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RESOLUTION NO. RA-17-2023

**RESOLUTION FINDING THE AMENDMENT TO DISPOSITION AND DEVELOPMENT AGREEMENT (“AMENDMENT”) BETWEEN THE CITY OF LAS VEGAS (“CITY”), CITY OF LAS VEGAS REDEVELOPMENT AGENCY (“AGENCY”) AND ARTHAUS IV, LLC. (“DEVELOPER”) FOR THE PROJECT CONCERNING THE DEVELOPMENT OF IMPROVEMENTS TO REAL PROPERTY DESCRIBED AS APN’S 13927211021, 025, 028, 029, 030, 031 TO BE IN COMPLIANCE WITH AND IN FURTHERANCE WITH THE GOALS AND OBJECTIVES OF THE REDEVELOPMENT PLAN.**

WHEREAS, the Agency adopted on March 5, 1986, that plan of redevelopment entitled, to-wit: the Redevelopment Plan for the Downtown Las Vegas Redevelopment Area pursuant to Ordinance 3218, which Redevelopment Plan has been subsequently amended on February 3, 1988, by Ordinance 3339; April 11, 1992, by Ordinance 3637, on November 4, 1996, by Ordinance 4036, on December 17, 2003, by Ordinance 5652 and on May 17, 2006, by Ordinance 5830, and on December 16, 2015, by Ordinance 6448 (the "Redevelopment Plan"); and

WHEREAS, the Redevelopment Plan identifies and designates an area within the corporate boundaries of the City (the “Redevelopment Area”) as in need of redevelopment in order to eliminate the environmental deficiencies and blight existing therein; and

WHEREAS, City is the owner of real property and improvements located generally at D Street and Jefferson Avenue, Las Vegas, NV 89106, and which parcel is commonly known as APN 13927211021, 025, 028, 029, 030, 031 (the “Site”); and

WHEREAS, the Site is located in the Redevelopment Area; and

WHEREAS, Developer and City have previously entered into that certain Disposition and Development Agreement dated October 19, 2022 (the “DDA”) for the purchase and sale of the Site and the development of the Site by Developer as set forth therein;

1 WHEREAS, Developer, Agency and City desire to enter into the Amendment to  
2 amend the DDA and the DDA and the Amendment are collectively referred to herein as the  
3 “Amended DDA”; and

4 WHEREAS, a copy of the Amendment is attached hereto as Exhibit A; and

5  
6 WHEREAS, Pursuant to the Amended DDA, Developer is to be the developer of  
7 the Site, and is undertaking certain major redevelopment improvements to the Site in accordance  
8 with the Amended DDA (the “Project”); and

9  
10 WHEREAS, the Project will consist generally of the following: a development to  
11 be constructed on the Site to consist of: (i) approximately 100 residential units, (ii) a parking  
12 area, (iii) approximately 15,695 square feet of commercial space (to be operated pursuant to the  
13 Food Hall Lease and the Space Lease), and (iv) mutually agreed design including incorporating  
14 historic elements, upgraded façade, amenities, landscaping and streetscape finished; and

15  
16 WHEREAS, the Agency has considered the findings that no other reasonable  
17 means of financing the building, facilities or structures or other improvements on the Site are  
18 available; and

19  
20 WHEREAS, the Governing Body of the Agency has determined that the  
21 undertakings of the Agency in connection with the Amendment, which provide for, among other  
22 matters, (i) the contribution of funds by the Agency to Developer for the cost of the design and  
23 construction of the Project and (ii) the leasing by Agency, as tenant, under two leases of space in  
24 buildings to be constructed as part of the Project, all as more fully set forth in the Amendment,  
25 is in compliance with and in furtherance of the goals and objectives of the Redevelopment Plan;  
26 and.  
27  
28

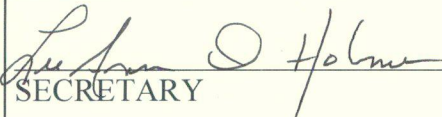
1 NOW, THEREFORE, BE IT HEREBY RESOLVED by the Governing Board of  
2 the Agency that the Amendment is hereby approved and determined to be in compliance with  
3 and in furtherance of the goals and objectives of NRS 279 and the Redevelopment Plan, and the  
4 Chairperson of the Governing Board of the Agency is hereby authorized and directed to execute  
5 the Amendment for and on behalf of the Agency, and to execute any and all additional  
6 agreements and/or contracts attached to and incorporated into the Amendment required under the  
7 Amendment to be entered into by the Agency and to perform any additional acts necessary to  
8 carry out the intent and purpose of the Amended DDA.  
9

10  
11 THE FOREGOING RESOLUTION was passed, adopted and approved this 6<sup>th</sup> day of  
12 December, 2023.  
13

14  
15 CITY OF LAS VEGAS  
16 REDEVELOPMENT AGENCY

17 By:   
18 CAROLYN G. GOODMAN, Chair

19 ATTEST:

20   
21 SECRETARY

22 APPROVED AS TO FORM:

23  
24 Michael Niarchos 11-20-22  
25 Michael Niarchos Date  
26 Counsel

27  
28 Resolution No. RA- 17-2023  
Arthaus IV LLC DDA and Project DSLURS

CC/RDA Meeting: 12/6/2023  
CC Item # 31 RDA Item # 6

# **Exhibit A**

## **FIRST AMENDMENT TO DISPOSITION AND DEVELOPMENT AGREEMENT AND PROJECT DSLURS**



**FIRST AMENDMENT TO DISPOSITION AND DEVELOPMENT AGREEMENT  
AND PROJECT DSLURS**

THIS FIRST AMENDMENT TO DISPOSITION AND DEVELOPMENT AGREEMENT AND PROJECT DSLURS (the “*First Amendment*”) is entered into as of the \_\_\_ day of \_\_\_\_\_, 2023 (“*Effective Date*”) by and between CITY OF LAS VEGAS, a Nevada municipal corporation (“*CLV*”), CITY OF LAS VEGAS REDEVELOPMENT AGENCY, an agency organized under the laws of the State of Nevada (“*Agency*”) and ARTHAUS IV LLC, a Nevada limited liability company (“*Developer*”). CLV, Agency and Developer are individually referred to herein as a “*Party*” and collectively referred to herein as “*Parties*”.

**WITNESSETH:**

WHEREAS:

A. CLV and Developer entered into that certain Disposition and Development Agreement dated October 19, 2022 (the “*DDA*”).

B. The Parties mutually desire to enter into this First Amendment in order to amend the DDA, and to add the Agency as a party to the DDA.

NOW, THEREFORE, in consideration of the foregoing and of the covenants and conditions contained herein, the Parties agree as follows:

1. Terms. The Parties agree that any capitalized terms contained herein which are not defined herein shall have the same meaning as set forth in the DDA.

2. Definitions. The Parties hereby agree in connection with Section 1.2 of the DDA as follows:

(a) The definition of Agency Participation Agreement is hereby deleted in its entirety from Section 1.2 of the DDA and the following substituted in lieu thereof:

“*Agency Participation Agreement*” means that form of agreement attached hereto as Exhibit F attached to this First Amendment.

(b) A new definition is hereby added to Section 1.2 of the DDA to read as follows:

“*Hall Lease*” means that form of lease attached hereto as Exhibit G.

(c) The definition of “*Master Lease*” is hereby deleted in its entirety from Section 1.2 of the DDA.

(d) The definition of “*Owner Participation Agreement*” is hereby deleted in its entirety from Section 1.2 of the DDA and the following substituted in lieu thereof:

“*Agency Reimbursement Agreement*” means that form of agreement attached hereto as Exhibit H.

- (e) A new definition is hereby added to Section 1.2 of the DDA to read as follows:

*“Space Lease”* means that form of lease attached hereto as Exhibit I.

- (f) The following definition is added to Section 1.2 of the DDA to read as follows:

*“Required Rent Covenant”* means that form of Required Rent Covenant Declaration attached hereto as Exhibit J.

- (g) The following definition is added to Section 1.2 of the DDA to read as follows:

*“Memorandum of Lease - Hall”* means that form of memorandum of lease attached hereto as Exhibit K.

- (h) The following definition is added to Section 1.2 of the DDA to read as follows:

*“Memorandum of Lease – Space”* means that form of memorandum of lease attached hereto as Exhibit L.

- (i) The definition of *“Project”* is hereby deleted from Section 1.2 of the DDA and the following substituted in lieu thereof:

*“Project”* means a development to be constructed on the Site to consist of: (i) approximately 100 residential units, (ii) a parking area, (iii) approximately 15,695 square feet of commercial space (to be operated pursuant to the Hall Lease and the Space Lease), and (iv) mutually agreed design including incorporating historic elements, upgraded façade, amenities, landscaping and streetscape finished.

- (j) The following definition is added to Section 1.2 of the DDA to read as follows:

*“Parking License – Hall Lease”* means that form of Parking License in the form of Exhibit M attached hereto.

- (k) The following definition is added to Section 1.2 of the DDA to read as follows:

*“Parking License – Space Lease”* means that form of Parking License in the form of Exhibit N attached hereto.

- (l) The following definition is added to Section 1.2 of the DDA to read as follows:

*“Parking License Memorandum Hall Lease”* means that form of Parking License Memorandum attached hereto as Exhibit O.

- (m) The following definition is added to Section 1.2 of the DDA to read as follows:

*“Parking License Memorandum Space Lease”* means that form of Parking License Memorandum attached hereto as Exhibit P.

- (n) The following definition is added to Section 1.2 of the DDA to read as follows:

“*TIF Agreement*” means an Owner Participation Agreement to be entered into between Agency and Developer whereby Agency agrees to pay to Developer for a period of fifteen (15) years fifty percent (50%) of the incremental increase in real property taxes generated by the completed Project over an agreed base year received by the Agency minus certain agreed upon deductions from such tax receipts.

3. Agency. The Parties agree that a new sentence is added to Section 3.1 of the DDA to read as follows: “The Agency is located at 495 South Main Street, Las Vegas, Nevada 89101.” For clarity purposes, the Parties acknowledge that Agency is an Affiliate of CLV, within the meaning of the definition of such term as contained in both the DDA and the Project DSLURS.

4. Assignment by Developer. The Parties agree that a new sentence is added to Section 3.3(b) of the DDA to read as follows: “In the event of any such assignment to a Developer Affiliate, the Developer Affiliate shall have all rights and remedies of Developer under this Agreement and shall assume obligations of Developer as contained in the Agreement, all references to Developer contained in this Agreement shall mean and include Developer Affiliate, and the Project DSLURS, Agency Agreements, and other Closing documents shall be amended to include such Developer Affiliate (in the event of a partial assignment) or to refer to such Developer Affiliate instead of Developer (in the event of a complete assignment).”

5. CLV Obligations. Subsection 6.2(a) to the DDA is hereby amended in its entirety to read as follows:

- (a) Except as expressly provided in this Agreement, Developer agrees that CLV, the Agency or any Affiliates thereof shall not have any obligation whatsoever to contribute any funds or other subsidies or construct any improvements in connection with the development of the Project.

6. Agency Reimbursement Agreement. The Parties agree that Section 6.2(e) to the DDA is hereby deleted from the DDA in its entirety. The Parties agree that no later than thirty (30) days after execution of this First Amendment, Agency and Developer shall enter into the Agency Reimbursement Agreement.

7. Leases. The Parties agree that the obligation to negotiate and deliver a “Master Lease”, as contemplated by Section 6.3 of the DDA, is satisfied by their negotiation of and agreement to the form of Hall Lease and the form of Space Lease, and mutual execution and delivery of the Hall Lease and the Space Lease at Closing, as contemplated by this First Amendment.

8. Required Rents. The Parties agree that Section 6.5 of the DDA is hereby deleted in its entirety from the DDA and the following substituted in lieu thereof:

6.5 Required Rents. At the Close of Escrow, the Agency and Developer shall enter into, acknowledge, and record the Required Rent Covenant with the Recorder's Office.

9. Agency Participation Agreement. The Parties agree that Section 6.6 of the DDA is hereby deleted in its entirety from the DDA and the following substituted in lieu thereof:

6.6 Agency Participation Agreement. At the Close of Escrow, Developer and Agency will enter into the Agency Participation Agreement.

10. TIF Agreement.

(a) The Parties hereby agree to expeditiously negotiate in good faith a second amendment to the DDA ("Second Amendment") for submittal of the TIF Agreement to City Council and Agency board to approve the entering into of the TIF Agreement at the Closing with the goal of submitting the Second Amendment to City Council and the Agency board for approval no later than their first meeting in May 2024.

(b) The Second Amendment will provide, among other matters that (i) the TIF Agreement is an "Agency Agreement" as defined herein, including for purposes of each Party's respective representations and warranties under Section 11 herein (Agency) and Section 13 herein (Developer), (ii) each Party shall deposit in Escrow a signed counterpart of two originals of the TIF Agreement pursuant to their respective deposit obligations under Section 9.2 of the DDA and Section 9.3 of the DDA as amended herein, and (iii) Escrow Agent will be instructed to deliver to each of Agency and Developer an original signed counterpart of the TIF Agreement upon closing.

(c) Agency agrees that if the Second Amendment is not approved by City Council and the Agency Board by their first meeting in May 2024, Developer shall have the right at its sole option to terminate the DDA, as amended by this First Amendment, upon written notice to CLV and the Agency no later than thirty (30) days after the denial of approval of the Second Amendment. Agency further agrees that it shall have no right to terminate the DDA, as amended by this First Amendment, in the event such approval is not obtained.

(d) If the DDA, as amended by this First Amendment, is so terminated by Developer, Developer shall pay to Escrow Agent an amount equal to the cost of the cancellation of Escrow; neither Party will have any further rights or obligations under the DDA, as amended by this First Amendment (except for any obligation intended to survive a termination); and Escrow Agent shall immediately refund to Developer its full Earnest Money Deposit.

11. Representations. The Parties agree that the following Section 7.3 is hereby added to the DDA:

7.3 Agency's Representations. Agency represents and warrants that as of the date hereof and as of the date of the Close of Escrow for the acquisition of the Site:

- (a) Agency has all requisite power and authority to enter into and perform its obligations under (i) this Agreement, (ii) that certain First Amendment to this Agreement (“First Amendment”); (iii) the Hall Lease, (iv) the Space Lease, (v) the Agency Reimbursement Agreement, (vi) the Agency Participation Agreement, (vii) the Required Rent Covenant, (viii) the Memorandum of Lease - Hall, (ix) the Memorandum of Lease – Space, (x) the Parking License - Hall Lease, (xi) the Parking License – Space Lease, (xii) the Parking License Memorandum Hall Lease, (xiii) the Parking License Memorandum Space Lease, and (xiv) all other agreements to which Agency is a party, now or hereafter contemplated by the Agreement ((iii)- (xiv) are collectively referred to herein as the “Agency Agreements”.
- (b) By proper action of Agency, Agency’s signatories have been duly authorized to execute and deliver the Agreement, the First Amendment, and the Agency Agreements.
- (c) The execution of this Agreement, the First Amendment, and the Agency Agreements does not violate any provision of any other agreement to which Agency is a party.
- (d) Except as may be specifically set forth herein, no approvals or consents not heretofore obtained by Agency are necessary in connection with the execution this Amendment, the First Amendment, and the Agency Agreements or with the performance by Agency of its obligations under this Agreement, the First Amendment, and the Agency Agreements.
- (e) To 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 which would inhibit Agency’s ability to perform its obligations under this Agreement, the First Amendment, and the Agency Agreements.
- (f) To Agency’s actual knowledge, the execution, delivery and performance of this Agreement, the First Amendment, and the Agency Agreements by Agency will not (i) conflict with or be in contravention of any provision of law, order, rule or regulation applicable to Agency; or (ii) result in any lien, charge or encumbrance of any nature on the Site other than as permitted by this Agreement or the First Amendment.

As used in this Agreement, the term “Agency’s actual knowledge” means the actual knowledge of the City Manager of the City.

12. Developer agrees that Developer’s representations and warranties set forth in Section 7.2 of the DDA shall run to the benefit of the Agency in addition to CLV. The Parties agree that with respect to the representations and warranties of Developer made in Section 7.2 of the DDA, all references to “this Agreement” shall include the DDA as amended by this First

Amendment, and all references to the “Project DSLURS” shall include the Project DSLURS and the Agency Agreements to which it is a party

13. The Parties agree that the following subparagraphs are added to Section 7.2 of the DDA:

(j) Developer has all requisite and perform its obligations under the First Amendment and the Agency Agreements.

(k) By proper action of Developer, Developer’s signatories have been duly authorized to execute and deliver the First Amendment and the Agency Agreements.

(l) The execution of the First Amendment and the Agency Agreements does not violate any provision of any other agreement to which Developer is a party.

(m) Except as may be specifically set forth herein, and to Developer’s actual knowledge, no approvals or consents not heretofore obtained by Developer are necessary in connection with the execution of the First Amendment and Agency Agreements or with the performance by Developer of its obligations under the Agency Agreements.

(n) To Developer’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 which would inhibit Developer’s ability to perform its obligations under the this Amendment and the Agency Agreements.

(o) To Developer’s actual knowledge, the execution, delivery and performance of the First Amendment and the Agency Agreements by Developer will not (i) conflict with or be in contravention of any provision of law, order, rule or regulation applicable to Developer; or (ii) result in any lien, charge or encumbrance of any nature on the Site other than as permitted by this Amendment.

As used in this Agreement, the term “Developer’s actual knowledge” means the actual knowledge of Sam Cherry.

14. Developer’s Escrow Deposits. Section 9.2 of the DDA is hereby deleted in its entirety and the following substituted in lieu thereof:

9.2 Developer’s Escrow Deposits. Not later than the Close of Escrow, Developer shall deposit and deliver to Escrow Agent the following items:

(i) the Closing Payment;

(ii) two (2) original copies, duly executed and acknowledged by Developer of the Project DSLURS;

- (iii) Developer's certificate signed by a manager of Developer that all of Developer's representations and warranties set forth herein are true and correct in all material respects as of the Closing Date;
  - (iv) a signed counterpart of two (2) originals of the Hall Lease;
  - (v) a signed counterpart of two (2) originals of the Space Lease;
  - (vii) a signed counterpart of two (2) originals of the Agency Participation Agreement;
  - (x) a signed and acknowledged copy of the Required Rent Covenant;
  - (xi) a signed and acknowledged copy of the Memorandum of Lease - Hall;
  - (xiii) a signed and acknowledged copy of the Memorandum of Lease - Space;
  - (xiv) a signed counterpart of two (2) originals of the Parking License - Hall Lease;
  - (xv) a signed counterpart of two (2) originals of the Parking License - Space Lease;
  - (xvi) a signed and acknowledged counterpart of the Parking License Memorandum Hall Lease;
  - (xvii) a signed and acknowledged counterpart of the Parking License Memorandum Space Lease; and
  - (xviii) any other documents, instruments, data, records, correspondence or agreements called for under this Agreement which have not been delivered, if any.
- (b) Developer shall deposit into Escrow and shall pay the following fees, charges and costs after Escrow Agent has notified Developer of the amount of such fees, charges and costs, but not later the scheduled date for a Closing:
- (i) all of the premium and costs for the Title Policy and for any special endorsements to be paid by Developer as set forth in the DDA;
  - (ii) all of the state, county and/or city documentary transfer tax;
  - (iii) all fees of Escrow Agent; and
  - (iv) the recording costs for the Project DSLURS, the Required Rent Covenant, the Memorandum of Lease – Hall, the Memorandum of Lease – Space; the Parking License Memorandum Hall Lease, and the Parking License Memorandum Space Lease.

15. CLV and Agency Deposits. Section 9.3 of the DDA is hereby deleted in its entirety and the following substituted in lieu thereof:

9.3 CLV's and Agency's Escrow Deposits.

(a) Not later than the Close of Escrow, CLV and Agency will deposit with Escrow Agent the following:

(i) the Deed duly executed and acknowledged by CLV;

(ii) two (2) original copies, duly executed and acknowledged by CLV of the Project DSLURS;

(iii) a Non-Foreign Transferor Certificate in customary form duly executed by CLV;

(iv) CLV's certificate signed by the City Manager of CLV that all of CLV's representations and warranties set forth herein are true and correct in all material respects as of the Closing Date;

(v) Agency's certificate signed by the City Manager of CLV that all of Agency's representations and warranties set forth herein are true and correct in all material respects as of the Closing Date;

(vi) CLV's owner's affidavit sufficient to remove any standard printed exceptions from the Title Policy;

(vii) Agency's signed counterpart of two (2) originals of the Hall Lease;

(viii) Agency's signed counterpart of two (2) originals of the Space Lease;

(ix) Agency's signed counterpart of two (2) originals of the Agency Participation Agreement;

(x) Agency's signed and acknowledged counterpart of (i) the Required Rent Covenant, (ii) the Memorandum of Lease – Hall, (iii) the Memorandum of Lease – Space, (iv) the Parking License Memorandum Hall Lease, and (v) the Parking License Memorandum Space Lease;

(xi) Agency's signed and acknowledged counterpart of two (2) originals of the Parking License - Hall Lease;

(xii) Agency's signed and acknowledged counterpart of two (2) originals of the Parking License - Space Lease; and

(xiii) any other documents, instruments, data, records, correspondence or agreements called for under this Agreement which have not been delivered, if any.



(b) CLV shall be charged with the following fees, charges and costs after Escrow Agent has notified CLV of the amount of such fees, charges and costs, which shall be deducted from CLV's proceeds at the Close of Escrow:

(i) ad valorem taxes, if any, upon the Site for any time prior to conveyance of title;

(ii) any prorations due from CLV; and

(iii) the recording costs of the Deed.

16. Closing Instructions. Section 9.5 of the DDA is hereby deleted and the following substituted in lieu thereof:

9.5 Closing Instructions. On the Closing Date, Escrow Agent is authorized and instructed to:

(a) Record, in the following order, the Deed, the Project DSLURS, the Memorandum of Lease – Hall, the Memorandum of Lease – Space, the Parking License Memorandum Hall Lease, the Parking License Memorandum Space Lease, and the Required Rent Covenant.

(b) Deliver to CLV by wire transfer or intrabank transfer funds in an amount equal to the Closing Payment and CLV's closing costs in accordance with Section 1.1(b) above.

(c) Deliver to Developer the Title Policy.

(d) Prepare and submit to the Internal Revenue Service the information return and statement concerning the Closing of the Escrow required by Section 6045(e) of the Internal Revenue Code of 1986, unless the Information Return is not required under the regulations promulgated under Section 6045(e).

17. Instructions upon Recordation. Section 9.6 of the DDA is hereby deleted in its entirety and the following substituted in lieu thereof:

9.6 Instructions Upon Recordation. The instruments that are required to be recorded and/or delivered under this Agreement shall provide that the Recorder's Office shall return them to Escrow Agent after recordation, and upon receipt thereof, Escrow Agent shall deliver the following:

(a) to CLV: (i) a conformed copy of the recorded Deed; (ii) an original recorded Project DSLURS; (iii) a plain copy of the real property transfer tax declaration; (iv) an original recorded Required Rent Covenant; (v) an original recorded Memorandum of Lease – Hall; (vi) an original recorded

Memorandum of Lease – Space; (vii) an original counterpart of the Parking License - Hall Lease; (viii) an original counterpart of the Parking License - Space Lease; (ix) an original recorded Parking License Memorandum Hall Lease; (x) an original recorded Parking Memorandum Space Lease; (xi) the original of Developer’s certificate as to its representations and warranties; (xii) a counterpart of the fully signed Hall Lease; (xiii) a counterpart of the fully signed Space Lease; (xiv) a counterpart of the fully signed Agency Participation Agreement.

(c) to Developer: (i) an original of the recorded Deed; (ii) a conformed copy of the recorded Project DSLURS; (iii) a plain copy of the real property transfer tax declaration; (iv) a conformed copy of the recorded Required Rent Covenant; (v) a conformed copy of the recorded Memorandum of Lease – Hall; (vi) a conformed copy of the recorded Memorandum of Lease – Space; (vii) an original counterpart of the Parking License - Hall Lease; (viii) an original counterpart of the Parking License – Space Lease; (ix) a conformed copy of the recorded Parking License Memorandum Hall Lease; (x) a conformed copy of the recorded Parking License Memorandum Space Lease; (xi) an original of the Parking License - Space Lease in counterparts; (xii) an original of CLV’s certificate as to its representations and warranties; (xiii) a counterpart of the fully signed Hall Lease; (xiv) a counterpart of the fully signed Space Lease; (xv) a counterpart of the fully signed Agency Participation Agreement; and (xvi) the original of the Non-Foreign Transferor Declaration;

18. Developer Conditions to Close. Section 10.1 of the DDA is hereby deleted in its entirety and the following substituted in lieu thereof:

10.1 Closing Date and Conditions to Developer’s Obligation to Close. Subject to the terms of this Agreement, the Closing shall occur no later than thirty (30) days after permits are ready to be issued per the Schedule of Performance but in no event later than September 11, 2024 (“*Closing Date*”). Notwithstanding any other provision of this Agreement, Developer’s obligation to proceed with the Close of Escrow is subject to the fulfillment or waiver by Developer of each of the conditions precedent described below, which are solely for the benefit of Developer and which shall be fulfilled or waived by Developer at its sole discretion prior to the Close of Escrow:

(a) Neither CLV nor Agency shall be in violation of any of its material obligations under this Agreement, including, without limitation, CLV and Agency having executed, acknowledged where required, and deposited with Escrow Agent all of the documents and deposits required to be delivered and made by CLV or Agency (respectively) as required herein;

(b) Escrow Agent is prepared to issue the Title Policy as required herein;

(c) CLV's and Agency's respective representations and warranties set forth in this Agreement are true and correct in all material respects as of the Closing;

(d) CLV and Agency shall have made all Escrow deposits as specified in Section 9.3 and 9.4 and otherwise shall not be in material default of this Agreement; and

(e) The Parties have agreed upon the Employment Plan.

19. CLV and Agency Conditions to Close. Section 10.2 of the DDA is hereby deleted in its entirety and the following substituted in lieu thereof:

10.2 Conditions to CLV's and Agency's Obligations to Close. Notwithstanding any other provision of this Agreement, (i) CLV's and Agency's respective obligations to proceed with the Close of Escrow are subject to the fulfillment or waiver by CLV and the Agency of each of the conditions precedent described below, which are solely for the benefit of CLV and the Agency and which shall be fulfilled or waived by CLV and the Agency at their respective sole discretions prior to such Close of Escrow;

(a) Developer shall not be in violation of any of its material obligations under this Agreement, including, without limitation, (i) Developer having executed, acknowledged where required, and deposited with Escrow Agent all of the documents and deposits required to be delivered and made by Developer as required herein, and (ii) Developer being in full compliance with the Schedule of Performance in all respects in connection with all matters to be completed prior to Closing;

(a) Developer's representations and warranties set forth in this agreement are true and correct in all material respects as of the Closing;

(b) Developer shall have made all Escrow deposits as specified in Section 9.2 and 9.4 and otherwise shall not be in material default of this Agreement; and

(c) The Parties have agreed upon the Employment Plan.

20. CLV and Agency Default. Section 17.3 is hereby deleted in its entirety and the following substituted in lieu thereof:

17.3 CLV's and Agency Event of Default. The occurrence of any of the following prior to the Close of Escrow, shall be a CLV or Agency event of default hereunder:

(a) the failure of CLV 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 Agreement unless such failure is as a result of the failure to be

satisfied of one or more of CLV's conditions precedent to the Close of Escrow set forth in Section 0 above; or

(b) any of CLV's representations and warranties set forth in Section 7.3 above shall be untrue in any material way as of the Closing Date.

(c) the failure of Agency 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 Agreement unless such failure is as a result of the failure to be satisfied of one or more of Agency's conditions precedent to the Close of Escrow set forth in Section 0 above; or

(d) any of Agency's representations and warranties set forth in Section 7.3 above shall be untrue in any material way as of the Closing Date.

21. Developer's Remedies. Section 17.4 of the DDA is hereby deleted in its entirety and the following substituted in lieu thereof:

17.4 Developer's Remedies. In the event of a default by CLV and/or Agency prior to the Close of Escrow, Developer's sole remedy shall be to pursue one, and only one, of the following remedies:

(a) to waive such default;

(b) to terminate this Agreement and on such termination neither CLV nor the Agency shall have any liability or obligation hereunder to Developer, including, without limitation, any liability for Developer's costs and expenses incurred in connection with its undertakings under this Agreement or in any other way in connection with the Project. Upon such termination, Escrow Agent shall immediately refund to Developer its full Earnest Money Deposit; or

(c) to demand specific performance of CLV's and/or Agency's obligations under this Agreement.

22. SNDA. "SNDA" means "SNDA" as defined in Section 15.1 of the Hall Lease and Section 15.1 of the Space Lease. For clarity purposes, the Developer hereby acknowledges its obligations to obtain an SNDA pursuant to the terms of Section 15.1 of the Hall Lease and Section 15.1 of the Space Lease.

23. Agency Notices. The Parties agree that the following address for notices to the Agency is as follows:

Las Vegas Redevelopment Agency  
c/o Office of Economic and Urban Development

495 Main Street, 6th Floor  
Las Vegas, NV 89101  
Phone: (702) 229-6551  
Fax: (702) 385-3128  
Email: rysmith@lasvegasnevada.gov  
Attn: Ryan Smith, Director

24. Subsequent Approvals. Section 18.6 is hereby deleted in its entirety and the following substitute in lieu thereof:

18.6 Subsequent CLV Approvals. Any approvals of CLV or Agency required or permitted by the terms of this Agreement are authorized to be given by the City Manager of CLV or such other person that CLV designates in writing to Developer. If there is no time specified herein for CLV's or Agency's approval, Developer may submit a letter requiring CLV's or Agency's approval within thirty (30) days after submission to CLV or Agency or such approvals shall be deemed granted.

25. Schedule of Performance. The Parties agree that the Schedule of Performance is hereby deleted in its entirety from the DDA and the Scheduled of Performance attached hereto as Exhibit D is substituted in lieu thereof. The Parties agree that the Schedule of Performance is hereby deleted in its entirety from the Project DSLURS and the Scheduled of Performance attached hereto as Exhibit C-1 is substituted in lieu thereof.

26. Project Scope. Exhibit C-3 to the Project DSLURS will be amended to read as follows: "Developer will construct a mixed use project to consist of: (i) approximately 100 residential units, (ii) a parking area, (iii) approximately 15,695 square feet of commercial space (to be operated pursuant to the Hall Lease and the Space Lease), and (iv) mutually agreed design including incorporating historic elements, upgraded façade, amenities, landscaping and streetscape finished."

27. Employment Plan. Attached hereto as Exhibit Q is the Las Vegas Redevelopment Agency Employment Plan in effect. Developer agrees to comply with the plan in constructing the Project and to provide all reporting required thereunder. This will satisfy any obligation or condition contained in the DDA regarding the Parties agreeing to and finalizing an Employment Plan. Additionally, the Parties have addressed compliance with NRS 279.6096 in the Agency Agreements and as applicable will do so also in the TIF Agreement. Accordingly, Developer will have no further obligations with respect thereto arising under the DDA.

28. Entire Agreement. This First Amendment is executed in two (2) duplicate originals, each of which is deemed to be an original. This First Amendment includes Exhibits C-1 (to Project DSLURS) and Exhibits D, F, G, H, I, J, K, L, M, N, O, P and Q (to DDA) inclusively, attached hereto and incorporated herein by reference, all of which constitute the entire understanding and agreement of the Parties as regarding the subject matter of this First Amendment. The Agreement, as amended by this First Amendment, is intended by the Parties to be the final expression of their agreement with respect to the subject matter hereof, and is intended as the complete and exclusive statement of the terms of the agreement between the Parties. The

Agreement, as amended by this First Amendment, integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous amendments between the Parties with respect to all or any part of the subject matter hereof. All further amendments to the Agreement must be in writing and signed by the appropriate authorities of CLV, Agency and Developer. All waivers of the provisions of the Agreement, as modified by this First Amendment, must be in writing and signed by the appropriate authorities of CLV, Agency and Developer 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.

29. Effect. The Parties agree that in the event of any conflict between an express term of this First Amendment and an express term of the DDA, this First Amendment shall control. Except as provided in this First Amendment, the DDA remains in full force and effect as written. All references to “Agreement” shall mean the original Agreement as modified by this First Amendment.

30. Counterparts. This First Amendment may be executed in two or more counterparts, each of which shall be in original, but all of which shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties have entered into this First Amendment as of the Effective Date.

REMINDER OF PAGE LEFT BLANK

CITY OF LAS VEGAS, a Nevada municipal corporation

By: \_\_\_\_\_

Carolyn G. Goodman  
Mayor

Attest:

\_\_\_\_\_  
LuAnn D. Holmes City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Date

LAS VEGAS REDEVELOPMENT AGENCY, an agency  
organized under the laws of the State of Nevada

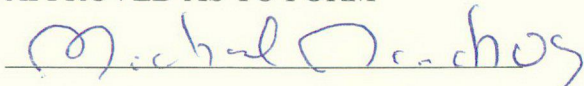
By: \_\_\_\_\_

Carolyn G. Goodman  
Chairperson

Attest:

\_\_\_\_\_  
LuAnn D. Holmes Secretary

APPROVED AS TO FORM



Michael Niarchos, Counsel

Date 11-20-23

ARTHAUS IV, LLC, a Nevada limited liability company

By: \_\_\_\_\_  
Sam Cherry, Authorized Signatory

FIRST AMEDMENT TO DISPOSITION AND DEVELOPMENT AGREEMENT  
AND PROJECT DSLURS  
ARTHAUS IV LLC

CC/RDA Meeting: \_\_\_\_\_  
CC Item # \_\_\_\_ RDA Item # \_\_\_\_

## **EXHIBITS**

### **PROJECT DSLURS EXHIBITS**

Exhibit C-1 – Schedule of Performance (to be attached to DSLURS at Closing)

### **DDA EXHIBITS**

Exhibit D – Schedule of Performance

Exhibit E – Intentionally Omitted

Exhibit F – Agency Participation Agreement

Exhibit G – Form of Hall Lease

Exhibit H – Form of Agency Reimbursement Agreement

Exhibit I – Form of Space Lease

Exhibit J – Form of Required Rent Covenant

Exhibit K – Form of Memorandum of Lease - Hall

Exhibit L – Form of Memorandum of Lease - Space

Exhibit M – Parking License - Hall Lease

Exhibit N – Parking License - Space Lease

Exhibit O – Form of Memorandum Parking License - Hall Lease

Exhibit P – Form of Memorandum Parking License - Space Lease

Exhibit Q – Employment Plan



## EXHIBIT D

### SCHEDULE OF PERFORMANCE

Subject to the terms and condition of the Declaration, and any Unavoidable Delays, the Developer and CLV agree the project shall be developed as follows:

| Action                                                                                                                                                      | Timing                                                              | Due Date                     |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|------------------------------|
| Effective Date of DDA                                                                                                                                       |                                                                     | October 19, 2022             |
| Due date for Earnest Money Deposit                                                                                                                          | 3 business days from the DDA Effective Date                         | 10/25/22                     |
| Open Escrow                                                                                                                                                 | Within 3 business days of the DDA Effective Date                    | 10/25/22                     |
| Feasibility Period [+ 30-day extension]                                                                                                                     | 90 days from DDA Effective Date                                     | 1/19/23                      |
| Submit Site Plan Development Review (SDR) documents to the City of Las Vegas Planning Department for Site Development Plan Pre-Application Meeting          | Within 120-150 days of DDA Effective Date                           | 1/05/23 (for March Planning) |
| Pre-application meeting                                                                                                                                     | Within 14 days of SDR submission                                    | 1/19/23                      |
| Submit Site Plan Development Review (SDR) documents to the City of Las Vegas Planning Department for Site Development Plan Review                           | Within 14 days of Pre-App meeting                                   | 1/20/23                      |
| Entitlement hearing                                                                                                                                         | First Planning Commission meeting following pre-application meeting | 3/7/23; completed 5/9/23     |
| Post-Entitlement Meeting scheduled                                                                                                                          | Within 14 days of entitlement hearing                               | 3/21/23                      |
| Submit 70% Plans for RDA review                                                                                                                             | Within 90 days of the Entitlement hearing                           | 2/29/24                      |
| Submit for permits. Developer will submit 100% complete construction documents to the City of Las Vegas Development Services to secure permits for review   | 60 days following submission of the 70% Plans                       | 4/1/24                       |
| Letter or Email from Building Services that all reviews have been completed and permits are ready to be pulled                                              | At least 10 days prior to closing                                   | 9/1/24                       |
| Submit evidence of written consent for the equity capital and non-binding expression of interest for construction financing to CLV for review and approval. | No later than 10 days prior to Close of Escrow                      | 8/20/24                      |

| <b>Action</b>                                                                                                             | <b>Timing</b>                                                                   | <b>Due Date</b> |
|---------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------|-----------------|
| Close of Escrow                                                                                                           | 10 days following approval of construction documents required to secure permits | 9/11/24         |
| Secure final permits from Development Services<br>Building Permit Approval from City of Las Vegas<br>Development Services | No later than 30 days after Close of Escrow                                     | 10/11/24        |
| Commence Construction                                                                                                     | No later than 30 days after permits have been issued by the City                | 10/11/24        |
| Completion of Construction                                                                                                | No later than 18 months after Commencement of Construction                      | April 2026      |
| Certificate of occupancy received                                                                                         | Within 30 days of Completion of Construction                                    | May 2026        |
|                                                                                                                           |                                                                                 |                 |

## EXHIBIT F

### AGENCY PARTICIPATION AGREEMENT

THIS AGREEMENT ("Agreement") is entered into as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ by and between the CITY OF LAS VEGAS REDEVELOPMENT AGENCY, a public body, corporate and politic ("Agency") and ARTHAUS IV LLC, a Nevada limited liability company ("Developer").

#### WHEREAS:

A. Developer and the City of Las Vegas, Nevada (the "City") and the Agency have entered into that Disposition and Development Agreement dated October 19, 2022, as amended by that First Amendment to Disposition and Development Agreement and Project DSLURS dated \_\_\_\_\_ 2023 (collectively, the "DDA") pursuant to which the City has conveyed the Site (defined below) to Developer for the development of the Project (defined below) by Developer Capitalized terms not otherwise defined in this Agreement shall have the meanings ascribed to them in the DDA. In the event of any conflict between this Agreement and the DDA, the DDA shall control.

B. Concurrently with the execution of this Agreement, (i) City has conveyed the Site to Developer and (ii) City and Developer have entered into and recorded against the Site the Project DSLURS as contemplated by the DDA.

C. Agency has agreed to reimburse Developer for certain hard costs of construction of the Project on the terms and conditions as provided herein.

#### 1. Purpose of this Agreement

(a) The purpose of this Agreement is to help to effectuate the Redevelopment Plan (as hereinafter defined) for the Downtown Las Vegas Redevelopment Area (as hereinafter defined) by providing for the redevelopment of certain real property (the "Site") included within the boundaries of the Redevelopment Area.

(b) The development of the Site pursuant to the DDA and the Project DSLURS is in the vital and best interests of the City of Las Vegas, Nevada (the "City"), and the health, safety and welfare of its residents, and in accord with the public purposes and provisions of applicable federal, state and local laws and requirements.

(c) As part of the development of the Site, Agency is willing to reimburse Developer for installation of certain improvements to be constructed on the Site defined herein as "QI" as further set forth herein.

#### 2. The Redevelopment Plan

This Agreement is subject to the provisions of the Redevelopment Plan which was approved and adopted on March 5, 1986, by the City Council of the City by Ordinance No.

3218, as amended and as restated pursuant to that Second Amended and Restated City of Las Vegas Development Plan adopted by City Council on December 16, 2015 (collectively, the "Redevelopment Plan"). The Redevelopment Plan, as it now exists and as it may be subsequently amended, is incorporated herein by reference and made a part hereof as though fully set forth herein.

### **3. The Redevelopment Area**

The Redevelopment Area is located in the City and the exact boundaries thereof are specifically described in the Redevelopment Plan and in a document recorded March 11, 1986, as Instrument No. 00777, Book 860311, and amended in the document recorded February 11, 1988, Instrument No. 00382, Book 880211, and further amended in the document recorded November 22, 1996, as Instrument No. 00847, Book 961122, and further amended in the document recorded June 8, 2004, as Instrument No. 20040608, Book 0004235, and further amended in the document recorded on June 6, 2006, as Instrument No. 20060602, Book 0001395, in the Office of County Recorder of Clark County, and further amended in the document recorded on September 12, 2012, as Instrument No. 20120912, Book 0001933, in the Office of County Recorder of Clark County, and further amended in the document recorded on March 23, 2017, as Instrument No. 20170323, Book 0001012, in the Office of County Recorder of Clark County, which documents are incorporated herein by reference and made a part hereof as though fully set forth herein (the "Redevelopment Area").

### **4. The Site**

The Site is that portion of the Redevelopment Area generally located at D street and Jefferson Avenue, Las Vegas, Nevada, APN's: 139-27-211-021, 025, 028, 029, 030, 031 as shown on the map of the Site attached hereto as Attachment "A", and as more particularly described in the legal description of the Site attached hereto as Attachment "B".

### **5. Parties to this Agreement**

(a) Agency is a public body, corporate and politic, exercising governmental functions and powers and organized and existing under the Community Redevelopment Law of the State of Nevada as set forth in Nevada Revised Statutes Chapter 279. The office of Agency is located at 495 S. Main Street, 6th Floor, Las Vegas, Nevada 89101. "Agency" is used in this Agreement means the City of Las Vegas Redevelopment Agency and any successor entity thereof.

(b) Developer is a Nevada limited liability company, whose address is 2808 Ashworth Circle, Las Vegas, Nevada 89107 (with a copy to Bennett Law Group, PLLC, 10795 W. Twain Avenue, Suite 100, Las Vegas, Nevada 89135, Attn: Dean S. Bennett), which is managed by Sam Cherry ("Managing Member"). Wherever the term "Developer" is used herein, such term shall include any permitted nominee, assignee or successor in interest as herein permitted, if any.

(c) The qualifications and identity of Developer and of the Managing Member and owners of Developer are of particular concern to Agency, and it is because of such qualifications and identity that Agency has entered into this Agreement with Developer. Developer, therefor, has agreed pursuant to the Project DSLURS (as defined in the DDA) that until such time as the construction of the Project is complete), (i) Developer shall not convey any interest in the Site and Project whether by deed, lease (other than in the ordinary course of business), or transfer any interest in the Site and/or Project (except that Developer shall have the right to put a deed of trust, mortgage, and other financing instruments on the Site and Project in connection with any required acquisition loan(s), construction loan(s), bridge loan(s), and permanent loan(s) for the Site and Project), and (ii) the members of Developer shall not sell, convey, assign or transfer a majority portion of their interests (other than collateral pledges as may be required for any loans on the Site and Project), without prior written consent or approval of Agency which may be granted or withheld at Agency's discretion. No voluntary or involuntary successor in interest of Developer shall acquire any rights or powers under this Agreement except as expressly set forth herein. "Developer", as used in this Agreement means the Developer identified above and any assignee of, or successor to, its rights, powers and responsibilities. Without limitation, Developer has the right to develop the Project in conjunction with one or more entities controlled by or under common control with Developer (each, a "Developer Affiliate"), and Developer has the right to assign rights and delegate duties under this Agreement to any Developer Affiliate; provided, however, that Developer shall not be relieved of any of its obligations hereunder. Upon any such assignment, Developer shall provide an updated Disclosure of Principals.

## **6. The Project**

(a) The improvements to be constructed upon the Site (the "Project") shall be the Specific Facilities as approved under the DDA and Project DSLURS), as generally described on Attachment "C" attached hereto and is hereinafter referred to as the "Project." Developer agrees to construct the Project in strict conformance with the Specific Facilities as approved under the DDA and Project DSLURS. Developer and Agency acknowledge and agree that as presently contemplated, the Project as presently contemplated will include three (3) separate buildings (the "Buildings"). Attached hereto as Attachment "D" is a current depiction and site plan of the Buildings and the overall Project. Developer agrees that the Project shall be in conformance with the approved Specific Facilities, and the requirements of the DDA and Project DSLURS, in all material respects.

(b) As part of the Project, Developer agrees to install those improvements set forth and described on Attachment "E" and referred to herein as the "QI" in strict conformance with Attachment "E".  
—

(c) Developer agrees to construct the Project in accordance with its Employment Plan attached hereto as Attachment "F". The Agency may withhold an amount equal ten percent (10%) of the value of any QI Reimbursements pending Developer's reasonable proof of compliance with its Employment Plan, in accordance with NRS 279.6096. Upon proof of compliance, Agency shall pay to Developer any amounts withheld hereunder, and Agency's rights to withhold payments hereunder shall automatically terminate.

## **7. Reimbursement of Qualified Improvement Costs**

(a) Subject to Developer fulfilling the conditions precedent to receiving reimbursement below, Agency agrees to reimburse Developer toward the cost of the QI, in an amount not to exceed One Million Dollars (\$1,000,000.00) (the "QI Reimbursement").

(b) In order for Developer to qualify for the QI Reimbursement, the following conditions must be met ("Conditions"):

(i) The Project (including the QI) must be completed in conformance with Section 6(a);

(ii) A temporary or final certificate of occupancy must be issued by the City permitting occupancy and use of each of the Buildings for their respective intended use;

(iii) Developer has submitted to Agency proof in the form of materials and other information required by Agency that the cost of construction of the Project and the QI has been paid in full and that there are no outstanding mechanics liens or claims related to such QI. Such proof shall include, but not limited to, the following: invoices and/or receipts, dated, marked paid and cancelled checks and/or credit card statements showing payment and Developer's affidavit in form reasonably acceptable to Agency that there are no outstanding mechanics liens or claims related to the QI;

(iv) Developer has complied with the Project Agreements and is not in default of any of the Project Agreements; and

(v) The City has issued a business license to Developer for each of the Buildings (except that the foregoing shall not extend to any business license required to be obtained by any third party tenant or subtenant of any of the Buildings).

Agency shall pay the QI Reimbursement to Developer within forty-five (45) days after the fulfillment of the conditions set forth in this Section 7(b).

## **8. General Representations**

Developer hereby represents and warrants that:

1. This Agreement and all agreements, instruments and documents herein provided to be executed are duly executed and binding on Developer.

2. No approvals or consents not heretofore obtained by Developer are necessary in connection with the execution of this Agreement by Developer or with the performance by Developer of its obligations hereunder.

3. This Agreement does not now or shall not hereafter breach, invalidate, cancel, make inoperative or interfere with any contract, agreement, instrument, mortgage, deed of trust, promissory note, lease, bank loan or credit agreement to which Developer is subject.

## **9. Rights of Access**

For the purposes of assuring compliance with this Agreement, representatives of Agency shall have the right of reasonable access to the Site and Project without charges or fees and at normal construction hours during the period of construction for the purposes of this Agreement, including, but not limited to, the inspection of the work being performed in constructing the improvements. Such representatives of Agency shall be those who are so identified in writing by the Executive Director of Agency.

## **10. Antidiscrimination During Construction**

Developer, for itself and its successors and assigns, agrees that in the construction of the Project provided for in this Agreement, Developer will not discriminate against any employee or applicant for employment because of race, color, creed, religion, sex, age, ancestry or national origin.

## **11. Prohibition Against Transfer of Site, the Buildings or Structures Thereon and Assignment of Agreement**

Developer shall not, except as expressly permitted by the Project DSLURS, sell, transfer, convey, assign or lease the whole or any part of the Site or the buildings or improvements thereon without the prior written approval of Agency. This prohibition shall not apply subsequent to the issuance of the Certificate of Completion with respect to the Project and the payment of the QI to Developer. This prohibition shall not be deemed to prevent the granting of easements or permits to facilitate the development of the Site. In the absence of specific written agreement by Agency, no such transfer, assignment or approval by Agency shall be deemed to relieve Developer or any other party from any obligations under this Agreement until completion of development as evidenced by the issuance of a Certificate of Completion therefor. Notwithstanding the foregoing, Developer shall have the right to place one or more deeds of trust and related financing statements and other loan documents on the Site in order (i) to secure the financing of the costs of construction of the project and (ii) to secure any permanent financing of the project.

## **12. Certificate of Completion**

Upon the issuance of a temporary certificate of occupancy or final certificate of occupancy by the City permitting occupancy and use of each of the Buildings for their respective intended use, a Certificate of Completion in the form attached hereto as Attachment "G" shall be executed and recorded by Agency and Developer for the Project.

The Certificate of Completion for the Project shall be, and shall so state therein that it is, a conclusive determination of the satisfactory completion of the construction required by this Agreement upon the Project or such portion thereof and of material compliance with the terms hereof. After issuance of the Certificate of Completion for the Project, any party then owning or thereafter purchasing, leasing or otherwise acquiring any interest in the Project covered by said Certificate of Completion shall not (because of such ownership, purchase, lease or acquisition) incur any obligation or liability under this Agreement. Except as otherwise provided herein, after the issuance of the Certificate of

Completion for the Project, neither Agency, the City nor any other person shall have any rights, remedies or controls with respect to the Project that it would otherwise have or be entitled to exercise under this Agreement as a result of a default in or breach of any provision of this Agreement. Specifically, but not by way of limitation, upon issuance of the Certificate of Completion, the prohibition against transfer shall no longer be applicable with respect to the portion of the Site in Project.

Agency shall not unreasonably withhold or delay the Certificate of Completion. If Agency refuses or fails to furnish the Certificate of Completion for the Project after written request from Developer, Agency shall, within ten (10) days of such written request, provide Developer with a written statement of the reasons Agency refused or failed to furnish the Certificate of Completion. The statement shall also contain Agency's opinion of the action Developer must take to obtain a Certificate of Completion. If Agency shall have failed to provide such written statement within said ten (10)-day period, Developer shall be deemed entitled to the Certificate of Completion. The Certificate of Completion for the Project shall not constitute evidence of compliance with or satisfaction of any obligation of Developer to any holder of a mortgage or any insurer of a mortgage securing money loaned to finance Project improvements or any part thereof.

Execution of the Certificate of Completion as to the Project by Agency and Developer shall satisfy all obligations to execute and record a Certificate of Completion contained in this Agreement.

For avoidance of doubt, Agency agrees that the issuance of the Certificate of Completion is not a condition precedent to payment of the QI Reimbursement.

### **13. Maintenance**

Developer hereby covenants and agrees for itself, its successors, assigns and every successor in interest in the Site, for the Term, to maintain the improvements on the Site and keep the Site free from any accumulation of debris or waste materials and to maintain the landscaping required to be planted in accordance with the Plans and Drawings in a healthy condition. If at any time Developer, or its successors in interest, shall fail to keep the Site free of debris or waste materials or to maintain said landscaping in a healthy condition, and said condition is not corrected within thirty (30) days after written notice from Agency, either Agency or the City may perform the necessary cleanup or landscape maintenance, and Developer, or its successors in interest, shall pay such costs as are reasonably incurred for such cleanup or landscape maintenance. The foregoing covenants shall run with the land for the Term. The "Term" begins on the Effective Date of this Agreement and ends on the date that is fifteen (15) years thereafter.

### **14. Notices, Demands and Communications Between the Parties**

Formal notices, demands and communications between Agency and Developer shall be sufficiently given if dispatched by reputable overnight courier or registered or certified mail,



postage prepaid, return receipt requested, to the principal offices of Agency and Developer as set forth in Sections 5(a) and 5(b) hereof, and shall be deemed given two (2) business days after delivery to a reputable overnight courier for next business day delivery, or five (5) days after delivery to the U.S. Postal Service for delivery by registered or certified mail. Such written notices, demands and communications may be sent in the same manner to such other addressees as either party may from time-to-time designate by mail.

#### **15. Conflict of Interests**

No member, official or employee of Agency shall have any personal interest, direct or indirect, in this Agreement, nor shall any such member, official or employee participate in any decision relating to this Agreement which affects his personal interests or the interests of any corporation, partnership or association in which he is directly or indirectly interested.

#### **16. Non-liability of Agency or Developer Officials and Employees**

No member, official or employee of Agency shall be personally liable to Developer in the event of any default or breach by Agency or for any amount which may become due to Developer or on any obligations under the terms of this Agreement. No member, manager, employee, or agent of Developer shall be personally liable to Agency in the event of any default or breach by Developer or for any amount which may become due to Agency or on any obligations under the terms of this Agreement.

#### **17. Enforced Delay: Extension of Times of Performance**

Except for the payment of any sums due hereunder, the performance by any party hereunder shall not be deemed to be in default where delays or defaults are due to war; insurrection; strikes; lock-outs; riots; floods; earthquakes; fires; casualties; acts of God; acts of a public enemy; epidemics; quarantine restrictions; freight embargoes; lack of transportation; governmental restrictions; litigation, including delays beyond the reasonable control of Agency; unusually severe weather; inability to secure necessary labor, materials or tools; delays of any contractor, subcontractor or supplier; acts of another party; acts or the failure to act of any public or governmental agency or entity (except that acts or the failure to act of Agency shall not excuse performance by Agency) or any other causes beyond the reasonable control or without the fault of the party claiming an extension of time to perform. An extension of time for any such cause shall only be for the period of the enforced delay, which period shall commence to run from the time of the commencement of the cause. If, however, notice by the party claiming such extension is sent to the other parties more than thirty (30) days after the commencement of the cause, the period shall commence to run only thirty (30) days prior to the giving of such notice. Times of performance under this Agreement may also be extended in writing by Agency and Developer.

#### **18. Amendments to this Agreement**

Developer and Agency agree to mutually consider reasonable requests for amendments

to this Agreement which may be made by any of the parties hereto, lending institutions, or bond counsel or financial consultants to Agency, provided such requests are consistent with this Agreement and would not substantially alter the basic business terms included herein.

## **19. Disclosure of Principals**

Pursuant to Resolution RA-4-99 adopted by the governing board of Agency effective October 1, 1999, Developer warrants that it has disclosed, on the form attached hereto as Attachment "H", all principals, including partners of Developer, as well as all persons and entities holding more than 1% interest in Developer and or any principal of Developer. Until such time as the Certificate of Completion is issued, Developer shall notify Agency in writing of any material change in the above disclosure within 15 (fifteen) days of any such change.

## **20. Default**

During the Term of this Agreement, the occurrence of the following shall constitute a "Developer Event of Default":

- (a) Developer is in default of Section 2.1 of the Project DSLURS, following passage of the notice and cure periods specified in Section 4.3 of the Project DSLURS; and/or
- (b) Developer is in default of Section 2.2(a) of the Project DSLURS, following passage of the notice and cure periods specified in Section 4.3 of the Project DSLURS.

In the event of Developer Event of Default, Agency shall have the right to terminate this Agreement, and this Agreement shall so terminate, on the date that the written notice of termination is received by Developer or such other date as may be specified in the written notice. Upon such termination, any obligation of Agency to pay the QI Reimbursement shall terminate and Agency thereafter shall not be required to pay the QI Reimbursement.

## **21. Entire Agreement Waivers and Amendments and Counterparts**

This Agreement is executed in two (2) duplicate originals, each of which is deemed to be an original. This Agreement, together with Attachments "A" to "H", attached hereto and incorporated herein by reference, all of which (together with the DDA and Project Documents) constitute the entire understanding and agreement of the parties.

This Agreement 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. Time for acceptance by agency

All waivers of the provisions of this Agreement must be in writing and signed by the appropriate authorities of Agency and Developer and all amendments hereto must be in writing and signed by the appropriate authorities of Agency and Developer.

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original as against any party whose signature appears thereon, and all of which shall together constitute one and the same instrument. This Agreement shall become

binding when one or more counterparts hereof, individually or taken together, shall bear the signatures of all of the parties reflected hereon as the signatories. Executed copies hereof may be delivered by facsimile or e-mail and upon receipt will be deemed originals and binding upon the parties hereto, regardless of whether originals are delivered thereafter.

