

Workforce CONNECTIONS
Local Elected Officials Consortium
AGENDA

November 13, 2012
1:00 pm

Workforce CONNECTIONS
Conference Room
7251 W. Lake Mead Blvd., Ste. 200
Las Vegas, NV 89128

Voice Stream Link: <http://www.nvworkforceconnections.org/mis/listen.php>
(This link provides listening capabilities only)

This meeting has been properly noticed and posted in the following locations:

City of North Las Vegas, 2200 Civic Center Dr., North Las Vegas, NV
Clark County, County Clerk's Office 500 S. Grand Central Parkway, Las Vegas, NV
Esmeralda County Courthouse, 233 Crook Street, Goldfield, NV
Henderson City Hall, 240 Water Street, Henderson, NV
City Hall, Boulder City, 401 California Ave., Boulder City, NV
Workforce Connections, 7251 W. Lake Mead Blvd., Suite 200, Las Vegas, NV
Nevada JobConnect, 3405 S. Maryland Pkwy., Las Vegas, NV
Lincoln County 181 Main Street Courthouse, Pioche, NV
Nye County School District, 484 S. West St., Pahrump, NV
Pahrump Chamber of Commerce, 1302 S. Highway 160, Pahrump, NV

This Agenda is also available at www.nvworkforceconnections.org

COMMENTARY BY THE GENERAL PUBLIC

This Board complies with Nevada's Open Meeting Law, by taking Public Comment at the beginning of the meeting immediately after the Board approves the Agenda and before any other action is taken and again before the adjournment of the meeting.

As required by Nevada's Open Meeting Law, the (Board, Committee or Council) may only consider items posted on the agenda. Should you wish to speak on any agenda item or comment on any other matter during the Public Comment Session of the agenda; we respectfully request that you observe the following:

1. Please state your name and home address for the record
2. In fairness to others, groups or organizations are requested to designate one spokesperson
3. In the interest of time, please limit your comments to three (3) minutes. You are encouraged to give brief, non-repetitive statements to insure that all relevant information is presented.

It is the intent of the (Board, Committee or Council) to give all citizens an opportunity to be heard.

Welcome to our meeting.

Auxiliary aids and services are available upon request to individuals with disabilities by notifying Dianne Tracy, in writing at 7251 W. Lake Mead, #200, Las Vegas, NV 89128; or by calling (702) 638-8750; or by fax (702) 638-8774. The TTY/TDD access number is (800) 326-6868 / Nevada Relay 711. A sign language interpreter may also be made available with twenty-four (24) hours advance notice.

An Equal Opportunity Employer/Program.

NOTE: MATTERS IN THIS AGENDA MAY BE TAKEN OUT OF ORDER.

Local Elected Officials Consortium Members: Commissioner Lawrence Weekly, Chair; Councilwoman Anita Wood, Vice-Chair; Councilwoman Peggy Leavitt; Councilwoman Gerri Schroder; Commissioner William “Bill” Kirby; Commissioner Andrew “Butch” Borasky; Councilman Bob Coffin; Commissioner George “Tommy” Rowe

All items listed on this Agenda are for action by the Local Elected Officials Consortium unless otherwise noted. Action may consist of any of the following: approve, deny, condition, hold or table. Public Hearings may be declared open by the Chairperson, as required for any of the items on this Agenda designated for discussion or possible action or to provide direction and recommendations to Workforce Connections.

AGENDA

1. **Call to order, confirmation of posting and roll call**
2. **DISCUSSION AND POSSIBLE ACTION:** Approve the agenda with inclusions of any emergency items and deletion of any items
3. **FIRST PUBLIC COMMENT SESSION:** Members of the public may now comment on any matter posted on this Agenda, which is before this Board for consideration and action today. Please clearly state and spell your name and state your address for the record. Each public comment will be limited to three (3) minutes3
4. **DISCUSSION AND POSSIBLE ACTION:** Approve the Minutes from the Local Elected Officials Consortium meeting of September 11, 20124
5. **DISCUSSION AND POSSIBLE ACTION:** Approve Staff and Workforce Connections’ Legal Counsel’s recommendation to enter into a lease agreement with National Solutions, LLC for the purpose of housing Southern Nevada Workforce Investment Area’s Comprehensive One-Stop Center and Southern Nevada Workforce Investment Board’s (Workforce Connections) staff offices13
6. **DISCUSSION AND POSSIBLE ACTION:** PY2012 WIA Formula Budget July 1, 2012 through June 30, 2013 and PY2012 Budget Narrative.....41
7. **REVIEW, DISCUSS, and ACCEPT:**
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 - b. PY2011/2012 Awards & Expenditures Report – Monthly Update50
 - c. Audit Findings for Program Year 2010 (Year Ended June 30, 2011).....53
 - d. Workforce Connections’ Standing Professional Services Contracts.....57
8. **Executive Director’s Report**61
9. **SECOND PUBLIC COMMENT SESSION:** Members of the public may now comment on any matter or topic, which is relevant to or within the authority or jurisdiction of the Board. You may comment now even if you commented earlier, however, please do not simply repeat the same comment you previously made. Please clearly state and spell your name and state your address for the record. Each comment will be limited to three (3) minutes62
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11. **Adjournment**

3. FIRST PUBLIC COMMENT SESSION

4. DISCUSSION AND POSSIBLE ACTION: Approve the Minutes from the Local Elected Officials Consortium Meeting of September 11, 2012

*workforce*CONNECTIONS

**Local Elected Officials Consortium
MINUTES**

**September 11, 2012
1:00 p.m.**

*workforce*CONNECTIONS
**7251 W. Lake Mead Blvd.
Suite 200 Conference Room
Las Vegas, NV 89128**

Members Present

Councilwoman Gerri Schroder	Commissioner Lawrence Weekly
Councilwoman Peggy Leavitt	Commissioner Butch Borasky
Councilwoman Anita Wood	Commissioner Bill Kirby (phone)
Commissioner Tommy Rowe	

Members Absent

Councilman Bob Coffin

Staff Present

Ardell Galbreth	Suzanne Potter	Jim Kostecki
Heather DeSart	Carol Turner	Ricardo Villalobos

Others Present

Sandra Douglas Morgan, Legal Counsel	Hannah Brown, Workforce Connections Board
Dr. Tiffany Tyler, Nevada Partners, Inc.	Linda Montgomery, The Learning Center
Keith Hosannah, DETR/WISS	Nield Montgomery, The Learning Center
Derrick Berry, DETR	Janice M. Rael, Nevada Partners, Inc.
Michael Oh, City of Henderson	Katherine Duncan, Ward 5 Chamber of Commerce

(It should be noted that not all attendees may be listed above)

1. CALL TO ORDER, confirmation of posting, roll call

The meeting was called to order by Chair Commissioner Lawrence Weekly at 1:01 p.m. Staff confirmed the meeting had been properly noticed and posted in accordance with the Nevada Open Meeting Law. Roll call was taken and a quorum was present.

2. DISCUSSION AND POSSIBLE ACTION: Approve the Agenda with inclusions of any emergency items and deletion of any items

A motion was made to approve the agenda as presented by Commissioner Butch Borasky and seconded by Councilwoman Gerri Schroder. Motion carried.

3. FIRST PUBLIC COMMENT SESSION

Katherine Duncan, President, Las Vegas Ward 5 Chamber of Commerce: Ms. Duncan in partnership with Home for Veterans has put together a plan called the Nevada Plan for Equal Employment to reach out to developers that are seeking to diversify their workforce as required by certain government entities that receive federal, state and city funding. Most are

required to have an employment plan to reach out to minorities including veterans and women. Ms. Duncan has contacted a team of developers who are willing to work the plan. Right now, associated builders and contractors have open enrollment for anyone seeking a 4-year paid apprenticeship program.

Today, Ms. Duncan is asking for the Board's support to help get 30 people ready for the paid apprenticeship program. Home for Veterans will outreach to the community through their headquarters at 1001 F. Street.

An overview of the program's vision and goals has been presented to Workforce Connections' Board Chair Hannah Brown and Interim Executive Director Ardell Galbreth.

Commissioner Weekly directed Mr. Galbreth to speak with Jaime Cruz, Workforce Connections staff, to discuss collaboration efforts.

Ms. Duncan stated that two solar air conditioning units have been donated to the program that will be used as part of the training on weatherization, insulation and other green economy techniques.

4. DISCUSSION AND POSSIBLE ACTION: Approve the Minutes from the Local Elected Officials Consortium Meeting on July 10, 2012

A motion was made to approve the Minutes from the Local Elected Officials Consortium Meeting on July 10, 2012 by Commissioner Bill Kirby and seconded by Commissioner Butch Borasky. Motion carried.

5. DISCUSSION AND POSSIBLE ACTION: Authorize Workforce Connections to enter into a Memorandum of Understanding (MOU) with the College of Southern Nevada for the purpose of securing office space to establish a Comprehensive One-Stop Center and staff office space

Sandra Douglas-Morgan, Legal Counsel, clarified that although the agenda item says to authorize Workforce Connections to enter in to a Memorandum of Understanding, it is really just to begin negotiations and that there is no agreement or MOU to enter into at this time.

Mr. Galbreth reported, per discussions with the College of Southern Nevada (CSN) leadership, there may be a possibility for negotiating an agreement to allow Workforce Connections' to use the facilities and offices located at the CSN's Sahara Campus to house a Southern Nevada Workforce Investment Area Comprehensive One-Stop Center. If such a space is awarded at no or low costs, approximately \$300,000 could be allocated to serve and deliver critical employment and training services in Southern Nevada. The Sahara West Center building floor plan is provided on pages 15 and 16 of the agenda packet.

Commissioner Weekly asked if there would be any fiscal impact. Galbreth stated that if the agency obtains the space there may be costs incurred for tenant improvement and/or renovation to accommodate the One-Stop center and said more information will be provided, including budgets as we move forward. Weekly replied that a partnership with CSN would be a great opportunity.

A brief discussion ensued regarding the location and current condition of the building, which Galbreth agreed is a bit weathered but will be suitable for the One-Stop.

Weekly stated that he understands and appreciates cost-saving measures but doesn't want the organization to acquire a dump. As a top-notch agency, the new building should be appealing and most of all safe for customers.

Councilwoman Gerri Schroder suggested that staff may want to speak with the owner of the building to discuss the possibility of making improvements to the outside of the building to make it more welcoming to the public at their cost.

Commissioner Butch Borasky requested arranging a site visit to look at the condition of the building because he has made a living for many years rehabbing old buildings and would be able to determine if this building is really worth the effort or not; Galbreth will follow-up with the Commissioner.

Councilwoman Anita Wood inquired about the One-Stop location initially discussed near CNS's West Charleston campus; Galbreth replied that it is still one of the options for the One-Stop.

Commissioner Bill Kirby clarified that Workforce Connections' current office building lease does not end until September 30, 2013.

A motion was made to authorize staff to enter into a discussion of negotiation for a Memorandum of Understanding (MOU) with the College of Southern Nevada for the purpose of securing office space to establish a Comprehensive One-Stop Center and staff office space by Councilwoman Gerri Schroder and seconded by Commissioner Bill Kirby. Motion carried.

6. DISCUSSION AND POSSIBLE ACTION: PY2011 WIA Formula Budget July 1, 2011 through June 30, 2012 and PY2011 Budget Narrative

Jim Kostecki, Workforce Connections staff, reported that one adjustment was made to the budget for banking fees: line item (6120-Bank/Payroll Services) was increased by \$8,000. As stated in the backup, the increase is based on additional funds allocated to Bank Services for semi-annual bank fees and to Payroll Services to fund Paylocity payroll check and tax payment services.

A motion was made to approve the PY2011 WIA Formula Budget July 1, 2011 through June 30, 2012 and PY2011 Budget Narrative by Commissioner Tommy Rowe and seconded by Councilwoman Gerri Schroder. Motion carried.

7. INFORMATION: PY2012 WIA Formula Budget July 1, 2012 through June 30, 2013 and PY2012 Budget Narrative (no change since last LEO Consortium Meeting)

Mr. Kostecki reported that no changes have been made to the PY2012 Budget since the last LEO Consortium Meeting and that there will be an updated budget presented at the October Budget Committee Meeting.

Commissioner Kirby stated that he compared both PY2011 and PY2012 Budgets and found substantial reductions throughout, including Salaries which was reduced by \$280,000. This is a good indication that we are saving money, Kirby said.

Commissioner Borasky asked if there is room to trim the budget further. Galbreth replied that the agency is where it needs to be and is hitting on all cylinders; however, with the One-Stop

Center and One-Stop System at least four additional positions will be needed, including a One-Stop Center/System Manager, Supervisor, Resource Room Coordinator, and Receptionist.

Commissioner Weekly stated that he hopes that individuals recently laid off are considered for open positions at the agency.

Galbreth confirmed that two of the positions were filled with former or current staff members.

8. REVIEW, DISCUSS, and ACCEPT

a. Budget vs. Actual Finance Report (Workforce Connections Operations) for the Period July 1, 2011 through June 30, 2012 (Formula WIA)

Mr. Kostecki provided a brief overview of the report on page 32 of the agenda packet.

Kostecki explained the purpose for the Strategic Initiatives line item. Commissioner Weekly asked if staff needs approval from this Board to move funds to/from the Strategic Initiative line item; Kostecki replied yes.

Carol Turner, Workforce Connections staff, commented that \$200,000 of the Strategic Fund balance came from the Reduction in Force. These funds are set aside and are available to support high priority items that. Allocating these funds would require a budget revision and approvals at each of the committees.

A motion was made to accept Budget vs. Actual Finance Report for the Period July 1, 2011 through June 30, 2012 (Formula WIA) by Commissioner Tommy Rowe and seconded by Councilwoman Anita Wood. Motion carried.

b. PY2011 Awards & Expenditures Report – Monthly Update

Mr. Kostecki provided an overview of the expenditures for ADW, Youth and Direct grants that includes invoices through July.

Mr. Kostecki noted that the PY2012 contract extensions expire on June 30, 201

A motion was made to accept PY2011 Awards & Expenditures Report – Monthly Update by Councilwoman Peggy Leavitt and seconded by Councilwoman Anita Wood. Motion carried.

c. Adult/Dislocated Worker & Youth Funding Plans

Ms. Turner provided an overview of the ADW Funding Plan (page 36) and Youth Funding Plan (page 37).

On the ADW side, there is approximately \$3.3 Million in PY2011 funds which will probably be expended by the end of October. PY2012 funds will begin in October; these funds are good for 2-years. All of the contracts have been written, except for the Lincoln County contract that staff is working on. The contracts did not officially have a year-end close so there are no funds being reverted to be awarded; funding was estimated and allocated to the existing contracts. Approximately 1.8 months of expenditures will be remaining at the end of next year that will be available for priority projects.

A motion was made to accept the Adult/Dislocated Worker & Youth Funding Plans by Commissioner Bill Kirby and seconded by Commissioner Butch Borasky. Motion carried.

d. Audit Findings for Program Year 2010 (Year Ended June 30, 2011) Report

Ms. Turner provided an overview of the Audit Findings report for September on page 38 through 43 of the agenda packet.

Finding 11-2: staff is developing new monthly/quarterly financial status reports

Finding 11-3: staff is reconciling PY11 invoice and drawdown transactions in the FE system. Staff is on target to meet this deadline for the November 29th audit.

Finding 11-4: staff is continuing to transition from the SEFA to FE reporting to ensure that discrepancies between the drawdown requests and the actual expenditures are identified in a timely manner.

A motion was made to accept Audit Findings for Program Year 2010 (Year Ended June 30, 2011) Report by Councilwoman Peggy Leavitt and seconded by Commissioner Tommy Rowe. Motion carried.

e. INFORMATION: Workforce Connections' Standing Professional Services Contracts

A motion was made to accept Workforce Connections' Standing Professional Services Contracts by Councilwoman Gerri Schroder and seconded by Councilwoman Peggy Leavitt. Motion carried.

9. INFORMATION: Interim Executive Director's Report ~ Ardell Galbreth

Interim Executive Director Galbreth reported about hearing from DETR Director Frank Woodbeck regarding the U.S. Department of Labor denying their waiver request to establish a single statewide Workforce Investment Board. A copy of a letter to Governor Sandoval from Assistant Secretary Jane Oates denying DETR's request is provided in the agenda packet.

Mr. Galbreth thanked the LEOs for their input as it made a tremendous difference in the final outcome. Galbreth stated that we still have the challenge to stay on course and align our resources and training initiatives, included in Workforce Connections' Two-Year Strategic Plan with the State's initiatives.

Commissioner Weekly mentioned possible legislative bill draft request in the works.

Mr. Galbreth stated that even though the U.S. Department of Labor denied the State's request, the State still has the authority to establish policies and statutes as to how the agency operates and/or a policy that limits the amount of programmatic funds allocated.

Ms. DeSart reported that the Board is currently using a 10% programmatic support cost and if the policy is changed and the percentage is decreased, the agency would have to do another Reduction in Force plan, which would eliminate all the sector support staff and cripple the agency from functioning at its current capacity.

Weekly participated in a conference call with Assemblywoman Irene Bustamante, Assemblywoman Lucy Flores and Assemblyman Steven Brooks, during which a comment was made that the legislatures are not properly briefed about Workforce Connections' performance, outcomes, compliance, and working partnership with DETR Director Mosley

and his office. The take-away from the conference call is that Workforce Connections must do a better job at educating the community and lawmakers, who are in a position to make a tremendous change. Additionally, the LEOs and Board members need to play a bigger role in the agency, not as micromanagers, rather to help out and offer assistance for events, outreach, meetings, etc.

Commissioner Weekly will be holding a Town Hall meeting jointly with Councilwoman Wood and Assemblywoman Bustamante. Weekly thanked Councilwoman Wood and Assemblywoman Bustamante for having the vision to do this.

Heather DeSart, Deputy Director, stated Workforce Connections' staff and funded partners will be at the Town Hall meeting to talk about all the resources and services we provide.

Councilwoman Gerri Schroder stated that the LEOs need more presence in the State Legislature. Weekly commented that the travel budget has been reduced, but the agency may want to look at sending some of the LEOs, Board members and/or staff to spend time at State Legislature sessions, as long as there are no more than three Board members and/or LEOs in attendance at one time.

Councilwoman Peggy Leavitt stated that the Board needs to step up to the plate and be able to articulate what we are doing and why we are staffing so nobody wants to make changes to how the Board operates.

Councilwoman Anita Wood stated that North Las Vegas has a 14% unemployment rate and much of the community does not know about Workforce Connections or its roll in the unemployment process. Wood stated that most of these individuals are unemployed because their industries have dried up and we need to figure out how to get these individuals retrained before their unemployment benefits are exhausted.

In response to Wood's comment about training individuals for jobs, Mr. Galbreth replied that the sector councils are designed to provide intelligence to the Governor's Board and Workforce Connections as well as to where the jobs are and many individuals will need to be retooled with new skills in order to engage in these jobs.

Commissioner Kirby commented that he is on the sector council for mining, which hasn't had a meeting to date so he is concerned how the sector councils are going to function.

Mr. Galbreth stated that Workforce Connections' staff has been invited to serve on the various sector councils in an ex-officio role.

Responding to Commissioner Borasky, Galbreth stated that DETR envisioned saving \$5 Million by reducing staff at the local workforce boards and then more money would be put into employment and training programs throughout the state. Borasky stated that he was still not clear how DETR and the Governor's office intended to carry-out the plan; therefore he will meet with Director Woodbeck himself and report back at the next meeting.

Commissioner Bill Kirby spoke briefly on job prospects in the mining industry developing in the rurals. Kirby said he could identify potential service providers and staff could meet with them to discuss their workforce and training needs.

