

City of Las Vegas

Agenda Item No. 90

AGENDA SUMMARY PAGE**CITY COUNCIL MEETING OF: MAY 16, 2001****DEPARTMENT: CITY CLERK****DIRECTOR: BARBARA JO (RONI) RONEUMS**☐ CONSENT ☒ DISCUSSION**SUBJECT:****BOARDS & COMMISSIONS:**

ABEYANCE ITEM - ETHICS REVIEW BOARD – Earle W. White, Jr., Term Expiration 4-14-2001; Robert J. Fleming, Term Expiration 4-14-2001; Linda Young, Term Expiration 5-12-2001

Fiscal Impact☒**No Impact****Amount:**☐**Budget Funds Available****Dept./Division:**☐**Augmentation Required****Funding Source:****PURPOSE/BACKGROUND:**

In 1993, the previous Ethics Committee was abolished and a new Ethics Review Board was established consisting of five members, terms of four years and no limit to the number of terms which may be served. Council members from Wards 1 through 4 shall appoint one person to the Board with the Mayor designating the Chair subject to confirmation by a majority of the City Council. Earle White, appointed in 1997 by Mayor Jones, has served as Chair and Robert Fleming, appointed in 1997 by Councilman Reese, has served as Vice Chair of this Board. Ward 4 Councilman Callister appointed Linda Young in 1997. Mr. White, Mr. Fleming and Ms. Young are eligible for reappointment. At the May 2, 2001 Council Meeting, Mayor Goodman requested abeyance of this matter until the meeting of May 16, 2001

RECOMMENDATION:

Options are:

Mayor Goodman to reappoint Mr. White OR appoint another citizen as Chairman;
Councilman Reese to reappoint Mr. Fleming OR appoint another citizen as member;
Councilman Brown to reappoint Ms. Young OR appoint another citizen as member.

BACKUP DOCUMENTATION:

Current Listing and Authority – Ethics Review Board

Board Interest Form – James Akers

Submitted after final agenda: Committee Interest Form from Renn Reed

MOTION:**REESE – ABEYANCE to 7/5/2001 – UNANIMOUS**

Agenda Item No. 90

CITY COUNCIL MEETING OF MAY 16, 2001
Boards and Commissions
Item 90 – Ethics Review Board

MINUTES:

CITY ATTORNEY JERBIC requested the matter be held in abeyance to 7/5/2001 to allow his staff time to consider any amendments to the rules regarding the Ethics Review Board or any other changes the Council might have in mind.

There was no further discussion.

(12:58 – 12:59)

3-1822

(

1-11-2000

ETHICS REVIEW BOARD

<u>MEMBERS</u>	<u>ADDRESS</u>	<u>ZIP CODE</u>	<u>ORIGINAL APPT.</u>	<u>TERM EXPIRES</u>
1) BROOKMAN, EILEEN (Adamsen's appt.) H: 735-6488	1900 Cochran Street (WARD 3)	89104	3/17/1993 eff: 4/1/1993 (Served previously from 2-5-1992) (Reappointed 3/15/1995) (Reappointed 3/8/1999)	4/1/2003
2) YOUNG, LINDA E (Callister's appt.) H: 645-4216 W: 799-8484	3625 Bradley Rd. (WARD 4)	89130	5-12-1997	5/12/2001
3) GAINES, IDA (McDonald's reappt.) H: 862-8940 W: 474-0041	1813 Arville Street (WARD 1)	89102	9/15/1993 (reapp. 8/11/1997)	9/15/2001
4) **FLEMING, ROBERT J. (Reese's appt.) H: 457-4340 W: 734-8811 BPR: 681-7829 FAX: 731-3274	1933 Howard Ave. (Ward 3)	89104	3/17/1993 eff: 4/1/1993 (Served previously from 3-4-1992) (Reappointed 4-14-1997)	4/14/2001
5) *WHITE, EARLE W., Jr. (Jones' appt.) Bus. Addr: H: 368-4783 W: 368-0470 FAX: 368-0453	5121 Tara Avenue (County) 5015 W. Sahara Ave. #125	89146 89146	5/17/1995 (Served as member from 5-17-95 to 4-14-97) (Appointed as Chair on 4-14-97)	4/14/2001

* Chair
** Vice-Chair

Authority:

LVMC 2.51 - Ord. #3623, Bill 91-71, adopted 1-8-92 created the original committee. Ord. #3699, Bill 92-74 adopted 2/17/93, abolished the previous Ethics Committee and established a new Ethics Review Board. **(With the repeal of #3623, there is no longer a City Residency requirement, no specific category requirement, no limit to number of terms.)** - Ordinance #3968, adopted 3-20-96, financial disclosures, Ordinance #5016, adopted 10-13-97, frequency of meetings.

Members:

5 members

Appointed:

Each Council member shall appoint one person to the Board with the Mayor designating the Chairperson subject to confirmation by a majority of the City Council.

Term:

(4 yrs) - Appointees shall serve four-year, staggered terms with three of the first appointees each to serve a four-year term (including the Chairperson) and two of the first appointees to serve an initial two-year term and thereafter four-year terms.

Notes:

MUST FILE CITY FINANCIAL DISCLOSURE. (State Financial Disclosure no longer required due to passage of AB611 during 1999 Nevada State Legislature stipulating uncompensated Boards no longer required to file State form.)



City of Las Vegas Board, Commission, or Committee Interest Form

Name: JAMES AKERSHome Street Address: 10645 HERITAGE Hills DRIVECity: LAS VEGAS ZIP Code: 89134Work Street Address: SAME AS ABOVE

City: _____ ZIP Code: _____

Employer: _____ Occupation: _____

Home Phone Number: 225-0118 Work Phone Number: _____

Other Phone Number: _____ Email Address: _____

Please list the boards, commissions, or committees that you are interested in serving on:

1. PLANNING COMMISSION
2. CITIZENS PRIORITY ADVISORY COMMITTEE <CPAC>
3. ETHICS REVIEW BOARD

C.C. Maynor
Council
Betsy Pretinell

For office use onlyCLV Y ☒ N ☐Ward 4Date 4-27-01

Please list any boards, commissions, or committees that you serve on, or have served on in the past (Use additional pages, if necessary):

NONE

Please discuss your qualifications to serve on any boards, commissions, or committees (Use additional pages, if necessary):

SEE ATTACHED RESUME

Please list any of your relatives or friends that work for the entity in which you would be serving:

NONE

Feel free to attach a resume to this form. Upon submitting this form, all information will be considered public information. This form will be kept on file for 6 months from date of submittal. It is the applicant's responsibility to submit a new form after that time. This form does not constitute an application for employment.

Please submit to:

City Clerk
City of Las Vegas
400 Stewart Avenue
Las Vegas, NV 89101

Fax: (702) 382-4803

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2001 APR 27 A 11:03

**You may be required to be resident of the City of Las Vegas to serve certain boards, committees, or commissions.*

JAMES A. AKERS
10645 Heritage Hills Drive
Las Vegas, Nevada 89134
(702) 225-0118

OBJECTIVE: General Management and Systems/Planning

QUALIFICATIONS: Over 30 years in management using verbal and numerical skills to include:

- Coaching
- Effective Communications
- Teamwork
- Developing and Releasing Employees
- Establishing High Standards and Getting Results
- Delegation
- Building Consensus
- Forward Thinking

ACHIEVEMENTS: Organized, planned, directed and trained a new Audit Department in the Organization. The Department was used as a model for two other regional offices.

Instrumental in salvaging a \$250 million investment which was placed in the hands of creditors, resulting in no loss to the Company.

Planned and developed estimates for objectives (MBO), strategies, profit plan, budget and other periodic forecasts (revenue, expenses, capital, cash, etc.) for a \$9 billion corporation.

Provided "to the point" communications to bosses that enable them to stay informed and prepared on priority issues. Also, provided timely, accurate and candid information to subordinates on current business issues.

EXPERIENCE:

Audit Manager, Denver

Financial Accounting Manager, Denver

Manager, Financial and Production Accounting Systems Redevelopment, Dallas

Over 30 years of managerial experience in various financial accounting and credit positions with a major diversified oil and gas company.

Treasurer, Streamside at Vail Homeowners Association (on initial Board)
Established Budget, implemented fee structure and refurbishing fund, liaison between management company and Homeowners.

Finance Committee, Sun City Summerlin past three years.

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City of Las Vegas Board, Commission, or Committee Interest Form

Name: Renn Reed

Home Street Address: 1905 Cedar Avenue

City: Las Vegas, NV. ZIP Code: 89101

Work Street Address: 1905 Cedar Avenue

City: Las Vegas, NV. ZIP Code: 89101

Employer: Remnditions (self) Occupation: fine Arts and Graphics

Home Phone Number: 702) 382-2808 Work Phone Number: same

Other Phone Number: Ø Email Address: Rennmoi@juno.com

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2001 MAY 11 P 3:52

Please list the boards, commissions, or committees that you are interested in serving on:

- 1.) Arts Commission
- 2.) Ethics Review Board
- 3.) Citizens Advisory Comm. on Downtown Development
- 4.) Historic Preservation Commission

cc: mayor

Council

Betsy Fritwell

DR. BARBARA JACKSON, LEISURE SER

LESA COOPER, BUS DEV.

ROBERT GENZER, P+D

Page 1 of 2

For office use only

CLV Y ☒ N ☐

Ward 3 Submitted after final agenda

Date 5-11-01 Date 5/11/01 Item #90

Please list any boards, commissions, or committees that you serve on, or have served on in the past (Use additional pages, if necessary):

President Eagle's Nest Neighborhood Asso. - since 10/2000

Please discuss your qualifications to serve on any boards, commissions, or committees (Use additional pages, if necessary):

- owner/pres. Renditions: Fine Art & Graphics
- Exhibitor at Gallery D'ARTZERO Summer 2001 and Summer 2001 Struc
in Barcelona, Spain
- President since 10/2000 EAGLES NEST Neighborhood Asso.
- Journalist - Las Vegas Tribune

Please list any of your relatives or friends that work for the entity in which you would be serving:

0

Feel free to attach a resume to this form. Upon submitting this form, all information will be considered public information. This form will be kept on file for 6 months from date of submittal. It is the applicant's responsibility to submit a new form after that time. This form does not constitute an application for employment.

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City Clerk
City of Las Vegas
400 Stewart Avenue
Las Vegas, NV 89101

Fax: (702) 382-4803

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2001 MAY 11 P 3:52

**You may be required to be resident of the City of Las Vegas to serve certain boards, committees, or commissions.*

City of Las Vegas

Agenda Item No. 91

AGENDA SUMMARY PAGE

CITY COUNCIL MEETING OF: MAY 16, 2001

DEPARTMENT: CITY CLERK**DIRECTOR: BARBARA JO (RONI) RONEMUS** ☐ **CONSENT** ☒ **DISCUSSION****SUBJECT:****BOARDS & COMMISSIONS:**

CHILD CARE LICENSING BOARD – Diane Simon-Jessen – Term Expiration 6-18-2001;
Nona Carroll – Term Expiration 6-18-2001

Fiscal Impact

☒	No Impact	Amount:
☐	Budget Funds Available	Dept./Division:
☐	Augmentation Required	Funding Source:

PURPOSE/BACKGROUND:

The Child Care Licensing Board consists of 5 members appointed by the City Council with each member of the Council making one appointment. Currently, Las Vegas Municipal Code (LVMC) 6.24 governing this Board is being reviewed for expansion to 7 members. However, at the present time, membership remains at 5. Ms. Diane Simmon-Jessen is the coterminous appointment of Councilman Brown and Ms. Nona Carroll is the coterminous appointment of Councilwoman Boggs McDonald. Members must be city residents and there is no limit to the number of terms which may be served.

RECOMMENDATION:

Reappoint Ms. Diane Simmon-Jessen OR appoint a new representative by Councilman Brown with term to expire June 2005.

Reappoint Ms. Nona Carroll OR appoint a new representative by Councilwoman Boggs McDonald with term to expire June 2005.

BACKUP DOCUMENTATION:

Current Listing and Authority – Child Care Licensing Board

MOTION:

BROWN – Motion to REAPPOINT Diane Simmon-Jessen

and

L.B. McDONALD – Motion to REAPPOINT Nona Carroll

UNANIMOUS

City of Las Vegas

Agenda Item No. 91

CITY COUNCIL MEETING OF MAY 16, 2001

Boards and Commissions

Item 91 – Childcare Licensing Board

MINUTES:

There was no discussion.

(12:59 – 1:00)

3-1866

3-7-2001

CHILD CARE LICENSING BOARD

<u>MEMBERS</u>	<u>ADDRESS</u>	<u>ZIP CODE</u>	<u>ORIGINAL APPT.</u>	<u>TERM EXPIRES</u>
1) SIMON-JESSEN, DIANE (Brown appointment)	10312 Brighton Hill Avenue (Ward 4)	29	6-28-1999	6-18-2001
2) CARROLL, NONA (L. B. McDonald appointment) (Replaced Jeri L. Wallis)	1724 Crystal Creek Circle (Ward 4)	28	3-7-2001	6-18-2001
3) EVANS, RHONDA (Mayor Goodman appointment)	2012 Plaza del Dios (Ward 1)	02	7-5-1995 (reapp. 6-28-1999)	6-28-2003
4) MONTES, FRANCES (Reese appointment) (Replaced Nora R. Avila)	5305 Red Glory Drive (Ward 4)	30	7-26-1999	6-26-2003
5) GILMORE, JUNE * (McDonald appointment)	10021 Charlemont Drive (Ward 2) Licensed Operator of Child Care Facility	34	7-19-1995 (reapp. 6-28-1999)	6-28-2003

AUTHORITY: L.V.M.C. 6.24
Created by Ord. #860, 8-10-60
Bill #92-7, Ord. 3631, 3-4-92, restructured board.

MEMBERS: 5 MEMBERS appointed by the City Council, with each member of the Council making one appointment.

TERM: 4 years, with term to run concurrent with term of the elected official who made the appointment.

NOTES: MUST BE CITY RESIDENT.
MUST FILL UNEXPIRED TERMS IF APPROPRIATE.
NO LIMIT TO NUMBER OF TERMS WHICH MAY BE SERVED.
CITY ONLY FINANCIAL DISCLOSURE REQUIRED (State Financial Disclosure no longer required due to passage of AB611 during 1999 Nevada State Legislature stipulating uncompensated Boards no longer required to file State form.)
(Council to give special consideration to the background of appointees - qualifications, ability, education, experience, training, profession or occupation, availability and willingness to serve, etc.)

RESTRICTION: *ONE MEMBER MUST and not more than one member may be a licensed operator of a facility within the City of Las Vegas.

PURPOSE: Hears all applications for child care facility licenses and advises the City Council, and makes recommendations on amendments to the Child Care Chapter of the City Code.

MEETINGS: Meets second Wednesday of each month, 3:00 p.m., Council Chambers.

City of Las Vegas

Agenda Item No. 92

AGENDA SUMMARY PAGE**CITY COUNCIL MEETING OF: MAY 16, 2001****DEPARTMENT: CITY CLERK****DIRECTOR: BARBARA JO (RONI) RONEUMUS**☐**CONSENT**☒**DISCUSSION****SUBJECT:****BOARDS & COMMISSIONS:**

CITIZENS PRIORITY ADVISORY COMMITTEE (CPAC) – Tom E. Paulus - Term Expiration 6-18-2001; Brian Craig Pearson – Term expiration 6-18-2001; Joseph Sayles – Term Expiration 6-2001; Lori Harrison – Term Expiration 6-2001

Fiscal Impact☒**No Impact****Amount:**☐**Budget Funds Available****Dept./Division:**☐**Augmentation Required****Funding Source:****PURPOSE/BACKGROUND:**

Terms of appointment on the Citizens Priority Advisory Committee (CPAC) are coterminous with the Councilmembers making the appointment. With the recent election, the coterminous appointments for Wards 2, 4, 5 and 6 expire in June 2001. Members must be City residents and there is no limit to the number of terms which may be served.

RECOMMENDATION:

Reappoint Mr. Tom E. Paulus OR appoint a new representative by Councilwoman Boggs McDonald with term to expire June 2005

Reappoint Mr. Brian Craig Pearson OR appoint a new representative by Councilman Brown with term to expire June 2005

Reappoint Mr. Joseph Sayles OR appoint a new representative by Councilman Weekly with term to expire June 2003

Reappoint Ms. Lori Harrison OR appoint a new representative by Councilman Mack with term to expire June 2005

BACKUP DOCUMENTATION:

Current Listing & Authority-CPAC

Board Interest Form – James Akers

MOTION:

L.B. McDONALD and BROWN – Motion to hold in ABEYANCE the appointment of Tom E. Paulus and Brian Craig, respectively, to 6/20/2001

and

City of Las Vegas

Agenda Item No. 92

CITY COUNCIL MEETING OF MAY 16, 2001
Boards and Commissions
Item 92 – Citizens Priority Advisory Committee

MOTION – Continued:

WEEKLY and MACK – Motion to REAPPOINT Joseph Sayles and Lori Harrison, respectively

UNANIMOUS

MINUTES:

There was no discussion.

(1:00 – 1:01)

3-1904

11-16-2000

C.P.A.C.
CITIZENS PRIORITY ADVISORY COMMITTEE
(Budget review)

<u>MEMBERS</u>	<u>ADDRESS</u>	<u>ZIP CODE</u>	<u>ORIGINAL APPT.</u>	<u>TERM EXPIRES</u>
1. PAULUS, E. TOM (Adamsen's Appointment)	2612 Sonora Street (Ward 1) (H) 873-4689	02 (Served previously from 12/19/90) (reapp. 6-9-97)	12-4-91	6-18-2001
2. PEARSON, BRIAN CRAIG (Brown's Appointment)	1201 Torington Drive (Ward 5) (H) 880-7770 (W) 649-8002	109	3-9-98	6-18-2001
3. JUDD, BEN (Reese's Appointment) (Filled unexpired term of Mars Patricio, Jr.)	1008 James Street (Ward 3) (H) 642-8514	101	10-18-00	6-2003
4. BUTTERS, RONALD L. (M. McDonald's Appointment)	1208 Ventura Hills Street (Ward 2) (H) 240-8272 (W) 295-0902 (F) 295-2855	134 (reapp. 9-1-99)	4-13-98	6-2003
5. MEDINA, JOHN (Goodman's Appointment)	109 Hyman Place (Ward 2) (H) 255-2197 (W) 295-223	128	9-1-99	6-2003
6. SAYLES, JOSEPH (Weekly's Appointment)	316 Mike Circle (Ward 5) (W) 1-866-918-2255 (toll free)	106	10-4-00	6-2001
7. HARRISON, LORI (Mack's Appointment)	7121 Grand Castle Way (Ward 6) (H) 658-6001 (W) 248-4200	130	9-20-00	6-2001

CITIZENS PRIORITY ADVISORY COMMITTEE

November 16, 2000

Page 2

AUTHORITY:

Simple Council action on 11-20-91 and 12-4-91 to disband CPAC as it existed under Resolution dated 11-7-84, and restructure such that: committee consists of 5 members - 1 appointed by each Council member - with terms of the appointees running concurrent with the term of office of the elected official who made the appointment. **Amended by Council action 4-5-2000 to increase the membership to 7 members due to increase by two Councilpersons (Wards 5 and 6).**

TERM:

Must run concurrent with term of elected official who made appointment.

NOTES:

MUST BE CITY RESIDENT per Bill 90-51, Ordinance 3527.

Must be residents of City, but not necessarily the Ward of the appointing Council member.

No financial disclosure requirement.

DEPARTMENT SUPPORT:

Finance



City of Las Vegas Board, Commission, or Committee Interest Form

Name: JAMES AKERS

Home Street Address: 10645 HERITAGE HILLS DRIVE

City: LAS VEGAS ZIP Code: 89134

Work Street Address: SAME AS ABOVE

City: _____ ZIP Code: _____

Employer: _____ Occupation: _____

Home Phone Number: 225-0118 Work Phone Number: _____

Other Phone Number: _____ Email Address: _____

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Please list the boards, commissions, or committees that you are interested in serving on:

1. PLANNING COMMISSION
2. CITIZENS PRIORITY ADVISORY COMMITTEE (CPAC)
3. ETHICS REVIEW BOARD

C.C. Maynor
Council
Betsy Pretinell

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CLV Y ☒ N ☐

Ward 4

Date 4-27-01

Please list any boards, commissions, or committees that you serve on, or have served on in the past (Use additional pages, if necessary):

NONE

Please discuss your qualifications to serve on any boards, commissions, or committees (Use additional pages, if necessary):

SEE ATTACHED RESUME

Please list any of your relatives or friends that work for the entity in which you would be serving:

NONE

Feel free to attach a resume to this form. Upon submitting this form, all information will be considered public information. This form will be kept on file for 6 months from date of submittal. It is the applicant's responsibility to submit a new form after that time. This form does not constitute an application for employment.

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Fax: (702) 382-4803

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JAMES A. AKERS
10645 Heritage Hills Drive
Las Vegas, Nevada 89134
(702) 225-0118

OBJECTIVE: General Management and Systems/Planning

QUALIFICATIONS: Over 30 years in management using verbal and numerical skills to include:

- Coaching
- Effective Communications
- Teamwork
- Developing and Releasing Employees
- Establishing High Standards and Getting Results
- Delegation
- Building Consensus
- Forward Thinking

ACHIEVEMENTS: Organized, planned, directed and trained a new Audit Department in the Organization. The Department was used as a model for two other regional offices.

Instrumental in salvaging a \$250 million investment which was placed in the hands of creditors, resulting in no loss to the Company.

Planned and developed estimates for objectives (MBO), strategies, profit plan, budget and other periodic forecasts (revenue, expenses, capital, cash, etc.) for a \$9 billion corporation.

Provided "to the point" communications to bosses that enable them to stay informed and prepared on priority issues. Also, provided timely, accurate and candid information to subordinates on current business issues.

EXPERIENCE: Audit Manager, Denver

Financial Accounting Manager, Denver

Manager, Financial and Production Accounting Systems Redevelopment, Dallas

Over 30 years of managerial experience in various financial accounting and credit positions with a major diversified oil and gas company.

Treasurer, Streamside at Vail Homeowners Association (on initial Board)
Established Budget, implemented fee structure and refurbishing fund, liaison between management company and Homeowners.

Finance Committee, Sun City Summerlin past three years.

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City of Las Vegas

Agenda Item No. 93

AGENDA SUMMARY PAGE**CITY COUNCIL MEETING OF: MAY 16, 2001****DEPARTMENT: CITY CLERK****DIRECTOR:** BARBARA JO (RONI) RONEUMUS ☐ **CONSENT** ☒ **DISCUSSION****SUBJECT:****BOARDS & COMMISSIONS:**

NEIGHBORHOOD PARTNERS FUND BOARD, FISCAL YEAR 2002 – Anthony Longo –
Term Expiration 6-2002

Fiscal Impact

☒	No Impact	Amount:
☐	Budget Funds Available	Dept./Division:
☐	Augmentation Required	Funding Source:

PURPOSE/BACKGROUND:

The Neighborhood Partners Fund Board consists of 13 members and was created to review Neighborhood Partners Fund applications and recommend awards to the City Council. Appointments and reappointments to this Board were made at the City Council Meeting of April 18, 2001. Since that time, there has been a request to replace Ward 6 Staff Designee Anthony Longo with Ward 6 Staff Designee Leni Skaar. Ms. Skaar would fill this term, which expires June 2002.

RECOMMENDATION:

Procedure for this Board will require the replacement of the Ward 6 Staff Designee Anthony Longo with Ward 6 Staff Designee Leni Skaar.

BACKUP DOCUMENTATION:

Current Listing and Authority-Neighborhood Partners Fund Board

MOTION:

MACK – Motion to APPOINT Leni Skaar to replace Anthony Longo – UNANIMOUS

MINUTES:

There was no discussion.

(1:01 – 1:02)

3-1960

4-30-2001

NEIGHBORHOOD PARTNERS FUND BOARD

<u>MEMBERS</u>	<u>ADDRESS</u>	<u>ZIP CODE</u>	<u>ORIGINAL APPT.</u>	<u>TERM EXPIRES</u>
1) STEPHANIE BOIXO MAYOR'S DESIGNEE	400 Stewart Avenue	01	8/4/1999 (Reapp. 4/18/2001)	6/2002
2) DOUGLAS RANKIN CITY COUNCIL WARD 1 LIAISON	400 Stewart Avenue	01	6/22/1998 (Reapp. 4/18/2001)	6/2002
3) SONYA DOUGLASS CITY COUNCIL WARD 2 LIAISON	400 Stewart Avenue	01	8/4/1999	6/2002
4) LORETTA ARRINGTON CITY COUNCIL WARD 3 LIAISON	400 Stewart Avenue	01	5/17/2000 (Reapp. 4/18/2001)	6/2002
5) ERIC DORNAK CITY COUNCIL WARD 4 LIAISON	400 Stewart Avenue	01	6/22/1998 (Reapp. 4/18/2001)	6/2002
6) MARIA MARINCH CITY COUNCIL WARD 5 LIAISON	400 Stewart Avenue	01	4/18/2001	6/2002
7) ANTHONY LONGO CITY COUNCIL WARD 6 LIAISON	400 Stewart Avenue	01	4/18/2001	6/2002
8) DON EGBERT NEIGHBORHOOD REP-WARD 1	2832 Manzanilla Way 233-0388/376/1966	28	5/17/2000 (Reapp. 4/18/2001)	6/2002
9) MARY HUNTINGTON NEIGHBORHOOD REP WARD 2	3110 South Tenaya Way 871-7293	28	4/18/2001	6/2002
10) EARL WHITE NEIGHBORHOOD REP-WARD 3	121 N. 15 th Street 493-2980	01	5/17/2000 (Reapp. 4/18/2001)	6/2002
11) TONY BRUGES NEIGHBORHOOD REP-WARD 4	4009 Poppy Fields Drive 655-4547	29	8/4/1999 (Reapp. 4/18/2001)	6/2002
12) TYRONE THOMPSON NEIGHBORHOOD REP WARD 5	2716 Rising Legend Way 218-9762	06	5/17/2000 (Reapp. 4/18/2001)	6/2002
13) MELODY BARRIE NEIGHBORHOOD REP WARD 6	7261 Gold Find Court 658-1491	30	4/18/2001	6/2002

Note: See Page 2 for additional information.