**20. Time for Acceptance by Agency**

This Agreement, when executed by Developer and delivered to Agency, must be authorized, executed and delivered by Agency fifteen (15) days from the date of signature by Developer or this Agreement shall be void, except to the extent that Developer shall consent in writing to further extensions of time for the authorization, execution and delivery of this Agreement.

EXECUTION BLOCKS ON NEXT PAGE

By executing this Agreement and submitting it to Agency, Developer is making an irrevocable offer to enter into this Agreement, which offer shall continue for the period of time specified above. The effective date of this Agreement shall be the date when this Agreement has been signed by Agency.

CITY OF LAS VEGAS REDEVELOPMENT  
AGENCY

ARTHAUS IV, LLC, a Nevada limited  
liability company

By: \_\_\_\_\_  
Carolyn G. Goodman, Chair

By: \_\_\_\_\_

Name: \_\_\_\_\_

ATTEST:

Its: \_\_\_\_\_

\_\_\_\_\_  
LuAnn D. Holmes, Secretary

Approved as to Form:

\_\_\_\_\_  
Date

AGENCY PARTICIPATION AGREEMENT  
ARTHAUS IV, LLC

## **ATTACHMENTS**

|                |                                       |
|----------------|---------------------------------------|
| Attachment "A" | Site Map                              |
| Attachment "B" | Legal Description of Site             |
| Attachment "C" | Scope of Project                      |
| Attachment "D" | Site Plan                             |
| Attachment "E" | Description of Qualified Improvements |
| Attachment "F" | Employment Plan                       |
| Attachment "G" | Form of Certificate of Completion     |
| Attachment "H" | Disclosure of Principals              |

ATTACHMENT "A"

SITE MAP



## **ATTACHMENT “B”**

### **Legal Description of Site**

#### **APNs 139-27-211-024, 025, 028, 029, 030, 031**

Lots One (1), Two (2), Three (3), Four (4), Five (5), Six (6), and Seven (7) in Block Thirteen (13) of that subdivision known as VALLEY VIEW ADDITION, as shown by plat thereof on file in the office of the county recorder, Clark County, Nevada in Book 1 of Plats, at Page 50.

Excepting therefrom that portion as conveyed in that certain Grant Deed recorded November 06, 1987 in Book 871106, Instrument No. 00547, Official Records, Clark County, Nevada.

Further excepting therefrom that portion as conveyed in that certain Grant Deed recorded November 06, 1987 in Book 871106, Instrument No. 00548, Official Records, Clark County, Nevada.

## **ATTACHMENT “C”**

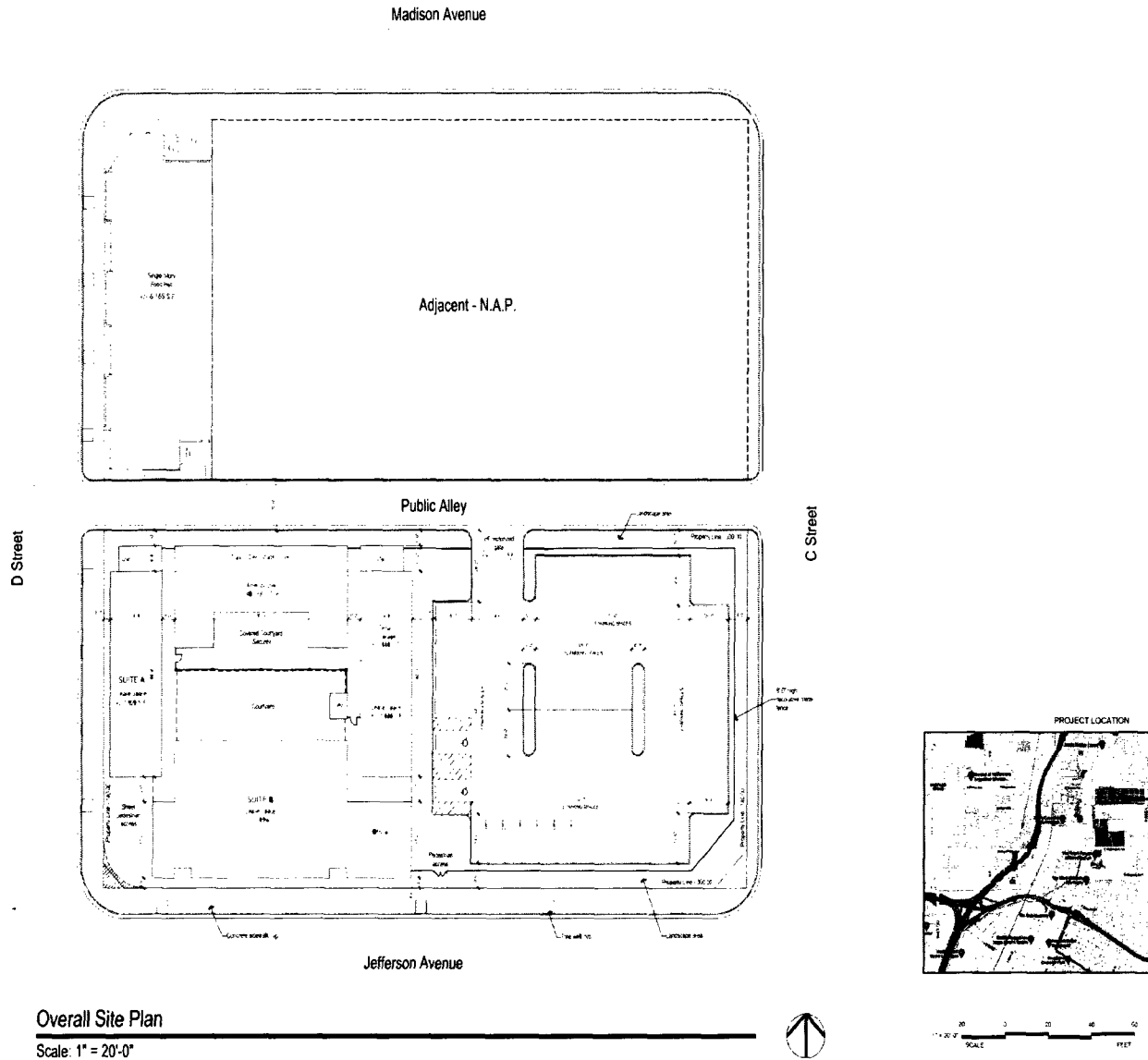
### **Scope of Project**

The “Project” is a development to be constructed on the Site to consist of: (i) approximately 100 residential units, (ii) a parking area, (iii) approximately 15,695 square feet of commercial space and (iv) mutually agreed design including incorporating historic elements, upgraded façade, amenities, landscaping and streetscape finished.



# ATTACHMENT "D"

## Site Plan



[Note: The foregoing drawings are based on presently available information but pending approval from governmental authorities is subject to revision with respect to building area, footprint, appearance, layout, design, and in certain other respects.]

## ATTACHMENT "E"

### Description of Qualified Improvements

#### SCOPE

|                                       |        |                |
|---------------------------------------|--------|----------------|
| Cut and remove pavement for utilities | \$     | 21,500.00      |
| Earthwork                             | \$     | 42,000.00      |
| Water/Sanitary Sewer                  | \$     | 210,000.00     |
| Electrical main service               | \$     | 48,000.00      |
| Mill/Overlay D and Jefferson St       | \$     | 265,000.00     |
| Sidewalk                              | \$     | 135,000.00     |
| Curb/Gutter                           | \$     | 29,000.00      |
| Street Light                          | \$     | 8,500.00       |
| Landscape                             | \$     | 45,000.00      |
| <br>TOTAL                             | <br>\$ | <br>804,000.00 |

[Note: This is an estimated scope in which an increased amount can but shall not exceed \$1,000,000.]

**ATTACHMENT "G"**

**Form of Certificate of Completion**

APN: 139-27-211-024, 025, 028, 029, 030, 031

Recording Requested by/  
Return Documents to/  
Mail Tax Statements to:

Executive Director  
City of Las Vegas Redevelopment Agency  
495 S. Main Street, 6<sup>th</sup> Floor  
Las Vegas, Nevada 89101

**CERTIFICATE OF COMPLETION OF CONSTRUCTION AND DEVELOPMENT**

WHEREAS, pursuant to the Agency Participation Agreement dated \_\_\_\_\_, 202\_\_ (the "APA"), the City of Las Vegas Redevelopment Agency, a public body, corporate and politic, hereinafter referred to as the "Agency," provided assistance to Arthaus IV LLC, a Nevada limited liability company, hereinafter referred to as the "Developer," for construction and development of a certain redevelopment project described in the APA and situated in the Las Vegas, Nevada; and

WHEREAS, as referenced in the APA, Developer shall certify to Agency that all construction and development on the Project (as defined in the APA) has been substantially completed in compliance with the APA; and

WHEREAS, as referenced in the APA, Agency shall furnish Developer with a Certificate of Completion of all construction and development upon the Site, which Certificate shall be in such form as to permit to be recorded in the Recorder's Office of Clark County; and

WHEREAS, such certificate shall be conclusive determination of satisfactory completion of the construction and development on the Site required by the APA.

**NOW, THEREFORE:**

1. Developer hereby certifies to Agency that all construction on the Project has been completed in compliance with the APA, including without limitation, the issuance of a certificate of occupancy for the apartment rental units of the project and such rental units are now legally available for occupancy.

2. Agency agrees and does hereby certify that the construction development on the Site has been fully and satisfactorily performed and completed as required by the APA.

CITY OF LAS VEGAS REDEVELOPMENT  
AGENCY

ARTHAUS IV LLC, a Nevada limited  
liability company

By: \_\_\_\_\_  
Carolyn G. Goodman, Chair

By: \_\_\_\_\_

Name: \_\_\_\_\_

ATTEST:

Its: \_\_\_\_\_

\_\_\_\_\_  
LuAnn D. Holmes, Secretary

Approved as to Form:

\_\_\_\_\_  
Date

STATE OF NEVADA       )  
                                  )ss.  
COUNTY OF CLARK       )

      This instrument was acknowledged before me, a notary public, on this \_\_\_\_ day of  
\_\_\_\_\_, 20\_\_\_\_, by \_\_\_\_\_, Chairperson of the City of  
Las Vegas Redevelopment Agency.

\_\_\_\_\_  
Notary Public

STATE OF                )  
                                  )ss.  
COUNTY OF            )

      This instrument was acknowledged before me, a notary public, on this \_\_\_\_ day of  
\_\_\_\_\_, 20\_\_\_\_, by \_\_\_\_\_, as  
\_\_\_\_\_ of Arthaus IV LLC, a Nevada limited liability company.

\_\_\_\_\_  
Notary Public

EXHIBIT "A"

Legal Description

**APNs 139-27-211-024, 025, 028, 029, 030, 031**

Lots One (1), Two (2), Three (3), Four (4), Five (5), Six (6), and Seven (7) in Block Thirteen (13) of that subdivision known as VALLEY VIEW ADDITION, as shown by plat thereof on file in the office of the county recorder, Clark County, Nevada in Book 1 of Plats, at Page 50.

Excepting therefrom that portion as conveyed in that certain Grant Deed recorded November 06, 1987 in Book 871106, Instrument No. 00547, Official Records, Clark County, Nevada.

Further excepting therefrom that portion as conveyed in that certain Grant Deed recorded November 06, 1987 in Book 871106, Instrument No. 00548, Official Records, Clark County, Nevada.

**Exhibit G**  
**Form of Hall Lease**

**MASTER LEASE**

THIS MASTER LEASE (the "Lease") is entered into this \_\_\_\_ day of \_\_\_\_\_, 202\_ (the "Effective Date") by and between ARTHAUS IV, LLC, a Nevada limited liability company (the "Landlord"), and the CITY OF LAS VEGAS REDEVELOPMENT AGENCY, an agency organized under the laws of the State of Nevada (the "Tenant", and together with the Landlord, the "Parties").

**ARTICLE I**

**BASIC LEASE PROVISIONS**

1.1 **Definitions.** The following capitalized terms shall have the following meanings:

**Building:** The structure to be constructed upon the Site to contain the Premises, as shown on Exhibit B.

**Certificate of Completion:** A certificate of completion issued by the City of Las Vegas Department of Building and Safety pursuant to applicable ordinances, rules, standards, and procedures, to signify substantial compliance with the technical codes of the City of Las Vegas regulating building construction or use, a sample of the current form of which is attached hereto as Exhibit J.

**Dispute Resolution:** As defined in Section 19.15.

**Landlord's Broker:** None

**Landlord's Name and Address:**

ARTHAUS IV, LLC  
2808 Ashworth Circle  
Las Vegas, NV 89107  
Attn: Sam Cherry

With a copy to:

Bennett Law Group PLLC  
10795 West Twain Avenue, Suite 100  
Las Vegas, NV 89135  
Attn: Dean Bennett

**Landlord Work:** As defined in Exhibit D.

**Landlord's Plans:** As defined in Exhibit D.

|                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|-----------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Laws:</b>                      | "Laws" shall mean all of the applicable statutes, ordinances, rules, codes, requirements, permits, regulations, orders, rulings, cases, or the like, of any governmental authority, including any court, whether federal, state, or local.                                                                                                                                                                                                                                                                                                                       |
| <b>Lease Commencement Date:</b>   | The date which is the first day of the first calendar month after Landlord delivers exclusive possession of the Premises to Tenant with Landlord's Work substantially complete and the City of Las Vegas has delivered a Certificate of Completion for the Building as described in Section 2.3.                                                                                                                                                                                                                                                                 |
| <b>Lease Year:</b>                | That period of time commencing on the Lease Commencement Date and ending on the last day of twelve full calendar months thereafter and each twelve full calendar month period thereafter.                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Term:</b>                      | The Term of this Lease will commence on the Lease Commencement Date and expire no later than the last day of one hundred eightieth (180th) full calendar month occurring after the Lease Commencement Date, unless extended by the valid and timely exercise of an Option to Extend. For clarity purposes, if the date on which the Term is scheduled to end pursuant to the foregoing definition is other than the last day of a calendar month, the Term shall automatically be extended to the next succeeding date that is the last day of a calendar month. |
| <b>Minimum Base Rent:</b>         | Attached as <u>Exhibit C</u> is a schedule of the Minimum Base Rent to be paid during the Lease Term and any Option period.                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Memorandum of Lease:</b>       | That certain memorandum of this Lease recorded against the Site in conjunction with the close of escrow of the purchase of the Site by Landlord in the form of the attached <u>Exhibit K</u> .                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Memorandum Amendment Form:</b> | That certain Amendment to Memorandum of Lease in the form of the attached <u>Exhibit K-1</u> .                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Operating Expenses:</b>        | As defined in Article VI.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Option to Extend:</b>          | As defined in Section 2.6.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |



**Parking License:** That Parking License recorded against the Related Landlord Property in conjunction with the close of escrow of the purchase of the Related Landlord Property by the owner of the Related Landlord Property (i.e., Landlord or Landlord's affiliate).

**Permitted Use:** As defined in Section 2.5.

**Premises:** The "Premises" consist of the entire interior of the Building.

**Project:** The Project is to be a building built on the Site by Landlord which is to be leased to Tenant under this Lease for the Permitted Uses. For avoidance of doubt, the term "Project" and/or Premises does not include any of the Related Landlord Property and/or all improvements constructed on the Related Landlord Property.

**Related Landlord Property:** As legally described and depicted on Exhibit G.

**Rentable Area:** The term "Rentable Area" shall include all areas in the Building measured from the interior surface of exterior walls and from the extensions thereof, in the case of openings. No deduction or exclusion shall be made from Rentable Area by reason of columns, stairs, elevators, escalators, or other interior construction or equipment within the Premises.

**Rent Commencement Date:** The Rent Commencement Date shall be the Lease Commencement Date.

**Rules and Regulations:** See Exhibit I

**Site:** That real property described and depicted on Exhibit A attached hereto.

**Tenant's Broker:** None

**Tenant Improvement Allowance:** The sum of twenty-five thousand dollars (\$25,000.00).

**Tenant's Name:** City of Las Vegas Redevelopment Agency, an agency organized under the laws of the State of Nevada

**And Address:** 495 S. Main Street, 6th Floor  
Economic and Urban Development Department  
Las Vegas, NV 89101  
Attn: Ryan Smith, Director

With a copy to:

Office of the City Attorney  
495 S. Main Street, 6th Floor  
Las Vegas, NV 89101  
Attn: John Ridilla, Deputy City Attorney

**Tenant Work:** As defined in Exhibit E.

**Tenant's Construction Plans:** As defined in Exhibit E.

**SNDA:** As defined in Section 15.1.

1.2 **Exhibits.** The following documents are attached hereto and made a part hereof:

Exhibit A: Site Legal Description

Exhibit B: Building Preliminary Site Plan

Exhibit C: Base Rent Schedule

Exhibit D: Landlord Work

Exhibit E: Tenant Work/Tenant Alterations

Exhibit F: Disclosure of Principals

Exhibit G: Landlord Related Property

Exhibit H: Parking License

Exhibit I: Rules and Regulations

Exhibit J: Form of Certificate of Completion

Exhibit K: Form of Memorandum of Lease

Exhibit K-1: Form of Amendment to Memorandum of Lease

Exhibit L: Prohibited Uses

## **ARTICLE II**

### **PREMISES**

2.1 **Lease of Premises.** In consideration of the performance by Tenant of its obligations as set forth herein, Landlord hereby leases to Tenant and Tenant hereby leases from Landlord the Premises for the Term. The Parties agree (i) to memorialize the Lease Commencement Date and

Rent Commencement Date and (ii) to amend the Memorandum of Lease to set forth the actual Term by entering into and recording the Amendment to the Memorandum of Lease.

**2.2 Rentable Area.** Concurrently with the completion of Landlord's Work, Landlord shall provide Tenant with the number of gross square feet of Rentable Area comprising the Premises. The measurement of the number of gross square feet of Rentable Area shall be made by Landlord's architect. Within 10 days following such determination by Landlord, Tenant shall have the right to conduct its own measurement of the Rentable Area comprising the Premises. If Tenant does not timely provide its own measurement, Tenant shall be deemed for all purposes to have accepted and to have agreed to Landlord's determination. Upon agreement (or deemed agreement) between Landlord and Tenant as to the number of gross square feet of Rentable Area in the Premises, Landlord and Tenant shall memorialize in writing (i) the number of square feet of Rentable Area in the Premises, and (ii) the Minimum Base Rent, and shall update Exhibit C to this Lease accordingly. Notwithstanding the foregoing, if the square footage of the Rentable Area of the Premises as determined per this Section 2.2 exceeds 6,165 gross square feet, the Minimum Base Rent will be calculated as though the square footage of the Rentable Area of the Premises equals 6,165 gross square feet. Additionally, in no event shall the Rentable Area of the Premises be less than 5,000 gross square feet. If the Parties in good faith cannot agree on the amount of Rentable Area, then the Parties agree to submit such disputed matter to the Dispute Resolution for final determination.

**2.3 Landlord Work.** Landlord hereby agrees to deliver the Premises in "gray shell" condition as set forth in Exhibit D ("Landlord Work") with all Landlord Work substantially completed and with the City of Las Vegas having issued a Certificate of Completion for the Building. Landlord agrees that all of the Landlord Work shall be performed in full compliance with Landlord's Plans and the requirements of Exhibit D. Landlord agrees that as a condition to the acceptance of the Landlord Work by Tenant that City of Las Vegas will have issued a Certificate of Completion for the Building. If the Parties in good faith cannot agree on whether Landlord has substantially completed the Landlord Work, then the Parties agree to submit such disputed matter to the Dispute Resolution for final determination.

**2.4 Tenant's Work.** Tenant agrees that following turnover of the Premises to Tenant pursuant to Section 2.3, issuance of the Certificate of Completion, and Tenant providing to Landlord proof of all required insurance per Exhibit E, Tenant shall install the Tenant Work, at Tenant's sole cost and expense and that Landlord will have no obligation in connection with the Tenant Work, except as provided below in connection with the Tenant Allowance. Landlord agrees that Tenant shall have the right to build-out the Premises as Tenant has Users for the Premises and that all Tenant Work will not be completed at one time. Tenant agrees that all Tenant Work shall be undertaken in compliance with the requirements of Exhibit E. Section 2.5(e) and Exhibit E (regarding temporary vacancies) are incorporated herein by this reference. The final configuration of the Premises will be subject to Tenant's discretion and may be altered or modified from time to time as Tenant reasonably determines, subject to the requirements of Exhibit E; provided, however, that such alterations or modifications shall be performed in a good and workmanlike and lien free manner, and in compliance with all applicable laws and building codes and the requirements of Exhibit E, and Tenant shall indemnify, defend, and hold harmless the Landlord from and against all costs and liens incurred with respect to any Tenant's Work or alterations or modifications to the Premises hereunder, whether or not permitted per the terms of this Lease. As a condition of

any Tenant's Work or any Alterations to the Premises, including any alterations or modifications arising under any User Agreement, then Tenant shall at its sole expense comply with NRS 108.2403, and provide proof of same to Landlord, and shall comply with its insurance requirements as specified in this Lease, and provide proof of same to Landlord. Additionally, this Section 2.4 is subject to the terms and conditions of Article VIII. Landlord agrees to reimburse Tenant in the amount of the Tenant Improvement Allowance (which is intended to wholly or partially offset the material and labor cost of Tenant for HVAC units installed in the Premises), within thirty (30) days of Tenant's providing Proof of Completion (as defined in Exhibit E) as to Landlord's Work (including installation of HVAC units).

**2.5 Permitted Use.** Landlord and Tenant agree that the Premises may be used for the following uses (the "Permitted Uses"):

(a) Landlord acknowledges that Tenant shall be using the Premises initially as a business incubator wherein various users may initiate and develop a business concept. Tenant initially intends to use the Premises primarily for a food hall in which third party users will prepare food for onsite dining and the sale for delivery to third parties, provided, however, that Tenant may include such other non-food Users as Tenant may determine in its sole discretion. Tenant shall have the right to change or add additional uses in the Premises as Tenant may determine in its sole discretion; provided however that all use of the Premises is subject to the terms and conditions of this Lease, to the Rules and Regulations, to all matters of record, if any, to all applicable Laws, and to the specific use restrictions set forth in Exhibit L (the "Use Restrictions"), and the User Agreements (as hereinafter defined) shall expressly so provide. Additionally, all use of the Related Landlord Property or its parking areas is subject to the Parking License, and to generally applicable rules and regulations pertaining to the Related Landlord Property, including any parking areas thereof, and the User Agreements shall expressly so provide.

(b) Landlord further acknowledges that: (i) in connection therewith, Tenant will be entering into agreements with the Users for the use of the Premises which comprise licenses and/or subleases under this Lease ("User Agreements") and (ii) Tenant will be charging the Users under the User Agreements fees and other consideration for the use of the Premises. All User Agreements shall expressly provide, unless Landlord in its discretion, not to be unreasonably withheld or delayed, agrees otherwise in writing, in advance, that each User will operate at least five (5) days per week during normal business hours. Notwithstanding anything to the contrary contained herein, including, without limitation Section 13.1, Landlord hereby approves Tenant entering into the User Agreements and permitting the use of the Premises by the Users, subject to the express terms and conditions of this Lease, and agrees that any amounts charged to the Users shall belong to Tenant. Landlord further agrees that prior consent of Landlord is not required to the Tenant's entering into any User Agreement, provided that the form of User Agreement as the proposed User Agreement meets the qualifications described below. The Parties agree that the

User Agreements shall include standard and customary provisions, shall be, and must provide the following:

1. The term of any User Agreement, including any extension options shall not extend beyond the then expiration date of the Term and any non-exercised options may not be included into the term of a User Agreement.
2. The User Agreements will provide that they are subject to the terms and conditions of this Lease, of the Rules and Regulations, of any matters of record, of all applicable Laws, and of all other matters described in Section 2.5(a).
3. The User Agreements will provide (i) that Landlord has no obligation and/or liability to perform any obligation under the User Agreement or this Lease, and (ii) the User under a User Agreement releases Landlord from any claims related to the User's use of the Premises, or arising from the User Agreement or this Lease.

Tenant agrees that no later than thirty (30) days after the full execution of a User Agreement, or any amendment or modification to any User Agreement, Tenant shall provide a true and correct copy of such executed User Agreement, or any amendment or modification of any User Agreement, to Landlord.

(c) Subject to the Landlord's (and each User's, their guests', invitees', and licensees') obligations to follow the terms and conditions of this Lease, the Rules and Regulations, and other matters binding upon such persons and entities per this Lease, and subject to Tenant's obligation hereunder to enforce the User Agreements in accordance with their terms, Landlord agrees that Tenant shall have the exclusive right to manage the use of the Premises by Users.

(d) Intentionally Deleted.

(e) Landlord agrees that Tenant shall have the right to temporarily close portions of the Premises from time to time as determined in Tenant's sole discretion in conjunction with Tenant's Work and any subsequent Alterations of the Premises as permitted under this Lease, as well as temporary closures of portions of the Premises, or the entire Premises, as authorized under this Lease, based upon User vacancies, shall not be a default of Tenant under this Lease, provided that Tenant is performing its other obligations applicable to such temporary closures, including as set forth in Section 2.5(f) below.

(f) Notwithstanding any temporary closure or vacancy of all or any portions of the Premises, Tenant shall continue to have all obligations under this Lease, including without limitation all obligation to maintain the Premises as required under this Lease, and all obligations to pay Rent and any other amounts under this Lease. In the event of vacancy of the entirety of the Premises, Tenant shall undertake these additional obligations as to the Premises: (i) Tenant shall duly secure the Premises, and shall use monitored burglar, fire, and smoke alarms with respect to the Premises; (ii) Tenant shall undertake commercial reasonable efforts to prevent and to limit the impact of any vagrancy or criminal activity affecting any portion of the Premises, Building, Project, or Landlord Related Property, or any damage, destruction, or defacement of the Premises, Building, Project, or Landlord Related Property; (iii) Tenant shall maintain all required insurance under this Lease with respect to any such vacant portions of the Premises; (iv) Tenant shall cause

vacant portions of the Premises to be serviced by power and other utilities and to be reasonably lit at various times including during evening and night hours (at minimum) to help limit the appearance of the existence of vacancy or abandonment; (v) Tenant shall cause the installation of window screening as to any windows or doors of vacant portions of the Premises, which shall consist of a graphically designed window covering constructed of heavy-duty material such as film and vinyl with graphic elements, words or letters, in attractive appearance consistent with the general appearance of the Building and Premises, and reasonably acceptable to Landlord, to be affixed directly to all storefronts and glass and doorway areas to prevent persons from seeing the interior of such spaces; (vi) Tenant shall cause regular pest and vermin control services as to any vacant spaces; and (vii) Tenant shall allow Landlord reasonable access to the Premises to ensure Tenant's compliance with its obligations hereunder. In the event of any failure by Tenant to perform its required obligations as described in this Section 2.5(f), which shall remain uncured for five (5) days after written notice from Landlord, Landlord shall have the right to perform any and all such obligations on Tenant's behalf and collect all costs incurred by Landlord as additional Rent.

(g) Landlord shall have no liability whatsoever to perform any obligation set forth in or contemplated by any User Agreement. Tenant agrees to indemnify, defend, and hold harmless Landlord, together with Landlord's principals, members, managers, advisors, employees, agents, successors and assigns from and against any and all losses, costs, demands, claims, obligations, lawsuits, causes of action, money damages, settlements, judgements, orders, court costs, and attorney's fees arising from or relating to any of the User Agreements or the use of any of the Premises or Building or Project by Tenant, any User, or any invitee, licensee, customer, or guest thereof, or arising from or relating to any vacancy of the Premises or Building. Tenant shall be solely liable for any damage or destruction of any of the Premises or Building or Project caused by Tenant, any User, or any invitee, licensee, customer, or guest thereof, or arising from or relating to any vacancy within the Premises or Building, and shall cause such damage or destruction to be repaired at its sole expense, upon demand, or to reimburse Landlord the reasonable cost to repair, which will be payable upon demand, as additional Rent.

**2.6 Options to Extend Term.** Provided that no material event of default by Tenant has occurred and is then existing, Tenant shall have up to two options to extend the Term for sixty (60) months each (each an "Option"). An Option may be exercised by Tenant by providing written notice of exercise to Landlord not later than ninety (90) days prior to the then expiration date of the Term. Upon the timely delivery of notice of exercise of an Option, and provided that Tenant is not in default of this Lease, the Term shall automatically extend for sixty (60) months upon the same terms and conditions provided herein, including, but subject to adjustment to Minimum Base Rent as provided in Exhibit C. The Parties shall memorialize the extended term in writing, but the failure to do so shall not affect the validity of the exercise of an Option. The extension rights herein described are personal to Tenant and may not be assigned to or exercised by any assignee of Tenant unless otherwise agreed by Landlord in writing.

**2.7 Parking.** Pursuant to the terms and conditions of the Parking License attached hereto as Exhibit H, Tenant shall be entitled to four (4) reserved non-covered contiguous Reserved Parking Spaces (as defined in the Parking License) at no charge to be located on the Related Landlord Property. Pursuant to the terms and conditions of the Parking License, Tenant shall have the right to use of the Reserved Parking Spaces for the Term, including any extensions of the Term pursuant

to the exercise of an Option, but Tenant's exercise of parking rights shall terminate upon any termination of this Lease prior to the end of the Term, or upon any termination of the Parking License in accordance with its terms. In the event of any conflict between this Section 2.7 and the Parking License, the Parking License shall control.

## ARTICLE III

### RENT

**3.1 Payment of Rent.** Tenant hereby covenants to pay the Minimum Base Rent and the Operating Expenses to Landlord, on the first (1st) day of each calendar month during the Term, in cash, check or immediately available funds, at Landlord's address as provided in Section 1.1, without set-off, deduction, counterclaim, abatement or reduction whatsoever. The Minimum Base Rent and Operating Expenses shall hereinafter be referred to collectively as the "Rent". Payments of Rent with respect to any partial month shall be prorated on a daily basis based on a thirty (30) day month. In the event that the Rent Commencement Date occurs on the date other than the first day of a calendar month, rent for the first partial month shall be prorated based on the number of days in such partial month.

**3.2 Payment of Operating Expenses.** In addition to Tenant's payment of Minimum Base Rent, Tenant shall pay Operating Expenses, as set forth in Article VI herein below. Payment of Operating Expenses: (i) shall be estimated by Landlord as of the Effective Date and at the beginning of each Lease Year thereafter, (ii) shall be subject to a cap for the first Lease Year of fifty-six cents (\$0.56) per square foot of Rentable Area; (iii) and shall be subject to an annual cap such that any increase in Operating Expenses not exceed one hundred three percent (103%) over Operating Expenses in the immediately preceding Lease Year, rounded to the nearest one cent (\$0.01), and (iv) shall be paid by Tenant monthly based on Landlord's estimate. Within one hundred twenty (120) days after the end of each calendar year, Landlord shall submit to Tenant a statement (the "Operating Expense Reconciliation Statement") setting forth the actual amounts due from Tenant with respect to such period. If the amount Tenant has paid is less than the amount due based on the Operating Expense Reconciliation Statement, Tenant shall pay Landlord such deficiency within thirty (30) days after submission of such statement to Tenant. If the amount paid by Tenant is greater than the amount actually due, the excess may be retained by Landlord and credited and applied by Landlord to the next due installment(s) of Tenant's Operating Expenses, or, with respect to the final Lease Year (but provided Tenant is not in default), Landlord will refund such excess to Tenant.

Within forty-five (45) days after receipt of an Operating Expense Reconciliation Statement by Tenant, if Tenant disputes the amount of Tenant's Operating Expenses set forth in the Operating Expense Reconciliation Statement, Tenant may, after reasonable notice to Landlord and at reasonable times subject to Landlord's reasonable scheduling requirements, inspect Landlord's records at Landlord's offices; provided that Tenant is not then in material default under this Lease and Tenant has paid all amounts required to be paid under the applicable Statement; and further provided that such inspection must be completed within thirty (30) business days after Landlord's records are made available to Tenant. If, within ten (10) days after such inspection, Tenant notifies Landlord in writing that Tenant still disputes such Tenant's Operating Expenses included in the statement, then a certification as to the proper amount shall be made, at Tenant's expense, by an

independent certified public accountant selected by Landlord, which certification shall be final and conclusive; provided, however, if the actual amount of Tenant's Operating Expenses applicable to the Project during that Expense Year, as determined by such certification, is determined to have been overstated by more than five percent (5%), then Landlord shall pay the costs associated with such certification. Tenant's failure (i) to take exception to any Statement within forty-five (45) days after Tenant's receipt of such Statement or (ii) to timely complete its inspection of Landlord's records or (iii) to timely notify Landlord of any remaining dispute after such inspection shall be deemed to be Tenant's approval of such Statement and Tenant, thereafter, waives the right or ability to dispute the amounts set forth in such Statement, which Statement shall be considered final and binding. Tenant may not inspect Landlord's records pursuant to this Section 3.2 more than two (2) times during the Lease Term.

For the sake of clarity, Tenant's obligation to pay Operating Expenses pursuant to this Section 3.2, and any limitations or caps pertaining to Tenant's obligation to pay Operating Expenses, shall pertain only to the Tenant's obligation to pay Operating Expenses of Landlord as described in Article VI. Tenant's obligation to pay Tenant's Operating Expenses pursuant to this Section 3.2 shall not be in replacement of or excuse in whole or part, and shall be in addition to, Tenant's other obligations arising under this Lease, including without limitation, any obligations of Tenant arising under Section 4.3 (Utilities), Article V (Taxes), Article VII (Repair and Maintenance Obligations), Article VIII (Alterations to Premises), Article X (Insurance; Indemnification), and shall not be interpreted to limit or cap any liability of Tenant relating to any such other obligation arising under this Lease.

## **ARTICLE IV**

### **USE OF PREMISES**

**4.1 Tenant's Conduct at the Premises.** Tenant (together with all Users) shall carry on its/their business at the Premises in compliance with all Laws and restrictions of record, the Rules and Regulations, the Use Restrictions, and those other matters described in Section 2.5(a), and shall not cause, permit or suffer to be done or exist upon the Premises anything which shall result in a danger or hazard, public or private nuisance, violation of law, or an increase in Landlord's insurance premiums or those of the owner of the Related Landlord Property. Tenant (together with all Users) shall be prohibited from conducting or permitting any use, or making any modification, to the Premises, the Building, or the Project which would in any manner (i) violate any certificate and occupancy, or similar governmental approval applicable to the Project, Building or Premises; (ii) cause structural injury to all or any part of the Building, Project, or Premises or to any improvements therein or thereupon; (iii) lead to an increase in insurance premiums at the Project; or (iv) constitute a public or private nuisance. Notwithstanding anything to the contrary contained herein, Landlord agrees that the use of the Premises for restaurant and food court uses, in accordance with applicable Laws and the Rules will not constitute a violation of this Section 4.1.

**4.2 Signage.** Landlord agrees that Tenant shall have the right to install retail signage at Tenant's sole cost and expense, but subject to compliance with all applicable Laws and restriction of record, and subject to compliance with Exhibit E. Landlord shall have the right to approve the location and design of the signage provided that such approval shall not be unreasonably withheld or delayed.



4.3 **Utilities.** Landlord shall be responsible for bringing all utilities for Tenant's Use to the Premises only to the extent set forth in Landlord's Work. Tenant shall be responsible for any additional connection and extension costs with respect to all utilities, and the cost of utility services to the Premises, including, without limitation gas, fire sprinklers, electricity, water, sewer, internet service, and any other utilities serving the Premises. To the extent such utilities are not separately metered, Tenant shall be responsible for the cost of the same through Tenant's Operating Expenses payments.

## ARTICLE V

### TAXES

5.1 **Real Estate Taxes.** Tenant shall pay to Landlord, on a monthly basis as Operating Expenses, an amount equal to one-twelfth (1/12th) of Landlord's reasonable estimate of the Taxes to become due during the Lease Year in question, and Landlord shall apply such payments received from Tenant to such Taxes as they become due. As used herein, "Taxes" shall mean any and all taxes, assessments, impositions, or similar governmental charges or any kind or nature assessed upon or payable with respect to Landlord's ownership of the Project and the Premises, and Landlord's revenue or gross receipts arising from the Project, the Rent, or this Lease. Any reasonable costs and expenses (including, without limitation, reasonable attorneys' fees) incurred in attempting to protest, reduce or minimize Taxes shall be included in Taxes in the calendar year such expenses are paid. Refunds of Taxes shall be credited against Taxes and refunded to Tenant regardless of when received, based on the calendar year to which the refund is applicable.

5.2 **Contest** Provided that Tenant is not in material default under this Lease, Tenant shall have the right, at its own expense, to contest the amount or validity of any Taxes by appropriate proceedings diligently conducted in good faith which shall operate to prevent the collection of any such Taxes so contested or the sale of the Premises or any part thereof to satisfy the same. As a condition precedent to Tenant's contesting any Taxes, Tenant shall (a) comply with all Laws respecting such contest, (b) give Landlord prior written notice of Tenant's intent to so contest said amount or validity, and (c) prior to delinquency of the asserted tax or assessment, Tenant shall timely and fully pay all such Taxes "under protest", or shall establish an escrow with and acceptable to Landlord adequate to cover the payment of such Taxes and any additional sums, as reasonably determined by Landlord needed to cover any assessed interest, costs and penalties. Tenant shall promptly cause to be paid any amount of Taxes adjudged by a court of competent jurisdiction to be due, with all interest, costs and penalties thereon, promptly after such judgment becomes final. Landlord shall have the express right to pay any Taxes, interests, costs or penalties, as they may be incurred, if not then paid by Tenant, but the balance remaining if any shall be returned to Tenant upon settlement of such contest and payment in full of all amounts of Taxes, interest, costs, and penalties determined to be owing thereby. Nothing in this section relieves, modifies or extends Tenant's covenant to pay any such Taxes at the time and in the manner provided in this Article V.

5.3 **Landlord's Cooperation in Tenant's Contest.** Provided Landlord incurs no cost or liability in doing so, and provided that Tenant satisfies all of its obligations described in Section 5.2, Landlord shall cooperate with Tenant in any proceedings brought by Tenant to contest the validity or the amount of any Taxes or to recover any Taxes paid by Tenant. If the provisions of

any Law at the time in effect shall require that such proceedings be brought by or in the name of Landlord, then provided Landlord incurs no cost or liability in doing so, Landlord shall join any such proceedings or permit the same to be brought in its name. If any such proceedings shall be brought by Tenant, Tenant shall indemnify the Indemnified Parties and hold the Indemnified Parties harmless against any and all costs or liability of any kind that may be imposed upon the Indemnified Parties in connection therewith, including reasonable attorneys' fees incurred by the Indemnified Parties.

**5.4 Excluded Taxes.** Tenant's obligation to pay Taxes levied and assessed against the Premises or any part thereof shall exclude business, income or profits taxes levied or assessed solely against Landlord by federal, state or other governmental agencies, unless such tax or assessment is levied in lieu of Taxes which would have been otherwise payable by Tenant under this Lease, or unless such Taxes are charged directly on the payment or receipt of Rent or other amounts under this Lease. In addition Landlord agrees that no Taxes related to the Related Landlord Property shall be charged to the Premises.

**5.5 Personal Property Taxes.** Tenant shall be responsible for and pay, when due, any and all taxes, fees or assessments levied on Tenant's furniture, fixtures and equipment, trade fixtures, utility installations, and any other personal property in the Premises.

## **ARTICLE VI**

### **OPERATING EXPENSES**

Operating Expenses shall include all costs and expenses of every kind and nature paid or incurred by Landlord arising out of Landlord's ownership, maintenance, operation, repair, replacement, management and administration of the Project, including, but not limited to: (a) any and all Taxes (but only to the extent not separately charged to Tenant pursuant to Article V); (b) any and all utility costs, to the extent any utilities are not separately metered to the Premises (in which case Tenant shall pay the same directly); (c) the cost of any capital improvements to the Project, amortized over the useful life of the same which result in a reduction of Operating Expenses (as determined by generally accepted accounting principles); (d) the cost of the insurance premiums for policies obtained by Landlord specifically relating to the Project only (and not including any insurance premiums or deductibles related to the Related Landlord Property), including reimbursement for deductibles not in excess of Ten Thousand Dollars (\$10,000.00) (but only to the extent not separately charged to Tenant pursuant to Article X); (e) any assessments owed pursuant to any covenants, conditions and restrictions or other restrictive covenants recorded against the Project as of the Effective Date; and (f) an administration fee equal to three percent (3%) of the Operating Expenses. Operating Expenses shall exclude the following expenses: (1) leasing costs (including tenant improvements), fees, and leasing commissions; (2) costs and fines assessed against Landlord due to the violation by Landlord of any Laws; (3) mortgage or ground lease payments by Landlord; (4) except as provided in (c) above, costs incurred by Landlord in the repairs, capital additions, alterations or replacements made or incurred to rectify or correct defects in construction, design, materials or workmanship in connection with any portion of the Building or Project; (5) costs of leasing commissions, accounting fees, attorneys' fees and other costs and expenses incurred in connection with negotiations or disputes with past, present or prospective tenants or other occupants of the Building; (6) depreciation and amortization; (6) the cost of

acquiring sculptures, paintings or other objects of art in the Building (7) costs of depreciation and amortization except as permitted in (c), and (8) Landlord's general corporate overhead. For avoidance of doubt, Landlord agrees that no Operating Expenses relating to the Related Landlord Property shall be charged in any way to the Premises.

## ARTICLE VII

### REPAIR AND MAINTENANCE OBLIGATIONS

7.1 **Tenant's Obligations.** Except as expressly set forth in Section 7.2 below, Tenant shall, at its sole cost and expense, maintain the interior of the Premises and every part thereof in good order, condition and repair, including without limitation (i) the interior and non-structural walls, ceilings, floor surfaces and doors within the Premises; (ii) the utility meters and fire sprinkler system, and (iii) any mechanical, plumbing, electrical, and HVAC systems, to the extent such systems exclusively serve or are located within the Premises. Tenant shall dispose of garbage in the proper, designated containers. Landlord reserves the right to require that all repair and maintenance to be performed by Tenant at the Premises be performed by contractors approved in writing by Landlord, provided, however that Tenant may utilize employees of the City of Las Vegas to perform such maintenance and repairs at Tenant's discretion. Upon the expiration or earlier termination of this Lease, Tenant shall surrender the Premises to Landlord in at least as good condition as existing as of the Lease Commencement Date, reasonable wear and tear excepted. Tenant agrees to provide at Tenant's cost and expense all cleaning and maintenance of patio areas. Landlord agrees that Tenant will not be required upon termination of this Lease to restore the Premises to Gray Shell and may leave in place all walls, flooring, carpet, lighting, utility connection and all other improvements installed by Tenant pursuant to this Lease.

7.2 **Landlord's Obligations.** Landlord shall, subject to Tenant's obligation to reimburse Landlord for the cost of the same pursuant to Section 7.1, if any, maintain in good condition and repair, commensurate with a Class A office buildings in the greater Las Vegas area, the following: (i) the roof, foundation, exterior walls and structural components of the Building; (ii) all exterior landscaping and hardscape of the Project and (iii) all utilities outside of the Project.

## ARTICLE VIII

### ALTERATIONS TO PREMISES

8.1 **Alterations.** Tenant may make from time to time any interior, non-structural additions, alterations, improvements or changes ("Alterations") in, or to the interior of the Premises as Tenant may determine in its sole discretion; provided that such Alterations shall be in compliance with Exhibit E. Any such Alterations shall be at the sole cost and expense of Tenant. No other alterations or modifications to the Building, Premises, or Site, except for Tenant's Work and the Alterations (all in completed in compliance with Exhibit E) are permitted except upon prior written approval of Landlord, to be withheld or conditioned in Landlord's sole discretion, and to be subject to such terms and conditions as may be imposed by Landlord (and shall be completed in compliance with Exhibit E). Landlord shall be entitled to post notices on and about the Premises with respect to Landlord's non-responsibility for mechanics' liens. Any work performed by Tenant shall be made promptly and in a professional manner, lien free, and in compliance with all

applicable Laws and Exhibit E. Any alterations or modifications made by Tenant shall, at Landlord's option, become the property of Landlord upon the expiration or sooner termination of this Lease. As a condition of making any alterations or modifications to the Premises, Tenant shall comply with NRS 108.2403.

**8.2 Construction Insurance.** In addition to the requirements of Section 10.1 of this Lease, prior to the commencement of any of Tenant's Work or any Alterations or other alterations or modifications whatsoever, Tenant shall provide Landlord with evidence that Tenant or Tenant's contractor carries customary "Builder's All Risk" insurance in an amount approved by Landlord covering the construction of such Alterations, and such other insurance as Landlord may require, it being understood and agreed that all of such Tenant's Work Alterations shall be insured by Tenant pursuant to Section 10.1 of this Lease immediately upon completion thereof.

**8.3 Tenant Indemnity.** Tenant shall indemnify and hold Landlord and the Project free of and harmless from any and all liabilities, losses, claims, or damages arising out of Tenant's Work, any Alterations, or any other alterations or modifications to the Site, Building or Premises undertaken by Tenant, whether specifically under the provisions of this Lease or otherwise, including all costs, damages, expenses, court costs and reasonable attorneys' fees incurred in or resulting from claims made by any person or persons, by other tenants in the Project, their subtenants, agents, employees, customers and invitees.

## ARTICLE IX

### HAZARDOUS MATERIALS

**9.1 Compliance with Environmental Laws.** Tenant agrees that it will comply with all environmental Laws, whether local, state or federal (collectively "Environmental Laws"), including, without limitation, (a) the Clean Air Act, 42 U.S.C. 1857 et seq.; (b) the Water Pollution Act, 33 U.S.C. 1151, et seq.; (c) the Resource Conservation and Recovery Act of 1976, 42 U.S.C. 6901, et seq.; (d) the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. 9601, et seq.; (e) the Clean Water Act, 33 U.S.C. 1251, et seq.; (f) the Toxic Substances Control Act, 15 U.S.C. 2301, et seq.; and NRS Chapters 445C (Environmental Requirements) and 459 (Hazardous Materials), all as shall be amended from time to time. Without limiting the foregoing, Tenant agrees as follows: (i) Tenant shall not use the Premises or any portion of the Project to handle, transport, store, treat or dispose of any Hazardous Waste, whether or not it was generated or produced on the Premises; (ii) Tenant shall notify Landlord immediately upon receipt of any notice of a violation of any Environment Laws relating to the Premises or the Project; and (iii) defend, indemnify and hold Landlord and its Mortgagee harmless from and against any and all claims, damage, liability, expense or cost of any kind whatsoever, which Landlord, or its Mortgagee may suffer, incur or pay resulting from or arising out of any act or omission of Tenant, its agents, employees, contractors or invitees, regarding the handling, storage, treatment, transportation, disposal, release or threat of release, or removal of Hazardous Waste in, on, around or from the Premises or any portion of the Project, or a violation of any Environmental Law by Tenant.

**9.2 Hazardous Materials Defined.** The term "Hazardous Materials" shall include, without limitation, any toxic waste, chemical pollutant, solid waste, combination of solid waste, or similar

environmental hazard, which, because of its quantity, concentration, or physical, chemical or infectious characteristics may cause or significantly contribute to (i) an increase in mortality, (ii) an irreversible or incapacitating illness, or (iii) a substantial, present, or potential hazard to human health or the environment, when improperly treated, stored, transported or disposed, or otherwise managed, whether or not at such time of occurrence, it shall be deemed a violation of any Environmental Law. The obligations of Tenant, as well as the foregoing indemnity, in connection with this Section 9.2, shall survive the expiration or earlier termination of this Lease, anything herein to the contrary notwithstanding.

## ARTICLE X

### INSURANCE; INDEMNIFICATION

**10.1 Tenant's Insurance.** At all times during the Term, Tenant shall keep in full force and effect, at its sole cost and expense, the following insurance policies:

(a) Fire and extended coverage insurance, with an "all risk" coverage endorsement, insuring Tenant's stock in trade, furniture, personal property, merchandise, trade fixtures, operating equipment, wall coverings, carpeting and window treatments, and, to the extent installed or paid for by Tenant, all leasehold improvements, fixtures, and non-moveable equipment on the Premises, all in an amount equal to one hundred percent (100%) of the replacement value thereof subject, however, to customary deductibles.

(b) In accordance with the Nevada Revised Statutes, the City has adopted a self-insured liability program for coverage of losses of up to an amount set from time to time by the Las Vegas City Council (the "Self-Insurance Amount"). The amount of the Self-Insurance Amount will be set from time to time at City Council's sole discretion and may increase or decrease from time to time. Tenant is covered under such self-insured liability program and, therefore, Tenant self-insures each occurrence up to the Self-Insurance Amount. This self-insured liability program is established through a funded reserve system, and is supported by an annual budgetary allocation by the City Council. In addition, in accordance with the Nevada Revised Statutes, such program includes a Self-Insured Workers' Compensation Program. This self-insured workers' compensation program is established by a funded reserve system and is supported by an annual budgetary allocation. Landlord acknowledges that Tenant is not able to name Landlord or any third parties as an additional insured under Tenant's self-insurance program or provide any insurance coverage whatsoever to Landlord under Tenant's self-insurance program and is not able to provide a waiver of subrogation. Tenant agrees to provide annually written evidence that the self-insurance liability program is in place.

**10.2 Landlord's Insurance.** Landlord shall obtain and keep in force a policy or policies of insurance covering loss or damage to the Building (including exterior walls and roofs) in the amount of the full replacement value, together with general commercial liability insurance for the Project as is typical for a commercial development such as the Project. If the premium for any such policy of insurance maintained by Landlord increases as a result of any act, omission, or use of the Premises or the Project by Tenant other than the Permitted Use, Tenant shall pay the full amount of such increase upon demand by Landlord. Tenant shall pay to Landlord, on a monthly basis as Additional Rent, an amount equal to one-twelfth (1/12<sup>th</sup>) of Landlord's reasonable estimate

for the premiums for such insurance as affecting the Project only (and not including any insurance premiums or deductibles related to the Related Landlord Property), including reimbursement for deductibles not in excess of Ten Thousand Dollars (\$10,000.00).

**10.3 Waiver of Subrogation.** Except for City's Self-Insurance coverage, each insurance policy required by this Lease shall contain an express waiver of any and all rights of subrogation against the insured party, its partners, officers, agents, and employees, to the extent of the insurance coverage required under this Lease. All such policies shall be written as primary policies and not contributing with or in excess of the coverage, if any, which such party may carry.

**10.4 Tenant Indemnification.** Landlord shall not be liable for any damages or liability arising out of or resulting from a breach of any duty of any kind or for any injury to or death of persons or loss or damage to Tenant's business or damage to any property of Tenant or any other person arising out of or in any way related to the use, occupancy and enjoyment of the Premises by Tenant or any person claiming by, through, or under Tenant, unless the same shall be caused solely by the gross negligence or willful misconduct of Landlord or Landlord Default. To the fullest extent permitted by law, but in all events subject to the liability limitations set forth in Chapter 41 of Nevada Revised Statutes Section 41.035, Tenant shall at Tenant's sole cost and expense, protect, indemnify, save and hold harmless Landlord against and from all liability, claims, loss, injury, liens, cost, damage or expense arising out of or in any way related to: (1) any accident or other occurrence in, on or at the Premises unless caused by Landlord's gross negligence or willful misconduct or Landlord Default; (2) the occupancy or use of the Premises or any act or omission of Tenant, Users, or their respective employees, agents, invitees, subtenants, licensees, assignees or contractors, unless caused by Landlord's gross negligence or willful misconduct or Landlord Default; (3) any penalty or damage or charges imposed for any violations of any law or ordinance whether occasioned by the action or inaction of Tenant or those claiming by, through, or under Tenant; (4) any and all mechanic's liens or costs or expenses arising out of or relating to any Tenant's Work or Tenant's Alterations; and (5) any material default of Tenant (following passage of any notice and cure period) arising under this Lease. Tenant's obligation to indemnify Landlord, shall survive the expiration or earlier termination of this Lease for acts or omissions occurring prior to such expiration or earlier termination, and shall additionally include the retention of legal counsel and related reasonable attorneys' fees and reasonable investigation costs (as well as all other reasonable and related costs, expenses and liabilities). For purposes of this Section 10.4 only, the term "Landlord" shall be deemed to include Landlord, the members of Landlord, the fee owner of the Project if other than Landlord, Landlord's managing agent for the Building, their respective subsidiaries and affiliates, and the respective members, directors, officers, agents, servants, and employees of each of the foregoing. Tenant acknowledges and agrees that its liability pursuant to this Section 10.4 is not limited to the amount of any insurance set forth and provided for in Section 10.1. The obligations of Tenant, as well as the foregoing indemnity, in connection with this Section 8.3, shall survive the expiration or earlier termination of this Lease, anything to the contrary notwithstanding.

**10.5 Landlord Indemnification.** To the fullest extent permitted by law, Landlord shall at Landlord's sole cost and expense, protect, indemnify, save and hold harmless Tenant against and from all liability, claims, loss, injury, liens, cost, damage or expense arising out of or in any way related to: (1) any accident or other occurrence in, on or at the Premises caused solely by Landlord's gross negligence or willful misconduct or Landlord Default; (2) the grossly negligent

act or willful omission of Landlord, Landlord Default or Landlord's employees, agents, or contractors in the performance of Landlord's responsibilities upon the Premises; (3) any penalty or damage or charges imposed for any violations of any law or ordinance occasioned solely by the action or inaction of Landlord or of Landlord's employees, agents, or contractors upon the Premises; and (4) any material default of Landlord (following passage of applicable notice and cure periods) arising under this Lease. Landlord's obligation to indemnify Tenant, shall survive the expiration or earlier termination of this Lease for acts or omissions occurring prior to such expiration or earlier termination, and shall additionally include the retention of legal counsel and related reasonable attorneys' fees and reasonable investigation costs (as well as all other reasonable and related costs, expenses and liabilities). For purposes of this Section 10.5 only, the term "Tenant" shall be deemed to include Tenant, the City of Las Vegas, Nevada and its elected officials. The obligations of Landlord, as well as the foregoing indemnity, in connection with this Section 10.5, shall survive the expiration or earlier termination of this Lease, anything herein to the contrary notwithstanding.

## **ARTICLE XI**

### **DAMAGE OR DESTRUCTION**

**11.1 Damage to Premises.** If the Premises or the Building are damaged or destroyed in whole or in substantial part such that seventy percent (70%) of the Building is damaged by fire or any other casualty, Landlord may, by notice to Tenant given within sixty (60) days of such damage or destruction, terminate this Lease. In such event, neither Landlord nor Tenant shall be required to repair the Building or Premises and Tenant shall surrender the Premises to Landlord within thirty (30) days after delivery of the notice of termination. Rent shall be apportioned and paid promptly to Landlord through the date on which Tenant delivers vacant possession of the Premises to Landlord. If Landlord is entitled to but does not elect to terminate this Lease, Landlord shall, following such damage or destruction, diligently repair that part of the Building damaged or destroyed, but only to the extent of Landlord's obligations pursuant to the terms of this Lease, excluding any tenant's responsibilities with respect to such repair. Notwithstanding the foregoing, if the restoration and repair of the damage may reasonably be estimated to take more than six (6) months from the date of such damage, then Tenant shall have the right to terminate this Lease by giving written notice to Landlord of its intent to terminate. In such instance, this Lease shall terminate on the date on which Tenant delivers vacant possession to Landlord.

## **ARTICLE XII**

### **CONDEMNATION**

If the whole or any part of the Premises or any part of the Building shall be taken by any public authority under the power of eminent domain or sold to public authority under threat or in lieu of such taking, the Term shall cease as of the day possession or title shall be taken by such public authority, whichever is earlier (the "Condemnation Date"), whereupon the Rent shall be paid up to the Condemnation Date with a proportionate refund by Landlord of any Rent paid for a period subsequent to the Condemnation Date. All compensation awarded or paid upon a total or partial taking of the Premises, or Building, including the value of the leasehold estate created hereby, shall belong to and be the property of Landlord without any participation by Tenant;

Tenant shall have no claim to any such award based on Tenant's leasehold interest. Nothing contained herein shall be construed to preclude Tenant, at its cost, from independently prosecuting any claim directly against the condemning authority in such condemnation proceeding for damage to, or the cost of removing trade fixtures, furniture and other personal property belonging to Tenant; provided, however, that no such claim shall diminish or otherwise adversely affect Landlord's award or the award of any Mortgagee.

