

17

EXCLUSIVE NEGOTIATION AGREEMENT

THIS EXCLUSIVE NEGOTIATION AGREEMENT (this “*Agreement*”) entered into this 12th day of July, 2006 (“*Effective Date*”), by and between City Parkway V, Inc., a Nevada nonprofit corporation (hereinafter “*Seller*”) and Heritage-Nevada VIII, LLC, a Nevada limited liability company (hereinafter “*Developer*”), on the terms and provisions set forth below, whereby Seller and Developer may be referred to singularly as a “*Party*” and collectively as the “*Parties*”. The Effective Date, as defined above, shall be the date on which the City Council of the City of Las Vegas (“*City*”) approves the execution of this Agreement.

WHEREAS, Developer desires to undertake to develop certain real property comprising a portion of that premises known as Union Park in downtown Las Vegas, Nevada, as more particularly described in §103 of this Agreement (the “*Site*”); and

WHEREAS, Developer desires to enter into exclusive negotiations with Seller concerning Developer’s plans for the development of the Site WITH THE INTENT TO ENTER INTO A “DISPOSITION AND DEVELOPMENT AGREEMENT” AT THE CONCLUSION OF A NEGOTIATING PERIOD, as specified in §102 of this Agreement; and

WHEREAS, pursuant to that certain Project Management and Consulting Agreement entered into December 27, 2005, by and between Seller, City, and Newland Communities, LLC (“*Newland*”) as may be amended from time to time (“*PMA*”), Newland has certain rights and responsibilities with respect to the marketing and disposition of property within Union Park, notwithstanding the City’s sole right to approve the final disposition terms of property within Union Park;

NOW, THEREFORE, for and in consideration of the mutual agreements, which are hereinafter contained, the parties do hereby agree as follows:

I. [§100] Negotiations

A. [§101] Good Faith Negotiations

Seller and Developer agree for the Negotiation Period set forth below to negotiate diligently and in good faith to prepare a Disposition and Development Agreement (the “*DDA*”) to be considered for execution between Seller and Developer, in the manner set forth herein, with respect to the development of the Site more particularly described in §103 of this Agreement. Seller agrees, during the Negotiation Period (as defined below), not to negotiate, directly or indirectly, with any other person or entity any matters regarding development, sale, lease or other disposition of the Site or any portion thereof.

B. [§102] Negotiation Period

The initial duration of this Agreement shall be twelve (12) months from the date of execution of this Agreement by Seller (the “*Initial Negotiation Period*”). Developer may extend the Initial Negotiation Period and the corresponding duration of this Agreement by one extension of no more than One Hundred Eighty (180) calendar days (the “*Extension Period*” and, together with the Initial Negotiation Period, the “*Negotiation Period*”), by providing Seller, before the expiration of the Initial Negotiation Period, with (a) written notice of the duration of the extension, (b) payment of the Extension Deposit (as defined in §301 below), and (c) written evidence that the following performance criteria have been satisfied during the Initial Negotiation Period: (i) Developer shall have obtained executed letters of intent demonstrating the intent of independent, bona-fide third parties to occupy, in the aggregate, at least 25% of the gross leaseable area of the office building space to be constructed on the Site; and (ii) Developer shall have advanced the planning and architectural work with respect to the Site to a level sufficient to allow Developer to apply to the City Planning Department for a “Site Development Plan Review” per Title 19, Las Vegas Municipal Code. If upon expiration of the Negotiation

Period, Developer has not signed and submitted the DDA in a form acceptable to Seller for final approval by Seller, then this Agreement shall automatically terminate. Upon the expiration or termination of this Agreement without the Parties entering into the DDA, (a) the Parties shall not have any further rights, remedies or obligations under this Agreement, except as otherwise expressly provided herein, and (b) Developer knowingly agrees that it shall not have any right to specific performance for conveyance of, nor any claim of right, title or interest in, the Site or any portion thereof under this Agreement.

C. [§103] Site

The Parties agree and acknowledge that both Seller and Developer need all or part of the time provided during the Initial Negotiation Period to evaluate the feasibility of the Development Concept (as defined in §201 below). The Site is shown generally as the location denoted "Parcel E" in Exhibit "A" ("*Development Parcels*") attached hereto and incorporated herein by reference. The Parties agree and acknowledge, notwithstanding the depiction in Exhibit "A", that the Site shall be approximately 5.38 gross acres, but that this gross acreage may be adjusted before the DDA is executed to accommodate moving Carson Street approximately 150 feet to the south of its current planned alignment. Gross acreage shall include any and all land necessary for building setbacks, private sidewalks, and all on-site development; *provided, however*, that gross acreage shall exclude any and all public and private rights of way used or contemplated to be used in the Union Park development. Notwithstanding the foregoing, gross acreage shall include a promenade to be open to the public as a thoroughfare for non-vehicular use over a portion of the Site extending from Carson Street to the property denoted "Parcel Q" in Exhibit "A" hereto. The exact metes and bounds description of the Site shall be determined prior to the expiration of this Agreement by the Parties. The parties acknowledge that the use, configuration and size of the Development Parcels as depicted in Exhibit "A" are

subject to change as part of potential future revisions to the Union Park Master Plan. Seller agrees that Developer shall be granted in the DDA a non-exclusive easement for the purpose of parking vehicles on the premises denoted "Parcel P" in Exhibit "A" subject to Developer's participation in a shared parking arrangement to be established for Union Park and a parking district program which may require Developer to contribute financing in proportion to the number of parking spaces expected to serve the Site. If adequate parking spaces on Parcel P are not completed and available to serve construction activities on and operation of the Site, the DDA will provide that Seller shall arrange for temporary surface parking at an alternative location that provides suitable access to the Site upon Developer's payment of fair market rent. Furthermore, during the term of this Agreement, Seller agrees that it shall consult reasonably with Developer and afford Developer an opportunity to have meaningful input on the timing, nature, scope and orientation of other developments on Parcels Q, P, O, F and D denoted in Exhibit "A" (such parcels, the "*Adjoining Land*"). Developer acknowledges that its entry upon and inspection of the Site in accordance with this Agreement and the Authorization attached as Exhibit "B" to this Agreement is limited to some extent by parking rights over a portion of Union Park granted by Seller to PH GSA, LLC c/o The Molasky Group pursuant to that certain Temporary Parking Lot Lease dated November 2, 2004, as amended by the certain First Amendment thereto dated January 13, 2006 (collectively, the "*Temporary Parking Lease*"). Developer further acknowledges that it has received and reviewed the Temporary Parking Lease and agrees not to interfere unreasonably with the exercise of any rights granted thereunder.

II. [§200] Development Concept

A. [§201] Scope of Development

The negotiations hereunder shall be based on a development concept initially known as Project Splendor (the "*Development Concept*"), which shall include (1) an

approximate minimum density of five hundred thousand (500,000) square feet of gross leaseable area for Class “A” office space; (2) an approximate minimum density of one hundred thousand (100,000) square feet of gross leaseable area of retail space (despite any contrary indication in Exhibit “A” hereto); (3) sufficient, on-site, structured parking that, together with parking on Parcel P (to the extent available subject to §103 above), is sufficient to serve the development; and (4) accessory uses which are compatible to the foregoing and which are allowable on the Site as permitted by applicable law, including, but not limited to, the Las Vegas Zoning Code, the Las Vegas Building Code, and the Las Vegas Fire Code. Seller acknowledges that Developer shall not be required to construct underground parking. The intent of the Development Concept described above is to serve as the office and retail center of a specific industry which name shall be changed by Developer at a later date.

