

PRE-OPERATING AND DEVELOPMENT AGREEMENT

THIS PRE-OPERATING AND DEVELOPMENT AGREEMENT ("Agreement") is entered into as of _____, 2010 by and between the City of Las Vegas, a municipal corporation of the State of Nevada ("City") and 300 Stewart Avenue Corporation, a qualified IRS 501 c (3) not-for-profit corporation ("300 SAC").

RECITALS

WHEREAS, the City desires to adaptively re-use the former U.S. Post Office and Courthouse building located at 300 Stewart Avenue, Las Vegas, Nevada as the Las Vegas Museum of Organized Crime and Law Enforcement, also known as the Mob Museum (hereinafter the "Museum"); and

WHEREAS, the City is desirous of retaining a qualified 501 c (3) not-for-profit organization that has shared programmatic goals, interests, resources and commitments to oversee the development and operation of the Museum; and

WHEREAS, the parties executed a Letter of Intent dated December 19, 2007 which, among other things, sets forth major business points of their relationship to use the Museum for certain purposes; and

WHEREAS, the City and 300 SAC desire to enter into this Agreement to manage the pre-operational and development obligations required to successfully launch the Museum's opening to the general public; and

WHEREAS, the parties desire that the Museum is responsibly planned, operated, maintained and managed while generating revenues to support and evolve into a self-supporting museum.

NOW, THEREFORE, in consideration of the mutual promises and agreements contained herein, the parties hereto agree to the terms of this Agreement.

SECTION ONE

MUSEUM PURPOSES

1. It is the parties' intent to create and develop the Museum which purposes will be, among other things, a positive economic catalyst for the downtown revitalization and a cultural anchor to encourage surrounding private investment and visitor interest to the area. The City and 300 SAC recognize that three of the major objectives for the Museum are:

(a) To support other City community-building objectives for downtown Las Vegas, including leveraging economic development, supporting cultural tourism,

providing downtown event rental space for conventions and developing an infrastructure of leisure time amenities to support downtown residential community;

(b) To provide educational and cultural opportunities for the greater Las Vegas residents; and

(c) To preserve and re-use a vacant, historic building which is the only building in the City registered as a National Register landmark of national significance.

2. The City and 300 SAC additionally recognize that the Museum will:

(a) Provide museum-standard space for the proper and permanent protection, preservation, display and storage of archives and artifacts;

(b) Create an appropriate setting, with a unique sense of place and surroundings that enhance the building;

(c) Create a people-friendly, flexible and sustainable cultural facility, combining the best of traditional, multi-media and personal interpretive and educational presentations; and

(d) Ensure that the facilities are responsibly planned, operated, maintained and managed to deliver quality facilities and services, while generating revenues necessary to support the Museum.

SECTION TWO

MUSEUM PROPERTY AND ADJACENT PROPERTY

2.1 Property Location. The property which comprises the Museum consists of the former U.S. Post Office and Courthouse building located at 300 Stewart Ave., Las Vegas, Nevada ("Museum Property") and the City-owned parcel surrounding the Museum ("Adjacent Parcel"), which Museum Property and Adjacent Parcel is depicted on the Parcel Map attached hereto as Exhibit "A" and incorporated herein. The Museum Property and Adjacent Property shall be collectively referred to as the "Property". The Property's current parcel number is 139-34-501-007.

2.2 Museum Uses. The Museum will include space for uses ancillary to the operation of publicly accessible museum exhibits, such as, but not limited to, office space, a museum store, visitor services, back of house operations and educational and special event space.

2.3 Intended Property and Surrounding Property Uses. It is the parties' intent that the exterior of the Museum Parcel, Adjacent Parcel, including its landscaping, lighting, sidewalk, and driveways and the surrounding street improvements will accommodate the Museum's functional and operational needs. To the extent that the City has authority to do so, which includes obtaining the necessary applicable and available financing, and

subject to all applicable and necessary approvals, the City will make reasonable efforts to ensure that the design and development of certain parcels located south of Stewart Avenue flanking Third Street, and any pedestrian circulation construction over Third Street between Ogden Avenue and Stewart Avenue will be designed in such a manner that the Museum will have reasonably prominent position and virtually undisturbed line of sight on Stewart Avenue, when viewed north from Third Street along Stewart Avenue. The design scheme for the Adjacent Parcel must be compatibly scaled and should, in every way possible, aesthetically enhance the distinctive historic architectural identity of the Museum.

SECTION THREE

PRE-OPERATIONAL COSTS AND APPROVALS AND RESPONSIBILITIES

3.1 Availability of City Funds. The City will be responsible for ensuring that sufficient capital is available before allowing expenses to be incurred. The sources of the funds for the Museum may include proceeds of bond issuances, grant funds or other available financing sources.

3.2 Museum Budget. The City and 300 SAC agree to establish a Development Budget for the Museum. The Development Budget shall be organized in accordance with the City's budget requirements and procedures. The project costs may include, but are not limited to: core and shell construction, fit-out, operation plans, fundraising expenses, public relation strategies, legal expenses, procurement of artifacts and recruitment (collectively "Pre-Operational Project Costs"). The Pre-Operational Project Costs will be no greater than the amounts specified in Exhibit "B" attached hereto and incorporated herein or the actual amount of funds available at the time, whichever is less. Pre-operational Project Costs will specifically delineate certain costs which are the responsibility of the City and those certain costs which are the responsibility of 300 SAC.

3.3 Limitation of Funding. The City is not legally liable for payment of the Pre-Operation Project Costs incurred beyond the actual funded amount.

3.4 City Approval of Expenditures. All expenditures of City funds shall be approved and executed by the City in accordance with the City's governing laws and its policies and procedures. This includes, but is not limited to, complying with federal, state and locals laws, following the City's procurement processes and obtaining the approval of the City Council, as applicable.

All expenditures in the construction, fit-out and pre-operational phases shall be approved as detailed in this section.

3.5 300 SAC Pre-operational Services.

3.5.1 Accounting Responsibilities. 300 SAC agrees to oversee and ensure that Pre-Operational Project Costs remain within the project budget, regardless of the sources

of funds that are available to fund the Museum. 300 SAC's responsibilities are to ensure that the Pre-Operational Costs are:

(a) Reasonable, meaning the costs are of a type generally recognized as necessary for the operation of the Museum or the performance of this Agreement;

(b) Given consistent treatment through application of generally accepted accounting principles appropriate to the circumstances;

(c) Allocable, meaning the expenditure is for the furtherance of the Project as contemplated by this Agreement; and

(d) Allowable, meaning the expenditure is lawful.

3.5.2 Fundraising Responsibilities. 300 SAC agrees to be the primary fundraising entity for the Museum and it will actively work by using its reasonable best efforts to obtain additional grants and conduct fundraising for the Museum. To the extent the City is lawfully authorized to do so, the City will cooperate fully and support the independent fundraising efforts of 300 SAC.

3.6 Funding of 300 SAC's Pre-operational Services. In consideration of the services to be provided by 300 SAC pursuant to this Section Three, the City will compensate 300 SAC for its services with funds to pay for salaries, benefits, worker's compensation insurance, and other pre-operational costs associated with hiring and maintaining staff for the Museum. The parties agree that the amount of funds to be provided herein will be in accordance with the amounts set forth in the Development Budget as set forth in Section 3.7.

3.7 Development Budget. The parties have established the Development Budget, attached as Exhibit "B", which specifies the categories for the allocation of the Pre-Operational Project Costs and sources of funds for the Museum as follows:

(a) Pre-Operational Project Costs allocated to the Museum's core and shell construction, fit-out, site improvements, visitor services, other capital costs, pre-opening expenses, first year operations and costs not directly allocable to any specific portion of the project (i.e., architectural, engineering and design and other soft costs) will be funded by the City, quasi-governmental agencies, grants procured by the City, other public entities and/or investors secured by the City. Costs directly allocable to specific portions of the project will also be funded by the City.

(b) Pre-Operational Project Costs allocated to the Museum's exhibits and start up operations will be primarily funded by the City and other public sector entities, to the extent that funds become available, with augmented funding from philanthropic donations and grants procured by the City, 300 SAC and third party sponsors.

(c) Fundraising sources of funds procured by 300 SAC, as part of 300 SAC's overall fundraising efforts and primary responsibility of fundraising for the Museum, shall be used to fund costs as mutually determined by the parties. In no event shall 300 SAC have any liability to the City arising from any failure to raise such funds or otherwise in connection with or relating to its efforts in fundraising or the manner in which the fundraising program was conducted. The parties agree that no part of 300 SAC's fundraising source of funds will be used to fund the core and shell construction of the Museum unless specifically specified in writing by the parties.

(d) Funds raised from naming rights to the Museum building will be approved by the City and the proceeds of the naming rights funds will remain with the Project

In order to facilitate the continued progress of the Project, the City shall fund the Pre-Operational Project Costs incurred as set forth in Exhibit "B" as needed for pre-opening operating expenses from the date of this Agreement until at a minimum six (6) months prior to Museum opening date. City shall not provide any additional funding outside of the sources identified in the Development Budget. The City may make payments directly to vendors or fund 300 SAC which in turn will make payments to vendors.

3.8 Historic Tax Credits/New Market Tax Credits. The Parties acknowledge and agree that alternative sources of funds in the form of Historic Tax Credits and/or New Market Tax Credits (collectively "Tax Credits") may be available to assist the funding of the development of the Museum. In order to utilize these Tax Credits, the Parties agree to use their best efforts to determine the availability of these Tax Credits and cooperate with each other to structure a transaction involving Tax Credits, including, but not limited to, entering into, amending and/or assigning necessary agreements, and creating legal entities deemed necessary for the tax credit transaction.

SECTION FOUR

COOPERATION, CONSENSUS AND REVIEW

4.1 The City and 300 SAC agree to create a subcommittee which consists of a joint panel composed of two (2) members who are City employees, two (2) members who are 300 SAC Board representatives and two (2) consultants ("Museum Subcommittee"). The selection of the 300 SAC Board representatives will be appointed by the 300 SAC Executive Committee. The selection of the City members will be appointed by the City Manager, or designee. The selection of the consultants will be appointed jointly by 300 SAC Executive Committee and the City Manager, or designee.

4.2 300 SAC, City and the Museum Subcommittee will have final responsibility for the various tasks assigned to each in Subsections 5.1 through 5.3 below. Each Party and the Museum Subcommittee may use outside consultants, vendors, professionals or others to provide services and recommendations for the various assigned tasks. Each Party and the Museum Subcommittee will perform all assigned tasks with regard to content, Museum guest experience and fiscal responsibility. The Parties and Museum

Subcommittee recognize that this is a collaborative effort, and that high levels of cooperation are necessary for successful completion and operation of the Museum.

4.3 Any items of significance, which is to be defined as over \$250,000 in one time or annual costs, concerning the overall Development Phase and Operational Phase of the Museum will require the input of the City and 300 SAC. The Parties agree that consensus should be reached on these decisions whenever possible. In the event consensus is not possible, the City will consider the recommendation of 300 SAC before a final decision by the City.

4.4 The City, 300 SAC and Museum Subcommittee recognize: (i) the critical connection between the Construction, Fit-Out and Pre-Operation activities to the success of the Development Phase; and (ii) that the successful operation of the museum will require cooperation between the City and 300 SAC. Each Party agrees to keep the Other Party updated and consulted with items of significance for each of their respective roles and responsibilities.

4.5 For items which are not subject to final review by the Museum Subcommittee, the City and 300 SAC agree upon a process for design review (the "Development Design Review Process" which is as follows:

(a) The City will forward all submittals from the City's design consultants for both Construction and Fit-Out proposed for the Museum to the 300 SAC Representative.

(b) 300 SAC Representative will review and comment on the submittals within 7 business days.

(c) 300 SAC Representative will forward annotated submittals to the City's Project Manager within 7 business days.

(d) City's Project Manager will review and incorporate comments as appropriate. In the case of a lack of consensus, all design modifications or resulting changes will be subject to the City Manager and 300 SAC Board Chairperson ("Board Chair") consensus review and approval. In the event of lack of consensus between the City Manager and Board Chair, the item will be handled in accordance with Section 4.3.

SECTION FIVE

DEVELOPMENT PHASE: MUSEUM CORE AND SHELL, FIT-OUT AND PRE-OPERATIONAL RESPONSIBILITIES

5.1 City Responsibilities. The parties acknowledge that, as of the date this Agreement is executed, the City has undertaken certain responsibilities specified in this Section 5.1. The City agrees to the following responsibilities as it relates to the core and shell construction and fit out of the Museum:

(a) Overall Construction and Fit-Out Capital Budget and Financial Management: The City will be responsible for ensuring that sufficient capital is available before allowing expenses to be incurred. In the event sufficient capital is unavailable, the City shall be responsible for reducing contemplated expenses to align with available capital and for informing 300 SAC of the limitation of funds.

