

EXCLUSIVE NEGOTIATION AGREEMENT

THIS EXCLUSIVE NEGOTIATION AGREEMENT (this "*Agreement*") is entered into this 2ND day of May, 2007, by and between City Parkway V, Inc., a Nevada nonprofit corporation (hereinafter "*CPV*") and Palmer City-Core Union Park Hotel, LLC, a Nevada limited liability company (hereinafter "*Developer*"), on the terms and provisions set forth below. CPV and Developer may be referred to herein to singularly as a "*party*" and collectively as the "*parties*". This Agreement shall be effective on that date (the "*Effective Date*") which the City Council of the City of Las Vegas ("*City*") approves the execution of this Agreement.

WHEREAS:

A. Developer desires to undertake a due diligence inquiry as to the feasibility of developing certain real property owned by CPV located in that certain development in downtown Las Vegas, Nevada known as Union Park and more fully described below in Section 2 (the "*Site*");

B. Developer and CPV mutually desire to enter into this Agreement in order for CPV and Developer to determine the feasibility of Developer's intended development of the Site; and

C. Pursuant to that certain Project Management and Consulting Agreement entered into December 27, 2005, by and between CPV, City, and Newland Communities, LLC ("*Newland*") as may be amended from time to time ("*PMA*"), Newland has certain rights and responsibilities with respect to the marketing and disposition of property within Union Park including the Site.

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

1. Term. The term of this Agreement shall commence on the Effective Date and automatically expire on one hundred eighty (180) days after the Effective Date (the "*Term*"). CPV agrees, however, that if the PAC/Newland Amendments (hereinafter defined) are not approved by City by May 18, 2007, then the Term shall automatically be extended by one (1) additional day for each day after that date until the date that the PAC/Newland Amendments are approved by City, provided, however, that in no event shall the Term be extended for more than a total of ninety (90) days without the prior

written consent of CPV and Developer, which consent shall not be unreasonably withheld, but in no event shall the Term be extended for more than a total of 180 days.

~~2. Site; Purchase Price; DDA Contingency.~~

(a) The Project (defined below) is intended to be developed on that parcel of real property consisting of approximately 3.088 acres, consisting of 134,541 gross square feet of land and 96,645 net buildable square feet of land which is known as Parcel G and located within Union Park as depicted on **Exhibit "A"** attached hereto and hereby made a part of this Agreement (the "*Site*"). The actual legal description of the Site will be finalized by a survey provided by Developer and approved by CPV which approval shall not be unreasonably withheld (the "*Survey*").

(b) The purchase price for the Site will be seventy-two dollars (\$72.00) per gross square foot of land within the Site. Based on 134,541 gross square feet of land the purchase price would be \$9,686,952.00. The final purchase price will be adjusted based on the final determination of the gross square feet of land in the Site as disclosed by the final Survey.

(c) To the extent Developer is eligible and qualified, Developer may apply during the Term (as the same may be extended in accordance with Section 1) to, and seek from, the City of Las Vegas Redevelopment Agency or other governmental agencies the maximum amount of any available rebate, discount or offset of taxes and fees, including, without limitation, future property taxes (tax increment) to be paid as a result of the construction of the Project.

(d) Developer acknowledges that the Site is currently subject to existing agreements between CPV and Newland and the Performing Arts Center (the "*PAC/Newland Agreements*"). CPV intends to have the PAC/Newland Agreements amended whereby the interests in the Site of the Performing Arts Center and Newland are extinguished and the respective projects are relocated to another portion of Union Park. Developer acknowledges that such amendments are subject to the approval of the City Council of the City and, while CPV will exercise its good faith efforts to obtain such approval, CPV does not warrant or guaranty any such approval. In the event such approval is not obtained for any reason whatsoever, then (i) CPV will not be able to enter into the DDA (hereinafter defined) and (ii) CPV will not be able to close the sale of the

Site to Developer. Developer agrees that in such event that CPV shall have no liability whatsoever to Developer, including any obligation to reimburse Developer for any costs or expenses incurred by Developer in conducting its feasibility analysis of the development of the Site. In the event approval of the City Council to the PAC/Newland Amendments is not obtained by the expiration of the Term (as the same may be extended in accordance with Section 1), this Agreement shall automatically terminate and be of no further force and effect and the Deposit (defined below) together with any interest that has accrued thereon shall be refunded to Developer.

3. Project. Developer and CPV agree that Developer's intended development of the Site will consist of the following project (the "*Project*"): (i) a not less than 400 unit condominium and hotel project with a quality level equal to a four-star full-service hotel, (ii) townhouses, retail spaces and all accessory uses appurtenant thereto and (iii) an integrated onsite parking garage serving all of the parking requirements of the hotel and other uses. In addition, Developer acknowledges and agrees that (i) there will be a private road between the Site and the adjoining Parcel F, (ii) the Site and Parcel F will both be subject to a reciprocal easement agreement governing the use of such private road, (iii) Developer will be required to construct one-half of such private road and (iv) the Site and Parcel F will be required to share equally the maintenance expenses of such private road.

4. Feasibility Analysis.

(a) Developer agrees to conduct during the Term all due diligence activities Developer determines to be necessary or required to determine the feasibility of the Project. Such due diligence activities shall include, but are not limited to, the following which shall be submitted to CPV for its review prior to the expiration of the Term:

- (i) An overall program of development of the Project on the Site.
- (ii) A conceptual site plan showing building footprints, parking requirements and configuration, ingress and egress and traffic flow solutions.
- (iii) Conceptual renderings of the buildings.
- (iv) A development timeline for the development and construction of the Project.

(v) Completion by Developer of complete Site due diligence including all geophysical and environmental reviews and submission of a remediation plan.

(vii) In the event Developer desires to include a joint venture partner in all or any portion of the Project, the submission of the identity of such partner, the respective percentage ownership of all parties constituting Developer and the management control of Developer for CPV approval which approval shall not be unreasonably withheld.

(viii) Submission of a plan of financing for the development and operation of the Project, including all third party loans and sources of equity.

All non-proprietary reports and studies pertaining to the Site and Project, including surveys and geotechnical and environmental reports and studies, shall become the property of CPV upon the expiration or termination of this Agreement. Developer shall cause such non-proprietary reports and studies to be delivered to CPV within thirty (30) days after the expiration or termination of this Agreement. Notwithstanding the foregoing, if CPV is in default of this Agreement and CPV still requires (at its option) delivery of such materials, CPV shall be required to pay Developer's actual out-of-pocket costs for such materials prior to delivery by Developer of such materials to CPV.

