

EXCLUSIVE NEGOTIATION AGREEMENT

THIS EXCLUSIVE NEGOTIATION AGREEMENT ("Agreement") is entered into as of the 7th day of May, 2008 ("Effective Date") by and between the City of Las Vegas, a Nevada municipal/corporation ("City"), and Nevada H.A.N.D. Inc., a Nevada non-profit corporation ("Developer"), on the terms and provisions set forth below.

RECITALS

A. The City is the owner of a parcel site comprising approximately five (5) acres located near the intersection of Main and Owens in the City of Las Vegas, Clark County, Nevada ("Site") as depicted on Exhibit "A" attached hereto and incorporated herein by reference; and

B. The City desires that the development of the Site be done for affordable housing purposes to create multi-family rental units for low income households ("Project"); and

C. The Developer desires to proceed with the City in developing the Project; and

D. The City and the Developer mutually desire to enter into this Agreement to enable the Developer to negotiate the terms and conditions of the Disposition and Development Agreement (DDA) stating the conditions under which the ownership of the Site will be transferred to the Developer and scope of development to be built on the Site by the Developer.

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

1. Definitions. The terms used in this Agreement shall have the following definitions:

(a) "City" shall have the meaning set forth in the first paragraph of this Agreement.

(b) "Developer" shall have the meaning set forth in the first paragraph of this Agreement.

(c) "DDA" shall have the meaning set forth in Paragraph D.

(d) "Initial Term" means the period commencing as of the Effective Date and continuing for a period of 180 calendar days thereafter.

(e) "Key Persons" means (i) for the Developer the following individual: Michael Mullin, President, Nevada H.A.N.D. or his designee and (ii) for the City the following individuals: Orlando Sanchez, Deputy City Manager or Stephen K. Harsin, Director, Neighborhood Services Department.

(f) "Option Term" means the 90 calendar extension to the Agreement commencing with the expiration of the Initial Term.

- (g) "Parties" shall mean the Developer and City collectively.
- (h) "Party" means the Developer and the City individually.
- (i) "Project" shall have the meaning set forth in Paragraph B.
- (j) "Site" means the real property depicted on Exhibit "A" as set forth in Paragraph

A.

2. Term of Agreement. The term of this Agreement shall consist of the Initial Term and, if applicable, each exercised Option Term (the "Term"). The Term shall expire with final approval by the Las Vegas City Council of a mutually acceptable DDA or, expiration of the Term, whichever occurs sooner.

The Developer may extend the Term of this Agreement by requesting such extension prior to expiration of the Initial Term or Option Term and receiving consent to such extension in writing from the City's Key Person. Upon receipt of such written consent from the City, the Term shall be extended for the period of the Option Term. This Agreement may be extended by more than one Option Term.

3. Purpose. The City and the Developer agree that their mutual goal under this Agreement is to exclusively negotiate the terms and conditions of a DDA for the period of time as provided herein. As provided by the terms of Section 7 below, this Agreement does not create any other rights or obligations on the part of the City, except to exclusively negotiate with the Developer during the term of this Agreement for the development of the Site.

(a) Disposition and Development Agreement ("DDA"). The City and the Developer (with each party bearing their respective costs and expenses including attorney's fees) shall proceed to draft a mutually acceptable DDA setting forth their respective rights and obligations in respect to the transfer of the Site to the Developer, as well as scope of the Project to be built on the Site by the Developer.

Upon attainment of a mutually acceptable DDA, the decision for the City to enter into the DDA or any other agreement with the Developer will be subject to final approval by the Las Vegas City Council.

The City and the Developer shall strive to complete all of the tasks prerequisite to achieving a fully executed DDA, within (120) days from the full execution of this Agreement.

(b) Entitlements and Legal Determinations. The City and the Developer mutually agree that it will not be feasible for the Developer to act as the owner and developer of the Site unless each of the following milestones have been achieved:

(i) The Developer attains the requisite approval for any and all land use entitlements necessary to develop the Project on the Site; and

(ii) The Developer complies fully with legal requirements set forth at NRS 268.058 regarding the City's transfer of land for affordable housing to the Developer including, but not limited to, an affordability period of fifty (50) years.

4. Exclusivity. During the Term of this Agreement, the City agrees that (i) it shall deal exclusively with Developer in connection with the transfer of the Site to the Developer and (ii) it shall not negotiate with any other person or entity regarding transfer of the Site or any portion thereof.

5. Developer Due Diligence. The Developer shall conduct its own independent due diligence review concerning all aspects of the transfer and development of the Site, including the physical review described in Section 6 below.

6. Physical Review. During the Term of this Agreement, the Developer, and its representatives (including architects and engineers) will have the right at its sole cost and expense to enter upon and inspect the Site and conduct boundary and topographic surveys, soil and engineering tests and environmental assessments with engineers or consultants licensed in the State of Nevada, provided that such surveying, tests and assessment do not materially damage the Site in any respect. All such surveys, tests and assessments shall be conducted in accordance with standards customarily employed in the industry and in compliance with all governmental laws, rules and regulations.

If the Developer discovers any hydrocarbon substances or any other hazardous or toxic substances, asbestos or asbestos-bearing materials, waste or materials subject to environmental regulation, the Developer will immediately notify the City of the same. The Developer agrees to promptly deliver to the City without charge the results and copies of any and all environmental reports and related correspondence if so requested by the City.

(a) Plan. Prior to undertaking any tests, investigations or other activities which involve borings, soil removal or any other penetration of the ground surface of the Site, the Developer agrees to provide the City with a written plan describing the tests, investigation or activities which will be conducted on the Site. The plan will set forth precautions to be taken to insure that the Site will not be negatively impacted. The Developer agrees that the plan will be subject to the approval of the City, which approval shall not be unreasonably withheld, and that City representatives may be present during such tests, investigation or other activities on the Site.

(b) Restoration. The Developer will promptly restore the Site to its original condition as existed prior to any such inspections and/or tests. If the Developer, its employees, agents, or representatives, undertakes any boring or other disturbance of the soil, the disturbed soil will be recompacted to the original condition on the Site and the Developer will obtain, at its own expense, a certificate from a soils engineer certifying that the soil so disturbed has been recompacted to the original condition of the Site.

(c) Indemnification. To the extent that any costs for damages and/or injuries are not covered by any insurance policy or are in excess of the insurance policy limits, the Developer agrees to defend, indemnify and hold (with counsel reasonably acceptable to the City) the City, its officers, employees and agents harmless against and from any and all claims, losses, costs,

damages or expenses (including attorneys' fees) or any other form of liability for personal injury (including, without limitation, exposure to hazardous or toxic substances) or death to any person, or loss or destruction of or damage to any property (including, without limitation, contamination by hazardous or toxic substances and any required testing, removal or cleanup thereof), which arises from, is connected with or incidental to, the occupation or use of the Site by the Developer, its officers, employees or agents . The Defender agrees to defend the City, its officers, employees and agents, against the aforementioned liability, and in the event the Developer fails to do so, the City, its officers, employees and agents shall have the right, but not the obligation, to defend the same and to charge all direct and incidental costs (including, without limitation, court costs and attorney fees) to the Developer. The indemnity obligations of the Developer under this Section shall survive any termination or expiration of this Agreement.

7. Effect of Agreement. The Developer agrees that this Agreement does not (i) constitute any disposition of any interest or control whatsoever in the Site and (ii) does not create or grant to the benefit of the Developer any right or interest whatsoever in the Site.

(a) The City. The Developer further agrees that (i) the execution of this Agreement, by the City is merely an agreement by the City to enter into a period of exclusive negotiations according to the terms and conditions of this Agreement, (ii) the City is under no obligation to enter into a DDA or any other agreement whatsoever with the Developer in connection with the Site or otherwise and (iii) the decision to enter into a Disposition Development Agreement or any other agreement with the Developer is at the sole and unfettered discretion of the City and final approval by the Las Vegas City Council as to any and all proceedings and decisions in connection with a DDA.

(b) The Developer. The City further agrees that (i) the execution of this Agreement by the Developer is merely an agreement by the Developer to enter into a period of exclusive negotiations according to the terms and conditions of this Agreement, (ii) the Developer is not under any obligation to enter into a DDA or any other agreement whatsoever with the City in connection with the Site or otherwise and (iii) the decision to enter into a DDA or any other agreement with the City is at the sole and unfettered discretion of the Developer.

8. Non-Liability of Officials. No officers, officials (elected or otherwise) or employees of the City shall be personally liable to the Developer for any default or breach of this Agreement by the City, or for any obligation of the City under the terms of this Agreement. No officers, shareholders, partners, directors or employees of the Developer shall be personally liable to the City for any default or breach of this Agreement by the Developer, for any amount which may become due to the City for any obligation of the Developer under the terms of this Agreement.

