

LEASE AGREEMENT

This Lease Agreement (hereinafter called "Lease") made and entered into as of the 8TH day of August, 2006, by and between 518 Garces Avenue LTD, a Nevada Corporation located at 631 South Las Vegas Boulevard, Las Vegas, Nevada 89101, as Landlord, (hereinafter called "Landlord"), and the City of Las Vegas, a municipal corporation of the State of Nevada, having an office and place of business at 400 Stewart Avenue, 4th Floor, Las Vegas, Nevada 89101, as Tenant, (hereinafter called "Tenant");

Landlord and Tenant hereby agree to the following terms and conditions:

1. **LEASE OF PREMISES:** On the terms and conditions set forth below, Landlord hereby leases to Tenant, and Tenant leases from Landlord, certain real property described on Exhibit "A", which is attached hereto and made a part of this Lease. Landlord represents that the herein-described parcels of land collectively consist of approximately 0.32 acres combined, known as Assessor's Parcel Number 139-34-410-180 (701 South Las Vegas Boulevard). Said land is further described in Exhibit "B", Legal Description, and hereinafter collectively called the "Premises."
2. **LEASE PROVISIONS:**
 - 2.1 **TERM:** The term of this Lease is for a period of three (3) years commencing on November 21, 2007 by both parties. There shall be no options to extend the lease beyond November 21, 2010.
 - 2.2 **RENT:** The rental for the demised Premises shall be FOUR THOUSAND, FIVE HUNDRED AND FIFTY DOLLARS (\$4,550.00) per month for the first twelve months (First Anniversary Year). On each anniversary date of the Lease, the monthly rental will increase by \$400.00 per month such that the rental payments adhere to the following schedule (the "Monthly Rental Schedule"):

<u>Period</u>	<u>Monthly Rent</u>
November 21, 2007-November 20, 2008	\$4,550 per month
November 21, 2008-November 20, 2009	\$4,950 per month
November 21, 2009-November 20, 2010	\$5,350 per month

Tenant agrees to pay Landlord the rent monthly in advance on the first (1st) day of each and every calendar month during the term of this Lease. If payment is not received by the tenth (10th) of each month, the rent is considered late and subject to a \$200.00 penalty payment.

- 2.3 **PERMITTED USE:** Landlord acknowledges the fact that Tenant intends to occupy the Premises for the purpose of building a surface parking lot for employees and clients and for no other purpose without the written consent of Landlord.
- 2.4 **IMPROVEMENTS:** Tenant will plan and develop an on grade parking lot with lighting. Improvements are to be maintained by Tenant and shall be made in accordance with plans and drawings submitted to the City of Las Vegas Planning Department for approval. If Tenant desires to perform any further improvements during the term or Option Period of this contract, the plans for such will need to be provided in advanced to, reviewed and approved by Landlord.
- 2.5 **TAXES:** Tenant shall pay all real property taxes, and any general and special assessments or any other taxes or assessments to be levied and assessed against the Premises, provided that such taxes and assessments are attributed to the Premises only and not to other real property. Landlord shall submit to Tenant a bill invoicing the amount(s) owed for taxes and assessments and a copy of the Landlord property tax bill for the real property owned by Landlord which real property includes the Premises.
- 2.6 **MAINTENANCE AND UTILITIES:** Tenant shall maintain the Premises described on Exhibit "A" in good order; shall make all necessary repairs on a timely basis; shall perform cleaning duties on a regular basis; and shall make all utility payments arising out of Tenant use of the Premises.
- 2.7 **SURRENDER OF PREMISES:** Upon the expiration or earlier termination of this Lease, Tenant shall return the Premises along with any improvements to Landlord in a reasonably clean condition and in good order, except for normal wear and tear.
- 2.8 **TRANSFER OF LANDLORD'S INTEREST:** In the event of any sale or transfer by Landlord of the Premise, purchaser or transferee shall expressly assume all the covenants and obligations of Landlord under this lease.

3. **INDEMNIFICATION:** Subject to the limitations of liability set forth in NRS Chapter 41, Tenant shall defend, indemnify and hold Landlord harmless against and from loss, liability and claims of any kind for loss or damage to property, or for any injury to or death of any person arising out of Tenant use and occupancy of the Premises, or any work or activity allowed or suffered by Tenant on or about the Premise.

4. **MISCELLANEOUS:**

4.1 **ASSIGNMENT AND SUBLETTING:** Tenant shall not assign or encumber its interest in this Lease or in the Premises or sublease all or any part of the Premises without the written consent of Landlord.

4.2 **PRIOR AGREEMENTS AND AMENDMENTS:** This Lease contains all of the agreements and understanding of the parties with respect to any matter covered or mentioned in this Lease, and no other agreements or understandings shall be effective for any purpose. No provision of this Lease may be amended or added except by a written amendment signed by both Landlord and Tenant.

