DISPOSITION AND DEVELOPMENT AGREEMENT

THIS DISPOSITION AND DEVELOPMENT AGREEMENT ("DDA") is entered into as of the _____ day of _____________, 2012 by and between the CITY OF LAS VEGAS ("City"), a municipal corporation of the State of Nevada, the CITY OF LAS VEGAS REDEVELOPMENT AGENCY ("Agency"), a Public Body, (the City and Agency are collectively referred to herein as the "Lessors") and VEGAS 1-DECATUR, LLC, a Nevada limited liability company ("Lessee").

WITNESSETH

WHEREAS, the City owns two parcels of vacant land consisting of approximately 3.39 acres located along Laurelhurst and Westmoreland Drives in Las Vegas, Nevada, 89108 (referred to collectively as the "City's Property"), a Site Map and Legal Description of the City's Property being attached hereto as Exhibits "A" and "A-1" respectively, and the City's Property is further described as Assessor's Parcel Numbers 138-25-504-001 and 138-25-504-002; and

WHEREAS, the Agency owns a parcel of vacant land consisting of approximately 6.06 acres located at 1501 N. Decatur Boulevard in Las Vegas, Nevada, 89108 (referred to as the "Agency's Property"), a Site Map and Legal Description of the Agency's Property being attached hereto as Exhibits "B" and "B-1" respectively, and the Agency's Property is further described as Assessor's Parcel Number 138-25-515-002; and

WHEREAS, the Lessors desire to lease to Lessee and Lessee desires to lease from Lessors the City's Property and the Agency's Property that are depicted in Exhibits A, A-1, B and B-1; and

WHEREAS, Lessors and Lessee mutually desire that the City's Property and the Agency's Property will be leased for the development of certain mixed-income and age-restricted low-income housing as more fully described in this DDA; and

WHEREAS, the parties desire to set forth in this DDA the terms and conditions for the disposition and development of the City's Property and the Agency's Property.

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein, the parties hereto do hereby agree as follows:

1. **PARTIES TO THE DISPOSITION AND DEVELOPMENT AGREEMENT.**

1.1 The City. The City is a municipal corporation of the State of Nevada. The office of the City is located at 495 S. Main Street, Las Vegas, Nevada 89101.

1.2 The Agency. The Agency is a public body of the State of Nevada. The office of the Agency is located at 495 S. Main Street, Las Vegas, Nevada 89101.

1.3 The Lessee. The Lessee is Vegas 1-Decatur, LLC, a Nevada limited liability company. Lessee's principal office is located at 2009 Alta Drive, Las Vegas, Nevada, 89106. Pursuant to Resolutions R-105-99 and RA 4-99 both effective October 1, 1999, Lessee warrants that it has disclosed, on the form attached hereto as Exhibit "F", all members of Lessee holding more than a one percent (1%) ownership interest in Lessee.

(a) The qualifications and identity of Lessee are of particular concern to the City and Agency, and it is because of such qualifications and identity that the City has entered into this DDA with Lessee. Lessee agrees that:

(i) No voluntary or involuntary successor in interest of Lessee shall acquire any rights or powers under this DDA except as expressly set forth herein; and

(ii) Lessee shall not assign all or any part of this DDA without the prior written approval of the City and/or Agency except as expressly permitted below in Section 3(e), provided such prohibition shall expire with respect to the portions of this DDA related to each of the sites to be acquired by Lessee on the date such site is acquired by Lessee.

(b) Wherever the term "Lessee" is used herein, such term shall include any permitted nominee, assignee or successor in interest as herein provided, including any development entity controlled by Lessee. This DDA may be terminated by the City and/or Agency if there is any change (voluntary or involuntary) in the membership, management or control of Lessee except as expressly provided for herein. Notwithstanding the foregoing, the following shall be permitted transfers and shall not require the City's and/or Agency's approval hereunder:

(i) A transfer to any entity in which Lessee has: (1) more than fifty percent (50%) of the ownership interests in such entity; and (2) management control of such entity;

(ii) A transfer of stock in a publicly held corporation or of the beneficial interest in any publicly held partnership or real estate investment trust;

(iii) A transfer as a result of the foreclosure by any lender of its security or other interests in the ownership of Lessee;

(iv) Any transfer of ownership interests in Lessee so long as the existing members of Lessee retain more than 50% of the ownership interests and management control of Lessee; and

(v) A transfer of ownership interests in Lessee with existing members of Lessee retaining less than 50% of the ownership interests and management control of Lessee, only for the purposes of securing low-income tax credit financing for the Project.

2. THE CITY'S PROPERTY AND THE AGENCY'S PROPERTY.

2.1 The City's Property. The City owns two parcels of vacant land consisting of approximately 3.39 acres located along Laurelhurst and Westmoreland Drives in Las Vegas, Nevada, 89108 (referred to collectively as the "City's Property"), a Site Map and Legal Description of the City's Property being attached hereto as Exhibits "A" and "A-1" respectively, and the City's Property is further described as Assessor's Parcel Numbers 138-25-504-001 and 138-25-504-002.

2.2 The Agency's Property. The Agency owns a parcel of vacant land consisting of approximately 6.06 acres located at 1501 N. Decatur Boulevard in Las Vegas, Nevada, 89108 (referred to as the "Agency's Property"), a Site Map and Legal Description of the Agency's Property being attached hereto as Exhibits "B" and "B-1" respectively, and the Agency's Property is further described as Assessor's Parcel Number 138-25-515-002.

3. DEVELOPMENT OF THE CITY'S PROPERTY AND THE AGENCY'S PROPERTY.

3.1 City and Lessee agree that the entire development on both the City's Property and the Agency's Property will collectively consist of a minimum of one hundred ninety-sixty (196) mixed-income and age-restricted low-income housing units totaling approximately two hundred twelve thousand three hundred (212,300) square feet, two (2) club houses totaling approximately eight thousand and seventy-eight (8,078) square feet, and any parking and landscaping required to meet City zoning, planning and building requirements (the "Project"), all as are more fully described in the Scope of Development attached hereto as Exhibit "C."

3.2 As more fully described in the Scope of Development, the City's Property will be developed as the first phase of the Project and will consist of a minimum of sixty (60) low-income housing units totaling approximately thirty-nine thousand (39,000) square feet, one (1) club house of approximately three thousand four hundred (3,400) square feet and any parking and landscaping required to meet City zoning, planning and building requirements (hereafter "Phase 1").

3.3 Phase 1 shall be developed within the time schedule set forth herein. Lessee agrees that, in all events, within six (6) months after the award of tax credits, the Lessee will commence construction and will complete such construction within eighteen (18) months after the commencement of construction. The commencement of construction shall be evidenced by the pouring of the foundation for the Phase 1. Both commencement of construction and completion of construction will be extended by such additional time as corresponds to the extent of any delay that is caused by Force Majeure Delays. The term "Force Majeure Delays" shall mean delays caused by occurrences beyond the reasonable control and without the fault, negligence or financial inability of a party hereto or its contractors, including strikes, labor disputes, fire, earthquake, floods and other out of the ordinary actions of the elements, enemy invasion, acts of war, terrorism, bioterrorism, insurrection, sabotage, laws, orders or actions of governmental, civil or military authorities, governmental restrictions, riot, civil commotion, judicial or administrative proceedings commenced by persons not a party to this DDA and unavoidable casualty. If the performance of an obligation hereunder or under any other DDA or declaration, other than the payment of money, is expressly subject to the effect of Force Majeure Delay, then, unless otherwise provided herein or in such other DDA or declaration to the contrary, the effect of a Force Majeure Delay shall be to extend the time for performance of such obligation for the reasonable period of such Force Majeure Delay, but in no event greater than the period of the Force Majeure Delay. However in the event that the Lessee fails to meet any of the deadlines incorporated herein due to its own negligence or the inability to acquire funding for Phase 1 it shall immediately trigger the City's rights under Section 8 of this DDA.

3.4 As described in the Scope of Development, the portion of the Project to be developed on the Agency's Property will be developed in two phases (referred to hereafter as "Phase 2" and "Phase 3") that will collectively result in a minimum of one hundred thirty-six (136) age-restricted low-income housing units, one (1) club house, and any required parking and landscaping necessary to meet applicable zoning, planning and building requirements. The development of Phase 2 and Phase 3 of the Project on the Agency's Property will be accomplished as follows:

(a) Phase 2 - Consisting of a minimum of seventy-two (72) age-restricted low-income housing units totaling approximately ninety-one thousand two hundred and fifty-eight (91,258) square feet, one (1) club house of approximately four thousand six hundred and seventy-eight (4,678) square feet, and any required parking and landscaping necessary to meet applicable zoning, planning and building requirements; and

(b) Phase 3 - Consisting of a minimum of sixty-four (64) age-restricted low-income housing units totaling approximately eighty-two thousand and forty-two (82,042) square feet and any required parking and landscaping necessary to meet applicable zoning, planning and building requirements.

3.5 Lessee shall secure or cause to be secured any and all permits and approvals that may be required by the City, any other governmental agency or any other party in order to commence the vertical construction of any improvements for the Project. The costs for such permits and approvals shall be borne solely by Lessee.

3.6 Any and all development on the City's Property and the Agency's Property shall conform to the procedures and limitations contained in zoning regulations and all applicable building and other codes as adopted by the City as presently in effect. Before commencement of construction or development of any buildings or other work of improvement related to the Project, the Lessee shall, solely at its own expense, secure or cause to be secured any and all permits and approvals that may be required by the City, any other governmental agency or any party affected by such construction, development or work. The low-income housing component of this Project shall meet the State's definition of low income housing under Nevada Revised Statutes (NRS) 279.397.

3.7 The use by the City of low-income housing set aside money to acquire the City's Property and Agency funds to acquire the Agency's Property, require that: (a) Lessors obtain a "Public Works Identifying Number" (PWP Number) from the Office of the Labor Commissioner for the State of Nevada for any development on the City's Property and the Agency's Property, if applicable; and (b) Lessee, pursuant to NRS 338.010 to 338.090, inclusive, pay prevailing wages, to the extent as if the City or Agency had awarded the contract for the construction of the Project. Also, due to the use of low-income housing set aside funds on the City's Property and Agency Funds on the Agency's Property, the Lessee covenants and agrees for itself, its successors, assigns, and every successor in interest that during construction and thereafter, the City's Property and the Agency's Property shall be devoted only to low-income housing. The foregoing covenant shall be made a condition of and run for the entire term of the lease for the City's Property as well as the lease for the Agency's Property.

3.8 The Lessee will be responsible for the installation, at its expense, of all sidewalks and driveways and on-site utilities, sewer lines, and other on-site and required off-site improvements for the Project.

3.9 The Lessee will also be responsible for the expense of relocating any utilities relative to any existing utility easements applicable to either the City's Property or the Agency's Property.

3.10 For the purposes of assuring compliance with this DDA, and in addition to the normal City inspectors associated with construction in the City, representatives of the City and the Agency shall have the reasonable right of access to either the City's Property or the Agency's Property without charges or fees and at normal construction hours during the period of construction for the purposes of monitoring performance of this DDA, including, but not limited to, the inspection of the work being performed in constructing the improvements. Such representatives of the City or Agency shall be those who are so identified in writing by the City Manager. The City or Agency shall defend (with counsel reasonably acceptable to Lessee) indemnify the Lessee and hold it harmless from any damage caused or liability arising out of this right to access. The foregoing indemnity is subject to the liability limitations of NRS 41.035.

3.11 The Lessee agrees to indemnify, hold harmless and defend (with counsel acceptable to City and Agency) the City or Agency, their affiliates, their officers, agents, servants and employees against and from any and all actual or threatened liabilities, claims, actions, damages, penalties, costs and expenses (including attorney's fees) and losses directly or indirectly arising out of or resulting from or relating in any way to the development and/or operation of the Project excluding any actual liabilities resulting solely from the acts of the City or Agency.

3.12 The Lessee shall not sub-lease either the City's Property or the Agency's Property to another entity without written approval from the City or the Agency. Any attempt to sub-lease this property without the written consent of the City or the Agency shall constitute a breach of this DDA and trigger the City's or the Agency's rights under Section 11 of this DDA.

3.13 Failure on the part of the Lessee, after ground lease of the City's Property or Agency's Property, to comply with the provisions of this section shall constitute a default under this DDA. City or Agency shall provide Lessee with written notice of default and allow Lessee thirty (30) days to cure said default, unless such default cannot reasonably be cured within such 30-day period, in which event Lessee shall not be in default hereunder so long as it commences to cure such failure and thereafter diligently attempts to cure such failure.

4. **WAIVER OF CONDITION OF PROPERTY/ TITLE/ DUE DILIGENCE — CONTINGENCY PERIOD**

It is understood that the Lessee is accepting the City's Property and the Agency's Property in "as is" condition. As such, the due diligence / contingency period is waived and the City Ground Lease Agreement and the Agency Ground Lease Agreement, both as described in Section 5 below, will be effective when executed by either the Mayor or Chairperson of the Governing Body of the Agency at such time as set forth in this DDA.

5. **GROUND LEASES OF CITY'S PROPERTY AND AGENCY'S PROPERTY.**

5.1 Subject to the fulfillment of any requirements and the Conditions Precedents as stated below, City and Agency will each lease the City's Property and the Agency's Property to Lessee, solely for the purpose of developing age-restricted low-income housing. The City's

Property and the Agency's Property will each be leased to Lessee under a separate ground lease, with each ground lease to be at the rate of One Dollar ($1.00) per year for a term not to exceed seventy-five (75) years (respectively, the "City Ground Lease" and the "Agency Ground Lease"). The form of the City Ground Lease and the Agency Ground Lease shall be substantially in the same form as Exhibit "D" attached hereto.

5.2 City Ground Lease.

(a) Lessee has represented to City that the funding sources required to develop Phase 1 includes low-income housing tax credits that are awarded annually by the State of Nevada ("State") through a competitive process. Accordingly, Lessee intends to submit an application for low-income housing tax credits to the State for the amount of low-income housing tax credits required to complete the funding needed for the development of Phase 1 by May 4, 2012.

(b) To facilitate the Lessee's application to the State for low-income housing tax credits for Phase 1, the City agrees to execute the City Ground Lease with Lessee for the City's Property concurrently herewith provided that this DDA has been approved by both the Las Vegas City Council and the Governing Board of the Las Vegas Redevelopment Agency and the Lessee has waived its investigation during the Due Diligence Period and agrees to accept the City Property in an "as-is" condition as set forth in Section 5.1 above.

(c) **THE LESSEE ACCEPTS AND ACKNOWLEDGES THAT THE CITY GROUND LEASE AND THIS DDA WILL BOTH IMMEDIATELY TERMINATE IN THE EVENT THAT EITHER: (1) LESSEE IS UNSUCCESSFUL IN SECURING AN AWARD OF LOW-INCOME HOUSING TAX CREDITS FROM THE STATE FOR PHASE 1 BY SEPTEMBER 1, 2012; OR, (2) THE AMOUNT OF LOW-INCOME HOUSING TAX CREDITS AWARDED BY THE STATE IS INSUFFICIENT TO COMPLETE THE FUNDING REQUIRED TO FULLY CONSTRUCT PHASE 1. UPON TERMINATION OF THIS DDA AND THE CITY GROUND LEASE, CITY AND AGENCY SHALL HAVE NO FURTHER OBLIGATIONS TO LESSEE AND THE DDA AND CITY GROUND LEASE SHALL HAVE NO FURTHER FORCE AND EFFECT, EXCEPT FOR THOSE ITEMS IN SECTION 12 WHICH SURVIVE TERMINATION OF THIS DDA.**

LESSEE'S INITIALS: ________________

5.3 Agency Ground Lease.

(a) Conditions Precedent. As conditions precedent to the Agency executing the Agency Ground Lease (attached hereto as Exhibit "D-1") with Lessee for the Agency's Property for the development of Phase 2 and Phase 3 as described more specifically below, the Lessee shall demonstrate to the satisfaction of the Agency (as determined in the Agency's sole discretion) that Lessee has achieved all of the following conditions (the "Conditions Precedent"):

(i) Phase 1 has been fully completed as evidenced by a Certificate of Occupancy for said phase;

(ii) Lessee has made its reasonable best efforts to acquire 1525 N. Decatur Boulevard, Las Vegas, Nevada (hereinafter "1525"), as evidenced by:

(x) An unexpired, executed real estate broker's agreement between the Lessee and a Nevada licensed real estate broker for the purposes of acquiring 1525; and

(y) Copies of letters sent by certified mail to the owner(s) of 1525 containing purchase offers equivalent to fair market value for the 1525 property site. For purposes of this subsection, the term "fair market value" is defined as the value of 1525 as determined by a Nevada licensed real estate broker in accordance with practices customarily followed by a Nevada real estate broker to determine the value of real property in preparing an offer to purchase said real property for a client.