## **ARTICLE XIII**

### **ASSIGNMENT AND SUBLETTING**

13.1 **Assignment.** Subject to the authority granted Tenant under Section 2.5, Tenant shall not assign, sublease, transfer or encumber (together, a "Transfer") this Lease or Tenant's interest herein, without the prior written consent of Landlord. If Tenant is a limited liability company, corporation, partnership or other entity, any proposed Transfer of more than thirty (30%) percent of the ownership interest in Tenant shall constitute a Transfer for which Landlord approval is required hereunder. Upon receipt of a request by Tenant to Transfer its interest under the Lease, Landlord shall have the right to request such reasonable information and documentation as Landlord may require to evaluate such request, and Landlord shall respond to Tenant's request within thirty (30) days of receipt of the same. Any attempted Transfer by Tenant without Landlord's prior written consent shall be null and void, and of no force and effect. Landlord's acceptance of Rent from any party other than Tenant shall not serve as evidence of Landlord's consent to any Transfer.

## **ARTICLE XIV**

### **EVENTS OF DEFAULT AND REMEDIES**

14.1 **Events Of Default.** The occurrence of any of the following shall constitute a material default of this Lease by Tenant:

(i) any failure by Tenant to pay rent or any other charge required to be paid under this Lease when due where such failure continues for ten (10) days after Tenant's receipt of written notice thereof;

(ii) any failure by Tenant to comply with its obligations under this Lease with respect to Tenant's Work or any modifications or alterations by Tenant, which failure continues for ten (30) days after Tenant's receipt of written notice thereof, provided that if the nature of such default is such that it cannot reasonably be cured within a thirty (30) day period, Tenant shall not be deemed to be in default if it shall commence such cure within such period and thereafter diligently pursue such cure to completion;

(iii) any failure by Tenant to perform any other provision, covenant or condition of this Lease, of the Rules and Regulations, of any Laws, to be observed or performed by Tenant where such failure continues for thirty (30) days after Tenant's receipt of written notice thereof, provided that if the nature of such default is such that it cannot reasonably be cured within a thirty (30) day period, Tenant shall not be deemed to be in default if it shall commence such cure within such



period and thereafter diligently pursue such cure to completion;

(iv) Tenant shall vacate or abandon the Premises (provided, however, that: (A) so long as Tenant is fully performing its obligations under this Lease, temporary closures of portions of the Premises pursuant to and in compliance with Section 2.5, shall not constitute vacation or abandonment, (B) so long as Tenant is fully performing its obligations under this Lease, temporary closures of the entirety of the Premises for a total duration of no more than total of six (6) months during any calendar year pursuant to and in compliance with Section 2.5, shall not constitute vacation or abandonment, and (C) so long as Tenant is fully performing its obligations under this Lease, any temporary period of closure for performance of Tenant's Work or alterations or repairs to the Premises, for a reasonable period of time necessary to perform such work, shall not constitute vacation or abandonment);

(v) Tenant shall admit its inability to pay its debts or perform its obligations hereunder as they arise; or

(vi) Tenant shall cease to function as a going concern or cease its legal existence;

(vii) Tenant shall make or purport to make an assignment contrary to this Lease; or

(viii) there shall exist a general assignment by Tenant for the benefit of creditors, or the filing by or against Tenant of any proceeding under any insolvency or bankruptcy law (unless in the case of a proceeding filed against Tenant the same is dismissed within sixty (60) days), or the appointment of a trustee or receiver to take possession of all or substantially all of the assets of Tenant (unless possession is restored to Tenant within thirty (30) days), or any execution or other judicially-authorized seizure of all or substantially all of Tenant's assets located upon the Premises or of Tenant's interest in this Lease (unless such seizure is discharged within thirty (30) days).

**14.2 Remedies.** In the event of a default by Tenant, and in addition to any other remedies available to it at law or in equity, Landlord may at its option, upon written notice to Tenant:

(i) declare the Lease and all User Agreements terminated, reenter the Premises and take possession thereof and remove all persons therefrom, and Tenant shall have no further claim thereon or hereunder; or

(ii) without declaring the Lease and/or User Agreements terminated, reenter the Premises and occupy the whole or any part thereof for and on account of Tenant and collect any unpaid rents and other charges which have become payable or which may thereafter become payable hereunder; or

(iii) even though Landlord may have reentered the Premises, thereafter elect to terminate this Lease and all of the rights of Tenant in or to the Premises.

**14.3 Efforts To Relet.** In the event that Landlord shall elect to relet the Premises, then rent and other charges received by Landlord from such reletting shall be applied first, to the payment of any indebtedness (other than rent due hereunder) owed to Landlord; second, to the payment of any cost of such reletting; third, to the payment of the cost of any alterations and repairs to the

Premises; fourth, to the payment of rent due and unpaid hereunder; and the residue, if any, shall be held by Landlord and applied to the payment of future rent and other charges as the same may become due and payable hereunder. Should the rent and other amounts received from such reletting during any month be less than the rent and other charges payable by Tenant hereunder, then Tenant shall pay such deficiency to Landlord monthly upon receipt of Landlord's bill therefor. Tenant shall also pay to Landlord, as soon as ascertained, any costs and expenses incurred by Landlord in reletting or in making such alterations and repairs to the Premises not covered by the rents received from such reletting.

**14.4 Termination.** Should Landlord elect to terminate this Lease pursuant to the provisions of item (i) or (iii) of Section 14.3 above, Landlord may recover from Tenant as damages, the following:

(i) the worth at the time of award of any unpaid rent and other charges which had been earned at the time of such termination; plus

(ii) the worth at the time of award of the amount by which the unpaid rent and other charges which would have been earned after termination until the time of the award exceeds the amount of such rent loss which Tenant proves could have been reasonably avoided; plus

(iii) the worth at the time of award of the amount by which the unpaid rent and other charges for the balance of the Term after the time of the award exceeds the amount of such rent loss that Tenant proves could have been reasonably avoided; plus

(iv) any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom including, but not limited to, any costs or expenses incurred by Landlord in (a) retaking possession of the Premises, including reasonable attorneys' fees, (b) maintaining or preserving the Premises after such default, (c) preparing the Premises for reletting to a new tenant, including repairs or alterations to the Premises for such reletting, (d) leasing commissions, and (e) any other costs necessary or appropriate to relet the Premises; plus

(v) at Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by the laws of the State of Nevada; plus

(vi) the amount of any tenant improvement allowances, free rent, and any other rental concessions made by Landlord as an inducement to Tenant to enter into this Lease whether so designated or not.

As used in Subparagraphs (i) and (ii) of this Section 14.4, the "worth at the time of award" is computed by allowing interest at the rate of ten percent (10%) per annum, not to exceed the maximum lawful interest rate. As used in Subparagraph (iii) above, the "worth at the time of award" is computed by discounting such amount at the discount rate of the Federal Reserve Bank situated nearest to the location of the Premises at the time of award.

For all purposes of this Section 14.4, the term "rent" shall be deemed to be the Minimum Rent and all other sums required to be paid by Tenant pursuant to the terms of this Lease. All such sums

other than Minimum Rent, shall be computed on the basis of the average monthly amount thereof accruing during the immediately preceding sixty (60) month period, except that if it becomes necessary to compute such rent before such a sixty (60) month period has occurred, then such rent shall be computed on the basis of the average monthly amount accruing during such shorter period. Notwithstanding anything to the contrary in this Lease: in no event shall Tenant be liable for or shall Landlord be entitled to special, incidental, consequential or punitive damages for Tenant's Default.

**14.5 Landlord Default.** Landlord shall not be in Default hereunder unless Landlord fails to perform the covenants and agreements contained in this Lease, on or before thirty (30) days after written notice by Tenant to Landlord and following Landlord's failure to act within such thirty (30) day notice period, or such longer period of time required by Section 15.3. If the nature of Landlord's Default is such that more than thirty (30) days (or such longer period required by Section 15.3) are required to cure the Default, then Landlord shall not be in Default if Landlord commences the cure within said thirty (30) day period (or such longer period required by Section 15.3) and thereafter diligently prosecutes the same to completion. In the case of a Default by Landlord, prior to Tenant's exercise of any remedy, the holder of any mortgage or deed of trust encumbering the Project shall have the right, but not the obligation, to cure the default pursuant to the terms and conditions of Section 15.3.

**14.6 Tenant Remedies.** Upon the occurrence of any Event of Default by Landlord, Tenant shall have the right to bring an action in a court of competent jurisdiction to recover any actual third party expenses or damages incurred as a result of the Event of Default by Landlord. In no event shall Landlord be liable for or shall Tenant be entitled to special, incidental, consequential or punitive damages for Landlord's Default. In no event shall Tenant be entitled to terminate this Lease as a result of any Event of Default by Landlord, or to receive a reduction or offset in payment of Minimum Rent or other amounts hereunder. In no event shall the owners, officers, directors, employees, shareholders, members, managers, employees, agents, successors or assigns have personal obligations for any recovery against Landlord. Tenant shall look solely to the equity of Landlord in the Premises for any recovery against Landlord permitted hereunder.

**14.7 Tenant Cure of Landlord Default.** Tenant shall have the right, but not the obligation, to cure any Event of Default of Landlord which remains uncured by Landlord for more than thirty (30) days. A representative of Tenant may access the Premises, including the exterior of the Building and the Project, to cure any default of Landlord during normal business hours upon reasonable prior written notice to Landlord, except in the case of an emergency. Landlord shall reimburse Tenant for all costs incurred by Tenant within thirty (30) days of Tenant's submittal of an invoice for the cost of Tenant's cure of a Landlord Event of Default.

## **ARTICLE XV**

### **SUBORDINATION, ESTOPPEL CERTIFICATE AND MORTGAGEE PROTECTION**

**15.1 Subordination.** Subject to Landlord's obligations set forth herein regarding execution and delivery of an SNDA (as hereinafter defined), this Lease is and shall be subordinate to all deeds of trust and other security interests in the Site, the Premises, the Building, and/or the Project, including any modifications, renewals or extensions thereof. Subject to Landlord's obligations set forth herein regarding execution and delivery of an SNDA, this Lease is and shall be subordinate

to all deeds of trust and other security interests in the Site, the Premises, the Building, and/or the Project, including any modifications, renewals or extensions thereof. If Landlord or any mortgage holder elects to have this Lease prior to the lien of any deed of trust or other security instrument, and Landlord or mortgage holder provides written notice of such election to Tenant, then such deed of trust or other security instrument shall be subordinate to this Lease. Should any mortgage holder ever acquire or foreclose upon Landlord's ownership interest in the Site, the Premises, and/or the Project, Tenant shall attorn to such mortgage holder, or the purchaser at the foreclosure sale, as applicable, as Landlord under this Lease as provided in the SNDA Tenant has received in connection therewith. Landlord shall obtain an SNDA from any mortgage holder or ground lessor under any mortgage, deed of trust, ground lease, or other financing mechanism or agreement for the Project on such mortgage holder's or ground lessor's standard form. Notwithstanding anything to the contrary contained in this Lease, including Section 14.6, in the event of the failure of Landlord to obtain a SNDA in connection with a mortgage or ground lease now or in the future in place, Landlord shall not be in default under this Lease. However, in such case of Landlord's failure to obtain an SNDA as described in the foregoing sentence, unless such failure resulted from Tenant's failure or refusal to execute or deliver an SNDA, Landlord shall be liable to Tenant for any actual damages (but not indirect, consequential, exemplary, or punitive damages), if any, incurred by Tenant as a result of such failure. As used in this Section 15.1, an "SNDA" shall mean a customary subordination, non-disturbance, and attornment agreement, on a mortgage holder's or ground lessor's standard form, that (among other things and in broad terms) provides that: (a) this Lease is made subordinate to the mortgage, deed of trust, ground lease, or other financing mechanism or agreement that is the subject of the SNDA (including amendments, modifications, replacements, and extensions thereof); (b) foreclosure or termination of the subject mortgage, deed of trust, ground lease, or other financing mechanism will not result in the termination of this Lease (except pursuant to the terms of this Lease, e.g., upon a Tenant default) or disturb Tenant's possession of the Premises per this Lease (except pursuant to the terms of this Lease, e.g., upon a Tenant default); (c) in the case such foreclosure or termination of the subject mortgage, deed of trust, ground lease, or other financing mechanism, Tenant will attorn to the new acquirer of the Project or Site resulting from the foreclosure or termination event, and such person or entity shall have all rights and remedies of Landlord set forth in this Lease.

**15.2 Estoppel Certificate.** Tenant hereby agrees that, from time to time during the Term, Tenant shall provide to Landlord, within thirty (30) days of Landlord's written request a statement confirming that this Lease is unmodified and in full force and effect (or, if this Lease has been modified, that this Lease is in full force and effect as so modified), stating the date through which Rent has been paid, confirming that Landlord and Tenant are not in default of their obligations under the Lease, and such other commercially reasonable matters as Landlord may require.

**15.3 Mortgagee Protection Clause.** Tenant agrees to give any mortgagees and/or trust deed holders, by certified mail, a copy of any notice of default served upon Landlord, provided that prior to such notice Tenant has been notified in writing of the addresses of such lender, mortgagees and/or trust deed holders. Tenant further agrees that if Landlord shall have failed to cure such Default within the time provided for in this Lease, then the lenders, mortgagees and/or trust deed holders shall have an additional thirty (30) days within which to cure such default or if such default cannot be cured within that time, then such additional time as may be necessary if within such thirty (30) days any mortgagee and/or trust deed holder has commenced and is diligently pursuing

the remedies necessary to cure such default, including, but not limited to, commencement of foreclosure proceedings if necessary to effect such cure.

## **ARTICLE XVI**

### **HOLDING OVER**

**16.1 Holdover Tenancy.** In the event that Tenant shall remain possession of the Premises after the expiration or earlier termination of the Term, such holding over shall be deemed to have created a month-to-month tenancy, terminable upon thirty (30) days' written notice by either party to the other, subject to all of the terms and provisions of this Lease (including the payment of Tenant's Operating Expenses). Notwithstanding the foregoing, the Minimum Base Rent payable during the holdover period shall equal one hundred fifty percent (150%) of the Minimum Base Rent payable by Tenant to Landlord during the immediately preceding twelve (12) month period.

**16.2 Surrender of Premises.** Tenant shall, upon expiration or termination of the Term, surrender the Premises broom clean, in good condition and repair, with all mechanical, electrical and plumbing systems in good operating condition, reasonable wear and tear excepted. Tenant shall promptly surrender all keys for the Premises at the place then fixed for payment of Rent. At the expiration or earlier termination of the Term, Tenant shall execute, acknowledge and deliver to Landlord, within five (5) days after written demand from Landlord to Tenant, any document required by Landlord or its title company to remove the cloud of this Lease from the real property upon which the Premises are situated.

## **ARTICLE XVII**

### **SALE OF PREMISES BY LANDLORD**

In the event of any sale, exchange or other conveyance of Landlord's interest in the Project or any portion or portions thereof by Landlord, and a written assignment and assumption by Landlord and its transferee of this Lease, Landlord shall be and is hereby entirely released and relieved of all liability under any and all of its covenants and obligations contained in or derived from this Lease arising out of any act, occurrence or omission relating to the Premises or this Lease occurring after the consummation of such sale, exchange or conveyance and assignment.

## **ARTICLE XVIII**

### **NOTICE**

Any notice, request, approval, demand, consent or other communication required or permitted under this Lease (including also any exhibits, addenda and riders attached hereto and made a part hereof) shall be in writing and shall be deemed sufficiently given or served by Landlord or Tenant to or on the other, as the case may be, at the time of mailing by certified or registered mail, postage prepaid, or upon personal delivery, which shall include deposit with a local courier service or a nationally recognized overnight courier service with a package tracking system, addressed to the notice address of the addressee specified in Section 1.1 hereof. Either party may change such address (provided personal delivery is able to be delivered at such new

address) by written notice to the other in accordance with this Article XVIII. Notice given by the legal counsel for a Party or by the authorized agent of the Landlord shall be effective notice under this Article XVIII.

## **ARTICLE XIX**

### **MISCELLANEOUS PROVISIONS**

**19.1 Entry by Landlord.** Landlord shall have the right, upon providing forty-eight (48) hours' notice to Tenant, to enter upon the Premises, together with Landlord's agents, vendors and representatives, for the purpose of (i) showing the Premises to prospective purchasers or lessees thereof; and (ii) undertaking repairs or improvements as required or authorized hereunder. For the purpose of this Section 19.1, notice may be provided verbally or via email to the email address provided by Tenant. In the event of an emergency, no notice shall be required.

**19.2 Successors and Assigns.** Each and all of the provisions of this Lease shall be binding upon and inure to the benefit of the parties hereto, their respective heirs, executors, administrators, successors and assigns, subject to all agreements, covenants, and restrictions contained elsewhere in this Lease with respect to the assignment, transfer, encumbering or subletting of all or any part of Tenant's interest in this Lease or the Premises.

**19.3 Partial Invalidity.** If any provision of this Lease is determined to be void by any court of competent jurisdiction, such determination shall not affect any other provision of this Lease and such other provision shall remain in full force and effect. If any provision of this Lease is capable of two constructions, one of which would render the provision void and one of which would render the provision valid, the provision shall be interpreted in the manner which would render it valid. It is the intention of the parties hereto that the covenants of this Lease be independent of each other. It is agreed that, if any provision of this Lease shall be determined to be void by a court of competent jurisdiction, then such determination shall not affect any other provision of this Lease, and all such other provisions shall remain in full force and effect.

**19.4 Entire Agreement.** It is understood and acknowledged that there are no oral agreements between the parties hereto affecting this Lease, and this Lease supersedes and cancels any and all previous negotiations, arrangements, brochures, agreements and understandings, if any, between the parties hereto or displayed by Landlord to Tenant with respect to the subject matter thereof. This Lease is and shall be the only lease agreement between the parties relative to the Premises hereto and their respective representatives and agents as of the Effective Date. All negotiations and oral agreements acceptable to both parties have been merged into and are included herein, and no modification of this Lease shall be effective unless the same shall be in writing and be signed by the parties hereto or, as the case may be, their respective successors or assigns.

**19.5 Governing Law.** The laws of the State of Nevada shall exclusively govern the validity, construction, performance and enforcement of this Lease. Subject to Section 19.15, should either party institute legal action to enforce any obligation contained herein, it is agreed that the proper venue of such suit or action shall be Clark County, Nevada. This Lease shall not be construed either for or against Landlord or Tenant, but shall be interpreted in accordance with the general tenor of its language. LANDLORD AND TENANT HEREBY WAIVE ANY AND ALL RIGHTS

TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (INCLUDING ANY CLAIM FOR INJURY OR DAMAGE AND ANY EMERGENCY AND OTHER STATUTORY REMEDY IN RESPECT THEREOF) BROUGHT BY EITHER AGAINST THE OTHER ON ANY MATTER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS LEASE, THE RELATIONSHIP OF LANDLORD AND TENANT, AND/OR TENANT'S USE OR OCCUPANCY OF THE PREMISES

**19.6 Force Majeure.** Any prevention, delay or stoppage due to strikes, lockouts, labor disputes, acts of God, inability to obtain labor or materials or reasonable substitutes therefor, governmental actions, civil commotions, fire or other casualty, pandemics and endemics and any business stoppage or lockouts or lockdowns related thereto, and other causes beyond the reasonable control of the party obligated to perform, shall excuse the performance of such party for a period equal to any such prevention, delay or stoppage, excluding Tenant's obligations to pay the Minimum Base Rent and Operating Expenses, or other payment obligations, pursuant to this Lease, which shall not be interrupted or delayed.

**19.7 Time.** Time is of the essence with respect to the performance of each of the covenants and agreements contained in this Lease.

**19.8 Relationship of Parties.** Nothing contained in this Lease shall be deemed to create the relationship of principal and agent or of partnership or of joint venture or of any association between Landlord and Tenant, other than the relationship of landlord and tenant.

**19.9 Real Estate Brokers.** Landlord and Tenant hereby warrant to the other that they have had no dealings with any broker or agent in connection with this Lease. Landlord and Tenant hereby hold each other harmless and indemnify the other from and against any and all cost, expense or liability including legal fees and costs in defense thereof for any compensation, commissions and charges claimed by any broker or agent with respect to this Lease.

**19.10 Subtenancies.** The voluntary or other surrender of this Lease by Tenant or a mutual cancellation of this Lease shall not result in a merger and shall, at Landlord's option, terminate all existing subtenancies or operate as an assignment to Landlord or any or all of such subtenancies.

**19.11 Quiet Enjoyment.** Landlord covenants that Tenant, on paying the Minimum Rent, charges for services and other payments herein reserved and on keeping, observing and performing all the other terms, covenants, conditions, provisions and agreements herein contained on the part of Tenant to be kept, observed and performed, shall, during the Lease Term, as such may be extended, peaceably and quietly have, hold and enjoy the Premises subject to the terms, covenants, conditions, provisions and agreements hereof without interference by any persons lawfully claiming by or through Landlord, including any matters of record.

**19.12 Prevailing Party.** In the event that either party shall institute any legal action or proceeding against the other relating to the provisions of this Lease, or any Event of Default hereunder, the prevailing party shall have the right to recover reasonable attorneys' fees and costs incurred by the prevailing party.

**19.13 Disclosure of Principals.** Landlord warrants that it has disclosed, on the form attached hereto as Exhibit F, all principals, including partners or members, of Landlord, as well as all

persons and entities holding more than one percent (1%) interest in Landlord or any principal, partner or member of Landlord. Landlord shall provide Tenant with written notification of any material change in the above disclosure within thirty (30) days of any such change.

**19.14 Public Records Act.** Tenant acknowledges that Landlord is subject to the Nevada Public Records Act contained in Chapter 239 of the Nevada revised Statutes. As a result, Landlord is subject to permit the general public to copy and receive a copy of this Lease. As a result, Landlord cannot keep this Lease confidential and all communications related thereto and may be required to disclose such items to the general public.

**19.15 Dispute Resolution.** In the event that a dispute has arisen pursuant to Section 2.2, Section 2.3, 2.4, Exhibit D or Exhibit E, only, the Parties agree to submit the dispute to the following binding dispute resolution procedures ("Dispute Resolution") which will preclude the filing of any action in a court of law as to such matters:

(a) Promptly upon notification by Tenant or Landlord of a dispute under Section 2.3, Section 2.4, Exhibit D or Exhibit E, only, the Parties shall meet informally to resolve the dispute within ten (10) days of such notification. In the event that no resolution is achieved, the Parties, prior to the initiation of any action or proceeding under this section, shall make a good faith effort to resolve the dispute by negotiation between representatives with decision-making power, who, to the extent possible, shall not have had substantive involvement in the matters of the dispute, unless the Parties otherwise agree. In the event no resolution is achieved with thirty (30) days after the initial notification, the Parties shall proceed to binding arbitration as set forth below.

(b) The Parties hereto shall submit any and all disputes arising under or relating to Section 2.2, Section 2.3, Section 2.4, Exhibit D or Exhibit E, only, to binding arbitration. The dispute shall be filed with the American Arbitration Association under its then current Commercial Arbitration Rules, Expedited Procedures. One arbitrator will be used, unless the Parties to the dispute are not able to agree on a designated arbitrator, in which case a three (3) member panel of arbitrators will be used. The formula will be that each Party will appoint one arbitrator and the two arbitrators will appoint a third. The third arbitrator will be appointed at the discretion of the first two appointed arbitrators, and without input from either of the Parties. Each party hereby consents to, and waives any objection to, venue being the offices of the American Arbitration Association located in Las Vegas, Nevada. The award rendered by the arbitrators shall be final and judgment may be entered upon by state courts located in the County of Clark, State of Nevada.

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IN WITNESS WHEREOF, Landlord and Tenant have duly executed and delivered this Lease as of the date first above written.

**LANDLORD:**

ARTHAUS IV, LLC, a Nevada limited liability company

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

**TENANT:**

CITY OF LAS VEGAS REDEVELOPMENT AGENCY, an agency organized under the laws of the state of Nevada

By: \_\_\_\_\_

Name: Carolyn G. Goodman

Its: Executive Director

Attest: \_\_\_\_\_

LuAnn D. Holmes, Secretary

Approved to Form

\_\_\_\_\_

**EXHIBIT A**

**SITE LEGAL DESCRIPTION**

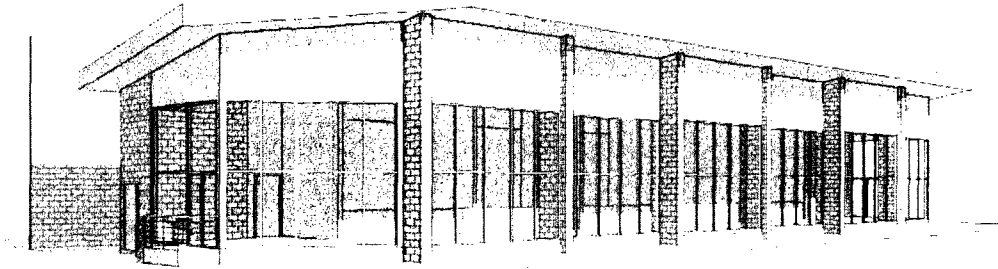
**APNs 139-27-211-024, 025**

Lot Seven (7) in Block Thirteen (13) of that subdivision known as VALLEY VIEW ADDITION, as shown by plat thereof on file in the office of the county recorder, Clark County, Nevada in Book 1 of Plats, at Page 50.

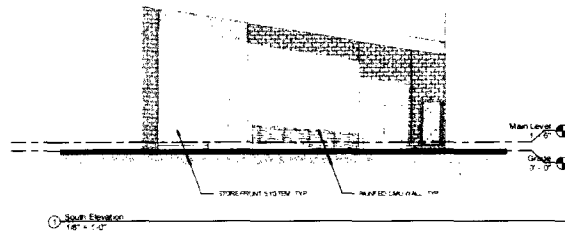
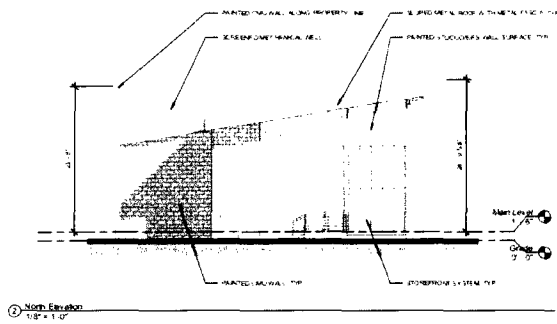
Excepting therefrom that portion as conveyed in that certain Grant Deed recorded November 06, 1987 in Book 871106, Instrument No. 00547, Official Records, Clark County, Nevada. Further excepting therefrom that portion as conveyed in that certain Grant Deed recorded November 06, 1987 in Book 871106, Instrument No. 00548, Official Records, Clark County, Nevada.

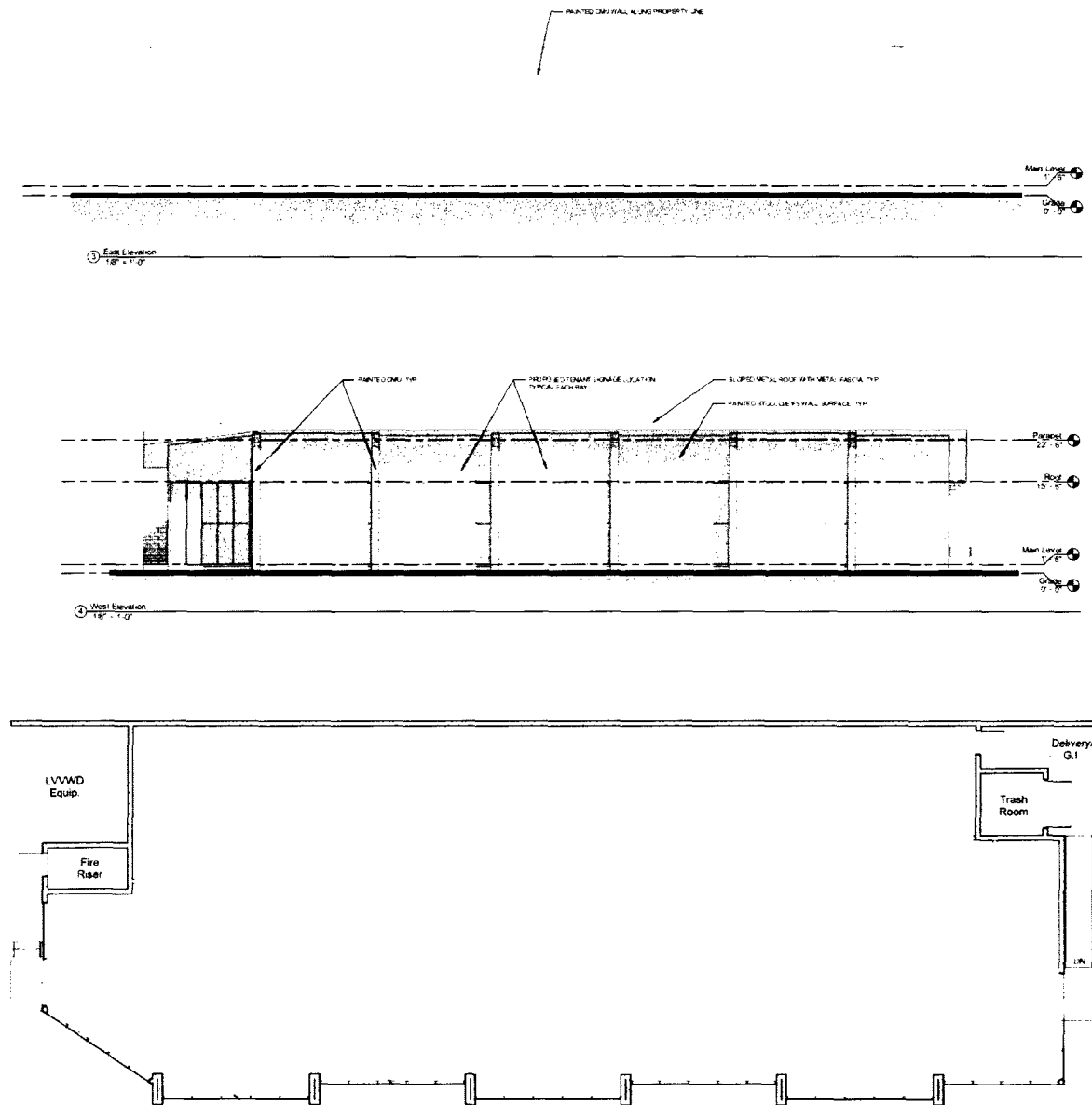
## EXHIBIT B

### BUILDING/PREMISES PRELIMINARY SITE PLAN



③ Northwest Corner





[Note: The foregoing drawings are based on presently available information but pending approval from governmental authorities is subject to revision with respect to building area, footprint, appearance, layout, design, and in certain other respects. This exhibit will be substituted by the Parties with the final approved drawings.]

**EXHIBIT C**  
**BASE RENT SCHEDULE**

| Lease Period                                                    | Per Square Foot of<br>Rentable Area<br>(Monthly) | Base Rent Monthly | Base Rent Annual |
|-----------------------------------------------------------------|--------------------------------------------------|-------------------|------------------|
| Years 1-5                                                       | \$3.00                                           | \$18,495.00       | \$221,940.00     |
| Years 6-10                                                      | \$3.30                                           | \$20,344.50       | \$244,134.00     |
| Years 11-15                                                     | \$3.63                                           | \$22,378.95       | \$268,547.40     |
| Years 16-20 (if<br>applicable if first<br>Option is exercised)  | \$3.99                                           | \$24,598.35       | \$295,180.20     |
| Years 21-25 (if<br>applicable if second<br>option is exercised) | \$4.39                                           | \$27,064.35       | \$324,772.20     |

(Note: This schedule is based upon the Premises comprising 6,165 gross square feet of Rentable Area, and thus (per Section 2.2 of the Lease) represents the maximum amount of Base Rent payable under the Lease. The Parties shall update this schedule upon finalizing their mutual determination of the Rentable Area pursuant to Section 2.2 of the Lease.)

**EXHIBIT D**  
**LANDLORD WORK**

Landlord shall perform the following “Landlord’s Work” to the Building to deliver it in cold grey shell condition, as follows:

1. Landlord Construction Plans. No later than thirty (30) days after the Effective Date, Landlord shall provide to Tenant City approved building plans and design guidelines for the Building (or selected portions or summaries thereof for illustrative purposes), when available, subject to review and approval by Tenant (not to be unreasonably withheld, conditioned, or delayed, provided that the Tenant’s basis for review shall be substantial compliance of such plans with the drawings and descriptions included as Exhibit B) (“Landlord’s Plans”).
2. Building Shell. Landlord will construct the exterior walls, roof, windows, and doors for the Building in accordance with the Landlord’s Plans.
3. Flooring. No flooring (concrete slab, etc.) shall be installed within the Building.
4. Ceiling. Landlord shall leave the ceiling area exposed to the structure above. At Landlord's option, thermal insulation, fire proofing, electrical conduits, air conditioning ducts, plumbing pipes, fire sprinkler piping, etc. will be exposed on the underside of the roof structure.
5. Electrical. Landlord shall install electrical main panel, meter, conduit, and wiring to one or more designated location or locations within the Premises as provided in the Landlord’s Plans.
6. Communications. Landlord shall install conduit, and pull boxes top one or more designated location or locations within the Premises, as provided in the Landlord’s Plans.
7. Fire Sprinkler. Installation of a fire sprinkler system in the Premises, including sprinkler heads, piping, valves, and risers, as provided in the Landlord’s Plans.
8. Water and Sewer. Landlord shall install main line, meter, shut-off valve, and stub-outs for Tenant’s connection, to one or more designated locations within the Premises as provided in the Landlord’s Plans.
9. Gas. Landlord shall install a sleeve for main line, meter, shut-off valve, and stub-outs for Tenant’s connection to one or more designated locations within the Premises as provided in the Landlord’s Plans.
10. Grease interceptor. Landlord shall install a grease interceptor, as provided in the Landlord’s Plans.
11. The Parties agree that any dispute under this Exhibit D shall be submitted to Dispute Resolution.

## EXHIBIT E

### TENANT WORK/TENANT ALTERATIONS

a. Any and all improvements, alterations, or modifications to be constructed with respect to the Premises that are not expressly identified as Landlord's Work, including the initial installation of signage, shall be Tenant's sole responsibility, subject to the terms and provisions of this Exhibit E. Any and all such improvements and the work of improvements with respect thereto, including those improvements described in this Exhibit E shall be included in and constitute "Tenant's Work". Any alterations or modifications to the Site, Premises, or Building, whether or not expressly authorized under the Lease, including the installation or modification of signage shall be included in and constitute "Tenant's Alterations". Landlord agrees that Tenant's Work and Tenant's Alterations may be completed in phases.

b. Tenant's Work and Tenant's Alterations shall conform to Tenant's Construction Plans, defined below, (as approved by Landlord) and shall comply with all applicable codes, laws, ordinances, and regulations, including, without limitation, all applicable building, fire, and life safety codes, all applicable codes, laws, ordinances, and regulations relating to handicapped accessibility, and all environmental laws. Additionally, all signage to be constructed by Tenant as part of Tenant's Work or Tenant's Alterations shall be consistent with any shall comply with any sign plan then established by Landlord.

c. In connection with any Tenant Work or Tenant's Alterations, Tenant shall cause detailed construction drawings to be prepared (by qualified and experienced Nevada licensed architects and engineers) with respect to the Tenant Work, wholly consistent with the approved Site Plan, and shall provide a copy to Landlord for its review and approval or comments (the "Construction Plans"). Landlord agrees that the sole purpose of Landlord's review to the Construction Plans is to determine Landlord's reasonable approval thereof, and in no event shall constitute Landlord's representation or warranty or affirmation that such Construction Plans are fit for their intended purposes or any purposes, or are free from flaw or defect, and Landlord shall have and assume no liability for any error or defect contained in the Construction Plans or their fitness for any purpose. In connection therewith, the Parties agree that the review of the Construction Plans shall be as follows:

(i) Tenant shall submit Construction Plans at such time as Construction Plans have be completed by Tenant. Landlord agrees that the timing and completion of Construction Plans shall be at Tenant's sole discretion.

(ii) Within seven (7) business days thereafter, Landlord shall provide detailed comments to the Construction Plans.

(iii) Within ten (10) business days thereafter, Tenant shall resubmit to Landlord revised Construction Plan and/or written comments to Landlord's comments to the Construction Plans.

(iv) Within five business days thereafter, Landlord shall submit final comments to the resubmitted Construction Plans.

In the event Landlord and Tenant at that time cannot agree on the final Construction Plans, the matter shall be submitted to Dispute Resolution.

d. Following approval of the Construction Plans, Tenant shall contract with a general contractor approved by Landlord (such approval to be reasonably given and not withheld, delayed or conditioned) to construct the subject Tenant Work or Tenant's Alterations consistent with the approved Construction Plans.

e. Tenant hereby conditionally assigns the construction contract to Landlord. If this Lease terminates for any reason before the completion of construction of Tenant's Work or Tenant's Alterations, Landlord, at its option, may elect to accept the assignment of the construction contract by notifying the general contractor that the construction contract has been assigned to Landlord. The construction contract with the general contractor shall expressly provide that it is assignable to Landlord. The terms of this paragraph shall survive the termination of this Lease.

f. No construction may commence without Landlord's approval of Construction Plans.

g. In addition, prior to engaging in any construction on the Premises, Tenant shall satisfy all requirement of NRS 108.2403 and provide proof of such to Landlord in form and substance reasonably acceptable to Landlord. All persons dealing with Tenant are hereby and shall be placed on notice that such persons shall not look to Landlord or to Landlord's credit or assets for payment or satisfaction of any obligations incurred by Tenant in connection with the construction, alteration, repair, restoration, replacement or reconstruction of the Landlord's Work by or on behalf of Tenant. Tenant, its agents or assigns shall have no power, right or authority to subject the Premises, Building, Site, Project, Related Landlord Property, or other property of Landlord or any of its affiliates whatsoever, to any mechanics or materialman's lien or claim of lien. If a construction lien or other lien is filed against the Premises, Building, Site, Project, Related Landlord Property, or other property of Landlord or any of its affiliates whatsoever, or any part thereof, for any reason whatsoever by reason of Tenant's acts or omissions or because of a claim against Tenant, then Tenant shall cause such lien to be cancelled and discharged of record by bond or otherwise within thirty (30) days after written request by Landlord. In the event Tenant fails to cure or release such lien, Tenant shall be in default of the Lease. In addition, Tenant does hereby indemnify, defend, and hold harmless Landlord for any loss or cost, including reasonable attorneys and court costs incurred, as a result of any loss, cost, judgment, demand, claim, payment, obligation, settlement, foreclosure, or other amount incurred by Landlord arising out of any breach of this Paragraph which amounts shall be payable to Landlord upon demand as Additional Rent. This Paragraph shall survive any termination of this Lease

h. In addition, prior to engaging in any construction on the Premises, Tenant shall obtain, and shall maintain, at Tenant's expense, any and all governmental permits and approvals with respect thereto.

i. In addition, as a condition of and prior to engaging in any construction to be performed with respect to the Premises, or the performance of any of Tenant's Work or Tenant's Alterations, Tenant shall fully satisfy all insurance requirements as set forth in the Lease, and shall provide Landlord evidence of same reasonably acceptable to Landlord. Additionally, as a



condition of and prior to engaging in any construction of the Premises or performance of any Tenant's Work or Tenant's Alterations, Tenant shall builder's risk Insurance covering Landlord, Tenant, Tenant's contractors and Tenant's subcontractors, as their interests may appear, against loss or damage by fire, vandalism and malicious mischief and such other risks as are customarily covered by a so-called "causes of loss-special form" coverage on Tenant's Work or Tenant's Alterations, and all materials, equipment, supplies and temporary structures of all kinds incidental to Tenant's Work or Tenant's Alterations and equipment, all while forming a part of or contained in such improvements or temporary structures, or while on the Leased Premises all to the full insurable value thereof at all times on a completed value basis.

j. Tenant shall cause Tenant's Work and Tenant's Alterations to be performed in a good and workmanlike and lien free manner, using only duly qualified and licensed contractors and suppliers, and all new materials. Upon starting construction to Tenant's Work or Tenant's Alterations, but subject to Section 19.6 of the Lease, Tenant shall diligently and continuously pursue the same to completion.

k. As to all Tenant's Work and Tenant's Alterations, Tenant shall provide to Landlord evidence reasonably acceptable to Landlord that: (a) Tenant's Work or Tenant's Alterations are substantially completed and have been constructed pursuant to the requirements of this Lease and all applicable construction drawings and plans (which shall include a certification by Tenant's architect of same); (b) there exists no known Tenant construction defect in the Tenant's Work or Tenant's Alterations; (c) there exists no event of default by Tenant under this Lease; (d) all suppliers, materialmen, contractors, subcontractors, design professionals, and other persons or entities providing labor or materials relating to Tenant's Work or Tenant's Alterations have been paid in full; (e) as part of Tenant's Work, the HVAC units have been installed and are functioning correctly; (f) final lien releases have been executed and delivered by all suppliers, materialmen, contractors, subcontractors, design professionals, and other persons or entities providing labor or materials relating to Tenant's Work or Tenant's Alterations; (g) if requested by Landlord, a Notice of Completion (as contemplated by NRS chapter 40) has been recorded with respect to Tenant's Work or Tenant's Alterations; and (h) Tenant delivers "as built" plans or drawings reflecting Tenant's Work or Tenant's Alterations. The required delivery hereunder shall be referred to as "Proof of Completion." Upon Proof of Completion, Landlord shall pay to Tenant the Tenant Improvement Allowance within thirty (30) days.

l. Ownership of the improvements comprising Tenant's Work or Tenant's Alterations, constructed or installed on the Premises shall automatically vest in Landlord upon expiration of the Term of the Lease. Landlord shall be entitled to grant a mortgage/security interest in favor of Landlord's lender on and in all such improvements.

m. Without limiting the foregoing, the Construction Plans shall include, and Tenant shall be required to instruct and any all of the following as part of Tenant's Work, in accordance with all applicable building and other codes, all of the following (by way of illustration and not of limitation):

- \* Installation of interior walls, partitions, doors, ceilings, flooring, finishes, fixtures, and furniture in the Premises.

- \* Installation of flooring including concrete slabs, subfloors, etc.
- \* Installation of heating, ventilation, and air conditioning (HVAC) system in the Premises, including ductwork, diffusers, thermostats, controls, and equipment.
- \* Installation and extension of all electrical lines, installation of all electrical outlets, switches, lighting fixtures, and equipment in the Premises.
- \* Installation and extension of plumbing lines and installation of all plumbing fixtures and equipment in the Premises.
- \* Installation and extension of all gas lines gas appliances and equipment in the Premises, if applicable.
- \* Installation and extension of all telephone and data lines, telephone and data outlets, wiring, devices, and equipment in the Premises.
- \* Installation of all alarm system in the Premises, including detectors, pull stations, horns, strobes, annunciators, panels, and wiring.
- \* Obtaining all approvals for and causing all connection of utility lines and systems with utility providers, paying all "hook up fees", and obtaining all necessary approvals therefor.
- \* Obtaining all pertinent permits and approvals.

n. Subject to the express terms and conditions of this Lease and of this Exhibit E, and provided that Tenant is not in default of its obligations under this Lease, including its obligation to pay Minimum Base Rent and Additional Rent installments as they come due, Landlord agrees that following shall be at Tenant's sole and complete discretion: (i) the timing for Tenant's preparation and completion of Construction Plans and/or (ii) the timing for Tenant entering into any construction contract for the construction of the Tenant Work or any Tenant Alterations.

o. Tenant hereby conditionally assigns to Landlord any and all contracts pertaining to Tenant's Work or Tenant's Alterations (all of which contracts shall, by their terms, expressly authorize such assignment). Landlord may (but shall not be required to) assume all such contracts and finish Tenant's Work or Tenant's Alterations, in the event that Tenant shall initiate construction of Tenant's Work or Tenant's Alterations but abandons the same.

p. The Parties agree that any dispute under this Exhibit E shall be submitted to Dispute Resolution.

### CERTIFICATE DISCLOSURE OF OWNERSHIP/PRINCIPALS

1. **Definitions**

"City" means the City of Las Vegas.

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

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

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

2. **Policy**

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

3. **Instructions**

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

4. **Incorporation**

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

|                |                                           |
|----------------|-------------------------------------------|
| <b>Block 1</b> | <b>Contracting Entity</b>                 |
| Name           | ARTHAUS III LLC                           |
| Address        | 2808 Ashworth Cir.<br>Las Vegas, NV 89101 |
| Telephone      | 702-630-1902                              |
| EIN or DUNS    | 92-0513554                                |

|                |                                                    |
|----------------|----------------------------------------------------|
| <b>Block 2</b> | <b>Description</b>                                 |
|                | Single Purpose Entity For<br>Mixed-Use Development |

|                                                               |                                      |
|---------------------------------------------------------------|--------------------------------------|
| <b>Block 3</b>                                                | <b>Type of Business</b>              |
| <input type="checkbox"/> Individual                           | <input type="checkbox"/> Partnership |
| <input checked="" type="checkbox"/> Limited Liability Company | <input type="checkbox"/> Corporation |
| <input type="checkbox"/> Trust                                | <input type="checkbox"/> Other:      |

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

**Block 4 Disclosure of Ownership and Principals**

In the space below, the Contracting Entity must disclose all principals (including partners) of the Contracting Entity, as well as persons or entities holding more than one-percent (1%) ownership interest in the Contracting Entity.

|    | FULL NAME/TITLE                | BUSINESS ADDRESS                               | BUSINESS PHONE |
|----|--------------------------------|------------------------------------------------|----------------|
| 1. | Sam Cherry - Managing Member   | 2809 Ashland Dr<br>Las Vegas, NV 89117         | 702-630-1202   |
| 2. | Grant Garcia - Managing Member | 2051 William Springs Rd<br>Henderson, NV 89014 | 702-204-1195   |
| 3. |                                |                                                |                |
| 4. |                                |                                                |                |
| 5. |                                |                                                |                |
| 6. |                                |                                                |                |
| 7. |                                |                                                |                |

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

**Block 5 DISCLOSURE OF OWNERSHIP AND PRINCIPALS - ALTERNATE**

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

Name of Attached Document: \_\_\_\_\_

Date of Attached Document: \_\_\_\_\_ Number of Pages: \_\_\_\_\_

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

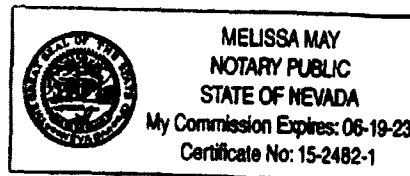
Name \_\_\_\_\_

Date \_\_\_\_\_

Subscribed and sworn to before me this 28<sup>th</sup> day of

September, 2015

Melissa May  
Notary Public



## **EXHIBIT G**

### **LANDLORD RELATED PROPERTY**

#### **APNs 139-27-211-028, 029, 030, 031**

Lots One (1), Two (2), Three (3), Four (4), Five (5), and Six (6) in Block Thirteen (13) of that subdivision known as VALLEY VIEW ADDITION, as shown by plat thereof on file in the office of the county recorder, Clark County, Nevada in Book 1 of Plats, at Page 50. Excepting therefrom that portion as conveyed in that certain Grant Deed recorded November 06, 1987 in Book 871106, Instrument No. 00547, Official Records, Clark County, Nevada. Further excepting therefrom that portion as conveyed in that certain Grant Deed recorded November 06, 1987 in Book 871106, Instrument No. 00548, Official Records, Clark County, Nevada.

**EXHIBIT H**  
**PARKING LICENSE**

**PARKING LICENSE**

**FOOD HALL**

This Parking License ("License"), with an effective date of \_\_\_\_\_ ("Effective Date") is entered into between CITY OF LAS VEGAS REDEVELOPMENT AGENCY, an agency organized under the laws of the State of Nevada (together with its permitted successors and assigns, hereinafter the "Agency") and Arthaus IV, LLC, a Nevada limited liability company, ("Developer"). Agency and Developer are individually or collectively referred to herein as "Party" or "Parties."

**WHEREAS:**

A. Developer is the owner of that site legally described on Exhibit A attached hereto, with an APN of 139-27-211-028, -029, -030, and -031 on which Developer intends to build a residential development along with a surface parking lot (the "Residential Parcel").

B. Developer is the owner of that site legally described on Exhibit B attached hereto, with an APN of 139-27-211-024 and -025 on which Developer intends to build a single story building (the "Leased Building Parcel").

C. Concurrently with the execution of this License, Agency and Developer have entered into that certain master lease (the "Building Lease") by which Developer has leased to Agency, and Agency has leased from Developer, the Premises contained within the Building that Developer intends to construct on the Leased Building Parcel. (Capitalized terms not otherwise defined in this License shall have the meanings set forth in the Building Lease).

D. In consideration of the Agency entering into the Building Lease, Developer has entered into this Parking License.

NOW, THEREFORE, in consideration of the foregoing, which constitutes good and valuable consideration, the receipt and adequacy of which are hereby acknowledged by Developer, the Parties hereto agree as follows:

1. License. Developer hereby grants to Agency a license to park automobiles on the surface parking lot to be constructed on the Residential Parcel (the "Parking Area"), for the License Term (as hereinafter defined), and upon the terms and conditions set forth in this Lease

and in the Building Lease. In connection therewith, and subject to all such terms and conditions, the Parties agree as follows:

- (a) Agency agrees that its right to park under this License is limited to four (4) striped contiguous parking spaces within the Parking Area (the "Reserved Parking Spaces").
- (b) The Parties agree that: (i) the Reserved Parking Spaces will be available to the Agency and Permitted Users on an exclusive and reserved basis; (ii) the Reserved Parking Spaces will be located in such location within the Parking Area as may be designated from time to time by Developer, and Developer shall have the right from time to time, but no more than once a year, upon thirty (30) days written notice to Agency to change the location of the Reserved Parking Spaces (or any of them) to other contiguous spaces within the Parking Area (provided however that the foregoing limitations on the number of permitted relocations of the Reserved Parking Spaces, or the required advance timing, shall be excused in the event that relocation is required for any construction, repair, maintenance, or reconfiguration affecting the Parking Area); and (iii) the Reserved Parking Spaces will be marked for the exclusive use of the Leased Building.
- (c) Developer agrees that Agency's rights under this License shall be at no charge or any other fees to be paid by Agency (aside from the Agency's obligations under the Building Lease).
- (d) Subject to the terms and conditions of this License (including without limitation Section 1(e)), subject to the terms and conditions of the Building Lease, subject to the Rules (as hereinafter defined), and subject to any applicable laws, statutes, ordinances or regulations, and restrictions of record (provided, however that no subsequently adopted restrictions of record shall function to deprive agency of the use of Reserved Parking Spaces as contemplated herein) (collectively, the "Applicable Regulations"), Reserved Parking Spaces shall be available for parking by the Permitted Users twenty-four hours a day, seven days a week.
- (e) For purposes of this License, but subject to the Applicable Regulations and Developer's contractual obligations not contained in this License, the Parties agree that:
  - a. Developer reserves the right to modify the Parking Area in such manner as may be determined by Developer, provided that no such modification shall

function to deprive Agency of the use of Reserved Parking Spaces as contemplated herein;

- b. Developer reserves the right to cause temporary closures of the Parking Area, for purposes of maintenance, repair, resurfacing, and restriping of the Parking Area, for construction, reconstruction, maintenance and repair of adjacent properties, as legally needed to prevent any person, party, or entity from claiming or obtaining any right or interest in and to the Parking Area, or if reasonably required in the event of an emergency at or near the Parking Area threatening imminent property damage or death or injury to any person.
  - c. Developer reserves the right to require the use of entry devices or identification devices with respect to the Parking Area, provided that Landlord provides to Tenant no less than eight (8) devices.
  - d. Developer reserves all other rights it has or may have under the Applicable Law and Regulations pertaining to the Parking Area.
- (f) No use of the Parking Area shall be permitted during any period of initial construction of the Residential Parcel or the Leased Building Parcel or of the Parking Area.
- (g) This License creates a limited use license and not a bailment. Agency and Permitted Users assume all risk and responsibility for damage to the vehicle and any personal property contained in it, and the vehicles or other personal property of others, in connection with any use of the Parking Area. Developer undertakes no obligation to provide security for the Parking Area, and shall assume no obligation arising from its decision to provide or not to provide any security. Developer is not responsible for any damage to vehicles or property contained in vehicles. Developer reserves the right to revoke or restrict parking rights or to tow vehicles based upon violations of the Rules and the terms of this License.
- (h) Agency and Permitted Users shall have no right or remedy arising from Developer's exercise of its reserved rights described in this License.

2. Term. The term of this License ("License Term") will run concurrently with the Lease Term under the Building Lease, including any extension thereof pursuant to any option to extend contained in the Building Lease.



3. License Termination. The Parties agree that this License shall terminate at such time as: (i) the Lease Term of the Building Lease (as may be extended pursuant to any option to extend) expires; (ii) the Building Lease is otherwise terminated for any reason; (iii) there shall occur any express or implied assignment of rights under this License contrary to its terms, including by operation of law; (iv) there shall occur a Default by Licensee under this License following passage of applicable notice and cure periods set below. Upon any termination of this License hereunder, Developer may cause a termination of this License to be recorded against either or both the Leased Building Parcel and the Residential Parcel. Upon any such termination, this License shall be of no further force or effect whatsoever (except for Agency's indemnity and insurance obligations, which obligations shall survive any such termination, and except for any other term or provision that expressly survives termination of this License).

4. Permitted Users. Developer agrees that subject to the Rules and the Applicable Regulations, to the fullest extent permitted by law, the Reserved parking spaces may be used only by employees of the Agency or Agency, invitees of Agency or Agency with respect to the Leased Building, Users of space in the Leased Building, or their invitees (the "Permitted Users"). Agency shall be solely responsible for the allocation of use of the Reserved Parking Spaces as among Permitted Users, and Developer shall have no responsibility or liability relating to any such allocation.

5. Rules. Agency agrees that all use of the Reserved Parking Spaces shall be subject to any and all rules and regulations set forth in Exhibit C, together with other generally applicable rules and regulations hereafter adopted regarding the Parking Area (provided no such subsequent rules and regulations shall function to deprive Agency of the use of Reserved Parking Spaces as contemplated herein) (collectively, the "Rules").

6. Running with Land. During the License Term and subject to termination of this License pursuant to Section 3, this License shall be deemed to be and shall constitute a covenant running with the Residential Parcel for the benefit of the Agency and its permitted assignees under the Building Lease and shall pass to and be binding upon Developer's successors in title to the Parking Area.

7. Default. A Party shall be in default of this License in the event that Party is in default of its obligations and such default is not cured within thirty (30) days after written notice of default by the non-defaulting party, provided that if the nature of such default is such that it cannot reasonably be cured within a thirty (30) day period, the defaulting party shall not be deemed to be in default if it shall commence such cure within such period and thereafter diligently pursue such cure to completion ("Default"). Additionally, any Event of Default by Agency under the Building Lease (with passage of applicable notice and cure periods under the Building Lease) shall constitute a Default under this License. Nothing contained in this Section 7

shall be construed to limit, restrict, or delay Developer's rights arising under the Rules, including the right to tow any vehicle in violation of the Rules.

