CITY OF HENDERSON
REDEVELOPMENT AGENCY ADVISORY COMMISSION
AGENDA

Regular Meeting
Tuesday, February 22, 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 JANUARY 25, 2011

Approve the minutes of the City of Henderson Redevelopment Advisory Commission meeting of January 25, 2011.

2.	TERMINATION OF PARKLINE PROPERTIES, LLC DISPOSITION AND DEVELOPMENT AGREEMENT WITH REDEVELOPMENT AGENCY

Recommend approval of termination of the Disposition and Development Agreement with Parkline Properties, LLC and that the Agency retain the $50,000 deposit.

3.	APPROVAL OF FUNDING TO PURCHASE 2.14 ACRES OF REAL PROPERTY LOCATED AT THE SOUTHEAST CORNER OF BASIC ROAD AND PACIFIC AVENUE, APN 179-18-405-005

Recommend approval of the purchase of the property located at the southeast corner of Basic Road and Pacific Avenue, APN 179-18-405-005.

4.	RESOLUTION NO. _____ - AMENDMENT OF CITY OF HENDERSON LOAN TO CITY OF HENDERSON REDEVELOPMENT AGENCY (PARKLINE LOFTS) AND EXTENSION OF TERM UNDER THE LOAN AGREEMENT

Ratify the approval of Resolution No. _____ - Amendment of City of Henderson Loan to City of Henderson Redevelopment Agency (Parkline Lofts) and for the City to exercise the option to extend the Maturity Date for three years to September 7, 2015.

(CONTINUED ON NEXT PAGE)

5.	RESOLUTION NO. _____ - AMENDMENT OF CITY OF HENDERSON LOAN TO CITY OF HENDERSON REDEVELOPMENT AGENCY (PINNACLE)

Ratify the approval of Resolution No. _____ - Amendment of City of Henderson Loan to City of Henderson Redevelopment Agency (Pinnacle).

6.	AUGMENTATION TO REPAIR, RE-PAVE AND RE-STRIPE THE CITY-OWNED SURFACE PARKING LOT, LOCATED SOUTH OF AND IMMEDIATELY ADJACENT TO THE AGENCY-OWNED PARKING LOT AT THE SOUTHWEST CORNER OF VICTORY AND WATER STREET, FOR AN AMOUNT NOT TO EXCEED $50,000.

Ratify approval of an augmentation to repair, re-pave and re-stripe the City-owned surface parking lot, located south of and immediately adjacent to the Agency-owned parking lot at the southwest corner of Victory and Water Street, for an amount not to exceed $50,000.

7.	REVIEW AND ACCEPTANCE OF THE DOWNTOWN INCEPTION TO JUNE 30, 2010 FINANCIAL REPORT

Recommend acceptance of the Downtown Inception to June 30, 2010 Financial Report.

8.	PROJECTS UPDATE

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).

(CONTINUED ON NEXT PAGE)

VI. DIRECTOR'S/CHAIRMAN'S BUSINESS

- Financial Report
- Ethics Training Presentation by Christine Guerci-Nyhus, Senior Assistant City Attorney

VII. SET NEXT MEETING

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

VIII. ADJOURNMENT

Agenda posted prior to 9:00 a.m. on February 14, 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 | February 22, 2011 | RAC-001

SUBJECT	Minutes—City of Henderson Redevelopment Agency Advisory Commission Meeting of January 25, 2011.
PETITIONER	Economic Development/Redevelopment Division of the City Manager's Office
RECOMMENDATION	Recommend Approval

FISCAL IMPACT:

[x] 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 January 25, 2011.

Supporting Documentation:

Minutes consisting of four (4) pages

CITY OF HENDERSON REDEVELOPMENT AGENCY
ADVISORY COMMISSION REGULAR MEETING
MINUTES
January 25, 2011

I. CALL TO ORDER

Chairman Stan Southwick called the Redevelopment Advisory Commission to order at 4:05 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
David Chavez
Mark McGinty (arrived at 4:06 p.m.)
Richard Serfas
Tom Fay
Tom Foster

Excused: Laura Jane Spina

Staff: Bob Cooper, Economic Development/Redevelopment Manager
Michelle Romero, Redevelopment Manager
Christine Guerci-Nyhus, Senior Assistant City Attorney
Tiffany Reardon, Administrative Assistant III

Guests: Jacob & Cheryl Snow, Snow Family Trust

III. ACCEPTANCE OF AGENDA

Item 2, name changed from Class Personal Development, LLC to Snow Family Trust.
Items 3 and 4 were continued to February 22, 2011 meeting.

(Motion) Mr. Fay 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 DECEMBER 2, 2010

Approval of City of Henderson Redevelopment Agency Advisory Commission meeting minutes of December 2, 2010.

(Motion) Mr. Foster introduced a motion to approve the regular meeting minutes of December 2, 2010. The vote favoring approval was unanimous. Chairman Southwick declared the motion carried.

2.	314 SOUTH WATER STREET DISPOSITION AND DEVELOPMENT AGREEMENT WITH CLASS PERSONAL DEVELOPMENT, LLC (JACOB AND CHERYL SNOW)

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

Mr. Foster abstained from voting on this item due to a conflict of interest.

Michelle Romero, Redevelopment Manager, distributed a revised copy of the Disposition and Development Agreement (DDA) with Snow Family Trust and discussed the main points of the agreement. She noted that Snow Family Trust will purchase the property at appraised value, and the Agency has agreed to pay for offsite land costs up to thirteen thousand dollars. The proposed development at 314 Water Street meets all of the TIF criteria that were established in 2010 by the Redevelopment Agency.

Mr. Chavez thanked Jacob and Cheryl Snow, Snow Family Trust, for investing in our City and coming to the table with a project like this.

Mr. Snow, Snow Family Trust, commented that he is impressed with the Redevelopment in the Water Street District, and he feels it is a great canvas that we can do some wonderful things with.

Mr. Serfas complimented Jacob and Cheryl Snow, Snow Family Trust, on the planning and preparation of this project.

Mr. Snow, Snow Family Trust, commented that he hopes others will see this project and decide to invest Downtown.

Ms. Romero noted that the appraisal is being publicly noted in accordance with Nevada Revised Statutes.

Mr. McGinty abstained from voting on this item due to a conflict of interest.

(Motion) Mr. Serfas introduced a motion recommending approval of the Disposition and Development Agreement with Snow Family Trust for the Agency-owned property located at 314 S. Water Street. Chairman Southwick declared the motion carried.

3.	RESOLUTION NO. _____ - AMENDMENT OF CITY OF HENDERSON LOAN TO CITY OF HENDERSON REDEVELOPMENT AGENCY (PARKLINE LOFTS)

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

(Action)
This item was continued to the February 22, 2011 meeting.

4.	RESOLUTION NO. _____ - AMENDMENT OF CITY OF HENDERSON LOAN TO CITY OF HENDERSON REDEVELOPMENT AGENCY (PINNACLE)

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

(Action)
This item was continued to the February 22, 2011 meeting.

5.	PROJECTS UPDATE

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**
- **Financial Reports**
  Financial Reports will be reviewed at the February 22, 2011 meeting because Redevelopment staff members that would normally review the reports were not available for this meeting.

VII. SET NEXT MEETING

The next Regular Meeting was scheduled for February 22, 2011, at 4:00 p.m.

VIII. ADJOURNMENT

There being no further business to be discussed, the meeting was adjourned at 4:29 p.m.

Respectfully submitted,

_____
Tiffany Reardon
Administrative Assistant III

RAC

REDEVELOPMENT AGENCY ADVISORY COMMISSION AGENDA ITEM

REGULAR MEETING | February 22, 2011 | RAC-002

SUBJECT	Termination of Parkline Properties, LLC Disposition and Development Agreement with Redevelopment Agency
PETITIONER	Economic Development/Redevelopment Division of the City Manager's Office
RECOMMENDATION	Recommend Approval

FISCAL IMPACT:

☐ No Impact ☐ Budgeted funds available [X] Augmentation required

CMTS Number(s):

FUNDING SOURCE, AMOUNT, AND ACCOUNT NUMBER(S) TO BE CHARGED:
Augmented: 2092-1001-309300-H0010 $50,000 (Revenue from deposit)

BACKGROUND / DISCUSSION / ALTERNATIVES:
On July 20, 2004, Parkline Properties, LLC and the City of Henderson Redevelopment Agency ("Agency") entered into a Disposition and Development Agreement ("DDA") regarding property located on Basic Road, between Lead Street and Pacific, APN 179-18-405-005. On or about July 8, 2008, Pacific Lofts, LLC obtained title to the Property by Trustee's Deed Upon Sale. Section VII.B of the DDA prohibits Transfer of the Property, prior to issuance of a Certificate of Completion, unless the prior written approval of the Agency is obtained. No approval was obtained from the Agency prior to this transfer in ownership.

Further, Section IV.E required that the Developer diligently construct the Project in accordance with the Schedule set out in Exhibit D to the DDA. Exhibit D to the Agreement required that the Project be completed within 365 days of the date of the Agreement. To date, the Project has not been completed.

On December 9, 2010, a Notice of Default was sent via certified mail and first class mail to the owners of record, giving them 30 days to cure the default. The cure period ended January 9, 2011. To date, the owners have not undertaken any steps towards a cure.

Staff is recommending the termination of the Disposition and Development Agreement with Parkline Properties, LLC and that the Agency retain the $50,000 deposit that was made when the Agreement first went into effect.

RECOMMENDED MOTION:

I move to recommend approval of termination of the Disposition and Development Agreement with Parkline Properties, LLC and that the Agency retain the $50,000 deposit.

Supporting Documentation:
Disposition and Development Agreement consisting of forty-one (41) pages.
Notice of Default consisting of two (2) pages.

Receipt/Conformed Copy

Requestor:
REDEVELOPMENT HENDERSON CITY
07/09/2007 15:58:16 T20070121891
Book/Instr: 20070709-0005053
Agreement Page Count: 41
Fees: $54.00 N/C Fee: $25.00

Debbie Conway
Clark County Recorder

APN# 179-18-405-005

11-digit Assessor's Parcel Number may be obtained at:
http://redrock.co.clark.nv.us/assrrealprop/ownr.aspx

Disposition and Development Agreement

Type of Document
(Example: Declaration of Homestead, Quit Claim Deed, etc.)

Recording Requested by:

CITY OF HENDERSON REDEVELOPMENT AGENCY

Return Documents To:

Name CITY OF HENDERSON REDEVELOPMENT

Address 240 WATER ST, PO BOX 95050

City/State/Zip HENDERSON, NV 89009-5050

This page added to provide additional information required by NRS 111.312 Section 1-2

(An additional recording fee of $1.00 will apply)

This cover page must be typed or printed clearly in black ink only.

OR Form 108 ~ 06/06/2007
Coversheet.pdf

DISPOSITION AND DEVELOPMENT AGREEMENT

BY AND BETWEEN

THE REDEVELOPMENT AGENCY OF THE CITY OF HENDERSON

AND

PARKLINE PROPERTIES, LLC

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Exhibit F Form of Grant, Bargain and Sale Deed
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Exhibit H Developer Request for Guarantee

DISPOSITION AND DEVELOPMENT AGREEMENT
BY AND BETWEEN
THE REDEVELOPMENT AGENCY OF THE CITY OF HENDERSON
AND
Parkline Properties, LLC

This Disposition and Development Agreement ("Agreement") is made as of this 20th day of July, 2004, by and between the Redevelopment Agency of the City of Henderson, Nevada, a public body, corporate and politic ("Agency") and Parkline Properties, LLC a Nevada limited liability company ("Developer") (collectively the "Parties"). Capitalized terms shall have the definitions set forth in Section II or as otherwise set forth herein.

Now, therefore, pursuant to the terms and conditions described herein, the Parties agree as follows:

SECTION I. RECITALS.

A. Pursuant to its authority granted under Nevada law, the Agency has the responsibility to carry out the Redevelopment Plan for the Downtown Redevelopment Project Area. This Agreement implements such Redevelopment Plan by providing for the development of a condominium project and related improvements. The property where the project will be developed is located on the south side of Basic Road between Pacific and Nickel and is located entirely in an area governed by the Redevelopment Plan.

B. On April 20, 2004, the Agency authorized Agency staff to enter into an exclusive negotiating agreement (ENA) with Developer, evidenced by a memorandum of understanding ("MOU"), in reliance on the qualifications and identity of the Developer as described by Jack Donald E. Webb to the Agency in order to provide a mechanism whereby the Developer shall develop a condominium project as described in this Agreement which would effectuate the provisions of the Redevelopment Plan. The development of the condominium project contemplated by this Agreement is consistent with the Downtown Redevelopment Plan and the City of Henderson Comprehensive Plan.

C. The Agency has concluded that the Developer has the necessary expertise, skill and ability to carry out the commitments herein contained and that this Agreement is in the best interests of the Agency and will materially contribute to the Redevelopment Plan.

D. In exchange for Developer constructing the Improvements, Agency agrees to provide qualified purchasers of the Condominium Units with financial assistance in the form of second mortgages to the individual purchasers, as described herein.

SECTION II. DEFINITIONS.

As used in this Agreement, the terms set forth herein shall have the following meanings:

"Agency" shall mean the Henderson Redevelopment Agency, a public body, corporate and politic, having its offices at 240 Water Street, Henderson, NV 89009-5050. The term "Agency" as used herein also includes any assignee of, or successor to, the rights, powers, and responsibilities of the Agency.

"Basic Concept Drawings" shall mean those drawings and related documents containing the overall plan for the development of the Project including, but not limited to, elevations, floor plates, and exterior palettes for the Property, which shall have been approved by the Agency prior to execution of this Agreement by the Agency and are attached as Exhibit A.

"City" shall mean the City of Henderson, Nevada, a municipal corporation, organized under the laws of the State of Nevada. The City is not a party to this Agreement and shall have no rights or obligations hereunder.

"Condominium" shall mean a common-interest community as defined in NRS Section 116.027 in which portions of the real estate are designated for separate ownership and the remainder of the real estate is designated for common ownership solely by the owners of those portions.

"Condominium Units" shall mean a physical portion of the Condominium designated for separate ownership or occupancy as defined in NRS Section 116.093.

"Developer" shall mean Parkline Properties, LLC a Nevada Limited Liability Company, having its offices at 5150 S. Jones Blvd, #204, Las Vegas, NV 89118-0510, and any permitted nominee, assignee or successor in interest as described in this Agreement.

"Downtown Design Guidelines" shall mean the criteria adopted by the City Council on April 6, 2004 to preserve and strengthen the unique historic design continuity of the downtown and which apply to the Property.

"Environmental Response Actions" shall mean any and all activities, data compilations, preparation of studies or reports, interaction with environmental regulatory agencies, obligations and undertakings associated with environmental investigations, removal activities, remediation activities or responses to inquiries and notice letters, as may be sought, initiated or required in connection with any local, state or federal governmental or private party claims, including any claims by Developer or Agency.

"Environmental Response Costs" shall mean any and all costs associated with Environmental Response Actions including, without limitation, any and all fines, penalties and damages.

"Escrow Account" shall mean an escrow account opened for the purpose of conveying the Property to the Developer and for the purpose of completing the Developer's land purchase from the Agency.

"Financing Plan" shall mean the Developer's plan for financing the acquisition and construction of the Improvements on the Property including all commitments from lenders and equity partners as submitted by the Developer and reviewed and approved by the Agency pursuant to the terms of Section III.A.3.

"Hazardous Materials" means any substance, material or waste 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; or (6) determined by Nevada, federal or local governmental authority to be capable of posing a risk of injury to health, safety or property.

"Improvements" shall mean the development and construction of a minimum of 48 Condominium Units, ranging in size from 800-1,680 square feet, and the parking spaces required by City Ordinance and the Downtown Design Standards on the Property as depicted in the Basic Concept Drawings, and all required public and private improvements.

"Project" shall mean the acquisition of the Property and the construction of the Improvements on the Property developed in accordance with this Agreement; the documents, drawings and plans approved by the Agency pursuant to Section IV.C., any construction drawings, landscaping and grading plans and other construction documents necessary to construct the Improvements; any and all permits; and all applicable laws and regulations.

"Property" shall mean the approximately 1.89 acres of real property located on the south side of Basic Road between Pacific and Nickel within the City to be conveyed by the Agency to the Developer pursuant to this Agreement and as further depicted in Exhibit B and described in Exhibit C.

"Qualified Purchaser" shall mean an applicant approved by the Agency desiring to purchase a Condominium Unit.

"Redevelopment Plan" shall mean the Redevelopment Plan for the Downtown Redevelopment Project Area approved and adopted by Ordinance No. 1618 on October 4, 1995, and amended by Ordinance No. 2243 on January 5, 2004, and as may be amended thereafter from time to time and is incorporated into this Agreement by reference.

"Schedule of Performance" shall mean that certain timeline for the Project attached hereto as Exhibit D.

"Scope of Development" shall mean the conditions imposed on the construction of the Improvements as further described in Exhibit E.

SECTION III. PROPERTY.

A. OBLIGATIONS OF THE PARTIES.

1. Conditions Precedent. As a condition precedent to the Agency's obligation to convey the Property to the Developer for Developer's commencement of construction of the Improvements, the conditions set forth in this Section III.A. must first be met within the times set forth in the Schedule of Performance, unless such time limit is extended in writing by the Agency at the discretion of its Executive Director. Should Developer fail to meet all predisposition requirements by the dates set forth in the Schedule of Performance, subject to Developer's right to cure as described in Section VIII.A. and subject to enforced delays as defined in Section X.H., Agency shall have the option, but not the obligation, to terminate this Agreement and neither party shall have any further rights or obligations hereunder, except as otherwise provided for in this Agreement.