(b) CPV agrees that during the Term (as the same may be extended in accordance with Section 1) neither CPV, Newland or any of their agents shall negotiate, directly or indirectly, with any person or entity any matters regarding development, sale, lease or other dispositions of the Site or any portion thereof. Such exclusive shall apply to the Site only and shall not apply to any other portion of Union Park including any other use of Union Park.

(c) CPV shall cooperate fully, but at no cost to CPV, in providing Developer with appropriate information and assistance to support Developer's implementation of the Development Concept. In particular, CPV shall provide Developer with copies of all reports, plans, drawings and other documents pertaining to the Site as soon as they become available to CPV. Newland's and CPV's designated representative for all matters under this Agreement is Rita Brandin. Developer and CPV agree to meet no less than one time a month in connection with the feasibility analysis of the Site and Project.

5. Developer Site Access.

(a) CPV authorizes Developer and its employees, agents, representatives, architects, engineers, consultants and contractors to access the Site to conduct surface and subsurface engineering, geotechnical and environmental investigations, studies and assessments, boundary and topographic surveys, and any other due diligence as Developer deems necessary (“*Due Diligence Investigations*”) for the development of the Project. This authorization does not authorize Developer to access or otherwise use any property not included within the Site so long as Developer has reasonable access from a public right of way for ingress into and egress from the Site for purposes of completing the Due Diligence Investigations. Subject to certain limitations under which representatives of CPV or Union Pacific Railroad may have to receive advance notice thereof, Developer will have the right to enter upon and conduct Due Diligence Investigations. Developer shall conduct Due Diligence Investigations in accordance with standards customarily employed in the industry and in compliance with all applicable governmental laws, rules, and regulations. Following Developer’s Due Diligence Investigations on the Site, Developer promptly will restore the Site to substantially the same condition as existed as of the Effective Date. If Developer undertakes any boring or other disturbance of the soils on the Site and fails to close the purchase of the Site, the soils so disturbed will be recompacted to substantially their original condition as of the date of such boring or other disturbance, and Developer will obtain at its own expense a certificate from a soils engineer certifying that the disturbed soils have been recompacted to substantially their original condition as of the date of the soil disturbance. CPV agrees that as an alternative to filling and recompacting borings with soil, Developer may fill such borings with neat cement or bentonite in compliance with the Nevada Department of Environmental Protection’s fact sheet for filling abandoned wells and subject to the approval of CPV which approval shall not be unreasonably withheld. This authorization shall extend to soil borings with drilling rigs and hand augers and groundwater sampling with bailers or comparable equipment, but shall not be construed to authorize Developer to install groundwater monitoring wells or excavate soils with earth moving equipment. To assist Developer in its environmental due diligence, CPV has provided Developer with a copy of the documents identified in **Exhibit “C”** attached hereto and incorporated

herein by reference. CPV makes no warranty regarding any statement or data contained in or referred to by such documents.

(b) If Developer should discover any hydrocarbon substances or any other hazardous substances, asbestos or asbestos-bearing materials, waste or materials subject to legal requirements or corrective action under any environmental laws, Developer will promptly notify CPV in writing of such discovery. Developer shall not use disturbed contaminated soils for restoration of the Site as provided in Section 5(a) above, and instead shall store or otherwise handle, at CPV's cost, disturbed contaminated soils in compliance with all applicable governmental laws, rules, and regulations until such time as CPV takes possession of such materials. CPV agrees to take possession of such materials within thirty (30) days of Developer's written notice to CPV that such materials are ready for CPV to take possession. Developer shall not bear any responsibility for any investigation, risk assessment, removal, treatment, corrective action, remediation, cleanup, storage beyond thirty (30) days as provided above, disposal or permitting relating to any such substances or materials under this Agreement. For the purposes of this Agreement, the phrase "*hazardous substances*" means any product, byproduct, compound, substance, chemical, material or waste, including, without limitation, asbestos, solvents, degreasers, heavy metals, refrigerants, nitrates, urea formaldehyde, polychlorinated biphenyls, dioxins, petroleum and petroleum products and derivatives, fuel additives, and any other solid, liquid, gaseous or thermal irritant, chemical or waste material, whose presence, characteristics, nature, quantity, intensity, existence, use, manufacture, possession, handling, disposal, transportation, spill, release threatened release, treatment, storage, production, discharge, emission, remediation, cleanup, abatement, removal, migration, or effect, either by itself or in combination with other materials is or is allegedly: (a) injurious, dangerous, toxic, hazardous to human or animal health, aquatic or biota life, safety or welfare or any other portion of the environment; (b) regulated, defined, listed, prohibited, controlled, studied or monitored in any manner by any governmental authority or Environmental Laws; or (c) a basis for liability to any government entity or agency or third party under any regulatory, statutory or common law theory. For purposes of this Agreement, the phrase "*environmental laws*" means any past, present or future federal, state or local law, statute, rule,

regulation, code, ordinance, order, decree, judgment, injunction, notice, policy, or binding agreement, and all amendments thereto, issued, promulgated, or entered into by any governmental authority, relating in any way to the environment, the preservation, degradation, loss, damage, restoration, replacement or reclamation of natural resources, waste management, health, industrial hygiene, safety, environmental conditions or hazardous substances.

(c) Developer shall promptly deliver to CPV without charge therefore, any lab or field environmental data, environmental reports, environmental compilations, environmental correspondence, or other documents or information which is generated by or as a result of Due Diligence Investigations and which is reasonably related to the environmental condition of the Site; provided, however, that Developer need not disclose any communication, written or oral, between Developer and its legal counsel or its legal counsel and Developer's consultant to the extent the same is protected by the attorney-client privilege; and further provided that Developer need not deliver to CPV geotechnical data or analysis. Notwithstanding the foregoing, if CPV is in default of this Agreement and CPV still requires (at its option) delivery of such materials, CPV shall be required to pay Developer's actual out-of-pocket costs for such materials prior to delivery by Developer of such materials to CPV.

(d) Developer covenants and agrees to pay in full for all materials, if any, supplied, used, joined, or affixed to the Site by or for Developer in connection with the Due Diligence Investigations and to pay in full all persons who perform labor upon the Site in connection with Developer's Due Diligence Investigations, and not to permit or suffer any mechanic's or materialman's lien of any kind or nature to be enforced against the Site relating to Developer's Due Diligence Investigations. Developer shall, at Developer's sole cost and expense, take any action necessary to promptly remove any lien filed against the Site for work performed or materials delivered to the Site in connection with the Due Diligence Investigations.