(iii) If Lessee is unsuccessful in acquiring 1525, in the alternative after not achieving the requirements of subsection (ii) above, Lessee must provide the Agency with a financing plan for the development of Phase 2 and Phase 3 which shows that the Lessee will invest a minimum of $1.8 million in equity towards the development of age-restricted low-income housing units on the Agency's Property. In addition, Lessee further agrees to provide the Agency with documentation evidencing the investment of the $1.8 million in equity towards the development costs of Phase 2 and Phase 3 upon the request and to the reasonable satisfaction of the Agency.

(b) Upon the Agency's satisfaction of the completion of the Conditions Precedent listed above, the Agency and Lessee shall execute the Agency Ground Lease. In the event that the Conditions Precedent have not been demonstrated to the satisfaction of the Agency, the Agency shall not execute the Agency Ground Lease and the Agency shall have no further obligations under this DDA to Lessee. The Lessee and Agency agree that the obligation for the Agency to execute the Agency Ground Lease shall expire on

September 30, 2015, unless this expiration is extended by the approval of the Governing Board of the Agency and Lessee.

6. **<u>EMPLOYMENT PLAN POLICY</u>.**

6.1 <u>Redevelopment Incentive Deposit</u>.

Upon execution of the City Ground Lease and upon execution of the Agency Ground Lease, Lessee shall pay to City or to the Agency an amount, as yet to be determined, as a Redevelopment Incentive Deposit ("RDI Deposit") pursuant to the City's Employment Plan Policy and the Agency's Employment Plan Policy, attached hereto as Exhibit "E". The RDI Deposit will be equal to ten percent (10%) of the difference between the actual lease rent paid by Lessee and the market value rent for the City's Property and the Agency's Property as determined by the highest appraised value (per two appraisal reports both dated within six months of the effective date of the DDA and obtained by the City) if not reduced as an Redevelopment Incentive. The RDI Deposit shall be paid in two installments: (i) An installment equal to a pro-rated share of the RDI Deposit attributable to the City's Property prior to possession of the City's Property and not later than five (5) days after the effective date of the City Ground Lease; and, (ii) An installment equal to the pro-rated share of the RDI Deposit attributable to the Agency's Property prior to possession of the Agency's Property and not later than five (5) days after the effective date of the Agency Ground Lease.

6.2 <u>Employment Plan Policy</u>.

Pursuant to the City of Las Vegas Redevelopment Agency *"Employment Plan Policy,"* and the City of Las Vegas "Employment Plan Policy, Lessee shall comply with the:

(a) Resident Participation Requirement – A required fifteen percent (15%) of all new jobs created as a direct result of either the City Ground Lease or the Agency Ground Lease shall be filled by bona-fide residents of the Las Vegas Redevelopment Area;

(b) Resident Preference Incentive – A required thirty percent (30%) resident participation requirement to make the Project eligible for a redevelopment incentive and the RDI Deposit will be awarded by the Agency to Lessee as a bonus if the resident participation requirement is achieved. A Pass/Fail approach will be used to determine compliance with the Resident Preference Incentive and partial achievement will not be considered; and,

(c) Minority Participation Goal – An aspirational goal of fifteen percent (15%) participation of Minority, Women and Disabled Veteran Business Enterprises ("M/W/D/VBEs").

These requirements are mandatory and subject to reporting and demonstration of efforts to achieve the goals. Failure of Lessee to comply with the Resident Participation Requirement of the *Employment Plan Policy*, as determined by the City's Economic and Urban Development Department, shall result in the forfeiture of the RDI Deposit to the Agency.

7. **GENERAL REPRESENTATIONS AND WARRANTIES OF LESSOR CITY AND LESSOR AGENCY.**

7.1 Representations and Warranties of the City. The City represents and warrants the following to be true and correct as of the Effective Date of this DDA:

(a) The City have all of the requisite power and authority to enter into and perform their obligations under this DDA.

(b) To the City's actual knowledge, there are no condemnation, eminent domain or similar proceedings which have been instituted or threatened against the City's Property.

(c) To the City's actual knowledge, there are no legal actions, suits or proceedings pending or threatened before any judicial body or any governmental or quasi-governmental authority against the City's Property or against the City which would inhibit the City from performing its obligations under this DDA (or other contract obligations).

(d) To the City's actual knowledge, there are no legal actions, suits or proceedings, pending or threatened, before any judicial body or any governmental or quasi-governmental authority, against or affecting the City's Property.

(e) To the City's actual knowledge, the execution, delivery and performance of this DDA by the City will not (i) conflict with or be in contravention of any provision of law, order, rule or regulation applicable to the City, the DDA or (ii) result in any lien, charge or encumbrance of any nature on the City's Property other than as permitted by this DDA.

(f) The execution of this DDA or any exhibits attached hereto (or other contract obligations) by the City do not violate any provision of any other agreement to which the City is a party.

(g) Except for the approval of the Las Vegas City Council, as may be specifically set forth herein, no approvals or consents not heretofore obtained by the City are necessary in connection with the execution of this DDA (or other contract obligations) by the City or with the performance by the City of its obligations hereunder (or other contract obligations).

(h) To the City's actual knowledge, there are no encumbrances, liens or claims on the City's Property other than as set forth in the title report for the City Property.

(i) To the City's actual knowledge, there are no violations of any existing laws or codes.

(j) To the City's actual knowledge, there is no work which has been done which could result in the filing of any mechanic's lien on the City's Property.

(k) To the City's actual knowledge, the City's Property is not in violation of any federal, state, or local law, ordinance, or regulation relating to Hazardous Materials. To the City's actual knowledge, there is no proceeding or inquiry by any governmental authority (including, without limitation, the U.S. Environmental Protection Agency or any state or local governmental agency having jurisdiction over the City's Property) with respect to the presence of such Hazardous Materials on, in or under the ENA Site or the migration thereof from or to other property. To the City's actual knowledge, there are no underground storage tanks located on the City's Property. To the City's actual knowledge, there is no asbestos or lead-based paint at the City's Property and said City's Property will be leased to Lessee by the City as-is. If Hazardous Materials are discovered pursuant to a Phase I or Phase II Environmental Site Assessments of City's Property, the Lessee shall remediate the Hazardous Material on the City's Property at its sole cost.

As used in this DDA, the term "the City's actual knowledge" means the actual knowledge of William Arent, Director of Economic and Urban Development.

7.2 Representations and Warranties of the Agency. The Agency represents and warrants the following to be true and correct as of the Effective Date of this DDA:

(a) The Agency has all of the requisite power and authority to enter into and perform their obligations under this DDA.

(b) To the Agency's actual knowledge, there are no condemnation, eminent domain or similar proceedings which have been instituted or threatened against the Agency's Property.

(c) To the Agency's actual knowledge, there are no legal actions, suits or proceedings pending or threatened before any judicial body or any governmental or quasi-governmental authority against the Agency's Property or against the Agency which would inhibit the Agency from performing its obligations under this DDA (or other contract obligations).

(d) To the Agency's actual knowledge, there are no legal actions, suits or proceedings, pending or threatened, before any judicial body or any governmental or quasi-governmental authority, against or affecting the Agency's Property.

(e) To the Agency's actual knowledge, the execution, delivery and performance of this DDA by the Agency will not (i) conflict with or be in contravention of any provision of law, order, rule or regulation applicable to the Agency, the DDA or (ii) result in any lien, charge or encumbrance of any nature on the Agency's Property other than as permitted by this DDA.

(f) The execution of this DDA or any exhibits attached hereto (or other contract obligations) by the Agency do not violate any provision of any other agreement to which the Agency is a party.

(g) Except for the approval of the Governing Body of the City of Las Vegas Redevelopment Agency, as may be specifically set forth herein, no approvals or consents not heretofore obtained by the Agency are necessary in connection with the execution of this DDA (or other contract obligations) by the Agency or with the performance by the Agency of its obligations hereunder (or other contract obligations).

(h) To the Agency's actual knowledge, there are no encumbrances, liens or claims on the Agency's Property other than as set forth in the title report for the Agency's Property.

(i) To the Agency's actual knowledge, there are no violations of any existing laws or codes.

(j) To the Agency's actual knowledge, there is no work which has been done which could result in the filing of any mechanic's lien on the Agency's Property.

(k) To the Agency's actual knowledge, the Agency's Property is not in violation of any federal, state, or local law, ordinance, or regulation relating to Hazardous Materials. To the Agency's actual knowledge, there is no proceeding or inquiry by any governmental authority (including, without limitation, the U.S. Environmental Protection Agency or any state or local governmental agency having jurisdiction over the Agency's Property) with respect to the presence of such Hazardous Materials on, in or under the Agency Property Site or the migration thereof from or to other property. To the Agency's actual knowledge, there are no underground storage tanks located on the Agency's Property. To the Agency's actual knowledge, there is no asbestos or lead-based paint at the Agency's Property and said Agency's Property will be leased to Lessee by the Agency as-is. If Hazardous Materials are discovered pursuant to a Phase I or Phase II Environmental Site Assessments of Agency's Property, the Lessee shall remediate the Hazardous Material on the Agency's Property at its sole cost.

As used in this DDA, the term "the Agency's actual knowledge" means the actual knowledge of William Arent, Chief Operations Officer of the Agency.

8. **REPRESENTATIONS AND WARRANTIES OF LESSEE**.

Lessee represents and warrants to the Lessors, individually and collectively, the following are true and correct as of the effective date hereof and the date of close of escrow for each of the transactions contained in this DDA:

(a) Lessee is a limited liability company duly organized and existing under the laws of the State of Nevada.

(b) Lessee has all requisite power and authority to carry out business as now and whenever conducted and to enter into and perform its obligations under this DDA (or other contract obligations).

(c) By proper action of Lessee, Lessee's signatories have been duly authorized to execute and deliver this DDA (or other contract obligations).

(d) The execution of this DDA (or other contract obligations) by Lessee does not violate any provision of any other agreement to which Lessee is a party.

(e) Except as may be specifically set forth in this DDA, no approvals or consents not heretofore obtained by Lessee are necessary in connection with the execution of this DDA (or other contract obligations) by Lessee or with the performance by Lessee of its obligations hereunder (or other contract obligations).

(f) Lessee is not currently a debtor in a case under the Bankruptcy Code (Title 11 U.S.C.), is the subject of an involuntary petition under the Bankruptcy Code, has made an assignment for the benefit of creditors or is insolvent and unable to pay its debts as they become due.

9. **BROKERS.**

Each party warrants and represents to the other that no broker, finder or other intermediary hired or employed by it is entitled to a commission, finder's fee or other compensation based upon the transaction contemplated by this DDA , City Ground Lease or the Agency Ground Lease and hereby and each party (the "Indemnitor") shall indemnify and hold harmless other party from and against any and all liens, demands, liabilities, causes of action, judgments, costs, claims, damages, suits, losses and expenses, or any combination thereof, including attorneys' fees, of any nature, kind or description, caused by or arising out of the claim of any broker, finder or other intermediary alleging to have a been employed or hired by the Indemnitor, to a commission, finder's fee or other compensation based upon the transactions contemplated hereby.

10. **TIME OF THE ESSENCE.**

Time is of the essence of this DDA and every obligation hereunder.

11. **DEFAULT AND REMEDIES.**

11.1 **Lessee Event of Default**.

The occurrence of any of the following, shall be a Lessee event of default hereunder:

(a) The filing of a petition or the institution of proceedings of, by, or against Lessee pursuant to the Bankruptcy Reform Act of 1978, as amended, or any successor statute or pursuant to any state bankruptcy, insolvency, moratoria, reorganization, or similar laws which is not dismissed within ninety (90) days or Lessee's becoming insolvent in the sense that Lessee is unable to pay its debts as they mature.

(b) The failure of Lessee to perform any material act to be performed by it, to refrain from performing any material prohibited act or to fulfill any material condition to be fulfilled by it under this DDA, or under any agreement referred to herein or attached hereto as an exhibit, which failure is not cured by Lessee within the relevant cure period set forth below or the performance thereof is otherwise extended pursuant to the express terms of this DDA. Lessee shall cure any monetary default within thirty (30) days after receipt of written notice from City and/or the Agency, as the case may be. Lessee shall cure any nonmonetary default within forty five (45) days after receipt of written notice from City and/or Agency; *provided, however*, (i) that in the event that such nonmonetary default is of a nature that it cannot be cured within such forty five (45) day period and Lessee diligently prosecutes such cure to its completion, then the time allotted for such cure shall be extended for a period of time as reasonably needed to effectuate such cure, and (ii) no such cure period shall in anyway extend the commencement date of the Lease and Lessee's obligation to lease of the City's Property or the Agency's Property by the required date.

(c) Any of Lessee's representations and warranties set forth in Section 8 above to be untrue in any material way.

(d) Any default of the terms the Lessee's obligations to either Lessor City or Lessor Agency shall be a default of the Lessee's obligations to the other Lessor.

11.2 **Lessors' Remedy**. IN THE EVENT: (i) THIS DDA IS TERMINATED BY LESSORS ; OR (ii) AN EVENT OF DEFAULT BY LESSEE HAS OCCURRED (SUBJECT TO ANY APPLICABLE CURE PERIODS), LESSORS, INDIVIDUALLY OR COLLECTIVELY, MAY, BY WRITTEN NOTICE TO LESSEE TERMINATE THIS DDA AND AS ITS SOLE AND EXCLUSIVE REMEDY, THE REDEVELOPMENT INCENTIVE DEPOSIT AND EARNINGS THEREON SHALL BE RETAINED BY LESSORS AS LESSORS' LIQUIDATED DAMAGES FOR THE BREACH OF THIS DDA BY LESSEE. IT IS EXPRESSLY UNDERSTOOD AND AGREED BETWEEN LESSORS AND LESSEE THAT LESSORS' ACTUAL DAMAGES FOR ANY SUCH BREACH BY LESSEE HEREUNDER WOULD BE SUBSTANTIAL BUT EXTREMELY DIFFICULT TO ASCERTAIN.

11.3 **Lessors' Event of Default**. The occurrence of any of the following shall be a Lessors event of default hereunder:

(a) the failure of either Lessor to perform any act to be performed by it, to refrain from performing any prohibited act or to fulfill any condition to be fulfilled by it under this DDA.

(b) any of Lessors representations and warranties set forth in Section 7 above shall be untrue in any material respect.

11.4 **Lessee's Remedies.** In the event of default by City or Agency prior to the commencement of the either Ground Lease, Lessee's sole remedy shall be to pursue one, and only one, of the following remedies:

(a) to waive such default;

(b) to terminate this DDA and on such termination Lessors shall have no liability or obligation hereunder in which case Lessors shall have no liability or other obligation whatsoever to Lessee, including, without limitation, any liability for Lessee's costs and expenses incurred in connection with the construction of improvements on the City's Property and/or Agency's Property, including, without limitation, its feasibility investigations under the DDA or in any other way in connection with the construction of improvements on the City's Property and/or Agency's Property; or

(c) to demand specific performance of Lessors' obligations under this DDA.

11.5 **Dispute Resolution**.

By entering into this DDA, the parties agree that in the event of a dispute arising from or related to this DDA, any party to the DDA shall be entitled to submit such dispute to neutral binding arbitration. Any such arbitration proceeding shall be conducted in Las Vegas, Nevada, subject to Nevada law, in accordance with the Commercial Arbitration Rules of the American Arbitration Association, and shall consist of three arbitrators, with one arbitrator appointed by each party and the third to be appointed by two arbitrators so appointed. Any award may be entered by either party as a judgment or decree in any court of competent jurisdiction and enforced accordingly. This arbitration clause binds all parties to this DDA and their successors, and assigns, as applicable. After termination of this DDA, this arbitration clause shall remain in effect for the resolution of all claims and disputes that are unresolved as of that date.

12. **SURVIVAL.**

The representations and warranties contained in this DDA shall survive for two years after the closing of each transaction contemplated herein except to the extent expressly superseded by the Ground Lease.

13. **SUCCESSORS AND ASSIGNS.**

This DDA shall inure to the benefit of and bind the permitted successors and assigns of the respective parties hereto, subject to the provisions of this DDA regarding assignment.

14. **NON-LIABILITY OF OFFICIALS, OFFICERS AND EMPLOYEES.**

No official or employee of the Lessors shall be personally liable to Lessee for any default or breach by the Lessors, for any amount which may become due to Lessee or for any obligation of the Lessors under the terms of this DDA.

