

**AGENDA
CITY OF HENDERSON
REDEVELOPMENT AGENCY ADVISORY COMMISSION
BRIEFINGS
(FOR MEETING OF JANUARY 25, 2011)**

Pittman Conference Room, Redevelopment
240 Water Street, First Floor
Henderson, Nevada 89015

NOTICE TO PERSONS WITH DISABILITIES

Members of the public who are disabled or require special assistance or accommodations at the meeting are requested to notify the Community Development Department by telephoning (702) 267-1515 at least 72 hours in advance of the meeting.

WEDNESDAY, JANUARY 19, 2011 AT 4:00 P.M.

Tom Fay

Time	Item No.	Description
4:00	1	MINUTES - CITY OF HENDERSON REDEVELOPMENT AGENCY ADVISORY COMMISSION MEETING OF DECEMBER 2, 2010.
	2	314 SOUTH WATER STREET DISPOSITION AND DEVELOPMENT AGREEMENT WITH CLASS PERSONAL DEVELOPMENT, LLC (JACOB AND CHERYL SNOW)
	3	RESOLUTION NO. ____ - AMENDMENT OF CITY OF HENDERSON LOAN TO CITY OF HENDERSON REDEVELOPMENT AGENCY (PARKLINE LOFTS)
	4	RESOLUTION NO. ____ - AMENDMENT OF CITY OF HENDERSON LOAN TO CITY OF HENDERSON REDEVELOPMENT AGENCY (PINNACLE)
	5	PROJECTS UPDATE

WEDNESDAY, JANUARY 19, 2011 AT 5:00 P.M.

Stan Southwick and Tom Foster

Time	Item No.	Description
5:00	1	MINUTES - CITY OF HENDERSON REDEVELOPMENT AGENCY ADVISORY COMMISSION MEETING OF DECEMBER 2, 2010.
	2	314 SOUTH WATER STREET DISPOSITION AND DEVELOPMENT AGREEMENT WITH CLASS PERSONAL DEVELOPMENT, LLC (JACOB AND CHERYL SNOW)
	3	RESOLUTION NO. ____ - AMENDMENT OF CITY OF HENDERSON LOAN TO CITY OF HENDERSON REDEVELOPMENT AGENCY (PARKLINE LOFTS)
	4	RESOLUTION NO. ____ - AMENDMENT OF CITY OF HENDERSON LOAN TO CITY OF HENDERSON REDEVELOPMENT AGENCY (PINNACLE)
	5	PROJECTS UPDATE

THURSDAY, JANUARY 20, 2011 AT 3:00 P.M.

Richard Serfas and Mark McGinty

Time	Item No.	Description
3:00	1	MINUTES - CITY OF HENDERSON REDEVELOPMENT AGENCY ADVISORY COMMISSION MEETING OF DECEMBER 2, 2010.
	2	314 SOUTH WATER STREET DISPOSITION AND DEVELOPMENT AGREEMENT WITH CLASS PERSONAL DEVELOPMENT, LLC (JACOB AND CHERYL SNOW)
	3	RESOLUTION NO. ____ - AMENDMENT OF CITY OF HENDERSON LOAN TO CITY OF HENDERSON REDEVELOPMENT AGENCY (PARKLINE LOFTS)
	4	RESOLUTION NO. ____ - AMENDMENT OF CITY OF HENDERSON LOAN TO CITY OF HENDERSON REDEVELOPMENT AGENCY (PINNACLE)
	5	PROJECTS UPDATE

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THURSDAY, JANUARY 20, 2011 AT 4:00 P.M.		
David Chavez		
Time	Item No.	Description
4:00	1	MINUTES - CITY OF HENDERSON REDEVELOPMENT AGENCY ADVISORY COMMISSION MEETING OF DECEMBER 2, 2010.
	2	314 SOUTH WATER STREET DISPOSITION AND DEVELOPMENT AGREEMENT WITH CLASS PERSONAL DEVELOPMENT, LLC (JACOB AND CHERYL SNOW)
	3	RESOLUTION NO. ____ - AMENDMENT OF CITY OF HENDERSON LOAN TO CITY OF HENDERSON REDEVELOPMENT AGENCY (PARKLINE LOFTS)
	4	RESOLUTION NO. ____ - AMENDMENT OF CITY OF HENDERSON LOAN TO CITY OF HENDERSON REDEVELOPMENT AGENCY (PINNACLE)
	5	PROJECTS UPDATE

***Lobbyists are required to complete a registration statement with the City Clerk's office for each personal communication with a public officer. The registration statement must be filed the day of the communication, if it occurs at City Hall. If the communication occurs at a location other than City Hall, the form must be filed within five working days of the communication or before the next scheduled Redevelopment Agency meeting. Registration may be accomplished by fax machine (702) 267-1503 (Ordinance No. 1711).

Agenda posted prior to 9:00 a.m. on January 13, 2011 at the following locations:

City Hall, 240 Water Street, 1st Floor Lobbies (2)
Multigenerational Center, 250 S. Green Valley Parkway
Whitney Ranch Recreational Center, 1575 Galleria Drive
Fire Station No. 86, 96 Via Antincendio



**CITY OF HENDERSON
REDEVELOPMENT AGENCY ADVISORY COMMISSION
AGENDA**

**Regular Meeting
Tuesday, January 25, 2011
4:00 p.m.**

**Council Chambers Conference Room
240 Water Street, First Floor
Henderson, Nevada 89015**

Notice to persons with special needs: For those requiring special assistance or accommodation at the meeting, please contact 702-267-1515 or the Relay Nevada TTY telephone 7-1-1 at least 72 hours in advance of the meeting.

The Chairman reserves the right to hear agenda items out of order. All items are action items unless otherwise noted.

CITY OF HENDERSON WEB SITE ADDRESS: <http://www.cityofhenderson.com>

- I. CALL TO ORDER**
- II. CONFIRMATION OF POSTING AND ROLL CALL**
- III. ACCEPTANCE OF AGENDA**
- IV. ITEMS OF BUSINESS**

1.	MINUTES CITY OF HENDERSON REDEVELOPMENT AGENCY ADVISORY COMMISSION MEETING OF December 2, 2010
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Approve the minutes of the City of Henderson Redevelopment Advisory Commission meeting of December 2, 2010.

2.	314 SOUTH WATER STREET DISPOSITION AND DEVELOPMENT AGREEMENT WITH CLASS PERSONAL DEVELOPMENT, LLC (JACOB AND CHERYL SNOW)
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Recommend approval of the Disposition and Development Agreement with Class Personal Development, LLC for the Agency-owned property located at 314 S. Water Street.

3.	RESOLUTION NO. _____ - AMENDMENT OF CITY OF HENDERSON LOAN TO CITY OF HENDERSON REDEVELOPMENT AGENCY (PARKLINE LOFTS)
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Recommend approval of Resolution No. _____ - Amendment of City of Henderson Loan to City of Henderson Redevelopment Agency (Parkline Lofts)

4.	RESOLUTION NO. _____ - AMENDMENT OF CITY OF HENDERSON LOAN TO CITY OF HENDERSON REDEVELOPMENT AGENCY (PINNACLE)
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Recommend approval of Resolution No. _____ - Amendment of City of Henderson Loan to City of Henderson Redevelopment Agency (Pinnacle).

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5.	PROJECTS UPDATE
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Discuss project updates for the following projects and accept report. Cornerstone Redevelopment Area: GSG Development/Park Heights. Downtown Redevelopment Area: Asset Central (323 Water Street); Boulder Highway Investment Strategy; Business Recruitment and Retention; City Lights Gallery (3 Army); City Tower (Southwest corner of Lake Mead Parkway and Water Street); Creating Communities Project; Crisman Building (147 Water Street); Downtown Arts & Culture; Downtown Investment Strategy; Downtown Monumentation and Signage; Downtown Power Needs; Gateway (3 S. Water Street); Lake Mead Crossing (Parcels located on the north side of Lake Mead Parkway between Water Street and Basic Road); Lake Mead/Warm Springs Retail; North Water Street Improvements; Parking Study; Pacific Ridges (Parkline Lofts - Southeast corner of Basic Road and Pacific Avenue); Pinnacle (203 S. Water Street); Prepayment to Parks; Public Art; Public Relations/Branding; Senior Center Infrastructure; Site A/Cherry Development (4.5 acres generally located at the southwest corner of Victory Road and Water Street); Shurtleff Building (38 S. Water Street); The Meridian (155 S. Water Street); Townhouse Motor Lodge; Water Street South, Phase I & II (303, 311 S. Water Street); Art Loan to Grant Program; Façade Improvement Program; Homeowners Assistance Program; Revolving Loan Fund Program; Sign Grant Program; Farmer's Market Coupon Program. Eastside Redevelopment Area: Boulder Highway Investment Strategy; Bruce/Randy Way; Eastside Funding Assistance; Landwell/Cadence; Museum Site-95/Galleria; Wells Park and Boys and Girls Club. Tuscany. Lakemoor Canyon. Administration/All Areas: Burkholder Wall; Collaborative Community/ Neighborhood Relations/ Enforcement Committee; Public Relations/ Outreach; Real Estate Management Strategy; Redevelopment Performance Objectives; LEED ND; Legislative Requests.

V. PUBLIC COMMENT

Note: Items discussed under Public Comment cannot be acted upon at this meeting, but may be referred to a future agenda for consideration (NRS 241.020).

VI. DIRECTOR'S/CHAIRMAN'S BUSINESS

- November 2010 Financial Report

VII. SET NEXT MEETING

- February 22, 2011 at 4:00 p.m.

VIII. ADJOURNMENT

Agenda posted prior to 9:00 a.m. on January 13, 2011 at the following locations:

City Hall, 240 Water Street, 1st Floor Lobbies (2)
Multigenerational Center, 250 S. Green Valley Parkway
Whitney Ranch Recreational Center, 1575 Galleria Drive
Fire Station No. 86, 96 Via Antincendio



RAC

**REDEVELOPMENT AGENCY ADVISORY COMMISSION
AGENDA ITEM**

REGULAR MEETING

January 25, 2011

RAC-001

SUBJECT	Minutes—City of Henderson Redevelopment Agency Advisory Commission Meeting of December 2, 2010.
PETITIONER	Economic Development/Redevelopment Division of the City Manager's Office
RECOMMENDATION	Recommend Approval

FISCAL IMPACT:

No Impact

Budget funds available

Augmentation required

BACKGROUND / DISCUSSION / ALTERNATIVES:

RECOMMENDED MOTION:

I move to approve the minutes of the City of Henderson Redevelopment Agency Advisory Commission meeting of December 2, 2010.

Supporting Documentation:

Minutes consisting of six (6) pages

**CITY OF HENDERSON REDEVELOPMENT AGENCY
ADVISORY COMMISSION SPECIAL MEETING
MINUTES
December 2, 2010**

I. CALL TO ORDER

Chairman Stan Southwick called the Redevelopment Advisory Commission to order at 4:04 p.m. in the Council Chambers Conference Room, City Hall, 240 Water Street, Henderson, Nevada.

II. CONFIRMATION OF POSTING AND ROLL CALL

Tiffany Reardon confirmed the meeting had been noticed in accordance with the Open Meeting Law by posting the Agenda three working days prior to the meeting at City Hall, Henderson Convention Center, Green Valley Police Substation, and Fire Station No. 86.

Present: Chairman Stan Southwick
Tom Fay
Tom Foster (arrived at 4:03 p.m.)
Mark McGinty
Richard Serfas
Laura Jane Spina

Excused: David Chavez

Staff: Bob Cooper, Economic Development Manager
Michelle Romero, Redevelopment Manager
Christine Geurci-Nyhus, Assistant City Attorney II
Lisa Sich, Special Projects Accountant
Lisa Corrado, Redevelopment Project Manager
Tiffany Reardon, Administrative Assistant III
Tedio Jackson, Minutes Clerk

Guests: Tom Donahue, Piercy Bowler Taylor and Kern
Richard Bowler, Piercy Bowler Taylor and Kern
Chris Smith, Smith Creative Company

III. ACCEPTANCE OF AGENDA

Item 4, revised backup material was distributed.
Item 5 was withdrawn.

(Motion) Mr. McGinty introduced a motion to accept the agenda as amended. The vote favoring approval was unanimous. Chairman Southwick declared the motion carried.

IV. ITEMS OF BUSINESS

1.	MINUTES CITY OF HENDERSON REDEVELOPMENT AGENCY ADVISORY COMMISSION MEETING OF SEPTEMBER 28, 2010
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Approval of City of Henderson Redevelopment Agency Advisory Commission meeting of September 28, 2010.

Item 6, Richard Serfas declared the motion carried.

(Motion) Mr. Fay introduced a motion to approve the regular meeting minutes of September 28, 2010, as amended. The vote favoring approval was unanimous. Chairman Southwick declared the motion carried.

2.	Submission of Redevelopment Agency Annual Audit – Fiscal Year 2009-2010 and Required Communications Letter
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Recommend acceptance of the Redevelopment Agency's fiscal Year 2009-2010 audited financial Statements.

Richard Bowler and Tom Donohue, Piercy, Bowler, Taylor, and Kern, provided a brief summary of the independent auditors' report on financial statements and supplementary information. They extended their appreciation to staff for working together to complete this audit.

(Motion) Mr. McGinty introduced a motion recommending acceptance of the Redevelopment Agency's Fiscal Year 2009-2010 Audited financial Statements. The vote favoring approval was unanimous. Chairman Southwick declared the motion carried.

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| 3. | Resolution pertaining to the issuance of bonds by the City of Henderson Redevelopment Agency authorizing the Treasurer of the Agency to arrange for the sale of the bonds; and providing other details in connection therewith in an amount not to exceed \$40 million. |
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Recommend approval of a resolution pertaining to the issuance of bonds by the City of Henderson Redevelopment Agency authorizing the Treasurer of the Agency to arrange for the sale of the bonds; and providing other details in connection therewith in an amount not to exceed \$40 million.

Lisa Sich, Special Projects Accountant, reported that staff recommends the treasurer be authorized to arrange for the sale of the bonds, negotiate the terms and conditions of the sale, and enter into a contract for purchase; however, that would be subject to ratification by the Redevelopment Agency. She noted that staff is estimating the amount of the bonds to be \$10 million for Cornerstone, \$15 million for Downtown, and \$15 million for Eastside.

Michelle Romero, Redevelopment Manager, commented that the wording in the bonds will be as generic as possible to allow the greatest amount of flexibility for spending the money.

- (Motion) Mr. Fay introduced a motion recommending approval of a resolution pertaining to the issuance of bonds by the City of Henderson Redevelopment Agency, authorizing the Treasurer of the agency to arrange for the sale of the bonds; and providing other details in connection therewith in an amount not to exceed \$40 million. The vote favoring approval was unanimous. Chairman Southwick declared the motion carried.

