



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

**Regular Meeting
Tuesday, February 26, 2013
4:00 p.m.**

**City Hall Annex Conference Room
280 Water Street
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, combine two or more agenda items for consideration, remove an item from the agenda, or delay discussion relating to an item on the agenda at any time. All items are action items unless otherwise noted.

Individuals speaking on an item will be limited to three (3) minutes and spokespersons for a group will be limited to ten (10) minutes.

Electronic agendas can be found at: [HTTP://WWW.CITYOFHENDERSON.COM/](http://www.cityofhenderson.com/)

I. CALL TO ORDER

II. CONFIRMATION OF POSTING AND ROLL CALL

III. ACCEPTANCE OF AGENDA (For Possible Action)

IV. 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). Individuals speaking on an item will be limited to three (3) minutes and spokespersons for a group will be limited to ten (10) minutes.

V. NEW BUSINESS

1.	MINUTES REDEVELOPMENT AGENCY ADVISORY COMMISSION MEETING OF JANUARY 22, 2013 (For Possible Action)
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Approve the minutes of the City of Henderson Redevelopment Agency Advisory Commission meeting of January 22, 2013.

2.	RESOLUTION AMENDMENTS TO T-13 LID CORNERSTONE PROMISSORY AND SHORTFALL NOTES (For Possible Action)
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Ratify the Resolution of the City of Henderson Redevelopment Agency approving amendments to the Promissory Note, and Shortfall Note, from the City of Henderson Redevelopment Agency for the benefit of the City of Henderson, Nevada, as assignee of Cornerstone Partners I, L.L.C., in connection with the assessments levied in the City of Henderson, Nevada, Local Improvement District No. T-13 (Cornerstone).

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3.	PROJECTS UPDATE
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Discuss project updates for the following projects and accept report. Cornerstone Redevelopment Area: Griffin Park; Richmond American; Tax Increment Reimbursement to the LID; Shortfall Note; Ladera Parcels; Loretto Bay. Downtown Redevelopment Area: 19 S. Water Street; 314 Nebraska; Business Recruitment/Development; Business Retention; City Tower; Community Gardens; Create Comprehensive Development and Business Recruitment Incentive Packages; Cultural and Events Center RFP; Downtown Master Plan; Downtown Residential Civic Alliance; Environmental Protection Agency Grant for Technical Assistance; Events; Fencing; Former Asset Central Site; Former Parkline Site; Homeless Issue; HUD Grant; Marketing the Water Street District; Marketing To Developers, Business Owners & Consumers; Meridian; Monumentation; Outreach; Pinnacle Building; Residential; Senior Center/Pacific Pines; Social Gathering Space Team; Site A; Site B; Townhouse Motor Lodge; Water Street District Business Association; Façade Improvement Program; Sign Grant Program; Tenant Improvement Program. Eastside Redevelopment Area: Boulder Highway Business Coalition; Business Recruitment; Eastside Amendment; Eastside Investment Strategy; Eastside Business Coalition; KMA Tax Increment Analysis; Landwell/Cadence; Museum Site-95/Galleria; Union Village; Façade Improvement Program; Sign Grant Program. Tuscany: Note; Galleria Road; OPA; Tuscany Pending Escrow; Semi-Annual Payment. Lakemoor Canyon: Bill; Development; House Subcommittee on Energy and Mineral Resources, Federal Land Sale. Administration/All Areas: Audit; Assistance Programs; Bonds; Budget; Economic Development Awards; Financials; Five-year Financial Plan; Homeowner Assistance Program; NDC; New Markets Tax Credit; Outreach; RDA Legislation; Redevelopment Association of Nevada (RAN); Revenue; SB92 Reporting; Tax Increment Distribution; Training.

VI. **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). Individuals speaking on an item will be limited to three (3) minutes and spokespersons for a group will be limited to ten (10) minutes.

VII. **DIRECTOR'S/CHAIRMAN'S BUSINESS**

- Financial Update

VIII. **SET NEXT MEETING**

- March 26, 2013 at 4:00 p.m.

IX. **ADJOURNMENT**

Agenda posted prior to 9:00 a.m. on February 14, 2013 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 26, 2013

RAC-001

SUBJECT	Minutes—City of Henderson Redevelopment Agency Advisory Commission Meeting of January 22, 2013
PETITIONER	Economic Development/Redevelopment Division of the City Manager's Office
RECOMMENDATION	Approve

FISCAL IMPACT:

No Impact

Budget funds available

Augmentation required

BACKGROUND / DISCUSSION / ALTERNATIVES:

RECOMMENDED MOTION:

Approve the minutes of the City of Henderson Redevelopment Agency Advisory Commission meeting of January 22, 2013.

Supporting Documentation:

Minutes consisting of four (4) pages.

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

January 22, 2013

I. CALL TO ORDER

Chairman Tom Foster called the Redevelopment Advisory Commission to order at 4:00 p.m. in the Annex Conference Room, City Hall Annex, 280 Water Street, Henderson, Nevada.

II. CONFIRMATION OF POSTING AND ROLL CALL

MaryAnne Cruzado, Recording Secretary, 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 Tom Foster
Tom Fay
Mark McGinty
Richard Serfas
Laura Jane Spina

Excused: David Chavez
Stan Southwick

Staff: Michelle Romero, Redevelopment Manager
Anthony Molloy, Business Development Supervisor
Daphney Jeffers, Senior Administrative Analyst
Christine Guerri-Nyhus, Senior Assistant City Attorney
Mark Backus, Assistant City Attorney
MaryAnne Cruzado, Admin Assistant III
Tedie Jackson, Minutes Clerk

Guests: Tim Brooks, EIC
Michael Keaton, EIC
Bonnie Grant, Farmers
Doug Beavers

III. ACCEPTANCE OF AGENDA

Item 2 has been withdrawn at the request of the applicant.

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

IV. PUBLIC COMMENT

Tom Foster referred to Item 3 and expressed concern as a property owner that the low sale price will affect other properties in the area. He noted that the budget indicates a cost of \$75,000 for a roof replacement and asked if staff has checked on the cost to repair the roof. Mr. Foster suggested it would be better to hold on to the property rather than sell it at this time.

V. NEW BUSINESS

1.	MINUTES FOR THE CITY OF HENDERSON REDEVELOPMENT AGENCY ADVISORY COMMISSION MEETING OF December 18, 2012 (For Possible Action)
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Recommend approval of the minutes of the City of Henderson Redevelopment Agency Advisory Commission meeting of December 18, 2012.

(Motion) Mr. Southwick introduced a motion to approve the minutes of February 28, 2012, as submitted. The vote favoring approval was unanimous. Vice-Chairman McGinty declared the motion carried.

2.	OWNER PARTICIPATION AGREEMENT BY AND BETWEEN UNION VILLAGE, LLC AND THE CITY OF HENDERSON REDEVELOPMENT AGENCY (For Possible Action)
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Approve the Owner Participation Agreement by and between Union Village, LLC and the City of Henderson Redevelopment Agency.

This item was withdrawn at the request of the applicant.

3.	A RESOLUTION OF THE CITY OF HENDERSON REDEVELOPMENT AGENCY OF ITS INTENT TO CONSIDER THE SALE OF THE PINNACLE BUILDING LOCATED AT 203 SOUTH WATER STREET FOR \$510,000 (For Possible Action)
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Adopt the Resolution of the City of Henderson Redevelopment Agency of its Intent to Consider the Sale of the Pinnacle Building located at 203 South Water Street for \$510,000.

Chairman Foster abstained from voting on this item due to pecuniary interests and it was noted that Vice-Chairman McGinty will chair this item.

Michelle Romero, Redevelopment Manager, provided a history of this building and reported that the top two floors are rented out by City of Henderson at approximately 50 cents a square foot. These rentals will continue for the next three years at least. She said repairs have been made to the roof many times and more extensive work is needed to repair. The bid for renovating the first floor is approximately \$164,000.00, which entails gutting and reconfiguring the kitchen and dining area. Ms. Romero said the purchaser is proposing a new business on first floor of an urban lounge to attract evening and weekend traffic to the area.

Responding to a question by Mr. Fay as to the actual building cost, Ms. Romero said the cost of the actual building was approximately \$2.9 million and the size is 13,800 square feet.

Ms. Spina questioned the ripple effect of Mr. Foster's concerns regarding decreasing business property values in the area.

Vice-Chairman McGinty commented that he is comfortable with the numbers and believes the proposed use would benefit the downtown area. He said the two independent appraisals also help him support the sale amount.