No member, officer or employee of Lessee shall be personally liable to the Lessors for any default or breach by Lessee, for any amount which may become due to the Lessors for any obligation of Lessee under the terms of this DDA.

15. **NOTICES, DEMANDS AND COMMUNICATIONS.**

Formal notices, demands and communications between the Lessors and Lessee shall be sufficiently given if made in writing and dispatched by registered or certified mail, postage prepaid, return receipt requested or by personal delivery, to the principal offices of the City and Lessee as set forth in this Section 15. Such written notices, demands and communications may be sent in the same manner to such other addresses as either party may from time to time designate in writing.

If to the Lessors:	City of Las Vegas 495 S. Main Street, Sixth Floor Las Vegas, Nevada 89101 Attn: William Arent
With a copy to:	City Attorney's Office City of Las Vegas 495 S. Main Street, Sixth Floor Las Vegas, Nevada 89101 Attn: Teresita L. Ponticello
If to Lessee:	Vegas 1-Decatur, LLC 2009 Alta Drive Las Vegas, Nevada 89106

16. **SUBSEQUENT LESSOR APPROVALS.**

Any approvals of the Lessors required or permitted by the terms of this DDA may be given by the City Manager of the City or the Executive Director of the Agency or such other person that the Lessors designate in writing.

17. **TERM.**

The term of this DDA shall be for the period commencing on the Effective Date and shall automatically expire upon the earlier to occur of (i) September 30, 2015 or (ii) the termination of the City Ground Lease, except that all warranties contained herein shall survive the closing of each transaction contemplated herein and shall remain in effect for the benefit of the parties for two years after the closing of each transaction contemplated herein, except to the extent expressly superseded by the City Ground Lease.

18. **ESTOPPEL CERTIFICATES.**

Within forty five (45) days after the request of the other party, each party shall sign and deliver to the requesting party an estoppel certificate in commercially reasonable form confirming whether or not this DDA has been modified (and if so providing a copy of such amendment(s)), whether the certifying party is in default hereunder and any other matter relating to the status of this DDA requested by the requesting party.

19. **ENTIRE AGREEMENT, WAIVERS AND AMENDMENTS.**

This DDA is executed in three duplicate originals and may be executed in counterparts, each of which is deemed to be an original. This includes Exhibits “A”, “A-1“, “B”, B-1”, “C”, “D”, “E” and “F” attached hereto and incorporated herein by reference, all of which constitute the entire understanding and agreement of the parties.

This DDA integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the parties with respect to all or any part of the subject matter hereof.

All waivers of the provisions of this DDA must be in writing and signed by the appropriate authorities of the Lessors and Lessee and no waiver of one provision shall be construed as a waiver of that provision in the future or as a waiver of any other provision. The approval of such waivers by the Lessors shall not be unreasonably withheld, conditioned or delayed.

All amendments hereto must be in writing and signed by the appropriate authorities of the Lessors and Lessee.

20. **SEVERABILITY.**

Whenever possible, each provision of this DDA shall be interpreted in such a manner as to be valid under applicable law, but if any provision shall be invalidated, it shall be deemed to be severed from this DDA and the remaining provisions shall remain in full force and effect.

21. **GOVERNING LAW.**

The interpretation and enforcement of this DDA shall be governed in all respects by the laws of the State of Nevada.

22. **CAPTIONS.**

The captions contained in this DDA are for the convenience of the parties and shall not be construed so as to alter the meaning of the provisions of the DDA.

23. **TIME FOR ACCEPTANCE OF AGREEMENT BY THE CITY.**

This DDA has been approved on __________, 2012 by the Las Vegas City Council and Governing Board of the Las Vegas Redevelopment Agency. The effective date of this DDA shall be the date when this DDA has been approved by the Las Vegas City Council and the Governing Board of the Las Vegas Redevelopment Agency ("Effective Date").

[SIGNATURES ON FOLLOWING PAGE]

CITY OF LAS VEGAS,
a municipal corporation

ATTEST:

____
Beverly K. Bridges, MMC City Clerk

By: ______________________________
CAROLYN G. GOODMAN, MAYOR

CITY OF LAS VEGAS
REDEVELOPMENT AGENCY,
a public body

ATTEST:

____
Beverly K. Bridges, Secretary

By: ______________________________
CAROLYN G. GOODMAN,
CHAIRPERSON

APPROVED AS TO FORM:

V. Lentkulls 4/9/12
Date

VEGAS 1-DECATUR, LLC,
a Nevada limited liability company

By: ______________________________

Its: ______________________________

Signature: ______________________________

LIST OF EXHIBITS

EXHIBIT "A"	Site Map of City's Property
EXHIBIT "A-1"	Legal Description of City's Property
EXHIBIT "B"	Site Map of Agency's Property
EXHIBIT "B-1"	Legal Description of Agency's Property
EXHIBIT "C"	Scope of Development
EXHIBIT "D"	City Ground Lease
EXHIBIT "D-1"	Agency Ground Lease
EXHIBIT "E"	Employment Plan Policy
EXHIBIT "F"	Lessee's Ownership Disclosure Form

<u>**EXHIBIT "A"**</u>

SITE MAP OF CITY'S PROPERTY

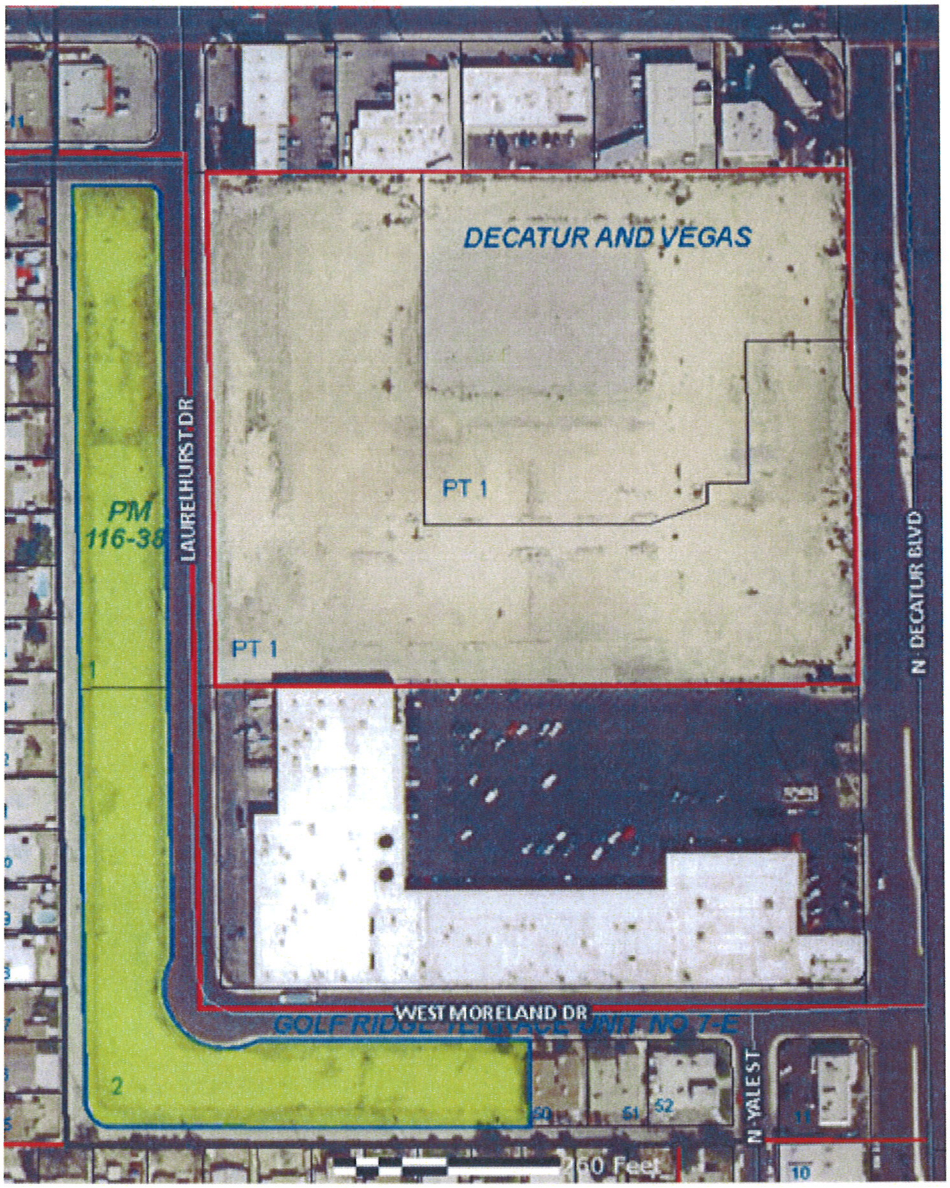

EXHIBIT "A-1"

LEGAL DESCRIPTION OF CITY'S PROPERTY

Condominium Units 1 through 16, inclusive, and all common areas as shown on the plat of "Decatur Gardens Unit 1" on file in the Clark County, Nevada Recorder's Office in Book 12, Page 62 of Plats;

Together with Condominium Units 1 through 64 inclusive, Lots 1 through 4, inclusive, and all common areas as shown on the Plat of "Shalimar Gardens" on file in the Clark County, Nevada Recorder's Office in Book 29, Page 21 of Plats;

All situate in the Northeast Quarter (NE ¼) of the Northeast Quarter (NE ¼) of Section 25, Township 20 South, Range 60 EAST, M.D.M., City of Las Vegas, Clark County, Nevada.

<u>**EXHIBIT "B"**</u>

SITE MAP OF AGENCY'S PROPERTY

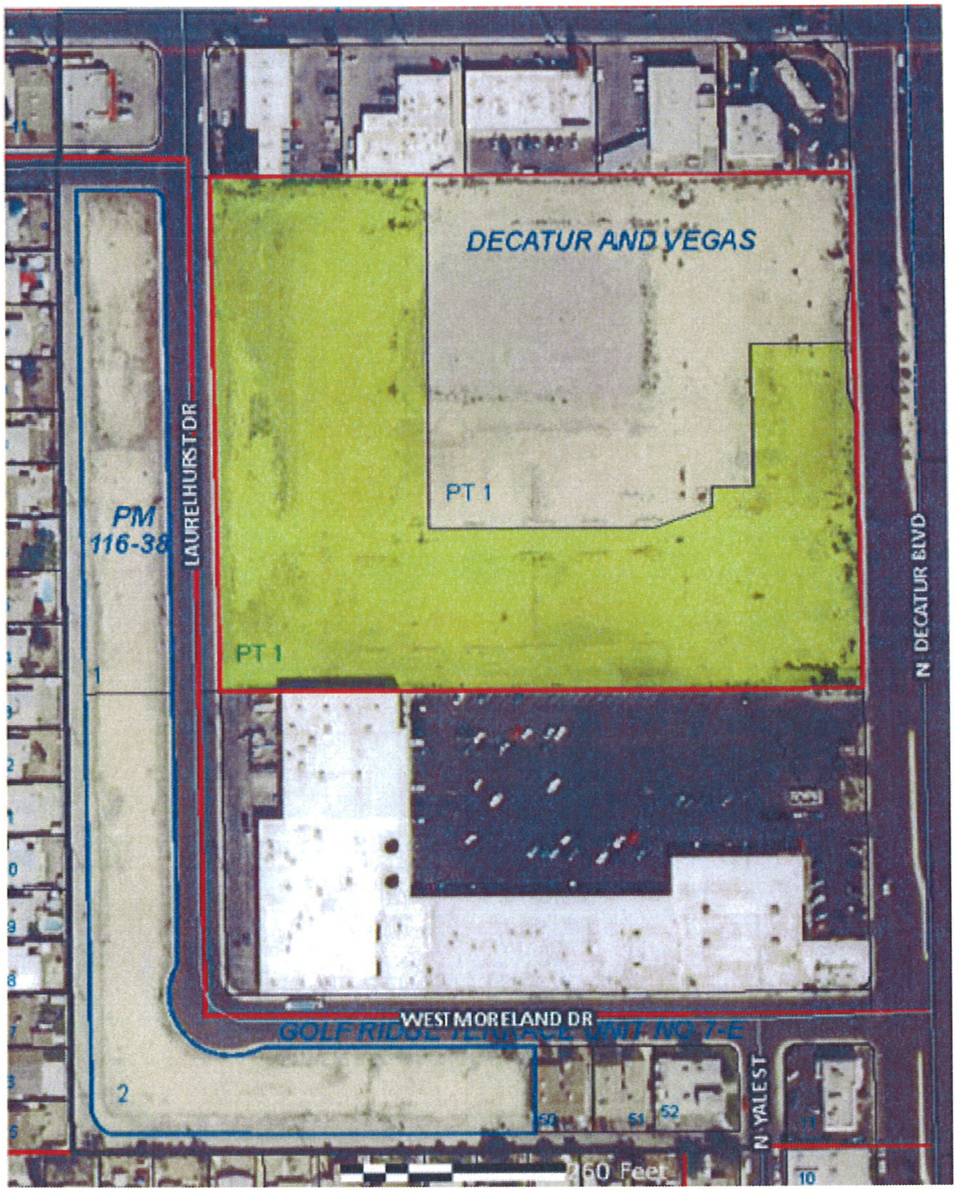

EXHIBIT "B-1"

LEGAL DESCRIPTION OF AGENCY'S PROPERTY

That portion of the Northeast Quarter (NE ¼) of the Northeast Quarter (NE ¼) of Section 25, Township 20 South, Range 60 East, M.D.M. in the City of Las Vegas, County of Clark, State of Nevada, described as follows:

Commencing at the Northeast corner of said Section 25, same being the centerline intersection of Decatur Boulevard and Vegas drive; thence South 00 °42'34" East along East line of said Section 25, coincident with said centerline of Decatur Boulevard, a distance of 190.00 feet; thence departing said East line and said centerline, North 89°57'34" West, a distance of beginning; thence South 00°42'34" East along said West Right-Of-Way line, a distance of 736.14 feet to the East Right-Of-Way line of Laurelhurst Drive; thence North 00°42'34" West along said East Right-Of-Way line, a distance of 591.00 feet; thence departing said East Right-Of-Way line, South 89°57'34" East a distance of 736.14 feet to the point of beginning.

Excepting there from any portion lying within that certain parcel described in Grant, Bargain and Sale Deed to HJEE, LLC, a Nevada limited liability company, recorded October 28, 2009 in Book 20091028 as Document No. 0001094, Official Records.

EXHIBIT "C"

SCOPE OF DEVELOPMENT

The Project to be developed on the City's Property and the Agency's Property will collectively consist of a minimum of one hundred ninety-six (196) mixed-income and age-restricted low income housing units totaling approximately two hundred twelve thousand three hundred (212,300) square feet and two (2) club houses totaling approximately eight thousand seventy-eight (8,078) square feet.

The Project will be developed in 3 phases (further described below) that will all: 1. Target seniors in the marketing efforts. 2. Be constructed energy efficiently through the utilization of structural insulated panels, concrete tile roofs, 100 percent tile floors, low E windows and tankless hot water heaters. 3. Include all utilities in the rents.

City's Property - Phase 1:

Phase 1 of the Project will consist of a mixed-income development, 10 single-story six-plex buildings for a total of sixty (60), one-bed/one-bath apartments totaling approximately thirty-nine thousand (39,000) square feet. Forty (40) apartments will be restricted rent apartments and twenty (20) apartments will be market rate apartments. There will be one clubhouse of approximately three thousand four hundred (3,400) square feet with amenities that include a computer room, library, sitting area with big screen TV, exercise room, mail room and staff office.

Agency's Property – Phase 2:

Phase 2 of the Project will consist of an age-restricted low income, four-story development with a total of seventy-two (72), one-bed/one-bath and 2-bed/2-bath apartments totaling ninety-one thousand two hundred and fifty-eight (91,258) square feet. There will also be one club house of approximately four thousand six hundred and seventy-eight (4,678) square feet with amenities that include a computer room, library, sitting area with big screen TV, exercise room, mail room and staff office.

Agency's Property – Phase 3:

Phase 3 of the Project will consist of an age-restricted low income, four-story development with a total of sixty-four (64), one-bed/one-bath and 2-bed/2-bath apartments totaling eighty-two thousand forty-two (82,042) square feet.

<u>EXHIBIT "D"</u>

CITY GROUND LEASE

See attached.

