

**SOUTHWEST GAS CORPORATION**  
**INCREMENTAL NATURAL GAS FACILITIES AGREEMENT**

This AGREEMENT made and entered into as of the 30th day of April 2008, by and between SOUTHWEST GAS CORPORATION, a California corporation (herein "Utility"); WMCV PHASE 3, LLC., a Nevada limited liability company (herein "WMCV"); and City Parkway V, Inc., a Nevada Corporation (herein "City Parkway") (referred to each as a "Party" and collectively the "Parties").

**RECITALS**

WMCV desires to construct and operate an exhibit center in the city of Las Vegas, Clark County, Nevada.

City Parkway desires to construct a mixed use development, to include office, residential, retail uses, and a resort hotel and casino in the city of Las Vegas, Clark County, Nevada (herein "Union Park").

WMCV and Union Park are located in close proximity to each other and as a result have both agreed to share in the costs of constructing the incremental natural gas facilities described herein and that are necessary to serve their respective projects.

Utility provides natural gas sales distribution and transportation service as a public utility in the states of Nevada, Arizona, and California. Utility's retail certificated service territory encompasses an extensive portion of the state of Nevada, including Clark County and the city of Las Vegas.

WMCV and City Parkway have requested natural gas service to their respective projects. In order for Utility to supply the natural gas required for each of their planned projects, it is necessary for Utility to construct certain incremental natural gas facilities including, without limitation, gauges, pipelines, fittings and regulators, and all other equipment and apparatus which the Utility may elect to install, the location and the facilities are more fully described in the attached Exhibit "A" (herein the "Incremental Natural Gas Facilities").

THEREFORE, in consideration of the mutual covenants and agreements as set forth herein, the Parties agree as follows:

**ARTICLE I – NATURE OF SERVICE**

Construction of the Incremental Natural Gas Facilities shall be sufficient to meet WMCV's Peak Load Requirement of 56 MCFH at 5 PSIG at 495 S. Grand Central Parkway, Las Vegas, Nevada.

Construction of the Incremental Natural Gas Facilities shall be sufficient to meet City Parkway's Peak Load Requirement of 294 MCFH at 5 PSIG at Union Park, consisting of approximately 61-acres located north of Bonneville Avenue, south and east of Grand Central Parkway, and west of the railroad tracks operated by the Union Pacific Railroad in the city of Las Vegas, Clark County, Nevada.

**ARTICLE II - APPLICABLE RATES AND CONTRIBUTIONS**

This Agreement shall be subject to the provisions of Utility’s Nevada Gas Tariff and the Rules and Regulations applicable thereto on file with the Public Utilities Commission of Nevada, as may be amended or superseded from time to time, which by this reference are incorporated herein and made a part hereof.

Construction of the Incremental Natural Gas Facilities, which will be competitively bid by Utility, will allow Utility to provide WMCV and City Parkway with natural gas sales or transportation service under a separate service agreement to be executed by the applicable Parties, and in accordance with Utility’s applicable commission approved Nevada Gas Tariff rate schedule, along with all other applicable rules, terms and conditions of the Nevada Gas Tariff, as may be amended or superseded from time to time.

As a condition precedent to commencement of this Agreement and before any obligation by Utility to perform, WMCV and City Parkway agree to pay Utility a contribution in aid of construction (“CIAC”) equal to the full cost of the Incremental Natural Gas Facilities, plus any applicable Federal Income Tax in accordance with NAC 704.6532 and Article V.A (Payment) of this Agreement. Based upon the Utility’s estimated construction costs, the CIAC shall be Three Million Seven Hundred Fifty Thousand and 00/100 U.S. Dollars (\$3,750,000.00), which is not inclusive of any estimated Federal Income Tax. The Parties have agreed that WMCV will be responsible for two-thirds of the total CIAC and City Parkway will be responsible for one-third of the total CIAC. Table 1 illustrates the agreed upon pro rata share of the CIAC owed by WMCV and City Parkway to Utility.