8. Insurance and Indemnity.

- a. Developer [and Developer Affiliate] shall not be liable for any damages or liability arising out of or resulting from a breach of any duty of any kind or for any injury to or death of persons or loss or damage arising out of or in any way related to the use, occupancy and enjoyment of the Parking Area by Agency or any person claiming by, through, or under Agency (including any Permitted User), unless the same shall be caused solely by the gross negligence or willful misconduct of Developer [and Developer Affiliate]. To the fullest extent permitted by law, but in all events subject to the liability limitations set forth in Chapter 41 of Nevada Revised Statutes Section 41.035, Agency shall at Agency's sole cost and expense, protect, indemnify, save and hold harmless Developer [and Developer Affiliate] against and from all liability, claims, loss, injury, liens, cost, damage or expense arising out of or in any way related to: (1) any accident or other occurrence in, on or at the Parking Area caused by Agency's or any Permitted User's negligence or willful misconduct; (2) the occupancy or use of the Parking Area or any negligent act or willful omission of Agency or any Permitted User, or their respective employees, agents, invitees, subtenants, licensees, assignees or contractors; (3) any penalty or damage or charges imposed for any violations of any law or ordinance whether occasioned by the negligence of Agency or any Permitted User or those claiming by, through, or under Agency or any Permitted User; (4) any failure of Agency or any Permitted User in any respect to comply with and perform all the requirements and provisions of this License or the Rules; (5) any dispute by or among Permitted Users. Agency's obligation to indemnify Developer, shall survive the expiration or earlier termination of this Lease for acts or omissions occurring prior to such expiration or earlier termination, and shall additionally include the retention of legal counsel and related reasonable attorneys' fees and reasonable investigation costs (as well as all other reasonable and related costs, expenses and liabilities). For purposes of this Section 8(a) only, the term "Developer" and "Developer Affiliate" shall be deemed to include Developer, Developer Affiliate, the fee owner of the Residential, Leased Building Parcel, and Parking if other than Developer and Developer Affiliate, any agent for the Building, their respective subsidiaries and affiliates, and the respective members, directors, officers, agents, servants, and employees of each of the foregoing. Agency acknowledges and agrees that its liability pursuant to this Section 8(a) is not limited to the amount of any insurance set forth and provided for in this License or in the Building

Lease. The obligations of Agency, as well as the foregoing indemnity, in connection with this Section 8(a) shall survive the expiration or earlier termination of this Lease, anything herein to the contrary notwithstanding.

- b. In accordance with the Nevada Revised Statutes, the Agency has adopted a self-insured liability program for coverage of losses of up to an amount set from time to time by the Las Vegas City Council (the "Self-Insurance Amount"). The amount of the Self-Insurance Amount will be set from time to time at City Council's sole discretion and may increase or decrease from time to time. Agency is covered under such self-insured liability program and, therefore, Agency self-insures each occurrence up to the Self-Insurance Amount. This self-insured liability program is established through a funded reserve system appropriately known as the "Self-Insurance Liability Trust Fund", and is supported by an annual budgetary allocation by the City Council. In addition, in accordance with the Nevada Revised Statutes, such program includes a Self-Insured Workers' Compensation Program, effective December 19, 1985. This self-insured workers' compensation program is established by a funded reserve system appropriately known as the "Industrial Self-Insurance Expendable Trust Fund", and is supported by an annual budgetary allocation. Developer acknowledges that City is not able to name Developer or any third parties as an additional insured under City's self-insurance program or provide any insurance coverage whatsoever to Developer [and Developer Affiliate] under City's self-insurance program and is not able to provide a waiver of subrogation. City agrees to provide upon demand and in any event at least annually written evidence that the self-insurance liability program is in place along with the then amount of the Self-Insurance Amount.

9. Miscellaneous.

- a. Assignment by Agency. Agency shall have the right to assign this License only to any permitted assignee of Agency under Section 13.1 of the Building Lease. Agency agrees to provide Developer with prior notice of any such assignment. Any other assignment or attempted assignment is void and a Default by Agency.
- b. Attorneys' Fees. In the event an action or proceeding is brought with respect to this License, the prevailing Party in any such dispute shall pay the non-prevailing Party's court costs and reasonable attorney's fees and expert fees incurred in such action or proceeding, such amount to be determined by a court or fact finder and not a jury.

- c. Notices. Any notice required to be given hereunder shall be deemed to have been given when written notice is: (i) received by the party to whom it is directed by personal service; (ii) three (3) days after deposit with the United States Post Office, by registered or certified mail, postage prepaid and addressed to the party to be notified at the address for such party; (iii) one (1) day after deposit with a nationally recognized air courier service such as FedEx; or (iv) by an email sent to the email address of the recipient stated in this Section. All notices shall be effective upon receipt by the party to which notice is given or if it is delivered by email, when the recipient acknowledges having received that email, with an automatic "read receipt" not constituting acknowledgment of an email for notice purposes. Either party hereto may change its address by giving ten (10) days advance notice to the other party as provided herein. Phone and fax numbers, if listed, are listed for information only:

Department of Neighborhood Services, City of Las Vegas  
City Hall, 3rd Floor  
495 S. Main Street  
Las Vegas, NV 89101  
Phone: (702) 229-2330  
Fax: (702) 383-6306  
Email: [kgibson@lasvegasnevada.gov](mailto:kgibson@lasvegasnevada.gov)

Attn: Kathi Thomas, Director

And: City Attorney Office  
City Hall, Sixth Floor  
495 S. Main Street  
Las Vegas, NV 89101  
Phone: (702) 229-6629  
Fax: (702) 368-1749  
Email: [jridilla@lasvegasnevada.gov](mailto:jridilla@lasvegasnevada.gov)

If to Developer: \_\_\_\_\_  
2808 Ashworth Circle  
Las Vegas, NV 89107  
Attn: Sam Cherry  
Email: [sam@cherrylv.com](mailto:sam@cherrylv.com)

With a copy to: Bennett Law Group PLLC  
10795 West Twain Avenue, Suite 100  
Las Vegas, NV 89135  
Attn: Dean Bennett  
Email: [dean@blgnv.com](mailto:dean@blgnv.com)

The Parties shall provide written notification of any change in the information stated above.

- d. Entire Agreement and Waivers. This License and the respective exhibits thereto constitute the entire understanding and agreement between the Parties and is intended by the Parties to be the final expression of their agreement with respect to the subject matter hereof, and the complete and exclusive statement 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. This License includes Exhibits A through D, inclusively, attached hereto and incorporated herein by reference. All waivers of the provisions of this License must be in writing and signed by the appropriate authorities of City and Developer 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. All amendments hereto must be in writing and signed by the appropriate authorities of Agency and Developer.
- e. Severability. Whenever possible, each provision of this License 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 License and the remaining provisions shall remain in full force and effect.
- f. Governing Law; Jurisdiction; Waiver of Jury Trial. Any controversy, claim, or dispute arising out of or related to this License or the interpretation, performance, or breach hereof (a "Dispute"), shall be resolved in accordance with this Section 9(f).
- g. Governing Law. This License and all Disputes between the Parties under or related to this License or the facts and circumstances leading to its execution, whether in contract, tort or otherwise, shall be governed by and construed in accordance with the laws of the State of Nevada, applicable to contracts

executed in and to be performed entirely within the State of Nevada, without regard to the conflicts of laws principles thereof.

- h. Jurisdiction. Each of the Parties hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of any Nevada state court of proper jurisdiction located in Clark County, Nevada, and any appellate court thereof having proper jurisdiction and located in the State of Nevada, for resolution of any Dispute and for recognition or enforcement of any judgment relating to such Dispute, and each of the Parties hereby irrevocably and unconditionally (a) agrees not to commence any such action or proceeding except in such courts; (b) agrees that any claim in respect of any such action or proceeding must be heard and determined in such Nevada state court; (c) waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any such action or proceeding in any such Nevada state court; and (d) waives, to the fullest extent permitted by applicable law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such Nevada state court. Each of the Parties agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by applicable law.
- i. WAIVER OF JURY TRIAL. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS LICENSE IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE IT HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS LICENSE OR THE TRANSACTIONS CONTEMPLATED HEREBY. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (a) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE SUCH WAIVERS; (b) IT UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF SUCH WAIVERS; (c) IT MAKES SUCH WAIVERS VOLUNTARILY; AND (d) IT HAS BEEN INDUCED TO ENTER INTO THIS LICENSE BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.
- j. Captions. The captions contained in this License are for the convenience of the Parties and shall not be construed so as to alter the meaning of the provisions of the License.



- k. Counterparts. Each counterpart of this License shall be deemed to be an original and all of which together shall be deemed to be one and the same License. Delivery of this License may be accomplished by facsimile or other electronic transmission of this License. In such event, the Parties hereto shall promptly thereafter deliver to each other executed exact counterpart originals of this License, and all such counterparts shall thereupon constitute one License.
- l. No Third-Party Beneficiaries. [Except for Agency's indemnity and insurance obligations, which shall run to the benefit of both Developer and Developer Affiliate, nothing in this License shall confer upon any person, other than the Parties hereto and their respective successors and permitted assigns, any rights or remedies under or by reason of this License. Nothing herein is intended to or shall create any rights vested in the general public or to otherwise benefit the general public.
- m. Days. All references to "*days*" in this License are to consecutive calendar days unless business days are specified. The term "*business days*" refers means a day when the Agency is normally open for public access, occurring on Mondays through Thursdays, unless the Agency is not open for the celebration or observance of holidays or is otherwise declared not open to the public by the City Manager of the City. If a time for performance hereunder falls on a day other than a business day, the time for performance shall be extended to the following business day. Except as may otherwise be set forth herein, any performance provided for herein shall be timely made and completed if made and completed no later than 5:00 P.M. (Las Vegas time) on the day for performance.
- n. Construction. The Parties acknowledge that each Party and its counsel have reviewed and approved this License and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this License or any amendments or exhibits hereto.
- o. Non-Liability of City, City, or Developer Managers, Members, Officers, Agents, Officials and Employees. It is agreed by and between the Parties of this License, that in no event shall any member, manager, official, officer, employee, or agent of the Agency or the City, the City, of the Developer, [or of the Developer Affiliate,] in any way be personally liable or responsible for any covenant or agreement herein contained whether expressed or implied, nor for any

statement, representation or warranty made herein or in any connection with this License.

- p. Conflict of Interest (Agency Officials and Agency Officials). An official of the Agency or of the Agency, who is authorized on behalf of the Agency or the Agency to negotiate, make, accept or approve, or take part in negotiating, making, accepting, or approving this License, payments under this License, or work under this License, shall not be directly or indirectly interested personally in this License or in any part hereof. Each party represents that it is unaware of any financial or economic interest of any public officer or employee of the Agency relating to this License.
- q. Public Records. The City and the City are public agencies as defined by state law. As such, they are subject to the Nevada Public Records Law (Chapter 239 of the Nevada Revised Statutes). The City's records and the City's records are public records, which are subject to inspection and copying by any person (unless declared by law to be confidential). This License including all exhibits are deemed to be public records.
- r. Recitals. Developer and the City acknowledge and represent that the foregoing recitals are true, accurate and binding on the respective Parties and are an integral part of this Agreement.
- s. Memorandum of License. Concurrently with the closing of the sale of the Residential Parcel, , the Parties have executed and caused the recordation of the memorandum of license in the form of Exhibit D.



IN WITNESS WHEREOF, the undersigned have executed this License as of the date first written above.

CITY  
CITY OF LAS VEGAS

By: \_\_\_\_\_  
Carolyn G. Goodman, Mayor

ATTEST:

\_\_\_\_\_  
LuAnn D. Holmes, MMC, City Clerk

APPROVED AS TO FORM:

By \_\_\_\_\_

DEVELOPER

Arthaus IV, LLC, a Nevada limited liability company

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

ARTHAUS IV, LLC  
PARKING LICENSE

Exhibit A  
Residential Parcel Legal

Lots One (1), Two (2), Three (3), Four (4), Five (5), and Six (6) in Block Thirteen (13) of that subdivision known as VALLEY VIEW ADDITION, as shown by plat thereof on file in the office of the county recorder, Clark County, Nevada in Book 1 of Plats, at Page 50.

Excepting therefrom that portion as conveyed in that certain Grant Deed recorded November 06, 1987 in Book 871106, Instrument No. 00547, Official Records, Clark County, Nevada.

Further excepting therefrom that portion as conveyed in that certain Grant Deed recorded November 06, 1987 in Book 871106, Instrument No. 00548, Official Records, Clark County, Nevada.

Exhibit B  
Leased Building Parcel

APN of 139-27-211-024 and -025

Lot Seven (7) in Block Thirteen (13) of that subdivision known as VALLEY VIEW ADDITION, as shown by plat thereof on file in the office of the county recorder, Clark County, Nevada in Book 1 of Plats, at Page 50.

Excepting therefrom that portion as conveyed in that certain Grant Deed recorded November 06, 1987 in Book 871106, Instrument No. 00547, Official Records, Clark County, Nevada.

Further excepting therefrom that portion as conveyed in that certain Grant Deed recorded November 06, 1987 in Book 871106, Instrument No. 00548, Official Records, Clark County, Nevada.

Exhibit C  
Preliminary Rules and Regulations

PARKING RULES AND REGULATIONS  
(PRELIMINARY)

The following rules and regulations (the "Rules and Regulations") have been established by the developer of the Parking Area (as hereinafter defined) ("Developer") and govern the use of that certain Parking Area (the "Parking Area") associated with the residential/mixed-use building located near the intersection of D Street and Jefferson Avenue, Las Vegas, Nevada, APN Nos. 139-27-211-028, -029, -030, and -031 (the "Mixed-Use Development"). All Users of the Parking Area (each, a "User") will be bound by these Rules and Regulations and Developer and also any owners' association created with respect to the Parking Area or Mixed-Use Development and granted such power (each, an "Association") will be entitled to enforce all of these rules (and any right of Developer under these rules shall automatically extend to and include Association).

1. User will not permit or allow any vehicles that belong to or are controlled by User or User's employees, subtenants, customers or invitees to be loaded, unloaded or parked in areas other than those designated by Developer for such activities. No vehicles are to be left in the Parking Area overnight and no vehicles are to be parked in the Parking Area other than normally sized passenger automobiles, motorcycles and pick-up trucks. No extended term storage of vehicles is permitted. No camping or overnight use of any vehicle is permitted.

2. Vehicles must be parked entirely within painted stall lines of a single parking stall.

3. All directional signs and arrows must be observed.

4. The speed limit within the Parking Area shall be five (5) miles per hour.

5. No unsafe driving (e.g., "donuts", "spin-outs") is permitted in the Parking Area.

6. Parking is prohibited: (a) in areas not striped for parking; (b) in aisles or on ramps; (c) where "no parking" signs are posted; (d) in cross-hatched areas; and (e) in such other areas as may be designated from time to time by Developer or its parking operator.

7. No vehicle's audio theft alarm system shall remain engaged for an unreasonable period of time.

8. Washing, waxing, cleaning or servicing of any vehicle in any area not specifically reserved for such purpose is prohibited. No sales or other commercial activities are permitted in the Parking Area.

9. Developer may refuse to permit any person to park in the parking facilities who violates these rules with unreasonable frequency, and any violation of these rules shall subject the violator's car to removal, at such car owner's expense. User agrees to use its best efforts to acquaint

its employees, subtenants, assignees, contractors, suppliers, customers and invitees with these parking provisions, rules and regulations.

10. Parking stickers, access cards, or any other device or form of identification supplied by Developer as a condition of use of the parking facilities shall remain the property of Developer. Parking identification devices, if utilized by Developer, must be displayed as requested and may not be mutilated in any manner. The serial number of the parking identification device may not be obliterated. Parking identification devices, if any, are not transferable and any device in the possession of an unauthorized holder will be void. Developer reserves the right to refuse the sale of monthly stickers or other parking identification devices to User or any of its agents, employees or representatives who willfully refuse to comply with these rules and regulations and all unposted city, state or federal ordinances, laws or agreements.

11. Loss or theft of parking identification devices or access cards must be reported to the management office in the Development immediately, and a lost or stolen report must be filed by the User or User of such parking identification device or access card at the time. Developer has the right to exclude any vehicle from the parking facilities that does not have a parking identification device or valid access card. Any parking identification device or access card which is reported lost or stolen and which is subsequently found in the possession of an unauthorized person will be confiscated and the illegal holder will be subject to prosecution.

12. All damage or loss claimed to be the responsibility of Developer must be reported, itemized in writing and delivered to the management office located within the Development within ten (10) business days after any claimed damage or loss occurs. Any claim not so made is waived. Developer is not responsible for damage by water or fire, or for the acts or omissions of others, or for articles left in vehicles. In any event, the total liability of Developer, if any, is limited to Two Hundred Fifty Dollars (\$250.00) for all damages or loss to any car. Developer is not responsible for loss of use.

13. The parking operators, managers or attendants are not authorized to make or allow any exceptions to these rules and regulations, without the express written consent of Developer. Any exceptions to these rules and regulations made by the parking operators, managers or attendants without the express written consent of Developer will not be deemed to have been approved by Developer.

14. Developer reserves the right, without cost or liability to Developer, to tow any vehicles which are used or parked in violation of these rules and regulations, at the owner's expense.

Exhibit D  
Form of Memorandum of License

APNs 139-27-211-028, -029, -030, -031

**RECORDING REQUESTED BY:**

City of Las Vegas

**AFTER RECORDATION MAIL TO:**

CITY OF LAS VEGAS  
495 South Main St., 6th Floor  
Las Vegas, Nevada 89101  
Attention: Department of Economic and Urban  
Development

**MEMORANDUM OF PARKING LICENSE**

This Memorandum of Parking License is by and between \_\_\_\_\_ ("Developer") and the CITY OF LAS VEGAS REDEVELOPMENT AGENCY, an agency organized under the laws of the State of Nevada ("Agency") who hereby declare that pursuant to that certain Parking License between Developer and Agency, Developer and Agency have entered into that certain Parking License with an Effective Date of \_\_\_\_\_ (the "Parking License").

The Parking License affects the "Parking Area" of Developer, as described in Exhibit A attached hereto.

The Parking License grants to Agency and its Permitted Users, during the License Term, and upon specified terms and conditions contained in the Parking License, the right to use four (4) contiguous Reserved Parking Spaces within the Parking Area.

The Parking License also describes the circumstances under which the Parking License may be terminated, and the parties' respective rights and remedies in such case.

The Parking License also describes certain rights and obligations of Developer and Agency pertaining to the Reserved Parking Spaces, Parking Area, and the license therein created.

Reference is made to the Parking License for details. In the event of any conflict between the Parking License and this memorandum, the Parking License shall control. Capitalized terms not otherwise defined in this memorandum shall have the meanings ascribed to them in the Parking License.

## **EXHIBIT I**

### **RULES AND REGULATIONS**

1. No awnings or other projections shall be attached to the outside walls of the Building. Neither the interior nor the exterior of any windows shall be coated or otherwise sunscreened without written consent of Landlord.
2. No sign, advertisement, notice or handbill shall be exhibited, distributed, painted or affixed by any Tenant or User on, about or from any part of the exterior of the Building without the prior written consent of Landlord. In the event of the violation of the foregoing by Tenant or any User, Landlord may remove or stop same without any liability, and may charge the expense incurred in such removal or stopping to Tenant.
3. The sashes, sash doors, exterior windows, and doors that reflect or admit light and air into halls, passageways or other public places in the Building shall not be covered or obstructed by Tenant or any User.
4. The water and wash closets and other plumbing fixtures shall not be used for any purpose other than those for which they were constructed, and no sweepings, rubbish, rags, or other substances shall be thrown therein. All damages resulting from any misuse of the fixtures shall be borne by the Tenant who, or whose subtenants, assignees or any of their servants, employees, agents, visitors or licensees shall have caused the same.
5. The Premises shall not be used for lodging or sleeping or for any immoral or illegal purpose.
6. No Tenant or User shall make, or permit to be made any unseemly or disturbing noises or disturb or interfere with occupants of this or neighboring buildings or premises or those having business with them, whether by the use of any musical instrument, radio, phonograph, unusual noise, or in any other way. Nothing shall be done within the Premises that is a nuisance or annoyance to the community or to neighboring residents. No odors shall be permitted to arise therefrom so as to render any portion of the Premises unsanitary, unsightly, offensive or detrimental to any other property owner or resident; and no nuisance shall be permitted to exist or operate upon the Premises so as to be offensive or detrimental to any other nearby owner or resident; without limiting the generality of the foregoing provision, no external speakers, horns, whistles, bells or other sound devices, except devices used exclusively for security purposes, shall be located, used or placed upon any portion of the Premises.
8. Except as required in connection with a Permitted Use including, without limitation, the operation of the food hall, no Tenant or User shall at any time bring or keep upon the Premises any inflammable, combustible or explosive fluid, chemical or substance; provided, however, that the foregoing shall not prohibit the use and storage of commonly used cleaning materials or solutions utilized for a Permitted Use in accordance with applicable law.
9. No additional locks or bolts of any kind shall be placed upon any of the doors or windows by Tenant, nor shall any changes be made in existing locks or the mechanism thereof. Notwithstanding the foregoing, Tenant may change locks as Tenant determines is necessary for

security purposes provided that Tenant notifies Landlord and provides Landlord with copies of keys for any changed locks. Tenant must upon the termination of its tenancy, restore to the Landlord all keys of stores, offices, and toilet rooms, either furnished to, or otherwise procured and in the event of the loss of keys so furnished, Tenant shall pay to the Landlord the cost of replacing the same or of changing the lock or locks opened by such lost key if Landlord shall deem it necessary to make such changes.

9. All moving of freight, furniture, fixtures, or equipment, inventory, supplies, foodstuffs, or bulky matter of any description must take place during the hours which Landlord shall reasonably determine from time to time.

10. Landlord shall have the right to prohibit any advertising by any Tenant or any User which, in Landlord's opinion tends to impair the reputation of the Building or Project or its desirability as a mixed use development, and upon written notice from Landlord any Tenant or User shall refrain from or discontinue such advertising.

11. Any persons employed by any Tenant or any User to do janitorial work shall, while in the Building and outside of the Premises, be subject to and under the control and direction of Tenant or User, and Tenant shall be responsible for all acts of such persons.

12. Canvassing, soliciting and peddling in the Building or Premises by Tenant or Users are prohibited, and Tenant shall report and otherwise cooperate to prevent the same.

13. No animals, fowls, reptiles, poultry, fish or insects of any kind shall be raised, bred or kept on the Building, Site, or Premises.

14. No unsightly articles shall be permitted to remain on the Site or Premises so as to be visible from any public or private street or from any other parcel. Without limiting the generality of the foregoing, refuse, garbage and trash shall be kept at all times in covered, sanitary containers or enclosed areas designed for such purpose.

15. No tent or shack or other temporary building, improvement or structure shall be placed upon any portion of the Site, Premises, or Building.

16. Tenant shall be responsible for trash removal and oil removal in a neat and sanitary manner. Trash pick-up areas shall be maintained in a sanitary condition.

17. No exterior portion of the Site shall be used for the storage of any personal property or other materials, including, without limitation, inventory, business supplies, and equipment. The temporary placement of refuse, debris, or recyclable materials for pick-up in fully enclosed and shielded trash enclosures duly approved and licensed by the City or County (as applicable) and constructed and maintained in a manner consistent with any restrictions of record, and the temporary storage of oil waste in fully enclosed and shielded storage and disposal tanks, canisters, or similar devices duly approved and licensed by the City or County (as applicable) and constructed and maintained in a manner consistent with any restrictions of record, shall not constitute a violation of this rule.



EXHIBIT J

FORM OF CERTIFICATE OF COMPLETION



**CERTIFICATE OF COMPLETION**

Permit No

Date of Issue :

Contactor :

Owner :

Street Address

CONST TYPE .

SQFT .

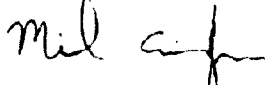
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This Certificate issued pursuant to the requirements of the International Building Code indicating that at the time of issuance this building or structure was inspected for substantial compliance with the adopted technical Codes of the City regulating building construction or use. Any Certificate of Completion presuming to authorize a violation of the code or other ordinance is declared invalid.

BUILDING & SAFETY DIVISION

By   
\_\_\_\_\_  
Michael Cunningham  
Building Official

**EXHIBIT K**

**FORM OF MEMORANDUM OF LEASE**

**RECORDING REQUESTED BY, AND  
WHEN RECORDED RETURN TO:**

---

**MEMORANDUM OF LEASE**

This Memorandum of Lease is by and between ARTHAUS IV, LLC, a Nevada limited liability company ("Landlord") and CITY OF LAS VEGAS REDEVELOPMENT AGENCY, an agency organized under the laws of the State of Nevada ("Tenant"). Pursuant to that certain Master Lease between Landlord and Tenant dated \_\_\_\_\_ ("Lease"), Landlord has leased to Tenant, and Tenant has accepted such lease from Landlord, the Property (later defined) upon the following terms:

Effective Date of Lease: \_\_\_\_\_.

Lease Commencement and Rent Commencement Date: TBD.

Description of Property: See Exhibit "A" attached hereto.

Term: One hundred and eighty (180) months from Lease Commencement Date.

Renewal Option(s): Up to two (2), sixty (60) month renewal options.

The Ground Lease includes various restrictions and limitations on use, including without limitation, certain required procedures for any Tenant's Work or Alterations (Exhibit E), certain Rules and Regulations (Exhibit I), and certain expressly Prohibited Uses (Exhibit L). Reference is made to the Ground Lease for particulars. In the event of a conflict between the Ground Lease and this memorandum, the Ground Lease shall control.

**[SAMPLE ONLY: SIGNATURE BLOCKS, NOTARY BLOCKS, AND LEGAL  
DESCRIPTION TO BE ADDED TO EXECUTION COPY]**

**EXHIBIT K-1**

**FORM OF AMENDMENT TO MEMORANDUM OF LEASE**

**RECORDING REQUESTED BY, AND  
WHEN RECORDED RETURN TO:**

---

**AMENDMENT TO MEMORANDUM OF LEASE**

This Amendment to Memorandum of Lease is by and between ARTHAUS IV, LLC, a Nevada limited liability company ("Landlord") and CITY OF LAS VEGAS REDEVELOPMENT AGENCY, an agency organized under the laws of the State of Nevada ("Tenant"). Tenant and Landlord have previously entered into Memorandum of Lease recorded with the Clark County Recorder of Deeds as Document No: \_\_\_\_\_. Pursuant to that certain Lease between Landlord and Tenant as reflected in such Memorandum of Lease, Landlord has leased to Tenant, and Tenant has accepted such lease from Landlord, the Property (later defined) upon the following terms:

Effective Date of Lease: \_\_\_\_\_.

Lease Commencement Date and Rent Commencement Date: \_\_\_\_\_.

Description of Property: See Exhibit "A" attached hereto.

Term: One hundred and eighty (180) months from Lease Commencement Date.

Renewal Option(s): Up to two (2), sixty (60) month renewal options.

The Lease includes various restrictions and limitations on use, including without limitation, certain required procedures for any Tenant's Work or Alterations (Exhibit E), certain Rules and Regulations (Exhibit I), and certain expressly Prohibited Uses (Exhibit L). Reference is made to the Lease for particulars. In the event of a conflict between the Lease and this memorandum, the Lease shall control.

**EXHIBIT L**  
**PROHIBITED USES**

1. Permitted Uses. The Site, Building, and Premises may be used only for commercial uses.

2. Zoning. No portion of the Site, Building, or Premises shall be used for anything other than purposes that may be permitted by applicable zoning regulations.

3. Use Restrictions. No portion of the Site, Building, or Premises may be used for any of the following purposes without the prior written consent of Landlord:

- a. A bowling alley, billiards parlor, bingo parlor, arcade, game room or other amusement center;
- b. A theater (motion picture);
- c. A pawn shop, a flea market, open air market, second hand or thrift store, or any tent sale;
- d. An establishment for sale or repair of automobiles, trucks, mobile homes or recreational motor vehicles;
- e. An adult type bookstore or other establishment selling, renting, displaying or exhibiting pornographic or obscene materials (including, without limitation, magazines, books, movies, videos, photographs or so called "sexual toys") or providing adult type entertainment or activities (including, without limitation, any displays of a variety involving, exhibiting or depicting sexual themes, nudity or lewd acts);
- f. A massage parlor (such shall not prohibit a therapeutic massage clinic operated by a licensed technician and licensed masseuses or the provision of massages in a spa or a medical office);
- g. A skating rink;
- h. A mortuary, crematorium or funeral home;
- i. A land fill, garbage dump or for the dumping, disposing, incineration or reduction of garbage;
- j. Gambling establishments; or
- k. Assembling, manufacturing, industrial, distilling, refining or smelting facility.

## EXHIBIT H

### AGENCY REIMBURSEMENT AGREEMENT

THIS AGENCY REIMBURSEMENT AGREEMENT ("Agreement") is entered into as of the \_\_\_\_ day of \_\_\_\_\_, 202\_ by and between the CITY OF LAS VEGAS REDEVELOPMENT AGENCY, a public body, corporate and politic ("Agency") and ARTHAUS IV LLC, a Nevada limited liability company ("Developer").

#### WHEREAS:

A. Developer, the City of Las Vegas, Nevada (the "City"), and the Agency have entered into that Disposition and Development Agreement dated October 19, 2022, as amended by that First Amendment to Disposition and Development Agreement dated \_\_\_\_\_ 2023 (collectively, the "DDA") pursuant to which the City has agreed to convey the Site (defined below) to Developer for the development by Developer of the Project (defined below). Capitalized terms not otherwise defined in this Agreement shall have the meanings ascribed to them in the DDA. In the event of any conflict between this Agreement and the DDA, the DDA shall control.

B. In connection with the Project, Developer has and will continue to expend Soft Costs (defined below) as set forth in the Budget (as defined below) pursuant to the Design Schedule (as defined below).

C. Agency has agreed to reimburse Developer for soft costs set forth in the Budget (as hereinafter defined), on the terms and conditions set forth in this Agreement.

#### 1. Purpose of this Agreement

(a) The purpose of this Agreement is to help to effectuate the Redevelopment Plan (as hereinafter defined) for the Las Vegas Redevelopment Area (as hereinafter defined) by providing for the redevelopment of certain real property (the "Site") included within the boundaries of the Redevelopment Area.

(b) The development of the Site pursuant to the DDA and the fulfillment generally of this Agreement are in the vital and best interests of the City of Las Vegas, Nevada (the "City"), and the health, safety and welfare of its residents, and in accord with the public purposes and provisions of applicable federal, state and local laws and requirements.

(c) As part of the development of the Site, Agency is willing to reimburse Developer for a portion of the Soft Costs as set forth herein.

#### 2. The Redevelopment Plan

This Agreement is subject to the provisions of the Redevelopment Plan which was approved and adopted on March 5, 1986, by the City Council of the City by Ordinance No.

3218 as amended and as restated pursuant to that Second Amended and Restated City of Las Vegas Development Plan adopted by City Council on December 16, 2015 (collectively, the "Redevelopment Plan"). The Redevelopment Plan, as it now exists and as it may be subsequently amended, is incorporated herein by reference and made a part hereof as though fully set forth herein.

### **3. The Redevelopment Area**

The Redevelopment Area is located in the City and the exact boundaries thereof are specifically described in the Redevelopment Plan and in a document recorded March 11, 1986, as Instrument No. 00777, Book 860311, and amended in the document recorded February 11, 1988, Instrument No. 00382, Book 880211, and further amended in the document recorded November 22, 1996, as Instrument No. 00847, Book 961122, and further amended in the document recorded June 8, 2004, as Instrument No. 20040608, Book 0004235, and further amended in the document recorded on June 6, 2006, as Instrument No. 20060602, Book 0001395, in the Office of County Recorder of Clark County, and further amended in the document recorded on September 12, 2012, as Instrument No. 20120912, Book 0001933, in the Office of County Recorder of Clark County, and further amended in the document recorded on March 23, 2017, as Instrument No. 20170323, Book 0001012, in the Office of County Recorder of Clark County, which documents are incorporated herein by reference and made a part hereof as though fully set forth herein (the "Redevelopment Area").

### **4. The Site**

The Site is that portion of the Redevelopment Area generally located at D street and Jefferson Avenue, Las Vegas, Nevada, APN's: 139-27-211-021, 025, 028, 029, 030, 031 as shown on the map of the Site attached hereto as Attachment "A", and is more particularly described in the legal description of the Site attached hereto as Attachment "B".

### **5. Parties to this Agreement**

(a) Agency is a public body, corporate and politic, exercising governmental functions and powers and organized and existing under the Community Redevelopment Law of the State of Nevada as set forth in Nevada Revised Statutes Chapter 279. The office of Agency is located at 495 S. Main Street, 6th Floor, Las Vegas, Nevada 89101. "Agency" is used in this Agreement means the City of Las Vegas Redevelopment Agency and any assignee of, or successor entity thereof.

(b) Developer is a Nevada limited liability company whose address is 2808 Ashworth Circle, Las Vegas, Nevada 89107 (with a copy to Bennett Law Group, PLLC, 10795 W. Twain Avenue, Suite 100, Las Vegas, Nevada 89135, Attn: Dean S. Bennett), which is managed by Sam Cherry ("Managing Member"). Wherever the term "Developer" is used herein, such term shall include any permitted nominee, assignee or successor in interest as herein permitted, if any.

(c) The qualifications and identity of Developer and of the Managing Member and owners of Developer are of particular concern to Agency, and it is because of such qualifications and identity that Agency has entered into the DDA and this Agreement with Developer. Developer, therefor, has agreed pursuant to the DDA that until such time as the construction of the Project is complete), (i) Developer shall not convey any interest in the Site and Project whether by deed, lease (other than in the ordinary course of business), or transfer any interest in the Site and/or Project (except that Developer shall have the right to put a deed of trust, mortgage, and other financing instruments on the Site and Project in connection with any required acquisition loan(s), construction loan(s), bridge loan(s), and permanent loan(s) for the Site and Project), and (ii) the members of Developer shall not sell, convey, assign or transfer a majority portion of their interests (other than collateral pledges as may be required for any loans on the Site and Project), without prior written consent or approval of Agency which may be granted or withheld at Agency's discretion. No voluntary or involuntary successor in interest of Developer shall acquire any rights or powers under this Agreement except as expressly set forth herein. "Developer", as used in this Agreement means the Developer identified above and any permitted assignee of, or permitted successor to, its rights, powers and responsibilities. Without limitation, Developer has the right to develop the Project in conjunction with one or more entities controlled by or under common control with Developer (each, a "Developer Affiliate"), and Developer has the right to assign rights and delegate duties under this Agreement to any Developer Affiliate; provided, however, that Developer shall not be relieved of any of its obligations hereunder. Upon any such assignment, Developer shall provide an updated Disclosure of Principals.

## **6. The Project**

(a) The improvements to be constructed upon the Site (the "Project") shall be the Specific Facilities as approved under the DDA, as generally described on Attachment "C" attached hereto and is hereinafter referred to as the "Project." Developer agrees to construct the Project in strict conformance the Specific Facilities as approved under the DDA. Developer and Agency acknowledge and agree that the Project as presently contemplated will include three (3) separate buildings (the "Buildings"). Attached hereto as Attachment "D" is a current depiction and site plan of the Buildings and the overall Project. Developer agrees that the Project shall be in conformance with the approved Specific Facilities, and requirements of the DDA, in all material respects.

## **7. Reimbursement of Soft Costs**

(a) Attached hereto as Attachment "E" is a budget (the "Budget") of the design and permitting costs for the Project referred to herein as "Soft Costs". Developer hereby represents and warrants to Agency that the Budget sets forth all of the anticipated Soft Costs required for the completion of the design of the Project and the issuance of all building permits for the Project. In the event Developer determines after the date of this Agreement that the Budget is no longer accurate, Developer shall submit a revised Budget. The Budget sets forth the phases or line items of design and permitting for the Project and the related Soft Costs to be expended for each respective phase or line item, and the specific amount of Soft Costs that the Agency will reimburse Developer for each respective phase. Agency hereby agrees to reimburse

Developer for Soft Costs expended by Developer up to a maximum amount of One Million Dollars (\$1,000,000.00) as follows:

(i) Developer shall provide to Agency periodic written requests for reimbursement (each, a “Reimbursement Request”) which sets forth: (i) the specific phase or line item of the Budget for which reimbursement is being requested; (ii) the amount of the reimbursement being requested which will not exceed the required amount of reimbursement of Agency under the Budget for the subject phase; (iii) Developer’s representation and warranty that Developer has sufficient funds available to satisfy the Budget in addition to the remaining amount of Agency’s reimbursement amount; and (iv) Developer’s representation and warranty that all reimbursement amounts have been in fact paid by Developer and that there are no disputes, actual or threatened, in connection with third parties as to the amounts to be reimbursed by Agency.

(ii) Developer agrees that Agency shall not be required to reimburse any amounts of Soft Costs for a specific phase or line item, in excess of the amount agreed to in the Budget.

(iii) In the event requested by Agency, Developer shall provide to Agency, proof that Developer has sufficient funds to complete the design and permitting of the Project.

(iv) Along with the Reimbursement Request, Developer shall provide to Agency proof in the form of materials and other information required by Agency that the amounts relating to the Reimbursement Request been paid in full and that there are no outstanding mechanics liens or claims related to such Reimbursement Request. Such poof shall include, but not limited to, the following: invoices and/or receipts, dated, marked paid and cancelled, checks and/or credit card statements showing payment, Developer’s affidavit in form reasonably acceptable to Agency that there are no outstanding mechanics liens or claims related to the Reimbursement Request.

(b) As an additional condition to Agency’s funding of any Reimbursement Request, there shall not exist any event of default (after passage of applicable notice and cure periods) under the DDA, including any default under the Schedule of Performance under the DDA

(c) Developer shall not be required to reimburse Agency in whole or part for any Soft Costs made by Agency pursuant to this Agreement.

## **8. General Representations**

Developer hereby represents and warrants that:

1. This Agreement and all agreements, instruments and documents herein provided to be executed are duly executed and binding on Developer.

2. No approvals or consents not heretofore obtained by Developer are necessary in connection with the execution of this Agreement by Developer or with the



performance by Developer of its obligations hereunder.

3. This Agreement does not now or shall not hereafter breach, invalidate, cancel, make inoperative or interfere with any contract, agreement, instrument, mortgage, deed of trust, promissory note, lease, bank loan or credit agreement to which Developer is subject.

#### **9. Indemnification**

Developer shall assume and be responsible for, and shall protect, indemnify, defend and hold harmless Agency and the City, and their respective officers, members, consultants, agents and employees (collectively "Indemnified Parties") from and against any and all claims, demands, liabilities, losses, expenses and/or costs (including reasonable attorneys' fees and court costs) incurred by an Indemnified Party, or are filed as lien claims against the Site, which may arise out in any way of any claims of third parties, including, architects, designers, consultants and/or any other parties involved in the entitlement, design and permitting of the Project, as to the payment of amounts due to such parties or claimed due by such parties in connection with the Project.

#### **10. Rights of Access**

For the purposes of assuring compliance with this Agreement, representatives of Agency shall have the right of reasonable access to the Site and Project without charges or fees and at normal construction hours during the period of construction for the purposes of this Agreement, including, but not limited to, the inspection of the work being performed in constructing the improvements. Such representatives of Agency shall be those who are so identified in writing by the Executive Director of Agency.

#### **11. Antidiscrimination During Construction**

Developer, for itself and its successors and assigns, agrees that in the construction of the Project provided for in this Agreement, Developer will not discriminate against any employee or applicant for employment because of race, color, creed, religion, sex, age, ancestry or national origin.

#### **12. Maintenance**

Developer hereby covenants and agrees for itself, its successors, assigns and every successor in interest to maintain the improvements on the Site and keep the Site free from any accumulation of debris or waste materials and to maintain the landscaping required to be planted in accordance with the Plans and Drawings in a healthy condition. If at any time Developer, or its successors in interest, shall fail to keep the Site free of debris or waste materials or to maintain said landscaping in a healthy condition, and said condition is not corrected within thirty (30) days after written notice from Agency, either Agency or the City may perform the necessary cleanup or landscape maintenance, and Developer, or its successors in interest, shall pay such costs as are reasonably incurred for such cleanup or landscape maintenance. The foregoing covenants shall run with the land.

### **13. Notices, Demands and Communications Between the Parties**

Formal notices, demands and communications between Agency and Developer shall be sufficiently given if dispatched by reputable overnight courier or registered or certified mail, postage prepaid, return receipt requested, to the principal offices of Agency and Developer as set forth in Sections 5(a) and 5(b) hereof, and shall be deemed given two (2) business days after delivery to a reputable overnight courier for next business day delivery, or five (5) days after delivery to the U.S. Postal Service for delivery by registered or certified mail. Such written notices, demands and communications may be sent in the same manner to such other addressees as either party may from time-to-time designate by mail.

### **14. Conflict of Interests**

No member, official or employee of Agency shall have any personal interest, direct or indirect, in this Agreement, nor shall any such member, official or employee participate in any decision relating to this Agreement which affects his personal interests or the interests of any corporation, partnership or association in which he is directly or indirectly interested.

### **15. Non-liability of Agency Officials and Employees**

No member, official or employee of Agency shall be personally liable to Developer in the event of any default or breach by Agency or for any amount which may become due to Developer or on any obligations under the terms of this Agreement. No member, manager, employee, or agent of Developer shall be personally liable to Agency in the event of any default or breach by Developer or for any amount which may become due to Agency or on any obligations under the terms of this Agreement.

### **16. Enforced Delay: Extension of Times of Performance**

Except for the payment of any sums due hereunder, the performance by any party hereunder shall not be deemed to be in default where delays or defaults are due to war; insurrection; strikes; lock-outs; riots; floods; earthquakes; fires; casualties; acts of God; acts of a public enemy; epidemics; quarantine restrictions; freight embargoes; lack of transportation; governmental restrictions; litigation, including delays beyond the reasonable control of Agency; unusually severe weather; inability to secure necessary labor, materials or tools; delays of any contractor, subcontractor or supplier; acts of another party; acts or the failure to act of any public or governmental agency or entity (except that acts or the failure to act of Agency shall not excuse performance by Agency) or any other causes beyond the reasonable control or without the fault of the party claiming an extension of time to perform. An extension of time for any such cause shall only be for the period of the enforced delay, which period shall commence to run from the time of the commencement of the cause. If, however, notice by the party claiming such extension is sent to the other parties more than thirty (30) days after the commencement of the cause, the period shall commence to run only thirty (30) days prior to the giving of such notice. Times of performance under this Agreement may also be extended in writing by Agency and Developer.

#### **17. Amendments to this Agreement**

Developer and Agency agree to mutually consider reasonable requests for amendments to this Agreement which may be made by any of the parties hereto, lending institutions, or bond counsel or financial consultants to Agency, provided such requests are consistent with this Agreement and would not substantially alter the basic business terms included herein.

#### **18. Entire Agreement Waivers and Amendments and Counterparts; Third Party Rights**

This Agreement is executed in two (2) duplicate originals, each of which is deemed to be an original. This Agreement, together with Attachments "A" to "F", attached hereto and incorporated herein by reference, which constitutes the entire understanding and agreement of the parties.

This Agreement 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. Time for acceptance by agency

All waivers of the provisions of this Agreement must be in writing and signed by the appropriate authorities of Agency and Developer and all amendments hereto must be in writing and signed by the appropriate authorities of Agency and Developer.

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original as against any party whose signature appears thereon, and all of which shall together constitute one and the same instrument. This Agreement shall become binding when one or more counterparts hereof, individually or taken together, shall bear the signatures of all of the parties reflected hereon as the signatories. Executed copies hereof may be delivered by facsimile or e-mail and upon receipt will be deemed originals and binding upon the parties hereto, regardless of whether originals are delivered thereafter.

Nothing in this Agreement shall confer upon any Person, other than the Parties hereto and their respective successors and permitted assigns, any rights or remedies under or by reason of this Declaration. Nothing herein is intended to create any rights vested in the general public or to otherwise benefit the general public.

#### **19. Default.**

If during the existence of this Agreement, the occurrence of any of the following shall constitute a "Developer Event of Default":

(a) The termination of the DDA based on a default by Developer thereunder, following passage of any applicable notice and cure periods.

In the event of Developer Event of Default, Agency shall have the right to terminate this Agreement, and this Agreement shall so terminate, on the date that the written notice of

termination is received by Developer or such other date as may be specified in the written notice. If the Agency's required reimbursement of Soft Costs has not been fully disbursed to Developer, Agency shall be relieved of the obligation to disburse any additional amounts under this Agreement to Developer for reimbursement of Soft Costs. Upon such termination, Developer agrees to deliver and assign to Agency, the following in connection with the Project: architectural plans, geotechnical studies and environmental studies within thirty (30) days after such termination.

#### **20. Time for Acceptance by Agency**

This Agreement, when executed by Developer and delivered to Agency, must be authorized, executed and delivered by Agency fifteen (15) days from the date of signature by Developer or this Agreement shall be void, except to the extent that Developer shall consent in writing to further extensions of time for the authorization, execution and delivery of this Agreement.

EXECUTION BLOCKS ON NEXT PAGE

By executing this Agreement and submitting it to Agency, Developer is making an irrevocable offer to enter into this Agreement, which offer shall continue for the period of time specified above. The effective date of this Agreement shall be the date when this Agreement has been signed by Agency.

CITY OF LAS VEGAS REDEVELOPMENT AGENCY      ARTHAUS IV, LLC, a Nevada limited liability company

By: \_\_\_\_\_  
Carolyn G. Goodman, Chair

By: \_\_\_\_\_

Name: \_\_\_\_\_

ATTEST:

Its: \_\_\_\_\_

\_\_\_\_\_  
LuAnn D. Holmes, Secretary

Approved as to Form:

\_\_\_\_\_  
Date

ATTACHMENT "A"

SITE MAP



## **ATTACHMENT “B”**

### **Legal Description of Site**

#### **APNs 139-27-211-024, 025, 028, 029, 030, 031**

Lots One (1), Two (2), Three (3), Four (4), Five (5), Six (6), and Seven (7) in Block Thirteen (13) of that subdivision known as VALLEY VIEW ADDITION, as shown by plat thereof on file in the office of the county recorder, Clark County, Nevada in Book 1 of Plats, at Page 50.

Excepting therefrom that portion as conveyed in that certain Grant Deed recorded November 06, 1987 in Book 871106, Instrument No. 00547, Official Records, Clark County, Nevada.

Further excepting therefrom that portion as conveyed in that certain Grant Deed recorded November 06, 1987 in Book 871106, Instrument No. 00548, Official Records, Clark County, Nevada.

## **ATTACHMENT C**

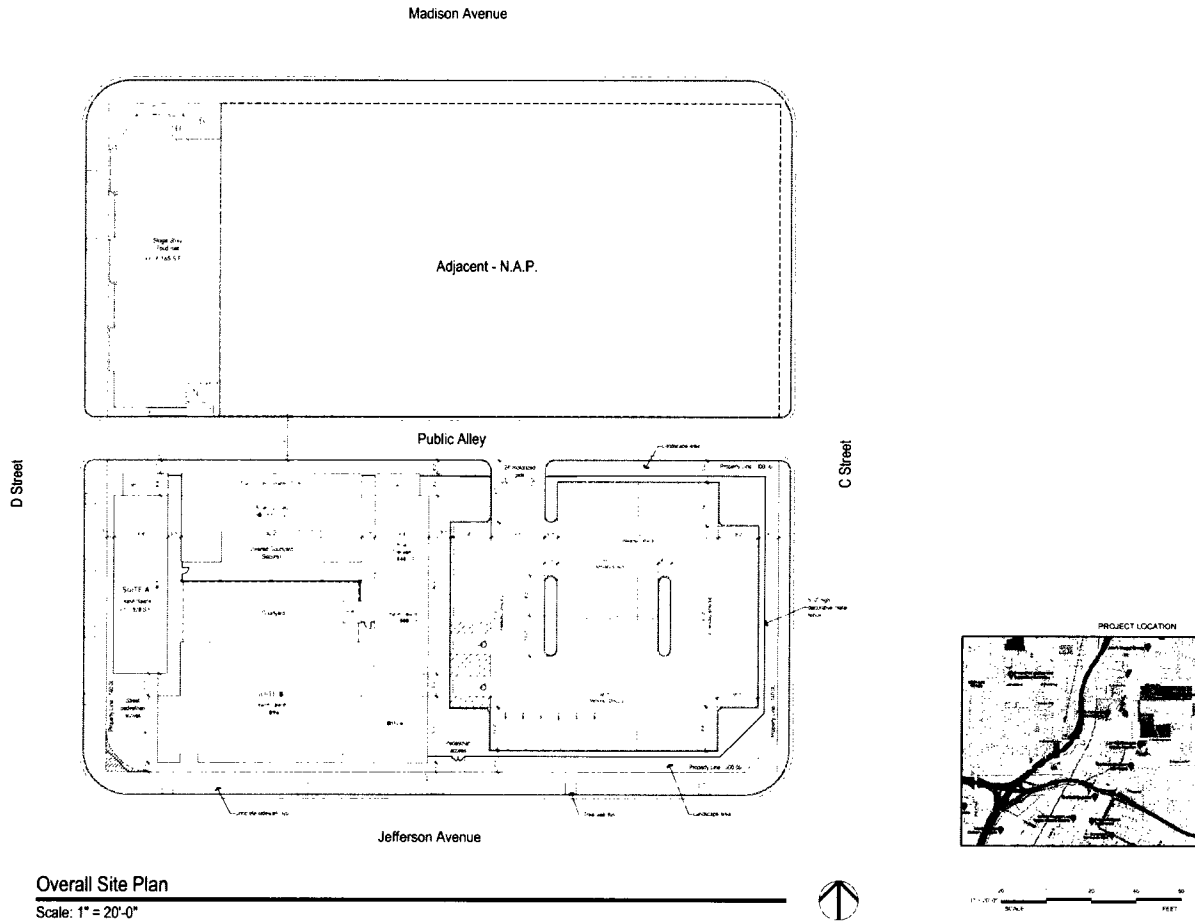
### **Scope of Project**

The “Project” is a development to be constructed on the Site to consist of: (i) approximately 100 residential units, (ii) a parking area, (iii) approximately 15,695 square feet of commercial space and (iv) mutually agreed design including incorporating historic elements, upgraded façade, amenities, landscaping and streetscape finished.



## ATTACHMENT "D"

### Site Plan



[Note: The foregoing drawings are based on presently available information but pending approval from governmental authorities is subject to revision with respect to building area, footprint, appearance, layout, design, and in certain other respects.]

**ATTACHMENT "E"**

**Soft Cost Budget**

**ShareDT Westside**

| <b>SOFT COSTS</b>                             |                     |
|-----------------------------------------------|---------------------|
| <b>A. ARCH., DESIGN &amp; ENGINEERING</b>     | <b>\$ 550,000</b>   |
| <b>B. OTHER CONSULTANTS</b>                   | <b>60,060</b>       |
| <b>C. APPRAISALS (SEE LOAN FEES)</b>          | <b>21,000</b>       |
| <b>D. MISCELLANEOUS ITEMS &amp; CITY FEES</b> | <b>1,180,721</b>    |
| <b>E. LEGAL</b>                               | <b>125,000</b>      |
| <b>F. LEASING &amp; MARKETING COSTS</b>       | <b>325,000</b>      |
| <b>G. ESCROW FEES (SEE LOAN FEES)</b>         | <b>-</b>            |
| <b>H. PROPERTY TAXES</b>                      | <b>3,500</b>        |
| <b>I. INSURANCE</b>                           | <b>115,000</b>      |
| <b>J. OH &amp; ADMIN</b>                      | <b>1,500,000</b>    |
| <b>SUBTOTAL</b>                               | <b>3,880,281</b>    |
| <b>K. CONTINGENCY ALL. AT:</b>                | <b>194,014</b>      |
| <b>L. LOAN FEES &amp; PLACEMENT COSTS</b>     | <b>229,487</b>      |
| <b>SUBTOTAL</b>                               | <b>\$ 4,303,782</b> |

## EXHIBIT I – FORM OF SPACE LEASE

### SPACE LEASE

(Mixed Use)

THIS SPACE LEASE (Mixed Use) (the “Lease”) is entered into this \_\_\_\_ day of \_\_\_\_\_, 202\_\_ (the “Effective Date”) by and between ARTHAUS IV, LLC, a Nevada limited liability company (the “Landlord”), and the CITY OF LAS VEGAS REDEVELOPMENT AGENCY, an agency organized under the laws of the State of Nevada (the “Tenant”, and together with the Landlord, the “Parties”).

### ARTICLE I

#### BASIC LEASE PROVISIONS

1.1 **Definitions.** The following capitalized terms shall have the following meanings:

**Buildings:** Those two structures (containing “Suite A” and “Suite B”) to be constructed upon the Site to contain the Premises as well as residential units and other improvements and uses, as shown on Exhibit B. For purpose of clarity, all portions of the Buildings that are not identified as Premises are not the subject of this Lease and except for the Premises, Tenant has no leasehold, possessory, or other right or interest in the Buildings.

**Certificate of Completion:** A certificate of completion issued by the City of Las Vegas Department of Building and Safety pursuant to applicable ordinances, rules, standards, and procedures, to signify substantial compliance with the technical codes of the City of Las Vegas regulating building construction or use, a sample of the current form of which is attached hereto as Exhibit J.

**Certificate of Occupancy:** A temporary certificate of occupancy or final certificate of occupancy issued by the City of Las Vegas Department of Building and Safety pursuant to Chapter 16 of the Municipal Code of the City of Las Vegas.

**Common Area Expenses:** As defined in Article VI.

**Dispute Resolution:** As defined in Section 19.15.

**Landlord’s Broker:** None

**Landlord’s Name and Address:** ARTHAUS IV, LLC

2808 Ashworth Circle  
Las Vegas, NV 89107  
Attn: Sam Cherry

With a copy to:

Bennett Law Group PLLC  
10795 West Twain Avenue, Suite 100  
Las Vegas, NV 89135  
Attn: Dean Bennett

**Landlord's Plans:** As defined in Exhibit D.

**Landlord Work:** As defined in Exhibit D.

**Laws:** "Laws" shall mean all of the applicable statutes, ordinances, rules, codes, requirements, permits, regulations, orders, rulings, cases, or the like, of any governmental authority, including any court, whether federal, state, or local.

**Lease Commencement Date:** The date which is the first day of the first calendar month after Landlord delivers exclusive possession of the Premises to Tenant with Landlord's Work substantially complete and the City of Las Vegas has delivered either a Certificate of Completion or a Certificate of Occupancy for the Buildings as described in Section 2.3.

**Lease Year:** That period of time commencing on the Lease Commencement Date and ending on the last day of twelve full calendar months thereafter and each twelve full calendar month period thereafter.

**Term:** The Term of this Lease will commence on the Lease Commencement Date and expire no later than the last day of one hundred eightieth (180th) full calendar month occurring after the Lease Commencement Date, unless extended by the valid and timely exercise of an Option to Extend. For clarity purposes, if the date on which the Term is scheduled to end pursuant to the foregoing definition is other than the last day of a calendar month, the Term shall automatically be extended to the next succeeding date that is the last day of a calendar month.

**Memorandum of Lease:** That certain memorandum of this Lease recorded against the Site in conjunction with the close of escrow of the purchase

of the Site by Landlord in the form of the attached Exhibit K.

**Memorandum Amendment**

**Form:** That certain Amendment to Memorandum of Lease in the form of the attached Exhibit K-1.

**Minimum Base Rent:** Attached as Exhibit C is a schedule of the Minimum Base Rent to be paid during the Lease Term and any Option period.

**Option to Extend:** As defined in Section 2.6.

**Permitted Use:** As defined in Section 2.5.

**Premises:** The “Premises” consist of portions of the Buildings identified as “Suite A” and “Suite B” as shown in the attached Exhibit B.

**Project:** The Project is to be the Buildings and related amenities, including the Parking Area (as identified in the Parking License), built on the Site by Landlord, which is to be leased to Tenant under this Lease for the Permitted Uses. For avoidance of doubt, the term “Project” and/or Premises does not include any of the Related Landlord Property and/or all improvements constructed on the Related Landlord Property.