LEASE AGREEMENT
FOR
MIXED-INCOME HOUSING UNITS

THIS LEASE AGREEMENT ("Lease") is made and entered into effective as of the ___ day of __________, 2012, by and between the CITY OF LAS VEGAS, a municipal corporation of the State of Nevada (hereinafter referred to as the "Landlord"), and the VEGAS 1-DECATUR, LLC, a Nevada limited liability company (hereinafter referred to as the "Tenant"); the Landlord and the Tenant being hereinafter sometimes referred to singly as a "Party" and collectively as the "Parties."

WITNESSETH:

WHEREAS, the Landlord, Tenant and the City of Las Vegas Redevelopment Agency ("Agency") entered into the Disposition and Development Agreement dated _______, 2012 for the development of mixed-income housing on certain real property owned by Landlord and other certain real property owned by Agency; and

WHEREAS, both Landlord and Tenant are interested in the development by Tenant of the mixed-income housing units on the Property (as hereinafter defined) in accordance with applicable Nevada law; and

WHEREAS, the Landlord desires to lease the Property to Tenant and the Tenant desires to lease the Property from Landlord for the purpose of developing the mixed-income housing units on the Property; and

WHEREAS, Landlord, as a governmental entity, has deemed it in the best interest of its citizens that mixed-income housing units be developed by Tenant on the Property;

NOW, THEREFORE, in consideration of the mutual terms, conditions and covenants hereinafter set forth, the Parties agree as follows:

1. **PROPERTY**

In consideration of rents, covenants and agreements contained herein, Landlord leases to Tenant and Tenant leases from Landlord certain unimproved real property situated in Clark County, Nevada, along Laurelhurst and Westmoreland Drives, depicted on Exhibit "A," and further described as Assessor's Parcel Numbers 138-25-504-001 and 138-25-504-002 respectively ("Property").

2. **CONDITION OF PROPERTY/ TITLE/ DUE DILIGENCE — CONTINGENCY PERIOD**

It is understood that the Tenant is accepting the Property in an "as is" condition. Tenant hereby waives the due diligence / contingency period and this Lease will be effective following City Council approval and signing by Mayor.

3. **TERM/OPTION**

a. The term of this Lease shall commence on the first day of the month following the Contingency Expiration Date as defined above ("Commencement Date") and shall expire on the last day of the nine hundredth (900th) month thereafter [*i.e.*, seventy-five (75) years] unless terminated earlier in accordance with the terms hereof. Each consecutive twelve month period after the Commencement Date shall be referred to as a "Lease Year".

b. It is understood and agreed to by Tenant that if Tenant fails to obtain a 2012 Low Income Housing Tax Credit (LIHTC) award through the State's competitive process (application submission deadline – May 4, 2012) for the development proposed for this Property (referred to as Phase I) by September 1, 2012, then both the DDA and this Lease Agreement will immediately expire / be terminated with no further commitment by the City of Las Vegas or the Agency to fund or otherwise support the proposed residential development.

c. It is further understood that the Tenant may cancel this Lease upon thirty (30) days written notice to Landlord without any further liability to either party if any federal, state or local laws or regulations change or are interpreted so as to materially and adversely impact the operation of a mixed-income rental housing project.

4. **RENT**

The Tenant agrees to pay to Landlord, in advance, at such place as Landlord may designate, without prior demand therefor, the sum of One Dollar ($1.00) per year, with the first such yearly rental payment being due and payable on the Commencement Date and each such subsequent yearly payment being due and payable on the first day of each subsequent Lease Year.

5. **USE/ASSIGNMENT**

Tenant covenants to use the Property for the development of mixed-income housing units (the "Project") and, upon completion of the Project, the continued use of the Property for mixed-income housing units. It is understood that no other use of the Property shall be made without the Landlord's prior written consent, which shall not be unreasonably withheld, conditioned or delayed.

Tenant further agrees not to assign this Lease, sublet the Property or any portion thereof, or use or permit the Property to be used for any purpose other than that described in this Section, except with prior written consent of Landlord, which shall not be unreasonably withheld, conditioned or delayed. Any such assignment, sublease or delegation made without the required consent shall be void, and may, at the option of Landlord, result in the termination of this Lease.

Improvements shall be the sole property of the Tenant until the expiration or other termination of this Lease. Any and all depreciation, amortization and tax credits for Federal or state tax purposes relating to the Improvements located on the Property and any and all additions thereto shall be deducted or credited exclusively by Tenant during the term of this Lease.

6. **COMPLIANCE WITH FEDERAL, STATE AND LOCAL LAWS AND ORDINANCES**

Tenant shall obtain any and all federal, state and local permits and licenses required to develop mixed-income housing units on the Property. Tenant further agrees to abide by all applicable federal, state, and local codes, regulations, statutes, ordinances, and laws now in force or which hereafter may be in force with respect to the Property. Tenant acknowledges and understands that Landlord shall look to Tenant alone for performance of its responsibilities set forth in this Lease. The Landlord makes no representation or commitment concerning the approval of development-related permits for the anticipated construction of the Improvements.

7. **MAINTENANCE OF THE PROPERTY**

Tenant shall maintain the Property and every part thereof in a clean, neat and orderly condition, free of objectionable noise, odors or nuisances and will in all respects and at all times fully comply with health, safety and police regulations, including all laws, regulations, statutes or codes concerning the use, storage or maintenance of hazardous materials on the Property. Tenant shall further not suffer or permit any person to commit any waste on the Property.

Tenant shall be responsible for the cost of providing maintenance and security for the Property.

8. **COVENANT OF DESIGN AND CONSTRUCTION DEVELOPMENT**

As additional consideration for the execution of this Lease Agreement, Tenant covenants to complete the design for the mixed-income housing units as well as club house, as depicted on Exhibit "B", and commence construction within six months of low-income housing tax credits award and will diligently pursue the completion of such construction so as to have the development completed no later than eighteen (18) months from the Commencement Date. The mixed-income housing units, club house, and any and all other improvements, structures, fixtures and installations on the Property shall be referred to in this Lease as the Improvements. It is understood that, except as set forth in and as contemplated by the terms of Section 23 hereof, Tenant will be responsible for the construction of offsite improvements related to the Property.

9. APPROVAL OF PLANS AND SPECIFICATIONS – PERFORMANCE SECURITY AND PAYMENT BOND

The plans and specifications for the construction of the mixed-income housing shall be submitted to the Landlord for approval. The Landlord shall not unreasonably withhold, delay or condition such approval and, in the event of disapproval, the Landlord shall give to the Tenant an itemized statement of reasons for disapproval within thirty (30) days after the plans and specifications are submitted to the Landlord. Failure of the Landlord to act on the Tenant's request for approval within thirty (30) days after submission shall be deemed as Landlord's approval.

Tenant shall furnish to Landlord, not later than fifteen (15) calendar days prior to the commencement of construction, performance security in the form of either a deposit in cash or securities or a bank letter of credit in a form and from an issuer acceptable to Landlord, or a performance bond that is written by a corporate surety that is licensed to do business in the State of Nevada, in an amount that is equal to one hundred percent (100%) of the aggregate amount of the contracts for the construction of the Improvements. Said performance security will be conditioned upon Tenant's completion of the construction in accordance with the final plans and specifications. Tenant shall also furnish to Landlord a secured cash deposit or securities payment bond, or a bank letter of credit in a form and from and issuer acceptable to Landlord, the sum of which shall be equal to the aggregate amount of the contracts for the construction of the Improvements, said payment bond to be conditioned upon Tenant's prompt payment in full of the costs of all labor, materials, tools and equipment that are used in the prosecution of the work.

10. **CONSTRUCTION INDEMNIFICATION/INSURANCE**

Tenant shall indemnify and hold Landlord and the Property free of and harmless from any and all liabilities, losses, claims, damages or otherwise based upon or in any manner growing out of any construction or alterations respectively undertaken by Tenant whether specifically under the terms of this Lease or otherwise, including all costs, damages, expenses, court costs and attorneys' fees incurred in or resulting from claims made by any person or persons, by other tenants on the Property, or any of Tenant's subtenants, agents, employees, customers and invitees.

Before undertaking any alterations or construction, Tenant shall obtain and pay for a Builder's Risk liability insurance policy insuring Landlord and Tenant against any liability which may arise on account of such proposed alterations or construction work in limits of not less than $1,000,000.00 combined single limit coverage. A copy of such policy shall be delivered to Landlord prior to the commencement of any such proposed work. Tenant shall also maintain at all times fire insurance with extended coverage in the name of Landlord or Tenant as their interests may appear in an amount adequate to cover at least the cost of replacement of all Improvements, and any alterations or additions thereto or to the Property and all trade fixtures therein, in the event of fire or extended coverage loss. Tenant shall deliver to Landlord copies of such fire insurance policies, which shall contain a clause requiring the insurer to give Landlord written notice of cancellation in accordance to the policy provisions.

Tenant will not create or permit to be created or to remain, and will discharge, any lien, encumbrance or charge upon the Property, the Improvements, equipment, or personal property located on the Property.

Tenant agrees that it will pay, or cause to be paid, all costs of labor, services and /or materials supplied in the prosecution of any work, done, or caused to be done, on the Property, including, without limitation, the Improvements, and Tenant will keep the Property free and clear of all mechanics' liens and other liens regarding work done for Tenant or persons claims under Tenant.

Tenant shall notify Landlord in writing within thirty (30) days of any claim or lien filed against the Property or the commencement of any action affecting the title thereto.

Landlord or its representatives shall have the right to access and inspect the Property at all reasonable times and shall have the right to post and keep posted thereon notices of non-responsibility or such other notices which Landlord may deem to be proper for the protection of Landlord's interest in the Property. Before the commencement of any work which might result in any lien, Tenant shall give to Landlord written notice of its intention to do so in sufficient time to enable Landlord to post such notices.

11. **ALTERATIONS, IMPROVEMENTS AND CHANGES PERMITTED**

It is understood that Tenant may make additions, alterations or changes ("Changes") in or to the Property or the Improvements that are consistent with the mixed-income housing set forth in Section 5 hereof without Landlord's consent. Tenant shall not make any Changes in or to the Property or the Improvements inconsistent with the terms of Section 5 hereof without the prior written approval of Landlord, which approval shall not be unreasonably withheld, conditioned or delayed. Any Changes shall be at the sole cost and expense of Tenant, and shall be made promptly, in a good and workmanlike manner and in compliance with all insurance requirements and all applicable permits, authorizations, building regulations, zoning laws, environmental regulations, laws regarding the physically disabled and all other governmental rules, regulations, ordinances, statutes and laws, now or hereafter in effect pertaining to the Property or Tenant's use thereof.

In the event of disapproval, the Landlord shall give to the Tenant a detailed statement of reasons for the disapproval. If the Landlord does not disapprove the plans and specifications as provided for in this Section 11 within thirty (30) days after they have been submitted to the Landlord, the plans and specifications shall be deemed to have been approved by the Landlord.

12. **UTILITIES AND TAXES**

Except as set forth in and as contemplated by the terms of Section 23 hereof, the Tenant shall fully and promptly pay for all water, gas, heat, light, power, telephone services and other public utilities of every kind furnished to the Property throughout the Term of this Lease, and all other costs and expenses of every kind whatsoever for or in connection with the use, operation and maintenance of the Property and all activities conducted thereon, and the Landlord shall have no responsibility of any kind for payment of any such utilities.

Except as set forth in and as contemplated by the terms of Section 23 hereof, all taxes related to the Property shall be the responsibility of Tenant.

13. **INDEMNITY**

Tenant will protect, defend, indemnify and save harmless the Landlord from and against any and all liability, damages, demands, claims, suits, liens, and judgments of whatever nature including, but not limited to claims for contribution or indemnification for injuries to or death or any person or persons or damage or loss to the Property or any part thereof caused by, in connection with, or arising out of any activities undertaken directly or indirectly by Tenant. Tenant's obligation to protect, defend, indemnify, and save harmless as set forth in this Section 13 shall include any and all reasonable attorneys' fees incurred by the Landlord in the defense or handling of said suits, demands, judgments, liens and claims and all investigation expenses incurred by the Landlord in enforcing or obtaining compliance with the provisions of this Lease.

14. **INSURANCE**

Tenant shall maintain the following insurance coverage:

a. During the construction of the Improvements, a Builder's Risk policy as set forth in Section 10 above.

b. A policy of Commercial General Liability insurance insuring Landlord and Tenant against liability arising out of the ownership, use, occupancy or maintenance of the Premises. Such insurance shall be on an occurrence basis providing single-limit coverage in an amount of not less than Two Million Dollars ($2,000,000.00) per occurrence. Landlord shall be named as an additional insured on said policy.

c. A policy for fire, casualty, vandalism, malicious mischief and extended coverage insurance covering the Property, the Improvements and all of the structures, fixtures, furnishings and equipment that are constructed, installed or used by Tenant thereon or therein, during the term of this Lease Agreement for the full insurable replacement value of the same. The policies that evidence such insurance shall be issued in the joint names of Landlord and Tenant and, unless otherwise set forth herein, shall be payable to Landlord or Tenant, or both, as their respective interests may appear.

d. Each policy of insurance that is required by this Section shall:

(i) Be issued by an insurance company that is authorized to do business in the State of Nevada, with a financial rating of at least an A+III status, as is shown in the more recent edition of Best's Insurance Reports;

(ii) Be issued as a primary policy;

(iii) Name Landlord as an additional insured thereunder; and

(iv) Landlord shall be notified of any cancellation or change in coverage in accordance to the policy provisions.

e. In the event that Tenant fails or refuses, at any time, to maintain any of the policies of insurance that are required to be maintained by it pursuant to this Section, Landlord shall have the right, but not the obligation after at least five (5) business days written notice, to acquire the same to provide such coverage and at such cost as Landlord, in its reasonable discretion, sees fit, and Tenant shall reimburse Landlord for the reasonable costs that it incurs in so doing within thirty (30) days after Tenant's receipt of Landlord's invoice therefor.

15. **EVENTS OF DEFAULT**

The following shall constitute an event of default by Tenant:

a. Tenant's failure to perform any material term, condition, or covenant to be performed by Tenant pursuant to this Lease within thirty (30) days after written notice of such failure; provided however, that if such failure is not capable of being cured within said thirty (30) day period, Tenant must commence said cure and continue same diligently until the cure is effected.

b. Tenant being adjudicated and/or bankrupt under any federal or state insolvency statute.

c. If the Project is financed with low-income housing tax credits, the "Investor" shall have the right, but not the obligation, to cure any defaults of the Tenant. Such cure shall be accepted by the Landlord as if tendered by the Tenant.

16. **TERMINATION AND REMEDIES**

Upon the occurrence of any of the events set forth above in Section 15 (after the expiration of any applicable grace period) Landlord may at Landlord's option terminate this Lease by written notice to Tenant, in which event, Tenant shall immediately surrender possession of the Property (including the Improvements) to Landlord. Should Landlord terminate this Lease, it may recover from Tenant all damages Landlord may incur by reason of Tenant's breach, including the cost of recovering the Property and Improvements, and reasonable attorney's fees.

17. **ACCESS TO PROPERTY**

Tenant shall allow duly authorized representatives of the Landlord to conduct such occasional reviews and inspections of the Property and Improvements as the Landlord reasonably deems to be appropriate in order to determine whether the uses stated in Section 5 of this Lease are being achieved; provided however, that any such review or inspection shall only be done after three (3) business days written notice to Tenant, shall occur during normal business hours and shall not interfere with the operation of the mixed-income housing on the Property.

18. **QUIET ENJOYMENT**

Tenant, upon paying the rent and observing and performing all of the terms, covenants, and conditions on its part to be performed hereunder, shall peaceably and quietly enjoy the Property for the term hereof.

19. **SURRENDER OF PROPERTY**

At the expiration or any other authorized termination of this Lease, Tenant shall surrender the Property to the Landlord in its then present condition, it being understood that the Improvements constructed thereon may have become more or less obsolete over the passage of time. Before surrendering the Property, Tenant may remove all of its personal property, including equipment, fixtures, furnishings and trade fixtures and shall repair any damage caused by such removal. If Tenant fails to remove its personal property and fixtures upon the expiration or any other authorized termination of the Lease, the same shall be deemed abandoned and shall become the property of Landlord.

20. **HOLDING OVER**

Any holding over after the expiration of the Term hereof or of any Option Period shall be construed to be a tenancy from year to year at the rent herein specified and shall otherwise be on the terms herein specified so far as possible.

