

LETTER OF INTENT

This Letter of Intent is entered into this 19th day of December, 2007 by and between the City of Las Vegas, a municipal corporation in the State of Nevada ("City") and 300 Stewart Avenue Corporation, a Nevada nonprofit corporation ("300 SAC"). This Letter of Intent ("LOI") sets forth the major business points agreed upon to date, as a way to begin discussions regarding for more specific agreement terms for development and operation of the building located at 300 Stewart Avenue, in the city of Las Vegas, as a museum.

1. The Project. 300 SAC intends to partner with the City to adaptively re-use the former US Post Office and Courthouse building located at 300 Stewart Avenue, Las Vegas, Nevada (the "Property") as a museum (the "Project").

a. The City and 300 SAC confirm and agree that there is a potential for an exciting and logical partnership because of shared programmatic goals, interests, resources and commitment.

b. The Project will consist of the former US Courthouse and Post Office building at 300 Stewart Avenue ("Building") and the City-owned property surrounding the Building. The museum will include space for uses ancillary to the operation of publicly accessible museum exhibits, such as office space, a museum store, visitor services, back of house operations and educational and special event space.

c. Each party desires to enter into a long-standing, public/private partnership to build and operate the museum on the aforementioned Property. The City desires to contract with a private, nonprofit entity for the museum development and operations. As such, they agree to jointly commit to meet and confer in good faith to determine the respective roles and responsibilities.

d. The City and 300 SAC intend to work cooperatively with the City's contractors and both parties' consultants and staff to design, construct, operate and maintain the exhibits and facility, and to provide technical assistance and general guidance regarding the design and development of museum, funding opportunities, operational plans and other issues relating to museum use.

e. Any significant items concerning the overall development and operation of the Project will require the input of both the City and 300 SAC. Depending on the nature of the issue and authority required for a decision, the parties agree the City shall consider the recommendation of 300 SAC before the City makes a final decision. In the future, a third party developer and/or investor(s) may participate with the City and 300 SAC to facilitate the development of the Project, if mutually beneficial to all parties.

2. Museum Purpose. The museum will be a positive economic catalyst for downtown revitalization and a cultural anchor that sparks surrounding private investment and visitor interest. The City and 300 SAC recognize that three of the major objectives for the

museum are to:

- a. support other City community-building objectives for downtown, including leveraging economic development, supporting cultural tourism, providing much-needed downtown event rental space for convention attendees and developing an infrastructure of leisure time amenities to support the growing downtown residential community;
- b. provide educational and cultural opportunities for Las Vegas residents throughout the city; and
- c. preserve and bring back to life, a vacant, publicly treasured historic building and the only building in the City designated as a National Register landmark of national significance.

In addition, the parties recognize that the museum will:

- d. provide museum-standard space for the proper and permanent protection, preservation, display and storage of archives, and artifacts;
- e. create an appropriate setting, with a unique sense of place and surroundings that enhance the building;
- f. create a people-friendly, flexible and sustainable cultural facility, combining the best of traditional, multi-media and personal interpretive and educational presentations;
- g. ensure that the facilities are responsibly planned, operated, maintained and managed to deliver quality facilities and services, while generating revenues necessary to support the museum.

3. Land Use and Site Development. Current zoning and deed restrictions on the Property permit the development of the museum in the Building. The City will obtain all required land use approvals for reuse of the Property.

The City and 300 SAC acknowledge and agree that administrative issues and processes involved in obtaining land use approvals are inextricably tied to agreements between the City and the Federal government and the Secretary of the Interior's Standards for Rehabilitation. The City also has intentions for re-use and redevelopment of surrounding parcels, currently occupied by the Regional Transit Commission and Frank Wright Park, which is owned by the City.

