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RESOLUTION NO. RA-9-2010

RESOLUTION FINDING THE PROJECT PROPOSED BY THE ENTERTAINMENT
VIP AGREEMENT ("EVIP") BETWEEN THE CITY OF LAS VEGAS
REDEVELOPMENT AGENCY (AS AGENCY) AND ARTEMUS W. HAM, III (AS
OWNER) AND HOOKAH CAFÉ, LLC D/B/A MAHARAJA HOOKAH CAFE (AS
TENANT AND EVIP PARTICIPANT) TO BE IN COMPLIANCE WITH AND IN
FURTHERANCE OF THE GOALS AND OBJECTIVES OF THE REDEVELOPMENT
PLAN AND AUTHORIZING THE EXECUTION OF THE CVIP BY THE AGENCY

WHEREAS, the City of Las Vegas Redevelopment Agency (the "Agency")
adopted on March 5, 1986, that plan of redevelopment entitled, to-wit: the Redevelopment Plan
for the Downtown Las Vegas Redevelopment Area pursuant to Ordinance 3218, which
Redevelopment Plan has been subsequently amended on February 3, 1988, by Ordinance 3339;
April 11, 1992, by Ordinance 3637, on November 4, 1996, by Ordinance 4036, on December
17, 2003, by Ordinance 5652 and on May 17, 2006, by Ordinance 5830 (the "Redevelopment
Plan"); and

WHEREAS, the Redevelopment Plan identifies and designates an area within
the corporate boundaries of the City of Las Vegas (the "Redevelopment Area") as in need of
redevelopment in order to eliminate the environmental deficiencies and blight existing therein;
and

WHEREAS, the Agency approved on February 16, 2005 the reallocation of
funds to fund the Entertainment District Visual Improvement Program (EVIP), in order to
provide funding to participating tavern-limited businesses for the purpose of making
improvements to the exterior of such commercial properties; and

WHEREAS, ARTEMUS W. HAM, III (the "OWNER") is the owner of real
property and improvements located at 500 and 506 Fremont Street, and which parcel is
commonly known as APN 139-34-611-004 & 005 (the "Site"); and

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1 WHEREAS, HOOKAH CAFÉ, LLC D/B/A MAHARAJA HOOKAH CAFÉ (the
2 "EVIP PARTICIPANT") is a tenant on the real property located at 500 AND 506 FREMONT
3 STREET and is undertaking certain exterior improvements to the property in accordance with
4 the Entertainment VIP Program; and

5 WHEREAS, the Agency has considered the findings that no other reasonable
6 means of financing the building, facilities or structures or other improvements on the Site are
7 available; and

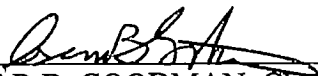
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9 WHEREAS, the Governing Body of the Agency has determined that the
10 Entertainment VIP Agreement (the "Agreement" and attached hereto as Exhibit A), which
11 provides for the contribution of funds to the EVIP Participant for making physical, visual
12 improvements to the building on the Site, all as more fully set forth in the Agreement, is in
13 compliance with and in furtherance of the goals and objectives of the Redevelopment Plan; and

14
15 NOW, THEREFORE, BE IT HEREBY RESOLVED by the Governing Board of
16 the Agency that the Agreement is hereby approved and determined to be in compliance with
17 and in furtherance of the goals and objectives of NRS 279 and the Redevelopment Plan, and the
18 Chairperson of the Governing Board of the Agency is hereby authorized and directed to
19 execute the Agreement for and on behalf of the Agency, and to execute any and all additional
20 documents (including any Attachments to the Agreement) and to perform any additional acts
21 necessary to carry out the intent and purpose of the Agreement.
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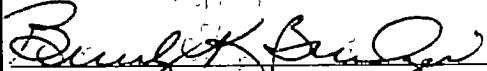
23
24 THE FOREGOING RESOLUTION and EVIP AGREEMENT was passed,
25 adopted and approved this ____ day of _____, 2010.