Ms. Romero noted that the number of vacancies was considered in the appraisal so fewer vacancies would promote property values. All properties in the downtown area have reduced in value due to the economy.

In response to a question by Ms. Spina regarding whether neighbors have voiced any complaints to the proposed lounge use, Ms. Romero said she is not aware of any complaints; however, the owner will be subject to comply with the City's noise ordinance.

Regarding a question by Mr. Serfas as to how revenue and jobs this project will create, Michael Keaton, representing the applicant, replied that 20 jobs will be created and they expect revenue to be \$25,000.00 to \$30,000.00 per month within three years.

- (Motion) Mr. Fay introduced a motion to adopt a Resolution of the City of Henderson Redevelopment Agency of its Intent to Consider the Sale of the Pinnacle Building located at 203 South Water Street for \$510,000.00. The roll call vote was: Those voting aye: Fay, McGinty, Serfas, and Spina. Those voting nay: None. Those absent: Chavez and Southwick. Those abstaining: Foster. Vice-Chairman McGinty declared the motion carried.

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

Michelle Romero, Redevelopment Manager, reviewed the projects update memorandum as of January 10, 2013.

(Motion) Mr. McGinty introduced a motion to accept the Projects Update Report. The vote favoring approval was unanimous. Chairman Foster declared the motion carried.

V. PUBLIC COMMENT

There were no comments presented by the public.

VI. DIRECTOR'S/CHAIRMAN'S BUSINESS

- **Financial Update**

Daphney Jeffers, Senior Administrative Analyst, distributed and reviewed December 31, 2012, Redevelopment Agency Financial Report. She noted that they are still trending at approximately 13 to 14 percent below this time last year, but revenues are five percent higher than projected.

VII. SET NEXT MEETING

The next meeting was scheduled for February 26, 2013, at 4:00 p.m.

VIII. ADJOURNMENT

There being no further business to be discussed, the meeting was adjourned at 4:30 p.m.

Respectfully submitted,

Tedie Jackson
Minutes Clerk



RAC

REDEVELOPMENT AGENCY ADVISORY COMMISSION AGENDA ITEM

REGULAR MEETING

FEBRUARY 26, 2013

RAC-002

SUBJECT	A Resolution of the City of Henderson Redevelopment Agency approving amendments to the Promissory Note, and Shortfall Note, from the city of Henderson Redevelopment Agency for the benefit of the city of Henderson, Nevada, as assignee of Cornerstone Partners I, LLC, in connection with the Assessments levied in the city of Henderson, Nevada, Local Improvement District No. T-13 (Cornerstone).
PETITIONER	Economic Development/Redevelopment Division of the City Manager's Office
RECOMMENDATION	Ratify

FISCAL IMPACT:

No Impact

Budgeted funds available

Augmentation required

BACKGROUND / DISCUSSION / ALTERNATIVES:

This is a resolution of the city of Henderson Redevelopment Agency, consenting to amendments to the Promissory Note and Shortfall Note in connection with the assessments levied in the City of Henderson, Nevada, Local Improvement District No. T-13 (Cornerstone).

RECOMMENDED MOTION:

Ratify Resolution No. 81

Supporting Documentation:

Resolution No.81 consisting of two (2) pages

Amended and Restated Promissory Note (Related to City of Henderson, Nevada Local Improvement District No. T013, Cornerstone, Limited Obligation Refunding Bonds, Series 2013), consisting of twenty (20) pages.

Amended and Restated Promissory Note (Shortfall Note) for Cornerstone, consisting of eight (8) pages

RESOLUTION NO. 81
(Amendments to T-13 LID Cornerstone Promissory and Shortfall Notes)

A RESOLUTION OF THE CITY OF HENDERSON REDEVELOPMENT AGENCY, CLARK COUNTY, NEVADA, APPROVING THE AMENDMENTS TO THAT CERTAIN PROMISSORY NOTE, AND SHORTFALL NOTE, FROM THE CITY OF HENDERSON REDEVELOPMENT AGENCY FOR THE BENEFIT OF THE CITY OF HENDERSON, NEVADA, AS ASSIGNEE OF CORNERSTONE PARTNERS I, L.L.C., IN CONNECTION WITH THE ASSESSMENTS LEVIED IN THE CITY OF HENDERSON, NEVADA, LOCAL IMPROVEMENT DISTRICT NO. T-13 (CORNERSTONE).

- WHEREAS, In order to facilitate the acquisition, construction and improvement of certain public improvements, the City of Henderson, Nevada (the "City"), authorized and issued bonds in the aggregate principal amount of \$15,250,000 as Local Improvement District No. T-13 (Cornerstone) Limited Obligation Improvement Bonds in 2002, which was completed in two Series, A and B; and
- WHEREAS, Under the Promissory Note, the City of Henderson Redevelopment Agency (the "Agency") is responsible for the repayment of the Series B bonds from 40% of the tax increment the Agency received; and
- WHEREAS, If a repayment shortfall in exists, the current property owner makes the payment on behalf of the Agency, and an entry is made to the Shortfall Note; and
- WHEREAS, On February 5, 2013, the City authorized the issuance of Refunding Bonds to refund the Local Improvement District No. T-13 2002 Bonds in the Cornerstone redevelopment project area; and
- WHEREAS, The Refunding Bonds will save the Agency approximately \$500,000 in debt service on its Promissory Note (Series B) due to the reduction in interest on uncollected installments of Assessments; and
- WHEREAS, In order to facilitate the refunding as well as accurately reflect the 2013 Refunding Bonds, amendments are required to the Promissory Note and Shortfall Note.

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

- SECTION 1. The Amended and Restated Cornerstone T-13 LID Promissory Note attached hereto as Exhibit A, consisting of 20 pages, and the Amended and Restated Cornerstone T-13 LID Shortfall Note attached hereto as Exhibit B, consisting of 8 pages, are approved.
- SECTION 2. The Redevelopment Agency and the officers of the Agency be, and they hereby are, authorized and directed to execute and deliver any and all documents and instruments and to do or cause to be done all acts and things necessary or appropriate to effectuate the provisions of this Resolution.

SECTION 3. All resolutions of the Redevelopment Agency, or parts thereof, that are inconsistent with this Resolution are hereby repealed to the extent of such inconsistency.

SECTION 4. This Resolution shall take effect immediately upon its adoption and approval.

END OF RESOLUTION

**CITY OF HENDERSON, NEVADA
REDEVELOPMENT AGENCY
(AMENDMENTS TO LID T-13 CORNERSTONE
PROMISSORY AND SHORTFALL NOTES)**

CERTIFICATE REGARDING RESOLUTION NO. _____

I, Sabrina Mercadante, MMC, Secretary of the City of Henderson Redevelopment Agency, hereby certify that attached hereto is a true, correct and complete copy of Resolution No. 81 entitled "Resolution of the City of Henderson Redevelopment Agency, consenting to Amendments to that Certain Promissory Note, and Shortfall Note, from the City of Henderson Redevelopment Agency for the Benefit of the City of Henderson, Nevada, as Assignee of Cornerstone Partners I, L.L.C., in connection with the Assessments levied in the City of Henderson, Nevada, Local Improvement District No. T-13 (Cornerstone)," adopted by the City of Henderson Redevelopment Agency, on February 19, 2013, which resolution has not been amended, modified, supplemented, rescinded or repealed and remains in full force and effect as of the date hereof.

Dated: February __, 2013

Sabrina Mercadante, MMC
Secretary, City of Henderson Redevelopment Agency

AMENDED AND RESTATED PROMISSORY NOTE

**(Related to the City of Henderson, Nevada, Local Improvement District No. T-13
(Cornerstone) Limited Obligation Refunding Bonds, Series 2013)**

Henderson, Nevada

Principal Amount: \$3,780,000

Dated: March 1, 2013

FOR VALUE RECEIVED, subject to, and in accordance with, the terms and provisions of this Amended and Restated Promissory Note (this "Note"), the CITY OF HENDERSON REDEVELOPMENT AGENCY, a public body, corporate and politic (the "Agency"), promises to pay to the order of CORNERSTONE PARTNERS I, L.L.C., a Nevada limited liability company and any successors thereto ("Cornerstone Partners"), or to the City of Henderson, Nevada, as the assignee of Cornerstone Partners (either such party, the "Holder"), at Henderson, Nevada, or at such other place as the Holder may from time to time designate by written notice to the Agency, the principal amount of Six Million Two Hundred Fifty Thousand Dollars (\$6,250,000), payable at the times and in the amounts specified herein, together with interest on the unpaid principal amount hereof from the date of this Note until the principal hereof shall have been paid, at the Interest Rate (as defined herein), payable on the Payment Dates (as defined herein). This Amended and Restated Note amends, restates and supersedes the Promissory Note (Series B Bonds) originally dated May 9, 2002 of the Agency in favor of the City of Henderson, Nevada, as assignee of Cornerstone Partners.