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|----|---------------------------------------------------------------------------------------------------------------------------------------------|
| 4. | Fifth Amendment to the Owner Participation Agreement by and between the City of Henderson Redevelopment Agency and Commerce Associates, LLC |
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Recommend approval of Fifth Amendment to the Owner Participation Agreement by and between the City of Henderson Redevelopment Agency and Commerce Associates, LLC.

Michelle Romero, Redevelopment Manager, distributed a revised copy of the Fifth Amendment to the Owner Participation Agreement (OPA) that references a new lender named Alfred Thomas. The new OPA contains numbers that need to be adjusted to reflect actual numbers rather than estimated numbers.

Christine Guerci-Nyhus, Assistant City Attorney, referred to page 2, Participant Lender, Section 3.3, and suggested the phrase “from the construction control account” be added to clarify the amount of money the lender gets. She noted that this item should be approved as amended regarding potential changes to the existing tax increment as of June 30, 2010, and the addition of the phrase.

(Motion) Mr. Foster introduced a motion recommending approval of the Fifth Amendment to the Owner Participation Agreement by and between the City of Henderson Redevelopment Agency and Commerce Associates, LLC, as amended. The vote favoring approval was unanimous. Chairman Southwick declared the motion carried.

5.	Augmentation for property acquisition in the Downtown Redevelopment Area for an amount not to exceed \$55,000.
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Recommend approval of the augmentation for property acquisition in the Downtown Redevelopment Area for an amount not to exceed \$55,000.00.

(Action)
This item was withdrawn.

6.	Receive a presentation on and accept the business and consumer branding campaigns for Water Street District
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Recommend acceptance of the business and consumer branding campaigns for Water Street District.

Lisa Corrado, Redevelopment Project Manager, provided a brief presentation regarding the business and consumer branding campaigns for the Water Street District. She displayed the “Just add Water Street” brand and noted that street banners and hanging flower pots will be hung this weekend as visual aids.

Chris Smith, Smith Creative Company , explained that the theme for the Water Street District is to do business in quaint, historic, downtown Henderson. The business campaign consists of seed packets with messages of ingenuity, opportunity, and momentum. The goal is to recruit businesses to locate in the downtown area.

Mark McGinty commented that he is excited about this marketing campaign and thinks that “Just add Water Street” is a catchy phrase.

Mr. Smith explained that the consumer brand presents a different challenge. He showed slides that capture the era of Water Street architecture that has a retro feel. He reviewed three branding campaigns.

Comments by the Commission members included concerns regarding the imaging and whether the consumer branding will impact all generations. A suggestion was made that free parking be well advertised during the campaign.

(Motion) Ms. Spina introduced a motion to accept the business and consumer branding campaigns for the Water Street District. The vote favoring approval was unanimous. Chairman Southwick declared the motion carried.

7.	Augmentation for a 175-stall parking lot on Site A, located at victory and Water Street, for an amount not to exceed \$331,000.
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Augmentation for a 175-stall parking lot on Site A, located at victory and Water Street, for an amount not to exceed \$331,000.

Michelle Romero, Redevelopment Manager, presented a summary of this item, and noted that this parking lot will provide needed parking to the existing businesses, as well as provide parking to a future developer for Site A.

Mr. Foster suggested a “Free Parking” card be painted or placed on the building for advertising. He also recommended that the same lights on Water Street be used for the parking lot, or possibly painting the light fixtures bronze.

(Motion) Mr. McGinty introduced a motion recommending approval of an augmentation for a 175-stall parking lot on Site A, located at the southwest corner of Victory and Water Street, in an amount not to exceed \$331,000.00. The vote favoring approval was unanimous. Chairman Southwick declared the motion carried.

8.	PROJECTS UPDATE
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Discuss project updates and accept the report.

Michelle Romero, Redevelopment Manager, reviewed a memorandum outlining the projects update.

V. PUBLIC COMMENT

There was no public comment.

VI. DIRECTOR’S/CHAIRMAN’S BUSINESS

- **Manager Updates**
- **Potential Sign Workshop**

Ms. Romero reported that a company has proposed unique monument signage and smaller sign concepts to be placed at major entry areas of Henderson. She stated that the Council has encouraged staff to consider making an exception to allow these types of signs in redevelopment areas, and tasked the RAC members to review the proposal at a workshop meeting or regular meeting.

VII. SET NEXT MEETING

A Special Meeting was scheduled for January 11, 2011, at 3:30 p.m.

The next Regular Meeting was scheduled for January 25, 2011, at 4:00 p.m.

VIII. ADJOURNMENT

There being no further business to be discussed, the meeting was adjourned at 5:15 p.m.

Respectfully submitted,

Tedie Jackson
Minutes Clerk



RAC

REDEVELOPMENT AGENCY ADVISORY COMMISSION AGENDA ITEM

REGULAR MEETING

January 25, 2011

RAC-002

SUBJECT	314 South Water Street Disposition and Development Agreement with Class Personal Development, LLC (Jacob and Cheryl Snow)
PETITIONER	Economic Development/Redevelopment Division of the City Manager's Office
RECOMMENDATION	Recommend Approval

FISCAL IMPACT:

No Impact

Budgeted funds available

Augmentation required

CMTS Number(s):

FUNDING SOURCE, AMOUNT, AND ACCOUNT NUMBER(S) TO BE CHARGED:

Augmented:	2092-1001-901100-H0030	Loss on Disposal of Land	\$87,322
	2092-1001-601436-H0030	Program Cost	\$13,250

BACKGROUND / DISCUSSION / ALTERNATIVES:

Class Personal Development, LLC (Jacob and Cheryl Snow) is proposing to develop a two-story, 3,500-square-foot commercial and single family residential (live/work) building on a parcel located at 314 S. Water Street that will be improved for commercial and residential related uses. The property is currently owned by the Agency. The Disposition and Development Agreement provides for the purchase of the property by the developer at the appraised value of \$55,000, with the developer to pay closing costs estimated at \$1,080. The Agency purchased the land in November 1998 and holds the land at a book value of \$142,322, resulting in a loss on disposition of land of \$87,322. However, the land will be placed back on the tax rolls generating tax increment.

The Agency has agreed to reimburse to the developer the audited costs for certain offsite improvements necessary to develop the property, not to exceed \$13,250. The improvements include concrete sidewalk repair and/or replacement along the property frontage, offsite electrical work, and half-street paving of the alley behind the property.

Development of the site meets the goal of "Providing Opportunities for New Residential Development" in the Water Street District Action Implementation Strategy. Further, the proposed project meets all of the Agency-adopted criteria for TIF assistance, including:

(CONTINUED)

RECOMMENDED MOTION:

I move to recommend approval of the Disposition and Development Agreement with Class Personal Development, LLC for the Agency-owned property located at 314 S. Water Street.

Supporting Documentation:

Disposition and Development Agreement consisting of thirty-one (31) pages.

BACKGROUND / DISCUSSION / ALTERNATIVES CONTINUED:

- Development Balance - flexibility in site design by providing a mix of office and residential
- Compliance - conforms to the City's Comprehensive Plan and the Downtown Investment Strategy
- Infrastructure – parking is provided onsite; project will use existing utilities
- Market Opportunity – developer has secured private financing for the project
- Sustainability – the proposed development will be an infill project and helps to create a walkable community
- Connectivity/Integration – supports new transit or pedestrian-oriented lifestyles
- Design – conforms to the Downtown Design Standards with its Moderne theme

DISPOSITION AND DEVELOPMENT AGREEMENT

by and between

HENDERSON REDEVELOPMENT AGENCY

and

CLASS PERSONAL DEVELOPMENT, LLC

THIS DISPOSITION AND DEVELOPMENT AGREEMENT ("**Agreement**") dated the 15th of February, 2011 ("**Effective Date**") is entered into by and between the CITY OF HENDERSON REDEVELOPMENT AGENCY, a public body corporate and politic ("**Agency**") and CLASS PERSONAL DEVELOPMENT, LLC, a Nevada limited liability company ("**Participant**"). Agency and Participant are hereinafter collectively referred to as the "**Parties**." Capitalized terms used herein shall have the definitions set forth in Article I or as otherwise set forth herein.

RECITALS

A. The purpose of this Agreement is to effectuate the Redevelopment Plan for the Downtown Project Area (the "**Project Area**") by providing for the redevelopment of the Property. Completion of the Project and the Improvements pursuant to the terms and conditions hereof is in the best interests of the City of Henderson ("**City**") and Agency and the health, safety and welfare of the residents and the taxpayers of the Project Area and the City, and is in accord with the public purposes and provisions of applicable state and local laws.

B. A material inducement to Agency to enter into this Agreement is the agreement by Participant to develop the Property and the Improvements within the periods of time specified herein and in accordance with the provisions hereof, and the Agency would be unwilling to enter into this Agreement in the absence of an enforceable commitment by Participant to complete the Project and the Improvements in accordance with such provisions and within such time periods.

C. Construction of the Improvements and completion of the Project will assist in the elimination of blight in the Project Area, provide additional jobs, improve safety in the Project Area and substantially improve the economic and physical conditions in the Project Area in accordance with the purposes and goals of the Redevelopment Plan.

D. The Agency has determined that this Agreement fulfills the requirements of Nevada Redevelopment Law and the Agency's rules governing participation by property owners, and that this Agreement, including without limitation, the provisions hereof relating to construction of the Improvements and development of the Property are consistent with the provisions of the Redevelopment Plan and each of its applicable elements.

E. The Agency is the owner in fee title of the property and Participant per the terms of this Agreement shall purchase the Property from the Agency at the full appraised fair market value and develop the Improvements.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows.

ARTICLE I: DEFINITIONS.

Section 1. Definitions.

1.1 “**Agency**” means the Henderson Redevelopment Agency, a public body corporate and politic.

1.2 “**City**” means the City of Henderson, Nevada a municipal corporation.

1.3 “**Certificate of Completion**” is defined in Section 3.5 hereof.

1.4 “**Redevelopment Law**” means Nevada Revised Statutes, Chapter 279.

1.5 “**Conditions of Approval**” means those conditions of approval for the Project adopted by City.

1.6 “**Construction Plans**” is defined in Section 3.2 hereof.

1.7 Reserved.

1.8 “**Effective Date**” means the date first written above, which shall be the date upon which this Agreement is approved by the Agency.

1.9 “**Environmental Law**” means any federal, state or local statute, ordinance, rule, regulation, order, consent decree, judgment or common law doctrine, and provisions and conditions of permits, licenses and other operating authorizations regulating, or relating to or imposing liability or standards of conduct concerning (i) pollution or protection of the environment, including natural resources; (ii) exposure of persons, including employees and agents, to Hazardous Materials or other products, raw materials, chemicals or other substances; (iii) protection of the public health or welfare from the effects of by-products, wastes, emissions, discharges or releases of chemical substances or Hazardous Materials from industrial or commercial activities; or (iv) regulation of the manufacture, use or introduction into commerce of chemical substances, including without limitation, their manufacture, formulation, labeling, distribution, transportation, handling, storage and disposal.

1.10 **“Hazardous Materials”** means any substance, material or waste which is or becomes regulated by any local, state, or federal authority, agency, or governmental body, including any material or substance which is: (1) defined as a “hazardous waste,” “hazardous material,” “hazardous substance,” “extremely hazardous waste,” “restricted hazardous waste,” “pollutant,” or any other terms comparable to the foregoing terms under any provision of Nevada law or federal law; (2) petroleum; (3) asbestos; (4) polychlorinated biphenyls; (5) radioactive materials; (6) determined by Nevada, federal or local governmental authority to be capable of posing a risk of injury to health, safety or property; (7) designated as “hazardous substances” pursuant to Section 311 of the Clean Water Act (33 U.S.C. §1317); (8) defined as a “hazardous waste” pursuant to Section 1004 of the Resource Conservation and Recovery Act, 42 U.S.C. §6901, *et seq.* (42 U.S.C. §6903); or (9) defined as “hazardous substances” pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. §9601, *et seq.*, as the foregoing statutes and regulations now exist or may hereafter be amended.

1.11 Reserved.

1.12 **“Improvements”** means the structures to be constructed on or appurtenant to the Property pursuant to the Conditions of Approval.

1.13 Reserved.

1.14 **“Participant”** means Class Personal Development, a Nevada limited liability company, and its successors and assigns as approved and permitted pursuant to Article V hereof. The term “Participant” as used herein shall not include City or Agency should either become Participant’s successor, assignee or transferee of the Property, the Project, or any portion thereof.

1.15 **“Project”** means the development of the Property and the design, development and installation of the Improvements as described in Section 2.2 hereof and the Conditions of Approval.

1.16 **“Property”** means the real property more particularly described in Exhibit A attached hereto.

1.17 **“Project Area”** means the Redevelopment Project Area established by the Redevelopment Plan.

1.18 Reserved.

1.19 “**Redevelopment Plan**” means the Redevelopment Plan for the Henderson Downtown Project Area adopted by the Agency and the City by Ordinance No. 1618 on October 4, 1995, and as amended on January 5, 2004 by Ordinance No. 2243 and on January 3, 2006 by Ordinance No. 2426 and as the same may hereafter be amended from time to time.

1.20 “**Schedule of Development**” means the timing for the completion of construction of the Project as set forth in Section 2.4 and Exhibit B.

ARTICLE II: DEVELOPMENT OF THE PROPERTY

Section 2.1 The Property.

Participant hereby represents, warrants and covenants that it shall within thirty (30) days following the Effective Date of this Agreement, acquire the Property from Agency exclusive of escrow closing costs and title insurance for the fair market value of Fifty Five Thousand Dollars (\$55,000.00 U.S.); such fair market value having been determined by an independent appraisal dated October 10, 2010. Title to the Property to be conveyed by Agency shall be good and marketable title, clear of all liens, encumbrances, defects, and burdens. Escrow and closing costs to include title insurance shall be borne by the Participant. If Participant does not become the fee owner of the entire Property within the specified time, Agency shall have the right to terminate this Agreement upon written notice to Participant.

Should Participant fail to construct the Project within three (3) years of the date of this Agreement, Agency shall have the right of first refusal to repurchase the Property for the sum of Fifty Five Thousand Dollars (\$55,000.00 U.S.).

Section 2.2 Scope of Development.

The Project consists of a two-story, 3,500 square foot commercial and single family residential building on a parcel located at 314 S. Water Street that will be improved for commercial and residential related uses.

Section 2.3 Approval Process.

Participant acknowledges and agrees that execution of this Agreement by Agency does not constitute approval for the purpose of the issuance of building permits for the construction of the Project, does not limit in any manner the discretion of City in such approval process, and does not relieve Participant from the obligation to obtain all necessary approvals and permits for the construction of the Project, including without limitation, the approval of architectural plans, the

issuance of any certificates regarding historic resources required in connection with the Project, and the issuance of building permits.