2. Deposit. The Developer shall be required to provide a deposit pursuant to the terms and conditions described below:

a. Within 60 days after the execution of this Agreement by the Developer, the Developer shall deliver to the Agency a deposit of cash or certified check satisfactory to the Agency in the amount of Fifty Thousand Dollars ($50,000) ("Deposit") as security for the performance of the obligations of the Developer pursuant to this Agreement. In lieu of cash or certified check, the Deposit, at the option of the Developer, may be in the form of (i) negotiable certificates of deposit issued by a federal or state bank; or (ii) an unconditional and irrevocable letter of credit, in favor of the Agency, from a bank authorized to do business in Nevada, in form and substance satisfactory to the Agency.

b. The Agency shall be under no obligation to pay or earn interest on the Deposit, but if interest is paid thereon, such interest shall become part of the Deposit.

c. Upon termination of this Agreement by the Agency as provided in Section VIII.B.9., the entire Deposit (including all interest paid thereon) shall be retained, or recovered from Developer, by the Agency as liquidated damages as provided therein.

d. If the Developer is in default with respect to any provision of this Agreement, the Agency may, but shall have no obligation to, use the Deposit or any portion of the Deposit to cure such default or to compensate the Agency for any expense or damage sustained by the Agency and resulting from such default. If this Agreement has not been terminated as a result of such default, the Developer, on demand from the Agency, shall promptly restore such Deposit to the full amount required by this Section III.

e. If this Agreement is not otherwise terminated by the Agency and the Deposit shall not have been entirely refunded to the Developer, including interest if any, the Agency shall expeditiously refund the remaining balance of the Deposit to the Developer upon completion of the Improvements and development of the Property for which a final Certificate of Completion has been issued pursuant to Section IV.K.

3. Financing Plan. Prior to the execution of this Agreement, the Developer submitted, and the Agency reviewed and approved, a preliminary Financing Plan containing a letter from the

Developer affirming that (a) the source of funds (financing) and costs are in balance, including a pro forma detailing the sources and uses of funds, (b) a secondary lender or equity investor has committed to fund the difference between the cost of the Project and the construction lender and, if necessary, has committed to fund any and all increases in Project costs over and above the Project budget. Agency approval of the preliminary Financing Plan is a prerequisite to Agency approval of this Agreement. In addition, the preliminary Financing Plan contains (i) an executed term sheet between a secondary lender or equity investor and the Developer, (ii) a term sheet from a construction lender with commercially reasonable exceptions, and (iii) a letter from the general contractor estimating the construction cost.

Prior to conveyance of the Property, in addition to the information provided in the preliminary Financing Plan, Developer shall be required to provide, subject to Agency approval, (1) for the removal of all contingencies in the preliminary Financing Plan, (2) all information necessary to show that funds from construction financing and a secondary lender or equity investor are irrevocably committed to fund the Project subject to commercially reasonable lender exceptions, (3) written evidence satisfactory to the Agency showing that the construction lender has secured a personal guarantee for the construction loan and an executed repayment and completion agreement, and (4) an executed construction contract with a general contractor for the construction of the Improvements including the ability to issue a notice to proceed to the general contractor within 30 days after conveyance of the Property. The Financing Plan shall be deemed acceptable if the debt and equity components thereof are adequate to fund the Project. After Agency approval of the Financing Plan, Developer shall provide Agency written notice of any material change, modification, revision or alteration to the approved Financing Plan.

4. Approvals. Developer shall take all necessary steps to ensure that the construction activities will not be delayed pursuant to the Schedule of Performance. Necessary steps shall include, at a minimum, the submission of all documents, drawings and other information necessary for the issuance of all required building permits and other approvals necessary for construction of the Improvements.

5. Encumbrances. The Developer shall have no right to encumber the Property at any time prior to the Close of Escrow. All encumbrances prior to the date of completion of construction of the Improvements shall be subject to Agency approval.

6. Close of Escrow. Prior to the Close of Escrow, Developer shall provide Agency with all maps, diagrams, descriptions and documents necessary for Agency to assemble the Property as a single parcel. Prior to Close of Escrow, Agency shall ensure that the Property shall be free and clear of any buildings or other structures as of the Availability Date. Agency shall provide Developer with a copy of documents related to Agency's purchase of the Property such as appraisals, civil and soils engineering reports, Phase I Environmental Studies, or ALTA Surveys.

B. ESCROW.

1. Escrow Opening. The Agency shall open an escrow account ("Escrow Account") within the time provided in the Schedule of Performance to facilitate the sale of the Property subject to the provisions of the standard conditions for acceptance of escrow and the terms and conditions in this Agreement. The Agency and the Developer shall provide such additional escrow instructions as shall be necessary and consistent with this Agreement. In the event of any conflict between the terms of this Agreement and the standard conditions for acceptance of escrow, the terms of this Agreement shall control. The Parties acknowledge and agree that Developer shall utilize said Escrow Account for Developer's purchase of the Property. This Agreement constitutes the joint escrow instructions of the Agency and the Developer, and a duplicate original of this Agreement shall be delivered to the escrow agent upon the opening of escrow.

2. Developer Obligations. Prior to the Close of Escrow, the Developer shall deposit with the escrow agent a signed and executed copy of the promissory note attached to this Agreement as Exhibit G in the principal sum of Eight Hundred Forty Thousand Dollars and No Cents ($840,000.00) ("Purchase Price") for the Property. The Developer shall also pay to the escrow agent the following fees, charges and costs promptly after the escrow agent has notified the Developer of

the amount of such fees, charges and costs, but not earlier than 10 days prior to the scheduled date for the Close of Escrow:

a. The escrow fee;
b. The premiums for the title insurance policies, and special endorsements;
c. One-half (1/2) of the recording fees; and
d. Its respective notary fees.

3. Agency Obligations. Prior to Close of Escrow, the Agency shall deposit a properly executed, acknowledged and delivered Grant, Bargain and Sale Deed conveying to the Developer title to the Property in substantially the form set forth in Exhibit F. The Agency shall also pay to the escrow agent the following fees, charges and costs promptly after the escrow agent has notified the Agency of the amount of such fees, charges and costs, but not earlier than 10 days prior to the scheduled date for the Close of Escrow:

a. Costs necessary to place the title to the Property in the condition for conveyance required by the provisions of this Agreement;
b. Cost of drawing the Grant, Bargain and Sale Deed;
c. One-half (1/2) of the recording fees;
d. Its respective notary fees;
e. Ad valorem taxes and assessments, if any, upon the Property for any time prior to conveyance of title; and
f. Any state, county or city documentary transfer tax.

4. Escrow Agent Obligations. Upon delivery of the Grant, Bargain and Sale Deed to the escrow agent by the Agency, the escrow agent shall record such Grant, Bargain and Sale Deed when title can be vested in the Developer in accordance with the terms and provisions of this Agreement. The escrow agent shall buy, affix and cancel any transfer stamps required by law and pay any transfer tax required by law. Any insurance policies governing the Property are not to be transferred. The escrow agent is authorized to:

a. Pay and charge the Agency and the Developer, respectively, for any fees, charges and costs payable under this Section. Before such payments are made, the escrow agent shall notify the Agency and the Developer of the fees, charges and costs necessary to clear title and close the escrow;

b. Disburse funds and deliver the Grant, Bargain and Sale Deed and other documents to the parties entitled thereto when the conditions of this escrow have been fulfilled by the Agency and the Developer; and

c. Record any instruments delivered through this escrow, if necessary or proper, to vest title in the Developer in accordance with the terms and provisions of this Agreement.

5. Escrow Account. All funds received in this escrow shall be deposited by the escrow agent with other escrow funds of the escrow agent in a general escrow account or accounts with any state or national bank doing business in the State of Nevada. Such funds may be transferred to any other such general escrow account or accounts. All disbursements shall be made by check of the escrow agent. All adjustments shall be made on the basis of a 30 day month.

6. Conveyance of Property. The Property shall be conveyed by Agency to Developer cleared of all structures and in an "as is" condition, with no warranty, express or implied, by the Agency as to the physical condition including, but not limited to, the soil, its geology, or the presence of known or unknown faults or hazardous materials or hazardous waste as those terms are defined by state and federal law. The Agency shall not be responsible for any items of site work other than demolition and removal of existing structures. The Property shall be conveyed free of any possession or right of possession by any person except that of the Developer and any easements of record. It shall be the sole responsibility of the Developer, at the Developer's sole expense, to investigate and determine the soil conditions of the Property and the suitability of such soil conditions for the construction of the Improvements by the Developer. If the soil conditions are not in all

respects entirely suitable for the use or uses to which the Property will be put, then it is the sole responsibility and obligation of the Developer to take such action as may be necessary to place the soil conditions of the Property in a condition suitable for development of the Property.

7. Failure to Close Escrow. If this escrow is not in condition to close before the time for conveyance established in Section III.B.9. of this Agreement, either party who then shall have fully performed the acts to be performed before the conveyance of title may, in writing, provide notice to the nonperforming party of such condition and a right to cure, including a right to cure any liens, encumbrances, conditions or other defects on the title not otherwise permitted, as described in Section III.B.6., in the manner set forth in Section VIII.A.. Should the nonperforming party fail to cure the condition preventing Close of Escrow within the time period provided in Section VIII.A., all obligations and liabilities of the Parties under this Agreement shall cease and terminate. Nothing in this Section III.B.7. shall be construed to impair or affect the rights or obligations of the Agency or the Developer to specific performance.

8. Other Conditions. Any amendment of these escrow instructions shall be in writing and signed by both the Agency and the Developer. At the time of any amendment, the escrow agent shall agree to carry out its duties as escrow agent under such amendment. All communications from the escrow agent to the Agency or the Developer shall be directed to the addresses and in the manner established in Section X.E. of this Agreement for notices, demands and communications between the Agency and the Developer. The liability of the escrow agent under this Agreement is limited to performance of the obligations imposed upon it under Section III.B. of this Agreement. Neither the Agency nor the Developer shall be liable for any real estate commissions or brokerage fees that may arise herefrom. The Agency and the Developer each represent that neither has engaged any broker, agent or finder in connection with this transaction.

9. Close of Escrow. Provided that the Parties are not in default under this Agreement, and all conditions precedent to such conveyance have occurred, and subject to any mutually agreed upon extensions of time, conveyance to the Developer of title to the Property shall be completed on or prior to the date of close of escrow as specified in the Schedule of Performance ("Close of Escrow"). The Agency and the Developer agree to perform all acts necessary for conveyance of title in sufficient time for title to be conveyed in accordance with the foregoing provisions. Possession shall be delivered to the Developer concurrently with the conveyance of title, except that limited access may be permitted before conveyance of title as permitted in Section III.D. of this Agreement.

10. Title Insurance. Concurrently with recordation of the Grant, Bargain and Sale Deed, a title insurance company satisfactory to the Agency ("Title Company"), shall provide and deliver to the Developer a title insurance policy issued by the Title Company insuring that title is vested in the Developer in the condition required by this Agreement. The Title Company shall provide the Agency with a copy of the title insurance policy, and the title insurance policy shall be in the amount of the Purchase Price of the Property.

The Developer shall pay for all premiums for title insurance coverage, including, without limitation, charges for special endorsements. The Title Company shall, if requested by the Developer, provide the Developer with an endorsement to insure the amount of the Developer's estimated development costs of the improvements to be constructed upon the Property. The Developer shall pay the entire premium for any such increase in coverage requested by it.

C. INDEMNITY, HOLD HARMLESS, WAIVER, WARRANTY.

1. Developer Indemnity. Developer agrees, from and after the date of conveyance of the Property under this Agreement, to defend, indemnify, protect and hold harmless the Agency and City and their officers, beneficiaries, employees, agents, attorneys, representatives, legal successors and assigns ("Indemnitees") from, regarding and against any and all liabilities, obligations, orders, decrees, judgments, liens, demands, actions, Environmental Response Actions, claims, losses, damages, fines, penalties, expenses, Environmental Response Costs or costs of any kind or nature whatsoever, together with fees (including, without limitation, reasonable attorneys' fees and experts' and consultants' fees), whenever arising, unless caused in whole or in part by the sole negligence of any of the Indemnitees, resulting from or in connection with Developer's occupancy or use of the Property or Developer's performance or non-performance under or with respect to this Agreement or

the actual or claimed generation, storage, handling, transportation, use, presence, placement, migration and/or release of Hazardous Materials, at, on, in, beneath or from the Property (collectively referred to as "Contamination"). Developer's defense, indemnification, protection and hold harmless obligations herein shall include, without limitation, the duty to respond to any governmental inquiry, investigation, claim or demand regarding the Contamination, at Developer's sole cost. If Developer discovers Contamination or other materials subject to legal requirements or corrective action, the Developer shall immediately notify the Agency of the same.

2. Release and Waiver. The Developer hereby releases and waives all rights, causes of action and claims Developer has or may have in the future against the Indemnitees arising out of or in connection with any Hazardous Materials, at, on, in, beneath or from the Property, unless the presence of such Hazardous Materials at, on, in, beneath or from the Property is caused in whole or in part by any of the Indemnitees. Developer hereby acknowledges that aforementioned release includes claims that Developer does not know or suspect to exist as of the date hereof, and Developer affirmatively waives and relinquishes any right or benefit, to the full extent that it may lawfully waive all such rights and benefits pertaining to the subject matter of this Section III.C. Developer further waives all such rights and benefits that Developer may have under Nevada law or any similar provision of the statutory or nonstatutory law of any other applicable jurisdiction to claim that a general release does not extend to claims which the Developer does not know or suspect to exist in its favor at the time of executing the release, which if known by it would have materially affected it's agreement with the Agency.

3. Materiality. Developer acknowledges and agrees that the defense, indemnification, protection and hold harmless obligations of Developer for the benefit of the Agency set forth in this Agreement are a material element of the consideration to the Agency for the performance of its obligations under this Agreement, and that the Agency would not have entered into this Agreement unless Developer's obligations were as provided for herein. Developer further acknowledges and agrees that the provisions of this Section III.C.3. which extend representations, warranties, indemnifications, and/or covenants of Developer to the benefit of the Agency or the City shall not be satisfied, waived or otherwise extinguished by Agency's issuance of any Certification of Completion under Section IV.K. of this Agreement.

4. Warranty. Agency shall not, in any way or manner, be answerable or suffer loss, damage, expense or liability for any loss or damage that may happen to the building, work, or equipment or any part thereof, or in, on, or about the same during its construction and before issuance of the Certificate of Completion. Developer unqualifiedly warrants all work and materials to be free of defects whether performed or installed by it, the general contractor, or by any subcontractor or supplier in the Project which is the subject of this Agreement. Developer further warrants that the work as performed by the general contractor, subcontractor, or supplier will conform with the Basic Concept Drawings or any written authorized deviations therefrom.

D. ACCESS.

Prior to conveyance of title from the Agency, representatives of the Developer shall have the right of access to the Property at all reasonable times for the purpose of (i) obtaining data and making surveys and tests necessary to carry out this Agreement and (ii) operating a sale and leasing office. During the period of time described in this Section, the Developer shall maintain the insurance coverages described in Section IV.F.1-3. and indemnify and hold the Agency harmless from any injury or damages arising out of any activity pursuant to this Section III.D. The Developer shall have access to all data and information on the Property available to the Agency, but without warranty or representation by the Agency as to the completeness, correctness or validity of such data and information, except as otherwise set forth in this Agreement.

Any preliminary work undertaken on the Property by the Developer prior to conveyance of title from the Agency shall be done only after written consent of the Agency staff and at the sole expense of the Developer except that written consent shall not be required to open and operate the sale and leasing office. The Developer shall save and protect the Agency against any claims resulting from such preliminary work, access or use of the Property. Copies of data, surveys and tests obtained or made by the Developer on the Property shall be filed with the Agency. Any

preliminary work by the Developer shall be undertaken only after securing any necessary permits from the appropriate governmental agencies.

SECTION IV. CONSTRUCTION OF IMPROVEMENTS.

A. BASIC CONCEPT DRAWINGS.

The Developer shall use commercially reasonable efforts to develop the Property and construct the Improvements as provided in the Scope of Development including ensuring that the rights of all owners of any existing easements over, upon and through the property remain undisturbed. The Parties agree that the Property shall be developed as generally established in the Basic Concept Drawings including, but not limited to, the elevations, floor plates, and exterior palettes for the Property as described therein and approved by the Agency prior to the execution of this Agreement. Any material changes to the Basic Concept Drawings shall be subject to the approval of the Agency and shall be within the limitations of the Scope of Development and consistent with the overall plan for the development of the Property as provided in this Agreement. Neither party shall unreasonably withhold consent to any material changes in the Basic Concept Drawings.

B. RELATED DOCUMENTATION.

In addition to the Basic Concept Drawings, Developer shall prepare all construction plans, drawings and related documents required to be submitted for approval by the City (or other governing body) for the construction of the Improvements. Nothing herein shall relieve the Developer of any obligation to submit any plans, drawings and related documents as required for permits or approvals required by other City departments or other public agencies. Agency staff and the Developer shall hold regular progress meetings to coordinate the preparation of, submission to and review of all such documents, drawings and plans. The Agency and the Developer shall communicate and consult informally as frequently as is necessary to insure that the formal submittal of any documents receives prompt and speedy consideration.

C. AGENCY APPROVALS.

The Agency shall have the right to review and approve material changes to the Basic Concept Drawings, as provided in Section IV.A, including the impact any material changes have on the Downtown Design Guidelines. Developer shall have the vested right to develop the Project on any areas or portions of the Property, subject to the terms and conditions of this Agreement and prior to the date of the issuance of the Certificate of Completion, in accordance with the Redevelopment Plan in effect as of the date of the execution of this Agreement by the Agency.

D. COSTS OF DEVELOPMENT AND CONSTRUCTION.

The Developer shall pay all design, development and construction costs, whether foreseen or unforeseen, in a timely fashion. The Agency shall not be liable for any costs, including without limitation any costs of construction, except as otherwise expressly set forth herein. Except as provided in this Agreement, the Developer shall use the proceeds as described in the Financing Plan to pay for the costs of developing the Property and constructing the Project. Cost overruns or other costs in excess of the projected costs of developing the Property and constructing the Project shall be borne and paid for solely by the Developer from its own funds. In addition, any costs incurred by Developer that are caused by or result from the negligence or failure of Developer, or its contractors, agents or representatives, to act in a commercially reasonable manner shall be borne and paid for solely by the Developer from its own funds.

