

DEVELOPMENT AGREEMENT AND AGREEMENT TO GROUND LEASE

THIS DEVELOPMENT AGREEMENT AND AGREEMENT TO GROUND LEASE (“*Agreement*”) is entered into as of the ____ day of _____, 2013 (“*Effective Date*”) by and between the City of Las Vegas, a municipal corporation of the State of Nevada (the “*City*”), and the Nevada Blind Children’s Foundation, a Nevada non-profit corporation (the “*Foundation*”). The City and the Foundation are hereinafter referred to individually as “*Party*” and collectively as the “*Parties*”.

RECITALS

WHEREAS, the City is the owner of certain real property consisting of approximately 2.78 acres, known as Assessor’s Parcel Number 139-27-708-014, located at 741 Veteran’s Memorial Drive, City of Las Vegas, Clark County, Nevada and depicted on the Site Map attached hereto as Exhibit A (the “*Property*”);

WHEREAS, the Foundation is a 501 (c) (3) organization dedicated to developing, building and operating a learning center to provide educational services to children who are blind or visually impaired (the “*Learning Center*”);

WHEREAS, the City and the Foundation have entered into that certain Memorandum of Understanding dated January 23, 2013, as amended from time to time, , whereby the Foundation has conducted a feasibility analysis of developing and operating the Learning Center;

WHEREAS, the Foundation desires to construct the Project (hereinafter defined) on the Property and to enter into the Ground Lease (hereinafter defined) of the Property upon completion of construction of the Project;

WHEREAS, the City desires to permit the Foundation on the terms and conditions set forth in this Agreement to enter into the Property to construct the Project and to enter into the Ground Lease of the Property; and

WHEREAS, the City and the Foundation mutually desire to enter into this Agreement in order to set forth the terms and conditions of the development and construction of the Project and the entering into the Ground Lease.

NOW, THEREFORE, in consideration of the mutual terms, conditions and covenants set forth below, the Parties hereby agree as follows:

SECTION 1 DEFINITIONS

Section 1.1. Definitions. Initially capitalized terms used in this Agreement are defined below or have the meaning given them when first defined in the Agreement.

“*Agreement*” shall have the meaning set forth in the first paragraph of this Disposition and Development Agreement.

“*Applicable Laws*” means all federal, state and local governmental rules, policies, permits, authorizations, regulations, ordinances, codes, statutes and laws, now or hereafter in effect pertaining to the Property or any use thereof.

“*Architect*” means the architect of record Approved by the City for the design and construction administration of the Project.

“*Architect Agreement*” means the agreement Approved by the City with the Architect for the design and construction administration of the Project

“*Basic Concept Drawings*” means a site plan, elevations and an architect’s renderings of the Project.

“*City*” shall have the meaning set forth in the first paragraph of this Agreement.

“*City Council*” means the City of Las Vegas City Council, the governing body of the city of Las Vegas.

“*City Default*” shall have the meaning set forth in Section 14.3.

“*City Indemnified Parties*” shall have the meaning set forth in Section 7.9.G.

“*Completion Approvals*” means that all Governmental Authorities that have authority for any element of the Project have approved the construction of such element as being complete in accordance with all applicable Requirements.

“*Contractor*” means a Person licensed as a general contractor in the State of Nevada Approved by the City.

“*Completion Bond*” means a performance, payment and completion bond covering 100% of the construction costs of the Project pursuant to the Construction Contract issued by a surety Approved by the City.

“*Construction Assignment*” means an assignment whereby the Foundation does collaterally assigns, transfers, sets over and delivers unto the City all the right, title and interest of the Foundation in, to and under the following documents heretofore, now or hereafter executed by or issued to the Foundation, to the extent the same are assignable:

A. all agreements (including but not limited to those with the Architect, the Contractor, engineers, contractors, construction managers, suppliers and the like) and records relating to construction of the Project, together with all revisions and modifications thereof and all drawings and notes related thereto;

B. all warranties covering the quality or performance of the Project work required by any contracts and subcontracts, together with any and all extensions, modifications, amendments and renewals thereof; and

C. all permits, licenses, approvals, variances, exemptions, certificates of occupancy and authorizations, to the extent the same may lawfully be assigned, related to the construction, development, use, occupancy and/or operation of the Project, together with any and all extensions, modifications, amendments and renewals thereof.

“*Construction Budget*” means a line item budget for the Final Contract Project Cost based upon final bids for the construction of the Project as Approved by the City pursuant to Section 7.2.

“*Construction Contract*” means a guaranteed maximum price contract Approved by the City with the Contractor for the construction of the Project at a cost not to exceed the Construction Budget.

“*Construction Control Agreement*” means an agreement entered into between the City, the Foundation and the Construction Control for the disbursement of the Construction Fund and Approved by the City.

“Construction Control” means a third party company mutually Approved by the Parties which will provide various disbursement and inspection controls related to the construction of the Project and the disbursement of the Construction Fund.

“Construction Documents” means documents which set forth in detail the requirements for construction of the Project and which have obtained all required Governmental Approvals. The Construction Documents shall include drawings and specifications to establish the quality levels of materials and systems required for the Project.

“Construction Fund” means the sum of money deposited from time to time by the Foundation into the Construction Control to pay the full cost of the Final Contract Project Cost, as such may be adjusted from time to time.

“Construction Schedule” means a schedule for the performance of the work of construction of the Project to be Approved by the Parties during the Predevelopment Period.

“Default Rate” shall have the meaning set forth in Section 14.2.A.

“Determine”, “Determined”, “Approve”, “Approved”, “Estimate” or “Estimated” shall mean a reasonable determination, approval or estimate by a Party made pursuant to this Agreement. If a Party disagrees with any such determination or estimate by the other Party, the Party disagreeing is entitled to resolve such dispute in accordance with the provisions of Section 14.5 hereof.

“Effective Date” means the signature date of the last Party to sign this Agreement as listed in the first paragraph of this Agreement.

“Employment Plan Policy” means that City of Las Vegas Economic Development Projects Employment Plan Policy attached to hereto as Exhibit G, as such may be amended from time to time.

“Employment Plan” means an employment plan for the construction and operation of the Project and the Learning Center pursuant to the Employment Plan Policy.

“Event of Force Majeure” means an event or circumstance which is beyond the control and without the fault or negligence of the Party affected and which by the exercise of reasonable diligence the party affected was unable to prevent provided that event or circumstance is limited to the following:

- A. act of God, such as, but not limited to, fires, explosions, earthquakes, drought, tidal waves and floods;
- B. war, hostilities, whether war be declared or not, invasion, act of foreign enemies, mobilization, requisition, or embargo;
- C. rebellion, revolution, insurrection, or military or usurped power, or civil war;
- D. contamination by radio-activity from any nuclear fuel, or from any nuclear waste from the combustion of nuclear fuel, radio-active toxic explosive, or other hazardous properties of any explosive nuclear assembly or nuclear component of such assembly;
- E. riot, commotion, strikes, go slows, lock outs or disorder, or
- F. acts or threats of terrorism.

“Feasibility Review Period” shall have the meaning set forth in Section 6.1.B.

“Final Completion” means (i) the completion of the construction of the Project as evidenced by the issuance of all applicable Completion Approvals, together with a certification by the Architect that the Project has been completed in accordance with the Construction Documents and all applicable Requirements, (ii) all undisputed amounts due in connection with the development and construction have been paid in full or in City’s Determination the remaining balance, if any, in the Foundation’s construction fund will be sufficient to pay all remaining amounts due, (iii) all claims relating to the Construction Contract or otherwise relating to the Project are resolved or in City’s Determination will be resolved on a satisfactory basis such that the remaining balance, if any, in the Foundation’s Construction Fund will be sufficient to pay any remaining claims, (iv) delivery to City of evidence Approved by City that the Project has been completed on a lien-free basis and (v) there is no outstanding or threatened litigation between any of City, the Foundation, the Architect and/or the Contractor.

“Final Contract Project Cost” means the sum of (i) the total final bid pursuant to the Construction Contract, including all contingencies and fees, and plus (ii) any other estimated costs to be incurred in connection with the Project through Final Completion.

“Foundation” shall have the meaning set forth in the first paragraph of this Agreement.

“Foundation Default” shall have the meaning set forth in Section 14.1.

“Governmental Approval” all licenses and permits or authorizations required for from all applicable Government Authorities necessary for the construction of the Project.

“Governmental Authority” or *“Governmental Authorities”* means (i) the United States of America, the State of Nevada, City, Clark County, Nevada, any other community development district and any agency, department, commission, board, bureau, instrumentality or political subdivision (including any county or district) of any of the foregoing, now existing or hereafter created, having jurisdiction over the Project (or any portion thereof) and (ii) any public utility or private entity which will be accepting and/or approving design and/or construction of any element of the Project.

“Ground Lease” means a triple net ground lease in the form attached hereto as Exhibit C whereby the City ground leases the Property to the Foundation for a period of thirty (30) years commencing on Final Completion for an annual rent of One Dollar (\$1.00).

“Liabilities” shall have the meaning set forth in Section 7.1.G.

“NRS” means the Nevada Revised Statutes, as amended from time to time.

“Operating Budget” means a comprehensive budget for the operation of the Learning Center for a period of ten (10) years upon commencement of the Ground Lease.

“Party” or *“Parties”* shall have the meaning set forth in the first paragraph of this Agreement.

“Person” means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization or government, or any city or political subdivision thereof.

“Preconstruction Period” means that period commencing on the Effective Date and ending on the first anniversary of the Effective Date.

“Project” means the Learning Center of at least 17,000 gross square feet and any and related improvements as set forth in the final Construction Documents.

“*Property*” shall have the meaning set forth in the first Recital.

“*Responding Party*” shall have the meaning set forth in Section 2.3.

“*Response Period*” shall have the meaning set forth in Section 2.3

“*Requesting Party*” shall have the meaning set forth in Section 2.3.

“*Requirement*” means (i) any and all laws, rules, regulations, constitutions, orders, ordinances, charters, statutes, codes, executive orders and requirements (now existing or hereafter applicable) of all Governmental Authorities having jurisdiction over City, the Foundation or the Project or any street, road, avenue or sidewalk comprising a part of, or lying in front of, the Project, or any vault in or under the Property (including, without limitation, Environmental Laws, the American with Disabilities Act and any of the foregoing relating to handicapped access or parking, the building code of City and any of the foregoing of any applicable fire rating bureau or other body exercising similar functions); (ii) any temporary or final certificates of completion and/or occupancy issued for the Project, as then in force; (iii) any and all provisions and requirements of any property, casualty or other insurance policy required to be carried in connection with the design and construction of the Project; and (iv) any and all terms, conditions or covenants of any and all easements, covenants, conditions or restrictions of record, declarations, or other indentures, documents or instruments of record.

“*Learning Center*” shall have the meaning set forth in the second Recital and shall.

“*Scope of Project*” means the description of the Learning Center and Project attached hereto as Exhibit H.

“*Survey*” shall have the meaning set forth in Section 6.1.A.

“*Term*” shall have the meaning set forth in Section 2.4.B.

“*Title Company*” means Nevada Title Company.

“*Title Report*” shall have the meaning set forth in Section 6.1.A.

SECTION 2 GENERAL

Section 2.1. Purpose of Agreement. The purpose of this Agreement is to facilitate educational development in the community, to memorialize certain terms, provisions and conditions governing the planning, construction and operation of the Learning Center on the Property and the rights and obligations of the Parties pertaining to this Agreement and to accomplish the execution of the Ground Lease of the Property. The lease of the Property and the fulfillment generally of this Agreement are in the vital and best interests of the City and the health, safety, morals and welfare of its residents, and in accordance with public purposes and provisions of Applicable Law.

Section 2.2. Parties to the Agreement.

A. The City is a Nevada municipal corporation duly organized and validly existing under the statutes of the State of Nevada. The City is a “public agency” pursuant to NRS 277.100(1)(a) and is authorized to act by and through the City Council and its designated representatives.

B. The Foundation is a Nevada non-profit corporation duly organized and validly existing under the statutes of the State of Nevada, and is a corporation for public benefit as defined in NRS 268.5165. The President of the Foundation is Kevin Spilsbury. The Foundation is a tax

exempt organization as defined by Section 501(c)(3) of the Internal Revenue Code of 1986, as amended.

C. As required by Resolution R-105-99 adopted by the City Council effective October 1, 1999, the Foundation warrants that it has disclosed, on the form attached hereto as Exhibit C, the identity of all persons and entities holding more than a one percent (1%) interest in the Foundation, if any, as of the Effective Date of this Agreement. Throughout the term hereof, the Foundation shall notify the City in writing of any material change in the above disclosure within fifteen (15) calendar days of any such change.

D. The qualifications and status of the Foundation are of a particular concern to the City, and because of such qualifications and status, the City has entered into this Agreement with the Foundation. The Foundation agrees:

(1) no voluntary or involuntary successor in interest of the Foundation shall acquire any rights or powers under this Agreement as expressly set forth herein; and

(2) the Foundation shall not assign all or any part of this Agreement, except as expressly provided herein.

(3) This Agreement may be terminated by the City if there is any change, voluntary or involuntary, in the membership, management or control of the Foundation except as expressly provided herein. Upon such termination, the Foundation shall have no further rights under this Agreement.

Section 2.3 Approval of a Party. In the event a Party seeks a Determination, Approval or Estimate from the other Party, then the following procedures shall apply:

A. the Party seeking the Determination, Approval or Estimate (“*Requesting Party*”) shall notify the other Party (“*Responding Party*”) of such request in writing along with all supporting information and documentation for the Responding Party to respond in an informed manner.

B. The Responding Party shall respond in writing within thirty (30) days (the “*Response Period*”) either granting or denying the request with a written description why the request was denied in the event of a denial by the Responding Party. If the Responding Party fails to respond to the Requesting Party within the Response Period, then the Responding party shall be deemed to have granted the request of the Requesting Party.

C. After a denial, the Requesting Party shall have the option to resubmit to the Responding Party revisions of the specific submissions addressing the Responding Party’s objections.

D. In the event (i) the Requesting Party elects not to resubmit the request or (ii) after the resubmission of the item objected by the Responding Party the Parties cannot agree on the final submission, the matter will be referred to resolution pursuant to the provisions of Section 14.5.

E. The Parties agree that they may be able to rely conclusively on the Approval, Estimate or Determination of the other Party’s Project Representative in connection with this Section 2.3. Notwithstanding anything to the contrary contained in this Agreement, the Response Period shall be extended for City if City determines that the City Council must review any matter submitted to City under this Section 2.3 by such time period as reasonably necessary to submit such matter to the City Council for consideration, provided, however, that City shall provide the Foundation with a written notice during the Response Period of such determination and its Estimate of the required time for a response from the City Council.

Section 2.4. Effective Date and Term.

A. Effective Date. This Agreement shall become effective as of the last of the following to occur:

- (1) The Foundation executes the Agreement;
- (2) The City Council approves and the mayor of the City executes the Agreement.

The Effective Date will be inserted by the City clerk in the first paragraph of this Agreement; provided, however, no failure to do so by the City shall in anyway invalidate this Agreement.

B. Term. The term of this Agreement (“*Term*”) shall commence on the Effective Date and end upon the earlier of (i) the execution of the Ground Lease by the Parties and (ii) the expiration of the Preconstruction Period, unless this Agreement is earlier terminated pursuant to the terms hereof.

Section 2.5 Exclusivity. The City and the Foundation agree that so long as this Agreement is in effect, the City shall deal exclusively with the Foundation and not negotiate with third parties in connection with the development of the Property. Notwithstanding the foregoing, the City may consider a site development plan application or similar entitlements for the operation of a learning center of similar nature within the City of Las Vegas city limits at a location other than the Property.

Section 2.6. Incorporation of Recitals and Exhibits. The above Recitals and all Exhibits attached hereto are incorporated by this reference and expressly made part of this Agreement.

SECTION 3 THE PROPERTY

Section 3.1. The Property. The Property consists of that certain real people of approximately 2.78 gross acres, Assessor’s Parcel Number 139-27-708-014 located at 741 Veteran’s Memorial Drive, City of Las Vegas, Clark County, Nevada and depicted on the Site Map attached hereto as Exhibit A which is more particularly described in the legal description attached hereto as Exhibit B.

SECTION 4 GROUND LEASE OF THE PROPERTY

Section 4.1. Ground Lease of the Property. The Parties acknowledge that it is their mutual intent to enter into the Ground Lease upon Final Completion. The Parties agree to enter into the Ground Lease upon the occurrence of the following (and the Parties agree that their respective obligation to enter into the Ground Lease is contingent upon the occurrence of the following during the Preconstruction Period):

- A. Final Completion has occurred;
- B. The Foundation provides to the City a written certificate signed by the President of the Foundation that all of it representation and warranties set forth in Section 12.1B remain true in all respects; and
- C. The Title Company is prepared to issue the title insurance policy as required by Section 8.

Upon fulfillment of such conditions, the Parties shall enter into the Ground Lease and execute, acknowledge and record the Memorandum of Lease as set forth in the Ground Lease. The Parties shall

enter into mutually Approved escrow instructions with the Title Company by which the execution of the Ground Lease, the recordation of the Memorandum of Lease and the issuance of the title insurance policy will occur.

SECTION 5 PARTIES REPRESENTATIVES

Section 5.1. Foundation's Representative. The Foundation hereby designates Kevin Spilsbury (or such person's successor for such purpose) as the Foundation's representative ("*Foundation's Representative*") in its dealings with the City relating to the implementation and administration of this Agreement. The Foundation may replace the above designated Foundation's Representative at any time by written notice to the City's Representative. The City shall direct all communications regarding the implementation and administration of this Agreement to Foundation's Representative. The Foundation may replace the above designated Foundation's Representative at any time by written notice to City's Representative. All notices and communications to Foundation's Representative shall be given as follows:

INSERT FOUNDATION CONTACT INFORMATION

Section 5.2 City's Representative. City hereby designates Adrina Ramos-King as its representative ("*City's Representative*"), who shall administer this Agreement on behalf of City, and who shall have authority to bind City with respect to matters requiring City's approval or authorization as provided in this Agreement. The City Representative may delegate certain of his responsibilities to such senior employees of City as he may determine from time to time. City's Representative shall notify the Foundation in writing of any such delegation. The Foundation shall direct all communications regarding the administration of this Agreement to City's Representative and any delegated individual(s) pursuant to this Section 5.2. City may replace the above designated City's Representative at any time by written notice to the Foundation's Representative.

SECTION 6 FEASIBILITY REVIEW / INSPECTION/CONSTRUCTION PLANNING

Section 6.1. Title/Feasibility Review / Inspection.

A. The Foundation agrees that the lease of the Property pursuant to the Ground Lease shall be subject to the following matters:

- (1) A lien for ad valorem taxes for real property, and any general or special assessments against the Site, to the extent such taxes and assessments are not yet due and payable;
- (2) All matters disclosed by the Title Report or the Survey, or any supplemental report to the title Report, and which are approved or deemed approved by the Foundation in accordance with this Section 6;
- (3) The Ground Lease; and
- (4) Any matters resulting from any actions of the Foundation or its employees, agents, contractors and any other party acting on behalf of the Foundation.

Upon signing of this Agreement, the City shall delivery to the Foundation a preliminary title report and legible copies of all documents referred to therein covering or relating to the Site (the "*Title Report*"). The Foundation shall obtain an ALTA survey of the Site (the "*Survey*"), at the Foundation's sole expense, but with the cooperation and all survey information available to the City being provided to assist in obtaining such survey. The Foundation shall then approve or disapprove the exceptions listed in Title Report and Survey as to the Site to be acquired by giving the City written notice thereof within sixty (60) days of the Effective Date of this Agreement. Failure to give such written notice to the City by such date shall be deemed to be disapproval of exceptions. If the Foundation disapproves or is deemed to have disapproved any exceptions, City shall have five (5) days within which to agree in writing to remove the applicable exceptions. Failure to give written notice of such agreement to the Foundation shall be deemed to be refusal to cure the Foundation's objections. If the City does not agree to remove any exceptions properly and timely disapproved by the Foundation, the Foundation may, at its option, terminate this Agreement without further liability to the Foundation. If the City agrees to remove any exception objected to by the Foundation, then the City shall have until one-hundred and eighty (180) days after the Effective Date to remove such exception. If the City is unable to remove or endorse around any exception objected to by the Foundation and which the City has agreed to remove by no later than one-hundred eighty (180) days after the Effective Date, then the Foundation may elect to (1) terminate this Agreement or (2) waive the objection and close escrow. Upon such termination, this Agreement shall be null and void and the Parties shall have no other obligations or liabilities hereunder except as otherwise provided in this Agreement.

B. The Foundation will have approved, no later than one hundred eighty (180) days from the Effective Date of this Agreement ("*Feasibility Review Period*"), the condition of the Property and the feasibility of Project development plan therefore. The Foundation's feasibility review will pertain to the Foundation's review of and satisfaction with the following:

- (1) the availability of Governmental Approvals for the Foundation's intended development thereof; and
- (2) engineering studies, soils investigations, environmental assessments, surveys, and physical inspection of the Site and which have either been completed or received by the City, or shall be completed by the Foundation or its agents; and
- (3) any other matters deemed relevant by the Foundation.

The Foundation may elect, at any time prior to the expiration of the Feasibility Period, to terminate this Agreement as a result of the Foundation's disapproval of any of the foregoing matters. In the event the Foundation so elects to terminate this Agreement, this Agreement shall terminate and be of no further force and effect.

C. During the Preconstruction Period, the Foundation and its representatives, including without limitation, its architects, engineers and consultants, will have the right to enter upon and inspect the Property and conduct such boundary and topographic surveys, soil and engineering tests and environmental assessments with engineers or consultants licensed in the State of Nevada as the Foundation may reasonably require; provided that such inspections and tests will not materially damage the Property in any respect; provided, further, that such tests and inspections are conducted in accordance with standards customarily employed in the industry and in compliance with all governmental laws, rules and regulations. Following the Foundation's inspections or testing on the Property, the Foundation promptly will restore the Property to its original condition as existed prior to any such inspections and/or tests. If the Foundation, its agents, representatives or employees undertake any boring or other disturbance of the soil, the soil so disturbed will be recompacted to the original condition of the Property and the Foundation will obtain at its own expense a certificate from a soils engineer which

certifies that such soil so disturbed has been recompact to the original condition of the Property. To the extent that any costs for damages and/or injuries are not covered by any insurance policy protections or are in excess of the insurance policy limits, the Foundation agrees to indemnify, hold harmless and defend, with counsel reasonably acceptable to the City, the Indemnified Parties against and from any and all liability, loss, cost, damage or expense (including attorneys' fees) of whatsoever nature growing out of or in connection with personal injury to or death of persons whomsoever, including, without limitation, exposure to hazardous or toxic substances, or loss or destruction of or damage to property whatsoever, including, without limitation, contamination by hazardous or toxic substances and any required testing, removal or cleanup thereof, where such personal injury, death, loss, destruction or damage arises in any way in connection with or incident to the occupation or use of the Property by, or the presence thereon of, the Foundation, its officers, employees, agents or representatives and occurs from any such cause; provided, however, the Foundation's obligation to indemnify, defend and hold harmless the Indemnification Parties shall not extend to the negligent or wrongful willful acts of the City. If the Foundation should discover any hydrocarbon substances or any other hazardous or toxic substances, asbestos or asbestos-bearing materials, waste or materials subject to legal requirements or corrective action, the Foundation will immediately notify the City of the same, provided that the Foundation shall not bear any responsibility for remediation or clean-up for any such substances or materials. The indemnity obligations of the Foundation under this section will survive any termination of this Agreement or delivery of the Deed and transfer of title. The Foundation covenants and agrees upon request of the City to promptly deliver to the City without charge therefore, the results and copies of any and all environmental reports and related correspondence.

D. The Foundation may elect, at any time prior to the expiration of the Preconstruction Period, to terminate this Agreement at the Foundation's sole discretion. In the event the Foundation so elects to terminate this Agreement, this Agreement shall terminate and be of no further force and effect.

E. The Foundation covenants and agrees to pay in full for all materials joined or affixed to the Property and to pay in full all persons who perform labor upon the Property, and not to permit or suffer any mechanic's or materialman's lien of any kind or nature to be enforced against the Property for any work done or materials furnished thereon at the instance or request or on behalf of the Foundation; and the Foundation agrees to indemnify, hold harmless and defend, with counsel acceptable to the City, the City Indemnified Parties against and from any and all liens, claims, demands, costs and expenses of whatsoever nature in any way connected with or growing out of such work done, labor performed or materials furnished to the Property. In the event the Foundation desires to contest any mechanic's or materialman's lien, it shall have the right to do so provided that the Foundation provides to the City a bond insuring the City from any loss and the City has approved the form of bond, the amount of the bond and the surety under the bond. This Section 6.1E. shall survive any expiration or termination of this Agreement.

F. The Foundation agrees that the City shall have the right to terminate this Agreement in the event all contingencies set forth in Section 7.5 to the commencement of construction of the Project are not fulfilled during the Preconstruction Period and the Foundation has not provided the notice to proceed to the Contractor, the City shall have the right to terminate this Agreement upon written notice to the Foundation and this Agreement shall be null and void and of no further force and effect. In such event, the Parties shall have no further rights and obligations under this Agreement and the Foundation shall have no further interest in the Property whatsoever.

SECTION 7 PROJECT DEVELOPMENT

Section 7.1. Project Predevelopment. The Foundation agrees that during the Preconstruction Period it will undertake the predevelopment of the Project, including, without limitation, the complete design of the Project, the permitting of the construction of the Project, the bidding of the construction of the Project, the negotiation and execution of the Construction Contract, and the conduct of a fundraising campaign to fund the final Contract Project Cost and the Operating Budget, all with the goal of entering into the Construction Contract and funding the Construction Fund in order to commence and complete the construction of the Project.

Section 7.2 Project Design and Budget. The Foundation agrees that the Project and Learning Center shall be designed and constructed substantially as described in the Scope of Project. The Foundation agrees that it shall during the Preconstruction Period, at its sole cost and expense, complete the design of the Project and perform the following tasks within the times set forth in the Schedule of Performance:

- A. The Basic Concept Drawings;
- B. The final site plan for the Project showing the relations of the building's location to existing and proposed topography;
- C. Finished floor plans;
- D. Color boards and material samples of all exterior building materials used;
- E. Final civil plans depicting plans for clearing, grading drainage;
- F. Final landscaping plans, including irrigation;
- G. Prepare and submit the Employment Plan to the City;
- H. Prepare final Construction Documents;
- I. Finalize the Construction Schedule;
- J. Finalize the Construction Budget and submit to the City for Approval;
- K. Select the Architect and finalize the Architect Agreement;
- L. Select the Contractor;
- M. Negotiate and finalize the Construction Contract;
- N. Apply for and obtain all Governmental Approvals required for the Project;
- O. Complete the fund raising campaign required by Section 7.4; and
- P. Complete all other matters necessary for the construction of the Project.

The Foundation agrees that the Foundation will engage an Architect to provide all of the design, engineering and construction administration services required for the design and construction of the

Project. It is the mutual intent of the Parties that the Architect shall engage all other professionals and consultants necessary for all design and construction period services for the Project. The Foundation will enter into the Architect Agreement with the Architect.

Section 7.3 Project Budget. The Parties agree that during the design process that the Foundation shall formulate and the Parties shall from time to time refine the Construction Budget with the goal that upon completion of the design of the Project and as a condition precedent to the bidding of the Construction Contract the Parties shall have a mutually Approved Construction Budget covering the Final Contract Project Cost. The final Construction Budget may contain a contingency amount for changes to the Project and other matters in an amount Approved by the City. The final Construction Budget approved by the Parties may not be revised except (a) by agreement of the Parties, (b) in connection with changes in the Project Approved by the City, or (c) in connection with Force Majeure. If the Construction Budget at any time is not compatible with the status of the Project and does not adequately provide for Final Completion of the Project, the Foundation shall, prior to incurring costs in excess of those provided for in the Construction Budget, prepare and submit to the City for approval a proposed revision of the Construction Budget. The City is not obligated to approve such proposed revised Construction Budget. Changes to the Construction Budget shall be prepared in such form and supported by such data to substantiate its accuracy as the City or may reasonably require.

Section 7.4 Fundraising Campaign. The Foundation agrees that during the Predevelopment Period that it shall undertake a fundraising campaign with two objectives: (i) raising enough cash donations for funding prior to commencement of construction of the Project the Final Contract Project Cost as set forth in the final Approved Construction Budget and (ii) raising enough donations and/or commitments for funding two years of operations of the Learning Center as set forth in the Operating Budget. Such fundraising campaign will be undertaken pursuant to the times set forth in the Schedule of Performance.

Section 7.5. Construction Commencement Contingencies. The Parties agree that the Foundation shall not initiate any construction on the Property and shall not commence construction of any elements of the Project whatsoever until such time as the following contingencies have been met:

A. The Foundation has obtained all Governmental Approvals necessary for the construction of the Project;

B. The Employment Plan has been submitted to the City and approved by the City and all actions required of the Foundation under the Employment Plan have been completed, including the deposit by the Foundation with the City of the EP Incentive;

C. The Construction Control Agreement has been entered into by all necessary parties thereto and the Construction Fund has been deposited with the Construction Control;

D. The Foundation and the Contractor have entered into the Construction Contract;

E. The Foundation has provided to the Contractor the notice to proceed with the construction of the Project;

F. The Completion Bond has been issued;

- G. The Parties have entered into the Construction Assignment;
- H. All insurance required by Section 7.9 has been obtained and remains in full force and effect;
- I. The Foundation has successfully completed the fundraising campaign as set forth in Section 7.4;
- J. The Foundation has provided to the City its certificate in form Approved by the City that all of the Foundation's representations and warranties contained in this Agreement are true and correct as of the date of commencement of construction of the Project; and
- K. A Foundation Default has not occurred and remains uncured.

Section 7.6 Construction License; Completion; City Exculpation.

A. The City hereby grants to the Foundation a license to enter onto the Property for the sole purpose of the construction of the Project. Such license shall extend to all parties necessary for the construction of the Project.

B. The Foundation hereby absolutely, unconditionally and irrevocably guarantees and promises to the City the following: (a) that the Foundation shall complete the construction of the Project in accordance with the Construction Budget, (b) the construction of the Project will be performed free and clear from all defects and construction-related liens and in compliance with all Requirements, (b) that the Project will be completed in substantial compliance with Construction Documents; (c) that the Foundation will cause the Project to achieve Final Completion within the dates or times set forth in the Construction Schedule and (d) the punctual and complete payment when due of all amounts due under the Construction Contract.