(b) Overall Construction and Fit-Out Schedule: The City will be responsible for ensuring that established Construction and Fit-Out timelines are met. If the schedule slips by ten percent (10%), the City will be responsible for notifying all affected parties and for implementing measures to bring the schedule into compliance. The City agrees to deliver to 300 SAC the Museum building with the construction of core and shell and fit-out improvements completed.

(c) Architect and General Contractor Selection and Oversight: The City will select and have direct oversight over the architect and general contractor for the Construction during the Development Phase.

(d) Museum Fit-Out Contractor Selection and Oversight: The City has implemented a bid process to select all Fit-Out contractors. The Museum Subcommittee will serve as the evaluation team for the received bids and will submit its recommendation to the City. The City will award and fund any selected Fit-Out contractors. The City will have direct oversight over the Fit-Out contractors during the Development Phase.

(e) Surrounding Street Improvements: Any improvements to adjacent streets to the Property will be the responsibility of the City, including having final authority for the design, budget and construction of the street improvements.

(f) Tourist, Tax and Signage District Development and Approvals: The Development of any new special districts will be the responsibility of the City.

(g) Supervision of Contractors: The City will take reasonable measures to ensure that all hired contractors adequately secure the Property and keep the Property in good, clean and orderly condition.

5.2 300 SAC Responsibilities.

300 SAC will be responsible for acquiring all artifacts for the Museum. The City will act as a facilitator in this effort, however, 300 SAC will have the final authority. Funding of artifacts is part of overall Project Budget.

5.3 Museum Subcommittee Responsibilities.

5.3.1 Evaluation Committee: To the extent applicable as of the date of this Agreement, the Museum Subcommittee will serve as the evaluation committee for the City's bid processes to award any Fit-Out contracts, such as fabricators, film maker,

interactives contractor, audio visual hardware and controls, theatrical lighting and exterior site plan.

5.3.2 Review and Final Approval: The Museum Subcommittee will review and provide the final approval on the following items to be provided by the City's consultants;

- (a) Interior Wayfinding Plan
- (b) Retail and Product Plan
- (c) Marketing and Branding Plan
- (d) Point of Sale System
- (e) Information System
- (f) Security System

5.3.3 Pavilion Development: If the City decides to move forward with the Pavilion, the Museum Subcommittee will consult with the designer and operator on the design and operating plans for the Pavilion. The City will have final authority on the design and operation plans for the Pavilion.

SECTION SIX

PRE-OPERATIONAL PHASE

6.1 City's Pre-Operational Responsibilities. The City agrees to certain responsibilities regarding the pre-operational services and functions prior to the opening of the Museum ("City Pre-Operational Responsibilities"). The City Pre-Operational Responsibilities include the following:

(a) Overall Pre-Operational Budget and Financial Management: City will be responsible for ensuring that sufficient capital is available before allowing expenses to be incurred.

(b) Overall Pre-Operational Schedule: City will be responsible for ensuring that the Project timelines are met. If the Pre-Operational Schedule, which includes the Development Schedule, slip by ten percent (10%), the City will be responsible for notifying all affected parties and to implement measures to bring the Pre-Operational Schedule into compliance.

(c) Third Party Developer Relationship: The City has entered into a Disposition and Development Agreement with CIM Las Vegas, LLC ("CIM") for the development of the Lady Luck Casino and Hotel and the area around the Property, such area referred to as the ENA Site, as set forth in the agreement. The Parties acknowledge

that the relationship with CIM (or any third party developer) will be with the City and not with 300 SAC.

(d) Building and Overall Maintenance: Until the opening of the Museum to the general public (“Opening”), the City will be responsible for the maintenance, repairs, security and insurance coverage of the Museum core and shell, furniture, fixtures and equipment (“FFE”), operations and exhibit-related objects and materials, and all artifacts related to the development of the Museum which are stored on the Property or other City-owned property.

(e) Access to Museum Building: Whenever and wherever feasible and subject to advance notice to the City, the City will permit representatives from 300 SAC, its staff, designated invitees, consultants and agents reasonable access to tour and visit the Museum building with supervision and oversight.

(f) Quarterly Meetings. From the date of this Agreement through Opening, the City will schedule and conduct meetings to be held quarterly and attended by representatives of the City, 300 SAC and appropriate third party representatives to review Project progress, timelines, objectives and refinement of expectations and other issues regarding the Construction, Fit-Out and Pre-operational Phases.

6.2 300 SAC Pre-Operational Responsibilities. 300 SAC agrees to certain responsibilities as it relates to the pre-operational services and functions prior to the Opening (“300 SAC Pre-Operational Responsibilities”). The 300 SAC Pre-Operational Responsibilities include the following:

(a) Implementation of the Pre-Operational Business Plans: 300 SAC will be responsible for developing and administering business plans and resolving issues related to the pre-operations of the Museum, including, but not limited to, hiring of personnel, preventative maintenance contracts, custodial contracts, policies and procedures. 300 SAC shall submit each business plan to the City for review and approval. If a business plan is approved by the City, the City will transfer funds to 300 SAC to cover all or certain costs as set forth in the business plan.

(b) Operational Management Team Selection: 300 SAC will be responsible for selection and hiring of a Museum Executive Director and the associated management team. 300 SAC shall notify City of its selection of a Museum Executive Director and the associated management team. Subject to any funding contingencies, the City will transfer funds to 300 SAC to cover the costs of the Museum Executive Director and the associated management team. The Parties understand that the amount of this transfer of funds shall be finally determined and such amount shall be in accordance with the amount listed in the Cash Flow Estimate and Development Budget in Exhibit “B”.

(c) Endowment Fund: If appropriate, 300 SAC will establish an Endowment Fund for the purpose of providing funds for future operational and capital needs.

(d) Operational Plan: 300 SAC and its management team will be solely responsible for developing and implementing the Operational Plan, to include, at a minimum, the following:

- (1.) Education Plan
- (2.) Curatorial Plan
- (3.) Visitor Service Plan
- (4.) Employee Handbook
- (5.) Employee Benefits
- (6.) Pricing decisions and sales, including group and special event sales, tickets and memberships
- (7.) Operating issues including Museum hours, days of operation.

(e) Labor Costs: 300 SAC will be responsible for all post-opening costs of any employees hired by 300 SAC, including, hiring costs, benefits, worker's compensation, automobile liability insurance, payroll expenses and any other costs incidental to hiring and maintaining employees.

(f) Quarterly reports: From the date of this Agreement through Soft Opening, 300 SAC will submit a report to the City no later than the fifteenth (15th) calendar day of every calendar quarter (i.e., January 15, April 15, July 15 and October 15) detailing, at minimum, the following: actions taken by 300 SAC during the previous quarter, successes and failures, goals for the next quarter, financial standing and current challenging issues. The report will describe both core and shell construction, Fit-out, and Pre-operational issues. The City will use the quarterly report as a basis for the City's Quarterly Meeting.

(g) Quarterly meetings: 300 SAC will send the appropriate representative(s) to attend every Quarterly Meeting scheduled by the City.

6.3 Museum Subcommittee Pre-Operational Responsibilities. The Museum Committee will perform certain responsibilities as it relates to the pre-operational functions and services prior to the Soft Opening ("Museum Subcommittee Pre-Operational Responsibilities"). These Museum Subcommittee Pre-Operational Responsibilities include the following:

(a) Liaison with Third Party Developer: The Museum Subcommittee will work as the liaison with CIM on the coordination of the development of the area surrounding the Property by representing the best interests of the Museum.

SECTION SEVEN

TERM AND COMMENCEMENT OF LEASE AND OPERATING AGREEMENT

7.1 The term of this Agreement shall commence on the date it is approved by the City Council of the City and shall expire on the later of: (1.) the date of Opening of the Museum; or (2.) 2 years from the date of this Agreement, unless earlier terminated in accordance with this Agreement.

7.2 Within 6 months prior to the occurrence of the Opening, City and 300 SAC agree that each shall execute and enter in the Lease and Operating Agreement in substantially the form of which is attached hereto as Exhibit "C" ("LOA") and deliver it to the other. The City and 300 SAC agree that upon execution and delivery of the LOA, the LOA shall govern the relationship of the City and 300 SAC as it relates to the Museum Property.

SECTION EIGHT

REPRESENTATIONS AND WARRANTIES

8.1 City Representations and Warranties. In addition to any other representations and warranties made by the City, the City hereby represents and warrants to 300 SAC, which representations and warranties are continuing in nature and shall survive throughout the term of this Agreement, as follows:

(a) There are no pending or, to the best of the City's knowledge, threatened actions, suits, condemnation or other proceedings before or by any judicial body or any governmental authority against or affecting the Property.

(b) The City has the full authority and power to execute this Agreement. This Agreement has been duly executed and delivered by the City and constitutes the valid and legally binding obligation of the City, enforceable in accordance with its terms, except as the enforceability hereof may be limited by bankruptcy, insolvency or other similar laws affecting creditors' rights generally and general principles of equity.

(c) City possesses title to the Property subject to the deed restrictions from the U.S. National Park Service ("NPS").

(d) The execution or delivery of this Agreement will not: (i) violate any applicable law, injunction, judgment, order, decree, ruling, charge or other restriction of any governmental authority to which the City or the Property is subject; (ii) violate any provision of the City's charter documents, as amended; or (iii) conflict with, result in a breach of, constitute a default under, result in the acceleration of, give any person the right to accelerate, terminate, modify or cancel, or require any notice under, any agreement, license, permit, authorization, instrument or other arrangement to the City is a party or by

which it is bound or which any of its assets are subject (or result in the imposition or any lien upon any of its assets).

(e) The City has not received any written notice nor does it have any knowledge of or intent to impose any utility connection moratorium or rezone the Property.

(f) No consent, approval, order or authorization of, or registration, qualification, designation, declaration or filing with, any governmental authority or third person on the part of the City is required in connection with its execution and delivery of this Agreement.

(g) There are no unrecorded contracts, leases, easements or other agreements, or claim of any third party, affecting the use, title, occupancy or development of the Property, and no person, firm or entity has any right of first refusal, option or other right to acquire all or any part of the Property, except for those items disclosed to 300 SAC.

8.2 300 SAC's Representations and Warranties. In addition to any other representations and warranties made by 300 SAC herein, 300 SAC hereby represents and warrants to City, which representations and warranties are continuing in nature and shall survive throughout the term of the Agreement, as follows:

(a) 300 SAC is a nonprofit corporation validly existing under the laws of the State of Nevada and is an organization described in Section 501(c)(3) of the Tax Code.

(b) 300 SAC has the full authority and power to execute this Agreement. This Agreement has been duly executed and delivered by 300 SAC and constitutes the valid and legally binding obligation of 300 SAC, enforceable in accordance with its terms, except as the enforceability hereof may be limited by bankruptcy, insolvency or other similar laws affecting creditors' rights generally and general principles of equity.

(c) The execution or delivery of this Agreement will not: (i) violate any applicable law, injunction, judgment, order, decree, ruling, charge or other restriction of any governmental authority to which 300 SAC is subject; (ii) violate any provision of 300 SAC's articles of incorporation or bylaws, as amended; or (iii) conflict with, result in a breach of, constitute a default under, result in the acceleration of, give any person the right to accelerate, terminate, modify or cancel, or require any notice under, any agreement, license, permit, authorization, instrument or other arrangement to which 300 SAC is a party or by which it is bound or which any of its assets are subject (or result in the imposition or any lien upon any of its assets).

SECTION NINE

DEFAULT, REMEDIES AND DISPUTE RESOLUTION

9.1 Defaults by 300 SAC. 300 SAC shall be in default of this Agreement upon any of the following (each a “SAC Default”):

(a) 300 SAC shall fail to make full payment of any material undisputed sum of money required to be paid by 300 SAC hereunder when such payment is due and payable and such failure continues for thirty (30) days after written notice thereof from City;

(b) 300 SAC shall fail to perform any other material term, covenant or condition of 300 SAC contained in this Agreement, and such failure continues for thirty (30) days after written notice thereof from City; provided, however, that if such failure is not practical to correct within thirty (30) days, 300 SAC shall not be deemed in default if 300 SAC commences correction within said thirty (30) day period and diligently pursues such correction to completion; and

(c) 300 SAC makes a material representation or warranty in this Agreement, or in any certificate, demand, or request made under this Agreement, that proves to be incorrect, at any time during the term of this Agreement, in any respect.

9.2 Remedies for SAC Default. Should a SAC Default occur, City shall have the following rights and remedies:

(a) City may, but shall not be obligated to, advance the amount required to cure any failure by 300 SAC to make any payment when required hereunder and shall be entitled to recover from 300 SAC the sum so advanced, plus interest from the date the payment was due at the prime rate prevailing during the period of the 300 SAC Default, as it may change from time to time, based on such rate as published in the Wall Street Journal or if more than one rate is published on any day, the average of such rates, plus 2% per annum (the “Default Rate”).