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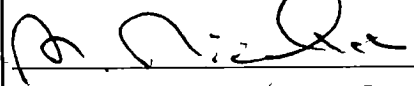
CITY OF LAS VEGAS
REDEVELOPMENT AGENCY

By: 
OSCAR B. GOODMAN, Chairman

ATTEST:


BEVERLY K. BRIDGES, MMC
SECRETARY

APPROVED AS TO FORM:

 5-13-10
Date
counsel to Agency

SITE MAP – MAHARAJA HOOKAH CAFE (500 & 506 FREMONT STREET)



EXHIBIT A

CITY OF LAS VEGAS REDEVELOPMENT AGENCY ENTERTAINMENT VISUAL IMPROVEMENT AGREEMENT AND GRANT OF FACADE EASEMENT

THIS ENTERTAINMENT VISUAL IMPROVEMENT AGREEMENT AND GRANT OF FACADE EASEMENT (the "Agreement") is entered into this _____ day of _____, by and between the CITY OF LAS VEGAS REDEVELOPMENT AGENCY, a public body in the State of Nevada (hereinafter referred to as the "Agency") and ARTEMUS W. HAM, III ("Owner") and SARA JAH AND IMTIAZ MOHAMMAD d/b/a HOOKAH CAFE, LLC ("Tenant").

Recitals

WHEREAS, the City of Las Vegas Redevelopment Agency ("Agency") administers and 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, in furtherance of the Redevelopment Plan (the "Redevelopment Plan") for the City of Las Vegas Redevelopment Area (the "Redevelopment Area"), the Agency approved an Entertainment Visual Improvement Program (the "Entertainment VIP") for the purpose of assisting property owners and their tenants in the rehabilitation of their buildings in order to revitalize and promote the economic stability of the redevelopment area; and

WHEREAS, pursuant to the Implementation of the Entertainment VIP, the Agency wishes to acquire an easement in gross on and upon the exterior walls of buildings (the "Facade Easement"), and a maintenance agreement for the Facade Easement Area (the "Building Facade Maintenance Agreement") located on that certain property, as more particularly described in the "Legal Description of the Site", attached hereto as Attachment " 1 " and incorporated herein, subject to the Owner's and Tenant's agreement to rehabilitate and improve the exterior walls and faces of the building on the Property in accordance with this Agreement and the Entertainment VIP Guidelines (the "EVIP Guidelines"), incorporated herein by reference. The Property is located within or is contiguous to the boundaries of the redevelopment area; and

WHEREAS, in consideration for the acquisition of the Facade Easement, the Agency shall reimburse the Tenant for any Pre-approved Qualified Exterior Improvements to a maximum of \$95,000.00 and the Tenant has provided a 100% matching cash contribution to the Agency's participation to ensure that Tenant has a vested interest in the completion of its site improvements and to ensure a high leveraging of public resources and such improvements are significant in character, as determined by the Agency; and

WHEREAS, the Owner and Tenant desires to participate in the Entertainment VIP pursuant to the terms and provisions of this Agreement and the Owner has provided their consent to the proposed exterior improvements on the property, as evidenced by Attachment " 8 " – VIP Real Property Owner Consent.

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

SECTION 1: SCOPE OF AGREEMENT. The purpose of this agreement is to effectuate the Redevelopment Plan by contributing funds to that certain property, as more particularly described in the "Legal Description of the Site," attached hereto as Attachment " 1 " and incorporated herein by reference. 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.

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 Tenant warrants that it has a valid and binding leasehold interest for five (5) years successive to the Effective Date of this Agreement (as defined hereinafter), the Site. Such leasehold interest is demonstrated by Attachment " 2 ", "Proof of Ownership or Leasehold Interest", which is attached hereto and is incorporated herein by reference. "Owner", as used in this Agreement, includes not only the Owner but also any assignee of, or successor to, its rights, powers and responsibilities. The Agency and the Owner individually may be referred to as "party" or collectively as "parties" hereinafter.

SECTION 3: GRANT OF FAÇADE EASEMENT AND MAINTENANCE AGREEMENT. The Owner agrees to grant and convey and the Agency agrees to acquire and accept conveyance of a nonexclusive easement in gross (the "Facade Easement") on and upon that certain area described in Exhibit A of Attachment " 2 ", attached hereto and incorporated herein (the "Facade Easement Area"), subject to the following conditions:

- a. The purchase price for the Facade Easement shall be an amount up to one hundred percent (100%) of the façade improvements, with a not to exceed maximum of ninety-five thousand dollars (\$95,000.00) for "Pre-approved Qualified Exterior Improvements". Pre-approved Qualified Exterior Improvements which shall be considered for reimbursement includes the following: painting, cleaning, tuck pointing, façade repair/replacement, window repair/replacement, doorways, lighting, new or substantially rehabilitated signage, window tinting, new or replacement awnings, permanent landscaping, parking lots, and rear access renovations. All Pre-approved Qualified Exterior Improvements must be seen from the public right-of-way. The final purchase price will be determined when the project improvements are completed and Tenant has submitted paid invoices from contractor(s) to the Agency.
- b. Owner and Tenant shall have provided Agency with all the documents required for participation in the EVIP, as set forth in the EVIP Guidelines in a form acceptable to and approved by the Agency, including without limitation an executed Facade Easement Deed, in substantially the form attached hereto as Attachment " 3 " and a Building Façade Maintenance Agreement, in substantially the form attached hereto as Attachment " 4 ".
- c. Agency shall pay Tenant the Purchase Price within forty-five (45) days after submission of paid invoices by Tenant for the Project improvements, and inspection and approval of such improvements, in accordance with the EVIP Guidelines. Additionally, the Agency will not release any funds until the Tenant has secured a Certificate of Occupancy by the appropriate city department and has obtained the necessary approval from the Downtown Design Review Committee for the installation of signage on the property.
- d. The Agency shall cause the Facade Easement Deed and the Building Façade Maintenance Agreement to be recorded against the Property promptly after completion of the Project improvements and upon payment of the Purchase Price by the Agency to the Tenant. The Facade Easement and the Building Façade Maintenance Agreement shall commence upon such recordation and shall terminate on the date five (5) years thereafter.

- e. Owner and Tenant, if any, hereby agrees to maintain the Property, including without limitation the Facade Easement Area and the Project improvements to be constructed thereon, in accordance with the maintenance provisions set forth in the Building Façade Maintenance Agreement, Attachment " 4 " attached hereto. Owner and Tenant agrees that all material future changes to the exterior surfacing of the building(s) on the Property, including the Facade Easement Area, shall be subject to the approval of the Agency, which approval shall not be unreasonably withheld. No painting or exterior surfacing which, in the opinion and judgment of Agency, are Inharmonious with the general surroundings shall be used on the exterior of any buildings now or to be located on the Property. This covenant shall run with the land for a period of five (5) years from the date the Facade Easement Deed is recorded against the Property. Owner and/or Tenant shall be in default of this Agreement if Owner breaches any of the obligations under this Section 3 or Attachment " 4 ".
- f. The Agency shall not use or exercise any right granted by the Facade Easement or do anything in a manner that will damage or impair the Facade Easement Area or the structural integrity of the building.

SECTION 4: OWNER'S AND/OR TENANT'S REPURCHASE OPTION. The Agency hereby grants the Owner and/or Tenant the option to repurchase the Facade Easement (the "Option") from the Agency pursuant to the following terms and conditions:

- a. Option Term. The term of the Option (the "Option Term" or "Option") shall commence upon recordation of the Facade Easement Deed and shall continue until the termination of the Facade Easement. In order to exercise the Option, the Owner and/or Tenant must give sixty (60) days written notice to the Agency that it wishes to exercise the Option.
- b. Repurchase Price. If the Owner exercises the Option, the Agency agrees to sell and the Owner agrees to repurchase the Facade Easement in an amount equal to the unamortized portion of the Purchase Price amortized on a straight-line basis over five (5) years. The Amortization Schedule is set out in Exhibit C of Attachment " 3 ", attached hereto and incorporated herein (the "Amortization Schedule").
- c. Title, Escrow and Closing Costs. The Owner and/or Tenant shall pay for all title, escrow and closing costs and fees associated with the repurchase of the Facade Easement. The Owner and/or Tenant shall execute such documents and take such actions as may be necessary to effectuate such repurchase.
- d. The Owner's and/or Tenant's right to this Option and the terms and conditions of this Option shall be contained in the Facade Easement Deed to be recorded on the Property.

SECTION 5: IMPROVEMENTS TO THE SITE AND PROJECT BUDGET. The Tenant shall make improvements to the Site, or to the buildings, fixtures or appurtenances thereon, according to the Scope of Work and Tentative Schedule of Improvements, which is attached hereto as Attachment " 5 " and by this reference is made a part hereof. The Scope of Work and Tentative Schedule of Improvements shall provide a line item budget, acceptable to the Agency, for all work to be performed. Within 60 days of execution of this Agreement by the Agency, Tenant agrees to commence, or cause the commencement of, rehabilitation and improvement of the Site, including the Façade Easement Area, pursuant to the plans and other documents submitted by Owner and/or Tenant and approved by Agency in accordance with the EVIP Guidelines. Tenant shall complete the improvements within 180 days of commencement of work. Additional time may be given upon approval of the Agency, which approval shall not be unreasonably

withheld. The improvements to the site also shall be referred to as the "Project" hereinafter. The Agency shall maintain a right of access to the Site, provided that the Agency gives the Owner and/or Tenant a minimum of twenty-four (24) hours written, advance notice prior to entering the Site.