C. During the Feasibility Review Period, the Foundation shall inspect the Property and make its own independent investigation of the condition thereof including, without limitation, such geotechnical and soils tests with respect to the Property as it deems necessary. The Foundation hereby specifically acknowledges that such review, inspection and tests will enable The Foundation to adequately assess the nature and scope of the Foundation's development and construction of the Project. The Foundation is accepting the Property "AS-IS," in reliance upon its own inspection of the Property and its own investigation of such matters affecting the Property as it deems relevant. The Foundation's failure to terminate this Agreement pursuant to the terms of Section 6.1D. above shall be conclusively deemed to constitute the Foundation's acceptance of the Property "AS IS." The Foundation agrees that (i) the City shall have no obligation or liability whatsoever to pay any cost or expense of the construction of the Project and (ii) the City shall have no liability under this Agreement whatsoever for the design and construction of the Project. The Foundation acknowledges that (i) the Foundation is responsible for developing the Project as provided herein, notwithstanding any of the delegations to the Contractor, Architect or other third parties; (ii) any failure to perform by the Contractor, Architect or other third parties does not excuse the Foundation's performance under this Agreement; and (iii) the Foundation is responsible for enforcement of its contracts with the Contractor, Architect or other third parties, and agrees to enforce expeditiously such contracts and obligations at the Foundation's sole cost

and expense, including the enforcement of the Completion Bond. The Foundation agrees that the City shall have no liability whatsoever to the Foundation in connection with the design and construction of the Project and that the City is under no obligation to advance any of its own funds in connection with the development and construction of the Project. The Foundation hereby waives and releases any claim or cause of action the Foundation may have against the City in connection with the design and construction of the Project.

D. The Foundation shall pay when due all claims for labor and material furnished to the Property. The Foundation shall give the City at least ten (10) days prior written notice of the commencement of any work on the Property. The City may elect to record and post notices of non-responsibility on the Property. The Foundation will not permit to be created or to remain undischarged any lien, encumbrance or other charge (arising out of any work done or materials or supplies furnished by any contractor, subcontractor, mechanic, laborer or materialman or any mortgage, conditional sale, security agreement or chattel mortgage, or otherwise by or for the Foundation) which might be or become a lien or encumbrance or other charge (collectively a "*Charge*") against or upon the Property, the Project or any part thereof. If any claim or lien or notice of claim or lien on account of an alleged debt of the Foundation or any notice of contract or Charge by a person engaged by the Foundation or the Foundation's contractor to work on the Property shall be filed against or upon the Property, the Project or any part thereof, the Foundation shall within fifteen (15) days after demand from the City cause the same to be discharged of record by payment, deposit, bond, order of a court of competent jurisdiction or otherwise. If the Foundation shall fail to cause such claim or lien or notice of claim or lien or other Charge to be discharged within the period aforesaid, then, in addition to any other right or remedy it may have, the City may, but shall not be obligated to, discharge the same by payment, deposit or by bonding proceedings, and in any such event the City shall be entitled, if the City so elects, to compel the prosecution of an action for the foreclosure of the same by the claimant and to pay the amount of any judgment in favor of the claimant with interest, costs and allowances. Any amount so paid by the City and all interest, costs and expenses, including reasonable attorneys' fees, incurred by the City in connection therewith shall be paid by the Foundation to the City on demand. Prior to commencement of any work or the delivery of any material to the Property by any contractor, subcontractor or materialman (herein collectively called "*Contractor*"), the Foundation shall deliver to the City a signed and acknowledged waiver (or release) of liens from each such Contractor in a form approved by the City, and, to the extent permitted by law, the Foundation shall at its expense cause a duly executed and notarized counterpart of any such waiver or release to be recorded in the Office of the Clark County Recorder. Pursuant to Section 108.234 of the Nevada Revised Statutes (as amended or supplemented from time to time, "NRS"), the City hereby informs the Foundation that the Foundation must comply with the requirements of NRS § 108.2403 and NRS § 108.2407.

E. The Foundation shall indemnify and hold harmless the City Indemnified Parties from and against all claims, losses, damages, expenses (including reasonable attorneys' fees), penalties and charges arising from or in connection with the Foundation's construction of the Project and the use of the Property, regardless of the presence or absence of negligence on the Part of the Foundation, and/or arising from the occurrence of any Foundation Default. The Foundation shall further indemnify and hold harmless the City Indemnified Parties from and against any and all claims, loss, damage, expense (including reasonable attorneys' fees), penalty or charge arising from any default in the performance of any obligation on the Foundation's part to be performed under the terms of this Agreement, or arising from any negligence of the Foundation, or any of the Foundation's agents, contractors, or employees, and from and against all costs, attorneys' fees, expenses and liabilities incurred

in the defense of any such claim or any action or proceeding brought thereon. If any action or proceeding be brought against a City Indemnified Party by reason of any such claim, the Foundation, upon notice from the City, shall defend the same at the Foundation's expense by legal counsel reasonably satisfactory to the City. The Foundation, as a material part of its consideration to the City, hereby assumes all risk of damage to property or injury to persons in or upon the Property arising from any cause and the Foundation hereby waives all claims in respect thereof against the City. The Foundation's indemnity is not intended to nor shall it relieve any insurance carrier of its obligations under policies required to be carried by the Foundation pursuant to the provisions of this Agreement to the extent that such policies cover the results of negligent acts or omissions of the City, its officers, agents, contractors or employees, or the failure of the City to perform any of its obligations under this Agreement.

Section 7.7 Construction Funds Balance. If the City Determines at any time that the funds held in the Construction Fund are not sufficient to fund the completion of the Project, the City may deliver a written notice to the Foundation to cease further prosecution of the Project Work not earlier than 10 days from the date of delivery of the notice to the Foundation unless Construction Control receives additional funding in the Construction Fund which is available to pay the remaining cost of the construction of the Project, and reasonable evidence thereof is provided to the City.

Section 7.8 City Execution of Applications. The City agrees to sign all required permit applications during its period of ownership of the Property, subject to the terms of this Agreement. The Foundation agrees to assume all costs associated with preparation of the site development plan review application and preparation of architectural plans and civil drawings as required by Applicable Laws to complete the Project through issuance of the Certificate of Occupancy. The Foundation also agrees to assume the cost of any application fees due to the City of Las Vegas when its acting as a regulatory authority through and including without limitation, the Building, Fire, Planning or Public Works Departments or any other federal, state or local agency or organization having regulatory authority over the Project.

Section 7.9 Insurance. From the Effective Date until Final Completion, the Foundation, at its sole cost and expense, shall carry and maintain, or cause to be carried and maintained, in full force and effect, insurance as follows:

A. Worker's Compensation and Employer's Liability meeting statutory limits mandated by state and federal laws. If (i) limits in excess of those required by statute are to be provided, or (ii) the employer is not statutorily bound to obtain such insurance coverage, or (iii) additional coverages are required, additional coverages and limits for such insurance shall be as follows:

B. Coverage "A": Statutory requirements in Nevada, to include all areas involved in operations covered by this Agreement.

C. Coverage "B": Employer's Liability bodily injury by accident, \$1,000,000 each accident, \$1,000,000; bodily injury by disease, \$1,000,000 each employee; and bodily injury by disease \$2,000,000 policy limit.

D. Commercial General Liability, including coverage for Premises-Operations, Independent Contractors, Products-Completed Operations, Contractual Liability, Personal Injury, and Broad Form Property Damage (including coverage for Explosion, Collapse and Underground hazards):

(1) \$1,000,000 Each Occurrence

(2) \$2,000,000 General Aggregate Personal and Advertising Injury

(3) \$2,000,000 Products-Completed Operations Aggregate.

E. Automobile Liability (owned, non-owned and hired vehicles) for bodily injury and property damage; \$1,000,000 combined single limit for Bodily Injury and Property Damage. The Foundation reserves the right to satisfy such requirements through blanket insurance policies.

F. Hazardous Material Liability Insurance covering bodily injury and or property damage with limits of not less than \$5,000,000.

G. Umbrella Liability with limits not less than \$5,000,000.00 each occurrence for bodily injury and property damage; \$5,000,000 general aggregate, in excess of the coverage's listed in Section 0, Section D, and Section E. The Foundation reserves the right to satisfy such requirements through blanket insurance policies.

H. Each of the coverages to be provided hereunder by the Foundation shall be with insurance companies approved by the City and the policies shall be endorsed to list the City and any other party the City reasonably requests named as additional insureds. The Foundation shall provide, or cause to be provided, copies of each policy and certificates evidencing payment of all premiums for such policies. Certificates shall provide that such insurance coverages shall not be terminated, cancelled or non-renewed unless the City is provided with thirty (30) days prior written notice.

I. Builder's Risk Insurance coverage for the full insurable value of the Project throughout the term of the construction. The City shall be an additional named insured on such Builder's Risk policy. Such Builder's Risk policy shall be on a completed value basis. Such Builder's Risk Policy shall contain a waiver of subrogation from its insurer or insurers as it relates to any insured. The Foundation shall provide, or cause to be provided, copies of the Builder's Risk Policy and certificates evidencing payment of all premiums for such Builder's Risk Policy. Certificates shall provide that such insurance coverages shall not be terminated, cancelled, or non-renewed unless the City is provided with thirty (30) days prior written notice.

J. The City and the Foundation waive all rights against (i) each other, the contractor and any of their subcontractors, sub-subcontractors, agents and employees, each of the other, and (ii) separate contractors, if any, and any of their subcontractors, sub-subcontractors, agents and employees, for damages caused by fire or other causes of loss to the extent covered by property insurance obtained pursuant to Section I or other property insurance applicable to the Project work. The City or the Foundation, as appropriate, the subcontractors, sub-subcontractors, agents and employees of any of them, by appropriate agreements, written where legally required for validity, shall provide similar waivers. A waiver of subrogation shall be effective as to a person or entity even though that person or entity would otherwise have a duty of indemnification, contractual or otherwise, did not pay the insurance premium directly or indirectly, and whether or not the person or entity had an insurable interest in the property damage.

Section 7.10 Employment Plan Policy.

A. The Parties agree that the during the Preconstruction Period the Foundation shall prepare and submit to the City the Employment Plan for Approval by the City. The Parties agree that the submission and approval of the Employment Plan is a precondition to commencement of construction of the Project. The Foundation agrees to comply with the Employment Plan during the construction of the Project and the operation of the Learning Center.

B. Prior to commencement of construction of the Project, the Foundation shall deposit with the City the sum of seventy-eight thousand three hundred thirty dollars and six cents (\$78,330.06) (the “*EP Incentive*”). The EP Incentive is equal to ten percent (10%) of the total value of the economic incentive being provided to the Foundation which is seven hundred eighty-three thousand three hundred dollars and sixty cents (\$783,300.60). The Parties agree that the EP Incentive will be an incentive to the Foundation to meet the goals set forth in the Employment Plan Approved by the City. If upon completion of the construction of the Project the goals of the Employment Plan are met, then it is the mutual intent of the Parties that the EP Incentive will be refunded to the Foundation. At such time as the Employment Plan is approved by the City, the Parties shall enter an additional agreement as to the deposit of the EP Incentive with the City and the conditions for the payment of the EP Incentive to the Foundation. The deposit of the EP Incentive with the City shall be a precondition to the commencement of construction of the Project.

Section 7.11 Status Reports. At all times during the Preconstruction Period and during the construction of the Project, the Foundation shall provide to the City’s Representative monthly status reports of the planning and construction of the Project. Such reports shall be provided no later than the last day of each calendar month. The status reports shall report on those items set forth on Exhibit F attached hereto.

Section 7.12 Ownership of Project during Construction. The Parties agree that ownership of during and after completion shall be in the Foundation at all times. The Foundation shall bear the risk of loss at all times during and after completion of the Project.

Section 7.13 Casualty.

A. Should the Project or any portion thereof be damaged, the Foundation shall provide the City with prompt written notice and promptly repair such damage. The Foundation may not settle, compromise or adjust or apply any insurance or other claim without the City’s prior written consent, which consent shall not be unreasonably withheld. Upon the occurrence and during the continuation of a Foundation Default, the City shall have the sole right to settle, compromise or adjust any insurance or other claim related to damage of the Project in such manner as the City may determine, and for this purpose, the City may, in its own name or in the name of the Foundation, take such action as the City deems appropriate.

B. The City and the Foundation agree that any insurance proceeds payable in connection with damage to the Project shall be payable directly the Construction Fund to be used pursuant to and in accordance with this Section 7.13. Construction Control shall disburse such insurance proceeds to the Foundation as necessary to pay for the repair of the damage and the restoration of the Project on a monthly construction draw basis with a ten percent (10%) retention which retention will be disbursed to the Foundation upon presentation to the City that such repair has been completed on a lien free basis. For purposes of this Section 17.3, the term “*Restoration Conditions*” means: (i) the Foundation shall have delivered written notice to the City of its intention to commence repair to the Project within sixty (60) days from the date that the City provides the Foundation with notice that the condition in subsection (ii) below has been satisfied; (ii) all insurance proceeds shall have been deposited with Construction Control; (iii) the Foundation shall have deposited with the City in the form of cash, letter of credit or other assets approved by the City the amount necessary, if any, to pay the difference between the cost of such repair for the Project and the amount of such insurance proceeds; (iv) the Foundation shall have delivered to the City a budget of all costs of such repair for the Project which budget is reasonably acceptable to the City; and (v) the City and all applicable governmental agencies

shall have approved the final plans and specifications for such repair of the Project, which approval by the City shall not be unreasonably withheld.

C. In the event that following any damage to the Project the Restoration Conditions are not satisfied within six (6) months of the occurrence of such damage, then the Foundation shall be in default of this agreement and the City shall have the right to exercise its rights and remedies pursuant to Section 14.2.

SECTION 8 LEASEHOLD TITLE INSURANCE

Section 8. Leasehold Title Insurance. Concurrently with signing of the Ground Lease, the Title Company and any required co-insurer shall provide and deliver to the Foundation a title insurance policy insuring the Foundation's leasehold interest under the Ground Lease in the condition required by this Agreement, and the title insurance policy shall be of the type and in the amount requested by the Foundation, and with such endorsements and affirmative coverages as may be required by the Foundation. If the Foundation desires to obtain extended coverage for its title policy, the City shall provide the Title Company at such earlier time as requested by the Title Company, with such evidence and customary documents as are reasonably required to issue such coverage. The cost of such title insurance policy will be paid in full by the Foundation.

SECTION 9 TAXES, ASSESSMENTS, ENCUMBRANCES AND LIENS

Section 9.1 Taxes, Assessments, Encumbrances and Liens. The Foundation shall be responsible for the payment of all real estate taxes and assessments assessed and levied on the Property for any period subsequent to the signing of the Ground Lease. Prior to the signing of the Ground Lease, the Foundation shall not place or allow to be placed or remain on the Property, or portion thereof, any encumbrance or lien.

SECTION 10 RESERVED

SECTION 11 GOVERNMENTAL PERMITS

Section 11. Governmental Permits. Nothing in this Agreement shall affect the responsibility of the Foundation to seek, obtain and comply with the conditions of any and all permits and governmental authorizations necessary to develop the Property or any portion thereof. The Foundation shall be responsible for the payment of permit fees, which shall be limited to those fees that are authorized by ordinance.

SECTION 12 GENERAL REPRESENTATIONS AND WARRANTIES

Section 12.1. General Representation and Warranties.

A. The City hereby represents and warrants that as of the date hereof and

the date of close of escrow:

(1). The City is an incorporated municipality and a public agency of the State of Nevada. The City has the requisite power and authority to enter into and perform its respective obligations under this Agreement. The City has taken all action and obtained all approvals necessary to be taken or obtained to legally enter into and perform its respective obligations under this Agreement.

(2). By proper action of the City, the City's signatories have been duly authorized to execute and deliver this Agreement and the Ground Lease.

(3). To the actual knowledge of the City, no condemnation, eminent domain or similar proceedings have been instituted or threatened against the Property.

(4). To the actual knowledge of the City, there are no legal actions, suits or proceedings pending or threatened before any judicial body or any governmental or quasi-governmental authority against the Property or against the City which would inhibit the ability of the City to perform its obligations under this Agreement or the Ground Lease.

(5). To the actual knowledge of the City, the execution, delivery and performance of this Agreement by the City will not (i) conflict with or be in contravention of any provision of law, order, rule or regulation applicable to the City or the Property, or (ii) result in any lien, charge or encumbrance of any nature on the Property other than as permitted by this Agreement.

(6). The execution of this Agreement and the Ground Lease by the City does not violate any provision of any other agreement to which the City is a party.

As used in this Agreement, the term "actual knowledge of the City" means the actual knowledge of the Mayor, any member of the City Council, the City Manager, and any other employee of the City who has knowledge of this Agreement.

B. The Foundation represents and warrants to the City that as of the date hereof and the date of close of escrow:

(1). The Foundation is a Nevada nonprofit corporation duly organized and existing under the laws of the State of Nevada.

(2). The Foundation has all requisite power and authority to carry out business as now and whenever conducted and to enter into and perform its obligations under this Agreement and the Ground Lease.

(3). By proper action of the Foundation, signatories of Foundation have been duly authorized to execute and deliver this Agreement and the Ground Lease.

(4). The execution of this Agreement by the Foundation does not violate any provision of any other agreement to which the Foundation is a party.

(5). Except as may be specifically set forth in this Agreement, no approvals or consents not heretofore obtained by the Foundation are necessary in connection with the execution of this Agreement by the Foundation or with the performance by the Foundation of its obligations hereunder or under the Ground Lease.

(6). To the actual knowledge of the Foundation, there are no legal actions, suits or proceedings pending or threatened before any judicial body or any governmental or quasi-governmental authority against the Foundation which would inhibit the ability of the Foundation to

perform its obligations under this Agreement or the Ground Lease.

SECTION 13 ASSIGNMENT

Section 13. Assignment. The Foundation shall not assign any interest in or delegate any obligation under this Agreement.

SECTION 14 DEFAULT AND REMEDIES

Section 14.1 Defaults by the Foundation. The Foundation shall be in default of this Agreement upon any of the following (each a “*Foundation Default*”):

A. Subject to Force Majeure, the Foundation fails to perform, or is in default of, any term, covenant or condition of the Foundation contained in this Agreement, and such failure continues for thirty (30) days after written notice thereof from the City; provided, however, that if such failure cannot be corrected within thirty (30) days, the Foundation shall not be deemed in default if the Foundation commences correction within said thirty (30) day period and diligently pursues such correction to completion;

B. The Foundation fails to complete construction of the Project as provided herein and/or abandons the construction of the Project after commencement of construction of the Project.

C. The Foundation makes or suffers a transfer of this Agreement which is not expressly permitted under this Agreement;

D. The Foundation files a voluntary petition under Title 11 of the United States Bankruptcy Code or files a petition or an answer seeking, consenting to or acquiescing in, any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under the present or any future Federal bankruptcy code or any other present or future applicable Federal, state or other bankruptcy or insolvency statute or law, or seeks, consents to, acquiesces in or suffers the appointment of any trustee, receiver, custodian, assignee, sequestrator, liquidator or other similar official of the Foundation, of all or any substantial part of its properties, and the foregoing are not stayed or dismissed within thirty (30) days after such filing or other action; or

E. If, within sixty (60) days after the commencement of a proceeding against the Foundation seeking any reorganization, arrangement, composition, readjustment, liquidation, or similar relief under the present or any future Federal bankruptcy code or any other present or future applicable Federal, state or other bankruptcy or insolvency statute or law, such proceeding has not been dismissed, or if, within sixty (60) days after the appointment, without the consent or acquiescence of the Foundation as applicable, of any trustee, receiver, custodian, assignee, sequestrator, liquidator or other similar official of the Foundation as applicable, of all or any substantial portion of its properties, such appointment has not been vacated or stayed on appeal or otherwise.

Section 14.2 Remedies for a Foundation Default. Should a Foundation Default occur, the City shall have the following rights and remedies to be exercised by the City at its discretion:

A. City may, but shall not be obligated to, advance the amount required to cure any failure by the Foundation to make any payment when required hereunder and shall be entitled to recover from the Foundation the sum so advanced, plus interest from the date the payment was due at the

prime rate prevailing during the period of the Foundation Default, as it may change from time to time, based on such rate as published in the Wall Street Journal or if more than one rate is published on any day, the average of such rates, plus 2% per annum (the “*Default Rate*”).

B. The City may terminate this Agreement and terminate the Foundation’s right to possession of the Property by any lawful means, in which case this Agreement shall terminate and the Foundation shall immediately surrender possession of the Property to the City.

C. In the event of a Foundation Default under Section 14.1.B., the City shall have the right, at the City’s sole discretion, to either (i) to raze the Project at the Foundation’s sole cost and expense and restore the Property to grade or (ii) complete the Project at the sole cost and expense of the Foundation. The Foundation agrees that the City shall have the right to use any funds remaining in the Construction Fund to complete this work and to exercise its rights under the Construction Assignment.

D. City may exercise any other remedy available to it at law or in equity, including specific performance of the provisions of this Agreement and/or the right to collect damages..

The provisions of this Section 14.2 are not intended as a limitation on the remedies that may be available to City in case of a Foundation Default.

Section 14.3 Default by City. The City shall be in default of this Agreement upon any of the following (each a “*City Default*”):

A. Subject to Force Majeure, the City fails to perform any other term, covenant or condition of such City Party contained in this Agreement, and such failure continues for thirty (30) days after written notice thereof from the Foundation; provided, however, that if such failure is impossible to correct within thirty (30) days, the City shall not be deemed in default if the City commences correction within said thirty (30) day period and diligently pursues such correction to completion; and

B. The City makes a representation or warranty in this Agreement, or in any certificate, demand, or request made under this Agreement, that proves to be incorrect, at any time during the term of this Agreement, in any material respect.

Section 14.4 Remedies for City Default. In the event of a default by the City, the Foundation’s sole remedy shall be to pursue one, and only one, of the following remedies:

A. to waive such default;

B. to terminate this Agreement and on such termination the city shall have no liability or obligation hereunder in which case the City shall have no liability whatsoever to the Foundation; or

C. to demand specific performance of the City’s obligations under this Agreement and without any liability whatsoever on the part of the City for damages resulting from the City Default.

Section 14.5 Dispute Resolution. The Parties agree that any action for equitable relief shall be pursuant to a court of law in compliance with Section 15.13 below. If any other dispute arises out of or relates to this Agreement, or the breach thereof, the Parties agree to proceed as follows:

A. The City and the Foundation hereby agree and commit to each other to resolve any open issues relating to the Project in a commercially reasonable manner as promptly as

possible and to cause such Party's Project Representative to be readily available to address such issues as they arise. In the event the Parties are divided with respect to any such open issue relating to or in connection with the Project ("*Unresolved Issue*"), and the Project Representatives are unable to reach agreement, after good faith negotiations, with respect to a proposed course of action concerning such Unresolved Issue, then such Unresolved Issue shall be resolved exclusively by the City Manager of City, on behalf of the City, and Kevin Spilsbury, on behalf of Foundation, unless and until the Parties select another individual with similar status to resolve such Unresolved Issue on its behalf. Thereafter, if the Unresolved Issue has not been resolved, the Parties agree to proceed with the Mediation and Arbitration provisions set forth next below.

B. If said dispute cannot be settled through negotiation, the Parties agree first to try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its Construction Industry Mediation Rules, before resorting to arbitration, litigation, or some other dispute resolution procedure.

C. Any controversy or claim arising out of or related to this Agreement or the breach thereof not settled pursuant to paragraphs (a) and (b) immediately above, shall be settled by arbitration in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association, and judgment upon the award rendered by the arbitrator or arbitrators may be entered in any court having jurisdiction thereof. Claims among the Parties shall be decided by arbitration in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association currently in effect, unless the parties mutually agree otherwise. Notice of demand for arbitration shall be filed in writing with the other party and with the American Arbitration Association.

D. The Parties agree that pending final resolution of a claim including arbitration, unless otherwise agreed in writing, the Parties, as the case may be, shall proceed diligently with performance of the Agreement.

E. Demand for arbitration of any claim may be made within a reasonable time after the claim has arisen, and in no event shall it be made after the date when institution of legal or equitable proceedings based on such claim would be barred by the applicable statute of limitations. A Party who files a notice of demand for arbitration must assert in the demand all claims then known to that party on which arbitration is permitted to be demanded. When a Party fails to include a claim through oversight, inadvertence or excusable neglect, or when a claim has matured or been acquired subsequently, the arbitrator or arbitrators may permit amendment.

F. All dispute resolution proceedings pursuant to this Section 14 shall take place in Clark County, Nevada.

Section 14.6 Consequences of Force Majeure Event. Neither Party is responsible for any failure to perform its obligations under this Agreement, if it is prevented or delayed in performing those obligations by an Even of Force Majeure.

A. Where there is an Event of Force Majeure, the Party prevented from or delayed in performing its obligations under this contract must immediately notify the other Party giving full particulars of the event of force majeure and the reasons for the Event of Force Majeure preventing that Party from, or delaying that Party in performing its obligations under this contract and that Party must use its reasonable efforts to mitigate the effect of the Event of Force Majeure upon its or their performance of the contract and to fulfill its or their obligations under this Agreement.

B. Upon completion of the Event of Force Majeure the Party affected must as soon as reasonably practicable recommence the performance of its obligations under this Agreement.

Where the Party affected is the Foundation, the Foundation must provide a revised Schedule of Performance.

C. An Event of Force Majeure does not relieve a Party from liability for an obligation which arose before the occurrence of the Event of Force Majeure.

SECTION 15 GENERAL PROVISIONS

Section 15.1. No Waiver. No failure or delay on the part of any Party to this Agreement to enforce the provisions hereof shall operate as a waiver thereof, nor shall a single or partial enforcement of any provision hereof preclude any other or further enforcement or exercise of any other right, power or remedy that any Party of this Agreement may have.

Section 15.2. Severability. Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be valid under applicable law, but if any provision shall be invalidated, it shall be deemed to be severed from this Agreement and the remaining provisions shall remain in full force and effect.

Section 15.3. Time of Essence. Time is of the essence to this Agreement. Each Party agrees that it shall perform all of its obligations under this Agreement promptly when required.

Section 15.4. Relationship of the Parties. Nothing contained in this Agreement shall be deemed or construed as creating a partnership, joint venture, principal-agent, or employer-employee relationship between the Parties and any other person or entity or as causing the City to be responsible in any way for any obligations undertaken by the Foundation.

Section 15.5. No Third Party Beneficiaries. This Agreement is intended solely for the benefit of the Parties hereto, and no person is intended to be or shall be construed to be a third party beneficiary of this Agreement.

Section 15.6. Successors or Assigns. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and their assigns. No assignment of this Agreement or any right or obligation hereunder by any of the Parties hereto shall be valid unless the other Party hereto consents to that assignment in writing.

Section 15.7. Books and Records. Each of the Parties to this Agreement agrees, to the extent applicable to a Party, to maintain proper books and records pertaining to the Project, and to make such books and records available for inspection by the other Party hereto during normal business hours.

Section 15.8. Amendments. This Agreement may be modified at any time by the Parties hereto, but only by a written instrument signed by each of the Parties.

Section 15.9. Severability. If any provision of this Agreement is deemed to be invalid or unenforceable, the invalidity or unenforceability shall not affect the remaining provisions of this Agreement that can be given effect without the invalid or unenforceable provision, and the Parties hereto agree to replace the invalid or unenforceable provision with a valid provision which has as nearly as possible the same effect.

Section 15.10. Non-Liability of City Elected Officials, Officers and Employees. No elected official, officer or employee of the City shall be personally liable to the Foundation for any default or breach by the City, for any amount which may become due to the Foundation, or for any obligation of the City under the terms of this Agreement.

Section 15.11. Notice. All notices, consents and communication to a Party shall be in writing and shall be deemed to have been duly given when (a) delivered by hand with a signed delivery receipt requested; (b) sent by facsimile (with receipt confirmed), provided a copy is mailed on the same day by registered mail, return receipt requested; or (c) received by the addressee, if sent by U.S. Mail or an express delivery service (receipt request), in each case, to the appropriate address and facsimile numbers set forth below (or to such other address or facsimile numbers as a Party might designate as to itself by notice to the other Party).

To City: Attn: Director, Economic and Urban Development
City of Las Vegas, Nevada
495 S. Main Street, 6th Floor
Las Vegas, NV 89101
Telephone: (702) 229-6551 / Facsimile: (702) 386-1749

with copy to: Attn: City Attorney
City of Las Vegas, Nevada
495 S. Main Street
Las Vegas, NV 89101
Telephone: (702) 229-6629 / Facsimile: (702) 386-1749

To Foundation: Nevada Blind Children's Foundation
Attn: President
9330 West Martin Ave, First floor
Las Vegas, NV 89148
Telephone (702) 735-6223 / Facsimile: (702) 878-3524

Section 15.12. Subsequent City Approvals. Any approvals of the City required or permitted by the terms of this Agreement may be given by the City Manager of the City or such other person that the City designates in writing, subject to the condition that there is no material modification to the terms of this Agreement, nor additional monetary adjustment which obligates the City to an amount in excess of \$24,999 to the Developer.

Section 15.13. Choice of Law / Venue / Attorney Fees. Any litigation related to this Agreement shall be brought and prosecuted exclusively in the Eighth Judicial District Court of Clark County, Nevada. The governing law shall be the laws of the State of Nevada. In the event that at any time this Agreement is in effect either party institutes any action or proceeding against the other relating to the provisions of this Agreement or any default hereunder, then the unsuccessful party shall be responsible for the reasonable expenses of such action including reasonable attorney's fees, incurred therein by the successful party, fees not to exceed Ten Thousand Dollars and No Cents (\$10,000.00). To the extent such waiver is permitted by law, the Parties waive trial by jury in any action or proceeding brought in connection with this Agreement.

Section 15.14. Captions. The captions and section numbers appearing herein are for convenience only, are not operative parts of this Agreement and do not in any way limit or amplify the terms and provisions of this Agreement.

Section 15.15. Consent of the Parties. Wherever in this Agreement consent or approval is required, such consent or approval shall be given in writing and shall not be unreasonably withheld, conditioned or delayed, unless otherwise expressly provided; provided, however, that the Foundation acknowledges that, the City is a governmental agency and any consent or approval required of the City

under this Agreement, may require the City to first follow normal governmental processes, including, to the extent applicable, public notice and a public hearing.

Section 15.16 Non-appropriation Clause. No obligation assumed by or imposed upon the City by this Agreement or remedy granted under this Agreement against the City shall require the payment of money by the City, or the performance of any action by the City the performance of which requires money from the City, except to the extent that funds are available for such payment or performance from the City appropriations therefor lawfully made by the City. This Agreement shall not be construed as obligating the City Council to make future appropriations for the payment of monies or the performance of any obligations under this Agreement.

Section 15.17. Entire Agreement. It is understood that there are no oral or written agreements or representations between the parties hereto affecting this Agreement, and that this Agreement supersedes and cancels any and all previous negotiations, arrangements, representations, brochures, displays, projections, estimates, agreements and understandings, if any, made by or between the Parties with respect to the subject matter thereof, and none shall be used to interpret, construe, supplement or contradict this Agreement. This Agreement, and all amendments and exhibits thereto, is and shall be considered to be the only agreement between the Parties hereto and their representatives and agents. All negotiations and oral agreements acceptable to both parties have been merged into and are included in this Agreement. There are no other representations, covenants or warranties between the Parties and all reliance with respect to representations is solely upon the express representations, covenants and warranties contained in this Agreement. The Parties agree that any deletion of language from this Agreement prior to its mutual execution by the Parties shall not be construed to have any particular meaning or to raise any presumption, canon of construction or implication, including, without limitation, any implication that the Parties intended thereby to state the converse, obverse or opposite of the deleted language.