**Table 1 – Breakdown of Pro Rata Share of CIAC**

	Estimated Costs
WMCV Portion of CIAC	\$ 2,500,000
City Parkway Portion of CIAC	\$ 1,250,000
<b>Total Estimated Project Cost</b>	<b>\$ 3,750,000</b>

Once the Incremental Natural Gas Facilities have been installed and are operational (the “Completion Date”), the Utility will compare the actual construction costs incurred to construct the Incremental Natural Gas Facilities, inclusive of any applicable Federal Income Tax in accordance with NAC 704.6532, less any applicable allowance due to WMCV or City Parkway (collectively the “Final Costs”) to the CIAC paid by WMCV and City Parkway. If the CIAC paid by WMCV and City Parkway is less than the Final Costs, WMCV and City Parkway hereby agree to pay to Utility the difference of the CIAC and the Final Costs within thirty days of presentment of an invoice by Utility. If the final CIAC is greater than the Final Costs, Utility will refund the difference to WMCV and City Parkway. Any payment of additional CIAC or refund of excess CIAC shall be in the same pro rata share illustrated in Table 1. Notwithstanding the payment of any amounts by WMCV and City Parkway, the Incremental Natural Gas Facilities will be owned and operated by the Utility.

**ARTICLE III - TERM OF AGREEMENT**

Once signed by the Parties, this Agreement shall become effective on the date first noted above and shall continue in effect until such time as all the obligations of the Parties have been satisfied.

## ARTICLE IV - NOTICES

Unless herein provided to the contrary, any notice called for in this Agreement shall be in writing and shall be considered as having been given if delivered personally, by mail or facsimile with all postage and charges prepaid, to either WMCV, City Parkway, or the Utility at the place designated. Routine communications shall be considered as duly delivered when mailed by ordinary mail. Unless changed, the addresses of the Parties are as follows:

### **SOUTHWEST GAS CORPORATION**

Attn: Key Account Management  
P.O. Box 98510, LVB-106  
Las Vegas, NV 89193-8510  
Phone No. 702-364-3063  
Fax No. 702-365-5904

### **WMCV PHASE 3, LLC.**

Attn: Robert Holgate  
495 S. Grand Central Parkway  
Las Vegas, NV 89106  
Phone No. 702-380-0919 ext. 108  
Fax No. 702-380-0917

### **CITY PARKWAY V, Inc.**

Attn: Douglas A. Selby, President  
400 Stewart Ave.  
Las Vegas, NV 89101  
Phone No. 702-229-6501  
Fax No. 702-388-1807

Either Party may change its address at any time upon written notice to the other.

## ARTICLE V - OTHER OPERATING PROVISIONS

### A. PAYMENT

As a condition precedent to the commencement of this Agreement and before any obligation by Utility to perform, WMCV and City Parkway shall tender payment of the CIAC to Utility. Payment by WMCV and City Parkway shall be made within ten calendar days from the effective date of this Agreement.

1. Payment by City Parkway: City Parkway shall tender payment of its share of the CIAC to Utility by check, made payable to Southwest Gas Corporation at the address noted in Article IV.

2. Payment by WMCV: Concurrent with the execution of this Agreement WMCV and Utility shall enter into a disbursement agreement in substantially the same form attached hereto as Exhibit "B". Promptly after execution of this Agreement and the disbursement agreement by Utility and WMCV, a counterpart of the disbursement agreement shall be delivered to Hypo Real Estate Capital Corporation. The disbursement agreement shall serve as process and schedule by which payments of the CIAC by WMCV to Utility shall be made. Following execution of the disbursement agreement, WMCV shall provide documentation of the CIAC funds that are in place and that are ready to be disbursed by Hypo Real Estate Capital Corporation for payment to Utility by WMCV for each benchmark identified in the disbursement agreement. WMCV shall be solely responsible for any and all fees associated with this Agreement and the disbursement agreement.

## B. COMPLETION OF FACILITIES

Utility shall install, own, operate, and maintain all Incremental Natural Gas Facilities required to provide gas service to the locations described in Article I. WMCV and City Parkway, at their sole expense, shall also provide all necessary easements and/or rights of way which are adequate, in the reasonable opinion of Utility, for the location, installation, operation, maintenance and removal of the Incremental Natural Gas Facilities, including any easements and/or rights of way necessary to reach WMCV's and City Parkway's respective properties. For such easements or rights of way, WMCV and City Parkway shall name Utility as grantee. When required, Utility will submit the appropriate easement and/or right of way forms to WMCV and City Parkway for signature.