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.

"Act" means the Consolidated Local Improvements Law, being Chapter 271 of the Nevada Revised Statutes, as amended from time to time.

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

"Assessment" or "Assessments" means, with respect to the Property, or a portion thereof, the aggregate special assessments levied by the City thereon pursuant to and in accordance with the terms of the Assessment Ordinance and, with respect to an individual parcel of the Property, means the special assessment levied by the City thereon pursuant to and in accordance with the terms of the Assessment Ordinance.

"Assessment Ordinance" means Ordinance No. 2097 of the City, adopted on April 2, 2002, pursuant to which, among other things, the Assessments were levied, as originally adopted and as the same is amended pursuant to the First Amendment to the Assessment Ordinance and

as the same may be further amended from time to time in accordance with its terms and the terms of the Act.

"Available Tax Revenues" means, for each Note Year, 40% of Tax Revenues for such Note Year.

"Bond Payment Dates" means March 1 and September 1 of each year, commencing September 1, 2013.

"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.

"Cornerstone Partners" means Cornerstone Partners I, L.L.C., a Nevada limited liability company, and its successors.

"District" means City of Henderson, Nevada, Local Improvement District No. T-13 (Cornerstone) established by the City pursuant to the Assessment Ordinance.

"First Amendment to Assessment Ordinance" means Ordinance No. 2993 of the City adopted on February 5, 2013.

"Holder" means Cornerstone Partners or, upon Cornerstone Partners' assignment of this Note to the City, the City.

"Indenture" means the Trust Indenture, dated as of March 1, 2013, by and between the City and the Trustee, as originally executed or as it may from time to time be amended or supplemented by any Supplemental Indenture.

"Interest Rate" means, (i) from and including the date of this Note to but not including December 1, 2002, 0% *per annum*, (ii) from December 1, 2002 to but not including March 1, 2013, 6.90% *per annum* and, (iii) thereafter as set forth on Exhibit A hereto.

"Law" means the Community Redevelopment Law of the State of Nevada (being NRS 279.382 to NRS 279.685, inclusive), as amended from time to time.

"Note" means this Amended and Restated Promissory Note, originally dated May 9, 2002 and amended and restated on March 1, 2013, of the Agency in favor of Cornerstone Partners.

"Note Year" means each twelve-month period beginning on October 2 in each year and extending to the next succeeding October 1, both dates inclusive, except that the first Note Year shall begin on March 1, 2013 and end on October 1, 2013.

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

"Parcel" means a parcel of the Property upon which an Assessment has been levied, as of the date of this Note, or subsequently apportioned pursuant to the Assessment Ordinance.

"Payment Dates" means April 1 and October 1, commencing April 1, 2013.

"Property" means the real property located within the District, as described in the Assessment Ordinance.

"Redevelopment Area" means the Cornerstone Redevelopment Area described in the Redevelopment Plan.

"Redevelopment Plan" means the Redevelopment Plan for the Cornerstone Redevelopment Area, adopted and approved by Ordinance No. 2037, adopted by the City Council of the City on February 6, 2001, together with all amendments thereto thereafter made in accordance with the Law.

"Series 2013 Bonds" means the City of Henderson, Nevada, Local Improvement District No. T-13 (Cornerstone) Limited Obligation Refunding Bonds, Series 2013, issued under the Indenture and a portion of the proceeds of which were used to refund, redeem and defease the Series B Bonds.

"Series B Bonds" means the City of Henderson, Nevada, Local Improvement District No. T-13 (Cornerstone), Limited Obligation Improvement Bonds, 2002 Series B, issued under a Trust Indenture dated as of April 1, 2002 and refunded, redeemed and defeased with the proceeds of the Series 2013 Bonds.

"Shortfall Note" means the Promissory Note (Shortfall), dated May 9, 2002 and amended and restated on March 1, 2013, of the Agency in favor of Cornerstone Partners.

"Supplemental Indenture" means any indenture amendatory of or supplemental to the Indenture, but only if and to the extent that such Supplemental Indenture is specifically authorized under the Indenture.

"Tax Revenues" means, for each Note Year, the Taxes allocated to and received by the Agency pursuant to NRS Chapter 279 and the Redevelopment Plan, excluding amounts, if any, required to be set aside, pursuant to NRS Chapter 279.

"Taxes" has the meaning ascribed thereto in NRS 279.674.

"Trustee" means The Bank of New York Mellon Trust Company, N.A., as trustee under the Indenture, and any successor thereto permitted under the Indenture.

Section 2. *Payments.* The principal of this Note shall be payable to the Holder on October 1 as set forth on Exhibit A to this Note. The accrued interest on the unpaid principal amount of this Note shall be payable to the Holder on the Payment Dates as set forth on Exhibit A to this Note.

The principal of and interest on this Note shall be payable in lawful money of the United States of America.

Each payment hereunder received by the Holder shall be applied, first, to accrued but unpaid interest on the unpaid principal amount of this Note and, second, to the unpaid principal amount of this Note.

Section 3. *Allocation Among Parcels.* The principal of this Note shall be allocated among all of the Parcels. The percentage of the unpaid principal of this Note allocable to each Parcel shall, as of any date, be equal to the product of (a) a fraction, the numerator of which is the amount of the unpaid Assessment on such Parcel as of such date (assuming, for such purpose, that any delinquent Assessment installments with respect to such Parcel are paid on or before such date) and the denominator of which is the amount of the unpaid Assessments on all Parcels (assuming, for such purpose, that any delinquent Assessment installments with respect to all Parcels are paid on or before such date), times (b) 100. The percentage allocation for each Parcel, as of the date of this Note, is set forth on Exhibit B hereto.

If any Parcel is divided (through subdivision, sale, split or otherwise) and, pursuant to the Assessment Ordinance, the uncollected amounts of the Assessment levied on such Parcel are apportioned upon the several parts of land so divided, the Agency shall maintain recording documenting the date of such division, the percentage of the unpaid principal of this Note allocable to each Parcel, as determined in accordance with the provisions of the immediately preceding paragraph.

Section 4. *Source of Payment.* This Note is a limited obligation of the Agency and is payable, as to interest hereon and principal hereof, solely from Available Tax Revenues, as provided herein. The portion of the principal of this Note allocable, in accordance with the provisions hereof, to each Parcel that is payable in any Note Year is payable solely from Available Tax Revenues attributable to such Parcel received by the Agency in such Note Year. The interest on the portion of the principal of this Note allocable, in accordance with the provisions hereof, to each Parcel that is payable in any Note Year is payable solely from Available Tax Revenues attributable to such Parcel received by the Agency in such Note Year.

The Agency shall not be obligated to pay the portion of the principal of this Note allocable to a Parcel, or the interest thereon, from Tax Revenues attributable to any other Parcel. If the Available Tax Revenues attributable to a Parcel received by the Agency in a Note Year are not sufficient to pay the portion of the principal of this Note allocable, in accordance with the provisions hereof, to such Parcel that is payable in such Note Year or the interest on the portion of the principal of this Note allocable, in accordance with the provisions hereof, to such Parcel that is payable in such Note Year, the nonpayment by the Agency of the amount of such insufficiency shall not constitute a default hereunder. Available Tax Revenues attributable to a Parcel received by the Agency in a Note Year that are in excess of the amount necessary to pay the portion of the principal of this Note allocable, in accordance with the provisions hereof, to such Parcel that is payable in such Note Year and the interest on the portion of the principal of this Note allocable, in accordance with the provisions hereof, to such Parcel that is payable in such Note Year may be used by the Agency for any lawful purpose.

At the time of making any payment of principal hereof or interest hereon, the Agency shall deliver to the Holder a written description of the portion of such payment that is, pursuant to the provisions hereof, attributable to each Parcel.

Section 5. Shortfall Note; Deemed Payment. On the date hereof, the Agency is executing and delivering the Shortfall Note. If, on any Payment Date, there is a shortfall in the amount of Available Tax Revenues to be applied in accordance with the terms of this Note to the payment of the interest hereon or the principal hereof, if any, due on such Payment Date (a) the amount of such shortfall will, pursuant to the terms of the Shortfall Note, constitute an advance under the Shortfall Note and the unpaid principal amount of the Shortfall Note will be increased by the amount of such shortfall, (b) the obligation of the Agency to pay the amount of such shortfall will, as of such Payment Date, be evidenced by the Shortfall Note and will no longer be evidenced by this Note, and (c) the unpaid portion of such interest and principal, if any, shall, as of such Payment Date, be deemed to have been paid and the Agency's obligation hereunder to pay such unpaid portion of such interest and principal shall thereupon cease, terminate and become void and be discharged and satisfied.