(b) City shall have the right to suspend/and or terminate all or any part of the design and construction of the Museum building as City Determines appropriate. In connection therewith, (i) City may utilize any sources of funds it has received which have not already been applied to payment of Pre-operational Project Costs to pay the costs associated with such suspension or termination and (ii) in the event there are not sufficient sources of funds to pay the costs associated with such suspension or termination, then City may advance the amount required in connection with such suspension or termination and shall be entitled to recover from 300 SAC the sum so advanced, plus interest at the Default Rate. In the event of a complete termination of the Museum building, this Agreement shall automatically terminate and all respective further obligations of the Parties under this Agreement shall terminate and be null and void except for the obligations of the Parties pursuant to Section 9.6 hereof.

(c) City may exercise any other remedy available to it at law or in equity, including specific performance of the provisions of this Agreement. The provisions of this Section are not intended as a limitation on the remedies that may be available to City in case of a SAC Default.

9.3 Default by City. The City shall be in default of this Agreement upon any of the following (each a “City Default”):

9.3.1 The City shall fail to make full payment of any material undisputed sum of money required to be paid by City hereunder when such payment is due and payable and such failure continues for thirty (30) days after written notice thereof from 300 SAC;

9.3.2 The City shall fail to perform any other material term, covenant or condition of the City contained in this Agreement, and such failure continues for thirty (30) days after written notice thereof from 300 SAC; provided, however, that if such failure is impossible to correct within thirty (30) days, the City shall not be deemed in default if the City commences correction within said thirty (30) day period and diligently pursues such correction to completion; and

9.3.3 The City makes a material representation or warranty in this Agreement, or in any certificate, demand, or request made under this Agreement, that proves to be incorrect, at any time during the term of this Agreement, in any respect.

9.4 Remedies for City Default. Upon a City Default, 300 SAC may exercise any remedy available to it at law or in equity, including specific performance of the provisions of this Agreement. The provisions of this Section are not intended as a limitation on the remedies that may be available to 300 SAC in case of a City Default.

9.5 Dispute Resolution. The Parties agree that any action for equitable relief shall be pursuant to a court of law in compliance with Section 10.2 below. If any other dispute arises out of or relates to this Agreement, or the breach thereof, the Parties agree to proceed as follows:

9.5.1 300 SAC and the City hereby agree and commit to each other to resolve any open issues relating to the Museum Property in a commercially reasonable manner as promptly as possible and to cause such Party’s Project Representative to be readily available to address such issues as they arise. In the event the Parties are divided with respect to any such open issue relating to or in connection with the Museum Property (“Unresolved Issue”), and the Project Representatives are unable to reach agreement, after good faith negotiations, with respect to a proposed course of action concerning such Unresolved Issue, then such Unresolved Issue shall be resolved exclusively by the City Manager of City, on behalf of the City, and [name title], on behalf of 300 SAC, unless and until 300 SAC or the City selects another individual with similar status to resolve such Unresolved Issue on its behalf. Thereafter, if the Unresolved Issue has not been

resolved, the Parties agree to proceed with the Mediation and Arbitration provisions set forth next below.

If said dispute cannot be settled through negotiation, the parties agree first to try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its Construction Industry Mediation Rules, before resorting to arbitration.

9.5.2 Any controversy or claim arising out of or related to this Agreement or the breach thereof not settled pursuant to paragraphs (a) and (b) immediately above, shall be settled by arbitration in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association, and judgment upon the award rendered by the arbitrator or arbitrators may be entered in any court having jurisdiction thereof. Claims among the Parties shall be decided by arbitration in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association currently in effect, unless the parties mutually agree otherwise. Notice of demand for arbitration shall be filed in writing with the other party and with the American Arbitration Association.

9.5.3. The Parties agree that pending final resolution of a claim including arbitration, unless otherwise agreed in writing, the Parties, as the case may be, shall proceed diligently with performance of the Agreement.

9.5.4. Demand for arbitration of any claim may be made within a reasonable time after the claim has arisen, and in no event shall it be made after the date when institution of legal or equitable proceedings based on such claim would be barred by the applicable statute of limitations. A party who files a notice of demand for arbitration must assert in the demand all claims then known to that party on which arbitration is permitted to be demanded. When a party fails to include a claim through oversight, inadvertence or excusable neglect, or when a claim has matured or been acquired subsequently, the arbitrator or arbitrators may permit amendment.

9.5.5. The award rendered by the arbitrator or arbitrators shall be final, and judgment may be entered upon it in accordance with Section 10.12 hereof.

9.5.6. All dispute resolution proceedings pursuant to this Section 10.12 shall take place in Clark County, Nevada.

9.6. Indemnification. Each Party (the “Indemnifying Party”) agrees to hold harmless, indemnify and defend the other Party from and against all losses, liabilities, or expenses, claims, demands, action or causes of action arising out of the wrongful or negligent act, errors or omissions of such Party or any of its employees, agents or servants, including a breach of this Agreement. The Parties hereto understand and agree that neither this Section nor any other provision of this Agreement shall constitute a waiver by City of any protection it has against liabilities or damages or any limitations thereon under Chapter 41 of NRS or other protections or limitations that arise by virtue of City’s status

as a political subdivision of the States of Nevada, and that City's indemnifications hereunder are limited by and subject to Chapter 41 of NRS.

SECTION 10

MISCELLANEOUS

10.1 No Waiver. No failure or delay on the part of any Party to this Agreement to enforce the provisions hereof shall operate as a waiver thereof, nor shall a single or partial enforcement of any provision hereof preclude any other or further enforcement or exercise of any other right, power or remedy that any Party of this Agreement may have.

10.2 Time of Essence. Time is of the essence to this Agreement. Each Party agrees that it shall perform all of its obligations under this Agreement promptly when required.

10.3 No Third Party Beneficiaries. This Agreement is intended solely for the benefit of the Parties hereto, and no person is intended to be or shall be construed to be a third party beneficiary of this Agreement.

10.4 Successors or Assigns. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and their assigns. No assignment of this Agreement or any right or obligation hereunder by any of the Parties hereto shall be valid unless the other Party hereto consents to that assignment in writing.

10.5 Books and Records. Each of the Parties to this Agreement agrees, to the extent applicable to a Party, to maintain proper books and records pertaining to the Property, including, but not limited to, the Operating Budget, the sources of funds, expenditures and receipts and to make such books and records available for inspection by the other Party hereto during normal business hours.

10.6 Amendments. This Agreement may be modified at any time by the Parties hereto, but only by a written instrument signed by each of the Parties.

10.7 Severability. If any provision of this Agreement is deemed to be invalid or unenforceable, the invalidity or unenforceability shall not affect the remaining provisions of this Agreement that can be given effect without the invalid or unenforceable provision, and the Parties hereto agree to replace the invalid or unenforceable provision with a valid provision which has as nearly as possible the same effect.

10.8 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be regarded as the original and all of which shall constitute the same agreement.

10.9 Notices. All notices required or permitted to be given hereunder shall be in writing, addressed to the Parties respective addresses set forth below, and may be delivered by hand, by facsimile, by nationally recognized private courier, or by United States mail. Notices delivered by mail will be deemed given five (5) business days after being deposited in the United States mail, postage prepaid, registered or certified mail (return receipt requested). Notices delivered by hand, by facsimile, or by nationally recognized private courier will be deemed given on the first business day following receipt; provided that a notice delivered by facsimile will only be effective if such notice is also delivered by hand, by nationally recognized private courier or deposited in the United States mail, postage prepaid, registered or certified mail (return receipt requested), on or before two (2) business days after its delivery by facsimile. Any party may change its address for notice by giving notice of such change of address to the other party in the manner herein provided.

If to City: City of Las Vegas, Nevada
 400 Stewart Avenue
 Las Vegas, Nevada 89101
 Attention: City Manager
 Facsimile No. 702-388-1807

With a copy to: Las Vegas City Attorney
 400 Stewart Avenue
 Las Vegas, Nevada 89101
 Attention: City Attorney
 Facsimile No. 702-386-1749

If to 300 SAC to: 300 Stewart Avenue Corporation
 Fennemore & Craig, P.C.
 300 S. 4th Street, Suite 1400
 Las Vegas, NV 89101
 Attention: Chairperson of 300 SAC Board
 Facsimile No. 702-692-8061

10.10 Disclosure of Principals. Pursuant to Resolution R-105-99 adopted by City Council effective October 1, 1999, 300 SAC warrants that it has disclosed, on Exhibit "D" attached hereto, all members of the Board of Directors of 300 SAC, as well as all persons and entities holding more than 1% interest in 300 SAC or any principal of 300 SAC. Throughout the term hereof, 300 SAC shall notify City in writing of any material change in the above disclosure within 15 days of any such change.

10.11 Governing Law. The laws of the State of Nevada shall govern the validity, construction, performance and effect of this Agreement, without giving effect to its conflict of law provisions.

10.12 Jurisdiction and Venue. Except as set forth in Section 9.5 each Party agrees to submit to personal jurisdiction in Clark County, Nevada in any action or proceeding arising out of this Agreement and, in furtherance of such agreement, each Party hereby agrees and consents that, without limiting other methods of obtaining jurisdiction, personal jurisdiction over each Party in any such action or proceeding may be obtained within or without the jurisdiction of any court located in Nevada and that any process or notice of motion or other application to any such court in connection with any such action or proceeding may be served upon each Party by registered or certified mail to or by personal service at the last known address of each Party, whether such address be within or without the jurisdiction of any such court. Each Party hereto consents to, and waives any objection to Clark County, Nevada as the proper and exclusive venue for any dispute arising out of or relating to this Agreement or any alleged breach hereof.

10.13 Force Majeure. Neither party shall be in breach of this Agreement if it fails to perform as required hereunder due to labor disputes, civil commotion, war, warlike operation, terrorist acts, sabotage, governmental regulations or control, fire or other casualty, inability to obtain any materials, or other causes beyond such party's reasonable control. The financial inability of a Party to perform its obligations hereunder shall not operate to excuse or otherwise limit a Party's obligations hereunder.

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

CITY OF LAS VEGAS

By: _____
Oscar B. Goodman, Mayor

ATTEST:

Beverly K. Bridges, MMC, City Clerk

APPROVED AS TO FORM:

J. Pomicino 4/8/10
Date

300 STEWART AVENUE
CORPORATION

By: _____

Its: _____

EXHIBIT "A"
PARCEL MAP

Exhibit A
300 Stewart Ave. APN: 13934501007

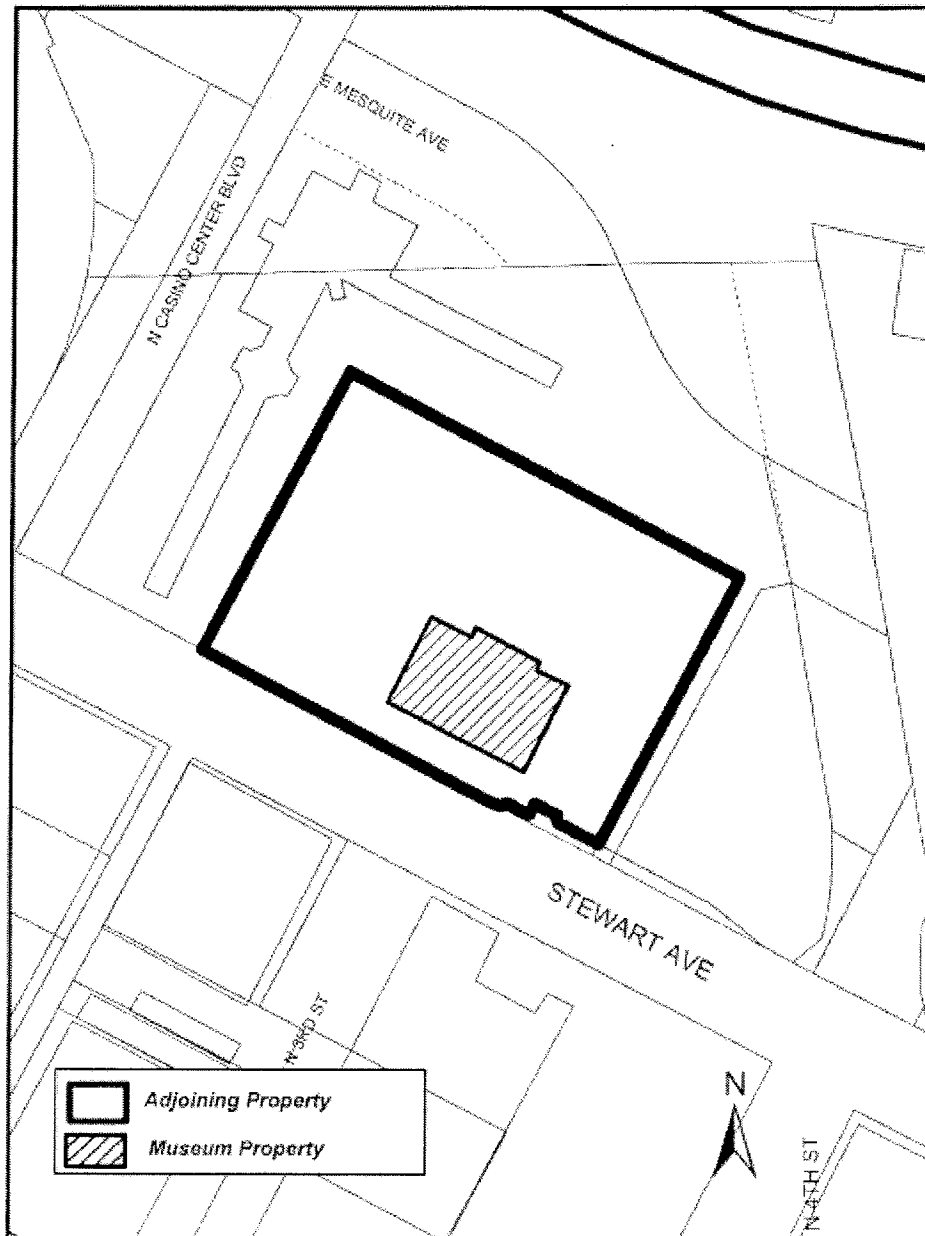


EXHIBIT "B"
CASH FLOW ESTIMATE AND DEVELOPMENT BUDGET

Mob Museum

Sources and Uses Report

As of December 31, 2009

Sources of Funds:

CLV General Funds	12,401,011
CIP Funding	5,000,000
RDA Funds	11,504,009
Re-allocation of Park Bond Proceeds	4,000,000
Rental Income / Museum Allocation from CLV	853,946
Cultural Funds	500,000
Sale from Chiller	35,000
Grants	8,261,957
Total Sources to Date	<u>42,555,923</u>

Uses of Funds:

Committed to date (see below)	28,634,911
Budgeted to be committed:	
Fabricator contract	7,269,959
Retail fit out	572,480
Exterior signage and lighting	780,000
POS, Acct, Security, IT	800,000
Other professional soft costs	696,498
Pre-opening staff/mgt expenses	858,218
Staff Training	100,000
Pre-opening marketing	1,000,000
Retail Product Development Plan	150,000
Pre-opening Inventory	250,000
Pre-opening Insurance	50,000
Total to be committed	<u>12,527,155</u>
Contingency	1,393,857
Total Budgeted Uses	<u>42,555,923</u>

Variance	1,393,857
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Uses (Commitments) of Funds:

Consultants	1,381,273
Construction	15,403,736
Architect	7,698,659
Design / Professional Services	337,419
Exterior Rehabilitation	1,268,524
Interior Rehabilitation	2,335,357
Supplies	31,895

Services	171,634
Miscellaneous Expenses	6,413
Total Funds Committed to Date	<u>28,634,911</u>
Balance remaining on PO's	28,625,216
Westlake Reed (PO 267428)	1,506,125
Chattel Architecture (PO 222167)	147,283
O' Conner Construction (PO 273330)	480,723
APCO Construction (PO 272635)	12,912,938
Global Art Transport (PO 256034)	<u>7,672</u>
Total Future Obligations / PO's	15,054,741
Expenses Paid to Date	<u><u>13,580,170</u></u>

CONSOLIDATED PROSPECTIVE OPERATING STATEMENTS (DOLLARS)

	Original Proforma Developed in 2007 690,000	Range of Proforma based on Attendance Changes 400,000 250,000	
Annual Attraction Attendance			
REVENUES			
Museum	\$9,654,000	\$5,472,000	\$3,420,000
Retail	\$2,776,000	\$2,000,000	\$1,250,000
Special Events	\$428,000	\$450,000	\$450,000
Other Revenues		\$0	\$0
Total Revenues	\$12,858,000	\$7,922,000	\$5,120,000
Revenue per guest	\$19	\$20	\$20
COST OF GOODS SOLD			
Museum	\$274,000	\$8,000	\$5,000
Retail	\$1,388,000	\$920,000	\$587,500
Special Events			
Total Cost of Goods Sold	\$1,662,000	\$928,000	\$592,500
	13%	12%	12%
GROSS MARGIN	\$11,196,000	\$6,994,000	\$4,527,500
	87%	88%	86%
OPERATING EXPENSES			
Salaries and Wages	\$3,559,000	\$2,640,000	\$1,905,000
Employee Benefits	\$1,008,000	\$403,200	\$299,700
General and Administrative	\$578,000	\$871,420	\$563,200
Marketing	\$939,000	\$895,920	\$614,400
Utilities	\$386,000	\$362,700	\$322,400
Insurance	\$64,000	\$39,610	\$25,600
Cleaning and Refuse Collection	\$64,000	\$322,400	\$282,100
Repairs and Maintenance	\$321,000	\$237,660	\$153,600
Contingency	\$643,000	\$396,100	\$256,000
Management Fees	\$0	\$298,880	\$186,800
Total Operating Expenses	\$7,562,000	\$6,467,890	\$4,608,800
	59%	82%	90%
EBITDA	\$3,634,000	\$526,110	(\$81,300)
	28%	7%	-2%
Estimated Capital Reserve	\$257,160	\$158,440	\$102,400
NET CASH FLOW	\$3,376,840	\$367,670	(\$183,700)

NEED TO GET 2009 ATTENDANCE COMPARABLES FOR LIKE ATTRACTIONS IN LV (TITANIC, BODIES, MADAM TUSSES, OTHERS)

NEED TEXT REPORT, PROFORMA, STAFFING, SOURCES AND USES IN ONE PDF FOR BOARD

EXHIBIT "C"
FORM OF
LEASE AND OPERATING AGREEMENT

THIS LEASE AND OPERATING AGREEMENT ("Lease") is made and entered into this ____ day of _____, 201_, by and between the City of Las Vegas, a municipal corporation of the State of Nevada ("City") and 300 Stewart Avenue Corporation, a Nevada non-profit corporation ("300 SAC").

RECITALS

WHEREAS, the City owns certain real property consisting of the former U.S. Post Office and Courthouse building located at 300 Stewart Avenue, Las Vegas, Nevada, which is depicted on the Parcel Map attached hereto as Exhibit "A" (the "Property") which is known as the Las Vegas Museum of Organized Crime and Law Enforcement, also known as the Mob Museum; and

WHEREAS, the City and 300 SAC entered into that certain Pre-operating and Development Agreement dated _____, 2010 (as may be further amended from time to time, the "Pre-Operating Agreement") whereby the parties thereto agreed to develop and fit-out the Museum building; and

WHEREAS, the development and fit-out of the Museum has been completed pursuant to the Pre-Operating Agreement and pursuant to the Pre-Operating Agreement, the Parties are obligated to enter into this Lease whereby the City shall lease to 300 SAC and 300 SAC shall lease from the City the Museum Property.

SECTION ONE

DEMISE OF PREMISES AND TERM

1.1 Demise. City hereby leases to 300 SAC, and 300 SAC hereby leases from City, a portion of the Property known as the Museum Property which is depicted on the Parcel Map attached hereto as Exhibit "A" and incorporated herein (referred to as the "Museum Property" or "Premises") during the Lease Term subject to the terms and condition herein contained.

1.2 Term. This Lease shall be effective and the term of the Lease (the "Lease Term") shall commence on the actual date of Soft Opening of the Museum ("Commencement Date") and continue until 11:59 p.m. on the fifth (5th) anniversary date of the Commencement Date. The Lease may be extended for up to five (5) additional five (5) year periods ("Extended Term") upon written notification from the City to 300 SAC subject to no default or violation of this Lease by 300 SAC.

1.3 Holding Over. Should 300 SAC hold possession of the Premises after the expiration or earlier termination of the Lease Term, such holding over shall create a tenancy from month to month only, upon the same terms and conditions set forth herein.

SECTION TWO

RENT

2.1 Rent. 300 SAC shall pay to City annual rent for the Premises in the amount of One Dollar (\$1.00) payable on the Commencement Date and thereafter on each anniversary of the Commencement Date during the Lease Term (the "Rent"). 300 SAC hereby covenants and agrees to pay Rent to City as provided herein, without prior demand, deduction or set-off whatsoever, in lawful money of the United States of America at such place or places as may from time to time be designated in writing by City.

2.2 Triple Net Lease. 300 SAC hereby acknowledges that this Lease is intended to be a fully net lease and that all costs related to the ownership, operation and maintenance of the Premises shall be borne and paid exclusively by 300 SAC, including all utilities, taxes, assessments, insurance, repairs, restoration and maintenance with respect to the Premises; provided however, that 300 SAC shall not be responsible for the maintenance or repair of the Property (other than the Premises) and shall be not required to reimburse City for any costs incurred by City in its maintenance and repair thereof.

2.3 Cash Flow and Fee Ratio. In addition to the Rent due from 300 SAC, the Parties agree to allocate certain amounts of the Cumulative Net Cash Flow, meaning the cumulative cash receipts minus cash payments from the operations of the Museum as follows:

(a) Cumulative Net Cash Flow (not on annual basis) from operations of \$0 - \$1Million will be used to fund the Operating Reserve of the Museum.

(b) Cumulative Net Cash Flow from operations of \$1-\$4Million will be used to fund Capital Expenditure Reserve.

(c) Cumulative Net Cash Flow from operations in excess of \$4Million will be split 50/50 to the City and to the Museum's Operating Reserve or Endowment Fund (to be determined by the Parties).

(d) If the aggregate amount of the Museum's Operating Reserve, Capital Reserve and Endowment Fund are in excess of \$10 Million, then 100% of the Cumulative Net Cash Flow from operations will be distributed to the City until the City's entire funding amount of the Museum plus an 8% rate of return on its funding is received. Thereafter, 300 SAC and the City will jointly decide how to distribute the future net cash flow.

2.4 Cash Reserves. The Parties agree that funds from the Museum Operating Reserve and the Capital Expenditure Reserve will be established, maintained and distributed subject to the City's approval. The Parties agree that excess funds in either Reserve will not be spent outside of the Cash Flow Estimate and Development Budget referred in the

Pre-Operating Agreement between the Parties, nor on items outside of the Museum Operating Reserve and Capital Expenditure Reserve.

SECTION THREE

CONDITION OF THE PREMISES AND SURRENDER

3.1 Condition of the Premises. 300 SAC agrees as follows: (i) 300 SAC is fully aware of the physical condition of the Premises and accepts the Premises “as-is”, (ii) except for the representations and warranties set forth herein, 300 SAC is not relying on the representations and warranties made by City or City’s agents, if any; (iii) 300 SAC is aware of the presence of certain Hazardous Substances on the Premises and accepts the Premises subject to the existence of Hazardous Substances, (iv) City shall not be liable to 300 SAC, in any event whatsoever to correct any latent or patent defects in the Premises, and (v) any and all information provided by City to 300 SAC, including, without limitation, those studies, reports or other documents relating to Hazardous Substances in soil and groundwater within the Premises, have been delivered without representation or warranty.

3.2 Surrender of the Premise. Upon the expiration or earlier termination of this Lease, 300 SAC shall, at its sole cost and expense, within fifteen (15) days after receipt of written notice, remove all personal property and trade fixtures which 300 SAC has installed or placed in or on the Premises at its expense (all of which are hereinafter collectively referred to as “300 SAC’s Property”), from the Premises and repair all damage thereto resulting from such removal and 300 SAC shall thereupon surrender the Premises. In the event 300 SAC shall fail to remove any of 300 SAC’s Property, City shall retain such 300 SAC’s Property without any payment or offset therefore. It is expressly the intent of this section to provide that all improvements funded by the city during the initial development and fit-out shall remain on the Premises at termination.

SECTION FOUR

USE OF THE PREMISES

4.1 Purpose; Comply with Law. 300 SAC may use and occupy the Premises for the operations as the Las Vegas Museum of Organized Crime and Law Enforcement and ancillary and related business uses only and no other use whatsoever. Any other uses shall require the written approval by the City. 300 SAC shall, at all times during the Lease Term, comply with all federal, state and local governmental rules, policies, permits, authorizations, regulations, ordinances, codes, statutes and laws, now or hereafter in effect pertaining to the Premises or any party’s use thereof (collectively, the “Applicable Laws”).

4.2 Inspection. City or its agents, employees or contractors may enter the Premises during normal business hours after twenty-four (24) hours prior written notice to 300 SAC (except, in the case of emergency no such notice will be required) to examine the Premises to determine the compliance with the terms of this Lease.

4.3 City Use. City shall have the right to use the Premises from time to time at no charge to the City for events in connection with the City's municipal function or as otherwise desired by City provided that each use of the Premises by City (i) shall not interfere with any scheduled events at the Premise, (ii) shall be at the cost and expense of the City, including food and beverage, retail and other expenses related to the City's use; and (iii) that City shall coordinate such use of the Premises with 300 SAC including providing reasonable advance notice thereof. 300 SAC and City agree that they will attempt to schedule City's use of the Premises annually in connection with the City's review of the Operating Budget, as defined in Section 6.1.

SECTION FIVE

ENCUMBRANCES AND ALTERATIONS

5.1 No New Encumbrances. 300 SAC may not put any encumbrances on the Museum Property and Museum Building without the prior written approval of the City.

