

GROUND LEASE

THIS GROUND LEASE is made and entered into this ____ day of October, 2008, by and between the Board of Regents of the Nevada System of Higher Education (hereinafter the "Board of Regents") on behalf of the College of Southern Nevada (hereinafter "CSN") and the City of Las Vegas, a municipal corporation (hereinafter "City").

WITNESSETH:

WHEREAS, CSN is an institution of higher education within the Nevada System of Higher Education whose general supervision, government and control is vested in the Board of Regents;

WHEREAS, the City is a municipal corporation;

WHEREAS, the City and the Board of Regents on behalf of CSN have entered into an Interlocal Agreement by which they jointly desire to design and construct a building on CSN's West Charleston campus that will house two functions: a fire station that the City will use and operate and separate college classrooms and office space that CSN will use and operate. Hereinafter, the combined fire station and the college classrooms and office space shall be jointly referred to as the "Building", and the location of the fire station portion of the Building including the fire station driveways will be referred to as the "Fire Station Area";

WHEREAS, the Board of Regents is the sole owner of the real property comprising CSN's West Charleston campus, and the general location of the Building and the necessary parking lot associated with the Building, including a delineated portion of the parking lot to be utilized for active training of fire science students by CSN instructors with actual City fire equipment (the "Parking Lot Instructional Area") is depicted on the attached Exhibit A;

WHEREAS, the City and CSN have not selected the exact location for the final footprint of the Fire Station Area or the Parking Lot Instructional Area, and Exhibit A-1 showing the specific location of the Fire Station Area and the Parking Lot Instructional Area will be substituted for Exhibit A once the construction of the Building is completed;

WHEREAS, the Board of Regents desire to lease the Fire Station Area to the City for the construction of the fire station portion of the Building in order to obtain the various benefits that it will provide, and the City desires to lease the Fire Station Area from the Board of Regents for the construction of the fire station portion of the Building in order to obtain the various benefits that it will provide;

WHEREAS, at the conclusion of the lease term the fire station portion of the Building will be donated to the Board of Regents under the terms contained in this Lease; and

NOW, THEREFORE, THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. Fire Station Area. The Board of Regents leases to the City, subject to the conditions expressed herein, the Fire Station Area. The Board of Regents and the City agree to substitute Exhibit A-1 for Exhibit A showing the specific location of the Fire Station Area once the construction of the Building and the Fire Station Area is completed.
2. Term and Rent. The term of this lease shall be forty (40) years commencing on the date of completion of construction of the Building to be mutually agreed upon by the parties. The City shall have the right to exercise upon three (3) years advanced written notice two (2) ten (10) year extension terms beyond the original forty (40) year term. Rent for the Fire Station Area for the term shall be one dollar (\$1) per year in lawful money of the United States.
3. Use of Fire Station Area. At all times during the term of this lease, the City shall use the Fire

Station Area exclusively for the purpose of an active fire station housing emergency response crews and equipment; however, the City may use or permit the use of the Fire Station Area for other purposes approved in writing by CSN which further the educational purposes of CSN. City shall not permit any nuisance or commit any waste upon the Fire Station Area. City shall at City's sole cost and expense comply with all present and future laws, statutes, ordinances, regulations, requirements, rules and orders of all federal, state, county and municipal governments, agencies and government authorities that may be applicable to use of the Fire Station Area including, without limitation, all permits, authorizations and licenses and all federal and state occupational health and safety requirements.

4. Easements. At City's request and as may be reasonably required, the Board of Regents shall grant to public entities or public service corporations for the term of this lease for the purpose of serving the Fire Station Area, rights of way or easements on or over the Fire Station Area and adjacent property owned by the Board of Regents for poles or conduits or both for telephone, electricity, water, sanitary or storm sewers or both, and for other utilities and municipal or special district services. Grants made under the authority of this provision shall be consistent with existing services and the master plan for CSN's Charleston campus. The Board of Regents hereby grants to the City and to the general public for access to the Fire Station Area an easement for ingress and egress upon the immediately adjacent Board of Regents' property upon which CSN constructs general usage driveways and parking areas to serve the Building.
5. Operating Agreement. The Parties will negotiate and execute an Operating Agreement which unless otherwise dealt with in the Interlocal Agreement or this lease shall address

coordination for operational matters, maintenance, use of the fire station area for instructional purposes by faculty/students, use of CSN's instructional space by the City, and similar topics. All parking areas are outside of the Fire Station Area and after initial construction under the Interlocal Agreement, the parking areas constructed to serve the Building will be maintained by CSN. Approximately twenty (20) parking spaces immediately adjacent to the Fire Station will be reserved for the City's employees assigned to the Fire Station, and that adjacent parking will otherwise be open and available for parking by the employees, students and patrons of CSN.