4-30-2001

Page 2

NEIGHBORHOOD PARTNERS FUND BOARD**AUTHORITY:**

Created by Council Action on 3-9-98 with bylaws approved on 6-22-98. By-Laws were amended on 2-16-2000 to increase the membership to 13 members.

MEMBERS:

13 MEMBERS appointed by the Mayor and City Council comprised as follows:

Mayor or her/his designee

Council Liaison or Staff Designee of the Councilmember for each of the six Council Wards

One Neighborhood Representative for each of the six Council Wards

TERM:

Members shall each serve a term of one year, Expiration dates were set on 5/18/2000 so all members terms expired at the same time.

Members may be reappointed to consecutive one-year terms as necessary

(Must fill un-expired term. Membership is not assignable or transferable.)

NOTES:

Members Need Not Be City Residents

No Financial Disclosure Required

PURPOSE:

Review Neighborhood Partners Fund applications and recommend awards to the City of Las Vegas City Council

MEETINGS:

Department of Neighborhood Services - Call of the Chair and the Board may establish regular meetings by resolution. Meetings are subject to the provisions of the Open Meeting Law.

City of Las Vegas

Agenda Item No. 94

AGENDA SUMMARY PAGE

CITY COUNCIL MEETING OF: MAY 16, 2001

DEPARTMENT: CITY CLERK**DIRECTOR: BARBARA JO (RONI) RONEUMUS**☐**CONSENT**☒**DISCUSSION****SUBJECT:****BOARDS & COMMISSIONS:**

PLANNING COMMISSION – Byron A. Goynes – Term Expiration 6-2001; Hank Gordon – Term Expiration 6-2001

Fiscal Impact☐**No Impact****Amount:** \$50 per meeting attended☒**Budget Funds Available****Dept./Division:** Planning & Development☐**Augmentation Required****Funding Source:** General Fund**PURPOSE/BACKGROUND:**

The term of office for Mr. Byron A. Goynes and Mr. Hank Gordon on the Planning Commission are coterminous appointments that expire June 2001. When Ordinance 5193 was enacted in January, 2000, Mr. Goynes was the coterminous appointment of Councilman Lawrence Weekly and Mr. Gordon was the coterminous appointment of Councilwoman Boggs McDonald. Both Mr. Goynes and Mr. Gordon are eligible for reappointment.

RECOMMENDATION:

Reappointment of Mr. Goynes OR appointment of a new representative by Councilman Weekly with term to expire June 2003

Reappointment of Mr. Gordon OR appointment of a new representative by Councilwoman Boggs McDonald with term to expire June 2005.

BACKUP DOCUMENTATION:

Current Listing & Authority - Planning Commission

Board Interest Forms – Dan W. Carter, Sr.; James Akers; Elaine C. McNamara; Keith A. Howard and Margrette Makram

Submitted after final agenda: Committee Interest Form from Don Zambotti

MOTION:

WEEKLY – Motion to REAPPOINT Byron Goynes

and

L.B. McDONALD – Motion to hold in ABEYANCE her appointment to 6/20/2001

UNANIMOUS

City of Las Vegas

Agenda Item No. 94

CITY COUNCIL MEETING OF MAY 16, 2001
Boards and Commissions
Item 94 – Planning Commission

MINUTES:

There was no discussion.

(1:02 – 1:03)

3-1980

1-26-2001

PLANNING COMMISSION

<u>MEMBERS</u>	<u>ADDRESS</u>	<u>ZIP CODE</u>	<u>ORIGINAL APPT.</u>	<u>TERM EXPIRES</u>
1. GALATI, CRAIG (Chairman) (Brown's recommendation)	10200 Owls Peak Court (Ward 2)	44	9-8-1997	9-8-2001
2. GORDON, HANK (L. McDonald recommendation)	2500 W. Sahara Ave, Suite 211 (Ward 2)	02	12-21-1998 (reapp. 1-19-2000 as coterminous appointment)	6-2001
3. GOYNES, BYRON A. (Weekly's recommendation)	6424 Eagle Point Rd. (Ward 6)	08	2-16-2000 (appointed as coterminous appointment)	6-2001
4. BUCKLEY, MICHAEL E. (Adamsen's recommendation) (McDonald's reappointment)	3773 Howard Hughes Pkwy. (Ward 1) (residential conf. by request)	09	8-17-1994 Effec. 8-19-94 Reap. 8-19-98	8-19-2002
5. LANNY LITTLEFIELD (Reese's appointment)	3213 Contesa Circle (Ward 3)	01	8-2-2000 (appointed as coterminous appointment) Eff. 8-19-2000	6-2003
6. TRUESEDELL, RICK (Vice Chairman) (Mayor's recommendation)	201 Las Vegas Blvd. S. #250 9412 Tournament Canyon Dr. (Ward 5)	01 44	1-19-2000 (appointed as coterminous appointment)	6-2003
7. QUINN, STEPHEN P. (McDonald's recommendation)	350 S. Rancho Dr. (Ward 1)	06	8-7-1996 (Reappt. 8/18/99)	9-6-2003

AUTHORITY: NRS 278 - L.V.M.C. 2.44
(11-15-95 Ord. 3940, Bill 95-73, removed restriction that PC members could hold no other public office - this restriction was previously removed by the legislature from NRS.)

TERM: 4 years (limited to 2 full terms; no former member who has completed two full terms will be eligible for appointment until at least two years from term expiration have elapsed.) (LVMC 2.44.020; 1-19-2000 Ord. 5193, Revised the expiration of members' terms to run concurrent with the term of the elected official recommending their appointment)
Must fill unexpired terms.

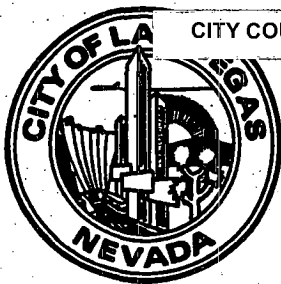
COMPENSATION: \$50.00 per meeting attended

APPOINTED: 7 Members appointed by the Mayor w/approval of Council, upon the recommendation of the Council member for that coterminous appointment (Appointees may not be members of the elected governing body - NRS 278.040)

NOTES: MUST BE CLV RESIDENT.
FINANCIAL DISCLOSURE REQUIRED (both CLV and State).

MEETINGS: Meets 2nd & 4th Thursday of each month, 6:00 PM, Council Chambers. (Briefing 5:15 P.M.)

PURPOSE: The Planning Commission is advisory to the City Council on matters related to zoning and other related issues and serves as a final action board for Tentative and Final Maps.



City of Las Vegas Board, Commission, or Committee Interest Form

Name: DAN W CARTER SR.

Home Street Address: 9425 GOLD MOUNTAIN DRIVE

City: LAS VEGAS ZIP Code: 89134

Work Street Address: _____

City: _____ ZIP Code: _____

Employer: _____ Occupation: _____

Home Phone Number: 742-0368 Work Phone Number: _____

Other Phone Number: _____ Email Address: _____

Please list the boards, commissions, or committees that you are interested in
serving on:

LAS VEGAS-CLARK COUNTY LIBRARY DISTRICT BOARD OF TRUSTEES

PLANNING COMMISSION

SENIOR CITIZEN'S ADVISORY BOARD

cc. MAYOR
COUNCIL
BETSY FRETWELL

For office use only

CLV Y ☒ N ☐

Ward 4

Date 4-6-01

Please list any boards, commissions, or committees that you serve on, or have served on in the past (Use additional pages, if necessary):

SEE ATTACHED SHEETS.

Please discuss your qualifications to serve on any boards, commissions, or committees (Use additional pages, if necessary):

SEE ATTACHED SHEETS.

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2001 APR - 6 A 10:50

Please list any of your relatives or friends that work for the entity in which you would be serving:

NONE

Feel free to attach a resume to this form. Upon submitting this form, all information will be considered public information. This form will be kept on file for 6 months from date of submittal. It is the applicant's responsibility to submit a new form after that time. This form does not constitute an application for employment.

Please submit to:

City Clerk
City of Las Vegas
400 Stewart Avenue
Las Vegas, NV 89101

Fax: (702) 382-4803

**You may be required to be resident of the City of Las Vegas to serve certain boards, committees, or commissions.*

1. U.S. Civil Service Board of Examiners for U.S. Army and Air Force in West Texas, Fort Bliss, Tx. 1953-59.
2. City Plan Commission, El Paso, Texas 1980-82, appointed by then Mayor Thomas Westfall.

Volunteer Service

1. American Red Cross, William Beaumont Army Hospital.
2. El Paso Police Department, El Paso, Tx. 1998-91 -
AWARDED CHIEF'S AWARD, VOLUNTEER OF YEAR, 1990.
3. U.S. Veterans' Administration, Human Resources,
May 1992 to Present. VOLUNTEER OF YEAR 1996.
(RUNNER-UP THREE TIMES) - STILL ACTIVE
4. Clark County Library System, Summerlin Branch,
7 years - STILL ACTIVE
5. Sun City Summerlin Security Patrol - Asst Chief,
1991-1992.

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1. QUALIFICATIONS:

a. U.S. ARMY, Dec 1941-1958 - Numerous military schools; military justice, Artillery Guided Missile school, 11 month course, Nike Guided Missile System Guidance.

b. Instructor for NATO military units; Italy, Germany, Belgium, Greece and Turkey and the Netherlands.

3. Newspaper journalist, writer and editor for military newspaper in Japan 1949-1951. Public Information Chief for Tokyo Army Hospital, same period.

4. Writer, military newspaper, 5th Armored Division, Camp Chaffee, Arkansas, 2 years.

5. Chief, Public Information Office, Camp Chaffee, Arkansas. Prepare and write news release for local Fort Smith, Arkansas and write speeches for Commander.

2. No relatives or friends work for any entity shown.

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City of Las Vegas Board, Commission, or Committee Interest Form

Name: JAMES AKERS

Home Street Address: 10645 HERITAGE HILLS DRIVE

City: LAS VEGAS ZIP Code: 89134

Work Street Address: SAME AS ABOVE

City: _____ ZIP Code: _____

Employer: _____ Occupation: _____

Home Phone Number: 225-0118 Work Phone Number: _____

Other Phone Number: _____ Email Address: _____

Please list the boards, commissions, or committees that you are interested in serving on:

1. PLANNING COMMISSION

2. CITIZENS PRIORITY ADVISORY COMMITTEE (CPAC)

3. ETHICS REVIEW BOARD

C.C. Maynor
Council
Betsy Pretwell

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CLV Y ☒ N ☐

Ward 4

Date 4-27-01

Please list any boards, commissions, or committees that you serve on, or have served on in the past (Use additional pages, if necessary):

NONE

Please discuss your qualifications to serve on any boards, commissions, or committees (Use additional pages, if necessary):

SEE ATTACHED RESUME

Please list any of your relatives or friends that work for the entity in which you would be serving:

NONE

Feel free to attach a resume to this form. Upon submitting this form, all information will be considered public information. This form will be kept on file for 6 months from date of submittal. It is the applicant's responsibility to submit a new form after that time. This form does not constitute an application for employment.

Please submit to:

City Clerk
City of Las Vegas
400 Stewart Avenue
Las Vegas, NV 89101

Fax: (702) 382-4803

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2001 APR 27 A 11:03

**You may be required to be resident of the City of Las Vegas to serve certain boards, committees, or commissions.*

JAMES A. AKERS
10645 Heritage Hills Drive
Las Vegas, Nevada 89134
(702) 225-0118

OBJECTIVE: General Management and Systems/Planning

QUALIFICATIONS: Over 30 years in management using verbal and numerical skills to include:

- Coaching
- Effective Communications
- Teamwork
- Developing and Releasing Employees
- Establishing High Standards and Getting Results
- Delegation
- Building Consensus
- Forward Thinking

ACHIEVEMENTS: Organized, planned, directed and trained a new Audit Department in the Organization. The Department was used as a model for two other regional offices.

Instrumental in salvaging a \$250 million investment which was placed in the hands of creditors, resulting in no loss to the Company.

Planned and developed estimates for objectives (MBO), strategies, profit plan, budget and other periodic forecasts (revenue, expenses, capital, cash, etc.) for a \$9 billion corporation.

Provided "to the point" communications to bosses that enable them to stay informed and prepared on priority issues. Also, provided timely, accurate and candid information to subordinates on current business issues.

EXPERIENCE: Audit Manager, Denver

Financial Accounting Manager, Denver

Manager, Financial and Production Accounting Systems Redevelopment, Dallas

Over 30 years of managerial experience in various financial accounting and credit positions with a major diversified oil and gas company.

Treasurer, Streamside at Vail Homeowners Association (on initial Board)
Established Budget, implemented fee structure and refurbishing fund, liaison between management company and Homeowners.

Finance Committee, Sun City Summerlin past three years.

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APR 27 A 11:03



City of Las Vegas Board, Commission, or Committee Interest Form

Name: ELAINE C. MCNAMARA

Home Street Address: 8641 SURTIDOR DR.

City: LAS VEGAS ZIP Code: 89117

Work Street Address: 5300 W. SAHARA AVE. #200

City: LAS VEGAS ZIP Code: 89146

Employer: RELAX ACHIEVERS Occupation: RENTOR

Home Phone Number: 254-5500 Work Phone Number: 362-4800

Other Phone Number: CELLULAR 373-1020 Email Address: _____

Please list the boards, commissions, or committees that you are interested in serving on:

#1 CHOICE - PLANNING COMMISSION

#2 CHOICE - HISTORIC PRESERVATION COMMISSION

#3 CHOICE - ARTS COMMISSION

#4 CHOICE - CITIZENS ADVISORY COMMITTEE ON DOWNTOWN
REDEVELOPMENT

EC. Mayor
Council
Cathy Pretunell

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CLV Y ☒ N ☐

Ward 1

Date 4-24-01

Please list any boards, commissions, or committees that you serve on, or have served on in the past (Use additional pages, if necessary):

LAS VEGAS - CLARK CO. LIBRARY BOARD TRUSTEE 1981-'91
LIBRARY COUNCIL STATE OF NEVADA - 3 YRS.

CITIZENS PRIORITY ADVISORY COUNCIL - CITY OF LAS VEGAS
GREATER LV ASSOC. OF REALTORS - DIRECTOR 1998-2001

CRS STATE PRESIDENT - 1998

CRS OF THE YEAR FOR NEVADA - 2000

Please discuss your qualifications to serve on any boards, commissions, or committees (Use additional pages, if necessary):

AS A LONG-TIME RESIDENT, I HAVE MANY CONCERNS

WITH REGARD TO OUR COMMUNITY i.e. PRESERVING

ITS HISTORY; PLANNING AHEAD FOR THE FUTURE

WISELY... MASTER PLANNING, TRAFFIC SITUATION,

AIR QUALITY, ETC.

Please list any of your relatives or friends that work for the entity in which you would be serving:

NONE

Feel free to attach a resume to this form. Upon submitting this form, all information will be considered public information. This form will be kept on file for 6 months from date of submittal. It is the applicant's responsibility to submit a new form after that time. This form does not constitute an application for employment.

Please submit to:

**City Clerk
City of Las Vegas
400 Stewart Avenue
Las Vegas, NV 89101**

Fax: (702) 382-4803

2001 APR 23 P 2:39

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**You may be required to be resident of the City of Las Vegas to serve certain boards, committees, or commissions.*

ELAINE C. MCNAMARA

RESUME

Elaine C. McNamara, a Las Vegas resident since childhood, has been in the real estate industry for 21 years. Elaine is associated with RE/Max Achievers and is involved in both residential and commercial real estate.

Elaine has been an active member of the Greater Las Vegas Association of Realtors since 1979, and currently a Director (1998 - 2001) and is Past-President of the CRS Nevada Chapter, having been awarded CRS of The Year 2000.

As Membership Chairman for GLVAR, Elaine started the Honorary Alumni Society in 1994; received the Realtor of the month award and has volunteered her time to many committees with the Association.

Elaine has been awarded honors for Outstanding Performance Leader, Realtor of the Month, and the 100% Club to name a few. She holds the CRS and GRI designations, and obtained her Broker's license in 1982.

Elaine is very active in the community, having served as Chairman/Trustee of the Las Vegas-Clark County Board from 1981-1991; served on the Library Council for the State of Nevada for three years, and on the Citizens Priority Advisory Council for the City of Las Vegas and enjoys sponsoring children's teams in the community.

2001 APR 23 P 2:39

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City of Las Vegas Board, Commission, or Committee Interest Form

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2001 APR 23 A 8:20

Name: Keith A Howard

Home Street Address: 10152 Country Flats Ln

City: Las Vegas ZIP Code: 89135

Work Street Address: 2451 S. Buffalo

City: Las Vegas ZIP Code: 89117

Employer: Liberty Realty Occupation: REALTOR

Home Phone Number: 838-0303 Work Phone Number: 371-3800 cell

Other Phone Number: _____ Email Address: Keithcells@aol.com

Please list the boards, commissions, or committees that you are interested in serving on:

Zoning / Planning / Real Estate / Police /

cc: Mayor
Council
Betsy Fretwell

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CLV Y N ✓

Ward County

Date 4-24-01

Please list any boards, commissions, or committees that you serve on, or have served on in the past (Use additional pages, if necessary):

Salvation Army (Clark Co) Advisory Board Member 3 yrs
Salvation Army (NLV) V Chair. of Board 1 yr
Greater Las Vegas Board of Realtors 2 yrs membership chair
1 yr V Chair of Membership Syre Education Board
Salvation Army and other church program leader + youth programs

Please discuss your qualifications to serve on any boards, commissions, or committees (Use additional pages, if necessary):

1 Syre Resident of Las Vegas
9 yrs Business owner in LV
1 Syre Community Active in church + youth programs

Please list any of your relatives or friends that work for the entity in which you would be serving:

NONE

Feel free to attach a resume to this form. Upon submitting this form, all information will be considered public information. This form will be kept on file for 6 months from date of submittal. It is the applicant's responsibility to submit a new form after that time. This form does not constitute an application for employment. Please do not to submit this form electronically. It should be printed, completed and mailed along with a letter and resume.

Please submit to:

**City Clerk
 City of Las Vegas
 400 Stewart Avenue
 Las Vegas, NV 89101**

Fax: (702) 382-4803

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**You may be required to be resident of the City of Las Vegas to serve certain boards, committees, or commissions.*



City of Las Vegas Board, Commission, or Committee Interest Form

Name: MARGRETTE MAKRAM

Home Street Address: 6661 SILVERSTREAM AVE APT 1047

City: LV ZIP Code: 89107

Work Street Address: Retired

City: _____ ZIP Code: _____

Employer: Los Alamos Occupation: SR Engineer / HP

Home Phone Number: 878 9257 Work Phone Number: _____

Other Phone Number: _____ Email Address: _____

Please list the boards, commissions, or committees that you are interested in
serving on:

Planning Commission or Neighborhood Partnersfund,
Community development or Senior Citizens advisory Board
or Citizen advisory Committee on Downtown development

C.C. Mayor
Council
Betty Fretwell

For office use only

CLV Y ☒ N _____

Ward 2

Date 5-2-01

Please list any boards, commissions, or committees that you serve on, or have served on in the past (Use additional pages, if necessary):

Committee on Domestic Violence, Gender issues, EEOC

Please discuss your qualifications to serve on any boards, commissions, or committees (Use additional pages, if necessary):

I am a resident of LV for the
Past 18 Years and I am also
a U.S. citizen and used to hold a
high Security Clearance

Please list any of your relatives or friends that work for the entity in which you would be serving:

None

Feel free to attach a resume to this form. Upon submitting this form, all information will be considered public information. This form will be kept on file for 6 months from date of submittal. It is the applicant's responsibility to submit a new form after that time. This form does not constitute an application for employment.

Please submit to:

**City Clerk
City of Las Vegas
400 Stewart Avenue
Las Vegas, NV 89101**

Fax: (702) 382-4803

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**You may be required to be resident of the City of Las Vegas to serve certain boards, committees, or commissions.*

MARGRETTE H. MAKRAM
6661 SILVERSTREAM AVENUE, APT 1047
LAS VEGAS, NV 89107

BUS: (505) 665-6352
HOME: (702) 258-1352

Positions Held:

- Reactor/Tritium Facility Representative
- Environmental Engineer
- Mechanical/Marine Engineer
- High Level Waste Engineer
- College Teaching
- Equipment & Fleet Operations Manager
- Senior Field Engineer
- Systems & Project Manager
- Staff Engineer
- Sanitation Engineer
- Pharmaceutical Products
- Manager & Production Supervisor

Areas of Experiences:

- Facility Site Representative in Reactor and Tritium Areas
- Safety Analysis Reports/Risk Assessment
- Environmental Sciences
- Criticality/R&D Project Management
- Heavy Equipment and Fleet Operations
- High Level Waste & Low Level Waste
- Ship/Submarine Systems
- Project Management and Administration
- Configuration Management
- Site Layout
- Installation & Erection
- Specification (Bidding)
- Erections & Procurement
- Health Physics/Monitoring Systems
- Construction Supervision
- Quantity Takeoff & Estimating
- Fire Protection & HVAC
- Pre-Operational Testing
- Technical Writing
- Licensing & Quality Assurance
- Pharmaceutical & I.V.
- Teaching/Technical Training

Experience attained in the United States, Australia, and the Middle East. In addition to being the Special Emphasis Program Director for the Los Alamos Area Office, I taught classes on the Tiger Team Assessment, Conduct of Operations, and gender issues.

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City of Las Vegas

Board, Commission, or Committee Interest Form

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2001 MAY 11 8:02

Name: DON ZAMBOTTI

Home Street Address: 3600 WHITE PLAINS DRIVE

City: LAS VEGAS ZIP Code: 89129

Work Street Address: 2215 E. LONE MOUNTAIN ROAD

City: NORTH LAS VEGAS ZIP Code: 89031

Employer: NEVADA POWER CO. Occupation: SUPERVISOR

Home Phone Number: 396-4313 Work Phone Number: 657-4160

Other Phone Number: _____ Email Address: ZAMBOTT@NEVP.COM

Please list the boards, commissions, or committees that you are interested in serving on:

PLANNING COMMISSION, CITIZENS ADVISORY
COMMITTEE ON DOWNTOWN DEVELOPMENT, CITIZEN REVIEW
BOARD, AND THE COMMUNITY DEVELOPMENT RECOMMENDING BOARD

cc: Mayor

Council

Robert Henggen, Plan. & Dev.

LESA CODER, BUS. DEV.

SHARON SEGERBLON, NEIGHBORHOOD SERV.

For office use only

CLV Y ☒ N

Ward 1

Date 5-11-01 Submitted after final agenda

Date 5/11/01 Item # 94

Please list any boards, commissions, or committees that you serve on, or have served on in the past (Use additional pages, if necessary):

I HAVE SERVED ON NEVADA POWER COMPANY'S

APPRENTICE COMMITTEE AND MANY SAFETY COMMITTEES
OVER THE LAST 6 YEARS.

Please discuss your qualifications to serve on any boards, commissions, or committees (Use additional pages, if necessary):

I HAVE PLENTY OF CUSTOMER SERVICE EXPERIENCE AND

HAVE DEALT WITH THE NEVADA PUBLIC UTILITIES COMMISSION

MANY TIMES. MY POSITION AS SUPERVISOR HAS PROVIDED ME WITH

A BACK GROUND OF COURSES THAT ALLOW ME TO PERSUE MY

INTREST IN LOCAL POLITICS. I INTEND ON BEING A PART OF MANY COMMITTEES

Please list any of your relatives or friends that work for the entity in which you would be serving:

I DO NOT HAVE ANY.

Feel free to attach a resume to this form. Upon submitting this form, all information will be considered public information. This form will be kept on file for 6 months from date of submittal. It is the applicant's responsibility to submit a new form after that time. This form does not constitute an application for employment. Please do not to submit this form electronically. It should be printed, completed and mailed along with a letter and resume.

Please submit to:

City Clerk
City of Las Vegas
400 Stewart Avenue
Las Vegas, NV 89101

Fax: (702) 382-4803

*You may be required to be resident of the City of Las Vegas to serve certain boards, committees, or commissions.

2001 MAY 11 A 8:02

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City of Las Vegas

Agenda Item No. 95

AGENDA SUMMARY PAGE**CITY COUNCIL MEETING OF: MAY 16, 2001****DEPARTMENT: CITY CLERK****DIRECTOR: BARBARA JO (RONI) RONE MUS**☐**CONSENT**☒**DISCUSSION****SUBJECT:****BOARDS & COMMISSIONS:**

Discussion and possible action on appointments of Council members to various City of Las Vegas and other jurisdictional Boards, Commissions and Authorities

Fiscal Impact☒**No Impact****Amount:**☐**Budget Funds Available****Dept./Division:**☐**Augmentation Required****Funding Source:****PURPOSE/BACKGROUND:****RECOMMENDATION:****BACKUP DOCUMENTATION:**

City Council Appointment Listing

MOTION:**GOODMAN – ABEYANCE to 6/20/2001 – UNANIMOUS****MINUTES:**

There was no discussion.