If, pursuant to the Assessment Ordinance, the Assessments levied on a Parcel are prepaid (a) the portion of such prepayment equal to 49% thereof, together with an amount equal to the interest that would have accrued at the Interest Rate on such portion of the prepayment amount from the immediately preceding Payment Date to the date of such prepayment, will, pursuant to the terms of the Shortfall Note, constitute an advance under the Shortfall Note and the unpaid principal amount of the Shortfall Note will be increased by the amount of such portion of said prepayment and such accrued interest, (b) the obligation of the Agency to pay the amount of such portion of said prepayment and such accrued interest will, as of the date of such prepayment, be evidenced by the Shortfall Note and will no longer be evidenced by this Note, and (c) a portion of the principal of this Note in an amount equal to the amount of such portion of said prepayment, and accrued interest on such portion of the principal of this Note from the immediately preceding Payment Date to the date of such prepayment, shall, as of the date of such prepayment, be deemed to have been paid and the Agency's obligation hereunder to pay such portion of the principal of this Note and such accrued interest hereon shall thereupon cease, terminate and become void and be discharged and satisfied.

If, on any Payment Date, the Agency shall default in the payment of the accrued interest on this Note or the portion of the principal of this Note, if any, due on such Payment Date (a) such defaulted amount will, pursuant to the terms of the Shortfall Note, constitute an advance under the Shortfall Note and the unpaid principal amount of the Shortfall Note will be increased by such defaulted amount, (b) the obligation of the Agency to pay such defaulted amount will, as of such Payment Date, be evidenced by the Shortfall Note and will no longer be evidenced by this Note, and (c) such defaulted amount shall, as of such Payment Date, be deemed to have been paid and the Agency's obligation hereunder to pay such defaulted amount shall thereupon cease, terminate and become void and be discharged and satisfied.

Section 6. Prepayment. The Agency may prepay this Note, in whole, on any date by paying an amount equal to (a) the unpaid principal of this Note, plus (b) interest on the unpaid principal of this Note to the Payment Date next succeeding the date of such prepayment; provided, however, that if the prepayment date is on a Payment Date, or after a Payment Date and at least 61 days prior to the Bond Payment Date next succeeding such Payment Date, no interest shall be included, less (c) the amount, if any, required to be transferred from the Reserve Fund to the Redemption Fund in accordance with Section 5.03 of the Indenture in connection

with the redemption of Series 2013 Bonds from the Assessments prepaid from such prepayment of this Note. The Agency may not prepay this Note in part.

At the time of making a prepayment of this Note, the Agency shall deliver to the Holder a written description of the portion of the prepaid principal of this Note, and the portion of the accrued interest paid in connection with such prepayment, that is, pursuant to the provisions hereof, attributable to each Parcel.

Section 7. *Assignment.* Simultaneously with the execution and delivery of the Original Note by the Agency, Cornerstone Partners assigned all of its right, title and interest in this Note to the City. The Agency consented to such assignment and hereby reaffirms its consent to such assignment. This Note may not be assigned by the City, as the Holder.

Section 8. *Covenants.* Until this Note is paid in full, the Agency shall diligently pursue collection of all Tax Revenues to which it is entitled under the Law and, except as otherwise permitted hereunder, the Agency shall not agree to waive or defer receipt of any Tax Revenues to which it is entitled under the Law.

The Agency shall not issue or incur any obligation superior to or on a parity with this Note payable in whole or in part from the Available Tax Revenues.

In the event that the total amount of tax revenue to be paid to the Agency must be limited pursuant to NRS 279.676(2), the Agency shall determine the allocation of revenue to each redevelopment area, which allocation shall be done in an equitable manner; provided, however, that, to the extent not prohibited by the Law, if such allocation of revenue becomes necessary, the Agency shall, in allocating such revenue, give priority to the repayment of this Note over obligations issued or incurred after the date hereof.

Section 9. *Limited Obligation.* This Note is a limited obligation of the Agency and is payable, as to interest hereon and principal hereof, solely from Available Tax Revenues, as provided herein, and the Agency is not obligated to pay the same except from Available Tax Revenues, as provided herein. This Note is not a debt of the City, the State of Nevada or any of its political subdivisions, and neither the City, said State nor any of its political subdivisions is liable on this Note, nor in any event shall this Note be payable out of any funds or properties other than those of the Agency. This Note does not constitute an indebtedness within the meaning of any constitutional or statutory limitation or restriction, and neither the members of the Agency nor any person executing this Note is liable personally on this Note.

Section 10. *No Presentment, Etc.* The Agency waives presentment, demand of payment, notice of nonpayment, protest, notice of protest and all exemptions with respect to this Note.

Section 11. *Forgiveness At Termination of Redevelopment Plait.* The Holder shall forgive any and all amounts due under this Note, including accrued interest, that are outstanding on the date that is 30 years after the date of the adoption of the Redevelopment Plan. Upon any such forgiveness, the Note shall be deemed paid in full.

Section 12. *Return of Note.* Upon the full payment of all amounts due and payable under this Note, the Holder shall return this Note to the Agency.

Section 13. *Enforcement; No Waiver.* The Holder shall have all rights available under applicable law to enforce the terms of this Note, by proceedings at law or in equity, including, without limitation, the right to require specific performance of the payment obligations of the Agency hereunder, the right to enjoin or prevent any act of the Agency that would constitute a breach of the terms of this Note and the right to recover damages for any violation of the terms of this Note by the Agency.

The failure of the Holder to exercise any of its rights hereunder in any instance shall not constitute a waiver thereof in that or any other instance.

Section 14. *Governing Law.* This Note shall be governed by and construed in accordance with the laws of the State of Nevada.

Section 15. *Invalid Provisions.* 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: _____
Jacob L. Snow,
Executive Director

ATTEST:

Sabrina Mercadante, MMC,
Redevelopment Agency Secretary

EXHIBIT A
PRINCIPAL AND INTEREST PAYMENT SCHEDULE

<u>Payment Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Interest Amount</u>	<u>Total Debt Service</u>
October 1, 2013	\$365,000	3.00%	\$154,100	\$519,100
October 1, 2014	375,000	3.00	143,150	518,150
October 1, 2015	385,000	3.00	131,900	516,900
October 1, 2016	395,000	4.00	120,350	515,350
October 1, 2017	410,000	4.00	104,550	514,550
October 1, 2018	435,000	4.00	88,150	523,150
October 1, 2019	450,000	5.00	70,750	520,750
October 1, 2020	475,000	5.00	48,250	523,250
October 1, 2021	<u>490,000</u>	5.00	<u>24,500</u>	<u>514,500</u>
TOTAL	\$3,780,000		\$885,700	\$4,665,700

EXHIBIT B

PARCEL ALLOCATION PERCENTAGES

As of March 1, 2013, the percentages of the unpaid principal of the Promissory Note, dated May 9, 2002 and amended and restated on March 1, 2013, of the City of Henderson Redevelopment Agency in favor of Cornerstone Partners I, L.L.C. or the successor thereto, and assigned to the City of Henderson, Nevada, (the "Amended and Restated Note"), allocable to each Parcel (as defined in the Amended and Restated Note) is as follows:

Parcel	% of Total Assessment
178-09-812-007	4.796891
178-09-812-011	4.275341
178-09-813-001	3.185081
178-16-511-004	3.383869
178-16-511-005	0.503981
178-16-611-001	28.028715
178-16-711-001	0.044891
178-16-711-002	0.044892
178-16-711-003	0.044892
178-16-711-004	0.044892
178-16-711-005	0.044892
178-16-711-006	0.044892
178-16-711-007	0.044892
178-16-711-008	0.044892
178-16-711-009	0.044892
178-16-711-010	0.044892
178-16-711-011	0.044892
178-16-711-012	0.044892
178-16-711-013	0.044892
178-16-711-014	0.044892
178-16-711-015	0.044892
178-16-711-016	0.044892
178-16-711-017	0.044892
178-16-711-018	0.044892
178-16-711-019	0.044892
178-16-711-020	0.044892
178-16-711-021	0.044892
178-16-711-022	0.044892
178-16-711-023	0.044892
178-16-711-024	0.044892
178-16-711-025	0.044892
178-16-711-026	0.044892
178-16-711-027	0.044892