21. **EMINENT DOMAIN**

a. In the event of any taking of or damage to all or any part of the Property or Improvements (or any interest therein) prior to the expiration or earlier termination of this Lease by reason of any exercise of the power of eminent domain (whether by condemnation proceedings or otherwise) or by reason of any transfer of all or any part of the Property or Improvements (or any interest therein) made in avoidance of such an exercise, the rights and obligations of Landlord and Tenant with respect thereto shall be as set forth in this Section. Such taking, damage and/or transfer are all referred to as "appropriation".

b. If the entire Property or all of the Improvements be appropriated, this Lease shall terminate and expire as of the date of such appropriation, and Landlord and Tenant shall be released from further liability hereunder.

c. If the appropriation shall be greater than twenty five percent (25%) of the Property or Improvements, and/or the remainder will not be reasonably adequate for the operation of the mixed-income housing after Tenant completes such repairs or alterations as Tenant elects to make, Tenant shall have the option to terminate this Lease by notifying the Landlord of such election in writing within thirty (30) days after such appropriation.

d. If after such appropriation the remaining part thereof is suitable for the purposes for which Tenant has leased the Property, this Lease shall continue in full force and effect. In the event a partial appropriation does not terminate this Lease, Tenant, at Tenant's expense, but only to the extent of any award payable to Tenant by the condemning authority, shall make repairs and restorations to the remaining Property or Improvements.

e. All awards payable on account of the appropriation of the Improvements shall be payable to Tenant and Landlord in proportion to their respective interests, taking into account that the Landlord's interest is limited to the land exclusive of the Improvements. It is understood that the Landlord will have the right to awards payable for the residual real estate value of the Property.

22. **DAMAGE AND DESTRUCTION**

a. In the case of the total or partial destruction of the Property, the Improvements, or any portion thereof, whether by fire or other casualty, this Lease shall not terminate except as otherwise specifically provided herein. If this Lease is not terminated as hereinbelow set forth and, subject to the availability of property insurance proceeds as provided for hereinbelow, Tenant shall promptly undertake to repair and restore the Property and/or Improvements, and shall, with reasonable diligence, repair and reconstruct the Property and/or Improvements to a condition at least equal in quality and condition to that existing immediately prior to the damage or destruction in question. Tenant shall bear the burden of providing additional funds to restore the Improvements if the insurance proceeds are insufficient.

b. All insurance proceeds payable under any property insurance policy procured and maintained by Tenant shall be payable solely to Tenant and/or its mortgagee(s), and Landlord shall have no interest therein.

c. If the Property or the Improvements are totally or partially destroyed by fire or other casualty, Tenant may at its option either: (i) at Tenant's own cost and expense, but only to the extent of insurance proceeds paid to Tenant, repair the damage and restore the Property and Improvements to substantially and materially the same condition they were in prior to such damage or destruction; or (ii) terminate this Lease upon notice to Landlord. During any such repair and restoration, this Lease Agreement shall remain in full force and effect and the rent payable under this Lease Agreement shall not be abated in any way or to any extent. Insurance proceeds (which shall be payable to Tenant as set forth above) shall be used for restoration. Any excess insurance proceeds shall be payable in accordance with Section 21(e).

23. **LEASEHOLD FINANCING**

a. **Non-Subordination.** The fee estate in the Property and Landlord's interest under this Lease shall not be subordinate to, and Landlord shall not be required to subject its fee estate and interest in the Property under this Lease to the lien of any financing or mortgage sought or obtained by Tenant, including, without limitation, any leasehold mortgage.

b. **No Right to Encumber.** Tenant has no right to hypothecate, pledge, encumber or mortgage its interest in this Lease, the leasehold estate in the Property created hereby, or any part or parts thereof or interest therein.

24. **MISCELLANEOUS PROVISIONS**

a. **Relationship of Parties:** The Landlord shall have no relationship whatsoever with the operation of the mixed-income housing, except the leasing of the Property and the performance of Landlord's obligations under this Lease. Nothing contained in this Lease Agreement shall be deemed or construed by the Parties or by any third party to create the relationship of principal and agent or partnership or of joint venture or of any association between Landlord and Tenant.

b. **Force Majeure:** Any Party hereto shall be excused for the period of any delay in the performance of any obligations hereunder when prevented from so doing by any cause beyond that Party's control, including labor disputes, civil commotion, war, governmental regulation or controls, fire or other casualty, inability to obtain any material or service or acts of God.

c. **No Waiver:** Failure of a Party to insist upon the strict performance of any provision or to exercise any option hereunder shall not be deemed a waiver of such breach. No provision of this Lease Agreement shall be deemed to have been waived unless such waiver is in writing signed by the Party waiving same.

d. **Notices:** Any notice, demand, request, or other instrument which may be or is required to be given under this Lease Agreement shall be delivered in person or sent by United States certified or registered mail, postage prepaid, at the following addresses:

To Landlord:

City of Las Vegas
Economic & Urban Development, Director
495 S. Main Street, 6^{th} Floor
Las Vegas, Nevada 89101
(702) 229-2555

To Tenant:

Vegas 1-Decatur LLC,
a Nevada limited liability company
2009 Alta Drive
Las Vegas, Nevada 89106
(702) 873-8882

Either Party hereto may change its address by giving ten (10) days advance notice to the other Party as provided herein.

e. **Recording:** Tenant shall not record this Lease, but shall have the right to record a memorandum thereof, which memorandum shall identify only the Parties, the Property and the Term hereof.

f. **Partial Invalidity:** If any provision of this Lease or the application thereof to any person or circumstance shall to any extent be invalid, the remainder of this Lease or the application of such provision to person or circumstances other than those as to which it is held invalid shall not be affected thereby and each provision of this Lease shall be valid and enforced to the fullest extent permitted by law.

g. **<u>Choice of Law/Venue/Attorney Fees</u>:** This Lease is to be construed and governed by the laws of the State of Nevada. Any litigation related to this Lease shall be brought and prosecuted exclusively in the Eighth Judicial District Court of Clark County, Nevada. In the event at any time throughout the term of this Lease either Party institutes any action or proceeding against the other relating to the provisions of this Lease or any default hereunder, then the unsuccessful Party shall be responsible for the reasonable expense of such action including reasonable attorneys' fees, incurred therein by the successful Party. To the extent such waiver is permitted by law, the Parties waive trial by jury in any action of proceeding brought in connection with this Lease.

h. **<u>Tenant Defined; Use of Pronouns</u>:** The use of the neuter singular pronoun to refer to Landlord or Tenant herein shall be deemed a proper reference even though Landlord or Tenant may be an individual, a partnership, a corporation, or a group of two or more individuals or corporations. The necessary grammatical changes required to make the provisions of this Lease apply in the plural sense where there is more than one Landlord or Tenant and two corporations, associations, partnerships, or individuals males or females, shall in all instances be assumed as though in each case fully expressed.

i. **<u>Provisions Binding on Successors and Assigns</u>:** Except as otherwise provided, all provisions herein shall be binding upon and shall inure to the benefit of the Parties, their legal representatives, heirs, successors, and assigns. Each provision to be performed by Tenant shall be construed to be both a covenant and a condition, and if there shall be more than one Tenant, they shall all be bound, jointly and severally, by such provisions. In the event of any sale or assignment (except for purposes of security or collateral) by Landlord of the Property or of this Lease, Landlord shall (irrespective of when such sale or assignment occurs) be entirely relieved of all obligations after the date of such sale or assignment, and such obligations shall automatically pass to Landlord's successor in interest.

j. **Tax Credit Investors:** If the Project is financed with low-income housing tax credits, Landlord hereby acknowledges and consents to a transfer of a 99.99% interest in the Tenant to the Investor and additionally consents to the admission of the Investor as a special member (the "Special Member") provided that the Landlord receives written notification from the Tenant. Upon review of the written notification, Landlord may, in its discretion, require that this Lease be amended to accurately represent and disclose the membership of the entity comprising the Tenant. In such event, the Lease may be executed by the City Manager of the City of Las Vegas as long as the terms of this Lease are not substantially changed. Notwithstanding anything to the contrary herein, the Investor / Special Member shall have the right to sell, transfer or pledge their interests in the Tenant pursuant to the terms of the Tenant's Operating Agreement (as such agreement will be amended and restated upon the admission of the Investor / Special Member) as applicable, and any such sale, transfer or pledge shall not (i) be an event of default hereunder. Furthermore, if the managing member of the Tenant is removed as managing member pursuant to the terms of the operating agreement, such removal shall not (i) be an event of default under the Lease, provided that a new managing member, reasonably acceptable to the Landlord, is appointed pursuant to the terms of the Operating Agreement.

k. **Entire Agreement:** This Lease and the Exhibits attached hereto, set forth the entire agreement between the Parties. All Exhibits mentioned in this Lease are incorporated herein by reference. Any prior conversations or writings are merged herein and extinguished. No subsequent amendment to this Lease shall be binding upon Landlord or Tenant unless reduced to writing and signed by both Parties. Submission of the Lease for examination does not constitute an option for the Property and becomes effective as a lease only upon execution and delivery thereof by Landlord or Tenant. The captions and section numbers appearing herein are inserted only as a matter of convenience and are not intended to define, limit, construe, or describe the scope or intent of any section or subsection.

25. **NONDISCRIMINATION**

The Parties agree that the Property will not be segregated with respect to race, color, religion, national origin, or disability and agree that there will be no segregation or discrimination on such grounds with respect to public utilization of or access to the building and surrounding areas.

26. **DISCLOSURE OF PRINCIPALS**

Pursuant to Resolution R-105-99 adopted by the Las Vegas City Council effective October 1, 1999, Tenant warrants that it has disclosed on the form attached as Exhibit "C", all principals and partners of Vegas 1-Decatur LLC, a Nevada limited liability company as well as all persons and entities holding more than a one percent (1%) interest in Vegas 1-Decatur LLC, a Nevada limited liability company or any principal of Vegas 1-Decatur LLC, a Nevada limited liability company. Throughout the term hereof, Vegas 1-Decatur LLC, a Nevada limited liability company shall notify Landlord in writing of any material change in the above disclosure within 15 days of any such change.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties hereto have executed this Lease Agreement on the date set forth above.

LANDLORD:

CITY OF LAS VEGAS

By: ______________________________

CAROLYN G. GOODMAN, Mayor

ATTEST:

____

BEVERLY K. BRIDGES, MMC, City Clerk

APPROVED AS TO FORM:

V. Pontecello 4/9/12

Date

TENANT:

VEGAS 1-DECATUR LLC,
a Nevada limited liability company

By: ______________________________

Its: ______________________________

Signature: ______________________________

Exhibit "A"

LEGAL DESCRIPTION

Condominium units 1 through 16, inclusive, and all common areas as shown on the plat of "Decatur Gardens Unit 1" on file in the Clark County, Nevada, Recorder's Office in Book 12, Page 62 of the Plats;

Together with condominium units 1 through 64, inclusive, Lots 1 through 4, inclusive, and all common areas as shown on the plat of "Shalimar Gardens" on file in the Clark County, Nevada, Recorder's Office in Book 29, Page 21 of the Plats;

All situate in the Northeast Quarter (NE ¼) of the Northeast Quarter (NE ¼) of Section 25, Township 20 South, Range 60 East, M.D.M., City of Las Vegas, Clark County, Nevada;

Containing an area of 3.39 acres.

Exhibit "B"

PROJECT DESCRIPTION

The Project to be developed on the City's Property and the Agency's Property will collectively consist of a minimum of one hundred ninety-six (196) mixed-income and age-restricted low-income housing units totaling approximately two hundred twelve thousand three hundred (212,300) square feet and two (2) club houses totaling approximately eight thousand seventy-eight (8,078) square feet.

The Project will be developed in 3 phases (further described below) that will all: 1. Target seniors in the marketing efforts. 2. Be constructed energy efficiently through the utilization of structural insulated panels, concrete tile roofs, 100 percent tile floors, low E windows and tankless hot water heaters. 3. Include all utilities in the rents.

City's Property - Phase 1:

Phase 1 of the Project will consist of a mixed-income development, 10 single-story six-plex buildings for a total of sixty (60), one-bed/one-bath apartments totaling approximately thirty-nine thousand (39,000) square feet. Forty (40) apartments will be restricted rent apartments and twenty (20) apartments will be market rate apartments. There will be one clubhouse of approximately three thousand four hundred (3,400) square feet with amenities that include a computer room, library, sitting area with big screen TV, exercise room, mail room and staff office.

Agency's Property – Phase 2:

Phase 2 of the Project will consist of an age-restricted low-income, four-story development with a total of seventy-two (72), one-bed/one-bath and 2-bed/2-bath apartments totaling ninety-one thousand two hundred and fifty-eight (91,258) square feet. There will also be one club house of approximately four thousand six hundred and seventy-eight (4,678) square feet with amenities that include a computer room, library, sitting area with big screen TV, exercise room, mail room and staff office.

Agency's Property – Phase 3:

Phase 3 of the Project will consist of an age-restricted low-income, four-story development with a total of sixty-four (64), one-bed/one-bath and 2-bed/2-bath apartments totaling eighty-two thousand forty-two (82,042) square feet.

Exhibit "C"

DISCLOSURE OF PRINCIPALS

The principals and partners Vegas 1-Decatur LLC and all persons and entities holding more than 1% interest in Vegas 1-Decatur LLC or any principal of Vegas 1-Decatur LLC are the following:

	FULL NAME	BUSINESS ADDRESS	BUSINESS PHONE
1.	Fightin Irish LLC	840 S. Rancho Suite 4334 LV NV, 89106	810-9001
2.	Michael McDonald	840 S. Rancho Suite 4334 LV NV, 89106	810-9001

I certify under penalty of perjury, that the foregoing list is full and complete. Fightin Irish LLC owns 100% of Vegas 1-Decatur LLC. Michael McDonald owns 100% of fightin Irish LLC.

Vegas 1-Decatur LLC,
a Nevada limited liability company

By: Michael McDonald

Title: Manager

Signature:

Fightin Irish LLC,
a Nevada limited liability company

By: Michael McDonald

Title: Manager

Signature:

Subscribed and sworn to before me this
9 day of April 2012

Sharon Bullock
Notary Public

SHARON BULLOCK
NOTARY PUBLIC
STATE OF NEVADA
My Commission Expires: 2-28-2015
Certificate No: 93-2360-1

<u>EXHIBIT "D-1"</u>

AGENCY GROUND LEASE

See attached.

AGENCY GROUND LEASE AGREEMENT
FOR
LOW-INCOME HOUSING UNITS

THIS LEASE AGREEMENT ("Lease") is made and entered into effective as of the ___ day of __________, 201__, by and between the CITY OF LAS VEGAS REDEVELOPMENT AGENCY, a public body of the State of Nevada (hereinafter referred to as the "Landlord"), and the VEGAS 1-DECATUR, LLC, a Nevada limited liability company (hereinafter referred to as the "Tenant"); the Landlord and the Tenant being hereinafter sometimes referred to singly as a "Party" and collectively as the "Parties."

WITNESSETH:

WHEREAS, the Landlord, Tenant and the City of Las Vegas ("City") entered into the Disposition and Development Agreement dated _______, 2012 for the development of age restricted low-income housing on certain real property owned by Landlord and other certain real property owned by City ("DDA"); and

WHEREAS, both Landlord and Tenant are interested in the development by Tenant of the age-restricted low-income housing units on the Property (as hereinafter defined) in accordance with applicable Nevada law; and

WHEREAS, the Landlord desires to lease the Property to Tenant and the Tenant desires to lease the Property from Landlord for the purpose of developing the age-restricted low-income housing units on the Property; and

WHEREAS, Landlord, as a governmental entity, has deemed it in the best interest of its citizens that age restricted low-income housing units be developed by Tenant on the Property;

NOW, THEREFORE, in consideration of the mutual terms, conditions and covenants hereinafter set forth, the Parties agree as follows:

1. **PROPERTY**

In consideration of rents, covenants and agreements contained herein, Landlord leases to Tenant and Tenant leases from Landlord certain unimproved real property situated in Clark County, Nevada, at 1501 N. Decatur Blvd., depicted on Exhibit "A," and further described as Assessor's Parcel Number 138-25-518-002 ("Property").

2. **WAIVER OF CONDITION OF PROPERTY/ TITLE/ DUE DILIGENCE — CONTINGENCY PERIOD**

It is understood that the Tenant is accepting the Property in an "as is" condition. Tenant hereby waives the due diligence / contingency period and, subject to the satisfaction by the Landlord that the Conditions Precedent set forth in Section 5.3 of the DDA, this Lease will be effective when executed by the Chairperson of the Governing Body of the City of Las Vegas Redevelopment Agency.