(1:03)

3-2007

CITY COUNCIL APPOINTMENTS

BOARD NAME	APPT(S)	TERM	CURRENT REPRESENTATION	ORIGINAL APPT. DATE	EXPIRATION/NOTES
Chief Local Elected Officials Consortium (Formerly Nevada Business Services [NBS] Job Training Board)	1	Until replaced	Councilman Weekly	1-19-2000	
~~Citizens Advisory Committee on Downtown Development (Inactive)~~	~~2~~	~~2 yrs.~~	~~Councilman Mack Councilman Weekly~~	~~1-19-2000 1-19-2000~~	~~Exp. June 2001 Exp. June 2001~~
CLV Audit Oversight Committee	2	2 yrs.	Mayor Goodman Councilman McDonald	6-28-1999 6-08-1998	Exp. June 2001 Exp. June 2002
Cl. Co. District Bd. of Health	1	2 yrs.	Councilman Reese	6-21-1995	Exp. June 2001
Debt Management Commission (Formerly General Obligation Bond Comm.)	1	2 yrs.	Councilwoman L. McDonald	1-19-2000	Exp. June 2001
Economic Opportunity Bd. Cl. Co.	1	Until replaced	Councilman Reese	7-14-1997	
Emergency Operations, Mgmt. Comm.	1	Until replaced	Councilman McDonald	6-21-1995	
Greater L.V. Chamber of Commerce	1	2 yrs.	Councilman Brown	6-28-1999	Exp. June 2001
Las Vegas Convention and and Visitors Authority	2	Term of Office	Mayor Goodman Councilman McDonald	6-28-1999 7-14-1997	Exp. June 2003 Exp. June 2003
Las Vegas Housing Authority Board	1	4 yrs.	Councilman M. McDonald	6-1-2000	Exp. June 2004
Local Law Enforcement Advisory Commit.	1	Until replaced	Councilman Weekly	1-19-2000	
Mayor Pro Tempore	1	Until replaced	Councilman Reese	11-16-2000	Council elects
Metropolitan Police Committee on Fiscal Affairs	2	Until replaced	Councilman Reese Councilwoman L. McDonald	7-14-1997 7-12-1999	
Nevada Development Authority	1	2 yrs.	Mayor Goodman	6-28-1999	Exp. June 2001
Nevada League of Cities	1	2 yrs.	Councilwoman L. McDonald	1-19-2000	Exp. June 2001
Oversight Panel for School Facilities	1	2 yrs.	Councilman Brown	9-22-1997	Exp. 12-31-2002
Real Estate Committee	2	2 yr.	Councilman Mack (Chair) Councilman Weekly Alternate - Councilwoman Lynette McDonald Alternate - Councilman Gary Reese	1-19-2000 1-19-2000 10-18-2000 4-18-2001	Exp. June 2001 Exp. June 2001 Exp. June 2001 Exp. June 2003
Regional Flood Control District (Members are the same as those appointed to RTC and terms should coincide.)	2	2 yrs.	Councilman Mack Councilman Brown	1-17-2001 6-23-1997	Exp. 6-30-2001 Exp. 6-30-2001
Regional Transportation Commission (Expiration date set by NRS)	2	2 yrs.	Councilman Mack Councilman Brown	1-17-2001 6-23-1997	Exp. 6-30-2001 Exp. 6-30-2001
Regional Jail Commission	2 (1 Primary, 1 Alternate) (Change to Primary & Alternate on 10/2/96)	Until replaced	Councilwoman L. McDonald (Pri) Councilman Reese(Alt)	1-19-2000 1-19-2000	
Senior Citizens' Advisory Board.	1	3 yrs. (Alternate)	Councilman McDonald Councilman Reese	6-21-1995 6-21-1995	Exp. 6-21-2002 Exp. 6-21-2002
~~So. Nev. Enterprise Consortium (Inactive)~~	~~2~~	~~1 yr. 1-yr.~~	~~Mayor Goodman Councilman Reese~~	~~6-28-1999 8-2-1995~~	~~Exp. 6-28-2000 Exp. 6-28-2000~~
So. Nev. Regional Planning Coalition (Formerly So. Nev. Gov't Efficiency Committee)	2	Until replaced	Mayor Goodman Councilman Brown Councilwoman L. McDonald	6-28-1999 1-11-1999 7-26-1999 (Alternate)	
So. Nev. Water Authority	2 (1 Member, 1 Alternate)	Until replaced	Councilman McDonald Councilman Brown (Alternate)	6-28-1999 7-14-1997	
Yucca Mnt. Nuclear Repository Com.	2	Until replaced "	Councilman McDonald Councilman Mack	6-21-1995 1-19-2000	City Mgr. or designee also serves

AGENDA SUMMARY PAGE

CITY COUNCIL MEETING OF: MAY 16, 2001

DEPARTMENT: BUSINESS DEVELOPMENT

DIRECTOR: LESA CODER

☐

CONSENT

☒

DISCUSSION

SUBJECT:

REPORT FROM REAL ESTATE COMMITTEE - Councilmen Mack & Weekly

Discussion and possible action regarding the Reinstatement and First Amendment to Donation, Purchase and Sale Agreement and Escrow Instructions (Agreement) that was approved by the City Council on December 6, 2000, between Union Pacific Railroad and the City of Las Vegas for the purchase of land known as Parkway Center Lot 4 and Bonanza Street Property (\$4,182,415.25 - Industrial Revenue Fund) - Ward 5 (Weekly)

Fiscal Impact

☐

No Impact

Amount: \$4,182,415.25

☒

Budget Funds Available

Dept./Division: Business Development

☐

Augmentation Required

Funding Source: Industrial Revenue Fund

PURPOSE/BACKGROUND:

Purchase of land from Union Pacific Railroad (UPR) and the sale of this same piece of land to 21st Century Financial Ventures, LLC. The land is known as Parkway Center Lot #4 and the Bonanza Street Property. The subject property consists of 10.38 acres, as depicted on the attached map (Exhibit "A").

RECOMMENDATION:

The 5/14/2001 Real Estate Committee recommends approval, subject to the amendment to the amount to reflect \$4,184,262 as read into the record by staff. It is recommended by the City Manager that the City Council approve the execution of the Agreement with UPR and that the Mayor be authorized to execute the same, and any and all documents including the Exhibits attached to the agreement.

BACKUP DOCUMENTATION:

1. Agenda Memo
2. Real Property Reinstatement and First Amendment to Donation, Purchase and Sale Agreement and Escrow Instructions
3. Site Map

MOTION:

WEEKLY -- APPROVED as recommended -- UNANIMOUS

*City of Las Vegas***Agenda Item No. 96**

CITY COUNCIL MEETING OF MAY 16, 2001

Real Estate

Item 96 – Discussion and possible action regarding the Reinstatement and First Amendment to Donation, Purchase and Sale Agreement and Escrow Instructions between Union Pacific Railroad and the City of Las Vegas

MINUTES:

LESA CODER, Director, Office of Business Development, noted that the correct purchase amount should be \$4,184,262, as corrected at the Real Estate Committee meeting, and recommended approval.

MAYOR GOODMAN verified with MS. CODER that the City would have the discretion to set the future sale price of the property. MS. CODER assured MAYOR GOODMAN that it is not the intent to have mandatory concurrent closings.

There was no further discussion.

(1:03 – 1:05)

3-2040

*City of Las Vegas***AGENDA MEMO****CITY COUNCIL MEETING DATE: MAY 16, 2001****DEPARTMENT: BUSINESS DEVELOPMENT****ITEM DESCRIPTION: REINSTATEMENT AND FIRST AMENDMENT TO
DONATION, PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS
BETWEEN UNION PACIFIC RAILROAD AND THE CITY OF LAS VEGAS**

The major points of the Agreement are as follows:

- The site consists of 10.38 acres; land is to be purchased from Union Pacific Railroad (UPR)
- The Purchase Price will be \$9.25 per square foot; or \$4,182,415.25
- City agrees that the Sales Price is less than fair market value and the difference, confirmed by an appraisal of the Property at UPR's expense will be donated to the City as a charitable contribution to the extent of such excess
- Escrow fees shall be paid equally by City and UPR
- A \$100,000.00 earnest money deposit will be deposited by City with the Title Company

Final sale of the property is contingent upon the following events:

- City has a 30 day due diligence period for soil compaction testing and environmental review to determine site suitability for developers plans
- Approval of 21st Century Financial Ventures, LLC. Site Development Plan pursuant to Las Vegas Municipal Code
- The sale of the Property will have a favorable affect on downtown economic development by providing an office project on unimproved land

**REINSTATEMENT AND FIRST AMENDMENT TO DONATION,
PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS**

THIS REINSTATEMENT AND FIRST AMENDMENT TO DONATION, PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS (the "Reinstatement and First Amendment") is made and entered into as of the 16th day of May, 2001 ("Effective Date"), by and between UNION PACIFIC RAILROAD COMPANY, a Delaware corporation ("Seller"), and CITY OF LAS VEGAS, a municipal corporation of the State of Nevada ("Buyer"), and amends that certain Donation, Purchase and Sale Agreement and Escrow Instructions dated December 27, 2000 (the "Agreement") for the donation, sale and purchase of certain real property located in Las Vegas, Clark County, Nevada, more particularly described therein (the "Property").

IT IS MUTUALLY AGREED by and between Seller and Buyer as follows:

Section 1. Agreement. The Agreement, which terminated on December 28, 2000 pursuant to Section 7.2(a) of the Agreement, is reinstated and, except as amended herein, all of the terms and conditions of the Agreement are reinstated and shall have the same force and effect and be as binding upon the parties hereto as if the same were repeated herein.

Section 2. Signboard Agreement Termination. Written notice of Buyer's election to cause termination of the signboard agreement under Section 1.4(b) of the Agreement shall be given before expiration of the Feasibility Review Period as extended in Section 6 below. The Withdrawal Fee (as defined in Section 1.4(b) of the Agreement) will be \$156,278.33 (assuming Closing occurs on June 15, 2001).

Section 3. Purchase Prices The Purchase Prices for the Bonanza Street Parcels and for Lot 4 are increased to a total of FOUR MILLION ONE HUNDRED EIGHTY-FOUR THOUSAND SIX HUNDRED TWENTY-SIX DOLLARS (\$4,184,626.00).

Section 4. Excavation Limitations. Section 3.3 of the Agreement is amended to reduce the amount of Permitted Excavation to not to exceed a total of 1,000 cubic yards.

Section 5. Title to Property. The last sentence of subparagraph (iv) of Article IV of the Agreement is deleted in its entirety.

Section 6. Feasibility Review; Inspection. The Feasibility Review Period referenced in Section 5.3(a) of the Agreement is extended to and including June 14, 2001. Buyer's feasibility review will pertain to Buyer's review of and satisfaction with Buyer's engineering studies, environmental assessments, surveys and soil compaction studies, only. 21st Century Financial systems is substituted for LVDT in Section 5.3 of the Agreement.

Section 7. LVDT-City Agreement. Section 5.4 of the Agreement is deleted in its entirety, and any and all other references in the Agreement to LVDT or LVDT, LLC are deleted.

Section 8. Closing Date. The Closing Date, as defined in Section 7.2(a) of the Agreement, is extended to on or before June 15, 2001.

Section 9. Participation in Stage Two Improvements. Section 10.5 of the Agreement is deleted in its entirety and all other referenced to Stage Two Improvements are deleted.

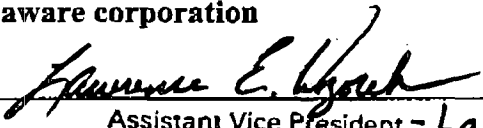
Section 10. Amendment Supplemental. This Reinstatement and First Amendment is supplemental to the Agreement, and nothing herein contained shall be construed as amending or modifying the same, except as herein specifically provided. In the event of any conflict between the terms of this Reinstatement and First Amendment and the terms of the Agreement, the terms of this Reinstatement and First Amendment shall prevail. Except as expressly provided herein, all of the terms, covenants and conditions contained in the Agreement shall remain in full force and effect.

Section 11. Facsimile Execution. This Reinstatement and First Amendment may be executed in facsimile counterparts which shall be effective as an original.

IN WITNESS WHEREOF, the parties hereto have executed this Reinstatement and First Amendment as of the date first above written.

SELLER:

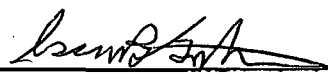
UNION PACIFIC RAILROAD COMPANY,
a Delaware corporation

By: 

Title: Assistant Vice President - Law

BUYER:

CITY OF LAS VEGAS, a municipal corporation
of the State of Nevada

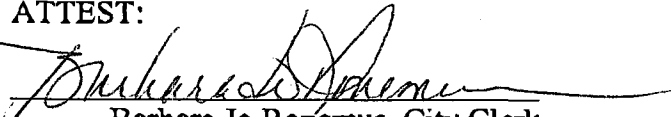
By: 

Oscar B. Goodman, Mayor

APPROVED AS TO FORM:

 5/2/01
Date

ATTEST:


Barbara Jo Ronemus, City Clerk

**DONATION, PURCHASE AND SALE AGREEMENT
AND ESCROW INSTRUCTIONS**

between

**UNION PACIFIC RAILROAD COMPANY,
a Delaware corporation**

"SELLER"

and

**CITY OF LAS VEGAS,
a municipal corporation of the State of Nevada**

"BUYER"

DATED: December 27, 2000.

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TO: NEVADA TITLE COMPANY
3320 W. Sahara Avenue, Suite 200
Las Vegas, Nevada 89102
Attn: Troy Lockhead
Telephone: (702) 251-5000
Facsimile: (702) 966-5848

Escrow No. _____

Date of Opening of
Escrow: _____

DONATION, PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS

THIS DONATION, PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS (the "Agreement") is made as of December 27, 2000, between UNION PACIFIC RAILROAD COMPANY, a Delaware corporation, whose address is 1416 Dodge Street, Omaha, Nebraska 68179 ("Seller"), and CITY OF LAS VEGAS, a municipal corporation of the State of Nevada, whose address is 400 Las Vegas Blvd. South, Las Vegas, Nevada 89101 ("Buyer").

ARTICLE I PROPERTY

1.1 The Property.

(a) Sale of Bonanza Street Property. Seller agrees to sell to Buyer, and Buyer agrees to purchase from Seller, subject to the terms and conditions in this Agreement, the real property (the "Bonanza Street Parcels") in Las Vegas, Clark County, Nevada, shown outlined in yellow on **Exhibit A-1** attached hereto and hereby incorporated herein, and described in **Exhibit A-2** attached hereto and hereby incorporated herein.

(b) Sale and Donation of Lot 4 of Parkway Center. Seller agrees to sell and donate to Buyer, and Buyer agrees to purchase and accept from Seller, subject to the terms and conditions in this Agreement, the real property ("Lot 4") known as Lot 4 of Parkway Center, in Las Vegas, Clark County, Nevada, shown outlined in yellow on **Exhibit A-1** and described in **Exhibit A-3**.

(c) The Bonanza Street Parcels and Lot 4 are hereafter sometimes collectively referred to as the "Property".

1.2 Railroad Easement Reservation. EXCEPTING from the sale of the Bonanza Street Parcels the railroad trackage and track appurtenances thereto, now located upon, along and across the Bonanza Street Parcels, and RESERVING unto Seller, its successors and assigns, forever, a PERPETUAL EXCLUSIVE EASEMENT thirty feet (30') in width in the location shown on **Exhibit A-1**, together with the right of ingress and egress thereto, for railroad purposes and purposes incidental thereto, including, without limitation, the construction, maintenance, operation, repair, renewal, reconstruction, use and removal of said railroad trackage and appurtenances.

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1.3 Fiber Optic Easement Reservation. There is FURTHER EXCEPTED from the sale of the Bonanza Street Parcels and RESERVED unto Seller, its successors and assigns, forever, a PERPETUAL EXCLUSIVE EASEMENT ten feet (10') in width over, under, across and upon that portion of the Bonanza Street Parcels depicted on **Exhibit A-1** as "communications easement property", for the construction, reconstruction, installation, inspection, repair, maintenance, enjoyment, operation, use and/or removal of existing and/or future communication lines and/or facilities, including, but not limited to, fiber optic cables, conduits and related appurtenances, (including, without limitation, valves, manholes, air vents, warning signals, junction boxes, transformers, switch boxes, and electric devices), together with the right of ingress, egress and access from and to such easement area over and across the Bonanza Street Parcels for purposes of exercising the easement rights reserved herein. All communication lines and/or facilities presently existing or hereafter constructed on the communications easement property shall remain the personal property of Seller. Seller shall have the right to grant, at its sole discretion, sub-easements, licenses and any other interests in the easement areas reserved under this Section 1.3 and to collect the rents, issues and profits therefrom, and from any existing contracts, and to use the easement areas for any other lawful purpose, including, but not limited to, entering into agreements with third parties for longitudinal occupancies or crossings. Neither Buyer nor any successor or assign of Buyer shall place or make any improvement on the easement areas except landscaping and paving for surface parking or driveways. Seller, its successors and assigns, shall repair any damage (except for damage to prohibited improvements) to the surface of the easement areas caused by the exercise of the easement rights reserved under this Section 1.3, and shall indemnify and hold harmless Buyer, its successors and assigns, from and against any losses, claims, liabilities, actions, causes of action, costs or expenses (including, without limitation, court costs and attorneys' fees) for personal injury or property damage caused by the exercise of such easement rights.

1.4 Signboard Easement Reservation/Termination.

(a) Under subparagraph (b) below, Buyer may elect to cause termination of the agreement under which one (1) signboard is on the Bonanza Street Parcels in the location shown on **Exhibit A-1** as "Lamar Signboard". If Buyer does not elect to cause termination of the signboard agreement covering the Lamar Signboard, there is EXCEPTED from the sale of the Bonanza Street Parcels the signboard and appurtenances thereto, including, without limitation, wirelines for electrical service to the signboard, and RESERVED unto Seller, its successors and assigns, forever, a PERPETUAL EASEMENT for the construction, maintenance, operation, repair, replacement, renewal and reconstruction of signboards and appurtenances thereto (whether now or hereafter constructed) upon, along, under and across the portion of the Bonanza Street Parcels which is the current location of the signboard and within a radius five feet (5') outside the perimeter of the land surface directly below the signboard (the "sign shadow") and any poles or footings if outside the sign shadow, together with (i) the right of unobstructed access, ingress and egress to and from said easement area for the purpose of exercising the rights herein reserved; and (ii) a sight line easement for the unobstructed view from U.S. Highway 95 to signboards now or hereafter located on said easement area.

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(b) By Buyer giving Seller written notice of such election on or before the end of the Feasibility Review Period, Buyer may elect to cause termination of the signboard agreement covering the Lamar Signboard. If Buyer so elects then the following shall apply:

(i) The Lamar Signboard is located on the Bonanza Street Parcels pursuant to Master Signboard Site License Agreement between Seller and Eller Media Company ("Eller") dated September 30, 1997 (the "Eller Agreement"), and pursuant to sublicense agreement between Eller and Lamar Outdoor Advertising, identified in the records of Seller as Audit No. 163336, Folder No. 490-36 (the "Sublicense"). On or before Closing, Seller will send or cause to be sent to Eller notice of (1) withdrawal of the Lamar Signboard from the Eller Agreement, and (2) Seller's election to cause termination of the Sublicense. The notice of withdrawal and election to terminate the Sublicense will be given in accordance with the provisions of the Eller Agreement. Seller will have no duty to enforce the obligations of Eller or the sublicensee with respect to withdrawal of the Lamar Signboard site or the termination of the Sublicense, including, without limitation, any obligations of Eller and/or the sublicensee to remove the Lamar Signboard. Seller will, upon request from Buyer, assign to Buyer, its successors or assigns, any of Seller's rights to enforce any such obligations of Eller and/or the sublicensee. The fee of \$154,285.17 [assuming Closing occurs on December 27, 2000] required under the Eller Agreement to be paid by Seller to Eller for withdrawal of the Lamar Signboard site will be paid by Buyer to Seller at Closing. Seller will hold this money in trust and will promptly pay this money to Eller pursuant to the terms of the Eller Agreement.

(ii) The withdrawal fee for the Lamar Signboard is hereinafter referred to as "Withdrawal Fee".

1.5 It is understood that this Agreement is, and the sale and conveyance made pursuant to this Agreement is subject to any and all applicable federal, state and local laws, orders, rules and regulations, and any and all outstanding rights of record or open and obvious on the ground.

ARTICLE II PURCHASE PRICES; DONATION

2.1 Purchase Prices; Donation.

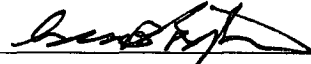
(a) The purchase prices ("Purchase Prices") for the Bonanza Street Parcels and for Lot 4 are a total of FOUR MILLION ONE HUNDRED EIGHTY-FOUR THOUSAND SIX HUNDRED TWENTY-SIX AND NO/100th DOLLARS (\$4,184,626.00).

(b) The parties acknowledge that to the extent the fair market value of Lot 4 exceeds the portion of the Purchase Prices attributable to Lot 4, Lot 4 is being donated to Buyer as a charitable contribution. Upon request of Seller, Buyer agrees to execute and furnish to Seller Internal Revenue Service Form 8283 acknowledging receipt of Lot 4 as a contribution to the extent of such excess.

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2.2 Payment of Purchase Prices. No later than 10:00 a.m. (Las Vegas time) on the Closing Date (as defined in Section 7.2), a sum equal to the Purchase Prices, together with the Withdrawal Fee as provided in Article I, if applicable, and Buyer's share of prorations and costs of Escrow as provided in Sections 7.6 and 7.7, will be deposited by Buyer in Escrow in immediately available Funds.

2.3 Waiver of Right to Record Lis Pendens. AS A MATERIAL CONSIDERATION FOR SELLER ENTERING INTO THIS AGREEMENT, BUYER EXPRESSLY WAIVES (A) ANY RIGHT AT COMMON LAW OR OTHERWISE TO RECORD OR FILE A LIS PENDENS OR A NOTICE OF PENDENCY OF ACTION OR SIMILAR NOTICE AGAINST ALL OR ANY PORTION OF THE PROPERTY, (B) ITS RIGHT TO SPECIFIC PERFORMANCE IN CONNECTION WITH ANY ALLEGED DEFAULT BY SELLER HEREUNDER AND (C) ITS RIGHT TO BRING ANY ACTION THAT WOULD IN ANY WAY AFFECT TITLE TO OR THE RIGHT OF POSSESSION OF ALL OR ANY PORTION OF THE PROPERTY. BUYER ACKNOWLEDGES AND AGREES THAT PRIOR TO THE ACTUAL CLOSE OF ESCROW, BUYER DOES NOT AND SHALL NOT HAVE ANY RIGHT, TITLE AND/OR INTEREST IN THE PROPERTY OR ANY PORTION THEREOF. BUYER AND SELLER HEREBY EVIDENCE THEIR SPECIFIC AGREEMENT TO THE TERMS OF THIS WAIVER BY PLACING THEIR SIGNATURES OR INITIALS IN THE PLACE PROVIDED HEREINAFTER.

Seller: Buyer: 

ARTICLE III

"AS IS" SALE; ENVIRONMENTAL PROVISIONS; EXCAVATION LIMITATIONS

3.1 Condition of Property. Buyer and its representatives will have been afforded the opportunity to make such inspections of the Property and matters related thereto as Buyer and its representatives desire, including, without limitation, governmental laws and regulations to which the Property is subject, and Buyer shall accept the Property upon the basis of its review and determination of the applicability and effect of such laws and regulations. Buyer acknowledges and agrees that the Property is to be sold and conveyed to and accepted by Buyer in an "as is" condition with all faults, except as otherwise provided in this Article III. Buyer further acknowledges that Buyer will have the opportunity to review the matters contained in **Exhibit B** attached hereto and incorporated by this reference (the "Property Materials"). Seller makes no representation or warranty as to the accuracy or completeness of the Property Materials. Except as specifically set forth in Section 8.1, Seller makes no representations or warranties of any kind whatsoever, either express or implied, with respect to the Property. In particular, but without limitation, and except as specifically set forth in Section 8.1, Seller makes no representations or warranties with respect to the use, condition, title, occupation or management of the Property, compliance with applicable statutes, laws, codes, ordinances, regulations or requirements relating to leasing, zoning, subdivision, planning, building, fire, safety, health or environmental matters, compliance with covenants, conditions and restrictions (whether or not of record), other local, municipal, regional, state or federal requirements, or other statutes, laws, codes, ordinances, regulations or requirements. Buyer

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acknowledges that it is entering into this Agreement on the basis of Buyer's own investigation of the physical and environmental conditions of the Property, including the subsurface conditions, and, except as otherwise provided in this Article III, Buyer assumes the risk that adverse physical and environmental conditions may not have been revealed by its investigation.