6. "As is" Condition. Except as otherwise provided for herein, City acknowledges that it has had opportunity to investigate the Fire Station Area including, but not limited to, the physical condition of the Fire Station Area and that the City is leasing the Fire Station Area "AS IS" and the Board of Regents make no warranty of any kind or nature, express, implied or otherwise, or any representations or covenants of any kind or nature in connection with the condition of the Fire Station Area or any part thereof, and the Board of Regents shall not be liable for any latent or patent defects therein or be obligated in any way whatsoever to correct or repair any such latent or patent defects. Without limiting the above, City acknowledges and agrees that neither the Board of Regents nor any employees or representatives of the Board of Regents have made any representations or warranties concerning the Fire Station Area including, without limitation, the land, improvements, conditions and restrictions, water, topography, utilities, soil, subsoil, drainage, environmental or building laws, rules or regulations or any other representations or warranties of any nature whatsoever. The Board of Regents, however, expressly warrants that it has full authority to enter into this lease.

7. Environment. As used hereafter, the terms 'Environmental Laws' and 'Hazardous Material' are defined in Attachment 1 hereto.

a. Board of Regents Representations/Agreement

- i. To the best of the Board of Regents' knowledge, as of the date hereof, there are no toxic or hazardous substances, material, or waste (including without limitation, asbestos, poly chlorinated biphenyls (PCBs), formaldehyde or other substances defined in 42 USC § 9601 et seq. and 42 USC § 6901 et seq.) on or at the Fire Station Area, and that the Fire Station Area are in full compliance with all federal, state and local laws, ordinances, regulations, rules and orders relating to health , safety, and environmental protection and storage, discharge or disposal of harmful, toxic or hazardous waste and water and air quality.
- ii. With respect to the subject matter of sub-paragraph (a)(i) above, and to the extent authorized by law, the Board of Regents agrees to indemnify and hold City harmless from and against any and all claims, demands, fees, fines, penalties, settlements, judgment, obligations, assessments, suits, losses, liabilities, damages, injuries, costs or expenses (including costs of investigation settlement and defense of such claims plus interest, penalties and attorneys and engineering fees) and does hereby agree to reimburse City from any such cost and expense from or on account of:
 - 1) The inaccuracy or breach of any of the Board of Regents' representations or warranties as set forth in this section.
 - 2) The migration of, or other impact of any hazardous substances, waste,

releases or contaminants from any adjacent or adjoining property owned by the Board of Regents.

The representations and agreement in this Environment Section shall continue throughout the lease term and shall survive the termination or expiration thereof.

b. City's Agreement

- i. Hazardous Materials. City shall not cause or permit Hazardous Materials to be brought onto the Fire Station Area, by the City, its agents, employees, contractors, or invitees, nor shall it cause or permit the releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, disposing or dumping of any Hazardous Material on, under or about the Fire Station Area.
- ii. Compliance. City shall at its sole cost and expense comply with all Environmental Laws as well as any other laws, statutes, ordinances, regulations, rules and orders of any federal, state, county and municipal governments or agencies that may be applicable to operation of the Fire Station, whether existing at the commencement of this lease or enacted thereafter, including all federal, state, and local statutes, regulations, ordinances and similar provisions having the force or effect of law, and all judicial and administrative orders and determinations concerning public health and safety, worker health and safety and pollution or protection of the environment, including without limitation all those relating to the presence, use, production, generation, handling, transportation, treatment, storage, disposal, distribution, labeling, testing, processing, discharge, release, threatened release, control or cleanup of any hazardous materials,

substances or wastes, chemical substances or mixtures, pesticides, pollutants, contaminants, toxic chemicals, petroleum products or byproducts, asbestos, polychlorinated biphenyls, noise or radiation (collectively, the "Environmental Health and Safety Requirements").

- iii. Indemnification. City shall indemnify, defend and hold harmless the Board of Regents from and against any and all claims, suits, actions, proceedings, liability, damages, costs or expenses, including reasonable attorneys' and experts' fees and court costs, arising from the City's violation of the Environmental Health and Safety Requirements including, without limitation, diminution in value of the Fire Station Area, damages for the loss or restriction on use of usable space and sums paid in settlement of claims, attorneys' fees and costs incurred, consultant fees and expert fees.

The representations and agreement in this Environment Section shall continue throughout the lease term and shall survive the termination or expiration thereof.

8. Destruction of the Building. In the event that the Building shall be damaged or destroyed during the term of this lease by fire or any other casualty, the City may, at the City's option, elect to continue this lease in effect and, if the City does so elect, the City shall cause any damaged part of the fire station portion of the Building to be repaired and restored to substantially the same condition which existed before any fire or other casualty. Should the City exercise the City's option to continue the lease and to restore the fire station portion of the Building, the City shall proceed with repairs, restoration and reconstruction with due diligence.