Section 15.18. Counterparts; Electronic Delivery. This Agreement may be executed in counterparts, all such counterparts will constitute the same contract and the signature of any Party to any counterpart will be deemed a signature to, and may be appended to, any other counterpart. Executed copies hereof may be delivered by facsimile or e-mail and upon receipt will be deemed originals and binding upon the Parties hereto, regardless of whether originals are delivered thereafter.

[Signatures on Next Page]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

CITY OF LAS VEGAS

By: _____

Carolyn G. Goodman, Mayor

ATTEST:

By: _____

Beverly K. Bridges, MMC, City Clerk

APPROVED AS TO FORM:

By: M. Sanchez Esq.

Date

10-30-13

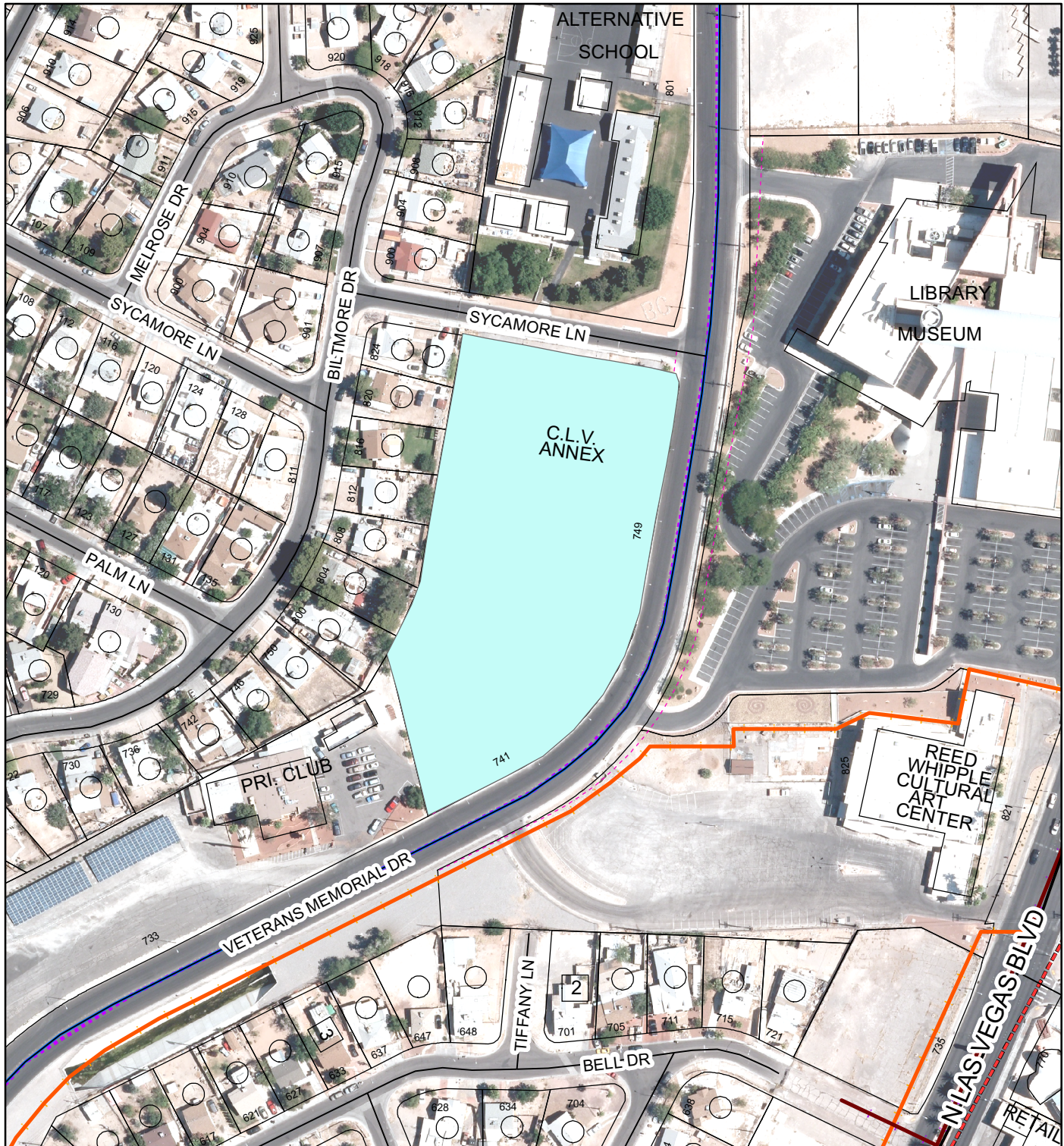
NEVADA BLIND CHILDREN'S FOUNDATION

By: _____

Kevin Spilsbury, Founder & Board Member

Nevada Blind Children's Foundation

741 Veterans Memorial Dr.



0 80 160 320 Feet

LEGEND

 Nevada Blind Children's Foundation



Exhibit "B"
LEGAL DESCRIPTION

THAT PORTION OF THE NORTHEAST QUARTER (NE $\frac{1}{4}$) OF THE SOUTHEAST QUARTER (SE $\frac{1}{4}$) OF SECTION 27, TOWNSHIP 20 SOUTH, RANGE 61 EAST, M.D.B. & M., DESCRIBED AS FOLLOWS:

PARCEL THREE (3) AS SHOWN BY MAP THEREOF IN FILE 117 OF PARCEL MAPS, PAGE 84, IN THE OFFICE OF THE COUNTY RECORDER, CLARK COUNTY, NEVADA AND AMENDED BY CERTIFICATE OF AMENDMENT RECORDED JULY 20, 2011 IN BOOK 20110720 AS DOCUMENT NO. 02768 OF OFFICIAL RECORDS.

GROUND LEASE

THIS GROUND LEASE (this "*Lease*") is made as of the ____ day of _____, 201_ (the "*Effective Date*"), by and between the City of Las Vegas, a municipal corporation of the State of Nevada ("*Landlord*"), and the Nevada Blind Children's Foundation, a Nevada non-profit corporation ("*Tenant*"). Tenant and Landlord are hereinafter referred to individually as "*Party*" and collectively as the "*Parties*".

RECITALS

WHEREAS:

A. Landlord is the owner of certain real property consisting of approximately 2.78 acres, known as Assessor's Parcel Number 139-27-708-014, located at 741 Veteran's Memorial Drive, City of Las Vegas, Clark County, Nevada and legally described on Exhibit A attached hereto (the "*Real Property*");

B. Tenant is a 501 (c) (3) organization dedicated to developing, building and operating a learning center to provide educational services to children who are blind or visually impaired (the "*Learning Center*");

C. Landlord and Tenant have entered into that certain Development Agreement and Agreement to Ground Lease dated _____, 201_, as amended, whereby Tenant has constructed the Learning Center on the Real Property (the "*Development Agreement*");

D. The construction of the Learning Center has been completed in compliance with the Development Agreement.

E. Pursuant to the Development Agreement, the Parties have entered into this Lease whereby Tenant ground leases the Premises from Landlord for the ownership and operation of the Learning Center.

NOW, THEREFORE, the Parties do hereby agree as follows:

ARTICLE 1

LEASE OF PREMISES

1.1. Lease of Premises; Landlord's Covenant; Tenant Principals

Landlord hereby leases to Tenant and Tenant hereby leases from Landlord the Premises for the consideration and subject to the terms and conditions hereinafter set forth. Landlord warrants and covenants that Landlord has authority to grant the estate demised herein and to perform all of Landlord's obligations under this Lease.

1.2. Tenant's Due Diligence Investigations; Tenant's Covenant

Except as otherwise expressly provided herein, Tenant accepts the Premises "as is" without representation or warranty of Landlord. Tenant acknowledges that it has had the advice of such independent professional consultants and experts as it deems necessary in connection with its investigation and study of the Premises pursuant to the Development Agreement and the construction of the Learning Center.

Tenant acknowledges and agrees that the Premises is to be leased to and accepted by Tenant in an "as is" condition with all faults and defects, if any. Landlord makes no representations or warranties of any kind whatsoever, either expressed or implied, with respect to the Premises or any of such related matters; in particular, but without limitation, Landlord makes no representations or warranties with respect to the use, condition, title, occupation or management of the Premises, compliance with applicable statutes, laws, codes, ordinances, regulations or requirements relating to leasing, zoning, subdividing, planning, building, fire, safety, health or environmental matters, compliance with covenants, conditions and restrictions (whether or not of record), other local, municipal, regional, state or federal requirements, or other statutes, laws, codes, ordinances, regulations or requirements affecting or relating to the Premises. Tenant acknowledges that notwithstanding any prior or contemporaneous oral or written representations, statements, documents or understandings, this Agreement constitutes the entire understanding of the Parties with respect to the subject matter hereof and the lease of the Premises and supersedes any such prior or contemporaneous oral or written representations, statements, documents or understandings.

1.3. Covenant of Quiet Enjoyment

Landlord hereby covenants that Tenant shall at all times during the Term quietly have, hold and enjoy the Premises without any disturbance from Landlord or any Person claiming through Landlord or any of its Affiliates which would interfere with Tenant's use of the Premises except for the agreements, easements, declarations and other instruments encumbering or affecting the Premises and identified on Exhibit B attached hereto (the "*Permitted Exceptions*") and other matters expressly permitted in this Lease. Landlord represents and warrants that it is the owner of the Premises in fee simple absolute and, to the best of Landlord's knowledge and belief, the Premises are free and clear of all conditions, restrictions, easements, encroachments and any other matters affecting title, except the Permitted Exceptions.

1.4 Principals Disclosure. Pursuant to Resolution R-105-99 adopted by the City Council of the City, effective October 1, 1999, Tenant warrants that it has disclosed all persons holding more than one percent (1%) interest in Tenant or in any member of Tenant. Tenant shall provide Landlord with written notification of any material change in the above disclosure within thirty (30) days of any such change, including, without limitation, any change resulting from a permitted assignment or transfer pursuant to Article 12 below.

ARTICLE 2

TERM

The term of this Lease (the "*Term*") shall commence on the Effective Date (the "*Term Commencement Date*") and shall terminate on the earlier to occur of (i) last day of the 360th full calendar month after the Term Commencement Date, or (b) the date of early termination of this Lease pursuant to any other provision hereof.

ARTICLE 3

RENTAL

3.1. Rent Commencement Date; Annual Rental

3.1.1. Rent Commencement Date. Annual Rental (as defined below) under this Lease shall commence on the Term Commencement Date (the "*Rent Commencement Date*").

3.1.2. Annual Rental. Commencing on the Rent Commencement Date and every year thereafter, Tenant shall pay to Landlord without abatement, deduction, offset or prior demand, fixed annual rental ("*Annual Rental*") in the amount of One Dollar (\$1.00). Annual Rental and all other Rent shall be payable to Landlord, without deduction (except as expressly permitted by this Lease) or offset (except as expressly permitted by this Lease), prior notice or demand, in lawful money of the United States of America, at 495 South Main Street, Las Vegas, Nevada 89101, 6th Floor, by company check, wire transfer or other method acceptable to Landlord.

3.2. Triple Net Lease

This Lease shall be deemed and construed to be a "triple net lease" and Tenant shall pay to Landlord, absolutely net throughout the Term of this Lease, the rent provided for in this Lease, free of deductions of any kind and without abatement except as specifically provided herein, and under no circumstances or conditions, whether now or hereafter existing, or whether within or beyond the present contemplation of the parties, shall Landlord be expected or required to make any payment of any kind whatsoever or be under any other obligation or liability hereunder (including, without limitation, the maintenance or repair of the Project or the payment of any costs, charges, and expenses of every kind and nature whatsoever against or in connection with the Project and/or the Premises which may arise or become due during the Term of this Lease); and Tenant agrees that, except as may be herein otherwise expressly provided, Tenant shall pay all costs, charges, assessments and expenses of every kind and nature whatsoever against or in connection with the Project and/or the Premises which may arise or become due during the Term of this Lease, and which, except for the execution and delivery hereof, would or could have been payable by Landlord.

ARTICLE 4

TAXES AND UTILITIES

4.1. Tenant's Obligations to Pay Taxes and Assessments

All real and personal property taxes, general and special assessments, environmental levies and other charges of every description levied on or assessed against the Premises and/or

the Project, personal property located on or in the Project, any subleasehold estate, to the full extent of installments falling due (or otherwise applicable to periods) after the Rent Commencement Date (but subject to Section 4.2) and prior to the expiration or termination of the Term, ordinary or extraordinary, foreseen or unforeseen, general or special (collectively, "Taxes"), shall be paid or caused to be paid by Tenant directly to the taxing authority. Tenant shall make or cause to be made all such payments directly to the charging authority prior to delinquency and before any fine, interest, or penalty shall become due or be imposed by operation of law for their nonpayment. If, however, the law expressly permits the payment of any or all of the foregoing in installments prior to delinquency (whether or not interest accrues on the unpaid balance), Tenant may, at Tenant's election, utilize the permitted installment method of payment, but shall pay each installment with any interest before delinquency.

4.2. Prorations

All payments of Taxes shall be prorated as between Landlord and Tenant for the year in which Tenant's obligation to pay Taxes commences (i.e., proration as of the Rent Commencement Date), terminates or expires. Tenant shall pay, at or prior to the expiration or earlier termination of this Lease, all installments of Taxes relating to any period prior to such expiration or termination.

4.3. Reserved

4.4. Tenant's Right to Contest

Tenant, at Tenant's expense, may contest the legal validity or amount of any Taxes for which Tenant is responsible under this Lease, and may institute such proceedings as shall be appropriate under the circumstances. If Tenant contests any such Taxes, Tenant may, to the extent permitted by law and the remaining provisions of this Section 4.4, withhold or defer payment or pay under protest. Tenant may contest Taxes hereunder only in good faith and by appropriate proceedings which shall operate to prevent (i) the collection of or other realization upon the Taxes so contested, and (ii) the sale, forfeiture or loss of the Premises and/or the Project, and which shall not affect the payment of any rent and provided that such contest shall not subject Landlord to the risk of any criminal or civil liability. Tenant shall notify Landlord prior to commencement of any contest and shall keep Landlord apprised of the status thereof. Unless Tenant elects to cease the contest and pay the taxes, Tenant will diligently prosecute such contest to completion.

Landlord appoints Tenant as Landlord's attorney-in-fact, coupled with an interest and irrevocable during the Term, for the sole purpose of making all payments to any taxing authorities and for the purpose of contesting any Taxes to the extent Tenant is required to make such payments or permitted to conduct such contest hereunder, conditional upon Tenant's preventing any liens with respect to such taxes, assessments or charges (other than a statutory lien for non-delinquent taxes) from being levied on the Premises or other property of Landlord. Landlord agrees to reasonably cooperate with Tenant in any such protest or contest at no cost or liability to Landlord; provided, however, that Landlord's cooperation is conditional upon Tenant reimbursing Landlord's costs within five (5) days of the date of Landlord's notice to Tenant of the required reimbursement(s).

4.5. Substitute Taxes

Notwithstanding anything to the contrary contained in this Lease, Tenant shall not be required to pay (i) any municipal, county, state or federal net income taxes or corporation franchise, or net profit taxes, if any, of Landlord, or (ii) any municipal, county, state or federal estate, succession, inheritance, or transfer taxes of Landlord. If, however, during the Term, taxes described in the preceding sentence are imposed, assessed, or levied on the rents derived hereunder which are specifically in lieu of all or any part of the Taxes that Tenant would have been obligated to pay under this Lease, Tenant shall pay the taxes as provided above for property taxes and assessments to the extent Tenant's real and personal property taxes are reduced or offset by such taxes described in the preceding sentence.

4.6. Tax Receipts

Promptly upon request Tenant shall furnish to Landlord with copies of receipts evidencing payment of any Taxes such party is required to pay hereunder.

4.7. Utilities

Tenant is solely responsible for obtaining utility services with respect to the Project and Landlord shall have no responsibility or liability for, nor shall any Annual Rental be abated or offset as a result of, any interruption in utility service. Tenant shall pay or cause to be paid all charges and connection fees for water, gas, heat, electricity, power, garbage service, air conditioning, telephone service, cable, satellite, fiber optics, telecommunications, sewer service charges and sewer rentals charged or attributable to the Project, and all other services or utilities used in, upon or about the Project by Tenant or any of its subtenants, licensees or concessionaires during the Term.

ARTICLE 5

USE

5.1. Permitted Use. Subject to the conditions, restrictions and prohibitions set forth in this Lease, including, without limitation, the Permitted Exceptions, Tenant agrees that the Premises may be used only for the operation of a learning center to provide educational services and other services that are ancillary to educational services (i.e., safe key, clubs, activities) to children who are blind or visually impaired and with other special needs. Any other use of the Premises shall require the advance approval and consent of Landlord which approval and consent may be withheld at Landlord's discretion. Tenant further agrees that in all events that the Project can only be used for the operation of not-for-profit purposes. Tenant further covenants, promises and agrees to use the Project in accordance with (a) all applicable laws; (b) any temporary or final certificates of completion and/or occupancy issued for the Project, as then in force; and (c) any and all terms of the Permitted Exceptions.

5.2. Environmental Conditions. Tenant shall not use the Project, or permit any entity or person to use the Project, for the generation, storage, manufacture, production, releasing,

discharge, or disposal or any Hazardous Substances; provided, however, Tenant shall be permitted to store, use and dispose of Hazardous Substances to the extent packaged and contained in cleaning or office products for consumer use in quantities for ordinary day-to-day use. If Tenant knows, or has reasonable cause to believe, that Hazardous Substances have come to be located in, on, under or about the Project, Tenant shall immediately give Landlord written notice thereof, together with a copy of any statement, report, notice, registration, application, permit, license, claim, action, or proceeding given to, or received from, any governmental authority or private party concerning the presence, spill, release, discharge of, or exposure to, Hazardous Substances including but not limited to all such documents as may be involved in any reportable use involving the Project. If any Hazardous Substances are present in or about the Project, Landlord shall have the right upon twenty-four (24) hour advance written notice to Tenant to engage a consultant to inspect the Project and to review Tenant's use of Hazardous Substances and all of Tenant's practices with respect to its use of such Hazardous Substances. Tenant shall cooperate in all respects with such inspections and reviews. All costs of such consultants shall be reimbursed to Landlord within fifteen (15) days of written demand therefor by Landlord. No termination, cancellation or release agreement entered into by Landlord and Tenant shall release Tenant from its obligations under this Section 5.2, unless specifically so provided in such agreement.

5.3. Environmental Indemnity. Tenant shall indemnify, protect, defend and hold Landlord, its agents, employees, lenders and ground lessor, if any, and the Premises, harmless from and against any and all damages, liabilities, judgments, costs, claims, liens, expenses, penalties, loss of permits and attorneys' and consultants' fees arising out of or otherwise involving any Hazardous Substances brought onto the Project by or for Tenant or by anyone under Tenant's control. Tenant's indemnification obligations under this Section 5.3 shall include, but not be limited to, the effects of any contamination or injury to person, property or the environment created or suffered by Tenant during the Term, and the cost of investigation (including consultants' and attorneys' fees and testing), removal, remediation and/or abatement of any Hazardous Substances. No termination, cancellation or release agreement entered into by Landlord and Tenant shall release Tenant from its obligations under this Section 5.3, unless specifically so provided in such agreement. Tenant's indemnity obligations provided in this Section 5.3 shall include, without in any way limiting the foregoing:

(a) All reasonable costs, expenses and attorneys' fees incurred or sustained by any party in making any investigation on account of any claim, demand, loss, liability, cost, charge, suit, order, judgment or adjudication, in prosecuting or defending any action brought in connection therewith, in obtaining or seeking to obtain a release therefrom and in enforcing any of the agreements herein contained;

(b) Liability for required costs and expenses of abatement, correction or clean-up, fines, damages, response costs or penalties pursuant to the provisions of any Applicable Laws or Environmental Laws; and

(c) Liability for personal injury or Premises damage arising under any statutory or common-law tort theory, including, without limitation, damages assessed for the

maintenance of a public or private nuisance, or for the carrying on of an abnormally dangerous activity, and response costs.

Tenant's indemnity in this Section 5.3 shall survive expiration or other termination of this Lease.

ARTICLE 6

DEVELOPMENT AND CONSTRUCTION OBLIGATIONS

6.1. Condition of Premises; Completion of Duties under Design and Construction Agreement.

(a) Tenant agrees and acknowledges that it has been fully responsible for the design and construction of the Project. In connection therewith, Tenant agrees as follows: (i) Tenant is fully aware of the physical condition of the Premises and accepts the Premises "as-is", (ii) Tenant is not relying on representations or warranties made by Landlord or Landlord's agents, if any, (iii) Landlord shall not be liable to Tenant, in any event whatsoever, to correct any latent or patent defects in the Premises or the Project, and (iv) any and all information provided by Landlord to Tenant have been delivered without representation or warranty.

(b) Tenant and Landlord both mutually acknowledge and agree that both Parties have performed their respective obligations under the Development Agreement and that by entering into this Lease they have no further obligations under the Development Agreement.

(c) Tenant agrees that Landlord shall have no responsibility or obligation whatsoever in connection with the condition of the Project at any time, including any problems or defects (whether patent or latent) related to the design and construction of the Project.

6.2. **Alterations.** Except for Minor Alterations, Tenant shall not make any alterations, additions, or improvements to the Premises (collectively "*Alterations*") without Landlord's prior written consent, which shall not be unreasonably withheld or conditioned. Tenant shall deliver to Landlord, for Landlord's approval (which approval shall not be unreasonably withheld) prior to bidding any construction of the Alterations (except for Minor Alterations), a complete set of plans and specifications for the proposed Alterations (except for Minor Alterations), copies of contracts with general contractors, evidence of contractor's insurance and bonds, and all necessary permits for such construction. Except for Minor Alterations, Landlord may require Tenant to provide demolition and/or lien and completion bonds in form and amount satisfactory to Landlord. Tenant shall promptly remove any Alterations constructed in violation of this Section 6.2 promptly following Landlord's written demand therefore. All Alterations will be accomplished in a good and workmanlike manner, in conformity with all Applicable Laws, and by a contractor approved by Landlord which approval shall not be unreasonably withheld, provided that Landlord's approval of the contractor shall not be required for Minor Alterations. Landlord's approval of the plans, specifications and working drawings for any Alterations shall create no responsibility or liability on the part of Landlord for their completeness, design, sufficiency, or compliance with all Applicable Laws. Except for Minor Alterations, upon completion of any such work, Tenant

shall provide Landlord with “as built” plans, CADD drawings, copies of all construction contracts, and proof of payment for all labor and materials. All Alterations, including Minor Alterations, shall be made in compliance with all Applicable Laws.

6.3. Mechanic’s Liens. Tenant shall promptly pay for all materials supplied and work done in respect of the Project for work contracted for by Tenant or its agents, employees, or contractors so as to ensure that no lien is recorded against all or any portion of the Project. If a lien is so recorded, the Tenant shall discharge it promptly by payment or bonding. If any such lien against all or any portion of the Project or Landlord’s interest therein is recorded and not discharged by Tenant as above required within fifteen (15) days following Tenant’s receipt of notice thereof, the Landlord shall have the right to remove such lien by bonding or payment and the cost thereof shall be paid immediately by Tenant to Landlord. Landlord and Tenant expressly agree and acknowledge that no interest of Landlord in all or any portion of the Project shall be subject to any lien for improvements made by Tenant in or for any portion of the Project, and the Landlord shall not be liable for any lien for any improvements made by Tenant, such liability being expressly prohibited by the terms of this Lease. In accordance with applicable laws of the State of Nevada, Landlord will file in the public records of the Clark County, Nevada, not later than the Term Commencement Date, a public notice containing a true and correct copy of this paragraph, and Tenant hereby agrees to inform all contractors and materialmen performing work in or for supplying materials to the Premises of the existence of said notice. Pursuant to Section 108.234 of the Nevada Revised Statutes (as amended or supplemented from time to time, “NRS”), Landlord hereby informs Tenant that Tenant must comply with the requirements of NRS § 108.2403 and NRS § 108.2407

ARTICLE 7

CASUALTY AND INSURANCE

7.1 Insurance Maintain Insurance Policies. Tenant shall, at Tenant’s expense, maintain in force and effect on the Project at all times the following insurance:

(a) Insurance against loss or damage to the Project by fire, windstorm, tornado and hail and against loss and damage by such other, further and additional risks as may be now or hereafter embraced by an “all-risk” or “special form” form of insurance policy. The amount of such insurance shall be not less than one hundred percent (100%) of the full replacement cost (insurable value) of the Project (as established by an MAI appraisal), without reduction for depreciation. The full replacement cost shall be determined annually upon renewal of the insurance policy to ensure compliance with the foregoing requirement throughout the Term. Absent such annual adjustment, each policy shall contain such terms as are necessary to insure that the policy limit will be increased over time to reflect the effect of inflation. Full replacement cost, as used herein, means, with respect to the Project, the cost of replacing the Project without regard to deduction for depreciation, exclusive of the cost of excavations, foundations and footings below the lowest basement floor. Tenant shall also maintain insurance against loss or damage to furniture, furnishings, fixtures, equipment and other items (whether personalty or fixtures) included in the Project and owned by Tenant from time to time, to the extent applicable, in the amount of the cost of replacing the same, in each case, with such coverage as is necessary to insure that the amount will be increased over time to

reflect the effect of inflation, or annual valuation. Each policy or policies shall contain a replacement cost endorsement and either an agreed amount endorsement (to avoid the operation of any co-insurance provisions) or a waiver of any co-insurance provisions, all subject to Landlord's approval. The maximum deductible shall be \$10,000 or such other amount that is acceptable to Landlord based on its assessment of market conditions as the same shall apply to properties similar to the Project.

(b) Commercial general liability insurance against claims for personal injury, bodily injury, death and Project damage occurring on, in or about the Project in amounts not less than \$2,000,000.00 per occurrence and \$2,000,000.00 in the aggregate plus umbrella coverage in an amount not less than \$2,000,000.00. During any construction on the Project, Tenant's general contractor for such construction shall also provide the insurance required in this subsection (b). Landlord hereby retains the right to periodically review the amount of said liability insurance being maintained by Tenant and to require an increase in the amount of said liability insurance should Landlord deem an increase to be reasonably prudent under then existing circumstances.

(c) If the Project or any part thereof are situated in an area now or subsequently designated by the Federal Emergency Management Agency ("FEMA") as a special flood hazard area (Zone A or Zone V), flood insurance in an amount equal to the lesser of: (i) the minimum amount required, under the terms of coverage, to compensate for any damage or loss on a replacement basis or (ii) the maximum insurance available under the appropriate National Flood Insurance Administration program. The maximum deductible shall be \$100,000.00 per building or a higher minimum amount as required by FEMA or other Applicable Laws.

(d) During the period of any construction, renovation or alteration of the Project which exceeds \$25,000.00, at Landlord's request, a completed value, "All Risk" Builder's Risk form, or "Course of Construction" insurance policy in non-reporting form with replacement cost and no co-insurance, in an amount approved by Landlord, may be required. During the period of any construction of any addition to the existing Project, a completed value, "All Risk" Builder's Risk form or "Course of Construction" insurance policy in non-reporting form, in an amount approved by Landlord, shall be required.

(e) When required by Applicable Laws, ordinance or other regulation, Worker's Compensation and Employer's Liability Insurance covering all persons subject to the workers' compensation laws of the state in which the Project is located.

(f) Such other insurance on the Project or on any replacements or substitutions thereof or additions thereto as may from time to time be required by Landlord against other insurable hazards, casualties or matters, but only to the extent such matters at the time are commonly insured against in the case of Project similarly situated, including, without limitation, earthquake and law and ordinance insurance, due regard being given to the height and type of buildings, their construction, location, use and occupancy.

(g) All such insurance shall (i) be with insurers fully licensed and authorized to do business in Nevada and which insurers, unless otherwise approved in writing

by Landlord, shall have and maintain a rating of at least “BBB” or higher from Standard & Poor’s Rating Services; (ii) contain the complete address of the Project (or a complete legal description); (iii) be for terms of at least one year with premium prepaid; (iv) be subject to the approval of Landlord as to insurance companies, amounts, content, forms of policies, method by which premiums are paid and expiration dates; (v) contain deductibles which do not exceed \$10,000.00 or an amount subject to Landlord’s approval; and (vi) include a standard, non-contributory, Landlord clause naming Landlord as an additional insured under all liability insurance policies and as the owner of the Premises on all Project insurance policies.

7.2. Certificates of Insurance. Insurance required to be maintained by Tenant hereunder shall be in companies duly authorized to do business in Nevada holding a “General Policyholders’ Rating” of “BBB” or better and a “financial rating” of 10 or better, as set forth in the most current issue of “Best’s Insurance Guide,” or such comparable ratings as Landlord shall approve, in its sole discretion. A certificate issued by the insurance carrier for each policy of insurance required to be maintained by Tenant hereunder shall be delivered to Landlord and all other named insureds on or before the Commencement Date and thereafter, as to policy renewals, within thirty (30) days prior to the expiration of the term of each such policy. Each certificate of insurance required to be maintained by Tenant hereunder shall be in form and substance reasonably satisfactory to Landlord and shall expressly evidence insurance coverage as required by this Lease and shall contain an endorsement or provision requiring not less than thirty (30) days’ prior written notice to Landlord of such cancellation. Any proposed diminution in the perils insured against, or reduction of the amount of coverage of the particular policy in question, initiated by the insurer or Tenant shall require not less than thirty (30) days prior written notice to Landlord. If Tenant fails to maintain any insurance coverage as required by this Lease, Landlord may, without declaring Tenant in default of this Lease, procure any such insurance coverage. In such case, Tenant shall reimburse Landlord within thirty (30) days of demand for all costs incurred in obtaining such insurance. Tenant agrees that Landlord shall be entitled to apply any Excess Fees to pay the costs of procuring such insurance coverage in the event Tenant fails to reimburse Landlord within such thirty (30) day period.

7.3. Waiver of Rights of Recovery. Tenant hereby waives any and all rights of recovery from Landlord for any loss or damage, including, without limitation, consequential loss or damage, caused by any peril or perils (including negligent acts) enumerated in each form of property insurance policy required to be maintained by Tenant hereunder.

7.4. Waiver of Subrogation. Each policy of property insurance (and to the extent obtainable with respect to public liability insurance) provided for in this Section shall contain an express waiver of any and all rights of subrogation thereunder whatsoever against both Landlord and Tenant, and their stockholders, directors, officers, partners, members, managers, agents and employees. All such policies carried by Tenant shall be written as primary policies and not contributing with or in excess of the coverage, if any, which Landlord may carry. Anything contained herein to the contrary notwithstanding the amounts of all insurance required hereunder to be paid by Landlord or Tenant shall be not less than an amount sufficient to prevent the applicable party from becoming a co-insurer.

