

FIRST AMENDMENT TO MEMORANDUM OF UNDERSTANDING

THIS FIRST AMENDMENT TO MEMORANDUM OF UNDERSTANDING ("First Amendment") is made as of the 19TH day of September, 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 ("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. Section 2, Reimbursement of Costs, shall be amended to read as follows:

The Parties agree that REI shall deposit with the City a check in the amount of \$250,000.00 to cover all reasonable upfront and ongoing costs incurred in connection with the negotiation of the Final Development Agreements, including but not be limited to those costs set forth in the previously executed Owner Participation Agreement between REI and the City of Las Vegas Redevelopment Agency. Such costs may include, but may not be limited to, the services of consultants and attorneys. REI shall deposit the check no later than the date this First Amendment is approved by the Las Vegas City Council.

- 2. 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 October 31, 2007.
- 3. 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 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 October 31, 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 forgoing, 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.

4. 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 First Amendment on the day and year first above written.

REI Neon LLC

By: 

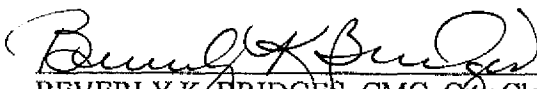
Name: TODD M. FINN

Title: AUTHORIZED REPRESENTATIVE

CITY OF LAS VEGAS

By: 
OSCAR B. GOODMAN, Mayor

ATTEST:


BEVERLY K. BRIDGES, CMC, City Clerk

APPROVED AS TO FORM:

 9/11/07
Date