10. DISCUSSION AND POSSIBLE ACTION: Accept the Board's recommendation to appoint Interim Executive Director Ardell Galbreth as Permanent Executive Director of Workforce Connections (Southern Nevada Workforce Investment Board)

Discussion took place regarding whether or not to conduct an Executive search or appoint Interim Executive Director Galbreth as permanent Executive Director, a preliminary poll was taken as follows:

Councilwoman Leavitt, Wood and Schroder stated they were in favor of conducting an executive search to identify the most qualified individual for the job and to fulfill this board's original intent to work with the City of Las Vegas to conduct an executive search; however, all of them agreed that Mr. Galbreth has done an amazing job as Interim Director and would likely be the most qualified candidate in a search.

Commissioners Kirby, Rowe, Borasky and Weekly stated they were in favor of appointing Interim Executive Director Galbreth as permanent Executive Director. The Commissioners feel as though Mr. Galbreth has shown due diligence and demonstrated that he is fully capable of running the agency proven by his performance and outcomes during his term as Interim Director.

A motion was made to accept the Board's recommendation to appoint Interim Executive Director Ardell Galbreth as permanent Executive Director of Workforce Connections (Southern Nevada Workforce Investment Board) by Commissioner Bill Kirby and seconded by Commissioner Tommy Rowe. Chairman Weekly asked for a vote: Councilwoman Leavitt, Wood and Schroder voted nay; Commissioners Kirby, Rowe, Borasky, and Weekly voted yea. Motion carried.

Following the motion, the LEOs directed legal to work out the terms of the agreement and put it back on the agenda for discussion and action.

11. SECOND PUBLIC COMMENT SESSION

Hannah Brown, Workforce Connections Board Chair: Ms. Brown congratulated Mr. Galbreth.

Dr. Tiffany Tyler, Nevada Partners, Inc. (NPI): Dr. Tyler congratulated Mr. Galbreth and reported that NPI currently has staff collocated at each of the Nevada JobConnects, including the Henderson and North Las Vegas locations as well as provides remote services at over 14 additional locations. Dr. Tyler stated that NPI would volunteer to conduct information sessions and/or orientations any governmental site the Board deems appropriate in support of the overall vision in getting the message out there and the resources.

12. LEO Consortium Member Comments

Councilwoman Schroder stated that she has full confidence in Mr. Galbreth and congratulated him in his new role, which he will do very well in. Schroder noted that her nay vote was because it would be fair to open it up to the public so that anyone interested in the position would be allowed to apply; however, her in no way nullifies confidence in Mr. Galbreth and his ability to do the job.

Commissioner Borasky stated that his reason for changing his vote to support Mr. Galbreth was because a search could result in hiring the wrong person for the job and Mr. Galbreth has proved himself and he will make us proud.

Councilwoman Wood congratulated Mr. Galbreth and stated that her nay vote was because she really believes that the agency owes the public a national search and she is disappointed that a search will not take place, but it was not because she does not have faith in Mr. Galbreth. Mr. Galbreth has done a wonderful job but he has a long way to go to get the agency back where it should be, which will require a lot of thinking outside the box to come up with new ways of doing business. Councilwoman Wood said she is more than willing to work with Mr. Galbreth in facing these challenges

Commissioner Rowe congratulated Mr. Galbreth and commented that not only did the majority of the LEOs support you but also most of the full Board. Rowe stated that he has faith that Galbreth will continue to do such a good job.

13. Adjournment

The meeting adjourned at 2:19 p.m.

5. DISCUSSION AND POSSIBLE ACTION: Approve Staff and Workforce Connections' Legal Counsel's recommendation to enter into a lease agreement with National Solutions, LLC for the purpose of housing Southern Nevada Workforce Investment Area's Comprehensive One-Stop Center and Southern Nevada Workforce Investment Board's (Workforce Connections) staff offices.

SHOPPING CENTER LEASE SUMMARY – BASIC TERMS
Charleston Festival Shopping Center, Las Vegas, Nevada

- A. Date: _____
- B. Landlord: National Solutions, LLC
- C. Address of Landlord: c/o Charleston Festival, LLC
100 West High Street, #720
Moorpark, CA 93020
Phone: 818.707.6740
Fax: 805.531.9303
- D. Tenant: Southern Nevada Workforce Investment Board, a Public Agency.
- E. Address of Tenant: Workforce Connections
7251 West Lake Mead Blvd.
Phone: 638-8750
- Trade Name: Workforce Connections
- F. Initial Lease Term: six (6) full years from January 1, 2013; Option Terms (if applicable): two (2) five (5) year Optional Terms to be exercised through the addendum attached as Exhibit F.
- G. Rent: From the Rent Commencement Date until October 1, 2013: \$1.41 per square foot on the One-Stop Area (Phase 1 - 8,000 square feet). From October 1, 2013 onward: \$1.41 psf on the entire Premises (Phase 2 - total of 18,729 square feet), subject to annual increases of 3% and a revaluation at fair market value for each of the optional terms. See Exhibit A-1.
- H. Permitted Use: Solely for the operation of a Public Agency offering employment programs (e.g. employment training and job placement, including the operation of what is commonly referred to as a One-Stop Delivery System to the public and its corporate office).
- I. The Gross Floor Area of Premises shall be approximately 18,729 square feet with irregular dimensions.
- J. Payments Upon Lease Execution:
- | | |
|-------------------|-------------|
| Security Deposit: | \$52,815.78 |
|-------------------|-------------|
- M. Broker(s): Sean Margolis & Chris Clifford, the Equity Group, Inc.

The foregoing Lease Summary provisions are an integral part of this Lease and each reference in this Lease to any such provision shall be construed to incorporate all of the terms provided under each such Lease Summary provision. In the event of any conflict between any Lease Summary provision and the Lease, the latter shall control.

SHOPPING CENTER LEASE
Charleston Festival Shopping Center, Las Vegas, Nevada

This Shopping Center Lease (this "Lease") is made and entered into this _____ day of November 2012, by and between National Solutions, LLC., a Nevada limited liability company, (hereinafter referred to as "Landlord") and Southern Nevada Workforce Investment Board, dba Workforce Connections, a Public Agency (hereinafter referred to as "Tenant").

ARTICLE I - PREMISES

Section 1.01 PREMISES DEFINED.

(a) Landlord hereby leases to Tenant and Tenant hereby leases from Landlord those certain premises situated in the City of Las Vegas, County of Clark, State of Nevada, which are outlined in red on the site plan (the "Site Plan") attached hereto as Exhibit "A" (the "One Stop Area") and "A-1" (the "Office Area", and together with the One Stop Area, collectively referred to as the "Premises") and made a part hereof, the Premises, as hereinafter defined, being part of a building also depicted on the Site Plan, in that certain shopping center commonly known as "Charleston Festival Shopping" and located near the intersection of Torrey Pines and Charleston Blvd., legally described on Exhibit "B" attached hereto and made a part hereof (the "Shopping Center"), for the Term, at the Rent and upon all the conditions and agreements set forth herein. The Tenant shall construct improvements at the Premises to develop the space into a public employment resource center, known as a One-Stop Center, and ancillary office space, as discussed in greater detail in Exhibit "C". Landlord shall contribute \$550,000 toward the construction of the same ("Landlord's Contribution").

(b) Subject to subsection (c) below, Tenant hereby accepts the Premises in the condition existing as of the date of this Lease. In particular, Tenant hereby acknowledges that the tenant currently located in Units A-200 & A-300 at the Premises is not anticipated to vacate such unit until February 1, 2013, and Tenant consents to the same; provide, however, that Tenant shall bear no responsibility or liability with respect to such unit until February 1, 2013. The Premises and this Lease are subject to (i) all applicable currently existing and future state, federal, local and other laws, statutes, codes, ordinances, orders, rules and regulations affecting the Premises and/or the Shopping Center and/or the use thereof ("Laws"), and (ii) all currently existing and future covenants, conditions, restrictions, easements, agreements, encumbrances and other matters now or hereafter recorded against the Premises and/or the Shopping Center ("Record Documents"); provided, however, that nothing in the Record Documents shall be deemed to confer upon Tenant any rights or remedies that are not conferred upon Tenant under the express terms and provisions of this Lease. From time to time the Shopping Center may not be fully owned by Landlord and, subject to Section 16.04, any provisions of this Lease which impose a duty upon Landlord with respect to the Shopping Center shall only apply to (i) the portion of the Shopping Center owned by Landlord as of the date such obligation accrues, and (ii) the portion(s) of the Shopping Center which are not owned by Landlord but which Landlord has rights to control pursuant to the Recorded Documents, but only to the extent Landlord's rights to control those other portions of the Shopping Center will enable Landlord to satisfy such duties. Tenant acknowledges that Landlord has not made any representation or warranty as to the suitability of the Premises for the conduct of Tenant's business.

(c) Landlord shall deliver the Premises to Tenant in a broom clean condition and free of debris. Landlord warrants that, as of the Commencement Date the existing electrical, plumbing, fire sprinkler, lighting, heating, ventilation and air conditioning systems, and all other such elements in the Premises, other than those constructed or to be constructed by Tenant, shall be in good operating condition on said date and that the structural elements of the room bearing walls and foundation of the Premises shall be free of material defects, and that the Premises do not contain hazardous levels of chemicals, mold or fungi defined as toxic under applicable state or federal law. In connection with the same, within twenty-one (21) days of the Commencement Date (and within 21 days following the vacating of units A-200 and A-300) Tenant or its representative shall complete an inspection of the Premises. Five (5) days thereafter, Tenant shall provide written notice to Landlord of any defects or disrepair of the Premises which would render the foregoing representation by Landlord untrue. Landlord shall then have thirty (30) days after receipt of such notice to repair the issues detailed in Tenant's notice, or, if the nature of such defects/disrepair is such that more than thirty (30) days would be required to repair the same, Landlord shall promptly commence repair of the same within such 30-day period, and diligently pursue such repairs to their completion.

ARTICLE II - TERM

Section 2.01 LENGTH OF TERM; DELIVERY OF PREMISES; CONDITIONS PRECEDENT

(a) The initial term of this Lease (the "Term") shall commence on January 1, 2013 (the "Commencement Date") and shall continue for six (6) full years thereafter. Notwithstanding the foregoing definition of "Commencement Date," the parties agree that, except for the payment of Rent, the obligations of Landlord and Tenant hereunder shall commence upon the execution of this Lease by Landlord and Tenant. The "Term" shall also include any optional extensions or renewals of this lease, as described in further detail in Section _____.

(b) Notwithstanding anything to the contrary contained in this Lease, Tenant's obligations hereunder shall be conditioned upon the following items, which must be completed no later than January 1, 2013:

- (i) Landlord shall cause its lender, Wiltshire State Bank, to execute a upon the execution of this Lease, each of Landlord and Tenant shall execute a Subordination, Attornment, and Non-Disturbance Agreement (an "SNDA"); and
- (ii) Landlord and Tenant shall execute the Memorandum of Lease attached hereto as Exhibit "D", which Memorandum shall thereafter be recorded on the Premises by Tenant.

Section 2.02 FAILURE OF TENANT TO OPEN.

In the event Landlord notifies Tenant in writing that delivery of the Premises has been tendered as hereinabove set forth, and Tenant fails to take possession and begin construction of the tenant improvements in the One Stop Area within ninety (90) days from such delivery date, Landlord shall have, in addition to any and all other remedies hereinafter provided, the right to immediately cancel and terminate this Lease.

ARTICLE III - RENT

Section 3.01 MONTHLY RENT.

From and after the Rent Commencement Date, Tenant shall pay to Landlord for each full calendar month during the Lease Term in lawful money of the United States of America the Rent specified in Lease Summary paragraph G, subject to a once yearly increase as provided in Section 3.02 and Paragraph G of the Lease Summary, in advance upon the first day of each calendar month

without demand, deduction or offset. The Rent for any fractional part of a calendar month at the beginning or end of the Lease Term shall be a proportionate part of Rent for a full calendar month based upon a thirty (30) day month. Payment shall be made to Landlord's address designated in the Lease Summary or at such other place as may be designated from time to time in writing by Landlord. Both Landlord and Tenant acknowledge that this Lease is structured as a "modified gross" Lease, and that all charges or payments associated with the Premises not explicitly the responsibility of Tenant pursuant to the terms of this Lease shall be the responsibility of Landlord, including, without limitation all real estate taxes assessed on the Premises.

Section 3.02 RENTAL INCREASE.

The amount of Rent payable for the second and each succeeding lease year during the initial six-year Term of this Lease shall be increased by three (3%) percent at the expiration of each lease year of this Lease. The rental rate shall be revised to reflect the then current market rates for the Premises upon any of two optional 5 year extensions. Thereafter, the revised rental rate shall once again increase at 3% for each of the following four years of any extension.

Section 3.03 ADDITIONAL RENT.

Every payment required to be made by Tenant pursuant to this Lease shall be additional rent ("Additional Rent") due Landlord hereunder, whether or not expressly designated as Additional Rent, and Tenant's failure to pay such Additional Rent to Landlord when due shall entitle Landlord to exercise all rights and remedies provided in Article XIII.

Section 3.04 RENT COMMENCEMENT DATE.

This Lease shall become effective and legally binding upon the full execution of the Lease and the Lease Term shall commence on the Commencement Date. Tenant's obligation to pay Rent with respect to the One Stop Area (approximately 8,000 square feet) shall commence on the date Tenant's One-Stop Center is open to the public, or April 1, 2013, whichever is earlier (the "Rent Commencement Date"). Tenant's obligation to pay Rent with respect to the Office Area (approximately 10,815 square feet) shall commence on October 1, 2013.

~~ARTICLE IV—ACCOUNTING~~

Intentionally deleted.

ARTICLE V - TAXES

Section 5.01 REAL ESTATE TAXES.

All real property taxes for the Premises and the Premises and Common Areas shall be borne by Landlord.

Section 5.02 OTHER TAXES.

Tenant shall be responsible for and shall pay before delinquency all municipal, county or state taxes, levies and fees of every kind and nature, including, but not limited to, general or special assessments, assessed during the Term of this Lease specifically against any the Tenant's personal property or fixtures within the Premises or specifically upon personal property of any kind, owned by and in, upon or about the Premises. In the event any or all of Tenant's fixtures or other personal property shall be assessed and taxed with the Landlord's real property, Tenant shall pay to Landlord its share of such taxes within ten (10) days after delivery to Tenant by Landlord of a statement in writing setting forth the amount of such taxes applicable to such property of Tenant.

ARTICLE VI - CONDUCT OF BUSINESS BY TENANT

Section 6.01 USE OF PREMISES.

Tenant shall use the Premises solely for the Permitted Use specified in Paragraph H of the Lease Summary and under the trade name specified in Paragraph E of the Lease Summary and for no other purposes or under any other name whatsoever without the prior written consent of Landlord, in Landlord's reasonable discretion. Tenant shall devote the entire Premises to the Permitted Use. Tenant shall continuously and without interruption during the Term hereof conduct its business activity in the Premises during all business hours usual for Tenant's type of business of the Shopping Center unless Tenant is prevented from doing so by strike, fire or other cause beyond Tenant's reasonable control, and except during reasonable periods for repairing, cleaning and decorating the Premises. Tenant shall employ reasonable efforts and abilities to operate the business conducted by it in the Premises in such manner as to enhance the reputation and attractiveness of the Shopping Center.

If Tenant breaches or intends to breach the operating covenant set forth above, Tenant shall give to Landlord immediate written notice specifying the hours of Tenant's business operation at the Premises and the reasons for varying from the prescribed days and/or times of operation; provided that giving such notice shall not serve as a waiver by Landlord of the breach of the operating covenant. In addition, if Tenant ceases to continuously operate at the Premises for ten (10) consecutive days or thirty (30) days in any three hundred sixty-five (365) day period, and the Premises is not under actual substantial and continuous remodeling or reconstruction during such time, Landlord shall, in addition to Landlord's other rights and remedies for a breach of Tenant's obligations hereunder, have the right to give Tenant written notice ("Recapture Notice") at any time thereafter that Landlord has elected to recapture the Premises, in which case the Term of the Lease shall expire on the effective date of the Recapture Notice.

For the avoidance of doubt, Landlord hereby consents to the intended use of the Premises as set forth in Paragraph H of the Lease Summary, notwithstanding any use restrictions set forth in Paragraph 2 of that certain document titled Easements with Covenants and Restrictions Affecting Land, recorded at the Premises as document number 20050110-0002693 at the Clark County Recorder's Office.

Section 6.02 RESTRICTIONS ON USE.

Tenant shall comply promptly with all applicable Laws and Record Documents relating to the use and condition of the Premises and the conduct of Tenant's business. Tenant shall not use or permit the use of the Premises in any manner that will tend to create a nuisance or tend to disturb other tenants or occupants of the Shopping Center or tend to injure the reputation of the Shopping Center or which creates undue noise, sound, vibration, litter or odor. Tenant shall not damage, deface or overload the plumbing, electrical, heating, ventilating and air conditioning or other systems serving the Premises, building or Shopping Center. No drug paraphernalia, pornographic materials or satanic materials shall be displayed or sold on or from the Premises. No auction, fire sale, bankruptcy sale, sidewalk sale, going out of business sale or continuous discount operation may be conducted in the Premises without the written consent of Landlord, which may be withheld in Landlord's sole discretion. Tenant shall (i) cause the loading or unloading of delivery vehicles in then Shopping Center to be done only in the loading and service areas which shall be designated by Landlord in a reasonable manner from time to time and, to the extent feasible, such deliveries shall be made during off-peak traffic periods; (ii) not obstruct the sidewalks, adjoining street or Common Areas of the Shopping Center; and (iii) perform or cause to be performed the

loading and unloading of trucks, delivery and service vehicles in conformance with all Laws, and only during such hours and days and in accordance with procedures that are reasonably established by Landlord from time to time and communicated to Tenant. Landlord reserves the right to further regulate the activities of Tenant in regard to deliveries and servicing of the Premises, and Tenant agrees to abide by such further nondiscriminatory regulations of Landlord so long as they do not unduly burden Tenant's business operations.

Tenant shall comply at all times with such Rules and Regulations and such amendments and modifications thereof and additions thereto as Landlord may from time to time reasonably adopt for the safety, care and cleanliness of the Shopping Center or the preservation of good order therein. Landlord shall not be liable to Tenant for the failure of any tenant or other person to comply with such Rules and Regulations.

Tenant shall not use Premises or any part thereof for any purpose which will increase the existing rate of insurance upon the Premises or the Shopping Center or cause the cancellation of any insurance policy covering the Premises or the Shopping Center, nor shall Tenant sell or permit to be kept, used or sold in or about the Premises any article which may be prohibited by standard fire insurance policies. Landlord hereby assures Tenant that the Tenant's intended business operations will not increase Landlord's insurance rates.

ARTICLE VII - MAINTENANCE, REPAIRS AND ALTERATIONS

Section 7.01 MAINTENANCE AND REPAIRS.

(a) Subject to the provisions of Article IX hereof and except as otherwise expressly provided below to be Landlord's responsibility, Tenant shall at Tenant's sole cost and expense be responsible for all necessary maintenance, repair, replacements, cleaning and repainting (as applicable) to keep in first class order, condition and repair the Premises and every part thereof, including without limiting the generality of the foregoing, all plumbing, heating, air conditioning, ventilating (except as may be otherwise provided in Section 12.04 below), electrical and lighting facilities and equipment, fixtures, walls, wall covering and paint, ceilings, floors, and floor coverings, windows, doors, plate glass, showcases, skylights, entrances and other facilities.

(b) If Tenant fails to perform its obligations under this Section 7.01, then in addition to any other remedies, Landlord may at its option, after five (5) days written notice to Tenant, except in the event of an emergency in the reasonable judgment of Landlord, in which case no notice shall be required, enter upon the Premises and put the same in good order, condition and repair and the cost thereof shall become due and payable as Additional Rent by Tenant to Landlord upon demand, plus interest at the rate of five (5%) percent per year.