WMCV and City Parkway hereby grant Utility such rights of ingress and egress as may be necessary or convenient to enable the Utility to install, operate, inspect, maintain, repair and remove meters, gauges, pipelines, fittings and regulators, and all other equipment and apparatus which the Utility may elect to install as described in Exhibit A, or to complete a survey of the number and type of natural gas equipment installed by WMCV and City Parkway's developers. WMCV and City Parkway also hereby agree that no permanent obstructions will be placed over Utility's pipeline facilities and further agree to be responsible for any and all costs associated with removing any permanent obstructions that are placed over Utility's pipeline facilities.

Utility makes no representations, warranties, or promises, either express or implied, with respect to any Completion Date for the Incremental Natural Gas Facilities. However, Utility will use all commercially reasonable efforts to complete the Incremental Natural Gas Facilities by the requested in-service date of November 1, 2008.

## C. LIMIT OF LIABILITY

Neither Utility, nor its affiliates, subcontractors, agents and/or employees shall be liable for, but not limited to, any special, incidental, indirect, exemplary, consequential or other damages, including, without limitation, loss of product, loss of profit or revenue, loss of use, costs of replacement power or supply, or delivery obligations as a result of any delay in completing construction of the Incremental Natural Gas Facilities by the requested in-service date, even if Utility has been advised of the possibility of such damages.

## D. CONFIDENTIALITY

Neither Utility, WMCV, or City Parkway, nor their respective affiliates, directors, officers, employees, agents or permitted assignees shall disclose to any third party the terms and provisions of this Agreement without the other Party's prior written consent, except as required by law, including Nevada Revised Statute 241, or by the Public Utilities Commission of Nevada, provided the disclosing Party gives immediate notice of such a requirement to the non-disclosing Party and cooperates in asserting any exclusions or privileges that may be available by law or in seeking a protective order with respect to such required disclosures. As a public body, City Parkway is subject to open meeting law provisions of Nevada Revised Statute 241.

## E. RECOVERY OF COSTS

WMCV and City Parkway acknowledge that Utility will incur certain costs and expenses in furtherance of construction of the Incremental Natural Gas Facilities including, without limitation, such

items as required permits, engineering design, surveying, and materials procurement. In the event WMCV or City Parkway, or either of them, does not proceed with or complete its planned operations, for whatever reason(s), then Utility shall retain from the CIAC all costs and expenses incurred by Utility in furtherance of construction of the Incremental Natural Gas Facilities. Utility shall retain from the CIAC said amount in the same pro rata share identified in Table 1. In addition, in the event WMCV or City Parkway, does not proceed with or complete its planned operations, but one of the Parties does proceed with its planned operations, then the Party who intends to proceed shall be solely responsible for the remaining cost to proceed with the construction of the Incremental Natural Gas Facilities.

If Utility terminates this Agreement for any material reason permitted by this Agreement or Utility's tariffs, prior to completion of the Incremental Natural Gas Facilities, Utility shall determine the total costs owed by WMCV and City Parkway, respectively, for any costs incurred by Utility in furtherance of the construction of the Incremental Natural Gas Facilities. Utility shall retain from the CIAC said amount in the same pro rata share identified in Table 1.

#### **F. CONSTRUCTION OF ADDITIONAL FACILITIES**

This Agreement is not inclusive of any on-site improvements or construction of natural gas facilities that may be required by WMCV or City Parkway in order for them to receive natural gas service. This Agreement only pertains to the Incremental Natural Gas Facilities identified in Exhibit A. Receipt of service of natural gas from Utility will require WMCV and City Parkway to construct additional on-site natural gas facilities and the construction of these additional facilities shall be made in accordance with Rule 10 of Utility's Nevada Gas Tariff.

