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RDA Resolution Number: RA-1-2006

CITY OF LAS VEGAS REDEVELOPMENT AGENCY
COMMERCIAL VIP AGREEMENT

THIS AGREEMENT, entered into this 3rd day of April, 2006, between the City of Las Vegas Redevelopment Agency, a public body in the State of Nevada (hereinafter referred to as the "Agency") and the following designated Owner/Lessee (hereinafter referred to as "Participant"), to wit:

Participant's Authorized Representative: QUENTIN ABRAMO
Participant's Entity: FACILITEQ BUSINESS INTERIORS, INC.
Ownership (check one): ___ Fee Simple ___ Majority Owner X Long-term leasehold
Address: 189 PLUMPJACK AVENUE
City: HENDERSON State: NEVADA Zip Code: 89015
Name of Business: FACILITEQ BUSINESS INTERIORS, INC.
Project Address: 817 SOUTH MAIN STREET, LAS VEGAS, NV 89109

WITNESSETH

WHEREAS, the City of Las Vegas Redevelopment Agency ("Agency") administers funds and is funded by the Agency for the purposes of improving the physical appearance of, and encouraging reinvestment in, existing commercial structures; and

WHEREAS, pursuant to the Agency's Commercial Visual Improvement Program ("Commercial VIP"), the Agency agrees to rebate a portion of the cost of site improvements on qualifying commercial properties located within the Redevelopment Area of the City of Las Vegas, up to a maximum of one-half (1/2) of the approved contract cost of such improvements or $50,000, whichever is lesser; and

WHEREAS, the Agency shall require a Commercial VIP participant to provide a 200% matching cash contribution to the Agency's participation to ensure that a participating business has a vested interest in the completion of its site improvements and to ensure a high leveraging of public resources; and

WHEREAS, the Agency has elected to provide an additional incentive to projects located within the Redevelopment Area and on the major street corridors of Martin Luther King Boulevard, Main Street, and Eastern Avenue ("Target Corridors), by requiring a match requirement of 100%, which is smaller than projects located outside of these Target Corridors;

WHEREAS, the Participant is the owner of a business located within the Redevelopment Area, or has a leasehold interest in a site within the Redevelopment Area for a minimum of five years subsequent to the effective date of this Agreement ; and

WHEREAS, the Participant desires to participate in the Commercial VIP pursuant to the terms and provisions of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreement contained herein, the AGENCY and PARTICIPANT do hereby agree as follows:

SECTION 1: SCOPE OF AGREEMENT. The purpose of this Agreement is to effectuate the Redevelopment Plan (the "Redevelopment Plan") by contributing funds to the Participant for a Commercial VIP project. The improvement of the Site pursuant to this Agreement and the fulfillment generally of this Agreement are in the vital and best interests of the City of Las Vegas (the "City") and the health, safety, morals and welfare of its residents and in accordance with the public purposes and provisions of applicable federal, state and local laws and requirements. Implementation of this Agreement will further the goals and objectives of the Redevelopment Plan. This Agreement is subject to the provisions of the Redevelopment Plan which the City Council of the City of Las Vegas adopted on March 5, 1986, by Ordinance No. 3218, as amended. Said Redevelopment Plan, as it now exists and as it may be subsequently amended, is incorporated herein by reference and made a part hereof as though fully set forth herein. The Redevelopment Area is located in the City of Las Vegas, Nevada, and the exact boundaries of the Redevelopment Area are specifically described in the Redevelopment Plan, as amended. The Site is that portion of the Redevelopment Area shown on the "Site Photograph," attached to this Agreement as Attachment "1" and incorporated herein by reference, and as more particularly described in the "Legal Description of the Site," attached hereto as Attachment "2" and incorporated herein by reference.