(e) Developer hereby agrees to protect, indemnify, and hold CPV, the City of Las Vegas, and their officers, employees and agents, harmless from and against any and all claims, damages, losses, expenses, suits, actions, decrees, judgments, awards, attorneys' fees and court costs, which CPV, the City of Las Vegas, its officers, employees

or agents, may suffer or which may be sought against or are recovered or obtainable from CPV, the City of Las Vegas, and their officers, employees or agents, as a result of, or by reason of, or arising out of or in consequence of any act or omission, negligent or otherwise in connection with the Due Diligence Investigations at the Site, of Developer or its officers employees, contractors, subcontractors, agents, volunteers or anyone who is directly or indirectly employed by, or is acting in concert with, Developer, its officers, its employees, contractors, subcontractors, volunteers or agents in connection with this Agreement. Notwithstanding the foregoing, no indemnification shall be required hereunder to the extent that the any claims, damages, losses, expenses, suits, actions, decrees, judgments, awards, attorneys' fees and court costs are the result of CPV's negligence, wrongful misconduct or material breach of this Agreement. Developer agrees to obtain and to furnish to CPV prior to or concurrent with execution of this Agreement, a certificate showing that there is in effect a policy of a Minimum of \$2,000,000.00 combined single limit bodily injury and broad form property damage coverage, including broad form Contractual liability. Such coverage shall be on an "occurrence" basis and not on a "claims made" basis. CPV and City of Las Vegas, each shall be named as an additional insured party and such notation shall appear on the Certificate of Insurance furnished by the Developer's insurance company. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer. Each insurance company's rating as shown in the latest Best's Key Rating Guide shall be fully disclosed and entered on the required certificate of insurance. The adequacy of the insurance supplied by the Company, including the rating and financial health of each insurance company providing coverage, is subject to the approval of CPV. CPV requires insurance carriers to maintain a Best's Key rating of "A VII" or higher. The Certificate shall indicate that neither the insurance company nor Developer can cancel the insurance without at least 10 days prior written notice to CPV. Any exclusion to the effect that the insurance company or surety company will "endeavor to inform" must be stricken from the certificate of insurance. The parties agree that the specified coverage or limits of insurance in no way limit the liability of the Developer. Developer will not do or permit to be done anything in or upon any portion of the Property, or bring or keep anything thereon which will in any way conflict with the

conditions of any insurance policy upon the Property. All deductibles and self-insurance retentions shall be fully disclosed in certificates of insurance. No deductible or self-insured retention may exceed \$10,000.00 without the prior written approval of CPV.

(f) In this connection, Developer expressly agrees, at its sole cost and expense, to defend CPV, the City of Las Vegas, and their officers, employees and agents, in any suit or action that may be brought against it or them, or any of them by reason of any act or omission, negligent or otherwise in connection with the Due Diligence Investigations at the Site, against which Developer has agreed to indemnify CPV, the City of Las Vegas, and their officers, employees and agents. If Developer fails so to do, CPV and the City of Las Vegas shall have the right, but not the obligation to defend same and to charge all of the direct and incidental costs of such defense, including reasonable attorneys' fees and court costs, to Developer.

The obligations and covenants of Developer under this Section 5 shall survive any expiration of the Term or other termination of the Agreement.

6. Disposition and Development Agreement; Purchase Price; Effect of Agreement.

(a) Developer and CPV agree to negotiate in good faith during the Term (as the same may be extended in accordance with Section 1) a form of Development and Disposition agreement whereby CPV agrees to sell and Developer agrees to purchase the Site for the development of the Project (the "DDA").

(b) The parties agree that in the event a DDA is entered into that the purchase price for the Site will be seventy-two (\$72.00) per gross square foot of land within the Site. Based on 134,541 gross square feet of land the purchase price will be \$9,686,952.00. The final purchase price will be adjusted based on the final determination of the gross square feet of land in the Site as disclosed by the final Survey. Upon execution of the DDA, Developer will be required to deposit a total of five percent (5%) of the purchase price as an earnest money deposit which shall be nonrefundable except upon CPV's default or upon CPV's other failure to perform. The earnest money deposit shall be applicable to payment of the purchase price.

In addition, the DDA shall provide that CPV shall contribute up to \$12 per gross square feet of land in the Site (as finally determined by the Survey) for the environmental

remediation of the Site required and undertaken by Developer. The remediation plan for the Site and the Project will be agreed to by CPV and Developer as part of the negotiations of the DDA. Developer and CPV agree and acknowledge that the exact fair market value of the Site is difficult to ascertain, but that the Gross Purchase Price upon the Effective Date of this Agreement is a fair estimate of fair market value of the Site on a per gross square foot basis. The parties acknowledge that, in compliance with the provisions of Nevada Assembly Bill 312 (“*AB 312*”), CPV, at its cost, will obtain and rely upon independent and confidential appraisal of the Site prepared within six months of the date of the DDA and that the City Council of the City of Las Vegas will adopt a formal resolution finding that it is in the best interests of the public to sell the Site without offering such real property to the public. Notwithstanding the foregoing, the parties agree that any such appraisal may be subject to public records laws or ordinances of the City or the State of Nevada.

(c) If Developer reasonably determines during its Due Diligence Investigations that the \$12.00 remediation cost cap is insufficient to cover remediation costs Developer anticipates incurring, Developer shall provide written notice and any supporting documentation to CPV, at the earliest practical opportunity, that Developer wishes to negotiate an increase to the amount of the remediation cost cap. If, after CPV's receipt of such written notice, CPV and Developer do not agree in writing (in their respective sole discretion) upon a modified remediation cost cap within thirty (30) days, then either party may terminate this Agreement at any time by delivering written notice of termination to the other party. In such case, the Deposit shall be refunded to Developer in full in accordance with Section 8 below..

(d) Developer and CPV agree and acknowledge (i) that this Agreement creates no obligation on either party to enter into the DDA or any other agreement related to the Site or Union Park, (ii) the decision to enter into a DDA will be at each party's respective sole and absolute discretion and (iii) the approval of the Council of the City will be required for CPV to enter into any DDA or other agreement relating to the Site or Union Park. Developer agrees and acknowledges that this Agreement creates no rights, title or interest in Developer whatsoever, legal, equitable or otherwise, in the Site or in Union Park, including, without limitation, any rights to purchase, lease, option or

otherwise. By its execution of this Agreement, CPV is not committing itself to or agreeing to undertake disposition of land to Developer or any other acts or activities requiring the subsequent independent exercise of discretion by the City or any governmental authority with authority over the resulting development. This Agreement does not constitute an agreement for disposition of property or the exercise of control over property by Developer. Execution of this Agreement by CPV is merely an agreement to enter into a period of exclusive, good faith negotiations according to the terms hereof, reserving final discretion and approval by CPV as to any and all proceedings and decisions in connection therewith.

7. Developer Ownership.

(a) Developer is Palmer City-Core Union Park Hotel, LLC, a Nevada limited liability company, a joint venture between Mill Creek Hospitality LLC and City-Core Development, Inc. The principal office of Developer is 2352 Post Street, Suite 200, San Francisco, California 94115.