Participant shall be solely responsible for, and shall promptly pay when due, all customary and reasonable fees and charges of City in connection with obtaining building permits and other approvals for the Project, including without limitation, those related to the processing and consideration of amendments, if any, to the current entitlements, any related approvals and permits, architectural review, historic review, and any subsequent approvals for the Project or the development of the Property.

Participant covenants that it shall: (i) prior to issuance of building permits for the Project, obtain all necessary permits and approvals which may be required by Agency, City, or any other governmental agency having jurisdiction over the construction of the Project or the development of the Property, (ii) comply with all Conditions of Approval and other conditions which may be imposed by City in connection with the grant of permits or approvals for the Project, and (iii) not commence any construction of the Project prior to issuance of building permits.

Section 2.4 Time for Construction.

Prior to the commencement of any construction, Participant shall submit Certificates of Insurance and obtain Agency acceptance. The Agency shall accept or reject within three business days the adequacy of the Certificates of Insurance. Failure by the Agency to reject the request within three working days shall constitute acceptance.

Participant shall complete all Improvements necessary to receive its Certificate of Completion for the Project within eighteen (18) months of beginning construction, excluding time periods when the design, construction or development of the Improvements is unavoidably delayed by disruptions caused by labor disputes, acts of God, wars, fires, floods, epidemics, quarantine restrictions, freight embargo, or other circumstances clearly beyond Participant's control; provided, however, that said date may be extended by Agency upon timely written request by Participant, such approval not to be unreasonably withheld.

Section 2.5 Cost of Construction.

Except for the Agency's financial participation as defined herein, all costs of (i) site preparation, demolition, designing, rehabilitation, developing and constructing the Project, and (ii) compliance with the Conditions of Approval and any other requirements imposed in connection with any subsequent approvals for

the development of the Project shall be borne solely by Participant and shall not be an obligation of the Agency or City.

Section 2.6 Reserved.

Section 2.7 Rights of Access.

In addition to those rights of access to and across the Property to which the Agency and City may be entitled by law, employees or agents of the Agency or City shall have the right of access to the Property without charge or fee, at anytime, to inspect the work being performed at the Property. The Agency or City shall give the Participant notice of its intent to so enter a reasonable period of time in advance of such entry (except in the case of an emergency, in which case notice shall not be required). In exercising its right of entry, the Agency shall use its best efforts to minimize interference with the operations or other activities of the Participant.

Section 2.8 Compliance with Laws.

Participant shall carry out the construction of the Project in conformity with all applicable local, state and federal laws and regulations, including all applicable local, state and federal occupational, safety, health and labor standards.

ARTICLE III: CONSTRUCTION OF PROJECT AND IMPROVEMENTS

Section 3.1 Construction Pursuant to Plans.

Unless modified by operation of Section 3.2, all construction of the Project and the Improvements shall be done in accordance with the Construction Plans, the Conditions of Approval, and any other plans or development approvals issued by the Agency or City with respect to the Project or the development of the Property.

Section 3.2 Construction Plans.

As used herein "**Construction Plans**" mean all construction documents upon which Participant shall rely in building the Project, including but not limited to those related to landscaping, parking, and public areas, and including final architectural drawings, landscaping, exterior lighting and signage plans and specifications, descriptions of materials to be used, final elevations, and building plans and specifications. The Construction Plans shall be based upon the plans or development approvals issued by the Agency or City with respect to the Project or the development of the Property, and shall not materially deviate therefrom without the express written consent of Agency and City.

Section 3.3 Change in Construction Plans.

If Participant desires to make any material change in the approved Construction Plans, Participant shall submit the proposed change in writing to the Agency and City for their written approval, which approval shall not be unreasonably withheld or delayed. If the Construction Plans, as modified by any proposed change, conform to the requirements of this Agreement and any plans or development approvals issued by Agency or City after the Effective Date, Agency and City, as applicable, shall approve the change by notifying Participant in writing. Unless such proposed change is approved by Agency or City within thirty (30) days, it shall be deemed rejected. If rejected, the previously approved Construction Plans shall continue to remain in full force and effect.

Any change in the Construction Plans required in order to comply with applicable codes shall be deemed approved, so long as such change does not substantially nor materially change the architecture, design, function, use, or amenities of the Project as shown on the latest approved Construction Plans.

Section 3.4 Progress of Construction.

Participant shall commence the construction of the Project pursuant to the Schedule of Development. During construction of the Project, Participant shall submit to the Agency from time to time, within ten (10) days following the Agency's request there for, but not more frequently than monthly, a written report of the progress of the construction when and as requested by the Agency. The report shall be in such form and detail as to inform the Agency fully of the status of construction.

Until construction of the Project has been completed, Participant authorizes the Agency to have full access to all building inspection reports and other information at the City to assist the Agency in reviewing the actual progress of construction. Participant shall allow the Agency to review construction documents and records maintained by Participant in the ordinary course of the construction as may be reasonably requested by the Agency.

Section 3.5 Certificate of Completion for Project.

Promptly after completion of construction of the Project and the Improvements in accordance with the provisions of this Agreement and upon issuance of a Certificate of Occupancy by the City and written request of Participant, the Agency will provide an instrument ("**Certificate of Completion**") so certifying, provided that, at the time such certificate is issued, all components of the Project

have been completed. Such Certificate of Completion shall be conclusive determination that Participant has satisfied its obligations regarding the development of the Property.

The Certificate of Completion shall be in such form as will enable it to be recorded among the official records of Clark County, Nevada, as attached hereto as Exhibit C. The Certificate of Completion shall not constitute evidence of compliance with or satisfaction of any obligation of Participant to any holder of a deed of trust or mortgage securing money loaned to finance the Project or any part thereof and shall not be deemed a notice of completion under the Nevada Revised Statutes.

Section 3.6 Implementation of Mitigation Measures and Conditions of Approval.

In carrying out the construction of the Project, it shall be the sole responsibility of Participant to implement, at its sole cost and expense, all Conditions of Approval. Participant acknowledges that additional conditions of approval or mitigation and monitoring measures may be imposed as part of subsequent project approvals by the Agency or City and agrees that such additional conditions of approval and/or mitigation and monitoring measures shall govern development of the Property and shall be implemented by Participant.

Section 3.7 Equal Opportunity.

During the construction of the Project, Participant shall not discriminate on the basis of race, color, religion, creed, sex, marital status, ancestry or national origin in the hiring, firing, promoting or demoting of any person engaged in the construction work and shall direct its contractors and subcontractors to refrain from discrimination on such basis.

Section 3.8 Prevailing Wage.

If applicable, Participant and its subcontractors and agents, shall comply with Nevada Revised Statutes Section 338.010 *et seq.* and regulations adopted pursuant thereto ("**Prevailing Wage Laws**") and shall be responsible for carrying out the requirements of such provisions.

Participant shall, and hereby agrees to, unconditionally indemnify, reimburse, defend, protect and hold harmless Agency, City and their respective elective and appointive boards, commissions, officers, agents, attorneys, consultants and employees, and their respective successors and assigns, from and against any and all claims, demands, suits and actions at law or in equity, and losses, liabilities, expenses, penalties, fines, orders, judgments, injunctive or other relief,

and costs and damages of every kind, nature and description (including but not limited to attorneys' fees and court costs, with counsel reasonably acceptable to Agency and City), and administrative, enforcement or judicial proceedings, whether known or unknown, and which directly or indirectly, in whole or in part, are caused by, arise from, or relate to, or are alleged to be caused by, arise from, or relate to, the payment or requirement of payment of prevailing wages or the requirement of competitive bidding in the construction of the Project, the failure to comply with any state or federal labor laws, regulations or standards in connection with this Agreement, including but not limited to the Prevailing Wage Laws, or any act or omission of Agency, City or Participant related to this Agreement with respect to the payment or requirement of payment of prevailing wages or the requirement of competitive bidding, whether or not any insurance policies shall have been determined to be applicable to any such claims, demands, suits, actions, losses, liabilities, expenses, penalties, fines, orders, judgments, injunctive or other relief, costs, damages, or administrative, enforcement or judicial proceedings. It is further agreed that Agency and City do not, and shall not, waive any rights against Participant which they may have by reason of this indemnity and hold harmless agreement because of the acceptance by Agency or City, or Participant's deposit with Agency of any of the insurance policies described in this Agreement.

ARTICLE IV: USE OF THE PROPERTY

Section 4.1 Uses.

Participant covenants and agrees that Participant shall comply with all provisions of the Redevelopment Plan and shall use the Property solely for purposes authorized in this Agreement, the Redevelopment Plan, the Master Plan and the Conditions of Approval. Participant shall comply with all mitigation measures set forth in the Conditions of Approval.

Section 4.2 Obligation to Refrain from Discrimination.

Participant shall not restrict the rental, sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property, or any portion thereof, on the basis of race, color, religion, creed, sex, marital status, ancestry, or national origin of any person.

Section 4.3 Effect and Duration of Covenants.

Except as may be otherwise provided in this Agreement, all of the terms, covenants, agreements or conditions set forth in this Agreement shall remain in effect until the termination of the Redevelopment Plan, except for the provisions

of Sections 3.8, 4.2, 8.1, 10.1 which shall continue to remain effective notwithstanding the termination of this Agreement or the Redevelopment Plan.

ARTICLE V: CHANGES IN PARTICIPANT

Section 5.1 Changes Only Pursuant to this Agreement.

The qualifications, experience, financial capacity and expertise of Participant are of particular concern to the Agency. It is because of these qualifications, experience, financial capacity and expertise that the Agency has entered into this Agreement. No voluntary or involuntary successor, assignee or transferee of Participant shall acquire any rights or powers under this Agreement, except as expressly provided herein.

Section 5.2 Transfer by Participant.

Prior to the issuance by Agency of the Certificate of Completion, Participant shall not voluntarily or involuntarily make or attempt any total or partial sale, transfer, conveyance, assignment or lease ("**Transfer**") of the whole or any part of the Property, the Improvements, or this Agreement, without the prior written approval of Agency. This prohibition shall not be deemed to prevent the granting of temporary easements or permits to facilitate the development, conveyance or dedication of the Property.

After recordation of the Certificate of Completion for the Project, no restriction or covenant set forth in the Agreement shall affect or prohibit a Transfer except as provided in this Article V, and no Agency approval shall be needed for a Transfer of the Property or right under this Agreement, or any portions thereof. Notwithstanding anything set forth in this Section, Participant agrees that it shall comply with the Conditions of Approval and any applicable mitigation and monitoring measures in the operation of any business on the Property.

If Participant proposes a Transfer, the proposed transferee shall have the qualifications and financial resources necessary and adequate as may be reasonably determined by Agency to fulfill the obligations undertaken in this Agreement by Participant. Participant shall submit to Agency for review all instruments and other legal documents proposed to effect any such Transfer along with documentation demonstrating that the proposed successor, assignee or transferee has such qualifications and financial resources, including but not limited to financial statements of the proposed successor, assignee or transferee.

Approval of a Transfer by Agency must be in writing. No proposed successor, assignee or transferee shall become a Participant under this Agreement without

such written approval by Agency. Unless a proposed Transfer is approved by Agency in writing within thirty (30) days of receipt of written request by Participant, it shall be deemed rejected. Agency retains final discretionary approval of each proposed Transfer; provided however, Agency shall not unreasonably withhold approval of the Transfer if the proposed successor, assignee or transferee has the qualifications and financial resources necessary and adequate, as reasonably determined by Agency, to fulfill the terms, conditions, covenants and obligations undertaken in this Agreement by Participant with respect to the property proposed to be transferred.

All Agency costs, including but not limited to attorneys' fees, in reviewing instruments and other legal documents proposed to effect a Transfer under this Agreement and in reviewing the qualifications and financial resources of a proposed successor, assignee or transferee shall be reimbursed by Participant within ten (10) days following Agency's delivery to Participant of a detailed invoice for such costs.

Section 5.3 Transferee Subject to All Conditions of Agreement.

Any transferee of the Property, or portion thereof shall be subject to all of the Conditions of Approval and covenants and restrictions of this Agreement applicable to such property. Any such transfer shall be by instrument in writing satisfactory to Agency and in form recordable among the official records of Clark County, and any such transferee shall expressly assume all of the obligations of Participant under this Agreement and all related agreements pertaining to the property so transferred and shall agree to be subject to all of the conditions and restrictions to which Participant is subject.

Section 5.4 Exception to Prohibition Against Transfer.

Participant may at any time, without limitation, and without the necessity of approval from Agency, make a transfer of the Property or any part thereof, or interest therein, or rights and obligations under this Agreement, or portion thereof, to: (i) a subsidiary, affiliate, parent or other entity which controls, is controlled by, or is under common control with Participant, or (ii) a successor or successors to Participant by merger, consolidation, non-bankruptcy reorganization, or government action, provided that the liabilities of Participant are assumed by the entity surviving or created by such merger, consolidation, reorganization or action.

ARTICLE VI: SECURITY FINANCING AND RIGHTS OF HOLDERS

Section 6.1 No Encumbrances Except for Development Purposes.

Notwithstanding any other provision of this Agreement, mortgages and deeds of trust, or any other reasonable method of security (including assignment of leases or ground leases to a lender as security for a loan), are permitted to be placed upon the Property or the Improvements before the Certificate of Completion has been issued by Agency, but only for the purpose of securing loans or funds to be used by Participant for the development and construction of the Improvements and any other expenditures reasonably necessary and appropriate to develop the Property under this Agreement. Participant shall promptly notify Agency of any mortgage, deed of trust, sale and lease-back or other financing, conveyance, encumbrance or lien that has been or will be created or attached to the Property or the Improvements. The words "mortgage" and "deed of trust" as used herein include all other appropriate modes of financing real estate acquisition, construction, and land development.

Section 6.2 Holder Not Obligated to Construct.

The holder of any mortgage, deed of trust or other security interest authorized by this Agreement is not obligated to construct or complete any of the Improvements or to guarantee such construction or completion. Nothing in this Agreement shall be deemed to permit or authorize any such holder to devote the Property or any portion thereof to any uses, or to construct any improvements thereon, other than those uses or improvements provided for or authorized by this Agreement.

Section 6.3 Notice of Default and Right to Cure.