3.2 Seller's Environmental Obligations.

(a) Pursuant to an order issued to Seller by the Nevada Department of Conservation and Natural Resources, Division of Environmental Protection ("NDEP") on May 26, 1987 (the "NDEP Order"), an environmental consultant, on behalf of Seller, conducted a site characterization investigation covering the Property and certain adjacent properties, which was completed in March, 1989. The March 1989 site characterization disclosed the presence of certain contamination in, on and/or under the Property and such adjacent properties, which contamination, together with any other Total Petroleum Contamination ("TPH") attributable to Seller's past use of the Property, is hereafter collectively called the "Subject Contamination". Seller thereafter provided to NDEP, as required by the NDEP Order, descriptions of its recommended action level for clean-up for TPH and remediation of lead and solvents. By letter dated September 10, 1991 from NDEP to Seller, copy of which is marked **Exhibit C**, attached hereto and incorporated herein by reference, NDEP set forth its requirements for remediation of TPH and its response to Seller's recommended remedial action for solvents and lead (the "Plan"). At Seller's cost except for costs for which Buyer is responsible under Section 3.3 below or due to material breach of Buyer's covenants and agreements under this Article III, Seller, for itself, its successors and assigns, covenants and agrees to comply with the Plan with respect to the remediation of the Subject Contamination in, on, under or migrating from the Property, as amended or modified pursuant to the terms, standards and acceptable levels of clean-up of the Subject Contamination as required by NDEP or agreed to by NDEP and Seller, including without limitation, any clean-up work, monitoring and recovery work and offsite work with respect to soil or groundwater which is required by NDEP to be performed with respect to the Subject Contamination in, on, under or migrating from the Property (the "Modified Plan"). Any and all construction activity on the Property shall be coordinated with Seller's implementation of the Plan or Modified Plan. Seller, its agents and contractors, shall have access to the Property to the extent reasonably necessary to implement the Plan or Modified Plan, and shall exercise such access rights using commercially reasonable efforts to minimize unnecessary interference with Buyer's use of the Property. In performing its obligations under this subparagraph (a), Seller shall make commercially reasonable efforts to avoid damage to or destruction of improvements on the Property.

(b) It is acknowledged by both parties that certain remediation of the Subject Contamination is not required to be performed under the Plan until such time as construction excavation operations commence and proceed as required for the development of the Property. Seller agrees that any such remediation of the Subject Contamination required to be performed under the Plan or Modified Plan shall be conducted by Seller during the course of Buyer's required construction excavation operations in a reasonably diligent manner and in coordination with the development schedule of Buyer to the extent reasonably practicable; provided, however, that Buyer shall provide Seller with Buyer's plan and schedule for development (and any modifications thereof)

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as soon as available. Buyer acknowledges and agrees that Seller shall not be required to perform any excavation-related or other development activities which otherwise would be performed in connection with the development of the Property in the absence of the remediation requirements of the Plan or Modified Plan, i.e., any activities which are not directly and solely attributable to the remediation of the Subject Contamination in accordance with the Plan or Modified Plan. Seller, at Seller's cost except for costs for which Buyer is responsible under Section 3.3 below or due to material breach of Buyer's covenants and agreements under this Article III, agrees that soils excavated by Buyer for Buyer's future development of the Property which have TPH levels in excess of one hundred (100) mg/Kg attributable to Seller's past use will be disposed of by Seller, and that such groundwater contamination attributable to Seller's past use encountered in Buyer's future development of the Property will be disposed of by Seller, as required by the Plan or Modified Plan and, with respect to such groundwater, also as may be required by NDEP under a valid order. Buyer shall give notice to Seller reasonably in advance of commencement of any imminent excavation or construction activities that pose a reasonable likelihood of encountering contaminated soil or groundwater which Seller is required to dispose of under this subparagraph (b), and in all events Buyer shall give Seller prompt notice any time Buyer reasonably believes that Buyer actually has encountered such contaminated soil or groundwater in the course of excavation or construction activities. After any such notice is actually received by Seller, and before any excavation or construction (or further excavation or construction) may be undertaken by Buyer, Seller and Buyer shall promptly make arrangements, in coordination with Buyer's excavation/construction activities, for Seller to provide for, at Seller's cost except for costs for which Buyer is responsible under Section 3.3, sampling and analysis of the suspected contaminated soil or groundwater and the personnel to conduct same, that are necessary for Seller to discharge Seller's obligations under this subparagraph (b).

(c) Buyer acknowledges that Seller and NDEP shall have the right to agree upon the Plan and Modified Plan from time to time as NDEP and Seller reasonably and in good faith deem appropriate. Buyer agrees to cooperate with and support any effort by Seller to raise the permissible levels of TPH and lead through the adoption by NDEP of a risk-based corrective action approach to the Subject Contamination; provided, however, that any change in the permissible cleanup levels which is initiated by Seller shall be subject to Buyer's consent, which consent shall not be unreasonably withheld or delayed. Buyer shall not interfere in any manner with Seller's control over or implementation of the Plan or Modified Plan, or otherwise interfere with respect to the requirements of NDEP or any other governmental agency for remediation of the Subject Contamination. Except to the extent notification of NDEP or other authorized government agencies is clearly required under applicable laws and regulations, Buyer shall furnish Seller with advance written notice of any communication with NDEP or any other environmental agency proposed by Buyer with respect to the Subject Contamination, the Plan or the Modified Plan, and the opportunity, to the extent practicable, to be present at any meetings with NDEP. Buyer and Seller agree to cooperate with each other in dealing with NDEP with respect to the Plan and the Modified Plan, including, but not limited to, sending copies of all correspondence between NDEP and Buyer or Seller, as appropriate, to the other party or parties.

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(d) From and after Closing, Seller, for itself, its successors and assigns, agrees to and does hereby indemnify and hold Buyer harmless from and against any and all liability, loss, damage or injury, together with all reasonable costs and expenses relating thereto, including legal and accounting fees and expenses (collectively, "Losses"), where the Loss results from (A) any breach of the covenants made by Seller in this Article III, or (B) any suit, proceeding, claim, demand or judgment by any third party against Buyer for loss, liability or damage caused by any Subject Contamination migrating from the Property; provided, however, that Seller's indemnity shall not apply (x) to the extent the Loss results from any breach of Buyer's covenants and agreements under this Article III or from any exacerbation of the Subject Contamination caused by the acts or omissions of Buyer, its successors or assigns, any owner or occupant of any portion of the Property, or their agents, contractors, employees, licensees or invitees, or (y) where the third party under (B) above is an owner or occupant of the Property or any portion thereof, or an employee, agent, contractor, invitee or licensee of Buyer or any such owner or occupant, or (z) to any Losses which are lost profits, consequential damages, or punitive damages of Buyer, any owner or occupant of any portion of the Property, or their agents, contractors, employees, licensees, invitees, successors or assigns. Seller's indemnity in this subparagraph (d) is personal to the City of Las Vegas as Buyer, and may not be assigned or otherwise transferred to benefit any person or entity other than the City of Las Vegas.

3.3 Excavation Limitations. Buyer, for itself, its successors and assigns, and for each and every subsequent owner or occupant of any portion of Lot 4, covenants and agrees that notwithstanding anything in this Agreement to the contrary, (a) Seller, its successors and assigns, shall not be responsible for any costs (including, without limitation, costs for sampling, analysis, remediation or disposal) relating to or in any manner arising from any excavation conducted within that portion of Lot 4 shown on **Exhibit A-1** as "Day Storage Area" except for excavation (the "Permitted Excavation") of not to exceed a total of 2000 cubic yards of soil for any and all construction and development activities, (b) Buyer and/or the then-current owner of Lot 4 shall pay Seller for any costs (including, without limitation, reasonable charges for Seller's own forces) incurred by Seller relating to or in any manner arising out of any excavation within the Day Storage Area other than the Permitted Excavation, and (c) before any excavation other than the Permitted Excavation may be conducted within the Day Storage Area, Buyer and/or the then-current owner of Lot 4 shall provide Seller with an excavation plan describing the location, nature, purpose and extent of the planned excavation and, prior to commencing such excavation, shall furnish Seller with a bond, or other security, reasonably acceptable to Seller, covering the costs reasonably expected by Seller to be incurred by Seller in connection with the proposed excavation other than the Permitted Excavation. If the foregoing covenant is breached or threatened to be breached, Seller, its successors and assigns, shall have any and all available remedies at law or in equity, including, without limitation, injunctive relief and/or money damages.

3.4 Buyer's Release. Except for Seller's environmental obligations under this Article III, Buyer, for itself, its successors and assigns, and for each and every subsequent owner or tenant of any portion of the Property (collectively, the "Releasing Parties"), hereby waives, releases, remises, acquits and forever discharges Seller, its affiliates, their employees, agents, officers, successors and assigns, of and from any and all claims, suits, actions, causes of action, demands, rights, damages,

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costs, expenses, penalties, fines or compensation whatsoever, direct or indirect, which Buyer or any other Releasing Party now has or which Buyer or any other Releasing Party may have in the future on account of or in any way arising out of or in connection with the Subject Contamination, or any other physical or environmental condition of the Property to the extent such condition is actually known to Buyer (or to any of Buyer's employees involved in Buyer's acquisition of the Property) before Closing, or any federal, state or local law, ordinance, rule or regulation applicable to any of the foregoing, including, without limitation, the Toxic Substances Control Act, the Comprehensive Environmental Response, Compensation and Liability Act, and the Resource Conservation and Recovery Act; provided, however, that this release shall not preclude a Releasing Party from asserting third-party indemnity or contribution claims against Seller in any action brought against such Releasing Party by a third party other than another Releasing Party, or an employee, contractor, successor or assign of any Releasing Party.

3.5 Survival. The provisions of this Article III shall survive the Closing, and except for Section 3.2(d), shall be included in the Deed as covenants running with the land and binding Buyer and each and every subsequent owner or occupant of any portion of the Property. Buyer, and each subsequent owner of the Property, shall require each and every transferee of the Property to execute and deliver to Seller the transferee's agreement to be bound by the provisions of this Article III (except for Section 3.2(d)) as if the transferee were the Buyer.

ARTICLE IV TITLE TO PROPERTY

At the Closing, Seller will convey (i) the Bonanza Street Parcels to Buyer by execution and delivery of that certain Grant, Bargain and Sale Deed attached hereto as **Exhibit D-1** and incorporated herein, and (ii) Lot 4 to Buyer by execution and delivery of that certain Grant, Bargain and Sale Deed attached hereto as **Exhibit D-2** and incorporated herein (collectively, the "Deeds"). Title will be evidenced by the issuance by Nevada Title Company (the "Title Company"), of an ALTA standard coverage owner's policy of title insurance in the full amount of the Purchase Prices (the "Title Policy"), insuring fee simple title to the Property in Buyer, subject only to:

- (i) A lien not yet delinquent for ad valorem taxes for real property, and any general or special assessments against the Property;
- (ii) The Parkway Center Site Development Standards dated June 14, 1999 referred to in Section 10.1, as may be supplemented for the Property as provided in Section 10.1;
- (iii) That certain lease (the "Outdoor Lease") between Seller and Outdoor Systems (now known as Infinity Outdoor), identified in the records of Seller as Audit No. 207243, Folder No. 1649-60. At Closing, the Outdoor Lease will be assigned by Seller to, and assumed by, Buyer by duly executed Assignment and Assumption Agreement (the "Outdoor Assignment") in the form attached hereto as **Exhibit E-1** and hereby made a part hereof.

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- (iv) That certain Lease (the "DR Agreement") between Seller and DR Partners (now known as Eller), identified in the records of Seller as Audit No. 211083. At Closing, the DR Agreement will be assigned by Seller to, and assumed by, Buyer by duly executed Assignment and Assumption Agreement (the "DR Assignment") in the form attached hereto as **Exhibit E-2** and hereby made a part hereof. No rental or other payments made by DR Partners to Seller under the DR Agreement will be prorated at Closing, and will at all times be and remain the property of Seller. Under the DR Assignment, Seller shall agree to reimburse Buyer for one-half of the amount of License Consideration paid by Buyer if the DR Agreement is terminated under Section 11.3 of the DR Agreement.
- (v) That certain Drainage Facility & Waterway Agreement (the "Drainage Agreement") dated as of January 14, 1999 between Seller and Buyer, identified in the records of Seller as Audit No. 208992. At Closing, the Drainage Agreement will be partially assigned by Seller to, and partially assumed by, Buyer by duly executed Partial Assignment and Assumption Agreement (the "Partial Assignment") in the form attached hereto as **Exhibit E-3** and hereby made a part hereof.
- (vi) Exceptions disclosed by the Title Report described in Section 5.1, or the Survey referred to in Section 5.2, or any Supplemental Report, and which are approved or deemed approved by Buyer in accordance with Section 5.1; and
- (vii) Any other exceptions or reservations set forth in the Deeds.

ARTICLE V BUYER'S CONDITIONS TO CLOSING

The following are conditions precedent to Buyer's obligation to purchase and accept the Property:

5.1 Title.

(a) Seller, at its sole cost and expense, has obtained from Title Company and provided to Buyer a preliminary title report on the Property dated as of December 21, 2000, Order No. AO-11-0109 DTL, Amendment ~~Amendment~~ ("Title Report"), together with copies of the documents underlying the exceptions contained therein (to the extent available in the Clark County deed records) and the survey referred to in Section 5.2 below, and Buyer acknowledges that it has approved all matters of title to the Property shown in the Title Report and survey. In the event that, after the date of the initial Title Report, any new items appear of record, Escrow Holder will cause Title Company to deliver to Buyer a supplemental Title Report ("Supplemental Report") together with legible copies of all title exceptions described therein (to the extent available in the Clark County deed records). Buyer will have three (3) business days after receipt of the Supplemental Report or until the Closing Date, whichever occurs first, to give written notice to Seller of any new matters of title to the Property disapproved by Buyer ("Disapproved Items") contained in the

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Supplemental Report. If any such new Disapproved Items are not cured by Seller on or before the Closing Date, then Buyer may either proceed to Close on or before the Closing Date, in which event Buyer will be deemed to have waived its prior objections, or decline to Close on or before the Closing Date, in which event Buyer will be deemed to have elected to terminate this Agreement. In no event will Seller's failure to cure or delete as exceptions to the Title Policy any Disapproved Items be deemed to be a breach of this Agreement by Seller or entitle Buyer to any offset against the Purchase Price.

(b) If this Agreement is terminated pursuant to this Section 5.1, Buyer and Seller shall each pay to Escrow Holder an amount equal to one-half (1/2) of the "cost of cancellation of the Escrow" (as hereinafter defined), and neither party will have any further rights or obligations under this Agreement [other than the obligations of and indemnity by Buyer in Sections 5.3(b) and 11.2 and the obligations of Buyer in Section 11.10 (hereafter "Surviving Obligations")]. The term "cost of cancellation of the Escrow", as used herein will be the costs accrued and charged by Escrow Holder and the Title Company for the cancellation of Escrow and the preparation of the Title Report, only.

5.2 Survey. Seller, at its sole cost and expense, has obtained and furnished to Buyer a copy of a survey of the Property dated December 1, 2000, revised December 22, 2000, prepared and certified by D. G. Neel of G. C. Wallace, Inc., a public surveyor registered in the State of Nevada.

5.3 Feasibility Review; Inspection.

(a) Feasibility Review. Buyer will have approved, on or before December 27, 2000 ("Feasibility Review Period"), the condition of the Property and the feasibility of Buyer's development plan therefor. Buyer's feasibility review will pertain to Buyer's review of and satisfaction with the following:

(i) The availability of approvals by all governmental bodies having jurisdiction over the Property for Buyer's intended development thereof;

(ii) Buyer's engineering studies, soils investigations, environmental assessments, surveys and physical inspection of the Property; and

(iii) Buyer's review of the Property Materials. Seller shall make the Property Materials available to Buyer for review at Seller's Arcadia, California Real Estate office, and, through Ted Petranoff of The Forrester Group, 5460 Ward Road, Suite 110, Arvada, Colorado (telephone 303-456-0400, fax 303-456-0232), at the offices of Safety Kleen, at reasonable times during the Feasibility Review Period, except for such documents subject to confidentiality agreements or which contain Seller's internally generated proprietary information. If any of the Property Materials are subject to confidentiality agreements, Seller shall, at Buyer's request, use its commercially reasonable efforts to obtain the consent of the other party with which Seller has agreed to keep such documents in confidence to disclose

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the subject document(s) to Buyer. The Property Materials will also be made available to LVDT, LLC ("LVDT") for review in the same manner if LVDT signs Seller's Confidentiality Agreement in substantially the form attached hereto as **Exhibit J** and if representatives of LVDT are accompanied by a representative of Buyer.

Buyer may elect, at any time prior to the expiration of the Feasibility Review Period, to terminate this Agreement as a result of Buyer's disapproval of any of the foregoing matters; provided, however, that if Buyer fails to notify Seller and Escrow Holder of Buyer's disapproval of the feasibility of Buyer's proposed development of the Property by written notice delivered to Seller no later than the date of expiration of the Feasibility Review Period, Buyer will be deemed to have approved the feasibility and this condition will be deemed satisfied. If this Agreement is terminated pursuant to the foregoing provisions of this Section 5.3, Buyer shall pay to Escrow Holder an amount equal to the cost of the cancellation of Escrow, and neither party will have any further rights or obligations under this Agreement (except for the Surviving Obligations).

(b) Inspection. During the term of the Feasibility Review Period, Buyer and LVDT [if LVDT agrees in writing for the benefit of Seller to assume the same obligations as Buyer under this subparagraph (b)] and their representatives (including architects and engineers) will have the right to enter upon and inspect the Property and conduct such boundary and topographic surveys, soil and engineering tests and environmental assessments with engineers or consultants licensed in the State of Nevada as Buyer may reasonably require; provided that such inspections and tests will not materially damage the Property in any respect; provided, further, that such tests and inspections are conducted in accordance with standards customarily employed in the industry and in compliance with all governmental laws, rules and regulations; provided, still further, that Buyer notifies Seller in writing at least forty-eight (48) hours prior to the date that each and every of any invasive testing that is to be conducted on the Property. Buyer will promptly restore the Property to its original condition as existed prior to any such inspections and/or tests. If Buyer, its agents, representatives or employees undertakes any boring or other disturbance of the soil, the soil so disturbed will be recompacted to the original condition of the Property. Buyer agrees to indemnify, hold harmless and defend (with counsel acceptable to Seller) Seller and Seller's affiliates ("Seller's affiliates" means any corporation which directly or indirectly controls or is controlled by or is under common control with Seller), its and their officers, agents, servants and employees against and from any and all liability, loss, cost, damage or expense (including attorneys' fees) of whatsoever nature growing out of or in connection with personal injury to or death of persons whomsoever (including, without limitation, exposure to hazardous or toxic substances), or loss or destruction of or damage to property whatsoever (including, without limitation, contamination by hazardous or toxic substances and any required testing, removal or cleanup thereof), where such personal injury, death, loss, destruction or damage arises in any way in connection with or incident to the occupation or use of the Property by, or the presence thereon of, Buyer, its officers, agents or employees and occurs from any such cause. If Buyer should discover any hydrocarbon substances or any other hazardous or toxic substances, asbestos or asbestos-bearing materials, waste or materials subject to legal requirements or corrective action, Buyer will immediately notify Seller of the same. The indemnity obligations of Buyer under this Section will survive any termination of this Agreement or the delivery of the Deed (as hereafter defined) and the transfer of title. Buyer covenants and agrees to

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promptly deliver to Seller, without charge therefor, the results and copies of any and all reports or other results of any environmental assessments made by or for Buyer with respect to the Property.

Buyer covenants and agrees to pay in full for all materials joined or affixed to the Property and to pay in full all persons who perform labor upon the Property, and not to permit or suffer any mechanic's or materialman's lien of any kind or nature to be enforced against the Property for any work done or materials furnished thereon at the instance or request or on behalf of Buyer; and Buyer agrees to indemnify, hold harmless and defend (with counsel acceptable to Seller) Seller and Seller's affiliates, its and their officers, agents, servants and employees against and from any and all liens, claims, demands, costs and expenses of whatsoever nature in any way connected with or growing out of such work done, labor performed or materials furnished prior to Closing.

5.4 LVDT-City Agreement. Buyer may elect to terminate this Agreement by giving Seller written notice of termination at any time prior to Close of Escrow if the Purchase Agreement between Buyer and LVDT dated December 28, 2000 ("LVDT Agreement"), is terminated by LVDT or Buyer pursuant to Section 11 of the LVDT Agreement. If this Agreement is terminated pursuant to this Section 5.4, Buyer shall pay to Escrow Holder an amount equal to the cost of the cancellation of Escrow, and neither party will have any further rights or obligations under this Agreement (except for the Surviving Obligations).

5.5 Compliance by Seller. The representations and warranties of Seller set forth in Section 8.1 will be materially true and correct as of Closing, and Seller will have performed and complied with each and every condition and material covenant of this Agreement to be kept or complied with by Seller.

ARTICLE VI SELLER'S CONDITION TO CLOSING

It is a condition precedent to Seller's obligation to sell and donate the Property to Buyer that the representations and warranties of Buyer set forth in Section 8.2 will be materially true and correct as of Closing, and Buyer will have performed and complied with each and every condition and material covenant of this Agreement to be kept or complied with by Buyer.

ARTICLE VII OPENING AND CLOSING OF ESCROW

7.1 Opening of Escrow and Escrow Instructions. Upon execution of this Agreement, the parties hereto will deposit three (3) executed counterparts of this Agreement with Escrow Holder and this instrument will serve as the instructions to Escrow Holder for creation of the Escrow to consummate the donation, purchase and sale contemplated by this Agreement. Seller and Buyer agree to execute such supplementary Escrow instructions containing Escrow Holder's general provisions as may be appropriate to enable the Escrow Holder to comply with the terms of this Agreement; provided, however, that in the event of any conflict between the provisions of this Agreement and Escrow Holder's general provisions, the terms of this Agreement will control. The

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Opening of Escrow will be the date upon which Escrow Holder has received executed counterparts of this Agreement from both Buyer and Seller. Escrow Holder will deliver to both Buyer and Seller a set of counterparts of the Agreement executed by Buyer, Seller and Escrow Holder and will retain a set in Escrow. Escrow Holder will only be responsible for undertaking such matters in connection with the Closing as are specifically provided for herein or in any additional or supplementary Escrow instructions delivered by the parties.

7.2 Closing.

(a) The consummation of the transaction contemplated by this Agreement and the recording of the Deed (the "Closing" or "Close of Escrow") will occur and delivery of all items to be made at the Closing under the terms of this Agreement will be made on or before December 28, 2000 (the "Closing Date").

(b) If this Agreement has not otherwise been terminated pursuant to any other provisions of this Agreement, and the Closing does not occur on or before the Closing Date, then either party not then in default may elect to terminate this Agreement and cancel Escrow by giving written notice of such termination and cancellation to the other party and to Escrow Holder. In the event of such termination and cancellation, neither party will have any further obligations hereunder (except for the Surviving Obligations) and all documents and other instruments will be returned to the party depositing the same into Escrow. In the event neither party is in default, or both parties are in default, then the cost of cancellation of the Escrow will be shared equally between Buyer and Seller. In the event only one of the parties is in default or if this Agreement expressly so provides, then the defaulting party will pay for the entire cost of cancellation of the Escrow. The termination of this Agreement and cancellation of Escrow, as provided herein, will be without prejudice to whatever legal rights, as said rights may be limited by the terms contained in this Agreement, that Buyer or Seller may have against each other arising out of this Agreement and the Escrow. If neither party so elects to terminate this Agreement and cancel Escrow, Escrow Holder will close the Escrow as soon as possible.

7.3 Delivery by Seller. Not later than 10:00 a.m. (Las Vegas time) on the Closing Date, Seller will deposit with Escrow Holder the following:

- (a) The Deeds, duly executed and acknowledged by Seller.
- (b) The Outdoor Assignment in the form of **Exhibit E-1**, duly executed by Seller.
- (c) The DR Assignment in the form of **Exhibit E-2**, duly executed by Seller.
- (d) The Partial Assignment in the form of **Exhibit E-3**, duly executed by Seller.
- (e) Non-Foreign Status Certificate pursuant to Internal Revenue Code Section 1445 in the form attached hereto as **Exhibit F**, duly executed by Seller.

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- (f) The Covenants Agreement referred to in Section 10.6, duly executed and acknowledged by Seller.
- (g) Any other documents, instruments, data, records, correspondence or agreements called for under this Agreement which have not previously been delivered.

7.4 Delivery by Buyer. Not later than 10:00 a.m. (Las Vegas time) on the Closing Date (or at such other time specified below), Buyer will deposit with Escrow Holder the following:

- (a) The sums set forth in Section 2.2, plus additional amounts which are required pursuant to Section 1.4(b)(i) and Sections 7.6 and 7.7 to close Escrow.
- (b) The Outdoor Assignment in the form of **Exhibit E-1**, duly executed by Buyer.
- (c) The DR Assignment in the form of **Exhibit E-2**, duly executed by Buyer.
- (d) The Partial Assignment in the form of **Exhibit E-3**, duly executed by Buyer.
- (e) The Covenants Agreement referred to in Section 10.6, duly executed and acknowledged by Buyer.
- (f) The Deeds, duly executed and acknowledged by Buyer.
- (g) Any other documents or instruments called for under this Agreement which have not been previously delivered.

7.5 Other Instruments. Seller and Buyer will each deposit such other instruments and take such other actions as are reasonably required by Escrow Holder or otherwise required to Close the Escrow and consummate the purchase of the Property in accordance with the terms of this Agreement.

7.6 Prorations. All revenues (except for rental under the DR Agreement) and expenses of the Property, including, without limitation, real property taxes and special assessments (and installments thereof), utility fees and/or deposits, and rental under the Outdoor Lease, will be prorated and apportioned between Buyer and Seller as of 12:01 a.m. on the Closing Date, so that Seller bears all expenses with respect to the Property and has the benefit of all income with respect to the Property through and including the date immediately preceding the Closing Date. Seller and Buyer agree that any of the aforesaid prorations which cannot be calculated accurately as of the Closing Date will be prorated on the basis of the parties' reasonable estimates, and will be recomputed sixty (60) days after the Closing Date and either party owing the other party a sum of money based on such subsequent proration adjustment will promptly pay said sum to the other party, and, if payment is not made within ten (10) days after delivery of a bill therefor, will pay interest thereon, at the lesser of the rate of ten percent (10%) per annum or the highest rate permitted by law, from the Closing Date to the date of payment, provided, however, that if real property taxes for the

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year of Closing are not known on the Closing Date, Buyer and Seller will adjust the proration for real property taxes within thirty (30) days after real property taxes for such year are known.