Negotiation of the DDA is contingent upon Developer providing to Seller the conceptual design of the Development Concept, including but not limited to a site plan showing gross floor area, exterior elevations, and floor plans for each use, to the extent that such plans can be delineated for the end user.

B. [§202] Developer’s Findings, Determinations, Studies and Reports

Developer may access the Site for certain “*Due Diligence Investigations*” pursuant to an AGREEMENT AUTHORIZING ACCESS AND DUE DILIGENCE (“*Authorization*”) of even date by and between Seller (as Owner) and Developer, which Authorization is attached as Exhibit “B” to this Agreement. In the event of any conflict between the provisions of this Agreement and the Authorization, the provisions of this Agreement shall govern. Prior to undertaking any type of Due Diligence Investigations which involve borings, soil removal or any other penetration of the surface of any portion of Union Park, Developer will provide Seller with a copy of the engagement letter with the environmental consultant retained

by Developer and a detailed description of the intended scope of activities on Union Park. Developer agrees that such plan shall be subject to the approval of Seller which approval shall not be unreasonably withheld or delayed. Developer agrees that Seller shall have the right to have its representative present during such activities. In addition, Developer acknowledges that Union Pacific Railroad must be notified of such investigations and has the right to have representatives present during such investigations.

Developer shall submit to Seller and/or Newland pursuant to the PMA, oral progress reports every two weeks and written progress reports every month describing the status of Developer's performance since the preceding report, including any reports and studies completed, and the expected progress to be made in the next succeeding period. Upon reasonable notice, requested by Seller or Newland, Developer agrees to additional oral progress reports advising Seller and/or Newland on all matters and all studies being made by Developer. All information, reports and documents provided by Developer to Newland shall be subject to the provisions of that certain Confidentiality Agreement entered into between Developer and Newland in January 2006. All proprietary reports and studies pertaining to Developer's proposed use of the Site, including marketing and research studies, internal planning studies and architectural drawings or renderings, will be solely property of Developer. Developer shall deliver to Seller, at the expense of the Developer, copies of all materials required to be delivered to Seller pursuant to Paragraph 4(b) of the Authorization.

C [§203] Potential Negotiations Regarding Parcel Q

The Parties recognize that Seller, for the past several months, has been negotiating the potential sale of Parcel Q shown on Exhibit "A" hereto to a third party. If Seller determines in good faith that it has reached an impasse in negotiations with such third party concerning Parcel Q during the Initial Negotiation Period, then Seller agrees to inform Developer

in writing regarding the impasse and to commence negotiations with Developer concerning a potential sale of Parcel Q to Developer on terms and conditions similar to those contemplated for the Site. Developer's conditional right of negotiation hereunder shall not extend beyond three (3) months after Seller's delivery of written notice regarding the impasse with the third party ("*Parcel Q Negotiation Period*"), unless Seller elects in good faith to extend negotiations based on demonstrated progress with Developer during the initial three months of the Parcel Q Negotiation Period. The expiration of the Initial Negotiation Period shall not cause the automatic termination of the Parcel Q Negotiation Period if the initial three-month period thereof has not yet lapsed.

III. [\$300] Earnest Money Deposits and Purchase Price Determination

A. [\$301] Earnest Money Deposit

On or prior to the commencement of the Initial Negotiation Period, Developer deposited or is depositing with Seller an earnest money deposit ("*Earnest Money Deposit*") of Two Hundred Thousand and Zero Hundredths U.S. Dollars (\$200,000), in consideration of the rights afforded to Developer under this Agreement.

On or prior to the commencement of the Extension Period, if Developer desires to effectuate the Extension Period, Developer shall deposit with Seller an additional deposit of Two Hundred Thousand and Zero Hundredths U.S. Dollars (\$200,000), in consideration of Seller's extension of the term of this Agreement (the "*Extension Deposit*," and, together with Earnest Money Deposit, the "*Deposits*"). Upon Seller's receipt of the Extension Deposit, the Earnest Money Deposit shall become nonrefundable to Developer in consideration for Seller's granting of a time extension hereunder to Developer and shall be released to Seller for all purposes.

Developer and Seller agree and acknowledge that if the Parties reach agreement on the form of a DDA, then the Deposits will be applied toward the Purchase Price (as defined below) of the Site. In the event the Parties do not reach agreement on the form of a DDA prior to the expiration or termination of this Agreement, then Seller shall return to Developer the Deposits less the Earnest Money Deposit (provided that it has become nonrefundable to Developer), provided that Developer first has complied with Paragraph 4(b) of the Authorization.

B. [§302] Determination of Purchase Price

Developer and Seller agree that the purchase price for the Site (the "*Purchase Price*") shall be determined as follows: a total purchase price of Forty and Zero Hundredths U.S. dollars (\$40.00) shall be applied per gross square foot of real property contained within the Site (the "*Gross Purchase Price*") less any customary prorations and, if applicable, any credits, adjustments or other offsets in favor of Developer (there being no such credits, adjustments or other offsets known at this time except for the remediation obligations of Seller as set forth below). The Gross Purchase Price shall be payable upon the close of escrow for the Site, which shall occur after Developer has secured construction financing for the Development Concept as will be specified in the DDA.

To the extent Developer is eligible and qualified, Developer may apply to, and seek from, the City of Las Vegas Redevelopment Agency or other governmental agencies the maximum amount of any available rebate, discount, or offset of taxes and fees, including, without limitation, future property taxes (tax increment) to be paid as a result of the construction of the Development Concept.

Except as specifically set forth below in this Section, Developer shall assume all obligations and costs associated with developing and operating the Site, including all

costs for complying with applicable “*Environmental Laws*” (defined below). Such costs shall include, but not be limited to, any costs for: (i) excavating soils to the subsurface depth and width required by construction design requirements for the Development Concept; (ii) transporting such soils within Union Park; (iii) to the extent necessary in Developer’s sole judgment and discretion to satisfy construction design requirements within and for the Development Concept, replacing and recompacting excavated clean soil or contaminated soil that is remediated by Seller to levels where such soil can be re-used; (iv) the portion of off-site soil disposal costs attributable to that portion of the soil which is not contaminated with “Hazardous Substances” (defined below) or which has been remediated to Hazardous Substance concentration levels allowing the soil to be re-used on Site; (v) the operation and maintenance of engineered controls to limit exposure to human health but only if and to the extent required by applicable Environmental Laws and the “Risk Assessment” (defined below); and (vi) after completion of construction of the Development Concept and issuance of certificate of occupancy, or its equivalent, by the Seller, or at such other time as the Parties may agree in the DDA, the treatment of groundwater diverted in connection with ongoing dewatering, if any and if required by applicable Environmental Laws.

Subject to a cap on Seller’s contribution toward remediation costs of twelve dollars (\$12) per gross square foot of the total area of the Site (the “*Remediation Cost Cap*”), the DDA shall provide that Seller, and not Developer, shall be responsible during the course of construction of the Development Concept by the Developer, for all costs of: (i) sampling, characterizing, analyzing, remediating, cleaning up, treating, storing, and disposing of to the extent required by and in compliance with applicable Environmental Laws: (a) Soils excavated by Developer that contain Hazardous Substances; (b) groundwater and other media diverted or excavated at the Site by Developer that contains Hazardous Substances; and (c)

Hazardous Substances on or within or migrating from or to the surface soils or water, subsurface soils or soil gas or ground water of, within, on or under the Site that are diverted or excavated by Developer; (ii) a health risk assessment for the Site that applies applicable Environmental Laws to derive appropriate screening level concentrations for Hazardous Substances in soil and groundwater at the Site based upon specific uses of the Development Concept, and evaluates the technical and economic feasibility for the possible use of engineered controls to reduce overall costs chargeable toward the Remediation Cost Cap, if allowed by and in compliance with applicable Environmental Laws; (iii) the design and construction of any engineered controls by Developer to the extent recommended by the Risk Assessment and allowed by and in compliance with applicable Environmental Laws; and (iv) all premium, deductible, retention or other costs associated with purchasing and maintaining a pollution legal liability insurance policy (or the equivalent), on terms and conditions historically negotiated and maintained for Union Park by Seller, in which Developer is named either as insured or as additional insured and that covers the Site and Development Concept^[A1]; provided, however, that Seller shall not be responsible for any such costs incurred after completion of the Development Concept or such other date as the Parties agree in the DDA; and provided further that the Seller shall not be responsible for any costs Developer would incur in the absence of the presence of Hazardous Substances in soil, groundwater, or other media at the Site.