5.2 Alterations. 300 SAC shall not make any major alterations, additions or improvements in excess of One Hundred Thousand Dollars (\$100,000) to the Premises (collectively "Alterations") without City's prior written consent, which shall not be unreasonable withheld or conditioned, including, without limitation, any Alterations to the exterior of the Premises (including signage). 300 SAC shall deliver to City, for City's approval (which approval shall not be unreasonably withheld) prior to bidding any construction for the proposed Alterations, a complete set of plans and specifications for the proposed Alterations, copies of contracts with general contractors, evidence of contractor's insurance and bonds, and all then necessary permits for such construction. City may require 300 SAC to provide demolition and/or lien and completion bonds in form and amount satisfactory to City. 300 SAC shall promptly remove any Alterations constructed in violation of this Section 11 following City's demand therefore. All Alterations will be accomplished in a good and workmanlike manner, in conformity with all Applicable Laws, and by a contractor approved by City which approval shall not be unreasonably withheld. City's approval of the plans, specifications and working drawings for any Alterations shall create no responsibility or liability on the part of City for their completeness, design, sufficiency, or compliance with all Applicable Laws. Upon completion for such work, 300 SAC shall provide City with "as built" plans, CADD drawings, copies of all construction contracts, and proof of payment for all labor and materials. All Alterations, including minor alterations, shall be made in compliance with and in accordance with NRS Chapter 338.

SECTION SIX

BUDGETS AND OPERATIONAL PLANS

6.1 Annual Budgets. 300 SAC agrees that no later than February 1 of each year 300 SAC shall submit to City an operating budget for the Museum for the twelve (12) month period commencing on the next July 1 (the "Operating Budget") showing in detail reasonably acceptable to City, 300 SAC's projected operating costs and revenues for such calendar year. In addition to the annual Operating Budget, 300 SAC also agrees that not later than February 1 of each year 300 SAC shall submit to the City a five (5) year forecast of the Museum operations.

6.2 Annual Strategic Plans and Operational Plans. 300 SAC agrees that no later than February 1 of each year 300 SAC shall submit to City a strategic plan and operational plan for the Museum for the twelve (12) month period commencing on the next July 1 ("Strategic Plan" and "Operational Plan" respectively).

6.3 Financial Statements. 300 SAC shall submit to City no later than January 20th, April 20th, July 20th and October 20th of each year a quarterly financial statement with income statements and balance sheets to the City. Such financial statements shall be prepared by an independent third party. An end of year audit shall also be required be completed and submitted to the City no later than December 31 for the prior fiscal year, such audit to also address how reserves are accumulated and maintained as described in Section 2.3

6.4 City's Right to Audit. City reserves the right to audit and inspect the books and records of 300 SAC throughout the term of the Lease provided that City gives forty-eight (48) hour prior notification to 300 SAC.

6.5 City's Compliance with Budget Laws. All of the City's obligations under this Lease are subject to the governing body of City lawfully making an appropriation to pay the amount needed to fulfill such obligations and are binding upon City only to the extent such an appropriation is made. Nothing contained in this Lease obligates City to make any such appropriation.

SECTION SEVEN

TAXES

7.1 Real Property Taxes and Assessments. 300 SAC shall pay or cause to be paid all taxes and assessments as they come due which (i) are or may become a lien on the Premises or which are assessed or imposed upon the Premises or (ii) are charged against trade fixtures, utility installations, furnishings, equipment or any other personal property belonging to 300 SAC. 300 SAC shall furnish City with receipts (or if receipts are not immediately available, with copies of canceled checks evidencing payment with receipts to follow promptly after they become available) showing payment of such taxes and assessments at least fifteen (15) days following City's request therefor. Notwithstanding

the foregoing, 300 SAC may in good faith, by appropriate proceedings and upon notice to City, contest the validity, applicability or amount of any asserted tax or assessment so long as (a) such contest is diligently pursued, and (b) City reasonably determines, in its subjective opinion, that such contest suspends the obligation to pay the tax and that nonpayment of such tax or assessment will not result in the sale, loss, forfeiture or diminution of the Premises or any part thereof or any interest of City therein; provided, however, that 300 SAC shall promptly cause to be paid any amount adjudged by a court of competent jurisdiction to be due, with all interest, costs and penalties thereon, promptly after such judgment becomes final; and provided, further, that in any event each such contest shall be concluded, the taxes, assessments, interest, costs and penalties shall be paid prior to the date any writ or order issued under which the Premises may be sold, lost or forfeited.

7.2 Taxes Related to 300 SAC's Activities. 300 SAC shall pay when due any and all taxes, assessment or fees for which 300 SAC is liable and which arise directly or indirectly from 300 SAC's activities on the Premises. Within ten (10) business days of written demand from City, 300 SAC shall furnish City evidence satisfactory to City of the timely payment of any such tax, assessment or fee.

7.3 City Receives Statement or Bill. Whenever City shall receive any statement or bill for any tax, payable in whole or in part by 300 SAC, or shall otherwise be required to make any payment on account thereof, 300 SAC shall pay the amount due hereunder within ten (10) business days after written demand therefore accompanied by delivery to 300 SAC of a copy of such tax statement.

SECTION EIGHT

MAINTENANCE AND REPAIRS

8.1 No City Repairs. City shall have no responsibility or liability for failure to supply any services or maintenance or to make any repairs on the Premises. City shall not be liable for any loss or damage to persons or property sustained by 300 SAC or other persons, which may be caused by or in connection with the Premises, or any appurtenances thereto, being out of repair or by bursting or leakage of any water, gas, sewer or steam pipe, or by theft, or by any act or neglect of any occupant of the Premises, or any other person other than those caused by City.

8.2 300 SAC Repairs.

(a) 300 SAC shall keep and maintain in good order, condition and repair (including, without limitation, any such replacement and restoration as is required for that purpose) the Premises, every part thereof and any and all appurtenances thereto wherever located, including, without limitation, all repairs and replacements, structural and nonstructural, foreseen and unforeseen, which are necessary to maintain and preserve the Premises in good condition and operation. All repairs shall be made in accordance with all Applicable Laws, including NRS Chapter 338, promptly, efficiently, and in good workmanlike manner. 300 SAC agrees to provide City a schedule of regular maintenance

and repair that 300 SAC shall undertake in connection with the Premises. City shall have the right to conduct an annual inspection of the Premises to determine 300 SAC's compliance with this Section 14.2 and 300 SAC agrees to cooperate in such annual inspection.

(b) If 300 SAC fails to maintain or repair the Premises as required by this Lease and such failure continues for thirty (30) days after written notice thereof from City to 300 SAC (provided, however, that if the failure complained of in such notice is of such a nature that the same can be rectified or cured, but cannot with reasonable diligence be done within said thirty (30) day period, then such failure shall be deemed to be rectified or cured if 300 SAC shall within said thirty (30) day period, commence to rectify and cure the same and shall thereafter complete such rectification and cure with all due diligence but in no event later than one hundred eighty (180) days after such written notice, then City may, without declaring 300 SAC in default of this Lease and upon ten (10) days prior notice to 30 SAC (except that no notice shall be required in the case of emergency) , enter upon the Premises and perform such maintenance or repair on behalf of 300 SAC. In such case, 300 SAC shall reimburse City for all costs incurred in performing such maintenance or repair, including twenty percent (20%) of such costs for City's supervision, promptly upon demand. 300 SAC agrees that, provided that City has followed the procedures set forth in this subsection (ii) for the exercise of City's right to cure 300 SAC's failure to maintain or repair the Premises, City shall be entitled to apply the funds in the Museum's Operating Reserve to the costs of such maintenance or repair or to reimburse City for such costs incurred by City.

SECTION NINE

LIENS

300 SAC shall pay when due all claims for labor and materials furnished to the Premises. 300 SAC shall give City at least thirty (30) days prior written notice of the commencement of work on the Premises. City may elect to record and post notices of nonresponsibility on the Premises. 300 SAC will not permit to be created or to remain undischarged any lien, encumbrance or other charge (arising out of any work done or materials or supplies furnished by any contractor, subcontractor, mechanic, laborer or materialman or any mortgage, conditional sale, security agreement or chattel mortgage, or otherwise by or for 300 SAC) which might be or become a lien or encumbrance or other charge (collectively a "Charge") against or upon the Premises or any part thereof. If any Charge by a person engaged by 300 SAC or 300 SAC's contractor to work on the Premises shall be filed against or upon the Premises or any part thereof, 300 SAC shall within thirty (30) days after demand from City cause the same to be discharged or record by payment, deposit, bond, order of a court of competent jurisdiction or otherwise. If 300 SAC shall fail to cause any Charge to be discharged within the period aforesaid, then, in addition, to any other right or remedy it may have, City may, but shall not be obligated to, discharge the same by payment, deposit or by bonding proceedings. Any amount so paid by City and all interest, costs and expenses, including reasonable attorney's fees, incurred by City in connection therewith shall constitute additional rent payable by 300 SAC under the Lease and shall be paid by 300 SAC to City promptly upon demand. No

work which City permits 300 SAC to do shall be deemed to be for the immediate use and benefit of City and not Charge shall be allowed against the estate, rights, title or interests of City by reason of any consent given by City to 300 SAC to do work in or about the Premises or provide materials therefore.

SECTION TEN

INSURANCE

10.1 Maintain Insurance Policies. 300 SAC shall, at 300 SAC's expense, maintain in force and effect on the Premises at all times the following insurance:

(a) Insurance against loss or damage to the Premises by fire, windstorm, tornado and hail and against loss and damage by such other, further and additional risks as may be now or hereafter embraced by an "all-risk" or "special form" form of insurance policy. The amount of such insurance shall be not less than one hundred percent (100%) of the full replacement cost (insurable value) of the Premises. The full replacement cost shall be determined by City and 300 SAC annually upon renewal of the insurance policy to ensure compliance with the foregoing requirement throughout the Lease Term; provided that the full replacement cost of the Premises shall be established by an MAI appraisal every five (5) years during the Lease Term. Absent such adjustment, each policy shall contain such terms as are necessary to insure that the policy limit will be increased over time to reflect the effect of inflation. Full replacement cost, as used herein, means, with respect to the Premises, the cost of replacing the Premises without regard to deduction for depreciation, exclusive of the cost of excavations, foundations and footings below the lowest basement floor. 300 SAC shall also maintain insurance against loss or damage to furniture, furnishings, fixtures, equipment and other items (whether personal property or fixtures) included in the Premises and owned by 300 SAC from time to time, to the extent applicable, in the amount of the cost of replacing the same, in each case, with such coverage as is necessary to insure that the amount will be increased over time to reflect the effect of inflation, or annual valuation. Each policy or policies shall contain a replacement cost endorsement and either an agreed amount endorsement (to avoid the operation of any co-insurance provisions) or a waiver of any co-insurance provisions, all subject to City's approval. The maximum deductible shall be \$100,000.00 or such other amount that is acceptable to City based on its assessment of market conditions as the same shall apply to properties similar to the Premises.

(b) Commercial general liability insurance against claims for personal injury, bodily injury, death and Premises damage occurring on, in or about the Premises in amounts not less than \$2,000,000.00 per occurrence and \$2,000,000.00 in the aggregate plus umbrella coverage in an amount not less than \$2,000,000.00. During any construction on the Premises, 300 SAC's general contractor for such construction shall also provide the insurance required in this subsection (b). City hereby retains the right to periodically review the amount of said liability insurance being maintained by 300 SAC and to require an increase in the amount of said liability insurance should City deem an increase to be reasonably prudent under then existing circumstances.

(c) Boiler and machinery insurance is required if steam boilers or other pressure-fired vessels are in operation at the Premises. Minimum liability coverage per accident must equal the greater of the replacement cost (insurable value) of the Premises housing such boiler or pressure-fired machinery or \$2,000,000.00. If one or more HVAC units that serve(s) all or a material part of the Premises is in operation at the Premises, "Systems Breakdowns" coverage shall be required, as determined by City. Minimum liability coverage per accident must equal the value of such unit(s).

(d) If the Premises or any part thereof are situated in an area now or subsequently designated by the Federal Emergency Management Agency ("FEMA") as a special flood hazard area (Zone A or Zone V), flood insurance in an amount equal to the lesser of: (i) the minimum amount required, under the terms of coverage, to compensate for any damage or loss on a replacement basis or (ii) the maximum insurance available under the appropriate National Flood Insurance Administration program. The maximum deductible shall be \$100,000.00 per building or a higher minimum amount as required by FEMA or other Applicable Laws.

(e) During the period of any construction, renovation or alteration of the Premises which exceeds \$50,000.00, at City's request, a completed value, "All Risk" Builder's Risk form, or "Course of Construction" insurance policy in non-reporting form with replacement cost and no co-insurance, in an amount approved by Landlord, may be required. During the period of any construction of any addition to the existing Premises, a completed value, "All Risk" Builder's Risk form or "Course of Construction" insurance policy in non-reporting form, in an amount approved by Landlord, shall be required.

(f) When required by Applicable Laws, ordinance or other regulation, Worker's Compensation and Employer's Liability Insurance covering all persons subject to the workers' compensation laws of the state in which the Premises is located.