7.7 Costs and Expenses. Seller will pay the premium for the Title Policy (to the extent it does not exceed the cost of a standard owner's ALTA policy), the cost of any documentary or other transfer taxes applicable to the sale of the Property, and one-half (1/2) of all recording charges for the Deeds. Buyer will pay that portion, if any, of the premium and endorsements for the Title Policy to the extent they exceed the cost of a standard owner's ALTA policy, and the balance of all recording charges. Buyer and Seller will share equally all other costs and charges of the Escrow, except in the event of a default by either party, in which case the defaulting party will be responsible for all costs and charges of Escrow.

7.8 Closing of Escrow. Provided that Escrow Holder has received the documents and funds described in Sections 7.3 and 7.4, that Escrow Holder has not received prior written notice from either party that an obligation of either party under this Agreement has not been performed, or to the effect that any condition in this Agreement has not been fulfilled, or that Buyer has elected to terminate its rights and obligations under this Agreement pursuant to Article V or Seller has elected to terminate its rights and obligations pursuant to Article VI, and the Title Company has issued or is unconditionally prepared and committed to issue to Buyer as of the Closing Date the Title Policy, and has received and complied with written closing instructions from each of Buyer and Seller, Escrow Holder is authorized and instructed to (a) record the Deeds and the Covenants Agreement, (b) deliver to Buyer the items deposited by Seller pursuant to Section 7.3, with copies thereof to Seller, (c) deliver the Purchase Prices and Withdrawal Fee referred to in Section 1.4(b)(i), if applicable, to Seller, less Seller's share of prorations and costs of Escrow in accordance with Sections 7.6 and 7.7, (d) deliver to Seller the items deposited by Buyer pursuant to Section 7.4, with copies thereof to Buyer, (e) deliver conformed copies of the recorded Deeds and Covenants Agreement to Buyer and Seller, and (f) deliver the Closing Statements to the parties in accordance with Section 7.10.

7.9 Disbursement of Funds. On the date of Closing, Escrow Holder will disburse the Purchase Price (as adjusted pursuant to the statement of prorations to be delivered to Escrow Holder pursuant to Section 7.6), plus the Withdrawal Fee referred to in Section 1.3(b)(i), if applicable, less Seller's share of costs of Escrow, in immediately available funds, and unless otherwise instructed by Seller, Escrow Holder will cause such funds to be sent by wire transfer to Seller as follows:

US Bank
Omaha, Nebraska
ABA #104000029
Account No. 148744571164
For Credit Treasurer, Union Pacific Railroad Company

Such funds will be wired as of 11:00 a.m. on such date so that such funds may be received by Seller on the Closing Date.

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7.10 Notification; Closing Statements. If Escrow Holder cannot comply with the instructions herein and to be provided, Escrow Holder is not authorized to cause the recording of the Deed. If Escrow Holder is unable to cause the recording, Escrow Holder will notify Seller's representative, Don Caldwell, at (626) 821-1881, and Buyer's representative, Douglas Lein, at (702) 229-2032, without delay. Immediately after the Close of Escrow, Escrow Holder will deliver to Seller at the address provided in Section 11.1 a true, correct and complete copy of the Seller's Closing Statement and Buyer's Closing Statement, in the forms customarily prepared by Escrow Holder and will deliver to Buyer at the address provided in Section 11.1 a true, correct and complete copy of Buyer's Closing Statement and Seller's Closing Statement, in the form customarily prepared by Escrow Holder.

ARTICLE VIII REPRESENTATIONS, WARRANTIES AND COVENANTS

8.1 Representations and Covenants of Seller. Seller represents, warrants and covenants to Buyer as follows:

(a) Union Pacific Railroad Company is a corporation duly organized and validly existing under the laws of the State of Delaware and is in good standing under the laws of the State of Nevada, and has the authority to own and convey the Property and to enter into and comply with this Agreement.

(b) This Agreement and all documents executed by Seller which are to be delivered to Buyer at the Closing are and at the Closing will be, provided Buyer has duly executed those documents requiring Buyer's signature, legal, valid, and binding obligations of Seller, and do not and at the time of Closing will not violate any provisions of any agreement or judicial order to which Seller is a party or to which Seller or the Property is subject.

(c) There are no attachments, executions, assignments for the benefit of creditors, or voluntary or involuntary proceedings in bankruptcy pending against or contemplated by Seller.

(d) Seller has not granted to any person, firm or corporation or other entity other than Buyer, any right or option to acquire the Property or any part thereof that has not heretofore terminated.

(e) Except as may be disclosed by the Property Materials, Seller has no actual, current knowledge of any presence, use, generation, storage or disposal of any hazardous or toxic substances, wastes or pollutants on or under the Property, or of any underground storage tanks located on the Property.

(f) The party or parties executing this Agreement on behalf of Seller have been duly authorized and are empowered to bind Seller to this Agreement, and all consents which

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are required for Seller's execution and delivery of this Agreement have been obtained by Seller.

(g) Prior to Closing of Escrow, Seller covenants to take no action to cause any of Seller's representations and warranties in this Section 8.1 to become untrue.

(h) For purposes of this Section 8.1, Seller's actual, current knowledge will mean only the actual, current knowledge, without duty of investigation or inquiry, of R. David Uhrich, Michael Casey, Don Caldwell, Tony Love and Michael Sattler. Seller represents and warrants that such persons are all of the current, salaried employees of Seller's Real Estate Department with responsibility for the property management and sale of the Property.

8.2 Representations and Covenants of Buyer. Buyer represents, warrants and covenants to Seller as follows:

(a) Buyer is a municipal corporation duly organized and validly existing under the laws of the State of Nevada, with full power and authority to enter into and comply with the terms of this Agreement.

(b) This Agreement and all documents executed by Buyer which are to be delivered to Seller at the Closing are and at the Closing will be, provided Seller has duly executed those documents requiring Seller's signature to be duly authorized, legal, valid, and binding obligations of Buyer, and do not and at the time of Closing will not violate any provisions of any agreement or judicial order to which Buyer is a party or to which it is subject.

(c) Prior to Closing of Escrow, Buyer covenants to take no action to cause any of Buyer's representations and warranties in this Section 8.2 to become untrue.

8.3 Accuracy as of Closing. All representations and warranties by the respective parties contained herein are intended to remain materially true and correct as of the time of the Closing of Escrow, and are deemed to be restated at Closing of Escrow except with respect to variances of which written notice is given as provided below in this Article VIII. In the event a party has actual knowledge that a representation and warranty in this Section 8 is no longer true and correct after the date of Opening of Escrow, such party will immediately give the other party written notice of any variance. The party benefited by the representation and warranty may elect to terminate this Agreement by giving written notice of termination to the other party within ten (10) days after such written notice of variance is given. If the benefited party does not give timely notice of termination, the benefited party will be deemed to have waived the variance (except as provided in Section 8.4 below). If this Agreement is terminated pursuant to this Section 8.3, and neither party will have any further rights or obligations under this Agreement (except for the Surviving Obligations).

8.4 Breach of Representations, Warranties and Covenants. If the variance in a representation and warranty existed at the time of execution of this Agreement, i.e., if the

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representation and warranty was untrue when made, or if the variance results from a breach of covenant by the party making the representation and warranty, the party making the false representation and warranty or breaching the covenant will remain liable to the other party for breach of representation and warranty or covenant, and the other party may pursue damages for such breach.

8.5 Survival; Notice of Breach. The representations and warranties contained in Sections 8.1 and 8.2 (except with respect to variances of which written notice is given as provided in Section 8.3), and the consequences of breach thereof contained in Section 8.4, will not merge with the Deed in the event Buyer acquires the Property; provided, however, that neither Seller nor Buyer will have any cause of action or claim for a breach of representations and warranties set forth in Sections 8.1 and 8.2 (such party having a claim being referred to herein as a "Claimant") unless a "Notice of Breach" (as hereinafter defined) has been theretofore delivered by Claimant to the party claimed to be in breach within twenty-four (24) months following the Close of Escrow (the "Claims Period"). Failure of a Claimant to deliver a Notice of Breach within the Claims Period will terminate any and all causes of action, claims, or rights with respect to a breach by the other party of the representations and warranties made by such party in Sections 8.1 and 8.2. Each Notice of Breach will describe with specificity and particularity the nature of the alleged breach.

ARTICLE IX CONDEMNATION

If, prior to the Close of Escrow, a governmental agency commences or imminently threatens in writing to commence any eminent domain proceedings to take any material portion of the Property, Buyer will have the right, exercisable by giving notice of such decision to Seller within fifteen (15) days after receiving written notice of such actual or threatened condemnation proceedings, to terminate this Agreement, in which case neither party will have any further rights or obligations under this Agreement (other than the Surviving Obligations). If Buyer does not so elect to terminate pursuant to this Article IX, the net proceeds of condemnation awards payable to Seller by reason of such condemnation will be paid or assigned to Buyer upon the Close of Escrow.

ARTICLE X POST-SALE CONDITIONS

This Agreement is made and executed by Seller and Buyer subject to the following covenants, conditions and restrictions:

10.1 Site Development Standards. Buyer and Seller acknowledge that the Parkway Center portion of the Property and Seller's remaining ownership in Parkway Center is subject to Site Development Standards approved by City of Las Vegas ("City") on June 14, 1999, as supplemented with Parkway Center Lot One Site Development Standards dated September 20, 1999, and that the Site Development Standards, as supplemented, have been accepted by the City of Las Vegas Planning and Development Department as indicated in Robert Genzer, Deputy Director's letter dated December 3, 1999 to John Terrell, former employee of Seller, copy attached hereto as **Exhibit G** and made a part hereof. Buyer, at its sole cost and expense, shall obtain City approval of a

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supplement to the Site Development Standards as supplemented, which is acceptable (including all conditions thereto) to Buyer and Seller, to allow for Buyer's intended use of the Property for the construction of a high-technology campus consisting of approximately 129,225 square feet of office, retail and residential space ("Buyer's Intended Use"). Buyer may obtain such approval before (but may not encumber the Property with such supplement before Closing) or after Closing. The proposed supplement shall be submitted to Seller at the following address:

Mr. H. Don Caldwell
Senior Manager, Real Estate
Union Pacific Railroad Company
150 North Santa Anita Avenue, Suite 300
Arcadia, California 91006

for review and approval. Such review by Seller shall be completed and appropriate response made to Buyer within twenty (20) days after receipt of such supplement by Seller; and it is expressly understood that approval of such supplement by Seller shall not be unreasonably withheld. Seller shall have no obligation to approve such supplement if such supplement (i) is not substantially equivalent to the Parkway Center Lot One Site Development Standards dated September 20, 1999, (ii) obligates Seller as owner of the Property or otherwise to pay money, construct improvements or dedicate any interest in real property, or (iii) detrimentally affects the value, use or development of Seller's remaining ownership in Parkway Center.

Buyer, for itself, its successors and assigns, agrees to comply with the Parkway Center Site Development Standards, as amended pursuant to this Section 10.1.

10.2 Landscaping. The landscaping now on the Parkway Center portion of the Property was installed and is irrigated and otherwise maintained in common with common landscaping and parkscape features (the monument sign, water feature and lighting) on certain portions of Parkway Center. Buyer agrees that Seller or Seller's designee may continue to maintain such landscaping and to operate the irrigation equipment with respect to any and all portions of the Parkway Center Property upon which landscaping is not hereafter installed in connection with the development thereof, and that Buyer will reimburse Seller or Seller's designee for the cost thereof as to the Parkway Center portion of the Property or the portion of the Parkway Center Property which has not been developed and landscaped, and as to the common landscaping and parkscape features on certain portions of Parkway Center, based on the square footage of the Parkway Center portion of the Property relative to the square footage of property within lots in Parkway Center benefited by such common landscaping and parkscape features.

10.3 Private Road Crossing. Seller agrees to grant to Buyer one (1) private road crossing across the Bonanza Street Parcels in a location to be mutually agreeable to Seller and Buyer. The private road crossing shall be constructed by Seller, and the construction and maintenance thereof shall be at Buyer's sole cost and expense. Buyer shall apply to Seller for the private road crossing by completing the "Application for Private Road Crossing and Encroachment" form attached hereto as **Exhibit K**, and Seller and Buyer shall then enter into a Private Road Crossing Agreement, in the

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form attached hereto as **Exhibit L** and hereby made a part hereof, except that Buyer shall not be required to pay the annual license fee and administrative handling fee under Article II thereof. Buyer shall comply with all of Seller's Engineering Department rules and regulations regarding the Private Road Crossing.

10.4 Dedication of Easement. Buyer, for itself, its successors and assigns, agrees, within a reasonable time after Close of Escrow, to cause the dedication to the public of an easement ten feet (10') in width over, under, across and upon that portion of the Property that parallels on the north and lies adjacent to the property depicted on **Exhibit A-1** as "10' Esmt to Nevada Power Company", for the construction, reconstruction, installation, inspection, repair, maintenance, enjoyment, operation, use and/or removal of existing and/or future communication lines and/or facilities, including, but not limited to, fiber optic cables, conduits and related appurtenances, (including, without limitation, valves, manholes, air vents, warning signals, junction boxes, transformers, switch boxes, and electric devices), together with the right of ingress, egress and access from and to such easement area over and across the Property.

10.5 Participation in Stage Two Improvements.

(a) Buyer acknowledges that the Property may be subject to future assessments to fund the construction of the following improvements (the "Stage Two Improvements"):

(i) Full intersection at Charleston Boulevard/I-15 including on and off-ramps at Charleston, grade separation of Martin Luther King at Charleston, northbound and southbound I-15 ramps at Bonneville Avenue and other related improvements as shown on **Exhibit H-1**;

(ii) Fully improved Discovery Street from Martin Luther King to Parkway Center's westerly boundary as shown on **Exhibit H-2**;

(iii) Eastbound and westbound ramps on US-95 at "F" Street and related improvements as shown on **Exhibit H-3**.

(b) Buyer, for itself and its successors and assigns, agrees not to protest the formation of an Assessment District to fund the construction of the Stage Two Improvements. If no such Assessment District is formed, and Seller and/or other owners of property within Parkway Center contribute to the cost of the Stage Two Improvements, Buyer agrees that Buyer's share (including Buyer's contribution required by any governmental entity, if any) of all such contributions by owners of property in Parkway Center will be the greater of (i) three percent (3%), or (ii) the percentage that the projected traffic to be generated by the Property bears to the projected traffic to be generated by Parkway Center, as determined by a professional traffic study commissioned by Seller and the City of Las Vegas. If Buyer is not required by any governmental entity to contribute to the cost of the Stage Two Improvements, then Buyer will reimburse Seller and other property owners, on a proportionate basis, to the extent of Buyer's share as calculated above.

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(c) Buyer will require any transferee (including, without limitation, any party that acquires title through foreclosure, public sale or deed in lieu thereof) of the Property or any portion thereof to assume Buyer's obligations under this Section 10.5 in writing for the benefit of Seller. In the case of transfers of less than all of the Property, such assumption will be on a pro rata basis calculated using the proportion that the gross square footage of the transferred portion bears to the gross square footage of the entire Property.

10.6 Survival. The provisions of this Article X will survive the Closing, and except for the provisions of Section 10.3, will be included in the Covenants Agreement in the form of **Exhibit I** attached hereto and hereby incorporated herein to be executed and delivered by Buyer and Seller at Closing of Escrow.

ARTICLE XI MISCELLANEOUS

11.1 Notices. Any notice or other communication required or permitted to be given under this Agreement ("Notices") must be in writing and must be (i) personally delivered, (ii) delivered by a reputable overnight courier, or (iii) delivered by certified mail, return receipt requested, and deposited in the U.S. Mail, postage prepaid. Telecopy notices will be deemed valid only to the extent they are (a) actually received by the individual to whom addressed and (b) followed by delivery of actual notice in the manner described in (i), (ii) or (iii) above within three (3) business days thereafter. Notices will be deemed received at the earlier of actual receipt or (i) one (1) business day after deposit with an overnight courier as evidenced by a receipt of deposit; or (ii) three (3) business days following deposit in the U.S. mail, as evidenced by a return receipt. Notices must be directed to the parties at their respective addresses shown below, or such other address as either party may, from time to time, specify in writing to the other in the manner described above:

If to Seller: UNION PACIFIC RAILROAD COMPANY
ATTN: H. Don Caldwell
150 North Santa Anita Avenue, Suite 300
Arcadia, California 91006
TELEPHONE: (626) 821-1881
FACSIMILE: (626) 821-1884

with a copy to: UNION PACIFIC RAILROAD COMPANY
ATTN: Real Estate Attorney
1416 Dodge Street, Room 830
Omaha, Nebraska 68179
TELEPHONE: (402) 271-5761
FACSIMILE: (402) 271-7107 or 271-5610

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If to Buyer:

CITY OF LAS VEGAS
ATTN: Douglas Lein, Sr. Development Officer
Office of Business Development
400 Las Vegas Blvd. South
Las Vegas, Nevada 89101
TELEPHONE: (702) 229-2032
FACSIMILE: (702) 385-3128

with copy to:

CITY ATTORNEY'S OFFICE
ATTN: City Attorney
400 Stewart Avenue, 9th Floor
Las Vegas, Nevada 89101
TELEPHONE: (702) 229-6201
FACSIMILE: (702) 386-1749

Title Company:

NEVADA TITLE COMPANY
ATTN: Troy Lockhead
3320 W. Sahara Avenue, Suite 200
Las Vegas, Nevada 89102
TELEPHONE: (702) 251-5000
FACSIMILE: (702) 966-5848

or such other address as either party may from time to time specify in writing to the other in the manner aforesaid.

11.2 Brokers and Finders. In connection with the transaction contemplated by this Agreement, Seller has agreed to pay, through Escrow, upon the Closing, if and only if the sale pursuant to this Agreement is consummated, a real estate brokerage commission payable to CB Richard Ellis, 1900 East Flamingo Road, Suite 180, Las Vegas, Nevada 89119, in an amount agreed upon between Seller and said broker pursuant to a separate written agreement. No broker's fee, finder's fee, commission or similar compensation will be paid to principals of Buyer or Seller in connection with this Agreement. In the event of a claim for broker's fee, finder's fee, commission or other similar compensation in connection herewith other than as set forth above, Buyer, if such claim is based upon any agreement alleged to have been made by Buyer, agrees to indemnify and hold Seller harmless against any and all liability, loss, cost, damage or expense (including reasonable attorneys' fees and costs) which Seller may sustain or incur by reason of such claim, and Seller, if such claim is based upon any agreement alleged to have been made by Seller, agrees to indemnify and hold Buyer harmless against any and all liability, loss, cost, damage or expense (including reasonable attorneys' fees and costs) which Buyer may sustain or incur by reason of such claim. The provisions of this Section will survive the Close of Escrow or termination of this Agreement.

11.3 Successors and Assigns. This Agreement is binding upon, and will inure to the benefit of, the parties hereto and their respective successors, heirs, administrators and assigns, except that Buyer's interest under this Agreement may not be assigned, encumbered or otherwise

transferred, whether voluntarily, involuntarily, by operation of law or otherwise without Seller's prior written consent, which consent shall not be unreasonably withheld provided that such assignee is a qualified charitable organization under the federal Internal Revenue Code and the rules and regulations promulgated thereunder and the assignee assumes the obligations of Buyer under this Agreement in writing for the benefit of Seller. Any assignment, encumbrance or other transfer in violation of the foregoing is void and will be deemed a default under this Agreement.

11.4 Amendments. This Agreement may be amended or modified only by a written instrument executed by the party or parties asserted to be bound thereby.

11.5 Interpretation. Whenever used herein, the term "including" is deemed to be followed by the words "without limitation." Words used in the singular number include the plural, and vice-versa, and any gender is deemed to include each other gender. The captions and headings of the Articles and Sections of this Agreement are for convenience of reference only, and will not be deemed to define or limit the provisions hereof.

11.6 Governing Law. This Agreement will be governed by and construed in accordance with the laws of the State of Nevada.

11.7 Merger of Prior Agreements. This Agreement (including the riders and exhibits hereto) constitutes the entire agreement between the parties with respect to the purchase and sale of the Property and supersedes all prior and contemporaneous agreements and understandings between the parties relating to the subject matter of this Agreement.

11.8 Time of the Essence. Time is of the essence of this Agreement.

11.9 Joint Venture. It is not intended by this Agreement to, and nothing contained in this Agreement will, create any partnership, joint venture or other agreement between Buyer and Seller. No term or provision of this Agreement is intended to be, or will be, for the benefit of any person, firm, organization or corporation not a party hereto, and no such other person, firm, organization or corporation will have any right or cause of action hereunder.

11.10 Return of Documents. If the transaction contemplated in this Agreement fails to close for any reason, Buyer will deliver and return to Seller, at no cost to Seller, all information, reports and studies relating to the Property obtained from Seller, and Buyer will make no further distributions or disclosures of any such information, reports and studies. The provisions of this Section will survive the termination of this Agreement.

11.11 No Waiver. No waiver of any of the provisions of this Agreement will be deemed, or will constitute, a waiver of any other provision, whether or not similar, nor will any waiver constitute a continuing waiver. No waiver will be binding unless executed in writing by the party making the waiver.

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11.12 Further Acts. Each party will, at the request of the other, execute, acknowledge (if appropriate) and deliver whatever additional documents, and do such other acts, as may be reasonably required in order to accomplish the intent and purposes of this Agreement.

11.13 Counterparts. This Agreement may be executed in multiple counterparts, each of which will be deemed to be an original, but all of which, together, will constitute one and the same instrument.

11.14 Merger. Except for the provisions of Sections 5.3, 7.6, 7.7, 8.5 (to the extent therein provided), 11.2 and 11.3, and Articles III and X, the covenants, representations and warranties of Buyer and Seller herein will merge into the Deeds to be delivered by Seller to Buyer at Closing and will not survive the Closing of Escrow.

11.15 Not an Offer. The submission of this Agreement to Buyer for review or signature does not constitute an offer to sell the Property to Buyer or the granting of an option or other rights with respect to the Property to Buyer. No agreement with respect to the purchase and sale of the Property will exist, and this writing will have no binding force or effect, until executed and delivered by both Seller and Buyer.

11.16 Severability. Any provision of this Agreement which is determined by a court of competent jurisdiction to be invalid or unenforceable will be invalid or unenforceable only to the extent of such determination, which will not invalidate or otherwise render ineffective any other provision of this Agreement.

11.17. Disclosures. City acknowledges receipt from Union Pacific of Union Pacific's current 10-K filing with the federal Securities Exchange Commission. Seller agrees to promptly provide to Buyer copies of any supplemental 10-K filings with the SEC which reflect any change in the identities of persons or entities that own five percent (5%) or more of the shares of stock of Seller. The Certificate Disclosure of Ownership/Principals, as executed by Seller, is attached hereto as **Exhibit M** and hereby incorporated herein.

11.18 City Approvals. Any City approvals required or permitted by the terms of this Agreement, except with respect to zoning and City Code amendments, may be given by the City Manager or such other person that the City Manager designates in writing.

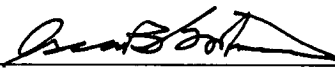
[SIGNATURES ON FOLLOWING PAGE]

1-1329-42

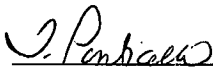
IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

Buyer:

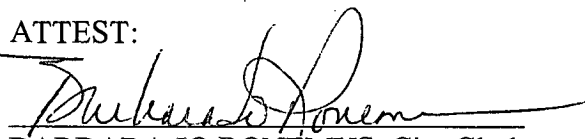
CITY OF LAS VEGAS, a municipal
corporation of the State of Nevada

By: 
OSCAR B. GOODMAN, Mayor

APPROVED AS TO FORM:

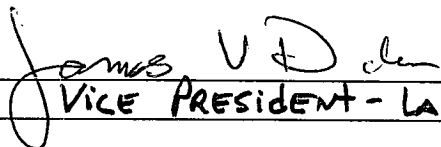
 12/28/00
Date

ATTEST:


BARBARA JO RONEMUS, City Clerk

Seller:

UNION PACIFIC RAILROAD COMPANY,
a Delaware corporation

By: 
Title: VICE PRESIDENT - LAW

THE UNDERSIGNED ESCROW HOLDER ACKNOWLEDGES ITS RECEIPT OF
THIS AGREEMENT AND AGREES TO ACT IN ACCORDANCE THEREWITH.

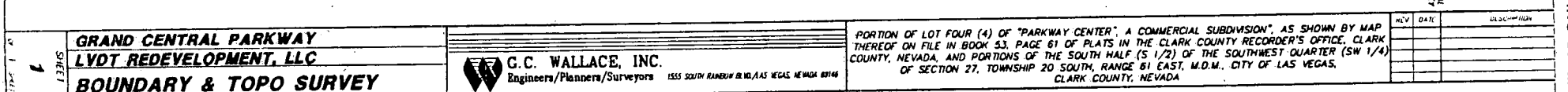
NEVADA TITLE COMPANY

By: _____
Title: _____

APPROVED AS TO FORM

GENERAL CONTRACT COUNSEL

NORTH 88°7'35" EAST - BEING THE NORTH LINE OF THE SOUTH HALF (S. 1/2) OF THE SOUTHWEST QUARTER (SW 1/4) OF SECTION 27, TOWNSHIP 20 SOUTH, RANGE 61 EAST, N.M.P. CITY OF LAS VEGAS, CLARK COUNTY, NEVADA, AS SHOWN BY MAP THEREOF ON FILE IN FILE 48, PAGE 23 OF PLAT 1 MAPS IN THE CLARK COUNTY RECORDER'S OFFICE, CLARK COUNTY, NEVADA.