In the event that the City does not exercise the City's option to continue the lease upon the occurrence of damage to or destruction of the Fire Station Area by fire or other casualty, then the City may, at the City's sole option, declare the lease terminated as of the end of the calendar month in which notice of termination is given. In such event, all obligations to pay rent and perform other covenants of this lease shall terminate at the end of such calendar month, and the City shall surrender possession to the Board of Regents. In the event of the termination of the lease after any fire or casualty loss, City shall pay to CSN the costs incurred for demolition of the remaining fire station improvements and restoration of the real property to the condition existing as of the commencement of this lease.

9. Termination and Removal of Property. The Board of Regents may terminate this lease upon written notice to the City in the event: (a) the City fails to use the fire station space for its intended purpose, (b) the City fails to correct any non-compliance with the provisions of this lease, (c) the City fails to pay assessments, if any, for operational services, (d) the City abandons the fire station space prior to the expiration of the term hereof, or (e) any other material breach of the City's obligations hereunder occurs and, with respect to each of the foregoing subsections, the City fails to correct the failure or condition of default within 30 days of the Board of Regents' written demand.

Upon the expiration of the term of this lease, or earlier termination as provided herein, all alterations, improvements, replacements and appurtenances on or to the Fire Station Area shall become the sole and absolute property of the Board of Regents; provided, however, that all fixtures, equipment and personal property installed in or affixed to the Fire Station Area shall remain the property of the City and may be removed within a reasonable time upon

termination of the lease. Until such expiration of the lease, all such improvements, alterations, replacements, and appurtenances are the property of the City. The City shall be responsible for the reasonable repair of damage caused to the Building by the removal of equipment or fixtures affixed to the walls, floor, ceiling or other part of the Building to the extent that their removal results in damage to the Building.

10. Liens. Except as hereinafter provided, the City shall not permit any mechanic's, material men's or other lien or security interest to attach to the Building or the Fire Station Area at any time. In the event that any such mechanic's, material men's, or other liens or security interests are filed against the Building or the Fire Station Area by reason of actions of the City, the City shall cause all such liens to be discharged by payment, bond, or otherwise within thirty (30) days after the City has knowledge or receives notice of the filing of such liens or security interests.
11. Subleasing/Assignment. The City may not sublet any part of the Building or the Fire Station Area. The City may not assign this Lease.
12. Signs. The City may place a sign or signs acceptable to CSN upon the Building indicating the presence of the fire station.
13. Taxes. The City shall pay, if any, property taxes, general assessments, license fees and other charges that may be levied against the Fire Station Area.
14. Board of Regent's Transfer of Interest. The Board of Regents may, at any time, assign or transfer its interest in and to this lease, and may, at any time sell, transfer or encumber its interest in the fee of the Fire Station Area, in whole or in part, without City's approval. In the event the Board of Regents sells the Fire Station Area and/or assigns its interest in this lease

and the Board of Regents' successor in interest assumes all of Board of Regents' obligations under this lease, the Board of Regents shall be released from all obligations under this lease, not accrued as of the date of such sale or transfer; and the purchaser, at such sale or transfer or any subsequent sale or transfer of the Fire Station Area, shall be deemed, without any further agreement between the parties or their successors in interest or between the parties and any such purchaser, to have assumed and agreed to carry out any and all of the covenants and obligations of the Board of Regents under this Lease. The City shall attorn to any assignee, transferee or purchaser of the Board of Regent's interest in this lease who assumes all of the Board of Regent's obligations under this lease.

15. Entry and Inspection of Fire Station Area. The Board of Regents and its agents shall have the right to enter the Fire Station Area at all reasonable times and upon reasonable notice to the City to: (i) inspect the Fire Station Area; (ii) determine whether City is complying with all of its obligations hereunder; and (iii) perform its duties under this lease, except that notice of intent to enter is not required in the event of any emergency threatening injury to persons or property.
16. Insurance. After the construction of the Building and prior to entry for installation of furniture, fixtures, and equipment and continuing throughout the term of this lease, the Board of Regents and the City shall during the term of this lease, at their respective sole expense, provide and keep in force: a) comprehensive and general liability insurance or self-insurance in compliance with the provisions of Nevada Revised Statutes Chapter 41 insuring for all accidents occurring on their owned or leased property, respectively, b) fire and property casualty insurance or self-insurance for the improvements on their owned or leased property,

respectively.

The City shall at City's sole expense, secure, pay for and maintain in full force and effect workmen's compensation insurance for all employees, insuring against claims under the workmen's compensation laws of the State of Nevada with limits in the amount required by those laws.

