

SECOND AMENDMENT TO MEMORANDUM OF UNDERSTANDING

THIS SECOND AMENDMENT TO MEMORANDUM OF UNDERSTANDING ("Second Amendment") is made as of the 17TH day of OCTOBER, 2007, by and between REI Neon, LLC, a Michigan limited liability company ("REI"), and the City of Las Vegas, a municipal corporation of the State of Nevada ("City"). REI and the City are sometimes referred to collectively as the "Parties."

RECITALS

- A. ~~The City and REI entered into a Memorandum of Understanding dated August 1, 2007 and a First Amendment to the Memorandum of Understanding dated September 19, 2007 (collectively the "MOU") in which the Parties agreed to negotiate, determine the scope of, and execute necessary agreements, including, but not limited to, the Final Development Agreements, as more specifically set forth in Section 4 of the MOU, by September 29, 2007.~~
- B. The Parties have been negotiating in good faith to reach fundamental agreement on a development and financing plan, but desire to extend the September 29, 2007 date in order to complete the negotiation and execution of Final Development Agreements and other items required by the MOU.

NOW, THEREFORE, REI and the City agree to amend the MOU as follows:

1. The Parties agree in Section 4 (a) of the MOU to amend the date for the Las Vegas City Council's consideration and execution of the Final Development Agreements to no later than the close of business on December 19, 2007.
2. Section 6, Nonbinding Agreement, subsection (a), second sentence shall be amended to read as follows:

With respect to Section 2, regarding the reimbursement of the City's costs in negotiating and executing the Final Development Agreements, said Section is binding on the Parties and it is agreed that the costs incurred by the City throughout the term of this MOU, until December 19, 2007, including all costs to be covered by the check deposited by REI and any additional costs in excess of the amount of the check, will be reimbursed by REI. Notwithstanding the foregoing, REI shall reimburse the City for the costs incurred by the City regardless of whether the Parties reach agreement and execute the Final Development Agreements.

3. Except as hereinabove set forth, the MOU shall remain valid and in full force and effect.

IN WITNESS WHEREOF, the Parties hereto have executed this Second Amendment on the day and year first above written.

REI Neon LLC

By: Jill Ferrary

Name: JILL FERRARY

Title: MEMBER

CITY OF LAS VEGAS

By: Oscar B. Goodman

OSCAR B. GOODMAN, Mayor

ATTEST:

Beverly K. Bridges
BEVERLY K. BRIDGES, CMC, City Clerk

APPROVED AS TO FORM:

V. Penticello 10/4/07
Date