Parcel	% of Total Assessment
178-16-711-028	0.044892
178-16-711-029	0.044892
178-16-711-030	0.044892
178-16-711-031	0.044892
178-16-711-032	0.044892
178-16-711-033	0.044892
178-16-711-034	0.044892
178-16-711-035	0.044892
178-16-711-037	0.044892
178-16-711-039	0.044892
178-16-711-040	0.044892
178-16-711-041	0.044892
178-16-711-042	0.044892
178-16-711-043	0.044892
178-16-711-044	0.044892
178-16-711-045	0.044892
178-16-711-046	0.044892
178-16-711-047	0.044892
178-16-711-048	0.044892
178-16-711-065	0.044892
178-16-711-066	0.044892
178-16-711-067	0.044892
178-16-711-068	0.044892
178-16-711-069	0.044892
178-16-711-070	0.044892
178-16-711-071	0.044892
178-16-711-072	0.044892
178-16-712-001	0.090573
178-16-712-002	0.090573
178-16-712-003	0.090573
178-16-712-004	0.090573
178-16-712-005	0.090573
178-16-712-008	0.090573
178-16-712-009	0.090573
178-16-712-010	0.090573
178-16-712-011	0.090573
178-16-712-012	0.090573
178-16-712-013	0.090573
178-16-712-014	0.090573
178-16-712-016	0.090573
178-16-712-017	0.090573
178-16-712-030	0.090573
178-16-712-031	0.090573
178-16-712-032	0.090573

Parcel	% of Total Assessment
178-16-712-038	0.090573
178-16-712-039	0.090573
178-16-712-040	0.090573
178-16-712-041	0.090573
178-16-712-042	0.090573
178-16-712-043	0.090573
178-16-712-044	0.090573
178-16-712-045	0.090573
178-16-712-046	0.090573
178-16-712-047	0.090573
178-16-712-048	0.090573
178-16-712-049	0.090573
178-16-712-050	0.090573
178-16-713-001	0.044892
178-16-713-002	0.044892
178-16-713-003	0.044892
178-16-713-004	0.044892
178-16-713-005	0.044892
178-16-713-006	0.044892
178-16-713-007	0.044892
178-16-713-008	0.044892
178-16-713-009	0.044892
178-16-713-010	0.044892
178-16-713-011	0.044892
178-16-713-012	0.044892
178-16-713-013	0.044892
178-16-713-014	0.044892
178-16-713-015	0.044892
178-16-713-016	0.044892
178-16-713-017	0.044892
178-16-713-018	0.044892
178-16-713-019	0.044892
178-16-713-020	0.044892
178-16-713-021	0.044892
178-16-713-022	0.044892
178-16-713-023	0.044892
178-16-713-024	0.044892
178-16-713-025	0.044892
178-16-713-026	0.044892
178-16-713-027	0.044892
178-16-713-028	0.044892
178-16-713-029	0.044892
178-16-713-030	0.044892
178-16-713-031	0.044892

Parcel	% of Total Assessment
178-16-713-032	0.044892
178-16-713-033	0.044892
178-16-713-038	0.044892
178-16-713-039	0.044892
178-16-713-040	0.044892
178-16-713-041	0.044892
178-16-713-042	0.044892
178-16-713-043	0.044892
178-16-713-044	0.044892
178-16-713-045	0.044892
178-16-713-046	0.044892
178-16-713-047	0.044892
178-16-713-048	0.044892
178-16-713-049	0.044892
178-16-713-050	0.044892
178-16-713-051	0.044892
178-16-713-052	0.044892
178-16-713-053	0.044892
178-16-713-054	0.044892
178-16-713-055	0.044892
178-16-713-056	0.044892
178-16-713-057	0.044892
178-16-713-058	0.044892
178-16-713-059	0.044892
178-16-713-060	0.044892
178-16-713-061	0.044892
178-16-713-063	0.044892
178-16-713-064	0.044892
178-16-713-065	0.044892
178-16-713-066	0.044892
178-16-713-067	0.044892
178-16-713-068	0.044892
178-16-713-069	0.044892
178-16-713-070	0.044892
178-16-713-071	0.044892
178-16-713-072	0.044892
178-16-713-073	0.044892
178-16-713-074	0.044892
178-16-713-075	0.044892
178-16-713-077	0.044892
178-16-713-078	0.044892
178-16-713-079	0.044892
178-16-713-080	0.044892
178-16-714-014	0.090572

Parcel	% of Total Assessment
178-16-714-033	0.090572
178-16-714-034	0.090572
178-16-714-039	0.090572
178-16-714-045	0.090572
178-16-714-046	0.090572
178-16-714-052	0.090572
178-16-714-068	0.090572
178-16-715-001	28.889737
178-16-718-001	0.044892
178-16-718-002	0.044892
178-16-718-003	0.044892
178-16-718-004	0.044892
178-16-718-005	0.044892
178-16-718-006	0.044892
178-16-718-007	0.044892
178-16-718-008	0.044892
178-16-718-009	0.044892
178-16-718-010	0.044892
178-16-718-011	0.044892
178-16-718-012	0.044892
178-16-718-013	0.044892
178-16-718-014	0.044892
178-16-718-015	0.044892
178-16-718-016	0.044892
178-16-719-002	0.090572
178-16-719-003	0.090572
178-16-719-004	0.090572
178-16-719-005	0.090572
178-16-719-006	0.090572
178-16-719-007	0.090572
178-16-719-008	0.090572
178-16-719-011	0.090572
178-16-719-012	0.090572
178-16-719-013	0.090572
178-16-719-014	0.090572
178-16-719-015	0.090572
178-16-719-017	0.090572
178-16-719-018	0.090572
178-16-719-019	0.090572
178-16-719-020	0.090572
178-16-719-021	0.090572
178-16-719-022	0.090572
178-16-719-024	0.090572
178-16-719-025	0.090572

Parcel	% of Total Assessment
178-16-719-026	0.090572
178-16-719-027	0.090572
178-16-719-028	0.090572
178-16-719-029	0.090572
178-16-719-030	0.090572
178-16-719-031	0.090572
178-16-719-032	0.090572
178-16-719-033	0.090572
178-16-719-034	0.090572
178-16-719-035	0.090572
178-16-719-036	0.090572
178-16-719-037	0.090572
178-16-719-038	0.090572
178-16-719-039	0.090572
178-16-719-040	0.090572
178-16-719-041	0.090572
178-16-719-042	0.090572
178-16-719-043	0.090572
178-16-719-044	0.090572
178-16-719-045	0.090572
178-16-719-046	0.090572
178-16-719-048	0.090572
178-16-719-049	0.090572
178-16-719-050	0.090572
178-16-719-051	0.090572
178-16-719-052	0.090572
178-16-719-053	0.090572
178-16-719-054	0.090572
178-16-719-055	0.090572
178-16-719-056	0.090572
178-16-719-058	0.090572
178-16-719-059	0.090572
178-16-719-060	0.090572
178-16-719-061	0.090572
178-16-719-062	0.090572
178-16-719-063	0.090572
178-16-719-064	0.090572
178-16-719-065	0.090572
178-16-719-066	0.090572
178-16-719-067	0.090572
178-16-719-068	0.090572
178-16-719-069	0.090572
178-16-719-070	0.090572
178-16-719-071	0.090572

Parcel	% of Total Assessment
178-16-719-072	0.090572
178-16-719-081	0.090572
178-16-719-093	0.090572
178-16-719-094	0.090572
178-16-719-095	0.090572
178-16-719-096	0.090572
178-16-719-097	0.090572
178-16-719-098	0.090572
178-16-719-099	0.090572
178-16-811-001	0.070395
178-16-811-002	0.070395
178-16-811-003	0.070395
178-16-811-004	0.070395
178-16-811-005	0.070395
178-16-811-006	0.070395
178-16-811-007	0.070395
178-16-811-008	0.070395
178-16-811-009	0.070395
178-16-811-010	0.070395
178-16-811-011	0.070395
178-16-811-012	0.070395
178-16-811-013	0.070395
178-16-811-014	0.070395
178-16-811-015	0.070395
178-16-811-016	0.070395
178-16-811-017	0.070395
178-16-811-018	0.070395
178-16-811-019	0.070395
178-16-811-020	0.070395
178-16-811-021	0.070395
178-16-811-022	0.070395
178-16-811-023	0.070395
178-16-811-024	0.070395
178-16-811-026	0.070395
178-16-811-027	0.070395
178-16-811-028	0.070395
178-16-811-029	0.070395
178-16-811-030	0.070395
178-16-811-031	0.070395
178-16-811-032	0.070395
178-16-811-033	0.070395
178-16-811-034	0.070395
178-16-811-035	0.070395
178-16-811-036	0.070395