The parties desire that any development of a permanent structure, easement or other construction temporarily or permanently erected on the surrounding parcels adjacent to the Building will be compatible with the museum and allow for efficient museum operations. The City and 300 SAC will regularly consult with each other and will endeavor to support a unified and consistent strategy regarding adjacent development and compatibility and to keep each other fully apprised of their respective work with state and federal entities and adjacent property owners and tenants.

4. Urban Design. The City and 300 SAC agree that architectural, landscape, interior and exhibit design are critical elements to the success of the museum. Both parties are interested in effecting a design that is compatible with the museum's program needs and identity.

The City entered into a contract with an architectural, engineering and exhibit design team. The City and 300 SAC will jointly agree upon a mutually satisfactory design review process, to be reflected in a subsequent operating agreement. For now, the 300 SAC will review and comment on all future submittals from the City's design consultants through the City's Project Manager. All design modifications or resulting changes will be subject to the City Manager or designee for review and approval.

It is the parties' intent that the museum, surrounding parcel and street improvements will be designed for the museum to have a prominent position on Stewart Avenue, when viewed north from Third Street and along Stewart Avenue. The design scheme for surrounding parcels will be compatibly scaled and will aesthetically enhance the distinctive historic architectural identity of the Museum.

5. Museum and Exhibit Design. Exhibit design, artifact selection, plans for display and installation of artifacts, exhibit fabrication, and installation plans and core and shell plans (as they effect the museum), will be reviewed and approved by designated representatives of the 300 SAC Board. At 25%, 50% and 75% Exhibit Design Development, the City's consultants will propose design development plans, scripts, interactives and other interim exhibit-related deliverables for review and approval the City and 300 SAC, as well as artifacts for acquisition, loan and reproduction for review and approval by 300 SAC's Collections Committee and be subject to approval by the City's Project Manager, City Manager or designee.

6. Budgets and financing. The parties will develop a budget for the Project which will be subject to final approval by the City. The Development Budget shall include all hard and soft costs for the Project. The City and 300 SAC currently anticipate that project costs will be funded as follows:

a. Projects costs allocated to the museum's core and shell, site improvements, visitor services, other capital costs, pre-opening expenses, first year operations and costs not directly allocable to any specific portion of the Project (such as architectural, engineering and design and other soft costs) will be funded by the City, quasi-governmental agencies, grants procured by the City, other public sector entities and/or investors secured by the City.

b. Projects costs allocated to the museum's exhibits and start up operations, will be primarily funded by the City and other public sector entities, to the extent that funds become available, with augmented funding from philanthropic donations and grants procured by the City, 300 SAC and third party sponsors.

The City intends, to the extent permitted by law, to cooperate fully and support the independent fund raising efforts of 300 SAC as part of its overall fund raising effort for the Project.

The foregoing notwithstanding, 300 SAC acknowledges that it may take the primary responsibility for raising philanthropic contributions sufficient to fund a percentage of exhibit fabrication costs and an operating endowment. At this time, however, in no event shall 300 SAC have any liability to the City arising from any failure to raise such funds or otherwise in connection with or relating to its efforts in fund raising or the manner in which the fund raising program was conducted.

7. Predevelopment. In order to facilitate the continued progress of the Project and to expedite organizational development, leadership, fundraising and pre-opening technical and logistical planning, the City and 300 SAC agree to negotiate a Phase I Interim Operating Agreement which will include, among other things, the funding to 300 SAC for pre-opening initial operating costs anticipated to be incurred in FY 2007-8. The funds will be used for start-up expenses related to the creation of the non-profit organization, such as museum planning, legal, fundraising and accounting services and hiring of an interim executive director and other staff and consultant services, such as those set forth in the nine-month operating expenses proposal to be attached to the Phase I Interim Operating Agreement. The final Phase I Interim Operating Agreement will be considered and executed by the Las Vegas City Council no later than February 20, 2008.

Both parties recognize the immediate need for these services to begin, prior to the execution of definitive operating agreement documents or completion of the process of fund raising.