Whenever Agency pursuant to its rights set forth in this Agreement delivers any notice or demand to Participant with respect to the commencement, completion, or cessation in the construction of the Improvements, Agency shall at the same time deliver to each holder of record of any mortgage, deed of trust or other security interest authorized by this Agreement a copy of such notice or demand. Each such holder shall (insofar as the rights of Agency are concerned) have the right, but not the obligation, at its option, within ninety (90) days after the receipt of the notice, to cure or remedy any such default or breach and to add the cost thereof to the security interest debt and the lien on its security interest. A holder who chooses to exercise its right to cure or remedy a default or breach shall first notify Agency of its intent to exercise such right prior to commencing to cure or remedy such default or breach. Nothing contained in this Agreement shall be deemed to permit or authorize such holder to undertake or continue the construction or completion of the Improvements (beyond the extent necessary to conserve or protect such Improvements or construction already made) without first having expressly assumed in writing Participant's obligations to Agency relating to such Improvements under this Agreement. The holder in that event

must agree to complete, in the manner provided in this Agreement, the Improvements and submit evidence reasonably satisfactory to Agency that it has the development capability on staff or retainer and financial capacity necessary to perform such obligations. Any such holder properly completing such Improvements pursuant to this paragraph shall assume all rights and obligations of Participant under this Agreement and shall be entitled, upon written request made to Agency, to a Certificate of Completion from Agency.

Section 6.4 Failure of Holder to Complete Improvements.

In any case where, six (6) months after default by Participant in completion of construction of the Improvements under this Agreement, the holder of record of any mortgage, deed of trust or other security interest creating a lien or encumbrance upon the Property or the Improvements, having first exercised its option to construct, has not proceeded diligently with construction, Agency shall be afforded those rights against such holder which it would otherwise have against Participant under this Agreement.

Section 6.5 Right of Agency to Terminate if Default By Participant of a Mortgage.

In the event of a default or breach by Participant of a mortgage, deed of trust or other security instrument prior to issuance of the Certificate of Completion for the Improvements, and the holder has not exercised its option to complete the Improvements, Agency may terminate this Agreement by writing.

Section 6.6 Holder to be Notified.

Participant, for itself, its successors and assigns hereby warrants and agrees that each term contained herein dealing with security financing and rights of holders shall be either inserted into the relevant deed of trust or mortgage or acknowledged by the holder prior to its coming into any security right or interest in the Property or the Improvements.

Section 6.7 Modifications to Agreement.

Agency shall not unreasonably withhold its consent to modifications of this Agreement requested by Participant's lender or lenders provided such modifications do not alter Agency's substantive rights and obligations under this Agreement.

Section 6.8 Estoppel Certificates.

Either Party shall, at any time, and from time to time, within thirty (30) days after receipt of written notice from the other Party, execute and deliver to such Party a written statement certifying that, to the knowledge of the certifying Party: (i) this Agreement is in full force and effect and a binding obligation of the Parties (if such be the case), (ii) this Agreement has not been amended or modified either orally or in writing, or if so amended, identifying the amendments, and (iii) the requesting Party is not in default in the performance of its obligations under this Agreement, or if in default, describing the nature and amount of any such defaults.

ARTICLE VII: AGENCY'S FINANCIAL PARTICIPATION

Section 7.1 Off-Site Improvements.

Attached hereto as Exhibit "D" and incorporated herein by this reference, is a listing of off-site work to be performed by Participant (the "Off-Site Work").

Section 7.2 Reimbursement for Off-Site Improvements.

Upon completion of the Off-Site Work by Participant and acceptance by the City in accordance with its customary inspection and acceptance practices, Participant shall be deemed to have completed the improvements and Agency shall within thirty (30) days reimburse Participant with funds up to the lesser of the final audited costs to complete or Thirteen Thousand Two Hundred Fifty Dollars (\$13,250.00 U.S.) ("**Agency Participation**").

ARTICLE VIII: ENVIRONMENTAL MATTERS

Section 8.1 Hazardous Materials Remediation.

Participant shall not hold Agency or City responsible for the cost of any soil, groundwater or other environmental remediation or other response activities for any Hazardous Materials existing or occurring on the Property, or any portion thereof, or any land conveyed to Participant by Agency pursuant to this Agreement, and Participant shall be solely responsible for all actions and costs associated with any soil, groundwater or other environmental remediation or other response activities required for the development of the Project, the Property, or any portion thereof. Upon receipt of any notice regarding the presence, release or discharge of Hazardous Materials in, on or under the Property, or any portion thereof, Participant (as long as Participant owns the

property which is the subject of such notice) shall, and hereby agrees to, timely initiate and diligently pursue and complete all appropriate response, remediation and removal actions for the presence, release or discharge of such Hazardous Materials within such deadlines as specified by applicable Environmental Laws. The provisions of this section and Section 8.2 are not applicable to any real property owned and retained by the City upon which the Off-Site Work is constructed.

Section 8.2 Indemnification.

Participant shall, and hereby agrees to, unconditionally indemnify, reimburse, defend, protect and hold harmless Agency and City and their elected and appointed boards, commissions, officers, agents, attorneys, consultants and employees, and all of their respective successors and assigns, from and against any and all claims, demands, suits and actions at law or in equity, and losses, liabilities, expenses, penalties, fines, orders, judgments, injunctive or other relief (whether known or unknown and whether based on personal injury, property damage, or contamination of, or adverse effects upon, the environment or natural resources), and costs and damages of every kind, nature and description (including but not limited to attorneys' fees and court costs, with counsel reasonably acceptable to Agency and City) and any expenses associated with the investigation, assessment, monitoring, response, removal, treatment, abatement or remediation of Hazardous Materials, and administrative, enforcement or judicial proceedings and which directly or indirectly, in whole or in part, are caused by, arise from, or relate to, or are alleged to be caused by, arise from, or relate to, the presence, release or discharge, or alleged presence, release or discharge, of any Hazardous Materials in, on or under the Property, or any portion thereof, or any land conveyed by Agency to Participant pursuant to this Agreement, or the failure to comply with any Environmental Laws, whether or not any insurance policies shall have been determined to be applicable to any such claims, demands, suits, actions, losses, liabilities, expenses, penalties, fines, orders, judgments, injunctive or other relief, costs, damages, or administrative, enforcement or judicial proceedings. It is further agreed that Agency and City do not, and shall not, waive any rights against Participant which they may have by reason of this indemnity and hold harmless agreement because of the acceptance by Agency, or the deposit with Agency by Participant, of any of the insurance policies described in this Agreement.

ARTICLE IX: DEFAULTS, REMEDIES AND TERMINATION

Section 9.1 Participant's Default.

The following events shall constitute an event of default ("**Event of Default**") on the part of Participant.

A. If Participant shall fail to keep, observe or perform any of its covenants, duties or obligations under this Agreement and such default shall continue for a period of thirty (30) days after written notice thereof from Agency to Participant, or in the case of a default which cannot with due diligence be cured within thirty (30) days, Participant fails to promptly begin and diligently proceed to cure such default promptly after such notice;

B. The making by Participant of an assignment for the benefit of creditors, or filing by Participant of a petition in bankruptcy or of reorganization under any bankruptcy or insolvency law;

C. The appointment of a receiver or trustee of the property of Participant which appointment is not vacated or stayed within ninety (90) days after such appointment; or

D. The filing of a petition in bankruptcy against Participant or for its reorganization under any bankruptcy or insolvency law which is not dismissed or stayed within ninety (90) days after such filing.

Section 9.2 Agency's Remedies in the Event of Default.

If an Event of Default on the part of Participant shall occur and be continuing beyond any applicable cure period, then Agency shall have the following rights and remedies in addition to other rights available to it under law or this Agreement.

A. Termination. Agency shall have the right to terminate this Agreement. If Agency makes such election, Agency shall give written notice to Participant and to any mortgagee entitled to such notice, specifying the Event of Default and stating that this Agreement shall expire and terminate on the date specified in such notice, which shall be at least thirty (30) days after the giving of such notice, and upon the date specified in such notice, this Agreement and all rights of Participant under this Agreement shall expire and terminate.

B. Injunction. Agency shall have the right to seek to restrain, by injunction, the commission of or attempted or threatened commission of an Event of Default and to obtain a judgment or order specifically compelling performance of any such term or provision of this Agreement without, in either case, being required to prove or establish that Agency does not have an adequate remedy at law. Participant hereby waives the requirement of any such proof and

acknowledges that Agency would not have an adequate remedy at law for Participant's commission of an Event of Default hereunder if such Event of Default was voluntary on the part of Participant and could be prevented or remedied by injunctive relief or specific performance.

C. Damages. Agency shall be entitled to proceed against Participant for all direct damages, costs and expenses arising from Participant's commission of an Event of Default hereunder and to recover all such direct damages, costs and expenses, including reasonable attorneys' fees.

Section 9.3 Agency's Default.

The following events shall constitute an event of default on the part of Agency ("**Event of Agency Default**"):

If Agency shall fail to keep, observe or perform any of its covenants, duties or obligations under this Agreement and such default shall continue for a period of thirty (30) days after written notice thereof from Participant to Agency, or in the case of a default which cannot with due diligence be cured within thirty (30) days, Agency fails to promptly begin and diligently proceed to cure such default promptly after such notice.

Section 9.4 Participant's Remedies in the Event of Agency Default.

If an Event of Agency Default shall occur and be continuing beyond any applicable cure period, then Participant shall have the following rights and remedies in addition to other rights available to it under law or this Agreement.

A. Participant shall have the right to restrain, by injunction, the commission of or attempted or threatened commission of an Event of Agency Default and to obtain a judgment or order specifically compelling performance of any such term or provision of this Agreement without, in either case, being required to prove or establish that Participant does not have an adequate remedy at law. Agency hereby waives the requirement of any such proof and acknowledges that Participant would not have an adequate remedy at law for Agency's commission of an Event of Agency Default hereunder if such Event of Agency Default was voluntary on the part of Agency and could be prevented or remedied by injunctive relief or specific performance.

B. Notwithstanding anything to the contrary contained herein, in no event shall damages be awarded against City or Agency upon the occurrence of an Event of Agency Default or upon termination of this Agreement.

Section 9.5 Rights and Remedies are Cumulative.

Except as otherwise expressly stated in this Agreement, the rights and remedies of the Parties are cumulative, and the exercise by either Party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different time, of any other rights or remedies for the same or any other default by the other Party.

Section 9.6 Inaction Not a Waiver of Default.

Failure or delay by either Party in asserting any of its rights and remedies as to any default shall not operate as a waiver of such default or of any such rights or remedies, nor deprive either such Party of its rights to institute and maintain any action or proceeding which it may deem necessary to protect, assert or enforce any such rights or remedies in the same or any subsequent default.

Section 9.7 Excuse for Nonperformance.

Participant and Agency shall be excused from performing any obligation or undertaking provided in this Agreement, except any obligation to pay any sum of money under the applicable provisions hereof, in the event and for so long as the performance of any such obligation is prevented or delayed, retarded or hindered by act of God, fire, earthquake, flood, explosion, action of the elements, war, invasion, insurrection, riot, mob violence, sabotage, inability to procure or general shortage of labor, equipment, facilities, materials or supplies in the open market, failure of transportation, strikes, lockouts, action of labor unions, condemnation, requisition, laws, orders of governmental, civil, military or naval authority, or any other cause, whether similar or dissimilar to the foregoing, not within the control of the Party claiming the extension of time to perform. The Party claiming such extension shall send written notice of the claimed extension to the other Party within thirty (30) days following the commencement of the cause entitling the Party to the extension.

ARTICLE X: INDEMNITY AND INSURANCE

Section 10.1 Hold Harmless.

Participant hereby shall indemnify, hold harmless and defend Agency and City, their respective elected and appointed boards, commissions, officers, agents and employees (collectively, "**Indemnified Parties**") from and against any or all losses, expenses, claims, suits, demands, costs (including attorneys' fees and expenses of litigation), damages and liabilities of every kind (collectively, "**Claims**"), including without limitation, Claims arising in connection with any

personal injury, death or property damage, which may arise directly or indirectly as a result of any action or inaction, error, negligent or wrongful act or omission, breach of warranty, willful misconduct or fraudulent misrepresentation of Participant's or Participant's contractors, subcontractors, agents or employees in connection with the construction, improvement, operation or maintenance of the Project, the public Improvements, or any part thereof. Participant shall defend Agency, City, and their elected and appointed boards, commissions, officers, agents and employees from any suits or actions at law or in equity for damages caused, or alleged to have been caused, resulting from the negligent acts, errors or omissions of Participant.

Section 10.2 Liability and Workers Compensation Insurance.

A. Participant shall maintain in force during the construction of the Project and through the issuance of the Certificate of Completion, comprehensive general liability and property damage insurance, including personal injury, contractual, and owned and non-owned automobile insurance with such coverage and limits as may be reasonably requested by Agency and City from time to time, but in no event for less than the sum of three million dollars (\$3,000,000) per occurrence combined single limit. During the term of this Agreement, Participant shall maintain Worker's Compensation insurance for all persons employed by Participant for work at the Project site. Participant shall require each contractor and subcontractor similarly to provide Worker's Compensation insurance for its respective employees. Participant agrees to indemnify the City and the Agency for any damage resulting from Participant's failure to maintain or require any such insurance.

B. Liability insurance policies shall name Agency and City as additional insureds. An endorsement shall be provided which states the coverage is primary insurance and that no other insurance held by Agency or City will be called upon to contribute to a loss under this coverage.

C. Participant shall furnish to the Agency duplicate originals or certificates evidencing such insurance coverage or coverages prior to commencement of construction (or any work related thereto) on the Property, but in no event later than thirty (30) days after the Effective Date, and such certificate(s) shall provide that such insurance coverage will not be canceled or reduced without at least thirty (30) days' prior written notice to Agency.

D. If such coverage is canceled or reduced, Participant shall, within fifteen (15) days after receipt of notice of such cancellation or reduction in coverage, but in no event later than the effective date of cancellation or reduction, file with Agency and City a certificate showing that the required

insurance has been reinstated or provided through another insurance company or companies. Upon failure to so file such certificate, Agency or City may, without further notice and at its option, procure such insurance coverage at Participant's expense, and Participant shall promptly reimburse Agency or City for such expense upon receipt of billing from Agency or City.

E. The insurance policies specified in this Section shall be provided by a reputable company or companies, licensed to do business in Nevada.

ARTICLE XI: GENERAL PROVISIONS

Section 11.1 Notices.

Except as otherwise specified in this Agreement, all notices to be sent pursuant to this Agreement shall be made in writing, and sent to the Parties at their respective addresses specified below or to such other address as a Party may designate by written notice delivered to the other parties in accordance with this Section. All such notices shall be sent by:

(i) personal delivery, in which case notice is effective upon delivery;

(ii) certified or registered mail, return receipt requested, in which case notice shall be deemed delivered on receipt if delivery is confirmed by a return receipt;

(iii) nationally recognized overnight courier, with charges prepaid or charged to the sender's account, in which case notice is effective on delivery if delivery is confirmed by the delivery service;

(iv) facsimile transmission, in which case notice shall be deemed delivered upon transmittal, provided that (a) a duplicate copy of the notice is promptly delivered by first-class or certified mail or by overnight delivery, or (b) a transmission report is generated reflecting the accurate transmission thereof. Any notice given by facsimile shall be considered to have been received on the next business day if it is received after 5:00 p.m. recipient's time or on a non-business day.