Parcel	% of Total Assessment
178-16-811-037	0.070395
178-16-811-038	0.070395
178-16-811-039	0.070395
178-16-811-040	0.070395
178-16-811-041	0.070395
178-16-811-044	0.070395
178-16-811-045	0.070395
178-16-811-046	0.070395
178-16-811-047	0.070395
178-16-811-048	0.070395
178-16-811-049	0.070395
178-16-811-050	0.070395
178-16-811-051	0.070395
178-16-811-052	0.070395
178-16-811-053	0.070395
178-16-811-054	0.070395
178-16-811-055	0.070395
178-16-811-056	0.070395
178-16-811-057	0.070395
178-16-811-058	0.070395
178-16-811-060	0.070395
178-16-811-061	0.070395
178-16-811-063	0.070395
178-16-811-064	0.070395
178-16-811-065	0.070395
178-16-811-066	0.070395
178-16-811-067	0.070395
178-16-811-069	0.070395
178-16-811-070	0.070395
178-16-811-071	0.070395
178-16-811-072	0.070395
178-16-811-073	0.070395
178-16-811-074	0.070395
178-16-811-075	0.070395
178-16-811-076	0.070395
178-16-811-077	0.070395
178-16-811-078	0.070395
178-16-811-079	0.070395
178-16-811-080	0.070395
178-16-812-001	0.070395
178-16-812-002	0.070395
178-16-812-003	0.070395
178-16-812-004	0.070395
178-16-812-005	0.070395

Parcel	% of Total Assessment
178-16-812-006	0.070395
178-16-812-007	0.070395
178-16-812-008	0.070395
178-16-812-009	0.070395
178-16-812-010	0.070395
178-16-812-011	0.070395
178-16-812-012	0.070395
178-16-812-013	0.070395
178-16-812-014	0.070395
178-16-812-015	0.070394
178-16-812-016	0.070394
178-16-812-017	0.070394
178-16-812-018	0.070394
178-16-812-019	0.070394
178-16-812-020	0.070394
178-16-812-021	0.070394
178-16-812-022	0.070394
178-16-812-023	0.070394
178-16-812-024	0.070394
178-16-812-025	0.070394
178-16-812-026	0.070394
178-16-812-027	0.070394
178-16-812-028	0.070394
178-16-812-029	0.070394
178-16-812-030	0.070394
178-16-812-031	0.070394
178-16-812-032	0.070394
178-16-812-033	0.070394
178-16-812-034	0.070394
178-16-812-035	0.070394
178-16-812-036	0.070394
178-16-812-037	0.070394
178-16-812-038	0.070394
178-16-812-039	0.070394
178-16-812-040	0.070394
178-16-812-041	0.070394
178-16-812-042	0.070394
178-16-812-043	0.070394
178-16-812-044	0.070394
178-16-812-045	0.070394
178-16-812-046	0.070394
178-16-812-047	0.070394
178-16-812-048	0.070394
178-16-812-049	0.070394

Parcel	% of Total Assessment
178-16-812-050	0.070394
178-16-812-051	0.070394
178-16-812-052	0.070394
178-16-812-053	0.070394
178-16-812-054	0.070394
178-16-812-055	0.070394
178-16-812-056	0.070394
178-16-812-057	0.070394
178-16-812-058	0.070394
178-16-812-059	0.070394
178-16-812-060	0.070394
178-16-812-061	0.070394
178-16-812-062	0.070394
178-16-812-063	0.070394
178-16-812-064	0.070394
178-16-812-065	0.070394
178-16-812-066	0.070394
178-16-812-067	0.070394
178-16-812-068	0.070394
178-16-812-069	0.070394
178-16-812-070	0.070394
178-16-812-071	0.070394
178-16-812-072	0.070394
178-16-812-073	0.070394
178-16-812-074	0.070394

Source: Assessment Management Group

ASSIGNMENT AND ACCEPTANCE

Cornerstone Partners I, L.L.C. and any successors thereto ("Cornerstone Partners"), for good and valuable consideration, did sell, assign and transfer to the City of Henderson, Nevada (the "City"), all of its right, title and interest in and to the Promissory Note (Series B Bonds), dated May 9, 2002, of the City of Henderson Redevelopment Agency (the "Agency") in favor of Cornerstone Partners; provided, however, that such sale, assignment and transfer did not include the sale, assignment or transfer of any of Cornerstone Partners' right, title or interest in and to the Promissory Note (Shortfall), dated May 9, 2002, as amended, of the Agency in favor of Cornerstone Partners.

The City did accept such sale, assignment and transfer of the Promissory Note (Series B Bonds), dated May 9, 2002, of Agency in favor of Cornerstone Partners, and hereby confirms its acceptance of this Amended and Restated Agency Note (Related to the City of Henderson, Nevada, Local Improvement District No. T-13 (Cornerstone) Limited Obligation Refunding Bonds, Series 2013) and consents to the amendments contained therein.

Dated: March 1, 2013.

CITY OF HENDERSON, NEVADA

By: _____
Andy A. Hafen, Mayor

ATTEST:

Sabrina Mercadante, MMC, City Clerk

AMENDED AND RESTATED PROMISSORY NOTE
(Shortfall Note)

Henderson, Nevada
Original Date: May 9, 2002
Amended and Restated as of March __, 2013

FOR VALUE RECEIVED, subject to, and in accordance with, the terms and provisions of this Amended and Restated Promissory Note (Shortfall Note) (this "Note"), the CITY OF HENDERSON REDEVELOPMENT AGENCY, a public body, corporate and politic (the "Agency"), promises to pay to the order of CORNERSTONE PARTNERS I, L.L.C., a Nevada limited liability company and its successors ("Cornerstone Partners"), or the assignee of its rights hereunder (either such entity, the "Holder") at Henderson, Nevada, or at such other place as the Holder may from time to time designate by written notice to the Agency, the principal amount of One Dollar (\$1.00) (which amount is subject to increase as provided in Section 5 of this Note), payable at the times and in the amounts specified herein, together with interest on the unpaid principal amount hereof from the date of this Note until the principal hereof shall have been paid, at the interest rate or interest rates specified herein, payable on the Payment Dates (as defined herein). This Amended and Restated Note amends, restates and supersedes the Promissory Note (Shortfall Note) originally dated May 9, 2002 of the Agency in favor of Cornerstone Partners.

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.

"Acquisition Agreement" means the Acquisition Agreement, dated as of May 1, 2002, by and between the City and Griffin Realty Corp, as originally executed or as it may from time to time be amended or supplemented in accordance with its terms.

"Acquisition Cost" has the meaning ascribed thereto in the Acquisition Agreement.

"Act" means the Consolidated Local Improvements Law, being Chapter 271 of the Nevada Revised Statutes, as amended from time to time.

"Actual Cost" has the meaning ascribed thereto in the Acquisition Agreement.

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

"Agency Note" means the Promissory Note, dated May 9, 2002 and amended and restated on March __, 2013, of the Agency in favor of Cornerstone Partners and any successors thereto.

"Agency Note Payment Dates" means April 1 and October 1, commencing April 1, 2013.

"Assessment" or "Assessments" means, with respect to the Property, or a portion thereof, the aggregate special assessments levied by the City thereon pursuant to and in accordance with the terms of the Assessment Ordinance and, with respect to an individual parcel of the Property, means the special assessment levied by the City thereon pursuant to and in accordance with the terms of the Assessment Ordinance.

"Assessment Ordinance" means Ordinance No. 2097 of the City, adopted on April 2, 2002, pursuant to which, among other things, the Assessments were levied, as originally adopted and as the same is amended pursuant to the First Amendment to the Assessment Ordinance and as the same may be further amended from time to time in accordance with its terms and the terms of the Act.

"Available Tax Revenues" means, for any period, 40% of the Tax Revenues for such period.

"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.

"Completed" and "Completion" have the meanings ascribed thereto in the Owner Participation Agreement.

"Cornerstone Partners" means Cornerstone Partners I, L.L.C., a Nevada limited liability company, and its successors.

"Default Amount" means the portion, if any, of the unpaid principal amount of this Note that is the result of one or more increases in the principal amount of this Note pursuant to Section 5(c) hereof.

"Default Rate" means a rate *per annum* equal to the Interest Rate, plus 5%.

"District" means City of Henderson, Nevada, Local Improvement District No. T-13 (Cornerstone) established by the City pursuant to the Assessment Ordinance.

"First Amendment to Assessment Ordinance" means Ordinance No. _____ of the City adopted on February 5, 2013.