7.5. Minor Damage. Should the Project or any portion thereof be damaged or destroyed by any cause whatsoever (“*Damaged*”) which Damage is assessed in an amount less than twenty-five thousand dollars (\$25,000) (“*Minor Damage*”), Tenant shall provide Landlord with prompt written notice of the same and shall promptly repair, reconstruct and restore (collectively, “*Repair*”) such Minor Damage to the Project in accordance with the terms of this Lease and Applicable Laws including, but not limited to, NRS Chapter 338. Tenant may, without the prior written consent of Landlord, settle, compromise or adjust or apply any insurance or other claim so long as the amount of the claim is less than \$25,000. Landlord and Tenant agree that any insurance proceeds payable in connection with Minor Damage shall be payable directly to Tenant to be used for such Repair and Landlord shall have no claim whatsoever to such proceeds.

7.6. Major Damage. Should the Project or any portion thereof be Damaged which Damage is assessed in an amount more than twenty-five thousand dollars (\$25,000) (“*Major Damage*”), Tenant shall provide Landlord with prompt written notice and, subject to the provisions of this Section 7.6, promptly Repair such Major Damage to the Project in accordance with the terms of this Lease and Applicable Laws including. In the event that the amount of the claim (but not the settlement or compromise thereof) is more than twenty-five thousand dollars (\$25,000), Tenant may not settle, compromise or adjust or apply any insurance or other claim without Landlord’s prior written consent, which consent shall not be unreasonably withheld. Upon the occurrence and during the continuation of a Tenant Event of Default, Landlord shall have the sole right to settle, compromise or adjust any insurance or other claim related to Major Damage of the Project in such manner as Landlord may determine, and for this purpose, Landlord may, in its own name or in the name of Tenant, take such action as Landlord deems appropriate. Landlord and Tenant agree that any insurance proceeds payable in connection with Major Damage to the Project shall be payable directly to Landlord to be used pursuant to and in accordance with this Section 7.6. Subject to the satisfaction or waiver of the Restoration Conditions, Landlord shall disburse such insurance proceeds to Tenant as necessary to pay for the Repair of the Major Damage to the Project on a monthly construction draw basis with a ten percent (10%) retention which retention will be disbursed to Tenant upon presentation to Landlord that such Repair has been completed on a lien free basis. For purposes of this Section 7.6, the term “*Restoration Conditions*” means: (i) Tenant shall have delivered written notice to Landlord of its intention to commence Repair of the Major Damage to the Project within sixty (60) days from the date that Landlord provides Tenant with notice that the condition in subsection (ii) below has been satisfied; (ii) all insurance proceeds shall have been deposited with Landlord; (iii) Tenant shall have deposited with Landlord in the form of cash, letter of credit or other assets approved by Landlord the amount necessary, if any, to pay the difference between the cost of such Repair for the Project and the amount of such insurance proceeds; (iv) Tenant shall have delivered to Landlord a budget of all costs of such Repair for the Project which budget is reasonably acceptable to Landlord; and (v) Landlord and all applicable governmental agencies shall have approved the final plans and specifications for such Repair of the Project, which approval by Landlord shall not be unreasonably withheld.

7.7 Completion. In the event that following any Major Damage to the Project, the Restoration Conditions are not satisfied within eighteen (18) months of the occurrence of such

Major Damage, then either Tenant or Landlord shall have the right to terminate this Lease upon written notice to the other. In the event that this Lease is terminated pursuant to this Section, the insurance proceeds obtained as a result of such Major Damage shall be retained by Landlord.

7.8 No Landlord Obligation. Tenant agrees that Landlord shall have no obligation or liability whatsoever to Repair any Damage whatsoever to the Project.

ARTICLE 8

MAINTENANCE AND REPAIRS

8.1. No Landlord Repairs. Landlord shall have no responsibility or liability for failure to supply any services or maintenance or to make any repairs on the Project. Landlord shall not be liable for any loss or damage to persons or property sustained by Tenant or other persons, which may be caused by or in connection with the Project, or any appurtenances thereto, being out of repair or by bursting or leakage of any water, gas, sewer or steam pipe, or by theft, or by any act or neglect of any occupant of the Project.

8.2. Tenant Repairs. Tenant shall keep and maintain in good order, condition and repair (including, without limitation, any such replacement and restoration as is required for that purpose) the Project, every part thereof and any and all appurtenances thereto wherever located, including, without limitation, all repairs and replacements, structural and nonstructural, foreseen and unforeseen, which are necessary to maintain and preserve the Project in good condition and operation. Tenant agrees to provide Landlord a schedule of regular maintenance and repair that Tenant shall undertake in connection with the Project. Landlord shall have the right to conduct an annual inspection of the Project to determine Tenant's compliance with this Section 8.2 and Tenant agrees to cooperate in such annual inspection.

8.3. If Tenant fails to maintain or repair the Project as required by this Lease and such failure continues for thirty (30) days after written notice thereof from Landlord to Tenant (provided, however, that if the failure complained of in such notice is of such a nature that the same can be rectified or cured, but cannot with reasonable diligence be done within said thirty (30) day period, then such failure shall be deemed to be rectified or cured if Tenant shall, within said thirty (30) day period, commence to rectify and cure the same and shall thereafter complete such rectification and cure with all due diligence but in no event later than ninety (90) days after such written notice), then Landlord may, without declaring Tenant in default of this Lease and upon ten (10) days prior notice to Tenant (except that no notice shall be required in the case of an emergency), enter the Project and perform such maintenance or repair on behalf of Tenant. In such case, Tenant shall reimburse Landlord for all costs incurred in performing such maintenance or repair within a reasonable time after such repairs are made.

ARTICLE 9

INDEMNIFICATION AND LANDLORD EXEMPTION

9.1 Indemnification and Exemption of Landlord from Liability.

9.1.1 Tenant Obligation. Tenant shall indemnify and hold harmless Landlord and all agents, servants and employees of Landlord (collectively, the “*Landlord Parties*”) from and against all claims, losses, damages, expenses (including reasonable attorneys’ fees), penalties and charges (collectively the “*Losses*”) arising from or in connection with any of the following during the Term (i) Tenant’s use of the Project, or (ii) the conduct of Tenant’s business, or (iii) any activity, work or things done, permitted or suffered by Tenant in or about the Project. Tenant shall further indemnify and hold harmless Landlord from and against any and all Losses arising from any default in the performance of any obligation on Tenant’s part to be performed under the terms of this Lease, or arising from any negligence of Tenant, or any of Tenant’s agents, contractors, or employees during the Term, and from and against all Losses incurred in the defense of any such claim or any action or proceeding brought thereon. If any action or proceeding be brought against Landlord by reason of any such claim, Tenant, upon notice from Landlord, shall defend the same at Tenant’s expense by legal counsel reasonably satisfactory to Landlord. Tenant, as a material part of its consideration to Landlord, hereby assumes all risk of damage to property or injury to persons in or upon the Project arising from any cause during the Term and Tenant hereby waives all claims in respect thereof against Landlord. Tenant’s indemnity is not intended to nor shall it relieve any insurance carrier of its obligations under policies required to be carried by Tenant pursuant to the provisions of this Lease. Tenant’s obligations under this Section 9.1.1 shall survive any termination of this Lease.

9.1.2 Landlord Exculpation. The Landlord Parties shall not be liable for any and all Losses arising from or in connection with any damage or injury to the person, business (or any loss of income therefrom), goods, wares, merchandise or other property of Tenant, Tenant’s employees, invitees, customers, or any other person in or about the Project, or any other person claiming under Tenant whether such damage or injury is caused by or results from: (a) fire, steam, electricity, water, gas or rain; (b) the breakage, leakage, obstruction or other defects of pipes, sprinklers, wires, appliances, plumbing, air conditioning or lighting fixtures or any other cause; (c) the failure, delay or diminution in the quality or quantity of any utilities or services supplied to the Project, (d) inconvenience or annoyance arising from the necessity of repairing any portion of the Project; (e) the interruption for any reason in the use of the Project; (f) the destruction of the Project; or (g) any conditions arising in or about the Project, or from other sources or places, nor shall any of the same be construed as an eviction of Tenant, nor work an abatement of Rent, nor relieve Tenant from any obligation under this Lease. Without limiting the foregoing, the Landlord Parties shall not be liable for any and all claims, losses, damages, expenses, penalties and charges arising from or in connection with the following: (i) any defect or shortcoming in or failure of plumbing, heating or air conditioning or ventilation systems, elevators, electric wiring or installation thereof, water pipes, stairs, railings or walks; (ii) any equipment or appurtenances becoming out of repair; (iii) the bursting, leaking or running of any tubing, radiant panel, fire sprinkler system, electric fixture, valve, fitting, tank, washstand, water closet, waste pipe, drain or other pipe or tank or any other water and/or

moisture related release and/or condition and all consequences and/or conditions relating from same, upon or about the Project; (iv) the backing up of any sewer pipe or downspout; (v) the escape of steam, hot or cold water; (vi) water, snow or ice being upon or coming through the roof of the Project or any other place upon or near the Project; (vii) the failing of any fixture, brick, plaster or stucco; (viii) broken glass; (ix) any act or omission of cotenants or other occupants of the Project; or (x) any act or omission of the Parties (other than Landlord or the Landlord Parties) nor, unless otherwise permitted under this Lease, shall any of the foregoing work an abatement of Rent, nor relieve Tenant from any obligation under this Lease. Landlord shall not be liable for any such damage or injury even though the cause of or the means of repairing such damage or injury are not accessible to Tenant. Tenant shall have no rights whatsoever to offset or deduct against any Rent or any other sums due Landlord under the Lease for any reason whatsoever, including Landlord's default, nor shall Tenant have any rights at any time to cure any defaults of the Landlord under this Lease.

ARTICLE 10

OPTION TO PURCHASE

Attached to this Lease is Rider No. 1 – Option to Purchase by which Landlord has granted to Tenant an option to purchase the Real Property. In the event of any conflict between this Lease and Rider No. 1 – Option to Purchase, Rider No. 1 – Option to Purchase shall govern and control.

ARTICLE 11

CONDEMNATION

11.1. Definitions

11.1.1. Condemnation. "*Condemnation*" means (a) the exercise of any governmental power, whether by legal proceedings or otherwise, by a Condemnor or (b) a voluntary sale or transfer by Landlord to any Condemnor, either under threat of condemnation or while legal proceedings for condemnation are pending.

11.1.2. Date of Taking. "*Date of Taking*" means the date the Condemnor has the right to possession of the property being condemned.

11.1.3. Award. "*Award*" means all compensation, sums, or anything of value awarded, paid, or received on a Total Taking or partial Condemnation.

11.1.4. Condemnor. "*Condemnor*" means any public or quasi-public authority, or private corporation or individual, having the power of Condemnation.

11.1.5. Total Taking. "*Total Taking*" means all or substantially all of the Project or the Project are taken under the power of eminent domain or sold to a condemning authority under threat of the exercise of said power.

11.2. Notification

Promptly upon its receipt of such notice or process, each party shall notify the other of the receipt, contents and date of any notice of intended taking of all or any portion of the Project, service of any legal process relating to Condemnation of the Project, notice in connection with any proceeding or negotiations with respect to such a Condemnation or notice of intent or willingness to make or negotiate a private purchase, sale, or transfer in lieu of Condemnation.

Landlord, Tenant, and all Persons and entities holding under Tenant, shall each have the right to represent his or its respective interest in each proceeding or negotiation with respect to a taking or intended taking and to make full proof of its claims. No negotiations, agreements, settlement, sale, or transfer to or with the Condemnor shall be made without the consent of Landlord and Tenant. Landlord and Tenant each agree to execute and deliver to the other any instruments that may be required to effectuate or facilitate the provisions of this Lease relating to Condemnation.

The provisions of this Lease constitute an express agreement between Landlord and Tenant with respect to any Condemnation of all or any portion of the Project or Project, and any law, with respect to termination rights arising from a condemnation shall have no application to this Lease.

11.3. Total Taking

11.3.1. Effect on Lease. If there is a Total Taking, or in the event that primary access to or from the Project is taken and reasonable substitute access is not available or otherwise provided, this Lease shall terminate on the Date of Taking.

11.3.2. Distribution of Award. Tenant shall be entitled to receive that portion of the Award attributable to the value of Tenant's leasehold interest at the time of the Total Taking. Landlord shall be entitled to receive that portion of the Award attributable to the value of Landlord's residual interest in the Project at the time of the Total Taking.

11.4. Partial Taking

11.4.1. Right to Terminate. If any portion of the Project which contains less than all of the Project is taken by Condemnation, this Lease shall remain in effect, except that Tenant can elect to terminate this Lease if the portion of the Project not so taken cannot be restored, reconstructed or replaced, taking into consideration the amount of the Award actually made available to Tenant for repair, so as to constitute a complete Project.

If Tenant elects to terminate this Lease, Tenant must exercise its right to terminate by giving notice to Landlord within ninety (90) days after the nature and extent of the taking have been finally determined. If Tenant elects to terminate this Lease, this Lease shall terminate on the date of taking. In connection with any such termination, Tenant shall comply with all of the following conditions:

- (a) On or before the termination date, Tenant shall cure any defaults on

Tenant's part under this Lease;

(b) Tenant shall continue to make all payments and satisfy all other obligations when due as required by the provisions of this Lease until the date of termination and on or before such date pay to Landlord all sums then accrued under this Lease;

(c) On or before the termination date, Tenant shall pay in full any outstanding indebtedness incurred by Tenant and secured by an encumbrance or encumbrances on the leasehold, or alternatively, deliver to Landlord the written consent of the holders of all such encumbrances to the early termination of this Lease and extinguishment of their liens; and

(d) On or before the termination date, Tenant shall deliver quiet possession of the Project to Landlord and cause to be discharged all liens and encumbrances resulting from any acts or omissions of Tenant, including, but not limited to, free and clear of any subleases, and convey title in the land and improvements to Landlord.

11.5 Restoration of Project; Allocation of Award. If there is a partial taking of the Project and this Lease remains in full force and effect pursuant to Section 11.4.1, and to the extent that severance Award damages are made available to Tenant, Tenant shall apply the Award received to restoration. Subject to the foregoing, the Award shall be allocated as provided in Section 11.3.2 as in the case of Total Taking. Any Award for severance or other damages with respect to the residual interest of Landlord shall belong solely to Landlord.

11.6 Distribution of Award in the Case of Termination. If there is a partial taking of the Project and Tenant elects to terminate this Lease pursuant to Section 11.4.1, the entire Award shall be distributed in accordance with Section 11.3.2 as if such partial taking were a Total Taking.

11.7 Temporary Taking. On any taking of the temporary use of all or any part or parts of the Project for a period ending on or before the expiration date of the Term, neither the Term nor the rent shall be reduced or affected in any way, and Tenant shall be entitled to any award for the use or estate taken. If a result of the taking is to necessitate expenditures for changes, repairs, alterations, modifications, or reconstruction of the Project, the award shall be paid to the Tenant. At the completion of the work and the discharge of the Project from all liens and claims, Tenant shall be entitled to any surplus.

ARTICLE 12

DEFAULT

12.1 Tenant's Default The occurrence of any of the following shall constitute an "*Event of Default*" or "*Default*" by Tenant:

(a) Failure to Pay. Failure to pay rent or any other payment required to be made by Tenant hereunder when due, and such failure continues for five (5) days after notice from Landlord to Tenant; provided, however, that Tenant may cure such default at any time by

paying all rents and other expenses or charges then due together with any interest due under Section 16.9.

(b) Failure to Perform. Failure to perform any covenant or provision of this Lease, if the failure to perform is not cured within thirty (30) days after written notice from Landlord to Tenant. If the failure cannot reasonably be cured within thirty (30) days, an Event of Default shall not exist if Tenant commences to cure the failure within the thirty (30) day period and thereafter continues to make diligent and reasonable efforts to cure such failure as soon as practicable.

(c) Abandonment. The abandonment or vacation of the Project by Tenant for more than six (6) consecutive months or for six months whether consecutive or not in any eighteen (18) month period.

(d) Bankruptcy. A general assignment by Tenant for the benefit of creditors, or the filing by or against Tenant of any proceeding under any insolvency or bankruptcy law, or the appointment of a trustee or receiver to take possession of all or substantially all of the assets of Tenant, or any execution or other judicially authorized seizure of all or substantially all of Tenant's assets located upon the Premises or of Tenant's interest in this Lease.

12.2 Landlord Remedies. In the event of a default by Tenant, and in addition to any other remedies available to it at law or in equity, Landlord may at its option, without further notice or demand of any kind to Tenant:

(a) declare the Lease terminated, reenter the Premises and enter the Project and take possession thereof and remove all persons therefrom, and Tenant shall have no further claim thereon or hereunder; or

(b) without declaring the Lease terminated, reenter the Premises and enter the Project and occupy the whole or any part thereof for and on account of Tenant and collect any unpaid rents and other charges which have become payable or which may thereafter become payable hereunder; or

(c) even though Landlord may have reentered the Premises and entered the Project, thereafter elect to terminate this Lease and all of the rights of Tenant in or to the Premises and the Project.

In addition, Landlord shall be entitled to collect any unpaid amounts due to Landlord at the time of termination of this Lease and 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 including,

12.3 Landlord's Right to Cure Tenant's Default.

At any time after a Tenant Default and after prior reasonable notice to Tenant of Landlord's intent to cure, Landlord may, but is not obligated to, cure such Tenant Default at Tenant's cost. If Landlord at any time, by reason of such Default by Tenant, pays any sum or

does any act, the reasonable sum paid by Landlord plus the reasonable cost of performing such act shall be due as additional rent immediately on demand by Landlord to Tenant along with evidence of the foregoing expenditures. No such payment or act shall constitute a waiver of Tenant Default or of any remedy for Tenant Default or render Landlord liable for any loss or damage resulting from any such act.

12.4 Landlord's Default.

Landlord shall not be deemed to be in default in the performance of any obligation required to be performed by it hereunder unless and until it has failed to perform such obligation thirty (30) days after notice by Tenant to Landlord specifying in reasonable detail the event or act or failure to perform complained of by Tenant and the applicable provisions of this Lease which Landlord is alleged to have violated; provided, however, that if the nature of Landlord's obligation is such that more than thirty (30) days are required for its performance, then Landlord shall not be deemed to be in default if it shall commence such performance within such thirty (30) day period and thereafter diligently and in good faith prosecute the same to completion.

12.5 Tenant Remedies.

In the event of a default by Landlord, Tenant may at its option, without further notice or demand of any kind to Landlord the Foundation's sole remedy shall be to pursue one, and only one, of the following remedies:

- (a) to waive such default;
- (b) to terminate this Agreement and on such termination Landlord shall have no liability or obligation under this Lease; or
- (c) to demand specific performance of the City's obligations under this Agreement and without any liability whatsoever on the part of the City for damages resulting from the City Default.

Notwithstanding anything herein to the contrary, no obligation assumed by or imposed upon the Landlord by this Lease or remedy granted or otherwise arising in, under or pursuant to this Lease against the Landlord shall require the payment of money by the Landlord, or the performance of any action by the Landlord, the performance of which requires money from the Landlord, except to the extent that funds are available for such payment or performance from appropriations therefor lawfully made by Landlord. This Lease shall not be construed as obligating the governing council of Landlord to make future appropriations for the payment of monies or for the performance of any obligations of Landlord under this Lease. The foregoing shall not limit any remedy available to Tenant under this Section 12.5, except that any such remedy shall not require, and Landlord shall not be obligated to make, future appropriations for the payment of monies.

ARTICLE 13

OWNERSHIP OF PROJECT AT EXPIRATION OR TERMINATION

13.1 Ownership of Project.

The Learning Center shall be the property of Tenant (and Tenant shall retain all rights to depreciation deductions and tax credits arising from ownership), provided that, at the expiration or sooner termination of this Lease, the Project, including the Learning Center, shall, without compensation to Tenant, be surrendered to Landlord in good condition and repair, ordinary wear and tear excepted, and become Landlord's property free and clear of all claims to or against them by Tenant or any third Person, and Tenant shall defend, protect and indemnify and hold Landlord harmless against all liability and loss arising from such claims or from Landlord's exercise of the rights conferred by this section following the expiration or sooner termination of this Lease. If the Project is not surrendered at the end of the Term, Tenant shall indemnify, defend, protect and hold Landlord harmless against loss or liability resulting from delay by Tenant in so surrendering the Project, including, without limitation, any claims made by any succeeding tenant founded on such delay.

ARTICLE 14

ASSIGNMENT; SUBLETTING; PERMITTED ENCUMBRANCE

14.1 General Prohibition. Except as provided in Section 14.2 below, neither Tenant's leasehold interest hereunder nor any part of such interest shall be assignable, transferable or subject to being sublet, mortgaged or otherwise encumbered, whether voluntarily or by operation of law, without Landlord's prior consent, which consent may be withheld in Landlord's sole discretion. The prohibition of this Section 14.1 includes any manner by which any estate or interest in Tenant's interest in this Lease or of the legal or beneficial ownership in Tenant is created, transferred, alienated, assigned or surrendered, and includes, without limitation, any sale, lease, conveyance, transfer, exchange, encumbrance or other disposition of Tenant's interest in this Lease or of the legal or beneficial ownership in Tenant, whether by agreement for sale or in any other manner.

14.2 Permitted Encumbrance. Tenant shall have the right to encumber its interest in this Lease solely in order to secure a loan to Tenant the proceeds of which shall be used to pay or reimburse Tenant for costs incurred in connection with the construction of the Project (the "Loan"). In connection with the Loan, Tenant agrees to the following general conditions:

(a) The Loan shall be from either a state or federally chartered banking institution.

(b) The Loan, including, without limitation, all loan documents relating to the Loan, will require the written consent of Landlord which consent will not be unreasonably withheld by Landlord.

(c) The principal amount of Loan shall not exceed fifty percent (50%) of the hard cost of construction of the Project as set forth in the final budget approved by the City.

(d) The interest rate and other terms and conditions of the Loan shall be commercially reasonable.

(e) Landlord shall in no event be required to subordinate the fee simple interest in the Real Property and Landlord shall be fully exculpated from any liability whatsoever under the Loan.

(f) In the event the Loan is foreclosed, the succeeding tenant under this Lease shall have the right to change the use of the Project to a for-profit enterprise, provided, however, that the Rent for the Real Property shall be increased to the then appraised fair market ground rent for the Real Property.

(g) Any change in use of the Project shall require the consent of Landlord and certain uses will be absolutely prohibited.

(h) Landlord shall have the right to purchase the property in the event of a default under the Loan for a price not to exceed the outstanding amount due under the Loan.

(i) Tenant, the lender under the Loan and Landlord shall enter into a three party agreement setting forth these conditions and such other terms and conditions as the three parties may reasonably require, provided, however, that any such agreement may require the approval of the City Council of the City of Las Vegas, Nevada.

ARTICLE 15

RESERVED

ARTICLE 16

LANDLORD MORTGAGES

Landlord may at any time mortgage or encumber its interest in the Premises and this Lease.

ARTICLE 17

EXPIRATION OR TERMINATION

17.1 Duty to Surrender.

At the expiration or earlier termination of the Term, Tenant shall surrender to Landlord the possession of the Project and, subject to Tenant's right to retain a copy of the same, shall

surrender and assign to Landlord Tenant's right, title and interest, if any, in and to all books and records with respect to the Project, including, but not limited to, Tenant's rights with respect to plans and specifications, soils tests, architectural plans and designs, engineering reports and similar items. Surrender of Project shall be as directed in Article 13.

17.2 Holding Over.

This Lease shall terminate without further notice at expiration or earlier termination of the Term. Any holding over by Tenant after expiration shall not constitute a renewal or extension or give Tenant any rights in or to the Project. Should Tenant hold possession of the Project or Project after the expiration or earlier termination of this Lease, such holding over shall create a tenancy at sufferance only, upon the same terms and conditions as herein set forth. If the Project is not surrendered to Landlord as required by Section 13.1, Tenant shall indemnify, defend, protect and hold Landlord harmless against any loss or liability resulting from delay by Tenant in so surrendering the Project, including, without limitation, any claims by any succeeding tenant resulting for such delay.

17.3 Existing Liabilities.

Expiration or termination of this Lease shall not relieve any party hereto of any liability accrued as of such date or arising out of or relating to facts occurring on or prior to such date, whether for breach, indemnity or otherwise.

ARTICLE 18

MISCELLANEOUS

18.1 Notices.

As used in this Lease, notice includes but is not limited to the communication of notice, request, demand, approval, disapproval, statement, report, acceptance, consent, objection, waiver and appointment.

All notices must be in writing; provided that no writing other than the check or other instrument for the rent payment itself need accompany the payment of rent.

Notice shall be given (i) by personal delivery to the address(es) set forth below, (ii) by United States mail in a sealed envelope or container, either registered or certified mail, return receipt requested, postage and postal charges prepaid, addressed by name and address to the party or Person intended set forth below, (iii) by delivery by a courier service keeping records of deliveries and attempted deliveries to the address specified below or (iv) by telecopy or similar facsimile transmission to the number set forth below with a hard copy to be mailed

within twenty-four (24) hours of such transmission:

Notice to Tenant:	Nevada Blind Children's Foundation 9330 West Martin Ave, First floor Las Vegas, NV 89148 Attn: President Facsimile: (702) 878-3524
Notice to Landlord:	City of Las Vegas c/o Office of Economic and Urban Development 495 South Main Street, 6 th Floor Las Vegas, Nevada 89101 Facsimile: (702) 386-1749
With a copy to:	City Attorney Office City Hall 495 South Main Street, 6 th Floor Las Vegas, Nevada 89101 Attention: Teri Ponticello Facsimile: (702) 386-1749

Any notice, demand, request or other communication, including any copy, shall be deemed to have been given, made, received and communicated, as the case may be, on the date personal delivery was effected if personally served, on the day one day after the date of acknowledgment of receipt if by facsimile or telex (provided a hard copy of the same is sent in another manner permitted hereunder within twenty-four (24) hours of transmission), on the date shown as the delivery date on the overnight courier's cartage copy if by overnight courier, or on the date of delivery as shown on the return receipt if delivered by mail. If actual delivery is not completed due to the absence of the recipient or his/her refusal to accept delivery, delivery shall nevertheless be deemed completed for purposes of this Lease if delivery was otherwise attempted in accordance with the foregoing requirements.

Either party may, by notice given at any time or from time to time, require subsequent notices to be given to another individual Person, whether a party or an officer or representative, and/or to a different address and/or number. Notices given before actual receipt of notice of change shall not be invalidated by the change.

18.2 Estoppel Certificates.

At any time and from time and time, within fifteen (15) days after notice of request by either party (or their lenders), the other party shall execute, acknowledge, and deliver to the requesting party, or to such other recipient as the notice shall direct, a statement indicating 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 in the manner specified in the statement and

acknowledging that there are no uncured defaults or failures to perform any covenant or provision of this Lease on the part of the requesting party or specifying any such defaults or failures which are claimed to exist. The statement shall also state the dates to which the rent and any other charges have been paid in advance.

The failure of the party requested to execute, acknowledge, and deliver, on request, the certified statement described above within the specified time shall constitute its acknowledgment to all Persons entitled to rely on the statement that this Lease is unmodified and in full force and effect and that the rent and other charges have been duly and fully paid to and including the respective due dates immediately preceding the date of the notice of request and shall constitute a waiver, with respect to all Persons entitled to rely on the statement, of any defaults on the requesting party's part that may exist before the date of the notice.

18.3 Joint and Several Obligations.

If either Landlord or Tenant consists of more than one Person, the obligation of all such Persons shall be joint and several.

18.4 Authority.

Landlord and Tenant represent and warrant to each other that each individual executing the Lease (or any amendment hereto) on its behalf is duly authorized to execute and deliver this Lease or such amendment on its behalf and that this Lease or such amendment is binding upon such party in accordance with its terms.

18.5 Access for Landlord.

Landlord and its agents shall have free access to the Project and the Project during all reasonable hours throughout the Term on reasonable advance notice to Tenant for the purpose of ascertaining compliance by Tenant with the terms and conditions of this Lease. Nothing contained herein shall impose any duty on the part of Landlord to do any work or repair, maintenance, reconstruction or restoration, which under any provision of this Lease is required to be done by Tenant and the performance thereof by Landlord shall not constitute a waiver of Tenant's default in failing to do the same. Except as otherwise provided in Section 8.1.2, Landlord shall not be liable for inconvenience, annoyance, disturbance, loss of business or quiet enjoyment, or other damage or loss to Tenant by reason of exercising Landlord's rights under this Section 16.7.

18.6 Transfer of Landlord's Interest.

In the event of any transfer or transfers of Landlord's interest in the Project, the transferor shall be automatically relieved of any and all obligations and liabilities on the part of

Landlord accruing from and after the date of such transfer provided that the transferee expressly assumes in writing all of Landlord's obligations under this Lease accruing from and after the date of transfer. Tenant agrees to attorn to such transferee.

18.7 Interest on Past Due Obligations.

Any amount due from one party to the other party under the terms of or with respect to this Lease which is not paid within five (5) days after payment is due shall bear interest at the lower of (i) the Prime Rate plus four (4) percentage points or (ii) the maximum per annum interest rate permitted by law with respect to this transaction from the date five (5) days after payment is due until paid unless otherwise specifically provided herein, but the payment of interest shall not excuse or cure any default under this Lease. The "*Prime Rate*" means the "prime rate" published in *The Wall Street Journal* under "Money Rates" (or if such rate information or publication is discontinued, an equivalent rate reflecting the base rate on corporate loans posted by at least 75% of the United States' thirty (30) largest banks) on the first business day of the preceding calendar month.

18.8 Waiver.

The waiver by Landlord or Tenant of any breach by the other party of any term, covenant, or condition herein contained shall not be deemed to be a waiver of such term, covenant, or condition or any subsequent breach of the same or any other term, covenant, or condition herein contained. The subsequent acceptance of rent hereunder by Landlord shall not be deemed a waiver of any preceding breach by Tenant of any term, covenant, or condition of this Lease (including, without limitation, the provisions of Article 12 on assignment and subletting), other than the failure to pay the particular rents so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such rent. No payment by Tenant or receipt by Landlord of a lesser amount than the rent herein provided shall be deemed to be other than on account of the earliest rent due and payable hereunder, nor shall any endorsement or statement on any check or any letter accompanying any check or payment of rent be deemed an accord and satisfaction, and Landlord may accept any such check or payment without prejudice to Landlord's rights to recover the balance of such rent or pursue any other remedy under this Lease.

18.9 Time of Essence.

Time is of the essence with respect to the performance of every provision of this Lease in which time of performance is a factor.

18.10 Brokers.

Landlord and Tenant each warrants to and for the benefit of the other, and shall indemnify, defend, protect and hold harmless the other for a breach hereof, that it has had no dealings with any real estate broker or other agent (attorneys excepted) in connection with the negotiation or making of this Lease.

18.11 Surrender or Cancellation.

The voluntary or other surrender of this Lease by Tenant, or a mutual cancellation hereof, shall not work a merger, and shall terminate all or any existing subleases, unless Landlord elects to treat such surrender or cancellation as an assignment to Landlord of any or all of such subleases. Except as expressly permitted in this Lease, Tenant shall have no right to terminate this Lease or surrender the Project.

18.12 Interpretation of Lease.

18.12.1 Table of Contents; Headings. The table of contents of this Lease and the captions of the various sections of this Lease are for convenience and ease of reference only and do not define, limit, augment, or describe the scope, content, or intent of this Lease or of any part or parts of this Lease.

