessor and Lessee under this Lease shall terminate upon thirty (30) days written notice to Lessor of Lessee's intent to exercise this Fiscal Funding Out right.

6. Contingency. This Agreement is contingent upon the approval of the terms of this Amendment by the Board of Regents of the Nevada System of Higher Education. If the Board of Regents, in its sole and absolute discretion, does not approve the terms of the proposed Amendment, this Amendment shall be deemed null and void without the necessity of further documentation and shall be deemed to be of no binding effect whatsoever.

7. Broker. Stark & Associates represents the Landlord and the Tenant represents themselves. Stark & Associates shall be paid a 1.5% leasing commission by Landlord for the term of this Extended Lease and any exercised Renewal Option. Tenant represents and warrants to Landlord that it is not aware of any brokers or finders who may claim a fee or commission in connection with the consummation of the transactions contemplated by this Amendment. If any claims for brokers' or finders' fees in connection with the transactions contemplated by this Amendment arise, then Tenant agrees to indemnify, protect, hold harmless and defend Landlord (with counsel reasonably satisfactory to Landlord) from and against any such claims if they shall be based upon any statement, representation or agreement made by Tenant.

8. Indemnification. Article 21, Section 21.1 Indemnification of the Lease is hereby deleted in its entirety and replaced with the following Section 21.1:

21.1 Indemnification. Except for any injury or damage to persons or property on the Premises which is proximately caused by or results proximately from the negligence or deliberate act of Landlord, its employees or agents, and subject to the provisions of Section 6.4, Tenant will neither hold nor attempt to hold Landlord, its employees or agents liable for, and to the extent limited in accordance with NRS 41.0305 to NRS 41.039 Tenant will indemnify and hold harmless Landlord, its employees and agents from and against, any and all demands, claims, causes of action, fines, penalties, damages (including consequential damages), liabilities, judgments, and expenses (including, without limitation, reasonable attorneys' fees) incurred in connection with or arising from : (a) the use or occupancy or manner of use or occupancy of the Premises by Tenant or any person claiming under Tenant; (b) any activity, work, or thing done or permitted by Tenant in or about the Premises, the Building, or the Project; (c) any breach by Tenant or its employees, agents, contractors, or invitees of this Lease; and (d) any injury or damage to the person, property, or business of Tenant, its employees, agents, contractors, or invitees entering upon the Premises under the express or implied invitation of Tenant.

If any action or proceeding is brought against Landlord, its employees or agents by reason of any such claim for which Tenant has indemnified Landlord, Tenant,

upon written notice from Landlord, will defend the same at Tenant's expense, with counsel reasonably satisfactory to Landlord.

Section 21.2 Waiver and Release of the Lease remains unchanged.

9. No Other Modification. Landlord and Tenant agree that except as otherwise specifically modified in this Amendment, the Lease has not been modified, supplemented, amended, or otherwise changed in any way and the Lease remains in full force and effect between the parties hereto as modified by this Amendment. To the extent of any inconsistency between the terms and conditions of the Lease and the terms and conditions of this Amendment, the terms and conditions of this Amendment shall apply and govern the parties. This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which, together, shall constitute one and the same Amendment.

[NO FURTHER TEXT ON THIS PAGE; SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date set forth above.

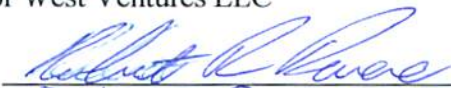
**TENANT:**

The Board of Regents of the Nevada System of Higher Education on behalf of the University of Nevada School of Medicine and NFPRP, Inc. dba Mojave Adult, Child & Family Services

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**LANDLORD:**

Windsor West Ventures LLC

By:   
Name: Robert R Pavese  
Title: Manager

745 Moana Lane

