

APNs: 139-34-199-003
139-34-111-039
139-34-111-040
139-34-111-041
139-34-111-042
139-34-111-043
139-34-111-044

WHEN RECORDED MAIL & SEND
TAX STATEMENTS TO:
CITY OF LAS VEGAS – CITY CLERK
400 STEWART AVENUE
LAS VEGAS, NEVADA 89101

RIGHT-OF-WAY LICENSE AGREEMENT

THIS RIGHT-OF-WAY LICENSE AGREEMENT (“AGREEMENT”), made and entered into this _____ day of _____, 2010 by and between the City of Las Vegas, a municipal corporation in the State of Nevada (“City”) and GNLV, Corp., a Nevada corporation and LGE, Inc., a Delaware corporation (“LGE”), (collectively referred to as “GNLV”). City, GNLV and LGE are individually or collectively referred to herein as “Party” or “Parties.”

RECITALS

WHEREAS, GNLV is the owner of the Golden Nugget Hotel and Casino in downtown Las Vegas constructed on several parcels as follows:

Assessor’s Parcel Numbers (“APN”):

139-34-111-039, 139-34-111-040, 139-34-111-041, 139-34-111-042, 139-34-111-043, 139-34-111-044

that are either owned by GNLV, LGE or ground leased from others (collectively the “Property”); and

WHEREAS, GNLV is desirous of using a portion of the public alley right-of-way (the “Alley Right-of-Way”) located immediately to the west of and adjacent to the Property, a portion of APN 139-34-199-003, for the purpose of allowing portions of the existing building encroaching into the Alley Right-of-Way (the “Building Encroachment”), depicted and legally described in Exhibit A, attached hereto and incorporated herein by this reference (the “Building Encroachment Area”); and

WHEREAS, GNLV’s use of the Building Encroachment Area does not impede the City’s use of the Alley Right-of-Way, and does not pose an interference with the public use of the Alley Right-of-Way; and

WHEREAS, the City agrees to permit these encroachments into the Alley Right-of-Way; and

WHEREAS, the City places all persons on notice that no promises, representations or warranties were or are made regarding the future plans for the Alley Right-of-Way.

NOW, THEREFORE, for and in consideration of the mutual covenants and promises hereinafter contained, the Parties to this Agreement agree as follows:

1. City grants an exclusive license to GNLV to encroach into the Alley Right-of-Way immediately west of and adjacent to the Property, such encroachment to consist of the Building Encroachment Area, depicted and legally described in Exhibit A.
2. The Parties specifically agree that the Alley Right-of-Way shall at all times remain public right-of-way unless formally vacated by the City and that no prescriptive rights shall ever vest in GNLV as a result of this Agreement.
3. The Parties acknowledge there may be utilities and other public and private appurtenances located in the Alley Right-of-Way and City or third parties may be required to maintain aforementioned utilities.
4. GNLV understands and acknowledges that City has no responsibility to maintain the Building Encroachment. GNLV agrees to maintain the Building Encroachment at GNLV's sole expense.
5. GNLV agrees to indemnify and hold harmless the City, its officers, employees, insurers, and self-insurance, from and against all liability, claims, and demands, on account of injury, loss, or damage, including without limitation claims arising from bodily injury, death, property loss or damages, or any other loss of any kind whatsoever, which arise out of or are in any manner connected with this Agreement, if such injury, loss, or damage is caused in whole or in part by, or is claimed to be caused in whole or part by the act, omission, error, professional error, mistake, negligence, or other fault of GNLV or anyone working on behalf of GNLV, including but not limited to, its officers, employees, contractors or agents. GNLV agrees to investigate, handle, respond to, and to provide defense for and defend against, any such liability, claim or demands at the sole expense of GNLV or, at the option of the City, GNLV agrees to pay City or reimburse City for the defense costs incurred by the City in connection with, any such liability, claims, or demands. GNLV also agrees to bear all other costs and expenses related thereto, including court costs and attorney fees, whether or not any such liability, claims, or demands alleged are groundless, false or fraudulent.
6. It is understood and acknowledged by the Parties that this Agreement does not constitute a lease or other property interest, but is merely a license given by the City to GNLV to encroach into the Alley Right-of-Way to the extent described herein.
7. It is understood and acknowledged that this Agreement is granted to GNLV for its sole benefit and that this Agreement shall be construed most strictly in favor of the City and against GNLV.
8. The Parties mutually agree that the conditions herein imposed and the granted license of encroachment in the Alley Right-of-Way shall constitute covenants running with the life of the Building Encroachment. As consideration for GNLV agreeing to the conditions herein imposed, the City warrants that the granted license shall not be revoked by the City so long as the Building Encroachment remains in place. This Agreement and license shall immediately terminate when the Building Encroachment is removed for any reason.
9. GNLV, its heirs, successors and assigns shall pay to City a License Fee of Five Thousand Dollars and No Cents (\$5000.00) for the remaining terms of 2010. For 2011, the License Fee shall be Seven Thousand Five Hundred Dollars and No Cents (\$7,500.00). Beginning with 2012 and annually