8. Development Schedule. The parties intend that on or before February 20, 2008, the parties shall agree upon and execute a Phase I Interim Operating Agreement for the Project to establish plans to provide capital and operational support and approve a long-term lease of its properties. Thereafter, City and 300 SAC will timely negotiate a final definitive Operating Agreement which will include a preliminary schedule for the development and completion of the Project, which will be updated as necessary during the course of development, obtaining land use approvals, project reviews, exhibit and museum planning design development, negotiation of other definitive agreements between the City, 300 SAC and, potentially, third party investors.

9. Letter of Intent. This Letter of Intent is indicative of our mutual and current intentions with respect to this matter and the terms set forth herein are subject to negotiation, execution and delivery of definitive agreements, and to the appropriate approvals from the 300 SAC board of directors and City.

It is anticipated that the Property will be leased by the City to 300 SAC. While the parties intend that will occur, it is recognized that sufficient funds are yet to materialize through a combination of (i) valid pledges for philanthropic contributions, (ii) City, State and Federal grants and funds, and (iii) equity investment. A valid written operating agreement will be drafted to ensure that there are sufficient funds to enable the museum's and Property's construction, interior build out, maintenance and sustained operations. The parties will agree upon appropriate deadlines for the satisfaction of those conditions. The parties will also negotiate an appropriate declaration providing for fair and reasonable allocations of operating costs and appropriate operating, repair and maintenance obligations.

10. **Press Release Confidentiality.** The City and 300 SAC will consult with each other with respect to press releases and other publicity with respect to the relationship contemplated hereby and the Project, and may, if mutually agreed, retain the services of a public relations consultant. 300 SAC acknowledges that City is a government entity subject to the requirements of Nevada Public Records Law in NRS Chapter 239. All books, records and materials in the possession of the City must be open for inspection unless deemed by law to be confidential.

11. **Costs.** Each party shall bear its own costs in connection with the preparation and negotiation of this Letter of Intent and the definitive agreements between the City and the 300 SAC.

CITY OF LAS VEGAS

By: 
Oscar B. Goodman, Mayor

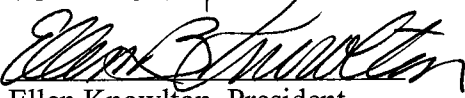
ATTEST:


Beverly K. Bridges, CMC, City Clerk

APPROVED AS TO FORM:

 12/10/07
Date

300 STEWART AVENUE
CORPORATION

By: 
Ellen Knowlton, President

Disclosure of Principals

The principals and partners of 300 Stewart Avenue Corporation ("300 SAC") and all persons and entities holding more than 1% interest in 300 SAC or any principal of 300 SAC are the following:

<u>FULL NAME</u>	<u>BUSINESS ADDRESS</u>	<u>BUSINESS PHONE</u>
1. Dale Erquiaga	300 S. Fourth Street, #1400 Las Vegas, Nevada 89101	(702) 692-8000
2. Alan Feldman	300 S. Fourth Street, #1400 Las Vegas, Nevada 89101	(702) 692-8000
3. Jim Germain	300 S. Fourth Street, #1400 Las Vegas, Nevada 89101	(702) 692-8000
4. Oscar Goodman	300 S. Fourth Street, #1400 Las Vegas, Nevada 89101	(702) 692-8000
5. Ellen Knowlton	300 S. Fourth Street, #1400 Las Vegas, Nevada 89101	(702) 692-8000
6. John Mowbray	300 S. Fourth Street, #1400 Las Vegas, Nevada 89101	(702) 692-8000
7. Bob Stoldal	300 S. Fourth Street, #1400 Las Vegas, Nevada 89101	(702) 692-8000
8. Danny Thompson	300 S. Fourth Street, #1400 Las Vegas, Nevada 89101	(702) 692-8000

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


300 STEWART AVENUE CORPORATION

By:


Ellen Knowlton, President

Subscribed and sworn to before me this

10th day of December, 2007.



Notary Public