3. **TERM/OPTION**

a. The term of this Lease shall commence on the date executed by the Chairperson of the Governing Board of the City of Las Vegas Redevelopment Agency ("Commencement Date") and shall expire on the last day of the nine hundredth (900th) month thereafter [*i.e.,* seventy-five (75) years] unless terminated earlier in accordance with the terms hereof. Each consecutive twelve month period after the Commencement Date shall be referred to as a "Lease Year".

b. It is further understood that the Tenant may cancel this Lease upon thirty (30) days written notice to Landlord without any further liability to either party if any federal, state or local laws or regulations change or are interpreted so as to materially and adversely impact the operation of a age-restricted low-income rental housing project.

4. **RENT**

The Tenant agrees to pay to Landlord, in advance, at such place as Landlord may designate, without prior demand therefor, the sum of One Dollar ($1.00) per year, with the first such yearly rental payment being due and payable on the Commencement Date and each such subsequent yearly payment being due and payable on the first day of each subsequent Lease Year.

5. **USE/ASSIGNMENT**

Tenant covenants to use the Property for the development of age restricted low-income housing units (the "Project") and, upon completion of the Project, the continued use of the Property for age-restricted low-income housing units. It is understood that no other use of the Property shall be made without the Landlord's prior written consent, which shall not be unreasonably withheld, conditioned or delayed.

Tenant further agrees not to assign this Lease, sublet the Property or any portion thereof, or use or permit the Property to be used for any purpose other than that described in this Section, except with prior written consent of Landlord, which shall not be unreasonably withheld, conditioned or delayed. Any such assignment, sublease or delegation made without the required consent shall be void, and may, at the option of Landlord, result in the termination of this Lease.

Improvements shall be the sole property of the Tenant until the expiration or other termination of this Lease. Any and all depreciation, amortization and tax credits for Federal or state tax purposes relating to the Improvements located on the Property and any and all additions thereto shall be deducted or credited exclusively by Tenant during the term of this Lease.

6. **COMPLIANCE WITH FEDERAL, STATE AND LOCAL LAWS AND ORDINANCES**

Tenant shall obtain any and all federal, state and local permits and licenses required to develop age restricted low-income housing units on the Property. Tenant further agrees to abide by all applicable federal, state, and local codes, regulations, statutes, ordinances, and laws now in force or which hereafter may be in force with respect to the Property. Tenant acknowledges and understands that Landlord shall look to Tenant alone for performance of its responsibilities set forth in this Lease. The Landlord makes no representation or commitment concerning the approval of development-related permits for the anticipated construction of the Improvements.

7. **MAINTENANCE OF THE PROPERTY**

Tenant shall maintain the Property and every part thereof in a clean, neat and orderly condition, free of objectionable noise, odors or nuisances and will in all respects and at all times fully comply with health, safety and police regulations, including all laws, regulations, statutes or codes concerning the use, storage or maintenance of hazardous materials on the Property. Tenant shall further not suffer or permit any person to commit any waste on the Property.

Tenant shall be responsible for the cost of providing maintenance and security for the Property.

8. **<u>COVENANT OF DESIGN AND CONSTRUCTION DEVELOPMENT</u>**

As additional consideration for the execution of this Lease Agreement, Tenant covenants to complete the design for the age restricted low-income housing units as well as club house, as depicted on Exhibit "B", and commence construction within six months of low-income housing tax credits award and will diligently pursue the completion of such construction so as to have the development completed no later than eighteen (18) months following commencement of construction. The age-restricted low-income housing units, club house, and any and all other improvements, structures, fixtures and installations on the Property shall be referred to in this Lease as the Improvements. It is understood that, except as set forth in and as contemplated by the terms of Section 23 hereof, Tenant will be responsible for the construction of offsite improvements related to the Property.

9. **<u>APPROVAL OF PLANS AND SPECIFICATIONS – PERFORMANCE SECURITY AND PAYMENT BOND</u>**

The plans and specifications for the construction of the age restricted low-income housing shall be submitted to the Landlord for approval. The Landlord shall not unreasonably withhold, delay or condition such approval and, in the event of disapproval, the Landlord shall give to the Tenant an itemized statement of reasons for disapproval within thirty (30) days after the plans and specifications are submitted to the Landlord. Failure of the Landlord to act on the Tenant's request for approval within thirty (30) days after submission shall be deemed as Landlord's approval.

Tenant shall furnish to Landlord, not later than fifteen (15) calendar days prior to the commencement of construction, performance security in the form of either a deposit in cash or securities or a bank letter of credit in a form and from an issuer acceptable to Landlord, or a performance bond that is written by a corporate surety that is licensed to do business in the State of Nevada, in an amount that is equal to one hundred percent (100%) of the aggregate amount of the contracts for the construction of the Improvements. Said performance security will be conditioned upon Tenant's completion of the construction in accordance with the final plans and specifications. Tenant shall also furnish to Landlord a secured cash deposit or securities payment bond, or a bank letter of credit in a form and from and issuer acceptable to Landlord, the sum of which shall be equal to the aggregate amount of the contracts for the construction of the Improvements, said payment bond to be conditioned upon Tenant's prompt payment in full of the costs of all labor, materials, tools and equipment that are used in the prosecution of the work.

10. **<u>CONSTRUCTION INDEMNIFICATION/INSURANCE</u>**

Tenant shall indemnify and hold Landlord and the Property free of and harmless from any and all liabilities, losses, claims, damages or otherwise based upon or in any manner growing out of any construction or alterations respectively undertaken by Tenant whether specifically under the terms of this Lease or otherwise, including all costs, damages, expenses, court costs and attorneys' fees incurred in or resulting from claims made by any person or persons, by other Tenants on the Property, or any of Tenant's subtenants, agents, employees, customers and invitees.

Before undertaking any alterations or construction, Tenant shall obtain and pay for a Builder's Risk liability insurance policy insuring Landlord and Tenant against any liability which may arise on account of such proposed alterations or construction work in limits of not less than $1,000,000.00 combined single limit coverage. A copy of such policy shall be delivered to Landlord prior to the commencement of any such proposed work. Tenant shall also maintain at all times fire insurance with extended coverage in the name of Landlord or Tenant as their interests may appear in an amount adequate to cover at least the cost of replacement of all Improvements, and any alterations or additions thereto or to the Property and all trade fixtures therein, in the event of fire or extended coverage loss. Tenant shall deliver to Landlord copies of such fire insurance policies, which shall contain a clause requiring the insurer to give Landlord written notice of cancellation in accordance to the policy provisions.

Tenant will not create or permit to be created or to remain, and will discharge, any lien, encumbrance or charge upon the Property, the Improvements, equipment, or personal property located on the Property.

Tenant agrees that it will pay, or cause to be paid, all costs of labor, services and /or materials supplied in the prosecution of any work, done, or caused to be done, on the Property, including, without limitation, the Improvements, and Tenant will keep the

Property free and clear of all mechanics' liens and other liens regarding work done for Tenant or persons claims under Tenant.

Tenant shall notify Landlord in writing within thirty (30) days of any claim or lien filed against the Property or the commencement of any action affecting the title thereto.

Landlord or its representatives shall have the right to access and inspect the Property at all reasonable times and shall have the right to post and keep posted thereon notices of non-responsibility or such other notices which Landlord may deem to be proper for the protection of Landlord's interest in the Property. Before the commencement of any work which might result in any lien, Tenant shall give to Landlord written notice of its intention to do so in sufficient time to enable Landlord to post such notices.

11. **ALTERATIONS, IMPROVEMENTS AND CHANGES PERMITTED**

It is understood that Tenant may make additions, alterations or changes ("Changes") in or to the Property or the Improvements that are consistent with the age restricted low-income housing set forth in Section 5 hereof without Landlord's consent. Tenant shall not make any Changes in or to the Property or the Improvements inconsistent with the terms of Section 5 hereof without the prior written approval of Landlord, which approval shall not be unreasonably withheld, conditioned or delayed. Any Changes shall be at the sole cost and expense of Tenant, and shall be made promptly, in a good and workmanlike manner and in compliance with all insurance requirements and all applicable permits, authorizations, building regulations, zoning laws, environmental regulations, laws regarding the physically disabled and all other governmental rules, regulations, ordinances, statutes and laws, now or hereafter in effect pertaining to the Property or Tenant's use thereof.

In the event of disapproval, the Landlord shall give to the Tenant a detailed statement of reasons for the disapproval. If the Landlord does not disapprove the plans and specifications as provided for in this Section 11 within thirty (30) days after they have been submitted to the Landlord, the plans and specifications shall be deemed to have been approved by the Landlord.

12. **UTILITIES AND TAXES**

Except as set forth in and as contemplated by the terms of Section 23 hereof, the Tenant shall fully and promptly pay for all water, gas, heat, light, power, telephone services and other public utilities of every kind furnished to the Property throughout the Term of this Lease, and all other costs and expenses of every kind whatsoever for or in connection with the use, operation and maintenance of the Property and all activities conducted thereon, and the Landlord shall have no responsibility of any kind for payment of any such utilities.

Except as set forth in and as contemplated by the terms of Section 23 hereof, all taxes related to the Property shall be the responsibility of Tenant.

13. **INDEMNITY**

Tenant will protect, defend, indemnify and save harmless the Landlord from and against any and all liability, damages, demands, claims, suits, liens, and judgments of whatever nature including, but not limited to claims for contribution or indemnification for injuries to or death or any person or persons or damage or loss to the Property or any part thereof caused by, in connection with, or arising out of any activities undertaken directly or indirectly by Tenant. Tenant's obligation to protect, defend, indemnify, and save harmless as set forth in this Section 13 shall include any and all reasonable attorneys' fees incurred by the Landlord in the defense or handling of said suits, demands, judgments, liens and claims and all investigation expenses incurred by the Landlord in enforcing or obtaining compliance with the provisions of this Lease.

14. **INSURANCE**

Tenant shall maintain the following insurance coverage:

a. During the construction of the Improvements, a Builder's Risk policy as set forth in Section 10 above.

b. A policy of Commercial General Liability insurance insuring Landlord and Tenant against liability arising out of the ownership, use, occupancy or maintenance of the Premises. Such insurance shall be on an occurrence basis providing single-limit coverage in an amount of not less than Two Million Dollars ($2,000,000.00) per occurrence. Landlord shall be named as an additional insured on said policy.

c. A policy for fire, casualty, vandalism, malicious mischief and extended coverage insurance covering the Property, the Improvements and all of the structures, fixtures, furnishings and equipment that are constructed, installed or used by Tenant thereon or therein, during the term of this Lease Agreement for the full insurable replacement value of the same. The policies that evidence such insurance shall be issued in the joint names of Landlord and Tenant and, unless otherwise set forth herein, shall be payable to Landlord or Tenant, or both, as their respective interests may appear.

d. Each policy of insurance that is required by this Section shall:

(i) Be issued by an insurance company that is authorized to do business in the State of Nevada, with a financial rating of at least an A+III status, as is shown in the more recent edition of Best's Insurance Reports;

(ii) Be issued as a primary policy;

(iii) Name Landlord as an additional insured thereunder; and

(iv) Landlord shall be notified of any cancellation or change in coverage in accordance to the policy provisions.

e. In the event that Tenant fails or refuses, at any time, to maintain any of the policies of insurance that are required to be maintained by it pursuant to this Section, Landlord shall have the right, but not the obligation after at least five (5) business days written notice, to acquire the same to provide such coverage and at such cost as Landlord, in its reasonable discretion, sees fit, and Tenant shall reimburse Landlord for the reasonable costs that it incurs in so doing within thirty (30) days after Tenant's receipt of Landlord's invoice therefor.

15. **EVENTS OF DEFAULT**

The following shall constitute an event of default by Tenant:

a. Tenant's failure to perform any material term, condition, or covenant to be performed by Tenant pursuant to this Lease within thirty (30) days after written notice of such failure; provided however, that if such failure is not capable of being cured within said thirty (30) day period, Tenant must commence said cure and continue same diligently until the cure is effected.

b. Tenant being adjudicated and/or bankrupt under any federal or state insolvency statute.

c. If the Project is financed with low-income housing tax credits, the "Investor" shall have the right, but not the obligation, to cure any defaults of the Tenant. Such cure shall be accepted by the Landlord as if tendered by the Tenant.

16. **TERMINATION AND REMEDIES**

Upon the occurrence of any of the events set forth above in Section 15 (after the expiration of any applicable grace period) Landlord may at Landlord's option terminate this Lease by written notice to Tenant, in which event, Tenant shall immediately surrender possession of the Property (including the Improvements) to Landlord. Should Landlord terminate this Lease, it may recover from Tenant all damages Landlord may incur by reason of Tenant's breach, including the cost of recovering the Property and Improvements, and reasonable attorney's fees.

17. **ACCESS TO PROPERTY**

Tenant shall allow duly authorized representatives of the Landlord to conduct such occasional reviews and inspections of the Property and Improvements as the Landlord reasonably deems to be appropriate in order to determine whether the uses stated in Section 5 of this Lease are being achieved; provided however, that any such review or inspection shall only be done after three (3) business days written notice to Tenant, shall occur during normal business hours and shall not interfere with the operation of the age restricted low-income housing on the Property.

18. **QUIET ENJOYMENT**

Tenant, upon paying the rent and observing and performing all of the terms, covenants, and conditions on its part to be performed hereunder, shall peaceably and quietly enjoy the Property for the term hereof.

19. **SURRENDER OF PROPERTY**

At the expiration or any other authorized termination of this Lease, Tenant shall surrender the Property to the Landlord in its then present condition, it being understood that the Improvements constructed thereon may have become more or less obsolete over the passage of time. Before surrendering the Property, Tenant may remove all of its personal property, including equipment, fixtures, furnishings and trade fixtures and shall repair any damage caused by such removal. If Tenant fails to remove its personal property and fixtures upon the expiration or any other authorized termination of the Lease, the same shall be deemed abandoned and shall become the property of Landlord.

20. **HOLDING OVER**

Any holding over after the expiration of the Term hereof or of any Option Period shall be construed to be a tenancy from year to year at the rent herein specified and shall otherwise be on the terms herein specified so far as possible.

21. **EMINENT DOMAIN**

a. In the event of any taking of or damage to all or any part of the Property or Improvements (or any interest therein) prior to the expiration or earlier termination of this Lease by reason of any exercise of the power of eminent domain (whether by condemnation proceedings or otherwise) or by reason of any transfer of all or any part of the Property or Improvements (or any interest therein) made in avoidance of such an exercise, the rights and obligations of Landlord and Tenant with respect thereto shall be as set forth in this Section. Such taking, damage and/or transfer are all referred to as "appropriation".

b. If the entire Property or all of the Improvements be appropriated, this Lease shall terminate and expire as of the date of such appropriation, and Landlord and Tenant shall be released from further liability hereunder.

c. If the appropriation shall be greater than twenty five percent (25%) of the Property or Improvements, and/or the remainder will not be reasonably adequate for the operation of the age restricted low-income housing after Tenant completes such repairs or alterations as Tenant elects to make, Tenant shall have the option to terminate this Lease by notifying the Landlord of such election in writing within thirty (30) days after such appropriation.

d. If after such appropriation the remaining part thereof is suitable for the purposes for which Tenant has leased the Property, this Lease shall continue in full force and effect. In the event a partial appropriation does not terminate this Lease, Tenant, at Tenant's expense, but only to the extent of any award payable to Tenant by the condemning authority, shall make repairs and restorations to the remaining Property or Improvements.

e. All awards payable on account of the appropriation of the Improvements shall be payable to Tenant and Landlord in proportion to their respective interests, taking into account that the Landlord's interest is limited to the land exclusive of the Improvements. It is understood that the Landlord will have the right to awards payable for the residual real estate value of the Property.

22. **DAMAGE AND DESTRUCTION**

a. In the case of the total or partial destruction of the Property, the Improvements, or any portion thereof, whether by fire or other casualty, this Lease shall not terminate except as otherwise specifically provided herein. If this Lease is not terminated as herein below set forth and, subject to the availability of property insurance proceeds as provided for herein below, Tenant shall promptly undertake to repair and restore the Property and/or Improvements, and shall, with reasonable diligence, repair and reconstruct the Property and/or Improvements to a condition at least equal in quality and condition to that existing immediately prior to the damage or destruction in question. Tenant shall bear the burden of providing additional funds to restore the Improvements if the insurance proceeds are insufficient.

b. All insurance proceeds payable under any property insurance policy procured and maintained by Tenant shall be payable solely to Tenant and/or its mortgagee(s), and Landlord shall have no interest therein.

c. If the Property or the Improvements are totally or partially destroyed by fire or other casualty, Tenant may at its option either: (i) at Tenant's own cost and expense, but only to the extent of insurance proceeds paid to Tenant, repair the damage and restore the Property and Improvements to substantially and materially the same condition they were in prior to such damage or destruction; or (ii) terminate this Lease upon notice to Landlord. During any such repair and restoration, this Lease Agreement shall remain in full force and effect and the rent payable under this Lease Agreement shall not be abated in any way or to any extent. Insurance proceeds (which shall be payable to Tenant as set forth above) shall be used for restoration. Any excess insurance proceeds shall be payable in accordance with Section 21(e).

