

**EXTENSION AND FIRST AMENDMENT OF
EXCLUSIVE NEGOTIATION AGREEMENT**

THIS EXTENSION AND FIRST AMENDMENT OF EXCLUSIVE NEGOTIATION AGREEMENT (this "*Agreement*") is entered into as of the 17 day of October, 2007, by and between City Parkway V, Inc., a Nevada nonprofit corporation (hereinafter "*CPV*") and Palmer City-Core Union Park Hotel, LLC, a Nevada limited liability company (hereinafter "*Developer*"), on the terms and provisions set forth below. CPV and Developer may be referred to herein to singularly as a "*party*" and collectively as the "*parties*". This Agreement shall be effective on that date (the "*Effective Date*") which the City Council of the City of Las Vegas ("*City*") approves the execution of this Agreement.

WHEREAS, CPV and Developer have entered into that certain Exclusive Negotiation Agreement (the "*ENA*") whereby Developer is undertaking a feasibility analysis of the development of a hotel and residential project as more fully described in the ENA (the "*Project*") on a parcel of property located within the real estate development owned by CPV and known as Union Park;

WHEREAS, the ENA has an initial Term which expires on October 29, 2007;

WHEREAS, the parties desire to enter into this Agreement in order to grant Developer an extension to the initial Term and to set out the terms and conditions of the extension of the Term; and

WHEREAS, pursuant to that certain Project Management and Consulting Agreement entered into December 27, 2005, by and between CPV, 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 including the Site.

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

1. Definitions. All capitalized terms contained herein which are not defined herein shall have the same meaning set forth in the ENA.



2. Extension. The Parties agree that the Term is hereby extended to February 26, 2008.

3. Design Review; Environmental Due Diligence; Financing Plan; Development Schedule. Developer acknowledges that Newland is the development representative of the CPV pursuant to the PMA and shall submit copies of all submittals to Newland as well as to CPV and shall coordinate all meetings and reviews with CPV through Newland. In consideration of CPV's entering into this Agreement, Developer agrees to complete the following matters.

(a) Developer agrees to submit to the Union Park design review committee ("UPDRC") no later than January 27, 2008 a Block Plan submission to include the following:

1. Site plan at 1"=30 scale, showing all major project components
2. Schematic floor plans of major building elements
3. Parking and access diagrams and drawings describing the proposed parking solution and parking count for the site in comparison to City Title 19 requirements.
4. Diagram illustrating pedestrian access and open space indicating key activated retail or street level areas, courtyards, rooftop plazas (if any).
5. Schematic elevations at a minimum of 1" = 10 feet scale noting streetscape and building relationships and approximate grades.
6. Typical cross section through each street edge of the project at approximately 1" = 10 feet scale noting streetscape and building relationships and approximate grades.
7. Sketch up 3 D model and any other 3-D model "birds eye" view of the Project.
8. Building program
9. Preliminary LEED checklist indicating how the project could meet LEED criteria for certification.



10. Access and circulation memo indicating how the project conforms to the overall project traffic study and any site related accommodations required by site generated parking and traffic numbers.

No later than February 19, 2008, the UPDRC shall submit to Developer comments and required revisions to the Block Plan submittal. Developer will respond to comments.

(b) Developer shall complete its environmental due diligence with respect to the Site and provide CPV with a written and final report on remediation and any other environmental related costs no later than January 15, 2008, including a complete estimate of all remediation costs. Developer shall include and deliver to CPV with such report as required by Section 5(c) of the ENA 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.

(c) No later than January 30, 2008, Developer agrees to provide CPV with a detailed plan of finance for the development of the Project, including, submission of a plan of financing for the development and operation of the Project, including all third party loans and sources of equity. Developer agrees that the DDA will requires as a condition to closing that the financing plan will have to be resubmitted to reflect the then current budget for the construction and operation of the Project.

(d) Developer agrees to submit to CPV no later than December 31, 2007 a schedule and timeline for the development of the Project in form and detail acceptable to CPV.

(e) To the extent that Developer and Newland Communities have not agreed to the final design for the private road between parcel F and parcel G by



January 30, 2008 and submitted the design to the DRC for approval, then the Developer will provide a design for the private road as part of the Block Plan approval outlined in Section 3 (a) of this Agreement.

(f) Having acknowledged and agreed in the ENA that the private road will be subject to a reciprocal easement agreement, and that Developer will be responsible for one-half of such private road and subsequent maintenance expenses, Developer and CPV shall finalize (i) the form of such easement agreement by January 30, 2008 and (ii) the estimate of the cost of designing and constructing the private road within 60 days of the DRC approval of the private road design.

(g) Developer and CPV acknowledge that paragraph (vi) of Section 4 of the ENA was unintentionally omitted.

(h) CPV shall provide Developer with all documents, budgets and other agreements related to CPV's proposed owners association for Union Park on or before January 30, 2008. Such submittal shall be for Developer's review only as part of Developer's due diligence review of the Project and CPV shall not be required to make any modifications to such documents.

(i) On or before January 30, 2008, CPV shall provide Developer with the then current schedule for (A) the commencement and completion of the "Phase I" and "Phase II" Union Park Improvements which shall include, but not be limited to, the construction of the proposed streets bounding Site G named Discovery Avenue, Union Park Promenade, City Parkway, (B) identify the delivery of all utilities stubbed to Site G which shall include, but not be limited to power, gas, water, cable TV, telephone, sewer, storm drain, and other such utilities in a size and location acceptable to Developer for the Project. CPV shall provide promptly to Developer any updates or revisions of such schedules.