(b) Developer is required to make full disclosure to CPV of its principals, officers, major stockholders, major partners, joint venture partners, and key managerial employees, and all other material information concerning Developer. Any significant change in the principals, associates, partners, joint ventures, development manager, and directly-involved managerial employees of Developer is subject to the approval of CPV which shall not be unreasonably withheld or delayed.

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

8. Good Faith Deposit. In order to secure Developer's good faith performance of its obligations under this Agreement, Developer shall deposit with CPV no later than seven (7) business days after the Effective Date the sum of \$242,173.80 (the "*Deposit*"). The Deposit shall be held by CPV in an interest bearing account with Nevada Title

Company at 2500 North Buffalo Drive, Las Vegas, Nevada 89128 and applied in accordance with this Section 8. CPV will notify Developer in the event CPV places the Deposit with another escrow company. In the event Developer does not perform its obligations hereunder and this Agreement is terminated pursuant to Section 11(a) below, the Deposit and all interest thereon shall be retained by CPV as full and liquidated damages. In the event that either (i) (x) Developer performs all of its obligations under this Agreement and (y) the Parties do not enter into a DDA or (ii) this Agreement is terminated by Developer pursuant to Section 6(c) above or Sections 11(b) or Section 11(c) below, the Deposit and all interest thereon shall be returned to Developer on the later of (A) thirty (30) days after the expiration of the Term or termination of this Agreement (as the case may be) or (B) the date that CPV is reasonably satisfied that Developer has complied with Sections 4(a), 5(c) of this Agreement and that there are no outstanding matters covered by Developer's indemnity in Section 5(e) above, provided, however, that if CPV does not notify Developer within ninety (90) days after the expiration of the Term of any unsatisfied obligations pursuant to Sections 4(a), and 5(c) or any pending matters covered by Section 5(e), CPV shall refund the Deposit and all interest thereon in full. In the event the Parties enter into the DDA, the Deposit and all interest thereon shall be applied to the five percent (5%) earnest money required under the DDA. In consideration of CPV's agreement to place the Deposit into an interest bearing account, Developer agrees to pay any reasonable escrow costs related to the termination of the escrow account into which the Deposit is placed in the event a DDA is not entered into for any reason whatsoever.

9. Real Estate Commission. No party shall be liable to any other party for any real estate commission or brokerage fees that may arise as a result of or pursuant to this Agreement. Each party represents to the other party that it has not engaged any broker, agent or finder in connection with this Agreement, and agrees to hold the other party harmless from any claim by any broker or finder retained by such party. The provisions of this Section 9 shall survive any termination or expiration of this Agreement.

10. Conflict of Interest.

(a) An official of CPV, who is authorized in such capacity and on behalf of CPV to negotiate, make, accept or approve, or take part in negotiating, making,

accepting, or approving this Agreement, payments under this Agreement, or work under this Agreement, shall not be directly or indirectly interested personally in this Agreement or in any part hereof. No officer, employee, architect, attorney, engineer or inspector of, or for CPV, who is authorized in such capacity and on behalf of CPV to exercise any legislative, executive, supervisory or other similar functions in connection with this Agreement, shall become directly or indirectly interested personally in this Agreement or in any part hereof, any material supply contract, subcontract, insurance contract, or any other contract pertaining to this Agreement.

(b) Each party represents that it is unaware of any financial or economic interest of any public officer or employee of CPV relating to this Agreement. Notwithstanding any other provision of this Agreement, if such interest becomes known, CPV may immediately terminate this Agreement for default or convenience, based on the culpability of the parties.

11. Default; Developer Termination.

(a) In the event Developer is not proceeding in good faith with the due diligence activities required in order to complete the feasibility analysis of the Project and such is not cured within thirty (30) days after written notice by CPV, then CPV shall have the right to immediately terminate this Agreement upon written notice to Developer, provided, however, that if such default cannot be reasonably cured within thirty (30) days Developer shall not be in default so long as Developer is diligently proceeding to cure such default and such default in all events is cured within seventy-five (75) days.. In the event of such termination then CPV shall be entitled to retain the full amount of the Deposit as its sole and exclusive remedy. **IT IS EXPRESSLY UNDERSTOOD AND AGREED BETWEEN CPV AND DEVELOPER (A) THAT THE DEPOSIT IS A REASONABLE ESTIMATE OF DAMAGES CONSIDERING ALL THE CIRCUMSTANCES EXISTING ON THE DATE OF THIS AGREEMENT, INCLUDING THE RELATIONSHIP OF SUCH SUM TO THE RANGE OF HARM THAT REASONABLY COULD BE ANTICIPATED AND THE ANTICIPATION THAT PROOF OF ACTUAL DAMAGES WOULD BE COSTLY OR INCONVENIENT, AND (B) THAT CPV'S ACTUAL DAMAGES FOR ANY**

SUCH BREACH BY DEVELOPER HEREUNDER WOULD BE SUBSTANTIAL BUT EXTREMELY DIFFICULT TO ASCERTAIN.

(b) In the event CPV is in default of its obligations under this Agreement, Developer's sole and exclusive remedy will be to terminate this Agreement and receive a full refund of the Deposit and all interest thereon pursuant to the terms of Section 8 above. Neither CPV nor the City shall be liable for any damages, lost profits, expense reimbursements or other costs of Developer.

(c) CPV agrees that Developer shall have the right to terminate this Agreement upon fifteen (15) days written notice to CPV in the event (i) that Developer in good faith determines that as a result of its Due Diligence Investigations, or otherwise, the development of the Project on the Site is not feasible or (ii) a sports stadium is approved for Union Park at anytime during the Term (as the same may be extended in accordance with Section 1). Developer shall provide in such written notice the reasons for Developer's determination along with any documentation or analyses supporting such determination. In the event this Agreement is terminated pursuant to this paragraph (c), Developer shall receive a full refund of the Deposit and all interest thereon pursuant to the terms of Section 8 above.

12. Notices. All legal notices required pursuant to the terms and conditions of this Agreement shall be in writing, unless an emergency situation dictates otherwise. Any notice required to be given under the terms of this Agreement shall be deemed to have been given when (i) received by the party to whom it is directed by hand delivery or personal service, (ii) transmitted by facsimile with confirmation of transmission (an original signed copy, via U. S. Mail, shall follow facsimile transmissions) or (iii) sent by U.S. mail via certified mail-return receipt requested at the following addresses:

If to Developer:

Palmer City-Core-Union Park Hotel, LLC
Attn: City-Core Development, Inc.
2352 Post Street, Suite 200
San Francisco, CA 94115
Phone: 415-820-5200
FAX: 415-820-5215

With a copy to

Mill Creek Hospitality LLC
34 East 61st Street
New York, New York 10021
Attn: Timothy M. Bartley
Phone:(212)980-0369_ext.23
FAX: (212) 750-8613
And:

Scott C. Smith, Esq.
Hanson, Bridgett, Marcus, Vlahos & Rudy, LLP
425 Market St., 26th Floor
San Francisco, CA 94105
direct telephone: (415) 995 5892

If to CPV:

Scott D Adams, Director
City Parkway V, Inc.
c/o Office of Business Development
400 Stewart Avenue, 2nd Floor
Las Vegas, 89101
Phone: 702-229-6551
FAX: 702-385-3128

And:

Manager, Purchasing & Contracts
City Hall, First Floor
400 Stewart Avenue
Las Vegas, NV 89101
Phone: 702-229-6021
Fax: 702-384-9964

And:

Rita Brandin
Newland Communities, LLC
2300 West Sahara Avenue. Suite 750
Las Vegas, Nevada 89102
Phone: 702.220.8094
FAX: 702.220.7636

13. Publicity. The parties agree that neither party shall make any public announcement or any press release with respect to this Agreement or the Project without the consent of the other party which consent shall not be unreasonably withheld or delayed. Nothing in this Section 13 shall limit or prevent CPV or the City from undertaking any actions required by Nevada's open meeting laws or causing or allowing the release of information or dissemination of documents as may be required or appropriate in connection with any administrative hearings or proceedings pertaining to the City's approval or implementation of this Agreement.

14. Assignment. Developer may not assign or transfer all or any part of its interest in this Agreement without first obtaining the written consent of CPV which consent may be granted or withheld at CPV's sole and unfettered discretion. Any transfer or assignment in violation of this Section 14 shall be null and void and constitute a default of this Agreement. Notwithstanding the foregoing, Developer shall have the right to assign its interest in this Agreement to an entity formed to develop the Project so long as the principals of Developer are the owners of such entity and such entity assumes Developer's obligations under this Agreement. Any such assignment shall not relieve Developer of its obligations under this Agreement.

15. Time of the Essence. Time is of the essence in this Agreement and each and every term and provision hereof.

16. Interpretation; Governing Law. This Agreement shall be construed as if prepared by both parties. This Agreement shall be construed, interpreted and governed by the laws of the State of Nevada.

17. Attorneys' Fees. In the event of any litigation between the parties regarding this Agreement or the Property, the prevailing party shall be entitled to the payment by the losing party of its reasonable attorneys' fees, court costs and litigation

expenses, as determined by the court.

18. Entire Agreement; Amendments. This Agreement is intended by the parties to be the final expression of their agreement with respect to the subject matter hereof, and is intended as the complete and exclusive statement of the terms of the agreement between the parties. As such, this Agreement supersedes any and all prior understandings between the parties, whether oral or written. Any amendments to this Agreement shall be in writing and shall be signed by both parties hereto.

19. No Waiver. A waiver by either party hereto of a breach of any of the covenants or agreements hereof to be performed by the other party shall not be construed as a waiver of any succeeding breach of the same or other covenants, agreements, restrictions or conditions hereof.

20. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, representatives, successors and permitted assigns.

21. Headings; Exhibits; Cross References. The headings and captions used in this Agreement are for convenience and ease of reference only and shall not be used to construe, interpret, expand or limit the terms of this Agreement. All exhibits attached to this Agreement and the Recitals at the front of this Agreement are incorporated herein by the references thereto contained herein. All references in this Agreement to Articles, Sections and exhibits shall be to Articles, Sections and Exhibits of or to this Agreement, unless otherwise specified.

22. Severability. In the event that any phrase, clause, sentence, paragraph, section, article or other portion of this Agreement shall become illegal, null or void, or against public policy for any reason, or shall be held by any court of competent jurisdiction to be illegal, null or void, or against public policy, the remaining portions of this Agreement shall not be affected thereby and shall remain in force and effect to the full extent permitted by law.

23. Performance of Acts on Business Days. Unless specifically stated to the contrary, all references to days herein shall be deemed to refer to calendar days. In the event that the final date for payment of any amount or performance of any act hereunder falls on a Saturday, Sunday or holiday, such payment may be made or act performed on the next succeeding business day.

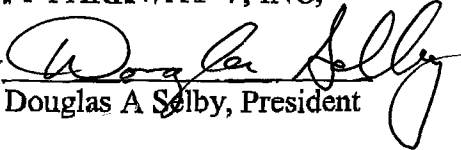
24. No Third Party Beneficiaries. This Agreement is intended for the exclusive benefit of CPV and Developer and their respective permitted assigns and is not intended and shall not be construed as conferring any benefit on any third party or the general public.

25. Counterpart Signatures; Facsimile Transmission. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of such counterparts shall constitute one agreement. Delivery of this Agreement may be accomplished by facsimile transmission of this Agreement. In such event, the parties hereto shall promptly thereafter deliver to each other executed counterpart originals of this Agreement.

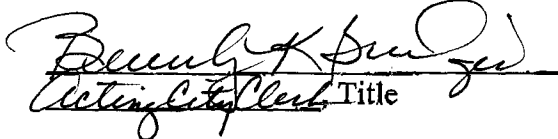
SIGNATURES ON NEXT PAGE

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date set forth beneath their respective signatures below.


CPV
CITY PARKWAY V, INC,

By: 
Douglas A Selby, President

ATTEST:



Acting City Clerk Title

APPROVED AS TO FORM:

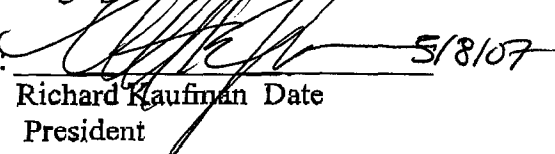
 5/8
Date
4/23/07

DEVELOPER

PALMER CITY-CORE UNION PARK
HOTEL, LLC, a Nevada limited liability company
By: Mill Creek Hospitality LLC
A Managing Member

By:  5/8/07
Charles L. Palmer Date

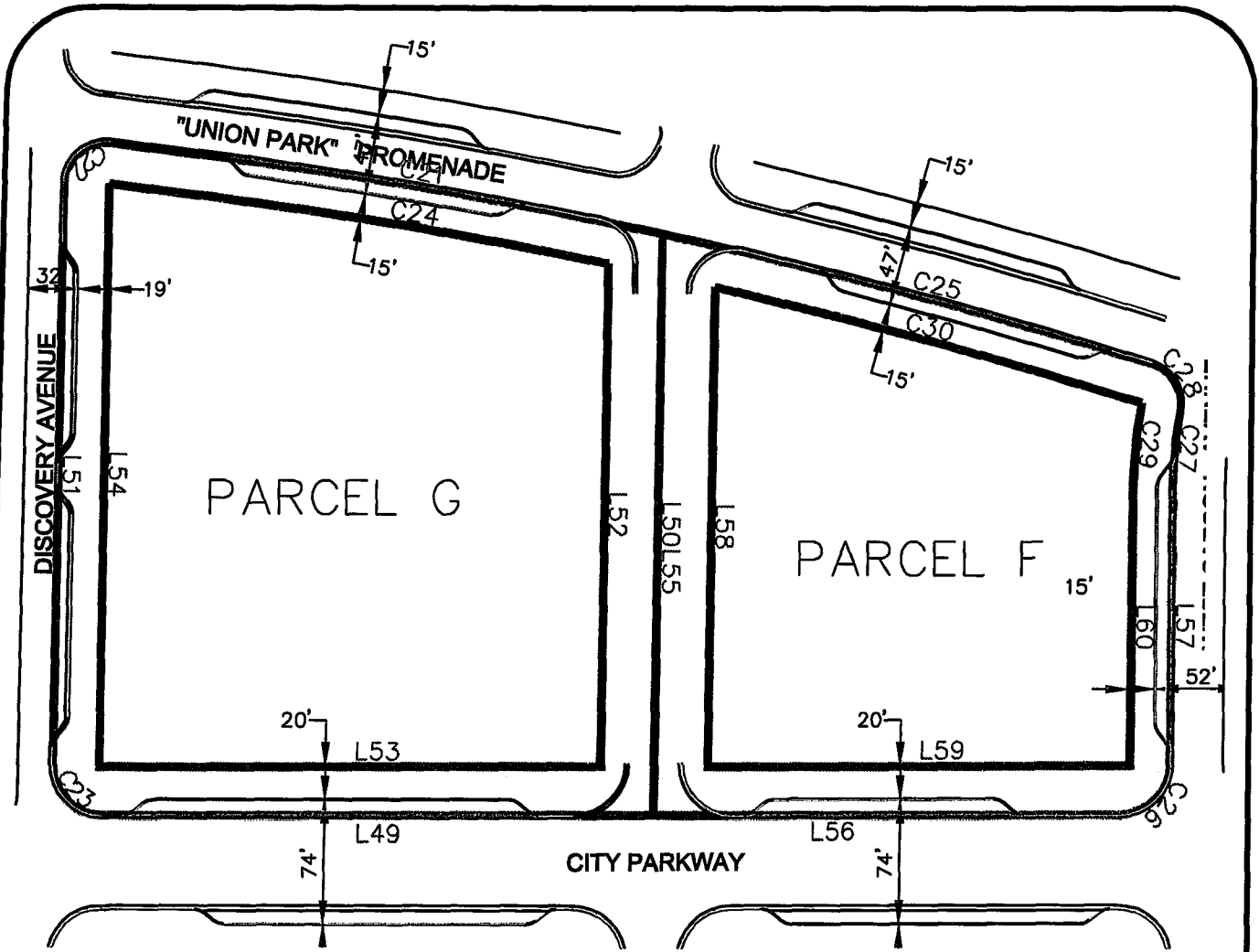
BY: City-Core Development, Inc., a California corporation,
a Managing Member

By:  5/8/07
Richard Kaufman Date
President

LIST OF EXHIBITS

EXHIBIT "A"	SITE DEPICTION
EXHIBIT "B"	PRINCIPALS DISCLOSURE FORM
EXHIBIT "C"	LIST OF ENVIRONMENTAL INFORMATION

EXHIBIT "A" - SITE DEPICTION

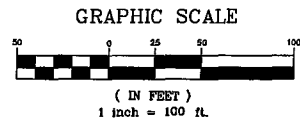


LINE	LENGTH	BEARING
L41	533.48	N67°36'16"E
L42	263.04	N82°04'44"W
L43	890.34	S27°33'45"W
L44	284.16	S67°33'24"E
L45	238.08	N67°33'34"W
L46	471.57	N27°33'45"E
L47	234.02	S82°04'44"E
L48	447.74	S27°36'16"W
L49	327.86	N27°33'45"E
L50	348.06	N82°04'34"W
L51	344.04	S82°04'44"E
L52	288.31	S82°05'12"E
L53	297.56	S27°33'23"W
L54	348.72	N82°04'44"W
L55	348.06	S82°04'34"E
L56	277.76	N27°33'45"E
L57	182.84	N82°05'24"W
L58	284.84	S82°05'12"E
L59	281.73	N27°33'45"E
L60	183.84	N82°05'24"W

CURVE	LENGTH	RADIUS	DELTA	TANGENT
C1	334.81'	3295.50	6°46'18.6"	167.66'
C2	42.03'	25.00	86°15'33.5"	27.92'
C3	47.14'	30.00	80°01'32.6"	30.01'
C4	301.85'	3271.50	5°17'11.1"	181.03'
C5	324.70'	3200.50	5°27'15.2"	182.47'
C6	47.10'	30.00	86°57'07.1"	29.97'
C7	46.45'	257.00	8°58'08.7"	23.28'
C8	38.02'	25.00	86°33'28.6"	21.95'
C9	61.46'	322.97	8°05'08.5"	25.97'
C10	285.53'	3047.47	4°58'38.3"	132.85'

PARCELS F & G

PARCEL F GROSS
 AREA = 94,311 S.F.
 PARCEL F NET
 AREA = 63,632 S.F.
 PARCEL G GROSS
 AREA = 134,541 S.F.
 PARCEL G NET
 AREA = 96,645 S.F.



Date: April 23, 2007 - 7:44am / User: nrls.forest
 Path: K:\CWA\092442 CityParkway\DDA\CADD\exhibit\Parcel Line & Curve Exhibit\3-21-07 F, G, & L Exhibit\4-5-07 Parcels F, G, & LDWG

EXHIBIT "B" – PRINCIPALS DISCLOSURE FORM

CERTIFICATE DISCLOSURE OF OWNERSHIP/PRINCIPALS

1. Definitions

"City" means the City of Las Vegas.

"City Council" means the governing body of the City of Las Vegas.

"Contracting Entity" means the individual, partnership, or corporation seeking to enter into a contract or agreement with the City of Las Vegas.

"Principal" means, for each type of business organization, the following: (a) sole proprietorship – the owner of the business; (b) corporation – the directors and officers of the corporation; but not any branch managers of offices which are a part of the corporation; (c) partnership – the general partner and limited partners; (d) limited liability company – the managing member as well as all the other members.

2. Policy

In accordance with Resolution 79-99 and 105-99 adopted by the City Council, Contracting Entities seeking to enter into certain contracts or agreements with the City of Las Vegas must disclose information regarding ownership interests and principals. Such disclosure generally is required in conjunction with a Request for Proposals (RFP). In other cases, such disclosure must be made prior to the execution of a contract or agreement.

3. Instructions

The disclosure required by the Resolutions referenced above shall be made through the completion and execution of this Certificate. The Contracting Entity shall complete Block 1, Block 2, and Block 3. The Contracting Entity shall complete either Block 4 or its alternate in Block 5. Specific information, which must be provided, is highlighted. An Officer or other official authorized to contractually bind the Contracting Entity shall sign and date the Certificate, and such signing shall be notarized.

4. Incorporation

This Certificate shall be incorporated into the resulting contract or agreement, if any, between the City and the Contracting Entity. Upon execution of such contract or agreement, the Contracting Entity is under a continuing obligation to notify the City in writing of any material changes to the information in this Certificate. This notification shall be made within fifteen (15) days of the change. Failure to notify the City of any material change may result, at the option of the City, in a default termination (in whole or in part) of the contract or agreement, and/or a withholding of payments due the Contracting Entity.

**CERTIFICATE – DISCLOSURE OF OWNERSHIP/PRINCIPALS
(CONTINUED)**

Block 1	Development Entity
	PALMER CITY-CORE UNION PARK HOTEL, LLC
Name	PALMER CITY-CORE UNION PARK HOTEL, LLC
Address	2352 Post Street Suite 200 San Francisco, CA 94115
Telephone	415-820-5200
EIN or DUNS	IN PROCESS

Block 2	Description
Subject Matter of Contract/Agreement:	
	Exclusive Negotiation Agreement
RFP	

Block 3	Type of Business
<input type="checkbox"/>	Individual
<input type="checkbox"/>	Partnership
<input checked="" type="checkbox"/>	Limited Liability Company
<input type="checkbox"/>	Corporation

Block 4			
Disclosure of Ownership and Principals			
In the space below, the Development Entity must disclose all principals (including partners) of the Development Entity, as well as persons or entities holding more than one-percent (1%) ownership interest in the Development Entity.			
	FULL NAME/TITLE	BUSINESS ADDRESS	BUSINESS PHONE
1.	Mill Creek Hospitality LLC	34 East 61 st Street New York, New York 10021	(212) 980-0369x23
2.	City-Core Development, Inc.	2352 Post Street, Suite 200 San Francisco, California 94115	(415) 820-5200
3.	Charles R. Palmer	34 East 61 st Street New York, New York 10021	(212) 980-3563
4.	Richard H. Kaufman	2352 Post Street, Suite 200 San Francisco, California 94115	(415)820-5200x103
5.			
6.			
7.			
8.			
9.			

10.			
-----	--	--	--

The Development Entity shall continue the above list on a sheet of paper entitled "Disclosure of Principals – Continuation" until full and complete disclosure is made. If continuation sheets are attached, please indicate the **number of sheets**: _____

Block 5 Disclosure of Ownership and Principals - Alternate

If the Development Entity, or its principals or partners, are required to provide disclosure (of persons or entities holding an ownership interest) under federal law (such as disclosure required by the Securities and Exchange Commission or the Employee Retirement Income Act), a copy of such disclosure may be attached to this Certificate in lieu of providing the information set forth in Block 4 above. A description of such disclosure documents must be included below.

Name of Attached Document: _____
Date of Attached Document: _____ Number of Pages: _____

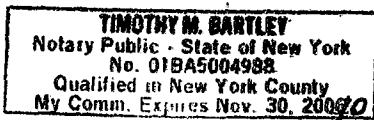
I certify, under penalty of perjury, that all the information provided in this Certificate is current, complete, and accurate. I further certify that I am an individual authorized to contractually bind the above named Development Entity.

[Signature]
Name
4/19/07
Date

Subscribed and sworn to before me this 19TH
day of

APRIL, 2007.

Timothy M. Bartley
Notary Public

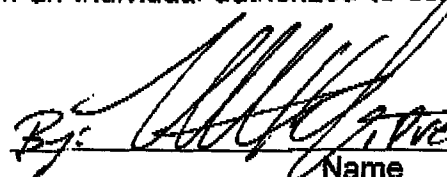


Block 5 - Disclosure of Ownership and Principals - Alternate

If the Development Entity, or its principals or partners, are required to provide disclosure (of persons or entities holding an ownership interest) under federal law (such as disclosure required by the Securities and Exchange Commission or the Employee Retirement Income Act), a copy of such disclosure may be attached to this Certificate in lieu of providing the information set forth in Block 4 above. A description of such disclosure documents must be included below.

Name of Attached Document: CERTIFICATE - DISCLOSURE OF OWNERSHIP / PRINCIPALS
Date of Attached Document: 4/20/07 Number of Pages: 2

I certify, under penalty of perjury, that all the information provided in this Certificate is current, complete, and accurate. I further certify that I am an individual authorized to contractually bind the above named Development Entity.

By:  Name *President of [unclear] Inc.*
April 20, 2007
Date

Subscribed and sworn to before me this _____ day of _____, 2007.

SEE ATTACHED ACKNOWLEDGMENT
Notary Public

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of SAN FRANCISCO

On 4/20/07 before me, MICHELLE NOLASCO
(Date) Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared RICHARD H. KAUFMAN
Name(s) of Signer(s)

personally known to me

(or proved to me on the basis of satisfactory evidence)



to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Place Notary Seal Above

[Signature]
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: DISCLOSURE OF OWNERSHIP AND PRINCIPALS - ALTERNATE

Document Date: 4/20/07 Number of Pages: 2

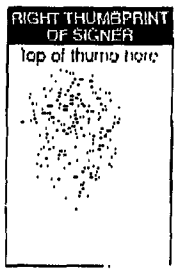
Signer(s) Other Than Named Above: NONE

Capacity(ies) Claimed by Signer(s)

Signer's Name: RICHARD KAUFMAN

- Individual
- Corporate Officer — Title(s): PRESIDENT
- Partner — Limited | General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____

Signer Is Representing: _____



Signer's Name: _____

- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited | General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____