EXPLANATION: THIS LEGAL DESCRIBES A PARCEL OF LAND LOCATED SOUTHWESTERLY OF THE INTERSECTION OF "D" STREET AND BONANZA ROAD LYING WESTERLY OF THE UPRR MAIN RAILROAD TRACKS (PARCEL 1).

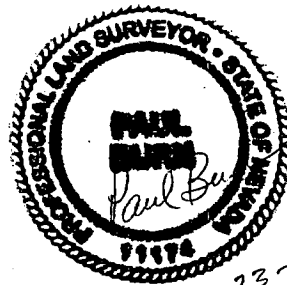
LEGAL DESCRIPTION

THAT PORTION OF THE SOUTH HALF (S 1/2) OF THE SOUTHWEST QUARTER (SW 1/4) OF SECTION 27, TOWNSHIP 20 SOUTH, RANGE 61 EAST, M.D.M., CITY OF LAS VEGAS, CLARK COUNTY, NEVADA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SOUTH HALF (S 1/2), SAID POINT BEING 10.00 FEET (MEASURED AT RIGHT ANGLES) SOUTH OF THE CENTERLINE OF BONANZA ROAD (VARYING WIDTH); THENCE ALONG THE NORTH LINE OF SAID SOUTH HALF (S 1/2) AND PARALLEL TO SAID CENTERLINE, NORTH 88°17'55" EAST, 1641.02 FEET; THENCE SOUTH 01°42'05" EAST, 30.00 FEET TO THE POINT OF BEGINNING ON THE SOUTHERLY RIGHT-OF-WAY LINE OF SAID BONANZA ROAD AND BEING THE NORTHEAST CORNER OF THAT CERTAIN PARCEL OF LAND DESCRIBED BY "DEED" RECORDED JUNE 30, 1950 IN BOOK 62 OF DEEDS, PAGE 290, AS INSTRUMENT NO. 343516, IN THE CLARK COUNTY RECORDER'S OFFICE, CLARK COUNTY, NEVADA; THENCE ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE THE FOLLOWING THREE (3) COURSES: SOUTH 87°53'14" EAST, 150.33 FEET; THENCE SOUTH 01°42'05" EAST, 6.00 FEET; THENCE NORTH 88°17'55" EAST, 327.85 FEET; THENCE SOUTH 01°42'05" EAST, 38.74 FEET; THENCE SOUTH 25°06'11" WEST, 378.56 FEET; THENCE NORTH 62°31'05" WEST, 17.16 FEET; THENCE SOUTH 27°28'55" WEST, 414.93 FEET TO A POINT ON THE NORTHERLY LINE OF THAT CERTAIN PARCEL OF LAND DESCRIBED BY "DEED" RECORDED AUGUST 31, 1967 IN BOOK 820 OF OFFICIAL RECORDS AS INSTRUMENT NO. 658854, IN THE CLARK COUNTY RECORDER'S OFFICE, CLARK COUNTY, NEVADA; THENCE ALONG THE NORTHERLY LINE OF SAID "DEED" PARCEL THE FOLLOWING TWO (2) COURSES: FROM A TANGENT BEARING NORTH 72°24'15" WEST, CURVING TO THE LEFT ALONG THE ARC OF A 185.00 FOOT RADIUS CURVE, CONCAVE SOUTHWESTERLY (THE RADIUS POINT OF WHICH BEARS SOUTH 17°35'45" WEST), THROUGH A CENTRAL ANGLE OF 27°49'45", AN ARC LENGTH OF 89.86 FEET; THENCE SOUTH 79°46'00" WEST, 14.23 FEET TO THE SOUTHEAST CORNER OF THAT CERTAIN PARCEL OF LAND DESCRIBED BY "FINAL ORDER OF CONDEMNATION" RECORDED SEPTEMBER 11, 1968 IN BOOK 899 OF OFFICIAL RECORDS AS INSTRUMENT NO. 721652, IN THE CLARK COUNTY RECORDER'S OFFICE, CLARK COUNTY, NEVADA; THENCE ALONG THE EASTERLY AND NORTHERLY LINE OF SAID CONDEMNATION PARCEL, THE FOLLOWING THREE (3) COURSES: NORTH 27°55'16" EAST, 274.60 FEET; THENCE NORTH 50°42'43" WEST, 98.15 FEET; THENCE FROM A TANGENT BEARING SOUTH 83°27'18" WEST, CURVING TO THE LEFT ALONG THE ARC OF A 2000.00 FOOT RADIUS CURVE, CONCAVE SOUTHEASTERLY (THE RADIUS POINT OF WHICH BEARS SOUTH 06°32'42" EAST), THROUGH A CENTRAL ANGLE OF 07°30'16", AN ARC LENGTH OF 261.95 FEET TO A POINT TO WHICH A RADIAL LINE BEARS NORTH 14°02'58" WEST TO THE EASTERLY LINE OF THAT CERTAIN PARCEL OF LAND DESCRIBED BY "DEED" RECORDED OCTOBER 13, 1955 IN BOOK 70 OF OFFICIAL RECORDS AS INSTRUMENT NO. 58946, IN THE CLARK COUNTY RECORDER'S OFFICE, CLARK COUNTY, NEVADA; THENCE ALONG SAID EASTERLY LINE, NORTH 01°42'05"

WEST, 161.48 FEET; THENCE NORTH $88^{\circ}28'58''$ EAST, 165.90 FEET; THENCE CURVING TO THE LEFT ALONG THE ARC OF A 369.27 FOOT RADIUS CURVE, CONCAVE NORTHERLY, THROUGH A CENTRAL ANGLE $06^{\circ}51'25''$, AN ARC LENGTH OF 44.19 FEET TO A POINT TO WHICH A RADIAL LINE BEARS SOUTH $08^{\circ}22'27''$ EAST; THENCE NORTH $01^{\circ}42'05''$ WEST, 46.95 FEET TO THE SOUTHEAST CORNER OF THE AFOREMENTIONED PARCEL DESCRIBED BY "DEED" RECORDED JUNE 30, 1950 IN BOOK 62 OF DEEDS, PAGE 290 AS INSTRUMENT NO. 343516; THENCE ALONG THE EAST LINE OF SAID PARCEL, NORTH $01^{\circ}42'05''$ WEST, 265.93 FEET TO THE POINT OF BEGINNING.

CONTAINING 5.28 ACRES.



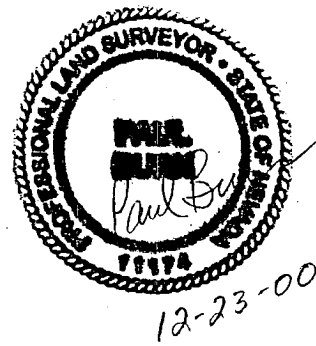
EXPLANATION: THIS LEGAL DESCRIBES A PARCEL OF LAND LOCATED NORTHEASTERLY OF THE INTERSECTION OF "F" STREET AND GRAND CENTRAL PARKWAY LYING WESTERLY OF THE UPRR MAIN RAILROAD TRACKS (PARCEL 2).

LEGAL DESCRIPTION

THAT PORTION OF LOT FOUR (4) OF "PARKWAY CENTER", A COMMERCIAL SUBDIVISION, AS SHOWN BY MAP THEREOF IN BOOK 53, PAGE 61 OF PLATS IN THE CLARK COUNTY RECORDER'S OFFICE, CLARK COUNTY, NEVADA, LYING WITHIN THE SOUTH HALF (S 1/2) OF THE SOUTHWEST QUARTER (SW 1/4) OF SECTION 27, TOWNSHIP 20 SOUTH, RANGE 61 EAST, M.D.M., CITY OF LAS VEGAS, CLARK COUNTY, NEVADA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF SAID LOT FOUR (4), BEING ON THE NORTHERLY RIGHT-OF-WAY LINE OF GRAND CENTRAL PARKWAY (100 FEET WIDE); THENCE ALONG THE SOUTHERLY LINE OF SAID LOT FOUR (4) AND SAID NORTHERLY RIGHT-OF-WAY LINE THE FOLLOWING FOUR (4) COURSES: NORTH 62°04'11" WEST, 68.77 FEET; THENCE CURVING TO THE LEFT ALONG THE ARC OF A 450.00 FOOT RADIUS CURVE, CONCAVE SOUTHWESTERLY, THROUGH A CENTRAL ANGLE OF 43°37'40", AN ARC LENGTH OF 342.65 FEET; THENCE SOUTH 74°18'09" WEST, 187.94 FEET; THENCE CURVING TO THE RIGHT ALONG THE ARC OF A 25.00 FOOT RADIUS CURVE, CONCAVE NORTHEASTERLY, THROUGH A CENTRAL ANGLE OF 90°00'00", AN ARC LENGTH OF 39.27 FEET TO THE WESTERLY LINE OF SAID LOT FOUR (4) AND THE EASTERLY RIGHT-OF-WAY LINE OF "F" STREET (60 FEET WIDE); THENCE ALONG SAID WESTERLY LINE AND SAID EASTERLY RIGHT-OF-WAY LINE THE FOLLOWING THREE (3) COURSES: NORTH 15°41'51" WEST, 43.23 FEET; THENCE CURVING TO THE RIGHT ALONG THE ARC OF A 270.00 FOOT RADIUS CURVE, CONCAVE NORTHEASTERLY, THROUGH A CENTRAL ANGLE OF 14°24'02", AN ARC LENGTH OF 67.86 FEET; THENCE NORTH 01°17'49" WEST, 43.11 FEET TO THE SOUTHWEST CORNER OF THAT CERTAIN PARCEL OF LAND DESCRIBED BY "FINAL ORDER OF CONDEMNATION" RECORDED NOVEMBER 3, 1999 IN BOOK 19991103 OF OFFICIAL RECORDS AS INSTRUMENT NO. 00619, IN THE CLARK COUNTY RECORDER'S OFFICE, CLARK COUNTY, NEVADA; THENCE ALONG THE SOUTHERLY LINE OF SAID CONDEMNATION PARCEL THE FOLLOWING THREE (3) COURSES: NORTH 42°32'03" EAST, 111.15 FEET, THENCE NORTH 74°47'09" EAST, 527.45 FEET; THENCE NORTH 79°03'43" EAST, 293.80 FEET TO THE EASTERLY LINE OF SAID LOT FOUR (4); THENCE ALONG SAID EASTERLY LINE, SOUTH 27°55'16" WEST, 522.90 FEET TO THE POINT OF BEGINNING.

CONTAINING 5.10 ACRES.



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EXHIBIT B**PROPERTY MATERIALS LIST**

1. (X) RECORDED MAPS: Subdivision Map of Parkway Center recorded in Clark County, Nevada August 13, 1992 in Book 53, Page 61
2. (X) IMPROVEMENT PLANS:
 1. "Parkway Center, a Development of Union Pacific Realty Company" dated February 10, 1994 consisting of 69 sheets, by Baughman & Turner *
 2. "Parkway Center Landscape, Irrigation, Hardscape" dated July 6, 1993 consisting of 61 sheets by BWA *
 - * (applicable sections)
3. (X) TITLE REPORT: Preliminary Report by Nevada Title Company dated November 8, 1999.
4. (X) TAXES: See Preliminary Title Report
5. (X) ASSESSMENTS: See Preliminary Title Report
6. (X) GEOTECHNICAL REPORTS: Subgrade Soils Investigation, Parkway Center dated June 2, 1992 by Converse Consultants
7. (X) SITE DEVELOPMENT STANDARDS FOR LOT 1 DATED 9/20/99
8. (X) PHASE I AND PHASE II ENVIRONMENTAL SITE ASSESSMENT REPORT
UNION PACIFIC RAILROAD
FORMER LAS VEGAS RAILYARD - LOT 1
NWC GRAND CENTRAL PARKWAY AND IRON HORSE COURT
LAS VEGAS, NEVADA
Dated: October 1, 1999
Prepared by: SECOR International Incorporated
9. (X) ENVIRONMENTAL DOCUMENTS: See Exhibit "X" attached

EXHIBIT X to EXHIBIT B
Las Vegas Railyard Reports On File, Boulder, Colorado

Date of Report	Consultant	Report Type	Lot or Parcel ID	Report Title Note: Report titles have been abbreviated to fit limited space.
	Kleinfelder	GEO-TECH	x	Conditional Slope Stability Analysis, Ogden underpass, Ogden and Main Street
	Zenitech	Scientific report	x	X-Ray Florescence as an aid to Cleanup of Lead Contamination
12/18/79	Randle&Assoc	Test Holes	x	Exploratory Test Holes for Upland Industries
07/15/86	HS&Assoc	ENG	x	Union Plaza Hotel Code Compliance Report
03/16/87	W.Tech		x	Monitoring Wells and Sampling Analysis
03/16/87	W.Tech		x	Monitoring Wells and Sampling Analysis
07/19/87	D&M	INT	ALL	Progress Report, Phase I Preliminary site Characterization Investigation
10/15/87	D&M	\$-EST	x	Final Report, Preliminary Cost Estimate, Remedial Action Program
11/04/87	D&M	APP	ALL	Appendices E-H D&M Job No. 00173-028-042
11/11/87	D&M	PH-1 & PH-2 SUM	ALL	Summary Report, Phase I and Phase II Site Characterization Investigations
02/19/88	D&M	WRK-PLN, PH-3	ALL	Workplan Phase III Site Characterization Investigation
04/08/88	D&M	Site Assessment	ALL	Report, Phase II Sampling and Analysis Program, Property adjacent to UPRR yard
04/12/88	D&M	PRELIM-SITE-ASMT		Property adjacent to UPRR Yard
06/19/88	D&M	PROPOS	P14,15 & 19	Proposal, Preliminary Site Assessment and Field Investigation of Parcels 14, 15 and 19
09/29/88	D&M	INV		Report, Off Site Evaluation,
02/28/89	D&M	PRELIM-SITE-ASMT	P10,11,12,14,15,19	Union Plaza, Bus Station, and Parcels 10 and 11 and Investigation, Parcels 11,12,14,15, and 19
05/12/89	D&M	PRELIM-SITE-ASMT		Union Pacific Realty Company Properties Located Adjacent to UPRR Yard
05/12/89	D&M	INT	ALL	Executive Summary, Report of Environmental Activities
07/15/89	D&M	FIN-SITE-CHAR-INV	ALL	Final Report, Site Characterization investigations and recommended Remedial Action
07/15/89	D&M	APP	ALL	Appendices A-S, Site Characterization and Recommended Remedial Action
08/15/89	Tetra	ASMT	x	Final Report, Phase I Environmental assessment of Union Pacific Realty Properties
08/16/89	D&M	SUP		Report, Additional off-site Evaluation
09/08/89	D&M	SUP		Report, Additional off-site Evaluation
09/15/89	D&M	ENG	x	Report R9 Building Review of One Main Street, Union Plaza Hotel and Parking Structure,
10/02/89	Laidlaw	Oil Rec-Q		3 Q 89
01/05/90	Laidlaw	DESIGN	x	Hydrocarbon Recovery System Design, Eastbound Fueling Area
01/05/90	Laidlaw	DESIGN	x	Hydrocarbon Recovery System Design, East Bound Fueling Area
01/10/90	Laidlaw	RFP	x	Eastbound Fueling Area interceptor Trench
01/29/90	Laidlaw	Oil Rec-Q		4 Q 89
04/30/90	Laidlaw	GW-Q	ALL	2 Q 90
06/15/90	BB&A	SITE-INV	x	Review of Criteria Regarding Hydrocarbon Contaminated Soil Relevant to the UPRY
08/16/90	Laidlaw	Oil Rec-Q		2 Q 90
08/17/90	Laidlaw	GW-Q	ALL	3 Q 90
10/23/90	Laidlaw	AS-BUILT	x	Eastbound Fueling Area Hydrocarbon Recovery Trench, As built Report
11/15/90	Laidlaw	Oil Rec-Q		3 Q 90
11/19/90	Laidlaw	GW-Q	ALL	4 Q 90

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Date of Report	Consultant	Report Type	Lot or Parcel ID	Report Title Note: Report titles have been abbreviated to fit limited space.
11/30/90	UPRR	Discharge	x	Ninety Day Compliance Report, Discharge Permit 88-002, LV-RS-2
01/08/91	Laidlaw	WRK-PLN	x	Proposed Workplan Monitor Well Installation Recovery Trench Design and Installation
03/06/91	Laidlaw	GW-Q	ALL	1 Q 91
07/22/91	Laidlaw	GW-Q	ALL	2 Q 91
09/18/91	Laidlaw	GW-Q	ALL	3 Q 91
09/30/91	Laidlaw	RAP	L2, L5, L6	RAP Lead Contaminated Soils
09/30/91	KLEINF	GEO-TECH	x	Geotechnical Investigation, Ogden Avenue Underpass and Bonneville Avenue Railroad Bridge
10/17/91	Laidlaw	Workplan	ALL	Site Remediation Workplan
11/15/91	Laidlaw	WRK-PLN	x	Eastbound Hydrocarbon Recovery System
11/15/91	Laidlaw	AS-BUILT	x	Westbound Hydrocarbon Recovery System As Built Construction Report
11/26/91	Laidlaw	GW-Q	ALL	4 Q 91
12/10/91	KLEINF	GEO-TECH	x	Geo-tech Investigation Ogden Avenue Underpass And Bonneville Avenue Railroad Bridge
02/14/92	Laidlaw	IN-SITU-BIO	ROW	In Situ Remediation of Hydrocarbon Contaminated Soils at The UPRR LVRY Feasibility Study
02/14/92	Laidlaw	XRF	x	Summary Report of XRF Calibration Procedure for USPCI At the UP Freight Yard
05/05/92	Laidlaw	GW-Q	ALL	1 Q 92
05/29/92	Laidlaw	SUM	ALL	Field Report, CAL/NEV Pipeline Installation Removal and Soil Excavation
06/05/92	Laidlaw	RAP	ALL	Final Remedial Action Plan for Petroleum Hydrocarbon Contaminated Soil
07/31/92	Laidlaw	GW-Q	ALL	2 Q 92
08/18/92	Laidlaw	RAP	ALL	Addendum to the Final RAP for Petroleum Hydrocarbon Contaminated Soil
08/18/92	Laidlaw	CLOSE	L5	606/Trestle Diesel Spill Area 606
09/09/92	Laidlaw	CLOSE	L5	Shoofly Construction Area
09/15/92	Laidlaw	CLOSE	L6	Pit #224
09/24/92	Laidlaw	CLOSE	L5	South Shoofly Construction Area
10/08/92	Laidlaw	CLOSE	L6	Clark County Nevada, Property
11/02/92	Laidlaw	CLOSE	L6	Addendum, Clark County Nevada, Property
11/04/92	KLEINF	SITE-ASMT	L6	Limited Site Assessment, Proposed Clark County Government Center
01/19/93	KLEINF	SITE-ASMT		Limited Environmental Site Assessment, Main Street Storm Drain, Ogden Underpass & Roadway
02/09/93	Laidlaw	QA	x	Quality Assurance Project plan for USPCI Remedial Services Mobile Laboratory
02/19/93	Laidlaw	GW-Q	ALL	4 Q 92
02/19/93	Laidlaw	GW-Q	ALL	3 Q 92
02/22/93	BB&A	COR-ACT	x	CALNEV/UPRR Station Corrective action Letter Report
03/04/93	Laidlaw	UST	P4A	UST Removal at the Bonneville Ave Underpass Site
03/10/93	Laidlaw	CLOSE	ROW	Southern Portion of the eastbound fueling area
03/11/93	Laidlaw	WRK-PLN	xROW	Workplan Eastbound Fueling Area Mainline Recovery System
03/24/93	Laidlaw	QA	x	Quality Assurance Project plan for USPCI Remedial Services Mobile Laboratory
03/25/93	Laidlaw	CLOSE	L4	Northern portion of the Day Storage Tank Area

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Date of Report	Consultant	Report Type	Lot or Parcel ID	Report Title Note: Report titles have been abbreviated to fit limited space.
03/25/93	Laidlaw	GW-Q	ALL	1 Q 93
04/14/93	Laidlaw	DESIGN	X	Fuel Storage and Diesel Shop Down Gradient Recovery Systems
04/23/93	KLEINF	GEO-TECH	x	Slope Stability Analysis Ogden Underpass
04/23/93	KLEINF	GEO-TECH	x	Geotechnical Investigation, Bonneville Avenue Extension
05/03/93	Laidlaw	CLOSE	L5	Eastern Portion of The Wash Track Area
05/05/93	Laidlaw	CLOSE	L3 & L5	Evaporation Pond Area
05/05/93	Laidlaw	CLOSE	L5	Isolated Excavation At B-82 Railroad Car Cleaning Area
05/21/93	Laidlaw	CLOSE	L5	Isolated Excavations, eastern Portion of Fuel Storage Area
05/21/93	Laidlaw	CLOSE	L2, L5, L6	Addendum to Remedial Action Plan, Lead Contaminated Soils
06/07/93	Laidlaw	CLOSE	ROW	East of Diesel Shop Area
06/17/93	Laidlaw	DESIGN	x	Westbound Fueling Area, Downgradient Recovery System
06/21/93	Laidlaw	SOP	ALL	Soil Sample Collection After Thermal Treatment
06/30/93	Laidlaw	CLOSE	L5	Southern Portion of the Day Storage Tank Area
07/06/93	Laidlaw	CLOSE	ROW	Addendum, East of Diesel Shop Area
07/20/93	Laidlaw	GW-Q	ALL	2 Q 93
07/21/93	Laidlaw	Ogden Inj-Q		2 Q 93
07/29/93	Laidlaw	RFP	x	Diesel Shop Down-Gradient and Eastbound Mainline Recovery System Installation
08/02/93	Laidlaw	MTRU	ALL	MTRU Confirmation Sample Data, Startup of Operation Through June 27, 1993
09/01/93	Laidlaw	WRK-PLN	L5	Diesel Shop Area Workplan, Sampling for VOC Impacted Soils
09/13/93	Laidlaw	CLOSE	L5	Western Portion of the Wash Track Area
09/21/93	Laidlaw	CLOSE	ROW & L4	Eastbound Fueling Area, North of Ogden Underpass
09/21/93	Laidlaw	CLOSE	L3 & L5	Evaporation Ponds Area
10/08/93	Laidlaw	CLOSE	L5 & L6 & ROW &	Lead Phase II
10/12/93	Laidlaw	GW-Q	ALL	3 Q 93
10/15/93	Laidlaw	CLOSE	L2 & L5	Lead Phase III
10/15/93	Laidlaw	SOP	x	A Quality Assurance Standard, SOP's for Environmental Monitoring at The MTRU
10/20/93	Laidlaw	CLOSE	L3 & L5	Addendum, Evaporation Ponds Area
10/20/93	Laidlaw	CLOSE	L5	Addendum, Western Portion of the Wash Track Area
10/22/93	Laidlaw	Ogden Inj-Q	Off-Site	3 Q 93
11/02/93	Laidlaw	RFP	x	RFQ Westbound Downgradient, Recovery System Installation
11/22/93	Laidlaw	CLOSE	L5 & L6 & ROW &	Addendum Lead Phase II
12/07/93	Laidlaw	CLOSE	ROW	Western Portion of the East of Diesel Shop Area
12/07/93	Laidlaw	CLOSE	ROW & L4	Addendum, Eastbound Fueling Area, North of Ogden Underpass
12/07/93	Laidlaw	CLOSE	P1 & P2	Westbound Fueling Area East of Mainline Tracks
12/09/93	Laidlaw	CLOSE	L5	Southern Extension of the Day Storage Tank Area
12/13/93	HL&A	SITE-ASMT	x	Subsurface site assessment, Texaco Service Station, 224 North main Street