If WMCV or City Parkway requires an hourly flow rate higher than what is specified in Article I, for the peak load requirements, Utility will need to construct additional facilities. Extension and construction of these additional facilities will be made in accordance with Rule 9 of Utility's Nevada Gas Tariff in effect at the time of the requested increase in hourly flow rates. If necessary, WMCV and City Parkway will be responsible for requesting and paying for the additional capacity requirements from Utility.

#### **ARTICLE VI- PRIOR AGREEMENTS**

When this Agreement takes effect, it supersedes, cancels, and terminates the following agreement(s):

- None -

#### **ARTICLE VII - REGULATORY REQUIREMENTS**

This Agreement, all terms and provisions contained or incorporated herein, and the respective obligations of the Parties hereunder are subject to all valid laws, orders, rules and regulations of duly constituted authorities having jurisdiction over the subject matter of this Agreement. This Agreement shall at all times be subject to such changes or modifications by the Public Utilities Commission of Nevada as it may from time to time direct in the exercise of its jurisdiction.

Should the Public Utilities Commission of Nevada or any other regulatory or successor governmental agency having jurisdiction over any Party impose by statute, rule, order, or regulation any terms or conditions upon this Agreement that are not satisfactory to Utility, then Utility, upon issuance of

such statute, rule, order, or regulation, and at least thirty days written notification to Customer(s), or sooner, if so required, may terminate this Agreement without further obligation or consequence.

#### **ARTICLE VIII - SUCCESSORS AND ASSIGNS**

This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns. No assignment or transfer by any Party hereunder shall be made without written approval of the other Parties. Such approval shall not be unreasonably withheld. As between the Parties hereto, such assignment shall become effective on the first day of the month following written notice that such assignment has been effectuated.

#### **ARTICLE IX - RULES**

The standard rules of the Utility as authorized by and on file with the Public Utilities Commission of Nevada in the Utility's Nevada Gas Tariff shall apply to the transaction to be performed hereunder, and are hereby incorporated by reference into this Agreement, except as otherwise provided in this Agreement.

#### **ARTICLE X – RELATIONSHIP OF THE PARTIES**

Nothing in this Agreement shall be construed to create any partnership, joint venture, employment relationship, franchise, or agency as between the Parties. The relationship of the Parties hereunder shall be that of independent parties. No Party is intended to have, nor shall any represent to any other person that it has any power, right or authority to bind the other Party, or to assume or create any obligation or responsibility, express or implied, on behalf of the other Party, except as expressly required or authorized by this Agreement, or as otherwise permitted in writing.

Nothing in this Agreement, express or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any persons other than the Parties to the Agreement and their respective successors and assigns, nor is anything in this Agreement intended to relieve or discharge the obligation or liability of any third persons to any Party to the Agreement, nor shall any provision give any third person the right of subrogation or action over any Party to the Agreement.

#### **ARTICLE XI - MODIFICATIONS**

Modifications or changes to this Agreement must be in writing and signed by the Parties.

#### **ARTICLE XII - SEVERABILITY**

Whenever possible, each provision of this Agreement shall be interpreted in such manner so as to be effective and valid under applicable law. If any provision of this Agreement shall be deemed to be prohibited or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity. Such probation or invalidity shall not invalidate the remainder of the provision or the other provisions of this Agreement.

#### **ARTICLE XIII – CUMULATIVE RIGHTS; NO WAIVER OF RIGHTS**

Each and every right granted to a Party or allowed by law or equity shall be cumulative and not exclusive. No failure to exercise, or a delay in exercising any right, will operate as a waiver thereof, nor will any single or partial excuse of any right by a Party preclude any other or future exercise thereof or

the exercise of any other right.

**ARTICLE XIV – GOVERNING LAW**

This Agreement shall be construed, interpreted and enforced in accordance with the laws of the state of Nevada, without consideration of its choice of law provisions.