E. CONSTRUCTION ACTIVITIES.

After conveyance of title from the Agency, the Developer shall promptly begin and thereafter diligently prosecute to completion the construction of the Improvements and the development of the Property within the times specified in the Schedule of Performance, or such extension of said dates as may be granted by the Agency in writing or as provided in Section X.N. of this Agreement. The Schedule of Performance is subject to revision from time to time as mutually agreed upon in writing between the Developer and the Agency staff. Commencement and completion of construction of the

Improvements shall not be subject to any contingencies with regard to financing, leasing, preleasing and presales, or reservations of any kind.

During the period of construction, but not more frequently than once a month, the Developer shall submit to the Agency a written progress report of the construction when and as requested by the Agency. The report shall be in the form of a construction draw report with such detail as may reasonably be required by the Agency and shall include a reasonable number of construction photographs taken since the last report submitted by the Developer.

F. INSURANCE AND SURETY OBLIGATIONS

Insurance Obligations Prior to the commencement of construction, except as otherwise stated herein, on the Property or any portion thereof, the Developer shall furnish or cause to be furnished to the Agency duplicate originals or appropriate certificates of the following insurance policies:

1. Workers' Compensation. During the term of this Agreement, Developer shall fully comply with the terms of the laws of the State of Nevada concerning workers' compensation. Said compliance shall include, but not be limited to, maintaining in full force and effect one or more policies of insurance insuring against any liability Developer may have for workers' compensation. Said policy shall also include employer's liability coverage no less than $1,000,000 per accident.

2. General Liability Insurance. Developer shall obtain at its sole cost and keep in full force and effect during the term of this Agreement commercial general liability insurance in the amount of $2,000,000 per occurrence for bodily injury, personal injury, and property damage. Said insurance shall provide (1) that the Agency and City, and their officers, agents, employees and volunteers, shall be named as additional insureds under the policy, and (2) that the policy shall operate as primary insurance, and that (3) no other insurance effected by the Agency or City or other named insureds will be called upon to cover a loss covered thereunder.

3. Automobile Liability Insurance. Developer shall obtain at its sole cost and keep in full force and effect during the term of this Agreement automobile liability insurance in the amount of $1,000,000 per occurrence for bodily injury and property damage. Said insurance shall provide (1) that the Agency and City, and their officers, agents, employees and volunteers, shall be named as additional insureds under the policy, and (2) that the policy shall operate as primary insurance, and that (3) no other insurance effected by the Agency or City or other named insureds will be called upon to cover a loss covered thereunder.

4. Course of Construction Insurance. Developer shall obtain at its sole cost and keep in full force and effect during the term of the Agreement Course of Construction insurance with policy limits no less than $5,000,000 with no coinsurance penalty provisions. The Agency shall be named as loss payee and the insurer shall waive all rights of subrogation against the Agency.

5. Certificates of Insurance. Developer shall file with the Agency, prior to commencement of construction on the Property or any portion thereof or prior to any access to or entry on the Property as authorized by this Agreement, certificates of insurance which shall provide that no cancellation, major change in coverage, expiration, or nonrenewal will be made during the term of this Agreement, without 30 days written notice to the Agency prior to the effective date of such cancellation, or change in coverage. Developer shall provide copies of the policies upon request by the Agency.

6. Other Requirements. Prior to the commencement of construction on the Property or any portion thereof, Developer shall file with the Agency the City's standard endorsement form providing for each of the above requirements. Developer shall also furnish or cause to be furnished to the Agency evidence satisfactory to the Agency that any contractor with whom it has contracted for the performance of work on the Property carries the same insurance required of Developer hereinabove, and in the amounts of coverage specified, and each general contractor shall be required to obtain certification of insurance from all subcontractors.

G. CITY AND OTHER GOVERNMENTAL AGENCY PERMITS.

Before commencement of a phase of construction or development of any portion of the Project upon the Property (unless such construction, development or work is to be commenced before the conveyance of title), the Developer shall, at its own expense, secure or cause to be secured any and all permits and approvals for such phase that may be required by the City or any other governmental agency affected by such construction, development or work. The Agency shall provide assistance to the Developer, as deemed appropriate by the Agency, in securing these permits.

H. AGENCY RIGHT OF ACCESS

For the purposes of assuring compliance with this Agreement, representatives of the Agency and the City shall have the reasonable right of access to the Property without charges or fees and at normal construction hours during the period of construction for the purposes of this Agreement, including, but not limited to, the inspection of the work being performed in constructing the Improvements. Such representatives of the Agency or the City shall be those who are so identified in writing by the Redevelopment Manager. The Agency and the City shall indemnify the Developer and hold it harmless from any damage caused or liability arising out of this right to access.

I. PREVAILING WAGES

Developer and all Developer's subcontractors shall comply with Nevada Revised Statutes Sections 338.010 to 338.090, and regulations adopted pursuant thereto ("Prevailing Wage Laws"), and be responsible for carrying out the requirements of such provisions. Developer shall, and hereby agrees to, unconditionally indemnify, reimburse, defend, protect and hold harmless Agency and City and their elective and appointive 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, 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 NRS Sections 279.498, 279.500 and the Prevailing Wage Laws, or any act or omission of Agency or Developer 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 Developer 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 Developer, of any of the insurance policies described in this Agreement.

If applicable, as provided in Nevada Revised Statutes Section 338.020, the hourly and daily rate of wages to be paid each of the classes of mechanics and worker employed in connection with construction of the Improvements shall not be less than the rate of such wages then prevailing in Clark County. If Prevailing Wages apply to any portion of this Project, Developer agrees to and shall forfeit, as a penalty to Agency, the sums established and applicable pursuant to Nevada Revised Statutes Section 338.080 for each calendar day or portion thereof that each workman employed in connection with the Project is paid less than the rates designated in this paragraph for any work performed under this Agreement by Developer or any subcontractors or agents of Developer; or is not reported to the labor commissioner and Agency as required pursuant to Nevada Revised Statutes Section 338.070.

J. EQUAL OPPORTUNITY IN CONTRACTING CONSTRUCTION.

During the construction of the Improvements, Developer and all of Developer's subcontractors shall not discriminate on the basis of race, religion, sex, or national origin in the hiring, firing, promoting or demoting of any person engaged in the construction work and shall require its contractors and subcontractors to refrain from discrimination on such basis.

K. CERTIFICATE OF COMPLETION.

Promptly after completion of all construction and development to be completed by the Developer upon the Property, the Agency shall furnish the Developer with a final Certificate of Completion upon written request therefore by the Developer. The final Certificate of Completion shall be issued no later than the date the City issues a certificate of occupancy for all of the Improvements. The final Certificate of Completion shall be, and shall so state, conclusive determination of satisfactory completion of the construction of the Improvements required by this Agreement upon the Property.

In the event the City issues a temporary certificate of occupancy for an entire Condominium Unit, the Agency shall issue a provisional Certificate of Completion, upon written request therefor by the Developer. A provisional Certificate of Completion shall be, and shall so state, conclusive determination of satisfactory completion of the construction of the Improvements required by this Agreement for such Condominium Unit.

If the Agency refuses or fails to furnish a Certificate of Completion after written request from the Developer, the Agency shall, within 10 business days after receipt of such written request, provide the Developer with a written statement of the reasons the Agency refused or failed to furnish a Certificate of Completion. The statement shall also contain the Agency's opinion of the action the Developer must take to obtain a Certificate of Completion. If the Agency shall have failed to provide such written statement within said 10 day period after such Agency meeting, the Developer shall be deemed entitled to the Certificate of Completion.

Prior to, and as a condition of, the issuance of a provisional or the final Certificate of Completion by the Agency, Developer shall post a bond, letter of credit, or certified check in favor of the Agency, equal to the value of any Improvements not satisfactorily completed by the Developer (1) in a Condominium Unit if pursuant to a provisional Certificate of Completion, or (2) on the Property if pursuant to the final Certificate of Completion, which Improvements shall be completed without unreasonable delay. Upon satisfactory completion of the Improvements for a particular Condominium Unit, or for the Property as applicable, Agency shall promptly release or return the bond, letter of credit or certified check applicable to such Improvements. Such provisional or final Certificate of Completion shall be in such form as to permit it to be recorded in the Office of the County Recorder of Clark County.

A Certificate of Completion shall not constitute evidence of compliance with or satisfaction of any obligation of the Developer to any holder of a mortgage or any insurer of a mortgage securing money loaned to finance the Improvements or any part thereof. In addition, a Certificate of Completion is not a notice of completion as referred to in Nevada Revised Statutes Section 108.228.

L. CREATION OF CONDOMINIUM AND SALE OF CONDOMINIUM UNITS

Developer shall be solely responsible for, and pay all costs associated with, committing the Property to Condominium form of ownership and selling all of the Condominium Units in compliance with the provisions of Nevada law including, but not limited to, the provisions of NRS Chapter 116 concerning Common-Interest Ownership. Commitment of the property shall include, but not be limited to, securing all required approvals from state and local agencies, preparing and recording a declaration of covenants and restrictions approved by the Agency including the provisions contained in Section V.B. and C., preparing and recording a condominium plan, preparing, submitting and receiving approval of all required public offering statements, and preparing and recording all required maps.

The condominium plan shall contain, at a minimum, a description or survey of the project which refers to monuments on the land, a three-dimensional description of the project, and a certificate consenting to the recordation of the plan signed and acknowledged by the Agency and any

trustee or beneficiary of any recorded deed of trust and the mortgagee of any recorded mortgage against the Property. In addition to the condominium plan, Developer shall prepare, execute and record: a reasonably and properly drawn declaration of covenants, conditions and restrictions; articles and bylaws; and deeds to individual units. Developer shall also establish an incorporated or unincorporated homeowners' association for the operation and management of the Condominium pursuant to the articles and bylaws. Developer shall sell Condominium Units only to Qualified Purchasers and shall be responsible for all aspects of the sale including, but not limited, marketing the Units, reviewing applications and submitting applications to Agency for its review and approval, preparing all necessary documentation, delivery of all required documents to the purchaser(s) of a Unit (separate interest) including all organizational documents such as a copy of the declaration, articles and bylaws, and the deed.

SECTION V. USE OF THE PROPERTY

A. USES

The Developer covenants and agrees for itself, its successors, its assigns and every successor in interest that during construction and thereafter, the Developer and its successors and assignees shall devote the Property to the uses specified in the Redevelopment Plan, the Grant, Bargain and Sale Deed and this Agreement for the periods of time specified therein. The foregoing covenant shall run with the land.

B. OBLIGATION TO REFRAIN FROM DISCRIMINATION

The Developer covenants by and for itself and any successors in interest that there shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, marital status, sexual orientation, source of income, age, physical or mental handicap, medical condition, ancestry or national origin in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property, nor shall the Developer itself 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, subtenants, sublessees or vendees of the Property. The foregoing covenants shall run with the land.

C. EFFECT AND DURATION OF COVENANTS

Except as otherwise provided, the covenants contained in this Agreement and the Grant, Bargain and Sale Deed shall remain in effect until October 4, 2025 (the termination date of the Redevelopment Plan). The covenants against discrimination shall remain in effect in perpetuity. The covenants established in this Agreement and the Grant, Bargain and Sale Deed shall, without regard to technical classification and designation, be binding for the benefit and in favor of the Agency, its successors and assigns, the City and any successor in interest to the Property or any part thereof.

The Agency is deemed the beneficiary of the terms and provisions of this Agreement and of the covenants running with the land for and in its own rights and for the purposes of protecting the interests of the community and other parties, public or private, in whose favor and for whose benefit this Agreement and the covenants running with the land have been provided. This Agreement and the covenants shall run in favor of the Agency without regard to whether the Agency has been, remains or is an owner of any land or interest therein in the Property, any parcel or subparcel, or in the Downtown Redevelopment Project Area. The Agency shall have the right, if this Agreement or the covenants are breached, to exercise all rights and remedies and to maintain any actions or suits at law or in equity or other proper proceedings to enforce the curing of such breaches to which it or any other beneficiaries of this Agreement and the covenants may be entitled.

D. VACANCIES.

Thirty days after the execution of this Agreement, Developer shall provide for Agency approval, which approval shall not be unreasonably withheld, a formal marketing plan describing the commercially reasonable efforts Developer shall employ for selling the Condominium Units. Commercially reasonable efforts shall include, at a minimum, the employment of a residential leasing agent reasonably approved by the Agency; a marketing program that regularly targets local Qualified

Purchasers; and the provision of a report to the Agency on March 1 and September 1 of each year summarizing the marketing efforts undertaken by the Developer for the previous six month period. Agency shall have the right, but not the obligation, to market Condominium Units.

E. SECOND MORTGAGES

Agency agrees to provide qualified purchasers of each of the initial 48 Condominium Units with the financial assistance described herein. If a Qualified Purchaser requests Agency assistance, the Qualified Purchaser shall execute and deliver a promissory note and deed of trust ("Second Mortgage") in a form acceptable to the Agency in an amount equal to a portion of the sale price of the first 48 Condominium Units released according to the following formula:

$840,000 divided by the total square footage of the first 48 Units to be released the product of which is multiplied by the total square footage of the specific unit sold.

Agency shall agree to subordinate its security interest in any Condominium Unit to any approved construction loan secured by the Improvements or any senior mortgage required to purchase the Condominium Unit.

F. PROCEEDS FROM SALE OF CONDOMINIUM UNITS

Proceeds from the sale of the Condominium Units shall be distributed as follows:

"Revenues" shall consist solely of gross sales revenues from the sale of the Condominium Units minus transaction costs paid by the buyer and seller such as the costs of escrow, closing costs, fees, taxes, and related charges other than transaction costs paid by Developer as provided in Section III.B.2. Revenues shall not include any portion of the sale price transferred to the Agency by Developer for Agency's pro rata portion of Condominium Unit as provided in Section V.E.

"Project Costs" shall consist solely of verified costs incurred and paid by Developer to design, develop and construct the Improvements not including any interest carrying cost since the analysis will be conducted on an "all cash" basis. Project Costs shall also exclude any interest expense on the cost of capital expended by Developer or any costs or expenses associated with providing a preferred return to any of Developer's equity partners. Project Costs shall only include those cost categories identified in the preliminary financing plan required to well and faithfully complete the design, development and construction of the Improvements with the architecture costs not to exceed $320,000. All Project Costs must be verified and approved by the Agency. Developer has the exclusive burden to and shall maintain reasonably detailed documentary evidence supporting any Project Costs incurred and paid (e.g., contractor invoices, applications for payment, lien releases, etc.). Project Costs shall not include any payments made by Developer to Agency for Agency's pro rata portion of the sale price of a Condominium Unit as provided in Section V.E.

"Developer's Rate of Return" for the Project shall be calculated on an "all cash" basis using the verified Revenues and "Project Costs".

Upon the closing of the initial sale of a Condominium Unit, Developer shall first pay Agency the Agency's prorata portion from the sale price of the Condominium Unit minus the principal amount of any Second Mortgage executed by Agency with the Qualified Purchaser. Such amounts shall be used to reduce the Principal amount of the Promissory Note as further described in Exhibit G. After payment of the Agency's pro rata portion, Developer shall be entitled to 100% of the Revenues until Developer earns a rate of return for the Project equal 18.00%. After Developer shall have earned an 18.00% rate of return, each additional dollar of Revenue shall be shared between the Developer and the Agency with the Developer receiving 80 cents and the Agency 20 cents. For example, if Project Costs equal 100,000 and Revenues equal $500,000, the Developer would be entitled to the first $118,000 (18% rate of return on $100,000) of the Revenues, Developer and Agency would then divide the remaining portion of the Revenues ($382,000) 80/20% or $305,600 for Developer and $76,400 for Agency.

G. RIGHTS OF ACCESS – PUBLIC IMPROVEMENTS AND FACILITIES.

The Agency, for itself and for the City and other public agencies, at their sole risk and expense, reserves the right to enter the Property or any part thereof at all reasonable times and with as little interference as possible for the purposes of construction, reconstruction, maintenance, repair or service of any public improvements or public facilities located on the Property. Any such entry shall be made only after reasonable notice to the Developer, and the Agency shall indemnify and hold the Developer harmless from any claims or liabilities pertaining to any entry. Any damage or injury to the Property resulting from such entry shall be promptly repaired at the sole expense of the public agency responsible for the entry.

H. AGENCY GUARANTEE

Developer desires to secure a bridge loan ("Bridge Loan") in an amount not to exceed $500,000 for certain preconstruction costs incurred by Developer and more specifically described in Developer's letter to the Agency dated June 15, 2004 and attached hereto as Exhibit H. Developer shall repay such Bridge Loan from the proceeds of the construction loan within one year of the date Developer first draws funds from the Bridge Loan. In order to assist Developer in securing such Bridge Loan, Agency shall guarantee Developer's timely and full performance of Developer's obligations under the Bridge Loan subject to the following conditions:

1. Developer is not in default under this Agreement during any period of time in which Agency's guarantee is effective;

2. Developer agrees to (i) reimburse Agency for any and all costs and expenses (including, without limitation, attorneys' fees) incurred by Agency in executing such guarantee (ii) indemnify, protect and hold harmless the Agency and its officers, employees, and from, regarding and against any and all liabilities, claims, losses, damages, and expenses, including attorneys' fees, arising, resulting from or in connection with Developer's failure to perform its obligations under the Bridge Loan;

3. Developer agrees that all plans, drawings, reports, and other documents related to the Project shall be pledged to the Agency as collateral for the Agency's guarantee.

Agency's obligation to provide a guarantee for the Bridge Loan shall not exceed one year from the date the guarantee is executed by Agency. After one year, Agency shall have the right to terminate its guarantee. Developer default under the terms of the Bridge Loan shall constitute a breach or default under Section VIII.B. of this Agreement.

SECTION VI. CONDITIONS AFFECTING THIRD PARTY INTERESTS IN THE PROPERTY

A. TAXES, ASSESSMENTS, ENCUMBRANCES AND LIENS.

The Developer shall pay when due all real estate taxes and assessments assessed and levied on the Property for any period subsequent to conveyance of title to the Property. The Developer shall not place or allow to be placed on the Property any mortgage, trust deed, encumbrance or lien unauthorized by this Agreement. The Developer shall remove or have removed any levy or attachment made on the Property (or any portion thereof), or shall assure the satisfaction thereof, within a reasonable time, but in any event prior to a sale thereunder. Nothing herein contained shall be deemed to prohibit the Developer from contesting the validity or amounts of any tax, assessment, encumbrance or lien, nor to limit the remedies available to the Developer in respect thereto. The Developer understands that under certain conditions, its control of the Property or portion thereof under this Agreement may give rise to the imposition of a possessory interest tax on said property, and in such event, the Developer agrees to pay when due any such possessory interest tax.