AGENCY: Henderson Redevelopment Agency
240 Water Street
PO Box 95050
Henderson, NV 89009-5050
Attn: Redevelopment Manager

PARTICIPANT: Class Personal Development, LLC
Jacob Snow, Manager
1006 Rose River Court
Henderson, NV 89002

Section 11.2 Conflicts of Interest.

No member, official or employee of the Agency shall have any direct or indirect interest in this Agreement, nor participate in any decision relating to this Agreement which is prohibited by law.

Section 11.3 Warranty Against Payment of Consideration for Agreement.

Participant warrants that it has not paid or given, and will not pay or give, to any third party, any money or other consideration for obtaining this Agreement, other than normal costs of conducting business and costs of professional services such as architects, engineers and attorneys.

Section 11.4 Nonliability of Agency and City Officials.

No member, official or employee of the Agency or City shall personally be liable to Participant, or any assignee or successor of Participant, in the event of any default or breach by the Agency or for any amount which may become due to Participant or its successors or on any obligation under the terms of this Agreement.

Section 11.5. Parties Not Co-Venturers; No Third-Party Beneficiaries.

No provision of the Agreement nor any act of the City or the Agency shall be deemed or construed to establish the Parties as partners, co-venturers, or principal and agent with one another or to create any relationship of third-party beneficiary.

Section 11.6 Litigation.

In the event of any dispute between the Parties hereto arising out of this Agreement the non-prevailing party agrees to pay to the prevailing party all sums paid or incurred by the prevailing party as reasonable costs and expenses and incurred in the legal proceedings, including but not limited to reasonable attorneys' fees.

Section 11.7 Severability.

If any term, provision, covenant or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions shall continue in full force and effect unless the rights and obligations of the Parties have been materially altered or abridged by such invalidation, voiding or unenforceability. If as a result of any final judgment this Agreement or any other required approvals under this Agreement are determined to be invalid, the Parties agree to cooperate to amend this Agreement and other necessary documents in order to accomplish the basic purposes and intent of this Agreement.

Section 11.8 Counterparts; Entire Agreement; Captions.

This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which together shall be deemed to be one agreement. This Agreement, together with all Exhibits attached hereto, constitutes the entire agreement of the Parties with respect to the subject matter hereof and supersedes all prior negotiations or agreements between the Parties with respect thereto. The captions of the sections and articles of this Agreement are for convenience only and are not intended to affect the interpretation or construction of the provisions hereof.

Section 11.9 Amendments; Waivers.

This Agreement may be amended only by a written instrument executed by the Parties. No waiver of any provision of this Agreement shall constitute or be deemed a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless it is executed in writing by the Party making the waiver.

Section 11.10 Governing Law; Venue.

The laws of the State of Nevada shall govern the interpretation and enforcement of this Agreement. Any action to enforce or interpret this Agreement shall be filed in the District Court of Clark County, Nevada.

Section 11.11 Exhibits.

Exhibits A through D attached hereto are incorporated herein by this reference.

Section 11.12 Recordation; Further Assurances.

Agency is authorized to record this Agreement and any amendments thereto in the official records of Clark County, Nevada. The Parties shall execute,

acknowledge and deliver to the other such other documents and instruments, and take such other actions, as may be reasonably necessary to carry out the intent of this Agreement.

SIGNATURES ON NEXT PAGE

IN WITNESS WHEREOF, the Parties hereto have entered into this Agreement as of the day and year first above written.

CITY OF HENDERSON REDEVELOPMENT AGENCY

By: Mark T. Calhoun, P.E.
Its: Executive Director

ATTEST:

APPROVED AS TO FORM:

By: Sabrina Mercadante, CMC
Its: Agency Secretary

By: Elizabeth Macias Quillin
Its: Agency General Counsel

CLASS PERSONAL DEVELOPMENT, LLC

By: Jacob Snow
Its: Manager

STATE OF NEVADA)
) ss.
COUNTY OF CLARK)

I, _____, a Notary Public in and for Clark County, in the State of Nevada, do hereby certify that JACOB SNOW appeared before me this day in person and acknowledged that he signed, sealed and delivered this instrument as his free and voluntary act for the use and purposes herein set forth.

Given under my hand and official seal this ____ day of _____, 2011.

Notary Public

My Commission Expires: _____

Exhibit A

**Legal Description
APN-179-18-810-056**

Lot 4, Block 16 of Book 3, Page 42 of Plats
Section 18, Township 22 South, Range 63 East M.D.M.
Clark County, Nevada.

Exhibit B
Schedule of Development

DATE

1. Execution of Agreement by Agency. Within 14 days of Public Hearing, February 15, 2011.
The Agency shall hold a public hearing to authorize execution of this Agreement by the Agency, and if so authorized, the Agency shall execute and deliver this Agreement to the Participant.
2. Close of Escrow by Participant. The participant shall close escrow within thirty (30) days of the Effective Date. (Section 2.1) Within 30 days of Public Hearing, February 15, 2011.
3. Submission – Certificates of Insurance. The Participant shall furnish to the Agency duplicate originals or appropriate certificates of bodily injury and property damage insurance policies. (Section 10.2.) 3 days prior to commencement of construction.
4. Completion of Construction of Participant's Improvements. The Participant shall complete construction of the Improvements to be constructed on the Property. (Section 2.4.) Within 18 months after commencement thereof by the Participant.
5. Issuance – Final Certificate of Completion. The Agency shall furnish the Participant with the final Certificate of Completion. (Section 3.5) Within 14 days after written request by the Participant after issuance by the City of a Certificate of Occupancy.
6. Issuance of Funds. The Agency will reimburse for certain "Off-Site" work (Article VII) Within 30 days of acceptance of "Off-Sites".

**Exhibit C
Certificate of Completion**

CERTIFICATE OF COMPLETION

THIS CERTIFICATE OF COMPLETION (the "**Certificate**") is made as of this ____ day of _____, 2011 by the **HENDERSON REDEVELOPMENT AGENCY**, a public body corporate and politic (the "**Agency**"), in favor of **CLASS PERSONAL DEVELOPMENT, LLC**, a Nevada limited liability corporation (the "**Participant**"), as of the date set forth below.

RECITALS

A. The Agency and the Participant have entered into that certain Development and Disposition Agreement (the "**DDA**") dated the 15th of February 2011, concerning the redevelopment of certain real property situated in the City of Henderson, Nevada as more fully described in Exhibit C-1 attached hereto and made a part hereof.

B. As referenced in Section 3.5 of the DDA, the Agency is required to furnish the Participant or its successors with a Certificate of Completion upon completion of construction of the Improvements (as defined in Section 1.12 of the DDA), which release is required to be in such form as to permit it to be recorded in the Recorder's office of Clark County. This Certificate is conclusive determination of satisfactory completion of the construction and development required by the DDA.

C. The Agency has conclusively determined that such construction and development has been satisfactorily completed.

NOW, THEREFORE, the Agency hereby certifies as follows:

1. The improvements to be constructed by the Participant have been fully and satisfactorily completed in conformance with the DDA. Any operating requirements and all use, maintenance or nondiscrimination covenants contained in the OPA shall remain in effect and enforceable according to their terms.

2. Nothing contained in this instrument shall modify in any other way any other provisions of the DDA.

SIGNATURES ON NEXT PAGE

IN WITNESS WHEREOF, the Agency has executed this Certificate as of the date set forth above.

CITY OF HENDERSON REDEVELOPMENT AGENCY, a public body corporate and politic

By: Mark T. Calhoun, P.E.
Its: Executive Director

ATTEST:

By: Sabrina Mercadante, CMC
Its: Agency Secretary

APPROVED AS TO FORM:

By: Elizabeth Macias Quillin
Its: Agency General Counsel

**Exhibit C-1
Legal Description**

APN-179-18-810-056

Lot 4, Block 16 of Book 3, Page 42 of Plats
Section 18, Township 22 South, Range 63 East M.D.M.
Clark County, Nevada.

Exhibit D

Off-Site Work

- a. Remove and replace portion of Water Street sidewalk adjacent to the Property. Estimated cost not to exceed \$7,500.00
- b. Install underground electrical service within alley right of way adjacent to the Property from existing overhead line to rear property line. This line item is only for work within the alley. Estimated cost not to exceed \$1,250.00
- c. Remove and replace paving in alley adjacent to the Property. Estimated cost not to exceed \$4,600.00.



RAC

REDEVELOPMENT AGENCY ADVISORY COMMISSION AGENDA ITEM

REGULAR MEETING

January 25, 2011

RAC-003

SUBJECT	Resolution No. _____ - Amendment of City of Henderson Loan to City of Henderson Redevelopment Agency (Parkline Lofts)
PETITIONER	Economic Development/Redevelopment Division of the City Manager's Office
RECOMMENDATION	Recommend Approval

FISCAL IMPACT:

No Impact

Budgeted funds available

Augmentation required

CMTS Number(s):

FUNDING SOURCE, AMOUNT, AND ACCOUNT NUMBER(S) TO BE CHARGED:

N/A

BACKGROUND / DISCUSSION / ALTERNATIVES:

On April 20, 2004, the City Council and Agency Board approved that the City and Agency enter into a note for the purchase of nine parcels on Basic Road for \$791,592. The note was executed September 7, 2004. The term of the note was five years at six percent interest. Originally the note was funded as advances from the City's Land Fund (\$621,261) and Park Development Fund (\$170,331).

On August 19, 2008, the Agency and City amended the note to repay the portion of the note related to the Parks Fund, plus accrued interest on the original maturity date and to extend the maturity date of the note related to the Land Fund to September 2012, with the option to extend the maturity date for two additional three-year periods at the sole option of the City. Interest would continue to accrue at six percent, yet be paid on September 2009, 2012, 2015, and 2018.

(CONTINUED)

RECOMMENDED MOTION:

I move to recommend approval of Resolution No. _____ - Amendment of City of Henderson Loan to City of Henderson Redevelopment Agency (Parkline Lofts)

Supporting Documentation:

- Original City/Agency Loan Agreement dated September 7, 2004 consisting of nine (9) pages.
- Original City/Agency Note dated September 7, 2004 consisting of four (4) pages.
- Amended City/Agency Loan Agreement of August 16, 2008 consisting of five (5) pages.
- Amended City/Agency Note of August 16, 2008 consisting of three (3) pages.

BACKGROUND / DISCUSSION / ALTERNATIVES CONTINUED:

The original project for which these parcels were purchase has encountered several challenges and due to the economic downturn, the project has not materialized. Also, on December 7, 2010, the Agency board approved an agenda item authorizing the Treasurer of the Agency to issue bonds for three of the five redevelopment areas, including Downtown.

To receive the full, estimated \$9.9 million in project funds from the bonds to invest in the Downtown project area, staff is recommending that the note be amended:

- To subordinate the note to the 2011 Downtown Bond issue; and,
- To exercise one of the two additional three-year periods extending the maturity date to September 2015, yet paying the accrued interest (\$127,358) due September 2012 to the Land Fund.

**CITY OF HENDERSON AND
CITY OF HENDERSON REDEVELOPMENT AGENCY
INTERAGENCY PURCHASE AND SALE AGREEMENT**

THIS PURCHASE AND SALE AGREEMENT ("Purchase Agreement") is entered into this 7th day of September, 2004 ("Effective Date") by and between the CITY OF HENDERSON, a public body, corporate and politic ("Seller") and the REDEVELOPMENT AGENCY OF THE CITY OF HENDERSON, a public body, corporate and politic ("Purchaser").

Recitals

This Purchase Agreement is entered into upon the basis of the following facts, understandings and intentions of the parties:

A. Seller is the owner of nine parcels of real property, and all structures and improvements thereon, located in Henderson, Nevada, and more particularly described in Exhibit A, attached hereto and incorporated herein (the "Real Property"). The Real Property and any improvements thereon are collectively referred to herein as the "Property".

B. Purchaser desires to purchase from Seller, and Seller desires to sell to Purchaser, on the terms and conditions in this Purchase Agreement, the Property.

C. Purchaser wishes to purchase the Property in order to assist in the development of a condominium project and related improvements pursuant to the terms and conditions of a disposition and development agreement to be negotiated by and between Purchaser and Parkline Properties, LLC.

D. Purchaser is a Redevelopment Agency existing pursuant to the Community Redevelopment Law, Nevada Revised Statutes Section 279.382, et seq. Pursuant to its authority granted under Nevada law, Purchaser has the responsibility to carry out the Redevelopment Plan for the Downtown Redevelopment Project Area ("Redevelopment Plan").

E. The Property is located in an area governed by the Redevelopment Plan. The sale of the Property provided for in this Purchase Agreement and the future use of the Property by Purchaser in the manner set forth herein is consistent with the Redevelopment Plan.

NOW, THEREFORE, IN CONSIDERATION of the mutual covenants, promises and undertakings set forth herein, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Purchase and Sale. Seller agrees to sell the Property to Purchaser, and Purchaser agrees to purchase the Property from Seller, on the terms and conditions

provided herein. The Property shall be conveyed to Purchaser subject to the Redevelopment Plan and the terms of this Purchase Agreement.

2. Purchase Price. The Purchaser shall purchase the Property from Seller by delivering the promissory note, attached to this Purchase Agreement as Exhibit B ("Note"), in the principal amount of \$733,536 ("Purchase Price") plus expenses in readying the property for development.

3. Title Documents. Prior to Close of Escrow, Seller shall deliver or cause to be delivered to Purchaser a preliminary title report (the "Preliminary Report") on the Property issued by a title company agreed to by the Parties, setting forth all liens, encumbrances, easements, restrictions, conditions, pending litigation, judgments, administrative proceedings, and other matters affecting Purchaser's title to the Property, together with copies of all documents relating to exceptions referred to in the Preliminary Report and complete and legible copies of all instruments referred to in the Preliminary Report, as requested by Purchaser. If Purchaser objects to any exceptions to the title to the Property, and the exceptions are not removed before the Close of Escrow, all rights and obligations under this Purchase Agreement may, at the election of the Purchaser, terminate unless Purchaser elects to purchase the Property subject to the exceptions.

4. Close of Escrow. Unless the parties mutually agree in writing to an extension, Close of Escrow shall occur no later than the close of business on September 15, 2004 ("Close of Escrow"). On Close of Escrow:

Seller shall: (i) deposit into escrow a grant deed in a recordable form conveying to Purchaser a fee simple interest in the Property in accordance with this Purchase Agreement, duly executed and acknowledged; and (ii) execute, deposit and deliver such additional instruments and documents as may reasonably be required to consummate the transaction which is the subject of this Purchase Agreement.

Purchaser shall: (i) deliver an executed copy of the Note with a principal amount sufficient to make the total consideration equal the Purchase Price plus reimbursement for costs incurred, i.e., asbestos testing, asbestos abatement, demolition, cleanup and (ii) execute, deposit and deliver such additional instruments and documents as may reasonably be required to consummate the transaction which is the subject of this Purchase Agreement.