Developer shall complete its environmental due diligence with respect to the Site, and provide Seller with written notice of any findings on remediation costs, within five (5) months after the Effective Date of this Agreement (the "*Environmental Due Diligence Period*"). Seller shall be solely responsible for all costs of storage, treatment, disposal, or transportation of soil, groundwater, or other media containing Hazardous Substances that Developer diverts or removes pursuant to the Authorization during the Environmental Due

Diligence Period (“*Seller Due Diligence Remediation Expense*”). The DDA will provide that the Seller Due Diligence Remediation Expense shall be chargeable against the Remediation Cost Cap. If Developer reasonably determines during the Environmental Due Diligence Period that the Remediation Cost Cap is too low, Developer shall provide written notice and supporting documentation to Seller, at the earliest practical opportunity, that Developer wishes to negotiate the amount of the Remediation Cost Cap. If, after Seller’s receipt of such written notice, Seller and Developer do not agree in writing upon a modified Remediation Cost Cap before the conclusion of the Environmental Due Diligence Period, then either party may terminate this Agreement at any time by delivering written notice of termination to the other party. To assist Developer in its environmental due diligence, Seller has provided Developer with a copy of the documents identified in Exhibit “D” attached hereto and incorporated herein by reference. Seller makes no warranty regarding any statement or data contained in or referred to by such documents.

For the purposes of this Agreement, the phrase “*Hazardous Substances*” means any product, byproduct, compound, substance, chemical, material or waste, including, without limitation, asbestos, solvents, degreasers, heavy metals, refrigerants, nitrates, urea formaldehyde, polychlorinated biphenyls, dioxins, petroleum and petroleum products and derivatives, fuel additives, and any other solid, liquid, gaseous or thermal irritant, chemical or waste material, whose presence, characteristics, nature, quantity, intensity, existence, use, manufacture, possession, handling, disposal, transportation, spill, release threatened release, treatment, storage, production, discharge, emission, remediation, cleanup, abatement, removal, migration, or effect, either by itself or in combination with other materials is or is allegedly: (a) injurious, dangerous, toxic, hazardous to human or animal health, aquatic or biota life, safety or welfare or any other portion of the environment; (b) regulated, defined, listed, prohibited,

controlled, studied or monitored in any manner by any governmental authority or Environmental Laws; or (c) a basis for liability to any government entity or agency or third party under any regulatory, statutory or common law theory. For purposes of this Agreement, the phrase “*Environmental Laws*” means any past, present or future federal, state or local law, statute, rule, regulation, code, ordinance, order, decree, judgment, injunction, notice, policy, or binding agreement, and all amendments thereto, issued, promulgated, or entered into by any governmental authority, relating in any way to the environment, the preservation, degradation, loss, damage, restoration, replacement or reclamation of natural resources, waste management, health, industrial hygiene, safety, environmental conditions or Hazardous Substances.

Developer and Seller agree and acknowledge that the exact fair market value of the Site is difficult to ascertain, but that the Gross Purchase Price upon the Effective Date of this Agreement is a fair estimate of fair market value of the Site on a per gross square foot basis. The parties acknowledge that, in compliance with the provisions of Nevada Assembly Bill 312 (“*AB 312*”), Seller, at its cost, will obtain and rely upon independent and confidential appraisal of the Site prepared within six months of the date of the DDA and that the City Council of the City of Las Vegas will adopt a formal resolution finding that it is in the best interests of the public to sell the Site without offering such real property to the public. Notwithstanding the foregoing, the parties agree that any such appraisal may be subject to public records laws or ordinances of the City or the State of Nevada.

IV. [§400] Developer

A. [§401] Nature of Developer

Developer is Heritage-Nevada VIII, LLC, a Nevada limited liability corporation. The sole beneficial owner of Heritage Nevada VIII, LLC is Robert Zarnegin.

B. [§402] Office of Developer

The principal office of Developer is:

421 North Beverly Drive, Suite 350
Beverly Hills, CA
Phone: (310) 888-1882
FAX: (310) 888-8838

C. [§403] Full Disclosure of Principals

Developer is required to make full disclosure to Seller of its principals, officers, major stockholders, major partners, joint venture partners, and key managerial employees, and all other material information concerning Developer. Any significant change in the principals, associates, partners, joint ventures, development manager, and directly-involved managerial employees of Developer is subject to the approval of Seller which shall not be unreasonably withheld or delayed.

Pursuant to Resolution R-105-99 adopted by the Las Vegas City Council effective October 1, 1999, Developer warrants that it has disclosed, on the form attached hereto as Exhibit "C", all principals, including, partners or members of Heritage-Nevada VIII, LLC, as well as all persons and entities holding more than 1% interest in said company or any principal, partner or member of the same. Throughout the term hereof, Developer shall provide written notification of any material change in the above disclosure within 15 days of any such change, pursuant to §1100 (Notices).

V. [§500] Developer's Financial Capacity

A. [§501] Financial Ability

Prior to execution of the DDA, Developer shall allow Seller's financial designee, in the presence of Developer's designee, to inspect documents comprising reasonably satisfactory evidence of Developer's ability to finance and complete the development of the Site.

Such evidence may include, but is not limited to: Corporate Bank Statements, Corporate Balance Sheet, Corporate Profit & Loss Statement, Corporate Tax Returns, Corporate Credit Report, a Personal Balance Sheet for Robert Zarnegin, and a Personal Tax Return for Robert Zarnegin. Neither Seller nor its financial designee shall be allowed to take possession or make copies of documents that Developer makes available for inspection by Seller's financial designee, and no such document shall be deemed or thereafter become a public record.

B. [§502] Construction Financing

Developer's proposed method of obtaining construction financing for the development of the Site shall be submitted concurrently with Developer's delivery of the signed DDA to Seller for final approval by Seller.

C. [§503] Long-Term Development Financing

Developer's proposed method of obtaining long-term development financing (or "mini-perm" financing) shall be submitted concurrently with Developer's delivery of the signed DDA to Seller for final approval by Seller.

D. [§504] Full Disclosure of Financing

Developer will be required to make and maintain full disclosure to Seller of its methods of financing to be used in the development of the Site concurrently with Developer's delivery of the signed DDA to Seller for final approval by Seller.

VI. [§600] Developer's Responsibilities

A. [§601] Return of Site to Original Condition

Developer hereby agrees to return the Site to its original condition as near as reasonably possible upon completion of any investigations requiring access to the Site, but in any event not later than the expiration or termination of this Agreement. This includes replacement of a dust palliative which may be disturbed by vehicles and personnel permitted to

access the Site. The provisions of this Section shall survive the termination or expiration of this Agreement.