23. **LEASEHOLD FINANCING**

a. Non-Subordination. The fee estate in the Property and Landlord's interest under this Lease shall not be subordinate to, and Landlord shall not be required to subject its fee estate and interest in the Property under this Lease to the lien of any financing or mortgage sought or obtained by Tenant, including, without limitation, any leasehold mortgage.

b. No Right to Encumber. Tenant has no right to hypothecate, pledge, encumber or mortgage its interest in this Lease, the leasehold estate in the Property created hereby, or any part or parts thereof or interest therein.

24. **MISCELLANEOUS PROVISIONS**

a. **Relationship of Parties:** The Landlord shall have no relationship whatsoever with the operation of the age restricted low-income housing, except the leasing of the Property and the performance of Landlord's obligations under this Lease. Nothing contained in this Lease Agreement shall be deemed or construed by the Parties or by any third party to create the relationship of principal and agent or partnership or of joint venture or of any association between Landlord and Tenant.

b. **Force Majeure:** Any Party hereto shall be excused for the period of any delay in the performance of any obligations hereunder when prevented from so doing by any cause beyond that Party's control, including labor disputes, civil commotion, war, governmental regulation or controls, fire or other casualty, inability to obtain any material or service or acts of God.

c. **No Waiver:** Failure of a Party to insist upon the strict performance of any provision or to exercise any option hereunder shall not be deemed a waiver of such breach. No provision of this Lease Agreement shall be deemed to have been waived unless such waiver is in writing signed by the Party waiving same.

d. **Notices:** Any notice, demand, request, or other instrument which may be or is required to be given under this Lease Agreement shall be delivered in person or sent by United States certified or registered mail, postage prepaid, at the following addresses:

To Landlord:

City of Las Vegas
Economic & Urban Development, Director
495 S. Main Street, 6th Floor
Las Vegas, Nevada 89101
(702) 229-2555

To Tenant:

Vegas 1-Decatur LLC,
a Nevada limited liability company
2009 Alta Drive
Las Vegas, Nevada 89106
(702) 873-8882

Either Party hereto may change its address by giving ten (10) days advance notice to the other Party as provided herein.

e. **Recording:** Tenant shall not record this Lease, but shall have the right to record a memorandum thereof, which memorandum shall identify only the Parties, the Property and the Term hereof.

f. **Partial Invalidity:** If any provision of this Lease or the application thereof to any person or circumstance shall to any extent be invalid, the remainder of this Lease or the application of such provision to person or circumstances other than those as to which it is held invalid shall not be affected thereby and each provision of this Lease shall be valid and enforced to the fullest extent permitted by law.

g. **Choice of Law/Venue/Attorney Fees:** This Lease is to be construed and governed by the laws of the State of Nevada. Any litigation related to this Lease shall be brought and prosecuted exclusively in the Eighth Judicial District Court of Clark County, Nevada. In the event at any time throughout the term of this Lease either Party institutes any action or proceeding against the other relating to the provisions of this Lease or any default hereunder, then the unsuccessful Party shall be responsible for the reasonable expense of such action including reasonable attorneys' fees, incurred therein by the successful Party. To the extent such waiver is permitted by law, the Parties waive trial by jury in any action of proceeding brought in connection with this Lease.

h. **Tenant Defined; Use of Pronouns:** The use of the neuter singular pronoun to refer to Landlord or Tenant herein shall be deemed a proper reference even though Landlord or Tenant may be an individual, a partnership, a corporation, or a group of two or more individuals or corporations. The necessary grammatical changes required to make the provisions of this Lease apply in the plural sense where there is more than one Landlord or Tenant and two corporations, associations, partnerships, or individuals males or females, shall in all instances be assumed as though in each case fully expressed.

i. **<u>Provisions Binding on Successors and Assigns</u>:** Except as otherwise provided, all provisions herein shall be binding upon and shall inure to the benefit of the Parties, their legal representatives, heirs, successors, and assigns. Each provision to be performed by Tenant shall be construed to be both a covenant and a condition, and if there shall be more than one Tenant, they shall all be bound, jointly and severally, by such provisions. In the event of any sale or assignment (except for purposes of security or collateral) by Landlord of the Property or of this Lease, Landlord shall (irrespective of when such sale or assignment occurs) be entirely relieved of all obligations after the date of such sale or assignment, and such obligations shall automatically pass to Landlord's successor in interest.

j. **<u>Tax Credit Investors:</u>** If the Project is financed with low-income housing tax credits, Landlord hereby acknowledges and consents to a transfer of a 99.99% interest in the Tenant to the Investor and additionally consents to the admission of the Investor as a special member (the "Special Member") provided that the Landlord receives written notification from the Tenant. Upon review of the written notification, Landlord may, in its discretion, require that this Lease be amended to accurately represent and disclose the membership of the entity comprising the Tenant. In such event, the Lease may be executed by the Executive Director of the Agency as long as the terms of this Lease are not substantially changed. Notwithstanding anything to the contrary herein, the Investor / Special Member shall have the right to sell, transfer or pledge their interests in the Tenant pursuant to the terms of the Tenant's Operating Agreement (as such agreement will be amended and restated upon the admission of the Investor / Special Member) as applicable, and any such sale, transfer or pledge shall not (i) be an event of default hereunder. Furthermore, if the managing member of the Tenant is removed as managing member pursuant to the terms of the operating agreement, such removal shall not (i) be an event of default under the Lease, provided that a new managing member, reasonably acceptable to the Landlord, is appointed pursuant to the terms of the Operating Agreement.

k. **Entire Agreement:** This Lease and the Exhibits attached hereto, set forth the entire agreement between the Parties. All Exhibits mentioned in this Lease are incorporated herein by reference. Any prior conversations or writings are merged herein and extinguished. No subsequent amendment to this Lease shall be binding upon Landlord or Tenant unless reduced to writing and signed by both Parties. Submission of the Lease for examination does not constitute an option for the Property and becomes effective as a lease only upon execution and delivery thereof by Landlord or Tenant. The captions and section numbers appearing herein are inserted only as a matter of convenience and are not intended to define, limit, construe, or describe the scope or intent of any section or subsection.

25. **NONDISCRIMINATION**

The Parties agree that the Property will not be segregated with respect to race, color, religion, national origin, or disability and agree that there will be no segregation or discrimination on such grounds with respect to public utilization of or access to the building and surrounding areas.

26. **DISCLOSURE OF PRINCIPALS**

Pursuant to Resolution RA-4-99 adopted by the governing board of the City of Las Vegas Redevelopment Agency effective October 1, 1999, Tenant warrants that it has disclosed on the form attached as Exhibit "C", all principals and partners of Vegas 1-Decatur LLC, a Nevada limited liability company as well as all persons and entities holding more than a one percent (1%) interest in Vegas 1-Decatur LLC, a Nevada limited liability company or any principal of Vegas 1-Decatur LLC, a Nevada limited liability company. Throughout the term hereof, Vegas 1-Decatur LLC, a Nevada limited liability company shall notify Landlord in writing of any material change in the above disclosure within 15 days of any such change.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties hereto have executed this Lease Agreement on the date set forth above.

LANDLORD:

CITY OF LAS VEGAS
REDEVELOPMENT AGENCY,
a public body

By: ______________________________
CAROLYN G. GOODMAN,
CHAIRPERSON

ATTEST:

____
BEVERLY K. BRIDGES, MMC, City Clerk

APPROVED AS TO FORM:

V. Pontecello 4/9/12
Date

TENANT:

VEGAS 1-DECATUR LLC,
a Nevada limited liability company

By: ______________________________

Its: ______________________________

Signature: ______________________________

Exhibit “A”

LEGAL DESCRIPTION OF AGENCY’S PROPERTY

That portion of the Northeast Quarter (NE ¼) of the Northeast Quarter (NE ¼) of Section 25, Township 20 South, Range 60 East, M.D.M. in the City of Las Vegas, County of Clark, State of Nevada, described as follows:

Commencing at the Northeast corner of said Section 25, same being the centerline intersection of Decatur Boulevard and Vegas drive; thence South 00 °42’34” East along East line of said Section 25, coincident with said centerline of Decatur Boulevard, a distance of 190.00 feet; thence departing said East line and said centerline, North 89°57’34” West, a distance of beginning; thence South 00°42’34” East along said West Right-Of-Way line, a distance of 736.14 feet to the East Right-Of-Way line of Laurelhurst Drive; thence North 00°42’34” West along said East Right-Of-Way line, a distance of 591.00 feet; thence departing said East Right-Of-Way line, South 89°57’34” East a distance of 736.14 feet to the point of beginning.

Excepting there from any portion lying within that certain parcel described in Grant, Bargain and Sale Deed to HJEE, LLC, a Nevada limited liability company, recorded October 28, 2009 in Book 20091028 as Document No. 0001094, Official Records.

Exhibit "B"

PROJECT DESCRIPTION

The Project to be developed on the City's Property and the Agency's Property will collectively consist of a minimum of one hundred ninety-six (196) mixed-income and age-restricted low income housing units totaling approximately two hundred twelve thousand three hundred (212,300) square feet and two (2) club houses totaling approximately eight thousand seventy-eight (8,078) square feet.

The Project will be developed in 3 phases (further described below) that will all: 1. Target seniors in the marketing efforts. 2. Be constructed energy efficiently through the utilization of structural insulated panels, concrete tile roofs, 100 percent tile floors, low E windows and tankless hot water heaters. 3. Include all utilities in the rents.

City's Property - Phase 1:

Phase 1 of the Project will consist of a mixed-income development, 10 single-story six-plex buildings for a total of sixty (60), one-bed/one-bath apartments totaling approximately thirty-nine thousand (39,000) square feet. Forty (40) apartments will be restricted rent apartments and twenty (20) apartments will be market rate apartments. There will be one clubhouse of approximately three thousand four hundred (3,400) square feet with amenities that include a computer room, library, sitting area with big screen TV, exercise room, mail room and staff office.

Agency's Property – Phase 2:

Phase 2 of the Project will consist of an age-restricted low-income, four-story development with a total of seventy-two (72), one-bed/one-bath and 2-bed/2-bath apartments totaling ninety-one thousand two hundred and fifty-eight (91,258) square feet. There will also be one club house of approximately four thousand six hundred and seventy-eight (4,678) square feet with amenities that include a computer room, library, sitting area with big screen TV, exercise room, mail room and staff office.

Agency's Property – Phase 3:

Phase 3 of the Project will consist of an age-restricted low-income, four-story development with a total of sixty-four (64), one-bed/one-bath and 2-bed/2-bath apartments totaling eighty-two thousand forty-two (82,042) square feet.

Exhibit "C"

DISCLOSURE OF PRINCIPALS

The principals and partners Vegas 1-Decatur LLC and all persons and entities holding more than 1% interest in Vegas 1-Decatur LLC or any principal of Vegas 1-Decatur LLC are the following:

	FULL NAME	BUSINESS ADDRESS	BUSINESS PHONE
1.	Fightin Irish LLC	840 S. Rancho Suite 4334 LV NV, 89106	810-9001
2.	Michael McDonald	840 S. Rancho Suite 4334 LV NV, 89106	810-9001

I certify under penalty of perjury, that the foregoing list is full and complete. Fightin Irish LLC owns 100% of Vegas 1-Decatur LLC. Michael McDonald owns 100% of fightin Irish LLC.

Vegas 1-Decatur LLC,
a Nevada limited liability company

By: Michael McDonald

Title: Manager

Signature:

Fightin Irish LLC,
a Nevada limited liability company

By: Michael McDonald

Title: Manager

Signature:

Subscribed and sworn to before me this
9 day of April 2012

Sharon Bullock
Notary Public

SHARON BULLOCK
NOTARY PUBLIC
STATE OF NEVADA
My Commission Expires: 2-28-2015
Certificate No: 93-2560-1

EXHIBIT "E"

EMPLOYMENT PLAN POLICY

See attached.

CITY OF LAS VEGAS
REDEVELOPMENT AGENCY

Las Vegas Redevelopment Agency

EMPLOYMENT PLAN POLICY

Adopted

April 6, 2011

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SECTION 1: TERM DESCRIPTIONS

"***Build-to-suit Developer***" means any private developer who constructs a project in accordance with the customized specifications of a known owner and/or lessee to whom the developer will, upon completion, convey or lease the premises.

"***Build-to-suit Owner/Lessee***" means the owner or lessee of a project which has been constructed by the developer to the customized specifications of the owner/lessee.

"***Developer of Speculative Space***" means any private developer who constructs a project for the purpose of conveying or leasing the premises to an unknown owner and/or tenant.

"***Disabled***" means a physical impairment, with respect to an individual, that substantially limits one or more of the major activities of such individual: A record of such impairment; or Being regarded as having such impairment.

"***Disposition and Development Agreement (DDA)***" means an agreement that sets forth requirements for the sale, lease, exchange acquisition, or disposal of real property owned by the Agency, where a specific type of project is developed.

"***Economically Disadvantaged***" means any individual who meets the present poverty guidelines established by the Federal government as a poverty measure. The guidelines are issued each year in the Federal Register by the Department of Health and Human Services (HHS).

"***Members of Racial Minorities***" means or describes an individual that is: Black or African-American, Hispanic-American, Native-American, Asian-Pacific American, Subcontinent Asian-American, Native-Hawaiian or other Pacific Islander.

"***Owner Participation Agreement (OPA)***" means any agreements where the Agency is participating with a landowner for the development of a site by providing some form of financial concession.

"***Participation Agreement (PSA)***" means any agreements where the Agency is involved in the acquisition or sale of real property.

"***Private Developer***" means any person or entity that is proposing to construct a project and will receive financial assistance from the Agency and includes developers of either speculative or build-to-suit projects.

"***Las Vegas Redevelopment Agency Resident***" means an individual whose primary place of residence is within the Las Vegas Redevelopment Area boundaries.

"***Veteran***" means any honorably discharged soldier, sailor, marine, nurse, or army field clerk, as well as reserve components of these services, who have served in military service of the United States.

SECTION 2: LAS VEGAS REDEVELOPMENT AGENCY

EMPLOYMENT PLAN POLICY

POLICY

This employment plan policy is prepared in accordance with the Las Vegas Redevelopment Agency Employment Plan Resolution dated April 6, 2011 and prepared in accordance with Nevada Revised Statutes 279.482 (2). This employment plan policy (hereinafter referred to as the "Policy"), supersedes the amended Las Vegas Redevelopment Agency Employment Plan Policy dated June 6, 2001. In accordance with the Policy, private developers and build-to-suit owners which receive redevelopment project funds are required to hire residents who live within the Las Vegas Redevelopment Area and are encouraged to hire economically disadvantaged residents, members of racial minorities, women, disabled or veterans (hereinafter collectively referred to as "M/W/D/VBE").

OBJECTIVE

The immediate purpose of this Policy is to provide developers and build-to-suit owners/lessees with the guidance necessary to prepare and implement an employment plan when participating in a private redevelopment project funded by the Las Vegas Redevelopment Agency (hereinafter referred to as the "Agency"). The ultimate result of this Policy is to ensure that the persons identified in the statute have the opportunity to benefit from redevelopment projects as fully as the community at large.

APPLICABILITY

Related Agreements: The requirements of the Policy shall be included in the Owner Participation Agreement ("OPA"), the Disposition and Development Agreement ("DDA") and/or Purchase and Sale Agreement ("PSA"), (hereinafter collectively referred to as "Agreements"), between the developer and the Agency.

Entire Project: Even though portions of a project may not be supported by redevelopment funds, private developers and build-to-suit owners/lessees may prepare and implement an employment plan for the entire project. Developers and build-to-suit owners/lessees who submit an employment plan for the entire project and meet the goals of that plan are eligible for an additional incentive to be determined on a pro-rated basis.

Public Agencies: A public agency which is using Redevelopment Agency funds for the design or construction of a project being built as a public work pursuant to NRS 338 is exempt from this Policy and therefore is not required to submit an employment plan. Instead, such public agency shall adhere to NRS 338 and any state and local law governing public works projects.

Threshold: All projects receiving redevelopment assistance from the Agency valued over $100,000 must submit an employment plan and will be subject to reporting requirements. For assistance valued under $100,000 the developer or business shall submit an employment plan and use best efforts to achieve that plan in accordance with NRS 279.482.