**Proportionate Share:** To be determined pursuant to Section 6.3

**Related Landlord Property:** As legally described and depicted on Exhibit G.

**Rentable Area:** The term “Rentable Area” shall include all areas in the Buildings measured from the interior surface of exterior walls and from the extensions thereof, in the case of openings. No deduction or exclusion shall be made from Rentable Area by reason of columns, stairs, elevators, escalators, or other interior construction or equipment within the Premises.

**Rent Commencement Date:** The Rent Commencement Date shall be the Lease Commencement Date.

**Rules and Regulations:** See Exhibit I

**Site:** That real property described and depicted on Exhibit A attached hereto.

**Tenant's Broker:** None

**Tenant's Name:** City of Las Vegas Redevelopment Agency, an agency organized under the laws of the State of Nevada

**And Address:** 495 S. Main Street, 6th Floor  
Economic and Urban Development Department  
Las Vegas, NV 89101  
Attn: Ryan Smith, Director

With a copy to:

Office of the City Attorney  
495 S. Main Street, 6th Floor  
Las Vegas, NV 89101  
Attn: John Ridilla, Deputy City Attorney

**Tenant Work:** As defined in Exhibit E.

**Tenant's Construction Plans:** As defined in Exhibit E.

**SNDA:** As defined in Section 15.1.

**1.2 Exhibits.** The following documents are attached hereto and made a part hereof:

Exhibit A: Site Legal Description  
Exhibit B: Buildings Preliminary Site Plan  
Exhibit C: Base Rent Schedule  
Exhibit D: Landlord Work  
Exhibit E: Tenant Work/Tenant Alterations  
Exhibit F: Disclosure of Principals  
Exhibit G: Landlord Related Property  
Exhibit H: Parking License  
Exhibit I: Rules and Regulations  
Exhibit J: Form of Certificate of Completion  
Exhibit K: Form of Memorandum of Lease

Exhibit K-1: Form of Amendment to Memorandum of Lease

Exhibit L: Prohibited Uses

## ARTICLE II

### PREMISES

**2.1 Lease of Premises.** In consideration of the performance by Tenant of its obligations as set forth herein, Landlord hereby leases to Tenant and Tenant hereby leases from Landlord the Premises for the Term. The Parties agree (i) to memorialize the Lease Commencement Date and Rent Commencement Date and (ii) to amend the Memorandum of Lease to set forth the actual Term by entering into and recording the Amendment to the Memorandum of Lease.

**2.2 Rentable Area.** Concurrently with the completion of Landlord's Work, Landlord shall provide Tenant with the number of gross square feet of Rentable Area comprising the Premises. The measurement of the number of gross square feet of Rentable Area shall be made by Landlord's architect. Within 10 days following such determination by Landlord, Tenant shall have the right to conduct its own measurement of the Rentable Area comprising the Premises. If Tenant does not timely provide its own measurement, Tenant shall be deemed for all purposes to have accepted and to have agreed to Landlord's determination. Upon agreement (or deemed agreement) between Landlord and Tenant as to the number of gross square feet of Rentable Area in the Premises, Landlord and Tenant shall memorialize in writing (i) the number of square feet of Rentable Area in the Premises, and (ii) the Minimum Base Rent, and shall update Exhibit C to this Lease accordingly. Notwithstanding the foregoing, if the square footage of the Rentable Area of the Premises in the aggregate (i.e., the Rentable Area of "Suite A" plus the Rentable Area of "Suite B") as determined per this Section 2.2 exceeds 7,016 gross square feet in the aggregate, the Minimum Base Rent will be calculated as though the square footage of the Rentable Area of the Premises (i.e., the Rentable Area of "Suite A" plus the Rentable Area of "Suite B") equals 7,016 gross square feet in the aggregate. (However, nothing contained in this Lease shall require Landlord to provide Premises to Tenant in excess of 7,016 gross square feet, and if there is any commercial space in either of the Buildings remaining in excess of Tenant's 7,016 square foot Premises hereunder, such additional commercial space shall not be included within the Premises, shall not be subject to this Lease, and shall remain the sole and exclusive property of Landlord to operate, use, lease, or otherwise deal with as Landlord sees fit, with no limitations whatsoever arising under this Lease. Without limitation, Landlord reserves to itself that certain "Office (Not a Part)" located adjacent to Suite B, that certain "Lease Space +/-1,085 S.F. (Not a Part)", and that certain "Tenant Storage +/- 840 S.F. (Not a Part)" as shown on Exhibit B). Additionally, in no event shall the Rentable Area of the Premises be less than 6,000 gross square feet in the aggregate (i.e., the Rentable Area of "Suite A" plus the Rentable Area of "Suite B"). If the Parties in good faith cannot agree on the amount of Rentable Area, then the Parties agree to submit such disputed matter to the Dispute Resolution for final determination.

**2.3 Landlord Work.** Landlord hereby agrees to deliver the Premises in "gray shell" condition as set forth in Exhibit D ("Landlord Work") with all Landlord Work substantially completed and with the City of Las Vegas having issued either a Certificate of Completion or a Certificate of Occupancy for the Buildings. Landlord agrees that all of the Landlord Work shall be performed in full compliance with Landlord's Plans and the requirements of Exhibit D. Landlord agrees that

as a condition to the acceptance of the Landlord Work by Tenant that City of Las Vegas will have issued a Certificate of Completion or a Certificate of Occupancy for the Buildings. If the Parties in good faith cannot agree on whether Landlord has substantially completed the Landlord Work, then the Parties agree to submit such disputed matter to the Dispute Resolution for final determination.

**2.4 Tenant's Work.** Tenant agrees that following turnover of the Premises to Tenant pursuant to Section 2.3, issuance of either the Certificate of Completion or the Certificate of Occupancy for the Buildings, and Tenant providing to Landlord proof of all required insurance per Exhibit E, Tenant shall install the Tenant Work, at Tenant's sole cost and expense and that Landlord will have no obligation in connection with the Tenant Work, except as provided below in connection with the Tenant Allowance. Landlord agrees that Tenant shall have the right to build-out the Premises as Tenant has Users for the Premises and that all Tenant Work will not be completed at one time. Tenant agrees that all Tenant Work shall be undertaken in compliance with the requirements of Exhibit E. Section 2.5(e) and Exhibit E (regarding temporary vacancies) are incorporated herein by this reference. The final configuration of the Premises will be subject to Tenant's discretion and may be altered or modified from time to time as Tenant reasonably determines, subject to the requirements of Exhibit E; provided, however, that such alterations or modifications shall be performed in a good and workmanlike and lien free manner, and in compliance with all applicable laws and building codes and the requirements of Exhibit E, and Tenant shall indemnify, defend, and hold harmless the Landlord from and against all costs and liens incurred with respect to any Tenant's Work or alterations or modifications to the Premises hereunder, whether or not permitted per the terms of this Lease. As a condition of any Tenant's Work or any Alterations to the Premises, including any alterations or modifications arising under any User Agreement, then Tenant shall at its sole expense comply with NRS 108.2403, and provide proof of same to Landlord, and shall comply with its insurance requirements as specified in this Lease, and provide proof of same to Landlord.

**2.5 Permitted Use.** Landlord and Tenant agree that the Premises may be used for the following uses (the "Permitted Uses"):

(a) Tenant shall be using the Premises for general office, service and retail use; provided however that all use of the Premises and of the Parking Parcel (as defined in the Parking Terms), is subject to the terms and conditions of this Lease, to the Rules and Regulations, to all matters of record, if any and which do not impair in any way Tenant's use of the Premises, to all applicable Laws, and to the specific use restrictions set forth in Exhibit L (the "Use Restrictions"), and the User Agreements (as hereinafter defined) shall expressly so provide. Additionally, all use of the Related Landlord Property or the Parking Parcel is subject to generally applicable rules and regulations pertaining to the Related Landlord Property and the Parking Parcel, and the User Agreements shall expressly so provide.

(b) Landlord further acknowledges that: (i) in connection therewith, Tenant will be entering into agreements with the Users for the use of the Premises which comprise licenses and/or subleases under this Lease ("User Agreements") and (ii) Tenant will be charging the Users under the User Agreements fees and other consideration for the use of the Premises. All User Agreements shall expressly provide, unless Landlord in its discretion, not to be unreasonably withheld or delayed, agrees otherwise in writing, in advance, that each User will operate, at least



five (5) days per week during normal business hours. Notwithstanding anything to the contrary contained herein, including, without limitation Section 13.1, Landlord hereby approves Tenant entering into the User Agreements and permitting the use of the Premises by the Users, subject to the express terms and conditions of this Lease, and agrees that any amounts charged to the Users shall belong to Tenant. Landlord further agrees that prior consent of Landlord is not required to the Tenant's entering into any User Agreement, provided that the form of User Agreement as the proposed User Agreement meets the qualifications described below. The Parties agree that the User Agreements shall include standard and customary provisions, shall be, and must provide the following:

1. The term of any User Agreement, including any extension options shall not extend beyond the then expiration date of the Term and any non-exercised options may not be included into the term of a User Agreement.
2. The User Agreements will provide that they are subject to the terms and conditions of this Lease, of the Rules and Regulations, of any matters of record, of all applicable Laws, and of all other matters described in Section 2.5(a).
3. The User Agreements will provide (i) that Landlord has no obligation and/or liability to perform any obligation under the User Agreement or this Lease, and (ii) the User under a User Agreement releases Landlord from any claims related to the User's use of the Premises, or arising from the User Agreement or this Lease.

Tenant agrees that no later than thirty (30) days after the full execution of a User Agreement, or any amendment or modification to any User Agreement, Tenant shall provide a true and correct copy of such executed User Agreement, or any amendment or modification of any User Agreement, to Landlord.

(c) Subject to the Landlord's (and each User's, their guests', invitees', and licensees') obligations to follow the terms and conditions of this Lease, the Rules and Regulations, and other matters binding upon such persons and entities per this Lease, and subject to Tenant's obligation hereunder to enforce the User Agreements in accordance with their terms, Landlord agrees that Tenant shall have the exclusive right to manage the use of the Premises by Users.

(d) Intentionally Deleted.

(e) Landlord agrees that Tenant shall have the right to temporarily close portions of the Premises from time to time as determined in Tenant's sole discretion in conjunction with Tenant's Work and any subsequent Alterations of the Premises as permitted under this Lease, as well as temporary closures of portions of the Premises, or the entire Premises, as authorized under this Lease, based upon User vacancies, shall not be a default of Tenant under this Lease, provided that Tenant is performing its other obligations applicable to such temporary closures, including as set forth in Section 2.5(f) below.

(f) Notwithstanding any temporary closure or vacancy of all or any portions of the Premises, Tenant shall continue to have all obligations under this Lease, including without limitation all obligation to maintain the Premises as required under this Lease, and all obligations to pay Rent and any other amounts under this Lease. In the event of vacancy of the entirety or any

portion of the Premises, Tenant shall undertake these additional obligations as to the Premises: (i) Tenant shall duly secure such vacant portions of the Premises, and shall use monitored burglar, fire, and smoke alarms with respect to any vacant portions of the Premises; (ii) Tenant shall undertake commercial reasonable efforts to prevent and to limit the impact of any vagrancy or criminal activity affecting any portion of the Premises, Buildings, Project, or Landlord Related Property, or any damage, destruction, or defacement of the Premises, Buildings, Project, or Landlord Related Property; (iii) Tenant shall maintain all required insurance under this Lease with respect to any vacant portions of the Premises; (iv) Tenant shall cause vacant portions of the Premises to be serviced by power and other utilities and to be reasonably lit at various times including during evening and night hours (at minimum) to help limit the appearance of the existence of vacancy or abandonment; (v) Tenant shall cause the installation of window screening as to any windows or doors of vacant portions of the Premises, which shall consist of a graphically designed window covering constructed of heavy-duty material such as film and vinyl with graphic elements, words or letters, in attractive appearance consistent with the general appearance of the Buildings and Premises, and reasonably acceptable to Landlord, to be affixed directly to all storefronts and glass and doorway areas to prevent persons from seeing the interior of such spaces; (vi) Tenant shall cause regular pest and vermin control services as to any vacant spaces; and (vii) Tenant shall allow Landlord reasonable access to the Premises to ensure Tenant's compliance with its obligations hereunder. In the event of any failure by Tenant to perform its required obligations as described in this Section 2.5(f), which shall remain uncured for five (5) days after written notice from Landlord, Landlord shall have the right to perform any and all such obligations on Tenant's behalf and collect all costs incurred by Landlord as additional Rent.

(g) Landlord shall have no liability whatsoever to perform any obligation set forth in or contemplated by any User Agreement. Tenant agrees to indemnify, defend, and hold harmless Landlord, together with Landlord's principals, members, managers, advisors, employees, agents, successors and assigns from and against any and all losses, costs, demands, claims, obligations, lawsuits, causes of action, money damages, settlements, judgements, orders, court costs, and attorney's fees arising from or relating to any of the User Agreements or the use of any of the Premises or Buildings or Project by Tenant, any User, or any invitee, licensee, customer, or guest thereof, or arising from or relating to any vacancy of the Premises or Buildings. Tenant shall be solely liable for any damage or destruction of any of the Premises or Buildings or Project caused by Tenant, any User, or any invitee, licensee, customer, or guest thereof, or arising from or relating to any vacancy within the Premises or Buildings, and shall cause such damage or destruction to be repaired at its sole expense, upon demand, or to reimburse Landlord the reasonable cost to repair, which will be payable upon demand, as additional Rent.

**2.6 Options to Extend Term.** Provided that no material event of default by Tenant has occurred and is then existing, Tenant shall have up to two options to extend the Term for sixty (60) months each (each an "Option"). An Option may be exercised by Tenant by providing written notice of exercise to Landlord not later than ninety (90) days prior to the then expiration date of the Term. Upon the timely delivery of notice of exercise of an Option, and provided that Tenant is not in default of this Lease, the Term shall automatically extend for sixty (60) months upon the same terms and conditions provided herein, including, but subject to adjustment to Minimum Base Rent as provided in Exhibit C. The Parties shall memorialize the extended term in writing, but the failure to do so shall not affect the validity of the exercise of an Option. The extension rights

herein described are personal to Tenant and may not be assigned to or exercised by any assignee of Tenant unless otherwise agreed by Landlord in writing.

**2.7 Parking.** Pursuant to the terms and conditions of the Parking License attached hereto as Exhibit H, Tenant shall be entitled to two (2) reserved non-covered contiguous Reserved Parking Spaces (as defined in the Parking License) at no charge to be located on the Related Landlord Property. Pursuant to the terms and conditions of the Parking License, Tenant shall have the right to use of the Reserved Parking Spaces for the Term, including any extensions of the Term pursuant to the exercise of an Option, but Tenant's exercise of parking rights shall terminate upon any termination of this Lease prior to the end of the Term, or upon any termination of the Parking License in accordance with its terms. In the event of any conflict between this Section 2.7 and the Parking License, the Parking License shall control.

### **ARTICLE III**

#### **RENT**

**3.1 Payment of Rent.** Tenant hereby covenants to pay the Minimum Base Rent and the Common Area Expenses to Landlord, on the first (1st) day of each calendar month during the Term, in cash, check or immediately available funds, at Landlord's address as provided in Section 1.1, without set-off, deduction, counterclaim, abatement or reduction whatsoever. The Minimum Base Rent and Common Area Expenses shall hereinafter be referred to collectively as the "Rent". Payments of Rent with respect to any partial month shall be prorated on a daily basis based on a thirty (30) day month. In the event that the Rent Commencement Date occurs on the date other than the first day of a calendar month, rent for the first partial month shall be prorated based on the number of days in such partial month.

**3.2 Payment of Common Area Expenses.** In addition to Tenant's payment of Minimum Base Rent, Tenant shall pay Tenant's Proportionate Share of Common Area Expenses, as set forth in Article VI herein below. Tenant's Proportionate Share of Common Area Expenses: (i) shall be estimated by Landlord as of the Effective Date and at the beginning of each Lease Year thereafter, (ii) shall be subject to a cap for the first Lease Year of fifty-six cents (\$0.56) per square foot of Rentable Area; (iii) and shall be subject to an annual cap such that any increase in Common Area Expenses not exceed one hundred three percent (103%) over Common Area Expenses in the immediately preceding Lease Year, rounded to the nearest one cent (\$0.01), and (iv) shall be paid by Tenant monthly based on Landlord's estimate. Within one hundred twenty (120) days after the end of each calendar year, Landlord shall submit to Tenant a statement (the "Operating Expense Reconciliation Statement") setting forth the actual amounts due from Tenant with respect to such period. If the amount Tenant has paid is less than the amount due based on the Operating Expense Reconciliation Statement, Tenant shall pay Landlord such deficiency within thirty (30) days after submission of such statement to Tenant. If the amount paid by Tenant is greater than the amount actually due, the excess may be retained by Landlord and credited and applied by Landlord to the next due installment(s) of Tenant's Proportionate Share of Common Area Expenses, or, with

respect to the final Lease Year (but provided Tenant is not in default), Landlord will refund such excess to Tenant.

Within forty-five (45) days after receipt of an Operating Expense Reconciliation Statement by Tenant, if Tenant disputes the amount of Tenant's Proportionate Share of Common Area Expenses set forth in the Operating Expense Reconciliation Statement, Tenant may, after reasonable notice to Landlord and at reasonable times subject to Landlord's reasonable scheduling requirements, inspect Landlord's records at Landlord's offices; provided that Tenant is not then in material default under this Lease and Tenant has paid all amounts required to be paid under the applicable Statement; and further provided that such inspection must be completed within thirty (30) business days after Landlord's records are made available to Tenant. If, within ten (10) days after such inspection, Tenant notifies Landlord in writing that Tenant still disputes such Tenant's Proportionate Share of Common Area Expenses included in the statement, then a certification as to the proper amount shall be made, at Tenant's expense, by an independent certified public accountant selected by Landlord, which certification shall be final and conclusive; provided, however, if the actual amount of Tenant's Proportionate Share of Common Area Expenses applicable to the Project during that Expense Year, as determined by such certification, is determined to have been overstated by more than five percent (5%), then Landlord shall pay the costs associated with such certification. Tenant's failure (i) to take exception to any Statement within forty-five (45) days after Tenant's receipt of such Statement or (ii) to timely complete its inspection of Landlord's records or (iii) to timely notify Landlord of any remaining dispute after such inspection shall be deemed to be Tenant's approval of such Statement and Tenant, thereafter, waives the right or ability to dispute the amounts set forth in such Statement, which Statement shall be considered final and binding. Tenant may not inspect Landlord's records pursuant to this Section 3.2 more than two (2) times during the Lease Term.

For the sake of clarity, Tenant's obligation to pay Tenant's Proportionate Share of Common Area Expenses pursuant to this Section 3.2, and any limitations or caps pertaining to Tenant's obligation to pay Common Area Expenses, shall pertain only to the Tenant's obligation to pay Tenant's Proportionate Share of Common Area Expenses of Landlord as described in Article VI. Tenant's obligation to pay Tenant's Proportionate Share of Common Area Expenses pursuant to this Section 3.2 shall not be in replacement of or excuse in whole or part, and shall be in addition to, Tenant's other obligations arising under this Lease, including without limitation, any obligations of Tenant arising under Section 4.3 (Utilities), Article V (Taxes), Article VII (Repair and Maintenance Obligations), Article VIII (Alterations to Premises), Article X (Insurance; Indemnification), and shall not be interpreted to limit or cap any liability of Tenant relating to any such other obligation arising under this Lease.

## **ARTICLE IV**

### **USE OF PREMISES**

**4.1 Tenant's Conduct at the Premises.** Tenant (together with all Users) shall carry on its/their business at the Premises in compliance with all Laws and restrictions of record, the Rules and Regulations, the Use Restrictions, and those other matters described in Section 2.5(a), and shall not cause, permit or suffer to be done or exist upon the Premises anything which shall result in a danger or hazard, public or private nuisance, violation of law, or an increase in Landlord's

insurance premiums or those of the owner of the Related Landlord Property. Tenant (together with all Users) shall be prohibited from conducting or permitting any use, or making any modification, to the Premises, the Buildings, or the Project which would in any manner (i) violate any certificate and occupancy, or similar governmental approval applicable to the Project, Buildings or Premises; (ii) cause structural injury to all or any part of the Buildings, Project, or Premises or to any improvements therein or thereupon; (iii) lead to an increase in insurance premiums at the Project; or (iv) constitute a public or private nuisance. Notwithstanding anything to the contrary contained herein, Landlord agrees that the use of the Premises for office or retail uses, in accordance with applicable Laws and the Rules will not constitute a violation of this Section 4.1.

**4.2 Signage.** Landlord agrees that Tenant shall have the right to install retail signage at Tenant's sole cost and expense, but subject to compliance with all applicable Laws and restriction of record, and subject to compliance with Exhibit E. Landlord shall have the right to approve the location and design of the signage provided that such approval shall not be unreasonably withheld or delayed.

**4.3 Utilities.** Landlord shall be responsible for bringing all utilities for Tenant's Use to the Premises only to the extent set forth in Landlord's Work. Tenant shall be responsible for any additional connection and extension costs with respect to all utilities, and the cost of utility services to the Premises, including, without limitation gas, fire sprinklers, electricity, water, sewer, internet service, and any other utilities serving the Premises. To the extent such utilities are not separately metered, Tenant shall be responsible for the cost of the same through Tenant's Proportionate Share of Common Area Expenses payments (provided, however, that if such utilities are separately metered to the Premises, Tenant's Proportionate Share of Common Area Expenses shall equal one hundred percent (100%)).

## ARTICLE V

### TAXES

**5.1 Real Estate Taxes.** Tenant shall pay to Landlord, on a monthly basis as Additional Rent, an amount equal to one-twelfth (1/12th) of Landlord's reasonable estimate of the Tenant's Proportionate Share of Taxes to become due during the Lease Year in question (provided that if the Premises are separately assessed, for purposes of this Section 5.1, Tenant's Proportionate Share of Taxes shall equal one hundred percent (100%)), and Landlord shall apply such payments received from Tenant to such Taxes as they become due. As used herein, "Taxes" shall mean any and all taxes, assessments, impositions, or similar governmental charges or any kind or nature assessed upon or payable with respect to Landlord's ownership of the Project and the Premises, and Landlord's revenue or gross receipts arising from the Project, the Rent, or this Lease. Any reasonable costs and expenses (including, without limitation, reasonable attorneys' fees) incurred in attempting to protest, reduce or minimize Taxes shall be included in Taxes in the calendar year such expenses are paid. Refunds of Taxes shall be credited against Taxes and refunded to Tenant regardless of when received, based on the calendar year to which the refund is applicable.

**5.2 Contest** If the Premises are separately assessed, and provided that Tenant is not in material default under this Lease, Tenant shall have the right, at its own expense, to contest the amount or validity of any Taxes by appropriate proceedings diligently conducted in good faith which shall

operate to prevent the collection of any such Taxes so contested or the sale of the Premises or any part thereof to satisfy the same. As a condition precedent to Tenant's contesting any Taxes, Tenant shall (a) comply with all Laws respecting such contest, (b) give Landlord prior written notice of Tenant's intent to so contest said amount or validity, and (c) prior to delinquency of the asserted tax or assessment, Tenant shall timely and fully pay all such Taxes "under protest", or shall establish an escrow with and acceptable to Landlord adequate to cover the payment of such Taxes and any additional sums, as reasonably determined by Landlord needed to cover any assessed interest, costs and penalties. Tenant shall promptly cause to be paid any amount of Taxes adjudged by a court of competent jurisdiction to be due, with all interest, costs and penalties thereon, promptly after such judgment becomes final. Landlord shall have the express right to pay any Taxes, interests, costs or penalties, as they may be incurred, if not then paid by Tenant, but the balance remaining if any shall be returned to Tenant upon settlement of such contest and payment in full of all amounts of Taxes, interest, costs, and penalties determined to be owing thereby. Nothing in this section relieves, modifies or extends Tenant's covenant to pay any such Taxes at the time and in the manner provided in this Article V.

**5.3 Landlord's Cooperation in Tenant's Contest.** Provided Landlord incurs no cost or liability in doing so, and provided that Tenant satisfies all of its obligations described in Section 5.2, Landlord shall cooperate with Tenant in any proceedings brought by Tenant to contest the validity or the amount of any Taxes or to recover any Taxes paid by Tenant. If the provisions of any Law at the time in effect shall require that such proceedings be brought by or in the name of Landlord, then provided Landlord incurs no cost or liability in doing so, Landlord shall join any such proceedings or permit the same to be brought in its name. If any such proceedings shall be brought by Tenant, Tenant shall indemnify the Indemnified Parties and hold the Indemnified Parties harmless against any and all costs or liability of any kind that may be imposed upon the Indemnified Parties in connection therewith, including reasonable attorneys' fees incurred by the Indemnified Parties.

**5.4 Excluded Taxes.** Tenant's obligation to pay Taxes levied and assessed against the Premises or any part thereof shall exclude business, income or profits taxes levied or assessed solely against Landlord by federal, state or other governmental agencies, unless such tax or assessment is levied in lieu of Taxes which would have been otherwise payable by Tenant under this Lease, or unless such Taxes are charged directly on the payment or receipt of Rent or other amounts under this Lease. In addition Landlord agrees that no Taxes related to the Related Landlord Property shall be charged to the Premises.

**5.5 Personal Property Taxes.** Tenant shall be responsible for and pay, when due, any and all taxes, fees or assessments levied on Tenant's furniture, fixtures and equipment, trade fixtures, utility installations, and any other personal property in the Premises.

## **ARTICLE VI**

### **COMMON AREAS, COMMON AREA CHARGES**

**6.1 Landlord Control of Common Areas.** There shall be available in the Project certain areas and facilities for the general use, convenience and benefit of the employees and invitees of Tenant and the other tenants, owners, and occupants of the Project, which areas together with the service

corridors and all other service facilities and equipment are referred to herein as "Common Areas". Except as otherwise specifically set forth in this Lease, Tenant and its employees, and invitees are authorized, empowered and privileged to use the Common Areas in common with other authorized persons, as determined by Landlord, during the Term. Landlord shall keep or cause to be kept said Common Areas in a neat, clean and orderly conditions, properly lighted and landscaped, and shall repair any damage to the facilities thereof. Tenant's right to use the Common Areas shall be subject to the right of Landlord, from time to time as deemed reasonably necessary in Landlord's sole and absolute discretion, to: (a) establish, modify and enforce reasonable rules and regulations with respect to the Common Areas; (b) enter into, modify, and terminate easements, licenses and other agreements pertaining to the use and maintenance of the Common Areas and any portions thereof and any additions thereto or exclusions therefrom; (c) temporarily close any portions of the Common Areas; and (d) do and perform such other acts which relate to, concern or arise out of the Common Areas and improvements thereon in Landlord's commercially reasonable judgment.

**6.2 Common Area Expenses.** Common Area Expenses shall include all costs and expenses of every kind and nature paid or incurred by Landlord arising out of Landlord's ownership, maintenance, operation, repair, replacement, management and administration of the Project, including, but not limited to: (a) any and all Taxes (but only the extent not separately charged to Tenant pursuant to Article V); (b) any and all utility costs, to the extent any utilities are not separately metered to the Premises (in which case Tenant shall pay the same directly); (c) the cost of any capital improvements to the Project, amortized over the useful life of the same which result in a reduction of Common Area Expenses (as determined by generally accepted accounting principles); (d) the cost of the insurance premiums for policies obtained by Landlord specifically relating to the Project only (and not including any insurance premiums or deductibles related to the Related Landlord Property), including reimbursement for deductibles not in excess of Ten Thousand Dollars (\$10,000.00) (but only to the extent not separately charged to Tenant pursuant to Article X); (e) any assessments owed pursuant to any covenants, conditions and restrictions or other restrictive covenants recorded against the Project as of the Effective Date; and (f) an administration fee equal to three percent (3%) of the Common Area Expenses. Common Area Expenses shall exclude the following expenses: (1) leasing costs (including tenant improvements), fees, and leasing commissions; (2) costs and fines assessed against Landlord due to the violation by Landlord of any Laws; (3) mortgage or ground lease payments by Landlord; (4) except as provided in (c) above, costs incurred by Landlord in the repairs, capital additions, alterations or replacements made or incurred to rectify or correct defects in construction, design, materials or workmanship in connection with any portion of the Buildings or Project; (5) costs of leasing commissions, accounting fees, attorneys' fees and other costs and expenses incurred in connection with negotiations or disputes with past, present or prospective tenants or other occupants of the Buildings; (6) depreciation and amortization; (6) the cost of acquiring sculptures, paintings or other objects of art in the Buildings (7) costs of depreciation and amortization except as permitted in (c), and (8) Landlord's general corporate overhead. For avoidance of doubt, Landlord agrees that no

Common Area Expenses relating solely to the Related Landlord Property shall be charged in any way to the Premises.

### **6.3 Tenant's Proportionate Share.**

(a) "Tenant's Proportionate Share" of Common Area Expenses and other specified expenses (see Sections 3.2, 4.3, 5.1, 7.2, 10.2, and 16.1) that benefit only the Premises is one hundred percent (100%).

(b) "Tenant's Proportionate Share" of the following described Common Area Expenses affecting the Project is zero percent (0%): any expenses arising out of the interior painting or refurbishment of any residential units contained within any of the Buildings (the "Residential Units"), any expenses arising out of the interior painting or refurbishment of floor two or higher or of any of the Buildings (the "Residential Floors"), any expenses arising out of or relating to any elevator serving the Buildings, any maintenance, repair, or replacement of any HVAC systems servicing the Residential Units or Residential Floors, and any expenses arising out of the leasing or marketing of the Residential Units.

(c) "Tenant's Proportionate Share" of Common Area Expenses and other specified expenses (see Sections 3.2, 4.3, 5.1, 7.2, 10.2, and 16.1) affecting the Project and not described in Section 6.3(a) or Section 6.3(b) shall be that portion of designated expenses, multiplied by a fraction, the numerator of which is the number of square feet of Floor Area of the Premises, and the denominator is the total number of square feet of Floor Area of the all Residential Units and commercial units (including the Premises) comprising the Project.

(d) "Floor Area" shall include all areas in a designated portion of the Buildings, measured from the exterior surface of exterior walls and from the extensions thereof, in the case of openings, and from the center of walls dividing the Premises from other premises.

(e) No deduction or exclusion shall be made from Floor Area by reason of columns, stairs, elevators, escalators, or other interior construction or equipment within the Premises.

## **ARTICLE VII**

### **REPAIR AND MAINTENANCE OBLIGATIONS**

7.1 **Tenant's Obligations.** Except as expressly set forth in Section 7.2 below, Tenant shall, at its sole cost and expense, maintain the interior of the Premises and every part thereof in good order, condition and repair, including without limitation (i) the interior and non-structural walls, ceilings, floor surfaces and doors within the Premises; (ii) the utility meters and fire sprinkler system, and (iii) any mechanical, plumbing, electrical, and HVAC systems, to the extent such systems exclusively serve or are located within the Premises. Tenant shall dispose of garbage in the proper, designated containers. Landlord reserves the right to require that all repair and maintenance to be performed by Tenant at the Premises be performed by contractors approved in writing by Landlord, provided, however that Tenant may utilize employees of the City of Las Vegas to perform such maintenance and repairs at Tenant's discretion. Upon the expiration or earlier termination of this Lease, Tenant shall surrender the Premises to Landlord in at least as good condition as existing as of the Lease Commencement Date, reasonable wear and tear excepted. Tenant agrees to provide



at Tenant's cost and expense all cleaning and maintenance of patio areas. Landlord agrees that Tenant will not be required upon termination of this Lease to restore the Premises to Gray Shell and may leave in place all walls, flooring, carpet, lighting, utility connection and all other improvements installed by Tenant pursuant to this Lease.

**7.2 Landlord's Obligations.** Landlord shall, subject to Tenant's obligation to reimburse Landlord for Tenant's Proportionate Share of the cost thereof, maintain (or cause to be maintained) in good condition and repair, commensurate with similar multi-use buildings in the greater Las Vegas area, the following: (i) the roof, foundation, exterior walls and structural components of the Buildings; (ii) all exterior landscaping and hardscape of the Project; (iii) all portions of the Buildings that are not the Premises; (iv) all utilities outside of the Project; and (v) the Common Areas.

## ARTICLE VIII

### ALTERATIONS TO PREMISES

**8.1 Alterations.** Tenant may make from time to time any interior, non-structural additions, alterations, improvements or changes ("Alterations") in, or to the interior of the Premises as Tenant may determine in its sole discretion; provided that such Alterations shall be in compliance with Exhibit E. Any such Alterations shall be at the sole cost and expense of Tenant. No other alterations or modifications to the Buildings, Premises, or Site, except for Tenant's Work and the Alterations (all in completed in compliance with Exhibit E) are permitted except upon prior written approval of Landlord, to be withheld or conditioned in Landlord's sole discretion, and to be subject to such terms and conditions as may be imposed by Landlord (and shall be completed in compliance with Exhibit E). Landlord shall be entitled to post notices on and about the Premises with respect to Landlord's non-responsibility for mechanics' liens. Any work performed by Tenant shall be made promptly and in a professional manner, lien free, and in compliance with all applicable Laws and Exhibit E. Any alterations or modifications made by Tenant shall, at Landlord's option, become the property of Landlord upon the expiration or sooner termination of this Lease. As a condition of making any alterations or modifications to the Premises, Tenant shall comply with NRS 108.2403.

**8.2 Construction Insurance.** In addition to the requirements of Section 10.1 of this Lease, prior to the commencement of any of Tenant's Work or any Alterations or other alterations or modifications whatsoever, Tenant shall provide Landlord with evidence that Tenant or Tenant's contractor carries customary "Builder's All Risk" insurance in an amount approved by Landlord covering the construction of such Alterations, and such other insurance as Landlord may require, it being understood and agreed that all of such Tenant's Work Alterations shall be insured by Tenant pursuant to Section 10.1 of this Lease immediately upon completion thereof.

**8.3 Tenant Indemnity.** Tenant shall indemnify and hold Landlord and the Project free of and harmless from any and all liabilities, losses, claims, or damages arising out of Tenant's Work, any Alterations, or any other alterations or modifications to the Site, Buildings or Premises undertaken by Tenant, whether specifically under the provisions of this Lease or otherwise, including all costs, damages, expenses, court costs and reasonable attorneys' fees incurred in or resulting from claims

made by any person or persons, by other tenants in the Project, their subtenants, agents, employees, customers and invitees.

## **ARTICLE IX**

### **HAZARDOUS MATERIALS**

**9.1 Compliance with Environmental Laws.** Tenant agrees that it will comply with all environmental Laws, whether local, state or federal (collectively "Environmental Laws"), including, without limitation, (a) the Clean Air Act, 42 U.S.C. 1857 et seq.; (b) the Water Pollution Act, 33 U.S.C. 1151, et seq.; (c) the Resource Conservation and Recovery Act of 1976, 42 U.S.C. 6901, et seq.; (d) the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. 9601, et seq.; (e) the Clean Water Act, 33 U.S.C. 1251, et seq.; (f) the Toxic Substances Control Act, 15 U.S.C. 2301, et seq.; and NRS Chapters 445C (Environmental Requirements) and 459 (Hazardous Materials), all as shall be amended from time to time. Without limiting the foregoing, Tenant agrees as follows: (i) Tenant shall not use the Premises or any portion of the Project to handle, transport, store, treat or dispose of any Hazardous Waste, whether or not it was generated or produced on the Premises; (ii) Tenant shall notify Landlord immediately upon receipt of any notice of a violation of any Environment Laws relating to the Premises or the Project; and (iii) defend, indemnify and hold Landlord and its Mortgagee harmless from and against any and all claims, damage, liability, expense or cost of any kind whatsoever, which Landlord, or its Mortgagee may suffer, incur or pay resulting from or arising out of any act or omission of Tenant, its agents, employees, contractors or invitees, regarding the handling, storage, treatment, transportation, disposal, release or threat of release, or removal of Hazardous Waste in, on, around or from the Premises or any portion of the Project, or a violation of any Environmental Law by Tenant.

**9.2 Hazardous Materials Defined.** The term "Hazardous Materials" shall include, without limitation, any toxic waste, chemical pollutant, solid waste, combination of solid waste, or similar environmental hazard, which, because of its quantity, concentration, or physical, chemical or infectious characteristics may cause or significantly contribute to (i) an increase in mortality, (ii) an irreversible or incapacitating illness, or (iii) a substantial, present, or potential hazard to human health or the environment, when improperly treated, stored, transported or disposed, or otherwise managed, whether or not at such time of occurrence, it shall be deemed a violation of any Environmental Law. The obligations of Tenant, as well as the foregoing indemnity, in connection with this Section 9.2, shall survive the expiration or earlier termination of this Lease, anything herein to the contrary notwithstanding.

## **ARTICLE X**

### **INSURANCE; INDEMNIFICATION**

**10.1 Tenant's Insurance.** At all times during the Term, Tenant shall keep in full force and effect, at its sole cost and expense, the following insurance policies:

(a) Fire and extended coverage insurance, with an "all risk" coverage endorsement, insuring Tenant's stock in trade, furniture, personal property, merchandise, trade fixtures,

operating equipment, wall coverings, carpeting and window treatments, and, to the extent installed or paid for by Tenant, all leasehold improvements, fixtures, and non-moveable equipment on the Premises, all in an amount equal to one hundred percent (100%) of the replacement value thereof subject, however, to customary deductibles.

(b) In accordance with the Nevada Revised Statutes, the City has adopted a self-insured liability program for coverage of losses of up to an amount set from time to time by the Las Vegas City Council (the "Self-Insurance Amount"). The amount of the Self-Insurance Amount will be set from time to time at City Council's sole discretion and may increase or decrease from time to time. Tenant is covered under such self-insured liability program and, therefore, Tenant self-insures each occurrence up to the Self-Insurance Amount. This self-insured liability program is established through a funded reserve system, and is supported by an annual budgetary allocation by the City Council. In addition, in accordance with the Nevada Revised Statutes, such program includes a Self-Insured Workers' Compensation Program. This self-insured workers' compensation program is established by a funded reserve system and is supported by an annual budgetary allocation. Landlord acknowledges that Tenant is not able to name Landlord or any third parties as an additional insured under Tenant's self-insurance program or provide any insurance coverage whatsoever to Landlord under Tenant's self-insurance program and is not able to provide a waiver of subrogation. Tenant agrees to provide annually written evidence that the self-insurance liability program is in place.

**10.2 Landlord's Insurance.** Landlord shall obtain and keep in force a policy or policies of insurance covering loss or damage to improvements within the Project in the amount of the full replacement value, together with general commercial liability insurance for the Project as is typical for a commercial development such as the Project. If the premium for any such policy of insurance maintained by Landlord increases as a result of any act, omission, or use of the Premises or the Project by Tenant other than the Permitted Use, Tenant shall pay the full amount of such increase upon demand by Landlord. Tenant shall pay to Landlord, on a monthly basis as Additional Rent, an amount equal to one-twelfth (1/12th) of Landlord's reasonable estimate of the Tenant's Proportionate Share of such insurance affecting the Project only (and not including any insurance premiums or deductibles related to the Related Landlord Property), including reimbursement for deductibles not in excess of Ten Thousand Dollars (\$10,000.00).

**10.3 Waiver of Subrogation.** Except for City's Self-Insurance coverage, each insurance policy required by this Lease shall contain an express waiver of any and all rights of subrogation against the insured party, its partners, officers, agents, and employees, to the extent of the insurance coverage required under this Lease. All such policies shall be written as primary policies and not contributing with or in excess of the coverage, if any, which such party may carry.

**10.4 Tenant Indemnification.** Landlord shall not be liable for any damages or liability arising out of or resulting from a breach of any duty of any kind or for any injury to or death of persons or loss or damage to Tenant's business or damage to any property of Tenant or any other person arising out of or in any way related to the use, occupancy and enjoyment of the Premises by Tenant or any person claiming by, through, or under Tenant, unless the same shall be caused solely by the gross negligence or willful misconduct of Landlord or Landlord Default. To the fullest extent permitted by law, but in all events subject to the liability limitations set forth in Chapter 41 of Nevada Revised Statutes Section 41.035, Tenant shall at Tenant's sole cost and expense, protect,

indemnify, save and hold harmless Landlord against and from all liability, claims, loss, injury, liens, cost, damage or expense arising out of or in any way related to: (1) any accident or other occurrence in, on or at the Premises unless caused by Landlord's gross negligence or willful misconduct or Landlord Default; (2) the occupancy or use of the Premises or any act or omission of Tenant, Users, or their respective employees, agents, invitees, subtenants, licensees, assignees or contractors, unless caused by Landlord's gross negligence or willful misconduct or Landlord Default; (3) any penalty or damage or charges imposed for any violations of any law or ordinance whether occasioned by the action or inaction of Tenant or those claiming by, through, or under Tenant; (4) any and all mechanic's liens or costs or expenses arising out of or relating to any Tenant's Work or Tenant's Alterations; and (5) any material default of Tenant (following passage of any notice and cure period) arising under this Lease. Tenant's obligation to indemnify Landlord, shall survive the expiration or earlier termination of this Lease for acts or omissions occurring prior to such expiration or earlier termination, and shall additionally include the retention of legal counsel and related reasonable attorneys' fees and reasonable investigation costs (as well as all other reasonable and related costs, expenses and liabilities). For purposes of this Section 10.4 only, the term "Landlord" shall be deemed to include Landlord, the members of Landlord, the fee owner of the Project if other than Landlord, Landlord's managing agent for the Buildings, their respective subsidiaries and affiliates, and the respective members, directors, officers, agents, servants, and employees of each of the foregoing. Tenant acknowledges and agrees that its liability pursuant to this Section 10.4 is not limited to the amount of any insurance set forth and provided for in Section 10.1. The obligations of Tenant, as well as the foregoing indemnity, in connection with this Section 8.3, shall survive the expiration or earlier termination of this Lease, anything to the contrary notwithstanding.

**10.5 Landlord Indemnification.** To the fullest extent permitted by law, Landlord shall at Landlord's sole cost and expense, protect, indemnify, save and hold harmless Tenant against and from all liability, claims, loss, injury, liens, cost, damage or expense arising out of or in any way related to: (1) any accident or other occurrence in, on or at the Premises caused solely by Landlord's gross negligence or willful misconduct or Landlord Default; (2) the grossly negligent act or willful omission of Landlord, or Landlord's employees, agents, or contractors in the performance of Landlord's responsibilities upon the Premises; (3) any penalty or damage or charges imposed for any violations of any law or ordinance occasioned solely by the action or inaction of Landlord or of Landlord's employees, agents, or contractors upon the Premises; and (4) any material default of Landlord (following passage of applicable notice and cure periods) arising under this Lease. Landlord's obligation to indemnify Tenant, shall survive the expiration or earlier termination of this Lease for acts or omissions occurring prior to such expiration or earlier termination, and shall additionally include the retention of legal counsel and related reasonable attorneys' fees and reasonable investigation costs (as well as all other reasonable and related costs, expenses and liabilities). For purposes of this Section 10.5 only, the term "Tenant" shall be deemed to include Tenant, the City of Las Vegas, Nevada and its elected officials. The obligations of Landlord, as well as the foregoing indemnity, in connection with this Section 10.5, shall survive the expiration or earlier termination of this Lease, anything herein to the contrary notwithstanding.

## **ARTICLE XI**

### **DAMAGE OR DESTRUCTION**

**11.1 Damage to Premises.** If the Premises or the Buildings are damaged or destroyed in whole or in substantial part such that seventy percent (70%) of the Buildings is damaged by fire or any other casualty, Landlord may, by notice to Tenant given within sixty (60) days of such damage or destruction, terminate this Lease. In such event, neither Landlord nor Tenant shall be required to repair the Buildings or Premises and Tenant shall surrender the Premises to Landlord within thirty (30) days after delivery of the notice of termination. Rent shall be apportioned and paid promptly to Landlord through the date on which Tenant delivers vacant possession of the Premises to Landlord. If Landlord is entitled to but does not elect to terminate this Lease, Landlord shall, following such damage or destruction, diligently repair that part of the Buildings damaged or destroyed, but only to the extent of Landlord's obligations pursuant to the terms of this Lease, excluding any tenant's responsibilities with respect to such repair. Notwithstanding the foregoing, if the restoration and repair of the damage may reasonably be estimated to take more than six (6) months from the date of such damage, then Tenant shall have the right to terminate this Lease by giving written notice to Landlord of its intent to terminate. In such instance, this Lease shall terminate on the date on which Tenant delivers vacant possession to Landlord.

## **ARTICLE XII**

### **CONDEMNATION**

If the whole or any part of the Premises, or any part of the Buildings shall be taken by any public authority under the power of eminent domain or sold to public authority under threat or in lieu of such taking, the Term shall cease as of the day possession or title shall be taken by such public authority, whichever is earlier (the "Condemnation Date"), whereupon the Rent shall be paid up to the Condemnation Date with a proportionate refund by Landlord of any Rent paid for a period subsequent to the Condemnation Date. All compensation awarded or paid upon a total or partial taking of the Premises, or Buildings, including the value of the leasehold estate created hereby, shall belong to and be the property of Landlord without any participation by Tenant; Tenant shall have no claim to any such award based on Tenant's leasehold interest. Nothing contained herein shall be construed to preclude Tenant, at its cost, from independently prosecuting any claim directly against the condemning authority in such condemnation proceeding for damage to, or the cost of removing trade fixtures, furniture and other personal property belonging to Tenant; provided, however, that no such claim shall diminish or otherwise adversely affect Landlord's award or the award of any Mortgagee.

## **ARTICLE XIII**

### **ASSIGNMENT AND SUBLETTING**

**13.1 Assignment.** Subject to the authority granted Tenant under Section 2.5, Tenant shall not assign, sublease, transfer or encumber (together, a "Transfer") this Lease or Tenant's interest herein, without the prior written consent of Landlord. If Tenant is a limited liability company, corporation, partnership or other entity, any proposed Transfer of more than thirty (30%) percent of the ownership interest in Tenant shall constitute a Transfer for which Landlord approval is required hereunder. Upon receipt of a request by Tenant to Transfer its interest under the Lease, Landlord shall have the right to request such reasonable information and documentation as Landlord may require to evaluate such request, and Landlord shall respond to Tenant's request

within thirty (30) days of receipt of the same. Any attempted Transfer by Tenant without Landlord's prior written consent shall be null and void, and of no force and effect. Landlord's acceptance of Rent from any party other than Tenant shall not serve as evidence of Landlord's consent to any Transfer.

## ARTICLE XIV

### EVENTS OF DEFAULT AND REMEDIES

**14.1 Events Of Default.** The occurrence of any of the following shall constitute a material default of this Lease by Tenant:

(i) any failure by Tenant to pay rent or any other charge required to be paid under this Lease when due where such failure continues for ten (10) days after Tenant's receipt of written notice thereof;

(ii) any failure by Tenant to comply with its obligations under this Lease with respect to Tenant's Work or any modifications or alterations by Tenant, which failure continues for thirty (30) days after Tenant's receipt of written notice thereof, provided that if the nature of such default is such that it cannot reasonably be cured within a thirty (30) day period, Tenant shall not be deemed to be in default if it shall commence such cure within such period and thereafter diligently pursue such cure to completion;

(iii) any failure by Tenant to perform any other provision, covenant or condition of this Lease, of the Rules and Regulations, of any Laws, to be observed or performed by Tenant where such failure continues for thirty (30) days after Tenant's receipt of written notice thereof, provided that if the nature of such default is such that it cannot reasonably be cured within a thirty (30) day period, Tenant shall not be deemed to be in default if it shall commence such cure within such period and thereafter diligently pursue such cure to completion;

(iv) Tenant shall vacate or abandon the Premises (provided, however, that: (A) so long as Tenant is fully performing its obligations under this Lease, temporary closures of portions of the Premises pursuant to and in compliance with Section 2.5, shall not constitute vacation or abandonment, (B) so long as Tenant is fully performing its obligations under this Lease, temporary closures of the entirety of the Premises for a total duration of no more than total of six (6) months during any calendar year pursuant to and in compliance with Section 2.5, shall not constitute vacation or abandonment, and (C) so long as Tenant is fully performing its obligations under this Lease, any temporary period of closure for performance of Tenant's Work or alterations or repairs to the Premises, for a reasonable period of time necessary to perform such work, shall not constitute vacation or abandonment);

(v) Tenant shall admit its inability to pay its debts or perform its obligations hereunder as they arise; or

(vi) Tenant shall cease to function as a going concern or cease its legal existence;

(vii) Tenant shall make or purport to make an assignment contrary to this Lease; or

(viii) there shall exist a general assignment by Tenant for the benefit of creditors, or the filing by or against Tenant of any proceeding under any insolvency or bankruptcy law (unless in the case of a proceeding filed against Tenant the same is dismissed within sixty (60) days), or the appointment of a trustee or receiver to take possession of all or substantially all of the assets of Tenant (unless possession is restored to Tenant within thirty (30) days), or any execution or other judicially-authorized seizure of all or substantially all of Tenant's assets located upon the Premises or of Tenant's interest in this Lease (unless such seizure is discharged within thirty (30) days).

**14.2 Remedies.** In the event of a default by Tenant, and in addition to any other remedies available to it at law or in equity, Landlord may at its option, upon written notice to Tenant:

(i) declare the Lease and all User Agreements terminated, reenter the Premises and take possession thereof and remove all persons therefrom, and Tenant shall have no further claim thereon or hereunder; or

(ii) without declaring the Lease and/or User Agreements terminated, reenter the Premises and occupy the whole or any part thereof for and on account of Tenant and collect any unpaid rents and other charges which have become payable or which may thereafter become payable hereunder; or

(iii) even though Landlord may have reentered the Premises, thereafter elect to terminate this Lease and all of the rights of Tenant in or to the Premises.

**14.3 Efforts To Relet.** In the event that Landlord shall elect to relet the Premises, then rent and other charges received by Landlord from such reletting shall be applied first, to the payment of any indebtedness (other than rent due hereunder) owed to Landlord; second, to the payment of any cost of such reletting; third, to the payment of the cost of any alterations and repairs to the Premises; fourth, to the payment of rent due and unpaid hereunder; and the residue, if any, shall be held by Landlord and applied to the payment of future rent and other charges as the same may become due and payable hereunder. Should the rent and other amounts received from such reletting during any month be less than the rent and other charges payable by Tenant hereunder, then Tenant shall pay such deficiency to Landlord monthly upon receipt of Landlord's bill therefor. Tenant shall also pay to Landlord, as soon as ascertained, any costs and expenses incurred by

Landlord in reletting or in making such alterations and repairs to the Premises not covered by the rents received from such reletting.

**14.4 Termination.** Should Landlord elect to terminate this Lease pursuant to the provisions of item (i) or (iii) of Section 14.3 above, Landlord may recover from Tenant as damages, the following:

(i) the worth at the time of award of any unpaid rent and other charges which had been earned at the time of such termination; plus

(ii) the worth at the time of award of the amount by which the unpaid rent and other charges which would have been earned after termination until the time of the award exceeds the amount of such rent loss which Tenant proves could have been reasonably avoided; plus

(iii) the worth at the time of award of the amount by which the unpaid rent and other charges for the balance of the Term after the time of the award exceeds the amount of such rent loss that Tenant proves could have been reasonably avoided; plus

(iv) any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom including, but not limited to, any costs or expenses incurred by Landlord in (a) retaking possession of the Premises, including reasonable attorneys' fees, (b) maintaining or preserving the Premises after such default, (c) preparing the Premises for reletting to a new tenant, including repairs or alterations to the Premises for such reletting, (d) leasing commissions, and (e) any other costs necessary or appropriate to relet the Premises; plus

(v) at Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by the laws of the State of Nevada; plus

(vi) the amount of any tenant improvement allowances, free rent, and any other rental concessions made by Landlord as an inducement to Tenant to enter into this Lease whether so designated or not.

As used in Subparagraphs (i) and (ii) of this Section 14.4, the "worth at the time of award" is computed by allowing interest at the rate of ten percent (10%) per annum, not to exceed the maximum lawful interest rate. As used in Subparagraph (iii) above, the "worth at the time of award" is computed by discounting such amount at the discount rate of the Federal Reserve Bank situated nearest to the location of the Premises at the time of award.

For all purposes of this Section 14.4, the term "rent" shall be deemed to be the Minimum Rent and all other sums required to be paid by Tenant pursuant to the terms of this Lease. All such sums other than Minimum Rent, shall be computed on the basis of the average monthly amount thereof accruing during the immediately preceding sixty (60) month period, except that if it becomes necessary to compute such rent before such a sixty (60) month period has occurred, then such rent shall be computed on the basis of the average monthly amount accruing during such shorter period. Notwithstanding anything to the contrary in this Lease: in no event shall Tenant be liable for or



shall Landlord be entitled to special, incidental, consequential or punitive damages for Tenant's Default.

**14.5 Landlord Default.** Landlord shall not be in Default hereunder unless Landlord fails to perform the covenants and agreements contained in this Lease, on or before thirty (30) days after written notice by Tenant to Landlord and following Landlord's failure to act within such thirty (30) day notice period, or such longer period of time required by Section 15.3. If the nature of Landlord's Default is such that more than thirty (30) days (or such longer period required by Section 15.3) are required to cure the Default, then Landlord shall not be in Default if Landlord commences the cure within said thirty (30) day period (or such longer period required by Section 15.3) and thereafter diligently prosecutes the same to completion. In the case of a Default by Landlord, prior to Tenant's exercise of any remedy, the holder of any mortgage or deed of trust encumbering the Project shall have the right, but not the obligation, to cure the default pursuant to the terms and conditions of Section 15.3.

**14.6 Tenant Remedies.** Upon the occurrence of any Event of Default by Landlord, Tenant shall have the right to bring an action in a court of competent jurisdiction to recover any actual third party expenses or damages incurred as a result of the Event of Default by Landlord. In no event shall Landlord be liable for or shall Tenant be entitled to special, incidental, consequential or punitive damages for Landlord's Default. In no event shall Tenant be entitled to terminate this Lease as a result of any Event of Default by Landlord, or to receive a reduction or offset in payment of Minimum Rent or other amounts hereunder. In no event shall the owners, officers, directors, employees, shareholders, members, managers, employees, agents, successors or assigns have personal obligations for any recovery against Landlord. Tenant shall look solely to the equity of Landlord in the Premises for any recovery against Landlord permitted hereunder.

**14.7 Tenant Cure of Landlord Default.** Tenant shall have the right, but not the obligation, to cure any Event of Default of Landlord which remains uncured by Landlord for more than thirty (30) days. A representative of Tenant may access the Premises, including the exterior of the Buildings and the Project, to cure any default of Landlord during normal business hours upon reasonable prior written notice to Landlord, except in the case of an emergency. Landlord shall reimburse Tenant for all costs incurred by Tenant within thirty (30) days of Tenant's submittal of an invoice for the cost of Tenant's cure of a Landlord Event of Default.