(c) Except with respect to damage or destruction which is the subject of Article IX of this Lease, or as specified above to be Tenant's responsibility, or as otherwise provided in this Lease, Landlord shall be responsible for all necessary maintenance, repair, replacements, cleaning and repainting (as applicable) of the roof structure and membrane (but not the interior ceiling), foundation, exterior walls, internal bearing walls, and structural elements of the building in which the Premises are located, all components of the Common Areas, as hereinafter defined, including but not limited to the Common Area fire alarm and/or smoke detection systems, fire hydrants, parking lots, walkways, parkways, driveways, landscaping, fences, signs and utility systems servicing the Common Areas and all parts thereof. For the avoidance of doubt, Landlord, at its sole cost and expense, will make repairs needed, if any, to the roof and roof drainage system of the Premises.

Section 7.02 ALTERATIONS, ADDITIONS, AND FIXTURES.

(a) Except as set forth in Exhibit C, Tenant shall not, without the prior consent of Landlord, which consent shall not be unreasonably withheld, make any alterations, improvements, remodeling or additions to either the interior or exterior of the Premises or to fixtures installed therein in accordance with approved fixture plans, or mark, paint, drill or in any way deface any portion of the Premises.

(b) All alterations, improvements, remodeling, additions, or fixtures, other than trade fixtures not permanently affixed to the Premises, which may be made or installed in the Premises and which are attached to the floor, wall or ceiling of the Premises, and any floor covering which is cemented or otherwise affixed to the floor of the Premises, shall at the termination of this Lease become the property of Landlord and remain upon and be surrendered with the Premises.

Section 7.03 CLEANLINESS; WASTE AND NUISANCE.

Tenant shall keep the Premises at all times in a neat, clean and sanitary condition, shall neither commit nor permit any waste or nuisance thereon, and shall keep the walks adjacent thereto free from waste or debris.

ARTICLE VIII - INSURANCE INDEMNITY

Section 8.01 INSURANCE OBTAINED BY TENANT - PREMISES LIABILITY INSURANCE; WORKERS COMPENSATION INSURANCE; PERSONAL PROPERTY INSURANCE; OTHER INSURANCE

(a) Tenant shall at all times, beginning on the later of mutual execution of this Lease or the date that Tenant or its assignees, sublessees, successors or assigns, or any of their respective agents, employees, contractors, invitees or customers (collectively, the "Tenant Parties") are granted access to the Premises for any purposes, and throughout the Term hereof, procure and maintain in full force and effect at Tenant's sole cost and expense, insurance against claims for injuries to persons or damages to property, or loss of use of property which may arise from or in connection with use or occupancy or condition of the Premises or Tenant's operations, and as otherwise specified below. Tenant shall at a minimum procure and maintain coverages and limits no less than those shown below, and in the form specified under this Article VIII, but in no event shall the coverage or limits of the insurance policies be considered as limiting the liability of Tenant under this Lease.

(i) Primary General Liability and Excess/Umbrella Liability. A minimum of Three Million Dollars (\$3,000,000) limit per occurrence, Five Million Dollars (\$5,000,000) limit in the annual aggregate for bodily injury, property damage, personal injury and advertising injury. Limits may be provided in a layered program (e.g., by means of primary and umbrella or excess liability policies). The coverage shall include a per location aggregate, a contractual liability (including assumed liability for personal injury, advertising injury and bodily injury to Tenant's employees), broad form property damage liability coverage, products and completed operations coverage (if applicable) and coverage for host liquor liability, or liquor liability, if sale of alcohol is included in the Permitted Use. Medical expense (medical payments) coverage shall be provided at a minimum of Five Thousand Dollars (\$5,000) for any one person. Defense costs shall apply in addition to the limit of liability. Coverage shall be provided on an occurrence form.

(ii) Automobile Liability. A minimum of One Million Dollars (\$1,000,000) combined single limit per accident (without annual aggregate) for bodily injury and property damage. Defense costs shall apply in addition to the limit of liability. Limits

may be provided in a layered program (e.g., by means of primary and umbrella or excess liability policies). Coverage shall include contractual liability and shall apply to all vehicles, whether owned, leased, hired, loaned, borrowed, donated or non-owned.

(iii) Workers' Compensation and Employers' Liability. Statutory workers' compensation coverage as required by the State of Nevada and employers' liability limits of not less than One Million Dollars (\$1,000,000) bodily injury by accident, and One Million Dollars (\$1,000,000) bodily injury by disease for each employee.

(iv) Personal Property. "All risk" (special form) policy of insurance covering all (i) stock in trade, furniture, fixtures and equipment located on the Premises, in an amount not less than one hundred percent (100%) of the full replacement cost thereof, and (ii) plate glass on the Premises. No coinsurance shall apply. Such insurance shall provide protection against any peril included within the classification "Fire and Extended Coverage," together with insurance against sprinkler damage, vandalism and malicious mischief, earthquake and flood (if the asset is located in a special flood hazard zone). The proceeds of such insurance, so long as this Lease remains in effect, shall be used to repair or replace the stock in trade, furniture, fixtures, equipment and plate glass so insured. A minimum limit of Two Hundred Fifty Thousand Dollars (\$250,000) shall apply to demolition, debris removal, reconstruction or renovation required by enforcement of any ordinance or law. If Tenant engages in operations which may create a pollution exposure, a minimum limit of Fifty Thousand Dollars (\$50,000) shall apply to pollution cleanup coverage. Coverage for this exposure may be provided through a separate Pollution Legal Liability policy.

(b) The foregoing requirements are not exhaustive and Landlord may from time to time require such other coverages or limits (including without limitation, if applicable, builder's risk insurance and boiler and machinery coverage) as Landlord may reasonably deem prudent.

(c) Tenant's failure to comply with its insurance obligations under this Article VIII shall be a material breach of this Lease, and in addition to any other remedy specified in Article XIII for such breach, Landlord may at its option obtain such insurance and the cost thereof shall become due and payable as Additional Rent by Tenant to Landlord upon demand, plus interest at 5% per annum from the date of such demand until paid.

Section 8.02 **OTHER INSURANCE – OBTAINED BY LANDLORD.**

Landlord shall procure and pay all insurance premiums on the Premises for (i) coverage for loss or damage to the Premises and the Shopping Center, which coverage shall be in the amount of its full replacement value, on all "all risk" or "special form" basis, which shall include coverage against any peril included within the classification "Fire and Extended Coverage", together with insurance against sprinkler damage, vandalism and malicious mischief, and such other perils or risks, including earthquake and flood (if the Shopping Center is in a special flood hazard zone), as Landlord may choose to insure, together with (ii) insurance for rental loss and business interruption for not less than eighteen (18) months with provision for an extended period of indemnity. Notwithstanding anything to the contrary hereinabove set forth, in the event Tenant's specific use of the Premises increases the premium for the insurance hereinabove referred to over that charged for normal retail uses, for example, if Tenant shall operate a restaurant which shall increase the rate of fire insurance, then Tenant shall also be responsible as for the full amount of such increase in premium as such amount shall be determined by Landlord's insurance broker.

Section 8.03 **INSURANCE POLICIES.**

All insurance required to be carried by Tenant hereunder shall be with companies and on forms reasonably satisfactory to Landlord, and shall include provisions naming Landlord and Landlord's affiliates and their respective officers, directors, members, partners, shareholders, agents and employees (collectively, the "Landlord Parties"), any property manager of Landlord and any other parties as Landlord may designate from time to time as additional insureds with language reasonably acceptable to Landlord, and copies of policies of such insurance or certificates evidencing such insurance shall be delivered to Landlord by Tenant. No such policy shall be subject to cancellation, termination or change except after ten (10) days' written notice to Landlord. In no event shall the deductible or self-insured retention under any of Tenant's policies exceed \$10,000. Initially all such policies shall (i) include language that the policy is primary and non-contributing with respect to claims covered thereby and any self-insurance or separate insurance carried by Landlord or any additional insured shall be excess and non-contributing, (ii) contain a "severability of interests provision", applying the coverage separately to each insured, (iii) contain language stating that failure of the insured to comply with the reporting provisions of the policies shall not affect the coverage provided Landlord and any other additional insureds, (iv) not contain any cross suits exclusion, (vii) contain the subrogation waiver required by Section 8.04 below, and (viii) contain such other provisions as Landlord may reasonably require.

Section 8.04 **WAIVER OF SUBROGATION.**

Without affecting any other rights or remedies, Landlord and Tenant each hereby release and relieve the other, and waive their entire right to recover damages against the other for loss of or damage to its property arising out of or incident to the perils insured against herein. Landlord and Tenant agree to have their respective property damage insurance carriers waive any right to subrogation that such companies may have against Landlord or Tenant, as the case may be.

Section 8.05 **INDEMNITY.**

Except to the extent caused by Landlord's negligence or willful misconduct, Tenant shall indemnify and hold harmless Landlord and the Landlord Parties against and from any and all claims, costs and liabilities arising from Tenant's or any Tenant Party's use of the Premises or from the conduct of its business or from any activity, work or other things done, permitted or suffered by the Tenant or Tenant Parties in or about the Premises and shall further indemnify and hold harmless Landlord and the Landlord Parties against and from any and all claims arising from any breach or default in the performance of any obligation on Tenant's part to be performed under the terms of this Lease, or arising from any act or negligence of the Tenant or any Tenant Parties, and from all costs, attorney's fees, and liabilities incurred in or about the defense of any such claim or any action or proceeding brought thereon and in case any action or proceeding be brought against Landlord or any Landlord Parties by reason of such claim, Tenant upon notice from Landlord shall defend the same at Tenant's expense by counsel reasonably satisfactory to Landlord.

Section 8.06. **EXEMPTION OF LANDLORD.**

Without limiting Landlord's obligations under Section 9, and except to the extent caused by Landlord's negligence, willful misconduct, or a violation by Landlord of its obligations hereunder, Landlord and Landlord Parties shall not be liable for injury or damage which may be sustained by the person, goods, wares, merchandise or property of Tenant, any Tenant Parties or any other person in or about the Premises caused by or resulting from any accident or occurrence in, on or about the Shopping Center including

but not limited to injury or damage caused by or resulting from injury or damage from fire, steam, electricity, gas, water or rain which may leak or flow from or into any part of the Premises, or from the breakage, leakage, obstruction or other defects of the pipes, sprinklers, wires, appliances, plumbing, air conditioning or lighting fixtures of the same, whether the said damage or injury results from conditions arising upon the Premises or upon other portions of the building of which the Premises are a part, or from other sources. Landlord and Landlord Parties shall not be liable for any damage arising from any act or neglect of any other tenant of the Shopping Center which is reasonably outside of the control of Landlord.

ARTICLE IX - REPAIRS AND RESTORATION

Section 9.01 MINOR INSURED DAMAGE.

Subject to the provisions of Section 9.03, if at any time during the Term hereof, the Premises are damaged and such damage is not "substantial," as that term is defined in Section 9.05(a), and such damage was caused by an insured casualty, then Landlord shall promptly repair such damage (but not any damage to Tenant's improvements or alterations, which shall be Tenant's responsibility), and this Lease shall continue in full force and effect, unless such damage was caused by Tenant's negligent or willful act or omission, in which event Tenant shall promptly repair such damage.

Section 9.02 UNINSURED DAMAGE OR INSURED SUBSTANTIAL DAMAGE.

If at any time during the Term hereof, the Premises are damaged and (i) such damage is "substantial," as that term is defined in Section 9.05(a), Landlord shall, within ten (10) days of Landlord becoming aware of such damage, make a reasonable determination as to whether such damage can be repaired within the following ninety (90) days, and Landlord shall, at the expiration of the aforementioned 10-day period, provide Tenant written notice of such determination (the "Determination Notice"). In the event Landlord reasonably determines that the damage in question can be repaired within 90 days, then Landlord shall, at its cost, promptly repair such damage and restore the Premises to the same condition it was in prior to when the damage occurred, in which event Rent shall be abated as set forth in Section 9.04. In the event Landlord reasonably determines that such damage cannot be restored within the aforementioned 90-day period, the Tenant shall either (i) move to a space within the Shopping Center that is made available by Landlord within such 90-day period and is acceptable to Tenant and comparable to the Premises in size, state of repair, and usefulness to the Tenant and its invitees; or (ii) if Landlord is unable to make such a space available for Tenant, Tenant shall have the option of (x) terminating this Lease as of the date the substantial damages occurred, or (y) continuing this Lease and continuing to possess such portion of the Premises as may reasonably be occupied by Tenant while Landlord's repairs are ongoing, in which event the Rent shall be abated as set forth in Section 9.04.

Section 9.03 INTENTIONALLY DELETED.

Section 9.04 CONTINUED OPERATION BY TENANT.

If the Premises are destroyed or damaged and Tenant remains in possession of the Premises pursuant to the provisions of this Article, Tenant shall continue the operation of its business in the Premises to the extent reasonably practicable from the standpoint of prudent business management. There shall be an equitable abatement of Rent payable hereunder that is directly proportionate to the amount of square footage of the Premises that is adversely affected by the damage/destruction in question, unless such destruction or damage was caused by Tenant's grossly negligent or willful act or omission, in which event there shall be no equitable abatement of Rent. Upon completion of such repair or restoration Tenant shall, at Tenant's sole expense promptly re-fixture and re-stock the Premises substantially to the condition prior to the casualty and shall reopen for business if closed by the casualty.

Section 9.05 DEFINITIONS.

(a) For the purpose of this Article, "substantial" damage to the Premises shall be defined as either (a) damage to the building of which the Premises are a part or damage to the Shopping Center, wherein the cost of repair as estimated by Landlord exceeds five percent (5%) of the then estimated replacement cost of such damaged improvement; or (b) damage which materially impairs Tenant's ability to operate in the Premises as intended by and set forth in this Lease.

(b) The determination in good faith by Landlord of the estimated cost of repair of any damage or of the estimated replacement cost of any building shall be conclusive for the purpose of this Article.

ARTICLE X - ASSIGNMENT AND SUBLETTING

Section 10.01 LANDLORD'S RIGHTS.

(a) Except as set forth herein, Tenant shall not, either voluntarily or by operation of law, assign, sell, encumber, pledge or otherwise transfer all or any part of Tenant's leasehold estate hereunder, or permit the Premises to be occupied by anyone other than Tenant, Tenant's employees, or Tenants One-Stop Partners, or sublet the Premises or any portion thereof (except in regard to Tenant's One-Stop Partners), without Landlord's prior written consent in each instance. Landlord's consent shall not be unreasonably withheld.

(b) Each of the following conditions (without limitation) shall apply to any proposed assignment or sublease: (i) the occupancy resulting there from shall not violate any rights theretofore given to any other tenant of the Shopping Center; (ii) substantially the same type, class, nature and quality of business, merchandise, services and management, including, without limiting the generality of the foregoing type, class, nature, quality and volume of merchandise sold or offered for sale, and financial soundness of ownership and management, shall be maintained and furnished in a manner compatible with the high standards contemplated by this Lease; (iii) each and every covenant, condition or obligation imposed upon Tenant by this Lease and each and every right, remedy or benefit afforded Landlord by this Lease, shall not be impaired or diminished.. The foregoing conditions are not exclusive, and Landlord may impose any other conditions which Landlord determines in its reasonable business judgment are relevant to Landlord's decision whether or not to consent to any request for an assignment or sublease. Further, the foregoing shall not restrict Landlord from reasonably deciding not to consent for a reason other than the failure of any condition set above.

(c) Consent by Landlord to one or more assignments of this Lease or to one or more subletting of the Premises shall not be deemed to be a consent to any subsequent assignment or subletting.

(d) Any assignment or subletting without Landlord's consent shall be void and shall, at the option of Landlord, constitute a default under the terms of this Lease.

(e) The voluntary or other surrender of this Lease by Tenant or a mutual cancellation hereof shall not work a merger, and shall, at the option of Landlord, terminate all or any existing subleases or sub tenancies or shall operate as an assignment to Landlord of such subleases or sub tenancies.

(f) If Tenant is a corporation which, under the then current guidelines, is not deemed a public corporation, or is an unincorporated association, limited liability company or partnership, the transfer, assignment or hypothecation of any stock or interest in such

corporation, association, limited liability company or partnership in the aggregate in excess of twenty-five percent (25%) shall be deemed an assignment within the meaning and provisions of this Article.

(g) Neither this Lease nor any interest in this Lease shall be assignable or transferable by operation of law, and in the event any proceeding under the Bankruptcy Code, or any amendment thereto or chapter there under, be commenced by or against Tenant (or should Tenant be a partnership or consist of more than one person, then any partner of the partnership or such person) or in the event Tenant (or should Tenant be a partnership or consist of more than one person, then any partner of the partnership or such person) be adjudged insolvent or make an assignment for the benefit of creditors, or if a writ of attachment or execution be levied on the leasehold estate created by this Lease, or if a receiver is appointed in any proceeding or action to which Tenant is a party, with authority to take possession or control of the Premises or the business conducted on the Premises by Tenant, this Lease at the option of Landlord shall immediately terminate and shall in nowise be treated as an asset of Tenant after the exercise of Landlord's option, and Tenant shall have no further rights under this Lease, and Landlord shall have the right, after the exercise of its option to terminate as provided in this subparagraph, to forthwith re-enter and repossess itself of the Premises.

Section 10.02 NO RELEASE OF TENANT.

No subletting or assignment, even with the consent of Landlord, shall relieve Tenant of its obligation to pay the Rent and to perform all of the other obligations to be performed by Tenant hereunder during the initial six-year Term; Tenant shall bear no responsibility for any option term entered into between Landlord and an assignee. The acceptance of Rent by Landlord from any person shall not be deemed to be a waiver by Landlord of any provision of this Lease or to be a consent to any assignment or subletting.

ARTICLE XI - EMINENT DOMAIN

Section 11.01 ENTIRE OR SUBSTANTIAL TAKING.

(a) If any portion of the Premises shall be taken under the power of eminent domain, then either Landlord or Tenant may terminate this Lease as of the date on which the condemning authority takes possession.

(b) If more than forty percent (40%) of (i) the Premises or (ii) the Shopping Center shall be taken under the power of eminent domain, then this Lease shall automatically terminate as of the date on which the condemning authority takes possession.

Section 11.02 PARTIAL TAKING.

In the event of any taking under the power of eminent domain which does not unduly hinder Tenant's business or result in a termination of this Lease pursuant to Section 11.01, Landlord, at its option may terminate this Lease as of the date on which the condemning authority takes possession. If Landlord shall not so terminate this Lease, then the Rent payable hereunder shall be reduced, effective as of the date on which the condemning authority takes possession, in the same proportion which the gross ground floor area of the portion of the Premises taken bears to the gross ground floor area of the entire Premises prior to the taking. Landlord shall promptly restore the portion of the Premises not so taken to as near its former condition as is reasonably possible, and this Lease shall continue in full force and effect.

Section 11.03 AWARDS.

Any award for taking of all or any part of the Premises under the power of eminent domain shall be the property of Landlord, if such an award is for taking of the fee interest. Nothing contained herein, however, shall be deemed to preclude Tenant from obtaining, or assigning to Landlord any interest in any claim by Tenant for any diminution in the value of this Lease, any loss of or damage to Tenant's trade fixtures and removable personal property, or any cost or expenses caused by relocation.

Section 11.04 SALE UNDER THREAT OF CONDEMNATION.

A sale by Landlord to an authority having the power of eminent domain, either under threat of condemnation or while condemnation Proceedings are herein, shall be deemed a taking under the power of eminent domain for all purpose under this Article.

ARTICLE XII - UTILITY SERVICE

Section 12.01 UTILITY CHARGES.

Tenant shall pay all charges, hook-up fees, usage, deposits, for gas, electricity and telephone used in or about the Premises during the Term of this Lease. If any such charges are not paid when due, Landlord may pay the same, and any amount so paid by Landlord shall thereupon become due to Landlord from Tenant as Additional Rent.