RESIDENT PARTICIPATION REQUIREMENT

For new construction jobs and build-to-suit permanent employment jobs resulting from a private redevelopment project, the private developer is required to give preference to residents living within the Las Vegas Redevelopment Agency boundaries.

- **15% of all new jobs created as a direct result of the project are required to be filled by bona-fide residents of the Las Vegas Redevelopment Area — REQUIRED**

Verification of residence may be provided by the employee in the form of a drivers' license and/or by legal address as evidenced by their IRS tax forms. Participation shall be inclusive of subcontractors, sub-tier subcontractors, vendors and suppliers. **Reporting and demonstration of efforts is required**.

RESIDENT PREFERENCE INCENTIVE

Projects receiving Agency redevelopment assistance call for specific resident participation requirements which make the project eligible for an incentive. Accordingly, 10% of the negotiated incentive will be awarded as a bonus, if the resident participation requirement is achieved. A Pass/Fail approach will be used to determine compliance and partial achievement will not be considered.

The Agency's contract agreement will provide project-specific details regarding the negotiated incentive package and what the developer or build-to-suit owner/lessee must do to comply with the employment plan. The negotiated incentive will vary depending on the type of project being developed. For example, for those projects where non-cash incentives (i.e. sale of land below fair market value) are being provided, the Agency may require a cash deposit of 10% to be provided by the developer and the deposit will be returned based on successful achievement of participation goals.

Reporting and demonstration of efforts is required. Prior to the start of construction, failure to adhere to all required program elements, as further described below, will constitute grounds for withdrawal of the entire incentive.

MINORITY PARTICIPATION GOAL

The minority participation goal is designed for all segments of the local business community to have a reasonable and significant opportunity to participate in Las Vegas Redevelopment Agency contracts involving redevelopment projects.

- **15% participation of "M/W/D/VBEs" — ASPIRATIONAL GOAL**

The minority participation goal represents the total value of sub-contracts and materials agreements awarded to M/W/D/VBEs. Participation shall be inclusive of subcontractors, sub-tier subcontractors, vendors and suppliers. **Reporting and demonstration of efforts is required.**

An M/W/D/VBE may participate as a prime contractor, sub-contractor, as a joint venture partner with a prime or sub-contractor, or as a vendor of materials and/or supplies. Only those sub-contractor(s) and suppliers contracting directly with or to be paid by the prime contractor may be credited towards the participation goals.

A sufficient portion of the work must be made available to sub-contractors and suppliers consistent with M/W/D/VBE availability and capacity. If the minority participation goals are not met, information documenting specific actions taken to achieve the goals must be submitted prior to the contract award to receive credit towards compliance.

PROGRAM ELEMENTS: PRIVATE DEVELOPER

Developers shall submit an employment plan for the construction phase of a project. The developer shall adhere to the employment plan only during the construction phase of the development.

Initial Submittals: The developer shall provide the Agency with a list of all contracts and dollar amounts let for construction as soon as available. The list must be kept up to date throughout the construction phase. The Agency recognizes that plans and specifications are often at an early stage of preparation when the Agreement is approved, making it impossible to identify in the employment plan the contracts being let for construction. Consequently, once bids are awarded, the developer shall submit an addendum to the employment plan identifying the construction projects.

Contracting Decisions and Waiver: The developer has the right to make the final decision on contracting, but the Agency will balance that right against the developer's duty to comply with the employment plan. If, after diligently implementing the employment plan, the developer has not identified enough qualified Redevelopment Area Residents or M/W/D/VBEs to meet the contracting requirements and goals, the developer may enter into contract for the construction of the project, but only after providing written notice and justification to the Agency.

Structuring the Bid by Size and Type of Work: Meeting the participation requirements and goals requires a developer to be proactive. Very early in the design process, the developer should work with their construction manager, architects, and engineers to design the project and structure the bid to facilitate bidding by residents and M/W/D/VBEs. Staff members of the City of Las Vegas (hereinafter referred to as "City") Equal Opportunity Contracting Section in the Purchasing and Contracts Division are available to assist in this process.

Input from M/W/D/VBE Contractors: After having designed the project from the beginning with a view toward making resident and M/W/D/VBE participation easier, the developer should seek input on the bid from local qualified contractors and subcontractors, including M/W/D/VBEs. This exchange of information often takes place during a pre-bid meeting. The developer can then make any necessary refinements to the project based on that information. A staff member of the City's Equal Opportunity Contracting Section should be a key participant.

Dissemination to M/W/D/VBE Contractors: Once bid documents are complete, the developer shall provide timely notice of bid letting to M/W/D/VBEs using the City's Minority Business Directory. The developer is not limited to the Minority Business Directory but may obtain minority contractors from other sources, provided they are approved in advance by the City's Equal Opportunity Contracting Section. The developer shall provide a copy of all required notices to the Agency.

Other Techniques and Procedures: In addition to providing direct notice of bid letting to residents and M/W/D/VBEs the developer will, as appropriate, employ some or all of the following techniques and procedures in an effort to encourage participation. The Agency makes no guarantee that an employment plan that includes any one of the following techniques and procedures, or any combination thereof, will be approved on that basis alone.

- Must place timely advertisements in newspapers of general circulation, trade association publications, and M/W/D/VBE-focused media concerning contracting opportunities; provide publisher's proof to the Agency.
- Will maintain contact and coordination with the City's Equal Opportunity Contracting Section to obtain directories and other information related to achieving the participation goals of the Policy.
- Will utilize referral agencies such as M/W/D/VBE community organizations, professional associations, small business assistance offices, and similar organizations that provide assistance to M/W/D/VBEs.
- Must ensure access by M/W/D/VBEs to plans and specifications and adequate information about the scope of services and other requirements.
- Must offer information to M/W/D/VBEs about bonding, lines of credit, and insurance.
- Shall advertise, solicit and accept qualified joint venture bids from local M/W/D/VBEs.

PROGRAM ELEMENTS: BUILD-TO-SUIT OWNERS/LESSEES

The owner/lessee of a project constructed by a build-to-suit developer shall also submit an employment plan for a twelve (12) month post-construction phase of the redevelopment project.

The build-to-suit owner/lessee shall adhere to the employment plan for at least as long as the redevelopment project remains subject to the Agreement. Each Agreement will include the specific time periods based on the particular relevant aspects of the project.

This Policy applies to new, permanent jobs created as a direct result of the redevelopment project during the period of contract performance. All subcontractors of permanent operations will be required to adhere to the employment plan through contractual language included in any Agreement with the build-to-suit owner/lessee.

Initial Submittals: The owner/lessee shall provide a description of the existing opportunities for employment. The owner/lessee shall also provide a projection of the effect that the redevelopment project will have on opportunities for employment within the area. Lastly, the owner/lessee shall provide a description of the manner in which an employer relocates the business into the area and plans to employ residents and persons living within the area of operation and economically disadvantaged, minority, women, and disabled or veteran-owned business enterprise.

Project Impact: The build-to-suit owner must supply the following information to the Agency: A projection of the effect the project will have on opportunities for employment within the area. In particular, the number of new jobs created as a result of the redevelopment project and a description of skills required for filling the positions.

Policy Requirements: The Agency shall have the authority to modify the participation goals of this section after a showing of just cause through the appeal process. This includes the refilling of those jobs for the duration of the employment plan.

Project Description: The build-to-suit owner/lessee is required to submit an employment plan which describes how the operation will employ Las Vegas Redevelopment Area residents and aspire to employ persons who are: Economically Disadvantaged, Members of Racial Minorities, Woman, Disabled and Veterans.

Referral Agencies: The build-to-suit owner/lessee shall, as part of the employment plan, utilize one or more of the referral agencies in the Policy for the purpose of receiving qualified job applicants. Only nominal administrative fees may be charged to the employee by non-profit referral agencies for referral or job placement. The following referral agencies, by virtue of their activities, are recognized as having knowledge of the applicant pool available to assist in the location of and, in some cases, training and upgrading of skills of qualified applicants to fill the unique needs of each business.

Asian Chamber of Commerce 2560 Montessouri St. Ste. 205 Las Vegas, NV 89117 (702) 737-4300 lvacc.org	**Key Foundation** 1001 N. A St. Las Vegas, NV 89106 (702) 384-0202	**NAACP, Las Vegas Chapter** 3340 S. Topaz St. Ste. 150 Las Vegas, NV 89121 (702) 638-1300 naacplv.org	**Nevada Partners, Inc.** 710 W. Lake Mead Blvd. Las Vegas, NV 89030 (702) 399-5627 nevadapartners.com
Bureau of Vocational Rehabilitation of So. Nevada 3016 W. Charleston Las Vegas, NV 89102 (702) 486-5230 http://detr.state.nv.us/	**Las Vegas Indian Center** 2300 W. Bonanza Rd. Las Vegas, NV 89106 (702) 647-5842 lasvegasindiancenter.org	**National Association of Women in Construction (NAWIC)** 150 N. Durango Dr., Ste. 100 Las Vegas, NV 89145 (702) 796-9986 nawiclasvegas.org	**Urban Chamber of Commerce** 1951 Stella Lake St. Ste.26 Las Vegas, NV 89106 (702) 648-6222 urbanchamber.org
College of Southern Nevada 6375 W. Charleston Blvd. Las Vegas, NV 89146 (702) 651-7563 csn.edu	**Las Vegas Urban League** 1024 W. Owens Ave Las Vegas, NV 89106 (702) 483-4200 lvccul.org	**Nevada Job Connect** 3405 S. Maryland Parkway Las Vegas, NV 89169 (702) 486-0129 nevadajobconnect.com	**Veterans Chamber of Commerce** 2691 Industrial Rd. #40 Las Vegas, NV 89109 (702) 791-1791 veteranschambernv.org
Easter Seals of Southern Nevada 6200 West Oakey Blvd. Las Vegas, NV 89146 (702) 870-7050 http://sn.easterseals.com	**Latin Chamber of Commerce** 300 N. 13th St. Las Vegas, NV 89101 (702) 385-7367 lvlcc.com	**Nevada Minority Business Enterprise Center (NMBEC)** 626 S. 9th St. Las Vegas, NV 89101 (702) 382-9522 http://newventurescdc.com/nv	**Women's Chamber of Commerce** 2300 W. Sahara Ste. 800 Las Vegas, NV 89102 (702) 733-3955 womenschamberofnevad

		mbec.html	a.org
Foundation for an Independent Tomorrow 1931 Stella Lake Drive Las Vegas, NV 89106 (702) 367-4348 lasvegasfit.com	**National Association of Women Business Owners (NAWBO)** PO Box 96355 Las Vegas, NV 89193 (702) 571-0462 nawbosnv.org	**Nevada Office of Veterans Services** 950 W. Owens Dr. Room 111 Las Vegas, NV 89106 (702) 636-3070 veterans.nv.gov	**Women's Development Center** 4020 Pecos McLeod Las Vegas, NV 89121 (702) 796-7770 wdclv.org

Training: Build-to-suit owner/lessee shall establish an in-house training program for promoting employees, provided the business employs more than total of twenty-five (25) employees. The training program shall be included as part of the employment plan.

Procedural Guidelines for Outreach/Hiring: The build-to-suit owner/lessee agrees to submit written notification to the referral agency of job positions available for hire at least thirty (30) working days prior to the employer's anticipated hiring date.

- Such written notification shall include a description of the required job qualifications, the rate of pay, the anticipated hiring date, and the date by which the referral agency must refer qualified applicants to the build-to-suit owner/lessee in order to be considered for hiring to the vacant position including management, technical, and professional positions.
- The build-to-suit owner/lessee need not notify the referral agency of any vacancy to be filed by an internal promotion from the existing work force.
- In the event the referral agency fails to refer qualified individuals within thirty (30) working days for consideration of the vacant job openings of which the build-to-suit owner/lessee has notified the referral agency, the build-to-suit owner/lessee will be free to directly fill any remaining positions after so notifying the referral agency in writing.
- The build-to-suit owner/lessee shall make the final decision on hiring new employees but shall be encouraged to select employees from among qualified persons referred by the referral agencies. This does not release the build-to-suit owner/lessee from the requirements of this Policy.
- The build-to-suit owner/lessee will not discriminate against any applicant for employment because of race, religion, age, handicap, color, sex or national origin.
- The Agency shall be copied on all written correspondence between the build-to-suit owner/lessee and the referral agency.

Owners/Lessees: An owner/lessee of speculative space is under no obligation to submit an employment plan for tenants or lessee of speculative space, but may do so on a voluntary basis. The initial owners/lessees of speculative space who submit an employment plan and meet the resident and minority participation goals of that plan are eligible for an incentive in the same manner as a build-to-suit owner/lessee.

REPORTING REQUIREMENTS

When the Agreement for the project has been executed, the developer or build-to-suit owner/lessee will be required to submit an employment plan in accordance with NRS 279.482

(2) and the Agency's Employment Plan Policy. The submittal of the reporting templates is a demonstration of a good faith effort. **Failure to report is grounds for denial of the resident preference incentive.**

A report to the Agency is due within thirty (30) calendar days after the end of each calendar quarter. In an effort to provide accountability, accuracy and consistency, a standard Agency reporting template has been developed, a copy of which is found in Section 3 of the Policy. All exhibit checklists shall be complete and copies of correspondence and advertisements are to be attached to the report. The templates may be modified by the Agency at any time to ensure uniform and accurate reporting.

The Agency shall use this information for the sole purpose of determining compliance of the owner/lessee with the submitted employment plan. Affected employees shall be notified that this information is being reported to the Agency. This information shall not be submitted to any other person or organization for any other purpose.

APPEALS

If, after diligently implementing the employment plan, a developer or build-to-suit owner/lessee fails to achieve contractually agreed upon participation goals, an appeal may be submitted. The developer or build-to-suit owner/lessee must be prepared to present the following analysis for consideration:

- A demonstration of specific actions taken in the pursuit of fulfilling the resident participation requirements and minority participation goals.
- Must be able to show there are no significant opportunities for subcontractors to perform a commercially useful function in the contract.
- Subcontract opportunities will significantly and adversely affect the overall cost of the project.

The procedure for submission and hearing of appeals is as follows:

- Contact the City's Equal Opportunity Contracting Section for an appointment to present analysis and to discuss obstacles for meeting the resident participation requirements or minority participation goals. A staff recommendation will be made and forwarded to the Executive Director of the Agency.
- The Executive Director will review the analysis and staff recommendation and make a decision on whether a project-specific employment plan modification is warranted. If the decision is in favor of no modification, the developer/client may appeal to the Governing Board of the Agency.
- Final decisions regarding ability to meet the Policy requirements in the agreement shall rest with the Governing Board of the Agency.

NEVADA REVISED STATUTES

NRS 279.482 The imposition of conditions on developers, build-to-suit owner/lessees and purchasers; employment plan required in proposal for redevelopment project.

As appropriate for the particular project, each proposal for a redevelopment project must also include an employment plan. The employment plan must include:

(a) A description of the existing opportunities for employment within the area;

(b) A projection of the effect that the redevelopment project will have on opportunities for employment within the area; and

(c) A description of the manner in which an employer relocating a business into the area plans to employ persons living within the area of operation who:

(1) Are economically disadvantaged;
(2) Have a physical disability;
(3) Are members of racial minorities;
(4) Are veterans; or
(5) Are women.

EXHIBIT "F"

LESSEE'S OWNERSHIP DISCLOSURE

DISCLOSURE OF PRINCIPALS

The principals and partners Vegas 1-Decatur LLC and all persons and entities holding more than 1% interest in Vegas 1-Decatur LLC or any principal of Vegas 1-Decatur LLC are the following:

	FULL NAME	BUSINESS ADDRESS	BUSINESS PHONE
1.	Fightin Irish LLC	840 S. Rancho Suite 4334 LV NV, 89106	810-9001
2.	Michael McDonald	840 S. Rancho Suite 4334 LV NV, 89106	810-9001

I certify under penalty of perjury, that the foregoing list is full and complete. Fightin Irish LLC owns 100% of Vegas 1-Decatur LLC. Michael McDonald owns 100% of fightin Irish LLC.

Vegas 1-Decatur LLC,
a Nevada limited liability company

By: Michael McDonald

Title: Managing

Signature:

Fightin Irish LLC,
a Nevada limited liability company

By: Michael McDonald

Title: Managing

Signature:

Subscribed and sworn to before me this
9 day of April 2012

Sharon Bullock
Notary Public

SHARON BULLOCK
NOTARY PUBLIC
STATE OF NEVADA
My Commission Expires: 2-26-2015
Certificate No: 93-2360-1