"Holder" means Cornerstone Partners, or the assignee of its rights hereunder.

"Improvements" has the meaning ascribed thereto in the Owner Participation Agreement.

"Interest Rate" means the rates set forth on Exhibit A hereto.

"Law" means the Community Redevelopment Law of the State of Nevada (being NRS 279.382 to NRS 279.685, inclusive), as amended from time to time.

"Note" means this Promissory Note (Shortfall), originally dated May 9, 2002 and as amended and restated on March __, 2013, of the Agency in favor of Cornerstone Partners and any successors thereto.

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

"Owner Participation Agreement" means the Owner Participation Agreement, dated March 20, 2001, by and between the Agency and Cornerstone Partners, as originally executed or as it may from time to time be amended or supplemented in accordance with its terms.

"Parcel" means a parcel of the Property upon which an Assessment has been levied as of the date of this Note or subsequently apportioned pursuant to the Assessment Ordinance.

"Payment Amount" means, with respect to any Payment Date, an amount equal to the lesser of (a) the remainder of (i) the total amount of Available Tax Revenues received by the Agency from and including the date of this Note to but excluding the Agency Note Payment Date immediately preceding such Payment Date, less (ii) the total amount of principal of and interest on the Agency Note and this Note paid by the Agency from and including the date of this Note to but excluding the Agency Note Payment Date immediately preceding such Payment Date, and (b) the unpaid principal of, and unpaid accrued interest on, this Note as of such Payment Date.

"Payment Date" means April 5 and October 5, commencing October 5, 2013.

"Private Improvements" has the meaning ascribed thereto in the Owner Participation Agreement.

"Property" means the real property located within the District, as described in the Assessment Ordinance.

"Redevelopment Plan" means the Redevelopment Plan for the Cornerstone Redevelopment Area, adopted and approved by Ordinance No. 2037, adopted by the City Council of the City on February 6, 2001, together with all amendments thereto thereafter made in accordance with the Law.

"Segment" has the meaning ascribed thereto in the Acquisition Agreement.

"Series B Segments" has the meaning ascribed thereto in the Acquisition Agreement.

"Tax Revenues" means, for any period, the Taxes allocated to and received by the Agency during such period pursuant to NRS Chapter 279 and the Redevelopment Plan, excluding amounts, if any, required to be set aside, pursuant to NRS Chapter 279.

"Taxes" has the meaning ascribed thereto in NRS 279.674.

Section 2. *Payments.* The principal of and interest on this Note shall be payable on each Payment Date in lawful money of the United States of America. Subject to the provisions of Section 3 hereof, interest on the unpaid principal amount hereof shall accrue at the Interest

Rate; provided, however, that interest on the portion, if any, of the principal amount of this Note constituting the Default Amount shall accrue at the Default Rate and, provided, further, that, upon the failure of Agency to fully pay the Payment Amount due on any Payment Date, interest on the entire unpaid principal amount hereof shall accrue at the Default Rate until such delinquent Payment Amount is paid in full.

Each Payment Amount received by the Holder shall be applied, first, to accrued but unpaid interest on the portion, if any, of the unpaid principal amount of this Note constituting the Default Amount, second, to accrued but unpaid interest on the unpaid principal amount of this Note, other than the portion, if any, of such unpaid principal amount constituting the Default Amount, third, to the portion, if any, of the unpaid principal amount of this Note constituting the Default Amount and, fourth, to the unpaid principal amount of this Note, other than the portion, if any, of such unpaid principal amount constituting the Default Amount.

Section 3. Tolling of Interest. The accrual of interest on the unpaid principal amount hereof shall toll from and after January 1 of any year set forth in the schedule below that the specified percentage of Private Improvements identified for that year is not Completed until such time that such specified percentage of the Private Improvements is Completed. Nothing contained in this Section shall alter or undermine the obligations of Cornerstone Partners under the Owner Participation Agreement, including Cornerstone Partners' obligations with respect to the time for the Completion of the Improvements within the time periods set forth in the Owner Participation Agreement.

		2008	2009	2010	2011	2012	2013
	Building						
Parcel*	Footage	Cumulative Total Percentage of Private Improvements Completed by Year					
Parcel 1	470,000	0%	0%	25%	50%	75%	100%
Parcel 2&3	360,000	0%	0%	50%	100%	100%	100%
Parcel 4	350,000	0%	50%	100%	100%	100%	100%
Parcel 5	120,000	0%	50%	100%	100%	100%	100%
Parcel 6C&D	350,000	0%	0%	25%	50%	75%	100%

*TM 56-00

Section 4. Source of Payment. This Note is a limited obligation of the Agency and is payable, as to interest hereon and principal hereof, solely from Available Tax Revenues, as provided herein.

Section 5. Advances; Increases in Principal Amount. (a) On the date hereof, the Agency is executing and delivering the Agency Note. If, on any Agency Note Payment Date, there is a shortfall in the amount of Available Tax Revenues to be applied in accordance with the terms of the Agency Note to the payment of the interest thereon or the principal thereof, if any, due on such Agency Note Payment Date (i) the amount of such shortfall shall constitute an advance under this Note and the unpaid principal amount of this Note shall, as of such Agency Note Payment Date, be increased by the amount of such shortfall, and (ii) the obligation of the Agency to pay the amount of such shortfall shall, as of such Agency Note Payment Date, be evidenced by this Note and will no longer be evidenced by the Agency Note.

(b) If, pursuant to the Assessment Ordinance, the Assessments levied on a Parcel are prepaid (i) the portion of such prepayment equal to 48* % thereof, together with an amount equal to the interest that would have accrued on such portion of the prepayment amount from the immediately preceding Agency Note Payment Date to the date of such prepayment shall constitute an advance under this Note and the unpaid principal amount of this Note shall, as of the date of such prepayment, be increased by the amount of such portion of said prepayment and such accrued interest, and (ii) the obligation of the Agency to pay the amount of such portion of said prepayment and such accrued interest shall, as of the date of such prepayment, be evidenced by this Note and will no longer be evidenced by the Agency Note.

(c) If, on any Agency Note Payment Date, the Agency shall default in the payment of the accrued interest on the Agency Note or the portion of the principal of the Agency Note, if any, due on such Agency Note Payment Date (i) such defaulted amount shall constitute an advance tender of this Note and the unpaid principal amount of this Note shall, as of such Agency Note Payment Date, be increased by such defaulted amount, and (ii) the obligation of the Agency to pay such defaulted amount shall, as of such Agency Note Payment Date, be evidenced by this Note and will no longer be evidenced by the Agency Note.

(d) If, as of the date that the final Series B Segment is acquired by the City pursuant to the Acquisition Agreement, the total Actual Cost of the Series B Segments (excluding Segment ADP-15) is greater than the total Acquisition Cost of the Series B Segments (excluding Segment ADP-15), the amount of such difference shall constitute an advance under this Note and the unpaid principal amount of this Note shall, as of the date the final Series B Segment is acquired, be increased by the amount of such difference.

Section 6. *Prepayment.* The Agency may prepay this Note, in whole or in part, at any time.

Section 7. *Assignment.* This Note may be assigned by the Holder, in whole but not in part, and, if so assigned, the assigning Holder shall, within ten days of such assignment, give written notice of such assignment to the Agency.

Section 8. *Covenants.* Until this Note is paid in full, the Agency shall diligently pursue collection of all Tax Revenues to which it is entitled under the Law and, except as otherwise permitted hereunder, the Agency shall not agree to waive or defer receipt of any Tax Revenues to which it is entitled under the Law.

The Agency shall not issue or incur any obligation superior to or on a parity with this Note payable in whole or in part from the Available Tax Revenues.

In the event that the total amount of tax revenue to be paid to the Agency must be limited pursuant to NRS 279.676(2), the Agency shall determine the allocation of revenue to each redevelopment area, which allocation shall be done in an equitable manner; provided, however, that, to the extent not prohibited by the Law, if such allocation of revenue becomes necessary,

* Preliminary, subject to change.

the Agency shall, in allocating such revenue, give priority to the repayment of the this Note over obligations issued or incurred after the date hereof.

Section 9. *Limited Obligation.* This Note is a limited obligation of the Agency and is payable, as to interest hereon and principal hereof, solely from Available Tax Revenues, as provided herein, and the Agency is not obligated to pay the same except from Available Tax Revenues, as provided herein. This Note is not a debt of the City, the State of Nevada or any of its political subdivisions, and neither the City, said State nor any of its political subdivisions is liable on this Note, nor in any event shall this Note be payable out of any funds or properties other than those of the Agency. This Note does not constitute an indebtedness within the meaning of any constitutional or statutory limitation or restriction, and neither the members of the Agency nor any person executing this Note is liable personally on this Note.