B. PROHIBITION AGAINST TRANSFER OF PROPERTY, THE BUILDINGS OR STRUCTURES THEREON AND ASSIGNMENT OF AGREEMENT.

After conveyance of title, and prior to the issuance of a Certificate of Completion, the Developer shall not, except as expressly permitted by this Agreement, sell, transfer, convey, assign or lease the whole or any part of the Property or the buildings or improvements thereon without the

prior written approval of the Agency, except as provided herein. This prohibition shall not be deemed to prevent the granting of easements, rights of way, licenses or permits to facilitate the development of the Property. This prohibition shall not be deemed to prohibit or restrict the entry into contracts for the: (i) retail leasing of any part or parts of a building or structure; or (ii) sale of condominium units; for use and occupancy after the issuance of a provisional or the final Certificate of Completion. In the absence of specific written agreement by the Agency, no such transfer, assignment or approval by the Agency shall be deemed to relieve the Developer or any other party from any obligations under this Agreement.

C. SECURITY FINANCING; RIGHTS OF HOLDERS

1. No Encumbrances Except Mortgages, Deeds of Trust or Other Financing for Development. Notwithstanding Sections VI.A. and VI.B. of this Agreement, mortgages, deeds of trust, or any other form of conveyance required for any reasonable method of financing are permitted, but only for the purpose of securing loans of funds to be used for financing the acquisition of the Property, the construction of Improvements and any other expenditures necessary and appropriate to develop the Property under this Agreement. The Developer shall notify the Agency in advance of any mortgage, deed of trust, or other form of conveyance for financing unless incorporated in the Financing Plan. The Developer shall not enter into any such conveyance for financing without the prior written approval of the Agency. In any event, the Developer shall promptly notify the Agency of any mortgage, deed of trust, sale and lease-back or other financing conveyance, encumbrance or lien that has been created or attached thereto whether by voluntary act of the Developer or otherwise unless incorporated in the Financing Plan. The words "mortgage" and "deed of trust," as used herein, include all other appropriate modes of financing real estate acquisition, construction and land development.

2. Holder Not Obligated to Construct Improvements. The holder of any mortgage, deed of trust or other security interest authorized by this Agreement shall in no way be obligated by the provisions of this Agreement to construct or complete the improvements or to guarantee such construction or completion, nor shall any covenant or any other provision in the Grant, Bargain and Sale Deed for the Property be construed so to obligate such holder. Nothing in this Agreement shall be deemed to construe, permit or authorize any such holder to devote the Property to any uses or to construct any improvements thereon other than those uses or Improvements provided for or authorized by this Agreement.

3. Notice of Default to Mortgage, Deed of Trust or Other Security Interest Holders; Right to Cure. Whenever the Agency shall deliver any notice or demand to the Developer with respect to any breach or default by the Developer in completion of construction of the Improvements, the Agency shall at the same time deliver a copy of such notice or demand to each holder of record of any security interest authorized by this Agreement who has previously made a written request to the Agency therefore. Each such holder shall (insofar as the rights of the Agency are concerned) have the right, at its option, within 30 days after the receipt of the notice, to cure or remedy or commence to cure or remedy any such default and to add the cost thereof to the security interest debt and the lien on its security interest. In the event there is more than one such holder, the right to cure or remedy a breach or default of the Developer under this Section VI.C.3. shall be exercised by the holder first in priority or as the holders may otherwise agree among themselves, but there shall be only one exercise of such right to cure and remedy a breach or default of the Developer under this Section VI.C.3. 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 the Improvements or construction already made) without first having expressly assumed the Developer's obligations to the Agency by written agreement satisfactory to the Agency. The holder in that event must agree to complete, in the manner provided in this Agreement, the Improvements to which the lien of such holder relates and submit evidence satisfactory to the Agency that it has the qualifications and financial responsibility necessary to perform such obligations. Any such holder properly completing such Improvements shall be entitled, upon written request made to the Agency, to a Certificate of Completion from the Agency.

4. Failure of Holder to Complete Improvements. In any case where, three months after default by the Developer in completion of construction of the Improvements, the holder of any mortgage, deed of trust or other security interest creating a lien or encumbrance upon the Property

has not exercised the option to construct, or if it has exercised the option and has not proceeded diligently with construction, the Agency may purchase the mortgage, deed of trust or other security interest by payment to the holder of the amount of the unpaid debt, plus any accrued and unpaid interest. If the ownership of the Property has vested in the holder, the Agency, if it so desires, shall be entitled to a conveyance of the Property from the holder to the Agency upon payment to the holder of an amount equal to the sum of the following:

a. The unpaid security interest debt at the time title became vested in the holder (less all appropriate credits, including those resulting from collection and application of rentals and other income received during foreclosure proceedings);

b. All expenses with respect to vesting;

c. The net expenses, if any (exclusive of general overhead), incurred by the holder as a direct result of the subsequent management of the Property and Improvements;

d. The costs of any authorized improvements made by such holder; and

e. An amount equivalent to the interest that would have accrued on the aggregate of such amounts had all such amounts become part of the debt and had the debt continued in existence to the date of payment by the Agency.

5. Right of Agency to Cure Security Interest Default. In the event of a default or breach by the Developer of a mortgage, deed of trust or other security interest with respect to the Property prior to completion of the Improvements and the holder has not exercised its option to complete the Improvements, the Agency may cure the default prior to completion of any foreclosure. In such event, the Agency shall be entitled to reimbursement from the Developer of all costs and expenses incurred by the Agency in curing the default. The Agency shall also be entitled to a lien upon the Property to the extent of such costs and disbursements. Any such lien shall be subject to mortgages, deeds of trust or other security interests executed for the sole purpose of obtaining funds to purchase and develop the Property as authorized herein.

D. RIGHT OF THE AGENCY TO SATISFY OTHER LIENS ON THE PROPERTY AFTER TITLE PASSES

After the conveyance of title, and after the Developer has had a reasonable time to challenge, cure or satisfy any liens or encumbrances on the Property, the Agency shall have the right to satisfy any such liens or encumbrances, provided, however, that nothing in this Agreement shall require the Developer to pay or make provision for the payment of any tax, assessment, lien or charge so long as the Developer in good faith shall contest the validity or amount thereof, and so long as such delay in payment shall not subject the Property to forfeiture or sale.

SECTION VII. CHANGES IN DEVELOPER

A. CHANGES ONLY PURSUANT TO THIS AGREEMENT.

The qualifications, experience and expertise of Developer are of particular concern to the Agency. It is because of these qualifications, experience and expertise that the Agency has entered into this Agreement. No voluntary or involuntary successor in interest to Developer shall acquire any rights or powers under this Agreement, other than pursuant to a Transfer permitted in Section VII.B.

B. PROHIBITION AGAINST TRANSFER OF PROPERTY AND ASSIGNMENT OF AGREEMENT PRIOR TO COMPLETION.

The Developer 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 or the buildings or structures thereon or this Agreement prior to the issuance of a provisional or the final Certificate of Completion without the prior written approval of the Agency, unless such Transfer is made to a partnership in which Developer is the managing general partner or to a corporation or limited liability corporation or company in which Developer is the majority shareholder. The Executive

Director may give the Agency's approval unless the Executive Director, in his or her discretion, refers the matter of approval to the Agency Board. This prohibition shall not be deemed to prevent the granting of temporary easements or permits to facilitate development or the dedication of Property required pursuant to this Agreement.

If the Developer proposes a Transfer of the Property or a portion thereof, the proposed transferee shall have the qualifications and financial resources necessary and adequate as may be reasonably determined by the Agency to fulfill the obligations undertaken in this Agreement by the Developer. Any transferee, by instrument in writing satisfactory to the Agency and in form recordable among the land records, for itself and its successors and assigns, and for the benefit of the Agency shall expressly assume all of the obligations of the Developer under this Agreement relating to the Property and agree to be subject to all the conditions and restrictions to which the Developer is subject. There shall be submitted to the Agency for review all instruments and other legal documents proposed to affect any such Transfer; and if approved by the Agency its approval shall be indicated to the Developer in writing. This Section VII.B. shall not be deemed to prevent the granting of easements, rights of way, licenses or permits to facilitate the development of the Property or prohibit the entry into contracts for the (i) retail leasing of any part or parts of a building or structure or (ii) sale of condominium units, for use and occupancy after the issuance of a provisional or the final Certificate of Completion.

In the absence of specific written agreement by the Agency, no Transfer by Developer shall be deemed to relieve the Developer or any other Party from any obligations under this Agreement.

SECTION VIII. GENERAL REMEDIES DURING DEVELOPMENT

A. DEFAULTS GENERAL.

Failure or delay by either party to perform any term or provision of this Agreement constitutes a default under this Agreement. The party who so fails or delays must immediately commence to cure, correct or remedy such failure or delay and shall complete such cure, correction or remedy with reasonable diligence. The injured party shall give written notice of default to the party in default specifying the default complained of by the injured party. Except as required to protect against further damages and except as otherwise expressly provided in Sections VIII.B and F, the injured party may not institute proceedings against the party in default until 30 days after giving such notice. During such 30 day period the party receiving notice shall not be deemed to be in default. Failure or delay in giving such notice shall not constitute a waiver of any default or of any such rights or remedies or deprive such party of its right to institute and maintain any actions or proceedings that it may deem necessary to protect, assert or enforce any such rights or remedies.

B. TERMINATION BY AGENCY.

The following shall constitute a breach, or default under the terms, of this Agreement by Developer:

1. The Developer fails to deliver or maintain the amount of the Deposit as required by Section III.A.2. of this Agreement;

2. The Developer transfers or assigns or attempts to transfer or assign this Agreement or any rights herein or in the Property or the buildings and the Improvements in violation of this Agreement;

3. There is a change in the ownership or identity of the Developer or the parties in control of the Developer or the degree thereof contrary to the provisions of this Agreement;

4. The Developer does not maintain the necessary equity capital and mortgage financing for acquisition and development of the Property in satisfactory form and in the manner and by the date provided in this Agreement;

5. The Developer fails to submit to the Agency the Financing Plan as provided in Section III.A.3. of this Agreement;

6. The Developer fails to submit to the Agency any documents, plans, and drawings required by this Agreement;

7. The Developer does not pay the Purchase Price and take title to the Property under tender of conveyance by the Agency pursuant to this Agreement;

8. The Developer is in default under the terms of the Bridge Loan as described in Section V.H;

9. The Developer is in breach or default with respect to any other obligation of the Developer under this Agreement;

then this Agreement, and any rights of the Developer or any assignee or transferee in this Agreement pertaining thereto or arising therefrom with respect to the Agency, may, at the option of the Agency and pursuant to the right to cure as provided in Section VIII.B., be terminated by the Agency by written notice thereof to the Developer.

C. TERMINATION BY DEVELOPER.

In the event that prior to the time of conveyance of title to the Property to the Developer the Agency fails to provide Developer access to the Property or possession thereof in the manner and condition and by the date provided in this Agreement, provided that all conditions precedent to such conveyance have been satisfied and Developer is not in default, then this Agreement may, at the option of the Developer, be terminated by written notice thereof to the Agency and failure of the Agency to commence to cure such default within 30 days of such notice as provided in Section VIII.A. Upon such termination, neither the Agency nor the Developer shall have any further rights against or liability to the other under this Agreement, and the Agency shall return the Deposit to the Developer.

D. INSTITUTION OF LEGAL ACTIONS.

In addition to any other rights or remedies, either party may institute legal action to cure, correct or remedy any default, or recover damages for any default not otherwise provided for in Section VIII.B., or to obtain any other remedy consistent with the purpose of this Agreement. Such legal actions must be instituted in the appropriate state or Clark County court or in the appropriate Federal District Court in the State of Nevada.

E. SERVICE OF PROCESS.

In the event that any legal action is commenced by the Developer against the Agency, service of process on the Agency shall be made by personal service upon the Executive Director of the Agency or in such other manner as may be provided by law. In the event that any legal action is commenced by the Agency against the Developer, service of process on the Developer shall be made by personal service upon the Developer or in such other manner as may be provided by law and shall be valid whether made within or without the State of Nevada.

F. SPECIFIC PERFORMANCE

If the Developer or the Agency defaults under any of the provisions of this Agreement, the nondefaulting party shall serve written notice of such default upon the defaulting party as provided in Section VIII.A. If the default is not commenced to be cured by the defaulting party within 30 days of service of the notice of default, or is not thereafter cured within the time period specified for such cure, the nondefaulting party, at its option, may institute an action for specific performance of the terms of this Agreement in addition to any other rights provided a nondefaulting party as provided in the Agreement.

SECTION IX. SPECIFIC REQUIREMENTS REGARDING REMEDIES

A. RIGHT OF REVERTER.

In the event that following Close of Escrow this Agreement is terminated pursuant to Section VIII, and such termination occurs prior to Developer's satisfaction of the requirements for issuance of the final Certificate of Completion, then the Agency shall have the right to, at its election, reenter and take possession of the Property and all improvements thereon and to revest in the Agency the estates of Developer therein. Upon revesting of title in the Agency and any resale of the Property, the proceeds shall be applied as follows:

1. First, to reimburse the Agency or the City for any costs it incurs in managing or selling the Property including but not limited to amounts to discharge or prevent liens or encumbrances arising from any acts or omissions of Developer;

2. Second, to the Developer up to the sum of the amount paid to the Agency for the Property and the actual construction cost of the Agency permitted Improvements Developer has placed on the portion of the Property reverting to the Agency less any costs incurred to either complete Improvements if pursued, or the demolition costs if construction of the Improvements is abandoned; and

3. Any balance to the Agency.

The rights of the Agency pursuant to this Section IX shall be set forth in the Grant, Bargain and Sale Deed.

B. CONSTRUCTION PLANS.

If the Agreement is terminated pursuant to Section VIII, Developer shall deliver to the Agency copies of any development or construction plans Developer has had prepared for the Improvements on the Property.

C. RIGHTS OF MORTGAGEES.

Any rights of the Agency under this Section IX shall not defeat, limit or render invalid any lease, mortgage, deed of trust or other security interest permitted by this Agreement or any rights provided for in this Agreement for the protection of holder of security interests in the Property.

SECTION X. GENERAL PROVISIONS

A. APPLICABILITY.

The Developer, for itself, its successors and assigns agrees that upon the Developer's satisfaction of the conditions for issuance of the final Certificate of Completion for the Property the covenants against discrimination shall be perpetual and the provisions of the Redevelopment Plan shall be in effect for the duration of the Redevelopment Plan.

B. CONTENTS OF GRANT, BARGAIN AND SALE DEED.

Any Grant, Bargain and Sale Deed from the Agency shall contain the covenants and conditions of approval imposed by the City as are required to be contained in the Grant, Bargain and Sale Deed.

C. HOLDER TO BE NOTIFIED.

The Developer, 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.

D. MODIFICATIONS TO AGREEMENT.

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

E. NOTICES, DEMANDS AND COMMUNICATIONS.

Formal notices, demands, and communications between the Agency and the Developer shall be sufficiently given if and shall not be deemed given unless dispatched by registered or certified mail, postage prepaid, return receipt requested or delivered personally, to the principal office of the Agency and the Developer as follows:

Agency: Henderson Redevelopment Agency
240 Water Street
Henderson, NV 89009-5050
Attn: Executive Director

Copy to: Henderson Redevelopment Agency
240 Water Street
Henderson, NV 89009-5050
Attn: Redevelopment Manager

Copy to: City Attorney
City of Henderson
240 Water Street
Henderson, NV 89009-5050

Developer: Parkline Properties, LLC
5150 S. Jones Blvd, #204
Las Vegas, NV 89118-0510

Such written notices, demands and communications may be sent in the same manner to such other addresses as the affected Party may from time to time designate by mail as provided in this Section X.E.

F. CONFLICT OF INTERESTS.

No member, official or employee of the Agency shall make any decision relating to the 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.

G. NON-LIABILITY OF AGENCY OFFICIALS, EMPLOYEES AND AGENTS.

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

H. ENFORCED DELAY.

In addition to specific provisions of this Agreement, performance by either Party hereunder shall not be deemed to be in default where delays or defaults are due to war; insurrection; strikes; lock-outs; riots; floods; earthquakes; fires; casualties; acts of God; acts of the public enemy; epidemics; quarantine restrictions; freight embargoes; lack of transportation; governmental restrictions (excluding those imposed by the Agency or the City) or priority; governmental delays, litigation (including suits filed by third parties concerning or arising out of this Agreement or suits challenging approvals of this Project by the City); weather or soils conditions which will necessitate delays; delays of any contractor, sub-contractor or supplier; acts of the other Party; acts or failure to act of any public or governmental agency or entity; unreasonable delays due to a lender identified in the Financing Plan not caused by the Developer, or any other causes beyond the control or without

the fault of the Party claiming an extension of time to perform. The Party claiming such extension shall send written notice of the extension to the other within 30 days from the commencement of the cause. The Agency and the Developer may also extend times of performance under this Agreement in writing by mutual agreement of Developer and the Executive Director unless the Executive Director, in his or her reasonable discretion, refers the matter of extension to the Agency Board for its written approval. Any time period provided herein shall be extended by the period of an Enforced Delay.

I. INSPECTION OF BOOKS AND RECORDS.

The Agency has the right at all reasonable times to inspect on a confidential basis the books, records and all other documentation of the Developer pertaining to its obligations under this Agreement. The Developer also has the right at all reasonable times to inspect the books, records and all other documentation of the Agency pertaining to its obligations under this Agreement.

J. PROVISION NOT MERGED WITH DEEDS.

None of the provisions of this Agreement are intended to or shall be merged by any deed transferring title to any real property the subject of this Agreement from Agency to any successor in interest, and any such deed shall not be deemed to affect or impair the provisions and covenants of this Agreement.