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12/17/93	Laidlaw	CLOSE	L5	Diesel Shop VOC Sampling Summary
12/17/93	Laidlaw	SUM	L5	Summary report- Volatile Organic Compound Sampling, Diesel Shop Area
12/27/93	Laidlaw	CLOSE	L2 & L5	Modification Lead Phase III
12/27/93	Laidlaw	CLOSE	L3 & L5	Addendum, Evaporation Ponds Area
12/27/93	Laidlaw	CLOSE	L2 & L5	Modification to Addendum to Lead Remedial Action Plan, Report of Phase 3 Remediation
01/18/94	Laidlaw	SEMI		Semi-Annual Compliance Report, June 3-93 through Jan 10-94
01/20/94	Laidlaw	Ogden Inj-Q		4 Q 93
01/22/94	BB&A	Cal/Nev-Q	x	CALNEV/UPRR - Fourth Quarter 1993 Monitoring Report
01/25/94	Laidlaw	MTRU-Q	x	USPCI MTRU, Sulfur Dioxide Continuous monitoring System Fourth Quarter Report
02/01/94	Laidlaw	GW-Q	ALL	4 Q 93
02/01/94	Laidlaw	O&M	x	Central Treatment operation & Maintenance Manual
03/04/94	Laidlaw	CLOSE	L2 & L5	Supplement Lead Phase III
03/04/94	Laidlaw	CLOSE	ROW & L4	Additional Information, Eastbound Fueling Area
03/22/94	HL&A	COR-ACT	x	Corrective Action plan, Texaco Service Station, 224 North Main Street
03/30/94	Laidlaw	SUM	L4	Thin Seam Hydrocarbon Report
03/31/94	Laidlaw	CLOSE	ROW	Additional Information East of Diesel Shop Area
04/11/94	Laidlaw	O&M	X	Westbound Treatment operation & Maintenance Manual
04/15/94	Laidlaw	GW-Q	ALL	1 Q 94
04/21/94	Laidlaw	Ogden Inj-Q		1 Q 94
04/22/94	Laidlaw	AS-BUILT	X	As-Built Construction Report, Diesel Shop Down Gradient and Eastbound recovery Systems
04/24/94	Laidlaw	MTRU	ALL	MTRU Confirmation Sample Data, June 28, 1993 Through December 31, 1993
04/25/94	Laidlaw	SUM	L5	Vertical limits of Excavation in The Fuel Storage Area
05/02/94	KLEINF	ASB-ASMT	L5	Limited Asbestos Assessment and Shallow Soil Sampling Report, Former Roundhouse site
05/02/94	KLEINF	ASB-ASMT	L5	Limited Asbestos Assessment and Shallow Soil Sampling Report, Former Roundhouse Site
06/10/94	Laidlaw	RFP	x	Request for Proposal for UPRY LV, NV Roundhouse Asbestos Abatement
06/23/94	Laidlaw	SEMI		Semi-Annual Compliance Report, January 10-94 through June 7-94
07/05/94	Laidlaw	Ogden Inj-Q		2 Q 94
07/05/94	Laidlaw	GW-Q	ALL	2 Q 94
07/08/94	BB&A	Cal/Nev-Q	x	CALNEV/UPRR - Second Quarter 1994 Monitoring Report
07/29/94	Laidlaw	MTRU-Q	x	USPCI MTRU, Sulfur Dioxide Continuous monitoring System Second Quarter Report
08/15/94	Laidlaw	CLOSE	L4	Excavation West of Mainline Tracks, Eastbound Fueling Area
09/14/94	Laidlaw	WRK-PLN	ROW	Workplan - In Situ Bioremediation Pilot Study
09/21/94	BB&A	Cal/Nev-Q	x	CALNEV/UPRR - Third Quarter 1994 Monitoring Report
09/27/94	Laidlaw	GW-Q	ALL	3 Q 94
09/28/94	Laidlaw	CLOSE	L5	Southern Extension of the Evaporation Ponds Area
09/28/94	Laidlaw	CLOSE	L5	Hydrocarbon Impacted Soils East of Diesel Shop Area

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Date of Report	Consultant	Report Type	Lot or Parcel ID	Report Title Note: Report titles have been abbreviated to fit limited space.
10/11/94	Laidlaw	CLOSE	L5	Hydrocarbon Impacted Soils Eastern Fuel Storage Area
10/17/94	Laidlaw	Ogden Inj-Q		3 Q 94
10/29/94	Laidlaw	MTRU-Q	x	USPCI MTRU, Sulfur Dioxide Continuous Monitoring System Third Quarter Report
10/31/94	Laidlaw	CLOSE	P1 & P2 & L6	Westbound Fueling Area
11/09/94	Laidlaw	CLOSE	L5	Final Closure Report UST Removal Fuel Storage Area Remediation Site
11/09/94	Laidlaw	UST	L5	Final Closure Report Underground Storage Tank Removal, Fuel Storage Area Remediation Site.
11/09/94	Laidlaw	CLOSE	L5	Hydrocarbon Impacted Soils Diesel Shop Area
11/17/94	Laidlaw	CLOSE	ROW & L4	Hydrocarbon Impacted Soils Eastbound Fueling Area
11/18/94	Laidlaw	UST	L5	UST Removal Fuel Storage Remediation Site
11/18/94	Laidlaw	CLOSE	L5	Amended Plate 1, Eastern Fuel Storage Area
11/18/94	Laidlaw	CLOSE	L5	Amended Plate 1 Diesel Shop Area
11/21/94	Laidlaw	CLOSE	P1 & P2 & L6	Addendum, Westbound Fueling Area (WBFA), Sampling The Clark County and WBFA Boundary
11/23/94	Laidlaw	CLOSE	L5	Chlorotoluene Impacted Soils, Diesel Shop Area
11/28/94	Laidlaw	MTRU		Final MTRU Confirmation Sample Data, January 1, 1994 Through September 28, 1994
12/15/94	Laidlaw	CLOSE	L5	Former MTRU Site and Former Stockpile Area
12/15/94	Laidlaw	Ogden Inj-Q		4 Q 94
12/15/94	Laidlaw	GW-Q	ALL	4 Q 94
12/19/94	Laidlaw	AS-BUILT	x	As-built Construction Report, Westbound Downgradient Recovery System
12/28/94	Laidlaw	CLOSE	L5	Hydrocarbon Impacted Soils Fuel Storage Area
01/16/95	BB&A	Cal/Nev-Q	x	CALNEV/UPRR - Fourth Quarter 1994 Monitoring Report
01/20/95	Laidlaw	SEMI		Semi-Annual Compliance Report, June 7-94 through Jan 16-95
04/06/95	Laidlaw	IN-SITU-BIO	ROW	In Situ Bioremediation Pilot Study Evaluation Report
04/13/95	Laidlaw	SITE-CHAR	P 001 & 002	Site Characterization, UP Parcels 139-34-302-001 and 139-34-302-002
04/26/95	Laidlaw	Ogden Inj-Q		1 Q 95
04/26/95	Laidlaw	GW-Q	ALL	1 Q 95
05/16/95	Laidlaw	WRK-PLN	xL4,L5 & ROW	Monitor Well Installation
05/24/95	Laidlaw	CLOSE	L5	Request for Conditional Closure Excavation of Hydrocarbon Impacted Soils Fuel Storage Area
07/20/95	BB&A	Cal/Nev-Q	x	CALNEV/UPRR - Second Quarter 1995 Monitoring Report
07/28/95	Laidlaw	Ogden Inj-Q		2 Q 95
07/30/95	Laidlaw	SEMI		Semi-Annual Compliance Report, Jan 16-95 through June 12-95
07/31/95	Laidlaw	GW-Q	ALL	2 Q 95
10/20/95	Laidlaw	GW-Q	ALL	3 Q 95
10/30/95	Laidlaw	Ogden Inj-Q		3 Q 95
10/30/95	Laidlaw	BIO	ROW	In Situ Bioremediation Extended Pilot Study Evaluation Report
11/16/95	Laidlaw	SUM	ROW	Westbound Fueling Area, A Through K Exception Report
01/30/96	Laidlaw	GW-Q	ALL	4 Q 95

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01/30/96	Laidlaw	Ogden Inj-Q		4 Q 95
02/07/96	Laidlaw	SEMI		Semi-Annual Compliance Report, June 12-95 through Dec 28-95
04/26/96	Laidlaw	Ogden Inj-Q		1 Q 96
04/26/96	Laidlaw	GW-Q	ALL	1 Q 96
05/30/96	Laidlaw	CLOSE	ROW & L4	EASTBOUND FUELING AREA, ADD'L INFORMATION, REMEDIAL TARGET 3
07/26/96	Laidlaw	SEMI		Semi-Annual Compliance Report, December 28-96 through June 27-96
07/26/96	Laidlaw	Ogden Inj-Q		2 Q 96
07/29/96	Laidlaw	GW-Q	ALL	2 Q 96
08/01/96	Laidlaw	INV & SAP	ALL	Mon. Well Installation Summary & Recommendations for a Revised Sampling and Analysis Plan
08/22/96	Laidlaw	INV	L5	Bonneville Ave. Underpass - Impact of Dewatering on Groundwater Remediation
10/18/96	Laidlaw	WRK-PLN	ALL	Workplan for Monitoring Well Repair, Abandonment, and Installation
10/29/96	Laidlaw	GW-Q	ALL	3 Q 96
10/29/96	Laidlaw	Ogden Inj-Q		3 Q 96
01/24/97	Laidlaw	GW-Q	ALL	4 Q 96
01/24/97	Laidlaw	Ogden Inj-Q		4 Q 96
01/24/97	Laidlaw	SEMI		Semi-Annual Compliance Report, June 27-96 through December 28-96
02/14/97	Laidlaw	SUM	ALL	Install, Repair, & Abandonment of Monitor Wells
03/17/97	Laidlaw	WRK-PLN	E of Lots 7 & 8	Workplan, Modification of the Westbound Mainline GW Recovery System
04/07/97	Laidlaw	GW-Q	ALL	First Quarter, 1997, GW Monitoring Program
04/18/97	Laidlaw	CLOSE	Lot 5	A-K Exception Addendum to Request for Closure, Fuel Storage Area
05/02/97	Laidlaw	SUM	E of Lot 4	Abandonment of the Ogden Ave. Injection Trench
05/02/97	Laidlaw	Contingency Plan	Lot 5	Contingency Plan for GW Treatment, Bonneville Ave. and Fuel Storage Area
05/13/97	Laidlaw	SUM	E of Lots 7 & 8	Summary Report Modification of the Westbound Mainline GW Recovery System
06/23/97	Laidlaw	Work Plan	E of Lot 4	Plan for Modification of Eastbound Recovery System
07/14/97	Laidlaw	SEMI		Semi-Annual Compliance Report, December 28, 1996 Through June 26, 1997
07/14/97	Laidlaw	GW-Q	ALL	Second Quarter 1997, Groundwater Monitoring Program
10/06/97	Laidlaw	CLOSE	ALL	Final Closure, Excavation & Remediation of Hydrocarbon Soils
10/27/97	Laidlaw	GW-Q	ALL	Third Quarter 1997, Groundwater Monitoring Program
01/16/98	Laidlaw	GW-Q	ALL	Fourth Quarter Report 1997, Groundwater Monitoring and Remediation
01/16/98	Laidlaw	SEMI	ALL	Semi-Annual Compliance Report, June 27, 1997 Through December 31, 1997
04/02/98	Laidlaw	Contingency Plan Mod	Lot 5	Modifications to the Contingency Plan for GW Treatment, Bonneville Ave. and Fuel Storage Area
04/23/98	Laidlaw	GW-Q	ALL	First Quarter 1998, Groundwater Monitoring and Remediation
04/23/98	Laidlaw	GW-Q	ALL	First Quarter 1998, Groundwater Monitoring and Remediation
07/06/98	Laidlaw	SAP	ALL	Second Addendum to Sampling and Analysis Plan
07/21/98	Laidlaw	SEMI	ALL	Semi-annual Compliance Report
07/22/98	Laidlaw	GW-Q	ALL	Second Quarter 1998, Groundwater Monitoring and Remediation

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10/09/98	Laidlaw	SUMMARY	LOT 4	Summary Report, Eastbound Modification
10/12/98	Laidlaw	GW-Q	ALL	Third Quarter 1998, Groundwater Monitoring and Remediation
01/18/99	EDG	GW-Q	ALL	Fourth Quarter 1998, Groundwater Monitoring and Remediation
01/18/99	EDG	SEMI	ALL	Semi-Annual Compliance Report, July-December 1998
04/13/99	EDG	GW-Q	ALL	First Quarter 1999, Groundwater Monitoring and Remediation
05/06/99	EDG	Work Plan	LOT 4	Workplan for Installation of Monitoring Well MW-65
07/23/99	EDG	GW-Q	ALL	Second Quarter 1999, Groundwater Monitoring and Remediation
07/23/99	EDG	SEMI	ALL	Semi-Annual Compliance Report, January 1999 - June 1999
10/12/99	SKC	GW-Q	ALL	Third Quarter 1999, Groundwater Monitoring and Remediation
02/01/00	SKC	SEMI	ALL	Semi-Annual Compliance Report, June 1999-December 1999
02/01/00	SKC	GW-Q	ALL	Fourth Quarter 1999, Groundwater Monitoring and Remediation
04/30/00	SKC	GW-Q	ALL	First Quarter 2000, Groundwater Monitoring and Remediation
06/30/00	SKC	SAP MODIFICATION	ALL	Proposal for Modification of Groundwater Remediation and Monitoring Requirements
07/31/00	SKC	GW-Q	ALL	Second Quarter 2000, Groundwater Monitoring and Remediation
11/10/00	SKC	PHASE 1	LOT 4	Phase I Environmental Site Assessment Southern Tract, Lot 4
11/10/00	SKC	PHASE 1	LOT 4	Phase I Environmental Site Assessment Northern Tract, Lot 4
11/28/00	Forrester Group	GW-Q	ALL	Third Quarter 2000, Groundwater Monitoring and Remediation

Note: SKC (Safety-Kleen Consulting), EDG & Laidlaw were formerly USPCI

BB&A = Broadbent & Associates, D&M = Dames & Moore, HL&A = Harding Lawson & Associates, KLEINF = Kleinfelder

Laidlaw	GW-Q	2 Q 95
Laidlaw	Ogden Inj-Q	2 Q 95
Laidlaw	GW-Q	3 Q 95
Laidlaw	Ogden Inj-Q	3 Q 95
Laidlaw	GW-Q	4 Q 95
Laidlaw	Ogden Inj-Q	4 Q 95
Laidlaw	Compliance	Semi-Annual Compliance Report, 1-16-95 - 6-12-95, City of LV Wastewater Contribution
Laidlaw	Compliance	Semi-Annual Compliance Report, 6-12-95 - 12-??-95, City of LV Wastewater Contribution
Laidlaw	MAP	Impacted Soil Remaining At Depth
O&M	All reports relating to Operations and Maintenance	
UST	All reports relating to the removal, sampling and remediation of Underground Storage Tanks	
CLOSE	Any report which requests or is related to the closure or conditional closure of an area	
INV	Investigative reports and findings	
PH-1	Phase 1	
PH-2	Phase 2	

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PH-3		Phase 3		
Q		A report which is submitted to the appropriate agency on a Quarterly basis		
INT		An Interim report		
\$-EST		A report dealing with the Cost Estimate to complete a task or project		
APP		Appendices		
SITE-ASMT		Site Assessment		
PRELIM		A Preliminary report of any kind		
CHAR		A Characterization report		
SEMI		A report which is submitted to the appropriate agency on a Semi-annual basis		
BIO		Any report relating to the Bioremediation of impacted soils or groundwater		
GEO-TECH		Any report dealing with Geotechnical Analysis of soils related to construction activities		
ASB		Any report which specifically addresses Asbestos remediation or investigation		
Pb		Any report which specifically addresses Lead remediation or investigation		
GW		Any report which contains information about Groundwater		
IN-SITU		Any report dealing with In-place or In-situ treatment or treatment alternatives		
SUM		A Summary report of completed activities or findings		
WRK-PLN		A Workplan for future activities		
PROPOS		A Proposal		
FIN		A Final report of any kind		
SUP		A Supplemental report, usually written as an addendum for an existing report		
ENG		An Engineering report which addresses a structure or mechanical device		
DESIGN		A report of the Design of a mechanical device		
RFP		Request for Proposal, Bid, or Quote		
AS-BUILT		The specifications of a structure or system as it actually exists following installation		
QA		Any report which addresses methods and suggested policies which result in Quality Assurance		
SAP		Sampling and Analysis Plan		

EXHIBIT C

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PETER C. MORROS
Director

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BOB MILLER
Governor

L. K. I.
Adams

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Air Quality 687-6285
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Wastewater Treatment Services
Water Purveyors and Compliance
Water Quality Planning
FAX

DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES
DIVISION OF ENVIRONMENTAL PROTECTION

123 W. Nye Lane
Carson City, Nevada 89710

September 10, 1991

William Wimmer
Assistant Vice President
Environmental Management
Union Pacific Railroad
1416 Dodge Street - Room 930
Omaha, NE 68179

RE: Las Vegas, Nevada, Yard Cleanup

Dear Mr. Wimmer:

The Nevada Division of Environmental Protection (NDEP) has reviewed the Union Pacific Railroad's (UPRR) recent proposed action level for the cleanup of Total Petroleum Hydrocarbons (TPH). Based on the data and information provided and discussions with Rick Eades, the NDEP is requiring adherence to the following stipulations.

The NDEP will require UPRR to:

1. - Remediate all soil with TPH values in excess of 100 mg/kg from ground level to 2 1/2 feet. The UPRR will be required to remediate the soil directly below the rail tracks during future track maintenance and repair. Immediate action on the impacted soil directly under the tracks is not directed, yet adherence to the clean-up stipulations outlined in this letter will be required. Other impacted soil not directly under the tracks will be required to adhere to the stipulations contained in this letter, and;
- remediate all soil with TPH values in excess of 10,000 mg/kg, irregardless of the depth, and;
- remediate all soil excavated during the remediation of the soils greater than 10,000 mg/kg, to a TPH value of less than 100 mg/kg, and;

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- provide as per the March 13, 1991 meeting, a guarantee to be approved by NDEP, that soils excavated during future construction which have TPH levels in excess of 100 mg/kg (TPH) attributable to Union Pacific's past occupancy, will be disposed of by the railroad. This obligation also applies to ground water contamination encountered in future development that is attributable to Union Pacific's past use.
- 2. - Provide written documentation stating UPRR is the responsible party on environmental contamination of soils and groundwater.
- 3. - Initiate a pilot program to determine the feasibility for an in-situ remediation project on the hydrocarbon contaminated soil left in place.
- 4. - Negotiate and establish a written agreement with the City of Las Vegas for the monitoring and enforcement of future remediation activities that are attributed to UPRR past activities.

In regards to the other on going and proposed remediation activities on the other contaminants, solvent and lead, the NDEP understands the following:

- In the UPRR letter of November 26, 1990, UPRR agreed to remediate the soil and groundwater contaminated with chlorinated and non-chlorinated solvents. The NDEP is awaiting this remediation plan and informational data, per the request made by the NDEP on August 29, 1990.
- In the NDEP letter to UPRR dated June 24, 1991, the NDEP responded to the proposed lead remediation plan submitted on April 17, 1991. The NDEP provided comments on the plan and is awaiting a revised plan for remediation.
- Currently, there are two free product-recovery systems in place and operational. Modification to the westbound recovery system is currently being done per Mr. Jim Moran, USPCI, during the meeting of August 14, 1991. It is the understanding of the NDEP that the recovery systems for the area designated as the fuel farm area, is being designed and is considered to be of high priority by the NDEP, August 29, 1990 letter. The NDEP will require a written status report and schedule for the design, installation and operation of the free product recovery systems by October 11, 1991.

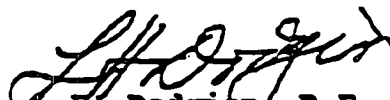
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- The NDEP will require that the free product recovery systems operate with the goal of reducing free product to a thickness of $\frac{1}{4}$ inch or less as measured in the formation, per the Nevada Administrative Code. Adherence to the current NAC is mandated since no agreed to remediation plan has been executed at this time.

Sincerely,


L.E. Dodgion, P.E.
Administrator

LHD/JNN:klh

cc: E.L. Rosse, NDEP
A. Biaggi, NDEP
D. Gross, NDEP
B. Noonan, City Manager, City of Las Vegas
P. Shalwy, County Manager, Clark County
C. Judkins, Clark County Health District
R. Eades, UPRR
Gary Pappek, UPRR
Jim Moran, USPCI
Rick Stout, Dames and Moore
R. Broadbent, Broadbent & Associates

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EXHIBIT D-1**BONANZA STREET PARCELS DEED****RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:**

CITY OF LAS VEGAS

Attn: _____
400 Las Vegas Blvd. South
Las Vegas, Nevada 89101**MAIL TAX STATEMENTS TO:**_____
Attn: _____

(Space above line for Recorder's use only.)

GRANT, BARGAIN AND SALE DEED

FOR VALUE RECEIVED, UNION PACIFIC RAILROAD COMPANY, a Delaware corporation ("Grantor"), grants to CITY OF LAS VEGAS, a municipal corporation of the State of Nevada ("Grantee"), all of its right, title, and interest, in and to that certain real property (the "Property") situated in the City of Las Vegas, County of Clark, State of Nevada, described in **Exhibit A** attached hereto and incorporated by reference.

Railroad Easement Reservation. There is EXCEPTED from this grant the railroad trackage and track appurtenances thereto, now located upon, along and across the Property, and RESERVED unto Grantor, its successors and assigns, forever, a PERPETUAL EXCLUSIVE EASEMENT thirty feet (30') in width in the location described in **Exhibit B** attached hereto and incorporated by reference, together with the right of ingress and egress thereto, for railroad purposes and purposes incidental thereto, including, without limitation, the construction, maintenance, operation, repair, renewal, reconstruction, use and removal of said railroad trackage and appurtenances.

Fiber Optic Easement Reservation. There is FURTHER EXCEPTED from this grant and RESERVED unto Grantor, its successors and assigns, forever, a PERPETUAL EXCLUSIVE EASEMENT ten feet (10') in width over, under, across and upon that portion of the Property described in **Exhibit C** attached hereto and incorporated by reference (the "communications easement property"), for the construction, reconstruction, installation, inspection, repair,

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maintenance, enjoyment, operation, use and/or removal of existing and/or future communication lines and/or facilities, including, but not limited to, fiber optic cables, conduits and related appurtenances, (including, without limitation, valves, manholes, air vents, warning signals, junction boxes, transformers, switch boxes, and electric devices), together with the right of ingress, egress and access from and to such easement area over and across the Property for purposes of exercising the easement rights reserved herein. All communication lines and/or facilities presently existing or hereafter constructed on the communications easement property shall remain the personal property of Grantor. Grantor shall have the right to grant, at its sole discretion, sub-easements, licenses and any other interests in the easement areas reserved hereunder and to collect the rents, issues and profits therefrom, and from any existing contracts, and to use the easement areas for any other lawful purpose, including, but not limited to, entering into agreements with third parties for longitudinal occupancies or crossings. Neither Grantee nor any successor or assign of Grantee shall place or make any improvement on the easement areas except landscaping and paving for surface parking or driveways. Grantor, its successors and assigns, shall repair any damage (except for damage to prohibited improvements) to the surface of the easement areas caused by the exercise of the easement rights reserved hereunder, and shall indemnify and hold harmless Grantee, its successors and assigns, from and against any losses, claims, liabilities, actions, causes of action, costs or expenses (including, without limitation, court costs and attorneys' fees) for personal injury or property damage caused by the exercise of such easement rights.

Signboard Easement Reservation. [Under Section 1.4 of the Purchase and Sale Agreement, Buyer may elect not to cause termination of the agreement under which one (1) signboard is on the Property in the location shown on **Exhibit A-1** thereto as "Lamar Signboard". If Buyer does not elect to cause termination of the signboard agreement covering the Lamar Signboard, the following reservation shall be made.] There is EXCEPTED from this sale and donation the signboard located on the portion of the Property described in **Exhibit D** attached hereto and incorporated by reference, and appurtenances thereto, including, without limitation, wirelines for electrical service to the signboard, and RESERVED unto Grantor, its successors and assigns, forever, a PERPETUAL EASEMENT for the construction, maintenance, operation, repair, replacement, renewal and reconstruction of signboards and appurtenances thereto (whether now or hereafter constructed) upon, along, under and across the portion of the Property described in **Exhibit D** together with (i) the right of unobstructed access, ingress and egress to and from said easement area for the purpose of exercising the rights herein reserved; and (ii) a sight line easement for the unobstructed view from U.S. Highway 95 to signboards now or hereafter located on said easement area.

THE PROPERTY IS CONVEYED TO GRANTEE SUBJECT TO:

- A. All liens, encumbrances, easements, covenants, conditions and restrictions of record;
- B. All matters which would be revealed or disclosed by a physical inspection of the Property;
- C. A lien not yet delinquent for taxes for real property and personal property, and any general or special assessments against the Property; and

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D. Zoning ordinances and regulations and any other laws, ordinances, notices, orders and other governmental regulations and restrictions affecting the use, occupancy or enjoyment of the Property, and amendments and additions thereto, now or hereafter in force or effect.

ENVIRONMENTAL PROVISIONS:

(a) Grantor hereby gives notice that portions of the Property are currently affected by contamination of the soil and groundwater. Therefore, Grantee (and its successors in title to the Property) should contact the State of Nevada Division of Environmental Protection (or its successor agency with jurisdiction to require clean up, correction, or other remediation of soil or groundwater contamination) prior to commencement of any building, construction or excavation activities on the Property in order to obtain information on past remediation or any necessary approvals for protective measures to be taken in conducting any such activities.

(b) Grantor (for itself and its successors and assigns) hereby covenants and agrees, for the benefit of the Property, that with respect to petroleum hydrocarbon contamination existing as of the date of this deed, Grantor shall (i) replace with clean soil and dispose of in accordance with law all soils on the Property excavated in the course of construction activity which contain total petroleum hydrocarbon levels in excess of one hundred (100) milligrams per kilogram, and (ii) remove and/or remediate in accordance with law any petroleum product in free or liquid phase that is present on or in the groundwater under the Property in an amount of excess of one-half inch (1/2") in depth.

(c) Grantor (for itself and its successors and assigns) hereby covenants and agrees for the benefit of the Property, that with respect to heavy metals contamination existing as of the date of this deed, Grantor shall clean up, correct, or otherwise remediate all soils and waters located on or emanating from the Property from any contamination by heavy metals, including lead to a level of no more than 1400 milligrams per kilogram, to standards and in accordance with procedures now or in the future set by the governmental agency or agencies having jurisdiction over the establishment of such standards.