18.12.2 Gender; Number. The neuter gender includes the feminine and masculine, the masculine includes the feminine and neuter, and the feminine includes the masculine and neuter, and each includes fiduciary, corporation, partnership, or other legal entities whenever the context so requires. The singular number includes the plural whenever the context so requires.

18.12.3 Exhibits. All exhibits to which reference is made in this Lease are hereby incorporated by reference. Any reference to "this Lease" includes matters incorporated by reference.

18.12.4 Entire Agreement; Modification. This Lease contains the entire agreement between the parties with respect to the leasing of the Project. No verbal agreement or implied covenant shall be held to vary the provisions hereof, any statements, law or custom to the contrary notwithstanding. No promise, representation, warranty, or covenant not included in this Lease has been or is relied on by either party. No provision of this Lease may be amended or varied except by an agreement in writing signed by the parties hereto or their respective successors-in-interest.

18.12.5 Severability. The invalidity or illegality of any provision shall not affect the remainder of this Lease and all remaining provisions shall, notwithstanding any such invalidity or illegality, continue in full force and effect.

18.12.6 Successors. Subject to the provisions of this Lease on assignment and subletting, each and all of the covenants and conditions of this Lease shall be binding on

and shall inure to the benefit of the heirs, successors, executors, administrators, assigns, and personal representatives of the respective parties.

18.12.7 No Partnership. Nothing contained in this Lease shall be deemed or construed by the parties hereto or by any third party to create the relationship of principal and agent or of partnership or of joint venture or of any association between Landlord and Tenant. Neither the method of computation or rent nor any other provisions contained in this Lease nor any acts of the parties hereto shall be deemed to create any relationship between Landlord and Tenant other than the relationship of landlord and tenant.

18.12.8 Governing Law. The laws of the State of Nevada shall govern the validity, construction, performance and effect of this Lease.

18.12.9 Covenants. Whenever in this Lease any words of obligation or duty are used in connection with either party, such words shall have the same force and effect as though framed in the form of express covenants on the part of the party obligated.

18.12.10 No Third Party Beneficiaries. This Lease is made solely for the benefit of Landlord and Tenant. This Lease is intended solely for the benefit of the Parties hereto, and no person is intended to be or shall be construed to be a third party beneficiary of this Lease.

18.12.11 Force Majeure Delays.

Except as otherwise expressly provided in this Lease to the contrary, each party shall be excused from its duty to perform any covenant or obligation under this Lease, except an obligation to pay any sums of money, in the event but only so long as the performance of any such covenant or obligation is prevented, delayed, retarded or hindered by any of the following ("*Force Majeure Delays*"): shortages of labor or materials, act of God, fire, earthquake, floods, explosion, action of the elements, war, invasion, terrorism, insurrection, riot, mob violence, sabotage, strikes, lockouts, action of labor unions, condemnation, government moratorium, requisition, or orders of military or naval authorities (other than the lack or inability to procure funds to fulfill its covenants and obligations provided in this Lease). Notwithstanding any specific references in certain provisions of this Lease to extension for Force Majeure Delays, the absence of such specific reference in any other provision shall not be deemed to diminish the general applicability of this Section 18.12.11.

In the event any party claims excuse from its duty to perform any covenant or obligation set forth in this Lease due to a Force Majeure Delay, such party shall notify the other party of the occurrence of such event of force majeure within thirty (30) days following the occurrence thereof. The provisions of this Section 18.12.11 shall not be effective to excuse any party failing to give such notice from the performance of such covenant or obligation until such notice is given to the other party.

ARTICLE 19

EXECUTION; RECORDATION OF SHORT FORM OF LEASE

19.1 Execution in Counterparts.

This Lease, or the Memorandum of Ground Lease, or both, may be executed in two or more counterparts, each of which shall be in original, but all of which shall constitute one and the same instrument.

19.2 Recordation of Memorandum of Lease.

This Lease shall not be recorded; however the parties shall execute and acknowledge a short form or memorandum of this Lease (the "*Memorandum of Ground Lease*") in the form of Exhibit C attached hereto. At Tenant's expense relative to the recording costs and any taxes, the Memorandum of Ground Lease shall be recorded in the real property records of Clark County, Nevada at the request of either party.

19.3 Execution Duplicate Originals.

This Lease may be executed by the Parties in duplicate originals, and each original executed Lease without the others shall serve as an original.

ARTICLE 20

DEFINITIONS

Affiliate means any person or entity which, directly or indirectly through one (1) or more intermediaries, controls or is controlled by or is under common control with another person or entity. The term "**control**" as used herein (including the terms "controlling," "controlled by," and "under common control with") means the possession, direct or indirect, of the power to (i) vote more than fifty percent (50%) of the outstanding voting power of such person or entity, or (ii) otherwise direct management policies of such person by contract or otherwise.

Alterations shall have the meaning set forth in Section 6.2.

Applicable Laws means all federal, state and local governmental rules, policies, permits, authorizations, regulations, ordinances, codes, statutes and laws, now or hereafter in effect pertaining to the Project or any use thereof.

Annual Rental shall have the meaning set forth in Section 3.1.2.

Award shall have the meaning set forth in Section 9.1.3.

Business Day or "**business day**" means any day other than a Saturday, a Sunday or a day which is a national or state holiday in Las Vegas, Nevada.

City shall have the meaning set forth in Recital A.

Claims shall have the meaning set forth in Section 8.1.1.

Condemnation shall have the meaning set forth in Section 9.1.1.

Condemnor shall have the meaning set forth in Section 9.1.4.

Damaged shall have the meaning set forth in Section 7.5.

Date of Taking shall have the meaning set forth in Section 9.1.2.

Default shall have the meaning set forth in Section 10.1.

Development Agreement shall have the meaning set forth in Recital C.

Event of Default shall have the meaning set forth in Section 10.1.

Environmental Laws means any past, present or future federal, state or local law, statute, rule, regulation, code, ordinance, order, decree, judgment, injunction, notice, policy, or binding agreement, and all amendments thereto, issued, promulgated, or entered into by any governmental authority, relating in any way to the environment, the preservation, degradation, loss, damage, restoration or reclamation of natural resources, waste management, health, industrial hygiene, safety matters, Environmental Condition or Hazardous Substances

Exempt Transfers shall have the meaning set forth in Section 12.1.

Force Majeure Delays shall have the meaning set forth in Section 16.14.13.

Hazardous Substances shall have the meaning set forth in Section 1.2 and means and includes the following, including mixtures thereof; any hazardous substance, pollutant, contaminant, waste, by-product or constituent regulated under any federal, state or local laws and regulations as amended or hereafter enacted regulating hazardous or toxic substances or wastes, petroleum pollutant or waste or similar substances, including, but not limited to, as defined in the Comprehensive Environmental Response, Liability and Compensation Act, 42 U.S.C. 9601 et seq., as amended, the Federal Water Pollution Control Act, 33 U.S.C. Sections 1251, et seq., Hazardous Materials Transportation Act, 49 U.S.C. Sections 1801, et seq., Resource Conservation and Recovery Act, 42 U.S.C. Sections 6901, et seq., Safe Drinking Water Act, 42 U.S.C. Sections 3000(f), et seq., Clean Air Act, 42 U.S.C. Sections 7401, et seq., United States Department of Transportation Hazardous Materials Table, 49 C.F.R. 172.101, Chapters 444, 445A, 445B, 477, 590 or 618 of NRS, pesticides regulated under the Federal

Insecticides, Fungicide, and Rodenticide Act, 7 U.S.C. Section 136 et seq., asbestos and asbestos containing materials, PCBs and other substances regulated under the Toxic Substances Control Act, 15 U.S.C. Section 2601 et seq., source material, special nuclear material, byproduct material and any other radioactive materials or radioactive wastes, however produced, regulated under the Atomic Energy Act or the Nuclear Waste Police Act; chemicals subject to the OSHA Hazard Communication Standard, 29 C.F.R. (1910.1200 et seq.; and industrial process and pollution control wastes whether or not hazardous within the meaning of the Resource Conservation and Recovery Act, 42 U.S.C. 6901 et seq., all as may be amended.

Landlord means the Person who is the fee owner at the time in question of the Project, whether singular or plural in number, and whether initially named in this Lease as Landlord or having become the successor-in-interest of the initially named Landlord, or the successor of a successor, whether by assignment, foreclosure, or other transfer, and whether intentional or inadvertent or by operation of law.

Landlord Parties shall have the meaning set forth in Section 9.1.

Lease shall have the meaning set forth in the introductory paragraph of this Lease.

Losses shall have the meaning set forth in Section 9.1.

Major Damage shall have the meaning set forth in Section 7.6.

Memorandum of Ground Lease shall have the meaning set forth in Section 17.2.

Minor Alterations means all nonstructural Alterations other than any single nonstructural Alteration which costs in excess of \$25,000.

Minor Damage shall have the meaning set forth in Section 7.5.

Permitted Exceptions shall have the meaning set forth in Section 1.3.

Person means a person or persons or entity or entities of any combination or persons and entities including when such person(s) or entity(ies) are acting in the capacity of an executor, trustee or other fiduciary capacity.

Premises shall have the meaning set forth in Recital E.

Project means the Premises and the Learning Center.

Prime Rate shall have the meaning set forth in Section 16.9.

Project means the Premises, the Learning Center and all other improvements located on the Premises.

Real Property shall have the meaning set forth in Recital A.

Rent or "**rent**" means Annual Rental and all other sums payable by Tenant hereunder.

Rent Commencement Date shall have the meaning set forth in Section 3.1.1.

Repair shall have the meaning set forth in Section 7.5.

Restoration Conditions shall have the meaning set forth in Section 7.6.

Taxes shall have the meaning set forth in Section 4.1.

Tenant means the Person named as Tenant in this Lease, whether singular or plural in number, or the Person who at the time in question is the successor-in-interest of Tenant, or the successor of a successor, whether by assignment, foreclosure, or other transfer, and whether intentional or inadvertent or by operation of law. It does not, however, include any Person claiming under any assignment or other transfer which is not a permitted assignment described or referred to under Article 14. This definition does not alter the provisions of this Lease relating to assignment or subletting, nor does it release any predecessor Tenant from liability under this Lease following an assignment, foreclosure or other transfer of its interest under this Lease.

Term shall have the meaning set forth in Article 2.

Total Taking shall have the meaning set forth in Section 9.1.5.

{Signatures on following page}

IN WITNESS WHEREOF, the undersigned have executed this Ground Lease as of the date first written above.

LANDLORD:

TENANT:

City of Las Vegas Nevada, a
political subdivision of State of Nevada

Nevada Blind Children's Foundation, a
Nevada non-profit corporation

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

ATTEST:

Name: _____
Title: _____

APPROVED AS TO FORM:

Name: _____
Date: _____

Exhibit "A"
LEGAL DESCRIPTION

THAT PORTION OF THE NORTHEAST QUARTER (NE ¼) OF THE SOUTHEAST QUARTER (SE ¼) OF SECTION 27, TOWNSHIP 20 SOUTH, RANGE 61 EAST, M.D.B. & M., DESCRIBED AS FOLLOWS:

PARCEL THREE (3) AS SHOWN BY MAP THEREOF IN FILE 117 OF PARCEL MAPS, PAGE 84, IN THE OFFICE OF THE COUNTY RECORDER, CLARK COUNTY, NEVADA AND AMENDED BY CERTIFICATE OF AMENDMENT RECORDED JULY 20, 2011 IN BOOK 20110720 AS DOCUMENT NO. 02768 OF OFFICIAL RECORDS.

NEVADA TITLE COMPANY
2500 North Buffalo, Suite # 150
Las Vegas, Nevada 89128
(702) 251-5000

ATTENTION:

July 16, 2013

Your Number
Order Number: 13-07-0645-KR / Kristin Ravelo

Dated as of July 9, 2013 at 7:30 a.m.

In response to the above referenced application for a policy of title insurance, **Nevada Title Company** hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a Policy or Policies of Title Insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referenced to as an Exception below or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations of said Policy forms.

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said Policy or Policies are set forth in the exclusions and exceptions from coverage document attached. The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than the amount, if any, set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in the exclusions and exceptions from coverage. Copies of the Policy forms should be read. They are available from the office which issued this report.

Please read the exceptions shown or referenced to below and the exceptions and exclusions set forth in the exclusions from coverage of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.

It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects, and encumbrances affecting title to the land.

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance, and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.



Title Officer: Martin Bressler

SCHEDULE A

The form of Policy of Title Insurance contemplated by this report is:

- ☐ California Land Title/American Land Title Association Homeowners Policy
- ☐ American Land Title Association Lender's Policy 2006 PROPOSED INSURED in the amount of \$, Premium Amount \$
- ☐ American Land Title Association Owners Policy 2006
- ☐ California Land Title Association Standard Owner's/Lenders

THE ESTATE OR INTEREST IN THE LAND DESCRIBED OR REFERRED TO IN THIS SCHEDULE COVERED BY THIS REPORT IS:

A Fee

Title to said estate or interest at the date hereof is vested in:

City of Las Vegas, a municipal corporation

The land referred to in this report is situated in the State of Nevada, County of Clark, and is described as follows:

SEE EXHIBIT "A" ATTACHED HERETO AND BY THIS REFERENCE MADE A PART HEREOF FOR LEGAL DESCRIPTION:

Address: 741 Veterans Memorial Drive Las Vegas, NV

EXHIBIT "A"
LEGAL DESCRIPTION

THAT PORTION OF THE NORTHEAST QUARTER (NE ¼) OF THE SOUTHEAST QUARTER (SE ¼) OF SECTION 27, TOWNSHIP 20 SOUTH, RANGE 61 EAST, M.D.B. & M., DESCRIBED AS FOLLOWS:

PARCEL THREE (3) AS SHOWN BY MAP THEREOF IN FILE 117 OF PARCEL MAPS, PAGE 84, IN THE OFFICE OF THE COUNTY RECORDER, CLARK COUNTY, NEVADA AND AMENDED BY CERTIFICATE OF AMENDMENT RECORDED JULY 20, 2011 IN BOOK 20110720 AS DOCUMENT NO. 02768 OF OFFICIAL RECORDS.

SCHEDULE B

At the date hereof Exceptions to coverage in addition to the printed exceptions and exclusions contained in said policy form would be as follows:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances or claims thereof, which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.
6. SUBSEQUENT YEAR TAXES: Taxes for the fiscal year 2014-2015 and subsequent years, a lien not yet due or payable.
Taxes for the fiscal year 2013-2014 are currently EXEMPT.

Note: A Las Vegas Artesian Basin fee of \$3.30 is due and payable

Parcel No. 139-27-708-014

7. Any supplemental or recapture taxes under NRS Chapter 361, as amended, which may become a lien on the subject property by reason of increased valuations due to land use, improvements or otherwise.
8. Reservations and Easements in the patent from the State of Nevada, recorded December 3, 1884, as Patent No. 2238 of Lincoln County Official Records.
9. The effect of the following Record of Survey filed in File 13 of Surveys at Page 31, recorded June 7, 1963, in Book 451, as Document No. 363587 of Official Records.

10. The terms and provisions contained in instrument entitled CITY OF LAS VEGAS REVISED DOWNTOWN DEVELOPMENT AREA recorded March 11, 1986 in Book 860311 as Document No. 00777 of Official Records.

Said instrument contains, among other things, provisions for rehabilitation of the downtown area financed by additional tax assessments.

Said instrument has been revised by an instrument recorded February 11, 1988 in Book 880211 as Document No. 00382 of Official Records.

Said instrument has been amended by an instrument recorded November 22, 1996 in Book 961122 as Document No. 00847 of Official Records.

A Notice of Adoption of Amendment To The Redevelopment Plan Recorded November 22, 1996 in Book 961122 as Document No. 00848; re-recorded November 25, 1996 in Book 961125 as Document No. 00566 and as set forth in Record of Survey performed by Rita M. Lumas, filed in File LG of Local Government Plats at Page 78 recorded November 22, 1996 in Book 961122 as Document No. 00849 of Official Records.

An Ordinance to Adopt an Amended and Restated Redevelopment Plan recorded June 2, 2006 in Book 20060602 as Document No. 0001395 of Official Records.

An Ordinance to Adopt an Amended Redevelopment Plan recorded September 12, 2012 in Book 20120912 as Document No. 0001933 of Official Records.

Reference should be made to said instrument for full particulars.

11. Dedications and Easements as shown on the recorded Map referred to herein, in File 117 of Parcel Maps, Page 84, of Official Records.

The above Parcel Map has been amended by CERTIFICATE OF AMENDMENT Recorded on July 20, 2011 in Book 20110720 as Document No. 02768 of Official Records.

12. Our search in the public record did not disclose any open deeds of trust on the herein described property. Please confirm with your seller/borrower that there are no liens or encumbrances affecting the herein described property other than those shown on the Preliminary Report or Commitment bearing the above referenced escrow number.

13. Water rights, claims or title to water, whether or not shown by the public records.

14. Subject to the rights of party or parties in possession in accordance with any unrecorded leases affecting portions of said land for the term and upon the terms, covenants, conditions and provisions therein contained.

NOTE: Should an inspection of the real property disclose any work of improvement in progress, this Company may be unwilling to provide mechanic's lien coverage.

15. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
16. Any Claim of Lien for labor and/or materials that may be filed against said land by reason of work or improvement thereon, as disclosed by an inspection of said premises.
17. REQUIREMENT: In the event this file converts to a request for title insurance, please advise the Title Department at least one week prior to close of the transaction.

We reserve the right to make additional exceptions and/or requirements.

NOTE: This report is a preliminary investigation only of the property contained herein. This is not an abstract, it is a report derived from our review of various documents of record. No reliance should be placed on the contents hereof without first obtaining the approval of an Officer of the Company.

kmy

SCHEDULE C

Privacy Notice (15 U.S.C. 6801 and 16 CFR Part 313): Nonpublic personal information about you is provided to us from information you submit on forms and documents and from others who are involved in your transaction. We do not disclose any nonpublic personal information about our customers or former customers to anyone, except as permitted by law. We restrict access to nonpublic personal information about you to those employees who need to know that information in order to provide products or services to you. We maintain physical, electronic and procedural safeguards that comply with federal regulations to guard your nonpublic personal information. If you want a full page explanation of our privacy policy, or if you have questions, please contact us.

ASSESSOR'S PARCELS - CLARK CO., NV.
Michele W. Shafe - Assessor

BOOK T20S R61E **SEC.** 27 **MAP** N 2 SE 4

Scale: 1" = 200' Rev: 06/06/2011

CLARK COUNTY

1	2	3	4	5	6	7	8	9	10
11	12	13	14	15	16	17	18	19	20
21	22	23	24	25	26	27	28	29	30
31	32	33	34	35	36	37	38	39	40

MAP LEGEND

- PARCEL BOUNDARY
- SUB BOUNDARY
- PM/D BOUNDARY
- ROAD EASEMENT
- HISTORIC LOT LINE
- HISTORIC SUB BOUNDARY
- SECTION LINE

CONDOMINIUM UNIT 001 ROAD PARCEL NUMBER
AIR SPACE PCL 001 PARCEL NUMBER
RIGHT OF WAY PCL 100 ACRES
SUB-SURFACE PCL 202 PARCEL SUBSEQ NUMBER
MATCH / LEADER LINE PB 24-48 PLAT RECORDING NUMBER
HISTORIC LOT LINE 5 BLOCK NUMBER
HISTORIC SUB BOUNDARY 6 LOT NUMBER
SECTION LINE 64.5 GOV LOT NUMBER

NOTES

This map is for assessment use only and does NOT represent a survey.
 No liability is assumed for the accuracy of the data delineated herein.
 Information on roads and other non-assessed parcels may be obtained from the Road Document Listing in the Assessor's Office.
 This map is compiled from official records, including surveys and deeds, but only contains the information required for assessment. See the recorded documents for more detailed legal information.

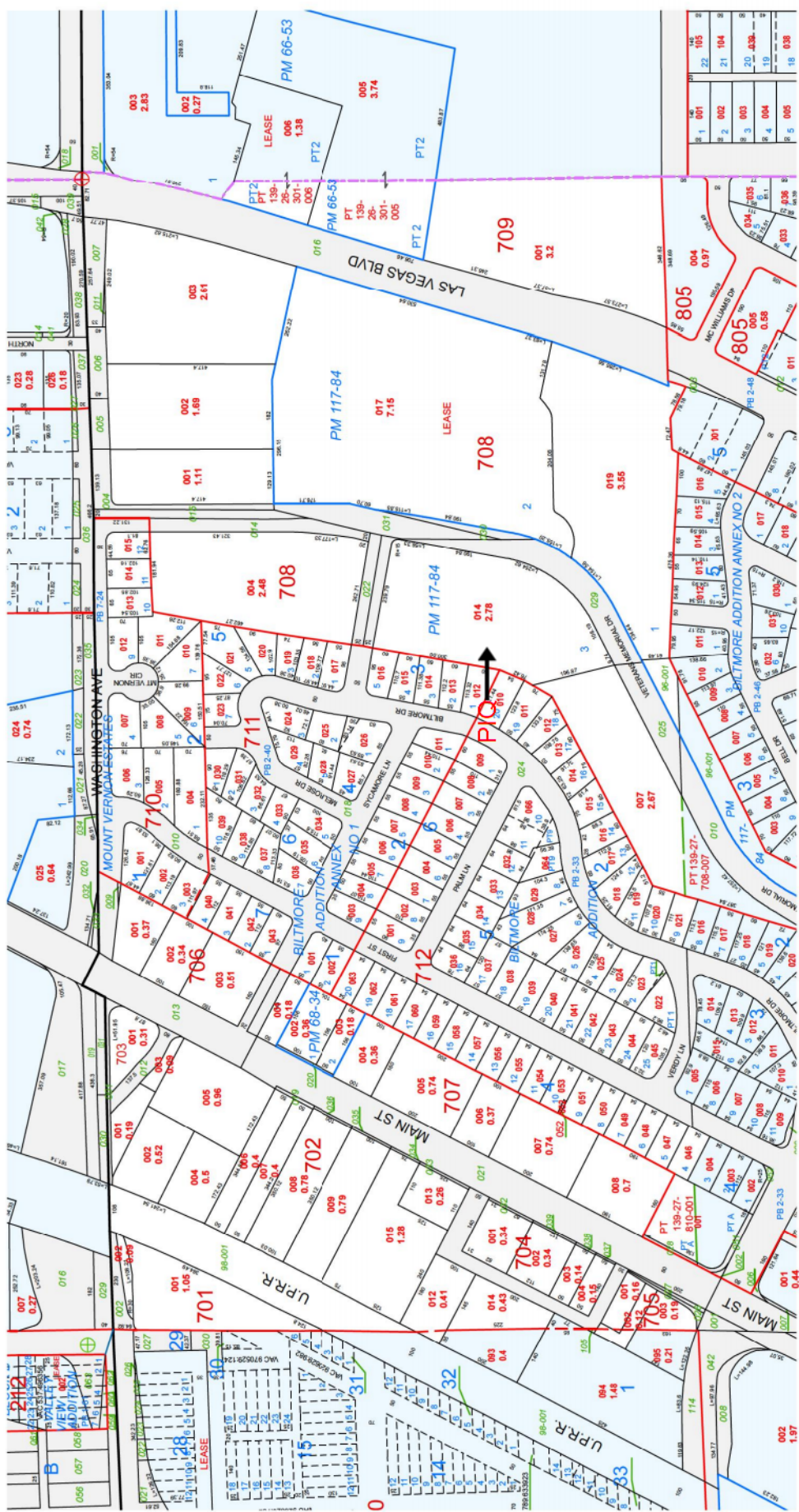


EXHIBIT 1 (REV. 6/17/06)
CALIFORNIA LAND TITLE ASSOCIATION STANDARD COVERAGE POLICY - 1990
EXCLUSIONS FROM COVERAGE

THE FOLLOWING MATTERS ARE EXPRESSLY EXCLUDED FROM THE COVERAGE OF THIS POLICY AND THE COMPANY WILL NOT PAY LOSS OR DAMAGE, COSTS, ATTORNEYS' FEES OR EXPENSES WHICH ARISE BY REASON OF:

1. (A) ANY LAW, ORDINANCE OR GOVERNMENTAL REGULATION (INCLUDING BUT NOT LIMITED TO BUILDING OR ZONING LAWS, ORDINANCES, OR REGULATIONS) RESTRICTING, REGULATING, PROHIBITING OR RELATING (i) THE OCCUPANCY, USE, OR ENJOYMENT OF THE LAND; (ii) THE CHARACTER, DIMENSIONS OR LOCATION OF ANY IMPROVEMENT NOW OR HEREAFTER ERECTED ON THE LAND; (iii) A SEPARATION IN OWNERSHIP OR A CHANGE IN THE DIMENSIONS OR AREA OF THE LAND OR ANY PARCEL OF WHICH THE LAND IS OR WAS A PART; OR (iv) ENVIRONMENTAL PROTECTION, OR THE EFFECT OF ANY VIOLATION OF THESE LAWS, ORDINANCES OR GOVERNMENTAL REGULATIONS, EXCEPT TO THE EXTENT THAT A NOTICE OF THE ENFORCEMENT THEREOF OR A NOTICE OF A DEFECT, LIEN, OR ENCUMBRANCE RESULTING FROM A VIOLATION OR ALLEGED VIOLATION AFFECTING THE LAND HAS BEEN RECORDED IN THE PUBLIC RECORDS AT DATE OF POLICY.
- (B) ANY GOVERNMENTAL POLICE POWER NOT EXCLUDED BY (A) ABOVE, EXCEPT TO THE EXTENT THAT A NOTICE OF THE EXERCISE THEREOF OR NOTICE OF A DEFECT, LIEN OR ENCUMBRANCE RESULTING FROM A VIOLATION OR ALLEGED VIOLATION AFFECTING THE LAND HAS BEEN RECORDED IN THE PUBLIC RECORDS AT DATE OF POLICY.
2. RIGHTS OF EMINENT DOMAIN UNLESS NOTICE OF THE EXERCISE THEREOF HAS BEEN RECORDED IN THE PUBLIC RECORDS AT DATE OF POLICY, BUT NOT EXCLUDING FROM COVERAGE ANY TAKING WHICH HAS OCCURRED PRIOR TO DATE OF POLICY WHICH WOULD BE BINDING ON THE RIGHTS OF A PURCHASER FOR VALUE WITHOUT KNOWLEDGE.
3. DEFECTS, LIENS, ENCUMBRANCES, ADVERSE CLAIMS OR OTHER MATTERS:
 - (A) WHETHER OR NOT RECORDED IN THE PUBLIC RECORDS AT DATE OF POLICY, BUT CREATED, SUFFERED, ASSUMED OR AGREED TO BY THE INSURED CLAIMANT;
 - (B) NOT KNOWN TO THE COMPANY, NOT RECORDED IN THE PUBLIC RECORDS AT DATE OF POLICY, BUT KNOWN TO THE INSURED CLAIMANT AND NOT DISCLOSED IN WRITING TO THE COMPANY BY THE INSURED CLAIMANT PRIOR TO THE DATE THE INSURED CLAIMANT BECAME AN INSURED UNDER THIS POLICY;
 - (C) RESULTING IN NO LOSS OR DAMAGE TO THE INSURED CLAIMANT;
 - (D) ATTACHING OR CREATED SUBSEQUENT TO DATE OF POLICY; OR
 - (E) RESULTING IN LOSS OR DAMAGE WHICH WOULD NOT HAVE BEEN SUSTAINED IF THE INSURED CLAIMANT HAD PAID VALUE FOR THE INSURED MORTGAGE OR FOR THE ESTATE OR INTEREST INSURED BY THIS POLICY.
4. UNENFORCEABILITY OF THE LIEN OF THE INSURED MORTGAGE BECAUSE OF THE INABILITY OR FAILURE OF THE INSURED AT DATE OF POLICY, OR THE INABILITY OR FAILURE OF ANY SUBSEQUENT OWNER OF THE INDEBTEDNESS, TO COMPLY WITH THE APPLICABLE DOING BUSINESS LAWS OF THE STATE IN WHICH THE LAND IS SITUATED.
5. INVALIDITY OR UNENFORCEABILITY OF THE LIEN OF THE INSURED MORTGAGE, OR CLAIM THEREOF, WHICH ARISES OUT OF THE TRANSACTION EVIDENCED BY THE INSURED MORTGAGE AND IS BASED UPON USURY OR ANY CONSUMER CREDIT PROTECTION OR TRUTH-IN-LENDING LAW.
6. ANY CLAIM, WHICH ARISES OUT OF THE TRANSACTION VESTING IN THE INSURED THE ESTATE OR INTEREST INSURED BY THIS POLICY OR THE TRANSACTION CREATING THE INTEREST OF THE INSURED LENDER, BY REASON OF THE OPERATION OF FEDERAL BANKRUPTCY, STATE INSOLVENCY OR SIMILAR CREDITORS' RIGHTS LAWS.

EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART I

THIS POLICY DOES NOT INSURE AGAINST LOSS OR DAMAGE (AND THE COMPANY WILL NOT PAY COSTS, ATTORNEYS' FEES OR EXPENSES) WHICH ARISE BY REASON OF:

1. TAXES OR ASSESSMENTS WHICH ARE NOT SHOWN AS EXISTING LIENS BY THE RECORDS OF ANY TAXING AUTHORITY THAT LEVIES TAXES OR ASSESSMENTS ON REAL PROPERTY OR BY THE PUBLIC RECORDS.
PROCEEDINGS BY A PUBLIC AGENCY WHICH MAY RESULT IN TAXES OR ASSESSMENTS, OR NOTICES OF SUCH PROCEEDINGS, WHETHER OR NOT SHOWN BY THE RECORDS OF SUCH AGENCY OR BY THE PUBLIC RECORDS.
2. ANY FACTS, RIGHTS, INTEREST, OR CLAIMS WHICH ARE NOT SHOWN BY THE PUBLIC RECORDS BUT WHICH COULD BE ASCERTAINED BY AN INSPECTION OF THE LAND OR WHICH MAY BE ASSERTED BY PERSONS IN POSSESSION THEREOF.
3. EASEMENTS, LIENS OR ENCUMBRANCES, OR CLAIMS THEREOF, WHICH ARE NOT SHOWN BY THE PUBLIC RECORDS.
4. DISCREPANCIES, CONFLICTS IN BOUNDARY LINES, SHORTAGE IN AREA, ENCROACHMENTS, OR ANY OTHER FACTS WHICH A CORRECT SURVEY WOULD DISCLOSE, AND WHICH ARE NOT SHOWN BY THE PUBLIC RECORDS.
5. (A) UNPATENTED MINING CLAIMS; (B) RESERVATIONS OR EXCEPTIONS IN PATENTS OR IN ACTS AUTHORIZING THE ISSUANCE THEREOF; (C) WATER RIGHTS, CLAIMS OR TITLE TO WATER, WHETHER OR NOT THE MATTERS EXCEPTED UNDER (A), (B) OR (C) ARE SHOWN BY THE PUBLIC RECORDS.