4.3 **NOTICES:** Any notice or other communication required or permitted to be given under this Lease (herein the "Notices") shall be in writing and shall be (I) personally delivered, or (ii) delivered by certified mail, return receipt requested, and deposited in the U.S. Mail, postage prepaid. The Notices shall be deemed received upon actual receipt. The Notices shall be directed to the parties at their respective addresses shown below, or such other address as either party may, from time to time, specify in writing to the other party in the manner described above:

LANDLORD: 518 Garces Avenue LTD
 Attn: Raymond Pistol
 631 South Las Vegas Boulevard
 Las Vegas, NV 89101

TENANT: City of Las Vegas
 Facilities Management/Real Estate and Utilities
 Attention: Superintendent
 400 East Stewart Ave., 4th Floor
 Las Vegas, NV 89101

4.4 **TIME OF THE ESSENCE:** Time is of the essence of this Lease and each and every term, condition and provision hereof.

4.5 **NO WAIVER:** No waiver of any of the provisions of this Lease shall be deemed, or shall constitute, a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver.

- 4.6 **ENTIRE AGREEMENT:** This Lease constitutes the entire agreement between the parties hereto with respect to the subject matter hereof, and supersedes all prior understandings or agreements between the parties and shall be altered or superceded only by a subsequent written document signed by the Parties.
- 4.7 **HEADINGS AND INTERPRETATION:** Headings used in this Lease are for convenience or reference only and are not intended to govern, limit or aid in the construction of any term or provision hereof. Any reference to a Section in this Lease shall include all sections and subsections related thereto.
- 4.8 **CHOICE OF LAW:** This Lease and each and every related document are to be governed by, and construed in accordance with, the laws of the State of Nevada.
- 4.9 **SEVERABILITY:** If any term, covenant, condition or provision of this Lease, or the application thereof to any person or circumstance, shall to any extent be held by a court of competent jurisdiction, or rendered by the adoption of a statute invalid, void or unenforceable, the remainder of the terms, covenants, conditions or provisions of this Lease, or the application thereof to any person or circumstance, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.
- 4.10 **RELATIONSHIP OF THE PARTIES:** The parties agree that their relationship is that of Tenant and Landlord, and that nothing contained herein shall constitute either party as being the agent or legal representative of the other for any purpose whatsoever, nor shall this Lease be deemed to create any form or business organization between the parties hereto, nor is either party granted the right or authority to assume or create any obligation or responsibility on behalf of the other party, nor shall either party be in any way liable for any debt of the other.
- 4.11 **DISCLOSURE OF PRINCIPALS:** Pursuant to Resolution R-105-99 adopted by the City Council effective October 1, 1999, Landlord warrants that it has disclosed that on the form attached as Exhibit "C," all principals and partners of 518 Garces Avenue LTD, as well as all persons and entities holding more than a one percent (1%) interest in 518 Garces Avenue LTD, or any principal of 518 Garces Avenue LTD. Throughout the term hereof, 518 Garces Avenue LTD shall notify Tenant in writing of any material change in the above disclosure within 15 days of any such change.

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4.12 **ATTORNEYS' FEES:** In the event that any party hereto institutes an action or proceeding relating to or arising out of this Lease, or the transactions contemplated hereby, or in the event any party is in default of its obligations pursuant thereto, whether or not suit is filed or prosecuted to final judgment, the prevailing party shall be entitled to its reasonable attorneys' fees and to all court costs incurred, in addition to any other damages or relief awarded.

4.13 **SIGNAGE:** Landlord has the authority to post signage on PREMISES stating that PREMISES is reserved for use by TENANT employees during the hours of 6:00a.m. to 6:00p.m., Monday through Friday, excluding Holidays. Signage may also direct Showgirl Video customers to an alternate parking location during times listed for TENANT use. It is understood by Landlord and Tenant that Showgirl Video has use of the PREMISES from 6:00 pm until 6:00 am Monday through Friday. Showgirl Video will also be permitted use of the PREMISES during weekends and Holidays.

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be executed by their duly authorized representatives the day and year first written above.


ATTEST:

CITY OF LAS VEGAS
(TENANT)


BARBARA JO RONEMUS, City Clerk

By: 
OSCAR B. GOODMAN, Mayor

APPROVED AS TO FORM:

 6/27/06
Deputy City Attorney Date

518 GARCES AVENUE LTD
(LANDLORD)


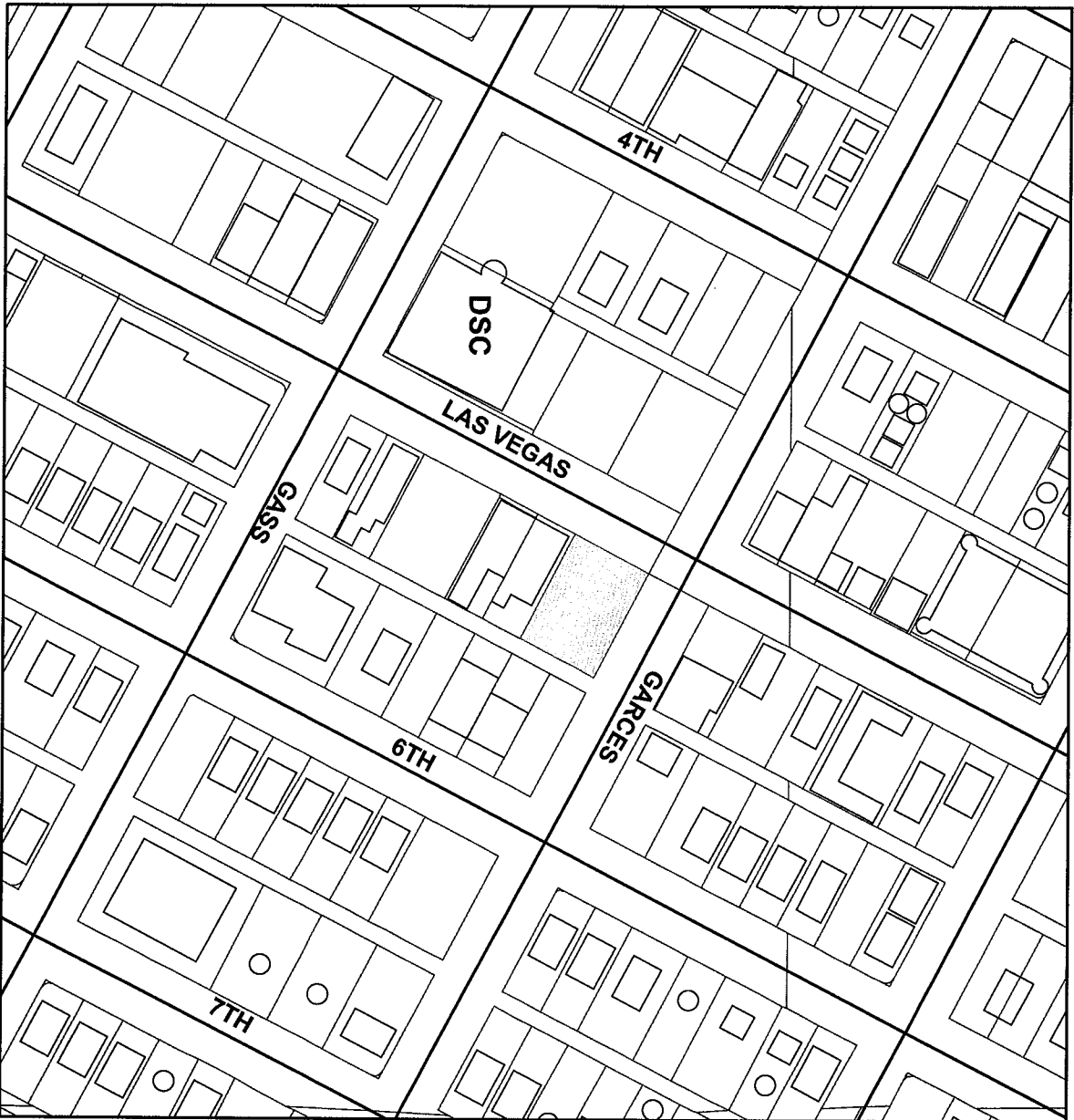

By: _____
RAYMOND PISTOL Date

EXHIBIT "A"



Site Map

Legend

- Street Centerline
- ▭ Parcels
- ▭ City of Las Vegas
- ▭ 701 S. LV Blvd.

Facilities Management
Real Estate & Utilities



4/17/06

EXHIBIT 'B'

LEGAL DESCRIPTION

Lot 1, Block 25, as recorded as the South Addition in Plat Book 1, Page 51, of the Official Records of Clark County, Nevada. The site is identified as Clark County Assessor's Parcel Number (APN): 139-34-410-180.

EXHIBIT "C"

**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.

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.

**CERTIFICATE - DISCLOSURE OF OWNERSHIP/PRINCIPALS
(CONTINUED)**

<p>Block 1 Contracting Entity (Name)</p> <p>518 Garces LTD</p> <hr/> <p>Name Mr. Raymond Pistol</p> <hr/> <p>Address 631 Las Vegas Blvd south</p> <hr/> <p>EIN or Social Security # 455-74-53-44</p>	<p>Block 2 Description</p> <p>Subject Matter of Contract/Agreement: Lease Agreement</p>
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Block 3 Type of Business

Individual
 Partnership
 Limited Liability Company
 Corporation

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.	Raymond Pistol/Pres	631 Las Vegas Bl S	453-7938
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			

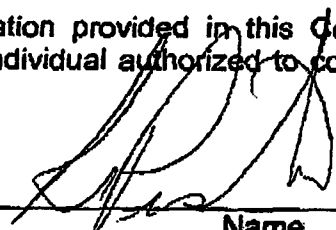
The Contracting Entity shall continue the above list on a sheet of paper entitled "Disclosure of Principals - Continuation" until full and complete disclosure is made. If continuation sheets are attached, please indicate the number of sheets: _____

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: _____

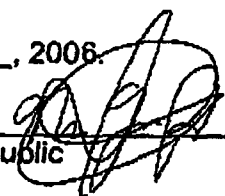
I certify, under penalty of perjury, that all the information provided in this Certificate is current, complete, and accurate. I further certify that I am an individual authorized to contractually bind the above named Contracting Entity.



Name
6/30/2006

Date

Subscribed and sworn to before me this 30
day of

June, 2006.


Notary Public