Purchaser shall pay any and all title report costs, recording fees, survey costs, environmental site assessments, transfer taxes, recording fees and other expenses related to the transaction contemplated by this Purchase Agreement. Seller shall record the grant deed conveying the Property from Seller to Purchaser in the official records of Clark County, Nevada and deliver to Purchaser a certified copy of the grant deed.

5. Prorations. At the Close of Escrow, (i) property taxes, if any, shall be prorated as of the date of Close of Escrow, including any additional property taxes which may be assessed after Close of Escrow, pertaining to the period prior to the transfer of title to Purchaser, regardless of when notice is delivered or who receives the notice; and (ii) any

bond or assessment that is a lien, determined as of the Close of Escrow, shall be assumed by Purchaser at the Close of Escrow.

6. Use of Property. Purchaser, or persons designated by Purchaser, shall have the right at all reasonable times to enter on the Property for the purpose of conducting any soil tests, surveys, and studies as Purchaser may require.

7. Purchaser's Conditions to Closing. The Close of Escrow and Purchaser's obligation to purchase the Property pursuant to this Purchase Agreement are conditioned on (i) the demolition and clearance of all structures and related improvements on the Property and (ii) the performance by Seller of each obligation to be performed by Purchaser under this Purchase Agreement by the Close of Escrow. Should Seller fail to perform the obligations described herein, Purchaser shall have the right, exercisable by giving notice to Seller, to terminate this Purchase Agreement.

8. Seller's Conditions to Closing. The Close of Escrow and Seller's obligation to sell the Property pursuant to this Purchase Agreement are conditioned on the performance by Purchaser of each obligation to be performed by Purchaser under this Purchase Agreement by the Close of Escrow. Should Purchaser fail to perform the obligations described herein, Seller shall have the right, exercisable by giving notice to Purchaser, to terminate this Purchase Agreement.

9. Possession. Seller shall deliver possession of the Property to Purchaser at the Close of Escrow.

10. Representations and Warranties. Seller hereby agrees, represents and warrants that, to the best of its knowledge, without any duty of inquiry or investigation, (i) there are not presently any threatened or pending actions, suits or proceedings against or affecting the Property or the interest of Seller in the Property or its use; (ii) there are not presently any threatened or pending condemnation, eminent domain, or similar proceedings affecting the Property; (iii) Seller has not received any notice from any governmental authority of any threatened or pending zoning, building, fire, or health code violations or violations of other governmental regulations concerning the Property that have not previously been corrected.

11. Disclaimer of Representations and Warranties. Purchaser and Seller agree that (i) except as specified in this Purchase Agreement, neither Seller nor any agent or representative of Seller has made any representations or warranties regarding the Property, including without limitation any representations or warranties concerning the Property's physical condition, access, zoning laws, environmental matters, utilities, physical equipment or fixtures on the Property, or any other matter affecting the Property or the use of the Property; and (ii) except for the representations and warranties in this Purchase Agreement, Purchaser has not relied and will not rely on any implied warranties, guaranties, statements, representations, or information about the Property, whether made by Seller or any agents or representatives of Seller.

Purchaser has examined the Property, is familiar with its physical condition, and accepts the Property in an "as is" condition. Seller has not made and does not make any representations as to the physical condition of the Property.

12. Environmental Indemnity. After the Close of Escrow, Purchaser shall, and hereby agrees to, unconditionally and fully indemnify, reimburse, defend, protect and hold Seller harmless from and against all claims, demands, damages, losses, liabilities, fines, orders, judgments, actions, injunctive or other relief (whether or not based on personal injury, property damage, contamination of, or adverse effects upon, the environment or natural resources), costs, economic or other loss, expenses (including without limitation attorneys' fees and any expenses associated with the investigation, assessment, monitoring, response, removal, treatment, abatement or remediation of hazardous materials on the Property), and administrative, enforcement or judicial proceedings, whether known or unknown, and which might, at any time, directly or indirectly, or in whole or in part, be (i) caused by, arise out of or be related to the presence, release or discharge or alleged presence, release or discharge of any Hazardous Materials in, on or under the Property; or (ii) be based on any Environmental Law applicable to the Property.

13. Seller's Covenants. From the Effective Date and through the Close of Escrow, Seller shall maintain and manage the Property substantially in accordance with Seller's established practices; maintain the Property in its same condition, ordinary wear and tear excepted; and maintain the same insurance in force for the Property. Seller shall not permit any liens, encumbrances, or easements to be placed on the Property, other than the exceptions existing prior to the Effective Date, nor shall the parties enter into any agreement regarding the sale, rental, management, repair, improvement, or any other matter affecting the Property that would be binding on Purchaser or the Seller or Property after the Close of Escrow without the prior written consent of Purchaser.

14. Purchaser's Covenants. The provisions of the Redevelopment Plan for the Downtown Redevelopment Area as amended on January 20, 2004 shall be in effect and shall apply to the Property and its use for the duration of the Redevelopment Plan. Purchaser covenants for itself and its permitted successors and assigns to use and devote the Property to uses specified in the Redevelopment Plan for the remainder of its term, and for the periods of time specified therein. The covenants against discrimination contained in Section 21 below shall be perpetual, and the covenants contained in this Section shall run with the land.

15. Non-Discrimination. Purchaser shall not restrict the rental, sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property, or any portion thereof, on the basis of race, color, religion, sex, marital status, ancestry, or national origin of any person. Purchaser herein covenants by and for itself and its successors and assigns, and all persons claiming under or through it, that this Purchase Agreement is made and accepted upon and subject to the conditions that there shall be no discrimination against or segregation of any person or of a group of persons on account of race, color, religion, creed, sex, marital status, ancestry, or national origin in the leasing, subleasing, transferring, use, occupancy, tenure or enjoyment of the Property nor shall Purchaser or

any person claiming under or through it establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, sublessees, subtenants, or vendees in the Property. The provisions of this Section shall be binding upon and shall obligate Purchaser and any subcontracting parties, successors, assignees or transferees under this Purchase Agreement.

All deeds, leases or contracts for the sale, lease, sublease, or other transfer of the Property or any portion thereof made or entered into by Purchaser, its successors or assigns, shall contain therein the following language:

(a) In Deeds:

"Grantee herein covenants by and for itself, its successors and assigns, and all persons claiming under or through it, that there shall be no discrimination against or segregation of a person or of a group of persons on account of race, color, religion, creed, sex, marital status, ancestry, or national origin in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the property herein conveyed, nor shall the grantee or any person claiming under or through the grantee establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the property herein conveyed. The foregoing covenants shall run with the land."

(b) In Leases:

"The lessee herein covenants by and for itself and its successors and assigns, and all persons claiming under or through it, and this lease is made and accepted upon and subject to the conditions that there shall be no discrimination against or segregation of any person or of a group of persons on account of race, color, religion, creed, sex, marital status, ancestry, or national origin in the leasing, subleasing, transferring, use, occupancy, tenure or enjoyment of the property herein leased nor shall the lessee or any person claiming under or through it establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, sublessees, subtenants, or vendees in the property herein leased."

(c) In Contracts:

"The transferee herein covenants by and for itself and its successors and assigns, and all persons claiming under or through it, and this contract is made and accepted upon and subject to the conditions that there shall be no discrimination against or segregation of any person or of a group of persons on account of race, color, religion, creed, sex, marital status, ancestry, or national origin in the leasing, subleasing, transferring, use, occupancy, tenure or enjoyment of the property herein transferred nor shall the

transferee or any person claiming under or through it establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, sublessees, subtenants, or vendees in the property herein transferred. The foregoing provisions shall be binding upon any subcontracting parties, successors, assigns, and other transferees under the contract."

16. Accuracy as of Closing. In the event of any material change to any of the representations or warranties contained herein before the Close of Escrow, the party with knowledge of such change shall promptly notify the other party.

17. Assignment. Neither Purchase nor Seller shall have the right to assign any rights and liabilities under this Agreement to any party.

18. Brokers. Each party warrants and represents to the other than no brokers have been retained or consulted in connection with this transaction. Nevertheless, each party agrees to defend, indemnify and hold harmless the other party from any claims, expenses, costs or liabilities arising in connection to real estate commissions or brokerage fees which may arise from this Purchase Agreement and be incurred by the other party and from any claims, expenses, costs or liabilities arising in connection with a breach of that party's representations, warranties, or covenants under this Agreement.

19. Waivers. No waiver of any breach of any covenant or provision of this Purchase Agreement shall be deemed a waiver of any other covenant or provision in this Purchase Agreement, and no waiver shall be valid unless in writing and executed by the waiving party. An extension of time for performance of any obligation or act shall not be deemed an extension of the time for performance of any other obligation or act, and no extension shall be valid unless in writing and executed by the waiving party.

20. Provisions Not Merged With Deeds. None of the provisions of this Purchase Agreement are intended to or shall be merged by any grant deed transferring title to the Property from Seller to Purchaser, and any such grant deed shall not be deemed to affect or impair the terms, conditions and covenants of this Purchase Agreement.

22. Integration. This Purchase Agreement contains the entire agreement between the parties and supersedes all previous or contemporaneous agreements, understandings, representations or statements between the parties respecting the purchase and sale of the Property.

23. Counterparts. This Purchase Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which taken together shall constitute one and the same instrument.

24. Severability. If any term, provision, covenant or condition of this Purchase Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions shall continue in full force and effect unless the rights and

obligations of the parties have been materially altered or abridged by such invalidation, voiding or unenforceability.

25. Third Party Rights. Nothing in this Purchase Agreement is intended to confer upon any person, other than the parties to this Purchase Agreement and their respective successors and assigns, any rights or remedies under this Purchase Agreement.

26. Parties Not Co-Venturers. Nothing in this Purchase Agreement is intended to or does establish the parties as partners, co-venturers, or principal and agent with one another.

27. Conflicts of Interest. No member, official or employee of Purchaser shall make any decision relating to the Purchase Agreement which affects his or her personal interests or the interests of any corporation, partnership or association in which he or she is directly or indirectly interested.

28. Non-Liability of Officials, Employees and Agents. No member, official, employee or agent of Purchaser shall be personally liable to Seller, or any assignee or successor in interest, in the event of any default or breach by Purchaser or for any amount which may become due to Seller or assignee or successor in interest on any obligation under the terms of this Purchase Agreement.

29. Time of the Essence. Time is of the essence for each condition, term and provision of this Purchase Agreement.

30. Amendment. This Purchase Agreement may be amended or modified only by a written instrument executed by Seller and Purchaser.

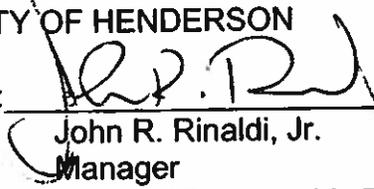
31. Exhibits. All Exhibits referred to in this Purchase Agreement are incorporated herein by this reference and made a part hereof.

32. Governing Law. This Purchase Agreement shall be governed by and construed in accordance with the laws of the State of Nevada.

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

SELLER

CITY OF HENDERSON

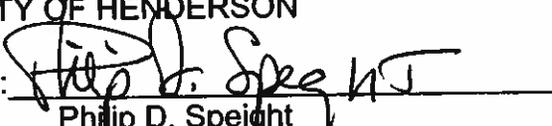
By: 

John R. Rinaldi, Jr.
Manager

Office of Property Mgmt. & Redevelopment

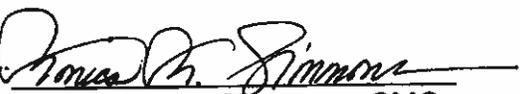
PURCHASER

REDEVELOPMENT AGENCY OF THE
CITY OF HENDERSON

By: 

Philip D. Speight
Executive Director

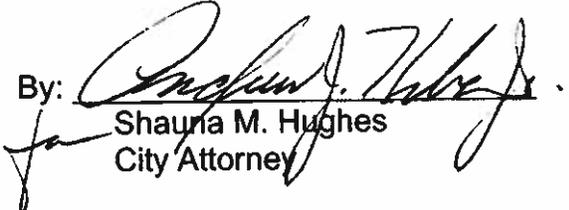
ATTEST:

By: 

Monica M. Simmons, CMC
City Clerk

RECEIVED
CITY ACTION
SEP 7 2004

APPROVED AS TO FORM:

By: 

Shauna M. Hughes
City Attorney

701092-1

Exhibit A
LEGAL DESCRIPTION OF PROPERTY

ASSESSOR'S PARCEL NUMBER	ADDRESS
179-18-411-037	155 West Basic
179-18-411-036	151 West Basic
179-18-411-035	147 West Basic
179-18-411-034	143 West Basic
179-18-411-032	135 West Basic
179-18-411-031	131 West Basic
179-18-810-025	127 West Basic
179-18-810-026	123 West Basic
179-18-810-027	119 West Basic

APN: 179-18-411-031,032,034,035,036,037;179-18-810-025,026,027

WHEN RECORDED MAIL TO:

City of Henderson
Property Management
240 Water Street
P.O. Box 95050
Henderson, NV 89009-5050

ORIGINAL

PROMISSORY NOTE

FOR VALUE RECEIVED, subject to, and in accordance with, the terms and provisions of this Note, the CITY OF HENDERSON REDEVELOPMENT AGENCY, a Nevada public body, corporate and politic, ("Agency") promises to pay to the order of CITY OF HENDERSON, a Nevada public body, corporate and politic, ("City"), the Principal Amount of \$ 790,539.00, payable at the times and in the amounts specified herein, together with interest until the Principal Amount shall have been paid pursuant to the terms of this Note.

Section 1. Definitions. Unless the context otherwise requires, the terms defined in this section shall for all purposes of this Note have the meanings herein specified.

"Agency" means the City of Henderson Redevelopment Agency, a public body, corporate and politic, duly organized and existing under and pursuant to Nevada law, or any public body succeeding to the rights and obligations of the Agency.

"City" means the City of Henderson, Nevada, a municipality and a political subdivision duly organized and existing under the Constitution and laws of the State of Nevada and the Charter of the City, or any public body succeeding to the rights and obligations of the City.

"Disposition and Development Agreement" means that certain disposition and development agreement to be entered into between Agency and Parkline Properties LLC for the construction of a condominium project on the south side of Basic Road between Pacific and Nickel.

"Interest Rate" means 6.00 % per annum.

"Maturity Date" means that certain date 5 years after the date of this Note.

APN: 179-18-411-031,032,034,035,036,037;179-18-810-025,026,027

Promissory Note

Page 2

"Note" means this Promissory Note, dated 11-17, 2004, of the Agency in favor of City.

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

"Principal Amount" means the amount described in this Note which is equal to the Purchase Price as defined in the Purchase Agreement.

"Purchase Agreement" means that certain Purchase and Sale Agreement entered into by and between Agency and City dated September 7, 2004.