**ARTICLE XV – ENTIRE AGREEMENT**

This Agreement, inclusive of Exhibits "A" and "B," constitute the entire agreement and understanding of the Parties with respect to the subject matter of this Agreement. The Agreement supersedes all prior agreements and understandings, oral or written, between the Parties regarding the subject matter. This Agreement may be executed in counterparts, each of which shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

**SOUTHWEST GAS CORPORATION**

"Utility"

By: *William N. Moody*  
William N. Moody  
Title: Vice President Gas Resources  
Date: 7/17/08

*AS*

**WMCV PHASE 3, LLC**

"Party"

By: *[Signature]*  
Title: Managing Partner  
Date: 7/10/08

**CITY PARKWAY V, INC.**

"Party"

By: *Douglas A. Selby*  
Douglas A. Selby  
Title: City Parkway V, Inc., President  
Date: \_\_\_\_\_

Approved as to form

*John S. Ridilla* 4/29/08  
John S. Ridilla Date  
Deputy City Attorney

**DESCRIPTION OF INCREMENTAL NATURAL GAS FACILITIES  
12" STEEL PROJECT FROM INDUSTRIAL AND NORTHBRIDGE  
TO BONNEVILLE AND GRAND CENTRAL PARKWAY**

Specifically, to serve the peak load requirements of WMCV and Union Park as detailed in Article I, the Utility shall: construct a new high-pressure steel pipeline approximately 11,000 feet in length, originating from Utility's existing facilities located in Industrial Road at Northbridge Street and continuing to Main Street at Bonneville Avenue; construct approximately 2,200 feet of high-pressure steel pipeline from Main Street at Bonneville Avenue, boring under the railroad tracks at Clark Street, and interconnecting with the Utility's existing facilities located in Bonneville Avenue, just east of Grand Central Parkway. Collectively, these are the Incremental Natural Gas Facilities that are the subject of this Agreement.

**DISBURSEMENT AGREEMENT**

This Disbursement Agreement, made as of the 30th day of April, 2008, by and among Southwest Gas Corporation, a California corporation ("Southwest") and WMCV Phase 3, LLC, a Nevada limited liability company ("WMCV").

**WITNESSETH**

WHEREAS, WMCV and Southwest are principals to an Incremental Natural Gas Facilities Agreement dated April 30, 2008 ("the Agreement") wherein WMCV has agreed to pay a pro rata share of the construction of certain incremental natural gas facilities and Southwest has agreed to construct certain incremental natural gas facilities.

WHEREAS, WMCV hereby represents that it has funds in the amount of \$2.5 million on account with Hypo Real Estate Capital Corporation ("Dispersing Agent") for the purpose of paying its pro rata share of the contribution in aid of construction for the incremental natural gas facilities ("CIAC Funds").

WHEREAS, WMCV has agreed to release the CIAC Funds to Southwest upon the completion of certain benchmarks, which include the following:

- Benchmark 1 (\$585,000): Within ten (10) calendar days following the execution of this Disbursement Agreement
- Benchmark 2 (\$478,983): Percentage of work complete - 25%.
- Benchmark 3 (\$478,983): Percentage of work complete - 50%.
- Benchmark 4 (\$478,983): Percentage of work complete - 75%.
- Benchmark 5 (\$478,051): Completion of project.

NOW, THEREFORE, in consideration of the mutual benefits accruing to the undersigned parties, the parties hereto agree as follows:

1) WMCV and Southwest hereby appoint Dispersing Agent as its agent to hold and release WMCV's CIAC Funds, in accordance with the terms and conditions set forth herein, and Dispersing Agent hereby accepts such appointment.

2) Release of Funds:

(a) The Dispersing Agent shall hold the CIAC Funds as set forth above and shall disburse said funds to Southwest, within ten business day of receipt of an executed Certification (the "Certification") for each of the benchmarks listed above and executed by Southwest in the form attached hereto as Exhibit "A". Disbursement of the CIAC Funds shall be made by wire transfer to Southwest Gas Corporation and referencing "World Market Center CIAC." Promptly after such disbursement, Dispersing Agent shall forward the original Certification to WMCV.

Bank of America Nevada
Las Vegas, Nevada
ABA # 0260-0959-3
Southwest Gas Corporation
Account # 004961828372
<i>Name of Sending Company</i>

(b) WMCV and Southwest hereby acknowledges and agrees that Dispersing Agent shall make the foregoing disbursement without further notice to, or authorization from WMCV, and regardless of any contrary or inconsistent notice, demand or instruction given at any time by or on behalf of WMCV. Further, Dispersing Agent shall have no right, and shall be under no duty, to question the disbursement of funds nor the application of the funds upon release from Dispersing Agent, so long as it is in receipt of the executed Certification.