K. RIGHTS AND REMEDIES CUMULATIVE.

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

L. REAL ESTATE COMMISSIONS.

Neither Party shall be responsible to the other for any real estate commissions or brokerage fees, which may arise from this Agreement or otherwise be incurred by the other Party.

M. AMENDMENT OF REDEVELOPMENT PLAN

Pursuant to provisions of the Redevelopment Plan for modification or amendment thereof, the Agency agrees that no amendment that changes the uses or development permitted on the Property or changes the restrictions or controls that apply to the Property or otherwise directly affect the use of the Property shall be made or become effective without the prior written consent of the Developer. Amendments to the Redevelopment Plan affecting other property in the Downtown Redevelopment Project Area shall not require the consent of the Developer.

N. AMENDMENTS TO THIS AGREEMENT; APPROVALS

The Developer and the Agency agree to mutually consider reasonable requests for amendments to this Agreement (including any of the Attachments hereto) that may be made by any of the Parties hereto, lending institutions or bond counsel or financial consultants to the Agency, provided such requests are consistent with this Agreement and would not substantially alter the basic business terms included herein. Agency staff is hereby authorized to execute any such amendments to this Agreement on behalf of the Agency not otherwise requiring approval of the Agency Board or City Council pursuant to Nevada Community Redevelopment Law. Agency staff is hereby further authorized to execute any and all approvals on behalf of Agency required by this Agreement and to take all further actions and execute all documents necessary to perform the agreements of Agency contained herein.

O. REASONABLE APPROVALS.

Unless the context indicates otherwise, where an action under this Agreement requires approval of a Party, such approval shall not be unreasonably withheld or delayed.

P. APPLICABLE LAW.

This Agreement shall be interpreted under and pursuant to the laws of the State of Nevada.

Q. 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.

R. LEGAL ACTIONS.

In the event any legal action is commenced to interpret or to enforce the terms of this Agreement or to collect damages as a result of any breach thereof, the Party prevailing in any such action shall be entitled to recover against the Party not prevailing all reasonable attorney's fees and costs incurred in such action.

S. BINDING EFFECT.

This Agreement shall be binding upon and inure to the benefit of the heirs, administrators, executors, successors in interest and assigns of each of the Parties hereto except that there shall be no transfer of any interest by any of the Parties hereto except pursuant to the terms of this Agreement. Any reference in this Agreement to a specifically named Party shall be deemed to apply to any successor, heir, administrator, executor or assign of such Party who has acquired an interest in compliance with the terms of this Agreement, or under law.

T. PARTIES NOT CO-VENTURERS.

Nothing in this Agreement is intended to or does establish the Parties as partners, co-venturers, or principal and agent with one another.

U. TIME IS OF THE ESSENCE.

In all matters under this Agreement, the Parties agree that time is of the essence.

V. COMPLETE UNDERSTANDING OF THE PARTIES.

This Agreement consists of the text of the Agreement and the attached Exhibits and constitutes the entire understanding and agreement of the Parties.

W. GOOD FAITH.

The Parties recognize that it is impractical in this Agreement to provide for every contingency which may arise during the life of the Agreement, and the Parties hereby agree that it is their intention that this Agreement shall operate fairly between them and without detriment to the interests of either of them, and that, if during the term of this Agreement either Party believes that this Agreement is operating unfairly, the Parties will use their best efforts to agree on such action as may be necessary to remove the cause or causes of such unfairness.

WHEREFORE, the Parties have executed this Agreement in triplicate on or as of the date first above written.

REDEVELOPMENT AGENCY OF THE
CITY OF HENDERSON

By: _____
Philip D. Speight
Executive Director

ATTEST:

By: _____
Monica M. Simmons, CMC
Agency Secretary

PARKLINE PROPERTIES, LLC

By: _____
Jack Donald E. Webb
Managing Principal

State of Nevada
County of Clark
This instrument was acknowledged before me on July 22, 2004 **by** Jack Donald E Webb

Margaret Ann Phegley
(Signature of notarial officer)

689579-8

Notary Public - State of Nevada
COUNTY OF CLARK
MARGARET ANN PHEGLEY
No. 89-2300-1 My Appointment Expires March 9, 2008

REVIEWED AS TO FORM

By: _____
Shauna M. Hughes
City Attorney

EXHIBIT A
Basic Concept Drawings

- Renderings on file in the City of Henderson City Clerk's Office

EXHIBIT B
MAP OF THE PROPERTY

- Map on file in the City of Henderson City Clerk's Office

EXHIBIT C
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
179-18-810-028	115 West Basic
179-18-411-033	139 West Basic

EXHIBIT D
Schedule of Performance

	ACTION	DATE
1.	Execution and Delivery of Agreement by Developer. The Developer shall execute and deliver this Agreement to the Agency.	July 8, 2004.
2.	Submission – Basic Concept Drawings. The Developer shall prepare and submit to the Agency for review and approval Basic Concept Drawings and related documents containing the overall plan for development of the Property.	April 20, 2004.
3.	Submission – Preliminary Financing Plan. The Developer shall submit to the Agency for review and approval the preliminary Financing Plan. (Section III.A.3.)	September 12, 2004.
4.	Approval – Basic Concept Drawings. The Agency shall approve or disapprove the Developer's Basic Concept Drawings and related documents.	April 20, 2004.
5.	Approval – Preliminary Financing Plan. The Agency staff shall approve or disapprove Developer's preliminary Financing Plan.	September 12, 2004.
6.	Execution of Agreement by Agency. 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 Developer.	July 20, 2004.
7.	Deposit. The Developer shall deliver the Deposit to the Agency.	Within 60 days of execution of this Agreement.
8.	Opening of Escrow. The Agency shall open an escrow for conveyance of the Property to the Developer. (Section III.B.1.)	Within 45 days after execution of this Agreement by the Agency.
9.	Marketing Plan. Developer shall provide Agency a formal marketing. (Section V.F.)	Within 45 days after execution of this Agreement by the Agency.
10.	Deposit of Grant, Bargain and Sale Deed and Required Sums. The Agency shall deposit the Grant, Bargain and Sale Deed and the required sums into escrow. (Section III.B.3.)	At the Close of Escrow.

ACTION	DATE
11. Close of Escrow. The Agency shall convey title to the Property. (Section III.B.9.)	Close of Escrow.
12. Submission – Certificates of Insurance and Surety Information. The Developer shall furnish to the Agency duplicate originals or appropriate certificates of insurance policies and surety bonds. (Section IV.F.)	Prior to commencement of construction of the Improvements unless otherwise provided in the Agreement.
13. Governmental Permits. The Developer shall obtain any and all permits required by the City or any other governmental agency. (Section IV.G.)	Prior to the date set forth herein for the commencement of construction of the Developer's Improvements on the Property.
14. Commencement of Construction of Developer's Improvements. The Developer shall commence construction of the Improvements to be constructed on the Property. Commencement consists of site work, grading and shoring. (Section IV.E.)	Within 30 days after the Close of Escrow.
15. Initial Construction Activities. Site work, grading and shoring is complete and foundation is substantially complete.	Within 45 days after the Close of Escrow.
16. Completion of Construction of Developer's Improvements. The Developer shall complete construction of the Improvements to be constructed on the Property. (Section IV.E.)	Within 365 days after the Close of Escrow.
17. Issuance – Final Certificate of Completion. The Agency staff shall furnish the Developer with the final Certificate of Completion. (Section IV.K.)	Promptly after completion of all construction required to be completed by the Developer on the Property and upon written request therefore by the Developer.

EXHIBIT E
Scope of Development

I. PRIVATE DEVELOPMENT

A. General

The Developer agrees that the Property shall be developed and improved in accordance with the provisions of this Agreement and the plans, drawings and related documents approved by the Agency pursuant hereto. The Developer and its supervising architect, engineer and contractor shall work with Agency staff to coordinate the overall design, architecture and color of the Improvements on the Property.

B. Developer's Improvements

The Developer shall construct, or cause to be constructed, on the Property a minimum of 48 Condominium Units, ranging in size from 800-1,680 square feet, and the parking spaces required by City Ordinances and the Downtown Design Standards as depicted in the Basic Concept Drawings.

C. Architecture and Design

The Improvements shall be of high architectural quality, shall be well landscaped and shall be effectively and aesthetically designed. The shape, scale of volume, exterior design and exterior finish of the building must be consistent with the Downtown Design Guidelines and be consistent with, visually related to, physically related to and an enhancement of surrounding buildings within the Project Area. The Developer's plans submitted to the Agency shall describe in detail the architectural character intended for the Improvements.

D. Landscaping

Landscaping shall embellish all open spaces upon the Property to integrate the Improvements with adjacent properties within the Downtown Redevelopment Project Area. Landscaping includes such materials as paving, trees, shrubs and other plant materials, landscape containers, plaza furniture, top soil preparation, automatic irrigation and landscape and pedestrian lighting. Landscaping shall carry out the objectives and principles of the Agency's desire to accomplish a high quality aesthetic environment.

E. Signs

Any signs are of special concern to the Agency. All signs must comply with the City ordinances and must be approved by the Agency.

F. Screening

Trash areas shall be screened on all four (4) sides and have movable doors or other devices to obscure such areas from view. All fire standpipes and such other fire related mechanical devices shall be screened with plant materials. Rooftop equipment shall be reasonably hidden so as to mitigate views from principal elevations surrounding the development.

G. Applicable Codes

The Improvements shall be constructed in accordance with the Uniform Building Code (with City modifications) and the City's Municipal Code and other applicable ordinances or codes.

H. Sale and Leasing Office

The Developer shall promptly open and operate an office on the Property for the sale of residential units in the Property. At a minimum, such office shall be open and staffed during regular business hours and at least four hours on Saturday.

II. PROPERTY CLEARANCE AND PREPARATION

The Developer shall perform, or cause to be performed, at its sole cost and expense, the following work:

A. On-Property Demolition and Clearance

1. On the Property, demolish or salvage, clear, grub and remove (as may be needed and called for in the approved plans) all pavements, walks, curbs, gutters, basements or other improvements; and

2. Remove, plug and/or crush in place utilities, such as storm sewers, sanitary sewers, water systems, electrical overhead and underground systems and telephone and gas systems located on the Property, as may be required following any necessary relocation of the utilities. Agency shall make reasonable effort to encourage Nevada Power to underground utilities at the same time other undergrounding is being performed.

B. Compaction, Finish Grading and Property Work

The Developer shall compact, finish grade and do such Property preparation as is necessary for the construction of the Developer's Improvements on the Property.

III. PUBLIC IMPROVEMENTS

The Developer shall perform, or cause to be performed, all public improvements required by any public agency in connection with the development of the Property. Upon completion, such public improvements shall be dedicated to the City.

EXHIBIT F

Form of Grant, Bargain and Sale Deed

For valuable consideration, the receipt of which is hereby acknowledged,

THE REDEVELOPMENT AGENCY OF THE CITY OF HENDERSON, a public body, corporate and politic, of the State of Nevada (herein called "Grantor"), acting to carry out the Redevelopment Plan (herein called "Redevelopment Plan") for the Downtown Redevelopment Project Area, under the Community Redevelopment Law of the State of Nevada, hereby grants to Parkline Properties, LLC, a Nevada limited liability company (herein called "Grantee"), the real property (the "Property") legally described in the document attached hereto, labeled Exhibit A, and incorporated herein by this reference.

1. The Property is conveyed subject to the Redevelopment Plan and pursuant to a Disposition and Development Agreement (the "DDA") entered into by and between the Grantor and the Grantee and dated _____, 200__. The Property is also conveyed subject to any easements of record.

2. The Grantee hereby covenants and agrees, for itself and its successors and assigns, that during construction and thereafter, the Grantee shall not use the Property for other than the uses specified in the Redevelopment Plan and the DDA.

3. The Grantee shall not, except as permitted by the DDA, sell, transfer, convey, assign or lease the whole or any part of the Property without the prior written approval of the Grantor. This prohibition shall apply notwithstanding the issuance of a provisional Certificate of Completion for a floor of the Property or the final Certificate of Completion with respect to the Improvements to be constructed upon the Property. This prohibition shall not be deemed to prevent the granting of easements or permits to facilitate the development of the Property or to prohibit or restrict the (i) leasing of any part or parts of a building or structure or (ii) sale of condominium units, for use and occupancy after the issuance of a provisional or the final Certificate of Completion.

4. Option To Repurchase. Grantee hereby grants to Grantor the option to repurchase the Property hereby conveyed and all improvements subsequently constructed thereon upon the termination of the Agreement as provided in Section VIII.B. of the DDA, which provisions are incorporated herein by this reference thereto. As more fully provided in such Section VIII.B.:

a. The term of the option shall commence upon the recordation of this Grant, Bargain and Sale Deed and shall continue until the date the final Certificate of Completion has been issued with respect to Improvements to be constructed on the Property. The option shall be exercisable by Grantor if the DDA is terminated as provided in Section VIII.B. of the DDA.

b. Grantor's option shall be subordinate and subject to and be limited by and shall not defeat, render invalid or limit:

(1) Any mortgage, deed of trust or other security instrument permitted by the DDA; or

(2) Any rights or interests provided in the DDA for the protection of the holder of such mortgages, deeds of trust or other security instruments.

c. To exercise its right to repurchase, reenter and take possession with respect to the Property, the Grantor shall pay to the Grantee in cash an amount equal to:

(1) The cash Purchase Price for the Property paid by the Grantee; plus

(2) The costs actually incurred by the Grantee for on-Property labor and materials for the construction of the improvements existing on the Property at the time of the repurchase, reentry and repossession, exclusive of amounts financed; less

(3) Any gains or income withdrawn or made by the Grantee from the Property or the improvements thereon; and less

(4) The amount of liens on the Property, and any unpaid assessments against the Property.

5. The Grantee covenants by and for itself and any successors in interest that there shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, marital status, sexual orientation, source of income, age, physical or mental handicap, medical condition, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property, nor shall the Grantee itself 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, subtenants, sublessees or vendees in the Property.

6. No violation or breach of the covenants, conditions, restrictions, provisions or limitations contained in this Grant, Bargain and Sale Deed shall defeat or render invalid or in any way impair the lien or charge of any mortgage, deed of trust or other financing or security instrument permitted by the DDA, provided, however, that any successor of Grantee to the Property shall be bound by such remaining covenants, conditions, restrictions, limitations and provisions, whether such successor's title was acquired by foreclosure, deed in lieu of foreclosure, trustee's sale or otherwise.

7. Except as otherwise provided, the covenants contained in paragraph 2 of this Grant, Bargain and Sale Deed shall remain in effect until October 4, 2025 (the termination date of the Redevelopment Plan). The covenants against discrimination contained in paragraph 5 of this Grant, Bargain and Sale Deed shall remain in perpetuity. The covenants contained in paragraphs 3 and 4 shall remain in effect until issuance of the final Certificate of Completion.

8. The covenants contained in paragraphs 2, 3, 4, and 5 of this Grant, Bargain and Sale Deed shall be binding for the benefit of the Grantor, its successors and assigns, the City of Henderson and any successor in interest to the Property or any part thereof, and such covenants shall run in favor of the Grantor and such aforementioned parties for the entire period during which such covenants shall be in force and effect, without regard to whether the Grantor is or remains an owner of any land or interest therein to which such covenants relate. The Grantor and such aforementioned parties, in the event of any breach of any such covenants, shall have the right to exercise all of the rights and remedies and to maintain any actions at law or suits in equity or other proper proceedings to enforce the curing of such breach. The covenants contained in this Grant, Bargain and Sale Deed shall be for the benefit of and shall be enforceable only by the Grantor, its successors and such aforementioned parties.

9. In the event of any express conflict between this Grant, Bargain and Sale Deed or the DDA, the provisions of this Grant, Bargain and Sale Deed shall control.

10. Pursuant to provisions of the Redevelopment Plan for modification or amendment thereof, the Agency agrees that no amendment that changes the uses or development permitted on the

Property or changes the restrictions or controls that apply to the Property or otherwise directly affect the use of the Property shall be made or become effective without the prior written consent of the Developer. Amendments to the Redevelopment Plan applying to other property in the Downtown Redevelopment Project Area shall not require the consent of the Developer. Any amendments to the Redevelopment Plan that change the uses or development permitted on the Property or change the restrictions or controls that apply to the Property or otherwise affect the Property shall require the written consent of the Grantee. Amendments to the Redevelopment Plan applying to other property in the Project Area shall not require the consent of the Grantee.

IN WITNESS WHEREOF, the Grantor and Grantee have caused this instrument to be executed on their behalf by their respective officers thereunto duly authorized this _____ day of _____, 200___.

REDEVELOPMENT AGENCY OF THE
CITY OF HENDERSON

By: _____
Philip D. Speight
Executive Director

By: _____
Monica M. Simmons, CMC
Secretary

APPROVED:

_____
Shauna M. Hughes
Counsel for Grantor

The provisions of this Grant, Bargain and Sale Deed are hereby approved and accepted.

PARKLINE PROPERTIES, LLC,
a Nevada limited liability company

By: _____

Title: _____

EXHIBIT G

PROMISSORY NOTE TO THE DISPOSITION AND DEVELOPMENT AGREEMENT BY AND BETWEEN CITY OF HENDERSON REDEVELOPMENT AGENCY AND *PARKLINE PROPERTIES, LLC*

FOR VALUE RECEIVED, the undersigned maker of this Promissory Note, PARKLINE PROPERTIES, LLC, a Nevada limited liability company ("Parkline"), promises to pay to the order of the Redevelopment Agency of the City of Henderson, a Nevada redevelopment agency ("Agency"), the amount of Eight Hundred Forty Thousand Dollars and No Cents ($840,000.00) (the "Principal"), plus interest, in lawful money of the United States, which shall be legal tender in payment of all debts and dues, public and private, at the time of payment, said principal and interest to be paid on the date and in the manner following, to wit:

A. Calculation of Interest. Interest shall accrue on the unpaid Principal secured by this Promissory Note for the period from and including the Close of Escrow, as that term is defined in that certain Disposition and Development Agreement between Parkline and Agency dated _____, 2004 ("DDA") until the Principal is paid in full at a rate of six percent (6%) compounded annually. Every term, covenant and provision contained in the DDA is, by this reference, incorporated into this Promissory Note.