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SECTION 2: PARTIES TO THE AGREEMENT. The Agency is a public body, corporate and politic, exercising governmental functions and powers, and organized and existing under the Community Redevelopment Law of the State of Nevada (NRS 279.382, et seq.). The principal office of the Agency is located at 400 Stewart Avenue, Las Vegas, Nevada, 89101. "Agency", as used in this Agreement, includes the City of Las Vegas Redevelopment Agency and any assignee of or successor to its rights, powers and responsibilities. The Participant warrants that it is duly organized under the laws of the State of Nevada and the city of Las Vegas. The Participant also warrants that it has, either a majority interest, or a valid and binding leasehold interest for five (5) years successive to the Effective Date of this Agreement (as defined hereinafter), in the Site. Such ownership or leasehold interest is demonstrated by Attachment "3", "Proof of Ownership or Leasehold Interest", which is attached hereto and is incorporated herein by reference. "Participant", as used in this Agreement, includes not only the Participant but also any assignee of, or successor to, its rights, powers and responsibilities. The Agency and the Participant individually may be referred to as "party" or collectively as "parties" hereinafter.

SECTION 3: IMPROVEMENTS TO THE SITE. The Participant shall make improvements to the Site, or to the buildings, fixtures or appurtenances thereon, according to the Scope of Work, which is attached hereto as Attachment "4" and by this reference is made a part hereof. The improvements to the Site also shall be referred to as the "Project" hereinafter. The Participant shall make the improvements to the Site according to the Schedule of Improvements, which is attached hereto as Attachment "5" and by this reference is made a part hereof. The Agency shall maintain a right of access to the Site, provided that the Agency gives the Participant a minimum of twenty-four (24) hours written, advance notice prior to entering the Site.

SECTION 4: CONTRACTOR SELECTION REQUIREMENTS. The Participant must prepare a line item budget, acceptable to the Agency, for all work to be performed. The Agency may withhold release of its funds until an acceptable line-item budget is submitted by the Participant.

SECTION 5: DESIGN REVIEW COMMITTEE. For reviewing the architectural and engineering design of the Project, the Agency has appointed a Design Review Committee comprised of one or more staff members from the following City of Las Vegas municipal departments: Office of Business Development; Planning and Development Department; Land Development, Public Works; Development Coordination, Public Works; and City of Las Vegas Department of Building & Safety. At its discretion, the Agency may solicit input from additional City staff depending on the individual needs of the Project. The Design Review Committee shall meet on an ad hoc basis. The Design Review Committee shall recommend approval or disapproval of the Project Scope of Work. If the Project is disapproved, the Agency shall retain the right to ask the Participant to make changes to the Scope of Work.

SECTION 6: AGENCY NOTICE TO PROCEED. The Agency shall require the Participant to receive from the Agency a written Notice to Proceed, attached hereto as Attachment "6" and incorporated herein by reference, prior to the contractor commencing any construction work identified in the Scope of Work. If the contractor commences any work prior to the Agency's issuance of the Agency's Notice to Proceed to the Participant, then the Agency may pursue all equitable remedies available under this Agreement, as more specifically described in Section 16 hereinafter.

SECTION 7: COMPLIANCE WITH APPLICABLE DEVELOPMENT STANDARDS. The Participant must comply with all development standards applicable to the Scope of Work, including but not limited to, the Zoning Code of the City of Las Vegas, the Building Code of the City of Las Vegas, and the Fire Code of the City of Las Vegas. Additional development standards may apply depending on the specific location of the Site.

SECTION 8: FAILURE TO COMPLETE WORK. If the contractor selected by the Participant fails to complete all of the work specified in the Scope of Work, then the Agency may pursue any and all legal and equitable remedies available under this Agreement, as more specifically described in Section 16 hereinafter.

SECTION 9: UNRELATED IMPROVEMENTS. Nothing herein is intended to limit, restrict or prohibit the Participant from undertaking any other work in or about the subject premises which is unrelated to Commercial VIP provided for in this Agreement.

