

**CITY OF LAS VEGAS, NEVADA
DEPOSIT AND REIMBURSEMENT AGREEMENT
REGARDING A PROPOSED SPECIAL IMPROVEMENT DISTRICT**

THIS DEPOSIT AND REIMBURSEMENT AGREEMENT (this “**Agreement**”) is made and entered into as of October 17, 2007, by and between the CITY OF LAS VEGAS, NEVADA (the “**City**”), and KYLE ACQUISITION GROUP, LLC, a Nevada limited liability company (the “**Developer**”).

WHEREAS, the Developer has requested that the City conduct proceedings pursuant to the provisions of Nevada Revised Statutes Chapter 271 to form a special improvement district within the City (the “**District**”), to levy special assessments, and to issue one or more series of bonds (hereinafter called “**Bonds**”) to provide for the construction, acquisition, or furnishing of certain public improvements within the District; and

WHEREAS, the Developer owns real property that is included within the boundaries of the proposed District; and

WHEREAS, the Developer has agreed to advance moneys to be used by the Director of Finance and Business Services of the City (the “**Director of Finance**”) to pay costs and expenses associated with the formation of the District, the levy of assessments, and the issuance of Bonds, such advances being subject to reimbursement or credit upon a successful issuance of the Bonds or the termination or abandonment of such proceedings as provided herein; and

WHEREAS, the parties hereto wish to enter into this Agreement to define the terms and conditions under which moneys will be advanced by and reimbursed to the Developer.

NOW THEREFORE, the parties, for mutual consideration, agree as follows:

SECTION 1. ADVANCEMENT OF MONEYS. The Developer shall advance moneys (the “**Moneys**”) to the Director of Finance as provided in Section 3 hereof, which Moneys shall be used by the City to pay costs generally described in Section 2 hereof. If the Moneys are not advanced in accordance with Section 3 hereof, the City shall not proceed with the issuance of Bonds.

SECTION 2. USE OF MONEYS ON DEPOSIT. The Director of Finance shall use the Moneys to pay costs and expenses, if any, incidental to or associated with the formation of the District, the levy of the assessments, and the issuance of Bonds (collectively, “**Financing Costs**”), including, without limitation, costs and expenses relating to the following, as applicable: (a) the property appraisal, (b) the absorption study, (c) noticing and publication expenses, (d) the assessment engineer, (e) District, assessment, and Bond administration, (f) Swendseid & Stern, a member in Sherman & Howard LLC, as Bond Counsel, (g) the City’s financial consultant, and (h) the City’s personnel and out-of-pocket costs. The scope of work and terms and conditions of the agreements for the foregoing advisors and special services will be subject to the Director of Finance’s approval or as outlined in agreements that will be on file in the Director of Finance’s office and available for inspection and review by the Developer. The

Director of Finance shall maintain records of the payment of all Financing Costs and keep such records on file and available for inspection and review by the Developer in the Director of Finance's office.

SECTION 3. DEPOSITS. The Developer shall deposit with the Director of Finance the initial amount of \$350,000 within five (5) business days after this Agreement is executed and delivered by the City. As additional Moneys are required, the Director of Finance shall make demand upon the Developer, and the Developer shall deposit such additional Moneys with the Director of Finance within five (5) business days of receipt of such demand. The Director of Finance shall cause all Moneys received from the Developer to be deposited into a separate interest-bearing account maintained by or at the direction of the Director of Finance. All interest or other amounts earned on Moneys in such account shall be held in such account for the payment of Financing Costs or otherwise applied as set forth in Section 4 hereof.

SECTION 4. REIMBURSEMENT. If the District proceedings are unsuccessful and are terminated or abandoned prior to the issuance of the Bonds, the Director of Finance shall transfer to the Developer all Moneys, including any interest earnings thereon, then on deposit in the account established and maintained pursuant to Section 3 hereof, exclusive of Moneys necessary to pay Financing Costs or portions thereof that have been actually incurred, are not payable contingent upon the successful issuance of the Bonds, and are due and owing as of the date of such termination or abandonment.

The Developer shall have the following options upon the successful issuance of the Bonds:

- A. The Developer may direct the City to reimburse the Developer for the Moneys, and the interest thereon, previously advanced by the Developer from the proceeds of the Bonds;
- B. The Developer may direct the City to return unexpended Moneys, and the interest thereon, to Developer; or
- C. The Developer may direct the City to do any combination of the above.


SECTION 5. RESERVED RIGHTS. This Agreement does not in any way create an obligation or commitment that the City will proceed with the issuance of the Bonds, and the City expressly reserves the right to terminate or abandon the proceedings at any time prior to the issuance of the Bonds, if in the City's sole discretion, it deems such termination or abandonment to be in the best interests of the City.

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SECTION 6. BINDING EFFECT. This Agreement shall be binding on the successors and assigns of the parties hereto.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement in Clark County, Nevada, as of the date and year first herein above written.

CITY OF LAS VEGAS



Mayor
City of Las Vegas



City Clerk
City of Las Vegas

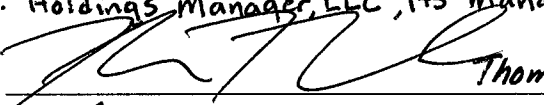
Approved as to Form

 10/3/07

Deputy City Attorney

KYLE ACQUISITION GROUP, LLC,
a Nevada limited liability company

By: Holdings Manager, LLC, its Manager

By:  Thomas J. DeVore
Title: Manager