B. [§602] Indemnification and Hold Harmless

Developer will indemnify and hold harmless the City, PH GSA, LLC and Seller, and their respective officers, employees and agents, from and against any claims, demands or causes of action caused by Developer or persons acting on behalf of Developer in carrying out their responsibilities in accessing the Site. The provisions of this Section shall survive the termination or expiration of this Agreement.

C. [§603] Insurance

Developer agrees to obtain and to furnish to Seller prior to or concurrent with execution of this Agreement, a certificate showing that there is in effect a policy of a Minimum of \$2,000,000.00 combined single limit bodily injury and broad form property damage coverage, including broad form Contractual liability. Such coverage shall be on an “occurrence” basis and not on a “claims made” basis. Seller, City of Las Vegas, Parkway Center, LLC, and PH GSA, LLC each shall be named as an additional insured party and such notation shall appear on the Certificate of Insurance furnished by the Developer’s insurance company. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer. Each insurance company’s rating as shown in the latest Best’s Key Rating Guide shall be fully disclosed and entered on the required certificate of insurance. The adequacy of the insurance supplied by the Company, including the rating and financial health of each insurance company providing coverage, is subject to the approval of Seller. Seller requires insurance carriers to maintain a Best’s Key rating of “A VII” or higher. The Certificate shall indicate that neither the insurance company nor Developer can cancel the insurance without at least 10 days prior written notice to Seller. Any exclusion to the effect that the insurance company or surety

company will “endeavor to inform” must be stricken from the certificate of insurance. The parties agree that the specified coverage or limits of insurance in no way limit the liability of the Developer. Developer will not do or permit to be done anything in or upon any portion of the Property, or bring or keep anything thereon which will in any way conflict with the conditions of any insurance policy upon the Property. All deductibles and self-insurance retentions shall be fully disclosed in certificates of insurance. No deductible or self-insured retention may exceed \$10,000.00 without the prior written approval of Seller.

VII. [\$700] Seller’s Responsibilities

A. [\$701] Good Faith Pursuit of Attainment of Foreign Trade Zone.

During the Negotiation Period, Seller, at its cost, shall pursue, in good faith, the attainment of a Foreign Trade Zone or subzone for the Site, whereby such Foreign Trade Zone would be designated and governed by the United States Department of Commerce. Developer acknowledges that, even if a Foreign Trade Zone designation is attained for the Site, there may be legal restrictions on retail uses operating within such Foreign Trade Zone.

B. [\$702] Seller Assistance and Cooperation

Seller shall cooperate fully, but at no cost to Seller, in providing Developer with appropriate information and assistance to support Developer’s implementation of the Development Concept. In particular, Seller shall provide Developer with copies of all reports, plans, drawings and other documents pertaining to the Site as soon as they become available to Seller.

C. [\$703] Right to Enter

As set forth in the Authorization attached as Exhibit “B” to this Agreement, Seller gives Developer the right to enter the Site to carry out its due diligence

inspection of the Site, and Developer acknowledges and understands the conditions and exceptions under which said right is granted.

VIII. [§800] Real Estate Commission

No Party shall be liable to any other Party for any real estate commission or brokerage fees that may arise as a result of or pursuant to this Agreement. Each Party represents to the other Parties that it has not engaged any broker, agent or finder in connection with this Agreement, and agrees to hold each of the other Parties harmless from any claim by any broker or finder retained by such Party. The provisions of this Section shall survive the termination or expiration of this Agreement.

IX. [§900] Limitations of this Agreement

By its execution of this Agreement, Seller is not committing itself to or agreeing to undertake:

(a) disposition of land to Developer; or (b) any other acts or activities requiring the subsequent independent exercise of discretion by the City or any governmental authority with authority over the resulting development.

This Agreement does not constitute an agreement for disposition of property or the disposition of property by Seller, or the exercise of control over property by Developer. Execution of this Agreement by Seller is merely an agreement to enter into a period of exclusive, good faith negotiations according to the terms hereof, reserving final discretion and approval by Seller (in good faith) as to any and all proceedings and decisions in connection therewith.

X. [§1000] Conflict Of Interest

A. An official of Seller, who is authorized in such capacity and on behalf of Seller to negotiate, make, accept or approve, or take part in negotiating, making, accepting, or approving this Agreement, payments under this Agreement, or work under this Agreement, shall

not be directly or indirectly interested personally in this Agreement or in any part hereof. No officer, employee, architect, attorney, engineer or inspector of, or for Seller, who is authorized in such capacity and on behalf of Seller to exercise any legislative, executive, supervisory or other similar functions in connection with this Agreement, shall become directly or indirectly interested personally in this Agreement or in any part hereof, any material supply contract, subcontract, insurance contract, or any other contract pertaining to this Agreement.

B. Each party represents that it is unaware of any financial or economic interest of any public officer or employee of Seller relating to this Agreement. Notwithstanding any other provision of this Agreement, if such interest becomes known, Seller may immediately terminate this Agreement for default or convenience, based on the culpability of the parties.

C. Developer represents and warrants that it has, in accordance with the current policy of Seller, disclosed the ownership and principals of Developer on Exhibit "B", "Certificate – Disclosure of Ownership/Principals", and that it has a continuing obligation to update this disclosure whenever there is a material change in the information.

XI. [§1100] Notices

All legal notices required pursuant to the terms and conditions of this Agreement shall be in writing, unless an emergency situation dictates otherwise. Any notice required to be given under the terms of this Agreement shall be deemed to have been given when (i) received by the party to whom it is directed by hand delivery or personal service, (ii) transmitted by facsimile with confirmation of transmission, or (iii) sent by U.S. mail via certified mail-return receipt requested at the following addresses:

If to Developer: Robert Zarnegin
Heritage-Nevada VIII, LLC
421 North Beverly Drive, Suite 350
Beverly Hills, CA 90210
Phone: (310) 888-1882
FAX: (310) 888-8838

And: Jim Mace
Snell & Wilmer LLP
3800 Howard Hughes Parkway, Suite 1000
Las Vegas, NV 89109
Phone: (702) 784-5227
FAX: (702) 784-5252

If to Seller: Scott D Adams, Director
City Parkway V, Inc.
c/o Office of Business Development
400 Stewart Avenue, 2nd Floor
Las Vegas, 89101
Phone: 702-229-6551
FAX: 702-385-3128

And: Manager, Purchasing & Contracts
City Hall, First Floor
400 Stewart Avenue
Las Vegas, NV 89101
Phone: 702-229-6021
Fax: 702-384-9964

And: Dan Van Epp
Newland Communities, LLC
3010 E. Camelback Road, Suite 100
Phoenix, AZ 850016
Phone: 602-468-0800
FAX: 602-468-1633

An original signed copy, via U. S. Mail, shall follow facsimile transmissions.

XII. [§1200] Miscellaneous Provisions

A. [§1201] Assignment

Any attempt on Developer's part to transfer or assign this Agreement or any rights or duties hereunder, whether by operation of law or otherwise, shall be void and shall absolutely and conclusively terminate Developer's rights hereunder unless Developer has

obtained Seller's prior written consent to such transfer or assignment, which consent may be granted or denied in Seller's sole discretion. Notwithstanding the foregoing, Developer may transfer or assign this Agreement to an entity in which Robert Zarnegin has both a material economic interest (of at least 25% equity ownership) and voting control as managing partner or managing member, without obtaining Seller's prior written consent, so long as Developer promptly provides Seller with written notice of such transfer or assignment as well as documentation confirming that the transferee or assignee has agreed in writing to assume all of Developer's obligations hereunder. Any assignment under this Section 1201 shall not relieve Developer of any obligation under this Agreement.