Any insurance policies shall name the Board of Regents as an additional insured, and shall be written by one or more responsible insurance companies licensed to do business in Nevada with a general policyholder rating of A- or better and a financial rating of "VIII" or better as rated in the most recent edition of Best's Insurance Guide (or similar rating service if such guide is no longer published). Any policies shall also include an endorsement requiring the company writing such policy to give the Board of Regents at least thirty (30) days' notice in writing in advance of any cancellation or lapse of such policy or the effective date of any reduction in the amount of coverage under such policy. All public liability, property damage, and other casualty insurance policies obtained by the City pursuant hereto shall be written as primary insurance and not contributing with separate coverage or self insurance which the Board of Regents may carry.

17. Indemnity.

A. By the City. In addition to any other indemnity provided by City pursuant to this Lease, City shall indemnify, defend and hold harmless the Board of Regents from and against any and all claims, suits, actions, proceedings, liability, damages, costs or expenses, including payment of reasonable attorneys' and experts' fees and court costs, for injury to any person, loss of life or damage to property occurring on the Fire Station Area or the Parking Lot Instructional Area

due to the sole negligence of the City, its officers or employees. The City shall not indemnify NSHE for injury to any person, loss of life or damage to property occurring on the Fire Station Area or the Parking Lot Instructional Area due to the negligence or willful misconduct of NSHE, CSN, its contractors, agents or employees. This Section shall survive the expiration or termination of this Lease.

B. By NSHE. To the extent limited in accordance with NRS 410.305-.309, NSHE shall indemnify, defend and hold harmless the City from and against any and all claims, suits, actions, proceedings, liability, damages, costs or expenses, including payment of reasonable attorneys' and experts' fees and court costs, for injury to any person, loss of life or damage to property occurring on the Fire Station Area or Parking Lot Instructional Area due to the sole negligence of NSHE, CSN, its employees or students. This Section shall survive the expiration or termination of this Lease.

18. Surrender of Fire Station Area. Upon expiration or earlier termination of this lease, City shall promptly quit and surrender the Fire Station Area in good condition and repair, including all improvements. If the Fire Station Area are not surrendered at the end of the term, City shall indemnify the Board of Regents against loss or liability resulting from delay by City in so surrendering the Fire Station Area.

19. Attorney's Fees and Costs. In the event that either party of this Lease shall enforce any of the provisions hereof in any action at law or in equity, the prevailing party in such litigation shall be entitled to recover from the other party or parties all costs and expense, including reasonable attorney's fees, incurred herein.

20. Severability. In the event any provision of this Lease shall be held invalid or unenforceable

according to law, the validity, legality or enforceability of the remaining provisions and the application thereof shall not in any way be affected or impaired.

21. Amendment. This Lease shall not be modified except in writing signed by all parties to be bound.

22. Force Majeure. If The City or the Board of Regents is delayed or prevented from the performance of any act required hereunder by reason of acts of God, war, or natural disasters, including but not limited to, earthquakes, floods and hurricanes, this agreement shall terminate if construction of the Building has not yet begun, and excuse the non-performance of the required act during the period of force majeure.

23. Notices under the lease:

If to the Board of Regents:

College of Southern Nevada
General Counsel
6375 W. Charleston Blvd, W32E
Las Vegas, Nevada 89030-4296

If to the City:

City Manager
400 Stewart Avenue
Las Vegas, Nevada 89101

24. Effective Date. This lease shall be effective only after authorizing votes have been cast by the Board of Regents and the City Council of the City, and after it has then been signed by an authorized representative of both parties, and as specified in the Interlocal Agreement. If such authorization is not obtained, this Lease shall be null and void, and neither the Board of

Regents nor the City shall have any liability or obligation hereunder.

25. Severability. If any term or provision of this lease or the application thereof to any person or circumstances shall, to any extent, be invalid and unenforceable, the remainder of this lease or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term or provision of this lease shall be valid and be enforced to the fullest extent permitted by law.

26. Choice of Law. This agreement shall be construed pursuant to the laws of the State of Nevada. All litigation regarding this lease shall occur in Clark County, Nevada.

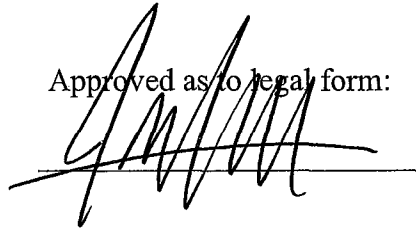
In witness whereof, the parties have caused this Ground Lease to be executed the day, month and year first above written.

THE CITY of LAS VEGAS:

By: _____

Title: _____

Approved as to legal form:

A handwritten signature in black ink, appearing to read "James Rogers", is written over a horizontal line.

Init.
Mayor
City of Las Vegas

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Init.
Mike Richards
CSN President

Init.
James Rogers
NSHE, Chancellor

THE BOARD OF REGENTS of the NEVADA SYSTEM OF HIGHER
EDUCATION

Recommended by:

Dr. Michael Richards,
President, College of Southern Nevada

Approved by:

James E. Rogers,
Chancellor

Approved as to legal form:
