



Neighborhood Response Division

CASE UPDATE REPORT

Moulin Rouge Properties (Ward 5)

To: Councilman Barlow
City Attorney's Office

From: Devin Smith

CC: Stephen Harsin
Lisa Morris Hibbler
Case File

Date: August 27, 2009

The current owners have hired a contractor to clean the property and board all units to the City of Las Vegas specifications and paint all boards to match. Currently the contractor has completed all of the units on the Moulin Rouge site as well as the Desert Breeze Apartments, both units 1 and 2. The pool has been filled in and all trash and debris has been removed. The contractor has also completed the boarding of the open and assessable units at the tree line condominium site, removed all overgrown dead vegetation and removed all trash and debris. Below is a list from the agreement between the current owners and the city of Las Vegas and each has been identified as to their status.

Update report for the Moulin Rouge properties

The Bell Tower. OCI shall obtain the opinion of a structural engineer, mutually acceptable to the City and OCI (the "*Engineer*"), to evaluate the structural soundness of the bell tower and the structure immediately attached to such bell tower (the "*Bell Tower*"), located on that portion of the OCI Property commonly known as 840 West Bonanza Road. OCI and the City specifically agree that the Engineer shall not take into account (a) the effects of an earthquake in determining the steps needed to prevent the collapse of the Bell Tower or (b) any work needed to make the Bell Tower habitable. The Engineer shall be advised of the foregoing items (a) and (b) by the City and OCI prior obtaining the Engineers recommendations. OCI shall take such steps, as recommended by the Engineer, to prevent the Bell Tower from collapsing. The recommendations of the Engineer and the steps necessary to prevent the Bell

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Tower from collapsing shall be completed no later than September 30, 2009; ***provided, however***, that if the implementation of the recommendations of the Engineer would reasonably take longer than September 30, 2009, OCI shall have such additional time to complete the recommendations so long as it has begun the work necessary to meet such recommendations and diligently prosecutes them to completion. (We have not received anything to document that this has been done.)

The Pool. OCI agrees to completely fill the emptied pool located on the OCI Property with dirt no later than August 31, 2009. (This has been done)

LVAL Property.

Lien for Abatement Costs. The City will record a lien against the LVAL Property for \$46,613.60 for abatement activities related to the Treeline Condominiums (the "*Abatement Lien*"). The City agrees it shall take no action to foreclose on or otherwise enforce the Abatement Lien, and that the City shall be paid for the Abatement Lien at the time of the sale of the LVAL Property to a Developer, at which time, the City shall assign its related claims against Borrower to the Owners, and shall execute and record a release of the Administrative Costs Lien as against the OCI Property and the LVAL Property. (This has been done)

Treeline Condominiums Substandard. The City shall duly notice and record documentation related to the condemnation of Buildings 1 through 8 of the Treeline Condominiums known commonly as 901 West McWilliams (the "*Substandard Buildings*") as soon as practicable based on the City's determination that the Substandard Buildings are substandard and must, therefore, be demolished; ***provided, however***, that the City shall not take action to demolish or cause the demolition of the Substandard Buildings if (a) a tenant or resident is in legal or physical possession of a unit within the Substandard Buildings, or (b) no tenants or residents of a Substandard Building are in legal or physical possession of a unit within a Substandard Building, and LVAL has initiated reasonable steps to board the vacated units (such units to be boarded consistent with the requirements of ***Section C.*** below, except for the time frame required therein) and completes such boarding activities within a reasonable time. As used in the foregoing sentence, "*reasonable steps*" shall mean that the City has full authority to authorize LVAL to board the vacated units, even if not owned by LVAL, and the City has provided LVAL with written notice of such authority, including granting LVAL ten business days to commence boarding of the vacated units after the giving of such written notice. Notwithstanding anything in this *subsection (ii)* to the contrary, the City shall not be entitled to demolish or cause the demolition of the Substandard Buildings if the City has not obtained the authorization for LVAL to board the vacated units. To the extent LVAL is authorized by the City to board such vacant units and LVAL proceeds to board the units, the City agrees to indemnify, defend and hold LVAL harmless for and from any damages, liabilities, actions, suits, claims, costs or attorney's fees incurred in connection with or relating to the boarding of such vacant units. The foregoing indemnity obligation shall survive the expiration or earlier termination of this Agreement.

Substandard Designation. The Parties acknowledge that the City anticipates recording substandard and vacate notices and vacating the units located in the Substandard Buildings. The Owners agree not to contest the designation of the Substandard Buildings as substandard, or the vacation of the units, so long as all of the owners of other units within the Substandard Buildings are required to bear their proportionate share of any costs, penalties, or fees associated with the designation of the Substandard Buildings as substandard and the vacation of the units. (We are awaiting guidance on this from the City Attorneys office)

Both Properties.

Boarding. The Owners of the Properties agree to board to the City's specifications, which have previously been provided to OCI and LVAL, all windows and doors of those buildings located on the Properties (the "*Buildings*") on all levels no later than August 31, 2009. The City acknowledges that Owners have already contracted with a contractor who is currently boarding windows and doors on the Buildings and that the City's inspectors have been on-site to observe the boarding activities of the contractor. The City agrees that the

materials and methods being used in connection with such boarding activities comply in all respects with the Code and the specifications required by the City. (This has been complete.)

Lien for Administrative Costs. The City will record a lien against the Properties for \$8,800 relating to administrative costs and inspection fees for the Notices (the "*Administrative Costs Lien*"). The City agrees it shall take no action to foreclose on or otherwise enforce the Administrative Costs Lien, and that the City shall be paid the Administrative Costs Lien at the time of the sale of the Properties to a Developer, at which time, the City shall assign its related claims against Borrower to the Owners, and shall execute and record a release of the Administrative Costs Lien; ***provided, however,*** that if the OCI Property or the LVAL Property are sold at different times, one-half of the Administrative Costs Lien shall be paid and assigned at the time of such sale and from the proceeds of such sale and the City shall execute and record a release of the Administrative Costs Lien as to the Properties sold and an amendment to the remaining Administrative Costs Lien acknowledging its reduction to \$4,400.

Trash and Debris Removal. The Owners shall abate the following existing nuisance issues on the Property which constitute a fire hazard: removal of high/dead vegetation, debris/trash removal, and debris located within the Buildings (e.g., mattresses, furniture, and trash, located inside a vacant unit). The City acknowledges that the Owners have already contracted with a contractor who is currently abating such existing nuisances on the Properties and that the City's inspectors have been on-site to observe such abatement activities of the contractor. The City agrees that the methods being used and the clean-up activities being conducted comply in all respects with the Code and the specifications required by the City, and that provided such clean-up activities are carried out consistently throughout the Properties, such existing nuisance issues shall be deemed cured, including any Notices related to such nuisance issues. (This has been complete.)

Security. The Owners shall continue to maintain 24-hour/7-day security personnel on the Properties and shall keep the Properties securely fenced and locked against intrusion for the period of its or any of its subsidiaries' ownership. (Security has been and remains on site today)