B. Payment of Loan. Parkline shall not be required to make any payment of Principal or Interest on this Promissory Note prior to the sale of a condominium unit, or 30 days after the date of an Event of Default, whichever occurs first ("Due Date"). Upon the sale of a condominium unit, Parkline shall pay Agency a portion of the Principal due on this Note equal to a portion of the sale price of the first 48 condominium units pursuant to the following formula:

$840,000 divided by **X** multiplied by **Y**

X = total square footage of the first 48 units to be released

Y = square footage of specific unit

In lieu of payment by Parkline of a portion of the purchase price of a condominium unit, Parkline's obligation to pay such amount shall be satisfied if Agency takes back a note from the purchaser of the condominium unit equal to the portion of the Principal due from Parkline on the unit in the form of a second mortgage secured by a deed of trust.

Upon the sale of all the condominium units, and payment of the Principal in full pursuant to the terms of this Promissory Note, the Agency shall return to Parkline this Promissory Note marked "paid in full" and shall execute and record a deed of reconveyance for any property encumbered by the Parkline Deed of Trust.

Maturity Date. This Note shall mature _____ days from the Close of Escrow as that date is defined in the DDA ("Maturity Date") at which time Parkline shall pay Agency any remaining balance due on the Principal. Failure of Parkline to pay Agency the remaining balance due on the Principal by the Maturity Date shall constitute an event of default under this Promissory Note and Section VIII of the DDA and Parkline shall expeditiously cure such default pursuant to the provisions therein.

Interest. No interest shall be due and owing under this Promissory Note unless and until Parkline breaches or defaults under the terms of this Promissory Note or Section VIII of the DDA. If Parkline

defaults, and fails to cure such default pursuant to the provisions of the DDA, interest that shall have accrued on any unpaid Principal balance shall be immediately due and owing and shall be added to the unpaid Principal balance.

Event of Default. In addition to the provisions of the DDA, the Agency shall have all the remedies of a secured party under Nevada law.

No Waiver of Rights By the Agency. No delay or omission on the part of the Agency in exercising any right hereunder shall operate as a waiver of that right or of any other right under this Promissory Note.

Extension of Time, Modification of Terms. No extension of time for the payment of this Promissory Note, made by agreement with any person now or hereafter liable for the payment of this Promissory Note, either in whole or in part, shall be permitted unless the Agency agrees in writing. This Promissory Note may not be changed orally, but only by an agreement in writing signed by the party against whom enforcement of any waiver, change, modification or discharge is sought.

Loan Expenses. Parkline promises to pay all reasonable costs of collection incurred by the Agency upon the occurrence of any event of default which costs shall include reasonable attorney's fees and expenses, whether incurred with respect to collection, trial, appeal, enforcement of any judgment based on this Promissory Note, or otherwise.

Notices. Any notice to the Parties shall be sufficiently served if sent in accordance with requirements set forth in the DDA.

Governing Law. This Promissory Note shall be governed in all respects by the laws of the State of Nevada.

EXECUTED AND DELIVERED AS OF THE 22 DAY OF Sept, 2005.

PARKLINE PROPERTIES, LLC

Signature PRESIDENT, RUSSIAN HILL PARTNERS, INC
OWNER'S REPRESENTATIVE

Title

STATE OF NEVADA)
) ss.
COUNTY OF CLARK)

I, Lisa Fotheringham, a Notary Public in and for Clark County, in the State of Nevada, do hereby certify that William N. Rost 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 20 day of Sept, 2005.

Notary Public

My Commission Expires: 4/21/08

LISA FOTHERINGHAM
Notary Public, State of Nevada
Appointment No. 04887411
My Appt. Expires April 21, 2008

VIA CERTIFIED MAIL AND FIRST CLASS MAIL

December 9, 2010

Parkline Properties, LLC
5150 S. Jones Blvd, #204
Las Vegas, NV 8118-0510

Pacific Lofts, LLC
Haas & Najarian
58 Maiden LN 2nd Floor
San Francisco, CA 94108-5427
Attn: L Haas

NOTICE OF DEFAULT

Re: Disposition and Development Agreement dated July 20, 2004
Assessor Parcel Number 179-18-405-005

Dear Developer / Property Owner:

On July 20, 2004, Parkline Properties, LLC and the City of Henderson Redevelopment Agency ("Agency") entered into the above referenced Disposition and Development Agreement ("DDA") regarding the property referenced above ("the Property"). On or about July 8, 2008, Pacific Lofts, LLC obtained title to the Property by Trustee's Deed Upon Sale. Section VII.B of the DDA prohibits Transfer of the Property, prior to issuance of a Certificate of Completion, unless the prior written approval of the Agency is obtained. No approval was obtained from the Agency prior to this transfer in ownership.

Further, Section IV.E required that the Developer diligently construct the Project in accordance with the Schedule set out in Exhibit D to the DDA. Exhibit D to the Agreement required that the Project be completed within 365 days of the date of the Agreement. To date, the Project has not been completed.

This letter shall constitute a **NOTICE OF DEFAULT** under Section VIII of the DDA for failing to obtain Agency approval of the Property Transfer referenced above and for failing to complete the Project within the required time period. Pursuant to Section VIII.A of the DDA, in the event you fail to cure the Defaults

P. O. Box 95050 Economic Development/Redevelopment Division Henderson, NV 89009-5050 (702) 267-1515 Fax (702) 267-1503
www.cityofhenderson.com

within thirty (30) days of the date of this letter, the Agency shall exercise its rights under the DDA, including without limitation, termination of the Agreement, forfeiture of the Deposit, and enforcement of the Agreement.

The Agency expressly reserves all rights and remedies under the DDA without any additional notice to you, including but not limited to, commencement of an action for specific performance.

Please contact the undersigned with any questions or concerns.

Sincerely,

Michelle Romero
Redevelopment Manager

cc: Mark T. Calhoun, P.E., Executive Director
Elizabeth Macias Quillin, General Counsel

RAC

REDEVELOPMENT AGENCY ADVISORY COMMISSION AGENDA ITEM

MEETING February 22, 2011 RAC-003

SUBJECT	Approval to purchase 2.14 acres of real property located at the southeast corner of Basic Road and Pacific Avenue, APN 179-18-405-005 not to exceed $755,000.
PETITIONER	Economic Development/Redevelopment – a Division of the City Manager's Office
RECOMMENDATION	Approve

FISCAL IMPACT:

☐ No Impact ☐ Budgeted funds available ☐ Augmentation required

Funding Source, Amount, and Account Number(s) to be charged:

BACKGROUND / DISCUSSION:

The property was originally 11 Townsite houses that were acquired by the City over a period of several years. The property was sold by the City to the Redevelopment Agency and on July 20, 2004, Parkline Properties, LLC and the Redevelopment Agency entered into a Disposition and Development Agreement to develop the property. Construction on the project commenced, but stopped when the original developer filed for Chapter 11 Bankruptcy protection in late 2007. The lender on the project succeeded in forcing a foreclosure sale and as a result, the current owner, Pacific Lofts, LLC purchased the loan from the lender and obtained title to the property by Trustee's Deed Upon Sale on July 8, 2008.

Commencing in late 2011, the Agency was approached by the property owner about a potential purchase and began to do a detailed evaluation of the property to include title reports, evaluation of existing improvements and preparation of an appraisal by a certified appraiser. Based upon an appraisal value of $750,000, a written offer was made to the property owner, who accepted based upon contingencies of seller paying transfer tax and RAC and RDA approval of the purchase by March 15, 2011.

While there is no fiscal impact to revenues or expenditures for the purchase of this land as the transaction exchanges one asset (Cash) for another (Land Held for Resale), the estimated cash outlay is:

Purchase Price	$ 750,000.00
Escrow Fees	905.00
CLTA Title Policy	2,360.00
Recording Fees (est)	150.00
Total Costs	$ 753,415.00

RECOMMENDED MOTION:

I move to recommend approval of the purchase of the property described as APN 179-18-405-005 not to exceed $755,000.

Supporting Documentation:

Signed Offer to Purchase Real Property, APN 179-18-405-005, consisting of three (3) pages.

Offer to Purchase Real Property

DATE: February 3, 2011

BUYER: City of Henderson Redevelopment Agency, a public body, corporate and politic of the State of Nevada
240 Water Street
P.O. Box 95050
Henderson, NV 89009-5050

SELLERS: PACIFIC LOFTS, LLC
c/o Hans Najarian, LLP
58 Maiden Lane Second Floor
San Francisco, CA 94108-5427

PROPERTY: APN 179-18-405-005
Southeast corner of Basic Road and Pacific Avenue
Henderson, NV 89015
PT Lot 12 Block 31 and
PT S2 S2 Sec 18 T 22 R 63 and VAC RD
Plat Book 3, Page 42
2.14 acres

PURCHASE PRICE: Seven Hundred and Fifty Thousand No/100 Dollars ($750,000.00 U.S.).

TERMS AND CONDITIONS

1. Purchase price and closing costs to be paid in cash at close of escrow.
2. The escrow company shall be Old Republic Title Company of Nevada.
3. Buyer to pay escrow fee and recording fees associated with this transaction.
4. Seller to pay transfer tax associated with this transaction.
5. Title to the Real Property will be conveyed by Seller, shall be good and marketable title, clear of all liens, encumbrances, defects and burdens. All costs required to clear and/or perfect the Seller's title to the Real Property shall be paid by Seller.
6. Owner's/Buyer's CLTA Title Policy to be paid by Buyer.
7. The escrow shall close within sixty (60) days after approval by the City of Henderson Redevelopment Agency, unless extended by mutual agreement, provided that all other Terms and Conditions contained herein have been met.

8. Seller to provide all existing documents relating to the Real Property including inspections, environmental reports or audits, surveys, service, maintenance or other contracts affecting the property and any other documents of significance to the property for review and acceptance by the Buyer.

9. Seller will deliver possession of the Real Property to Buyer upon closing.

10. Seller shall allow Buyer or Buyer's contractors to perform inspections of the Real Property prior to March 15, 2011 to verify the condition of the Real Property. If Buyer determines the Real Property is contaminated, Buyer reserves the right to terminate this Offer.

11. There are no real estate commissions or fees to be paid in connection with this transaction.

12. Property is being purchased in "As-Is" condition with no warranties except the obligation to disclose all known defects, and no cost to Seller for repairs or maintenance.

CONTINGENCIES

A. This Offer is contingent upon approval by the Redevelopment Advisory Committee on February 22, 2011 and by the Redevelopment Agency on March 15, 2011.

B. This Offer is contingent upon the review and acceptance of a current Preliminary Title Report and all exceptions indicated in said report by the Buyer.

This Offer to Purchase Real Property shall be considered expired if a response is not received by 5:30 PM, February 9, 2011.

BUYER:

City of Henderson Redevelopment Agency, a public body,
corporate and politic of the State of Nevada

By: _____ Date: 3 Feb 2011
David M Norris, AICP
Real Estate Portfolio Manager
City of Henderson
Economic Development/Redevelopment Division

Seller:

ACCEPTANCE: The undersigned accepts the Offer to Purchase Real Property for the property identified as APN 179-18-405-005, located in Henderson, NV 89015 from the

City of Henderson Redevelopment Agency, a public body, corporate and politic of the State of Nevada. The offer embodies all consideration agreed to between the parties.

By: _____ Date: February 7, 2011

By: _____ Date: _____

DENIAL: The undersigned rejects the Offer to Purchase Real Property for the property identified as APN 179-18-405-005, located in Henderson, NV 89015 from the City of Henderson Redevelopment Agency, a public body, corporate and politic of the State of Nevada as written above.

By: _____ Date: _____

By: _____ Date: _____

RAC

REDEVELOPMENT AGENCY ADVISORY COMMISSION AGENDA ITEM

REGULAR MEETING | February 22, 2011 | RAC-004

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

FISCAL IMPACT:

[X] 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 $790,539.00. The note was executed November 17, 2004. The term of the note was five years at six percent interest. The note was funded as loans 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.

The project for which these parcels were purchased has not materialized. The Agency desires to bond in the Downtown Redevelopment Area and an extension of the Loan Term and clarification of the subordinate status of the Loan is needed for bonding purposes.

In connection with the bonding in the Downtown Redevelopment 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 7, 2015, yet paying the accrued interest ($127,358) due in September 2012 to the Land Fund.

RECOMMENDED MOTION:

I move to ratify the approval of Resolution No. _____ - Amendment of City of Henderson Loan to City of Henderson Redevelopment Agency (Parkline Lofts) and for the City to exercise the option to extend the Maturity Date for three years to September 7, 2015.

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.
Amended City/Agency Loan Agreement of February 15, 2011 consisting of two (2) pages.
Amended City/Agency Note of February 15, 2011 consisting of two (2) pages.
Resolution No. ___ to amend the City of Henderson Loan to City of Henderson Redevelopment Agency consisting of two (2) pages.

ORIGINAL

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

CITY COUNCIL 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.

"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.

Lori D. Grossman
Notary Public

LORI D. GROSSMAN
Notary Public - State of Nevada
COUNTY OF CLARK
My Appointment Expires July 21, 2007
No. 99-57691-1

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, ~~2008~~ 2010

CITY OF HENDERSON REDEVELOPMENT AGENCY

Mark T. Calhoun

for Mary Kay Peck, FAICP
Executive Director

Approved as to Form:

for

Shauna Hughes
Agency Counsel

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 By: Mary Kay Peck, FAICP
Its: City Manager

COUNCIL ACT
AUG 1

Attest:

for Monica Martinez Simmons, MMC
City Clerk

Reviewed as to Form:

for Shauna Hughes
City Attorney

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

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

Attest:

for Monica Martinez Simmons, MMC
Agency Secretary

Reviewed as to Form:

for Shauna Hughes
Agency Counsel

SECOND AMENDMENT TO PROMISSORY NOTE
PARKLINE

This Second Amendment ("**Amendment**") dated February ___, 2011 by and between the **City of Henderson Redevelopment Agency**, a public body corporate and politic ("**Maker**") and the **City of Henderson** ("**Holder**") amends that certain **Amended and Restated Promissory Note** approved on August 14, 2008 and the **Promissory Note** approved September 4, 2004, both executed by **Maker** for the benefit of **Holder** ("**Notes**"). Capitalized terms have the meanings set forth in the **Notes**, or as otherwise set forth in this Amendment.

RECITALS

A. **Holder** and **Maker** have heretofore executed the **Notes** pursuant to which the **Holder** lent **Seven Hundred Ninety One Thousand Five Hundred Ninety Two Dollars and Fifteen cents ($791,592.15)** (the "**Loan**") to **Maker** in connection with the purchase by Maker from Holder of nine parcels of real estate for the Parkline project;

B. **Maker** desires to issue bonds for the Downtown Redevelopment Area ("Bonding");

C. Due to Bonding requirements, **Maker** has requested and **Holder** has agreed to restructure the loan obligation; and

D. **Holder** and **Maker** desire to enter into this **Amendment** to clarify that this **Amendment** is subordinate to the Bonding; and

NOW THEREFORE, for good and valuable consideration, the sufficiency of which is hereby acknowledged, **Holder** and **Maker** hereby agree to amend the **Notes** as follows:

Section 1. Section B.(7) is hereby added to the Note as follows:

> *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 heretofore or hereafter issued by Maker*

Section 2. All other provisions under the Note remain in full force and effect.

Signatures on following page

IN WITNESS WHEREOF the Parties have executed this Amendment as of the date set forth at the beginning of this Amendment.

MAKER:

City of Henderson Redevelopment Agency

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

ATTEST:

By:_____
Sabrina Mercadante, CMC
Agency Secretary

Approved as to Form:

By: _____
Elizabeth Macias Quillin
Agency Counsel

HOLDER:

City of Henderson

By:_____
Mark T. Calhoun, P.E.
City Manager

ATTEST:

By:_____
Sabrina Mercadante, CMC
City Clerk

Approved as to Form:

By: _____
Elizabeth Macias Quillin
City Attorney

AMENDMENT TO LOAN AGREEMENT
PARKLINE

This Amendment ("**Amendment**") dated February ___, 2011 by and between the **City of Henderson Redevelopment Agency**, a public body corporate and politic ("**Agency**") and the **City of Henderson** ("**City**") (collectively "**Parties**") amends that certain **Loan Agreement** ("**Agreement**") dated August 16, 2008 executed by the **Parties**. Capitalized terms have the meanings set forth in the **Agreement**, or as otherwise set forth in this **Amendment**.

RECITALS

A. **City** and **Agency** have heretofore executed the **Agreement** pursuant to which the **City** lent **Seven Hundred Ninety One Thousand Five Hundred Ninety Two Dollars and Fifteen cents ($791,592.15)** (the "**Loan**") to **Agency** in connection with the purchase by **Agency** from **City** of nine parcels of real estate for the Parkline project;

B. **Agency** desires to issue bonds for the Downtown Redevelopment Area ("Bonding");

C. Due to Bonding requirements, **Agency** has requested and **City** has agreed to restructure the loan obligation; and

D. **City and Agency** desire to enter into this **Amendment** to clarify that the repayment of this loan as set out in the **Agreement** is subordinate to the Bonding; and

NOW THEREFORE, for good and valuable consideration, the sufficiency of which is hereby acknowledged, **City and Agency** hereby agree to amend the **Agreement** as follows:

Section 1. Section 2.3 is amended as follows:

> 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.~~

Section 2. Section 2.4 is hereby added to the Note as follows:

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

Section 3. All other provisions under the Note remain in full force and effect.

IN WITNESS WHEREOF the Parties have executed this Amendment as of the date set forth at the beginning of this Amendment.

MAKER:

City of Henderson Redevelopment Agency

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

ATTEST:

By:_____
Sabrina Mercadante, CMC
Agency Secretary

Approved as to Form:

By: _____
Elizabeth Macias Quillin
Agency Counsel

HOLDER:

City of Henderson

By:_____
Mark T. Calhoun, P.E.
City Manager

ATTEST:

By:_____
Sabrina Mercadante, CMC
City Clerk

Approved as to Form:

By: _____
Elizabeth Macias Quillin
City Attorney

RESOLUTION NO.