SECTION 6: CONTRACTOR SELECTION REQUIREMENTS. If the Project exceeds \$10,000, then the Tenant in compliance with NRS 279.478 must obtain three (3) or more competitive bids from properly licensed contractors. If the Tenant is unable to obtain (3) or more competitive bids, the Tenant shall provide the Agency, upon request, with documentation detailing when and which licensed contractor(s) were contacted.

SECTION 7: 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 Owner and/or Tenant to make changes to the proposed Scope of Work.

SECTION 8: COMPLIANCE WITH APPLICABLE DEVELOPMENT STANDARDS. The Tenant 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 9: FAILURE TO COMPLETE WORK. If the contractor selected by the Tenant fails to complete all of the work specified in the Scope of Work, then the Agency may pursue any and all equitable remedies available under this Agreement, as more specifically described in Section 13 hereinafter.

SECTION 10: UNRELATED IMPROVEMENTS. Nothing herein is intended to limit, restrict or prohibit the Owner and/or Tenant from undertaking any other work in or about the subject premises which is unrelated to Entertainment VIP provided for in this Agreement.

SECTION 11: COMPLIANCE WITH THE REDEVELOPMENT PLAN AND EMPLOYMENT PLAN. The Agency finds that the Project as contemplated by this Agreement complies with the Entertainment VIP Guidelines 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 that 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 Tenant has declared that no other reasonable means of financing are available to undertake the improvements to the Property because the return on investment is not reasonable and the improvements are being financed through cash on hand and/or debt financing through a private lender. Furthermore, the Tenant would not undertake the full set of improvements contemplated in the Agreement through resources reasonably available to the Tenant pursuant to the Participant Affidavit and Employment Plan, attached hereto as Attachment " 7 " and by this reference made a part hereof.

The Tenant has also declared and provided the Agency with an Employment Plan, which is attached hereto as Attachment " 7 " and by this reference is made a part hereof. The Tenant, for itself and its successors and assigns, represents that in the construction of improvements on the Site provided for in this Agreement, the Tenant shall not discriminate against any employee or applicant for employment because of race, color, creed, religion, sex, marital status, ancestry or national origin.

SECTION 12: 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 Owner and/or Tenant 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 Owner and/or Tenant 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, Owner and/or Tenant warrants that it has disclosed, on the Disclosure of Principals form attached hereto as Attachment " 6-A " and Attachment "6-B" and incorporated herein by reference, all persons and entities holding more than 1% (one percent) interest in Owner and/or Tenant or any principal member of Owner and/or Tenant. Throughout the term hereof, Owner and/or Tenant shall notify City in writing of any material change in the above disclosure within 15 (fifteen) days of any such change.

SECTION 13: 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 Owner and/or Tenant 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 Owner and/or Tenant or such other date as may

be specified in the written notice. In the event of termination of this Agreement by the Agency, the Owner and/or Tenant agrees to return any and all Agency Funds heretofore paid to the Owner and/or Tenant 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 Owner and/or Tenant shall entitle the Agency to sue the Owner and/or Tenant 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 14: SUBSEQUENT AGENCY APPROVALS. Any approvals of the Agency required and permitted by the terms of this Agreement may be given by the Executive Director of the Agency or such other person that the Agency designates in writing.

SECTION 15: 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 16: 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 17: GOVERNING LAW. The interpretation and enforcement of this Agreement shall be governed in all respects by the laws of the State of Nevada.

SECTION 18: 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 Owner and Tenant 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 19: 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 20: 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 " 8 " 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 Owner and Tenant 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 Owner and Tenant.

SECTION 21: TIME FOR AGENCY TO ACCEPT AGREEMENT. This Agreement has been approved on _____, 2010 by the Las Vegas Redevelopment 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:

_____, 2010

CITY OF LAS VEGAS REDEVELOPMENT AGENCY

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

ATTEST:

BEVERLY K. BRIDGES, MMC
SECRETARY

APPROVED AS TO FORM:

M. Nearchus 5-13-10
Counsel to the Agency Date

Print Name: M. Nearchus

OWNER

ARTEMUS W. HAM, III

TENANT

HOOKAH CAFÉ, LLC

By: _____
Name: Artemus W. Ham, III
Its: Owner

By: _____
Name: Sara Jah
Its: Manager

By: _____
Name: Imtiaz Mohammed
Its: Manager