CALIFORNIA LAND TITLE ASSOCIATION HOMEOWNER'S POLICY OF TITLE INSURANCE (10/22/03)
AMERICAN LAND TITLE ASSOCIATION HOMEOWNER'S POLICY OF TITLE INSURANCE (10/22/03)
EXCLUSIONS

IN ADDITION TO THE EXCEPTIONS IN SCHEDULE B, YOU ARE NOT INSURED AGAINST LOSS, COSTS, ATTORNEY'S FEES, AND EXPENSES RESULTING FROM:

1. GOVERNMENTAL POLICE POWER, AND THE EXISTENCE OR VIOLATION OF ANY LAW OR GOVERNMENT REGULATION. THIS INCLUDES ORDINANCES, LAWS AND REGULATIONS CONCERNING:
 - A. BUILDING
 - B. ZONING
 - C. LAND USE
 - D. IMPROVEMENTS ON THE LAND
 - E. LAND DIVISION
 - F. ENVIRONMENTAL PROTECTIONTHIS EXCLUSION DOES NOT APPLY TO VIOLATIONS OR THE ENFORCEMENT OF THESE MATTERS IF NOTICE OF THE VIOLATION OR ENFORCEMENT APPEARS IN THE PUBLIC RECORDS AT THE POLICY DATE.
THIS EXCLUSION DOES NOT LIMIT THE COVERAGE DESCRIBED IN COVERED RISK 14, 15, 16, 17 OR 24.
2. THE FAILURE OF YOUR EXISTING STRUCTURES, OR ANY PART OF THEM, TO BE CONSTRUCTED IN ACCORDANCE WITH APPLICABLE BUILDING CODES. THIS EXCLUSION DOES NOT APPLY TO VIOLATIONS OF BUILDING CODES IF NOTICE OF THE VIOLATION APPEARS IN THE PUBLIC RECORDS AT THE POLICY DATE.
3. THE RIGHT TO TAKE THE LAND BY CONDEMNING IT, UNLESS:
 - A. A NOTICE OF EXERCISING THE RIGHT APPEARS IN THE PUBLIC RECORDS AT THE POLICY DATE; OR
 - B. THE TAKING HAPPENED BEFORE THE POLICY DATE AND IS BINDING ON YOU IF YOU BOUGHT THE LAND WITHOUT KNOWING OF THE TAKING.
4. RISKS:
 - A. THAT ARE CREATED, ALLOWED, OR AGREED TO BY YOU, WHETHER OR NOT THEY APPEAR IN THE PUBLIC RECORDS;
 - B. THAT ARE KNOWN TO YOU AT THE POLICY DATE, BUT NOT TO US, UNLESS THEY APPEAR IN THE PUBLIC RECORDS AT THE POLICY DATE;
 - C. THAT RESULT IN NO LOSS TO YOU; OR
 - D. THAT FIRST OCCUR AFTER THE POLICY DATE - THIS DOES NOT LIMIT THE COVERAGE DESCRIBED IN COVERED RISK 7, 8D, 22, 23, 24 OR 25.
5. FAILURE TO PAY VALUE FOR YOUR TITLE.
6. LACK OF A RIGHT:
 - A. TO ANY LAND OUTSIDE THE AREA SPECIFICALLY DESCRIBED AND REFERRED TO IN PARAGRAPH 3 OF SCHEDULE A; AND
 - B. IN STREETS, ALLEYS, OR WATERWAYS THAT TOUCH THE LAND.THIS EXCLUSION DOES NOT LIMIT THE COVERAGE DESCRIBED IN COVERED RISK 11 OR 18.

LIMITATIONS ON COVERED RISKS

YOUR INSURANCE FOR THE FOLLOWING COVERED RISKS IS LIMITED ON THE OWNER'S COVERAGE STATEMENT AS FOLLOWS:
FOR COVERED RISK 14, 15, 16 AND 18, YOUR DEDUCTIBLE AMOUNT AND OUR MAXIMUM DOLLAR LIMIT OF LIABILITY SHOWN IN SCHEDULE A.
THE DEDUCTIBLE AMOUNTS AND MAXIMUM DOLLAR LIMITS SHOWN ON SCHEDULE A ARE AS FOLLOWS:

	Your Deductible Amount	Our Maximum Dollar Limit of Liability		Your Deductible Amount	Our Maximum Dollar Limit of Liability
Covered Risk 14:	1% of Policy Amount or \$2,500 (whichever is less)	\$10,000	Covered Risk 16	1% of Policy Amount or \$5,000 (whichever is less)	\$25,000
Covered Risk 15:	1% of Policy Amount or \$5,000 (whichever is less)	\$25,000	Covered Risk 18	1% of Policy Amount or \$2,500 (whichever is less)	\$5,000

AMERICAN LAND TITLE ASSOCIATION RESIDENTIAL TITLE INSURANCE POLICY (6/1/87)

EXCLUSIONS

IN ADDITION TO THE EXCEPTIONS IN SCHEDULE B, YOU ARE NOT INSURED AGAINST LOSS, COSTS, ATTORNEYS' FEES, AND EXPENSES RESULTING FROM:

1. GOVERNMENTAL POLICE POWER, AND THE EXISTENCE OR VIOLATION OF ANY LAW OR GOVERNMENT REGULATION. THIS INCLUDES BUILDING AND ZONING ORDINANCES AND ALSO LAWS AND REGULATIONS CONCERNING:
 - LAND USE
 - IMPROVEMENTS ON THE LAND
 - LAND DIVISION
 - ENVIRONMENTAL PROTECTION

THIS EXCLUSION DOES NOT APPLY TO VIOLATIONS OR THE ENFORCEMENT OF THESE MATTERS WHICH APPEAR IN THE PUBLIC RECORDS AT POLICY DATE.

THIS EXCLUSION DOES NOT LIMIT THE ZONING COVERAGE DESCRIBED IN ITEMS 12 AND 13 OF COVERED TITLE RISKS.
2. THE RIGHT TO TAKE THE LAND BY CONDEMNATING IT, UNLESS:
 - A NOTICE OF EXERCISING THE RIGHT APPEARS IN THE PUBLIC RECORDS ON THE POLICY DATE
 - THE TAKING HAPPENED PRIOR TO THE POLICY DATE AND IS BINDING ON YOU IF YOU BOUGHT THE LAND WITHOUT KNOWING OF THE TAKING
3. TITLE RISKS:
 - THAT ARE CREATED, ALLOWED, OR AGREED TO BY YOU
 - THAT ARE KNOWN TO YOU, BUT NOT TO US, ON THE POLICY DATE - UNLESS THEY APPEARED IN THE PUBLIC RECORDS
 - THAT RESULT IN NO LOSS TO YOU
 - THAT FIRST AFFECT YOUR TITLE AFTER THE POLICY DATE - THIS DOES NOT LIMIT THE LABOR AND MATERIAL LIEN COVERAGE IN ITEM 8 OF COVERED TITLE RISKS
4. FAILURE TO PAY VALUE FOR YOUR TITLE.
5. LACK OF A RIGHT:
 - TO ANY LAND OUTSIDE THE AREA SPECIFICALLY DESCRIBED AND REFERRED TO IN ITEM 3 OF SCHEDULE A
 - IN STREETS, ALLEYS OR WATERWAYS THAT TOUCH YOUR LAND.

THIS EXCLUSION DOES NOT LIMIT THE ACCESS COVERAGE IN ITEM 5 OF COVERED TITLE RISKS.

AMERICAN LAND TITLE ASSOCIATION LOAN POLICY (10/17/92) WITH ALTA ENDORSEMENT-FORM 1 COVERAGE

EXCLUSIONS FROM COVERAGE

THE FOLLOWING MATTERS ARE EXPRESSLY EXCLUDED FROM THE COVERAGE OF THIS POLICY AND THE COMPANY WILL NOT PAY LOSS OR DAMAGE, COSTS, ATTORNEY'S FEES OR EXPENSES WHICH ARISE BY REASON OF:

1. (A) ANY LAW, ORDINANCE OR GOVERNMENTAL REGULATION (INCLUDING BUT NOT LIMITED TO BUILDING AND ZONING LAWS, ORDINANCES, OR REGULATIONS) RESTRICTING, REGULATING, PROHIBITING OR RELATING TO (1) THE OCCUPANCY, USE OR ENJOYMENT OF THE LAND; (2) THE CHARACTER, DIMENSIONS OR LOCATION OF ANY IMPROVEMENT NOW OR HEREAFTER ERECTED ON THE LAND; (3) A SEPARATION IN OWNERSHIP OR A CHANGE IN THE DIMENSIONS OR AREA OF THE LAND OR ANY PARCEL OF WHICH THE LAND IS OR WAS A PART; OR (4) ENVIRONMENTAL PROTECTION, OR THE EFFECT OF ANY VIOLATION OF THESE LAWS, ORDINANCES OR GOVERNMENTAL REGULATIONS, EXCEPT TO THE EXTENT THAT A NOTICE OF THE ENFORCEMENT THEREOF OR A NOTICE OF A DEFECT, LIEN OR ENCUMBRANCE RESULTING FROM A VIOLATION OR ALLEGED VIOLATION AFFECTING THE LAND HAS BEEN RECORDED IN THE PUBLIC RECORDS AT DATE OF POLICY.
- (B) ANY GOVERNMENTAL POLICE POWER NOT EXCLUDED BY (A) ABOVE, EXCEPT TO THE EXTENT THAT A NOTICE OF THE EXERCISE THEREOF OR A NOTICE OF A DEFECT, LIEN OR ENCUMBRANCE RESULTING FROM A VIOLATION OR ALLEGED VIOLATION AFFECTING THE LAND HAS BEEN RECORDED IN THE PUBLIC RECORDS AT DATE OF POLICY.
2. RIGHTS OF EMINENT DOMAIN UNLESS NOTICE OF THE EXERCISE THEREOF HAS BEEN RECORDED IN THE PUBLIC RECORDS AT DATE OF POLICY, BUT NOT EXCLUDING FROM COVERAGE ANY TAKING WHICH HAS OCCURRED PRIOR TO DATE OF POLICY WHICH WOULD BE BINDING ON THE RIGHTS OF A PURCHASER FOR VALUE WITHOUT KNOWLEDGE.
3. DEFECTS, LIENS, ENCUMBRANCES, ADVERSE CLAIMS OR OTHER MATTERS:
 - (A) CREATED, SUFFERED, ASSUMED OR AGREED TO BY THE INSURED CLAIMANT;
 - (B) NOT KNOWN TO THE COMPANY, NOT RECORDED IN THE PUBLIC RECORDS AT DATE OF POLICY, BUT KNOWN TO THE INSURED CLAIMANT AND NOT DISCLOSED IN WRITING TO THE COMPANY BY THE INSURED CLAIMANT PRIOR TO THE DATE THE INSURED CLAIMANT BECAME AN INSURED UNDER THIS POLICY;
 - (C) RESULTING IN NO LOSS OR DAMAGE TO THE INSURED CLAIMANT;
 - (D) ATTACHING OR CREATED SUBSEQUENT TO DATE OF POLICY (EXCEPT TO THE EXTENT THAT THIS POLICY INSURED THE PRIORITY OF THE LIEN OF THE INSURED MORTGAGE OVER ANY STATUTORY LIEN FOR SERVICES, LABOR OR MATERIAL OR TO THE EXTENT INSURANCE IS AFFORDED HEREIN AS TO ASSESSMENTS FOR STREET IMPROVEMENTS UNDER CONSTRUCTION OR COMPLETED AT DATE OF POLICY); OR
 - (E) RESULTING IN LOSS OR DAMAGE WHICH WOULD NOT HAVE BEEN SUSTAINED IF THE INSURED CLAIMANT HAD PAID VALUE FOR THE INSURED MORTGAGE.
4. UNENFORCEABILITY OF THE LIEN OF THE INSURED MORTGAGE BECAUSE OF THE INABILITY OR FAILURE OF THE INSURED AT DATE OF POLICY, OR THE INABILITY OR FAILURE OF ANY SUBSEQUENT OWNER OF THE INDEBTEDNESS, TO COMPLY WITH APPLICABLE DOING BUSINESS LAWS OF THE STATE IN WHICH THE LAND IS SITUATED.
5. INVALIDITY OR UNENFORCEABILITY OF THE LIEN OF THE INSURED MORTGAGE, OR CLAIM THEREOF, WHICH ARISES OUT OF THE TRANSACTION EVIDENCED BY THE INSURED MORTGAGE AND IS BASED UPON USURY OR ANY CONSUMER CREDIT PROTECTION OR TRUTH-IN-LENDING LAW.
6. ANY STATUTORY LIEN FOR SERVICES, LABOR OR MATERIALS (OR THE CLAIM OF PRIORITY OF ANY STATUTORY LIEN FOR SERVICES, LABOR OR MATERIALS OVER THE LIEN OF THE INSURED MORTGAGE) ARISING FROM AN IMPROVEMENT OR WORK RELATED TO THE LAND WHICH IS CONTRACTED FOR AND COMMENCED SUBSEQUENT TO DATE OF POLICY AND IS NOT FINANCED IN WHOLE OR IN PART BY PROCEEDS OF THE INDEBTEDNESS SECURED BY THE INSURED MORTGAGE WHICH AT DATE OF POLICY THE INSURED HAS ADVANCED OR IS OBLIGATED TO ADVANCE.
7. ANY CLAIM, WHICH ARISES OUT OF THE TRANSACTION CREATING THE INTEREST OF THE MORTGAGEE INSURED BY THIS POLICY, BY REASON OF THE OPERATION OF FEDERAL BANKRUPTCY, STATE INSOLVENCY, OR SIMILAR CREDITORS' RIGHTS LAWS, THAT IS BASED ON:
 - (i) THE TRANSACTION CREATING THE INTEREST OF THE INSURED MORTGAGEE BEING DEEMED A FRAUDULENT CONVEYANCE OR FRAUDULENT TRANSFER; OR

- (2) THE SUBORDINATION OF THE INTEREST OF THE INSURED MORTGAGEE AS A RESULT OF THE APPLICATION OF THE DOCTRINE OF EQUITABLE SUBORDINATION; OR
- (3) THE TRANSACTION CREATING THE INTEREST OF THE INSURED MORTGAGEE BEING DEEMED A PREFERENTIAL TRANSFER EXCEPT WHERE THE PREFERENTIAL TRANSFER RESULTS FROM THE FAILURE:
 - (A) TO TIMELY RECORD THE INSTRUMENT OF TRANSFER; OR
 - (B) OF SUCH RECORDATION TO IMPART NOTICE TO A PURCHASER FOR VALUE OR A JUDGMENT OR LIEN CREDITOR.

THE ABOVE POLICY FORMS MAY BE ISSUED TO AFFORD EITHER STANDARD OR EXTENDED COVERAGE. IN ADDITION TO THE ABOVE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE IN A STANDARD COVERAGE POLICY WILL ALSO INCLUDE THE FOLLOWING GENERAL EXCEPTIONS:

**2006 ALTA LOAN POLICY (8/17/06)
EXCLUSIONS FROM COVERAGE**

THE FOLLOWING MATTERS ARE EXPRESSLY EXCLUDED FROM THE COVERAGE OF THIS POLICY AND THE COMPANY WILL NOT PAY LOSS OR DAMAGE, COSTS, ATTORNEYS' FEES OR EXPENSES WHICH ARISE BY REASON OF:

1. (A) ANY LAW, ORDINANCE, PERMIT, OR GOVERNMENTAL REGULATION (INCLUDING THOSE RELATING TO BUILDING AND ZONING) RESTRICTING, REGULATING, PROHIBITING, OR RELATING TO
 - (I) THE OCCUPANCY, USE, OR ENJOYMENT OF THE LAND
 - (II) THE CHARACTER, DIMENSIONS, OR LOCATION OF ANY IMPROVEMENT ERECTED ON THE LAND;
 - (III) THE SUBDIVISION OF LAND; OR
 - (IV) ENVIRONMENTAL PROTECTION
 OR THE EFFECT OF ANY VIOLATION OF THESE LAWS, ORDINANCES, OR GOVERNMENTAL REGULATIONS. THIS EXCLUSION 1(A) DOES NOT MODIFY OR LIMIT THE COVERAGE PROVIDED UNDER COVERED RISK 5.
- (B) ANY GOVERNMENTAL POLICE POWER. THIS EXCLUSION 1(B) DOES NOT MODIFY OR LIMIT THE COVERAGE PROVIDED UNDER COVERED RISK 6.
2. RIGHTS OF EMINENT DOMAIN. THIS EXCLUSION DOES NOT MODIFY OR LIMIT COVERAGE PROVIDED UNDER COVERED RISK 7 OR 8.
3. DEFECTS, LIENS, ENCUMBRANCES, ADVERSE CLAIMS, OR OTHER MATTERS:
 - (A) CREATED, SUFFERED, ASSUMED OR AGREED TO BY THE INSURED CLAIMANT;
 - (B) NOT KNOWN TO THE COMPANY, NOT RECORDED IN THE PUBLIC RECORDS AT DATE OF POLICY, BUT KNOWN TO THE INSURED CLAIMANT AND NOT DISCLOSED IN WRITING TO THE COMPANY BY THE INSURED CLAIMANT PRIOR TO THE DATE THE INSURED CLAIMANT BECAME AND INSURED UNDER THIS POLICY;;
 - (C) RESULTING IN NO LOSS OR DAMAGE TO THE INSURED CLAIMANT;
 - (D) ATTACHING OR CREATED SUBSEQUENT TO DATE OF POLICY (HOWEVER, THIS DOES NOT MODIFY OR LIMIT THE COVERAGE PROVIDED UNDER COVERED RISK 11,13, OR 14); OR
 - (E) RESULTING IN LOSS OR DAMAGE THAT WOULD NOT HAVE BEEN SUSTAINED IF THE INSURED CLAIMANT HAD PAID VALUE FOR THE INSURED MORTGAGE.
4. UNENFORCEABILITY OF THE LIEN OF THE INSURED MORTGAGE BECAUSE OF THE INABILITY OR FAILURE OF AN INSURED TO COMPLY WITH APPLICABLE DOING-BUSINESS LAWS OF THE STATE WHERE THE LAND IS SITUATED.
5. INVALIDITY OR UNENFORCEABILITY IN WHOLE OR IN PART OF THE LIEN OF THE INSURED MORTGAGE THAT ARISES OUT OF THE TRANSACTION EVIDENCED BY THE INSURED MORTGAGE AND IS BASED UPON USURY OR ANY CONSUMER CREDIT PROTECTION OR TRUTH-IN-LENDING LAW.
6. ANY CLAIM, BY REASON OF THE OPERATION OF FEDERAL BANKRUPTCY, STATE INSOLVENCY, OR SIMILAR CREDITORS' RIGHTS LAWS, THAT THE TRANSACTION CREATING THE LIEN OF THE INSURED MORTGAGE, IS:
 - (A) A FRAUDULENT CONVEYANCE OR FRAUDULENT TRANSFER, OR
 - (B) A PREFERENTIAL TRANSFER FOR ANY REASON NOT STATED IN COVERED RISK 13(B) OF THIS POLICY.
7. ANY LIEN OF THE TITLE FOR REAL ESTATE TAXES OR ASSESSMENTS IMPOSED BY GOVERNMENTAL AUTHORITY AND CREATED OR ATTACHING BETWEEN DATE OF POLICY AND THE DATE OF RECORDING OF THE INSURED MORTGAGE IN THE PUBLIC RECORDS, THIS EXCLUSION DOES NOT MODIFY OR LIMIT THE COVERAGE PROVIDED UNDER COVERED RISK 11(B).

**AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY (10/17/92)
EXCLUSIONS FROM COVERAGE**

THE FOLLOWING MATTERS ARE EXPRESSLY EXCLUDED FROM THE COVERAGE OF THIS POLICY AND THE COMPANY WILL NOT PAY LOSS OR DAMAGE, COSTS, ATTORNEYS' FEES OR EXPENSES WHICH ARISE BY REASON OF:

- 1 (A) ANY LAW, ORDINANCE OR GOVERNMENTAL REGULATION (INCLUDING BUT NOT LIMITED TO BUILDING AND ZONING LAWS, ORDINANCES, OR REGULATIONS) RESTRICTING, REGULATING, PROHIBITING OR RELATING TO (I) THE OCCUPANCY, USE, OR ENJOYMENT OF THE LAND; (II) THE CHARACTER, DIMENSIONS OR LOCATION OF ANY IMPROVEMENT NOW OR HEREAFTER ERECTED ON THE LAND; (III) A SEPERATION IN OWNERSHIP OR A CHANGE IN THE DIMENSIONS OR AREA OF THE LAND OR ANY PARCEL OF WHICH THE LAND IS OR WAS A PART; OR (IV) ENVIRONMENTAL PROTECTION, OR THE EFFECT OF ANY VIOLATION OF THESE LAWS, ORDINANCES, OR GOVERNMENTAL REGULATIONS, EXCEPT TO THE EXTENT THAT A NOTICE OF THE ENFORCEMENT THEREOF OR A NOTICE OF A DEFECT, LIEN, ENCUMBRANCE RESULTING FROM A VIOLATION OR ALLEGED VIOLATION AFFECTING THE LAND HAS BEEN RECORDED IN THE PUBLIC RECORDS AT DATE OF POLICY.
- (B) ANY GOVERNMENTAL POLICE POWER NOT EXCLUDED BY (A) ABOVE, EXCEPT TO THE EXTENT THAT A NOTICE OF A DEFECT, LIEN OR ENCUMBRANCE RESULTING FROM A VIOLATION OR ALLEGED VIOLATION AFFECTING THE LAND HAS BEEN RECORDED IN THE PUBLIC RECORDS AT DATE OF POLICY.
2. RIGHTS OF EMINENT DOMAIN UNLESS NOTICE OF THE EXERCISE THEREOF HAS BEEN RECORDED IN THE PUBLIC RECORDS AT DATE OF POLICY, BUT NOT EXCLUDING FROM COVERAGE ANY TAKING WHICH HAS OCCURRED PRIOR TO DATE OF POLICY WHICH WOULD BE BINDING ON THE RIGHTS OF A PURCHASER FOR VALUE WITHOUT KNOWLEDGE.
3. DEFECTS, LIENS, ENCUMBRANCES, ADVERSE CLAIMS OR OTHER MATTERS:
 - (A) CREATED, SUFFERED, ASSUMED OR AGREED TO BY THE INSURED CLAIMANT;
 - (B) NOT KNOWN TO THE COMPANY, NOT RECORDED IN THE PUBLIC RECORDS AT DATE OF POLICY, BUT KNOWN TO THE INSURED CLAIMANT AND NOT DISCLOSED IN WRITING TO THE COMPANY BY THE INSURED CLAIMANT PRIOR TO THE DATE THE INSURED CLAIMANT BECAME INSURED UNDER THIS POLICY
 - (C) RESULTING IN NO LOSS OR DAMAGE TO THE INSURED CLAIMANT;
 - (D) ATTACHING OR CREATED SUBSEQUENT TO DATE OF POLICY; OR
 - (E) RESULTING IN LOSS OR DAMAGE WHICH WOULD NOT HAVE BEEN SUSTAINED IF THE INSURED CLAIMANT HAD PAID VALUE FOR THE ESTATE OR INTEREST INSURED BY THIS POLICY.
4. ANY CLAIM, WHICH ARISES OUT OF THE TRANSACTION VESTING IN THE INSURED THE ESTATE OR INTEREST INSURED BY THIS POLICY, BY REASON OF THE OPERATION OF FEDERAL BANKRUPTCY, STATE INSOLVENCY, OR SIMILAR CREDITORS' RIGHTS LAWS, THAT IS BASED ON:
 - (I) THE TRANSACTION CREATING THE ESTATE OR INTEREST INSURED BY THIS POLICY DEEMED A FRAUDULENT CONVEYANCE OR FRAUDULENT TRANSFER; OR
 - (II) THE TRANSACTION CREATING THE ESTATE OR INTEREST INSURED BY THIS POLICY BEING DEEMED A PREFERENTIAL TRANSFER EXCEPT WHERE THE PREFERENTIAL TRANSFER RESULTS FROM THE FAILURE:
 - (A) TO TIMELY RECORD THE INSTRUMENT OF TRANSFER; OR
 - (B) OF SUCH RECORDATION TO IMPART NOTICE TO A PURCHASER FOR VALUE OR A JUDGEMENT OR A LIEN CREDITOR.

THE ABOVE POLICY FORMS MAY BE ISSUED TO AFFORD EITHER STANDARD COVERAGE OR EXTENDED COVERAGE. IN ADDITION TO THE ABOVE EXCLUSIONS FORM COVERAGE, THE EXCEPTIONS FROM COVERAGE IN A STANDARD COVERAGE POLICY WILL ALSO INCLUDE THE FOLLOWING GENERAL EXCEPTIONS:

2006 ALTA OWNER'S POLICY (6/17/06)

EXCLUSIONS FROM COVERAGE

THE FOLLOWING MATTERS ARE EXPRESSLY EXCLUDED FROM THE COVERAGE OF THIS POLICY, AND THE COMPANY WILL NOT PAY LOSS OR DAMAGE, COSTS, ATTORNEYS' FEES, OR EXPENSES THAT ARISE BY REASON OF:

1. (A) ANY LAW, ORDINANCE, PERMIT, OR GOVERNMENTAL REGULATION (INCLUDING THOSE RELATING TO BUILDING AND ZONING) RESTRICTING, REGULATING, PROHIBITING, OR RELATING TO
 - (I) THE OCCUPANCY, USE, OR ENJOYMENT OF THE LAND;
 - (II) THE CHARACTER, DIMENSIONS, OR LOCATION OF ANY IMPROVEMENT ERECTED ON THE LAND;
 - (III) THE SUBDIVISION OF LAND; OR
 - (IV) ENVIRONMENTAL PROTECTION;OR THE EFFECT OF ANY VIOLATION OF THESE LAWS, ORDINANCES, OR GOVERNMENTAL REGULATIONS. THIS EXCLUSION 1(A) DOES NOT MODIFY OR LIMIT THE COVERAGE PROVIDED UNDER COVERED RISK 5.
- (B) ANY GOVERNMENTAL POLICE POWER. THIS EXCLUSION 1(B) DOES NOT MODIFY OR LIMIT THE COVERAGE PROVIDED UNDER COVERED RISK 6.
2. RIGHTS OF EMINENT DOMAIN. THIS EXCLUSION DOES NOT MODIFY OR LIMIT THE COVERAGE PROVIDED UNDER COVERED RISK 7 OR 8.
3. DEFECTS, LIENS, ENCUMBRANCES, ADVERSE CLAIMS, OR OTHER MATTERS
 - (A) CREATED, SUFFERED, ASSUMED, OR AGREED TO BY THE INSURED CLAIMANT;
 - (B) NOT KNOWN TO THE COMPANY, NOT RECORDED IN THE PUBLIC RECORDS AT DATE OF POLICY, BUT KNOWN TO THE INSURED CLAIMANT AND NOT DISCLOSED IN WRITING TO THE COMPANY BY THE INSURED CLAIMANT PRIOR TO THE DATE THE INSURED CLAIMANT BECAME AN INSURED UNDER THIS POLICY;
 - (C) RESULTING IN NO LOSS OR DAMAGE TO THE INSURED CLAIMANT;
 - (D) ATTACHING OR CREATED SUBSEQUENT TO DATE OF POLICY (HOWEVER, THIS DOES NOT MODIFY OR LIMIT THE COVERAGE PROVIDED UNDER COVERED RISK 9 AND 10) ; OR
 - (E) RESULTING IN LOSS OR DAMAGE THAT WOULD NOT HAVE BEEN SUSTAINED IF THE INSURED CLAIMANT HAD PAID VALUE FOR THE TITLE.
4. ANY CLAIM, BY REASON OF THE OPERATION OF FEDERAL BANKRUPTCY, STATE INSOLVENCY, OR SIMILAR CREDITORS' RIGHTS LAWS, THAT THE TRANSACTION VESTING THE TITLE AS SHOWN IN SCHEDULE A, IS
 - (A) A FRAUDULENT CONVEYANCE OR FRAUDULENT TRANSFER; OR
 - (B) A PREFERENTIAL TRANSFER FOR ANY REASON NOT STATED IN COVERED RISK 9 OF THIS POLICY.
5. ANY LIEN ON THE TITLE FOR REAL ESTATE TAXES OR ASSESSMENTS IMPOSED BY GOVERNMENTAL AUTHORITY AND CREATED OR ATTACHING BETWEEN DATE OF POLICY AND THE DATE OF RECORDING OF THE DEED OR OTHER INSTRUMENT OF TRANSFER IN THE PUBLIC RECORDS THAT VESTS TITLE AS SHOWN IN SCHEDULE A.

ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (10/13/01)

EXCLUSIONS FROM COVERAGE

THE FOLLOWING MATTERS ARE EXPRESSLY EXCLUDED FROM THE COVERAGE OF THIS POLICY AND THE COMPANY WILL NOT PAY LOSS OR DAMAGE, COSTS, ATTORNEYS FEES OR EXPENSES WHICH ARISE BY REASON OF:

1. (A) ANY LAW, ORDINANCE OR GOVERNMENTAL REGULATION (INCLUDING BUT NOT LIMITED TO BUILDING AND ZONING LAWS, ORDINANCES, OR REGULATIONS) RESTRICTING, REGULATING, PROHIBITING OR RELATING TO (I) THE OCCUPANCY, USE, OR ENJOYMENT OF THE LAND; (II) THE CHARACTER, DIMENSIONS OR LOCATION OF ANY IMPROVEMENT NOW OR HEREFTER ERECTED ON THE LAND; (III) A SEPERATION IN OWNERSHIP OR A CHARGE IN THE DIMENSIONS OR AREAS OF THE LAND OR ANY PARCEL OF WHICH THE LAND IS OR WAS A PART; OR (IV) ENVIROMENTAL PROTECTION, OR THE EFFECT OF ANY VIOLATION OF THESE LAWS, ORDINANCES OR GOVERNMENTAL REGULATIONS, EXCEPT TO THE EXTENT THAT'S NOTICE OF THE ENFORCEMENT THEREOF OR A NOTICE OF A DEFECT, LIEN OR ENCUMBRANCE RESULTING FROM A VIOLATION OR ALLEGED VIOLATION AFFECTING THE LAND HAS BEEN RECORDED IN THE PUBLIC RECORDS AT DATE OF POLICY. THIS EXCLUSION DOES NOT LIMIT THE COVERAGE PROVIDED UNDER COVERED RISKS 12, 13, 14, AND 16 OF THIS POLICY.
- (B) ANY GOVERNMENTAL POLICE POWER NOT EXCLUDED BY (A) ABOVE, EXCEPT TO THE EXTENT THAT A NOTICE OF THE EXERCISE THEREOF OR A NOTICE OF DEFECT, LIEN OR ENCUMBRANCE RESULTING FROM A VIOLATION OR ALLEGED VIOLATION AFFECTING THE LAND HAS BEEN RECORDED IN THE PUBLIC RECORDS AT DATE OF POLICY. THIS EXCLUSION DOES NOT LIMIT THE COVERAGE PROVIDED UNDER COVERED RISK 12, 13, 14, AND 16.
2. RIGHTS OF EMINENT DOMAIN UNLESS NOTICE OF THE EXERCISE THEREOF HAS BEEN RECORDED IN THE PUBLIC RECORDS AT DATE OF POLICY, BUT NOT EXCLUDING FROM COVERAGE ANY TAKING WHICH HAS OCCURRED PRIOR TO DATE OF POLICY WHICH WOULD BE BINDING ON THE RIGHTS OF A PURCHASER FOR VALUE WITHOUT KNOWLEDGE.
3. DEFECTS, LIENS, ENCUMBRANCES, ADVERSE CLAIMS OR OTHER MATTERS:
 - (A) CREATED, SUFFERED, ASSUMED OR AGREED TO BY THE INSURED CLAIMANT
 - (B) NOT KNOWN TO THE COMPANY, NOT RECORDED IN THE PUBLIC RECORDS AT DATE OF POLICY, BUT KNOWN TO THE INSURED CLAIMANT AND NOT DISCLOSED IN WRITING TO THE COMPANY BY THE INSURED CLAIMANT PRIOR TO THE DATE THE INSURED CLAIMANT BECAME AN INSURED UNDER THIS POLICY;
 - (C) RESULTING IN NO LOSS OR DAMAGE TO THE INSURED CLAIMANT;
 - (D) ATTACHING OR CREATED SUBSEQUENT TO DATE OF POLICY (THIS PARAGRAPH DOES NOT LIMIT THE COVERAGE PROVIDED UNDER COVERED RISK 8, 16, 18, 19, 20, 21, 22, 23, 24, 25 AND 26); OR
 - (E) RESULTING IN LOSS OR DAMAGE WHICH WOULD NOT HAVE BEEN SUSTAINED IF THE INSURED CLAIMANT HAD PAID VALUE FOR THE INSURED MORTGAGE.
4. UNENFORCEABILITY OF THE LIEN OF THE INSURED MORTGAGE BECAUSE OF THE INABILITY OR FAILURE OF THE INSURED AT DATE OF POLICY, OR THE INABILITY OR FAILURE OF ANY SUBSEQUENT OWNER OF THE INDEBTEDNESS, TO COMPLY WITH APPLICABLE DOING BUSINESS LAWS OF THE STATE IN WHICH THE LAND IS SITUATED.
5. INVALIDITY OR UNENFORCEABILITY OF THE LIEN OF THE INSURED MORTGAGE, OR CLAIM THEREOF, WHICH ARISES OUT OF THE TRANSACTION EVIDENCED BY THE INSURED MORTGAGE AND IS BASED ON USURY, EXCEPT AS PROVIDED IN COVERED RISK 27, OR ANY CONSUMER CREDIT PROTECTION OR TRUTH IN LENDING LAW.
6. REAL PROPERTY TAXES OR ASSESSMENTS OF ANY GOVERNMENTAL AUTHORITY WHICH BECOME A LIEN ON THE LAND SUBSEQUENT TO DATE OF POLICY. THIS EXCLUSION DOES NOT LIMIT THE COVERAGE PROVIDED UNDER COVER RISKS 7, 8(E) AND 26.
7. ANY CLAIM OF INVALIDITY, UNENFORCEABILITY OR LACK OF PRIORITY OF THE LIEN OF THE INSURED MORTGAGE AS TO ADVANCES OR MODIFICATIONS MADE AFTER THE INSURED HAS KNOWLEDGE THAT THE VESTEE SHOWN IN SCHEDULE A IS NO LONGER THE OWNER OF THE ESTATE OR INTEREST COVERED BY THIS POLICY. THIS EXCLUSION DOES NOT LIMIT THE COVERAGE PROVIDED IN COVERED RISK 8.
8. LACK OF PRIORITY OF THE LIEN OF THE INSURED MORTGAGE AS TO EACH AND EVERY ADVANCE MADE AFTER DATE OF POLICY, AND ALL INTERET CHARGED THEREON, OVER LIENS, ENCUMBRANCES AND OTHER MATTERS AFFECTING THE TITLE. THE EXISTENCE OF WHICH ARE KNOWN TO THE INSURED AT:
 - (A) THE TIME OF THE ADVANCE, OR
 - (B) THE TIME A MODIFICATION IS MADE TO THE TERMS OF THE INSURED MORTGAGE WHICH CHANGES THE RATE OF INTEREST CHARGED, IF THE RATE OF INTEREST IS GREATER AS A RESULT OF THE MODIFICATION THAN IT WOULD HAVE BEEN BEFORE THE MODIFICATION. THIS EXCLUSION DOES NOT LIMIT THE COVERAGE PROVIDED IN COVERED RISK 8.
9. THE FAILURE OF THE RESIDENTIAL STRUCTURE, OR ANY PORTION THEREOF TO HAVE BEEN CONSTRUCTED BEFORE, ON OR AFTER DATE OF POLICY IN ACCORDANCE WITH APPLICABLE BUILDING CODES. THIS EXCLUSION DOES NOT APPLY TO VIOLATIONS OF BUILDING CODES IF NOTICE OF THE VIOLATION APPEARS IN THE PUBLIC RECORDS AT DATE OF POLICY.

EXHIBIT C

Form of Memorandum Of Ground Lease

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Attention: _____

(Space Above For Recorder's Use)

MEMORANDUM OF GROUND LEASE AND OPTION TO PURCHASE

THIS MEMORANDUM OF GROUND LEASE AND OPTION TO PURCHASE ("Memorandum") is entered into as of _____, 200__ ("Effective Date"), by and between _____, a _____ ("Landlord"), and _____, a _____ ("Tenant").

1. Lease. Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, that certain real property located in the City of Las Vegas, Clark County, State of Nevada, described on **Exhibit A** attached hereto, upon the terms and conditions set forth in that certain Ground Lease dated _____, 200__, between Landlord and Tenant (the "**Ground Lease**"). All terms used herein with initial capitalized letters shall have the meanings ascribed to them in the Ground Lease unless otherwise defined herein.

2. Option to Purchase. The Ground Lease also grants to Tenant an option to purchase such real property as described on **Exhibit A**.

3. Term. The Term of the Ground Lease commences on the date first above written and expires on _____, 20__.

4. Incorporation of Lease. This Memorandum incorporates herein all of the terms and provisions of the Ground Lease as though fully set forth herein.

5. Purpose of Memorandum. The purpose of this Memorandum is to give notice of the existence of the Ground Lease and the option to purchase and shall not be construed to alter, modify, amend or supplement the Ground Lease. If there is any inconsistency between this Memorandum and the Ground Lease, the Ground Lease shall prevail.

IN WITNESS WHEREOF, Landlord and Tenant have executed this Memorandum as of the date set forth above.

LANDLORD:

_____,
a _____

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

TENANT:

a _____

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

STATE OF _____)
) ss.
COUNTY OF _____)

On _____ before me, _____, personally appeared _____ personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature _____ (Seal)

STATE OF _____)
) ss.
COUNTY OF _____)

On _____ before me, _____, personally appeared _____ personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature _____ (Seal)

RIDER NO. 1 – OPTION TO PURCHASE

THIS RIDER NO. 1- OPTION TO PURCHASE (this “Agreement”) is attached to and made a part of that certain lease dated _____, 200__, between CITY OF LAS VEGAS NEVADA, a political subdivision of the State of Nevada, as Landlord, and NEVADA BLIND CHILDREN’S FOUNDATION, a Nevada non-profit corporation (the “Lease”). The provisions of this Agreement shall prevail over any inconsistent or conflicting provision of the Lease. Landlord shall be referred to herein as “*Seller*” and Tenant as “*Purchaser*”. Purchaser and Seller may be referred to collectively herein as the “*Parties*” or singularly as a “*Party*.”

AGREEMENT

NOW, THEREFORE, based upon the mutual promises contained herein and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Purchaser and Seller agree as follows:

1. General Provisions; Effect.

1.1 Purpose of Agreement. The purpose of this Agreement is to set forth the terms and conditions of the grant by Seller to Purchaser of an option to purchase the Real Property.

1.2 Definitions. Any capitalized terms used in this Agreement which are not defined in this Agreement shall have the same definitions as set forth in the Lease. The following capitalized terms shall have the following definitions:

“*Agreement*” has the meaning set forth in the first paragraph to this Agreement.

“*Cash Balance Due*” has the meaning set forth in Section 4.3.

“*City Council*” means the governing council of the City.

“*Close of Escrow*” means the time when Escrow Agent shall have recorded all of the instruments to be recorded as set forth in Section 5.3.

“*Closing Date*” means the date which is thirty (30) days after the determination of Fair Market Value.

“*Deed*” means a customary grant, bargain and sale deed conveying title to the Real Property.

“*Earnest Money Deposit*” has the meaning set forth in Section 4.2.

“*Effective Date*” has the meaning set forth in first paragraph of this Agreement.

“*Environmental Claim*” means any and all administrative, regulatory or judicial actions, suits, demands, demand letters, directives, claims, liens, investigations, proceedings or written notices of noncompliance, liability or violation by any person or entity (including any

governmental or regulatory authority) alleging potential liability (including, without limitation, potential responsibility or liability for enforcement, investigatory costs, cleanup costs, governmental response costs, removal costs, remedial costs, natural resources damages, property damages, personal injuries or penalties) arising out of, based on or resulting from (a) the presence, or release or threatened release into the environment, of any Hazardous Substance; (b) circumstances forming the basis of any violation, or alleged violation, of any Environmental Law; or (c) any and all claims by any third party seeking damages, contribution, indemnification, cost recovery, compensation or injunctive relief resulting from the presence or release of any Hazardous Substance.

“Environmental Law” means any federal, state, county, municipal, local or other statute, ordinance or regulation which relates to or deals with the protection of the environment or wildlife and/or human health and safety, including all regulations promulgated by a regulatory body pursuant to any such statute, ordinance, or regulation, including, the Comprehensive Environmental Response and Liability Act of 1980, as amended, 42 U.S.C. § 9601 *et seq.*, Resource Conservation and Recovery Act, as amended, 42 U.S.C. § 6901, *et seq.*, the Federal Water Pollution Control Act, as amended, 33 U.S.C. § 1251 *et seq.*, the Clean Air Act, as amended, 42 U.S.C. § 7401 *et seq.*, and NRS Chapter 459.

“Escrow” has the meaning set forth in Section 5.1.

“Escrow Agent” has the meaning set forth in Section 5.1.

“Fair Market Value” means the appraised fair market value of the Real Property as of the date of the Option Exercise Notice. Such appraisal shall be of the Real Property only and shall not include any amounts for the improvements on the Real Property. With respect to any appraisal conducted pursuant to the preceding sentence, (i) such appraisal shall be conducted by three (3) appraiser(s) all duly licensed and qualified by appropriate experience and ability and having no less than ten (10) years experience in the Las Vegas business area, (ii) one such appraiser shall be designated by Seller and one such appraiser shall be designated by Purchaser, in each instance by written notice of designation given to such party's designated appraiser and the other party hereunder no later than thirty (30) days from and after the date of the Option Exercise Notice, (iii) the third such appraiser shall be designated jointly by the appraisers so designated by the Purchaser and Seller upon written notice of designation given to the Parties no later than twenty (20) days from the date notice of designation shall have been given by the Parties with respect to the first two appraisers, (iv) such appraisal shall be concluded within no more than sixty (60) days from the date of designation of the third appraiser hereunder, (v) such appraisal shall be paid for one-half by Purchaser and one-half by Seller, and (vi) such fair market value determination shall be the average fair market value determination of such three (3) appraisers, provided, that, if the appraisal of any one appraiser shall be more than or less than the appraisal of the remaining two (2) appraisers by more than ten percent (10%), then and in such event, such appraisal shall be discarded and such fair market value determination instead shall be deemed to be the average fair market value determination of such remaining two (2) appraisers. Notwithstanding the foregoing, each appraiser shall release a proposed draft of such appraiser's appraisal and each of Purchaser and Seller shall have the right within the thirty (30) day period following such release to give to such appraiser good faith written comment on any arithmetic

errors, or errors in assumptions or facts, set forth in such appraisal, whereupon such appraiser shall have the professional responsibility and obligation to review and same and make revisions as applicable and appropriate and thereupon to release its final appraisal, which appraisal thereupon shall be final and binding on the Parties absent manifest error. Any failure by either Party to give any such written comment timely within such 30-day period conclusively shall constitute such Party's waiver of its right to so comment.

"Hazardous Substance" shall mean and refer to asbestos, urea formaldehyde, polychlorinated biphenyls, nuclear fuel or materials, radioactive materials, explosives, known carcinogens, petroleum products and by products (including crude oil or any fraction thereof) and any pollutant, contaminant, chemical, material or substance defined as hazardous or as a pollutant or a contaminant in, or the use, manufacture, generation, storage, treatment, transportation, release or disposal of which is regulated by, any Environmental Law.

"Information Return" has the meaning set forth in Section 8.4.

"Nonprofit Covenant" means a covenant to be recorded against title to the Real Property as of the Close of Escrow whereby the use of the Real Property is restricted to nonprofit uses for a period of ten (10) years after the Close of Escrow in a form approved by Seller and Purchaser, provided that in either case such approval shall not be unreasonably withheld.

"Option" shall have the meaning set forth in Section 2.1.

"Option Commencement Date" shall have the meaning set forth in Section 2.1 below.

"Option Exercise Notice" shall have the meaning set forth in Section 2.2.

"Option Period" shall have the meaning set forth in Section 2.1.

"Party" and *"Parties"* have the meanings set forth in the first paragraph to this Agreement.

"Permitted Exceptions" shall have the meaning set forth in Section 6.1.

"Person" means any individual, corporation, partnership, limited liability company, joint venture, association, joint stock company, trust, unincorporated organization or government, or any city or political subdivision thereof.

"Purchase Price" has the meaning set forth in Section 4.1.

"Purchaser" means the Nevada Blind Children's Foundation, a Nevada non-profit corporation.

"Real Property" means that certain real property commonly known as the as depicted on Exhibit "A-1" and legally described on Exhibit "A-2", both of which are attached hereto.

“Recorder’s Office” means the Office of the Recorder of Clark County, Nevada.

“Seller” means the City of Las Vegas, Nevada, a municipal corporation of the State of Nevada.

“Title Policy” has the meaning set forth in Section 6.2.

2.1 Grant of Option.

(a) Seller hereby grants Purchaser an option to purchase the Real Property upon the terms and conditions set forth in this Agreement (the “Option”). The Option shall be for a period (the “Option Period”) commencing on the first day of the 121st full calendar month of the Term of the Lease and automatically expiring on the last day of the 180th full calendar month of the Term of the Lease. Tenant agrees that the Option shall automatically terminate and be null and void if prior to the expiration of the Option Period the Lease terminates for any reason whatsoever.

2.2 Exercise of Option.

(a) Purchaser shall have the right to exercise the Option at anytime during the Option Period by written notice to Purchaser. In the event Purchaser does not provide the Option Notice during the Option Period, the Option shall automatically expire and thereafter Purchaser shall have no right to purchase the Real Property under this Agreement. Tenant agrees that it shall have no right to exercise the Option prior to the commencement of the Option Term.

(b) Notwithstanding anything to the contrary contained herein, Purchaser agrees that Purchaser’s right to exercise the Option is contingent upon Purchaser not being in default at the time of any attempt to exercise the Option (i) of payment of any Rent whatsoever due from Purchaser to Seller under the Lease or (ii) any other obligations of Purchaser under the Lease which are in Seller’s reasonable judgment of a material nature. Any attempt by Purchaser to exercise the Option at a time when Purchaser is in such default under the Lease shall be null and void and of no force and effect.

(c) As a condition to the exercise of the Option, Purchaser must submit to Seller financial information reasonably acceptable to Seller demonstrating (i) that the Learning Center is in sound financial and operational condition and (ii) that Purchaser has the financial capability and resources to continue to run the Learning Center for a period of at least ten (10) years after the Close of Escrow.

3. Purchase and Sale of Real Property. Upon the rightful exercise of the Option by Purchaser, Seller agrees to sell, and Purchaser agrees to purchase, the Real Property upon the terms and conditions set forth herein.

4. Purchase Price and Payment.

4.1 Purchase Price. The Purchase Price for the Real Property (the "*Purchase Price*") is the greater of (i) Four Hundred Eighty Thousand Dollars (\$480,000.00) or (ii) the Fair Market Value as of the date of the Option Exercise Notice.

4.2 Earnest Money Deposit.

(a) Within three (3) business days after the delivery of the Option Exercise Notice, Purchaser shall deposit the sum of Fifty Thousand Dollars (\$50,000.00) as an earnest money deposit (said deposit along with all interest earnings thereon pursuant to Section 4.4 is referred to herein as the "*Deposit*") with Escrow Agent, which Deposit shall be applied to the Purchase Price at Close of Escrow. The Deposit shall be in the form of a cashier's check or other immediately available funds made payable to Escrow Agent.

4.3 Cash at Close of Escrow. On or before one (1) business day prior to Close of Escrow, Purchaser shall deposit with the Escrow Agent an amount equal to the Purchase Price in the form of a cashier's check or other immediately available funds payable to the order of Escrow Agent an amount equal to the Purchase Price (less the Deposit) plus such other funds required to be deposited by Purchaser under this Agreement (the "*Cash Balance Due*").

4.4 Investment of Deposit. Purchaser shall have the right to instruct Escrow Agent to invest the Deposit in U.S. Treasury Bills or Notes or such other prudent investments as approved by Seller in writing. In the absence of such written instructions, Escrow Agent shall invest the Deposit in one or more interest bearing trust accounts with local, federally insured banking institutions. The Deposit shall include any and all earnings on the Deposit, provided that any such earnings shall be deemed earned by Purchaser for income tax purposes.

5. Escrow.

5.1 Escrow Instructions. The purchase and sale of the Real Property shall be consummated through an escrow (the "*Escrow*") to be established with an escrow company selected by Seller ("*Escrow Agent*"). The Escrow shall be opened within three (3) business days following delivery by Purchaser of the Option Notice. Following the delivery of the Option Notice, Purchaser and Seller shall deliver to Escrow Agent a fully executed copy of this Agreement which shall constitute Escrow Agent's instructions. Seller and Purchaser agree to execute and deliver to Escrow Agent such additional and supplemental instructions as Escrow Agent may require in order to clarify Escrow Agent's duties under this Agreement; provided, however, that in the event of any conflict or inconsistency between this Agreement and any instructions delivered to Escrow Agent, the terms of this Agreement shall govern the duties of Escrow Agent and the rights and obligations of Seller and Purchaser.

5.2 Fees. Each Party shall share equally in the escrow fee charged by the Escrow Agent for the escrow services rendered in connection with the transaction described herein. If the Escrow is cancelled by reason of default of either Party, the full amount of the escrow fee and any other charges or sums due the Escrow Agent shall be paid in full by the defaulting Party.

5.3 Definition of "Close of Escrow." For purposes of this Agreement, the term "*Close of Escrow*" shall mean the date when Escrow Agent shall have recorded all of the instruments to be recorded as set forth in Section 8.4 below.

6. Condition of Title.

6.1 Permitted Exceptions. Seller shall convey Purchaser fee simple title to the Real Property subject only to the following exceptions (the "*Permitted Exceptions*"):

- (a) any and all matters disclosed by a title report of the Real Property;
- (b) any and all matters caused by, or arising through, directly or indirectly, Tenant or Tenant's use of the Real Property under the Lease; and
- (c) the Nonprofit Covenant.

6.2 Title Insurance Policy. Concurrently with recordation of the Deed, and as a condition of closing, the Escrow Agent and any required co-insurer shall provide and deliver to Purchaser a CLTA title insurance policy in the amount of the Purchase Price issued by the Escrow Agent insuring that title is vested in Purchaser in the condition required by Section 6.1 of this Agreement (the "*Title Policy*"). Seller shall pay the cost of the CLTA portion of the cost of the Title Policy and Purchaser shall pay the additional cost attributable to any special endorsements required by Purchaser.

7. Condition of Real Property – As-Is Nature of Transaction.

(a) Purchaser acknowledges and agrees that it has had an opportunity to inspect the Real Property and that the Real Property is to be conveyed to and accepted by Purchaser in an "as is" condition with all faults and defects, if any. Seller makes no representations or warranties of any kind whatsoever, either expressed or implied, with respect to the Real Property or any of such related matters; in particular, but without limitation, Seller makes no representations or warranties with respect to the use, condition, title, occupation or management of the Real Property, compliance with applicable statutes, laws, codes, ordinances, regulations or requirements relating to leasing, zoning, subdividing, planning, building, fire, safety, health or environmental matters, compliance with covenants, conditions and restrictions (whether or not of record), other local, municipal, regional, state or federal requirements, or other statutes, laws, codes, ordinances, regulations or requirements affecting or relating to the Real Property. Purchaser voluntarily and knowingly waives any contribution rights or claims which Purchaser may have against Seller in the event Purchaser incurs liability to any Person (including any federal state or local governmental authority) arising out of the existence, removal or remediation of any Hazardous Substances on or under the Real Property.

(b) Purchaser agrees and acknowledges that it has had completed a full and complete due diligence investigation of the Real Property, including, without limitation, any and all physical investigations of the Real Property desired by Purchaser.

8. Closing.

8.1 Closing. The Close of Escrow of the Real Property shall take place at the offices of the Escrow Agent on the Closing Date.

8.2 Seller's Closing Documents. On or prior to the Closing Date, Seller shall deliver or cause to be delivered to the Escrow Agent: (i) the Deed, duly executed and acknowledged by Seller in recordable form; (ii) an affidavit of value as required by laws of the State of Nevada, duly executed by Seller; (iii) the non-foreign transferor declaration duly executed by Seller; (iv) appropriate evidence that may be required by the Escrow Agent of the authority of Seller to convey the Real Property and to perform and carry out the covenants and obligations to be performed by Seller hereunder; and (v) any other documents as may be reasonably necessary to perform and carry out the covenants and obligations to be performed and carried out by Seller pursuant to this Agreement.

8.3 Purchaser's Closing Documents. On or prior to the Closing Date, Purchaser shall deliver or cause to be delivered to the Escrow Agent for the account of Seller: (i) the funds required by Section 4.2 hereof; (ii) the Nonprofit Covenant, duly executed and acknowledged by Purchaser in recordable form, (iii) an affidavit of value as required by the laws of the State of Nevada, duly executed by Purchaser; and (iv) such other instruments or documents as may be reasonably necessary to perform and carry out the covenants and obligations to be performed and carried out by Purchaser pursuant to this Agreement.

8.4 Closing Instructions. The Escrow Agent is authorized and instructed to perform the following on the Closing Date in the following order:

- (a) Record the Deed;
- (b) Record the Nonprofit Covenant;
- (c) Deliver to Seller by wire transfer or intrabank transfer funds in an amount equal to the Deposit and the Cash Balance Due;
- (d) Deliver to Purchaser the Title Policy; and
- (e) Prepare and submit to the Internal Revenue Service the information return and statement concerning the closing of the Escrow (the "Information Return") required by Section 6045(e) of the Internal Revenue Code of 1986, unless the Information Return is not required under the regulations promulgated under Section 6045(e).

8.5 Instructions Upon Recordation. The instruments that are required to be recorded and/or delivered under this Agreement shall provide that the Recorder's Office shall return them to Escrow Agent after recordation, and upon receipt thereof, Escrow Agent shall deliver the following:

- (a) to Purchaser: (i) the original recorded Deed; (ii) a copy of the recorded

Nonprofit Covenant; (iii) plain copies of the real property transfer declaration and (iv) copies of all other documents deposited by any Party into Escrow; and

(b) to Seller: (i) a copy of the Deed as recorded; (ii) the original of the recorded Nonprofit Covenant; (iii) plain copies of the real property transfer declaration; (iv) the original of the non-foreign transferor declaration; and (v) copies of all other documents deposited by any Party into Escrow.

8.6 Closing Costs.

(a) Seller shall deposit into Escrow the following fees, charges and costs after the Escrow Agent has notified Purchaser of the amount of such fees, charges and costs, but not later than one (1) business day prior to the scheduled date for the Close of Escrow:

- (i) the costs of recording the Deed and the Nonprofit Covenant; and
- (ii) any prorations due from Seller pursuant to Section 8.7 below.

(b) Purchaser shall deposit into Escrow the following fees, charges and costs after the Escrow Agent has notified Purchaser of the amount of such fees, charges and costs, but not later than one (1) business day prior to the scheduled date for the Close of Escrow:

- (i) all of all of the state, county or city documentary transfer tax related to the sale of the Real Property;
- (ii) all of fees of Escrow Agent;
- (iii) all of the premium and costs for the title Policy; and
- (iv) any prorations due from Purchaser pursuant to Section 8.7 below.

8.7 Prorations. The Parties agree that because the Lease is a triple net lease in all respects that the only prorations will be for Rent and any Rent which has been paid for periods after the Close of Escrow or is for periods prior to the Close of Escrow will be prorated as of the Close of Escrow.

9. Lease Termination.

Seller and Purchaser agree that (i) upon the Close of Escrow that the Lease shall automatically terminate and be of no further force and effect except for those provisions of the Lease which expressly survive any termination of the Lease and (ii) in the event Close of Escrow does not occur for any reason whatsoever, including, without limitation Seller default, the Lease shall remain in full force and effect.

10. Defaults and Remedies.

10.1 Purchaser's Default and Seller's Remedies.

(a) Purchaser shall be in default in the even Purchaser fails to timely deliver (x) the Cash Balance Due or (y) the deposits as required by Sections 8.3 and 8.6(b), unless such failure is as a result of the default hereunder of Seller.

(b) IN THE EVENT PURCHASER EXERCISES THE OPTION, THE DEPOSIT IS MADE AS REQUIRED BY SECTION 4.2 ABOVE AND THEREAFTER THE CLOSE OF ESCROW AND THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT DO NOT OCCUR BY REASON OF ANY DEFAULT BY PURCHASER, SELLER, AS ITS SOLE REMEDY, MAY TERMINATE THE ESCROW WHEREUPON THE DEPOSIT SHALL BE FORFEITED TO SELLER. THE DEPOSIT TOGETHER WITH ALL EARNINGS THEREON SHALL BE PAID BY ESCROW AGENT TO SELLER AS SELLER'S LIQUIDATED DAMAGES FOR THE BREACH OF THIS AGREEMENT BY PURCHASER. IT IS EXPRESSLY UNDERSTOOD AND AGREED BETWEEN SELLER AND PURCHASER THAT SELLER'S ACTUAL DAMAGES FOR PURCHASER'S FAILURE TO CLOSE ESCROW WOULD BE SUBSTANTIAL BUT EXTREMELY DIFFICULT TO ASCERTAIN.

INITIALS:

SELLER:

PURCHASER:

10.2 Seller's Default and Purchaser's Remedies.

(a) The occurrence of any of the following prior to the Close of Escrow, shall be an event of default by Seller hereunder:

(i) The failure by Seller to timely deliver the deposits as required by Sections 8.2 and 8.6(a) above, unless such failure is as a result of the default hereunder of Purchaser; or

(ii) Close of Escrow does not otherwise occur as a result of Seller's nonperformance under this Agreement.

(b) In the event of a default by Seller prior to the Close of Escrow, Purchaser shall have the following remedies:

(i) to waive such default;

(ii) to specifically enforce Seller's obligations hereunder; or

(iii) terminate the Escrow whereupon the Deposit shall be

refunded to Purchaser.

11. RESERVED.

12. Miscellaneous.

12.1 Further Assurances. Seller and Purchaser shall, on or after the Closing Date, at the request of either party, execute, acknowledge and deliver such other deeds, assignments, instruments or documents as may be reasonably required to evidence or confirm the sale, conveyance, assignment and transfer by Seller to Purchaser of the Real Property or otherwise necessary to carry out or to fulfill Seller's or Purchaser's respective covenants and obligations hereunder.

12.2 Entire Agreement. Except as otherwise provided in this Agreement including, including without limitation, Section 1.3 and Section 7.2, this Agreement contains all of the agreements, representations and warranties of the Parties hereto and supersedes all other discussions, understandings or agreements with respect to the subject matter hereof. This Agreement may be amended, superseded, extended or modified only by an instrument in writing signed by all of the Parties hereto.

12.3 Notices. All notices, consents, requests, demands and other communications provided for herein shall be in writing and shall be deemed to have been duly given (a) if and when personally served, (b) forty-eight (48) hours after being sent by United States registered mail, return receipt requested, postage prepaid; (c) forty-eight (48) hours after being sent via Federal Express or other national courier service or (c) by facsimile at the following respective addresses, or such other address, as either Party may from time to time designate in writing:

To Seller: City of Las Vegas
c/o Office of Economic and Urban Development
495 South Main Street, 6th Floor
Las Vegas, Nevada 89101
Facsimile: (702) 386-1749
Attn: Bill Arent, Director

With a copy to: City Attorney Office
City Hall
495 South Main Street, 6th Floor
Las Vegas, Nevada 89101
Facsimile: (702) 386-1749

To Purchaser: Nevada Blind Children's Foundation
741 Veterans Memorial Drive
Las Vegas, Nevada 89101
Attn: Kevin Spilsbury
Facsimile: (702) 878-3524

Any Party may designate a different address for itself by notice given in the manner set forth in this Section 12.3. Any notice, demand or document shall be deemed to have been given upon actual delivery or receipt or attempted delivery, provided such attempted delivery is made on a business day. Failure to accept delivery shall be deemed receipt of such notice.

12.4 Time of the Essence. Time is of the essence of this Agreement and each and every term and provision hereof.

12.5 Interpretation; Governing Law. This Agreement shall be construed as if prepared by both parties. This Agreement shall be construed, interpreted and governed by the laws of the State of Nevada.

12.6 No Waiver. A waiver by either party hereto of a breach of any of the covenants or agreements hereof to be performed by the other party shall not be construed as a waiver of any succeeding breach of the same or other covenants, agreements, restrictions or conditions hereof.

12.7 Binding Effect. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective heirs, representatives, successors and permitted assigns.

12.8 Headings; Exhibits; Cross References. The headings and captions used in this Agreement are for convenience and ease of reference only and shall not be used to construe, interpret, expand or limit the terms of this Agreement. The Exhibits attached to this Agreement at the time of its execution are incorporated herein as if set forth in full.

12.9 Severability. In the event that any phrase, clause, sentence, paragraph, section, article or other portion of this Agreement shall become illegal, null or void, or against public policy, for any reason, or shall be held by any court of competent jurisdiction to be illegal, null or void, or against public policy, the remaining portions of this Agreement shall not be affected thereby and shall remain in force and effect to the full extent permitted by law.

12.10 Counterparts. This Agreement may be executed in one or more counterparts, which, taken together, shall constitute one instrument.

12.11 Captions. The captions and headings contained in this Agreement are for the purposes of reference only and shall not in any way affect the meaning or interpretation of the individual paragraphs.

12.12 Successors and Assigns. Except as otherwise provided herein, this Agreement, together with its benefits and subject to its burdens, shall be binding upon, extend to and inure to the benefit of the parties hereto, their permitted successors and assigns.

12.13 Construction. As used in this Agreement, the masculine, feminine or neuter gender and the singular or plural numbers shall each be deemed to include the other

whenever the context so requires. This Agreement shall be construed as a whole and in accordance with its fair meaning and without regard to any presumption or other rule requiring construction against the party preparing this Agreement or any part thereof.