(g) Such other insurance on the Premises or on any replacements or substitutions thereof or additions thereto as may from time to time be required by City against other insurable hazards, casualties or matters, but only to the extent such matters at the time are commonly insured against in the case of Premises similarly situated, including, without limitation, earthquake and law and ordinance insurance, due regard being given to the height and type of buildings, their construction, location, use and occupancy.

(h) All such insurance shall (i) be with insurers fully licensed and authorized to do business in Nevada and which insurers, unless otherwise approved in writing by City, shall have and maintain a "General Policyholders' Rating" of "BBB" or better and a "financial rating" of 10 or better, as set forth in the most current issue of "Best's Insurance Guide," or such comparable ratings as City shall approve, in its sole discretion; (ii) contain the complete address of the Premises (or a complete legal description); (iii) be for terms of at least one year with premium prepaid; (iv) be subject to the approval of City as to insurance companies, amounts, content, forms of policies, method by which premiums are paid and expiration dates; (v) contain deductibles which do not exceed \$100,000.00 or an amount subject to City's approval (except that the deductible with

respect to the policy described in clause (d) above, shall not exceed \$100,000.00 or a higher minimum amount as required by FEMA or other Applicable Laws); and (vi) include a standard, non-contributory, City clause naming City as an additional insured under all liability insurance policies and as the owner of the Premises on all Premises insurance policies.

10.2 Certificates of Insurance. Insurance required to be maintained by 300 SAC hereunder shall be in companies duly authorized to do business in Nevada holding a "General Policyholders' Rating" of "BBB" or better and a "financial rating" of 10 or better, as set forth in the most current issue of "Best's Insurance Guide," or such comparable ratings as Landlord shall approve, in its sole discretion. A certificate issued by the insurance carrier for each policy of insurance required to be maintained by 300 SAC hereunder shall be delivered to City and all other named insureds on or before the Commencement Date and thereafter, as to policy renewals, within thirty (30) days prior to the expiration of the term of each such policy. Each certificate of insurance required to be maintained by 300 SAC hereunder shall be in form and substance reasonably satisfactory to City and shall expressly evidence insurance coverage as required by this Lease and shall contain an endorsement or provision requiring not less than thirty (30) days' prior written notice to City of such cancellation. Any proposed diminution in the perils insured against, or reduction of the amount of coverage of the particular policy in question, initiated by the insurer or 300 SAC shall require not less than thirty (30) days prior written notice to City. If 300 SAC fails to maintain any insurance coverage as required by this Lease, City may, without declaring 300 SAC in default of this Lease, procure any such insurance coverage. In such case, 300 SAC shall reimburse City within thirty (30) days of demand for all costs incurred in obtaining such insurance. 300 SAC agrees that City shall be entitled to apply any funds in the Museum's Operating Reserve to pay the costs of procuring such insurance coverage in the event 300 SAC fails to reimburse City within such thirty (30) day period.

10.3 Waiver of Rights of Recovery. 300 SAC hereby waives any and all rights of recovery from City, its officers, managers, members, agents and employees for any loss or damage, including, without limitation, consequential loss or damage, caused by any peril or perils (including negligent acts) enumerated in each form of property insurance policy required to be maintained by 300 SAC hereunder.

10.4 Waiver of Subrogation. Provided it does not violate any Applicable Laws or regulations or jeopardize 300 SAC's insurance coverage(s), each policy of property insurance (and to the extent obtainable with respect to public liability insurance) provided for in this Section shall contain an express waiver of any and all rights of subrogation thereunder whatsoever against both City and 300 SAC, and their stockholders, directors, officers, partners, members, managers, agents and employees. All such policies carried by 300 SAC shall be written as primary policies and not contributing with or in excess of the coverage, if any, which City may carry. Anything contained herein to the contrary notwithstanding the amounts of all insurance required hereunder to be paid by City or 300 SAC shall be not less than an amount sufficient to prevent the applicable party from becoming a co-insurer.

10.5 No Prohibited Items or Use. 300 SAC agrees that it will not keep, use, sell or offer for sale in or upon the Premises any article or permit any activity which may be prohibited by any standard form of insurance policy or conduct or permit the conduct of any use which violates the terms and conditions of any insurance policy required to be maintained pursuant to this Lease.

SECTION ELEVEN INDEMNIFICATION

11.1 Indemnification.

(a) 300 SAC shall indemnify and hold harmless City and all agents, servants and employees of City (collectively, the “**City Parties**”) from and against all claims, losses, damages, expenses (including reasonable attorneys’ fees), penalties and charges (collectively the “**Losses**”) arising from or in connection with any of the following during the Lease Term (i) 300 SAC’s use of the Premises, or (ii) the conduct of 300 SAC’s business, or (iii) any activity, work or things done, permitted or suffered by 300 SAC in or about the Premises. 300 SAC shall further indemnify and hold harmless City from and against any and all Losses arising from any default in the performance of any obligation on 300 SAC’s part to be performed under the terms of this Lease, or arising from any negligence of 300 SAC, or any of 300 SAC’s agents, contractors, or employees during the Lease Term, and from and against all Losses incurred in the defense of any such claim or any action or proceeding brought thereon. If any action or proceeding be brought against City by reason of any such claim, 300 SAC, upon notice from City, shall defend the same at 300 SAC’s expense by legal counsel reasonably satisfactory to City. 300 SAC, as a material part of its consideration to City, hereby assumes all risk of damage to property or injury to persons in or upon the Premises arising from any cause during the Lease Term and 300 SAC hereby waives all claims in respect thereof against City. 300 SAC’s indemnity is not intended to nor shall it relieve any insurance carrier of its obligations under policies required to be carried by 300 SAC pursuant to the provisions of this Lease. 300 SAC’s obligations under this **Section 11.1** shall survive any termination of this Lease.

(b) The City Parties shall not be liable for any and all Losses arising from or in connection with any damage or injury to the person, business (or any loss of income therefrom), goods, wares, merchandise or other property of 300 SAC, 300 SAC’s employees, invitees, customers, or any other person in or about the Premises, or any other person claiming under 300 SAC whether such damage or injury is caused by or results from: (a) fire, steam, electricity, water, gas or rain; (b) the breakage, leakage, obstruction or other defects of pipes, sprinklers, wires, appliances, plumbing, air conditioning or lighting fixtures or any other cause; (c) the failure, delay or diminution in the quality or quantity of any utilities or services supplied to the Premises, (d) inconvenience or annoyance arising from the necessity of repairing any portion of the Premises; (e) the interruption for any reason in the use of the Premises; (f) the destruction of the Premises; or (g) any conditions arising in or about the Premises, or from other sources or places, nor shall any of the same be construed as an eviction of 300 SAC, nor work an abatement of Rent, nor relieve 300 SAC from any obligation under this Lease. Without limiting the

foregoing, the City Parties shall not be liable for any and all claims, losses, damages, expenses, penalties and charges arising from or in connection with the following: (i) any defect or shortcoming in or failure of plumbing, heating or air conditioning or ventilation systems, elevators, electric wiring or installation thereof, water pipes, stairs, railings or walks; (ii) any equipment or appurtenances becoming out of repair; (iii) the bursting, leaking or running of any tubing, radiant panel, fire sprinkler system, electric fixture, valve, fitting, tank, washstand, water closet, waste pipe, drain or other pipe or tank or any other water and/or moisture related release and/or condition and all consequences and/or conditions relating from same, upon or about the Premises; (iv) the backing up of any sewer pipe or downspout; (v) the escape of steam, hot or cold water; (vi) water, snow or ice being upon or coming through the roof of the Premises or any other place upon or near the Premises; (vii) the failing of any fixture, brick, plaster or stucco; (viii) broken glass; (ix) any act or omission of cotenants or other occupants of the Premises; or (x) any act or omission of the Parties (other than City or the City Parties) nor, unless otherwise permitted under this Lease, shall any of the foregoing work an abatement of Rent, nor relieve 300 SAC from any obligation under this Lease. City shall not be liable for any such damage or injury even though the cause of or the means of repairing such damage or injury are not accessible to 300 SAC. 300 SAC shall have no rights whatsoever to offset or deduct against any Rent or any other sums due City under the Lease for any reason whatsoever, including City's default, nor shall 300 SAC have any rights at any time to cure any defaults of the City under this Lease.

11.2 Indemnity Limitation. Notwithstanding anything in this Lease to the contrary, Landlord shall be liable for, and 300 SAC shall not be obligated to indemnify and hold the City Parties harmless from and against, any Losses arising from or in connection with any of the foregoing arising prior to the Commencement Date or by reason of any act, omission or negligence of the City Parties.

SECTION TWELVE

ASSIGNMENT AND SUBLETTING

300 SAC shall not assign, transfer or sublet this Lease nor the leasehold estate hereby created or any interest herein, or license the use of all or any portion of the Premises, whether by assignment, mortgage, sublease, license, transfer, operation of law, without the prior express written consent of the City, which consent shall not be unreasonably withheld. Upon any valid assignment of this Lease, 300 SAC shall be relieved of all obligations accruing from the effective date of the assignment. No sublease shall affect 300 SAC's obligation to perform its agreements hereunder.

SECTION THIRTEEN

PROHIBITION OF LEASEHOLD ENCUMBRANCES

300 SAC shall not in any way pledge or encumber any or part of its interest in this Lease without the prior written consent of City which consent may be granted or withheld at the City's sole discretion.

SECTION FOURTEEN

INTENTIONALLY DELETED.

SECTION FIFTEEN

DEFAULT

15.1 300 SAC's Default. Each of the following events shall be deemed to be events of default by 300 SAC under this Lease (collectively, "**300 SAC Events of Default**"):

(a) 300 SAC fails to pay when or before due any sum of money required to be paid by 300 SAC under this Lease and such failure continues for thirty (30) days after written notice thereof from City;

(b) Except as provided in paragraph (c) next below, 300 SAC fails to perform or comply with any other material term, covenant or condition of this Lease on the part of 300 SAC to be kept and performed and such default continues for thirty (30) days after written notice thereof from City to 300 SAC; provided, however, that if the failure complained of in such notice is of such a nature that the same can be rectified or cured, but cannot with reasonable diligence be done within said thirty (30) day period, then such failure shall be deemed to be rectified or cured if 300 SAC shall, within said thirty (30) day period, commence to rectify and cure the same and shall thereafter complete such rectification and cure with all due diligence but in no event later than one hundred eighty (180) days after such written notice;

(c) 300 SAC makes a representation or warranty in this Lease, or in any certificate, demand, or request made under this Lease, that proves to be incorrect, at any time during the Lease Term, in any material respect;

(d) There is filed any petition in bankruptcy by or against 300 SAC, which petition is not dismissed within ninety (90) days of its filing, or there is appointed a receiver or trustee to take possession of 300 SAC, or of all or substantially all of the assets of 300 SAC, or there is a general assignment by 300 SAC for the benefit of creditors, or any action is taken by or against 300 SAC under any state or federal insolvency or bankruptcy act, or any similar law now or hereafter in effect, including, without limitation, the filing of execution or attachment against 300 SAC and such levy continues in effect for a period of sixty (60) calendar days; and

(e) If 300 SAC abandons or vacates the Premises for thirty (30) consecutive days or fails to operate the Premises for ninety (90) consecutive days.

15.2 City's Remedies. Upon the occurrence of any 300 SAC Event of Default, City shall, in addition to any other rights or remedies provided for herein or at law or in equity, have the option to pursue any one or more of the following remedies without notice or demand whatsoever:

(a) Terminate 300 SAC's right to possession of the Premises by any lawful means, in which case this Lease shall terminate and 300 SAC shall immediately surrender possession of the Premises to City, or, if permitted by Applicable Laws, City shall have the right to effect a lock out of 300 SAC from the Premises, in which event 300 SAC hereby releases City from any and all damages including, but not limited to, damages related to interruption of 300 SAC's business.