SECTION 10: PARTICIPANT'S PROJECT RESPONSIBILITIES. The Participant is wholly responsible for procuring a contractor duly licensed by the State of Nevada and the City of Las Vegas for any work requiring a permit from the City of Las Vegas. In doing so, the Participant is responsible for obtaining any warranty or performance guarantee from the contractor. The Agency shall offer no warranty, express or implied, for any work performed. If applicable, Participant must procure the contractor in compliance with the "Contractor Selection and Bidding Requirements" as defined in Section 4 of this Agreement. Except for the Agency's explicit participation as defined in Section 11 hereinafter, the Participant shall be wholly responsible for any and all development costs associated with the Project. This shall include, but not be limited to, architectural, engineering, and design fees, development fees, permitting fees, traffic study fees, drainage study fees, zoning fees, or other fees associated with the Project. The Participant shall be required to maintain insurance and indemnity coverage as specified in Section 14 of this Agreement, and must comply with all terms of this Agreement.

SECTION 11: AGENCY PARTICIPATION. The Agency's participation shall be limited solely to assisting the Participant with a grant to be made on a reimbursement basis. The Agency shall reimburse the Participant for construction costs in the actual amount of up to $550,000.00 ("Construction Cost Maximum"), or a total grant award of up to $50,000.00 ("Total Agency Award"). For payment, the Participant shall submit to the Agency copies of all paid bills, cancelled checks, contractor lien waivers or release of liens, and receipts showing the full cost of and full payment for all work completed. The Agency reserves the right to pay its Total Agency Award to the Participant in one lump sum payment, or in partial payment to the Participant, based on work completed.

SECTION 12: MATCHING CONTRIBUTION REQUIREMENT. The Agency requires a matching, cash contribution from the Participant in an amount equal to or greater than $50,000.00 ("VIP Match"). The Participant shall be required to use its matching contribution prior to the release of any funds from the Agency. The Participant hereby agrees and warrants that it has sufficient cash or cash equivalent on hand to meet a matching contribution requirement. The Participant and the Agency agree and acknowledge that the VIP Match is equivalent to 100% of the Total Agency Award if the Site is located in a commercial street corridor designated as a "Target Corridor" by the Agency, and that the VIP Match is equivalent to 200% of the Total Agency Award if the Site is located in the Redevelopment Area but not in a Target Corridor.

SECTION 13: COMPLIANCE WITH REDEVELOPMENT PLAN. The Agency finds that the Project as contemplated by this Agreement complies with the Commercial VIP and therefore would be deemed a substantial benefit to the Redevelopment Area. The Agency finds that the Project, upon completion, would achieve one or more of the following:

1. Encourage new commercial development;
2. Create or retain jobs for nearby residents;
3. Increase local revenues from private revenue sources;
4. Increase levels of human activity in the Redevelopment Area;
5. Possess attributes that are unique, either as to type of use or level of quality and design;
6. Require for their construction, installation or operation the use of qualified and trained labor; or
7. Demonstrate greater social or financial benefits to the community than would a similar set of buildings, facilities, structures or other improvements not paid for by the Agency.

The Agency has also considered the opinions of persons who reside in the Redevelopment Area or the immediate vicinity of the Redevelopment Area. In addition, the Agency has compared the level of spending proposed by the Agency and the projections of future revenue made on the buildings, facilities, structures or other improvements.