A RESOLUTION OF THE CITY OF HENDERSON REDEVELOPMENT AGENCY AUTHORIZING THE AGENCY TO ENTER INTO AN AMENDED LOAN AGREEMENT AND PROMISSORY NOTE SUBORDINATING THAT LOAN TO THE 2011 BOND ISSUANCE

WHEREAS, on September 7, 2004 the City of Henderson Redevelopment Agency (the "Agency") entered into a purchase agreement (the "Purchase Agreement"), with the City of Henderson (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 (Parkline") located in the Downtown Redevelopment Project Area ("Project Area"); and

WHEREAS, pursuant to the Purchase Agreement, the City provided a loan (the "Loan") to the Agency in the amount of Seven Hundred Ninety Thousand Five Hundred Thirty Nine Dollars ($ 790,539.00); and

WHEREAS, the Agency executed a promissory note in favor of the City dated November 17, 2004 in the amount of the Loan (the "Note"); and

WHEREAS, the Agency and City executed an amended loan agreement and promissory note in the favor of the City dated August 16, 2008 in the amount of Seven Hundred Ninety Thousand Five Hundred Ninety Two Dollars and Fifteen cents ($791,592.15"); and

WHEREAS, the Agency has determined that the subordination of the Loan Agreement and the Note is consistent with the Redevelopment Plan for the Project Area and is in the interests of the health, safety and welfare of the residents of the City; and

WHEREAS, the Agency intends to issue bonds in the Downtown project area in 2011; and

NOW, THEREFORE, BE IT RESOLVED, by the Redevelopment Agency of the City of Henderson, Nevada that:

SECTION 1. The Agency is hereby authorized to request that the City extend the term of the loan for three years.

SECTION 2. The Loan Agreement and Note will be subordinate to the bonds issued in 2011.

SECTION 3. The Agency shall evidence the change in terms by executing the Amendment to Loan Agreement and the Second Amended Promissory Note, substantially in the form attached hereto as Exhibit A.

SECTION 4. The Executive Director of the Agency (or his designee) is hereby authorized on behalf of the Agency to execute the attached documents, and to make revisions to same, with the advice of counsel, which do not materially or substantially increase the Agency's obligations there under, to sign all

documents, to make all approvals and take all actions necessary or appropriate to carry out and implement the documents and to administer the Agency's obligations, responsibilities and duties to be performed under the documents.

SECTION 5. This resolution shall be effective on its passage and approval.

END OF RESOLUTION

RAC

REDEVELOPMENT AGENCY ADVISORY COMMISSION AGENDA ITEM

REGULAR MEETING | February 22, 2011 | RAC-005

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 Ratification

FISCAL IMPACT:

[X] 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 $790,539.00. The note was executed November 17, 2004. The term of the note was five years at six percent interest. The note was funded as loans 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.

The project for which these parcels were purchased has not materialized. The Agency desires to bond in the Downtown Redevelopment Area and an extension of the Loan Term and clarification of the subordinate status of the Loan is needed for bonding purposes.

In connection with the bonding in the Downtown Redevelopment 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 7, 2015, yet paying the accrued interest ($127,358) due in September 2012 to the Land Fund.

RECOMMENDED MOTION:

I move to ratify the 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.
City/Agency Amended Promissory Note dated February 15, 2011 consisting of three (3) pages.
Resolution No. ___ to amend the City of Henderson Loan to City of Henderson Redevelopment Agency consisting of one (1) page.

COPY

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 Martinez Simmons, CMC
Agency Secretary

REDEVELOPMENT AGENCY OF
THE CITY OF HENDERSON

Mary K. Peck, AICP
Executive Director

1023304.1

AMENDMENT TO PROMISSORY NOTE
PINNACLE BUILDING

This Amendment ("**Amendment**") dated February ___, 2011 by and between the **City of Henderson Redevelopment Agency**, a public body corporate and politic ("**Maker**") and the **City of Henderson** ("**Holder**") amends that certain **Promissory Note** dated November 20, 2007 executed by **Maker** for the benefit of **Holder** ("**Note**"). Capitalized terms have the meanings set forth in the **Note**, or as otherwise set forth in this Amendment.

RECITALS

A. **Holder** and **Maker** have heretofore executed the **Note** pursuant to which the **Holder** lent **Two Million Six Hundred Four Thousand Dollars ($2,604,000.00)** (the "**Loan**") to **Maker** in connection with the construction of the Pinnacle Building;

B. **Maker** desires to issue bonds for the Downtown Redevelopment Area ("Bonding");

C. Due to Bonding requirements, **Maker** has requested and **Holder** has agreed to restructure the loan obligation; and

D. **Holder** and **Maker** desire to enter into this **Amendment** to extend the repayment term of the **Note** and clarify that this **Amendment** is subordinate to the Bonding; and

NOW THEREFORE, for good and valuable consideration, the sufficiency of which is hereby acknowledged, **Holder** and **Maker** hereby agree to amend the **Note** as follows:

Section 1. Section B(1) of the Note is hereby replaced in its entirety as follows:

> *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) September 30, 2015 (the Maturity Date).*

Section 2. Section C of the Note is hereby clarified as follows.

> 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 *heretofore or hereafter* issued by Maker

Section 3. All other provisions under the Note remain in full force and effect.

IN WITNESS WHEREOF the Parties have executed this Amendment as of the date set forth at the beginning of this Amendment.

MAKER:

City of Henderson Redevelopment Agency

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

ATTEST:

By:_____
Sabrina Mercadante, CMC
Agency Secretary

Approved as to Form:

By: _____
Elizabeth Macias Quillin
Agency Counsel

HOLDER:

City of Henderson

By:_____
Mark T. Calhoun, P.E.
City Manager

ATTEST:

By:_____
Sabrina Mercadante, CMC
City Clerk

Approved as to Form:

By: _____
Elizabeth Macias Quillin
City Attorney

RESOLUTION NO.

A RESOLUTION OF THE CITY OF HENDERSON REDEVELOPMENT AGENCY, AUTHORIZING THE AGENCY TO EXEND THE DUE DATE ON THE LOAN FROM THE CITY OF HENDERSON TO THE EARLIER OF (i) THE DATE THE AGENCY RECEIVES PROCEEDS FROM THE SALE OF THE PROPERTY OR (ii) SEPTEMBER 30, 2015.

WHEREAS, the City of Henderson Redevelopment Agency (the "Agency") is charged with implementing the Redevelopment Plan (the "Redevelopment Plan") as adopted for the Downtown Redevelopment Project Area within the City of Henderson (the "City"); and

WHEREAS, pursuant to the Community Redevelopment Law, the Agency entered into a promissory note with the City to provide a loan to Agency in the total principal amount not to exceed $2,604,000 (the "Loan"); and

WHEREAS, the economy has experienced a significant downturn and the sale of the Property would at this time result in a loss to the Agency; and

WHEREAS, the Agency desires to issue bonds in the Downtown Redevelopment area in 2011; and

NOW THEREFORE BE IT RESOLVED by the Redevelopment Agency of the City of Henderson, Nevada, that:

SECTION 1. The Agency is hereby authorized to extend the Note from the City for the original amount of $2,604,000 to (i) the date the Agency receives proceeds from the sale of the property or (ii) September 30, 2015.

SECTION 2. The Agency is clarifying that in accordance with Section C of the Note, the Note will be subordinate to the bonds issued in 2011.

SECTION 3. The Agency shall evidence the change in terms by executing the Amendment to Promissory Note, substantially in the form attached hereto as Exhibit A.

SECTION 4. The Executive Director of the Agency (or his designee) is hereby authorized on behalf of the Agency to execute the Amended Note, and to make revisions to the Note, with the advice of counsel, which do not materially or substantially increase the Agency's obligations thereunder, to sign all documents, to make all approvals and take all actions necessary or appropriate to carry out and implement the Amended Note and to administer the Agency's obligations, responsibilities and duties to be performed under the Amended Note.

SECTION 5. This resolution shall be effective on its passage and approval.

END OF RESOLUTION

RAC

REDEVELOPMENT AGENCY ADVISORY COMMISSION AGENDA ITEM

REGULAR MEETING | February 22, 2011 | RAC-006

SUBJECT	Augmentation to repair, re-pave and re-stripe the City-owned surface parking lot, located south of and immediately adjacent to the Agency-owned parking lot at the southwest corner of Victory and Water Street, for an amount not to exceed $50,000.
PETITIONER	Economic Development/Redevelopment Division of the City Manager's Office
RECOMMENDATION	Recommend Ratification

FISCAL IMPACT:

☐ No Impact ☐ Budgeted funds available [X] Augmentation required

CMTS Number(s):

FUNDING SOURCE, AMOUNT, AND ACCOUNT NUMBER(S) TO BE CHARGED:
Augmented: 2092-1001-601436-H0088 $ 50,000

BACKGROUND / DISCUSSION / ALTERNATIVES:
On December 14, 2010, RDA approved an augmentation of $331,000 for the construction of a 175-stall parking lot on a portion of the Agency-owned property at the southwest corner of Victory and Water Street, known as Site A. The City owns a public parking lot south of and immediately adjacent to the Agency site, that is severely in need of repair. There are currently no City funds available to make the needed repairs, so to maximize efficiencies and cost effectiveness, it is proposed to add the work and the cost onto the existing Site A parking lot project in an amount not to exceed $50,000. Construction is proposed to begin on the Site A parking lot in mid-February, immediately after official award of the bid. The additional work was included as an addendum to the Site A parking lot bid package.

The bid award for the entire project is scheduled for the February 15, 2011 City Council meeting.

RECOMMENDED MOTION:

I move to ratify approval of an augmentation to repair, re-pave and re-stripe the City-owned surface parking lot, located south of and immediately adjacent to the Agency-owned parking lot at the southwest corner of Victory and Water Street, for an amount not to exceed $50,000.

Supporting Documentation:
N/A

RAC

REDEVELOPMENT AGENCY ADVISORY COMMISSION
AGENDA ITEM

REGULAR MEETING | February 22, 2011 | RAC-007

SUBJECT	Review and Acceptance of the Downtown Inception to June 30, 2010 Financial Report
PETITIONER	Economic Development/Redevelopment Division of the City Manager's Office
RECOMMENDATION	Recommend Approval

FISCAL IMPACT:

[X] 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:
The Downtown Redevelopment Plan was originally adopted in October 1995, making June 30, 2010 the exact halfway point within the 30 years available to complete redevelopment efforts of an area per Nevada Revised Statute's Community Redevelopment Law. One task assigned to staff has been to provide the RAC and RDA with monthly financial reports. Beginning this year, staff will also be providing some narrative explanations to support the numbers. As a kick-off for the quarterly narrative financial reports, it seemed appropriate to determine where the Agency is at the halfway point of Downtown by describing both in writing as well as statistically.

The report highlights eight key financial indicators, and each one is very positive - even considering the current economic recession:

- Inception to Date Increase in Incremental Assessed Value and Average Annual Increase in Incremental Assessed Value
- Assessed Value compared to Nevada's Five Largest Cities
- Tax Increment Revenue Increases
- Leverage Ratio of Dollars Invested in the Redevelopment Area to all Other Dollars Invested (Public or Private)
- Redevelopment Program Participation
- Land Use Changes
- Physical Improvements (i.e. increases in square footage, number of dwelling units added, parking spaces added)
- Economic (Employment, Wages and Economic Output) and Fiscal Impacts (Public and Private Investments)

RECOMMENDED MOTION: I move to recommend acceptance of the Downtown Inception to June 30, 2010 Financial Report.

Supporting Documentation:
Downtown Inception to June 30, 2010 Financial Report consisting of 14 pages.

City of Henderson Redevelopment Agency

Downtown Financial Report

Inception to June 30, 2010

Prepared by: Lisa Sich, Special Projects Accountant

Downtown Financial Report
Inception to June 30, 2010

Pinnacle Building

Even in times of economic growth, in-fill redevelopment is a challenging endeavor. To accomplish this, redevelopment agencies are created to develop a plan and provide the initial funding to launch revitalization efforts of identified areas. In doing so, redevelopment encourages and attracts private sector investment that otherwise would not occur. Redevelopment funds help to create jobs, attract business, provide housing for families, reduce crime, improve infrastructure, and revitalize declining areas. Said in just a few words – redevelopment serves as a catalyst for other investment by providing the initial seed money that ultimately breathes new life into areas in need of economic development and new opportunity.

Background

The Downtown Redevelopment Plan was adopted in October 1995 to facilitate redevelopment efforts. The first year that tax increment was received was fiscal year 1997. The life of an area is 30 years from adoption per Nevada Revised Statute; therefore, the last month that tax increment will be received is June 2025. June 30, 2010 marks the halfway point of the life of the Downtown area, and through this document, we will celebrate the achievements that the City of Henderson has attained through its redevelopment efforts!

Over $63 million (Appendix A) have been invested in the Downtown project area by the Henderson Redevelopment Agency, with only 16% of total expenditures being spent on administration. Administration includes Redevelopment staff's salaries and benefits, professional and legal services, marketing and supplies. It is important to note that a significant amount of professional and legal services were, and are customarily spent in the early years to create the redevelopment plan, conduct the required initial tax increment analysis, and provide legal and financial consultant expertise for projects that sometimes do not materialize. In many cases, the Agency spends funds for a financial review of a developer's project proposal that results in the Agency declining to assist the project because the results of the financial due diligence review show that the risk the Agency would have to take to support the project is too high to justify using public dollars.

Some key indicators that show the effectiveness of redevelopment efforts are:

- Inception to Date Increase in Incremental Assessed Value and Average Annual Increase in Incremental Assessed Value
- Tax Increment Revenue Increases
- Assessed Value compared to Nevada's Five Largest Cities
- Leverage Ratio of Dollars Invested in the Redevelopment Area to all Other Dollars Invested (Public or Private)
- Redevelopment Program Participation
- Land Use Changes
- Physical Improvements (i.e. increases in square footage, number of dwelling units added, parking spaces added)
- Economic (Employment, Wages and Economic Output) and Fiscal Impacts (Public and Private Investments)

Agency's Results to Key Indicators

As you review the Agency's results to the key indicators, keep in mind that some redevelopment projects and programs are designed to operate at a loss. Their objective is not to return capital or generate positive investment return, but rather, to seed investment in areas that would otherwise not receive it. The ultimate goal is appreciation of land values overall and establishment of the critical mass necessary for development to occur independently of the Agency's investments and incentives.

Inception to Date Increase in Assessed Value (Appendix B): Since fiscal year 1996, incremental assessed value (assessed value above the base year of adoption) has increased by $146 million. At the height of the development boom in fiscal year 2009, incremental assessed value in the Downtown Redevelopment Area was $264 million. Due to economic growth periods and the recent recession, a more reflective key indicator is the average annual increase in incremental assessed value, $117 million – yes, that is per year.

Assessed Value Comparison: In a comparison of Nevada's Five Largest Cities from Fiscal Year 1996 to Fiscal Year 2010, the Agency's overall Assessed Value increased 287% (this is for all redevelopment project areas – not just Downtown areas). This is the highest increase of all of the largest cities, with Las Vegas' Agency rating 215% - 25% lower than Henderson. The other three cities were less than 100%, with one rating slightly negative.

Description	City Composite	Las Vegas	North Las Vegas	Sparks	Reno	**Henderson**
Assessed Value Percentage Increase	172.3%	215.4%	-0.2%	58.5%	86.2%	**287.0%**

Tax Increment Revenue Increases (Appendix C): In the year of adoption, the base year is established for assessed value upon which the tax rate is applied. Therefore, the year of adoption realizes zero revenue. Since 1997, the Agency has received $32.7 million in revenue from the Downtown area. When looking at annual increases, the average annual increase was $310,000, equating to an annual, positive percentage change of 20%. It is important to note that per NRS, all revenues received in a redevelopment area must be reinvested back to benefit that redevelopment area or the immediate neighborhood in which the redevelopment area is located.

Leverage Ratio of Dollars Invested in the Redevelopment Area to all Other Dollars Invested - Public or Private (Appendix D): This indicator shows that for every one dollar the Agency invests in the project area, how many "other" (public or private) dollars are invested.

The analysis is of the larger projects that have been monitored and tracked by Agency staff. More than likely, there are additional projects that have been completed of which staff is unaware. The leverage ratio of redevelopment dollars invested is: 1:12. For every one dollar the Agency directly invests, other public and private investors are investing $12. Or, said another way, for every eight cents the Agency invests everyone else is investing a dollar.

Redevelopment Program Participation: Over the years, the Agency has adopted and implemented several redevelopment financial assistance programs in Downtown. The programs range from loans to grants or a combination. In some cases, it has been challenging to entice property owners to participate in these programs. As an example, some business property owners have owned the property for years with little to no mortgages existing. It has become their "cash cow," providing an excellent return on investment; therefore, why invest further? Others bought during the height of the market and can't

afford to make additional investments. Yet, the Agency has enjoyed a considerable amount of participation in its program offerings.

Like all endeavors, some are risky or market changes occur and the anticipated results do not materialize. When this happens, staff has been quick to recommend that the program be suspended or eliminated and begins researching new alternatives.

Name of Project/Program	Description	# of Partici pants	RDA Investment	Private Investment	Total
Façade Improvement Program	Exterior facelift, paint, construction, awnings, marquees, signage, etc. Agency provides an 80% of cost reimbursement up to $30,000 (loan to grant) and sign grants ranging from $2,500 to $5,000 (grant)	58	$1,053,108	$1,625,713	$2,678,821
Gallery Assistance Program[1]	Third Thursday assistance, business training for art galleries, golf tournament sponsorship, grant to City Lights Gallery	4	60,000	-	60,000
Art Rental Subsidy Program[2]	Agency provides 25% of first year's rent (loan to grant)	3	80,000	80,000	160,000
Revolving Loan Fund Program[3]	Loans to businesses with a 2 to 1 match by the business by creating 1 full-time job for each $35,000 loaned	6	400,000	210,000	610,000
Tenant Improvement Program	Provides up to $50,000 grant to qualified businesses locating in the Water Street District	3	12,290	113,788	126,078
Homeowners' Assistance Program	Exterior painting, landscaping, remodeling, and code compliance where Agency provides low-interest loans and grants	335	950,000	2,605,000	3,555,000

1) As the economy began the recession, this was a one-time program to provide assistance to the Water Street District Arts community as the Agency had was hoping to ensure survival of the arts since it had already made a significant investment.
2) The program was developed to not only assist three existing galleries as the economy began a down-ward spiral, but also to be available for new galleries to create a synergy within the arts. Program is no longer offered.
3) This program was doing well with only three businesses that failed until the economic declined. Agency staff recommended that the program be suspended in March 2010.