Section 12.02 FURNISHING OF SERVICES.

Intentionally deleted.

Section 12.03 INTERRUPTION OF SERVICE.

Intentionally deleted.

Section 12.04 HEATING, VENTILATION AND AIR CONDITIONING.

Landlord shall provide the Premises with heating, ventilating and air conditioning ("HVAC"). The utility cost to operate the HVAC shall be paid in accordance with section 12.01 herein. For months 1-12 of the Lease term, Landlord shall warranty the HVAC system for all repairs. Thereafter, in the event the HVAC system is in need of repair, Tenant may, at its option, undertake such repairs at its own cost, or (ii) elect for Landlord to undertake such repairs, in which event Tenant shall reimburse Landlord for the cost of such repairs, amortized over the life of the repair on an annual basis. In the event the HVAC needs to be replaced, Landlord shall pay for the cost of such replacement, and Tenant shall reimburse Landlord for the cost of the same, amortized over the life of the improvement on an annual basis. In the event Tenant adds additional HVAC units to the Premises, Landlord shall have access to any and all warranties provided by the manufacturer and installer.

ARTICLE XIII - DEFAULTS; REMEDIES

Section 13.01 DEFAULTS.

The occurrence of any one or more of the following events shall constitute a default (an "Event of Default") hereunder by Tenant:

(a) The abandonment of the Premises by Tenant.

(b) The failure by Tenant to make any payment of Rent or other payment required to be made by Tenant hereunder five (5)

days after receipt from Landlord providing notice of the same.

(c) The failure by Tenant to observe or perform any of the other covenants or conditions of this Lease to be observed or performed by Tenant; provided that, Tenant shall not be in default under this Lease so long as Tenant cures the default in question within twenty (20) days after receiving notice from Landlord regarding such failure, or, if default in question is such that more than 20 days is required to cure the same, so long as Tenant begins to cure such default within the aforementioned 20-day period and diligently prosecutes the same to completion.

(d) (i) The making by Tenant of any assignment or arrangement for the benefit of creditors; (ii) the filing by or against Tenant of a petition to have Tenant adjudged a bankrupt or a petition for reorganization or arrangement under any law relating to bankruptcy; (iii) the appointment of a trustee or receiver to take possession of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease; or (iv) the attachment, execution of other judicial seizure of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease.

Section 13.02 **REMEDIES.**

In the event of any Event of Default by Tenant as defined herein Landlord may exercise the following rights and remedies:

(a) Landlord shall have the option to continue this Lease in full force and not terminate the Tenant's right to possession of the Premises, in which event Landlord shall have the right to collect Rent, and additional charges when due, and Landlord shall have such other rights as are provided for in this Lease.

(b) Landlord may bring an action against Tenant for unlawful detainer or for any other relief pursuant to Chapter 40 of the Nevada Revised Statutes and seek from Tenant the lesser of: (i) any amounts due from Tenant to Landlord hereunder; (ii) an amount equal to the Landlord's Contribution plus the security deposit, minus \$92,570 for every year that has passed since the Commencement Date, calculated on a monthly basis, *minus* the amount of Landlord's Contribution which remains held by Nevada Construction Services and is refundable to Landlord, if any. By way of example, should Tenant vacate or be evicted from the Premises on the 1st anniversary of the Commencement Date, Tenant shall pay to Landlord a maximum of \$510,489, minus the amount of Landlord's Contribution which remains held by Nevada Construction Services and is refundable to Landlord, if any.

(b) In the event Tenant is evicted by reason of any default by Tenant hereunder, then Tenant hereby waives any right of redemption or relief from forfeiture under any Nevada or otherwise applicable law.

(c) The various rights and remedies reserved to Landlord herein shall be cumulative.

(d) One or more waivers by Landlord of any breach or default shall not be a waiver of any other breach or default of the same or any other provision. Landlord's consent to or approval of any act by Tenant requiring Landlord's consent or approval shall not be deemed to waive or render unnecessary Landlord's consent to or approval of any subsequent similar act by Tenant.

(e) The receipt by Landlord of any Rent or payment with or without knowledge of the breach of any other provision hereof shall not be deemed a waiver of any such breach, and no waiver by Landlord of any sum due hereunder or any provision hereof shall be deemed to have been made unless expressed in writing and signed by Landlord.

(f) No delay or omission in the exercise of any right or remedy accruing to Landlord upon any breach by Tenant under this lease shall impair such right or remedy or be construed as a waiver of any such breach theretofore or hereafter occurring.

(g) Notwithstanding anything herein to the contrary, in the event Tenant is lawfully evicted from the Premises by Landlord, Tenant shall pay to Landlord, in full and final satisfaction of all Rent and Additional Rent that may otherwise be due from Tenant hereunder, a maximum of one month's Minimum Base Rent.

Section 13.04 **DEFAULT BY LANDLORD.**

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 within thirty (30) days after written notice by Tenant to Landlord specifying wherein Landlord has failed to perform such obligation; 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 30-day period and thereafter diligently prosecute the same to completion. If, after having been noticed as required under Section 13.04 of this Lease, Landlord fails to perform any of its obligations under this Lease, then Tenant shall have the right to terminate this Lease for cause. Notwithstanding the foregoing, should Landlord fail to fund the \$550,000 Landlord is required to fund to Nevada Construction Services pursuant to Exhibit C attached hereto, such failure shall constitute a material breach of this Lease, giving Tenant the right to terminate this Lease immediately.

Section 13.05 **EXPENSE OF LITIGATION.**

The parties expressly waive any right (legal, statutory, procedural, contractual or other) that would otherwise entitle the prevailing party in any litigation or dispute to recover an award of attorney's fees and costs from the non-prevailing party.

ARTICLE XIV - COMMON AREAS

Section 14.01 **DEFINITION.**

The "Common Areas" of the Shopping Center shall mean (a) all areas within the exterior boundaries of the Shopping Center which are neither (i) areas occupied by buildings (roof overhangs and canopies and any columns supporting them, swinging doors and subsurface foundations shall not be deemed encroachments on Common Areas) nor (ii) areas designated by Landlord for the exclusive use of a particular tenant or tenants, and/or (b) any areas within any building in the Shopping Center which may be designated by Landlord from time to time for the common use of the tenants of the Shopping Center, their employees and invitees. Any parking structure for the Shopping Center is part of the Common Areas. Landlord may make changes at any time and from time to time in the size, shape, location, number and extent of the Common Areas or any of them, provided that the use of, visibility of and access to the Premises by Tenant and its invitees is not unreasonably disrupted, and no such change shall entitle Tenant to any abatement of Rent. For the avoidance of doubt, an approximate outline of the Common Areas is indicated on the site plan attached hereto as Exhibit "G".

Section 14.02 **USE OF COMMON AREAS.**

Tenant and its employees and invitees shall be entitled to use the Common Areas during the Lease Term, in common with Landlord and with other persons authorized by Landlord from time to time to use such areas, subject to such reasonable rules and regulations relating to such use as Landlord may from time to time establish.

Section 14.03 **CONTROL BY LANDLORD.**

(a) Without limiting Landlord's duty to repair and maintain the Common Areas as set forth in Section 7.01(c), Landlord

directly or by contract shall operate, manage, equip, light, repair, replace, clean, maintain and insure the Common Areas in such manner as Landlord may in its reasonable discretion determine to be appropriate. Landlord may temporarily close any Common Area for repairs or alterations, to prevent a dedication thereof or the accrual of prescriptive rights therein, or for any other reason reasonably deemed sufficient by Landlord.

(b) Landlord shall at all times during the Term of this Lease have the sole and exclusive control of the automobile parking areas, parking structures, driveways, entrances and exits and the sidewalks and pedestrian passageways and other Common Areas, and, subject to subsection (e), below, may at any time and from time to time during the Term hereof restrain any use or occupancy thereof except as authorized by the rules and regulations for the use of such areas established by Landlord from time to time. The rights of Tenant in and to the Common Areas shall at all times be subject to the rights of Landlord, the other tenants of Landlord and the other owners of stores in the Shopping Center to use the same in common with Tenant, and Tenant shall keep said areas free and clear of any obstructions created or permitted by Tenant or resulting from Tenant's operation. If in the opinion of Landlord, unauthorized persons are using any of said areas by reason of the presence of Tenant in the Shopping Center, Tenant, upon demand of Landlord, shall restrain such unauthorized use by appropriate proceedings. Nothing herein shall affect the right of Landlord at any time to remove any such unauthorized person from the Common Areas or to prohibit the use of any said areas by unauthorized persons.

(c) Tenant and its employees shall park their vehicles only in those portions of the parking areas from time to time designated for that purpose by Landlord. If Tenant or its employees park in other than such designated then Landlord may, on the first instance of violation, give a warning notice by either placing such notice on the violating vehicle or by providing such notice to the Tenant. If the violation is not cured within 24 hours of receipt of notice or if any vehicle is found to be in violation in more than one instance, then Landlord may charge Tenant Twenty Five Dollars (\$25.00) per day for each day each such vehicle is parked in any part of the Common Areas other than that designated.

(d) In the event Landlord elects to limit or control parking by customers or invitees of the Shopping Center, whether by validation or parking tickets or any other method of assessment, Tenant agrees to participate in such validation or assessment program under such reasonable rules and regulations as are from time to time established by Landlord with respect thereto.

(e) Landlord has designated the 40 spaces in the parking lot immediately to the west of the building for Tenant staff only, although Landlord cannot guarantee that all invitees and guests of the Shopping Center will not park in the Tenant staff designated parking area ("Tenant Designated Parking"). Tenant may install access control to limit the use of this parking to staff only. Tenant will instruct any of its clients, customers, agents, visitors, and invitees to park in the north lot only and will make its best efforts to ensure that the vehicles for said persons are not parked in any other area. The Parties acknowledge that Tenant cannot guarantee its clients will park in the designated parking as instructed and Landlord will not charge Tenant or otherwise punish Tenant for Tenant's clients' parking errors, so long as Tenant has provided notice to its clients directing them where to properly park. In the unlikely event that the parking lots west and north of the building are full (or appear to be full) then Tenant's clients may park in other available parking in the Shopping Center. Notwithstanding the foregoing, but only as a last resort if all other alternative options have been exhausted, upon written notice to Tenant, Landlord may revoke such portion of the Tenant Designated Parking as is subsequently determined to be in violation of any state, county or city law or ordinance relating to parking ratios for current or prospective tenants of the Shopping Center.

Section 14.04 COMMON AREA CHARGES.

Tenant shall not be liable for any common area charges whatsoever.

Section 14.05 TENANT'S SHARE OF COMMON AREA CHARGES

Tenant shall not be liable for any common area charges whatsoever.

Section 14.06 SECURITY

Landlord may, but shall have no obligation to, from time to time, employ one or more persons or entities to patrol or provide security for the Common Areas. Notwithstanding any such activity, Tenant shall have the sole responsibility of providing security within the Premises and for the persons therein. Under no circumstances shall Landlord be liable to Tenant or to any other person by reason of any theft, burglary, robbery, assault, trespass, unauthorized entry, vandalism, or any other act of any third person occurring in or about the Premises, and Tenant shall indemnify, defend and hold Landlord and the Landlord Parties harmless from and against any and all Liabilities (including but not limited to reasonable attorneys' fees and other costs of investigation or defense) which Landlord may suffer by reason of any claim asserted by any person arising out of, or related to, any of the foregoing. Nothing contained herein shall be deemed to create any liability upon Landlord for any damage to motor vehicles of customers or employees or for loss of property from within such motor vehicles. If in Landlord's reasonable opinion, the conduct of Tenant's business causes the need for security services or measures at the Shopping Center which are in addition to those (if any) otherwise provided by Landlord, Tenant shall alone bear the incremental costs for such services or measures. Landlord reserves the right to prescribe the type of training that security personnel must have as a condition to rendering security services at the Premises. Any uniformed security guards used by Tenant at the Premises shall carry such identification as Landlord may reasonably request.

ARTICLE XV - SIGNS, LIGHTING, ADVERTISING

Tenant shall not, without Landlord's prior written consent (a) Install or affix any signs, exterior lighting or plumbing fixtures, shades, awnings, or exterior decorations (including exterior painting); (b) Display or sell merchandise on, or otherwise obstruct, any area outside of the Premises; (c) Cause or permit to be used any advertising materials or methods which are objectionable to Landlord or to other tenants of the Shopping Center, including, without limiting the generality of the foregoing, loudspeakers, mechanical or moving display devices, unusually bright or flashing lights and similar devices the effect of which may be seen or heard outside the Premises; (d) Solicit business in the parking or other Common Areas, or distribute any handbills or other advertising matter in the parking area or in other Common Areas. Tenant shall install a store identity sign immediately after taking possession of the Premises in accordance with Landlord's Sign Criteria which is attached hereto as Exhibit "E" and fully made a part hereto.

ARTICLE XVI - MISCELLANEOUS

Section 16.01 OFFSET STATEMENT.

(a) Tenant shall at any time, from time to time and within five days after receipt of written notice from Landlord execute, acknowledge and deliver to Landlord a statement in writing (to the extent such statements would be true) (i) certifying that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease, as so modified, is in full force and effect) and the dates to which the Rent charges are paid in advance, if any, (ii) the commencement and termination dates of this Lease, (iii) acknowledging that there are not, to Tenant's knowledge, any uncured defaults on the part of

Landlord hereunder, or specifying such defaults, if any, as are claimed, and (iv) such other information as may be reasonably requested by Landlord or any prospective encumbrancer or purchaser of the Premises. Any such statement may be relied upon by any prospective purchaser or encumbrances of the Premises or of all or any portion of the real property of which the Premises are a part.

(b) Tenant's failure to deliver such statement within such time shall be conclusive upon Tenant (i) that this Lease is in full force and effect, without modification except as may be represented by Landlord, (ii) that there are no uncured defaults in Landlord's performance, and (iii) that not more than one month's Rent has been paid in advance.

Section 16.02 LANDLORD'S RIGHT OF ACCESS,

Landlord and its agents shall have free access to the Premises for the purpose of examining the same to ascertain if they are in good repair, posting notices of non-responsibility, making repairs or installations which Landlord may be required or permitted to make hereunder and exhibiting the same to prospective purchasers or tenants. Landlord shall have no liability to Tenant for any exercise of its right of entry hereunder or under any other provision of this Lease. Except in the case of an emergency, Landlord shall provide five (5) days notice to Tenant before Landlord may enter and access the Premises.

Section 16.04 TRANSFER OF LANDLORD'S INTEREST; LIMITATION ON LIABILITY

(a) If Landlord sells or transfers its interest in the Premises or the Shopping Center, Landlord, on consummation of the sale or transfer shall be released from any and all liabilities, losses, claims, costs (including reasonable attorneys' fees and costs), actions, causes of action or proceedings (herein collectively "Liabilities") hereunder which have arisen prior to the transfer, subject to any transferee assuming all obligations of Landlord under the Lease from and after the transfer. If any Security Deposit, prepaid Rent or other sums have been paid by Tenant, Landlord can transfer the Security Deposit, prepaid Rent or other sums to Landlord's successor, and on such transfer Landlord shall be discharged from any further liability relating to such Security Deposit, prepaid Rent or other sums.

(c) Notwithstanding anything to the contrary contained in this Lease, Tenant agrees that in all events it shall look solely to the estate and property of Landlord in the Shopping Center, regardless of the type of entity constituting Landlord, for the collection of any judgment or other judicial process requiring the payment of money by Landlord with respect to any of the terms, covenants or conditions of this Lease, and any monetary judgment Tenant obtains against Landlord as a result of any default by Landlord under this Lease or any other claim by Tenant or any of the Tenant Parties against Landlord or the Landlord Parties shall only be satisfied out of Landlord's interest in the Shopping Center.

Section 16.05. FLOOR AREA.

Intentionally deleted.

Section 16.06 SEPARABILITY.

Any provision of this Lease which shall prove to be invalid, void or illegal shall in no way affect, impair or invalidate any other provision hereof, and such remaining provisions shall remain in full force and effect.

Section 16.07 SECURITY DEPOSIT.

Upon the execution of this Lease, Tenant shall deposit with Landlord an amount equal to two (2) months' Rent, which is \$53,058.30, which shall be held as security for the full and faithful performance of every provision of this Lease to be performed by Tenant with respect to the Premises. If Tenant defaults with respect to any provisions of this Lease, Landlord may use, apply or retain all or any part of the security deposit for the payment of any Rent or other sum in default, or for the payment of any other amount which Landlord may spend or become obligated to spend by reason of Tenant's default, or to compensate Landlord for any other loss or damage which Landlord may suffer by reason of Tenant's default. If any portion of said deposit is so used or applied, Tenant shall, within five (5) days after written demand therefor, deposit cash with Landlord in amount sufficient to restore the security deposit to its original amount, and Tenant's failure to do so shall be a material breach of the Lease. Landlord shall keep the security deposit separate from its general funds, and Tenant shall be entitled accrued interest on such deposit, if any. Upon the termination (by no reason of a Tenant default) or natural expiration of this Lease, the security deposit shall be refunded from Landlord to Tenant, minus any amount due to Landlord from Tenant pursuant to the terms hereof which have gone unpaid, and minus the reasonable, actual repair costs incurred by Landlord for any damage to the Premises for which the Tenant is responsible pursuant to the terms hereof. Nothing contained in this Section shall in any way diminish or be construed as waiving any of Landlord's other remedies otherwise set forth in this Lease, or by law or equity.

Section 16.08 LATE CHARGES.

Tenant hereby acknowledges that late payment by Tenant to Landlord of Rent or other sums due hereunder will cause Landlord to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges, and late charges which may be imposed upon Landlord by terms of any mortgage or trust deed covering the Premises. Accordingly, if any installment of Rent or any sum due from Tenant shall not be received by Landlord or Landlord's designee within five (5) days after written notice that said amount is past due, then Tenant shall pay to Landlord a late charge equal to five percent (5%) of such overdue amount. The parties hereby agree that such late charges represent a fair and reasonable estimate of the cost that Landlord will incur by reason of the late payment by Tenant. Acceptance of such late charges by the Landlord shall in no event constitute a waiver of Tenant's default with respect to such overdue amount, nor prevent Landlord from exercising any of the other rights and remedies granted hereunder.

Section 16.09 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.

Section 16.10 HEADINGS.

The article and paragraph captions and the placement of particular provisions under certain articles or sections contained in this Lease are for convenience only and shall not be considered in the construction or interpretation of any provision hereof.

Section 16.11 INCORPORATION OF PRIOR AGREEMENTS: AMENDMENTS.

This Lease, Exhibits hereto and Lease Summary-Basic Terms contain all of the agreements of the parties hereto with respect to any matter covered or mentioned in this Lease, and no other agreement or understanding pertaining to any such matter shall be effective for any purpose. No provision of this Lease may be amended or added to except by an agreement in writing signed by the parties hereto or their respective successors in interest, and this Lease may not be modified by an oral agreement whether or not

supported by new consideration.

Section 16.12 NOTICES.

Except as otherwise required by law, any notice or document required or permitted to be given hereunder shall be in writing, addressed as specified in the Lease Summary – Basic Terms (or such other addresses as any party has specified by written notice to the other delivered in accordance herewith), and given either (i) personally, (ii) by certified or registered mail, postage prepaid, return receipt requested, (iii) by recognized overnight delivery service (such as, for example, FedEx, UPS, DHL, etc.), or (iv) by confirmed facsimile. Notice given personally shall be deemed given upon personal delivery. Notice given by overnight delivery service shall be deemed given the next business day after delivery to the delivery service. Notice given by facsimile shall be deemed given at the time and day indicated by electronic confirmation, provided that a duplicate copy of any faxed notice is also mailed to all recipients on the same day that notice is faxed. If notice is sent by mail it shall be deemed to be delivered, whether actually received or not, when deposited in the United States mail, certified or registered, postage prepaid. Rejection or other refusal to accept notice shall be deemed to be receipt of the notice when sent.