## ARTICLE XV

### SUBORDINATION, ESTOPPEL CERTIFICATE AND MORTGAGEE PROTECTION

**15.1 Subordination.** Subject to Landlord's obligations set forth herein regarding execution and delivery of an SNDA, this Lease is and shall be subordinate to all deeds of trust and other security interests in the Site, the Premises, the Buildings, and/or the Project, including any modifications, renewals or extensions thereof. If Landlord or any mortgage holder elects to have this Lease prior to the lien of any deed of trust or other security instrument, and Landlord or mortgage holder provides written notice of such election to Tenant, then such deed of trust or other security instrument shall be subordinate to this Lease. Should any mortgage holder ever acquire or foreclose upon Landlord's ownership interest in the Site, the Premises, and/or the Project, Tenant shall attorn to such mortgage holder, or the purchaser at the foreclosure sale, as applicable, as Landlord under this Lease as provided in the SNDA Tenant has received in connection therewith. Landlord shall

obtain an SNDA from any mortgage holder or ground lessor under any mortgage, deed of trust, ground lease, or other financing mechanism or agreement for the Project on such mortgage holder's or ground lessor's standard form. Notwithstanding anything to the contrary contained in this Lease, including Section 14.6, in the event of the failure of Landlord to obtain a SNDA in connection with a mortgage or ground lease now or in the future in place, Landlord shall not be in default under this Lease. However, in such case of Landlord's failure to obtain an SNDA as described in the foregoing sentence, unless such failure resulted from Tenant's failure or refusal to execute or deliver an SNDA, Landlord shall be liable to Tenant for any actual damages (but not indirect, consequential, exemplary, or punitive damages), if any, incurred by Tenant as a result of such failure. As used in this Section 15.1, an "SNDA" shall mean a customary subordination, non-disturbance, and attornment agreement, on a mortgage holder's or ground lessor's standard form, that (among other things and in broad terms) provides that: (a) this Lease is made subordinate to the mortgage, deed of trust, ground lease, or other financing mechanism or agreement that is the subject of the SNDA (including amendments, modifications, replacements, and extensions thereof); (b) foreclosure or termination of the subject mortgage, deed of trust, ground lease, or other financing mechanism will not result in the termination of this Lease (except pursuant to the terms of this Lease, e.g., upon a Tenant default) or disturb Tenant's possession (except pursuant to the terms of this Lease, e.g., upon a Tenant default); (c) in the case such foreclosure or termination of the subject mortgage, deed of trust, ground lease, or other financing mechanism, Tenant will attorn to the new acquirer of the Project or Site resulting from the foreclosure or termination event, and such person or entity shall have all rights and remedies of Landlord set forth in this Lease.

**15.2 Estoppel Certificate.** Tenant hereby agrees that, from time to time during the Term, Tenant shall provide to Landlord, within thirty (30) days of Landlord's written request a statement confirming that this Lease is unmodified and in full force and effect (or, if this Lease has been modified, that this Lease is in full force and effect as so modified), stating the date through which Rent has been paid, confirming that Landlord and Tenant are not in default of their obligations under the Lease, and such other commercially reasonable matters as Landlord may require.

**15.3 Mortgagee Protection Clause.** Tenant agrees to give any mortgagees and/or trust deed holders, by certified mail, a copy of any notice of default served upon Landlord, provided that prior to such notice Tenant has been notified in writing of the addresses of such lender, mortgagees and/or trust deed holders. Tenant further agrees that if Landlord shall have failed to cure such Default within the time provided for in this Lease, then the lenders, mortgagees and/or trust deed holders shall have an additional thirty (30) days within which to cure such default or if such default cannot be cured within that time, then such additional time as may be necessary if within such thirty (30) days any mortgagee and/or trust deed holder has commenced and is diligently pursuing the remedies necessary to cure such default, including, but not limited to, commencement of foreclosure proceedings if necessary to effect such cure.

## **ARTICLE XVI**

### **HOLDING OVER**

**16.1 Holdover Tenancy.** In the event that Tenant shall remain possession of the Premises after the expiration or earlier termination of the Term, such holding over shall be deemed to have created

a month-to-month tenancy, terminable upon thirty (30) days' written notice by either party to the other, subject to all of the terms and provisions of this Lease (including the payment of Tenant's Proportionate Share of Common Area Expenses). Notwithstanding the foregoing, the Minimum Base Rent payable during the holdover period shall equal one hundred fifty percent (150%) of the Minimum Base Rent payable by Tenant to Landlord during the immediately preceding twelve (12) month period.

**16.2 Surrender of Premises.** Tenant shall, upon expiration or termination of the Term, surrender the Premises broom clean, in good condition and repair, with all mechanical, electrical and plumbing systems in good operating condition, reasonable wear and tear excepted. Tenant shall promptly surrender all keys for the Premises at the place then fixed for payment of Rent. At the expiration or earlier termination of the Term, Tenant shall execute, acknowledge and deliver to Landlord, within five (5) days after written demand from Landlord to Tenant, any document required by Landlord or its title company to remove the cloud of this Lease from the real property upon which the Premises are situated.

## **ARTICLE XVII**

### **SALE OF PREMISES BY LANDLORD**

In the event of any sale, exchange or other conveyance of Landlord's interest in the Project or any portion or portions thereof by Landlord, and a written assignment and assumption by Landlord and its transferee of this Lease, Landlord shall be and is hereby entirely released and relieved of all liability under any and all of its covenants and obligations contained in or derived from this Lease arising out of any act, occurrence or omission relating to the Premises or this Lease occurring after the consummation of such sale, exchange or conveyance and assignment.

## **ARTICLE XVIII**

### **NOTICE**

Any notice, request, approval, demand, consent or other communication required or permitted under this Lease (including also any exhibits, addenda and riders attached hereto and made a part hereof) shall be in writing and shall be deemed sufficiently given or served by Landlord or Tenant to or on the other, as the case may be, at the time of mailing by certified or registered mail, postage prepaid, or upon personal delivery, which shall include deposit with a local courier service or a nationally recognized overnight courier service with a package tracking system, addressed to the notice address of the addressee specified in Section 1.1 hereof. Either party may change such address (provided personal delivery is able to be delivered at such new address) by written notice to the other in accordance with this Article XVIII. Notice given by the legal counsel for a Party or by the authorized agent of the Landlord shall be effective notice under this Article XVIII.

## **ARTICLE XIX**

### **MISCELLANEOUS PROVISIONS**

**19.1 Entry by Landlord.** Landlord shall have the right, upon providing forty-eight (48) hours' notice to Tenant, to enter upon the Premises, together with Landlord's agents, vendors and representatives, for the purpose of (i) showing the Premises to prospective purchasers or lessees thereof; and (ii) undertaking repairs or improvements as required or authorized hereunder. For the purpose of this Section 19.1, notice may be provided verbally or via email to the email address provided by Tenant. In the event of an emergency, no notice shall be required.

**19.2 Successors and Assigns.** Each and all of the provisions of this Lease shall be binding upon and inure to the benefit of the parties hereto, their respective heirs, executors, administrators, successors and assigns, subject to all agreements, covenants, and restrictions contained elsewhere in this Lease with respect to the assignment, transfer, encumbering or subletting of all or any part of Tenant's interest in this Lease or the Premises.

**19.3 Partial Invalidity.** If any provision of this Lease is determined to be void by any court of competent jurisdiction, such determination shall not affect any other provision of this Lease and such other provision shall remain in full force and effect. If any provision of this Lease is capable of two constructions, one of which would render the provision void and one of which would render the provision valid, the provision shall be interpreted in the manner which would render it valid. It is the intention of the parties hereto that the covenants of this Lease be independent of each other. It is agreed that, if any provision of this Lease shall be determined to be void by a court of competent jurisdiction, then such determination shall not affect any other provision of this Lease, and all such other provisions shall remain in full force and effect.

**19.4 Entire Agreement.** It is understood and acknowledged that there are no oral agreements between the parties hereto affecting this Lease, and this Lease supersedes and cancels any and all previous negotiations, arrangements, brochures, agreements and understandings, if any, between the parties hereto or displayed by Landlord to Tenant with respect to the subject matter thereof. This Lease is and shall be the only lease agreement between the parties relative to the Premises hereto and their respective representatives and agents as of the Effective Date. All negotiations and oral agreements acceptable to both parties have been merged into and are included herein, and no modification of this Lease shall be effective unless the same shall be in writing and be signed by the parties hereto or, as the case may be, their respective successors or assigns.

**19.5 Governing Law.** The laws of the State of Nevada shall exclusively govern the validity, construction, performance and enforcement of this Lease. Subject to Section 19.15, should either party institute legal action to enforce any obligation contained herein, it is agreed that the proper venue of such suit or action shall be Clark County, Nevada. This Lease shall not be construed either for or against Landlord or Tenant, but shall be interpreted in accordance with the general tenor of its language. LANDLORD AND TENANT HEREBY WAIVE ANY AND ALL RIGHTS TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (INCLUDING ANY CLAIM FOR INJURY OR DAMAGE AND ANY EMERGENCY AND OTHER STATUTORY REMEDY IN RESPECT THEREOF) BROUGHT BY EITHER AGAINST THE OTHER ON ANY MATTER ARISING OUT OF OR IN ANY WAY

CONNECTED WITH THIS LEASE, THE RELATIONSHIP OF LANDLORD AND TENANT,  
AND/OR TENANT'S USE OR OCCUPANCY OF THE PREMISES

**19.6 Force Majeure.** Any prevention, delay or stoppage due to strikes, lockouts, labor disputes, acts of God, inability to obtain labor or materials or reasonable substitutes therefor, governmental actions, civil commotions, fire or other casualty, pandemics and endemics and any business stoppage or lockouts or lockdowns related thereto, and other causes beyond the reasonable control of the party obligated to perform, shall excuse the performance of such party for a period equal to any such prevention, delay or stoppage, excluding Tenant's obligations to pay the Minimum Base Rent and Common Area Expenses, or other payment obligations, pursuant to this Lease, which shall not be interrupted or delayed.

**19.7 Time.** Time is of the essence with respect to the performance of each of the covenants and agreements contained in this Lease.

**19.8 Relationship of Parties.** Nothing contained in this Lease shall be deemed to create the relationship of principal and agent or of partnership or of joint venture or of any association between Landlord and Tenant, other than the relationship of landlord and tenant.

**19.9 Real Estate Brokers.** Landlord and Tenant hereby warrant to the other that they have had no dealings with any broker or agent in connection with this Lease. Landlord and Tenant hereby hold each other harmless and indemnify the other from and against any and all cost, expense or liability including legal fees and costs in defense thereof for any compensation, commissions and charges claimed by any broker or agent with respect to this Lease.

**19.10 Subtenancies.** The voluntary or other surrender of this Lease by Tenant or a mutual cancellation of this Lease shall not result in a merger and shall, at Landlord's option, terminate all existing subtenancies or operate as an assignment to Landlord or any or all of such subtenancies.

**19.11 Quiet Enjoyment.** Landlord covenants that Tenant, on paying the Minimum Rent, charges for services and other payments herein reserved and on keeping, observing and performing all the other terms, covenants, conditions, provisions and agreements herein contained on the part of Tenant to be kept, observed and performed, shall, during the Lease Term, as such may be extended, peaceably and quietly have, hold and enjoy the Premises subject to the terms, covenants, conditions, provisions and agreements hereof without interference by any persons lawfully claiming by or through Landlord, including any matters of record.

**19.12 Prevailing Party.** In the event that either party shall institute any legal action or proceeding against the other relating to the provisions of this Lease, or any Event of Default hereunder, the prevailing party shall have the right to recover reasonable attorneys' fees and costs incurred by the prevailing party.

**19.13 Disclosure of Principals.** Landlord warrants that it has disclosed, on the form attached hereto as Exhibit F, all principals, including partners or members, of Landlord, as well as all persons and entities holding more than one percent (1%) interest in Landlord or any principal,

partner or member of Landlord. Landlord shall provide Tenant with written notification of any material change in the above disclosure within thirty (30) days of any such change.

**19.14 Public Records Act.** Tenant acknowledges that Landlord is subject to the Nevada Public Records Act contained in Chapter 239 of the Nevada revised Statutes. As a result, Landlord is subject to permit the general public to copy and receive a copy of this Lease. As a result, Landlord cannot keep this Lease confidential and all communications related thereto and may be required to disclose such items to the general public.

**19.15 Dispute Resolution.** In the event that a dispute has arisen pursuant to Section 2.2, Section 2.3, 2.4, Exhibit D or Exhibit E, only, the Parties agree to submit the dispute to the following binding dispute resolution procedures ("Dispute Resolution") which will preclude the filing of any action in a court of law as to such matters:

(a) Promptly upon notification by Tenant or Landlord of a dispute under Section 2.3, Section 2.4, Exhibit D or Exhibit E, only, the Parties shall meet informally to resolve the dispute within ten (10) days of such notification. In the event that no resolution is achieved, the Parties, prior to the initiation of any action or proceeding under this section, shall make a good faith effort to resolve the dispute by negotiation between representatives with decision-making power, who, to the extent possible, shall not have had substantive involvement in the matters of the dispute, unless the Parties otherwise agree. In the event no resolution is achieved with thirty (30) days after the initial notification, the Parties shall proceed to binding arbitration as set forth below.

(b) The Parties hereto shall submit any and all disputes arising under or relating to Section 2.2, Section 2.3, Section 2.4, Exhibit D or Exhibit E, only, to binding arbitration. The dispute shall be filed with the American Arbitration Association under its then current Commercial Arbitration Rules, Expedited Procedures. One arbitrator will be used, unless the Parties to the dispute are not able to agree on a designated arbitrator, in which case a three (3) member panel of arbitrators will be used. The formula will be that each Party will appoint one arbitrator and the two arbitrators will appoint a third. The third arbitrator will be appointed at the discretion of the first two appointed arbitrators, and without input from either of the Parties. Each party hereby consents to, and waives any objection to, venue being the offices of the American Arbitration Association located in Las Vegas, Nevada. The award rendered by the arbitrators shall be final and judgment may be entered upon by state courts located in the County of Clark, State of Nevada.

Remainder of Page Left Blank

IN WITNESS WHEREOF, Landlord and Tenant have duly executed and delivered this Lease as of the date first above written.

**LANDLORD:**

ARTHAUS IV, LLC, a Nevada limited liability company

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

**TENANT:**

CITY OF LAS VEGAS REDEVELOPMENT  
AGENCY, an agency organized under the laws  
of the state of Nevada

By: \_\_\_\_\_  
Name: Carolyn G. Goodman  
Its: Executive Director

Attest: \_\_\_\_\_  
LuAnn D. Holmes, Secretary

Approved to Form

\_\_\_\_\_

SPACE LEASE  
ARTHAUS IV LLC



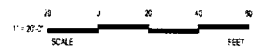
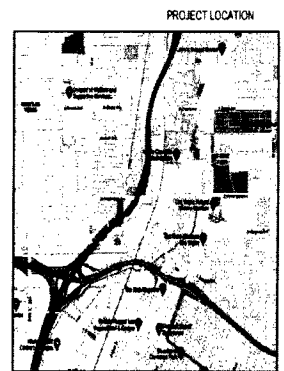
## EXHIBIT A

### SITE LEGAL DESCRIPTION

#### **APNs 139-27-211-028, 029, 030, 031**

Lots One (1), Two (2), Three (3), Four (4), Five (5), and Six (6) in Block Thirteen (13) of that subdivision known as VALLEY VIEW ADDITION, as shown by plat thereof on file in the office of the county recorder, Clark County, Nevada in Book 1 of Plats, at Page 50. Excepting therefrom that portion as conveyed in that certain Grant Deed recorded November 06, 1987 in Book 871106, Instrument No. 00547, Official Records, Clark County, Nevada. Further excepting therefrom that portion as conveyed in that certain Grant Deed recorded November 06, 1987 in Book 871106, Instrument No. 00548, Official Records, Clark County, Nevada.

Scale: 1" = 20'-0"



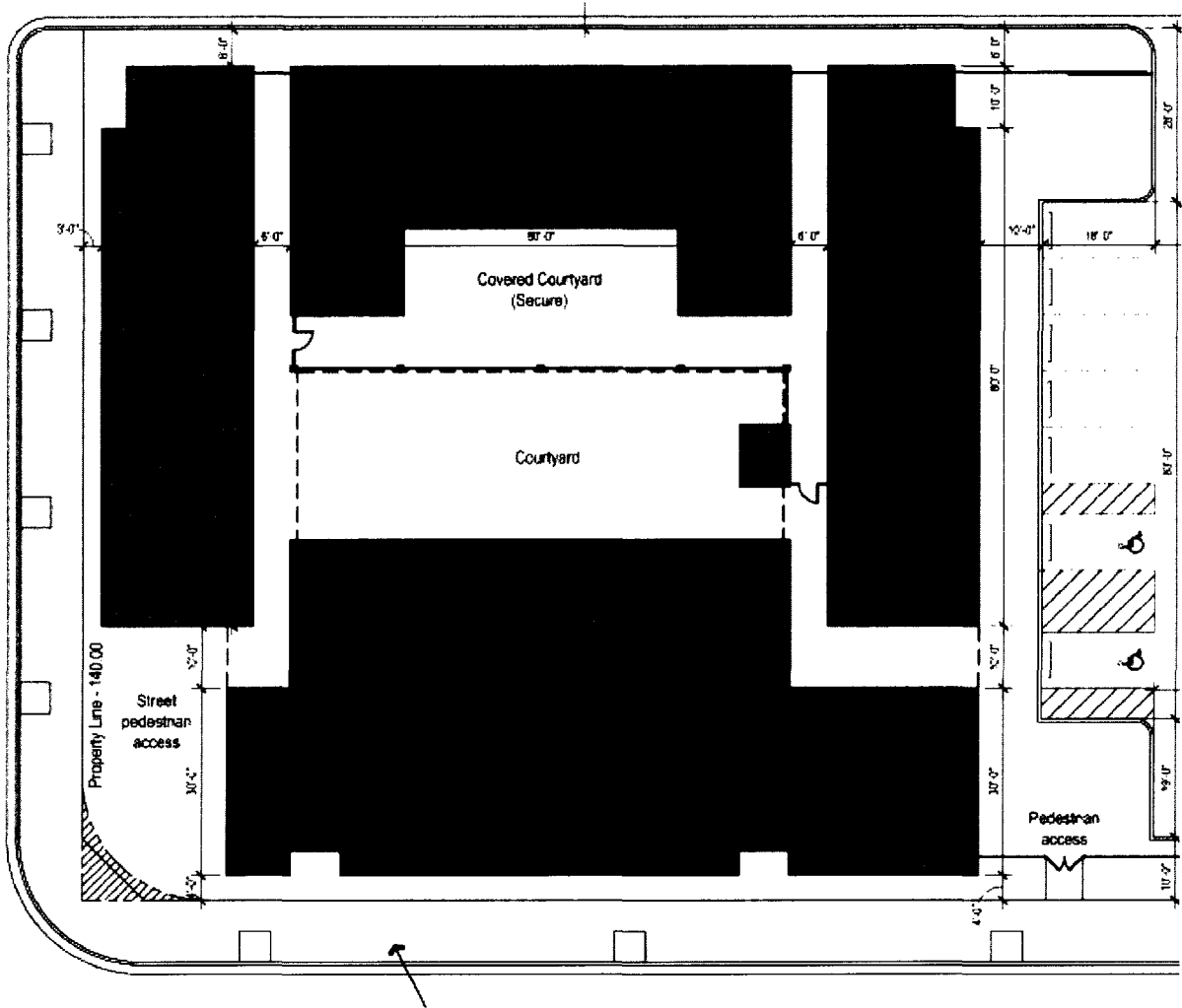


EXHIBIT C  
BASE RENT SCHEDULE

| Lease Period                                                    | Per Square Foot of<br>Rentable Area<br>(Monthly) | Base Rent Monthly | Base Rent Annual |
|-----------------------------------------------------------------|--------------------------------------------------|-------------------|------------------|
| Years 1-5                                                       | \$3.00                                           | \$21,048.00       | \$252,576.00     |
| Years 6-10                                                      | \$3.30                                           | \$23,152.80       | \$277,833.60     |
| Years 11-15                                                     | \$3.63                                           | \$25,468.08       | \$305,616.96     |
| Years 16-20 (if<br>applicable if first<br>Option is exercised   | \$3.99                                           | \$27,993.84       | \$335,926.08     |
| Years 21-25 (if<br>applicable if second<br>option is exercised) | \$4.39                                           | \$30,800.24       | \$369,602.88     |

(Note: This schedule is based upon the Premises comprising 7,016 gross square feet of Rentable Area, and thus (per Section 2.2 of the Lease) represents the maximum amount of Base Rent payable under the Lease. The Parties shall update this schedule upon finalizing their mutual determination of the Rentable Area pursuant to Section 2.2 of the Lease.)

## EXHIBIT D

### LANDLORD WORK

Landlord shall perform the following “Landlord’s Work” to the Buildings to deliver the Premises in cold grey shell condition, as follows:

1. Landlord Construction Plans. No later than thirty (30) days after the Effective Date, Landlord shall provide to Tenant City approved building plans and design guidelines for the Buildings (or selected portions or summaries thereof for illustrative purposes), when available, subject to review and approval by Tenant (not to be unreasonably withheld, conditioned, or delayed, provided that the Tenant’s basis for review shall be substantial compliance of such plans with the drawings and descriptions included as Exhibit B) (“Landlord’s Plans”).
2. Building Shell. Landlord will construct the exterior walls, roof, windows, and doors for the Buildings in accordance with the Landlord’s Plans.
3. Flooring. No flooring (concrete slab, etc.) shall be installed within the Buildings.
4. Ceiling. Landlord shall leave the ceiling area exposed to the structure above. At Landlord's option, thermal insulation, fire proofing, electrical conduits, air conditioning ducts, plumbing pipes, fire sprinkler piping, etc. will be exposed on the underside of the roof structure.
5. Electrical. Landlord shall install electrical main panel, meter, conduit, and wiring to one or more designated location or locations within the Premises as provided in the Landlord’s Plans.
6. Communications. Landlord shall install conduit, and pull boxes top one or more designated location or locations within the Premises, as provided in the Landlord’s Plans.
7. Fire Sprinkler. Installation of a fire sprinkler system in the Premises, including sprinkler heads, piping, valves, and risers, as provided in the Landlord’s Plans.
8. Water and Sewer. Landlord shall install main line, meter, shut-off valve, and stub-outs for Tenant’s connection, to one or more designated locations within the Premises as provided in the Landlord’s Plans.
9. Gas. Landlord shall install a sleeve for main line, meter, shut-off valve, and stub-outs for Tenant’s connection to one or more designated locations within the Premises as provided in the Landlord’s Plans.
10. The Parties agree that any dispute under this Exhibit D shall be submitted to Dispute Resolution.

## EXHIBIT E

### TENANT WORK/TENANT ALTERATIONS

a. Any and all improvements, alterations, or modifications to be constructed with respect to the Premises that are not expressly identified as Landlord's Work, including the initial installation of signage, shall be Tenant's sole responsibility, subject to the terms and provisions of this Exhibit E. Any and all such improvements and the work of improvements with respect thereto, including those improvements described in this Exhibit E shall be included in and constitute "Tenant's Work". Any alterations or modifications to the Site, Premises, or Buildings, whether or not expressly authorized under the Lease, including the installation or modification of signage shall be included in and constitute "Tenant's Alterations". Landlord agrees that Tenant's Work and Tenant's Alterations may be completed in phases.

b. Tenant's Work and Tenant's Alterations shall conform to Tenant's Construction Plans, defined below, (as approved by Landlord) and shall comply with all applicable codes, laws, ordinances, and regulations, including, without limitation, all applicable building, fire, and life safety codes, all applicable codes, laws, ordinances, and regulations relating to handicapped accessibility, and all environmental laws. Additionally, all signage to be constructed by Tenant as part of Tenant's Work or Tenant's Alterations shall be consistent with any shall comply with any sign plan then established by Landlord.

c. In connection with any Tenant Work or Tenant's Alterations, Tenant shall cause detailed construction drawings to be prepared (by qualified and experienced Nevada licensed architects and engineers) with respect to the Tenant Work, wholly consistent with the approved Site Plan, and shall provide a copy to Landlord for its review and approval or comments (the "Construction Plans"). Landlord agrees that the sole purpose of Landlord's review to the Construction Plans is to determine Landlord's reasonable approval thereof, and in no event shall constitute Landlord's representation or warranty or affirmation that such Construction Plans are fit for their intended purposes or any purposes, or are free from flaw or defect, and Landlord shall have and assume no liability for any error or defect contained in the Construction Plans or their fitness for any purpose. In connection therewith, the Parties agree that the review of the Construction Plans shall be as follows:

(i) Tenant shall submit Construction Plans at such time as Construction Plans have be completed by Tenant. Landlord agrees that the timing and completion of Construction Plans shall be at Tenant's sole discretion.

(ii) Within seven (7) business days thereafter, Landlord shall provide detailed comments to the Construction Plans.

(iii) Within ten (10) business days thereafter, Tenant shall resubmit to Landlord revised Construction Plan and/or written comments to Landlord's comments to the Construction Plans.

(iv) Within five business days thereafter, Landlord shall submit final comments to the resubmitted Construction Plans.

In the event Landlord and Tenant at that time cannot agree on the final Construction Plans, the matter shall be submitted to Dispute Resolution.

d. Following approval of the Construction Plans, Tenant shall contract with a general contractor approved by Landlord (such approval to be reasonably given and not withheld, delayed or conditioned) to construct the subject Tenant Work or Tenant's Alterations consistent with the approved Construction Plans.

e. Tenant hereby conditionally assigns the construction contract to Landlord. If this Lease terminates for any reason before the completion of construction of Tenant's Work or Tenant's Alterations, Landlord, at its option, may elect to accept the assignment of the construction contract by notifying the general contractor that the construction contract has been assigned to Landlord. The construction contract with the general contractor shall expressly provide that it is assignable to Landlord. The terms of this paragraph shall survive the termination of this Lease.

f. No construction may commence without Landlord's approval of Construction Plans.

g. In addition, prior to engaging in any construction on the Premises, Tenant shall satisfy all requirement of NRS 108.2403 and provide proof of such to Landlord in form and substance reasonably acceptable to Landlord. All persons dealing with Tenant are hereby and shall be placed on notice that such persons shall not look to Landlord or to Landlord's credit or assets for payment or satisfaction of any obligations incurred by Tenant in connection with the construction, alteration, repair, restoration, replacement or reconstruction of the Landlord's Work by or on behalf of Tenant. Tenant, its agents or assigns shall have no power, right or authority to subject Landlord's interest in the Premises, Building, Site, Project, Related Landlord Property, or other property of Landlord or any of its affiliates whatsoever, to any mechanics or materialman's lien or claim of lien. If a construction lien or other lien is filed against the Premises Building, Site, Project, Related Landlord Property, or other property of Landlord or any of its affiliates whatsoever, or any part thereof, for any reason whatsoever by reason of Tenant's acts or omissions or because of a claim against Tenant, then Tenant shall cause such lien to be cancelled and discharged of record by bond or otherwise within thirty (30) days after written request by Landlord. In the event Tenant fails to cure or release such lien, Tenant shall be in default of the Lease. In addition, Tenant does hereby indemnify, defend, and hold harmless Landlord for any loss or cost, including reasonable attorneys and court costs incurred, as a result of any loss, cost, judgment, demand, claim, payment, obligation, settlement, foreclosure, or other amount incurred by Landlord arising out of any breach of this Paragraph which amounts shall be payable to Landlord upon demand as Additional Rent. This Paragraph shall survive any termination of this Lease

h. In addition, prior to engaging in any construction on the Premises, Tenant shall obtain, and shall maintain, at Tenant's expense, any and all governmental permits and approvals with respect thereto.

i. In addition, as a condition of and prior to engaging in any construction to be performed with respect to the Premises, or the performance of any of Tenant's Work or Tenant's Alterations, Tenant shall fully satisfy all insurance requirements as set forth in the Lease, and shall provide Landlord evidence of same reasonably acceptable to Landlord. Additionally, as a

condition of and prior to engaging in any construction of the Premises or performance of any Tenant's Work or Tenant's Alterations, Tenant shall builder's risk Insurance covering Landlord, Tenant, Tenant's contractors and Tenant's subcontractors, as their interests may appear, against loss or damage by fire, vandalism and malicious mischief and such other risks as are customarily covered by a so-called "causes of loss-special form" coverage on Tenant's Work or Tenant's Alterations, and all materials, equipment, supplies and temporary structures of all kinds incidental to Tenant's Work or Tenant's Alterations and equipment, all while forming a part of or contained in such improvements or temporary structures, or while on the Leased Premises all to the full insurable value thereof at all times on a completed value basis.

j. Tenant shall cause Tenant's Work and Tenant's Alterations to be performed in a good and workmanlike and lien free manner, using only duly qualified and licensed contractors and suppliers, and all new materials. Upon starting construction to Tenant's Work or Tenant's Alterations, but subject to Section 19.6 of the Lease, Tenant shall diligently and continuously pursue the same to completion.

k. As to all Tenant's Work and Tenant's Alterations, Tenant shall provide to Landlord evidence reasonably acceptable to Landlord that: (a) Tenant's Work or Tenant's Alterations are substantially completed and have been constructed pursuant to the requirements of this Lease and all applicable construction drawings and plans (which shall include a certification by Tenant's architect of same); (b) there exists no known construction defect in the Tenant's Work or Tenant's Alterations; (c) there exists no event of default by Tenant under this Lease; (d) all suppliers, materialmen, contractors, subcontractors, design professionals, and other persons or entities providing labor or materials relating to Tenant's Work or Tenant's Alterations have been paid in full; (e) final lien releases have been executed and delivered by all suppliers, materialmen, contractors, subcontractors, design professionals, and other persons or entities providing labor or materials relating to Tenant's Work or Tenant's Alterations; (f) if requested by Landlord, a Notice of Completion (as contemplated by NRS chapter 40) has been recorded with respect to Tenant's Work or Tenant's Alterations; and (g) Tenant delivers "as built" plans or drawings reflecting Tenant's Work or Tenant's Alterations. The required delivery hereunder shall be referred to as "Proof of Completion."

l. Ownership of the improvements comprising Tenant's Work or Tenant's Alterations, constructed or installed on the Premises shall automatically vest in Landlord upon expiration of the Term of the Lease. Landlord shall be entitled to grant a mortgage/security interest in favor of Landlord's lender on and in all such improvements.

m. Without limiting the foregoing, the Construction Plans shall include, and Tenant shall be required to instruct and any all of the following as part of Tenant's Work, in accordance with all applicable building and other codes, all of the following (by way of illustration and not of limitation):

- \* Installation of interior walls, partitions, doors, ceilings, flooring, finishes, fixtures, and furniture in the Premises.
- \* Installation of flooring including concrete slabs, subfloors, etc.



- \* Installation of heating, ventilation, and air conditioning (HVAC) system in the Premises, including ductwork, diffusers, thermostats, controls, and equipment.
- \* Installation and extension of all electrical lines, installation of all electrical outlets, switches, lighting fixtures, and equipment in the Premises.
- \* Installation and extension of plumbing lines and installation of all plumbing fixtures and equipment in the Premises.
- \* Installation and extension of all gas lines gas appliances and equipment in the Premises, if applicable.
- \* Installation and extension of all telephone and data lines, telephone and data outlets, wiring, devices, and equipment in the Premises.
- \* Installation of all alarm system in the Premises, including detectors, pull stations, horns, strobes, annunciators, panels, and wiring.
- \* Obtaining all approvals for and causing all connection of utility lines and systems with utility providers, paying all “hook up fees”, and obtaining all necessary approvals therefor.
- \* Obtaining all pertinent permits and approvals.

n. Subject to the express terms and conditions of this Lease and of this Exhibit E, and provided that Tenant is not in default of its obligations under this Lease, including its obligation to pay Minimum Base Rent and Additional Rent installments as they come due, Landlord agrees that following shall be at Tenant’s sole and complete discretion: (i) the timing for Tenant’s preparation and completion of Construction Plans and/or (ii) the timing for Tenant entering into any construction contract for the construction of the Tenant Work or any Tenant Alterations.

o. Tenant hereby conditionally assigns to Landlord any and all contracts pertaining to Tenant’s Work or Tenant’s Alterations (all of which contracts shall, by their terms, expressly authorize such assignment). Landlord may (but shall not be required to) assume all such contracts and finish Tenant’s Work or Tenant’s Alterations, in the event that Tenant shall initiate construction of Tenant’s Work or Tenant’s Alterations but abandons the same.

## CERTIFICATE DISCLOSURE OF OWNERSHIP/PRINCIPALS

**1. Definitions**

"City" means the City of Las Vegas.

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

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

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

**2. Policy**

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

**3. Instructions**

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

**4. Incorporation**

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

| Block 1     | Contracting Entity  |
|-------------|---------------------|
| Name        | ARTHAVE III LLC     |
| Address     | 2800 Ashworth Cir.  |
|             | Las Vegas, NV 89107 |
| Telephone   | 702-630-1902        |
| EIN or DUNS | 92-0513554          |

| Block 2 | Description                                        |
|---------|----------------------------------------------------|
|         | Single Purpose Entity For<br>Mixed-Use Development |

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

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

**Block 4 Disclosure of Ownership and Principals**

In the space below, the Contracting Entity must disclose all principals (including partners) of the Contracting Entity, as well as persons or entities holding more than one-percent (1%) ownership interest in the Contracting Entity.

|    | FULL NAME/TITLE                | BUSINESS ADDRESS                                  | BUSINESS PHONE |
|----|--------------------------------|---------------------------------------------------|----------------|
| 1. | Sam Cherry - Managing Member   | 2808 Ashwood Dr.<br>Las Vegas, NV 89117           | 702-630-1202   |
| 2. | Grant Garcia - Managing Member | 2057 Wilbur Springs Rd #23<br>Henderson, NV 89014 | 702-204-1195   |
| 3. |                                |                                                   |                |
| 4. |                                |                                                   |                |
| 5. |                                |                                                   |                |
| 6. |                                |                                                   |                |
| 7. |                                |                                                   |                |

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

**Block 5 DISCLOSURE OF OWNERSHIP AND PRINCIPALS - ALTERNATE**

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

Name of Attached Document: \_\_\_\_\_

Date of Attached Document: \_\_\_\_\_ Number of Pages: \_\_\_\_\_

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

Name \_\_\_\_\_

Date \_\_\_\_\_

Subscribed and sworn to before me this 28<sup>th</sup> day of

September, 2025

Melissa May  
Notary Public

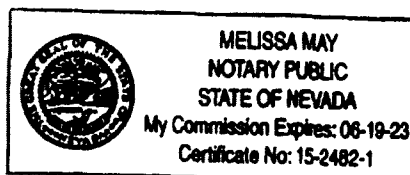


EXHIBIT G

LANDLORD RELATED PROPERTY

**APNs 139-27-211-024, 025**

Lot Seven (7) in Block Thirteen (13) of that subdivision known as VALLEY VIEW ADDITION, as shown by plat thereof on file in the office of the county recorder, Clark County, Nevada in Book 1 of Plats, at Page 50.

Excepting therefrom that portion as conveyed in that certain Grant Deed recorded November 06, 1987 in Book 871106, Instrument No. 00547, Official Records, Clark County, Nevada. Further excepting therefrom that portion as conveyed in that certain Grant Deed recorded November 06, 1987 in Book 871106, Instrument No. 00548, Official Records, Clark County, Nevada.

EXHIBIT H  
PARKING LICENSE

**PARKING LICENSE**

**(SPACE LEASE)**

This Parking License (Space Lease) ("License"), with an effective date of \_\_\_\_\_ ("Effective Date") is entered into between CITY OF LAS VEGAS REDEVELOPMENT AGENCY, an agency organized under the laws of the State of Nevada (together with its permitted successors and assigns, hereinafter the "Agency") and Arthaus IV, LLC, a Nevada limited liability company ("Developer"). Agency and Developer are individually or collectively referred to herein as "Party" or "Parties."

WHEREAS:

A. Developer is the owner of that site legally described on Exhibit A attached hereto, with an APN of 139-27-211-028, -029, -030, and -031 on which Developer intends to build a residential development along with a surface parking lot (the "Residential Parcel").

B. Developer is the owner of that site legally described on Exhibit B attached hereto, with an APN of 139-27-211-024 and -025 on which Developer intends to build a single story building (the "Building Parcel").

C. Concurrently with the execution of this License, Agency and Developer have entered into that certain space lease (the "Space Lease") by which Developer has leased to Agency, and Agency has leased from Developer, the Premises contained within the Residential Parcel. (Capitalized terms not otherwise defined in this License shall have the meanings set forth in the Space Lease).

D. In consideration of the Agency entering into the Space Lease, Developer has entered into this Parking License.

NOW, THEREFORE, in consideration of the foregoing, which constitutes good and valuable consideration, the receipt and adequacy of which are hereby acknowledged by Developer, the Parties hereto agree as follows:

1. License. Developer hereby grants to Agency a license to park automobiles on the surface parking lot to be constructed on the Residential Parcel (the "Parking Area"), for the

License Term (as hereinafter defined), and upon the terms and conditions set forth in this Lease and in the Space Lease. In connection therewith, and subject to all such terms and conditions, the Parties agree as follows:

- (a) Agency agrees that its right to park under this License is limited to two (2) striped contiguous parking spaces within the Parking Area (the "Reserved Parking Spaces").
- (b) The Parties agree that: (i) the Reserved Parking Spaces will be available to the Agency and Permitted Users on an exclusive and reserved basis; (ii) the Reserved Parking Spaces will be located in such location within the Parking Area as may be designated from time to time by Developer, and Developer shall have the right from time to time, but no more than once a year, upon thirty (30) days written notice to Agency to change the location of the Reserved Parking Spaces (or any of them) to other contiguous spaces within the Parking Area (provided however that the foregoing limitations on the number of permitted relocations of the Reserved Parking Spaces, or the required advance timing, shall be excused in the event that relocation is required for any construction, repair, maintenance, or reconfiguration affecting the Parking Area); and (iii) the Reserved Parking Spaces will be marked for the exclusive use of the Leased Building.
- (c) Developer agrees that Agency's rights under this License shall be at no charge or any other fees to be paid by Agency (aside from the Agency's obligations under the Space Lease).
- (d) Subject to the terms and conditions of this License (including without limitation Section 1(e)), subject to the terms and conditions of the Space Lease, subject to the Rules (as hereinafter defined), and subject to any applicable laws, statutes, ordinances or regulations, and restrictions of record (provided, however that no subsequently adopted restrictions of record shall function to deprive agency of the use of Reserved Parking Spaces as contemplated herein) (collectively, the "Applicable Regulations"), Reserved Parking Spaces shall be available for parking by the Permitted Users twenty-four hours a day, seven days a week.
- (e) For purposes of this License, but subject to the Applicable Regulations and Developer's contractual obligations not contained in this License, the Parties agree that:
  - a. Developer reserves the right to modify the Parking Area in such manner as may be determined by Developer, provided that no such modification shall

function to deprive Agency of the use of Reserved Parking Spaces as contemplated herein;

- b. Developer reserves the right to cause temporary closures of the Parking Area, for purposes of maintenance, repair, resurfacing, and restriping of the Parking Area, for construction, reconstruction, maintenance and repair of adjacent properties, as legally needed to prevent any person, party, or entity from claiming or obtaining any right or interest in and to the Parking Area, or if reasonably required in the event of an emergency at or near the Parking Area threatening imminent property damage or death or injury to any person.
  - c. Developer reserves the right to require the use of entry devices or identification devices with respect to the Parking Area, provided that Landlord provides to Tenant no less than eight (8) devices.
  - d. Developer reserves all other rights it has or may have under the Applicable Law and Regulations pertaining to the Parking Area.
- (f) No use of the Parking Area shall be permitted during any period of initial construction of the Residential Parcel or the Building Parcel or of the Parking Area.
- (g) This License creates a limited use license and not a bailment. Agency and Permitted Users assume all risk and responsibility for damage to the vehicle and any personal property contained in it, and the vehicles or other personal property of others, in connection with any use of the Parking Areas. Developer undertakes no obligation to provide security for the Parking Area, and shall assume no obligation arising from its decision to provide or not to provide any security. Developer is not responsible for any damage to vehicles or property contained in vehicles. Developer reserves the right to revoke or restrict parking rights or to tow vehicles based upon violations of the Rules and the terms of this License.
- (h) Agency and Permitted Users shall have no right or remedy arising from Developer's exercise of its reserved rights described in this License.

2. Term. The term of this License ("License Term") will run concurrently with the Lease Term under the Space Lease, including any extension thereof pursuant to any option to extend contained in the Space Lease.

3. License Termination. The Parties agree that this License shall terminate at such time as: (i) the Lease Term of the Space Lease (as may be extended pursuant to any option to extend) expires; (ii) the Space Lease is otherwise terminated for any reason; (iii) there shall occur any express or implied assignment of rights under this License contrary to its terms, including by operation of law; (iv) there shall occur a Default by Licensee under this License following passage of applicable notice and cure periods set below. Upon any termination of this License hereunder, Developer may cause a termination of this License to be recorded against either or both the Building Parcel and the Residential Parcel. Upon any such termination, this License shall be of no further force or effect whatsoever (except for Agency's indemnity and insurance obligations, which obligations shall survive any such termination, and except for any other term or provision that expressly survives termination of this License).

4. Permitted Users. Developer agrees that subject to the Rules and the Applicable Regulations, to the fullest extent permitted by law, the Reserved parking spaces may be used only by employees of the Agency or Agency, invitees of Agency or Agency with respect to the Leased Building, Users of space in the Leased Building, or their invitees (the "Permitted Users"). Agency shall be solely responsible for the allocation of use of the Reserved Parking Spaces as among Permitted Users, and Developer shall have no responsibility or liability relating to any such allocation.

5. Rules. Agency agrees that all use of the Reserved Parking Spaces shall be subject to any and all rules and regulations set forth in Exhibit C, together with other generally applicable rules and regulations hereafter adopted regarding the Parking Area (provided no such subsequent rules and regulations shall function to deprive Agency of the use of Reserved Parking Spaces as contemplated herein) (collectively, the "Rules").

6. Running with Land. During the License Term and subject to termination of this License pursuant to Section 3, this License shall be deemed to be and shall constitute a covenant running with the Residential Parcel for the benefit of the Agency and its permitted assignees under the Space Lease and shall pass to and be binding upon Developer's successors in title to the Parking Area.

7. Default. A Party shall be in default of this License in the event that Party is in default of its obligations and such default is not cured within thirty (30) days after written notice of default by the non-defaulting party, provided that if the nature of such default is such that it cannot reasonably be cured within a thirty (30) day period, the defaulting party shall not be deemed to be in default if it shall commence such cure within such period and thereafter diligently pursue such cure to completion ("Default"). Additionally, any Event of Default by Agency under the Space Lease (with passage of applicable notice and cure periods under the Space Lease) shall constitute a Default under this License. Nothing contained in this Section 7



shall be construed to limit, restrict, or delay Developer's rights arising under the Rules, including the right to tow any vehicle in violation of the Rules.

8. Insurance and Indemnity.

- a. Developer [and Developer Affiliate] shall not be liable for any damages or liability arising out of or resulting from a breach of any duty of any kind or for any injury to or death of persons or loss or damage arising out of or in any way related to the use, occupancy and enjoyment of the Parking Area by Agency or any person claiming by, through, or under Agency (including any Permitted User), unless the same shall be caused solely by the gross negligence or willful misconduct of Developer [and Developer Affiliate]. To the fullest extent permitted by law, but in all events subject to the liability limitations set forth in Chapter 41 of Nevada Revised Statutes Section 41.035, Agency shall at Agency's sole cost and expense, protect, indemnify, save and hold harmless Developer [and Developer Affiliate] against and from all liability, claims, loss, injury, liens, cost, damage or expense arising out of or in any way related to: (1) any accident or other occurrence in, on or at the Parking Area caused by Agency's or any Permitted User's negligence or willful misconduct; (2) the occupancy or use of the Parking Area or any negligent act or willful omission of Agency or any Permitted User, or their respective employees, agents, invitees, subtenants, licensees, assignees or contractors; (3) any penalty or damage or charges imposed for any violations of any law or ordinance whether occasioned by the negligence of Agency or any Permitted User or those claiming by, through, or under Agency or any Permitted User; (4) any failure of Agency or any Permitted User in any respect to comply with and perform all the requirements and provisions of this License or the Rules; (5) any dispute by or among Permitted Users. Agency's obligation to indemnify Developer, shall survive the expiration or earlier termination of this Lease for acts or omissions occurring prior to such expiration or earlier termination, and shall additionally include the retention of legal counsel and related reasonable attorneys' fees and reasonable investigation costs (as well as all other reasonable and related costs, expenses and liabilities). For purposes of this Section 8(a) only, the term "Developer" and "Developer Affiliate" shall be deemed to include Developer, Developer Affiliate, the fee owner of the Residential, Building Parcel, and Parking if other than Developer and Developer Affiliate, any agent for the Building, their respective subsidiaries and affiliates, and the respective members, directors, officers, agents, servants, and employees of each of the foregoing. Agency acknowledges and agrees that its liability pursuant to this Section 8(a) is not limited to the amount of any insurance set forth and provided for in this License or in the Space

Lease. The obligations of Agency, as well as the foregoing indemnity, in connection with this Section 8(a) shall survive the expiration or earlier termination of this Lease, anything herein to the contrary notwithstanding.

- b. In accordance with the Nevada Revised Statutes, the Agency has adopted a self-insured liability program for coverage of losses of up to an amount set from time to time by the Las Vegas City Council (the "Self-Insurance Amount"). The amount of the Self-Insurance Amount will be set from time to time at City Council's sole discretion and may increase or decrease from time to time. Agency is covered under such self-insured liability program and, therefore, Agency self-insures each occurrence up to the Self-Insurance Amount. This self-insured liability program is established through a funded reserve system appropriately known as the "Self-Insurance Liability Trust Fund", and is supported by an annual budgetary allocation by the City Council. In addition, in accordance with the Nevada Revised Statutes, such program includes a Self-Insured Workers' Compensation Program, effective December 19, 1985. This self-insured workers' compensation program is established by a funded reserve system appropriately known as the "Industrial Self-Insurance Expendable Trust Fund", and is supported by an annual budgetary allocation. Developer acknowledges that City is not able to name Developer or any third parties as an additional insured under City's self-insurance program or provide any insurance coverage whatsoever to Developer [and Developer Affiliate] under City's self-insurance program and is not able to provide a waiver of subrogation. City agrees to provide upon demand and in any event at least annually written evidence that the self-insurance liability program is in place along with the then amount of the Self-Insurance Amount.

9. Miscellaneous.

- a. Assignment by Agency. Agency shall have the right to assign this License only to any permitted assignee of Agency under Section 13.1 of the Space Lease. Agency agrees to provide Developer with prior notice of any such assignment. Any other assignment or attempted assignment is void and a Default by Agency.
- b. Attorneys' Fees. In the event an action or proceeding is brought with respect to this License, the prevailing Party in any such dispute shall pay the non-prevailing Party's court costs and reasonable attorney's fees and expert fees incurred in such action or proceeding, such amount to be determined by a court or fact finder and not a jury.

- c. Notices. Any notice required to be given hereunder shall be deemed to have been given when written notice is: (i) received by the party to whom it is directed by personal service; (ii) three (3) days after deposit with the United States Post Office, by registered or certified mail, postage prepaid and addressed to the party to be notified at the address for such party; (iii) one (1) day after deposit with a nationally recognized air courier service such as FedEx; or (iv) by an email sent to the email address of the recipient stated in this Section. All notices shall be effective upon receipt by the party to which notice is given or if it is delivered by email, when the recipient acknowledges having received that email, with an automatic "read receipt" not constituting acknowledgment of an email for notice purposes. Either party hereto may change its address by giving ten (10) days advance notice to the other party as provided herein. Phone and fax numbers, if listed, are listed for information only:

Department of Neighborhood Services, City of Las Vegas  
City Hall, 3rd Floor  
495 S. Main Street  
Las Vegas, NV 89101  
Phone: (702) 229-2330  
Fax: (702) 383-6306  
Email: kgibson@lasvegasnevada.gov

Attn: Kathi Thomas, Director

And: City Attorney Office  
City Hall, Sixth Floor  
495 S. Main Street  
Las Vegas, NV 89101  
Phone: (702) 229-6629  
Fax: (702) 368-1749  
Email: jridilla@lasvegasnevada.gov

If to Developer: \_\_\_\_\_  
2808 Ashworth Circle  
Las Vegas, NV 89107  
Attn: Sam Cherry  
Email: [sam@cherrylv.com](mailto:sam@cherrylv.com)

With a copy to: Bennett Law Group PLLC  
10795 West Twain Avenue, Suite 100  
Las Vegas, NV 89135  
Attn: Dean Bennett  
Email: [dean@blgnv.com](mailto:dean@blgnv.com)

The Parties shall provide written notification of any change in the information stated above.

- d. Entire Agreement and Waivers. This License and the respective exhibits thereto constitute the entire understanding and agreement between the Parties and is intended by the Parties to be the final expression of their agreement with respect to the subject matter hereof, and the complete and exclusive statement 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. This License includes Exhibits A through D, inclusively, attached hereto and incorporated herein by reference. All waivers of the provisions of this License must be in writing and signed by the appropriate authorities of City and Developer 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. All amendments hereto must be in writing and signed by the appropriate authorities of Agency and Developer.
- e. Severability. Whenever possible, each provision of this License 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 License and the remaining provisions shall remain in full force and effect.
- f. Governing Law; Jurisdiction; Waiver of Jury Trial. Any controversy, claim, or dispute arising out of or related to this License or the interpretation, performance, or breach hereof (a "*Dispute*"), shall be resolved in accordance with this Section 9(f).
- g. Governing Law. This License and all Disputes between the Parties under or related to this License or the facts and circumstances leading to its execution, whether in contract, tort or otherwise, shall be governed by and construed in accordance with the laws of the State of Nevada, applicable to contracts

executed in and to be performed entirely within the State of Nevada, without regard to the conflicts of laws principles thereof.

- h. Jurisdiction. Each of the Parties hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of any Nevada state court of proper jurisdiction located in Clark County, Nevada, and any appellate court thereof having proper jurisdiction and located in the State of Nevada, for resolution of any Dispute and for recognition or enforcement of any judgment relating to such Dispute, and each of the Parties hereby irrevocably and unconditionally (a) agrees not to commence any such action or proceeding except in such courts; (b) agrees that any claim in respect of any such action or proceeding must be heard and determined in such Nevada state court; (c) waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any such action or proceeding in any such Nevada state court; and (d) waives, to the fullest extent permitted by applicable law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such Nevada state court. Each of the Parties agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by applicable law.
- i. WAIVER OF JURY TRIAL. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS LICENSE IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE IT HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS LICENSE OR THE TRANSACTIONS CONTEMPLATED HEREBY. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (a) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE SUCH WAIVERS; (b) IT UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF SUCH WAIVERS; (c) IT MAKES SUCH WAIVERS VOLUNTARILY; AND (d) IT HAS BEEN INDUCED TO ENTER INTO THIS LICENSE BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.
- j. Captions. The captions contained in this License are for the convenience of the Parties and shall not be construed so as to alter the meaning of the provisions of the License.

- k. Counterparts. Each counterpart of this License shall be deemed to be an original and all of which together shall be deemed to be one and the same License. Delivery of this License may be accomplished by facsimile or other electronic transmission of this License. In such event, the Parties hereto shall promptly thereafter deliver to each other executed exact counterpart originals of this License, and all such counterparts shall thereupon constitute one License.
- l. No Third-Party Beneficiaries. Except for Agency's indemnity and insurance obligations, which shall run to the benefit of both Developer and Developer Affiliate, nothing in this License shall confer upon any person, other than the Parties hereto and their respective successors and permitted assigns, any rights or remedies under or by reason of this License. Nothing herein is intended to or shall create any rights vested in the general public or to otherwise benefit the general public.
- m. Days. All references to "*days*" in this License are to consecutive calendar days unless business days are specified. The term "*business days*" refers means a day when the Agency is normally open for public access, occurring on Mondays through Thursdays, unless the Agency is not open for the celebration or observance of holidays or is otherwise declared not open to the public by the City Manager of the City. If a time for performance hereunder falls on a day other than a business day, the time for performance shall be extended to the following business day. Except as may otherwise be set forth herein, any performance provided for herein shall be timely made and completed if made and completed no later than 5:00 P.M. (Las Vegas time) on the day for performance.
- n. Construction. The Parties acknowledge that each Party and its counsel have reviewed and approved this License and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this License or any amendments or exhibits hereto.
- o. Non-Liability of City, City, or Developer Managers, Members, Officers, Agents, Officials and Employees. It is agreed by and between the Parties of this License, that in no event shall any member, manager, official, officer, employee, or agent of the Agency or the City, the City, of the Developer, [or of the Developer Affiliate,] in any way be personally liable or responsible for any covenant or agreement herein contained whether expressed or implied, nor for any



statement, representation or warranty made herein or in any connection with this License.

- p. Conflict of Interest (Agency Officials and Agency Officials). An official of the Agency or of the Agency, who is authorized on behalf of the Agency or the Agency to negotiate, make, accept or approve, or take part in negotiating, making, accepting, or approving this License, payments under this License, or work under this License, shall not be directly or indirectly interested personally in this License or in any part hereof. Each party represents that it is unaware of any financial or economic interest of any public officer or employee of the Agency relating to this License.
- q. Public Records. The City and the City are public agencies as defined by state law. As such, they are subject to the Nevada Public Records Law (Chapter 239 of the Nevada Revised Statutes). The City's records and the City's records are public records, which are subject to inspection and copying by any person (unless declared by law to be confidential). This License including all exhibits are deemed to be public records.
- r. Recitals. Developer and the City acknowledge and represent that the foregoing recitals are true, accurate and binding on the respective Parties and are an integral part of this Agreement.
- s. Memorandum of License. Concurrently with the closing of the sale of the Residential Parcel, the Parties have executed and caused the recordation of the memorandum of license in the form of Exhibit D.

IN WITNESS WHEREOF, the undersigned have executed this License as of the date first written above.

CITY  
CITY OF LAS VEGAS

By: \_\_\_\_\_  
Carolyn G. Goodman, Mayor

DEVELOPER

ARTHAUS IV LLC, a Nevada limited liability company

ATTEST:

By: \_\_\_\_\_

\_\_\_\_\_  
LuAnn D. Holmes, MMC, City Clerk

Name: \_\_\_\_\_

APPROVED AS TO FORM:

Title: \_\_\_\_\_

\_\_\_\_\_  
By: Deputy City Attorney

ARTHAUS IV, LLC  
PARKING LICENSE



**Exhibit A**  
**Residential Parcel Legal**

Lots One (1), Two (2), Three (3), Four (4), Five (5), and Six (6) in Block Thirteen (13) of that subdivision known as VALLEY VIEW ADDITION, as shown by plat thereof on file in the office of the county recorder, Clark County, Nevada in Book 1 of Plats, at Page 50. Excepting therefrom that portion as conveyed in that certain Grant Deed recorded November 06, 1987 in Book 871106, Instrument No. 00547, Official Records, Clark County, Nevada.

Further excepting therefrom that portion as conveyed in that certain Grant Deed recorded November 06, 1987 in Book 871106, Instrument No. 00548, Official Records, Clark County, Nevada.

Exhibit B  
Building Parcel

APN of 139-27-211-024 and -025

Lot Seven (7) in Block Thirteen (13) of that subdivision known as VALLEY VIEW ADDITION, as shown by plat thereof on file in the office of the county recorder, Clark County, Nevada in Book 1 of Plats, at Page 50.

Excepting therefrom that portion as conveyed in that certain Grant Deed recorded November 06, 1987 in Book 871106, Instrument No. 00547, Official Records, Clark County, Nevada.

Further excepting therefrom that portion as conveyed in that certain Grant Deed recorded November 06, 1987 in Book 871106, Instrument No. 00548, Official Records, Clark County, Nevada.

Exhibit C  
Preliminary Rules and Regulations

PARKING RULES AND REGULATIONS  
(PRELIMINARY)

The following rules and regulations (the "Rules and Regulations") have been established by the developer of the Parking Area (as hereinafter defined) ("Developer") and govern the use of that certain Parking Area (the "Parking Area") associated with the residential/mixed-use building located near the intersection of D Street and Jefferson Avenue, Las Vegas, Nevada, APN Nos. 139-27-211-028, -029, -030, and -031 (the "Mixed-Use Development"). All Users of the Parking Area (each, a "User") will be bound by these Rules and Regulations and Developer and also any owners' association created with respect to the Parking Area or Mixed-Use Development and granted such power (each, an "Association") will be entitled to enforce all of these rules (and any right of Developer under these rules shall automatically extend to and include Association).