(j) Developer and CPV acknowledge that the Project will be served by Nevada Power Company's proposed DN-1 Substation Project and that Nevada Power Company has not yet issued an unconditional commitment to construct the DN-1 Substation Project and to provide power to the Project. Developer and CPV agree that the DDA will provide (i) that the a condition to closing will be that



Nevada Power Company issue a reasonably unconditional commitment to construct the DN-1 Substation Project and provide power to the Project by a specified date, (ii) in the event such commitment is not issued by the agreed date, Developer shall have the right to terminate the DDA and receive a refund of the earnest money deposit under the DDA and (iii) in no event shall CPV have any liability in the event such unconditional commitment is not issued.

4. DDA. The Parties agree that they shall continue to negotiate the DDA with the intent that the DDA be in final form and mutually agreed for submittal to the City Clerk by February 8, 2008 for review by the City Council at the February 20, 2008 scheduled meeting of the City Council. Developer and CPV agree and acknowledge (i) that this Agreement and the ENA create no obligation on either party to enter into the DDA or any other agreement related to the Site or Union Park, (ii) the decision to enter into a DDA will be at each party's respective sole and absolute discretion and (iii) the approval of the Council of the City will be required for CPV to enter into any DDA or other agreement relating to the Site or Union Park. Developer agrees and acknowledges that this Agreement and the ENA create no rights, title or interest in Developer whatsoever, legal, equitable or otherwise, in the Site or in Union Park, including, without limitation, any rights to purchase, lease, option or otherwise. By its execution of this Agreement, CPV is not committing itself to or agreeing to undertake disposition of land to Developer or 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 and the ENA do not constitute an agreement for disposition of property or the exercise of control over property by Developer. Execution of this Agreement and the ENA by CPV 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 CPV and Developer as to any and all proceedings and decisions in connection therewith.

5. Deposit. CPV agrees that Developer shall not be required to increase the Deposit in consideration of CPV's entering into this Agreement. Developer reaffirms its agreement that in the event a DDA is entered into that Developer will



be required to deposit five percent (5%) of the purchase price as an earnest money deposit under the DDA of which \$242,173.80 has been received pursuant to Section 8 of the ENA which will become non-refundable at execution of the DDA.

6. CPV Assistance. Developer agrees and acknowledges that CPV has provided all assistance and cooperation required of CPV under the ENA and is otherwise in compliance with the ENA. CPV agrees and acknowledges that Developer has provided all assistance and cooperation required of Developer under the ENA and is otherwise in compliance with the ENA.

7. Reports. Concurrently with the execution of this Agreement, Developer shall deliver to CPV, at the expense of Developer, copies of all nonproprietary reports and studies pertaining to the Site, including surveys and geotechnical and environmental reports and studies in undertaken by Developer in connection with its due diligence analysis of the Site.

8. Effect. Except as modified by this Agreement, the ENA remains in full force and effect in all respects. In the event of any conflict or inconsistency between the ENA and this Agreement, this Agreement shall control in all respects. This Agreement is intended by the parties to be the final expression of their agreement with respect to the subject matter hereof, and is intended as the complete and exclusive statement of the terms of the agreement between the parties. This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the parties with respect to all or any part of the subject matter hereof.

9. Severability. Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be valid under applicable law, but if any provision shall be invalidated, it shall be deemed to be severed from this Agreement and the remaining provisions shall remain in full force and effect.



10. Captions. The captions contained in this Agreement are for the convenience of the parties and shall not be construed so as to alter the meaning of the provisions of the Agreement.


11. Counterparts. This Agreement may be signed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same Agreement. Delivery of this Agreement may be accomplished by facsimile transmission of this Agreement. In such event, the parties hereto shall promptly thereafter deliver to each other executed counterpart originals of this Agreement.

12. Time for CPV Acceptance. This Agreement has been submitted for review at the October 17, 2007 meeting of the Las Vegas City Council. The effective date of this Agreement shall be the date this Agreement has been approved by City Council ("Effective Date").

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

CPV

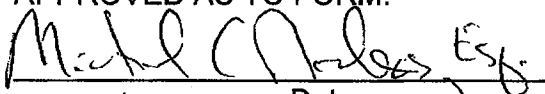
CITY PARKWAY V, INC, a Nevada corporation

By: 
Douglas A Selby, President

ATTEST:

_____, Title

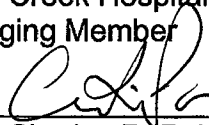
APPROVED AS TO FORM:


Michael C. Marches, Esq.
Date 10/22/07

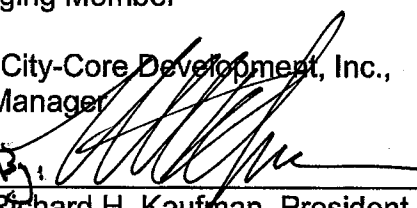
DEVELOPER

PALMER CITY-CORE UNION PARK HOTEL, LLC, a Nevada limited liability company

BY: Mill Creek Hospitality LLC, a Managing Member

By: 
Charles R. Palmer, Manager

BY: City-Core Hospitality, LLC, a Managing Member

By: City-Core Development, Inc., its Manager
By: 
Richard H. Kaufman, President