12.14 Assignment. Purchaser shall have no right whatsoever to assign all or any part of its interest in this Agreement without the written consent of Seller which may be withheld at Seller's sole discretion.

12.15 Brokers. Purchaser represents and warrants to Seller, and Seller represents to Purchaser, that no broker, agent or finder has been engaged by it in connection with any of the transactions contemplated by this Agreement, or to its knowledge is in any way connected with any of such transactions. In the event of any claims for brokers' or finders' fees or commissions in connection with the negotiation, execution or consummation of this Agreement, Purchaser shall indemnify, save harmless and defend Seller from and against such claims if they shall be based upon any statement or representation or agreement made by Purchaser, and Seller shall indemnify, save harmless and defend Purchaser if such claims shall be based upon any statement, representation or agreement made by Seller.

SIGNATURES ON NEXT PAGE

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

SELLER

CITY OF LAS VEGAS, a political
subdivision of the State of Nevada

By: _____

Name: _____

Title: _____

ATTEST:

_____, Title

APPROVED AS TO FORM:

Date

PURCHASER

NEVADA BLIND CHILDREN'S
FOUNDATION, a Nevada non-profit
corporation.

By: _____

Name: _____

Title: _____

EXHIBITS

EXHIBIT “A-1”	SITE DEPICTION
EXHIBIT “A-2”	LEGAL DESCRIPTION

Nevada Blind Children's Foundation

741 Veterans Memorial Dr.



0 80 160 320 Feet

LEGEND

Nevada Blind Children's Foundation



Exhibit "A-2"
LEGAL DESCRIPTION

THAT PORTION OF THE NORTHEAST QUARTER (NE $\frac{1}{4}$) OF THE SOUTHEAST QUARTER (SE $\frac{1}{4}$) OF SECTION 27, TOWNSHIP 20 SOUTH, RANGE 61 EAST, M.D.B. & M., DESCRIBED AS FOLLOWS:

PARCEL THREE (3) AS SHOWN BY MAP THEREOF IN FILE 117 OF PARCEL MAPS, PAGE 84, IN THE OFFICE OF THE COUNTY RECORDER, CLARK COUNTY, NEVADA AND AMENDED BY CERTIFICATE OF AMENDMENT RECORDED JULY 20, 2011 IN BOOK 20110720 AS DOCUMENT NO. 02768 OF OFFICIAL RECORDS.

CERTIFICATE DISCLOSURE OF OWNERSHIP/PRINCIPALS

1. Definitions

"City" means the City of Las Vegas.

"City Council" means the governing body of the City of Las Vegas.

"Contracting Entity," means the individual, partnership, or corporation seeking to enter into a contract or agreement with the City of Las Vegas.

"Principal" means, for each type of business organization, the following: (a) sole proprietorship – the owner of the business; (b) corporation – the directors and officers of the corporation; but not any branch managers of offices which are a part of the corporation; (c) partnership – the general partner and limited partners; (d) limited liability company – the managing member as well as all the other members; (e) trust – the trustee and beneficiaries.

2. Policy

In accordance with Resolution 79-99 and 105-99 adopted by the City Council, Contracting Entities seeking to enter into certain contracts or agreements with the City of Las Vegas must disclose information regarding ownership interests and principals. Such disclosure generally is required in conjunction with a Request for Proposals (RFP). In other cases, such disclosure must be made prior to the execution of a contract or agreement.

3. Instructions

The disclosure required by the Resolutions referenced above shall be made through the completion and execution of this Certificate. The Contracting Entity shall complete Block 1, Block 2, and Block 3. The Contracting entity shall complete either Block 4 or its alternate in Block 5. Specific information, which must be provided, is highlighted. An Officer or other official authorized to contractually bind the Contracting Entity shall sign and date the Certificate, and such signing shall be notarized.

4. Incorporation

This Certificate shall be incorporated into the resulting contract or agreement, if any, between the City and the Contracting entity. Upon execution of such contract or agreement, the Contracting Entity is under a continuing obligation to notify the City in writing of any material changes to the information in this Certificate. This notification shall be made within fifteen (15) days of the change. Failure to notify the City of any material change may result, at the option of the City, in a default termination (in whole or in part) of the contract or agreement, and/or a withholding of payments due the Contracting Entity.

Block 1 <u>Contracting Entity</u>
Name: Nevada Blind Children's Foundation
Address: 9330 W. Martin Ave Las Vegas 89148
Telephone: 702-735-6223
EIN or DUNS: 20-4388240

Block 2 <u>Description</u> Subject Matter of Contract/Agreement
DDA RFP#

Block 3	<u>Type of Business</u>
☐ Individual ☐ Partnership ☐ Limited Liability Company ☒ Corporation ☐ Trust ☐ Other:	



CERTIFICATE – DISCLOSURE OF OWNERSHIP/PRINCIPALS (CONTINUED)

Block 4 Disclosure of Ownership and Principals

In the space below, the Contracting Entity must disclose all principals (including partners) of the Contracting Entity, as well as persons or entities holding more than one-percent (1%) ownership interest in the Contracting Entity.

	FULL NAME/TITLE	BUSINESS ADDRESS	BUSINESS PHONE
1.	Robert C. Anderson, Partner Snell & Wilmer	3883 Howard Hughes Parkway, Su 1100 Las Vegas, NV 89169	702-784-5386
2.	James A. Cohill, Regional VP-West UMR	2716 N. Tenaya Way Las Vegas, NV 89128	702-269-2522
3.	Kelley Jones, CEO Trust3Hspitality	8912 Spanish Ridge Avenue Las Vegas, NV 89148	702-553-7771
4.	Ty Anderson, Partner Swartz & Swartz	10091 Park Run Drive, Su 200 Las Vegas, NV 89145	702-312-8111
5.	Elaine Wenger-Roesener	9811 Orient Express Ct. Las Vegas, NV 89145	702-286-6925
6.	Jacob Oberman, VP, Global Gaming Dev MGM Resorts, International	3799 Las Vegas Blvd., South Las Vegas, NV 89109	702-891-3365
7.	Kelly Taylor, Health Plan Director LVMPD EH & WT	9330 W. Lake Mead Blvd, Su 200 Las Vegas, NV 89134	702--641-2160
8.	Kevin Spilsbury, Partner MAC Mechanical	4375 Polaris Las Vegas, NV 89103	702-410-9979
9.	Christopher Chiodo, DO Vision Care Partners	10608 S. Eastern Ave., Su H Henderson, NV 89052	702-716-2750

The Contracting Entity shall continue the above list on a sheet of paper entitled "disclosure of Principals – Continuation" until full and complete disclosure is made. If continuation sheets are attached, please indicate the number of sheets: ____.

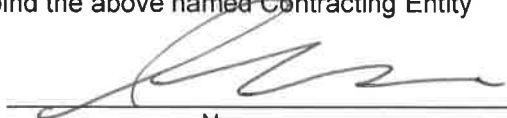
Block 5 DISCLOSURE OF OWNERSHIP AND PRINCIPALS – ALTERNATE

If the Contracting Entity, or its principals or partners, are required to provide disclosure (of persons or entities holding an ownership interest) under federal law (such as disclosure required by the Securities and Exchange Commission or the Employee Retirement Income Act), a copy of such disclosure may be attached to this Certificate in lieu of providing the information set forth in Block 4 above. A description of such disclosure documents must be included below.

Name of Attached Document: _____

Date of Attached Document: _____ Number of Pages: _____

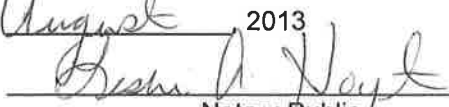
I certify under penalty of perjury, that all the information provided in this Certificate is current, complete and accurate. I further certify that I am an individual authorized to contractually bind the above named Contracting Entity



 Name
 8/14/13

 Date

Subscribed and sworn to before me this 12th day of

August 2013


 Notary Public





Exhibit E - Schedule of Performance

TASK	FINISH DATE
Execution and Delivery of Agreement. Parties shall execute and deliver two exact copies of this agreement.	Foundation will sign not later than 10/28/13, in order to timely submit to the city council. The City shall execute as soon as reasonably possible after city council approval.
Delivery of Preliminary Title Report to the Foundation.	City shall deliver report to Foundation not later than twenty one (21) calendar days from the Effective Date of this Agreement.
Submission: Certificates of Insurance.	Foundation shall deliver to City evidence of coverage pursuant to Section 7.9 in the Agreement. Required prior to any entry of Foundation onto the property.
Submission of Basic Concept Drawings. Foundation shall submit drawings to the City for approval.	Concurrent with execution of this Agreement by the Foundation and Delivery to the City.
Approval of Preliminary Title Report.	Within sixty (60) calendar days of receipt by the Foundation.
Expiration of Feasibility Review Period, in accordance with Section 6.1 (b).	Not later than one hundred and eighty (180) calendar days after Effective Date of this Agreement.
Building Permit Application.	Not later than 8/01/14.
Award of Contract.	Not later than 11/03/14.
Grading Permit.	Not later than 11/10/14.
Mobilization.	Not later than 11/10/14.
Building Permit.	Not later than 11/17/14.
Storm Water Pollution Prevention Plan (SWPPP).	Not later than 11/24/14.
Submittals.	Not later than 1/17/15.
Procurement.	Not later than 4/18/15.
Site Work.	Not later than 4/18.15.
Building.	Not later than 7/25/15.
Exterior.	Not later than 8/08/15.
Close Outs.	Not later than 10/10/15.
Submission of Firm Project Financing to the City.	Not later than fourteen (14) calendar days prior to Commencement of Construction, or by 11/06/14, whichever event occurs first.
Employment Plan Policy: Report & Deposit.	Foundation shall submit to the City an Employment Plan and Deposit in the amount of \$78,330.06. Not later than seven (7) calendar days before Commencement of Construction.

Foundation shall commence construction, which shall mean pouring concrete for the foundation of the Project, in accordance with all contingencies in Section 7.5.	Within twelve (12) calendar months after Execution of this Agreement, or by 11/20/14, whichever event occurs first.
Completion of Construction.	Not later than twelve (12) calendar months following the Commencement of Construction or by 11/20/15, whichever event occurs first.
Certificate of Completion. Upon written request by the Foundation and after completion of improvements as required by the Agreement, City shall furnish the Foundation with a Certificate of Completion.	Not later than thirty (30) calendar days following the Completion of Construction, or by 12/20/15, whichever event occurs first.
Execution and Delivery of the Ground Lease in accordance with the contingencies in Section 4.1 of the Agreement.	Not later than seven (7) calendar days from Certificate of Completion.
Leasehold Title Insurance Policy.	Concurrent with the Signing of the Ground Lease. Foundation shall deliver this policy from Nevada Title to the City.

EXHIBIT F

Monthly Status Reports Requirements

The Foundation shall submit to the City written status reports no later than the 5th business day of each month beginning with the second full calendar month following the Effective Date. The status reports shall include applicable activity related to the phase of development and at a minimum the following items:

A. Budget Report

- a. Expenditure of funds to date.
- b. Cost overruns.
- c. Change orders.
- d. Percentage complete vs. percentage drawn down of construction funds..

B. Design and Construction Update

- a. Changes to the Schedule of Performance.
- b. Submittal of development budget and updates from time to time.
- c. Changes in design.
- d. Key submittal dates achieved and upcoming.
- e. Adherence to the City Economic Development Projects Employment Plan.
- f. Status of negotiations with general contractor and bidding of the construction of the Project.

C. Fundraising and Grant Update

- a. Pledges received for construction.
- b. Pledges received for operating endowment.
- c. Grants applied for and/or received.
- d. Status of other fundraising sources such as bank loans.

D. Other

Such other matters as requested by the City from time to time.



City of Las Vegas
Economic Development Projects

EMPLOYMENT PLAN POLICY

Adopted
April 6, 2011

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Reporting Template

SECTION 1: TERM DESCRIPTIONS

“Build-to-suit Developer” means any private developer who constructs a project in accordance with the customized specifications of a known owner and/or lessee to whom the developer will, upon completion, convey or lease the premises.

“Build-to-suit Owner/Lessee” means the owner or lessee of a project which has been constructed by the developer to the customized specifications of the owner/lessee.

“City of Las Vegas Resident” means an individual whose primary place of residence is within the City of Las Vegas boundaries.

“Developer of Speculative Space” means any private developer who constructs a project for the purpose of conveying or leasing the premises to an unknown owner and/or tenant.

“Disabled” means a physical impairment, with respect to an individual, that substantially limits one or more of the major activities of such individual: A record of such impairment; or Being regarded as having such impairment.

“Disposition and Development Agreement (DDA)” means an agreement that sets forth requirements for the sale, lease, exchange acquisition, or disposal of real property owned by the City, where a specific type of project is developed.

“Economically Disadvantaged” means any individual who meets the present poverty guidelines established by the Federal government as a poverty measure. The guidelines are issued each year in the Federal Register by the Department of Health and Human Services (HHS).

“Members of Racial Minorities” means or describes an individual that is: Black or African-American, Hispanic-American, Native-American, Asian-Pacific American, Subcontinent Asian-American, Native-Hawaiian or other Pacific Islander.

“Owner Participation Agreement (OPA)” means any agreements where the City is participating with a landowner for the development of a site by providing some form of financial concession.

“Participation Agreement (PSA)” means any agreements where the City is involved in the acquisition or sale of real property.

“Private Developer” means any person or entity that is proposing to construct a project and will receive financial assistance from the City and includes developers of either speculative or build-to-suit projects.

“Veteran” means any honorably discharged soldier, sailor, marine, nurse, or army field clerk, as well as reserve components of these services, who have served in military service of the United States.

SECTION 2: CITY OF LAS VEGAS

ECONOMIC DEVELOPMENT PROJECTS EMPLOYMENT PLAN POLICY

POLICY

This employment plan policy is prepared in accordance with the City of Las Vegas Economic Development Projects Resolution dated April 6, 2011, which adopted this City of Las Vegas Economic Development Projects Employment Plan Policy (hereinafter referred to as “Policy”). This Policy only applies to recipients of economic development assistance from the City of Las Vegas (hereinafter referred to as “City”) for projects which are in furtherance of economic development in the City. In accordance with the Policy, developers and build-to-suit owners which receive economic development project funds or other forms of assistance from the City are required to hire local residents who live within the city of Las Vegas boundaries and encouraged to hire economically disadvantaged residents, members of racial minorities, women, disabled or veterans (hereinafter collectively referred to as “MW/D/VBE”).

OBJECTIVE

The immediate purpose of this Policy is to provide developers and build-to-suit owners/lessees with the guidance necessary to prepare and implement an employment plan when participating in a private economic development project funded by the City of Las Vegas. The ultimate result of this Policy is to ensure that the persons identified in the resolution have the opportunity to benefit from economic development projects as fully as the community at large.

APPLICABILITY

Related Agreements: The requirements of the Policy shall be included in the Owner Participation Agreement (“OPA”), the Disposition and Development Agreement (“DDA”) and/or the Purchase and Sale Agreement (“PSA”), (hereinafter collectively referred to as “Agreements”), between the developer and the City.

Entire Project: Even though portions of a project may not be supported by City funds, private developers and build-to-suit owners/lessees may prepare and implement an employment plan for the entire project. Developers and build-to-suit owners/lessees who submit an employment plan for the entire project and meet the goals of that plan are eligible for an additional incentive to be determined on a pro-rated basis.

Public Agencies: A public agency which is using City funds for the design or construction of a project being built as a public work pursuant to NRS 338 is exempt from this Policy and therefore is not required to submit an employment plan. Instead, such public agency shall adhere to NRS 338 and any state and local law governing public works projects.

Threshold: All projects receiving economic development assistance from the City valued over \$100,000 must submit an employment plan and will be subject to reporting requirements.

RESIDENT PARTICIPATION REQUIREMENT

For new construction jobs and build-to-suit permanent employment jobs resulting from a private economic development project, the private developer is required to give preference to residents living within the City of Las Vegas boundaries.

- **30% of all new jobs created as a direct result of the project are required to be filled by bona-fide residents of the City of Las Vegas — REQUIRED**

Verification of residence may be provided by the employee in the form of a drivers' license or by legal address as evidenced by their IRS tax forms. Participation shall be inclusive of subcontractors, sub-tier subcontractors, vendors and suppliers. **Reporting and demonstration of efforts is required.**

RESIDENT PREFERENCE INCENTIVE

Projects receiving City economic development assistance call for specific resident participation requirements which will make the project eligible for an incentive. Accordingly, 10% of the negotiated incentive will be awarded as a bonus, if the resident participation requirement is achieved. A Pass/Fail approach will be used to determine compliance and partial achievement will not be considered.

The City's contract agreement will provide project-specific details regarding the negotiated incentive package and what the developer or build-to-suit owner/lessee must do to comply with the employment plan. The negotiated incentive will vary depending on the type of project being developed. For example, for those projects where non-cash incentives are being provided (i.e. the sale of land below fair market value), the City may require a cash deposit of 10% to be provided by the developer and the deposit will be returned based on successful achievement of participation goals.

Reporting and demonstration of efforts is required. Prior to the start of construction, failure to adhere to all required program elements, as further described below, will constitute grounds for withdrawal of the entire incentive.

MINORITY PARTICIPATION GOAL

The minority participation goal is designed to ensure that all segments of the local business community have a reasonable and significant opportunity to participate in City contracts involving economic development projects.

- **15% participation of "M/W/D/VBEs" — ASPIRATIONAL GOAL**

The minority participation represents the total value of sub-contracts and materials agreements awarded to M/W/D/VBEs. Participation shall be inclusive of Subcontractors, Sub-Tier Subcontractors, Vendors and Suppliers. **Reporting and demonstration of efforts is required.**

An M/W/D/VBE may participate as a prime contractor, sub-contractor, as a joint venture partner with a prime or sub-contractor, or as a vendor of materials and/or supplies. Only those sub-

contractor(s) and suppliers contracting directly with or to be paid by the prime contractor may be credited towards the participation goals.

A sufficient portion of the work must be made available to sub-contractors and suppliers consistent with M/W/D/VBE availability and capacity. If the minority participation goals are not met, information documenting specific actions taken must be submitted prior to the contract award in order to receive credit towards compliance.

PROGRAM ELEMENTS: PRIVATE DEVELOPER

Developers shall submit an employment plan for the construction phase of a project. The developer shall adhere to the employment plan only during the construction phase of the development.

Initial Submittals: The developer shall provide the City with a list of all contracts and dollar amounts let for construction as soon as available. The list must be kept up to date throughout the construction phase. The City recognizes that plans and specifications are often at an early stage of preparation when the Agreement is approved, making it impossible to identify in the employment plan the contracts being let for construction. Consequently, once bids are awarded, the developer shall submit an addendum to the employment plan identifying the construction projects.

Contracting Decisions and Waiver: The developer has the right to make the final decision on contracting, but the City will balance that right against the developer's duty to comply with the employment plan. If, after diligently implementing the employment plan, the developer has not identified enough qualified City residents or M/W/D/VBEs to meet the contracting requirements and goals, the developer may enter into contract for the construction of the project, but only after providing written notice and justification to the City.

Structuring the Bid by Size and Type of Work: Meeting the participation requirements and goals requires a developer to be proactive. Very early in the design process, the developer should work with their construction manager, architects, and engineers to design the project and structure the bid to facilitate bidding by residents and M/W/D/VBEs. Staff members of the City's Equal Opportunity Contracting Section in the Purchasing and Contracts Division are available to assist in this process.

Input from M/W/D/VBE Contractors: After having designed the project from the beginning with a view toward making resident and M/W/D/VBE participation easier, the developer should seek input on the bid from local qualified contractors and subcontractors, including M/W/D/VBEs. This exchange of information often takes place during a pre-bid meeting. The developer can then make any necessary refinements to the project based on that information. A staff member of the City's Equal Opportunity Contracting Section should be a key participant.

Dissemination to M/W/D/VBE Contractors: Once bid documents are complete, the developer shall provide timely notice of bid letting to M/W/D/VBEs using the City's Minority Business Directory. The developer is not limited to the Minority Business Directory but may obtain minority contractors from other sources, provided they are approved in advance by the City's

Equal Opportunity Contracting Section. The developer shall provide a copy of all required notices to the City.

Other Techniques and Procedures: In addition to providing direct notice of bid letting to residents and M/W/D/VBEs the developer will, as appropriate, employ some or all of the following techniques and procedures in an effort to encourage participation. The City makes no guarantee that an employment plan that includes any one of the following techniques and procedures, or any combination thereof, will be approved on that basis alone.

- Must place timely advertisements in newspapers of general circulation, trade association publications, and M/W/D/VBE-focused media concerning contracting opportunities; provide publisher's proof to the City.
- Will maintain contact and coordination with the City's Equal Opportunity Contracting Section to obtain directories and other information related to achieving the participation goals of the Policy.
- Will utilize referral agencies such as M/W/D/VBE community organizations, professional associations, small business assistance offices, and similar organizations that provide assistance to M/W/D/VBEs.
- Must ensure access by M/W/D/VBEs to plans and specifications and adequate information about the scope of services and other requirements.
- Must offer information to M/W/D/VBEs about bonding, lines of credit, and insurance.
- Shall advertise, solicit and accept qualified joint venture bids from local M/W/D/VBEs.

PROGRAM ELEMENTS: BUILD-TO-SUIT OWNERS/LESSEES

The owner/lessee of a project constructed by a build-to-suit developer shall also submit an employment plan for a twelve (12) month post-construction phase of the economic development project.

The build-to-suit owner/lessee shall adhere to the employment plan for at least as long as the economic development project remains subject to the Agreement. Each Agreement will include the specific time periods based on the particular relevant aspects of the project.

This Policy applies to new, permanent jobs created as a direct result of the economic development project during the period of contract performance. All subcontractors of permanent operations will be required to adhere to the employment plan through contractual language included in any Agreement with the build-to-suit owner/lessee.

Initial Submittals: The owner/lessee shall provide a description of the existing opportunities for employment. The owner/lessee shall also provide a projection of the effect that the economic development project will have on opportunities for employment within the project area. Lastly, the owner/lessee shall provide a description of the manner in which an employer relocates the business into the area and plans to employ residents and persons living within the area of operation and economically disadvantaged, minority, women, and disabled or veteran-owned business enterprise.

Project Impact: The build-to-suit owner must supply the following information to the City: A projection of the effect the project will have on opportunities for employment within the area. In particular, the number of new jobs created as a result of the economic development project and a description of skills required for filling the positions.

Policy Requirements: The City shall have the authority to modify the requirements and goals of this section after a showing of just cause through a process of appeal. This includes the refilling of those jobs for the duration of the employment plan.

Project Description: The build-to-suit owner/lessee is required to submit an employment plan which describes how the operation will employ City residents and aspire to employ persons who are: Economically Disadvantaged, Members of Racial Minorities, Woman, Disabled and Veterans.

Referral Agencies: The build-to-suit owner/lessee shall, as part of the employment plan, utilize one or more of the referral agencies in the Policy for the purpose of receiving qualified job applicants. Only nominal administrative fees may be charged to the employee by non-profit referral agencies for referral or job placement. The following referral agencies, by virtue of their activities, are recognized as having knowledge of the applicant pool available to assist in the location of and, in some cases, training and upgrading of skills of qualified applicants to fill the unique needs of each business.

Asian Chamber of Commerce 2560 Montessori St. Ste. 205 Las Vegas, NV 89117 (702) 737-4300 lvacc.org	Key Foundation 1001 N. A St. Las Vegas, NV 89106 (702) 384-0202	NAACP, Las Vegas Chapter 3340 S. Topaz St. Ste. 150 Las Vegas, NV 89121 (702) 638-1300 naacplv.org	Nevada Partners, Inc. 710 W. Lake Mead Blvd. Las Vegas, NV 89030 (702) 399-5627 nevadapartners.com
Bureau of Vocational Rehabilitation of Southern Nevada 3016 W. Charleston Las Vegas, NV 89102 (702) 486-5230 http://detr.state.nv.us/	Las Vegas Indian Center 2300 W. Bonanza Rd. Las Vegas, NV 89106 (702) 647-5842 lasvegasindiancenter.org	National Association of Women in Construction (NAWIC) 150 N. Durango Dr., Ste. 100 Las Vegas, NV 89145 (702) 796-9986 nawiclasvegas.org	Urban Chamber of Commerce 1951 Stella Lake St. Ste.26 Las Vegas, NV 89106 (702) 648-6222 urbanchamber.org
College of Southern Nevada 6375 W. Charleston Blvd. Las Vegas, NV 89146 (702) 651-7563 csn.edu	Las Vegas Urban League 1024 W. Owens Ave Las Vegas, NV 89106 (702) 483-4200 lvccul.org	Nevada Job Connect 3405 S. Maryland Parkway Las Vegas, NV 89169 (702) 486-0129 nevadajobconnect.com	Veterans Chamber of Commerce 2691 Industrial Rd. Unit 40 Las Vegas, NV 89109 (702) 791-1791 veteranschambernv.org
Easter Seals of Southern Nevada 6200 West Oakey Blvd. Las Vegas, NV 89146 (702) 870-7050 http://sn.easterseals.com	Latin Chamber of Commerce 300 N. 13 th St. Las Vegas, NV 89101 (702) 385-7367 lvcc.com	Nevada Minority Business Enterprise Center (NMBEC) 626 S. 9 th St. Las Vegas, NV 89101 (702) 382-9522 http://newventurescdc.com/nvmbec.html	Women's Chamber of Commerce 2300 W. Sahara Ste. 800 Las Vegas, NV 89102 (702) 733-3955 womenschamberofnevada.org
Foundation for an Independent Tomorrow 1931 Stella Lake Drive	National Association of Women Business Owners (NAWBO)	Nevada Office of Veterans Services 950 W. Owens Dr. Room 111	Women's Development Center 4020 Pecos McLeod

Las Vegas, NV 89106 (702) 367-4348 lasvegasfit.com	PO Box 96355 Las Vegas, NV 89193 (702) 571-0462 nawbosnv.org	Las Vegas, NV 89106 (702) 636-3070 veterans.nv.gov	Las Vegas, NV 89121 (702) 796-7770 wdclv.org
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Training: Build-to-suit owner/lessee shall establish an in-house training program for promoting employees, provided the business employs more than total of twenty-five (25) employees. The training program shall be included as part of the employment plan.

Procedural Guidelines for Outreach/Hiring: The build-to-suit owner/lessee agrees to submit written notification to the referral agency of job positions available for hire at least thirty (30) working days prior to the employer's anticipated hiring date.

- Such written notification shall include a description of the required job qualifications, the rate of pay, the anticipated hiring date, and the date by which the referral agency must refer qualified applicants to the build-to-suit owner/lessee in order to be considered for hiring to the vacant position including management, technical, and professional positions.
- The build-to-suit owner/lessee need not notify the referral agency of any vacancy to be filled by an internal promotion from the existing work force.
- In the event the referral agency fails to refer qualified individuals within thirty (30) working days for consideration of the vacant job openings of which the build-to-suit owner/lessee has notified the referral agency, the build-to-suit owner/lessee will be free to directly fill any remaining positions after so notifying the referral agency in writing.
- The build-to-suit owner/lessee shall make the final decision on hiring new employees but shall be encouraged to select employees from among qualified persons referred by the referral agencies. This does not release the build-to-suit owner/lessee from the requirements of this Policy.
- The build-to-suit owner/lessee will not discriminate against any applicant for employment because of race, religion, age, handicap, color, sex or national origin.
- The City shall be copied on all written correspondence between the build-to-suit owner/lessee and the referral agency.

Owners/Lessees: An owner/lessee of speculative space is under no obligation to submit an employment plan for tenants or lessee of speculative space, but may do so on a voluntary basis. The initial owners/lessees of speculative space who submit an employment plan and meet the resident and minority participation goals of that plan are eligible for an incentive in the same manner as a build-to-suit owner/lessee.

REPORTING REQUIREMENTS

When the Agreement for the economic development project is executed, the developer/build-to-suit lessee will be required to submit an employment plan in accordance with the City's Economic Development Projects Resolution and Employment Plan Policy. The submittal of the reporting templates is a demonstration of a good faith effort. **Failure to report is grounds for denial of the resident preference incentive.**

A report to the City is due within thirty (30) calendar days after the end of each calendar quarter. In an effort to provide accountability, accuracy and consistency, a standard City reporting template has been developed, a copy of which is found in Section 3 of the Policy. All exhibits must be complete and copies of correspondence and advertisements must be attached to the report. The templates may be modified at any time by the City to ensure uniform and accurate reporting.

The City shall use this information for the sole purpose of determining compliance of the developer or build-to-suit owner/lessee with the submitted employment plan. Furthermore, affected employees shall be notified this information will be reported to the City. This information shall not be submitted to any other person or organization, for any other purpose.

APPEALS

If after diligently implementing the employment plan, a developer or build-to-suit owner/lessee fails to achieve contractually agreed upon participation goals, an appeal may be submitted. The developer or build-to-suit owner/lessee must be prepared to present the following analysis for consideration:

- A demonstration of specific actions taken in the pursuit of fulfilling the resident participation requirements and minority participation goals.
- Must be able to show there are no significant opportunities for subcontractors to perform a commercially useful function in the contract.
- Subcontract opportunities will significantly and adversely affect the overall cost of the project.

The procedure for submission and hearing of appeals is as follows:

- Contact the City's Equal Opportunity Contracting Section for an appointment to present analysis and to discuss obstacles for meeting the resident participation requirements or minority participation goals. A staff recommendation will be made and forwarded to the City Manager's Office, Attention: Community Services Chief.
- The City Manager's Office will review the analysis and staff recommendation and make a decision on whether a project-specific employment plan modification is warranted. If the decision is in favor of no modification, the developer/client may appeal to the City Council.
- Final decisions regarding ability to meet the Policy requirements in the agreement shall be determined by the City Council.

EXHIBIT H

Scope of Project - 741 Veterans Memorial Way

The Nevada Blind Children's Foundation, a Nevada non-profit corporation (the "Foundation"), is an organization dedicated to providing specialized educational services to children who are blind or visually impaired. The Foundation intends to lease approximately 2.78 acres of real property owned by the City of Las Vegas, a municipal corporation of the State of Nevada (the "City") located at 741 Veterans Memorial Way in Las Vegas, Nevada.

The Foundation intends to construct a single-story, approximately 22,000 square foot facility on the City-owned site. The facility, as proposed, will consist of multiple classrooms, an art room, a tech room and computer lab, a state of the art Braille resource library (the only one located within the State of Nevada), a motor room/gym, an assessment room, a children's kitchen and dining area, a sensory "big-little room", a light room, administrative offices, a teacher's open office, a volunteer/fundraising room, a small conference/meeting room, reception area, storage rooms, a functional vision assessment (FVA) exam room, a community/multipurpose room and a parent resource room and lounge.

Parking for the facility will be landscaped surface parking. The exterior amenities include a learning courtyard and a playground, as well as a grass play area. The Foundation has incorporated design elements that will foster a safe and productive learning environment for children from birth through secondary education. The architecture is intended to be contemporary, with clean lines and a collection of neutral colors and stones.