1. User will not permit or allow any vehicles that belong to or are controlled by User or User's employees, subtenants, customers or invitees to be loaded, unloaded or parked in areas other than those designated by Developer for such activities. No vehicles are to be left in the Parking Area overnight and no vehicles are to be parked in the Parking Area other than normally sized passenger automobiles, motorcycles and pick-up trucks. No extended term storage of vehicles is permitted. No camping or overnight use of any vehicle is permitted.

2. Vehicles must be parked entirely within painted stall lines of a single parking stall.

3. All directional signs and arrows must be observed.

4. The speed limit within the Parking Area shall be five (5) miles per hour.

5. No unsafe driving (e.g., "donuts", "spin-outs") is permitted in the Parking Area.

6. Parking is prohibited: (a) in areas not striped for parking; (b) in aisles or on ramps; (c) where "no parking" signs are posted; (d) in cross-hatched areas; and (e) in such other areas as may be designated from time to time by Developer or its parking operator.

7. No vehicle's audio theft alarm system shall remain engaged for an unreasonable period of time.

8. Washing, waxing, cleaning or servicing of any vehicle in any area not specifically reserved for such purpose is prohibited. No sales or other commercial activities are permitted in the Parking Area.

9. Developer may refuse to permit any person to park in the parking facilities who violates these rules with unreasonable frequency, and any violation of these rules shall subject the violator's car to removal, at such car owner's expense. User agrees to use its best efforts to acquaint its employees, subtenants, assignees, contractors, suppliers, customers and invitees with these parking provisions, rules and regulations.

10. Parking stickers, access cards, or any other device or form of identification supplied by Developer as a condition of use of the parking facilities shall remain the property of Developer. Parking identification devices, if utilized by Developer, must be displayed as requested and may not be mutilated in any manner. The serial number of the parking identification device may not be obliterated. Parking identification devices, if any, are not transferable and any device in the possession of an unauthorized holder will be void. Developer reserves the right to refuse the sale of monthly stickers or other parking identification devices to User or any of its agents, employees or representatives who willfully refuse to comply with these rules and regulations and all unposted city, state or federal ordinances, laws or agreements.

11. Loss or theft of parking identification devices or access cards must be reported to the management office in the Development immediately, and a lost or stolen report must be filed by the User or User of such parking identification device or access card at the time. Developer has the right to exclude any vehicle from the parking facilities that does not have a parking identification device or valid access card. Any parking identification device or access card which is reported lost or stolen and which is subsequently found in the possession of an unauthorized person will be confiscated and the illegal holder will be subject to prosecution.

12. All damage or loss claimed to be the responsibility of Developer must be reported, itemized in writing and delivered to the management office located within the Development within ten (10) business days after any claimed damage or loss occurs. Any claim not so made is waived. Developer is not responsible for damage by water or fire, or for the acts or omissions of others, or for articles left in vehicles. In any event, the total liability of Developer, if any, is limited to Two Hundred Fifty Dollars (\$250.00) for all damages or loss to any car. Developer is not responsible for loss of use.

13. The parking operators, managers or attendants are not authorized to make or allow any exceptions to these rules and regulations, without the express written consent of Developer. Any exceptions to these rules and regulations made by the parking operators, managers or attendants without the express written consent of Developer will not be deemed to have been approved by Developer.

14. Developer reserves the right, without cost or liability to Developer, to tow any vehicles which are used or parked in violation of these rules and regulations, at the owner's expense.

Exhibit D  
Form of Memorandum of License

APNs 139-27-211-028, -029, -030, -031

**RECORDING REQUESTED BY:**

City of Las Vegas

**AFTER RECORDATION MAIL TO:**  
CITY OF LAS VEGAS

CITY OF LAS VEGAS

495 South Main St., 6th Floor

Las Vegas, Nevada 89101

Attention: Department of  
Economic and Urban Development

**MEMORANDUM OF PARKING LICENSE**

This Memorandum of Parking License is by and between \_\_\_\_\_ ("Developer") and the CITY OF LAS VEGAS REDEVELOPMENT AGENCY, an agency organized under the laws of the State of Nevada ("Agency") who hereby declare that pursuant to that certain Parking License between Developer and Agency, Developer and Agency have entered into that certain Parking License with an Effective Date of \_\_\_\_\_ (the "Parking License").

The Parking License affects the "Parking Area" of Developer, as described in Exhibit A attached hereto.

The Parking License grants to Agency and its Permitted Users, during the License Term, and upon specified terms and conditions contained in the Parking License, the right to use two (2) contiguous Reserved Parking Spaces within the Parking Area.

The Parking License also describes the circumstances under which the Parking License may be terminated, and the parties' respective rights and remedies in such case.

The Parking License also describes certain rights and obligations of Developer and Agency pertaining to the Reserved Parking Spaces, Parking Area, and the license therein created.

Reference is made to the Parking License for details. In the event of any conflict between the Parking License and this memorandum, the Parking License shall control. Capitalized terms not otherwise defined in this memorandum shall have the meanings ascribed to them in the Parking License.

## EXHIBIT I

### RULES AND REGULATIONS

1. No awnings or other projections shall be attached to the outside walls of the Buildings. Neither the interior nor the exterior of any windows shall be coated or otherwise sun-screened without written consent of Landlord.
2. No sign, advertisement, notice or handbill shall be exhibited, distributed, painted or affixed by any Tenant or User on, about or from any part of the exterior of the Buildings without the prior written consent of Landlord. In the event of the violation of the foregoing by Tenant or any User, Landlord may remove or stop same without any liability, and may charge the expense incurred in such removal or stopping to Tenant.
3. The sashes, sash doors, exterior windows, and doors that reflect or admit light and air into halls, passageways or other public places in the Buildings shall not be covered or obstructed by Tenant or any User.
4. The water and wash closets and other plumbing fixtures shall not be used for any purpose other than those for which they were constructed, and no sweepings, rubbish, rags, or other substances shall be thrown therein. All damages resulting from any misuse of the fixtures shall be borne by the Tenant who, or whose subtenants, assignees or any of their servants, employees, agents, visitors or licensees shall have caused the same.
5. The Premises shall not be used for lodging or sleeping or for any immoral or illegal purpose.
6. No Tenant or User shall make, or permit to be made any unseemly or disturbing noises or disturb or interfere with occupants of this or neighboring buildings or premises or those having business with them, whether by the use of any musical instrument, radio, phonograph, unusual noise, or in any other way. Nothing shall be done with in the Premises that is a nuisance or annoyance to the community or to neighboring residents. No odors shall be permitted to arise therefrom so as to render any portion of the Premises unsanitary, unsightly, offensive or detrimental to any other property owner or resident; and no nuisance shall be permitted to exist or operate upon the Premises so as to be offensive or detrimental to any other nearby owner or resident; without limiting the generality of the foregoing provision, no external speakers, horns, whistles, bells or other sound devices, except devices used exclusively for security purposes, shall be located, used or placed upon any portion of the Premises.
8. No Tenant or User shall at any time bring or keep upon the Premises any inflammable, combustible or explosive fluid, chemical or substance; provided, however, that the foregoing shall not prohibit the use and storage of commonly used cleaning materials or solutions utilized for a Permitted Use in accordance with applicable law.
9. No additional locks or bolts of any kind shall be placed upon any of the doors or windows by Tenant, nor shall any changes be made in existing locks or the mechanism thereof. Notwithstanding the foregoing, Tenant may change locks as Tenant determines is necessary for security purposes provided that Tenant notifies Landlord and provides Landlord with copies of

keys for any changed locks. Tenant must upon the termination of its tenancy, restore to the Landlord all keys of stores, offices, and toilet rooms, either furnished to, or otherwise procured and in the event of the loss of keys so furnished, Tenant shall pay to the Landlord the cost of replacing the same or of changing the lock or locks opened by such lost key if Landlord shall deem it necessary to make such changes.

9. All moving of freight, furniture, fixtures, or equipment, inventory, supplies, foodstuffs, or bulky matter of any description must take place during the hours which Landlord shall reasonably determine from time to time.

10. Landlord shall have the right to prohibit any advertising by any Tenant or any User which, in Landlord's opinion tends to impair the reputation of the Buildings or Project or its desirability as a mixed use development, and upon written notice from Landlord any Tenant or User shall refrain from or discontinue such advertising.

11. Any persons employed by any Tenant or any User to do janitorial work shall, while in the Buildings and outside of the Premises, be subject to and under the control and direction of Tenant or User, and Tenant shall be responsible for all acts of such persons.

12. Canvassing, soliciting and peddling in the Buildings or Premises by Tenant or Users are prohibited, and Tenant shall report and otherwise cooperate to prevent the same.

13. No animals, fowls, reptiles, poultry, fish or insects of any kind shall be raised, bred or kept on the Buildings, Site, or Premises.

14. No unsightly articles shall be permitted to remain on the Site or Premises so as to be visible from any public or private street or from any other parcel. Without limiting the generality of the foregoing, refuse, garbage and trash shall be kept at all times in covered, sanitary containers or enclosed areas designed for such purpose.

15. No tent or shack or other temporary building, improvement or structure shall be placed upon any portion of the Site, Premises, or Buildings.

16. Tenant shall be responsible for trash removal and oil removal in a neat and sanitary manner. Trash pick-up areas shall be maintained in a sanitary condition.

17. No exterior portion of the Site shall be used for the storage of any personal property or other materials, including, without limitation, inventory, business supplies, and equipment. The temporary placement of refuse, debris, or recyclable materials for pick-up in fully enclosed and shielded trash enclosures duly approved and licensed by the City or County (as applicable) and constructed and maintained in a manner consistent with any restrictions of record, and the temporary storage of oil waste in fully enclosed and shielded storage and disposal tanks, canisters, or similar devices duly approved and licensed by the City or County (as applicable) and constructed and maintained in a manner consistent with any restrictions of record, shall not constitute a violation of this rule.



EXHIBIT J

FORM OF CERTIFICATE OF COMPLETION



**CERTIFICATE OF COMPLETION**

Permit No :

Date of Issue :

Contactor :

Owner :

Street Address

CONST TYPE :

SQFT :

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This Certificate issued pursuant to the requirements of the International Building Code indicating that at the time of issuance this building or structure was inspected for substantial compliance with the adopted technical Codes of the City regulating building construction or use. Any Certificate of Completion presuming to authorize a violation of the code or other ordinance is declared invalid.

BUILDING & SAFETY DIVISION

By

A handwritten signature in cursive script, appearing to read "Michael Cunningham", is written over a horizontal line.

**Michael Cunningham**  
**Building Official**

EXHIBIT K

FORM OF MEMORANDUM OF LEASE

RECORDING REQUESTED BY, AND  
WHEN RECORDED RETURN TO:

MEMORANDUM OF LEASE

(Mixed Use)

This Memorandum of Lease is by and between ARTHAUS IV, LLC, a Nevada limited liability company ("Landlord") and CITY OF LAS VEGAS REDEVELOPMENT AGENCY, an agency organized under the laws of the State of Nevada ("Tenant"). Pursuant to that certain Master Lease between Landlord and Tenant dated \_\_\_\_\_ ("Lease"), Landlord has leased to Tenant, and Tenant has accepted such lease from Landlord, the Property (later defined) upon the following terms:

Effective Date of Lease: \_\_\_\_\_.

Lease Commencement and Rent Commencement Date: TBD.

Description of Property: See Exhibit "A" attached hereto.

Term: One hundred and eighty (180) months from Lease Commencement Date.

Renewal Option(s): Up to two (2), sixty (60) month renewal options.

The Ground Lease includes various restrictions and limitations on use, including without limitation, certain required procedures for any Tenant's Work or Alterations (Exhibit E), certain Rules and Regulations (Exhibit I), and certain expressly Prohibited Uses (Exhibit L). Reference is made to the Ground Lease for particulars. In the event of a conflict between the Ground Lease and this memorandum, the Ground Lease shall control.

EXHIBIT K-1

FORM OF AMENDMENT TO MEMORANDUM OF LEASE

**RECORDING REQUESTED BY, AND  
WHEN RECORDED RETURN TO:**

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**AMENDMENT TO MEMORANDUM OF LEASE**

**(Mixed Use)**

This Amendment to Memorandum of Lease is by and between ARTHAUS IV, LLC, a Nevada limited liability company ("Landlord") and CITY OF LAS VEGAS REDEVELOPMENT AGENCY, an agency organized under the laws of the State of Nevada ("Tenant"). Tenant and Landlord have previously entered into Memorandum of Lease recorded with the Clark County Recorder of Deeds as Document No: \_\_\_\_\_. Pursuant to that certain Lease between Landlord and Tenant as reflected in such Memorandum of Lease, Landlord has leased to Tenant, and Tenant has accepted such lease from Landlord, the Property (later defined) upon the following terms:

Effective Date of Lease: \_\_\_\_\_.

Lease Commencement Date and Rent Commencement Date: \_\_\_\_\_.

Description of Property: See Exhibit "A" attached hereto.

Term: One hundred and eighty (180) months from Lease Commencement Date.

Renewal Option(s): Up to two (2), sixty (60) month renewal options.

The Lease includes various restrictions and limitations on use, including without limitation, certain required procedures for any Tenant's Work or Alterations (Exhibit E), certain Rules and Regulations (Exhibit I), and certain expressly Prohibited Uses (Exhibit L). Reference is made to the Lease for particulars. In the event of a conflict between the Lease and this memorandum, the Lease shall control.

## EXHIBIT L

### PROHIBITED USES

1. Permitted Uses. The Site, Buildings, and Premises may be used only for commercial uses.

2. Zoning. No portion of the Site, Buildings, or Premises shall be used for anything other than purposes that may be permitted by applicable zoning regulations.

3. Use Restrictions. No portion of the Site, Buildings, or Premises may be used for any of the following purposes without the prior written consent of Landlord:

- a. A bowling alley, billiards parlor, bingo parlor, arcade, game room or other amusement center;
- b. A theater (motion picture);
- c. A pawn shop, a flea market, open air market, second hand or thrift store, or any tent sale;
- d. An establishment for sale or repair of automobiles, trucks, mobile homes or recreational motor vehicles;
- e. An adult type bookstore or other establishment selling, renting, displaying or exhibiting pornographic or obscene materials (including, without limitation, magazines, books, movies, videos, photographs or so called "sexual toys") or providing adult type entertainment or activities (including, without limitation, any displays of a variety involving, exhibiting or depicting sexual themes, nudity or lewd acts);
- f. A massage parlor (such shall not prohibit a therapeutic massage clinic operated by a licensed technician and licensed masseuses or the provision of massages in a spa or a medical office);
- g. A skating rink;
- h. A mortuary, crematorium or funeral home;
- i. A land fill, garbage dump or for the dumping, disposing, incineration or reduction of garbage;
- j. Gambling establishments; or
- k. Assembling, manufacturing, industrial, distilling, refining or smelting facility.

**Exhibit J – Form of Required Rent Covenant**

APN: 139-27-211-028, -029, -030, -031

RECORDING REQUESTED BY:  
City of Las Vegas

AFTER RECORDATION MAIL TO:

CITY OF LAS VEGAS  
495 South Main St., 6th Floor  
Las Vegas, Nevada 89101  
Attention: Department of Economic and Urban  
Development

**REQUIRED RENT COVENANT DECLARATION**

THIS REQUIRED RENT COVENANT DECLARATION ("*Declaration*") is made as of \_\_\_\_\_, 20\_\_\_\_ (the "*Effective Date*"), by and between CITY OF LAS VEGAS, a municipal corporation of the State of Nevada (together with its permitted successors and assigns, hereinafter the "*City*") and ARTHAUS IV LLC, a Nevada limited liability company ("*Developer*") (together with its permitted successors and assigns, collectively the "*Developer*"). City and Developer are individually or collectively referred to herein as "*Party*" or "*Parties*."

**WITNESSETH:**

A. WHEREAS, NRS 278.235 mandates that the City of Las Vegas adopts a series of measures in order to maintain and develop Work Force to carry out the housing plan required in the City's master plan.

B. WHEREAS, City has sold to Developer, and Developer is the owner of real property located at the northeast corner of D Street and Jefferson Avenue, Las Vegas, Nevada (APN Nos. 139-27-211-028, -029, -030, and -031), which is more particularly described in Exhibit "A" attached hereto (the "*Site*").

C. WHEREAS, City acquired the Site with Community Development Block Grant Funds.

D. WHEREAS, The City of Las Vegas Redevelopment Agency, a public body, corporate and politic (the "*Agency*"), has contributed substantial funds to the development of the Project.

E. WHEREAS, The Parties mutually agree that the City has sold the Site to Developer for nominal consideration.

F. WHEREAS, Because the Site was acquired by the City with Community Development Block Grant Funds and in consideration of the City selling the Site to Developer for nominal consideration

and the contribution of the Agency to the cost of development of the Project, Developer agrees to include eighty-four (84) Work Force residential dwelling units in the Project.

G. WHEREAS, City sold the Site to Developer in reliance upon Developer's agreement to operate the Work Force Housing in the Project.

#### **AGREEMENT:**

NOW, THEREFORE, in consideration of the foregoing, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged by Developer, the Parties hereto agree as follows:

### **1. GENERAL PROVISIONS**

1.1 Statement of General Purposes. The purpose of this Declaration is to facilitate Affordable Housing (hereinafter defined) for the community. The City has determined that the Project will provide a needed amount of Affordable Housing units within the community.

1.2 Certain Definitions. Capitalized terms used herein but not otherwise defined shall have the meanings set forth below:

*"Work Force Housing"* *"Work Force Individuals and Families"* means persons whose incomes do not exceed 120 percent of the median income for the area ("AMI"), as determined by the Secretary of HUD annually. The income of a household when it initially qualifies for occupancy is determined by using HUD's CDBG Program Income Guidelines.

*"AMI"* means Area Median Income.

*"Area Median Income"* means the median income of individuals and families as set by the US Department of Housing and Urban Development annually.

*"City"* means the City of Las Vegas, Nevada, a political subdivision of the State of Nevada, and City's permitted successors and assigns.

*"Completion of Construction"* means the completion of construction of both of the multi-use buildings in the Project including residential units, and the issuance of a final certificate of occupancy for the residential units in the buildings which enable the residential units therein to be legally rented.

*"Convey or Conveyance"* means (i) any manner by which any estate or interest in all or substantially all of the Site is created, alienated, assigned or surrendered, and includes, without limitation, any sale, ground lease, conveyance, transfer, exchange, encumbrance or other disposition of the Site, whether by agreement for sale or in any other manner and (ii) a transfer of the direct or indirect equity interests in Developer.

*"HUD"* means the United States Department of Housing and Urban Development.

*"Market Rate Units"* means residential units renting at the current market rate for multifamily residential units in the Las Vegas metropolitan area.

“NRS” means Nevada Revised Statutes, as amended from time to time.

“Person” means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization or government, or any city or political subdivision thereof.

“Project” means a development to be constructed on the Site to consist of: (i) approximately 100 residential units, (ii) a parking area, (iii) approximately 15,695 square feet of commercial space and (iv) mutually agreed design including incorporating historic elements, upgraded façade, amenities, landscaping and streetscape finished.

“Restrictions” means the covenants, conditions, rights, restrictions and limitations more particularly set forth in Section 2.

“Site” has the definition set forth in the Recital B.

## **2. GENERAL AND SPECIFIC USE RESTRICTIONS**

2.1 General Use Restrictions. The violation of any of the following general use limitations after the Effective Date of this Declaration shall at City’s option constitute a default hereunder and a breach of the Restrictions, which shall entitle City to exercise any of the rights and remedies set forth in Article 4 below.

(a) Use. Developer covenants and agrees for itself, its successors, assigns, and every successor in interest to the Site, that during construction and thereafter, no less than the Term (as hereinafter defined), eighty-four (84) units at the Project shall be devoted only to Work Force Housing. The Developer and its successors and assigns shall be responsible to keep a record of all current rental agreements, per Section 2.2 below, and to make such information available to City staff at a timely manner, per Section 2.2 below. For the sake of clarity, so long as Developer is in compliance with the foregoing requirements, it shall be permitted to offer other residential units in the Project at market rates (the “Market Rate Units”). The Work Force Housing units shall be of comparable quality to similar Market Rate Units in terms of features, layout, number of bedrooms, and bathrooms, and square footage.

(b) This Declaration shall begin from the Effective Date, shall run with the land, and shall be in full force and effect for a period of fifteen (15) years following Completion of Construction (the “Term”). If requested by Developer, Developer and Agency shall execute an amendment to this Declaration identifying the exact date of expiration of the Rent covenant and this Declaration.

(c) Occupancy. Subject to Developer’s obligation to comply with applicable federal and state laws and regulations pertaining to fair housing, Developer agrees to attempt to rent the units from within the Historic Westside neighborhood first and continually market to the neighborhood. Within six (6) months following the date of Completion of Construction, the City may require the Developer to submit marketing information and a progress report on neighborhood outreach. Developer agrees that 84 units of the project are Work Force units aimed at persons earning up to 120% AMI.

(d) Rent Restrictions. The Developer agrees that the rents to be charged on the Work Force units will not exceed 120% AMI established by HUD's CDBG Program Income Guidelines. The Program rent limits are subject to the annual update by HUD.

(e) Adjustments by HUD. For clarification purposes, in the event of adjustments by HUD regarding the AMI calculation affecting either the "Work Force Housing" or "Work Force Individuals and Families" eligibility threshold or the rent that may be charged hereunder, Developer shall be required to satisfy those requirements on a going forward basis following the date of such adjustments (including with respect to any lease renewals), but will not be in default of this Declaration if Declarant was in compliance with the requirements of this Declaration under the prior-applicable thresholds (and all such previously compliant leases will continue to be counted as such while they remain in effect per their terms).

## 2.2 Reporting.

(a) The Developer covenants and agrees for itself, its successors, assigns, and every successor in interest in ownership of the Project that during the Term the Project shall be subject to on-site monitoring by duly authorized representatives (including independent auditors) of the City, but no more frequently than four (4) times per calendar year. The representatives will be announced, at a minimum, three (3) days in advance of any on-site visits, which shall occur during normal operating hours. During any on-site visit, the representatives shall be granted access to any and all rental records pertaining to the Project. The representatives may interview employees or any entity associated with the Project who volunteers to be interviewed. The representatives shall be allowed to conduct such reviews, audits and on-site monitoring of the Project as the reviewing entity deems appropriate in order to determine:

1. Whether the Project is being operated in a manner consistent with the rent covenant contained in this Declaration and other Restrictions of this Declaration;
2. Whether the periodic reports to the City contain accurate and reliable information; and
3. Whether all of the rental activities of the Project are conducted in compliance with the provisions of applicable Federal/State/Local laws and requirements and regulations, and this Declaration.

(b) The Developer covenants and agrees for itself, its successors, assigns, and every successor in interest in ownership of the Site during the Term to maintain financial records and supporting documentation pertaining to all matters relative to this Declaration, including without limitation records supporting the verification of Work Force Individuals and Families tenant income, Project rents and Project inspections; rent rolls; occupancy rates and rent collection; and tenant selection process. In the event the Developer and/or its successor in interest in ownership of the Site goes out of existence, it shall turn over to the City all of its records relating to this Declaration which will be retained by the City for the required period of time.

(c) The Developer covenants and agrees for itself, its successors, assigns, and every successor in interest in ownership of the Site, during the Term, that it will provide the City with tenant usage records on an annual basis for the Project. The City reserves the right to discuss with Developer modifications to the frequency or content of required reports as needed to maintain adequate oversight of the Project, address changes to requirements, or to address findings related to noncompliance by the Project. Initially these records will contain, but are not limited to, the following information (for items (1)-(6) below, as self-reported by the tenants):



1. Total Work Force Individuals and Families served;
2. Racial breakdown of tenants served including American Indian/Alaska Native, Asian, Black/African American, Native Hawaiian/ Other Pacific Islander, White, American Indian/Alaska Native and White, Asian and White, Black/African American and White, American Indian/Alaska Native and Black/African American, Other;
3. Number of tenants who report a Hispanic ethnicity;
4. Number of tenants with disabilities served;
5. Number of tenants that are senior citizens served;
6. Number of tenants that are female head-of-households served;
7. Monthly rent paid by the tenants.

### **3. COVENANT RUNNING WITH THE LAND**

(a) This Declaration shall be deemed and shall constitute a covenant running with the land during the Term for the benefit of the City and its successors and assigns and shall pass to and be binding upon all heirs, successors and assigns in title to the Site during the Term, or if the Site shall not include title to land, but shall include a leasehold interest in land, this Declaration shall bind the leasehold interest as well as the Site and shall pass to and be binding upon all heirs, successors and assigns to such interests. Each and every contract, deed or other instrument hereafter executed covering or conveying the Site or any portion thereof or any interest therein during the Term (excepting only leases of units in the Project) shall conclusively be held to have been executed, delivered, and accepted subject to this Declaration, regardless of whether any or all of such covenants contained herein are set forth in such contract, deed or other instrument. If a portion or portions of the Site, or interest or interests in the Site are conveyed, all such covenants contained herein shall run to each portion of or interest in the Site during the Term. Following the expiration of the Term, the Restrictions contained in Declaration shall be of no further force or effect; provided, however that the foregoing shall not restrict City's rights and remedies for any material default occurring prior to the expiration of the Term.

(b) The City is deemed the beneficiary of the terms and provisions of this Declaration and of the covenants running with the land for and in its own right and for the purposes of protecting the interest of the community and other parties, public or private, in whose favor and for whose benefit this Declaration and the covenants running with the land have been provided. This Declaration and the covenants shall run in favor of the City without regard to whether the City has been, remains or is an owner of any land or interest therein in the Site. The City shall have the right, if this Declaration or the covenants are breached, to exercise all rights and remedies and to maintain any actions or suits at law or in equity or other proper proceedings to enforce the curing of such breaches to which it or any other beneficiaries of this Declaration and the covenants may be entitled.

### **4. ENFORCEMENT OF RESTRICTIONS**

4.1 General Purpose and Constructive Notice. The Restrictions shall be binding upon Developer during the Term (and shall pass to and be binding upon all heirs, successors and assigns in title to the Site during the Term) and be enforceable by City. Except as specifically set forth herein, the Restrictions shall remain in full force and effect for the Term as specified in Section 2 above, notwithstanding City's exercise of any right or remedy herein due to a previous or repeated violation of any one or more of the Restrictions.

4.2 Default and General Remedies. For a material default of the Restrictions itemized in Section 2 occurring during the Term (each, a “*Default*”), and provided that such material default is not cured within the applicable cure period herein described, City at its sole option and discretion may enforce any one or more of the following remedies or any other rights or remedies to which City may be entitled by law or equity, whether or not set forth herein. Unless a cure period is otherwise specifically designated, such cure period shall commence when written notice is given to Developer of a violation hereunder and shall end (y) thirty (30) calendar days thereafter in the case of a monetary default; or (z) thirty (30) calendar days thereafter in the event of a Default or in the case of other non-monetary defaults; *provided, however*, that in the event that such nonmonetary default is of a nature that it cannot be cured within such thirty (30) calendar day period, then Developer shall commence to cure such failure within such thirty (30) calendar day period and shall diligently prosecute such cure to its completion but in all events such cure shall be completed within sixty (60) days unless additional time is otherwise agreed to by the City in writing. City shall have the following remedies in connection with a Developer Default:

(a) City may without limitation bring a suit for damages for any compensable default of any of the Restrictions;

(b) City shall be entitled to bring an action in equity or otherwise for specific performance, without bond, to enforce compliance with the Restrictions or an injunction to enjoin the continuance of any such breach or violation thereof, whether or not City exercises any other remedy set forth herein, or declaratory relief to determine the enforceability of any of the Restrictions; and

(c) Any other remedies available to City at law or equity.

To the maximum extent allowable by law, the City's election to pursue any one or more of the remedies available to it herein or by law or equity shall be cumulative and shall not be construed to preclude or be a waiver of the City's right to pursue any of the other remedies with respect to the Default for which such remedy was pursued or with respect to any Default prior or subsequent to such remedy. The waiver of any Default by the City shall not be deemed a waiver of any further or different Default.

Nothing in this Declaration is intended, nor will it be construed, to in any way limit the exercise by the City of its governmental powers (including but not limited to, police, regulatory and tax powers) with respect to the then-current owner of the Site, or applicable portion thereof, or the Site to the same extent as if City was not a party to this Declaration or the transactions contemplated by this Declaration. Further, nothing in this Declaration is intended, nor will it be construed, to waive any claims of sovereign governmental immunity on the part of the City.

## **5. ESTOPPEL CERTIFICATE**

5.1 Estoppel Certificates. City agrees that it shall, at any time and from time to time, but no more than four (4) times per calendar year, upon not less than thirty (30) days prior notice from Developer or a Mortgagee, execute, acknowledge and deliver to the requesting party a statement in writing certifying (a) that this Declaration is unmodified and in full force and effect (or if there have been any modifications, that this Declaration is in full force and effect as modified and stating the modifications), (b) whether to City's actual knowledge, it or Developer is in default in keeping, observing or performing any term, covenant, agreement, provision, condition or limitation contained in this Declaration and, if in default, specifying each default, and (c) any other matters reasonably requested by the requesting party, it being intended that any such statement delivered pursuant to this Section may be relied upon by the requesting party and any assignee thereof.

## **6. MISCELLANEOUS PROVISIONS**

6.1 Assignment by City. City shall have the right to assign the rights, powers, duties and reservations of City herein contained to the City of Las Vegas Redevelopment Agency, an agency organized under the laws of the State of Nevada ("Agency"), without the prior approval of Developer. City agrees to provide Developer with prior notice of any such assignment. In any such case, all references herein to City shall include Agency.

6.2 Assignment by Developer. City consents to Developer's right to encumber, pledge, grant or convey its rights, title, and interest in and to the Site, or any portion thereof, by way of a mortgage to secure the payment of any loans obtained by Developer to finance or refinance any portion of the Project.

6.3 Other Restrictions. This Declaration is not the exclusive source of restrictions on the use of the Site, and nothing herein contained shall prejudice or diminish in any way City's rights under any other documents of record prior to the recording of this Declaration affecting all or any portion of the Site.

6.4 Attorney's Fees. In the event either Party hereto is required to employ an attorney because of the other Party's default, the defaulting Party shall pay the non-defaulting Party's reasonable attorney's fees incurred in the enforcement of this Declaration.

6.5 Time of the Essence. Time is of the essence of this Declaration and every obligation hereunder.

6.6 Successors and Assigns. Except as otherwise stated herein, this Declaration shall inure to the benefit of and bind the permitted successors and assigns of the respective Parties hereto, subject to the provisions of this Declaration regarding assignment, and subject further to the termination of the Restrictions upon the end of the Term.

6.7 Notices. Any notice required to be given hereunder shall be deemed to have been given when written notice is (i) received by the party to whom it is directed by personal service; (ii) three (3) days after deposit with the United States Post Office, by registered or certified mail, postage prepaid and addressed to the party to be notified at the address for such party; (iii) one (1) day after deposit with a nationally recognized air courier service such as FedEx; or (iv) by an email sent to the email address of the recipient stated in this Section. All notices shall be effective upon receipt by the party to which notice is given or if it is delivered by email, when the recipient acknowledges having received that email, with an automatic "read receipt" not constituting acknowledgment of an email for notice purposes. Either party hereto may change its address by giving ten (10) days advance notice to the other party as provided herein. Phone and fax numbers, if listed, are listed for information only:

If to City:                      Department of Economic and Urban Development,  
City of Las Vegas  
City Hall, 6th Floor  
495 S. Main Street  
Las Vegas, NV 89101

Email: [rysmith@lasvegasnevada.gov](mailto:rysmith@lasvegasnevada.gov)  
Attn: Ryan Smith, Director

And: City Attorney Office  
City Hall, Sixth Floor  
495 S. Main Street  
Las Vegas, NV 89101  
  
Email: jridilla@lasvegasnevada.gov  
Attn: John Ridilla

And: Department of Neighborhood Services  
City of Las Vegas  
City Hall, 3rd Floor  
495 S. Main Street  
Las Vegas, NV 89101  
Email: kgibson@lasvegasnevada.gov  
Attn: Kathi Thomas-Gibson, Director

If to Developer: ARTHAUS IV, LLC  
2808 Ashworth Circle  
Las Vegas, NV 89107  
Email: sam@cherrylv.com  
Attn: Sam Cherry

With a copy to:

Bennett Law Group PLLC  
10795 West Twain Avenue, Suite 100  
Las Vegas, NV 89135  
dean@blgnv.com  
Attn: Dean Bennett

The City agrees to provide, at the same time the City sends default notices required under this Declaration to the Developer, duplicate copies of such default notices to the Developer's secured lenders at such addresses provided to City by Developer.

The Parties shall provide written notification of any change in the information stated above. For purposes of this Declaration, legal notice shall be required for all matters involving potential termination actions, litigation, indemnification, and unresolved disputes. This does not preclude legal notice for any other actions having a material impact on the Declaration.

6.8 Subsequent City Approvals. Any approvals of City required or permitted by the terms of this Declaration are authorized to be given by the City Manager of the City or such other person that City designates in writing to Developer, except for approvals resulting in a material change to this Declaration, as determined by the City Manager, which shall then require the approval of the Las Vegas City Council. If there is no time specified herein for City's approval, Developer may submit a letter requiring City's approval within thirty (30) days after submission to City or such approvals shall be deemed denied. Notwithstanding the foregoing, Developer acknowledges (i) that a request for a modification to this Declaration or a request to extend deadlines specified hereunder may either (x) require review and approval

of the City Council, or (y) the City Manager of the City may determine that it is in the best interest of City to submit such request for review and approval by City Council, and (ii) such review and approval may take more than thirty (30) days in or order to comply with the required and customary procedures for obtaining approval of City Council. In such cases, the Parties shall comply with the required processes of submitting matter for review and approval by City Council. The City Manager of the City shall have the authority to grant time extensions under this Declaration, provided, however, that it shall be at the City Manager's sole and absolute discretion as to whether to grant any time extension or to submit any requests for time extensions to City Council for approval.

6.9 Entire Agreement and Waivers. This Declaration may be executed in two (2) duplicate originals, each of which is deemed to be an original. This Declaration and the respective exhibits thereto constitute the entire understanding and agreement between the Parties and is intended by the Parties to be the final expression of their agreement with respect to the subject matter hereof, and the complete and exclusive statement 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. This Declaration includes Exhibit "A", attached hereto and incorporated herein by reference. All waivers of the provisions of this Declaration must be in writing and signed by the appropriate authorities of City and Developer 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. All amendments hereto must be in writing and signed by the appropriate authorities of City and Developer.

6.10 Termination or Amendment. Prior to the expiration of the Term, the Restrictions may be validly terminated, amended, modified or extended, in whole or in part, only by recordation with the Clark County Recorder's Office of a proper instrument duly executed and acknowledged by City to that effect.

6.11 Severability. Whenever possible, each provision of this Declaration 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 Declaration and the remaining provisions shall remain in full force and effect. The Parties further agree to amend this Declaration to replace any stricken provision with a valid provision that comes as close as possible to the intent of the stricken provision.

6.12 Governing Law; Jurisdiction; Waiver of Jury Trial. Any controversy, claim, or dispute arising out of or related to this Declaration or the interpretation, performance, or breach hereof (a "Dispute"), shall be resolved in accordance with this Section 6.12.

(a) Governing Law. This Declaration and all Disputes between the Parties under or related to this Declaration or the facts and circumstances leading to its execution, whether in contract, tort or otherwise, shall be governed by and construed in accordance with the laws of the State of Nevada, applicable to contracts executed in and to be performed entirely within the State of Nevada, without regard to the conflicts of laws principles thereof.

(b) Jurisdiction. Each of the Parties hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of any Nevada state court having appropriate subject matter jurisdiction and located in Clark County, Nevada, and any appellate court from any thereof, for resolution of any Dispute and for recognition or enforcement of any judgment relating to such Dispute, and each of the Parties hereby irrevocably and unconditionally (a) agrees not to commence any such action or proceeding except in such courts; (b) agrees that any claim in respect of any such action or proceeding must be heard and determined in such Nevada state court; (c) waives, to the fullest extent it may legally and

effectively do so, any objection which it may now or hereafter have to the laying of venue of any such action or proceeding in any such Nevada state court; and (d) waives, to the fullest extent permitted by applicable law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such Nevada state court. Each of the Parties agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by applicable law.

(c) WAIVER OF JURY TRIAL. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS DECLARATION IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE IT HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS DECLARATION OR THE TRANSACTIONS CONTEMPLATED HEREBY. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (a) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE SUCH WAIVERS; (b) IT UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF SUCH WAIVERS; (c) IT MAKES SUCH WAIVERS VOLUNTARILY; AND (d) IT HAS BEEN INDUCED TO ENTER INTO THIS DECLARATION BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

6.13 Captions. The captions contained in this Declaration are for the convenience of the Parties and shall not be construed so as to alter the meaning of the provisions of the Declaration.

6.14 Counterparts. Each counterpart of this Declaration shall be deemed to be an original and all of which together shall be deemed to be one and the same Declaration. Delivery of this Declaration may be accomplished by facsimile transmission of this Declaration. In such event, the Parties hereto shall promptly thereafter deliver to each other executed counterpart originals of this Declaration.

6.15 No Third-Party Beneficiaries. Nothing in this Declaration shall confer upon any Person, other than the Parties hereto and their respective successors and permitted assigns, any rights or remedies under or by reason of this Declaration. Nothing herein is intended to create any rights vested in the general public or to otherwise benefit the general public.

6.16 Days. All references to “*days*” in this Declaration are to consecutive calendar days unless business days are specified. The term “*business days*” refers means a day when the City is normally open for public access, occurring on Mondays through Thursdays, unless the City is not open for the celebration or observance of holidays or is otherwise declared not open to the public by the City Manager of the City. If a time for performance hereunder falls on a day other than a business day, the time for performance shall be extended to the following business day. Except as may otherwise be set forth herein, any performance provided for herein shall be timely made and completed if made and completed no later than 5:00 P.M. (Las Vegas time) on the day for performance.

6.17 Construction. The Parties acknowledge that each Party and its counsel have reviewed and approved this Declaration and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Declaration or any amendments or exhibits hereto.

6.18 Further Assurances. Each Party will, whenever as reasonably requested to do so by the other Party, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, any and all such further documents and do any and all other acts as may be reasonably necessary to carry out the intent and purpose of this Declaration.

6.19 Non-Liability of City Officials and Employees. It is agreed by and between the Parties of this Declaration, that in no event shall any official, officer, employee, or agent of the City in any way be personally liable or responsible for any covenant or agreement herein contained whether expressed or implied, nor for any statement, representation or warranty made herein or in any connection with this Declaration. No member, manager, employee, or agent of Developer (or its successors or assigns with respect to the Site) shall be personally liable to City in the event of any default or breach by Developer or for any amount which may become due to City or on any obligations under the terms of this Agreement.

6.20 Conflict of Interest (City Officials). An official of the City, who is authorized on behalf of the City to negotiate, make, accept or approve, or take part in negotiating, making, accepting, or approving this Declaration, payments under this Declaration, or work under this Declaration, shall not be directly or indirectly interested personally in this Declaration or in any part hereof. Each party represents that it is unaware of any financial or economic interest of any public officer or employee of the City relating to this Declaration.

6.21 Public Records. The City is a public agency as defined by state law. As such, it is subject to the Nevada Public Records Law (Chapter 239 of the Nevada Revised Statutes). The City's Records are public records, which are subject to inspection and copying by any person (unless declared by law to be confidential). This Declaration and all supporting documents are deemed to be public records.

6.22 Recitals. Developer and the City acknowledge and represent that the foregoing recitals are true, accurate and binding on the respective Parties and are an integral part of this Agreement.

*[Signatures appear on the following pages]*

IN WITNESS WHEREOF, the undersigned have executed this Declaration as of the date first written above.

CITY

CITY OF LAS VEGAS

By: \_\_\_\_\_  
Carolyn G. Goodman, Mayor

Date: \_\_\_\_\_

DEVELOPER

ARTHAUS IV LLC, a Nevada limited liability company

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
LuAnn D. Holmes, MMC, City Clerk

Date: \_\_\_\_\_

APPROVED AS TO FORM:

\_\_\_\_\_  
By: Deputy City

Date: \_\_\_\_\_

Rent Covenant Declaration



ACKNOWLEDGMENTS

STATE OF NEVADA )

ss.

COUNTY OF CLARK )

This instrument was acknowledged before me, a notary public, on \_\_\_\_\_,  
20\_\_\_\_, by Carolyn G. Goodman as Mayor of the City of Las Vegas.

\_\_\_\_\_  
NOTARY PUBLIC, in and for said County and State

STATE OF NEVADA )

ss.

COUNTY OF CLARK )

This instrument was acknowledged before me, a notary public, on \_\_\_\_\_,  
20\_\_\_\_, by \_\_\_\_\_ as \_\_\_\_\_ of \_\_\_\_\_.

\_\_\_\_\_  
NOTARY PUBLIC, in and for said County and State

## EXHIBIT A

### LEGAL DESCRIPTION OF SITE

Lots One (1), Two (2), Three (3), Four (4), Five (5), and Six (6) in Block Thirteen (13) of that subdivision known as VALLEY VIEW ADDITION, as shown by plat thereof on file in the office of the county recorder, Clark County, Nevada in Book 1 of Plats, at Page 50.

Excepting therefrom that portion as conveyed in that certain Grant Deed recorded November 06, 1987 in Book 871106, Instrument No. 00547, Official Records, Clark County, Nevada.

Further excepting therefrom that portion as conveyed in that certain Grant Deed recorded November 06, 1987 in Book 871106, Instrument No. 00548, Official Records, Clark County, Nevada.

**EXHIBIT K**

**FORM OF MEMORANDUM OF LEASE - HALL**

**RECORDING REQUESTED BY, AND  
WHEN RECORDED RETURN TO:**

---

**MEMORANDUM OF LEASE**

**(Food Hall)**

This Memorandum of Lease is by and between ARTHAUS IV, LLC, a Nevada limited liability company ("Landlord") and CITY OF LAS VEGAS REDEVELOPMENT AGENCY, an agency organized under the laws of the State of Nevada ("Tenant"). Pursuant to that certain Master Lease between Landlord and Tenant dated \_\_\_\_\_ ("Lease"), Landlord has leased to Tenant, and Tenant has accepted such lease from Landlord, the Property (later defined) upon the following terms:

Effective Date of Lease: \_\_\_\_\_.

Lease Commencement and Rent Commencement Date: TBD.

Description of Property: See Exhibit "A" attached hereto.

Term: One hundred and eighty (180) months from Lease Commencement Date.

Renewal Option(s): Up to two (2), sixty (60) month renewal options.

The Ground Lease includes various restrictions and limitations on use, including without limitation, certain required procedures for any Tenant's Work or Alterations (Exhibit E), certain Rules and Regulations (Exhibit I), and certain expressly Prohibited Uses (Exhibit L). Reference is made to the Ground Lease for particulars. In the event of a conflict between the Ground Lease and this memorandum, the Ground Lease shall control.

Remainder of Page Left Blank

CITY OF LAS VEGAS REDEVELOPMENT  
AGENCY

ARTHAUS IV, LLC, a Nevada limited  
liability company

By: \_\_\_\_\_  
Carolyn G. Goodman, Chair

By: \_\_\_\_\_

Name: \_\_\_\_\_

ATTEST:

Its: \_\_\_\_\_

\_\_\_\_\_  
LuAnn D. Holmes, Secretary

Approved as to Form:

\_\_\_\_\_  
Date

ADD ACKNOWLEDGMENTS

**EXHIBIT L**

**FORM OF MEMORANDUM OF LEASE - SPACE**

**RECORDING REQUESTED BY, AND  
WHEN RECORDED RETURN TO:**

---

**MEMORANDUM OF LEASE**

**(Mixed Use)**

This Memorandum of Lease is by and between ARTHAUS IV, LLC, a Nevada limited liability company ("Landlord") and CITY OF LAS VEGAS REDEVELOPMENT AGENCY, an agency organized under the laws of the State of Nevada ("Tenant"). Pursuant to that certain Master Lease between Landlord and Tenant dated \_\_\_\_\_ ("Lease"), Landlord has leased to Tenant, and Tenant has accepted such lease from Landlord, the Property (later defined) upon the following terms:

Effective Date of Lease: \_\_\_\_\_.

Lease Commencement and Rent Commencement Date: TBD.

Description of Property: See Exhibit "A" attached hereto.

Term: One hundred and eighty (180) months from Lease Commencement Date.

Renewal Option(s): Up to two (2), sixty (60) month renewal options.

The Ground Lease includes various restrictions and limitations on use, including without limitation, certain required procedures for any Tenant's Work or Alterations (Exhibit E), certain Rules and Regulations (Exhibit I), and certain expressly Prohibited Uses (Exhibit L). Reference is made to the Ground Lease for particulars. In the event of a conflict between the Ground Lease and this memorandum, the Ground Lease shall control.

Remainder of Page Left Blank

CITY OF LAS VEGAS REDEVELOPMENT  
AGENCY

ARTHAUS IV, LLC, a Nevada limited  
liability company

By: \_\_\_\_\_  
Carolyn G. Goodman, Chair

By: \_\_\_\_\_

Name: \_\_\_\_\_

ATTEST:

Its: \_\_\_\_\_

\_\_\_\_\_  
LuAnn D. Holmes, Secretary

Approved as to Form:

\_\_\_\_\_  
Date

ADD NOTARIES

**Exhibit M**  
**PARKING LICENSE**  
**(FOOD) HALL**

This Parking License ("License"), with an effective date of \_\_\_\_\_ ("Effective Date") is entered into between CITY OF LAS VEGAS REDEVELOPMENT AGENCY, an agency organized under the laws of the State of Nevada (together with its permitted successors and assigns, hereinafter the "Agency") and Arthaus IV, LLC, a Nevada limited liability company, ("Developer"). Agency and Developer are individually or collectively referred to herein as "Party" or "Parties."

WHEREAS:

A. Developer is the owner of that site legally described on Exhibit A attached hereto, with an APN of 139-27-211-028, -029, -030, and -031 on which Developer intends to build a residential development along with a surface parking lot (the "Residential Parcel").

B. Developer is the owner of that site legally described on Exhibit B attached hereto, with an APN of 139-27-211-024 and -025 on which Developer intends to build a single story building (the "Leased Building Parcel").

C. Concurrently with the execution of this License, Agency and Developer have entered into that certain master lease (the "Building Lease") by which Developer has leased to Agency, and Agency has leased from Developer, the Premises contained within the Building that Developer intends to construct on the Leased Building Parcel. (Capitalized terms not otherwise defined in this License shall have the meanings set forth in the Building Lease).

D. In consideration of the Agency entering into the Building Lease, Developer has entered into this Parking License.

NOW, THEREFORE, in consideration of the foregoing, which constitutes good and valuable consideration, the receipt and adequacy of which are hereby acknowledged by Developer, the Parties hereto agree as follows:

1. License. Developer hereby grants to Agency a license to park automobiles on the surface parking lot to be constructed on the Residential Parcel (the "Parking Area"), for the License Term (as hereinafter defined), and upon the terms and conditions set forth in this Lease and in the Building Lease. In connection therewith, and subject to all such terms and conditions, the Parties agree as follows:

- (a) Agency agrees that its right to park under this License is limited to four (4) striped contiguous parking spaces within the Parking Area (the "Reserved Parking Spaces").
- (b) The Parties agree that: (i) the Reserved Parking Spaces will be available to the Agency and Permitted Users on an exclusive and reserved basis; (ii) the Reserved Parking Spaces will be located in such location within the Parking Area as may be designated from time to time by Developer, and Developer shall have the right from time to time, but no more than once a

year, upon thirty (30) days written notice to Agency to change the location of the Reserved Parking Spaces (or any of them) to other contiguous spaces within the Parking Area (provided however that the foregoing limitations on the number of permitted relocations of the Reserved Parking Spaces, or the required advance timing, shall be excused in the event that relocation is required for any construction, repair, maintenance, or reconfiguration affecting the Parking Area); and (iii) the Reserved Parking Spaces will be marked for the exclusive use of the Leased Building.

- (c) Developer agrees that Agency's rights under this License shall be at no charge or any other fees to be paid by Agency (aside from the Agency's obligations under the Building Lease).
- (d) Subject to the terms and conditions of this License (including without limitation Section 1(e)), subject to the terms and conditions of the Building Lease, subject to the Rules (as hereinafter defined), and subject to any applicable laws, statutes, ordinances or regulations, and restrictions of record (provided, however that no subsequently adopted restrictions of record shall function to deprive agency of the use of Reserved Parking Spaces as contemplated herein) (collectively, the "Applicable Regulations"), Reserved Parking Spaces shall be available for parking by the Permitted Users twenty-four hours a day, seven days a week.
- (e) For purposes of this License, but subject to the Applicable Regulations and Developer's contractual obligations not contained in this License, the Parties agree that:
  - a. Developer reserves the right to modify the Parking Area in such manner as may be determined by Developer, provided that no such modification shall function to deprive Agency of the use of Reserved Parking Spaces as contemplated herein;
  - b. Developer reserves the right to cause temporary closures of the Parking Area, for purposes of maintenance, repair, resurfacing, and restriping of the Parking Area, for construction, reconstruction, maintenance and repair of adjacent properties, as legally needed to prevent any person, party, or entity from claiming or obtaining any right or interest in and to the Parking Area, or if reasonably required in the event of an emergency at or near the Parking Area threatening imminent property damage or death or injury to any person.
  - c. Developer reserves the right to require the use of entry devices or identification devices with respect to the Parking Area, provided that Landlord provides to Tenant no less than eight (8) devices.
  - d. Developer reserves all other rights it has or may have under the Applicable Law and Regulations pertaining to the Parking Area.
- (f) No use of the Parking Area shall be permitted during any period of initial construction of the Residential Parcel or the Leased Building Parcel or of the Parking Area.



(g) This License creates a limited use license and not a bailment. Agency and Permitted Users assume all risk and responsibility for damage to the vehicle and any personal property contained in it, and the vehicles or other personal property of others, in connection with any use of the Parking Area. Developer undertakes no obligation to provide security for the Parking Area, and shall assume no obligation arising from its decision to provide or not to provide any security. Developer is not responsible for any damage to vehicles or property contained in vehicles. Developer reserves the right to revoke or restrict parking rights or to tow vehicles based upon violations of the Rules and the terms of this License.

(h) Agency and Permitted Users shall have no right or remedy arising from Developer's exercise of its reserved rights described in this License.

2. Term. The term of this License ("License Term") will run concurrently with the Lease Term under the Building Lease, including any extension thereof pursuant to any option to extend contained in the Building Lease.

3. License Termination. The Parties agree that this License shall terminate at such time as: (i) the Lease Term of the Building Lease (as may be extended pursuant to any option to extend) expires; (ii) the Building Lease is otherwise terminated for any reason; (iii) there shall occur any express or implied assignment of rights under this License contrary to its terms, including by operation of law; (iv) there shall occur a Default by Licensee under this License following passage of applicable notice and cure periods set below. Upon any termination of this License hereunder, Developer may cause a termination of this License to be recorded against either or both the Leased Building Parcel and the Residential Parcel. Upon any such termination, this License shall be of no further force or effect whatsoever (except for Agency's indemnity and insurance obligations, which obligations shall survive any such termination, and except for any other term or provision that expressly survives termination of this License).

4. Permitted Users. Developer agrees that subject to the Rules and the Applicable Regulations, to the fullest extent permitted by law, the Reserved parking spaces may be used only by employees of the Agency or Agency, invitees of Agency or Agency with respect to the Leased Building, Users of space in the Leased Building, or their invitees (the "Permitted Users"). Agency shall be solely responsible for the allocation of use of the Reserved Parking Spaces as among Permitted Users, and Developer shall have no responsibility or liability relating to any such allocation.

5. Rules. Agency agrees that all use of the Reserved Parking Spaces shall be subject to any and all rules and regulations set forth in Exhibit C, together with other generally applicable rules and regulations hereafter adopted regarding the Parking Area (provided no such subsequent rules and regulations shall function to deprive Agency of the use of Reserved Parking Spaces as contemplated herein) (collectively, the "Rules").

6. Running with Land. During the License Term and subject to termination of this License pursuant to Section 3, this License shall be deemed to be and shall constitute a covenant running with the Residential Parcel for the benefit of the Agency and its permitted assignees under the Building Lease and shall pass to and be binding upon Developer's successors in title to the Parking Area.

7. Default. A Party shall be in default of this License in the event that Party is in default of its obligations and such default is not cured within thirty (30) days after written notice of default by the non-defaulting party, provided that if the nature of such default is such that it cannot reasonably be cured within a thirty (30) day period, the defaulting party shall not be deemed to be in default if it shall commence such cure within such period and thereafter diligently pursue such cure to completion ("Default"). Additionally, any Event of Default by Agency under the Building Lease (with passage of applicable notice and cure periods under the Building Lease) shall constitute a Default under this License. Nothing contained in this Section 7 shall be construed to limit, restrict, or delay Developer's rights arising under the Rules, including the right to tow any vehicle in violation of the Rules.

8. Insurance and Indemnity.

- a. Developer [and Developer Affiliate] shall not be liable for any damages or liability arising out of or resulting from a breach of any duty of any kind or for any injury to or death of persons or loss or damage arising out of or in any way related to the use, occupancy and enjoyment of the Parking Area by Agency or any person claiming by, through, or under Agency (including any Permitted User), unless the same shall be caused solely by the gross negligence or willful misconduct of Developer [and Developer Affiliate]. To the fullest extent permitted by law, but in all events subject to the liability limitations set forth in Chapter 41 of Nevada Revised Statutes Section 41.035, Agency shall at Agency's sole cost and expense, protect, indemnify, save and hold harmless Developer [and Developer Affiliate] against and from all liability, claims, loss, injury, liens, cost, damage or expense arising out of or in any way related to: (1) any accident or other occurrence in, on or at the Parking Area caused by Agency's or any Permitted User's negligence or willful misconduct; ((2) the occupancy or use of the Parking Area or any negligent act or willful omission of Agency or any Permitted User, or their respective employees, agents, invitees, subtenants, licensees, assignees or contractors; (3) any penalty or damage or charges imposed for any violations of any law or ordinance whether occasioned by the negligence of Agency or any Permitted User or those claiming by, through, or under Agency or any Permitted User; (4) any failure of Agency or any Permitted User in any respect to comply with and perform all the requirements and provisions of this License or the Rules; (5) any dispute by or among Permitted Users. Agency's obligation to indemnify Developer, shall survive the expiration or earlier termination of this Lease for acts or omissions occurring prior to such expiration or earlier termination, and shall additionally include the retention of legal counsel and related reasonable attorneys' fees and reasonable investigation costs (as well as all other reasonable and related costs, expenses and liabilities). For purposes of this Section 8(a) only, the term "Developer" and "Developer Affiliate" shall be deemed to include Developer, Developer Affiliate, the fee owner of the Residential, Leased Building Parcel, and Parking if other than Developer and Developer Affiliate, any agent for the Building, their respective subsidiaries and affiliates, and the respective members, directors, officers, agents, servants, and employees of each of the foregoing. Agency

acknowledges and agrees that its liability pursuant to this Section 8(a) is not limited to the amount of any insurance set forth and provided for in this License or in the Building Lease. The obligations of Agency, as well as the foregoing indemnity, in connection with this Section 8(a) shall survive the expiration or earlier termination of this Lease, anything herein to the contrary notwithstanding.

- b. In accordance with the Nevada Revised Statutes, the Agency has adopted a self-insured liability program for coverage of losses of up to an amount set from time to time by the Las Vegas City Council (the "Self-Insurance Amount"). The amount of the Self-Insurance Amount will be set from time to time at City Council's sole discretion and may increase or decrease from time to time. Agency is covered under such self-insured liability program and, therefore, Agency self-insures each occurrence up to the Self-Insurance Amount. This self-insured liability program is established through a funded reserve system appropriately known as the "Self-Insurance Liability Trust Fund", and is supported by an annual budgetary allocation by the City Council. In addition, in accordance with the Nevada Revised Statutes, such program includes a Self-Insured Workers' Compensation Program, effective December 19, 1985. This self-insured workers' compensation program is established by a funded reserve system appropriately known as the "Industrial Self-Insurance Expendable Trust Fund", and is supported by an annual budgetary allocation. Developer acknowledges that City is not able to name Developer or any third parties as an additional insured under City's self-insurance program or provide any insurance coverage whatsoever to Developer [and Developer Affiliate] under City's self-insurance program and is not able to provide a waiver of subrogation. City agrees to provide upon demand and in any event at least annually written evidence that the self-insurance liability program is in place along with the then amount of the Self-Insurance Amount.

9. Miscellaneous.

- a. Assignment by Agency. Agency shall have the right to assign this License only to any permitted assignee of Agency under Section 13.1 of the Building Lease. Agency agrees to provide Developer with prior notice of any such assignment. Any other assignment or attempted assignment is void and a Default by Agency.
- b. Attorneys' Fees. In the event an action or proceeding is brought with respect to this License, the prevailing Party in any such dispute shall pay the non-prevailing Party's court costs and reasonable attorney's fees and expert fees incurred in such action or proceeding, such amount to be determined by a court or fact finder and not a jury.
- c. Notices. Any notice required to be given hereunder shall be deemed to have been given when written notice is: (i) received by the party to whom it is directed by personal service; (ii) three (3) days after deposit with the United States Post Office, by registered or certified mail, postage prepaid and addressed to the party to be notified at the address for such party; (iii) one (1) day after deposit with a nationally recognized air courier service such as FedEx; or (iv) by an email sent to the email

address of the recipient stated in this Section. All notices shall be effective upon receipt by the party to which notice is given or if it is delivered by email, when the recipient acknowledges having received that email, with an automatic "read receipt" not constituting acknowledgment of an email for notice purposes. Either party hereto may change its address by giving ten (10) days advance notice to the other party as provided herein. Phone and fax numbers, if listed, are listed for information only:

Department of Neighborhood Services, City of Las Vegas  
City Hall, 3rd Floor  
495 S. Main Street  
Las Vegas, NV 89101  
Phone: (702) 229-2330  
Fax: (702) 383-6306  
Email: [kgibson@lasvegasnevada.gov](mailto:kgibson@lasvegasnevada.gov)  
Attn: Kathi Thomas, Director

And: City Attorney Office  
City Hall, Sixth Floor  
495 S. Main Street  
Las Vegas, NV 89101  
Phone: (702) 229-6629  
Fax: (702) 368-1749  
Email: [jridilla@lasvegasnevada.gov](mailto:jridilla@lasvegasnevada.gov)

If to Developer: \_\_\_\_\_  
2808 Ashworth Circle  
Las Vegas, NV 89107  
Attn: Sam Cherry  
Email: [sam@cherrylv.com](mailto:sam@cherrylv.com)

With a copy to: Bennett Law Group PLLC  
10795 West Twain Avenue, Suite 100  
Las Vegas, NV 89135  
Attn: Dean Bennett  
Email: [dean@blgnv.com](mailto:dean@blgnv.com)

The Parties shall provide written notification of any change in the information stated above.

- d. Entire Agreement and Waivers. This License and the respective exhibits thereto constitute the entire understanding and agreement between the Parties and is intended by the Parties to be the final expression of their agreement with respect to the subject matter hereof, and the complete and exclusive statement 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. This License includes Exhibits A through D, inclusively, attached hereto and incorporated herein by reference. All waivers of the provisions of this License must be in writing and signed by the appropriate authorities of City and Developer 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. All amendments hereto must be in writing and signed by the appropriate authorities of Agency and Developer.

- e. Severability. Whenever possible, each provision of this License 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 License and the remaining provisions shall remain in full force and effect.
- f. Governing Law; Jurisdiction; Waiver of Jury Trial. Any controversy, claim, or dispute arising out of or related to this License or the interpretation, performance, or breach hereof (a "*Dispute*"), shall be resolved in accordance with this Section 9(f).
- g. Governing Law. This License and all Disputes between the Parties under or related to this License or the facts and circumstances leading to its execution, whether in contract, tort or otherwise, shall be governed by and construed in accordance with the laws of the State of Nevada, applicable to contracts executed in and to be performed entirely within the State of Nevada, without regard to the conflicts of laws principles thereof.
- h. Jurisdiction. Each of the Parties hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of any Nevada state court of proper jurisdiction located in Clark County, Nevada, and any appellate court thereof having proper jurisdiction and located in the State of Nevada, for resolution of any Dispute and for recognition or enforcement of any judgment relating to such Dispute, and each of the Parties hereby irrevocably and unconditionally (a) agrees not to commence any such action or proceeding except in such courts; (b) agrees that any claim in respect of any such action or proceeding must be heard and determined in such Nevada state court; (c) waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any such action or proceeding in any such Nevada state court; and (d) waives, to the fullest extent permitted by applicable law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such Nevada state court. Each of the Parties agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by applicable law.
- i. WAIVER OF JURY TRIAL. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS LICENSE IS LIKELY TO INVOLVE

COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE IT HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS LICENSE OR THE TRANSACTIONS CONTEMPLATED HEREBY. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (a) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE SUCH WAIVERS; (b) IT UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF SUCH WAIVERS; (c) IT MAKES SUCH WAIVERS VOLUNTARILY; AND (d) IT HAS BEEN INDUCED TO ENTER INTO THIS LICENSE BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

- j. Captions. The captions contained in this License are for the convenience of the Parties and shall not be construed so as to alter the meaning of the provisions of the License.
- k. Counterparts. Each counterpart of this License shall be deemed to be an original and all of which together shall be deemed to be one and the same License. Delivery of this License may be accomplished by facsimile or other electronic transmission of this License. In such event, the Parties hereto shall promptly thereafter deliver to each other executed exact counterpart originals of this License, and all such counterparts shall thereupon constitute one License.
- l. No Third-Party Beneficiaries. [Except for Agency's indemnity and insurance obligations, which shall run to the benefit of both Developer and Developer Affiliate, nothing in this License shall confer upon any person, other than the Parties hereto and their respective successors and permitted assigns, any rights or remedies under or by reason of this License. Nothing herein is intended to or shall create any rights vested in the general public or to otherwise benefit the general public.
- m. Days. All references to "*days*" in this License are to consecutive calendar days unless business days are specified. The term "*business days*" refers means a day when the Agency is normally open for public access, occurring on Mondays through Thursdays, unless the Agency is not open for the celebration or observance of holidays or is otherwise declared not open to the public by the City Manager of the City. If a time for performance hereunder falls on a day other than a business day, the time for performance shall be extended to the following business day. Except as may otherwise be set forth herein, any performance provided for herein shall be timely made and completed if made and completed no later than 5:00 P.M. (Las Vegas time) on the day for performance.
- n. Construction. The Parties acknowledge that each Party and its counsel have reviewed and approved this License and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this License or any amendments or exhibits hereto.

- o. Non-Liability of City, City, or Developer Managers, Members, Officers, Agents, Officials and Employees. It is agreed by and between the Parties of this License, that in no event shall any member, manager, official, officer, employee, or agent of the Agency or the City, the City, of the Developer, [or of the Developer Affiliate,] in any way be personally liable or responsible for any covenant or agreement herein contained whether expressed or implied, nor for any statement, representation or warranty made herein or in any connection with this License.
- p. Conflict of Interest (Agency Officials and Agency Officials). An official of the Agency or of the Agency, who is authorized on behalf of the Agency or the Agency to negotiate, make, accept or approve, or take part in negotiating, making, accepting, or approving this License, payments under this License, or work under this License, shall not be directly or indirectly interested personally in this License or in any part hereof. Each party represents that it is unaware of any financial or economic interest of any public officer or employee of the Agency relating to this License.
- q. Public Records. The City and the City are public agencies as defined by state law. As such, they are subject to the Nevada Public Records Law (Chapter 239 of the Nevada Revised Statutes). The City's records and the City's records are public records, which are subject to inspection and copying by any person (unless declared by law to be confidential). This License including all exhibits are deemed to be public records.
- r. Recitals. Developer and the City acknowledge and represent that the foregoing recitals are true, accurate and binding on the respective Parties and are an integral part of this Agreement.
- s. Memorandum of License. Concurrently with the closing of the sale of the Residential Parcel, , the Parties have executed and caused the recordation of the memorandum of license in the form of Exhibit D.

IN WITNESS WHEREOF, the undersigned have executed this License as of the date first written above.

CITY

CITY OF LAS VEGAS

DEVELOPER

Arthaus IV, LLC, a Nevada limited liability company

By: \_\_\_\_\_  
Carolyn G. Goodman, Mayor

By: \_\_\_\_\_

ATTEST:

Name: \_\_\_\_\_

\_\_\_\_\_  
LuAnn D. Holmes, MMC, City Clerk

Title: \_\_\_\_\_

APPROVED AS TO FORM:

By \_\_\_\_\_



Exhibit A  
Residential Parcel Legal

Lots One (1), Two (2), Three (3), Four (4), Five (5), and Six (6) in Block Thirteen (13) of that subdivision known as VALLEY VIEW ADDITION, as shown by plat thereof on file in the office of the county recorder, Clark County, Nevada in Book 1 of Plats, at Page 50.

Excepting therefrom that portion as conveyed in that certain Grant Deed recorded November 06, 1987 in Book 871106, Instrument No. 00547, Official Records, Clark County, Nevada.

Further excepting therefrom that portion as conveyed in that certain Grant Deed recorded November 06, 1987 in Book 871106, Instrument No. 00548, Official Records, Clark County, Nevada.

Exhibit B  
Leased Building Parcel

APN of 139-27-211-024 and -025

Lot Seven (7) in Block Thirteen (13) of that subdivision known as VALLEY VIEW ADDITION, as shown by plat thereof on file in the office of the county recorder, Clark County, Nevada in Book 1 of Plats, at Page 50.

Excepting therefrom that portion as conveyed in that certain Grant Deed recorded November 06, 1987 in Book 871106, Instrument No. 00547, Official Records, Clark County, Nevada.

Further excepting therefrom that portion as conveyed in that certain Grant Deed recorded November 06, 1987 in Book 871106, Instrument No. 00548, Official Records, Clark County, Nevada.

Exhibit C  
Preliminary Rules and Regulations

PARKING RULES AND REGULATIONS  
(PRELIMINARY)

The following rules and regulations (the "Rules and Regulations") have been established by the developer of the Parking Area (as hereinafter defined) ("Developer") and govern the use of that certain Parking Area (the "Parking Area") associated with the residential/mixed-use building located near the intersection of D Street and Jefferson Avenue, Las Vegas, Nevada, APN Nos. 139-27-211-028, -029, -030, and -031 (the "Mixed-Use Development"). All Users of the Parking Area (each, a "User") will be bound by these Rules and Regulations and Developer and also any owners' association created with respect to the Parking Area or Mixed-Use Development and granted such power (each, an "Association") will be entitled to enforce all of these rules (and any right of Developer under these rules shall automatically extend to and include Association).

1. User will not permit or allow any vehicles that belong to or are controlled by User or User's employees, subtenants, customers or invitees to be loaded, unloaded or parked in areas other than those designated by Developer for such activities. No vehicles are to be left in the Parking Area overnight and no vehicles are to be parked in the Parking Area other than normally sized passenger automobiles, motorcycles and pick-up trucks. No extended term storage of vehicles is permitted. No camping or overnight use of any vehicle is permitted.
2. Vehicles must be parked entirely within painted stall lines of a single parking stall.
3. All directional signs and arrows must be observed.
4. The speed limit within the Parking Area shall be five (5) miles per hour.
5. No unsafe driving (e.g., "donuts", "spin-outs") is permitted in the Parking Area.
6. Parking is prohibited: (a) in areas not striped for parking; (b) in aisles or on ramps; (c) where "no parking" signs are posted; (d) in cross-hatched areas; and (e) in such other areas as may be designated from time to time by Developer or its parking operator.
7. No vehicle's audio theft alarm system shall remain engaged for an unreasonable period of time.
8. Washing, waxing, cleaning or servicing of any vehicle in any area not specifically reserved for such purpose is prohibited. No sales or other commercial activities are permitted in the Parking Area.
9. Developer may refuse to permit any person to park in the parking facilities who violates these rules with unreasonable frequency, and any violation of these rules shall subject the violator's car to removal, at such car owner's expense. User agrees to use its best efforts to acquaint its employees, subtenants, assignees, contractors, suppliers, customers and invitees with these parking provisions, rules and regulations.

10. Parking stickers, access cards, or any other device or form of identification supplied by Developer as a condition of use of the parking facilities shall remain the property of Developer. Parking identification devices, if utilized by Developer, must be displayed as requested and may not be mutilated in any manner. The serial number of the parking identification device may not be obliterated. Parking identification devices, if any, are not transferable and any device in the possession of an unauthorized holder will be void. Developer reserves the right to refuse the sale of monthly stickers or other parking identification devices to User or any of its agents, employees or representatives who willfully refuse to comply with these rules and regulations and all unposted city, state or federal ordinances, laws or agreements.

11. Loss or theft of parking identification devices or access cards must be reported to the management office in the Development immediately, and a lost or stolen report must be filed by the User or User of such parking identification device or access card at the time. Developer has the right to exclude any vehicle from the parking facilities that does not have a parking identification device or valid access card. Any parking identification device or access card which is reported lost or stolen and which is subsequently found in the possession of an unauthorized person will be confiscated and the illegal holder will be subject to prosecution.

12. All damage or loss claimed to be the responsibility of Developer must be reported, itemized in writing and delivered to the management office located within the Development within ten (10) business days after any claimed damage or loss occurs. Any claim not so made is waived. Developer is not responsible for damage by water or fire, or for the acts or omissions of others, or for articles left in vehicles. In any event, the total liability of Developer, if any, is limited to Two Hundred Fifty Dollars (\$250.00) for all damages or loss to any car. Developer is not responsible for loss of use.

13. The parking operators, managers or attendants are not authorized to make or allow any exceptions to these rules and regulations, without the express written consent of Developer. Any exceptions to these rules and regulations made by the parking operators, managers or attendants without the express written consent of Developer will not be deemed to have been approved by Developer.

14. Developer reserves the right, without cost or liability to Developer, to tow any vehicles which are used or parked in violation of these rules and regulations, at the owner's expense.

Exhibit D  
Form of Memorandum of License

APNs 139-27-211-028, -029, -030, -031

**RECORDING REQUESTED BY:**

City of Las Vegas

**AFTER RECORDATION MAIL TO:**

CITY OF LAS VEGAS

CITY OF LAS VEGAS

495 South Main St., 6th Floor

Las Vegas, Nevada 89101

Attention: Department of Economic and Urban  
Development

**MEMORANDUM OF PARKING LICENSE**

This Memorandum of Parking License is by and between \_\_\_\_\_ ("Developer") and the CITY OF LAS VEGAS REDEVELOPMENT AGENCY, an agency organized under the laws of the State of Nevada ("Agency") who hereby declare that pursuant to that certain Parking License between Developer and Agency, Developer and Agency have entered into that certain Parking License with an Effective Date of \_\_\_\_\_ (the "Parking License").

The Parking License affects the "Parking Area" of Developer, as described in Exhibit A attached hereto.

The Parking License grants to Agency and its Permitted Users, during the License Term, and upon specified terms and conditions contained in the Parking License, the right to use four (4) contiguous Reserved Parking Spaces within the Parking Area.

The Parking License also describes the circumstances under which the Parking License may be terminated, and the parties' respective rights and remedies in such case.

The Parking License also describes certain rights and obligations of Developer and Agency pertaining to the Reserved Parking Spaces, Parking Area, and the license therein created.

Reference is made to the Parking License for details. In the event of any conflict between the Parking License and this memorandum, the Parking License shall control. Capitalized terms not otherwise defined in this memorandum shall have the meanings ascribed to them in the Parking License.

**[SAMPLE ONLY: SIGNATURE BLOCKS, NOTARY BLOCKS, AND LEGAL DESCRIPTION TO BE ADDED TO EXECUTION COPY]**

**Exhibit N**  
**PARKING LICENSE**  
**(SPACE LEASE)**

This Parking License (Space Lease) ("License"), with an effective date of \_\_\_\_\_ ("Effective Date") is entered into between CITY OF LAS VEGAS REDEVELOPMENT AGENCY, an agency organized under the laws of the State of Nevada (together with its permitted successors and assigns, hereinafter the "Agency") and Arthaus IV, LLC, a Nevada limited liability company ("Developer"). Agency and Developer are individually or collectively referred to herein as "Party" or "Parties."

WHEREAS:

A. Developer is the owner of that site legally described on Exhibit A attached hereto, with an APN of 139-27-211-028, -029, -030, and -031 on which Developer intends to build a residential development along with a surface parking lot (the "Residential Parcel").

B. Developer is the owner of that site legally described on Exhibit B attached hereto, with an APN of 139-27-211-024 and -025 on which Developer intends to build a single story building (the "Building Parcel").

C. Concurrently with the execution of this License, Agency and Developer have entered into that certain space lease (the "Space Lease") by which Developer has leased to Agency, and Agency has leased from Developer, the Premises contained within the Residential Parcel. (Capitalized terms not otherwise defined in this License shall have the meanings set forth in the Space Lease).

D. In consideration of the Agency entering into the Space Lease, Developer has entered into this Parking License.

NOW, THEREFORE, in consideration of the foregoing, which constitutes good and valuable consideration, the receipt and adequacy of which are hereby acknowledged by Developer, the Parties hereto agree as follows:

1. License. Developer hereby grants to Agency a license to park automobiles on the surface parking lot to be constructed on the Residential Parcel (the "Parking Area"), for the License Term (as hereinafter defined), and upon the terms and conditions set forth in this Lease and in the Space Lease. In connection therewith, and subject to all such terms and conditions, the Parties agree as follows:

- (a) Agency agrees that its right to park under this License is limited to two (2) striped contiguous parking spaces within the Parking Area (the "Reserved Parking Spaces").
- (b) The Parties agree that: (i) the Reserved Parking Spaces will be available to the Agency and Permitted Users on an exclusive and reserved basis; (ii) the Reserved Parking Spaces will be located in such location within the Parking Area as may be designated from time to time by Developer, and Developer shall have the right from time to time, but no more than once a year, upon thirty (30) days written notice to Agency to change the location of the Reserved

Parking Spaces (or any of them) to other contiguous spaces within the Parking Area (provided however that the foregoing limitations on the number of permitted relocations of the Reserved Parking Spaces, or the required advance timing, shall be excused in the event that relocation is required for any construction, repair, maintenance, or reconfiguration affecting the Parking Area); and (iii) the Reserved Parking Spaces will be marked for the exclusive use of the Leased Building.

- (c) Developer agrees that Agency's rights under this License shall be at no charge or any other fees to be paid by Agency (aside from the Agency's obligations under the Space Lease).
- (d) Subject to the terms and conditions of this License (including without limitation Section 1(e)), subject to the terms and conditions of the Space Lease, subject to the Rules (as hereinafter defined), and subject to any applicable laws, statutes, ordinances or regulations, and restrictions of record (provided, however that no subsequently adopted restrictions of record shall function to deprive agency of the use of Reserved Parking Spaces as contemplated herein) (collectively, the "Applicable Regulations"), Reserved Parking Spaces shall be available for parking by the Permitted Users twenty-four hours a day, seven days a week.
- (e) For purposes of this License, but subject to the Applicable Regulations and Developer's contractual obligations not contained in this License, the Parties agree that:
  - a. Developer reserves the right to modify the Parking Area in such manner as may be determined by Developer, provided that no such modification shall function to deprive Agency of the use of Reserved Parking Spaces as contemplated herein;
  - b. Developer reserves the right to cause temporary closures of the Parking Area, for purposes of maintenance, repair, resurfacing, and restriping of the Parking Area, for construction, reconstruction, maintenance and repair of adjacent properties, as legally needed to prevent any person, party, or entity from claiming or obtaining any right or interest in and to the Parking Area, or if reasonably required in the event of an emergency at or near the Parking Area threatening imminent property damage or death or injury to any person.
  - c. Developer reserves the right to require the use of entry devices or identification devices with respect to the Parking Area, provided that Landlord provides to Tenant no less than eight (8) devices.
  - d. Developer reserves all other rights it has or may have under the Applicable Law and Regulations pertaining to the Parking Area.
- (f) No use of the Parking Area shall be permitted during any period of initial construction of the Residential Parcel or the Building Parcel or of the Parking Area.

(g) This License creates a limited use license and not a bailment. Agency and Permitted Users assume all risk and responsibility for damage to the vehicle and any personal property contained in it, and the vehicles or other personal property of others, in connection with any use of the Parking Areas. Developer undertakes no obligation to provide security for the Parking Area, and shall assume no obligation arising from its decision to provide or not to provide any security. Developer is not responsible for any damage to vehicles or property contained in vehicles. Developer reserves the right to revoke or restrict parking rights or to tow vehicles based upon violations of the Rules and the terms of this License.

(h) Agency and Permitted Users shall have no right or remedy arising from Developer's exercise of its reserved rights described in this License.

2. Term. The term of this License ("License Term") will run concurrently with the Lease Term under the Space Lease, including any extension thereof pursuant to any option to extend contained in the Space Lease.

3. License Termination. The Parties agree that this License shall terminate at such time as: (i) the Lease Term of the Space Lease (as may be extended pursuant to any option to extend) expires; (ii) the Space Lease is otherwise terminated for any reason; (iii) there shall occur any express or implied assignment of rights under this License contrary to its terms, including by operation of law; (iv) there shall occur a Default by Licensee under this License following passage of applicable notice and cure periods set below. Upon any termination of this License hereunder, Developer may cause a termination of this License to be recorded against either or both the Building Parcel and the Residential Parcel. Upon any such termination, this License shall be of no further force or effect whatsoever (except for Agency's indemnity and insurance obligations, which obligations shall survive any such termination, and except for any other term or provision that expressly survives termination of this License).

4. Permitted Users. Developer agrees that subject to the Rules and the Applicable Regulations, to the fullest extent permitted by law, the Reserved parking spaces may be used only by employees of the Agency or Agency, invitees of Agency or Agency with respect to the Leased Building, Users of space in the Leased Building, or their invitees (the "Permitted Users"). Agency shall be solely responsible for the allocation of use of the Reserved Parking Spaces as among Permitted Users, and Developer shall have no responsibility or liability relating to any such allocation.

5. Rules. Agency agrees that all use of the Reserved Parking Spaces shall be subject to any and all rules and regulations set forth in Exhibit C, together with other generally applicable rules and regulations hereafter adopted regarding the Parking Area (provided no such subsequent rules and regulations shall function to deprive Agency of the use of Reserved Parking Spaces as contemplated herein) (collectively, the "Rules").

6. Running with Land. During the License Term and subject to termination of this License pursuant to Section 3, this License shall be deemed to be and shall constitute a covenant running with the Residential Parcel for the benefit of the Agency and its permitted assignees under the Space Lease and shall pass to and be binding upon Developer's successors in title to the Parking Area.



7. Default. A Party shall be in default of this License in the event that Party is in default of its obligations and such default is not cured within thirty (30) days after written notice of default by the non-defaulting party, provided that if the nature of such default is such that it cannot reasonably be cured within a thirty (30) day period, the defaulting party shall not be deemed to be in default if it shall commence such cure within such period and thereafter diligently pursue such cure to completion ("Default"). Additionally, any Event of Default by Agency under the Space Lease (with passage of applicable notice and cure periods under the Space Lease) shall constitute a Default under this License. Nothing contained in this Section 7 shall be construed to limit, restrict, or delay Developer's rights arising under the Rules, including the right to tow any vehicle in violation of the Rules.

8. Insurance and Indemnity.

- a. Developer [and Developer Affiliate] shall not be liable for any damages or liability arising out of or resulting from a breach of any duty of any kind or for any injury to or death of persons or loss or damage arising out of or in any way related to the use, occupancy and enjoyment of the Parking Area by Agency or any person claiming by, through, or under Agency (including any Permitted User), unless the same shall be caused solely by the gross negligence or willful misconduct of Developer [and Developer Affiliate]. To the fullest extent permitted by law, but in all events subject to the liability limitations set forth in Chapter 41 of Nevada Revised Statutes Section 41.035, Agency shall at Agency's sole cost and expense, protect, indemnify, save and hold harmless Developer [and Developer Affiliate] against and from all liability, claims, loss, injury, liens, cost, damage or expense arising out of or in any way related to: (1) any accident or other occurrence in, on or at the Parking Area caused by Agency's or any Permitted User's negligence or willful misconduct; (2) the occupancy or use of the Parking Area or any negligent act or willful omission of Agency or any Permitted User, or their respective employees, agents, invitees, subtenants, licensees, assignees or contractors; (3) any penalty or damage or charges imposed for any violations of any law or ordinance whether occasioned by the negligence of Agency or any Permitted User or those claiming by, through, or under Agency or any Permitted User; (4) any failure of Agency or any Permitted User in any respect to comply with and perform all the requirements and provisions of this License or the Rules; (5) any dispute by or among Permitted Users. Agency's obligation to indemnify Developer, shall survive the expiration or earlier termination of this Lease for acts or omissions occurring prior to such expiration or earlier termination, and shall additionally include the retention of legal counsel and related reasonable attorneys' fees and reasonable investigation costs (as well as all other reasonable and related costs, expenses and liabilities). For purposes of this Section 8(a) only, the term "Developer" and "Developer Affiliate" shall be deemed to include Developer, Developer Affiliate, the fee owner of the Residential, Building Parcel, and Parking if other than Developer and Developer Affiliate, any agent for the Building, their respective subsidiaries and affiliates, and the respective members, directors, officers, agents, servants, and employees of each of the foregoing. Agency acknowledges and

agrees that its liability pursuant to this Section 8(a) is not limited to the amount of any insurance set forth and provided for in this License or in the Space Lease. The obligations of Agency, as well as the foregoing indemnity, in connection with this Section 8(a) shall survive the expiration or earlier termination of this Lease, anything herein to the contrary notwithstanding.

- b. In accordance with the Nevada Revised Statutes, the Agency has adopted a self-insured liability program for coverage of losses of up to an amount set from time to time by the Las Vegas City Council (the "Self-Insurance Amount"). The amount of the Self-Insurance Amount will be set from time to time at City Council's sole discretion and may increase or decrease from time to time. Agency is covered under such self-insured liability program and, therefore, Agency self-insures each occurrence up to the Self-Insurance Amount. This self-insured liability program is established through a funded reserve system appropriately known as the "Self-Insurance Liability Trust Fund", and is supported by an annual budgetary allocation by the City Council. In addition, in accordance with the Nevada Revised Statutes, such program includes a Self-Insured Workers' Compensation Program, effective December 19, 1985. This self-insured workers' compensation program is established by a funded reserve system appropriately known as the "Industrial Self-Insurance Expendable Trust Fund", and is supported by an annual budgetary allocation. Developer acknowledges that City is not able to name Developer or any third parties as an additional insured under City's self-insurance program or provide any insurance coverage whatsoever to Developer [and Developer Affiliate] under City's self-insurance program and is not able to provide a waiver of subrogation. City agrees to provide upon demand and in any event at least annually written evidence that the self-insurance liability program is in place along with the then amount of the Self-Insurance Amount.

9. Miscellaneous.

- a. Assignment by Agency. Agency shall have the right to assign this License only to any permitted assignee of Agency under Section 13.1 of the Space Lease. Agency agrees to provide Developer with prior notice of any such assignment. Any other assignment or attempted assignment is void and a Default by Agency.
- b. Attorneys' Fees. In the event an action or proceeding is brought with respect to this License, the prevailing Party in any such dispute shall pay the non-prevailing Party's court costs and reasonable attorney's fees and expert fees incurred in such action or proceeding, such amount to be determined by a court or fact finder and not a jury.
- c. Notices. Any notice required to be given hereunder shall be deemed to have been given when written notice is: (i) received by the party to whom it is directed by personal service; (ii) three (3) days after deposit with the United States Post Office, by registered or certified mail, postage prepaid and addressed to the party to be notified at the address for such party; (iii) one (1) day after deposit with a nationally recognized air courier service such as FedEx; or (iv) by an email sent to the email

address of the recipient stated in this Section. All notices shall be effective upon receipt by the party to which notice is given or if it is delivered by email, when the recipient acknowledges having received that email, with an automatic "read receipt" not constituting acknowledgment of an email for notice purposes. Either party hereto may change its address by giving ten (10) days advance notice to the other party as provided herein. Phone and fax numbers, if listed, are listed for information only:

Department of Neighborhood Services, City of Las Vegas  
City Hall, 3rd Floor  
495 S. Main Street  
Las Vegas, NV 89101  
Phone: (702) 229-2330  
Fax: (702) 383-6306  
Email: [kgibson@lasvegasnevada.gov](mailto:kgibson@lasvegasnevada.gov)  
Attn: Kathi Thomas, Director

And: City Attorney Office  
City Hall, Sixth Floor  
495 S. Main Street  
Las Vegas, NV 89101  
Phone: (702) 229-6629  
Fax: (702) 368-1749  
Email: [jridilla@lasvegasnevada.gov](mailto:jridilla@lasvegasnevada.gov)

If to Developer: \_\_\_\_\_  
2808 Ashworth Circle  
Las Vegas, NV 89107  
Attn: Sam Cherry  
Email: [sam@cherrylv.com](mailto:sam@cherrylv.com)

With a copy to: Bennett Law Group PLLC  
10795 West Twain Avenue, Suite 100  
Las Vegas, NV 89135  
Attn: Dean Bennett  
Email: [dean@blgnv.com](mailto:dean@blgnv.com)

The Parties shall provide written notification of any change in the information stated above.

- d. Entire Agreement and Waivers. This License and the respective exhibits thereto constitute the entire understanding and agreement between the Parties and is intended by the Parties to be the final expression of their agreement with respect to the subject matter hereof, and the complete and exclusive statement 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. This License includes Exhibits A through D, inclusively, attached hereto and incorporated herein by reference. All waivers of the provisions of this License must be in writing and signed by the appropriate authorities of City and Developer 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. All amendments hereto must be in writing and signed by the appropriate authorities of Agency and Developer.

- e. Severability. Whenever possible, each provision of this License 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 License and the remaining provisions shall remain in full force and effect.
- f. Governing Law; Jurisdiction; Waiver of Jury Trial. Any controversy, claim, or dispute arising out of or related to this License or the interpretation, performance, or breach hereof (a "*Dispute*"), shall be resolved in accordance with this Section 9(f).
- g. Governing Law. This License and all Disputes between the Parties under or related to this License or the facts and circumstances leading to its execution, whether in contract, tort or otherwise, shall be governed by and construed in accordance with the laws of the State of Nevada, applicable to contracts executed in and to be performed entirely within the State of Nevada, without regard to the conflicts of laws principles thereof.
- h. Jurisdiction. Each of the Parties hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of any Nevada state court of proper jurisdiction located in Clark County, Nevada, and any appellate court thereof having proper jurisdiction and located in the State of Nevada, for resolution of any Dispute and for recognition or enforcement of any judgment relating to such Dispute, and each of the Parties hereby irrevocably and unconditionally (a) agrees not to commence any such action or proceeding except in such courts; (b) agrees that any claim in respect of any such action or proceeding must be heard and determined in such Nevada state court; (c) waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any such action or proceeding in any such Nevada state court; and (d) waives, to the fullest extent permitted by applicable law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such Nevada state court. Each of the Parties agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by applicable law.
- i. WAIVER OF JURY TRIAL. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS LICENSE IS LIKELY TO INVOLVE

COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE IT HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS LICENSE OR THE TRANSACTIONS CONTEMPLATED HEREBY. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (a) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE SUCH WAIVERS; (b) IT UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF SUCH WAIVERS; (c) IT MAKES SUCH WAIVERS VOLUNTARILY; AND (d) IT HAS BEEN INDUCED TO ENTER INTO THIS LICENSE BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

- j. Captions. The captions contained in this License are for the convenience of the Parties and shall not be construed so as to alter the meaning of the provisions of the License.
- k. Counterparts. Each counterpart of this License shall be deemed to be an original and all of which together shall be deemed to be one and the same License. Delivery of this License may be accomplished by facsimile or other electronic transmission of this License. In such event, the Parties hereto shall promptly thereafter deliver to each other executed exact counterpart originals of this License, and all such counterparts shall thereupon constitute one License.
- l. No Third-Party Beneficiaries. Except for Agency's indemnity and insurance obligations, which shall run to the benefit of both Developer and Developer Affiliate, nothing in this License shall confer upon any person, other than the Parties hereto and their respective successors and permitted assigns, any rights or remedies under or by reason of this License. Nothing herein is intended to or shall create any rights vested in the general public or to otherwise benefit the general public.
- m. Days. All references to "*days*" in this License are to consecutive calendar days unless business days are specified. The term "*business days*" refers means a day when the Agency is normally open for public access, occurring on Mondays through Thursdays, unless the Agency is not open for the celebration or observance of holidays or is otherwise declared not open to the public by the City Manager of the City. If a time for performance hereunder falls on a day other than a business day, the time for performance shall be extended to the following business day. Except as may otherwise be set forth herein, any performance provided for herein shall be timely made and completed if made and completed no later than 5:00 P.M. (Las Vegas time) on the day for performance.
- n. Construction. The Parties acknowledge that each Party and its counsel have reviewed and approved this License and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this License or any amendments or exhibits hereto.

- o. Non-Liability of City, City, or Developer Managers, Members, Officers, Agents, Officials and Employees. It is agreed by and between the Parties of this License, that in no event shall any member, manager, official, officer, employee, or agent of the Agency or the City, the City, of the Developer, [or of the Developer Affiliate,] in any way be personally liable or responsible for any covenant or agreement herein contained whether expressed or implied, nor for any statement, representation or warranty made herein or in any connection with this License.
- p. Conflict of Interest (Agency Officials and Agency Officials). An official of the Agency or of the Agency, who is authorized on behalf of the Agency or the Agency to negotiate, make, accept or approve, or take part in negotiating, making, accepting, or approving this License, payments under this License, or work under this License, shall not be directly or indirectly interested personally in this License or in any part hereof. Each party represents that it is unaware of any financial or economic interest of any public officer or employee of the Agency relating to this License.
- q. Public Records. The City and the City are public agencies as defined by state law. As such, they are subject to the Nevada Public Records Law (Chapter 239 of the Nevada Revised Statutes). The City's records and the City's records are public records, which are subject to inspection and copying by any person (unless declared by law to be confidential). This License including all exhibits are deemed to be public records.
- r. Recitals. Developer and the City acknowledge and represent that the foregoing recitals are true, accurate and binding on the respective Parties and are an integral part of this Agreement.
- s. Memorandum of License. Concurrently with the closing of the sale of the Residential Parcel, the Parties have executed and caused the recordation of the memorandum of license in the form of Exhibit D.

IN WITNESS WHEREOF, the undersigned have executed this License as of the date first written above.

CITY

CITY OF LAS VEGAS

By: \_\_\_\_\_  
Carolyn G. Goodman, Mayor

DEVELOPER

ARTHAUS IV LLC, a Nevada limited liability company

By: \_\_\_\_\_

ATTEST:

Name: \_\_\_\_\_

\_\_\_\_\_  
LuAnn D. Holmes, MMC, City Clerk

Title: \_\_\_\_\_

APPROVED AS TO FORM:

\_\_\_\_\_  
By: Deputy City Attorney

Exhibit A  
Residential Parcel Legal

Lots One (1), Two (2), Three (3), Four (4), Five (5), and Six (6) in Block Thirteen (13) of that subdivision known as VALLEY VIEW ADDITION, as shown by plat thereof on file in the office of the county recorder, Clark County, Nevada in Book 1 of Plats, at Page 50.

Excepting therefrom that portion as conveyed in that certain Grant Deed recorded November 06, 1987 in Book 871106, Instrument No. 00547, Official Records, Clark County, Nevada.

Further excepting therefrom that portion as conveyed in that certain Grant Deed recorded November 06, 1987 in Book 871106, Instrument No. 00548, Official Records, Clark County, Nevada.



Exhibit B  
Building Parcel

APN of 139-27-211-024 and -025

Lot Seven (7) in Block Thirteen (13) of that subdivision known as VALLEY VIEW ADDITION, as shown by plat thereof on file in the office of the county recorder, Clark County, Nevada in Book 1 of Plats, at Page 50.

Excepting therefrom that portion as conveyed in that certain Grant Deed recorded November 06, 1987 in Book 871106, Instrument No. 00547, Official Records, Clark County, Nevada.

Further excepting therefrom that portion as conveyed in that certain Grant Deed recorded November 06, 1987 in Book 871106, Instrument No. 00548, Official Records, Clark County, Nevada.

Exhibit C  
Preliminary Rules and Regulations

PARKING RULES AND REGULATIONS  
(PRELIMINARY)

The following rules and regulations (the "Rules and Regulations") have been established by the developer of the Parking Area (as hereinafter defined) ("Developer") and govern the use of that certain Parking Area (the "Parking Area") associated with the residential/mixed-use building located near the intersection of D Street and Jefferson Avenue, Las Vegas, Nevada, APN Nos. 139-27-211-028, -029, -030, and -031 (the "Mixed-Use Development"). All Users of the Parking Area (each, a "User") will be bound by these Rules and Regulations and Developer and also any owners' association created with respect to the Parking Area or Mixed-Use Development and granted such power (each, an "Association") will be entitled to enforce all of these rules (and any right of Developer under these rules shall automatically extend to and include Association).

1. User will not permit or allow any vehicles that belong to or are controlled by User or User's employees, subtenants, customers or invitees to be loaded, unloaded or parked in areas other than those designated by Developer for such activities. No vehicles are to be left in the Parking Area overnight and no vehicles are to be parked in the Parking Area other than normally sized passenger automobiles, motorcycles and pick-up trucks. No extended term storage of vehicles is permitted. No camping or overnight use of any vehicle is permitted.
2. Vehicles must be parked entirely within painted stall lines of a single parking stall.
3. All directional signs and arrows must be observed.
4. The speed limit within the Parking Area shall be five (5) miles per hour.
5. No unsafe driving (e.g., "donuts", "spin-outs") is permitted in the Parking Area.
6. Parking is prohibited: (a) in areas not striped for parking; (b) in aisles or on ramps; (c) where "no parking" signs are posted; (d) in cross-hatched areas; and (e) in such other areas as may be designated from time to time by Developer or its parking operator.
7. No vehicle's audio theft alarm system shall remain engaged for an unreasonable period of time.
8. Washing, waxing, cleaning or servicing of any vehicle in any area not specifically reserved for such purpose is prohibited. No sales or other commercial activities are permitted in the Parking Area.
9. Developer may refuse to permit any person to park in the parking facilities who violates these rules with unreasonable frequency, and any violation of these rules shall subject the violator's car to removal, at such car owner's expense. User agrees to use its best efforts to acquaint its employees, subtenants, assignees, contractors, suppliers, customers and invitees with these parking provisions, rules and regulations.

10. Parking stickers, access cards, or any other device or form of identification supplied by Developer as a condition of use of the parking facilities shall remain the property of Developer. Parking identification devices, if utilized by Developer, must be displayed as requested and may not be mutilated in any manner. The serial number of the parking identification device may not be obliterated. Parking identification devices, if any, are not transferable and any device in the possession of an unauthorized holder will be void. Developer reserves the right to refuse the sale of monthly stickers or other parking identification devices to User or any of its agents, employees or representatives who willfully refuse to comply with these rules and regulations and all unposted city, state or federal ordinances, laws or agreements.

11. Loss or theft of parking identification devices or access cards must be reported to the management office in the Development immediately, and a lost or stolen report must be filed by the User or User of such parking identification device or access card at the time. Developer has the right to exclude any vehicle from the parking facilities that does not have a parking identification device or valid access card. Any parking identification device or access card which is reported lost or stolen and which is subsequently found in the possession of an unauthorized person will be confiscated and the illegal holder will be subject to prosecution.

12. All damage or loss claimed to be the responsibility of Developer must be reported, itemized in writing and delivered to the management office located within the Development within ten (10) business days after any claimed damage or loss occurs. Any claim not so made is waived. Developer is not responsible for damage by water or fire, or for the acts or omissions of others, or for articles left in vehicles. In any event, the total liability of Developer, if any, is limited to Two Hundred Fifty Dollars (\$250.00) for all damages or loss to any car. Developer is not responsible for loss of use.

13. The parking operators, managers or attendants are not authorized to make or allow any exceptions to these rules and regulations, without the express written consent of Developer. Any exceptions to these rules and regulations made by the parking operators, managers or attendants without the express written consent of Developer will not be deemed to have been approved by Developer.

14. Developer reserves the right, without cost or liability to Developer, to tow any vehicles which are used or parked in violation of these rules and regulations, at the owner's expense.

Exhibit D  
Form of Memorandum of License

APNs 139-27-211-028, -029, -030, -031

**RECORDING REQUESTED BY:**

City of Las Vegas

**AFTER RECORDATION MAIL TO:**

CITY OF LAS VEGAS

CITY OF LAS VEGAS

495 South Main St., 6th Floor

Las Vegas, Nevada 89101

Attention: Department of Economic and Urban  
Development

**MEMORANDUM OF PARKING LICENSE**

This Memorandum of Parking License is by and between \_\_\_\_\_ ("Developer") and the CITY OF LAS VEGAS REDEVELOPMENT AGENCY, an agency organized under the laws of the State of Nevada ("Agency") who hereby declare that pursuant to that certain Parking License between Developer and Agency, Developer and Agency have entered into that certain Parking License with an Effective Date of \_\_\_\_\_ (the "Parking License").

The Parking License affects the "Parking Area" of Developer, as described in Exhibit A attached hereto.

The Parking License grants to Agency and its Permitted Users, during the License Term, and upon specified terms and conditions contained in the Parking License, the right to use two (2) contiguous Reserved Parking Spaces within the Parking Area.

The Parking License also describes the circumstances under which the Parking License may be terminated, and the parties' respective rights and remedies in such case.

The Parking License also describes certain rights and obligations of Developer and Agency pertaining to the Reserved Parking Spaces, Parking Area, and the license therein created.

Reference is made to the Parking License for details. In the event of any conflict between the Parking License and this memorandum, the Parking License shall control. Capitalized terms not otherwise defined in this memorandum shall have the meanings ascribed to them in the Parking License.

**[SAMPLE ONLY: SIGNATURE BLOCKS, NOTARY BLOCKS, AND LEGAL DESCRIPTION TO BE ADDED TO EXECUTION COPY]**

**EXHIBIT O**  
**FORM OF MEMORANDUM OF PARKING LICENSE HALL**

APNs 139-27-211-028, -029, -030, -031

**RECORDING REQUESTED BY:**

City of Las Vegas

**AFTER RECORDATION MAIL TO:**

CITY OF LAS VEGAS

CITY OF LAS VEGAS

495 South Main St., 6th Floor

Las Vegas, Nevada 89101

Attention: Department of Economic and Urban  
Development

---

**MEMORANDUM OF PARKING LICENSE**

**(Food Hall)**

This Memorandum of Parking License is by and between ARTHAUS IV, LLC, a Nevada limited liability company ("Developer"), and the CITY OF LAS VEGAS REDEVELOPMENT AGENCY, an agency organized under the laws of the State of Nevada ("Agency"), who hereby declare that pursuant to that certain Parking License between Developer and Agency, Developer and Agency have entered into that certain Parking License with an Effective Date of \_\_\_\_\_ (the "Parking License").

The Parking License affects the "Parking Area" of Developer, as described in Exhibit A attached hereto.

The Parking License grants to Agency and its Permitted Users, during the License Term, and upon specified terms and conditions contained in the Parking License, the right to use four (4) contiguous Reserved Parking Spaces within the Parking Area.

The Parking License also describes the circumstances under which the Parking License may be terminated, and the parties' respective rights and remedies in such case.

The Parking License also describes certain rights and obligations of Developer and Agency pertaining to the Reserved Parking Spaces, Parking Area, and the license therein created.

Reference is made to the Parking License for details. In the event of any conflict between the Parking License and this memorandum, the Parking License shall control. Capitalized terms not otherwise defined in this memorandum shall have the meanings ascribed to them in the Parking License.

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CITY OF LAS VEGAS REDEVELOPMENT  
AGENCY

By: \_\_\_\_\_  
Carolyn G. Goodman, Chair

ATTEST:

\_\_\_\_\_  
LuAnn D. Holmes, Secretary

Approved as to Form:

\_\_\_\_\_  
Date

ARTHAUS IV, LLC, a Nevada limited liability  
company

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

Add Notaries

**EXHIBIT P**  
**FORM OF MEMORANDUM OF PARKING LICENSE**

APNs 139-27-211-028, -029, -030, -031

**RECORDING REQUESTED BY:**

City of Las Vegas

**AFTER RECORDATION MAIL TO:**

CITY OF LAS VEGAS

CITY OF LAS VEGAS

495 South Main St., 6th Floor

Las Vegas, Nevada 89101

Attention: Department of Economic and Urban  
Development

**MEMORANDUM OF PARKING LICENSE**

**(Space Lease)**

This Memorandum of Parking License is by and between \_\_\_\_\_ ("Developer") and the CITY OF LAS VEGAS REDEVELOPMENT AGENCY, an agency organized under the laws of the State of Nevada ("Agency") who hereby declare that pursuant to that certain Parking License between Developer and Agency, Developer and Agency have entered into that certain Parking License with an Effective Date of \_\_\_\_\_ (the "Parking License").

The Parking License affects the "Parking Area" of Developer, as described in Exhibit A attached hereto.

The Parking License grants to Agency and its Permitted Users, during the License Term, and upon specified terms and conditions contained in the Parking License, the right to use two (2) contiguous Reserved Parking Spaces within the Parking Area.

The Parking License also describes the circumstances under which the Parking License may be terminated, and the parties' respective rights and remedies in such case.

The Parking License also describes certain rights and obligations of Developer and Agency pertaining to the Reserved Parking Spaces, Parking Area, and the license therein created.

Reference is made to the Parking License for details. In the event of any conflict between the Parking License and this memorandum, the Parking License shall control. Capitalized terms not otherwise defined in this memorandum shall have the meanings ascribed to them in the Parking License.

**Remainder of Page Left Blank**

CITY OF LAS VEGAS REDEVELOPMENT  
AGENCY

By: \_\_\_\_\_  
Carolyn G. Goodman, Chair

ATTEST:

\_\_\_\_\_  
LuAnn D. Holmes, Secretary

Approved as to Form:

\_\_\_\_\_  
Date

ARTHAUS IV, LLC, a Nevada limited liability  
company

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

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# **Las Vegas Redevelopment Agency Employment Plan Policy**

**Revised  
June 18, 2014**

## **TERMS**

**"Community Development Block Grant (CDBG) Eligible Areas"** means an area which is eligible for a community development block grant pursuant to 24 C.F.R. Part 570.

**"Developer"** means a person or entity that proposes to construct a redevelopment project, which will receive financial assistance from the Agency.

**"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).

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

**"Las Vegas Redevelopment Area"** means the 1986 Redevelopment Plan, as amended, and the 2012 Redevelopment Plan identifies two areas within the corporate boundaries of the City of Las Vegas as in need of redevelopment in order to eliminate the environmental deficiencies and blight existing therein.

**"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.

**"Purchase and Sale 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.

**"Southern Nevada Enterprise Community (SNEC)"** means the area designated as the Southern Nevada Enterprise Community in section 5 of chapter 407, Statutes of Nevada 2007.

**"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.

## **Policy**

This Employment Plan Policy is prepared in accordance with the Las Vegas Redevelopment Agency Employment Plan Resolution No. RA-4-2011 dated April 6, 2011, and as amended by Resolution No. RA-8-2014 and RD2-2-2014 - Dated June 18, 2014 and prepared in accordance with Nevada Revised Statutes Chapter 279, specifically but not limited to NRS 279.482 (2) and NRS 279.6092 to 279.6099, inclusive. This Employment Plan Policy (hereinafter referred to as the "Policy"), supersedes the amended Las Vegas Redevelopment Agency Employment Plan Policy dated June 18, 2014. 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 designated Las Vegas Redevelopment Areas, areas in the city for which the Las Vegas City Council has adopted a plan for neighborhood revitalization or which is eligible for a community development block grant (CDBG), or the Southern Nevada Enterprise Community (SNEC) (hereinafter referred to as the "Area"), and are encouraged to hire economically disadvantaged contractors/residents, members of racial minorities, women, disabled or veterans.

## **OBJECTIVE**

The immediate purpose of this Policy is to provide developers, contractors 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.

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.

## **APPLICABILITY**

- 1) Except as otherwise provided in NRS 279.6094, as appropriate for the particular project, each proposal for a redevelopment project must include an employment plan.

- 2) The provisions of NRS 279.6092 to 279.6099, inclusive, apply only to a redevelopment project undertaken in a redevelopment area of a city whose population is 500,000 or more.
- 3) A public agency that uses redevelopment funds for the design or construction of a redevelopment project being built as a public work pursuant to chapter 338 of NRS shall submit an employment plan pursuant to NRS 279.482.

## **DEVELOPER/CONTRACTOR AWARD PHASE – REQUIREMENTS**

### **1) EMPLOYMENT PLAN**

- a. The minority participation goal is designed for all segments of the local business community to have a reasonable and significant opportunity to participate in Agency contracts with respect to redevelopment projects.
  - i) At least 15 % of all of contractors, subcontractors, vendors and suppliers of the developer are bona fide residents of the area.
  - ii) 15% participation of Minority Business Enterprise or Woman's Business Enterprise or Disadvantaged Business Enterprise or Veteran Business Enterprise (hereinafter referred to as the "M/W/D/VBE's") will be an ***aspirational goal***. This goal represents the total value of sub-contracts and material agreements awarded to M/W/D/VBE's. Participation shall be inclusive of subcontractors, vendors and suppliers.
  - iii) Reporting and demonstration of best efforts is required.
- b. M/W/D/VBE's 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.

### **2) REPORTING REQUIREMENTS**

- a. A report to the Agency is due within thirty (30) calendar days after the end of each calendar quarter for the length of the project.
- b. In an effort to provide accountability, accuracy and consistency, a standard Agency reporting template has been developed. The templates may be modified by the Agency at any time, to ensure uniform and accurate reporting.

All exhibit checklists shall be complete with copies of correspondence and advertisements attached to the report.

- c. 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.

## **CONSTRUCTION PHASE REQUIREMENTS**

### **1) EMPLOYMENT PLAN**

- a. For a redevelopment project undertaken in the Las Vegas Redevelopment Area of the city of Las Vegas (whose population is 500,000 or more), the Employment Plan shall include a description of the manner in which:
  - i) At least 15 % of all of contractors, subcontractors, vendors and suppliers of the developer are bona fide residents of the area.
  - ii) The developer/contractor will use best efforts for construction jobs and hire at least 15% of employees who are veterans and other persons of both sexes and diverse ethnicities living within the Area; and
  - iii) Include an agreement by the developer/contractor to offer and conduct training for the residents described in subsection (i) above or make a good faith effort to provide such training through a program of training that is offered by a governmental agency and reasonably available to the developer or employer.

### **2) REPORTING REQUIREMENTS**

- a. A developer/contractor that receives incentives from the Agency for a redevelopment project shall, upon completion of the project and upon request of the Agency, report, in a form prescribed by the Agency, information relating to:
  - i) Outreach efforts that the developer/contractor has utilized including, without limitation, information relating to job fairs, advertisements in publications that reach residents of the areas described in NRS 279.6096 and utilization of employment referral agencies; and
  - ii) Training conducted for persons hired by the developer and contractors, subcontractors, vendors and suppliers of the developer and the employers

- within the redevelopment project; and
- iii) The execution of the construction of the redevelopment project, including, without limitation, plans and scope of services.
- b. If a developer receives incentives from the Agency for a redevelopment project with a value of \$100,000 or less, the developer shall use its best efforts to satisfy the reporting requirements described in section (1) above. If a developer receives incentives from the Agency for a redevelopment project with a value of \$100,000 or more, the developer must satisfy the reporting requirements described above.
- c. A report to the Agency is due within thirty (30) calendar days after the end of each calendar quarter for the length of the project.
- d. In an effort to provide accountability, accuracy and consistency, a standard Agency reporting template has been developed. The templates may be modified by the Agency at any time to ensure uniform and accurate reporting. All exhibit checklists shall be complete with copies of correspondence and advertisements attached to the report.
- e. If the developer fails to comply with the requirements of this section:
  - i) The Agency may refuse to pay all or any portion of an incentive; and
  - ii) The Agency may require the developer to repay any incentive already paid to the developer in accordance with NRS 279.6098.

## **LONG-TERM BUSINESS PHASE REQUIREMENTS**

### **1) EMPLOYMENT PLAN**

- a. The Employment Plan shall include a description of the existing opportunities for employment within the area, including, but not limited to;
  - i) A projection of the effect that the redevelopment project will have on opportunities for employment in the area;
  - ii) A description of the individuals employed on the project within the Area who also:
    - (1) are Economically Disadvantaged;
    - (2) have a Physical Disability ("Disabled");
    - (3) are members of Racial Minorities;
    - (4) are Veterans; or

(5) are Women.

- b. At least 15% of all jobs created by employers who relocate to the Redevelopment Area are filled by bona-fide residents of the Area.

## 2) REPORTING REQUIREMENTS

- a. A report to the City is due within thirty (30) calendar days after the end of each calendar quarter. The Employment Plan shall be monitored and tracked for twelve (12) months post construction of the redevelopment project.
- b. In an effort to provide accountability, accuracy and consistency, a standard Agency reporting template has been developed. The templates may be modified by the Agency at any time to ensure uniform and accurate reporting. All exhibit checklists shall be complete with copies of correspondence and advertisements attached to the report.
- c. If the developer fails to comply with the requirements of this section:
  - i) The Agency may refuse to pay all or any portion of an incentive; and
  - ii) The Agency may require the developer to repay any incentive already paid to the developer in accordance with NRS 279.6098

## **PARTIAL WITHHOLDING OF INCENTIVE**

- 1) If the Agency proposes to provide an incentive to a developer for a redevelopment project, an amount equal to 10% of the amount of the proposed incentive must be withheld by the Agency and must not be paid to the developer until the applicable reporting requirements are satisfied above.
- 2) If the Agency provides incentives in a form other than cash to a developer for a redevelopment project, the developer shall deposit an amount of money with the Agency equal to 10% of the value of such incentive as agreed upon between the Agency and the developer. If the developer satisfies the reporting requirements, the Agency shall return the deposit required by this subsection to the developer in accordance with NRS 279.6096.
- 3) Prior to the start of construction, failure to adhere to all of the required program elements, as further described below, will constitute grounds for withdrawal of the entire incentive.

## **APPEALS**

- 1) A developer may appeal the refusal of the Agency to pay the amount provided for in NRS 279.6096 to the City of Las Vegas as the legislative body of the community(Agency).
- 2) In an appeal, the developer has the burden of demonstrating that:
  - a. Specific actions were taken to substantially fulfill the requirements of NRS 279.6096;
  - b. An insufficient number of significant opportunities for appropriate contractors, subcontractors, vendors or suppliers to perform a commercially useful function in the project existed; and
  - c. Use of appropriate contractors, subcontractors, vendors or suppliers as required by NRS 279.6096 would have significantly and adversely affected the overall cost of the project.
- 3) If the Las Vegas City Council on behalf of the City of Las Vegas finds that the developer's appeal has satisfied the requirements of subsection 2 above, the Agency shall pay the developer the amount provided for in NRS 279.6096.

### Procedure for submission and hearing of appeals:

- 1) Contact the Agency for an appointment to present analysis and to discuss obstacles for meeting the participation requirements or minority participation goals. A staff recommendation will be made and forwarded to the Executive Director of the Agency.
- 2) 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 may appeal to the Las Vegas City Council on behalf of the City of Las Vegas as the legislative body of the of the Agency.
- 3) Final decisions regarding the developer's ability to meet the Employment Plan Policy requirements in the applicable agreement shall rest with the Las Vegas City Council.