Section 10. *No Presentment, Etc.* The Agency waives presentment, demand of payment, notice of nonpayment, protest, notice of protest and all exemptions with respect to this Note.

Section 11. *Forgiveness At Termination of Redevelopment Plan.* Provided that there has been no default under this Note, the Holder shall forgive any and all amounts due under this Note, including accrued interest, that are outstanding on the date that is 30 years after the date of the adoption of the Redevelopment Plan. Upon any such forgiveness, the Note shall be deemed paid in full.

Section 12. *Return of Note.* Upon the full payment of all amounts due and payable under this Note, the Holder shall return this Note to the Agency.

Section 13. *Enforcement; No Waiver.* The Holder shall have all rights available under applicable law to enforce the terms of this Note, by proceedings at law or in equity, including, without limitation, the right to require specific performance of the payment obligations of the Agency hereunder, the right to enjoin or prevent any act of the Agency that would constitute a breach of the terms of this Note and the right to recover damages for any violation of the terms of this Note by the Agency.

The failure of the Holder to exercise any of its rights hereunder in any instance shall not constitute a waiver thereof in that or any other instance.

Section 14. *Governing Law.* This Note shall be governed by and construed in accordance with the laws of the State of Nevada.

Section 15. *Invalid Provisions.* 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: _____
Jacob L. Snow,
Executive Director

ATTEST:

Sabrina Mercadante, MMC
Redevelopment Agency Secretary

CONSENT OF SUCCESSORS TO CORNERSTONE PARTNERS

_____, as successor to Cornerstone Partners I, LLC, does hereby consent to and approve the amendments to the Note as set forth in the Amended and Restated Promissory Note (Shortfall Note) to which this Consent is attached.

Dated: March 1, 2013

By: _____
Name: _____
Title: _____

EXHIBIT A
INTEREST RATES*

<u>Payment Date</u>	<u>Interest Rate</u>
October 5, 2013	3.00%
October 5, 2014	3.00
October 5, 2015	4.00
October 5, 2016	4.50
October 5, 2017	4.50
October 5, 2018	4.50
October 5, 2019	5.00
October 5, 2020	5.00
October 5, 2021	5.00

* Preliminary, subject to change.



RAC

REDEVELOPMENT AGENCY ADVISORY COMMISSION AGENDA ITEM

REGULAR MEETING

February 26, 2013

RAC-003

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

FISCAL IMPACT:

No Impact

Budget funds available

Augmentation required

BACKGROUND / DISCUSSION / ALTERNATIVES:

RECOMMENDED MOTION:

Accept report.

Supporting Documentation:

Memorandum consisting of three (3) 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 7, 2013:

I. CORNERSTONE REDEVELOPMENT AREA

- Griffin Park
- Richmond American
- Tax Increment Reimbursement to the LID
- Shortfall Note:

Projects

- Ladera Parcels
- Loretto Bay

II. DOWNTOWN REDEVELOPMENT AREA

Projects

- 19 S. Water Street
- 314 Nebraska
- Business Recruitment/Development:
 - Staff has met several times with recently relocated business owner and program participant who is inquiring about participating in the tenant improvement program. He wants to purchase two adjoining properties and convert one of the properties into leasable tenant space and plans to convert the second property into some sort of service business.
 - Staff continues to meet with potential new business owners and have met to discuss recruitment incentives for targeted businesses.
 - Staff has been notified that several of the vacant storefronts on Water Street have now signed lease agreements with retail businesses and will be filled in the very near future.
- Business Retention: Staff met with the owner of the Best Western Hotel on Boulder Highway. While not all of the targets for 2012 were met, profits have increased, room occupancy and rates also continue to increase. Staff has discussed with the owner the possibility of leasing out the fully equipped kitchen to a restaurant operator. This would also allow for the hotel to be marketed as a full service hotel without increasing costs to the hotel owner.
- City Tower (Southeast corner of Lake Mead Parkway and Water Street)
- Community Garden: Nevada Hand has requested a meeting with the President of O Entertainment and Agency staff to discuss the use of their parcel near the Downtown Seniors Center. Staff is working with both parties to have this meeting as soon as possible.
- Create Comprehensive Development and Business Recruitment Incentive Packages
 - Downtown Investment Strategy (DTIS): (Update Implementation)
- Cultural and Events Center RFP
- Downtown Master Plan
- Downtown Residential Civic Alliance
- Environmental Protection Agency Grant for Technical Assistance
- Events: RDA staff has been informed that because a date could not be agreed upon, the Oktoberfest for 2013 will not take place; so a date is being arranged that will work for 2014.

- Fencing
- Former Asset Central Site
- Former Parkline Site
- Homeless Issue: The Police Department has implemented foot patrols by PD volunteers in the Water Street District as of February 7. This information has been shared with the business owners. This is one step towards establishing a greater presence by the City in the Downtown to address some of the homeless issues.
- HUD Grant:
 - RDA emailed HUD to see if the remaining grant balance can be used to pay for signs for the historic walking tour.
 - Staff has contacted three local sign companies to obtain bids for the historical markers that will be installed on the eight sites that correlate with the Historical Walking Tour, if approved by HUD.
- Marketing the Water Street District
- Marketing to Developers, Business Owners & Consumers
- Meridian: Tenants at the Meridian contacted staff of their concerns over increased rent rates by the new owner of the building and how they might impact the business's ability to stay in the Water Street District. Staff contacted the property manager to discuss how the potential loss of businesses would have a negative impact on the area, as well as some of the services and incentives Redevelopment has available for future tenants of the building. After the call, the property manager called the tenant and offered to reduce rates.
- Monumentation
- Outreach
- Pinnacle Building: Staff and the buyers have completed briefings on the sale of the Pinnacle building. Staff also met with representatives from CAO and the external law firm working on the Purchase and Land Sale Agreement to discuss conditions of sale. A draft should be ready soon for review by both parties. The buyers are fully aware of all conditions to be placed on the sale.
- Residential
- Senior Center/Pacific Pines
- Social Gathering Space Team
- Site A (SW corner of Victory and Water)
- Site B (small lot at the corner of Water/Victory)
- Townhouse Motor Lodge
- Water Street District Business Association:

Programs

- Façade Improvement Program
- Sign Grant Program
- Tenant Improvement

III. EASTSIDE REDEVELOPMENT AREA

Projects

- Boulder Highway Business Coalition
- Business Recruitment
- Eastside Amendment
- Eastside Investment Strategy
- Eastside Business Coalition
- KMA Tax Increment Analysis
- LandWell/Cadence (Cadence): LandWell and CAO met to review the status of the most recent request to waive the pre-approval.
- Museum Site-95/Galleria
- Union Village:

Programs

- Façade Improvement Program
- Sign Grant Program

IV. TUSCANY REDEVELOPMENT AREA

- Note
- Galleria Road
- OPA: Staff contacted Commerce to find out the progress of the research on the \$934K in SNWA fees that Commerce is obligated to pay via a 2006 contract. Commerce says if they have not paid it, they are not in a position at this time to pay it. Staff let them know that while staff has done research, there is no evidence of payment and until the City receives the payment, the Release and Reconveyance will not be completed.
- Tuscany Pending Escrow
- Semi-Annual Payment

V. LAKEMOOR CANYON

- Bill: Staff reviewed the proposed bill draft and has concerns with the proposed language; therefore, the City Attorney has been asked for his opinion on whether the draft exposes the Agency to too much potential liability.
- Development
- House Subcommittee on Energy and Mineral Resources
- Federal Land Sale

VI. ADMINISTRATION / ALL AREAS

- Audit
- Assistance Programs
- Bonds (Refinance of T-13 Bonds): Bond Counsel and CAO have determined that even though Cornerstone Partners dissolved in December, one of the managing partners will need to sign the Shortfall Note. Staff is working to get consensus with one of the former partners.
- Budget: Revenues are approximately 13-14% less than the same period last year, but continue to come in 5% above projections.
- Economic Development Awards
- Financials
- Five-Year Financial Plan
- Homeowner Assistance Program
- NDC
- New Markets Tax Credit
- Outreach:
- RDA Legislation: Staff provided IGR with a one-page, narrative overview describing the state of redevelopment, the proposed legislation, and its impacts.
- Redevelopment Association of Nevada (RAN)
- Revenue
- SB92 Reporting
- Tax Increment Distribution
- Training: Three staff members will be attending NDC financial or APA economic development/redevelopment training in April.