"Redevelopment Plan" means the Redevelopment Plan for the Downtown Redevelopment Area.

"Site Tax Increment" means that portion of the tax revenues generated from property within the Redevelopment Area that is allocated to and received by the Agency after the date of this Note and pursuant to the Nevada Community Redevelopment Law, NRS § 279.676, after first deducting any amount of such tax revenues that Agency might be required to set aside for low-income housing pursuant to the Nevada Community Redevelopment Law, NRS § 279.685, debt or other obligations entered into by Agency before the date of this Note, any other set asides required by the NRS.

Section 2. Payments. Agency shall pay the interest and principal due on this Note on or before the Maturity Date. The indebtedness under this Note shall be payable solely and exclusively from Site Tax Increment and the proceeds from the Disposition and Development Agreement and shall not be payable from any other source.

All payments received shall be applied first toward the payment of all interest then due on any unpaid balance and second, in reduction of the unpaid interest and principal balance.

Section 3. Remedies. In the event Agency fails to pay the indebtedness under this Note on or before the Maturity Date, a five percent (5%) penalty will be added to the unpaid balance due at that time. Interest shall continue to accrue on the total balance due and ALL outstanding principal and accrued interest shall be paid without setoff, deduction, or counterclaim within 12 additional months from the Maturity Date.

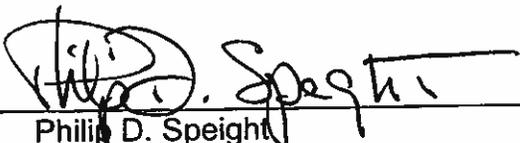
Section 4. Site Tax Increment. Until the outstanding balance of this Note is paid in full, Agency shall diligently pursue collection of all Site Tax Increment to which it is entitled under the Nevada Community Redevelopment Law, NRS § 279.676, and, except as otherwise permitted hereunder, Agency shall not agree to waive or defer

receipt of any Site Tax Increment to which it is entitled under the Nevada Community Redevelopment Law, NRS § 279.676.

Section 5. Other Conditions.

- a. In the event that the total amount of tax revenue to be paid to Agency must be limited pursuant to the Nevada Community Redevelopment Law, NRS § 279.676(2), Agency shall be permitted to determine the allocation of revenue to each redevelopment area, which allocation shall be done in an equitable manner; provided, however, to the extent not prohibited by the Nevada Community Redevelopment Law, Agency agrees that if such allocation of revenue becomes necessary, in allocating such revenue it will give priority to the repayment of the debt evidenced by this Note over debts incurred later in time.
- b. Upon the full payment of all amounts due and payable under this Note, City shall return this Note to Agency.
- c. The right is reserved to prepay, without penalty or premium, all or any part of the outstanding balance hereof at any time. Any such prepayment shall be applied, first, toward the payment of all interest then due on the unpaid principal balance and, second, in reduction of the unpaid principal balance.
- d. This Note shall be governed by and construed in accordance with the laws of the State of Nevada.
- e. Agency waives presentment, demand of payment, notice of nonpayment, protest, notice of protest, and all exemptions.
- f. If any provision of this Note is found to be invalid or unenforceable by a court of competent jurisdiction, the invalidity thereof shall not affect the enforceability of the remaining provisions of this Note.

CITY OF HENDERSON REDEVELOPMENT AGENCY

By: 
Philip D. Speight
Executive Director

APN: 179-18-411-031,032,034,035,036,037;179-18-810-025,026,027
Promissory Note
Page 4

STATE OF NEVADA
County of Clark

This instrument was acknowledged before me, a notary public, on
11/17/04 (date) by Philip D. Speight. as executive director of
the City of Henderson Redevelopment Agency.



Notary Public



**LOAN AGREEMENT BETWEEN
THE REDEVELOPMENT AGENCY OF THE CITY OF HENDERSON AND
THE CITY OF HENDERSON**

This Loan Agreement (this "**Agreement**") is entered into as of August 16, 2008 (the "**Effective Date**"), by and between the City of Henderson Redevelopment Agency, a public body corporate and politic (the "**Agency**") and the City of Henderson, a public body corporate and politic (the "**City**"). The Agency and the City are hereinafter collectively referred to as the "**Parties**."

RECITALS

A. The Agency is a Redevelopment Agency formed, existing and exercising its powers pursuant to the provisions of the Nevada Community Redevelopment Law, Nevada Revised Statutes 279.382 et. seq. (the "**Community Redevelopment Law**").

B. On October 4, 1995, the City Council of the City of Henderson adopted Ordinance No. 1618 (as subsequently amended on January 5, 2004 by Ordinance No. 2243 and on January 3, 2006 by Ordinance No. 2426), adopting the Redevelopment Plan for the Downtown Redevelopment Project Area (the "**Redevelopment Plan**").

C. On September 7, 2004 (the "**Loan Date**") the Agency entered into that certain purchase agreement (the "**Purchase Agreement**"), with the City for the acquisition of property known as Assessor Parcel Nos. 179-18-411-031, 032, 034, 035, 036 and 037, and Assessor Parcel Nos. 179-18-810-025, 026 and 027 (the "**Property**") located in Henderson, Clark County, Nevada.

D. In connection with the purchase of the Property, the City provided a loan (the "**Loan**") to the Agency in the amount of Seven Hundred Ninety-One Thousand Five Hundred Ninety-Two Dollars and Fifteen Cents (\$791,592.15).

E. The Agency executed a promissory note in favor of the City dated September 7, 2004 in the amount of the Loan (the "**Note**").

F. The City and the Agency desire to enter into this Agreement in order to amend certain terms of the Note, and to enter into an amended and restated promissory note (the "**Amended Note**"), substantially in the form attached hereto as Exhibit A, and incorporated herein by this reference

G. The City and the Agency have determined that the execution of this Agreement and the Amended Note is consistent with the Redevelopment Plan and is in the interests of the health, safety and welfare of the residents of the City.

NOW, THEREFORE, the Parties to this Agreement agree as follows:

**ARTICLE I
LOAN TERMS**

1.1 Loan. City agrees to amend the Note in the amount of Seven Hundred Ninety-One Thousand Five Hundred Ninety-Two Dollars and Fifteen Cents (\$791,592.15) upon the terms and conditions and for the purposes set forth in this Agreement. The Agency shall execute the Amended Note, substantially in the form attached hereto as Exhibit A.

1.2 Interest Rate. The unpaid principal balance of the Loan shall accrue simple interest at six percent (6.0%) simple interest per annum commencing on the Loan Date and continuing through the date that the principal of the Amended Note, and accrued and unpaid interest thereon, is paid in full. Interest shall be calculated on the basis of a year of 360 days and charged for the actual number of days elapsed.

1.3 Loan Term. All principal outstanding under the Loan and interest accrued and outstanding thereon is due and payable on September 7, 2012 (the "Maturity Date"). The Maturity Date may be extended for two additional three year periods to September 7, 2015 and September 7, 2018 at the sole option of the City.

1.4 Repayment. Principal outstanding under the Amended Note, together with interest outstanding thereon shall be repaid according to the following terms:

(a) On September 7, 2009 the Agency shall repay principal in the amount of One Hundred Seventy Thousand Three Hundred Thirty-Two Dollars and Fifteen Cents (\$170,332.15) together with all interest accrued and outstanding under the Amended Note.

(b) All principal outstanding under the Amended Note, together with all interest accrued and outstanding thereon shall be due and payable on the Maturity Date.

(c) If the City elects to extend the Maturity Date, the Agency shall repay all accrued and unpaid interest on September 7, 2012, September 7, 2015, and September 7, 2018 together with principal due on such dates, if any.

1.5 Prepayment. The Agency may prepay any portion of the outstanding principal balance of the Loan at any time, without penalty or premium. Any prepayment of principal must be accompanied by interest accrued but unpaid to the date of receipt of such prepayment. Prepayments shall be applied first to accrued but unpaid interest and then to principal.

ARTICLE II LIMITATIONS ON REPAYMENT

2.1 Site Tax Increment. The Agency shall repay the Amended Note solely from that portion of the tax revenues generated from property within the Redevelopment Area that is allocated to and received by the Agency after the date of the Amended Note and pursuant to the Nevada Community Redevelopment Law, NRS § 279.676, after first deducting any amount of such tax revenues that Agency might be required to set aside for low-income housing pursuant to the Nevada Community Redevelopment Law, NRS § 279.685, debt or other obligations entered into by the Agency before the date of the Amended Note, and any other set asides required by the NRS ("Site Tax Increment").

2.2 No Waiver or Deferral. Until the outstanding balance of the Amended Note is paid in full, Agency shall diligently pursue collection of all Site Tax Increment to which it is entitled under the Community Redevelopment Law, and, except as otherwise permitted hereunder, Agency shall not agree to waive or defer receipt of any Site Tax Increment to which it is entitled under the Community Redevelopment Law.

2.3 Other Conditions. In the event that the total amount of tax revenue to be paid to Agency must be limited pursuant to the Community Redevelopment Law, NRS § 279.676(2), Agency shall be permitted to determine the allocation of revenue to each redevelopment area, which allocation shall be done in an equitable manner; provided, however, to the extent not prohibited by the Community Redevelopment Law, Agency agrees that if such allocation of revenue becomes necessary, in allocating such revenue it will give priority to the repayment of the debt evidenced by the Amended Note over debts incurred later in time.

ARTICLE III DEFAULT AND REMEDIES

3.1 Events of Default. Each of the following events will constitute an event of default ("Event of Default") under this Agreement:

(a) Nonpayment. The Agency's failure to pay all amounts owing under the Amended Note plus accrued interest due thereon in accordance with Section 1.4 hereof.

(b) Failure to Perform. Agency's failure, neglect or refusal to perform any promise, agreement, covenant or obligation contained herein, after any applicable cure periods.

3.2 Declaring Default. Whenever any Event of Default has occurred, other than failure to pay any sums due, the City shall give written notice of default to the Agency. If the default is not cured within thirty (30) business days after written notice is provided, or any extension approved in writing by the City, the City may enforce its rights and remedies under Section 3.4 below. If an Event of Default occurs in the payment of any amount due hereunder, the Agency shall have ten (10) calendar days from the payment due date to cure such default whether or not the City provides written notice.

3.3 Default Rate. In the event Agency fails to pay any amount when due under the Amended Note, a five percent (5%) penalty will be added to the unpaid balance due at that time.

3.4 Remedies. Upon the occurrence of any Event of Default, in addition to its other rights at law, or in equity, the City may exercise any one or more of the following rights and remedies: (a) declare the outstanding principal balance of the Loan, all interest thereon, if any, and all other sums owing to the City immediately due and payable, and (b) proceed as authorized at law or in equity with respect to the Event of Default, and in connection with that, remain entitled to exercise all other rights and remedies described herein.

3.5 Disclaimer. If the City elects to employ any of the remedies available to it in connection with any Event of Default, the City will not be liable for: (1) the payment of any expenses incurred in

connection with the exercise of any remedy available to the City, and (2) the performance or nonperformance of any other obligation of the Agency.

ARTICLE IV MISCELLANEOUS

4.1 Relationship of Parties. By entering into this Agreement, the Parties do not intend to create a joint venture among them.

4.2 Amendments. No alteration or variation of the terms of this Agreement shall be valid unless made in writing by the Parties.

4.3 Non-Liability of Officials, Employees and Agents. No member, official, employee or agent of the Agency shall be personally liable to the City in the event of any default or breach by the Agency or for any amount which may become due to the City or its successor or on any obligation under the terms of this Agreement.

4.4 No Third Party Beneficiaries. There shall be no third party beneficiaries to this Agreement.

4.5 Severability. If any term of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions shall continue in full force and effect unless the rights and obligations of the Parties have been materially altered or abridged by such invalidation, voiding or unenforceability.

4.6 Title of Parts and Sections. Any titles of the sections or subsections of this Agreement are inserted for convenience of reference only and shall be disregarded in interpreting any part of the Agreement's provisions.

4.7 Governing Law. This Note shall be governed and construed in accordance with the laws of the State of Nevada.

4.8 Entire Understanding of the Parties. This Agreement, together with the Amended and Restated Promissory Note substantially in the form attached hereto as Exhibit A, constitute the entire understanding and agreement of the Parties with respect to the Loan.

SIGNATURES ON THE FOLLOWING PAGE

IN WITNESS WHEREOF, the Agency and the City have executed this Agreement as of the Effective Date contained herein.

CITY OF HENDERSON,
a public body, corporate and politic

for *Mary Kay Peck*
By: Mary Kay Peck, FAICP
Its: City Manager

COUNCIL ACTION
AUG 1 2009

Attest:

for *Monica Martinez Simmons*
Monica Martinez Simmons, MMC
City Clerk

Reviewed as to Form:

Shauna Hughes
Shauna Hughes
City Attorney

CITY OF HENDERSON REDEVELOPMENT AGENCY,
a public body, corporate and politic

for *Mary Kay Peck*
By: Mary Kay Peck, FAICP
Its: Executive Director

Attest:

for *Monica Martinez Simmons*
Monica Martinez Simmons, MMC
Agency Secretary

Reviewed as to Form:

Shauna Hughes
Shauna Hughes
Agency Counsel

**AMENDED AND RESTATED
PROMISSORY NOTE**

\$791,592.15

Henderson, Nevada
September 7, 2004

A. FOR VALUE RECEIVED, the REDEVELOPMENT AGENCY OF CITY OF HENDERSON, a public body, corporate and politic, ("Maker"), promises to pay to the CITY OF HENDERSON ("Holder"), the principal sum of SEVEN HUNDRED NINETY-ONE THOUSAND FIVE HUNDRED NINETY-TWO DOLLARS and FIFTEEN CENTS (\$791,592.15) (the "Loan"), or so much thereof as may be advanced by Holder pursuant to the loan agreement described below, together with interest on the outstanding principal balance in accordance with the terms and conditions described herein.

This amended and restated promissory note (this "Amended Note") has been executed and delivered pursuant to the terms of that certain loan agreement (the "Loan Agreement") dated August 16, 2008, by and between Maker and Holder, which details the terms and conditions under which Holder agrees to lend to Maker and Maker agrees to borrow SEVEN HUNDRED NINETY-ONE THOUSAND FIVE HUNDRED NINETY-TWO DOLLARS and FIFTEEN CENTS (\$791,592.15). The rights and obligations of Maker under this Amended Note shall be governed by the Loan Agreement and by the terms set forth in this Amended Note. All capitalized terms used and not defined herein shall have the meaning ascribed to them in the Loan Agreement.

B. Amended Note Terms.

(1) Term. All principal outstanding under this Amended Note and interest accrued and outstanding thereon is due and payable on September 7, 2012 (the "Maturity Date"). The Maturity Date may be extended for two additional three-year periods to September 7, 2018 at the sole option of the City.