The Participant has declared that no other reasonable means of financing are available pursuant to the Participant Affidavit, attached hereto as Attachment "7" and by this reference made a part hereof. The Participant has submitted to the Agency documentation which evidences that no other reasonable means of financing are available. The Participant has provided the Agency with an Employment Plan, which is attached hereto as Attachment "8" and by this reference is made a part hereof. Concurrent with this Agreement, the Participant and the Agency have executed an "Agreement to be Recorded Affecting Real Property," attached hereto as Attachment "9" and incorporated herein by reference, which provides for certain covenants and agreements on the part of the Participant consistent with the terms and purpose of this Agreement. The Agency is authorized to, and shall, record the Agreement to be Recorded Affecting Real Property after issuance of a Notice of Completion, attached hereto as Attachment "10" and incorporated herein by reference. In the event that the Participant is a Lessee, an executed Landlord Estoppel Certificate, attached hereto as Attachment "12" and incorporated herein by reference, will be required from the Participant as a condition of receiving Agency assistance under this Agreement. The Participant, for itself and its successors and assigns, represents that in the construction of improvements on the Site provided for in this Agreement, the Participant shall not discriminate against any employee or applicant for employment because of race, color, creed, religion, sex, marital status, ancestry or national origin.

SECTION 14: INSURANCE AND INDEMNIFICATION REQUIREMENTS. Prior to the commencement of construction (or any work related thereto) upon the Site, the Participant shall cause to be furnished, to the Agency duplicate originals or appropriate certificates of bodily injury and property damage insurance policies in the general aggregate amount of at least Two Million Dollars ($2,000,000), One Million Dollars ($1,000,000) for any person, $1,000,000 for any occurrence and Five Hundred Thousand Dollars ($500,000) property damage, and $10,000 for medical expense (any one person). The policy limits of such policies may be in lesser amounts if the Participant shall provide the Agency with duplicate originals or appropriate certificates of a binder (approved by the Agency) which indemnifies and holds the Agency and the City harmless from and against all liability, loss, damage, costs or expenses (including reasonable attorneys' fees and court costs) arising from or as a result of the death of any person or any accident, injury, loss or damage whatsoever caused to any person, or to the property of any person, which shall occur on or adjacent to the Site and which shall be directly or indirectly caused by any acts done thereon, or by any errors or omissions, of the Participant and its agents, servants, employees and contractors, and which provides for the defense of the Agency and the City against all claims or causes of actions arising therefrom. Such insurance policies shall be maintained and kept in force, and such obligation to indemnify shall continue, during periods of construction upon the Site and until the Agency has issued a Notice of Completion for the Site.

SECTION 15: CONFLICTS OF INTEREST AND DISCLOSURE REQUIREMENTS. No member, official or employee of the Agency shall have any personal interest, direct or indirect, in this Agreement, nor shall any such member, official or employee participate in any decision relating to this Agreement which affects his personal interests or the interests of any corporation, partnership or association in which he is directly or indirectly interested. The Participant warrants that it has not paid or given, and will not pay or give, any third party any money or other consideration for obtaining this Agreement. No member, official or employee of the Agency shall be personally liable to the Participant in the event of any default or breach by the Agency or for any amount which may become due to the Participant or on any obligations under the terms of this Agreement. Pursuant to Resolution RA-4-99 adopted by the governing board of the Agency effective October 1, 1999, Participant warrants that it has disclosed, on the Disclosure of Principals form attached hereto as Attachment "11" and incorporated herein by reference, all members of Participant as well as all persons and entities holding more than 1% (one percent) interest in Participant or any principal member of Participant. Throughout the term hereof, Participant shall notify City in writing of any material change in the above disclosure within 15 (fifteen) days of any such change.