(b) Pursuant to its rights of re-entry, City may, but shall not be obligated to (i) remove all persons from the Premises, and (ii) enforce any rights City may have against said Premises or store any personal property remaining in the Premises in any warehouse or elsewhere at the cost and for the account of 300 SAC. 300 SAC agrees to hold City free and harmless of any liability whatsoever for the removal and/or storage of any such Premises, whether of 300 SAC or any third party whomsoever;

(c) City may, without being obligated and without waiving the 300 SAC Event of Default, cure the 300 SAC Event of Default, whereupon 300 SAC shall pay to City, upon demand, all costs, expenses, and disbursements incurred by City to cure the 300 SAC Event of Default. City shall be permitted to offset said costs, expenses, and disbursements incurred by City against any amounts due or becoming due by City to 300 SAC under this Lease;

(d) In addition, City shall have all other remedies available to City, including, without limitation:

i. Termination Requires Specific Notice. Anything contained herein to the contrary notwithstanding, City shall not be deemed to have terminated this Lease or the liability of 300 SAC to pay any Rent or other sum of money accruing hereunder, by any re-entry pursuant to Sections 21.2(a) and 21.2(b), or by any action in unlawful detainer or otherwise to obtain possession of the Premises, unless City shall specifically notify 300 SAC in writing that it has so elected to terminate this Lease.

ii. Remedies Cumulative. The various rights, options, elections and remedies of City contained in this Lease shall be cumulative and no one of them shall be construed as exclusive of any other, or of any right, priority or remedy allowed or provided for by law or in equity.

iii. No Waiver. The waiver by City of any breach of this Lease by 300 SAC shall not be a waiver of any preceding or subsequent breach of this Lease by 300 SAC. The subsequent acceptance of Rent or any other payment hereunder by City shall not be construed to be a waiver of any preceding breach of this Lease by 300 SAC. No payment by 300 SAC or receipt by City of a lesser amount than the Rent herein provided shall be deemed to be other than on account of the earliest Rent due and payable hereunder.

iv. Legal Proceedings. 300 SAC shall reimburse City, upon demand, for any costs or expenses incurred by City in connection with (i) any breach or default of 300 SAC under this Lease, whether or not suit is commenced or

judgment entered or (ii) necessary to protect City's interest under this Lease in a bankruptcy proceeding, or other proceeding under Title 11 of the United States Code, as amended. Such costs shall include legal fees and costs incurred for the negotiation of a settlement, enforcement of rights or otherwise. Furthermore, if any action for breach of or to enforce the provisions of this Lease is commenced, the court in such action shall award to the party in whose favor a judgment is entered, a reasonable sum as attorneys' fees and costs. Such attorneys' fees and costs shall be paid by the losing party in such action.

SECTION SIXTEEN

CITY'S DEFAULT

16.1 City's Default. Each of the following events shall be deemed to be events of default by City under this Lease (collectively, "**City Events of Default**"):

(a) City fails to pay when or before due any sum of money required to be paid by Landlord under this Lease and such failure continues for thirty (30) days after written notice thereof from Tenant;

(b) City shall fail to perform or comply with any other term, covenant or condition of this Lease on the part of City to be kept and performed and such failure continues for thirty (30) days after written notice thereof from 300 SAC to City; provided, however, that if the failure complained of in such notice is of such a nature that the same can be rectified or cured, but cannot with reasonable diligence be done within said thirty (30) day period, then such failure shall be deemed to be rectified or cured if City shall, within said thirty (30) day period, commence to rectify and cure the same and shall thereafter complete such rectification and cure with all due diligence;

(c) City makes a representation or warranty in this Lease, or in any certificate, demand, or request made under this Lease, that proves to be incorrect, at any time during the Lease Term, in any material respect.

16.2 300 SAC's Remedies. Upon the occurrence of any City Event of Default, 300 SAC shall, in addition to any other rights or remedies provided for herein or at law or in equity, have the option to pursue any one or more of the following remedies without notice or demand whatsoever:

(a) 300 SAC may, at its election, terminate this Lease by providing notice thereof to City; and

(b) 300 SAC may, without being obligated and without waiving the default, cure the default, whereupon City shall pay to 300 SAC, upon demand, all costs, expenses, and disbursements incurred by 300 SAC to cure the default. 300 SAC shall be permitted to offset said costs, expenses, and disbursements incurred by 300 SAC against any amounts due or becoming due by 300 SAC to City under this Lease.

SECTION SEVENTEEN

MISCELLANEOUS

17.1 Non-Discrimination. 300 SAC promises, and it is a condition to the continuance of this Lease, that there will be no discrimination against, or segregation of, any person or group of persons on the basis of race, color, sex, creed, national origin or ancestry in the leasing, subleasing, transferring, occupancy, tenure or use of the Premises or any portion thereof.

17.2 Force Majeure. Neither party shall be in breach of this Lease if it fails to perform as required hereunder due to labor disputes, civil commotion, war, warlike operation, terrorist acts, sabotage, governmental regulations or control, fire or other casualty, inability to obtain any materials, or other causes beyond such party's reasonable control (financial inability excepted); provided, however, that nothing contained herein shall excuse 300 SAC from the prompt payment of any Rent or charge required of 300 SAC hereunder.

17.3 Notices. Any and all notices and demands required or desired to be given hereunder shall be in writing and shall be validly given or made (and effective) if served personally, delivered by a nationally recognized overnight courier service, or faxed and deposited in the United States mail, certified or registered, postage prepaid, return receipt requested, to the following addresses:

If to City:

City of Las Vegas, Nevada
400 Stewart Avenue
Las Vegas, Nevada 89101
Attention: City Manager
Facsimile No.: (702) 388-1807

With a copy to:

City Attorney
400 Stewart Avenue
Las Vegas, Nevada 89101
Attention: City Attorney
Facsimile No.: (702) 386-1749

If to 300 SAC:

300 Stewart Avenue Corporation
Fennemore & Craig, P.C.
300 S. 4th Street, Suite 1400
Las Vegas, NV 89101
Attention: Chairperson of 300 SAC Board
Facsimile No.: 702-692-8061

Notice shall be deemed to have been given when received by the addressee; provided, however, that notice delivered by facsimile with the original sent by certified or registered mail shall be deemed to have been received on the day it is faxed to the

addressee and the person sending the fax has received a printed confirmation thereof generated by its fax machine. Either party may change its address for the purpose of receiving notices by providing written notice to the other.

17.4 Binding on Permitted Successors and Assigns. The terms, provisions, covenants and conditions contained in this Lease shall apply to, bind and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives and permitted successors and assigns which are approved by the City.

17.5 Partial Invalidity. If any term, covenant or condition of this Lease, or any application thereof, should be held by a court of competent jurisdiction to be invalid, void or unenforceable, all terms, covenants and conditions of this Lease, and all applications thereof, not held invalid, void or unenforceable, shall continue in full force and effect and shall in no way be affected, impaired or invalidated thereby.

17.6 Time is of the Essence. Time is of the essence of this Lease and all of the terms, covenants and conditions hereof.

17.7 Entire Agreement. This Lease contains the entire agreement between the parties hereto pertaining to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written. No supplement, modification, waiver or termination of this Lease shall be binding unless executed in writing by the party to be bound. No waiver of any of the provisions of this Lease shall be deemed or shall constitute a waiver of any other provisions, whether or not similar, nor shall such waiver constitute a continuing waiver unless otherwise expressly provided.

17.8 No Partnership or Joint Venture. Nothing contained herein shall be deemed to create any partnership, joint venture, agency or other relationship between City and 300 SAC.

17.9 Captions. The captions are descriptive only and for convenience in reference to this Lease and in no way whatsoever define, limit or describe the scope or intent of this Lease nor in any way affect this Lease.

17.10 Governing Law; Venue; Waiver of Jury Trial. The laws of the State of Nevada shall govern the validity, construction, performance and effect of this Lease, without giving effect to its conflict of law provisions. Each party hereto consents to, and waives any objection to, Clark County, Nevada as the proper and exclusive venue for any disputes arising out of or relating to this Lease or any alleged breach thereof. The City and 300 SAC hereby waive trial by jury in any action, proceeding or counterclaim brought by either of them against the other on any matters whatsoever arising out of or in any way connected with this Lease, the relationship of City and 300 SAC, 300 SAC's use or occupancy of the Premises, and/or any claim of injury or damage.

17.11 Recordation. This Lease shall not be recorded. However, the parties agree to execute, acknowledge and record a Memorandum of Lease in the form attached hereto as Exhibit "B" and incorporated herein by this reference. A Memorandum of Termination

of Lease in the form attached hereto as Exhibit "C" shall also be executed and acknowledged by the parties, shall be held by City, and shall be recorded by City upon termination of the Lease.

17.12 Authorization. All necessary actions shall have been taken under the parties' organizational documents to authorize the individuals signing this Lease on their respective behalves to do so.

17.13 No Brokers. City and 300 SAC each represent and warrant to the other that they have not entered into any written contractual arrangement with, or promised to pay any broker's fee, finder's fee, commission or other similar compensation to, or otherwise agreed to compensate, any real estate agent or broker in connection with this Lease. City and 300 SAC each agree to indemnify, defend, save and hold the other harmless from and against all Losses incurred by reason of the breach of the foregoing representation and warranty arising from any claim for compensation founded upon or as a result of acts asserted to have been performed on their respective behalf. Such indemnification obligations shall survive any termination of the Lease.

17.14 Counterparts. The delivery of facsimile copies of any parties' signature hereon, or on any other agreement or instrument to be delivered in connection herewith shall be valid and binding for all purposes. This Lease may be executed in counterparts, each of which executed counterparts shall be deemed an original, but which, together, shall constitute one and the same instrument. Signature pages may be detached from the counterparts and attached to a single copy of this document to physically form one document.

17.15 Interpretation. Masculine or feminine pronouns shall be substituted for the neuter form and vice versa, and the plural shall be substituted for the singular form and vice versa, in any place or places herein in which the context requires such substitution(s). Whenever in this Lease any words of obligations or duty are used in connection with either party, such words shall have the same force and effect as though framed in the form of express covenants on the part of the party obligated. This Lease shall not be construed either for or against Landlord or Tenant, but this Lease shall be interpreted in accordance with the general tenor of its language.

17.16 Third Parties. Nothing in this Lease, expressed or implied, is intended to confer upon any person, including, without limitation, any entity, other than the parties hereto any rights or remedies under or by reason of this Lease.

17.17 Expenses. Except as otherwise provided in this Lease, each party shall bear its own expenses incurred by it in connection with the negotiation, execution and delivery of this Lease, including, without limitation, the fees and expenses of each party's legal counsel.

17.18 Further Assurances. Each party shall, from time to time after the execution of this Lease, execute and deliver such instruments, documents and assurances and take such

further acts as the other party may reasonably request to carry out the purpose and intent of this Lease without undue delay.

17.19 Jurisdiction. City and 300 SAC agree to submit to personal jurisdiction in Clark County, Nevada in any action or proceeding arising out of this Lease and, in furtherance of such agreement, each party hereby agrees and consents that, without limiting other methods of obtaining jurisdiction, personal jurisdiction over each party in any such action or proceeding may be obtained within or without the jurisdiction of any court located in Nevada and that any process or notice of motion or other application to any such court in connection with any such action or proceeding may be served upon each party by registered or certified mail to or by personal service at the last known address of each party, whether such address be within or without the jurisdiction of any such court.

17.20 Disclosure of Principals. Pursuant to Resolution R-105-99 adopted by City Council effective October 1, 1999, 300 SAC warrants that it has disclosed, on Exhibit "D" attached hereto, all members of the Board of Directors of 300 SAC, as well as all persons and entities holding more than 1% interest in 300 SAC or any principal of 300 SAC. Throughout the term hereof, 300 SAC shall notify City in writing of any material change in the above disclosure within fifteen (15) days of any such change.

IN WITNESS WHEREOF, the parties hereto have executed this Lease and Operating Agreement on the day and year first above written.

CITY OF LAS VEGAS

By: _____
Oscar B. Goodman, Mayor

ATTEST:

Beverly K. Bridges, MMC, City Clerk

APPROVED AS TO FORM:

Date

300 STEWART AVENUE
CORPORATION

By: _____
Its: _____

EXHIBIT "A"
PARCEL MAP

Exhibit A
300 Stewart Ave. APN: 13934501007

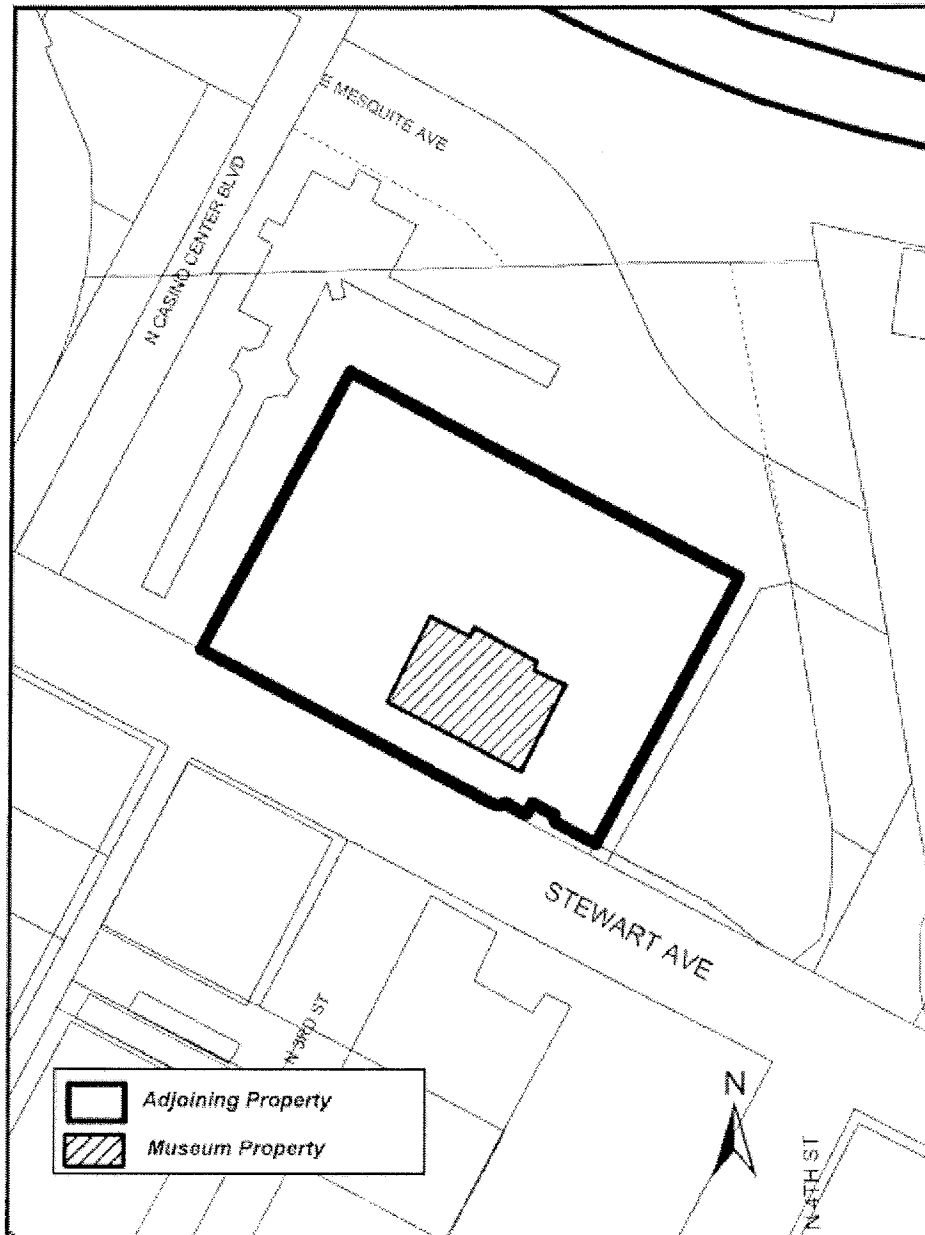


EXHIBIT "B"