9. Non-Liability for Developer Expenses. The Developer hereby agrees and acknowledges that the City shall not have any obligation to reimburse or otherwise pay to the Developer any costs and expenses incurred by the Developer in connection with this Agreement, even if a DDA has not been consummated or this Agreement has been terminated. The Developer agrees that all Developer costs and expenses are to be borne solely by the Developer and that the Developer will make no claim whatsoever against the City for reimbursement or otherwise in connection with such costs and expenses.

10. Non-Performance.

(a) Default. In the event a party to this Agreement has failed or is failing to perform an obligation of such party hereunder, and the non-performing party does not perform such obligation within ten (10) days written notice by the other party, the non-performing party shall be in default of this Agreement.

(b) City Rights. In the event the Developer is in default under the terms of this Agreement, the City shall have the sole and exclusive right and remedy upon written notice to the Developer to terminate this Agreement. Upon such termination, this Agreement shall be of no further force and effect and neither party shall have any rights hereunder except as specifically provided in this Agreement.

(c) Developer Rights. In the event the City is in default under the terms of this Agreement, the Developer shall have the sole and exclusive right and remedy upon written notice to the City to terminate this Agreement. Upon such termination, this Agreement shall be of no further force and effect and neither party shall have any rights hereunder except as specifically provided in this Agreement.

11. Developer.

(a) Organization. Developer is a nonprofit organization duly authorized to conduct business in the State of Nevada. The principal office of Developer is:

Nevada H.A.N.D., INC.
Michael Mullin, President
295 E. Warm Springs Road, Suite 101
Las Vegas, NV 89119
Phone: (702) 739-3345, ext. 227
FAX: (702) 739-3305

(b) Developer Ownership. The Developer has made full disclosure to the City of its principals, officers, major stockholders, major partners, joint venture partners, key managerial employees and other associates, and all other material information concerning the Developer and its associates. Any significant change in the principals, associates, partners, joint venture, negotiators, development manager, consultants, professionals and directly-involved managerial employees of the Developer during the Term of this Agreement is subject to the approval of the City.

Pursuant to Resolution R-105-99 adopted by the Las Vegas City Council effective October 1, 1999, the Developer warrants that it has disclosed, on the form Exhibit "C" attached hereto and incorporated herein by reference, all principals, including, partners or members of the Developer, as well as all persons and entities holding more than one percent (1%) interest in the Developer or any principal, partner or member of the same. Throughout the Term of this Agreement, the Developer shall provide written notification of any material change in the above disclosure within fifteen (15) business days of any such change.

12. Conflict of Interest.

(a) City Officials. An official of the City, who is authorized in such capacity and on behalf of the City to negotiate, make, accept or approve, or take part in negotiating, making, accepting, or approving this Agreement, payments under this Agreement, or work under this Agreement, shall not be directly or indirectly interested personally in this Agreement or in any part hereof. No officer, employee, architect, attorney, engineer or inspector of, or for the City, who is authorized in such capacity and on behalf of the City to exercise any legislative, executive, supervisory or other similar functions in connection with this Agreement, shall become directly or indirectly interested personally in this Agreement or in any part hereof, any material supply contract, subcontract, insurance contract, or any other contract pertaining to this Agreement.

(b) No Interest. Each party represents that it is unaware of any financial or economic interest of any public officer or employee of the City relating to this Agreement. Notwithstanding any other provisions of this Agreement, if such interest becomes known, the City may immediately terminate this Agreement for default or convenience, based on the culpability of the parties.

13. Commissions. The City shall not be liable for any real estate commissions or brokerage fees relating to this Agreement or the transactions contemplated hereunder. The Developer represents and warrants that it has engaged no broker, agent or finder in connection with this transaction and the Developer agrees to indemnify and hold the City harmless from any claim by any other broker or finder asserting such a claim. Such obligation to indemnify the City shall survive any termination or expiration of this Agreement.

14. Developer's Financial Capability. The Developer has submitted to the City satisfactory evidence of its, its partners and/or designees ability to act as the Developer of the Site, including without limitation, financial statements for the last three (3) years including income statements and balance sheets and tax returns. The Developer agrees to provide the City with a copy of any financial commitment the Developer receives from a lender in connection with the Developer's development of the Site. The City shall keep confidential and return all such information after completion of its analysis.

15. Developer's Indemnity. In addition to the indemnity obligation set forth in Section 6 (c), the Developer agrees to indemnify, hold harmless and defend (with counsel reasonable acceptable to the City) the City, their respective affiliates or assignees and their respective officers, employees and agents against and from any and all claims, loss, cost, damage or expense (including attorneys' fees) or any other form of liability relating to or otherwise resulting from or in connection with the Developer's activities or performance under this Agreement. The indemnity obligations of the Developer under this Section 15 will survive any termination or expiration of this Agreement.