B. [§1202] Publicity

Seller agrees that it shall not make any public announcement or any press release with respect to this Agreement, the Development Concept, and/or the Development Parcels during the Negotiation Period, without the written consent of Developer which shall not be unreasonably withheld or delayed. Nothing in this §1202 shall limit or prevent Seller or its affiliates, including the City, from undertaking any actions required by Nevada's open meeting laws or causing or allowing the release of information or dissemination of documents as may be required or appropriate in connection with any administrative hearings or proceedings pertaining to the City's approval or implementation of this Agreement.

C. [§1203] Costs and Expenses

Each Party shall be responsible for its own costs and expenses in connection with any activities and negotiations undertaken in connection with the performance of its obligations under this Agreement.

D. [§1204] Time

Time is of the essence with respect to every provision of this Agreement.

E. [§1205] Governing Law

This Agreement and all of the rights and obligations of the Parties and all of the terms and conditions hereof shall be construed, interpreted and applied in accordance with, governed by, and enforced under the laws of the State of Nevada.

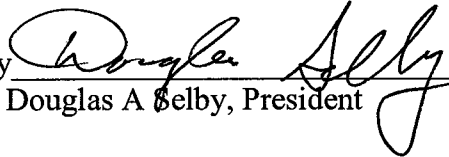
[remainder of this page intentionally left blank]

F. [§1206] Entire Agreement

This Agreement constitutes the entire understanding and agreement of the Parties, integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the Parties or their predecessors in interest with respect to all of any part of the subject matter hereof. The following documents are provided as exhibits and shall be incorporated into this Agreement: Site Depiction (Exhibit "A"), Agreement Authorizing Access and Due Diligence (Exhibit "B"), Disclosure of Principals (Exhibit "C"), and Union Park Environmental Disclosure Documents (Exhibit "D").

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first set forth above.


CITY PARKWAY V, INC,
a Nevada corporation

By: 
Douglas A Selby, President

ATTEST:


City Clerk, Title

APPROVED AS TO FORM:


J. Douglas Drigos, Jr. Date 7/6/06

HERITAGE-NEVADA VIII, LLC,
a Nevada limited liability company

By: Heritage-Delaware, LLC,
a Delaware limited liability company,
its Manager

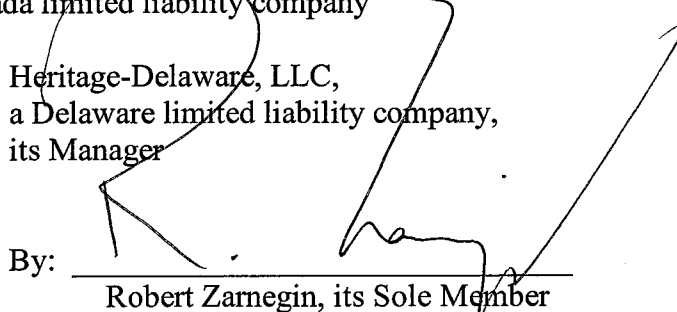
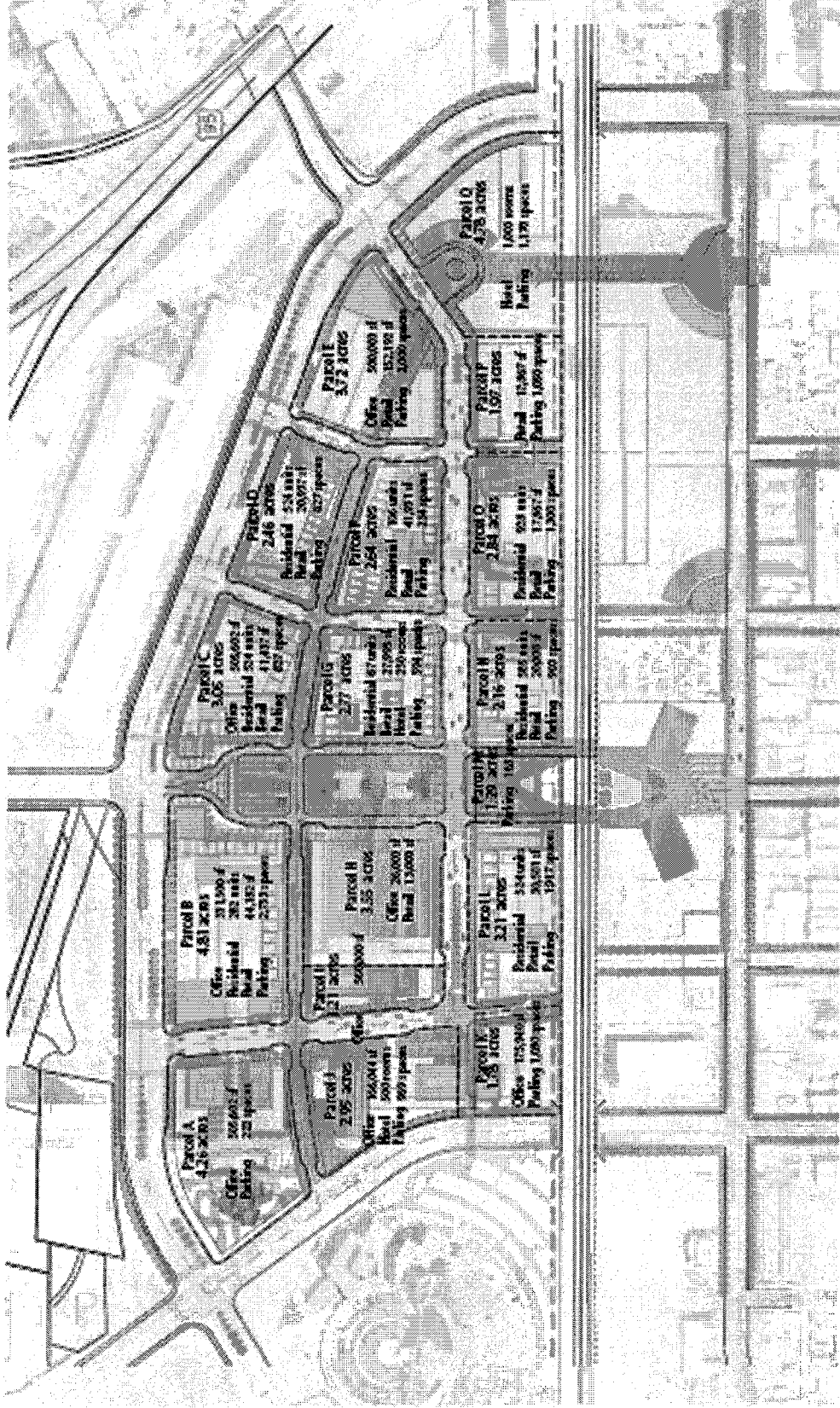
By: 
Robert Zarnegin, its Sole Member

EXHIBIT "A" (to Agreement)
DEVELOPMENT PARCELS



Union Park
Newland Communities • City of Las Vegas

Development Parcels



EXHIBIT "B" (to Agreement)

AGREEMENT AUTHORIZING ACCESS AND DUE DILIGENCE ("Authorization")

1. City Parkway V, Inc. ("Owner") authorizes Heritage-Nevada VIII, LLC, and its employees, agents, representatives, architects, engineers, consultants and contractors (collectively "Developer"), to access the site depicted as Parcel E in Exhibit "A" (herein "Site") to conduct surface and subsurface engineering, geotechnical and environmental investigations, studies and assessments and boundary and topographic surveys as Developer deems necessary ("Due Diligence Investigations") for the potential development of the Site during the period set forth in Paragraph 2, below. This Authorization does not authorize Developer to access or otherwise use any property not included within the Site so long as Developer has reasonable access from a public right of way for ingress into and egress from the Site for purposes of completing the Due Diligence Investigations.

2. City Parkway V, Inc. and Heritage-Nevada VIII, LLC have entered into an exclusive negotiation agreement ("ENA") for the sale of the Site to Heritage-Nevada VIII, LLC. This Authorization shall be co-terminus with the ENA (the "Term").

3. During the Term, and subject to certain limitations under which representatives of Owner or Union Pacific Railroad may have to receive advance notice thereof, Developer will have the right to enter upon and conduct Due Diligence Investigations. Developer shall conduct Due Diligence Investigations in accordance with standards customarily employed in the industry and in compliance with all applicable governmental laws, rules, and regulations. Following Developer's Due Diligence Investigations on the Site, Developer promptly will restore the Site to substantially the same condition as existed as of June 15, 2006. If Developer undertakes any boring or other disturbance of the soils on the Site, the soils so disturbed will be recompacted to substantially their original condition as of the date of such boring or other disturbance, and Developer will obtain at its own expense a certificate from a soils engineer certifying that the disturbed soils have been recompacted to substantially their original condition as of the date of the soil disturbance. This Authorization shall extend to soil borings with drilling rigs and hand augers and groundwater sampling with bailers or comparable equipment, but shall not be construed to authorize Developer to install groundwater monitoring wells or excavate soils with earth moving equipment.

4(a). If Developer should discover any hydrocarbon substances or any other hazardous substances, asbestos or asbestos-bearing materials, waste or materials subject to legal requirements or corrective action under any environmental laws, Developer will promptly notify Owner in writing of such discovery. Developer shall not use disturbed contaminated soils for restoration of the Site as provided in Paragraph 3, above, and instead shall store or otherwise handle, at Owner's cost, disturbed contaminated soils in compliance with all applicable governmental laws, rules, and regulations until such time as Owner takes possession of such materials. Developer shall not bear any responsibility for any investigation, risk assessment, removal, treatment, corrective action, remediation, cleanup or permitting relating to any such substances or materials under this Authorization.

4(b). Developer shall promptly deliver to Owner without charge therefore, any lab or field environmental data, environmental reports, environmental compilations, environmental correspondence, or other documents or information which is generated by or as a result of Due Diligence Investigations and which is reasonably related to the environmental condition of the Site; provided, however, that Developer need not disclose any communication, written or oral, between Developer and its legal counsel or its legal counsel and Developer's consultant to the extent the same is protected by the attorney-client privilege; and further provided that Developer need not deliver to Owner geotechnical data or analysis.

5. Developer covenants and agrees to pay in full for all materials, if any, supplied, used, joined, or affixed to the Site by or for Developer in connection with the Due Diligence Investigations and to pay in full all persons who perform labor upon the Site in connection with Developer's Due Diligence Investigations, and not to permit or suffer any mechanic's or materialman's lien of any kind or nature to be enforced against the Site relating to Developer's Due Diligence Investigations. Developer shall, at Developer's sole cost and expense, take any action

FINAL EXCLUSIVE NEGOTIATION AGREEMENT
HERITAGE-NEVADA VIII/CITY PARKWAY V

necessary to promptly remove any lien filed against the Site for work performed or materials delivered to the Site in connection with the Due Diligence Investigations.

6. Developer acknowledges that its entry upon and inspection of the Site in accordance with this Agreement[A2] is limited to some extent by parking rights over a portion of Union Park granted by Owner to PH GSA, LLC c/o The Molasky Group pursuant to that certain Temporary Parking Lot Lease dated November 2, 2004, as amended by the certain First Amendment thereto dated January 13, 2006 (collectively, the "Temporary Parking Lease"). Developer further acknowledges that it has received and reviewed the Temporary Parking Lease and agrees that it will not unreasonably interfere with the exercise of any rights granted thereunder.

7(a). Heritage-Nevada VIII, LLC hereby agrees to protect, indemnify, and hold City Parkway V, Inc., the City of Las Vegas, and their officers, employees and agents, harmless from and against any and all claims, damages, losses, expenses, suits, actions, decrees, judgments, awards, attorneys' fees and court costs, which City Parkway V, Inc, PH GSA, LLC, the City of Las Vegas, its officers, employees or agents, may suffer or which may be sought against or are recovered or obtainable from City Parkway V, Inc, PH GSA, LLC, the City of Las Vegas, and their officers, employees or agents, as a result of, or by reason of, or arising out of or in consequence of any act or omission, negligent or otherwise in connection with the Due Diligence Investigations at the Site, of Developer or its officers employees, contractors, subcontractors, agents, volunteers or anyone who is directly or indirectly employed by, or is acting in concert with, Developer, its officers, its employees, contractors, subcontractors, volunteers or agents in connection with this Authorization. Developer agrees to obtain and to furnish to Owner prior to or concurrent with execution of this Authorization, a certificate showing that there is in effect a policy of a Minimum of \$2,000,000.00 combined single limit bodily injury and broad form property damage coverage, including broad form Contractual liability. Such coverage shall be on an "occurrence" basis and not on a "claims made" basis. Owner, City of Las Vegas, Parkway Center, LLC, and PH GSA, LLC each shall be named as an additional insured party and such notation shall appear on the Certificate of Insurance furnished by the Developer's insurance company. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer. Each insurance company's rating as shown in the latest Best's Key Rating Guide shall be fully disclosed and entered on the required certificate of insurance. The adequacy of the insurance supplied by the Company, including the rating and financial health of each insurance company providing coverage, is subject to the approval of Owner. Owner requires insurance carriers to maintain a Best's Key rating of "A VII" or higher. The Certificate shall indicate that neither the insurance company nor Developer can cancel the insurance without at least 10 days prior written notice to Owner. Any exclusion to the effect that the insurance company or surety company will "endeavor to inform" must be stricken from the certificate of insurance. The parties agree that the specified coverage or limits of insurance in no way limit the liability of the Developer. Developer will not do or permit to be done anything in or upon any portion of the Property, or bring or keep anything thereon which will in any way conflict with the conditions of any insurance policy upon the Property. All deductibles and self-insurance retentions shall be fully disclosed in certificates of insurance. No deductible or self-insured retention may exceed \$10,000.00 without the prior written approval of Owner.

7(b). In this connection, Heritage-Nevada VIII, LLC expressly agrees, at its sole cost and expense, to defend City Parkway V, Inc., PH GSA, LLC, the City of Las Vegas, and their officers, employees and agents, in any suit or action that may be brought against it or them, or any of them by reason of any act or omission, negligent or otherwise in connection with the Due Diligence Investigations at the Site, against which Heritage-Nevada VIII, LLC has agreed to indemnify City Parkway V, Inc., PH GSA, LLC, the City of Las Vegas, and their officers, employees and agents. If Heritage-Nevada VIII, LLC fails so to do, City Parkway V, Inc., PH GSA, LLC and the City of Las Vegas shall have the right, but not the obligation to defend same and to charge all of the direct and incidental costs of such defense, including reasonable attorneys' fees and court costs, to Heritage-Nevada VIII, LLC.

8. Owner shall not be liable for any real estate commission or brokerage fees, which may arise since Owner has not engaged such service in connection with a possible transaction. Further, this arrangement does not constitute a disposition of the site or exercise of control over the site by Developer and is considered a simple arrangement to allow a period of time for Developer to study the Site. Final approval of any subsequent agreement is subject to the written approval of the Owner.

9. It is mutually understood and agreed that nothing contained in this Authorization is intended or shall be

FINAL EXCLUSIVE NEGOTIATION AGREEMENT
HERITAGE-NEVADA VIII/CITY PARKWAY V

construed in any manner or under any circumstances whatsoever as creating or establishing the relationship of co-partners or establishing the relationship of a joint venture or of a joint ownership between Owner and Developer, or as authorizing Developer to act as an agent of or representative for the Owner for any purpose or in any manner whatsoever.

10. Owner and Developer shall keep all studies, reports or any other information generated by the Due Diligence Investigations confidential, unless both Owner and Developer agree in a writing signed by both parties to disclose the same or any portion of the same. Developer shall not contract for physical work performed on the Site in connection with Due Diligence Investigations without Owner approval, which approval shall not be unreasonably withheld, conditioned or delayed. All contracts entered into by Developer in connection with the Due Diligence Investigations shall provide that the Owner shall not bear liability for any matter, including, but not limited to, any Site conditions or payment obligations, except to the extent Owner engages in intentional misconduct or negligent conduct.

11. Any notice required or permitted under this Authorization may be delivered in person or mailed, certified mail, return receipt requested, to the following address(es):

To Owner:

City Parkway V, Inc.
c/o Office of Business Development, Director
City of Las Vegas
400 Stewart Avenue
Las Vegas, NV 89101

To Developer:

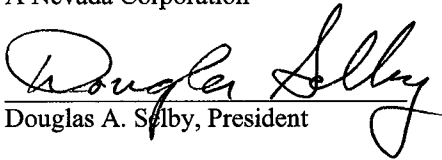
Heritage-Nevada VIII, LLC
421 N. Beverly Drive, Suite 350
Beverly Hills, CA 90210
Attention: Robert Zarnegin

{This remaining space on this page is left blank intentionally.}

FINAL EXCLUSIVE NEGOTIATION AGREEMENT
HERITAGE-NEVADA VIII/CITY PARKWAY V

12. This Authorization together with the ENA constitutes the entire understanding and agreement of the Parties, integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the Parties or their predecessors in interest with respect to all of any part of the subject matter hereof. Site Depiction (Exhibit "A") is incorporated into and made a material part of this Authorization.

CITY PARKWAY V, INC.
A Nevada Corporation



Douglas A. Selby, President

7/19/06
Date

Approved as to Form:

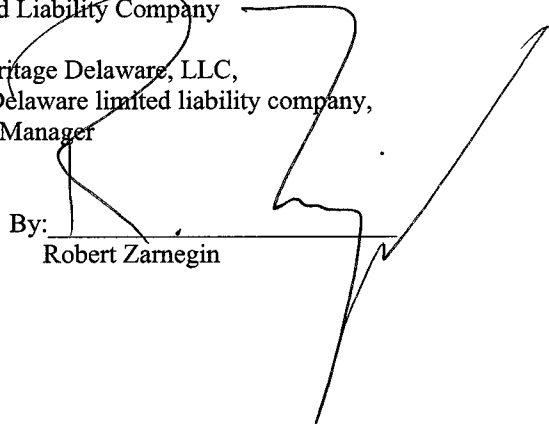


Counsel for Owner

7/6/06
Date

HERITAGE-NEVADA VIII, LLC,
a Nevada Limited Liability Company

By: Heritage Delaware, LLC,
a Delaware limited liability company,
its Manager

By: 

Robert Zarnegin

Date

EXHIBIT "A" (to Authorization)
SITE DEPICTION



EXHIBIT "C" (to Agreement)
 CERTIFICATE
 DISCLOSURE OF OWNERSHIP/PRINCIPALS

1. Definitions

"City" means the City of Las Vegas.

"City Council" means the governing body of the City of Las Vegas.

"Contracting Entity," means the individual, partnership, or corporation seeking to enter into a contract or agreement with the City of Las Vegas.

"Principal" means, for each type of business organization, the following: (a) sole proprietorship – the owner of the business; (b) corporation – the directors and officers of the corporation; but not any branch managers of offices which are a part of the corporation; (c) partnership – the general partner and limited partners; (d) limited liability company – the managing member as well as all the other members; (e) trust – the trustee and beneficiaries.

2. Policy

In accordance with Resolution 79-99 and 105-99 adopted by the City Council, Contracting Entities seeking to enter into certain contracts or agreements with the City of Las Vegas must disclose information regarding ownership interests and principals. Such disclosure generally is required in conjunction with a Request for Proposals (RFP). In other cases, such disclosure must be made prior to the execution of a contract or agreement.

3. Instructions

The disclosure required by the Resolutions referenced above shall be made through the completion and execution of this Certificate. The Contracting Entity shall complete Block 1, Block 2, and Block 3. The Contracting entity shall complete either Block 4 or its alternate in Block 5. Specific information, which must be provided, is highlighted. An Officer or other official authorized to contractually bind the Contracting Entity shall sign and date the Certificate, and such signing shall be notarized.

4. Incorporation

This Certificate shall be incorporated into the resulting contract or agreement, if any, between the City and the Contracting entity. Upon execution of such contract or agreement, the Contracting Entity is under a continuing obligation to notify the City in writing of any material changes to the information in this Certificate. This notification shall be made within fifteen (15) days of the change. Failure to notify the City of any material change may result, at the option of the City, in a default termination (in whole or in part) of the contract or agreement, and/or a withholding of payments due the Contracting Entity.

Block 1 Contracting Entity
Name
Address
Telephone
EIN or DUNS

Block 2 Description
Exclusivity Agreement
Contract No. «DevRepName»

Block 3	Type of Business
<input type="checkbox"/> Individual <input type="checkbox"/> Partnership <input type="checkbox"/> Limited Liability Company <input type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Other:	

Exhibit "C" (continued)

CERTIFICATE – DISCLOSURE OF OWNERSHIP/PRINCIPALS

Block 4 Disclosure of Ownership and Principals

In the space below, the Contracting Entity must disclose all principals (including partners) of the Contracting Entity, as well as persons or entities holding more than one-percent (1%) ownership interest in the Contracting Entity.

	FULL NAME/TITLE	BUSINESS ADDRESS	BUSINESS PHONE
1.	Robert Zarnegin	421 North Beverly Drive Suite 350 Beverly Hills, CA 90210	(310) 888-1882
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			

Block 5 DISCLOSURE OF OWNERSHIP AND PRINCIPALS – ALTERNATE


If the Contracting Entity, or its principals or partners, are required to provide disclosure (of persons or entities holding an ownership interest) under federal law (such as disclosure required by the Securities and Exchange Commission or the Employee Retirement Income Act), a copy of such disclosure may be attached to this Certificate in lieu of providing the information set forth in Block 4 above. A description of such disclosure documents must be included below.

Name of Attached Document: _____

Date of Attached Document: _____ Number of Pages: _____

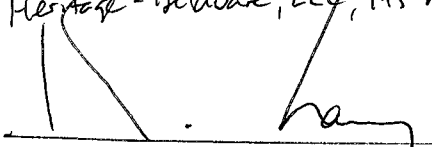
The Contracting Entity shall continue the above list on a sheet of paper entitled "disclosure of Principals – Continuation" until full and complete disclosure is made. If continuation sheets are attached, please indicate the number of sheets: ____.