FORM OF
MEMORANDUM OF LEASE

APN(S): _____

WHEN RECORDED MAIL TO AND
MAIL TAX STATEMENTS TO:

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE (this "**Memorandum**") is made and entered into as of the ____ day of _____, 20__ (the "**Commencement Date**") by and between the City of Las Vegas, Nevada, whose business address is 400 Stewart Avenue, Las Vegas, Nevada 89101, Attention: City Manager ("**Landlord**"), and 300 Stewart Avenue, a Nevada non-profit corporation, whose business address is _____, Las Vegas, Nevada 8910____, Attention: President ("**Tenant**").

A. **WHEREAS**, Landlord owns certain real property described on Exhibit A attached hereto and incorporated herein by this reference (the "**Premises**" and, together with all the improvements now or hereafter located thereon and all and singular appurtenances, rights, privileges, and easements thereunto appertaining, the "**Premises**");

B. **WHEREAS**, Landlord and Tenant have entered into that certain Lease and Operating Agreement, dated as of the Commencement Date (the "**Lease**"), to set forth their agreements, obligations and covenants with respect to the lease by Tenant of the Premises; and

C. **WHEREAS**, the parties to this Memorandum desire to enter into this Memorandum to provide public notice of the existence of the Lease, and certain of its terms and conditions.

NOW THEREFORE, the parties hereto do hereby certify as follows:

1. Definition. Except as otherwise provided herein, all capitalized terms used herein but not defined herein shall have the meanings assigned to such terms in the Lease.

2. Term. The term of the Lease commenced on the Commencement Date and shall continue until the earlier of (a) 11:59 p.m. on the fifth (5th) anniversary of the Commencement Date; or (b) the date that the Lease is extended pursuant to the terms of the Lease, unless earlier terminated as provided in the Lease.

3. Permitted Successors and Assigns. The Lease is binding upon and inure to the benefits of Landlord and Tenant and each of their respective permitted representatives, successors and assigns.
4. Purpose of Memorandum of Lease. This Memorandum is intended to serve as public notice of the existence of the Lease and of certain terms and conditions contained therein. This Memorandum does not describe or refer to all of the terms or conditions contained in the Lease. This Memorandum does not modify, amend or vary any of the terms or conditions set forth in the Lease. Reference is made to the Lease for further particulars.

[Signatures appear on the following page.]

IN WITNESS WHEREOF, Landlord and Tenant have caused this Memorandum to be duly executed as of the date and year first above written.

“Landlord”

“Tenant”

City of Las Vegas, Nevada,
a political subdivision of the State of
Nevada

300 STEWART AVENUE CORPORATION

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

STATE OF NEVADA)
)SS.
COUNTY OF CLARK)

This instrument was acknowledged before me on _____, 200_ by
_____ as _____ of City of Las Vegas, Nevada.

(Signature of Notarial Officer)

STATE OF NEVADA)
)SS.
COUNTY OF CLARK)

This instrument was acknowledged before me on _____, 201__ by
_____ as _____ of 300 STEWART AVENUE
CORPORATION.

(Print Name of Notarial Officer)

EXHIBIT A TO MEMORANDUM OF LEASE

LEGAL DESCRIPTION OF PREMISES

Exhibit A

300 Stewart Ave. APN: 13934501007

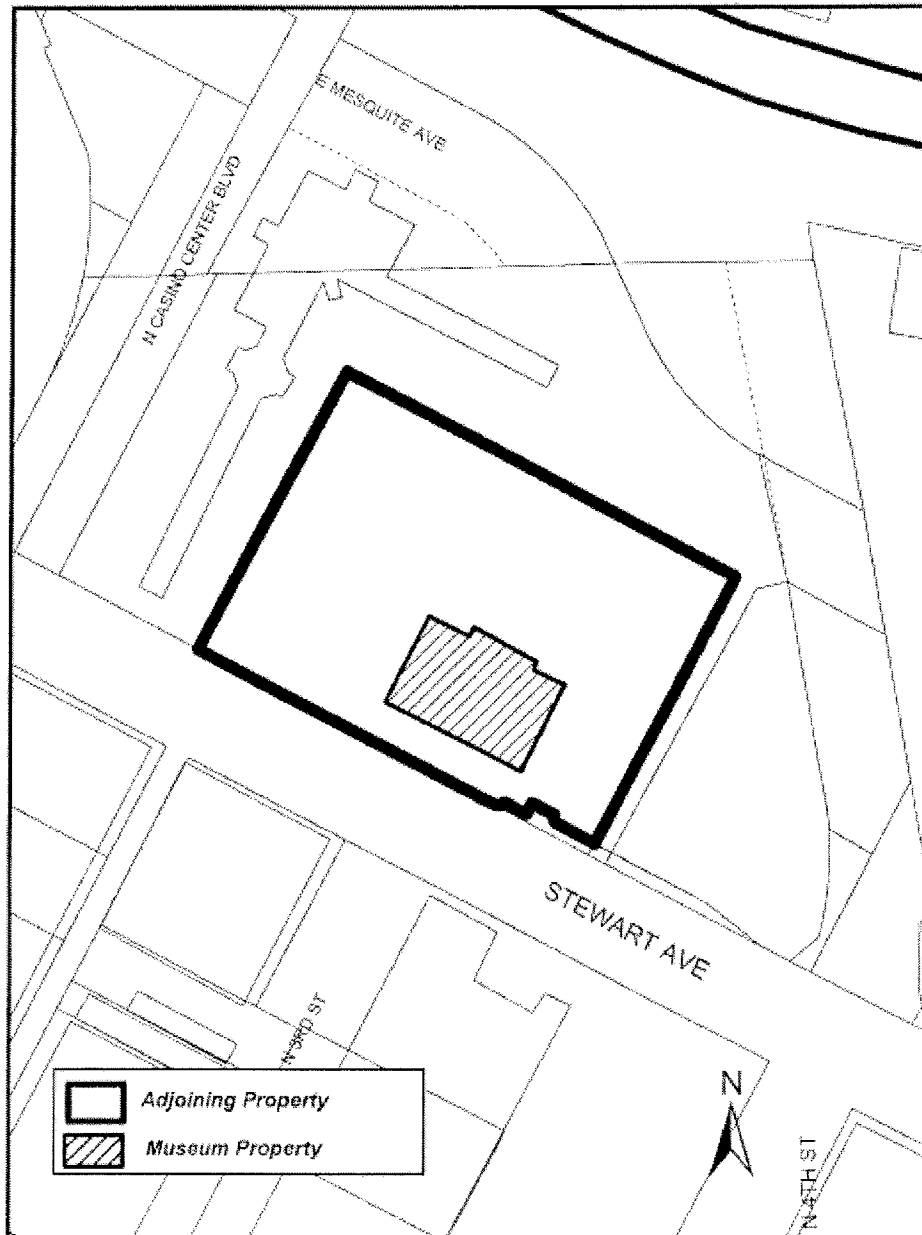


EXHIBIT "C"
FORM OF
MEMORANDUM OF TERMINATION OF LEASE

APN(S): _____

WHEN RECORDED MAIL TO AND
MAIL TAX STATEMENTS TO:

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

TERMINATION OF MEMORANDUM OF LEASE

The City of Las Vegas, Nevada, a municipal corporation, as Landlord, and 300 Stewart Avenue Corporation, a Nevada non-profit corporation, as Tenant, are parties to that certain Lease and Operating Agreement (the "Lease"), dated _____, 200__, disclosed pursuant to a Memorandum of Lease which was recorded on _____, 200__ in the Official Records of Clark County, Nevada in Book _____, as Instrument No. _____. Notice is hereby given that the Lease was terminated effective _____, 20__.

[Signatures appear on the following page.]

IN WITNESS WHEREOF, Landlord and Tenant have caused this Termination of Memorandum of Lease to be duly executed as of the date and year first above written.

“Landlord”

“Tenant”

City of Las Vegas, Nevada,
a political subdivision of the State of Nevada

300 STEWART AVENUE CORPORATION

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

STATE OF NEVADA)
)SS.
COUNTY OF CLARK)

This instrument was acknowledged before me on _____, 20__ by
_____ as _____ of City of Las Vegas, Nevada.

(Signature of Notarial Officer)

STATE OF NEVADA)
)SS.
COUNTY OF CLARK)

This instrument was acknowledged before me on _____, 20__ by
_____ as _____ of 300 Stewart Avenue
Corporation.

(Signature of Notarial Officer)

EXHIBIT "D"

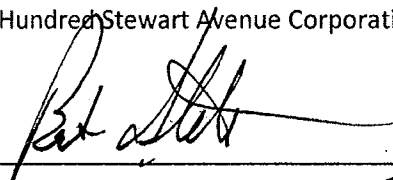
Disclosure of Principals

The undersigned represents that the Museum of Organized Crime and Law Enforcement otherwise known as the Mob Museum is a Nevada nonprofit corporation and the Board of Directors of the Mob Museum and all persons and entities controlling or holding more than 1% interest in the Mob Museum are the following:

<u>FULL NAME</u>	<u>BUSINESS ADDRESS</u>	<u>BUSINESS PHONE</u>
1. Richard H. Bryan	300 S. 4 th Street Suite 1700 Las Vegas, Nevada 89101	702.383.8888
2. Keith Copher	P.O. Box 28 Greenleaf, Idaho 83626	702.604.1042
3. Alan M. Feldman	3260 S. Industrial Road Bldg C Las Vegas, Nevada 89109	702.650.6947
4. James F. Germain	HC64 Box 2602 Moab, Utah 84532	435.259.6012
5. Christopher L. Kaempher	8345 West Sunset Rd. Suite 250 Las Vegas, Nevada 89113	702.792.7000
6. Ellen B. Knowlton	1616 Marbella Ridge Court Las Vegas, Nevada 89117	702.228.1179
7. E. Scott Mitchell	330 S. Valley View Blvd. Las Vegas, Nevada 89107	702.244.7133
8. John H. Mowbray	300 S. 4 th Street Suite 1400 Las Vegas, Nevada 89101	702.692.8000
9. Edward J. Quirk	3773 Howard Hughes Pkwy Suite 400 North Las Vegas, Nevada 89169	702.792.3773
10. Thomas M. Roche	3800 Howard Hughes Pkwy Suite 1450 Las Vegas, Nevada 89169	702.267.9000
11. Jeffrey A. Silver	3960 Howard Hughes Pkwy Ninth Floor Las Vegas, Nevada 89169	702.796.5555
12. Robert A. Stoldal	1500 Foremaster Lane Las Vegas, Nevada 89101	702.657.3150
13. Danny L. Thompson	1891 Whitney Mesa Drive Henderson, Nevada 89014	702.459.1414
14. Oscar B. Goodman	400 Stewart Avenue Tenth Floor Las Vegas, Nevada 89101	702.229.6241

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

Three Hundred Stewart Avenue Corporation

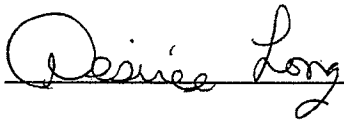
By: 

Printed name and title:

BOB STOLDAL
SECRETARY/TREASURER

Subscribed and sworn to before me this

7 day of April, 2010



Notary Public

