

**FIRST AMENDMENT TO EXCLUSIVE NEGOTIATION AGREEMENT**

THIS FIRST AMENDMENT TO EXCLUSIVE NEGOTIATION AGREEMENT ("First Amendment") is entered into this 3<sup>rd</sup> day of OCTOBER 2007, by the City of Las Vegas Redevelopment Agency ("Agency"), and CityMark Development LLC, a California Limited Liability Company (hereinafter "Buyer").

WHEREAS, the Agency and Buyer entered into an Exclusive Negotiation Agreement dated October 18, 2006, (hereinafter "Agreement") to negotiate exclusively with Buyer in connection with the proposed purchase and development of the Site and to draft a mutually acceptable DDA at the conclusion of the Term as defined in the Agreement;

WHEREAS, the Agency continues to desire that a mixed use project be developed on the Site with the following uses: (a) a ground floor, urban grocery store; (b) for-sale residential units with customary amenities (of which the maximum number possible of residential units, to the extent financially feasible, will be for-sale at attainable prices); and, (c) on site parking spaces ("Project"); and

WHEREAS, the Term is set to expire on October 13, 2007; and

WHEREAS, pursuant to terms of the Agreement the Buyer has deposited the total sum of \$100,000 with the Agency; and

WHEREAS, the Buyer (in active collaboration with Agency) has willingly incurred additional costs during the Term for multiple building designs in order to fully explore different mixed use scenarios for the Project; and

WHEREAS, the Buyer and Agency mutually desire to extend the Term to February 20, 2008, in order to continue with the investigation and determination of the suitability of the

Site for the Project, as well as set forth terms and conditions by which Buyer will agree to purchase the Site from the Agency then develop and construct the Project; and

WHEREAS, capitalized terms which are defined in this Amendment have the meanings given them in the Agreement.

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

I. Section 2., Term of Agreement, is hereby deleted in its entirety and the following substituted in lieu thereof:

2. Term of Agreement. The Term of this Agreement (“Term”) shall expire upon the sooner of: (i) final approval by the Parties of a mutually acceptable DDA; or, (ii) end of the Term on February 20, 2008.

II. Section 3., Purpose, is hereby deleted in its entirety and the following is substituted in lieu thereof:

3. Purpose. The Agency and Buyer agree that their mutual goals under this Agreement are to actively collaborate during the Term to strive for mutually acceptable mean of achieving and determining: (i) the feasibility of Buyer acting as the owner and developer of the Project; and, (ii) the optimal financially feasible mix of uses for the Project.

(a) Optimal Financially Feasible Mix of Uses for the Project.

Agency and Buyer will mutually determine the optimal financially feasible mix of uses for the Project by December 20, 2007.

The optimal financially feasible mix of uses for the Project will be determined by the Parties in consideration of the Agency’s desired uses for

the Site (as previously stated in this First Amendment) and the Agency's desire to attain as many of the following objectives as possible with this Project: (i) configuration of the ground floor to include an urban grocery store or big box retailer; (ii) utilization of the most efficient building materials and/or structural design to minimize total construction cost; and, (iii) best total number/mix of for-sale residential units and unit types to yield the maximum number of commercially feasible attainably priced residential units at the lowest possible sales prices.

(b) Disposition and Development Agreement ("DDA").

Subject to the mutual determination of the optimal financially feasible mix of uses for the Project, the Agency and Buyer (with each Party bearing their respective costs and expenses including attorney's fees) shall proceed to draft a mutually acceptable DDA setting forth their respective rights and obligations in respect to the purchase and sale of the Site to Buyer, as well as, scope of development to be built on said Site by Buyer.

Upon attainment of a mutually acceptable DDA, the decision for the Agency to enter into said DDA or any other agreement with Buyer will be subject to final approval by the Agency as to any and all proceedings and decisions in connection herewith.

III. Section 8 (d), Good Faith Deposit, is hereby deleted in its entirety and the following is substituted in lieu thereof:

(d) Good Faith Deposit. The Buyer has delivered to the Agency a deposit in the total sum of One Hundred Thousand Dollars

(\$100,000.00) that shall comprise the entire Good Faith Deposit (“GFD”) delivered by the Buyer to the Agency to secure the good faith performance of its obligations under this Agreement.

Upon final approval of a DDA by the Agency, the GFD will be credited by the Agency to the earnest money deposit required from Buyer under said DDA.

In the event that (through no fault of either Party) (i) the Agency and the Buyer have not reached terms of a mutually acceptable DDA upon expiration of the Term; or (ii) final approval of a DDA is not granted by the Agency, Buyer shall receive a refund of the GFD in full.

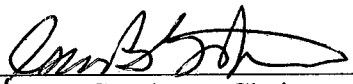
IV. Buyer Ownership. Pursuant to Resolution RA-4-99 adopted by the City of Las Vegas Redevelopment Agency effective October 1, 1999, Buyer warrants that it has disclosed on the form attached hereto as Exhibit “A”, all principals, including, partners or members of Buyer, as well as all persons and entities holding more than 1% interest in Buyer or any principal, partner or member of the same. Throughout the Term hereof, Buyer shall provide written notification of any material change in the above disclosure within 15 days of any such change.

V. Effect. Except as expressly set forth in this First Amendment, the Agreement shall remain in full force and effect in all respects. In the event of any conflict between the terms of this First Amendment and the Agreement, this First Amendment shall govern and control.

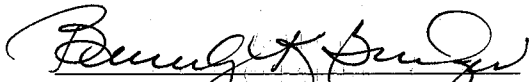
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IN WITNESS WHEREOF, the parties hereto have caused this Amendment as of the date set forth above.

City of Las Vegas Redevelopment Agency

By   
Oscar B. Goodman, Chairman  
"Agency"

ATTEST:

  
Beverly K. Bridges, Secretary

APPROVED AS TO FORM:

 9/18/07  
Deputy City Attorney Date

CityMark Development LLC,  
a California Limited Liability Company

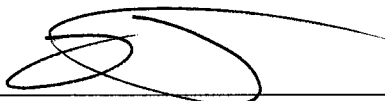
By   
Richard Gustafson, President  
APB "Buyer"

Exhibit "A"

DISCLOSURE OF PRINCIPALS

The principals and partners of CityMark Development LLC and all persons and entities holding more than 1% (one percent) interest in CityMark Development LLC. Or any principal of CityMark Development LLC are the following:

<u>FULL NAME</u>	<u>BUSINESS ADDRESS</u>	<u>BUSINESS PHONE</u>
1. <u>RICHARD V. GUSTAFSON</u>	<u>701 B St, Ste 1100 SDCA 92101</u>	<u>619-231-1161</u>
2. <u>RUSSELL C. HALEY</u>	<u>701 B St, Ste 1100 SDCA 92101</u>	<u>619-231-1161</u>
3. <u>VINCENT DENIGHAN</u>	<u>701 B St, Ste 1100 SDCA 92101</u>	<u>619-231-1161</u>
4. _____	_____	_____
5. _____	_____	_____
6. _____	_____	_____
7. _____	_____	_____
8. _____	_____	_____

I hereby certify under penalty of perjury, that the foregoing list is full and complete.

By: [Signature]  
Its: Rich Gustafson  
President

Subscribed and sworn to before me this

19 day of September, 2007

[Signature]  
Notary Public