thereafter, the License Fee shall increase (but not decrease) by the percentage increase of the Consumer Price Index for All Urban Consumers (CPI-U) published by the Bureau of Labor Statistics of the U.S. Department of Labor from the previous year's increase. The License Fee shall be due and payable to City within thirty (30) calendar days of receipt of the adjusted annual License Fee. GNLV agrees to pay a Late Fee of five (5) percent of the License Fee if not timely paid in full. The late License Fee payable by GNLV shall also bear interest at the annual rate of twelve percent (12%) from the due date (or the maximum lesser rate if otherwise mandate by law). Neither the late fee nor the interest charge shall be exclusive of any other remedies permitted herein or by law. Upon failure to pay the License Fee, late fee and interest after one-hundred eighty (180) days from the due date, City may, at its sole discretion, terminate the granted License and this Agreement and require removal of the Building Encroachment from the Building Encroachment Area.

10. This Agreement may only be amended or modified upon written mutual consent of the GNLV, its heirs, successors and assigns and City.
11. Any litigation related to this Agreement shall be brought and prosecuted exclusively in the Eighth Judicial District Court of Clark County, Nevada. The governing law shall be the laws of the State of Nevada.
12. The Parties agree that in the event that any clause or provision of this Agreement shall be held to be invalid by any court of competent jurisdiction, the invalidity of such clause or provision shall not otherwise affect the remaining provisions of this Agreement which shall continue to be enforceable.
13. This Agreement, when executed by GNLV and delivered to City, must be authorized, executed and delivered by City to be effective. The effective date of this Agreement shall be the date when this Agreement has been signed by both Parties, the later date of execution being the effective date.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the day and year first written above.

CITY OF LAS VEGAS

By: _____
Oscar B. Goodman, Mayor

ATTEST:

By: _____
Beverly K. Bridges, MMC, City Clerk Date

APPROVED AS TO FORM:

By: John S. Richella 4/13/10
Deputy City Attorney Date

Signatures Continued on Next Page

Right of Way License Agreement Signatures Continued

GNLV, Corp.

By: _____

Name: _____

Title: _____

LGE, Inc.

By: _____

Name: _____

Title: _____

STATE OF NEVADA)
)ss.
CLARK COUNTY)

On this _____ day of _____, 2010, before me, the undersigned Notary Public in and for said County and State, appeared Oscar B. Goodman, as Mayor of the City of Las Vegas, known to me to be the person who executed the above and foregoing instrument, and who acknowledged to me that he did so freely and voluntarily and for the purposes therein mentioned.

Notary Public

STATE OF TEXAS)
)ss.
HARRIS COUNTY)

On this _____ day of _____, 2010, before me, the undersigned Notary Public in and for said County and State, appeared _____, _____ of GNLV, Corp., known to me to be the person who executed the above and foregoing instrument, and who acknowledged to me that _____ he did so freely and voluntarily and for the purposes therein mentioned.