Section 16.13 BROKERS.

Tenant warrants that it has had no dealings with any real estate broker or agent in connection with the negotiation of this Lease unless specifically stated to the contrary in the applicable Lease Summary Provision.

Section 16.14 WAIVERS.

No waiver by either Landlord or Tenant of any provision of this Lease shall be effective unless in writing or shall be deemed to be a waiver of any other provision hereof or of any subsequent breach the other of the same or any other provision. Landlord's consent to or approval of any act by Tenant requiring Landlord's consent or approval shall not be deemed to render unnecessary the obtaining of Landlord's consent to or approval of any subsequent act by Tenant, whether or not similar to the act so consented to or approved.

Section 16.17 LIENS.

Tenant shall keep the Premises and the property in which the Premises are situated free from any liens arising out of any work performed, materials furnished or obligations incurred by Tenant.

Section 16.18 HAZARDOUS MATERIALS PROVISIONS

Tenant, for itself and the Tenant Parties, covenants, warrants and agrees hereby not to cause or permit any "Hazardous Materials", as hereinafter defined, to be brought upon, stored, used, handled, generated, released or disposed upon, in, under or about the Premises, the Common Areas or any portion of the Shopping Center. Tenant agrees hereby, at its sole cost and expense, to immediately remove all Hazardous Substances so brought upon, stored, handled, generated, released or disposed upon, in, under or about the Premises, the Common Areas or any portion of the Shopping Center. Hazardous Materials are herein defined to include, but not limited to, any and all materials, substances and/or waste as so defined in any and all Laws.

Tenant shall procure, maintain, and comply with all conditions of any and all permits, licenses and other governmental and regulatory approvals required for the use of the Premises. In addition, Tenant, at its sole expense, hereby agrees to indemnify, protect, defend and hold harmless Landlord and the Landlord Parties, against any and all claims, liabilities, penalties, forfeitures, losses and expenses, whether foreseeable or unforeseeable (including attorneys fees and court costs), as well as death and injury and damage to property, arising from or caused in whole or in part, directly or indirectly, out of the violation of this provision. Said indemnity shall survive the expiration or earlier termination of this Lease. Tenant shall immediately notify Landlord in writing of any report, complaint, notice, warning or asserted violation relating in any way to the Premises or Shopping Center regarding Hazardous Materials.

Landlord hereby affirms that it has no reason to suspect the presence of any Hazardous Materials at the Premises, and agrees to indemnify Tenant for any and all claims for Hazardous Waste that did not originate from Tenant's use of the Premises.

Section 16.19 SUBORDINATION.

In addition to the SNDA referred to in Section 2.01, Landlord shall obtain an SNDA from any party who becomes a holder of a security interest in the Premises after the execution of this Lease. Provided all such SNDAs are provided, this Lease shall be and remain subordinate to any mortgage, ground lease, or deed of trust that may exist or hereafter be placed upon the Shopping Center or any part thereof and to any and all advances to be made thereunder and to the interest thereon and to all renewals, replacements and extensions thereof. Further, so long as Tenant is provided with the aforementioned SNDAs, Tenant shall execute such instruments as may be required at any time and from time to time to evidence the subordinate of the rights and interests of Tenant under this Lease to the lien of any such ground lease, mortgage or deed of trust. Further, and so long as Tenant has obtained any and all SNDAs as may be required by this Section 16.19, Tenant shall, in the event any proceedings are brought for default under such ground lease or for the foreclosure of any such mortgage or deed of trust, attorn to the purchaser upon foreclosure sale or sale under power of sale, or to the ground lessor terminating Landlord's rights as ground lessee, and shall recognize such purchaser or ground lessor as Landlord under this Lease, and, so long as Tenant is not in default hereunder, any such event shall not terminate this Lease or otherwise affect Tenant's rights hereunder.

Section 16.20 SUCCESSORS IN INTEREST.

The covenants herein contained shall, subject to the provisions as to assignment, apply to and bind the heirs, successors, executors, administrators and assigns of all the parties hereto; and all the parties hereto shall be jointly and severally liable hereunder.

Section 16.21 NEVADA LAW.

This Lease shall be construed and enforced exclusively in accordance with the laws of the State of Nevada, and Landlord and Tenant hereby agree to submit to the jurisdiction of the courts in Clark County, Nevada. Landlord and Tenant agree that a court of competent jurisdiction located in Clark County, Nevada is appropriate and shall be the sole and exclusive venue for any dispute between the Landlord and the Tenant.

Section 16.22 DELAYS.

Whenever a period of time is provided in this Lease or in any exhibit hereto for Landlord to do or perform any act or thing, Landlord shall not be liable or responsible for any obligation hereunder as a result of any delay due to strikes, lockouts, casualties, acts of God, or governmental regulations or control or other causes beyond the reasonable control of Landlord, and the time for performance specified herein shall be extended for the amount of time Landlord is so delayed.

Section 16.23 TENANT'S PERFORMANCE.

Intentionally deleted.

Section 16.24 SURRENDER OF PREMISES.

At the termination or expiration of this Lease, Tenant shall surrender the Premises to Landlord in good condition and repair. Tenant shall have the right at the end of the Term hereof to and, upon demand by Landlord Tenant shall, remove any equipment, furniture, trade fixtures, or other personal property placed in the Premises by Tenant and Tenant shall promptly repair any damage to the Premises caused by such removal.

Section 16.25 HOLDING OVER

If Tenant shall remain in possession of the Premises or any portion thereof after the expiration of the Term of the Lease in the absence of an agreement in writing between Landlord and Tenant, the party remaining in possession shall be deemed a Tenant at sufferance, until acceptance of Rent by Landlord, at which time the persons in possession shall become a Tenant from month to month at One hundred and Fifty Percent (100%) of the Monthly Base Rent in effect immediately prior to the expiration of the Lease and otherwise under the same terms and conditions as existed immediately to the expiration of the Lease.

Section 16.26 LEASE CANCELTION.

(a) Tenant shall have the right to terminate this Lease should the Federal Government decrease Tenant's funding such that it is seventy-five (75%) percent or less than Tenant's budget as of the date of this Lease is executed. Within thirty (30) days any funding cut that would lower Tenant's budget to seventy-five (75%) percent of its budget as of the date this Lease is executed (and any subsequent funding cut, as applicable), Tenant shall notify Landlord, in writing, of the same (the "Notice") and provide acceptable documentation verifying such action by the Federal government. After delivery of the Notice to Landlord, Tenant shall have the right to terminate the Lease by providing Landlord sixty (60) days advance written notice of Tenant's intent to terminate the Lease. Upon a termination of the Lease hereunder, Tenant shall deliver the Premises to Landlord in accordance with 16.24 of the Lease.

(b) Tenant shall have the right to terminate this Lease should the State Government chose to reorganize its Workforce Investment operations by eliminating the Workforce Connections Board and/or creating a single state workforce investment board responsible for both Northern and Southern Nevada. Within thirty (30) days of such state action, Tenant shall notify Landlord of the same ("Notice ") and provide acceptable documentation verifying such action by the state government. After delivery of the Notice to Landlord, Tenant shall have the right to terminate the Lease by providing Landlord ninety (90) days advance written notice of Tenant's intent to terminate the Lease. Upon a termination of the Lease hereunder, Tenant shall deliver the Premises to Landlord in accordance with Section 16.24 of the Lease.

(c) Notwithstanding anything in the Lease to the contrary, Tenant shall have the right to terminate this Lease for convenience or for circumstances beyond the control of the Tenant by providing 120 days written notice to the Landlord. If the Tenant terminates the Lease for convenience, and Landlord is unable to re-let Premises within 120 days after receiving Tenant's notice, then the Tenant shall, upon delivering the premises to the Landlord in accordance with Section 16.24, pay the Landlord an additional one (1) months' rent.

(d) If Tenant terminates the Lease under Section 16.26, then Landlord shall have no claim against Tenant for future Rent, for remaining lease value after the effective termination date, or for any other amount except the amount Landlord would be owed on the same date pursuant to Section 13.02(a).

Section 16.27. Quiet Enjoyment. Tenant shall at all times have and quietly enjoy the Premises for the Lease Term without any unreasonable disturbance by Landlord, any of Landlord's agents, or any party claiming authority from, by or through Landlord. Without limiting the generality of the foregoing, nothing contained herein shall grant the Landlord authority to take any action or to avoid taking action, the effect of which would be to unreasonably limit the Tenant's reasonable access to and visibility of the Premises.

ARTICLE XVII – EXHIBITS

The following Exhibits are attached hereto and made a part of this Lease, and shall hereby be be incorporated herein by reference:

- Exhibit A –Site Plan Showing Premises, Premises Building and Shopping Center
- Exhibit B - Legal Description of Shopping Center
- Exhibit C - Construction Exhibit – Tenant's Work
- Exhibit C.1 – Form Disbursement Agreement
- Exhibit D – Memorandum of Lease
- Exhibit E - Landlord's Sign Criteria
- Exhibit F – Option Addendum
- Exhibit G – Site Plan showing Common Area

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

National Solutions, LLC
a Nevada limited liability company

Workforce Connections,
a Nevada Public Agency

By _____

By _____

Name: _____

Name: _____

Title: _____

“Landlord”

Dated: _____

Title: _____

By _____

Name: _____

Title: _____

“Tenant”

Dated: _____

EXHIBIT A and A-1

Site Plan for One-Stop Area and Office Area

(See attached)

EXHIBIT B

LEGAL DESCRIPTION OF SHOPPING CENTER

Real property in the City of Las Vegas, County of Clark, State of Nevada, described as follows:

PARCEL 1:

LOTS ONE (1) AND THREE (3) OF AMENDED FINAL MAP OF CHARLESTON FESTIVAL AS SHOWN BY MAP THEREOF ON FILE IN BOOK 133 OF PLATS, PAGE 15, IN THE OFFICE OF THE COUNTY RECORDER OF CLARK COUNTY, NEVADA.

EXHIBIT C

CONSTRUCTION EXHIBIT – TENANT’S WORK

Upon possession of the Premises, Tenant shall promptly commence and diligently pursue to completion all of the work (“Tenant’s Work”) necessary to complete the Premises to a finished condition from which business can be conducted as intended. Tenant shall perform or cause to be performed all of Tenant’s Work at its sole cost and expense. Prior to any construction, Tenant shall submit plans and specifications to Landlord for Landlord’s review and approval, which approval shall not be unreasonably withheld.

Tenant shall enter into a construction agreement with a general contractor of Tenant’s choosing to perform the Tenant’s Work in accordance with the approved plans and specifications. Within two (2) business days of Tenant notifying Landlord of Tenant having entered into such construction agreement, Landlord and Tenant shall (i) enter into a Disbursement Agreement with Nevada Construction Services, in a form agreed upon by the Parties, and (ii) Landlord shall deposit with NCS the sum of Five Hundred and Fifty Thousand and No/100 Dollars (\$550,000) as Landlord’s contribution to Tenant’s improvements, and Tenant shall, contemporaneously therewith, deposit with NCS the difference between the amount of the construction agreement and the aforementioned Landlord contribution. All NCS charges shall be borne by Tenant.

Tenant, at its cost, shall obtain all required governmental permits and approvals for Tenant’s Work and all Tenant’s Work shall be performed strictly in accordance with all applicable laws, ordinances, rules or regulations of any public authority, in a good and workmanlike manner and diligently prosecuted to completion. Landlord shall respond promptly to any request for execution of documents or other approvals necessary for Tenant’s work to commence and continue. Construction work in connection with Tenant’s Work shall be performed in such manner as not to obstruct the access to other portions of the Shopping Center or otherwise interfere with the operation of business by any other occupant of the Shopping Center.

All of Tenant’s Work shall be constructed by licensed and bonded contractors. Prior to commencement of Tenant’s Work, Tenant shall provide Landlord with a copy of the construction contract, evidence of contractor’s bond and certificate of insurance, naming the Landlord as additionally insured.

EXHIBIT C.1 – FORM DISBURSEMENT AGREEMENT

PROJECT NUMBER:
PROJECT NAME:

Proprietary and Confidential

NEVADA CONSTRUCTION SERVICES
DISBURSEMENT AGREEMENT

THIS AGREEMENT is made and entered into this ____ day of _____, 2012 by and between NEVADA CONSTRUCTION SERVICES, hereinafter referred to as "NCS", _____, hereinafter referred to as "Tenant" _____ hereinafter referred to as "Landlord" and _____, hereinafter referred to as "Contractor".

WHEREAS, Tenant has entered into a lease agreement with Landlord for improvements to be situated in the County of _____, State of NEVADA, more particularly described as _____.

WHEREAS, Tenant desires to construct tenant improvements at the aforesaid real property, hereinafter referred to as "Project".

WHEREAS, Tenant has selected and employed Contractor, who is licensed in accordance with the applicable state requirements, to construct said Project on said property in accordance with plans and specifications deposited or to be deposited with NCS, and further, Contractor has agreed to complete said construction in accordance with certain plans and specifications approved by the Tenant, Landlord and Contractor, and further, in compliance with the requirements of the building code(s) of the political subdivision having jurisdiction over said Project.

WHEREAS, Tenant has entered into a Construction Contract Agreement with Contractor for the improvements on said property for a sum of \$_____, and Tenant agrees to deposit with NCS the sum of approximately \$_____; and the Landlord agrees to deposit, the tenant improvement allowance as defined in the lease agreement between the Tenant and Landlord, with NCS the sum of approximately \$_____, the total of which equals the Construction Contract Agreement amount and will be hereinafter referred to as "Construction Fund". This Agreement is executed to ensure the prompt and accurate payment of costs of construction of said Project including labor, materials, subcontractors and contractor's claims against approved Tenant's cost breakdown (see Exhibit "A", attached).

a. A Market Interest Account, hereinafter called MIA, will be opened with the Construction Funds, whereby, Tenant will sign a W-9 and be entitled to earn interest on the Tenant portion of the Construction Funds. Landlord funds will be deposited into NCS's general trust account and Landlord will not be entitled to earn interest on its portion of the Construction Funds.

b. Construction Funds will be transferred from the MIA into NCS' General Trust Account as deemed necessary by NCS to cover such costs of construction through a given disbursement period.

WHEREAS, Tenant desires to appoint NCS as its agent under this agreement for the disbursement of hard construction costs in lieu of providing a surety bond as required by NRS 108.2403.

Now, therefore, and in consideration of the premises and for and in consideration of the covenants and agreements hereinafter set forth by each of the parties hereto to be kept and performed, it is mutually understood and agreed as follows:

1. That Tenant does hereby agree to instruct Contractor to deliver to NCS each and every item required by NCS for the performance of work as outlined herein, including but not limited to the contract agreement, cost breakdown, subcontracts, working plans and specifications, etc. Tenant further agrees to record and serve the notice of posted security required by NRS 108.2403 and to otherwise comply with the statutes pertaining to tenant improvements, NRS 108.2403-108.2415

2. That NCS shall maintain a general trust account and shall not commingle any funds received from Tenant with its own funds. Any funds received from the Tenant may be deposited in said general trust account. Accurate accounting records shall be kept of deposits and withdrawals from said account. NCS shall not be obliged to pay interest on any funds deposited to the general trust account.

3. That Contractor and Tenant do hereby agree to comply with all terms and conditions of this agreement, and Contractor consents to the appointment of NCS as Agent.

4. That Contractor shall construct said Project in strict compliance with the plans and specifications relating thereto filed with the City or County, and no alteration or deviation therefrom shall be made without first obtaining the written approval of Tenant.

5. That NCS does hereby agree to promptly apply the monies received by it hereunder to the payment of vouchers to be issued and signed by Contractor and/or Tenant, of such costs as are properly allocated to the construction of said Project and such payments to be made to such persons as are legally entitled thereto pursuant to invoices, contracts, labor and/or material supply releases, or other supporting documents. Any percentage of the contract amount to be retained until the expiration of the period for the filing of mechanic's lien claims shall be in accordance with NRS 108 et seq. Said funds shall then be paid to Contractor or to such other persons as shall be entitled to receive same.

6. That NCS shall maintain complete and adequate records of all sums received and disbursed by, through, or at its direction, and shall permit the inspection of said records by Tenant and Contractor at all times during regular business hours.

7. That NCS shall inspect said Project at reasonable intervals, as deemed necessary by NCS, to determine what costs of construction may be properly paid. This is not to be deemed the equivalent of, nor a substitute for architectural supervision or inspections by Tenant. NCS does not contract or guarantee that the construction job will be completed, or built in accordance with

said plans, specifications, and budgets, or in accordance with pertinent building codes, ordinances or regulations.

8. That Tenant agrees to pay to NCS a fee of \$_____ prior to the first disbursement. In addition, should Tenant request additional services not covered by this agreement, Tenant agrees to pay NCS, upon request, the value of any services, money expended or indebtedness incurred, including reasonable attorney's fees. Please submit invoice for services to:

Address: _____

a. Fees will be deemed to have been earned at the time the agreement is executed, and no refund will be made of any fee in the event this Agreement is terminated, or if the cost of construction is less than originally estimated.

b. The Project will be constructed within a time frame of ____ months (which shall include ____ disbursements and inspections and one retention disbursement). In the event construction extends beyond the amount of time and number of disbursements and inspection outlined above NCS will be paid a fee of \$_____ per inspection and/or disbursement.

c. Disbursements and/or inspections will be provided _____. Special disbursement and/or inspection requests outside the agreed time period as described in 8b will be assessed a fee of \$_____ per request.

9. All parties to this Disbursement Agreement understand, and explicitly and expressly agree, that NCS may, at its' sole option and discretion, rely upon photo static/facsimile copies in lieu of original documents on all items, including payment vouchers, as NCS deems necessary or appropriate under the circumstances.

10. Execution of this contract and participation by NCS hereunder is in no way to be construed as an endorsement or guarantee of performance of any party hereto, Architect, Builder, Tenant, Subcontractor, or person(s) supplying materials or labor to any such persons or for the use of said Project or any plans, specifications, or products. The obligations and services of NCS are solely those of a disbursing agency with a financial accounting to the parties hereto.

11. That when said work of construction has been completed and all funds under this Agreement have been disbursed in connection therewith, the obligation of NCS shall cease.

a. If a change order(s) is signed between the Tenant and General Contractor and additional funds are required over and above the available Construction Funds, Tenant will deposit additional funds with NCS and pay NCS an additional voucher fee, a percentage based on the increased amount of the change order.

12. That Contractor and Tenant shall indemnify and hold harmless NCS from any and all claims, demands or liabilities related to the Project (except those arising from the gross negligence or omissions of NCS in the performance of its duties).

13. Tenant and/or Contractor shall promptly deliver to NCS any and all preliminary lien notices, intent to lien notices, and lien claims served on Tenant and/or Contractor.

14. That in the event any lien or liens shall be filed against the aforesaid real property by reason of the work or construction herein referred to, Contractor agrees forthwith to cause the same to be fully satisfied or otherwise secured and to hold NCS harmless therefrom. If, within a reasonable time, said liens are not satisfied and discharged, NCS shall not be obligated to disburse any funds to Tenant and/or Contractor until said liens are satisfied and released of record.

15. If more than one person executes this Agreement as Tenant, the obligations of each such person hereunder shall be joint and several.

16. Whatever the context of this Agreement requires, the singular shall include the plural and the masculine gender shall include the feminine and/or neuter.

17. This Agreement is for the sole protection of the parties to this Agreement, their successors and assigns, and no other person, firm or corporation who is not a party to this Agreement, including but not limited to subcontractors and materialmen, shall have any right of action under or through this agreement.

18. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original, all of which together, when conformed, shall constitute one agreement, binding upon all parties to this Agreement. Facsimile signatures and scanned e-mail signatures shall have the same full force and effect as original signatures.

NCS agrees to provide the required Form 1099's in compliance with Section 6041 of the Internal Revenue Code.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the day and year first written above.

TENANT:

CONTRACTOR:

By: _____

By: _____

Contractor's License Number

NEVADA CONSTRUCTION SERVICES

LANDLORD:

By: _____

By: _____

EXHIBIT D – MEMORANDUM OF LEASE

(See Attached)

MEMORANDUM OF LEASE

A.P.N.: 138-35-816-001

RECORDING REQUESTED BY, PREPARED
BY AND WHEN RECORDED MAIL TO:

Scott Marquis, Esq.
Marquis Aurbach Coffing
10001 Park Run Drive
Las Vegas, NV 89145

MEMORANDUM OF LEASE

This Memorandum of Lease (“Memorandum”) is made _____, 2012 by and between National Solutions, LLC, a Nevada limited liability company (“Landlord”) and Workforce Connections, a Nevada Non-profit Corporation (“Tenant”).

Landlord has agreed to lease to Tenant a portion of that certain real property commonly known as A.P.N. 138-35-816-001, as further described on the attached Exhibit “A”, which portion is more commonly known as 6330 W Charleston Blvd, Unit 140, Las Vegas, Nevada, together with all improvements located thereon, consisting of approximately 18,729 sq. feet (the “Premises”) under terms and subject to conditions more specifically set forth in the Lease.

The initial term of the Lease is for six years commencing on January 1, 2013; the Lease provides Tenant with one five-year options to extend the term of the Lease.

The purpose of this Memorandum is to give record notice of the Lease and of the terms thereof and the rights created thereby. It is not intended to amend or modify any of the rights and obligations set forth in the Lease. To the extent any provisions of this Memorandum and the Lease conflict, the provisions of the Lease control.

This Memorandum may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together constitute one and the same instrument.

[Signature page follows]

Exhibit "A" to Memorandum
[Legal Description of 138-35-816-001]

EXHIBIT D

LANDLORD'S SIGN CRITERIA

Purpose

- The purpose of these sign criteria is to provide guidelines to produce and maintain an aesthetically pleasing and attention-gathering property. All sign packages must be reviewed by the Landlord and the Landlord's Architect for conformance with these sign criteria. The Landlord and Landlord's Architect reserve all rights to amend these criteria without written notice, and to make exceptions as they deem necessary.

General Requirements

- Tenant is responsible for all costs related to the manufacture and installation of tenant signage, including permits.
- All sign contractors must be licensed with the state of Nevada and the City of Las Vegas. Sign contractor must have liability and workers compensation insurance. Proof of insurance may be required prior to Landlord approval.
- Tenant's sign contractor must repair any damage to the property caused by his work.
- Tenant's sign contractor shall verify all electrical locations and service prior to sign manufacture.
- Tenant is responsible for sign maintenance. If a sign remains in disrepair for an unreasonable amount of time, the landlord will order repairs and hold the tenant responsible for payment.
- Should the Tenant vacate the lease space he must have the sign removed, including all electrical up to the junction box provided by the Landlord. Walls must be patched and painted to match existing fascia.

Submittal Requirements

- Each Tenant or Tenant's Representative shall submit three (3) color copies of the sign design and layout. All packages must include a detail drawing, to scale, of the sign calling out all materials and colors, as well as an elevation drawing, to scale, specifying the size of the sign (height and length). Emailed drawings are acceptable.

Design Guidelines

- All signs must be individual letters. All letter returns and backs must be aluminum (no sheet metal) or plastic. Signs must be illuminated. Other materials are subject to review and approval by the Landlord.
- Logo boxes or cabinets may be allowed. All cabinets must be aluminum or plastic. Additional information such as phone numbers or wording that is not part of the name of the business will not be allowed.
- Nationally recognized names and logos may be allowed to vary from these criteria at the Landlord's discretion.
- Animation (including but not limited to blinking, flashing, chasing, rotating) is prohibited.
- All illuminated signs must be UL listed. UL labels must be visible from the ground after the installation is complete.
- No raceways (except as noted in these criteria), exposed conduit or other electrical components shall be visible.
- All penetrations of the building for signage purposes must be sealed in a watertight condition and patched to match the building finish.
- Window signs are prohibited.

Building A:

- Building signs shall be allowed on the south and east elevations only.
- Sign area shall not exceed 3'-0" tall x 12'-0" wide, as per elevation drawings.
- Logo or font extenders may exceed the 36" maximum height by no more than 10%, or 3 ½" total.

EXHIBIT F

ADDENDUM

Section 2.01 Option to Extend:

Tenant shall have the option, provided it is not then in default hereunder, to extend the term of the Lease for two (2s) five- (5) year term upon the same terms and conditions of the Lease, except for the adjustment in the Rent as provided herein below. Tenant shall exercise such options by serving written notification ("Option Notice") upon Landlord one hundred eighty (180) days prior to the end of the initial six-year Lease term. The option to extend this Lease shall be exercisable by Tenant on the express condition that Tenant shall not be in default under any provision of this Lease.

The option to extend this Lease as described above, is personal to Tenant. If Tenant subleases any portion of the Premises or assigns or otherwise transfers any interest under this Lease prior to the exercise of any option, such option and any succeeding option shall be null and void.

a. **Option Term Rental:**

The Rent for the initial year of each Option Term shall be at the fair market rent for the Premises as of the commencement of the Option Period.

Landlord shall determine the rental increase for the initial year of the Option Period by applying objective and commercially reasonable standards and shall notify Tenant thereof within 30 days following Tenant's Option Notice. In the event that Tenant objects to Landlord's determination of the fair market rent of the Premises for the initial year of the Option Period, Tenant shall notify Landlord in writing within ten (10) days after receipt of Landlord's Notice. In that event, the fair market rent shall be determined by appraisal in the manner provided below. Until the appraisal procedures are finalized, Tenant shall continue to pay to Landlord the amount of Rent due immediately preceding the expiration of the Lease Term plus five percent (5%) and all other charges due under the Lease. After final determination of the fair market value, Tenant shall immediately make payment to Landlord for any underpayment of Rent owing for prior months, and any overpayment shall be credited toward the immediately following month.

The fair market rent of the Premises shall be determined as follows: The Premises shall be appraised by an MAI appraiser chosen by Landlord ("First Appraisal") and the appraisal report forwarded to Tenant. If the First Appraisal is deemed unacceptable by Tenant, then Tenant shall so advise Landlord in writing within ten (10) after receipt of the First Appraisal and Tenant shall have the right to engage an MAI appraiser to appraise the Premises ("Second Appraisal") and the appraisal report forwarded to Landlord. In the event Landlord shall deem the Second Appraisal to be unacceptable, then Landlord shall advise Tenant within ten (10) days after receipt of the Second Appraisal, and the first appraiser and second appraiser shall together choose a third MAI appraiser who shall appraise the Premises ("Third Appraisal") and forward the appraisal report to Landlord and Tenant. The fair market rent for the Premises shall be the average of the two (2) closest appraisals. Each of the appraisers shall appraise the Premises in accordance with commercially-reasonable, standard practice. The Parties shall pay any such appraiser that they individually retain, and the cost of the Third Appraisal shall be borne equally between Landlord and Tenant.

b. **Other Terms and Conditions:**

All other terms and conditions of this shall remain unchanged and in full force and effect during the Option Period.

EXHIBIT G – SITE PLAN SHOWING COMMON AREA

(See attached)

6. DISCUSSION AND POSSIBLE ACTION: PY2012 WIA Formula Budget July 1, 2012 through June 30, 2013 and PY2012 Budget Narrative

**workforceCONNECTIONS
 PY2012 WIA Formula Budget
 July 1, 2012 - June 30, 2013
 (Revised Budget - October 2012)**

Revenue by Funding Stream	Approved Budget PY2012	Proposed Budget PY2012	\$ Change	Available for LWIB Operations		TOTAL
				10% Admin	10% Program	
PY2012 Adult	6,316,715	6,316,715	-	631,672	631,672	6,316,715
PY2012 Dislocated Worker	6,847,926	6,847,926	-	684,793	684,793	6,847,926
PY2012 Youth	6,337,899	6,337,899	-	633,790	633,790	6,337,899
PY2011 Adult Carry Forward	1,000,000	1,000,000	-	100,000	100,000	1,000,000
PY2011 Dislocated Worker Carry Forward	1,000,000	1,000,000	-	100,000	100,000	1,000,000
PY2011 Youth Carry Forward	3,000,000	3,000,000	-	300,000	300,000	3,000,000
Other Revenues (Interest)	25	25	-		25	25
Governor's Reserve - Strategic Initiative			-		-	-
Total Revenue by Funding Stream	\$ 24,502,565	\$ 24,502,565	\$ -	\$ 2,450,255	\$ 2,450,280	\$ 24,502,565
				Subtotal Board Operations \$ 4,900,535		

Notes:

1. PY2012 Revenues include WIA funding in the total amount of \$19,502,540.
2. Carry forward funds have been estimated for PY2011 in the amount of \$5,000,000. These fund estimates will be revised later this year when the A-133 audit is complete.
3. The Department of Labor allows local boards to expend up to 10% of their total allocation for administrative costs. WC also allocates 10% of the total allocation for program management and oversight.
4. WIA funds have a two year life at the local board level and an additional year at the state level.

Community Resource Allocations	Approved Budget PY2012	Proposed Budget PY2012	\$ Change	TOTAL
Adult Services	5,853,371	5,853,371	-	5,853,371
Dislocated Worker Services	6,278,340	6,278,340	-	6,278,340
Youth Services	7,470,319	7,470,319	-	7,470,319
Subtotal Community Resource Allocations	\$ 19,602,030	\$ 19,602,030	\$ -	\$ 19,602,030

Board Operations	Approved Budget PY2012	Proposed Budget PY2012	\$ Change	Admin	Program	Total
Subtotal Operating Expenditures	4,900,535	4,900,535	-	1,857,034	3,043,501	4,900,535
Total Expenditures	\$ 24,502,565	\$ 24,502,565		\$ 1,857,034	\$ 3,043,501	\$ 24,502,565
Fund Balance	\$ -	\$ -		\$ 593,221	\$ (593,221)	\$ -

NOTE: PY2012 funding period is available July 1, 2012 through June 30, 2014 (after two years, funds revert to the State for one additional year)
 PY2011 funding period is available July 1, 2011 through June 30, 2013 (after two years, funds revert to the State for one additional year)

workforceCONNECTIONS
PY2012 WIA Formula Budget
July 1, 2012 - June 30, 2013
(Revised Budget - October 2012)

Board Operations	Authorized FTE	Actual FTE	Approved Budget PY2012	Proposed Budget PY2012	\$ Change	Admin	Program	Total
6500 Salaries	28.88	25.88	2,413,763	2,413,763	-	796,542	1,617,221	2,413,763
7000 Accounting and Auditing			350,000	350,000	-	350,000	-	350,000
7005 Legal Fees			50,000	50,000	-	50,000	-	50,000
7010 Legal Publication Advertising			18,000	18,000	-	5,040	12,960	18,000
7020 Licenses and Permits			3,000	3,000	-	840	2,160	3,000
7025 Dues and Subscriptions			12,000	12,000	-	3,360	8,640	12,000
7030 Postage and Delivery			3,000	3,000	-	840	2,160	3,000
7035 Printing and Reproduction			12,000	12,000	-	3,360	8,640	12,000
7040 Office Supplies			15,000	15,000	-	4,200	10,800	15,000
7045 Systems Communications			50,000	50,000	-	14,000	36,000	50,000
7050 Tuition, Training, and Seminars - Staff			40,000	40,000	-	11,200	28,800	40,000
7055 Travel and Mileage - Staff			30,000	30,000	-	8,400	21,600	30,000
7060 Utilities (included in Rent)			-	-	-	-	-	-
7065 Telephone			30,000	30,000	-	8,400	21,600	30,000
7070 Rent (Offices)			365,348	365,348	-	102,297	263,051	365,348
7075 Equipment Repairs			1,500	-	(1,500)	-	-	-
7075 Facilities Maintenance			5,000	6,500	1,500	1,820	4,680	6,500
7080 Admin Support Contracts			145,000	120,000	(25,000)	120,000	-	120,000
7085 Program Support Contracts			30,000	100,000	70,000	-	100,000	100,000
7090 Non-Board Meetings and Outreach			30,000	30,000	-	8,400	21,600	30,000
7095 Board Meetings and Travel			8,000	8,000	-	-	8,000	8,000
7100 Insurance			40,000	40,000	-	11,200	28,800	40,000
7100-7120 Employee Fringe Benefits			809,818	809,818	-	267,240	542,578	809,818
7125 Employer Payroll Taxes			71,804	71,804	-	23,695	48,109	71,804
7130/7135 Payroll Services and Bank Fees			6,000	16,000	10,000	16,000	-	16,000
7200 Equipment - Operating Leases			15,000	15,000	-	4,200	10,800	15,000
7600 Youth Program Activities			15,000	15,000	-	-	15,000	15,000
7605 Adult/DW Program Activities			15,000	15,000	-	-	15,000	15,000
8500 Capital - Equipment and Furniture			75,000	75,000	-	21,000	54,000	75,000
8510 Capital - Software NVTrac - Data System			100,000	100,000	-	-	100,000	100,000
8900 Strategic Initiative - WIA			141,302	86,302	(55,000)	-	86,302	86,302
Subtotal Board Operations			4,900,535	4,900,535	-	1,832,034	3,068,501	4,900,535

**Workforce Connections
Program Year 2012
WIA Formula Budget Narrative**

Workforce Connections is responsible for providing management and oversight of the Workforce Investment Area's employment and training programs and services. The Board's staff provides direct support to the Workforce Investment Area by carrying out the Board's operations plans. Staff responsibilities include implementing Board policies and establishing techniques and methods to achieve the Board's mission. Staff administers and oversees all internal administrative service provisions, including program administration, management analysis and administration support for the Workforce Investment Board.

Revenues:

Workforce Investment Act (WIA) Program Year PY 2012 allotted funds are in the amount of \$19,502,540 which is allocated among the three funding streams: Adult - \$6,316,715, Dislocated Worker - \$6,847,926, and Youth - \$6,337,899.

Overall funding for PY 2012 was increased by \$1,301,929 (7.15%), compared to the Program Year 2011 WIA allocation which was \$18,200,611.

Other anticipated funding includes operating carry forward funds from Program Year 2011 WIA allocation estimated at \$5,000,000 and interest at \$25.

Total budgeted revenues for PY 2012 are \$24,502,565.

Expenditures – Community Resource Allocation:

On May 22, 2012, the Board approved extension of the Adult and Dislocated Worker PY2011 contracts in the amount of \$9,100,000 and a new PY2012 contract for adult re-entry services in the amount of \$700,000. In May and June 2012, the Board approved Youth PY2012 contracts in the amount of \$1,750,000 for out-of-school, \$1,944,000 for in-school youth programs, and \$300,000 for the youth re-entry program. The Board also approved an extension for Lincoln County's youth program in the amount of \$100,000 and an extension for Nye Community Coalition youth program in the amount of \$150,000.

Administrative and Program Operating Expenditures – Board Staff:

The Department of Labor allows local workforce investment boards to expend up to 10% of their total formula funding allocation for administrative services. For programmatic operations and oversight, over the last four years, the board of directors had allocated 16% of the total budget allocation. Effective July 1, 2012, the Board of Directors elected to reduce the programmatic amount to 10%. Such operational and management oversight includes but is not limited to:

- Providing technical assistance to contracted service providers
- Tracking and monitoring of participating clients and performance outcome
- Program oversight and monitoring of service provider contracts

- 6500 - Salaries: \$2,413,763** – Allocated costs for administrative and program staff salaries.
- 7000 - Accounting and Auditing: \$350,000** – Allocated costs for the A-133 audit as well as extended accounting, financial consulting, and technical support.
- | | |
|---------------------|-----------|
| A-133 Audit | \$175,000 |
| Accounting Services | \$175,000 |
- 7005 Legal Fees: \$50,000** – Allocated costs for legal services in areas such as board and official open meetings preparation including review of agendas, contract agreements, RFPs, and policies.
- 7010 Legal Publication Advertising: \$18,000** – Allocated costs for legal publications including job postings, Request for Proposals notices, and controlled advertisements.
- 7020 Licenses and Permits: \$3,000** – Allocated costs for software licenses and permits associated with new computers or purchased upgrades for current software.
- 7025 Dues and Subscriptions: \$12,000** – Allocated costs for memberships in trade and technical associations that benefit Workforce Connections’ outreach and oversight initiatives. They offer valuable key contacts for workforce/economic development and technical information support.
- 7030 Postage and Delivery: \$3,000** – Allocated costs for postage and mail delivery including such activities as routine postage, courier delivery service, and Federal Express delivery.
- 7035 Printing and Reproduction: \$12,000** – Allocated costs for monthly copier per copy charges and other ancillary copying and printing costs associated with Board administration and daily operations.
- 7040 Office Supplies: \$15,000** – Allocated costs for various office supplies needed for every day operations.
- 7045 Systems Communications: \$50,000** – Allocated costs for support systems such as data backup, T-1 lines, and web hosting for internal e-mail support.
- 7050 Tuition, Training, and Seminars (Staff): \$40,000** – Allocated costs for staff training and seminars for both local and out-of-town locations for fiscal, program, and systems management.
- 7055 Travel and Mileage (Staff): \$30,000** – Allocated costs for local mileage and out-of-town staff travel for grant related matters such as State and USDOL sponsored training and conferences. This account line also covers travel for staff training on an array of programmatic and fiscal activities, as well as local and rural areas site reviews and monitoring visits to ensure compliance with WIA initiatives and work plans.
- 7060 Utilities: \$0** – Allocated costs for utilities which are currently included in the monthly lease agreement.

- 7065 Telephone: \$30,000** – Allocated costs for all activities related to telephone services including local and long distance phone charges and wireless communication.
- 7070 Rent (Offices): \$365,348** – Allocated costs for Workforce Connections’ office space for staff in support of the Board’s administrative and programmatic functions.
- 7075 Equipment Repairs: \$0 – a decrease of \$1,500** – Allocated costs for equipment repair or breakdowns. This account line also provides funds for repairs to our green training vehicle. This decrease combines the Equipment Repairs line item with the Facilities Maintenance line item of the same account code.
- 7075 Facilities Maintenance: \$6,500 – an increase of \$1,500** – Allocated costs for facility repairs or maintenance not included in the monthly rent payments for Workforce Connections’ administration offices. This increase combines the Equipment Repairs line item with the Facilities Maintenance line item of the same account code.
- 7080 Admin Support Contracts: \$120,000 – a decrease of \$25,000**– Allocated costs for administrative support agreements and temporary staffing with focus on administrative, fiscal, and personnel management. A decrease in the amount of \$25,000 for an Executive Director search that was not necessary.
- 7085 Program Support Contracts: \$100,000 – an increase of \$70,000** – Allocated costs for program support agreements and temporary staffing to support program and data support activities. This increase will fund one-stop strategic planning training and web development for the one-stop and Workforce Connections website.
- 7090 Non-Board Meetings and Outreach: \$30,000** – Allocated costs for business and employer outreach initiatives to attract businesses and establish partnerships for workforce development and employer services.
- 7095 Board Meetings and Travel: \$8,000** – Allocated costs for facility and event related charges tied to board and committee meetings and Board travel to grant activities.
- 7100 Insurance: \$40,000** – Allocated costs for Board anticipated liability insurance costs for workers’ compensation, general business liability, and Board of Directors’ and officers’ omission and errors liability. This line also provides auto insurance for our green training vehicle.
- 7100-7120 Employee Fringe Benefits: \$809,818** – Allocated costs for employee benefits including medical, dental, life insurance, and Public Employees Retirement System (PERS) contributions. A rate of 35% of the total salaries is used to calculate the fringe benefits.
- 7125 - Employer Payroll Taxes: \$71,804** – Allocated costs for employer payroll taxes which are calculated at 3% of total salaries.

7130-7135 Bank/Payroll Services: \$16,000 – an increase of \$10,000 – Allocated costs for various banking services which include wire transfers, ACH payments, and payroll services. This increase is based on additional funds allocated to Bank Services for semi-annual bank fees and to Payroll Services to fund Paylocity payroll check and tax payment services.

Bank Fees	\$9,000
Payroll Services	\$7,000

7200 Equipment – Operating Leases: \$15,000 – Allocated costs for existing leases on copiers and postage meter equipment as well as any rental equipment needed in daily operations.

7600 Youth Program Activities: \$15,000 – Allocated costs for youth program activities outside of daily operations such as service provider trainings and various youth conferences and summits.

7605 Adult/DW Program Activities: \$15,000 – Allocated costs for adult and dislocated worker program activities outside of daily operations such as service provider trainings and various employability conferences.

8500 Capital – Equipment and Furniture: \$75,000 – Allocated costs for equipment and furniture including computers, servers, and furniture for administrative and programmatic support staff.

8510 Capital – Software NVTrac Data System: \$100,000 – Allocated costs for contractual expenditures related to the completion and maintenance of the NVTrac data tracking system.

8900 Strategic Initiatives: \$86,302 – a decrease of \$55,000 – This account line was created to utilize and track strategic projects in support of workforce initiatives with detailed tactics and strategies in response to unanticipated high demand workforce needs. These funds are available to be allocated for future workforce initiatives approved by the Board. A decrease in the amount of \$80,000 will fund Program Support Contracts for one-stop strategic planning training and web development for the one-stop and Workforce Connections website as well as additional Payroll Services and Bank Fees for semi-annual bank fees and Paylocity payroll check and tax payment services. An increase in the amount of \$25,000 for an Executive Director search that was not necessary.

7. REVIEW, DISCUSSION, AND ACCEPT:

- a. Budget vs. Actual Finance Report (Workforce Connections' Operations) for the Period July 1, 2012 through June 30, 2013 (Formula WIA)**
- b. PY2011/2012 Awards & Expenditures Report – Monthly Update**
- c. Audit Findings for Program Year 2010 (Year Ended June 30, 2011)**
- d. Workforce Connections' Standing Professional Services Contracts**

JULY 2012 REPORT

workforce CONNECTIONS

PY2012 WIA Formula Expenses

Administrative and Program Operating Budget

For the Period : July 1, 2012 through June 30, 2013

% of Program Year Concluded 8.33%

Line Item Number	Budget				ACTUAL EXPENSES			Budget Authority Remaining			% Expended from Budget		
	Operating Expenses	Admin	Program	Total	Admin	Program	Total	Admin	Program	Total	Admin	Program	Total
6500	Salaries	796,542	1,617,221	2,413,763	23,179	91,568	114,747	773,363	1,525,653	2,299,016	2.91%	5.66%	4.75%
7000	Accounting and Auditing	350,000	0	350,000	15,511	0	15,511	334,489	0	334,489	4.43%	0.00%	4.43%
7005	Legal Fees	50,000	0	50,000	230	514	743	49,770	-514	49,257	0.46%	0.00%	1.49%
7010	Legal Publication Advertising	5,040	12,960	18,000	0	0	0	5,040	12,960	18,000	0.00%	0.00%	0.00%
7020	Licenses and Permits	840	2,160	3,000	60	135	195	780	2,025	2,805	7.16%	6.23%	6.49%
7025	Dues and Subscriptions	3,360	8,640	12,000	190	425	615	3,170	8,215	11,385	5.66%	4.92%	5.13%
7030	Postage & Delivery	840	2,160	3,000	27	61	88	813	2,099	2,912	3.21%	2.82%	2.93%
7035	Printing and Reproduction	3,360	8,640	12,000	0	0	0	3,360	8,640	12,000	0.00%	0.00%	0.00%
7040	Office Supplies	4,200	10,800	15,000	133	298	431	4,067	10,502	14,569	3.17%	2.76%	2.87%
7045	System Communications	14,000	36,000	50,000	1,058	2,368	3,426	12,942	33,632	46,574	7.56%	6.58%	6.85%
7050	Tuition, Training and Seminars	11,200	28,800	40,000	101	225	325	11,099	28,575	39,675	0.90%	0.78%	0.81%
7055	Travel and Mileage (Staff)	8,400	21,600	30,000	220	489	709	8,180	21,111	29,291	2.62%	2.26%	2.36%
7060	Utilities (Included in Rent)	0	0	0	0	0	0	0	0	0	0.00%	0.00%	0.00%
7065	Telephone	8,400	21,600	30,000	312	697	1,009	8,088	20,903	28,991	3.71%	3.23%	3.36%
7070	Rent	102,297	263,051	365,348	6,572	14,704	21,276	95,725	248,347	344,072	6.42%	5.59%	5.82%
7075	Facilities Maintenance	1,820	4,680	6,500	0	60	60	1,820	4,620	6,440	0.00%	1.27%	0.92%
7080/7085	Support Contracts	145,000	30,000	175,000	20,693	6,419	27,112	124,307	23,581	147,888	14.27%	21.40%	15.49%
7090	Non-Board Meetings & Outreach	8,400	21,600	30,000	63	140	203	8,337	21,460	29,797	0.74%	0.65%	0.68%
7095	Board Meetings and Travel	0	8,000	8,000	0	98	98	0	7,902	7,902	0.00%	1.22%	1.22%
7100	Insurance	11,200	28,800	40,000	0	0	0	11,200	28,800	40,000	0.00%	0.00%	0.00%
7120	Employee Fringe Benefits	267,240	542,578	809,818	10,924	24,440	35,364	256,316	518,138	774,454	4.09%	4.50%	4.37%
7125	Employer Payroll Taxes	23,695	48,109	71,804	592	1,326	1,918	23,103	46,783	69,886	2.50%	2.76%	2.67%
7130/7135	Payroll Services and Bank Fees	6,000	0	6,000	275	0	275	5,725	0	5,725	4.59%	0.00%	4.59%
7200	Equipment - Operating Leases	4,200	10,800	15,000	246	550	796	3,954	10,250	14,204	5.86%	5.09%	5.31%
7600	Youth Program Activities	0	15,000	15,000	0	0	0	0	15,000	15,000	0.00%	0.00%	0.00%
7605	Adult/DW Program Activities	0	15,000	15,000	0	0	0	0	15,000	15,000	0.00%	0.00%	0.00%
8500	Equipment and Furniture	21,000	54,000	75,000	114	257	371	20,886	53,743	74,629	0.54%	0.48%	0.49%
8510	Software - NV Trac Data System	0	100,000	100,000	0	0	0	0	100,000	100,000	0.00%	0.00%	0.00%
8900	Strategic Initiative (Operations)	0	141,302	141,302	0	0	0	0	141,302	141,302	0.00%	0.00%	0.00%
	Total	1,847,034	3,053,501	4,900,535	80,499	144,772	225,271	1,766,535	2,908,729	4,675,264	4.36%	4.74%	4.60%

7080 / 7085 Support Contracts -- Program support contracts for the one-stop system as well as NVTrac system maintenance are higher than projected, the budget will be modified in October.

Legend	
	Correct Now
	Watch
	OK

workforce CONNECTIONS
Awards and Expenditures
Program Year 2011/2012 Adult/Dislocated Worker Programs
September 30, 2012

Amounts for Providers reflect invoiced allowable expenditures through August 2012. Starred lines only reflect expenditures through July 2012.
 Amounts for Internal Programs reflect expenditures as of September 25, 2012.
 All Contracts have an ending date of June 30, 2013 unless noted.

WIA PY11-PY12 Adult and Dislocated Worker Green Sector

Provider	Contract Award	Adult Expenditures	DW Expenditures	Total Invoiced	% Spent	Remaining Balance	PY11-12 SESP Expenses
Bridge Counseling Associates	\$ 500,000	\$ 281,836	\$ 218,164	\$ 500,000	100.00%	\$ -	\$ 54,500
Bridge Counseling Associates-PY12 extension	\$ 700,000	\$ 38,311	\$ 18,819	\$ 57,130	8.16%	\$ 642,870	See above line
GNJ Family Life Center	\$ 600,000	\$ 300,000	\$ 300,000	\$ 600,000	100.00%	\$ -	\$ 33,000
GNJ Family Life Center-PY12 extension	\$ 1,200,000	\$ 74,601	\$ 28,091	\$ 102,692	8.56%	\$ 1,097,308	See above line
Goodwill of Southern Nevada	\$ 600,000	\$ 300,000	\$ 183,626	\$ 483,626	80.60%	\$ 116,374	\$ 31,851
Goodwill of Southern Nevada-PY12 extension	\$ 1,200,000	\$ 202,035	\$ -	\$ 202,035	16.84%	\$ 997,965	See above line
Latin Chamber Foundation	\$ 600,000	\$ 299,131	\$ 205,591	\$ 504,722	84.12%	\$ 95,278	\$ 67,138
Nevada Partners, Inc	\$ 600,000	\$ 300,000	\$ 300,000	\$ 600,000	100.00%	\$ -	\$ 37,832
So. NV Regional Housing Authority	\$ 175,000	\$ 65,834	\$ 59,061	\$ 124,895	71.37%	\$ 50,105	\$ 7,008
Total	\$ 6,175,000	\$ 1,861,748	\$ 1,313,352	\$ 3,175,100	51.42%	\$ 2,999,900	\$ 231,328
		59%	41%				

WIA PY11-PY12 Adult and Dislocated Worker Health Sector

Provider	Contract Award	Adult Expenditures	DW Expenditures	Total Invoiced	% Spent	Remaining Balance	PY11-12 SESP Expenses
CCSD - Desert Rose (contract ends 12/31/2012)	\$ 500,000	\$ 209,907	\$ 95,808	\$ 305,715	61.14%	\$ 194,285	\$ -
Foundation for an Independent Tomorrow	\$ 600,000	\$ 300,000	\$ 300,000	\$ 600,000	100.00%	\$ -	\$ 1,000
Foundation for an Independent Tomorrow-PY12 extension	\$ 1,200,000	\$ 116,526	\$ 53,861	\$ 170,387	14.20%	\$ 1,029,613	See above line
Latin Chamber Foundation	\$ 600,000	\$ 332,796	\$ 225,843	\$ 558,639	93.11%	\$ 41,361	See Green Above
Latin Chamber Foundation-PY12 extension	\$ 1,200,000	\$ -	\$ -	\$ -	0.00%	\$ 1,200,000	See Green Above
Nevada Hospital Association	\$ 600,000	\$ 550,291	\$ 23,666	\$ 573,957	95.66%	\$ 26,043	\$ -
Nevada Hospital Association-PY12 extension	\$ 900,000	\$ -	\$ -	\$ -	0.00%	\$ 900,000	See above line
Nevada Partners, Inc	\$ 600,000	\$ 300,000	\$ 224,737	\$ 524,737	87.46%	\$ 75,263	See Green Above
Nevada Partners, Inc-PY12 extension	\$ 1,200,000	\$ 178,933	\$ -	\$ 178,933	14.91%	\$ 1,021,067	See Green Above
So. NV Regional Housing Authority	\$ 175,000	\$ 87,500	\$ 83,744	\$ 171,244	97.85%	\$ 3,756	See Green Above
So. NV Regional Housing Authority-PY12 extension	\$ 500,000	\$ 27,324	\$ -	\$ 27,324	5.46%	\$ 472,676	See Green Above
Total	\$ 8,075,000	\$ 2,103,277	\$ 1,007,659	\$ 3,110,936	38.53%	\$ 4,964,064	\$ 1,000
		68%	32%				

WIA PY11-PY12 Adult and Dislocated Worker Rural Services

Provider	Contract Award	Adult Expenditures	DW Expenditures	Total Invoiced	% Spent	Remaining Balance	PY11-12 SESP Expenses
Nye Communities Coalition	\$ 750,000	\$ 392,268	\$ 312,010	\$ 704,277	93.90%	\$ 45,723	\$ 13,306
Nye Communities Coalition-PY12 extension	\$ 1,000,000	\$ -	\$ -	\$ -	0.00%	\$ 1,000,000	See above line
Total	\$ 1,750,000	\$ 392,268	\$ 312,010	\$ 704,277	40.24%	\$ 1,045,723	\$ 13,306
		56%	44%				

WIA PY12 Adult and Dislocated Worker Re-Entry Services

Provider	Contract Award	Adult Expenditures	DW Expenditures	Total Invoiced	% Spent	Remaining Balance
Foundation for an Independent Tomorrow	\$ 700,000	\$ 36,182	\$ -	\$ 36,182	5.17%	\$ 663,818
Total	\$ 700,000	\$ 36,182	\$ -	\$ 36,182	5.17%	\$ 663,818
		100%	0%			

Total PY11-PY12 Adult/DW	\$ 16,700,000	\$ 4,393,474	\$ 2,633,020	\$ 7,026,495	42.07%	\$ 9,673,505
		63%	37%			

workforce CONNECTIONS
Awards and Expenditures
Program Year 2011/2012 Youth Programs
September 30, 2012

Amounts for Providers reflect invoiced allowable expenditures through August 2012. Starred lines only reflect expenditures through July 2012.
 Amounts for Internal Programs reflect expenditures as of September 25, 2012.

WIA PY11-12 Youth General							
Provider	Contract Dates	Contract Award	Youth In-School Expenditures	Youth Out-Of-School Expenditures	Total Invoiced	% Spent	Remaining Balance
CCSD Desert Rose-PY11 Year Round	7/1/11-9/30/12	\$ 362,000.00	\$ 187,660	\$ 80,831	\$ 268,490	74.17%	\$ 93,510
GNJ Family Life Center-PY12 Youth Out of School	7/1/12-6/30/13	\$ 600,000.00	\$ -	\$ 44,913	\$ 44,913	7.49%	\$ 555,087
HELP of So. Nevada-PY11 Year Round	7/1/11-9/30/12	\$ 713,000.00	\$ 120,253	\$ 221,313	\$ 341,565	47.91%	\$ 371,435
HELP of So. Nevada-PY11 Year Round (addl summer \$)	4/1/12-9/30/12	\$ 1,200,000.00	\$ 289,294	\$ 340,836	\$ 630,129	52.51%	\$ 569,871
HELP of So. Nevada-PY12 Youth In School	7/1/12-6/30/13	\$ 922,000.00	\$ -	\$ -	\$ -	0.00%	\$ 922,000
HELP of So. Nevada-PY12 Youth Out of School	7/1/12-6/30/13	\$ 375,000.00	\$ -	\$ -	\$ -	0.00%	\$ 375,000
Latin Chamber Foundation-PY11 Summer Component	6/1/12-6/30/13	\$ 250,000.00	\$ 97,250	\$ 40,280	\$ 137,530	55.01%	\$ 112,470
Latin Chamber Foundation-PY11 Green Consortium	5/1/12-9/30/13	\$ 500,000.00	\$ 13,573	\$ 12,888	\$ 26,461	5.29%	\$ 473,539
Latin Chamber Foundation-PY12 Youth Out of School	7/1/12-6/30/13	\$ 400,000.00	\$ -	\$ 2,349	\$ 2,349	0.59%	\$ 397,651
Nevada Partners, Inc-PY11 Year Round	7/1/11-9/30/12	\$ 500,000.00	\$ 167,818	\$ 171,074	\$ 338,892	67.78%	\$ 161,108
Nevada Partners, Inc-PY11 Year Round (addl summer \$)	4/1/12-6/30/12	\$ 677,909.00	\$ 197,869	\$ 480,040	\$ 677,909	100.00%	\$ -
Nevada Partners, Inc-PY11 Summer Component	6/1/12-6/30/13	\$ 500,000.00	\$ 109,403	\$ 10,436	\$ 119,839	23.97%	\$ 380,161
Nevada Partners, Inc-PY12 Youth In School	7/1/12-6/30/13	\$ 922,000.00	\$ 17,918	\$ -	\$ 17,918	1.94%	\$ 904,082
So. NV Children First-PY11 Year Round	7/1/11-9/30/12	\$ 125,000.00	\$ 48,926	\$ 70,595	\$ 119,520	95.62%	\$ 5,480
So. NV Children First-PY11 Summer Component	6/1/12-6/30/13	\$ 250,000.00	\$ 119,368	\$ 6,168	\$ 125,536	50.21%	\$ 124,464
So. NV Children First-PY12 Out of School	7/1/12-6/30/13	\$ 375,000.00	\$ -	\$ 16,234	\$ 16,234	4.33%	\$ 358,766
Total		\$ 8,671,909.00	\$ 1,369,331	\$ 1,497,955	\$ 2,867,286	33.06%	\$ 5,804,623
			48%	52%			

WIA PY11-12 Youth Rural and Tri-County							
Provider	Contract Dates	Contract Award	Youth In-School Expenditures	Youth Out-Of-School Expenditures	Total Invoiced	% Spent	Remaining Balance
Lincoln County School District-Tri-County-PY11 Year Round	7/1/11-6/30/13	\$ 100,000.00	\$ 32,576	\$ 50,434	\$ 83,010	83.01%	\$ 16,990
Lincoln County School District-Tri-County-PY11 Extension	7/1/11-6/30/13	\$ 100,000.00	\$ -	\$ -	\$ -	0.00%	\$ 100,000
Nye Communities Coalition-PY11 Year Round	7/1/11-6/30/13	\$ 300,000.00	\$ 91,836	\$ 49,947	\$ 141,784	47.26%	\$ 158,216
Nye Communities Coalition-PY11 Year Round (addl summer \$)	4/1/12-6/30/12	\$ 88,753.00	\$ 53,393	\$ 35,360	\$ 88,753	100.00%	\$ -
Nye Communities Coalition-PY11 Extension	7/1/11-6/30/13	\$ 150,000.00	\$ -	\$ -	\$ -	0.00%	\$ 150,000
Nye Communities Coalition-Tri-County	7/1/11-9/30/12	\$ 150,000.00	\$ 67,908	\$ 62,024	\$ 129,931	86.62%	\$ 20,069
Total		\$ 888,753.00	\$ 245,712	\$ 197,765	\$ 443,478	49.90%	\$ 445,275
			55%	45%			

WIA PY12 Youth Re-Entry							
Provider	Contract Dates	Contract Award	Youth In-School Expenditures	Youth Out-Of-School Expenditures	Total Invoiced	% Spent	Remaining Balance
Youth Advocate Programs	7/1/12-6/30/13	\$ 300,000.00	\$ -	\$ 11,804	\$ 11,804	3.93%	\$ 288,196
Total		\$ 300,000.00	\$ -	\$ 11,804	\$ 11,804	3.93%	\$ 288,196
			0%	100%			
Total Youth		\$ 9,860,662.00	1,615,043	1,707,524	3,322,568	33.70%	\$ 6,538,094
			49%	51%			

workforce CONNECTIONS
Awards and Expenditures
Program Year 2011/2012 Direct Programs
September 30, 2012

Amounts for Providers reflect invoiced allowable expenditures through August 2012. Starred lines only reflect expenditures through July 2012.

Amounts for Internal Programs reflect expenditures as of September 25, 2012.

WIA PY10/PY11 Governor's Reserve Youth

Provider	Contract Dates	Contract Award	Total Invoiced	% Spent	Remaining Balance
Clark County - Summer Business Institute	5/1/12-9/30/12	75,000	\$ 73,095	97.46%	1,905.01
Total		75,000	\$ 73,095	97.46%	\$ 1,905.01

Direct Grants

Program	WC FTE	Contract Dates	Contract Award	Total Expended	% Spent	Remaining Balance
Department of Justice - Get Out	0.40	10/1/12-12/31/2012	692,096	\$ 639,659	92.42%	52,437.28
Health Resources and Services Admin. (HRSA)	0	2/8/11-9/30/12	140,509	\$ 135,404	96.37%	5,105.11
Layoff Aversion PY12 - Rapid Response	2.00	7/1/12-6/30/13	250,000	\$ 34,142	13.66%	215,858.21
State Energy Sector Partnership (SESP)	3.60	8/10/10-1/29/13	3,503,000	\$ 2,687,831	76.73%	815,169.12
US Fish & Wildlife - WC	0	6/28/11-12/31/16	11,029	\$ 11,029	100.00%	-
US Fish & Wildlife - So. NV Children First	0	6/1/12-9/30/12	16,471	\$ 6,015	36.52%	10,456.25
Youth Build PY11 - CCSD Desert Rose	0	7/1/11-6/30/13	158,584	\$ 84,701	53.41%	73,882.66
Youth Build PY11 - WC	3.50	6/1/11-5/31/14	941,416	\$ 410,098	43.56%	531,318.22
Total	9.50		5,713,105	\$ 4,008,878	70.17%	\$ 1,704,226.85

workforce CONNECTIONS

Audit Findings for PY2010
(Year Ended June 30, 2011)

Monthly Status Report
October 2012

Finding	Type	Description	Target Date	Audit					
				PY2010	PY2009	PY2008	PY2007	PY2006	
				ended	ended	ended	ended	ended	
				6/30/2011	6/30/2010	6/30/2009	6/30/2008	6/30/2007	
				(2/24/2012)	(4/29/2011)	(06/08/2010)	(09/22/2009)	(07/22/2008)	
11-1	Financial Reporting	Lack of Policies and Procedures and GAAP adherence - improved from last year but still lacks effective policy and procedures	August 2012	X	X	X	X	X	
		Status: A new financial system was implemented in January 2012. The system will improve the entry and reporting of financial data as well as assist in the implementation of more control and accountability.							
		Action: Sep 2011 - Completed configuration of the new financial system, began staff training, and determined original staff assignments.							
		Action: May 2012 - Document the final reconciliation of Financial Edge to QuickBooks for July through December.							
		Finding Status: Jun 2012 - QuickBooks policies were in place July 2011 and new policies for Financial Edge are in place July 2012. This portion of the finding should reflect substantial progress for the June 30, 2012 audit.							
		Action: Aug 2012 - Written policies and procedures were updated for Financial Edge.							
		Lack of closing processes assigned to specific staff	August 2012						
		Status: The monthly closing processes will be assigned to specific fiscal staff wherein each staff has an assigned responsibility with a due date. Completion of the closing processes and the review/approval will be documented and retained.							
Action: Aug 2012 - Review program closeout procedure that ensures final draws, reports, and closing documents are submitted timely.									
Finding Status: Jun 2012 - We received this audit finding on Feb 24, 2012. Reconciliation and close processes will be implemented and documented for the months Jul 2011 through Jun 2012 in Financial Edge by Jul 2012. This portion of the finding should reflect substantial progress for the June 30, 2012 audit.									
Action: Oct 2012/Jan 2013 - Develop new monthly/quarterly financial status reports.									
11-2	Financial Reporting	Lack or insufficient skills and knowledge to perform governmental accounting utilizing GAAP - improved from last year but still needs improvement	May 2012	X	X	X	X		
		Status: The new Finance Manager will provide the expertise necessary to provide the skills and knowledge that have been needed.							
		Action: Mar 2012 - New Finance Manager hired February 27, 2012.							
		Action: May 2012 - Extensive training on DOL fiscal regulations was provided to all administrative and program staff including Finance.							
		Finding Status: Jun 2012 - In addition to interim audit services from Jul through Sep 2011, a new Finance Manager (Feb 2012), Financial Analyst (Jul 2011), and Financial Consultant (Aug 2011) were hired to expand the expertise of the finance staff. This finding should reflect substantial progress for the June 30, 2012 audit.							

workforce CONNECTIONS

Audit Findings for PY2010
(Year Ended June 30, 2011)

Monthly Status Report
October 2012

Finding	Type	Description	Target Date	Audit					
				PY2010	PY2009	PY2008	PY2007	PY2006	
				ended	ended	ended	ended	ended	
				6/30/2011	6/30/2010	6/30/2009	6/30/2008	6/30/2007	
				(2/24/2012)	(4/29/2011)	(06/08/2010)	(09/22/2009)	(07/22/2008)	
11-3	Federal Grants	SEFA schedules did not agree with supporting records or documentation	October 2012	X	X	X	X	X	
		Status: The FE system continues to be reconciled to the supporting draw and invoice records.							
		Finding Status: Jun 2012 - Monthly reconciliation and close processes will be implemented and documented for Jul 2011 through Jun 2012 in Financial Edge by Jul 2012. This finding should reflect substantial progress for the June 30, 2012 audit.							
		Action: Sep/Oct 2012 - Continue to reconcile PY11 invoice and drawdown transactions in FE. Document monthly procedure, review and approval.							
		Action: Ongoing - Update and reconcile FE each month through year end.							
11-4	Federal Grants	Grant funds expended for purposes other than the purpose specified in drawdown.	May 2012	X	X	X			
		Status: The SEFA has been kept up-to-date since April 2011. This resulted in improved drawdown calculations and reduces discrepancies.							
		Action: May 2012 - Continue to update the SEFA worksheet ensuring that discrepancies between the draw requests and the actual expenditures are identified.							
		Finding Status: Jun 2012 - Progress was made including Implementation of a working capital balance and weekly reimbursement draw process in Jan 2012. This finding should reflect substantial progress for the June 30, 2012 audit.							
		Action: Sep/Oct 2012 - Continue to transition from the SEFA to FE reporting to ensure that discrepancies between the drawdown requests and the actual expenditures are identified in a timely manner.							
		Action: Ongoing - FE must be kept up-to-date monthly to ensure accuracy.							
11-5	Federal	Requests for funds need to be complete, accurate, and agree to supporting documentation.	March 2012	X	X				
		Status: It currently takes DETR one to three weeks to process a drawdown request. Because Workforce Connections does not have cash available to pay expenditures and then request reimbursements, cash management can be very difficult.							
		Action: Dec 2011 - Review the split between programs for the operations drawdowns.							
		Action: Jan 2012 - Implemented a new working capital balance draw process that allows weekly reimbursement of expenses. Implement program draw percentages based on prior month's cost allocation.							
		Action: Mar 2012 - Review revenue postings and service provider payments to ensure timely and accurate funding draws with prompt disbursement of funds.							
		Action: May 2012 - DETR continues to decrease (improve) the amount of time between draw requests and receipt of revenues.							
		Finding Status: Jun 2012 - Request for funds are reconciled to FE in the new monthly reconciliation process to be completed in Jul 2012. This finding should reflect substantial progress for the June 30, 2012 audit.							
Action: Ongoing - The Finance Manager and Interim Executive Director will continue to work with DETR to review and improve the drawdown payment process.									

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Audit Findings for PY2010
(Year Ended June 30, 2011)

Monthly Status Report
October 2012

Finding	Type	Description	Target Date	Audit					
				PY2010	PY2009	PY2008	PY2007	PY2006	
				ended	ended	ended	ended	ended	
				6/30/2011	6/30/2010	6/30/2009	6/30/2008	6/30/2007	
				(2/24/2012)	(4/29/2011)	(06/08/2010)	(09/22/2009)	(07/22/2008)	
11-5 cont.		Funding federal grants in advance - excessive time elapsed between receipt of funds and disbursement of funds	August 2011						
		Status: The updated monthly SEFA process has corrected the delayed payment processing for subrecipients. After a preliminary review, the drawdowns are requested from DETR. While waiting for payment, the documents are reviewed by program staff for allowable costs and then by finance staff for accuracy of the calculations and account coding.							
		Action: Apr 2012 - Continue to update the PY11 SEFA worksheet as drawdowns occur.							
		Finding Status: Jun 2012 - Disbursements continue to be made in a timely manner. This finding should not repeat for the June 30, 2012 audit.							
		Action: Ongoing - continue to review the process to ensure that documents are processed and paid in a timely manner.							
11-6	Federal Grants	ARRA - timely reporting of quarterly reports	July 2011	X	X				
		Status: All of the ARRA funds have been expended and there are no more reports due. The June 30, 2011 report was submitted within the 10 day deadline.							
		Action: Aug 2011 - Two ARRA reports were due for June 30, 2011. Both were submitted on time.							
		Action: Oct 2011 - One final ARRA report was submitted on time for Youthbuild.							
		Finding Status: Jun 2012 - All ARRA quarterly reports were filed timely. This finding should not repeat for the June 30, 2012 audit.							
11-7	Federal Grants	Documentation supporting program participant eligibility shall be complete, accurate, and retained	May/June 2012	X					
		Status: Policies and procedures have been developed and annual monitoring by program staff will ensure complete and accurate records.							
		Action: Apr/May 2012 - Program staff continue to provide technical assistance, oversight, and review of files for completion and accuracy.							
		Action: May 2012 - Fiscal and program staff will review to ensure specific issues have been resolved.							
		Action: May/Jun 2012 - Review and test eligibility for new participants.							
		Finding Status: Jun 2012 - We received this new audit finding on Feb 24, 2012. Technical assistance and monitoring has taken place with WC program staff. Many of the client files for the internal WIA programs will be transitioned to new service providers in Jul 2012. This finding should not repeat for the June 30, 2012 audit.							
Action: Ongoing - Program staff will continue to monitor records for the internal and direct programs that have participant files.									

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**Audit Findings for PY2010
(Year Ended June 30, 2011)**

**Monthly Status Report
October 2012**

Finding	Type	Description	Target Date	Audit					
				PY2010	PY2009	PY2008	PY2007	PY2006	
				ended	ended	ended	ended	ended	
				6/30/2011	6/30/2010	6/30/2009	6/30/2008	6/30/2007	
				(2/24/2012)	(4/29/2011)	(06/08/2010)	(09/22/2009)	(07/22/2008)	
11-8	Federal Grants	Sub-recipients awards did not contain the required information	July 2011	X	X	X			X
		Status: A contract template was developed for July 2011 contracts that ensures all data elements will be collected from each service provider. Regarding the failure to identify ARRA funding, there will be no more ARRA contracts issued since all funds have been expended.							
		Action: Sept 2011 - A contract checklist was developed for PY11 contracts to ensure all data elements are collected.							
		Action: May 2012 - Training was provided on contracts and procurement to WC staff and service providers.							
		Finding Status: Jun 2012 - All contracts for program year 2011 included the new template with the required information. This finding should not repeat for the June 30, 2012 audit.							
	Action: Ongoing - Ensure all future contracts contain data.								
11-9	Federal Grants	Financial reporting of Form ETA 9130 - timely submissions	July 2011	X	X				
		Status: A spreadsheet was developed for monitoring all report due dates and two fiscal staff are required to monitor the spreadsheet to ensure every report is submitted in advance of its deadline.							
		Action: Nov 2011 - Quarterly direct grant reports are submitted in a timely manner.							
		Action: Jan/Feb 2012 - Quarterly direct grant reports were completed within deadlines.							
		Finding Status: Jun 2012 - All WIA quarterly reports were filed timely. This finding should not repeat for the June 30, 2012 audit.							
	Action: Ongoing - monthly monitoring must continue to take place to ensure reports meet all deadlines.								
11-10	Federal Grants	Monitoring of sub-recipients - Annual Monitoring and Tracking of Findings	August 2011	X	X	X			
		Status: Dept of Labor requires annual financial reviews of subrecipients. Our policy was updated. A monitoring spreadsheet has been developed to track all findings.							
		Action: Aug 2011 - the Board approved the policy change from semi-annual reviews to annual reviews effective June 2011.							
		Action: May 2012 - Continue the annual fiscal monitoring of all service provider contracts. Reports must be issued within 30 days.							
		Finding Status: Jun 2012 - Annual monitoring will be completed by May 2012 and findings follow up will continue. This finding should not repeat for the June 30, 2012 audit.							
		Action: Jul 2012 - Review final completion of fiscal monitoring finding responses.							
	Action: Ongoing - Pink Paper monthly review of fiscal and program status.								

*workforce*CONNECTIONS
PROFESSIONAL SERVICES CONTRACTS
As of 10/10/2012

Contractor/Consultant Scope of Work Summary	Amount of Contract	Procurement Method & WISS/State Approval**	Funding Sources	Term of Contract
<p style="text-align: center;">BLACKBAUD</p> <p style="text-align: center;">Procurement of Fiscal Software and Fiscal Staff Training Amendment #1</p> <p style="text-align: center;">Fiscal Software Technical Assistance Amendment #2</p> <p style="text-align: center;">Fiscal Software Technical Assistance</p> <p style="text-align: center;">ANNUAL MAINTENANCE AGREEMENT</p> <p style="text-align: center;">Maintain existing Software</p>	<p>\$65,041.00</p> <p>\$8,413.90</p> <p>\$3,758.78</p> <p>\$14, 343.21</p>	Competitive	A/DW/Y Formula	<p>6/15/2011 to 9/30//2012</p> <p>4-9-2012 to 4-9-2013</p>
<p style="text-align: center;">CST PROJECT CONSULTING</p> <p style="text-align: center;">Development of Responses to Clear PY'09-10 A-133 Audit findings;</p> <p style="text-align: center;">Amendment #1</p> <p style="text-align: center;">Development and Establishment of an Effective Cash Management System</p>	<p>\$74,990.00</p> <p>\$163,184.00</p>	Sole Source	Governor's Reserve & A/DW/Y Formula	<p>9-15-2011 to 4-22-2012</p> <p>1-23-2012 to 1-23-2013</p>
<p style="text-align: center;">JANTEC</p> <p style="text-align: center;">Temporary Employment Services for workforceCONNECTIONS Temporary Employees</p> <p style="text-align: center;">Amendment# 1</p> <p style="text-align: center;">Youth WEX Special discount</p> <p style="text-align: center;">Amendment# 2</p> <p style="text-align: center;">Contract Renewal</p>	11.38% over- head direct cost to vendor which is deducted from total amount	Competitive	A/DW/Y Formula	<p>2/12/2011 To 2/12/2013</p>
<p style="text-align: center;">MACEY PRINCE CONSULTANTS</p> <p style="text-align: center;">Fiscal & Procurement Technical Assistance</p> <p style="text-align: center;">Amendment #1</p> <p style="text-align: center;">Funded Partners & DETR Fiscal Training</p>	<p>\$5,000.00</p> <p>\$20,000.00</p>	Competitive	A/DW/Y	<p>9/23/2011 to 6/30/13</p>

<p>MARQUIS AURBACH COFFIN Board Legal Counsel</p> <p>Second Contract Board/Staff Legal Counsel</p>	<p>\$100 to \$425 per hour</p> <p>\$100 to \$250 per hour not to exceed \$100,000.00</p>	<p>Sole Source</p> <p>Competitive</p>	<p>A/DW/Y Formula</p>	<p>5-18-2009 to 2-24-2012</p> <p>2-25-2012 to 2-25-2013</p>
<p>GREG NEWTON ASSOCIATES One Stop System Planning Training</p> <p>Amendment # 1 One Stop System Training for mandated Partners</p>	<p>\$25,200.00</p> <p>\$8,400.00</p>	<p>Sole Source</p>	<p>A/DW/Y Formula</p>	<p>8-1-2012 to 6-30-2013</p>
<p>PRISM GLOBAL MANAGMENT HR Consultant Services Amendment #1 HR Consultant Services Amendment #2 Staff HR Training Amendment #3 Renewal of HR Consultant Services</p>	<p>\$40,000.00</p> <p>\$27,000.00</p> <p>8,000.00</p> <p>\$82,000.00 per year; not to exceed for two (2) years \$164,000.00</p>	<p>Competitive</p>	<p>A/DW/Y Formula</p>	<p>10-1-2011 to 6-30-2014</p>
<p>TAKA KAJIYAMA NV Trac Maintenance Consultant Amendment #1 NV Trac Maintenance Amendment #2 NV Trac Maintenance Amendment #3 NV Trac Maintenance Amendment #4 NV Trac IT Consultant & Staff IT Training of NV Tract Edits and Maintenance</p>	<p>\$40,000.00</p> <p>\$9,000.00</p> <p>\$15,000.00</p> <p>\$5,400.00</p> <p>\$78,000.00</p>	<p>Sole Source</p>	<p>A/DW/Y Formula</p>	<p>3/1/2012 to 6-30-2013</p>

<p>JOHN CHAMBERLIN ARRA/WIA Program/Fiscal Attorney Technical Assistance</p> <p>Amendment #1 Procurement Technical Assistance & SNWA LEO Technical Assistance</p> <p>Amendment #2 Board & Staff Technical Assistance for Program Year 2012 Strategic Plan</p> <p>Amendment #3 Board Strategic Planning</p>	<p>\$20,000.00</p> <p>\$15,000.00</p> <p>\$10,000.00</p> <p>\$20,000.00</p>	<p>Sole Source</p>	<p>A/DW/Y Formula</p>	<p>4/1/20078 to 6/30/2013</p>
<p>BOARD OF REGENTS - NEVADA SYSTEM OF HIGHER EDUCATON on behalf of UNIVERSITY OF RENO</p> <p>Health Care Sector Research and Analysis – Status of Current Healthcare Workforce in Nevada</p>	<p>\$4,500.00</p>	<p>Sole Source (Grantee referral and procurement approval DETR)</p>	<p>HRSA GRANT</p>	<p>10-11-2011 to 12-31-2012</p>
<p>SOLAR INSTITUTE OF NEVADA</p> <p>Re-Entry Solar Energy Training for wC “Pride Program” & “Get Out” Program</p> <p>Amendment #1 Increase in # to be Trained</p> <p>Amendment #2 Increased in # to be Trained</p>	<p>\$256,000.00 [additional \$660.00 for supplies]</p> <p>\$44,800.00</p> <p>\$19,200.00</p>	<p>Sole Source</p>	<p>DOJ GRANT A/DW Formula</p>	<p>1—11-2010 to 9-30-2011</p> <p>10-1-2011 to 12-30-12</p>
<p>STRATEGIC PROGRESS Grant Research and Writing</p>	<p>\$8,000.00 per Grant- (not to exceed \$24,000.00)</p>	<p>Competitive</p>	<p>WIA/YB/SESP</p>	<p>10-1-2012 to 10-31-2013</p>

<p>SWITCH Co-location Repository and Maintenance of wC Data</p> <p>Amendment #1 Extend term for another year</p>	<p>\$17,000.00 per year</p> <p>\$17,000.00 per year</p>	<p>Competitive</p>	<p>WIA/YB/SESP</p>	<p>8-10-2011 to 7-31-2012</p> <p>8-1-2012 to 7-31-2013</p>
<p>PERCY BOWLER TAYLOR & KERN</p> <p>A-133 AUDITING SERVICES for Program Year 2010</p> <p>Contract Extension A-133 AUDITING SERVICES for Program Year 2011</p>	<p>\$219,296.67</p> <p>\$75,724.00</p>	<p>Competitive</p>	<p>WIA/YB/DOJ SESP</p>	<p>9-15-2011 to 3-30-2012</p> <p>9-19-2012 to 3-31-2013</p>

****All noted Professional Services contracts & the procurement process, has been previously reviewed & approved by DETR, and are in compliance with DETR’s Policy 3.1 which states: Professional services with state prior authorization costs of outside professional services rendered by individuals or organizations are allowable. The procurement of noncompetitive proposals (sole source) may be used when the awarding agency (DETR) authorizes noncompetitive proposals; CFR 97.36 (d), (4), (C)**

****Contracts may have a small balance of unexpended funds at closing.**

8. Executive Director's Report ~ Ardell Galbreth

9. SECOND PUBLIC COMMENT SESSION

10. LEO Consortium Member Comments