Land Use Changes: Land use has changed with the majority being community and vacant to multi-family and commercial uses.

Land Use (in acres)	1995	2010	Change
Residential: single-family	293	279	(14)
Residential: multi-family	15	55	40
Commercial	178	251	73
Industrial	27	23	(4)
Non-profit/community facilities	128	88	(40)
*Vacant (includes ROW and "other" uses)**	734	679	(55)
TOTAL	**1375**	**1375**	-

*In 2005, the Agency amended the Redevelopment Plan to include 75 acres on the northwest corner of Lake Mead and Water Street formerly known as Timet Field. Previously vacant, it is now the Lake Mead Crossing commercial center.

Physical Improvements (Appendix E): In addition to the new buildings, facilities and façades, the Downtown area has seen physical improvements in the form of additional square footage, dwelling units and parking spaces.

	Square Feet Added	Dwelling Units Added	Parking Spaced Added
Totals	1,195,764	561	6,710

Meridian Building Site Before (single story uses of office/retail and Winchell's Donuts)

Meridian Building After (three-story, mixed-use of office/retail and five apartments)

Economic and Fiscal Impacts: In January 2009 the Agency commissioned Applied Analysis to perform an analysis of the economic and fiscal impacts to date in the Downtown area. Their conclusion, "The City's Downtown Redevelopment Area investments have had significant economic, fiscal and social impacts on the region. These impacts include stimulating job growth and wage payments, improving the livability and sustainability of mature neighborhoods, positively impacting property values and stemming the tide of blight and decline."

Shurtleff Building

There are three types of impacts commonly considered as part of an impact assessment: economic, fiscal and social.

Economic impacts generally focus on changes in employment, wages and economic output. These impacts are classified as direct, indirect or induced. Direct impacts are from development or project activity (e.g. construction), while indirect impacts measure how supplier purchases and other inter-industry transactions stimulate the economy. Finally, induced impacts measure how direct employee consumption in things such as grocery stores, movie theaters or doctors'

offices creates additional jobs and additional wage payments in unrelated sectors – the "ripple effect." The developments/projects also have both short-term and recurring impacts. Applied Analysis used one of three methods widely used and generally accepted input-out model referred to as "IMPLAN." It effectively demonstrates how the "outputs" of one industry or business become "inputs" of others.

Economic Impacts of Projects in Henderson's Downtown RDA

Classification Type	Employment	Wages and Salaries	Economic Output
Direct	3,917	$178,260,728	$348,810,245
Indirect	149	6,152,572	73,614,075
Induced	425	15,404,530	128,664,398
Total Impacts	4,491	$199,817,830	$551,088,718

Fiscal impacts are associated with public revenues (taxes, fees and other levies) and public service demands (police, fire, road maintenance, schools, etc.).

Fiscal Impacts of Projects in Henderson's Downtown RDA

Direct Investment in Downtown	$ 31,860,039
Debt Service Payments	21,540,072
Operational Expenditures	10,079,556
Total Expenditures	$63,479,667

Social impacts tend to be more qualitative in nature, but are by no means immaterial and therefore, more challenging to measure. One way to do so is to think of the results that would not have materialized had the Agency not made investments: people would be working less, residents would have access to fewer services, and blighted conditions would have become more pervasive. New projects and, more specifically, the 335 homes in the Downtown area that have undergone amazing transformations have helped to maintain values and foster neighborhood and business community pride and a sense of ownership.

Homeowners' Assistance Program Transformation

Before

After

Façade Improvement Program Transformation

Before

After

Summary

Are there reasons to celebrate our Downtown successes at the halfway mark? Absolutley! Every one of the key indicators discussed in this report show positive results. It isn't just the fact that we have visually witnessed amazing transformations, added over one million square feet of building space, and enjoyed an incredible leverage ratio, but when it comes down to it, the comparison of the five largest cities in Nevada speaks the loudest. Our sister cities, Las Vegas and Sparks, have been in the redevelopment business for 9 years and 17 years longer than Henderson, respectively. To achieve a growth of Assessed Value of 287% in the past five years as compared to Las Vegas' and Sparks' 215% and 59%, respectively, is testament that we are working harder, faster, and smarter AND producing better than average results.

Appendix A – Revenue and Expenditures to Date

Revenue:		
Tax Increment		$ 32,677,429
Interest		3,560,015
Intergovernmental		1,432,151
Grants		1,094,133
Rental/Lease		631,777
Miscellaneous		265,667
Developer Reimbursements		155,433
	Total Revenue	$ 39,816,605
Expenditures:		
Operational Expenditures		
Administration		$ 6,560,959
Professional Services (TI Analysis, Legal, etc.)		3,102,078
Supplies/Services		416,519
Direct Investements in Downtown		
Land Acquisition		15,459,266
Homeowners' Assistance Program		903,984
Corley Plaza		2,907,095
Meridian		823,992
Business Assistance		155,953
Site A Utility Relocations		279,233
Southwest Gas Upgrades		748,069
Water Street Utility Project		3,835,370
Façade Improvements		1,061,211
Branding - Water Street District		301,499
Lake Mead/Water (SE Corner)		868,707
Parking Improvements		143,429
Civic Center Sound System		89,981
Sign Kiosks		24,975
Basic Road Sidewalk Widening		24,382
Tenant Improvement Program		12,290
Gallery Assistance		84,501
WSDBA Assistance		9,132
Rental Subsidy Program		3,198
314 Water Rehab		141,822
DT Power Upgrades		96,498
Monumentation/Signage		90,764
Events (Super Run, etc.)		1,064,047
Rehab RDA-owned commercial properties		867,806
Rental Expenses (RDA-owned leases)		132,237
Coast Center Improvements		656,000
Downtown Master Plan		279,527
Downtown Market Analysis		577,255
Timet Field Upgrades		76,625
Public Art		61,556
Marketing Downtown		79,635
Total Debt Service		21,540,072
	Total Expenditures	$ 63,479,667
Other Financing Sources (Notes/Bonds)		$ 26,340,255
Gain or (Loss) on Sale of Land for Redevelopment		$ 1,879,452
Ending Unreserved/Undesignated Fund Balance		$ 4,556,645

*This is total land acquisition (includes Parkline investment) - some land has been sold to developers.
Source: Accumulation of Audited Financial Reports Revenues and Expenditures from 1995 to 2007.

Appendix B – Historical Assessed Values

Fiscal Year	Total Assessed Value	Base Year Value		Incremental Assessed Value	Percent Change		Annual Incremental Assessed Value
	a	b		c = (a-b)	d = (c/b)		e = c - prev c
1996	80,789,020	80,789,020	1				
1997	82,579,946	80,789,020		1,790,926	2.22%		1,790,926
1998	96,774,645	80,789,020		15,985,625	19.79%		14,194,699
1999	116,943,626	80,789,020		36,154,606	44.75%		20,168,981
2000	145,708,890	80,789,020		64,919,870	80.36%		28,765,264
2001	139,656,343	80,789,020		58,867,323	72.87%		(6,052,547)
2002	159,124,865	80,789,020		78,335,845	96.96%		19,468,522
2003	169,355,627	80,789,020		88,566,607	109.63%		10,230,762
2004	150,041,970	75,467,062	2	74,574,908	98.82%		(13,991,699)
2005	159,421,961	75,363,163		84,058,798	111.54%		9,483,890
2006	256,893,306	75,363,163		181,530,143	240.87%		97,471,345
2007	256,829,226	74,914,100		181,915,126	242.83%		384,983
2008	323,161,240	74,914,100		248,247,140	331.38%		66,332,014
2009	338,995,518	74,914,100		264,081,418	352.51%		15,834,278
2010	307,785,797	74,914,100		232,871,697	310.85%		(31,209,721)
2011	220,960,829	74,914,100		146,046,729	194.95%		(86,824,968)
Averages	187,813,926	77,752,469		117,196,451	154.02%		9,736,449

Increase in AV per the current base year: 146,046,729

Increase in AV at height in FY2009: 264,081,418

1) This is the original base year value per the County
2) The Fiesta received an exemption this year from SBOE

Source: Total Assessed Value and Base Year Value is provided by the State of Nevada Redbook.

Appendix C – Historical Revenue Analysis

Fiscal Year	Revenue	Increase from Previous Year	% change
1997	53,615	53,615	
1998	487,963	434,348	89.01%
1999	1,092,807	604,844	55.35%
2000	1,609,164	516,357	32.09%
2001	1,594,561	(14,603)	-0.92%
2002	1,953,523	358,962	18.38%
2003	2,142,906	189,383	8.84%
2004	2,015,413	(127,493)	-6.33%
2005	2,214,732	199,319	9.00%
2006	2,970,687	755,955	25.45%
2007	3,523,011	552,324	15.68%
2008	4,266,283	743,272	17.42%
2009	4,405,124	138,841	3.15%
2010	4,347,640	(57,484)	-1.32%
Totals	32,677,429	4,347,640	265.80%
Average Annual Change		310,546	20.45%

Source of Revenue received: City of Henderson Redevelopment Agency Annual Audited Financial Statements 1997 to 2010.

Appendix D – Major Project Dollars Invested in Henderson's Downtown RDA and Leverage Ratio Through June 30, 2010

Name of Project	Description	Public Investment	RDA Investment	Private Investment	Total
Water Street South – Phase II	30,500 sq foot mixed-use (office/retail)	$ -	$ 2,093,108	$ 4,440,831	$ 6,533,939
Water Street South – Phase I (now Corley Plaza)	28,000 sq foot office/115 parking spaces	-	813,987	5,546,020	6,360,007
Meridian	20,000 sq foot mixed-use	-	823,992	1,750,000	2,573,992
Pinnacle	15,000 sq foot mixed-use (office/restaurant)	-	3,934,750	2,605,000	6,539,750
Lake Mead Crossing	750,000 sq feet (retail)	-	-	130,000,000	130,000,000
DT Recreation Center		5,607,471	-	-	5,607,471
Downtown Public Parking Lots	4 surface lots for public parking	-	143,429	-	143,429
Homeowner's Assistance Program	Various upgrades to residential housing of owner-occupied properties – 335 participants	-	903,984	358,528	1,262,512
Façade Improvement Program	58 participants in Downtown	-	1,061,211	1,625,713	2,686,924
Water Street Utility Project – Phase I	Install sewer (one did not exist previously), upgrade utilities, street furniture, lighting, widening sidewalks, etc.	9,059,562	3,835,370	-	12,894,932
City Hall Parking Garage	480 space parking facility (146 public spaces and fully open to public evenings/weekends)	7,570,649	-	-	7,570,649

Justice Facility Expansion and Parking Garage	52,000 square feet office/court expansion and 400 space parking facility	34,128,732	-	-	34,128,732
Wal-Mart Expansion	29,532 sq foot expansion	-	-	1,476,600	1,476,600
DT Gas Upgrade	Upgrade gas to accommodate density	-	748,069	-	748,069
DT Power Upgrade	Planning to Date	-	96,498	-	96,498
DT Master Plan and Market Analysis	Downtown Investment Strategy and Market Analysis and other studies	-	856,782	-	856,782
Land Assemblage	For future development sites – 6.46 acres	-	11,524,516	-	11,524,516
Tenant Improvement Program	3 Participants	-	12,290	113,788	126,078
Basic Road Sidewalk Widening	Sidewalk Widening	-	24,382	-	24,382
DT Sign Kiosks	3 Directional Sign Kiosks	-	24,975	-	24,975
Greenway Crossing	91 SF Housing Units	-	-	19,200,000	19,200,000
Pacific Pines	186 low-income apartment units	650,000	-	8,093,240	8,743,240
DT Events Plaza	Amphitheater, public event gathering space, inter-active water feature and sound system	9,700,000	89,981	-	9,789,981
Fiesta Hotel/Casino Expansion	20,000 sf casino expansion, 1,500 space parking garage, and 12 screen theater	-	-	14,000,000	14,000,000
Fiesta Park	170 SF Housing Units	-	-	74,800,000	74,800,000
Henderson Storage	137,700 sf storage facility with caretaker quarters	-	-	2,000,000	2,000,000
Rent-A-Center	9,940 sf commercial	-	-	1,500,000	1,500,000

Henderson Plaza Expansion (Welfare Office)	19,025 sf office expansion	5,200,000	-	-	5,200,000
Lake Mead Business Center Expansion	Renovation of existing bldg and additional two-story, 15,000 sf office bldg	-	-	1,500,000	1,500,000
Gallery and Water Street District Business Association Assistance	Tenant Improvements for four galleries and marketing	-	96,831	150,000	246,831
Rehabilitation of RDA-owned properties and rental expenses	Either upgrade or Demolition (removal of blight)	-	1,141,865	-	1,141,865
Coast Center	Expansion	-	656,000	1,200,000	1,856,000
Aviano	109 SF Housing Units	-	-	32,400,000	32,400,000
Business Assistance	Loans resulting in grants	-	155,953	-	155,953
Site A Utility Relocations	Relocate utilities to make site development-ready	-	279,233	-	279,233
Branding/Marketing of Water Street District	Marketing to bring pedestrians downtown and create sense of place	-	381,134	-	381,134
City Tower	Mixed-Use Project	-	868,707	-	868,707
Events	Super Run 10 years, Beach Party 2 years, parades, Farmers' Market etc.	-	1,064,047	-	1,064,047
Monumentation	Planning and Design	-	35,069	-	35,069
Timet Field Upgrades	Grading, etc.	-	76,625	-	76,625
Public Art	Murals, etc.	-	61,556	-	61,556
DT Wayfinding Signage	73 WSD custom signs	-	55,695	-	55,695
Henderson Hyundai Expansion – Phase I	New 20,000 sq ft service facility and carwash	-	-	4,000,000	4,000,000
Totals		$ 71,916,414	$ 31,860,039	$ 306,759,720	$ 410,536,173

Leverage Ratio	$ 378,676,134	$ 31,860,039	0.084	11.88

Source: Developers, Permit Application Estimates

Appendix E – Additions to Downtown (Square Feet, Dwelling Units, and Parking Spaces)

Name of Project	Sq Feet Added	Dwelling Units Added	Parking Spaced Added
Water Street South – Phase II	30,500	-	-
Water Street South – Phase I (now Corley Plaza)	28,000	-	115
Meridian	20,000	5	5
Pinnacle	15,000	-	-
Lake Mead Crossing	750,000	-	3,904
DT Recreation Center	34,067	-	110
Downtown Public Parking Lots	-	-	196
City Hall Parking Garage	-	-	480
Justice Facility Expansion and Parking Garage	52,000	-	400
Wal-Mart Expansion	29,532	-	-
Greenway Crossing	-	91	-
Pacific Pines	-	186	-
Fiesta Hotel/Casino Expansion	20,000	-	1,500
Fiesta Park	-	170	-
Henderson Storage	137,700	-	-
Rent-A-Center	9,940	-	-
Henderson Plaza Expansion (Welfare Office)	19,025	-	-
Lake Mead Business Center Expansion	15,000	-	-
Coast Center	15,000	-	-
Aviano	-	109	-
Henderson Hyundai Expansion – Phase I	20,000	-	-
Totals	1,195,764	561	6,710

Source: Development Application Information and City View.

RAC

REDEVELOPMENT AGENCY ADVISORY COMMISSION AGENDA ITEM

REGULAR MEETING | February 22, 2011 | RAC-008

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

FISCAL IMPACT:

[x] 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 February 15, 2011:

I. CORNERSTONE REDEVELOPMENT AREA

Projects

- GSG Development /Park Heights
- Ladera Parcels
- Cornerstone

II. DOWNTOWN REDEVELOPMENT AREA

Projects

- 323 Water Street
- Business Recruitment Marketing Team
  - The Water Street District will have five new businesses opening their doors March 1, including: CC's Yummies - This business offers specialty gift baskets and gifts; Specialty Quilting – Quilting supplies; a professional catering business; VJ's Hats – specialty handmade hats; and, a business brokerage firm. With these latest business additions, the total commercial vacancy rate in the Water Street District and along Lake Mead Parkway (excluding Lake Mead Crossing) is 4.7 percent. For the rest of Henderson, vacancy rates are 21.1 percent for office and 11.9 percent for retail. Valley wide, vacancy rates are 24.6 and 11.2 percent respectively.
- City Tower (Southeast corner of Lake Mead Parkway and Water Street)
- Create Comprehensive Development and Business Recruitment Incentive Packages
  - Army Street Parking: Staff will be working with PW Engineering to determine costs for adding acute angle parking on Army 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.
  - Site A Parking: The bids for the Site A parking lot have been received. Construction will begin in mid-February with the parking being available by April 4/1.
- Downtown Arts & Culture
- Downtown Power Need
- Increase Curb Appeal
  - Commercial Façade Loan-to-Grant Architecture Charette: The three architectural firms are working on design charettes for the targeted buildings.
  - Water Street Phase III: PW had to make some modifications to the plans to address traffic circulation patterns. The project should go out to bid within the next two weeks.

- Lake Mead Crossing
- Marketing Water Street District Team
    - Collateral Material: Collateral recruitment package/pocket folder design completed; pocket folders to be delivered the week of 2/14 for distribution to staff.
- Marketing To Developers, Business Owners & Consumers
    - Snow Live/Work Project: Staff met with RAFI to discuss staff comments. RAFI is making minor modifications to meet the intent of the DCC design standards. Escrow for the sale of the property is ready to go upon RDA approval.
- Residential Development Team
    - Live/Work Opportunity Sites: Staff is working with Purdue Marion on the Live/Work Communications Action Plan.
- Social Gathering Team
- Shurtleff Building (38 S. Water Street)
- 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
    - Staff is in the process of finalizing the plans for the water slide. There were a few last minute modifications made to the slide to meet SNHD regulations. Bid opening will be on Feb. 16th if everything is approved by the SNHD. Staff is in the process of planning the construction groundbreaking event, which will be scheduled for the first part of April.

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.