SECTION 16: DEFAULTS AND REMEDIES. Failure or delay by either party to perform any term or provision of this Agreement constitutes a default under this Agreement. The nondefaulting party shall notify the defaulting party that a default exists and that the defaulting party must cure same within thirty (30) days of receipt of the notice of default. 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 and during any period of curing shall not be in default. In addition to any other rights or remedies, either party may institute legal action to cure, correct or remedy any default, to recover damages for any default or to obtain any other remedy consistent with the purpose of this Agreement. Such legal actions must be instituted in the District Court, County of Clark State of Nevada, in any other appropriate court in that county, or in the Federal District Court in the appropriate district of Nevada. The nondefaulting party may also, at its option, cure the breach and sue in any court of proper jurisdiction to collect the reasonable costs incurred by virtue of curing or correcting the defaulting party's breach. Further, the nondefaulting party may file legal action to require the defaulting party to specifically perform the terms and conditions of this Agreement. Upon occurrence of an Event of Default by either the Participant or the Agency during the existence of this Agreement, the non-defaulting party, at its option, may institute an action for specific performance of the terms and obligations (including the payment of any monetary obligation) of this Agreement. During the existence of this Agreement and upon the occurrence of a Participant Event of Default, the Agency shall have the right to terminate, and this Agreement shall so terminate, the date that the written notice of termination is received by the Participant or such other date as may be specified in the written notice. In the event of termination of this Agreement by the Agency, the Participant agrees to return any and all Agency Funds heretofore paid to the Participant pursuant to the provisions of this Agreement within ten (10) calendar days after the termination date. Failure to return any and all Agency Funds paid to the Participant shall entitle the Agency to sue the Participant for specific performance as provided in this Section and to pursue the Agency's remedies, legal and equitable, for such damages as permitted by law.

SECTION 17: SUBSEQUENT AGENCY APPROVALS. Any approvals of the Agency required and permitted by the terms of this Agreement may be given by the Chairman of the Agency or such other person that the Agency designates in writing.

SECTION 18: TERM. The term of this Agreement shall end upon the completion of all duties and obligations to be performed by each of the parties hereto.

SECTION 19: SEVERABILITY. Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be valid under applicable law, but if any provision shall be invalidated, it shall be deemed to be severed from this Agreement and the remaining provisions shall remain in full force and effect.

SECTION 20: GOVERNING LAW. The interpretation and enforcement of this Agreement shall be governed in all respects by the laws of the State of Nevada.

SECTION 21: NOTICES. Notices shall be in writing and shall be given by personal delivery, by deposit in the United States mail, certified mail, return receipt requested, postage prepaid, or by express delivery service, freight prepaid, in each case by delivery to the Participant and the Agency at the addresses set forth in this Agreement or at such other address as a party may designate in writing. The date notice given shall be the date on which the notice is delivered, if notice is given by personal deliver, or five (5) calendar days after the date of deposit in the mail or with an express delivery service, if the notice is sent through the United States mail.

SECTION 22: CAPTIONS. The captions contained in this Agreement are for the convenience of the parties and shall not be construed so as to alter the meaning of the provisions of the Agreement.

SECTION 23: ENTIRE AGREEMENT, WAIVERS AND AMENDMENTS. This Agreement is executed in three duplicate originals, each of which is deemed to be an original. This includes Attachment "1" through Attachment "11" inclusive, attached hereto and incorporated herein by reference, all of which constitute the entire understanding and agreement of the parties. This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the parties with respect to all or any part of the subject matter hereof. All waivers of the provisions of this Agreement must be in writing and signed by the appropriate authorities of Agency and the Participant and no waiver of one provision shall be construed as a waiver of that provision in the future or as a waiver of any other provision. All amendments hereto must be in writing and signed by the appropriate authorities of Agency and the Participant.

SECTION 24: TIME FOR AGENCY TO ACCEPT AGREEMENT. This Agreement has been approved on _______________, 2006 by the Governing Board of the Agency. The effective date of this Agreement shall be the date when this Agreement has been signed by the Agency ("Effective Date").

Date of Agency Approval:

March 15, 2006.

CITY OF LAS VEGAS REDEVELOPMENT AGENCY

By: ____________________
OSCAR B. GOODMAN, CHAIRMAN
"Agency"

APPROVED AS TO FORM:

J. Pinkeleo 3/2/06
Counsel to the Agency Date

ATTEST:

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BARBARA JO RONEMUS, Secretary

PARTICIPANT
FACILITEC BUSINESS INTERIORS, INC.

By: ____________________
QUENTIN ABRAMO
Its: Authorized Representative