3) Upon release of the CIAC Funds in accordance with Section 2(a) of this Disbursement Agreement, the respective rights and obligations of the parties pursuant to this Disbursement Agreement shall immediately and automatically terminate with respect to the Benchmark amounts released.

4) It is agreed that the duties and obligations of the Dispersing Agent are those specifically set forth herein. Dispersing Agent shall not have any duty under, or duty to inquire into, the terms and provisions of any agreement other than this Disbursement Agreement. Southwest and WMCV acknowledges that the Dispersing Agent shall not incur any liability whatsoever, except for Dispersing Agent's own gross negligence or willful misconduct

5) WMCV and Southwest agrees to and do hereby indemnify and hold Dispersing Agent harmless from and against any and all losses, liabilities, damages, claims, actions, costs and expenses (including, without limitation, reasonable attorney's fees and disbursements), which may be imposed upon, or incurred by reason of its acting as the Dispersing Agent in accordance with the terms of this agreement, unless the gross negligence or willful misconduct of the Dispersing Agent causes such losses, liabilities, damages, claims, actions, costs, and expenses.

6) Any notice provided for under this agreement shall be in writing, addressed to the parties to be notified at the address set forth below, and sent by (a) first class U.S. certified or registered mail, postage prepaid and with return receipt requested, (b) Hand Delivery (c) Overnight Courier, or (d) Facsimile with a copy sent on the same day by overnight courier. Any notice sent in compliance with the provisions hereof shall be deemed given and received upon receipt or upon failure of the addressee to accept delivery. From time to time, either party may designate another address or addresses for all purposes of this agreement by notice given to all other parties in accordance with the provision hereof. For purposes of this paragraph, the addresses of the parties shall be as follows:

**SOUTHWEST GAS CORPORATION**

Attn: Key Account Management  
P.O. Box 98510, LVB-106  
Las Vegas, NV 89193-8510  
Phone No. 702-364-3063  
Fax No. 702-365-5904

**WMCV PHASE 3, LLC.**

Attn: Robert Holgate  
495 S. Grand Central Parkway  
Las Vegas, NV 89106  
Phone No. 702-380-0919 ext. 108  
Fax No. 702-380-0917

**HYPO REAL ESTATE CAPITAL CORPORATION**

Attn:

Phone No.

Fax No.

- 7) This agreement contains the entire agreement of the parties hereto with respect to the matter set forth herein, and no amendment, modification or waiver of any of the provisions hereof shall be valid, unless in writing and signed by the party against whom such amendment or modification is sought to be enforced (or in the case of a waiver by the party waiving one or more to its rights hereunder).
- 8) This agreement shall be governed by, and construed in accordance with the laws of the state of Nevada.
- 9) This agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.
- 10) This Disbursement Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but collectively all of such counterparts shall constitute one and the same agreement.

**SIGNATURE PAGE TO FOLLOW**

IT WITNESS HEREOF, this agreement has been duly executed as of the day and year first above written.

**SOUTHWEST GAS CORPORATION**  
"Southwest"

**WMCV PHASE 3, LLC**  
"WMCV"

By: \_\_\_\_\_  
          William N. Moody  
Title: Vice President Gas Resources  
          \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**HYPO REAL ESTATE CAPITAL CORPORATION**  
"Dispersing Agent"

By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

EXHIBIT A  
to  
DISBURSEMENT AGREEMENT

CERTIFICATION

The undersigned hereby certifies, under penalty of perjury, to WMCV Phase 3, LLC, a Nevada limited liability company ("WMCV"), that Benchmark No. \_\_\_\_\_ has been completed in accordance with the Incremental Natural Gas Facilities Agreement dated April 30, 2008.

IN WITNESS WHEREOF, the undersigned has executed this CERTIFICATION, as of \_\_\_\_\_, 2008.

Southwest Gas Corporation

By: \_\_\_\_\_  
Print Name:  
Title: