

FIRST AMENDMENT TO EXCLUSIVE NEGOTIATION AGREEMENT

THIS FIRST AMENDMENT TO EXCLUSIVE NEGOTIATION AGREEMENT (this "Amendment") is entered into as of the _____ day of _____, 2014 ("Effective Date") by and between City Parkway V, Inc., a Nevada nonprofit corporation ("CPVI"), Office District Parking I, Inc., a Nevada nonprofit corporation ("ODP") (CPVI and ODP are collectively referred to herein as "CPV"), the City of Las Vegas, Nevada, a political subdivision of the State of Nevada (the "City"), and LV Entertainment Development, LLC, a Maryland limited liability company ("Developer"), on the terms and provisions set forth below. CPV, the City and Developer are individually or collectively referred to herein as "Party" or "Parties."

WHEREAS:

A. The Parties entered into that certain Exclusive Negotiation Agreement dated November 17, 2010 (the "ENA") whereby the Parties agreed to explore the feasibility of the development of an Arena and Live District on the Site.

B. The Term of the ENA currently expires on January 30, 2014 and the parties mutually desire to extend the Term.

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

1. Definitions. All capitalized terms contained herein that are not defined herein shall have the same meaning as set forth in the ENA. The following terms shall have the following meanings:

"DDA" means a Disposition and Development Agreement between CPV, City, Developer and any other necessary parties for the development of the Arena and Live District on the Site.

"Casino Resort" means a casino with an unrestricted gaming license having at least 200 hotel rooms.

"Extended Term" means that period of time from the Effective Date until June 1, 2014.

"Project" means an Arena and a Live District.

2. Extended Term. The Parties agree that the Term is hereby extended for the Extended Term and the Term and the Extended Term shall both automatically expire on the last day of the Extended Term.

3. Negotiations of DDA.

(a) During the Extended Term, the Parties shall enter into negotiations for the execution of the DDA between the Parties for the development, ownership, and operation of the Arena and Live District. Subject to the provisions of Section 3 (d) hereof, the Parties agree the DDA would contain provisions regarding the Arena similar to those set forth on Exhibit "A" hereto. In addition, the Parties agree that the DDA may address the development of a Casino Resort within the City of Las Vegas, but not on the Site.

(b) Developer agrees to provide CPV with the following reports and studies ("Consultant Reports") by no later than June 1, 2014 which shall be paid from the Planning Fund as set forth in Section 4 below:

(i) A report of a third party reasonably acceptable to CPV indicating that the Arena can be constructed for the projected costs of the Arena as set forth on Exhibit "A" and for the costs of the Live District as set forth in paragraph b(iii) below. Such report shall also include a plan and estimate for the environmental remediation of the of Site for the Project;

- (ii) An investment grade feasibility study that supports the financing for the Arena; and
- (iii) An updated pro forma for the development, financing and operation of the Live District, including sources and uses of funds.

(c) Developer shall negotiate price and fees for the services of an independent consultant to represent CPV and the City to provide input and advice to CPV and City during the Extended Term regarding the Consultant Reports, financial review of the Consultant Reports, and other analysis directly relating to the feasibility of the Arena and Live District ("Consultant Services"), as agreed to in advance by City, CPV, and Developer. The scope of services, selection of such consultant and direction of work for the Consultant Services shall be reasonably determined and directed by CPV and the City. The costs for the Consultant Reports and Consultant Services shall be paid out of the Planning Fund. The Consultant Reports shall be subject to a total limit of \$300,000 for all three items 3 (b) (i), (ii), and (iii) combined. The Consultant Services shall be subject to a \$100,000 limit.

(d) Developer and CPV agree and acknowledge that (i) the ENA and this Amendment create no obligation on any Party to enter into the DDA or any other agreement related to or concerning the Site, the Project and/or a Casino Resort, (ii) the decision to enter into a DDA or any other agreement among or between any of the Parties will be at each Party's respective sole and absolute discretion and (iii) the discretionary approval of the Las Vegas City Council will be required for CPV and/or the City to enter into any DDA or other agreement relating to the Site or the development of the Project. 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. In the event the Extended Term shall expire and the Parties have not entered into a DDA for any reason or no reason whatsoever, then this Amendment and the ENA shall automatically terminate and the Parties shall have no further obligations, rights or liabilities hereunder except as set forth

below in Section 4 or as expressly set forth in the ENA.

4. Planning Fund. The Parties hereby acknowledge that the Planning Fund has a remaining balance of \$1,200,000. The Parties agree that in connection with the Planning Fund, and notwithstanding anything to the contrary contained in the ENA, that the Planning Fund shall be treated as follows:

(a) The Parties shall agree on a reasonable procedure for the disbursement of the Planning Fund to pay for the Consultant Reports and Consulting Services;

(b) In the event the Extended Term expires and the Parties do not enter in a DDA, the balance remaining in the Planning Fund shall be paid to Developer; or

(c) In the event the Parties do enter into a DDA and the development of the Project proceeds, the Parties agree that any balance in the Planning Fund shall be applied to the development of the Project.

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

6. Severability. In the event that any phrase, clause, sentence, paragraph, section, article or other portion of this Amendment 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 Amendment shall not be affected thereby and shall remain in force and effect to the full extent permitted by law.

7. No Third Party Beneficiaries. This Amendment is intended for the exclusive benefit of CPV, the City 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.

8. Effect. This Amendment is intended by the Parties to be the final expression of their agreement with respect to the subject matter of this Amendment, and is intended as the complete and exclusive statement of the terms of the agreement between the parties with respect to the subject matter of this Amendment. As such, this Amendment supersedes any and all prior understandings between the parties with respect to the subject matter of this Amendment, whether oral or written. Any amendments to this Amendment shall be in writing and shall be signed by both parties hereto. Except as expressly and specifically set forth in this Amendment, the ENA remains in full force and effect in all respects. Each Party acknowledges and agrees that all other Parties to the ENA are in full compliance with the terms of the ENA and that no defaults thereunder exist. In the event of any conflict between the terms and conditions of the ENA and this Amendment, this Amendment shall govern and control.

9. Counterpart Signatures; Facsimile Transmission. This Amendment 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 Amendment may be accomplished by electronic transmission of this Amendment by email or facsimile. In such event, the parties hereto shall promptly thereafter deliver to each other executed counterpart originals of this Amendment.

10. Intentionally Omitted.

11. Conflict of Interest; Disclosure of Principals.

(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 Amendment, payments under this Amendment, or work under this Amendment, shall not be directly or indirectly interested personally in this Amendment 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 Amendment, shall become directly or indirectly interested personally in this Amendment or in any part hereof, any material supply contract, subcontract,

insurance contract, or any other contract pertaining to this Amendment.

(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 Amendment. Notwithstanding any other provision of this Amendment, if such interest becomes known, CPV may immediately terminate this Amendment for default or convenience, based on the culpability of the parties.

(c) 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. Except as otherwise provided in Section 9(c) of the ENA, any significant change in the principals, associates, partners, joint venturers, development manager, and directly-involved managerial employees of Developer is subject to the approval of CPV which shall not be withheld or delayed in the commercially reasonable opinion of CPV. 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, Developer shall provide written notification of any material change in the above disclosure within 15 days of any such change.

SIGNATURES ON NEXT PAGE

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

CPV

CITY PARKWAY V, INC., a Nevada non-
profit corporation

By: _____

Name: _____

Title: _____

ATTEST:

_____, Title

OFFICE DISTRICT PARKING I, INC., a
Nevada non-profit corporation

By: _____

Name: _____

Title: _____

CITY OF LAS VEGAS NEVADA

By: _____

Carolyn G. Goodman, Mayor

ATTEST:

Beverly K. Bridges, CMC
City Clerk

APPROVED AS TO FORM:

M. Penches Esq.
Date
1-13-13

DEVELOPER

LV Entertainment Development, LLC, a Maryland
limited liability company,

By: Port Jullian

Name: Port Jullian

Title: Authorized Person

Exhibit A
Term Sheet

1. Assumptions

The following is a list of assumptions on which this Term Sheet is based:

- a. The costs related to the design and development of the Arena are estimated to total approximately \$389,960,000. The total costs of the Arena are inclusive of prevailing wage requirement costs, infrastructure costs and environmental remediation necessary for the Site.
- b. The City shall be responsible for providing a thirteen (13) acre parcel of land located in the Site in a condition and in a manner suitable for development and construction of the Arena, except that any environmental remediation, site grading or any other site preparation required to accommodate the Arena shall be part of the Arena project budget and costs.
- c. The City or a City affiliate shall have fee simple title to the Arena Site and will have legal ownership or legal title to the Arena including all appurtenances contained therein.
- d. The design, development, and construction of the Arena shall be subject to the prior written approval of the City, which shall not be unreasonably withheld or delayed.
- e. Developer, or at the election of Developer, the Third Party and the City shall agree to enter into a thirty (30) year Arena Lease Agreement (with renewal and extension provisions) for use, management, and operation of the Arena. In exchange for the performance of management duties for the Arena, Developer shall receive a competitive and market based management fee for such management services.
- f. In the event that Developer elects to engage a third (3rd) party arena management company to perform the foregoing responsibilities ("Management Company"), then any agreement with the Management Company will be competitive and comparable to that of other similarly situated and recently constructed state-of-the-art arenas. In addition, Developer shall not enter into any agreement with the Management Company without the prior written approval of the City, which shall not be unreasonably withheld or delayed.
- g. One of the primary goals of the City in the development of an Arena is to secure a commitment from a professional team playing in the National Hockey League or National Basketball Association. However, this goal is secondary to the financial performance of the Arena as it relates to the overall revenues generated by the Arena and repayment of any debt of the City related to the Arena. Therefore, in the event the City and/or its advisors determine that it is in the best interest of the City not to secure a professional team, then the Arena will be developed without a professional team.

2. Proposed Financing Plan

a. The City and Developer would proceed in connection with the financing, design, development, and construction of the Arena as follows:

b. City Contributions: The City would contribute an amount not to exceed \$238,964,554 towards the Arena through the issuance of general obligations bonds backed by Arena revenues, Certificates of Participation ("COPS"), Special Improvement District Bonds and/or Tourism Improvement Bond ("City Cap"). The City would attempt, but does not guaranty, to fund its portion, through the sources described in subsections (i), (ii) and (iii) herein. The parties acknowledge that the proposed bond structure is subject to review and approval by the City's bond counsel, financial advisors, or other pertinent and required authorizing governmental agencies ("City's Bond Advisors") and would also subject to the approval of various other property owners in the vicinity of the Arena; therefore, the parties have contemplated the possibility that the City's Bond Advisors may require a different bond structure. Developer and its affiliates shall cooperate with City in complying with all securities laws and regulations in connection with issuing the bonds.

i. General Obligation Bond backed by Arena revenues or COPS – The Arena net revenues as further defined in Section 3, would be pledged towards repayment of the City Cap prior to any repayment to Developer or Third Party. The portion of the total City Cap to be supported by these pledged Arena net revenues is expected to be no greater than \$187,100,000. This is expected to be the primary financial commitment from the City to the Arena given the manner in which the SID and TID bonds as well as the supporting Assessment District and Tourism Improvement District below would be created.

ii. Tax-Exempt Special Improvement District Bonds – The City would attempt to create a special assessment district ("Assessment District") encompassing (a) the businesses and casinos located on the Fremont Street Experience and (b) other business that would benefit from being in close proximity to the Arena. The amount of assessment would vary based on the business proximity to the Arena and type of business being assessed. The Assessment District would be formed as a Special Improvement District ("SID") under Nevada law. Businesses that receive a larger benefit from the Arena would be obligated to pay a higher assessment. When forecasted over a twenty-five (25) year period, the SID would fund approximately \$51,864,554 in total project costs. The Assessment District contemplated by this section would be designed to generate sufficient revenue to be the sole revenue source to support repayment of this \$51,864,554. Further, this revenue source shall be used consistent with State of Nevada law to fund infrastructure costs that are part of the total Arena project cost to include but not be limited to parking, environmental remediation, utilities, etc.

iii. Tourism Improvement District (TID) Star Bonds - The City in conjunction with Developer would create the TID under Nevada Law which will encompass the vicinity around the Project Site. The anticipated sales tax revenue to be generated is

estimated at \$3.0 million. Any TID revenues generated would only be used as a supplemental revenue source to support repayment of the City Cap.

Any Arena DDA will contain a condition precedent to the party's respective obligations to proceed that an overall financing plan for the City's contributions be secured.

c. **Developer's Contributions:** Developer and/or Third Party shall contribute \$150,995,000 towards the Arena Development ("Developer Contribution"). All project costs that exceed the project budget of \$389,960,000 will be the responsibility of Developer and/or the Third Party.

3. Arena Net Operating Income Distribution and Operating Losses

a. The net operating income would initially be applied towards the repayment of the City Cap. To the extent that any excess revenues are available, Developer shall be paid the remaining balance of the net operating income as repayment of the Developer Contribution with a customary return thereon to be agreed by the parties.

b. Once both the City Cap and the Developer Contribution have been fully satisfied, the parties agree to the following split of the net operating income: City: 35% and Developer: 65%

c. **Net Operating Losses:** In the event that Arena operating income is ever insufficient to pay for all of the Arena operating expenses, either Developer, Third Party or the Management Company shall be fully liable to pay any Arena operating expenses that are in excess of Arena operating income.

EXHIBIT "B"

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	Contracting Entity LV Entertainment Development, LLC, a Maryland limited liability company
Name	Blake Cordish
Address	601 E. Pratt Street 6 th Floor Baltimore, MD 21202
Telephone	(410) 752-5444
EIN or DUNS	

Block 2	Description Extension of Exclusive Negotiating Agreement
RFP #	N/A

Block 3	Type of Business
☐ Individual	☐ Partnership
☒ Limited Liability Company	☐ Corporation

Block 4	Disclosure of Ownership and Principals		
In the space below, the Contracting Entity must disclose all principals (including partners) of the Contracting Entity, as well as persons or entities holding more than one-percent (1%) ownership interest in the Contracting Entity.			
	FULL NAME/TITLE	BUSINESS ADDRESS	BUSINESS PHONE
1.	David S. Cordish	601 E. Pratt Street, 6 th Floor, Baltimore, MD 21201	(410) 752-5444
2.	Blake L. Cordish	Same as above	Same as above
3.	Jonathon Cordish	Same as above	Same as above
4.	Reed Cordish	Same as above	Same as above
5.	Joseph S. Weinberg	Same as above	Same as above
6.	Charles F. Jacobs	Same as above	Same as above
7.	J. Port Telles	Same as above	Same as above
8.	Zed Smith	Same as above	Same as above
9.	Taylor Gray	Same as above	Same as above
10.	Chase Martin	Same as above	Same as above

Block 5 **Disclosure of Ownership and Principals - Alternate**

If the Contracting 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: _____

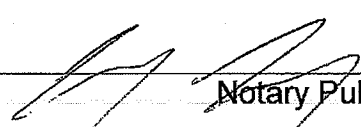
I certify, under penalty of perjury, that all the information provided in this Certificate is current, complete, and accurate. I further certify that I am an individual authorized to contractually bind the above named Contracting Entity.


J. Port Telles

1-6-2014

Subscribed and sworn to before me this 06
day of JANUARY

_____, 2014.


Notary Public