I certify under penalty of perjury, that all the information provided in this Certificate is current, complete and accurate. I further certify that I am an individual authorized to contractually bind the above named Contracting Entity

Subscribed and sworn to before me this 5th day of July, 2004 2006

 Notary Public

Name

Date

Heritage - Nevada VIII, LLC a Nevada limited liability company
 By: *Heritage - Delaware, LLC, its Manager*
 By: 
 Robert Zarnegin, sole member

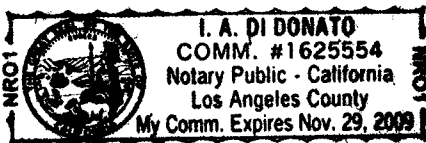


EXHIBIT "D"
Union Park Environmental Disclosure Documents

Electronic Documents on Two Compact Discs

<u>Identifier</u>	<u>Title/Text Reference</u>
01	Preliminary Title Report, Lawyers Title Company.pdf, June 17, 2004
02	ALTA Survey – G.C. Wallace, June 28, 2002 01) G. C. Wallace - 61-Acre ALTA Survey pg1 2002.pdf 02) G.C. Wallace - 61-Acre ALTA Survey pg2 2002.pdf 03) G.C. Wallace - ALTA Survey Easement Docs 1.pdf 04) G.C. Wallace - ALTA Survey Easement Docs 2.pdf
03	As-Built Maps - Bonneville, Grand Central Parkway and Ogden, 1992, 1993, 1995, 1999, & 2000 01) Bonneville Ave.pdf 02) Main and Bonneville Intersection.pdf 03) Ogden Avenue.pdf 04) Parkway Center.pdf
04	Remedial Action Plan Site Characterization Investigation and Recommended Remedial Action Plan, July 29, 1989 -Appendices Appendices.tif, Appendix A - Summary of Buried Disposal Area Investigation.tif Appendix B - Investigative Procedures.tif Appendix C - Chain-of-Custody Records.tif Appendix D - Field and Laboratory QA&QC Program.tif Appendix E - Health and Safety Plan.tif Appendix F - Regional Geology and Hydrogeology.tif Appendix G - Exploratory Boring Logs.tif Appendix H - Soil and Hydrogeologic Conditions By Area.tif Appendix I - Gauging Data and Hydrographs.tif Appendix J - Soil Laboratory Data Reports.tif Appendix K - Ground-Water Laboratory Data Reports.tif Appendix L - Maps of Approx Dist of Soils Containing PH.tif Appendix M - Observed Versus Actual Thickness of Liquid Hydrocarbon.tif Appendix N - Liquid Hydrocarbon Volume Estimates.tif Appendix O - Air Quality Monitoring Report.tif Appendix P - Report of Industrial Hygiene Evaluation.tif Appendix Q - Desert Research Institute Report.tif Appendix R - Health Risk Assessment.tif Appendix S - USPCI Report of Oil Recovery Operations.tif OIL RECOVERY SYSTEM.TIF -Table of Contents and Executive Summary.tif - Sect 1 Introduction.tif - Sect 2 Purpose & Scope.tif - Sect 3 Site Background.tif - Sect 4 Hydrocarbon Contamination.tif - Sect 5 Lead Contamination.tif - Sect 6 Assessment of Potential Mobility and Fate of Contaminants.tif - Sect 7 Health Risk Assessment.tif - Sect 8 Site Remediation Criteria.tif - Sect 9 Recommended Remedial Action.tif PLATE 01.TIF, PLATE 02.TIF, PLATE 03.TIF, PLATE 04.TIF, PLATE 05.TIF, PLATE 06.TIF, PLATE 07.TIF, PLATE 08.TIF, PLATE 09.TIF, PLATE 10.TIF, PLATE 11.TIF, PLATE 12.TIF, PLATE 13.TIF, PLATE 14.TIF

EXHIBIT "D" (continued)
Union Park Environmental Disclosure Documents

- 01) Final Remedial Action Plan 06-5-1992.pdf
- 02) Addendum I to RAP 08-18-1992.pdf
- 03) Request For Final Closure 10-06-1997.pdf
- 04) Depart of the Army Letter 12-09-2003.pdf

- 05) Interim Closure Report of Rem Action 09-27-93.pdf
- 06) NDEP Letter 03-26-1998.pdf
- 07) NDEP Remediation Requirements Sept 10, 1991.pdf
- 08) Phase 1 Env Site Assess Northern Tract 11-10-2000.pdf
- 09) Phase 1 Env Site Assess Southern Tract 11-10-2000.pdf

- 05 Plystadium Agreement
 - 01) Plystadium Agreement.pdf
 - 02) Amended and Restated Mem of Rights.pdf
 - 03) Estoppel Certificate.pdf
 - 04) Termination of Mem of Repurchase Option.pdf
 - 05) Trusetee's Deed - Lehman to PAMI.pdf

- 06 Pollution Legal Liability Select
 - Pollution Legal Liability Select Policy.pdf

- 07 Environmental Risk Management – Converse Consultant, August 23, 2000
 - 01) Environmental Risk Management 08-23-2000.pdf
 - 02) Risk-Based Evaluation 09-24-2002.pdf
 - 03) Hydrocarbon Free Product Plumes Map.pdf
 - 04) Soil Impact Map.pdf

- 08 Trenching Exercise – Converse Consultants.pdf, Sept 11, 2002

- 09 Terracon Phase I & Phase II Environmental Site Assessment.pdf – March 26, 2003 & April 2, 2003
 - Phaselexec.pdf
 - Phasellexec.pdf

- 10 Preliminary Geotechnical Studies – Converse Consultants.pdf, June 27, 2002
 - Northern Prelim. Geotech.pdf
 - Southern Prelim. Geotech.pdf

- 11 Groundwater Monitoring Reports
 - Abandoned Wells July 2004
 - Abandoned Wells July 2004.pdf
 - Completion of Well Plugging Abandonment Former Las Vegas Rail Yard.htm
 - 01) 2nd Quarter 1991 Groundwater Report.pdf
 - 02) 2nd Quarter 2001 Groundwater Report.pdf
 - 03) 3rd Quarter 2001 Groundwater Report.pdf
 - 04) 4th Quarter 2001 Groundwater Report.pdf
 - 05) 1st Quarter 2002 Groundwater Report.pdf
 - 06) 2nd Quarter 2002 Groundwater Report.pdf
 - 07) 1st Half 2002 Semi-annual Compliance Report.pdf
 - 08) 3rd Quarter 2002 Groundwater Report.pdf
 - 09) 4th Quarter 2002 Groundwater Report.pdf
 - 10) 1st Half 2003 Groundwater Report.pdf
 - 11) 1st Half 2003 Semi-annual Compliance Report.pdf
 - 12) 2nd Half 2003 Groundwater Report.pdf
 - 13) 2nd Half 2003 Semi-annual Compliance Report.pdf
 - 14) 1st Half 2004 Groundwater Report.pdf
 - 15) 1st Half 2004 Semi-annual Compliance Report.pdf

EXHIBIT "D" (continued)
Union Park Environmental Disclosure Documents

16) 2nd Half 2004 Groundwater Report.pdf
17) 2nd Half 2004 Semi-annual Compliance Report.pdf
18) 1st Half 2005 Groundwater Report.pdf
19) 1st Half 2005 Semi-annual Compliance Report.pdf
TABLE 2 Groundwater Analytical Data 06-16-2004.xls
UP letter Jan 7 2004.tif
Well Monitoring Modification Plan 05-06-2004.tif

12

Maps

01) Union Park Concentration.pdf
02) Union Park Contamination.pdf
03) Union Park remediation.pdf
04) Remediation Depth.jpg

FINAL EXCLUSIVE NEGOTIATION AGREEMENT
HERITAGE-NEVADA VIII/CITY PARKWAY V

15) 1st Half 2004 Semi-annual Compliance Report.pdf