Notary Public

Notary Acknowledgements Continued on Next Page

Right of Way License Agreement Notary Acknowledgements Continued

STATE OF TEXAS)
)ss.
HARRIS COUNTY)

On this _____ day of _____, 2010, before me, the undersigned
Notary Public in and for said County and State, appeared _____,
_____ of LGE, Inc., known to me to be the person who executed the above
and foregoing instrument, and who acknowledged to me that ___he did so freely and voluntarily and for
the purposes therein mentioned.

Notary Public

EXHIBIT A

BUILDING ENCROACHMENT AREA

April 7, 2010
D. Layton
APNS: 139-34-111-039, 040, 041, 042, 043 & 044

Exhibit 'A'

Explanation

This legal describes a portion of an existing building that encroaches into the alley generally located between Main Street and former First Street, north of Carson Avenue.

Legal Description

A portion of the 20-foot wide alley lying between Main Street and former First Street and between Carson Avenue and the alley south of Fremont Street as shown in that certain Final Map titled "Clark's Las Vegas Townsite", recorded in Book 1, Page 37 of Plats on file at the Clark County, Nevada Recorder's Office, lying within the Northwest Quarter (NW 1/4) of Section 34, Township 20 South, Range 61 East, M.D.M., City of Las Vegas, Clark County, Nevada, described as follows:

Beginning at the northwesterly corner of Lot 26 of Block 3 as shown in said Final Map, being common with the easterly right-of-way of the alley lying between Main Street and former First Street and the southerly right-of-way of the alley lying between Carson Avenue and Fremont Street; thence along the easterly alley right-of-way, South 27°54'27" West, 249.97 feet to the southwest corner of Lot 17 of Block 3 as shown in said Final Map; thence departing said easterly alley right-of-way and along the westerly prolongation of the south line of said Lot 17, North 62°04'42" West, 1.25 feet; thence along a line that is parallel with and 1.25 feet distant westerly of (as measured at right angles), the easterly alley right-of-way North 27°54'27" East, 249.97 feet to the westerly prolongation of the northerly line of said Lot 26; thence along said westerly prolongation, South 62°04'40" East, 1.25 feet to the **Point of Beginning**.

Contains 312 square feet, more or less.

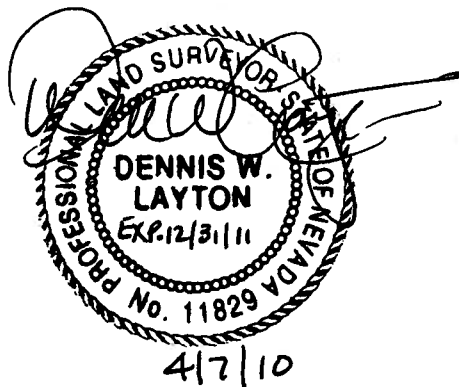
Basis of Bearing

South 62°04'40" East, being the bearing of the centerline of Fremont Street between Main Street and First Street as shown in File 67, Page 79 of Surveys on file at the Clark County, Nevada Recorder's Office.

(See Exhibit 'B' attached hereto and by this reference made a part hereof)

End of description.