Signer Is Representing: _____

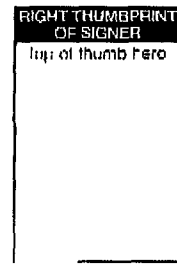


EXHIBIT "C"
List of Environmental Information

Electronic Documents on Two Compact Discs

<u>Identifier</u>	<u>Title/Text Reference</u>
01	Preliminary Title Report, Lawyers Title Company.pdf, June 17, 2004
02	ALTA Survey – G.C. Wallace, June 28, 2002 01) G. C. Wallace - 61-Acre ALTA Survey pg1 2002.pdf 02) G.C. Wallace - 61-Acre ALTA Survey pg2 2002.pdf 03) G.C. Wallace - ALTA Survey Easement Docs 1.pdf 04) G.C. Wallace - ALTA Survey Easement Docs 2.pdf
03	As-Built Maps - Bonneville, Grand Central Parkway and Ogden, 1992, 1993, 1995, 1999, & 2000 01) Bonneville Ave.pdf 02) Main and Bonneville Intersection.pdf 03) Ogden Avenue.pdf 04) Parkway Center.pdf
04	Remedial Action Plan Site Characterization Investigation and Recommended Remedial Action Plan, July 29, 1989 -Appendices Appendices.tif, Appendix A - Summary of Buried Disposal Area Investigation.tif Appendix B - Investigative Procedures.tif Appendix C - Chain-of-Custody Records.tif Appendix D - Field and Laboratory QA&QC Program.tif Appendix E - Health and Safety Plan.tif Appendix F - Regional Geology and Hydrogeology.tif Appendix G - Exploratory Boring Logs.tif Appendix H - Soil and Hydrogeologic Conditions By Area.tif Appendix I - Gauging Data and Hydrographs.tif Appendix J - Soil Laboratory Data Reports.tif Appendix K - Ground-Water Laboratory Data Reports.tif Appendix L - Maps of Approx Dist of Soils Containing PH.tif Appendix M - Observed Versus Actual Thickness of Liquid Hydrocarbon.tif Appendix N - Liquid Hydrocarbon Volume Estimates.tif Appendix O - Air Quality Monitoring Report.tif Appendix P - Report of Industrial Hygiene Evaluation.tif Appendix Q - Desert Research Institute Report.tif Appendix R - Health Risk Assessment.tif Appendix S - USPCI Report of Oil Recovery Operations.tif OIL RECOVERY SYSTEM.TIF -Table of Contents and Executive Summary.tif - Sect 1 Introduction.tif - Sect 2 Purpose & Scope.tif - Sect 3 Site Background.tif - Sect 4 Hydrocarbon Contamination.tif - Sect 5 Lead Contamination.tif - Sect 6 Assessment of Potential Mobility and Fate of Contaminants.tif - Sect 7 Health Risk Assessment.tif - Sect 8 Site Remediation Criteria.tif - Sect 9 Recommended Remedial Action.tif PLATE 01.TIF, PLATE 02.TIF, PLATE 03.TIF, PLATE 04.TIF, PLATE 05.TIF, PLATE 06.TIF, PLATE 07.TIF, PLATE 08.TIF, PLATE 09.TIF, PLATE 10.TIF, PLATE 11.TIF, PLATE 12.TIF, PLATE 13.TIF, PLATE 14.TIF

EXHIBIT "C"
List of Environmental Information

- 01) Final Remedial Action Plan 06-5-1992.pdf
- 02) Addendum I to RAP 08-18-1992.pdf
- 03) Request For Final Closure 10-06-1997.pdf
- 04) Depart of the Army Letter 12-09-2003.pdf

- 05) Interim Closure Report of Rem Action 09-27-93.pdf
- 06) NDEP Letter 03-26-1998.pdf
- 07) NDEP Remediation Requirements Sept 10, 1991.pdf
- 08) Phase 1 Env Site Assess Northern Tract 11-10-2000.pdf
- 09) Phase 1 Env Site Assess Southern Tract 11-10-2000.pdf

- 05 Plystadium Agreement
 - 01) Plystadium Agreement.pdf
 - 02) Amended and Restated Mem of Rights.pdf
 - 03) Estoppel Certificate.pdf
 - 04) Termination of Mem of Repurchase Option.pdf
 - 05) Trusetee's Deed - Lehman to PAMI.pdf

- 06 Pollution Legal Liability Select
 - Pollution Legal Liability Select Policy.pdf

- 07 Environmental Risk Management – Converse Consultant, August 23, 2000
 - 01) Environm ental Risk Management 08-23-2000.pdf
 - 02) Risk-Based Evaluation 09-24-2002.pdf
 - 03) Hydrocarbon Free Product Plumes Map.pdf
 - 04) Soil Impact Map.pdf

- 08 Trenching Exercise – Converse Consultants.pdf, Sept 11, 2002

- 09 Terracon Phase I & Phase II Environmental Site Assessment.pdf – March 26, 2003 & April 2, 2003
 - PhaseIexec.pdf
 - PhaseIIexec.pdf

- 10 Preliminary Geotechnical Studies – Converse Consultants.pdf, June 27, 2002
 - Northern Prelim. Geotech.pdf
 - Southern Prelim. Geotech.pdf

- 11 Groundwater Monitoring Reports
 - Abandoned Wells July 2004
 - Abandoned Wells July 2004.pdf
 - Completion of Well Plugging Abandonment Former Las Vegas Rail Yard.htm
 - 01) 2nd Quarter 1991 Groundwater Report.pdf
 - 02) 2nd Quarter 2001 Groundwater Report.pdf
 - 03) 3rd Quarter 2001 Groundwater Report.pdf
 - 04) 4th Quarter 2001 Groundwater Report.pdf
 - 05) 1st Quarter 2002 Groundwater Report.pdf
 - 06) 2nd Quarter 2002 Groundwater Report.pdf
 - 07) 1st Half 2002 Semi-annual Compliance Report.pdf
 - 08) 3rd Quarter 2002 Groundwater Report.pdf
 - 09) 4th Quarter 2002 Groundwater Report.pdf
 - 10) 1st Half 2003 Groundwater Report.pdf
 - 11) 1st Half 2003 Semi-annual Compliance Report.pdf
 - 12) 2nd Half 2003 Groundwater Report.pdf
 - 13) 2nd Half 2003 Semi-annual Compliance Report.pdf
 - 14) 1st Half 2004 Groundwater Report.pdf
 - 15) 1st Half 2004 Semi-annual Compliance Report.pdf
 - 16) 2nd Half 2004 Groundwater Report.pdf
 - 17) 2nd Half 2004 Semi-annual Compliance Report.pdf
 - 18) 1st Half 2005 Groundwater Report.pdf

EXHIBIT "C"
List of Environmental Information

19) 1st Half 2005 Semi-annual Compliance Report.pdf
TABLE 2 Groundwater Analytical Data 06-16-2004.xls
UP letter Jan 7 2004.tif
Well Monitoring Modification Plan 05-06-2004.tif

12

Maps

01) Union Park Concentration.pdf
02) Union Park Contamination.pdf
03) Union Park remediation.pdf
04) Remediation Depth.jpg