(2) Interest Rate. The unpaid principal balance of the Loan shall accrue interest at six percent (6.00%) simple interest per annum commencing on September 7, 2004 and continuing through the date that the principal of, and accrued and unpaid interest on, the Loan is paid in full.

(3) Payments. Principal outstanding under this Amended Note, together with interest outstanding thereon shall be repaid according to the following terms:

(a) On September 7, 2009, Maker shall repay principal in the amount of One Hundred Seventy Thousand Three Hundred Thirty-Two Dollars and Fifteen Cents (\$170,332.15) together with all interest accrued and outstanding under this Amended Note.

(b) All principal outstanding under this Amended Note, together with all interest accrued and outstanding thereon shall be due and payable on the Maturity Date.

(4) Limitation on Repayment. Maker shall repay this Amended Note solely from Site Tax Increment (as defined in the Loan Agreement) to the extent such Site Tax Increment is lawfully available.

(5) Place and Manner of Payment. Payments shall be made in lawful money of the United States at 240 Water Street, Henderson, Nevada, or at such other place as Holder may from time to time designate in writing to Maker.

(6) Prepayment. Maker may prepay this Amended Note, including any accrued interest, either in whole or in part at any time during the prior to the Maturity Date, without penalty or other charge. Any partial prepayment amounts shall be applied first to late fees, if any, then to accrued interest, then to the outstanding principal balance of this Amended Note.

C. Events of Default. Each of the following events will constitute an event of default ("Event of Default") under this Agreement:

(1) Nonpayment. The Maker's failure to pay all amounts owing under this Amended Note plus accrued interest due thereon in accordance with Section 1.4 of the Loan Agreement.

(2) Failure to Perform. Maker's failure, neglect or refusal to perform any promise, agreement, covenant or obligation contained herein, after any applicable cure periods.

D. Declaring Default. Whenever any Event of Default has occurred, other than failure to pay any sums due, Holder shall give written notice of default to Maker. If the default is not cured within thirty (30) business days after written notice is provided, or any extension approved in writing by Holder, Holder may enforce its rights and remedies under this Amended Note pursuant to Section 3.4 of the Loan Agreement. If an Event of Default occurs in the payment of any amount due hereunder, Maker shall have ten (10) calendar days from the payment due date to cure such default whether or not Holder provides written notice.

E. Default Rate. In the event Maker fails to pay any amount when due under this Amended Note, a five percent (5%) penalty will be added to the unpaid balance due at that time.

F. Remedies. Upon the occurrence of any Event of Default, in addition to its other rights at law, or in equity, Holder may exercise any one or more of the following rights and remedies: (a) declare the outstanding principal balance of the Loan, all interest thereon, if any, and all other sums owing to Holder immediately due and payable, and (b) proceed as authorized at law or in equity with respect to the Event of Default, and in connection with that, remain entitled to exercise all other rights and remedies described herein.

G. Costs and Expenses. Maker agrees to pay the following costs, expenses, and attorneys' fees paid or incurred by Holder, or adjudged by a court: (1) reasonable costs of collection, costs, expenses, and attorneys' fees paid or incurred in connection with the collection or enforcement of this Amended Note, whether or not suit is filed; and (2) costs of suit and such sum as the Court may adjudge as attorneys' fees in an action to enforce payment of this Amended Note or any part of it.

H. Governing Law. This Amended Note shall be governed by and construed in accordance with the laws of the State of Nevada.

I. Successors and Assigns. The terms of this Amended Note shall be binding upon and inure to the benefit of the respective heirs, successors in interest and assigns of Maker and Holder.

J. Time of the Essence. Time is of the essence with respect to each and every provision hereof. If any provision hereof is found to be invalid or unenforceable by a court of competent jurisdiction, the invalidity thereof shall not affect the enforceability of the remaining provisions of this Amended Note.

Executed in Henderson, Nevada on 10/12, ²⁰¹⁰2008

CITY OF HENDERSON REDEVELOPMENT AGENCY

for Mark T. Calhoun
Mary Kay Peck, FAICP
Executive Director

Approved as to Form:

Shauna Hughes *for*
Shauna Hughes
Agency Counsel



RAC

REDEVELOPMENT AGENCY ADVISORY COMMISSION AGENDA ITEM

REGULAR MEETING

January 25, 2011

RAC-004

SUBJECT	Resolution No. _____ - Amendment of City of Henderson Loan to City of Henderson Redevelopment Agency (Pinnacle)
PETITIONER	Economic Development/Redevelopment Division of the City Manager's Office
RECOMMENDATION	Recommend Approval

FISCAL IMPACT:

No Impact Budgeted funds available Augmentation required

CMTS Number(s):

FUNDING SOURCE, AMOUNT, AND ACCOUNT NUMBER(S) TO BE CHARGED:

N/A

BACKGROUND / DISCUSSION / ALTERNATIVES:

On November 20, 2007 the RDA approved a Resolution for the City to advance the Agency \$2.6 million so the Agency could fulfill its guaranty agreement for the construction loan on the Pinnacle building by borrowing from the City's Land Fund. The term of the note is the earlier of (i) the date that the Agency receives proceeds from the sale of the property or (ii) November 20, 2012 at an interest rate of 4.8%.

Since the execution of the note, the economy has experienced a recession that, to date, is continuing. The market is not ripe to sell the property and will require several years make a profit. Additionally, the second and third floors have been leased to City departments to house city personnel due to a lack of availability of space within other City facilities.

To receive the full, estimated \$9.9 million in project funds from the bonds to invest in the Downtown project area and to potentially maximize a return on the sale of the property, staff is recommending that the note be amended:

- To subordinate the note to the 2011 Downtown Bond issue; and,
- To extend the maturity date to September 2015.

RECOMMENDED MOTION:

I move to recommend approval of Resolution No. _____ - Amendment of City of Henderson Loan to City of Henderson Redevelopment Agency (Pinnacle).

Supporting Documentation:

City/Agency Promissory Note dated November 20, 2007 consisting of three (3) pages.

Exhibit A

City of Henderson

PROMISSORY NOTE

\$2,604,000

Henderson, Nevada

November 20, 2007

FOR VALUE RECEIVED, the REDEVELOPMENT AGENCY OF THE CITY OF HENDERSON, a public body, corporate and politic, ("**Maker**"), promises to pay to the CITY OF HENDERSON ("**Holder**"), the principal sum of TWO MILLION SIX HUNDRED FOUR THOUSAND DOLLARS (\$2,604,000) (the "**Loan**"), or so much thereof as may be advanced by Holder pursuant to, together with interest on the outstanding principal balance in accordance with the terms and conditions described herein.

A. Authority. This promissory note (this "**Note**") has been executed and delivered pursuant to the terms of Resolution No. 52 adopted by Maker on November 20, 2007 (the "**Resolution**") authorizing this Note in an amount not to exceed TWO MILLION SIX HUNDRED FOUR THOUSAND DOLLARS (\$2,604,000) to fund the payment of amounts due under that certain Guaranty Agreement dated July 13, 2005 by and between the Maker and Clark County Credit Union. The rights and obligations of Maker under this Note shall be governed by the Nevada Revised Statutes ("**NRS**") §§ 279.382 to 279.685 (the "**Community Redevelopment Law**"), the Resolution and the terms set forth in this Note. Capitalized terms not defined herein shall have the meaning ascribed to them in the Resolution.

B. Note Terms.

(1) Term. All principal outstanding under this Note and interest accrued thereon is due and payable on the earlier of (i) the date that Maker receives proceeds from the sale of the Property or (ii) November 20, 2012, (the "**Maturity Date**").

(2) Interest Rate. The unpaid principal balance of the Loan shall accrue interest at four point eight percent (4.8%) simple interest per annum commencing on the date of initial disbursement of the Loan and continuing through the date that the principal of, and accrued and unpaid interest on, the Loan is paid in full.

(3) Payments. Principal and interest on this Note may be made from any legally available monies of Maker. Maker may make payments in any amount and in any manner during the term of this Note up until the Maturity Date, on which date all remaining principal, accrued interest, and other fees and charges, if any, shall become immediately due and payable.

(4) Place and Manner of Payment. Payments shall be made in lawful money of the United States at 240 Water Street, Henderson, Nevada, or at such other place as Holder may from time to time designate in writing to Maker.

(5) Prepayment. Maker may prepay this Note, including any accrued interest, either in whole or in part at any time during or prior to the Maturity Date, without penalty or other charge. Any partial prepayment amounts shall be applied first to late fees, if any, then to accrued interest, then to the outstanding principal balance of this Note.

C. Subordination. Maker's obligation to repay this Note is subordinate to any lien on the income, revenue and proceeds of taxes received by Maker which is pledged to secure any bonds or other securities issued by Maker.

D. Default. If default occurs in the payment of this Note when due and the default is not cured within thirty (30) days, interest shall accrue at the lesser of (i) twelve percent (12%) or (ii) the maximum legal rate permitted to be charged by lenders under the usury laws of the State of Nevada until all amounts due under this Note are paid in full.

E. Expenses. Maker agrees to pay the following costs, expenses, and attorneys' fees paid or incurred by Holder, or adjudged by a court: (1) reasonable costs of collection, costs, expenses, and attorneys' fees paid or incurred in connection with the collection or enforcement of this Note, whether or not suit is filed; and (2) costs of suit and such sum as the Court may adjudge as attorneys' fees in an action to enforce payment of this Note or any part of it.

F. Governing Law. This Note shall be governed by and construed in accordance with the laws of the State of Nevada.

G. Successors and Assigns. The terms of this Note shall be binding upon and inure to the benefit of the respective heirs, successors in interest and assigns of Maker and Holder.

H. Time is of the Essence. Time is of the essence with respect to each and every provision hereof. If any provision hereof is found to be invalid or unenforceable by a court of competent jurisdiction, the invalidity thereof shall not affect the enforceability of the remaining provisions of this Note.

SIGNATURES ON FOLLOWING PAGE

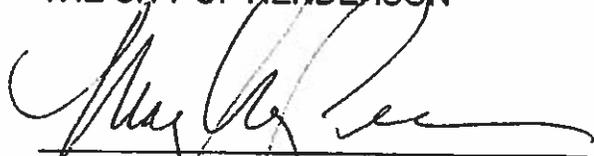
Executed in Henderson, Nevada on November 27, 2007

ATTEST:



Monica Martínez Simmons, CMC
Agency Secretary

REDEVELOPMENT AGENCY OF
THE CITY OF HENDERSON



Mary K. Peck, AICP
Executive Director



RAC

REDEVELOPMENT AGENCY ADVISORY COMMISSION AGENDA ITEM

REGULAR MEETING

January 25, 2011

RAC-005

SUBJECT	Projects Update
PETITIONER	Economic Development/Redevelopment Division of the City Manager's Office
RECOMMENDATION	Recommend Acceptance

FISCAL IMPACT:

No Impact

Budget funds available

Augmentation required

BACKGROUND / DISCUSSION / ALTERNATIVES:

This is an update provided to the Redevelopment Agency Advisory Commission of new and ongoing projects and business activity within the four redevelopment areas.

RECOMMENDED MOTION:

I move to accept report.

Supporting Documentation:

Memorandum consisting of two (2) pages



Memorandum

TO: Redevelopment Agency Advisory Commission
FROM: Michelle Romero, Redevelopment Manager
SUBJECT: Projects Update

Following are new or ongoing redevelopment projects, as compiled by staff, in our Redevelopment Areas and their status as of January 12, 2011:

I. CORNERSTONE REDEVELOPMENT AREA

Projects

- GSG Development /Park Heights
- Ladera Parcels
- Cornerstone
 - Cornerstone: Richmond American is not exercising their option to purchase 81 more parcels in January due to the very sluggish sales of the 31 they bought previously.

II. DOWNTOWN REDEVELOPMENT AREA

Projects

- 323 Water Street
- Business Recruitment Marketing Team
- City Tower (Southeast corner of Lake Mead Parkway and Water Street)
- Create Comprehensive Development and Business Recruitment Incentive Packages
 - WSD Parking Code Changes: Development Code changes for parking in the WSD were reviewed at the 1/4 Council meeting and referred to Committee for the 1/18 Council meeting.
 - Market Street Parking: Staff will be working with PW Engineering to determine costs for adding acute angle parking on Market Street, between the Eldorado Casino and Emerald Island Casino. Parking in this particular area has been in short supply since the Eldorado Parking Garage became only available for patrons of that facility. Staff have previously worked together to look at what would need to be involved, so action and cost determinations should move rather quickly.
- Downtown Arts & Culture
- Downtown Power Need
- Increase Curb Appeal
 - Commercial Façade Loan-to-Grant Architecture Charette: Letters to the three firms selected that contain details of each building and grant amounts have been sent out. Staff is working with CAO on Professional Service Agreements with each firm.
 - Water Street Phase III: PW has tentatively targeted January 27 to advertise for bids on this project. RTC is in the process of creating a legal agreement for the grant they are preparing to make for the project.
 - Site A Parking Lot: Bids for this project will be open on 1/17, with construction anticipated to begin on 2/16.

- Pacific Pines IV/Downtown Senior Center: The Downtown Senior Center was demolished in preparation for construction to begin on the new Senior Center and Nevada Hand Senior Housing Project, Pacific Pines IV.
- Lake Mead Crossing
- Marketing Water Street District Team
 - Media: The Downtown Sewing Machine Company was featured on What's Cool in Vegas over the holidays. Their segment can be viewed with the following link: <http://www.coolinvegas.com/featured/112511729.html>
 - At the request of a Review Journal reporter, staff toured RDA areas with him on 1/6 to highlight redevelopment projects and goals.
- Marketing To Developers, Business Owners & Consumers
- Residential Development Team
- Social Gathering Team
- Shurtleff Building (38 S. Water Street)
 - Staff is in serious talks with a potential first floor tenant for the Shurtleff building. Construction on the project remains on schedule and is expected to be complete on March 25, 2011.
- Site A
- The Meridian (155 S. Water Street)
- Water Street District Business Association

Programs

- Façade Improvement Program
- Homeowners Assistance Program

III. EASTSIDE REDEVELOPMENT AREA

Projects

- Landwell/Cadence
- Museum Site-95/Galleria
- Wells Park
 - Wells Park: Staff got the go ahead from the City Attorney's office to proceed with advertising the project for construction. Staff is finalizing a few loose ends and is preparing for a first of January advertise date. Staff met with Parks and Recreation regarding the ground breaking/construction kick-off event that will be held once a "Notice to Proceed" has been issued to the contractor. It is anticipated this date will be in March.

Programs

- Façade Improvement Program
- Homeowners Assistance Program
- Sign Grant Program

IV. TUSCANY REDEVELOPMENT AREA

- Public Improvements

V. LAKEMOOR CANYON

VI. ADMINISTRATION / ALL AREAS

- Bonds: Work continues on preparing to issue bonds for Eastside and Downtown.