16. Miscellaneous.

(a) Assignment. Neither party shall have the right to assign this Agreement, or any interest in this Agreement, without the prior written consent of the other party, which may be granted or withheld at the party's sole discretion

(b) Notices. Formal notices, demands and communications between the City and the Developer shall be sufficiently given if made in writing and dispatched by registered or certified

mail, postage prepaid, return receipt requested or by personal delivery, to the principal offices of the City and the Developer as set forth in this Section 16. Such written notices, demands and communications may be sent in the same manner to such other addressees as either party may from time to time designate in writing.

If to the City:

City of Las Vegas
400 Stewart Avenue, 8th Floor
Las Vegas, Nevada 89101
Attention: City Manager

With a copy to:

City Attorney's Office
City of Las Vegas
400 Stewart Avenue, 9th Floor
Las Vegas, Nevada 89101

If to Developer:

Nevada H.A.N.D., INC.
Michael Mullin, President
295 E. Warm Springs Road, Suite 101
Las Vegas, NV 89119
Phone: (702) 739-3345, ext. 227
FAX: (702) 739-3305

(c) Entire Agreement. 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.

(d) Waivers and Amendments. All waivers of the provisions of this Agreement must be in writing and signed by the appropriate authorities of the City and the Developer and no waiver of one provision shall be construed as a waiver of that provision in the future or as a waiver of any other provision. All amendments hereto must be in writing and signed by the appropriate authorities of the City and the Developer.

(e) 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.

(f) Applicable Law. The interpretation and enforcement of this Agreement shall be governed in all respects by the laws of the State of Nevada.

(g) 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 provision of the Agreement.

(h) 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.

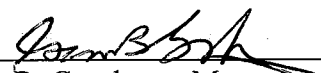
(i) Subsequent City Approvals. Any approvals or waivers required of the city under this Agreement may be given by the City Manager for the City, or such other person as the City designates in writing, unless the City Manger determines in his/her sole discretion that the approval of the City Council is required.

(j) Attorneys' Fees. If either party shall breach its representations or shall fail to fulfill or perform any of its covenants or obligations in this Agreement, that party shall pay all costs, including, without limitation, reasonable attorneys' fees and expert witness fees, that may be incurred to enforce the covenants or obligations of this Agreement, or that may be incurred as a result of the default under or breach of this Agreement, in the event of legal action or any arbitration or other proceeding is commenced.

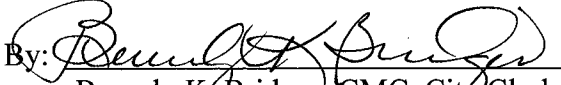
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the date set forth above.

THE CITY

THE CITY OF LAS VEGAS
a Nevada municipal corporation

By: 
Oscar B. Goodman, Mayor

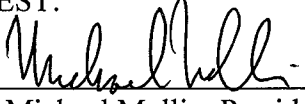
ATTEST:

By: 
Beverly K. Bridges, CMC, City Clerk


DEVELOPER

NEVADA H.A.N.D. INC.,
A Nevada Nonprofit

ATTEST:

By: 
Michael Mullin, President

APPROVED AS TO FORM:

 4-23-08
Deputy City Attorney Date

Exclusive Negotiation Agreement

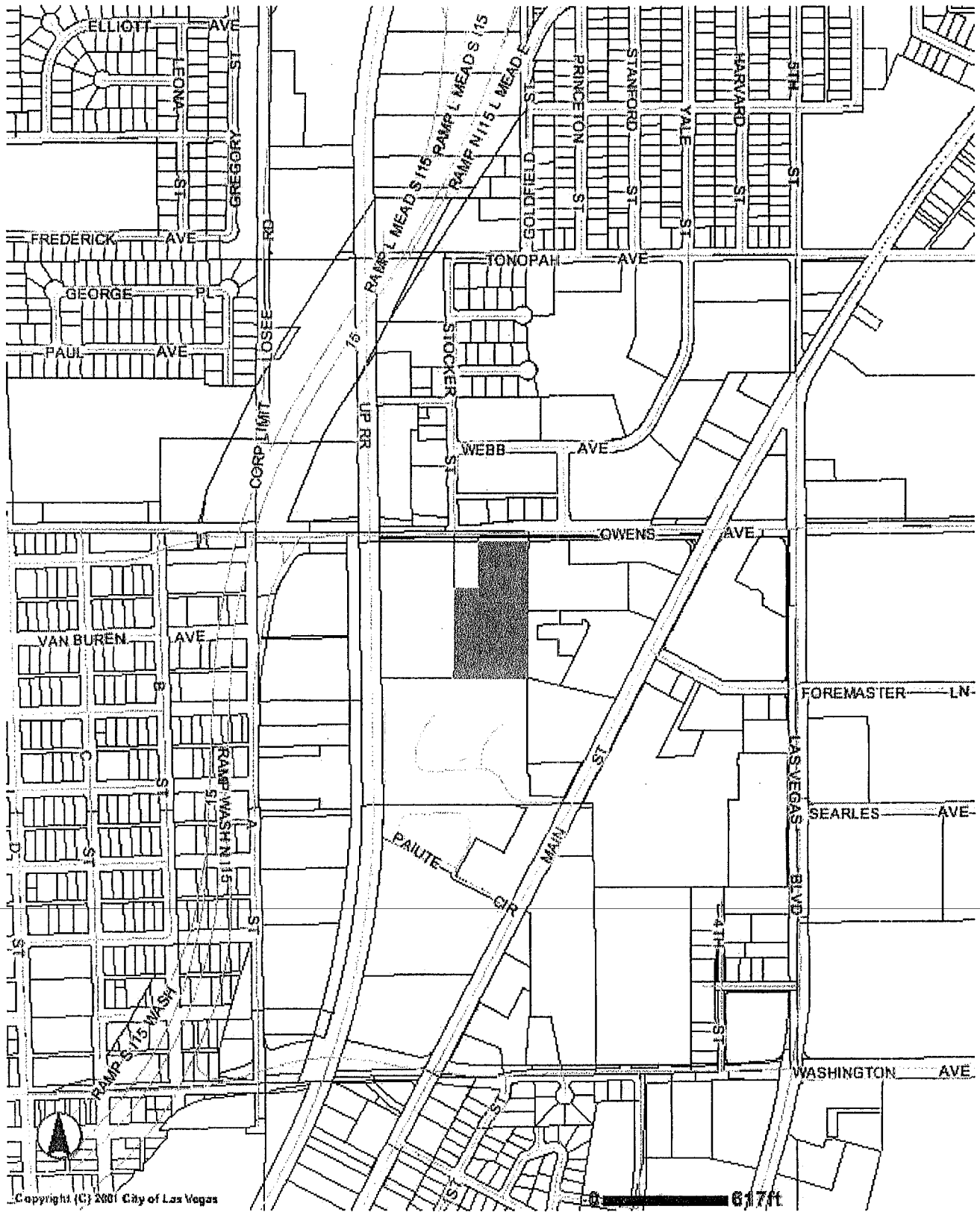
Council Approval: May 7, 2008

LIST OF EXHIBITS

Exhibit "A"
Exhibit "B"

Site Map
Developer Disclosure of Ownership and Principals Form

Exhibit "A"



15 w. OWENS

Copyright (C) 2001 City of Las Vegas

EXHIBIT "B"

DISCLOSURE OF PRINCIPALS

The principals and partners of Nevada H.A.N.D., Inc. *and all persons and entities holding more than 1% interest in Nevada H.A.N.D. or any principal of Nevada H.A.N.D. are the following:*

FULL NAME	BUSINESS ADDRESS	BUSINESS PHONE
1. NONE	_____	_____
2.	_____	_____
3.	_____	_____
4.	_____	_____
5.	_____	_____
6.	_____	_____

Continue list until full and complete disclosure is made.

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

Nevada H.A.N.D., Inc.
A Nevada non-profit corporation

By: _____

Title: President

Subscribed and sworn to before me this
_____ day of _____, _____.

Notary Public

DISCLOSURE OF PRINCIPALS

The principals and partners of Nevada H.A.N.D., Inc. *and all persons and entities holding more than 1% interest in Nevada H.A.N.D. or any principal of Nevada H.A.N.D.* are the following:

FULL NAME	BUSINESS ADDRESS	BUSINESS PHONE
1. NONE	_____	_____
2.	_____	_____
3.	_____	_____
4.	_____	_____
5.	_____	_____
6.	_____	_____

Continue list until full and complete disclosure is made.

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

Nevada H.A.N.D., Inc.
A Nevada non-profit corporation

By: _____

Title: President

Subscribed and sworn to before me this
_____ day of _____, _____.