Dennis W. Layton, PLS
Professional Land Surveyor
Nevada License No. 11829



P:_Current Projects\512.0005_Legals\5120005LE11.doc • Sheet 1 of 1

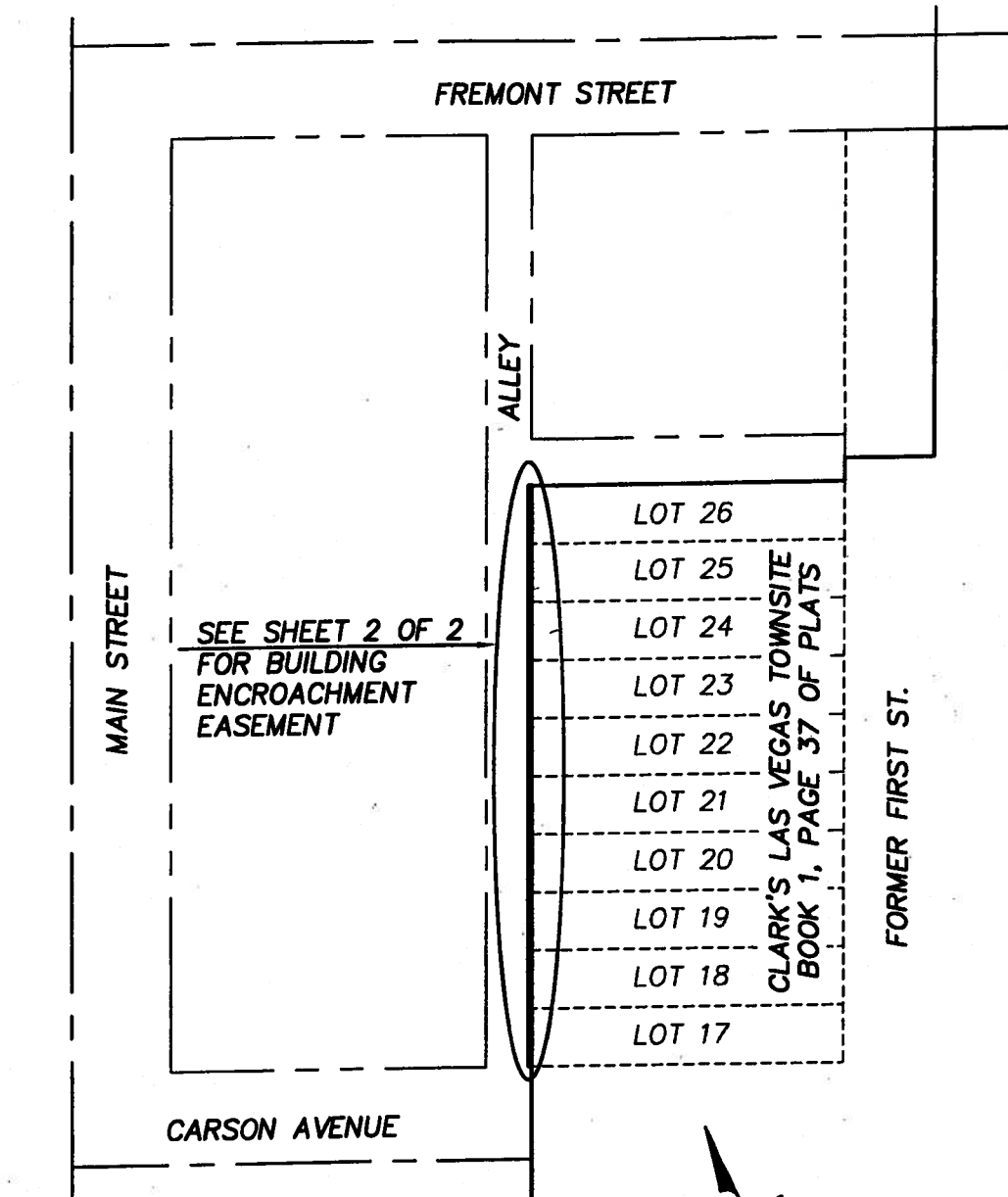


Heritage Surveying

7207 W. Sahara Avenue, Suite 115 • Las Vegas, NV 89117 • (702)474-6277 (HS4-MAPS) • (702)255-6902 - Fax
www.Heritage-Surveying.com

EXHIBIT 'B' TO ACCOMPANY LEGAL DESCRIPTION

PROJECT: 512.0005\EXHIBITS\ENCROACH-EASEMENT



LEGEND

- BOUNDARY LINE
- ADJOINING PROPERTY LINE
- STREET CENTERLINE
- RIGHT-OF-WAY
- SECTION LINE
- EASEMENT LINE
- S.F. SQUARE FEET
- P.O.B. POINT OF BEGINNING

SHEET 1 OF 2



Heritage Surveying

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 FAX (702) 255-6902
 HERITAGE-SURVEYING.COM

EXHIBIT 'B' TO ACCOMPANY LEGAL DESCRIPTION