(d) (i) Condition of Property. Grantee and its representatives have been afforded the opportunity to make such inspections of the Property and matters related thereto as Grantee and its representatives desired, including, without limitation, governmental laws and regulations to which the Property is subject, and Grantee accepts the Property upon the basis of its review and determination of the applicability and effect of such laws and regulations. Grantee acknowledges and agrees that the Property is sold and conveyed to and accepted by Grantee in an "as is" condition with all faults, except as otherwise provided below. Grantor makes no representations or warranties of any kind whatsoever, either express or implied, with respect to the Property. In particular, but without limitation, Grantor makes no representations or warranties with respect to the use, condition, title, occupation or management of the Property, compliance with applicable statutes, laws, codes, ordinances, regulations or requirements relating to leasing, zoning, subdivision, planning, building, fire, safety, health or environmental matters, compliance with covenants, conditions and restrictions

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(whether or not of record), other local, municipal, regional, state or federal requirements, or other statutes, laws, codes, ordinances, regulations or requirements. Grantee acknowledges that it has accepted this deed on the basis of Grantee's own investigation of the physical and environmental conditions of the Property, including the subsurface conditions, and, except as otherwise provided below, Grantee assumes the risk that adverse physical and environmental conditions may not have been revealed by its investigation.

(ii) Grantor's Environmental Obligations.

(A) Pursuant to an order issued to Grantor by the Nevada Department of Conservation and Natural Resources, Division of Environmental Protection ("NDEP") on May 26, 1987 (the "NDEP Order"), an environmental consultant, on behalf of Grantor, conducted a site characterization investigation covering the Property and certain adjacent properties, which was completed in March, 1989. The March 1989 site characterization disclosed the presence of certain contamination in, on and/or under the Property and such adjacent properties, which contamination, together with any other Total Petroleum Contamination ("TPH") attributable to Grantor's past use of the Property, is hereafter collectively called the "Subject Contamination". Grantor thereafter provided to NDEP, as required by the NDEP Order, descriptions of its recommended action level for clean-up for TPH and remediation of lead and solvents. By letter dated September 10, 1991 from NDEP to Grantor, copy of which is marked **Exhibit E**, attached hereto and incorporated herein by reference, NDEP set forth its requirements for remediation of TPH and its response to Grantor's recommended remedial action for solvents and lead (the "Plan"). At Grantor's cost except for costs for which Grantee is responsible due to material breach of Grantee's covenants and agreements under the Environmental Provisions, Grantor, for itself, its successors and assigns, covenants and agrees to comply with the Plan with respect to the remediation of the Subject Contamination in, on, under or migrating from the Property, as amended or modified pursuant to the terms, standards and acceptable levels of clean-up of the Subject Contamination as required by NDEP or agreed to by NDEP and Grantor, including without limitation, any clean-up work, monitoring and recovery work and offsite work with respect to soil or groundwater which is required by NDEP to be performed with respect to the Subject Contamination in, on, under or migrating from the Property (the "Modified Plan"). Any and all construction activity on the Property shall be coordinated with Grantor's implementation of the Plan or Modified Plan. Grantor, its agents and contractors, shall have access to the Property to the extent reasonably necessary to implement the Plan or Modified Plan, and shall exercise such access rights using commercially reasonable efforts to minimize unnecessary interference with Grantee's use of the Property. In performing its obligations under this subparagraph (ii)(A), Grantor shall make commercially reasonable efforts to avoid damage to or destruction of improvements on the Property.

(B) It is acknowledged by both parties that certain remediation of the Subject Contamination is not required to be performed under the Plan until such time as construction excavation operations commence and proceed as required for the development of the Property. Grantor agrees that any such remediation of the Subject Contamination required to be performed under the Plan or Modified Plan shall be conducted by Grantor during the course of Grantee's required construction excavation operations in a reasonably diligent manner and in coordination with

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the development schedule of Grantee to the extent reasonably practicable; provided, however, that Grantee shall provide Grantor with Grantee's plan and schedule for development (and any modifications thereof) as soon as available. Grantee acknowledges and agrees that Grantor shall not be required to perform any excavation-related or other development activities which otherwise would be performed in connection with the development of the Property in the absence of the remediation requirements of the Plan or Modified Plan, i.e., any activities which are not directly and solely attributable to the remediation of the Subject Contamination in accordance with the Plan or Modified Plan. Grantor, at Grantor's cost except for costs for which Grantee is responsible due to material breach of Grantee's covenants and agreements under the Environmental Provisions, agrees that soils excavated by Grantee for Grantee's future development of the Property which have TPH levels in excess of one hundred (100) mg/Kg attributable to Grantor's past use encountered in Grantee's future development of the Property will be disposed of by Grantor, as required by the Plan or Modified Plan and, with respect to such groundwater, also as may be required by NDEP under a valid order.

Grantee shall give notice to Grantor reasonably in advance of commencement of any imminent excavation or construction activities that pose a reasonable likelihood of encountering contaminated soil or groundwater which Grantor is required to dispose of under this subparagraph (B), and in all events Grantee shall give Grantor prompt notice any time Grantee reasonably believes that Grantee actually has encountered such contaminated soil or groundwater in the course of excavation or construction activities. After any such notice is actually received by Grantor, and before any excavation or construction (or further excavation or construction) may be undertaken by Grantee, Grantor and Grantee shall promptly make arrangements, in coordination with Grantee's excavation/construction activities, for Grantor to provide for, at Grantor's cost, sampling and analysis of the suspected contaminated soil or groundwater and the personnel to conduct same, that are necessary for Grantor to discharge Grantor's obligations under this subparagraph (B).

(C) Grantee acknowledges that Grantor and NDEP shall have the right to agree upon the Plan and Modified Plan from time to time as NDEP and Grantor reasonably and in good faith deem appropriate. Grantee agrees to cooperate with and support any effort by Grantor to raise the permissible levels of TPH and lead through the adoption by NDEP of a risk-based corrective action approach to the Subject Contamination; provided, however, that any change in the permissible cleanup levels which is initiated by Grantor shall be subject to Grantee's consent, which consent shall not be unreasonably withheld or delayed. Grantee shall not interfere in any manner with Grantor's control over or implementation of the Plan or Modified Plan, or otherwise interfere with respect to the requirements of NDEP or any other governmental agency for remediation of the Subject Contamination. Except to the extent notification of NDEP or other authorized government agencies is clearly required under applicable laws and regulations, Grantee shall furnish Grantor with advance written notice of any communication with NDEP or any other environmental agency proposed by Grantee with respect to the Subject Contamination, the Plan or the Modified Plan, and the opportunity, to the extent practicable, to be present at any meetings with NDEP. Grantee and Grantor agree to cooperate with each other in dealing with NDEP with respect to the Plan and the Modified Plan, including, but not limited to, sending copies of all correspondence between NDEP and Grantee or Grantor, as appropriate, to the other party or parties.

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(D) From and after the date of delivery of this deed, Grantor, for itself, its successors and assigns, agrees to and does hereby indemnify and hold Grantee harmless from and against any and all liability, loss, damage or injury, together with all reasonable costs and expenses relating thereto, including legal and accounting fees and expenses (collectively, "Losses"), where the Loss results from (1) any breach of the covenants made by Grantor hereunder, or (2) any suit, proceeding, claim, demand or judgment by any third party against Grantee for loss, liability or damage caused by any Subject Contamination migrating from the Property; provided, however, that Grantor's indemnity shall not apply (x) to the extent the Loss results from any breach of Grantee's covenants and agreements hereunder or from any exacerbation of the Subject Contamination caused by the acts or omissions of Grantee, its successors or assigns, any owner or occupant of any portion of the Property, or their agents, contractors, employees, licensees or invitees, or (y) where the third party under (2) above is an owner or occupant of the Property or any portion thereof, or an employee, agent, contractor, invitee or licensee of Grantee or any such owner or occupant, or (z) to any Losses which are lost profits, consequential damages, or punitive damages of Grantee, any owner or occupant of any portion of the Property, or their agents, contractors, employees, licensees, invitees, successors or assigns. Grantor's indemnity in this subparagraph (D) is personal to the City of Las Vegas as Grantee, and may not be assigned or otherwise transferred to benefit any person or entity other than the City of Las Vegas.

(e) Grantee's Release. Except for Grantor's environmental obligations hereunder, Grantee, for itself, its successors and assigns, and for each and every subsequent owner or tenant of any portion of the Property (collectively, the "Releasing Parties"), hereby waives, releases, remises, acquits and forever discharges Grantor, its affiliates, their employees, agents, officers, successors and assigns, of and from any and all claims, suits, actions, causes of action, demands, rights, damages, costs, expenses, penalties, fines or compensation whatsoever, direct or indirect, which Grantee or any other Releasing Party now has or which Grantee or any other Releasing Party may have in the future on account of or in any way arising out of or in connection with the Subject Contamination, or any other physical or environmental condition of the Property to the extent such condition is actually known to Grantee (or to any of Grantee's employees involved in Grantee's acquisition of the Property) before the date of delivery of this deed, or any federal, state or local law, ordinance, rule or regulation applicable to any of the foregoing, including, without limitation, the Toxic Substances Control Act, the Comprehensive Environmental Response, Compensation and Liability Act, and the Resource Conservation and Recovery Act; provided, however, that this release shall not preclude a Releasing Party from asserting third-party indemnity or contribution claims against Grantor in any action brought against such Releasing Party by a third party other than another Releasing Party, or an employee, contractor, successor or assign of any Releasing Party.

(f) Covenants Running with Land. The above Environmental Provisions [paragraphs (a) through (e) above] shall bind and benefit each and every subsequent owner of the Property or any portion thereof as covenants running with the land. Grantee, and each subsequent owner of the Property or any portion thereof, shall require each and every transferee of the Property or any portion thereof to execute and deliver to Grantor the transferee's agreement to be bound by the Environmental Provisions as if the transferee were the Grantee.

1-1329-42

IN WITNESS WHEREOF, the undersigned Grantor and Grantee have executed this Grant Deed as of _____, 2000.

Attest:

UNION PACIFIC RAILROAD COMPANY,
a Delaware corporation

_____(Seal)
Assistant Secretary

By: _____
Its: _____

CITY OF LAS VEGAS, a municipal corporation
of the State of Nevada

By: _____
Title: _____

STATE OF NEBRASKA)
) ss.
COUNTY OF DOUGLAS)

WITNESS my hand and official seal.

Notary Public

(SEAL)

STATE OF NEVADA)
) ss.
COUNTY OF CLARK)

WITNESS my hand and official seal.

Notary Public

(SEAL)

EXPLANATION: THIS LEGAL DESCRIBES A PARCEL OF LAND LOCATED SOUTHWESTERLY OF THE INTERSECTION OF "D" STREET AND BONANZA ROAD LYING WESTERLY OF THE UPRR MAIN RAILROAD TRACKS (PARCEL 1).

LEGAL DESCRIPTION

THAT PORTION OF THE SOUTH HALF (S 1/2) OF THE SOUTHWEST QUARTER (SW 1/4) OF SECTION 27, TOWNSHIP 20 SOUTH, RANGE 61 EAST, M.D.M., CITY OF LAS VEGAS, CLARK COUNTY, NEVADA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SOUTH HALF (S 1/2), SAID POINT BEING 10.00 FEET (MEASURED AT RIGHT ANGLES) SOUTH OF THE CENTERLINE OF BONANZA ROAD (VARYING WIDTH); THENCE ALONG THE NORTH LINE OF SAID SOUTH HALF (S 1/2) AND PARALLEL TO SAID CENTERLINE, NORTH 88°17'55" EAST, 1641.02 FEET; THENCE SOUTH 01°42'05" EAST, 30.00 FEET TO THE POINT OF BEGINNING ON THE SOUTHERLY RIGHT-OF-WAY LINE OF SAID BONANZA ROAD AND BEING THE NORTHEAST CORNER OF THAT CERTAIN PARCEL OF LAND DESCRIBED BY "DEED" RECORDED JUNE 30, 1950 IN BOOK 62 OF DEEDS, PAGE 290, AS INSTRUMENT NO. 343516, IN THE CLARK COUNTY RECORDER'S OFFICE, CLARK COUNTY, NEVADA; THENCE ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE THE FOLLOWING THREE (3) COURSES: SOUTH 87°53'14" EAST, 150.33 FEET; THENCE SOUTH 01°42'05" EAST, 6.00 FEET; THENCE NORTH 88°17'55" EAST, 327.85 FEET; THENCE SOUTH 01°42'05" EAST, 38.74 FEET; THENCE SOUTH 25°06'11" WEST, 378.56 FEET; THENCE NORTH 62°31'05" WEST, 17.16 FEET; THENCE SOUTH 27°28'55" WEST, 414.93 FEET TO A POINT ON THE NORTHERLY LINE OF THAT CERTAIN PARCEL OF LAND DESCRIBED BY "DEED" RECORDED AUGUST 31, 1967 IN BOOK 820 OF OFFICIAL RECORDS AS INSTRUMENT NO. 658854, IN THE CLARK COUNTY RECORDER'S OFFICE, CLARK COUNTY, NEVADA; THENCE ALONG THE NORTHERLY LINE OF SAID "DEED" PARCEL THE FOLLOWING TWO (2) COURSES: FROM A TANGENT BEARING NORTH 72°24'15" WEST, CURVING TO THE LEFT ALONG THE ARC OF A 185.00 FOOT RADIUS CURVE, CONCAVE SOUTHWESTERLY (THE RADIUS POINT OF WHICH BEARS SOUTH 17°35'45" WEST), THROUGH A CENTRAL ANGLE OF 27°49'45", AN ARC LENGTH OF 89.86 FEET; THENCE SOUTH 79°46'00" WEST, 14.23 FEET TO THE SOUTHEAST CORNER OF THAT CERTAIN PARCEL OF LAND DESCRIBED BY "FINAL ORDER OF CONDEMNATION" RECORDED SEPTEMBER 11, 1968 IN BOOK 899 OF OFFICIAL RECORDS AS INSTRUMENT NO. 721652, IN THE CLARK COUNTY RECORDER'S OFFICE, CLARK COUNTY, NEVADA; THENCE ALONG THE EASTERLY AND NORTHERLY LINE OF SAID CONDEMNATION PARCEL, THE FOLLOWING THREE (3) COURSES: NORTH 27°55'16" EAST, 274.60 FEET; THENCE NORTH 50°42'43" WEST, 98.15 FEET; THENCE FROM A TANGENT BEARING SOUTH 83°27'18" WEST, CURVING TO THE LEFT ALONG THE ARC OF A 2000.00 FOOT RADIUS CURVE, CONCAVE SOUTHEASTERLY (THE RADIUS POINT OF WHICH BEARS SOUTH 06°32'42" EAST), THROUGH A CENTRAL ANGLE OF 07°30'16", AN ARC LENGTH OF 261.95 FEET TO A POINT TO WHICH A RADIAL LINE BEARS NORTH 14°02'58" WEST TO THE EASTERLY LINE OF THAT CERTAIN PARCEL OF LAND DESCRIBED BY "DEED" RECORDED OCTOBER 13, 1955 IN BOOK 70 OF OFFICIAL RECORDS AS INSTRUMENT NO. 58946, IN THE CLARK COUNTY RECORDER'S OFFICE, CLARK COUNTY, NEVADA; THENCE ALONG SAID EASTERLY LINE, NORTH 01°42'05"

WEST, 161.48 FEET; THENCE NORTH 88°28'58" EAST, 165.90 FEET; THENCE CURVING TO THE LEFT ALONG THE ARC OF A 369.27 FOOT RADIUS CURVE, CONCAVE NORTHERLY, THROUGH A CENTRAL ANGLE 06°51'25", AN ARC LENGTH OF 44.19 FEET TO A POINT TO WHICH A RADIAL LINE BEARS SOUTH 08°22'27" EAST; THENCE NORTH 01°42'05" WEST, 46.95 FEET TO THE SOUTHEAST CORNER OF THE AFOREMENTIONED PARCEL DESCRIBED BY "DEED" RECORDED JUNE 30, 1950 IN BOOK 62 OF DEEDS, PAGE 290 AS INSTRUMENT NO. 343516; THENCE ALONG THE EAST LINE OF SAID PARCEL, NORTH 01°42'05" WEST, 265.93 FEET TO THE POINT OF BEGINNING.

CONTAINING 5.28 ACRES.



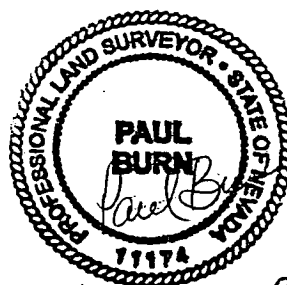
12-23-00

EXPLANATION: THIS LEGAL DESCRIBES A RAILROAD SPUR LINE EASEMENT FOR THE UNION PACIFIC RAILROAD PROJECT.

LEGAL DESCRIPTION

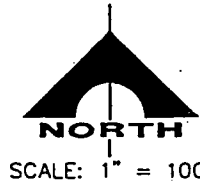
A PORTION OF THE SOUTH HALF (S 1/2) OF THE SOUTHWEST QUARTER (SW 1/4) OF SECTION 27, TOWNSHIP 20 SOUTH, RANGE 61 EAST, M.D.M., CITY OF LAS VEGAS, CLARK COUNTY, NEVADA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SOUTH HALF (S 1/2); THENCE ALONG THE NORTH LINE OF SAID SOUTH HALF (S 1/2), NORTH 88°17'55" EAST, 2118.87 FEET; THENCE SOUTH 01°42'05" EAST, 62.99 FEET TO THE POINT OF BEGINNING; THENCE CONTINUING SOUTH 01°42'05" EAST, 21.75 FEET; THENCE SOUTH 25°06'11" WEST, 45.76 FEET; THENCE FROM A TANGENT BEARING SOUTH 46°17'26" WEST, CURVING TO THE RIGHT ALONG THE ARC OF A 638.65 FOOT RADIUS CURVE, CONCAVE NORTHWESTERLY (THE RADIUS POINT OF WHICH BEARS NORTH 43°42'34" WEST), THROUGH A CENTRAL ANGLE OF 26°53'11", AN ARC LENGTH OF 299.69 FEET TO A POINT TO WHICH A RADIAL LINE BEARS SOUTH 16°49'23" EAST; THENCE SOUTH 71°29'10" WEST, 80.02 FEET; THENCE SOUTH 72°58'42" WEST, 75.01 FEET; THENCE SOUTH 77°02'27" WEST, 48.40 FEET TO A POINT ON THE EAST LINE OF THAT CERTAIN PARCEL OF LAND DESCRIBED BY "DEED" RECORDED JUNE 30, 1950 IN BOOK 62, PAGE 290 OF DEEDS AS INSTRUMENT NO. 343516 IN THE CLARK COUNTY RECORDER'S OFFICE, CLARK COUNTY, NEVADA; THENCE ALONG SAID EAST LINE, NORTH 01°42'05" WEST, 30.59 FEET; THENCE NORTH 77°02'27" EAST, 41.37 FEET; THENCE NORTH 72°58'42" EAST, 73.55 FEET; THENCE NORTH 71°29'10" EAST, 80.08 FEET; THENCE FROM A TANGENT BEARING NORTH 73°13'05" EAST, CURVING TO THE LEFT ALONG THE ARC OF A 608.65 FOOT RADIUS CURVE, CONCAVE NORTHWESTERLY (THE RADIUS POINT OF WHICH BEARS NORTH 16°46'55" WEST), THROUGH A CENTRAL ANGLE OF 32°19'18", AN ARC LENGTH OF 343.35 FEET TO THE POINT OF BEGINNING TO WHICH A RADIAL LINE BEARS SOUTH 49°06'13" EAST.



12-23-00

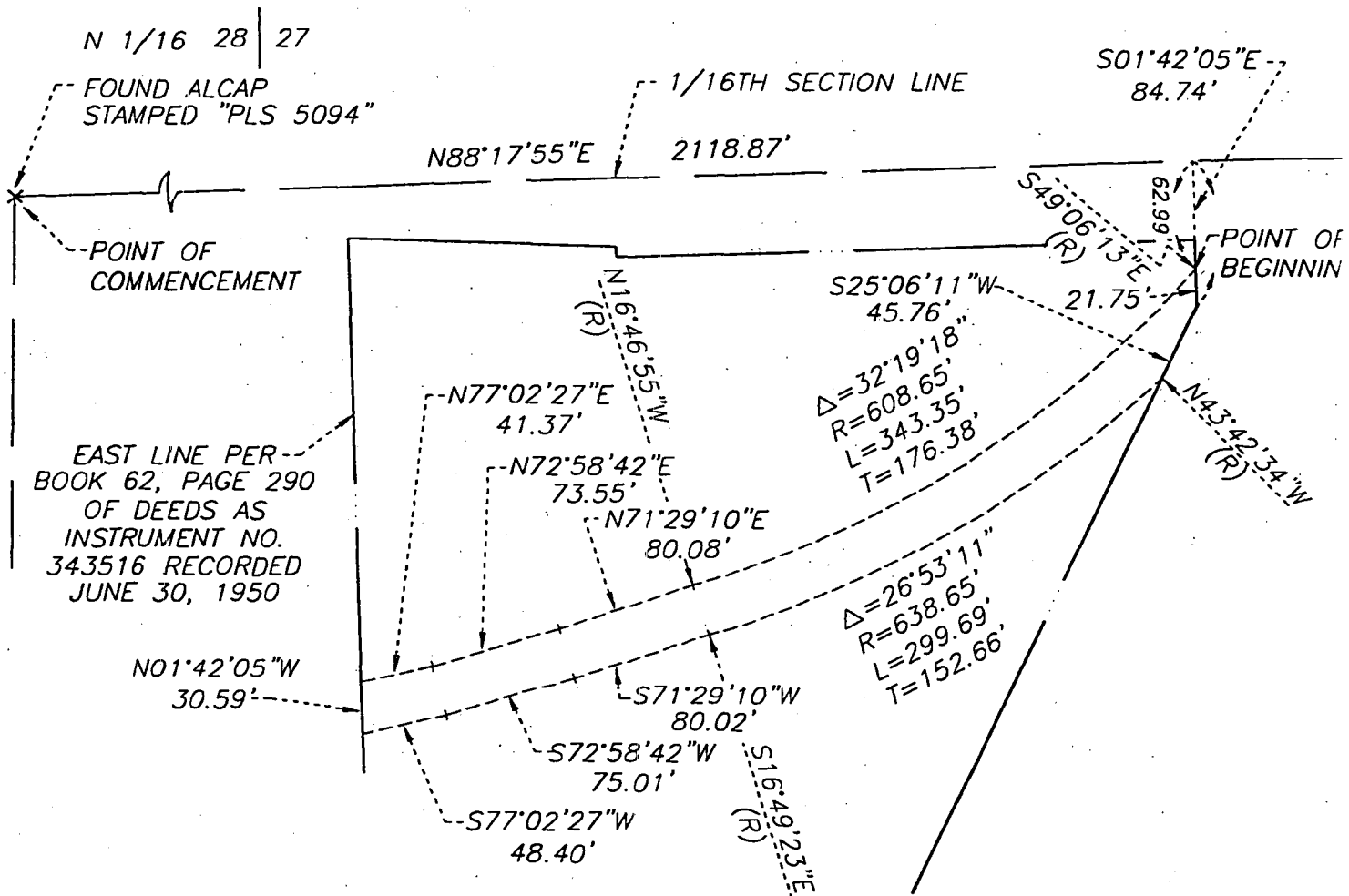
RAILROAD SPUR LINE EASEMENT
 LYING WITHIN THE SOUTH HALF (S 1/2) OF
 THE SOUTHWEST QUARTER (SW 1/4) OF
 SECTION 27, TOWNSHIP 20 SOUTH,
 RANGE 61 EAST, M.D.M., CITY OF LAS VEGAS,
 CLARK COUNTY, NEVADA



G.C. WALLACE, INC.
 Engineers/Planners/Surveyors
 1555 SOUTH RAINBOW BLVD., LAS VEGAS, NEVADA 89145

PROJECT NO.: 398.6691
 FILE: RRSESMT.DWG
 DATE: 12-22-00

CALC. BY: SS
 DRAWN BY: SS
 CHECKED BY: BT



EXPLANATION: THIS LEGAL DESCRIBES A EASEMENT FOR A FIBER OPTIC LINE
WITHIN THE UNION PACIFIC RAILROAD PROJECT.

LEGAL DESCRIPTION

A PORTION OF THE SOUTH HALF (S 1/2) OF THE SOUTHWEST QUARTER (SW 1/4) OF
SECTION 27, TOWNSHIP 20 SOUTH, RANGE 61 EAST, M.D.M., CITY OF LAS VEGAS,
CLARK COUNTY, NEVADA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SOUTH HALF (S 1/2); THENCE
ALONG THE NORTH LINE THEREOF NORTH 88°17'55" EAST, 2118.87 FEET; THENCE
SOUTH 01°42'05" EAST, 84.74 FEET; THENCE SOUTH 25°06'11" WEST, 76.09 FEET TO
THE POINT OF BEGINNING; THENCE CONTINUING SOUTH 25°06'11" WEST, 302.48
FEET; THENCE NORTH 62°31'05" WEST, 7.06 FEET; THENCE NORTH 24°01'57" EAST,
297.06 FEET; THENCE SOUTH 87°13'25" EAST, 13.63 FEET TO THE POINT OF
BEGINNING.



12-23-00

Exhibit C of Exhibit D-1

FIBER OPTIC LINE EASEMENT
 LYING WITHIN THE SOUTH HALF (S 1/2) OF
 THE SOUTHWEST QUARTER (SW 1/4) OF
 SECTION 27, TOWNSHIP 20 SOUTH,
 RANGE 61 EAST, M.D.M., CITY OF LAS VEGAS,
 CLARK COUNTY, NEVADA



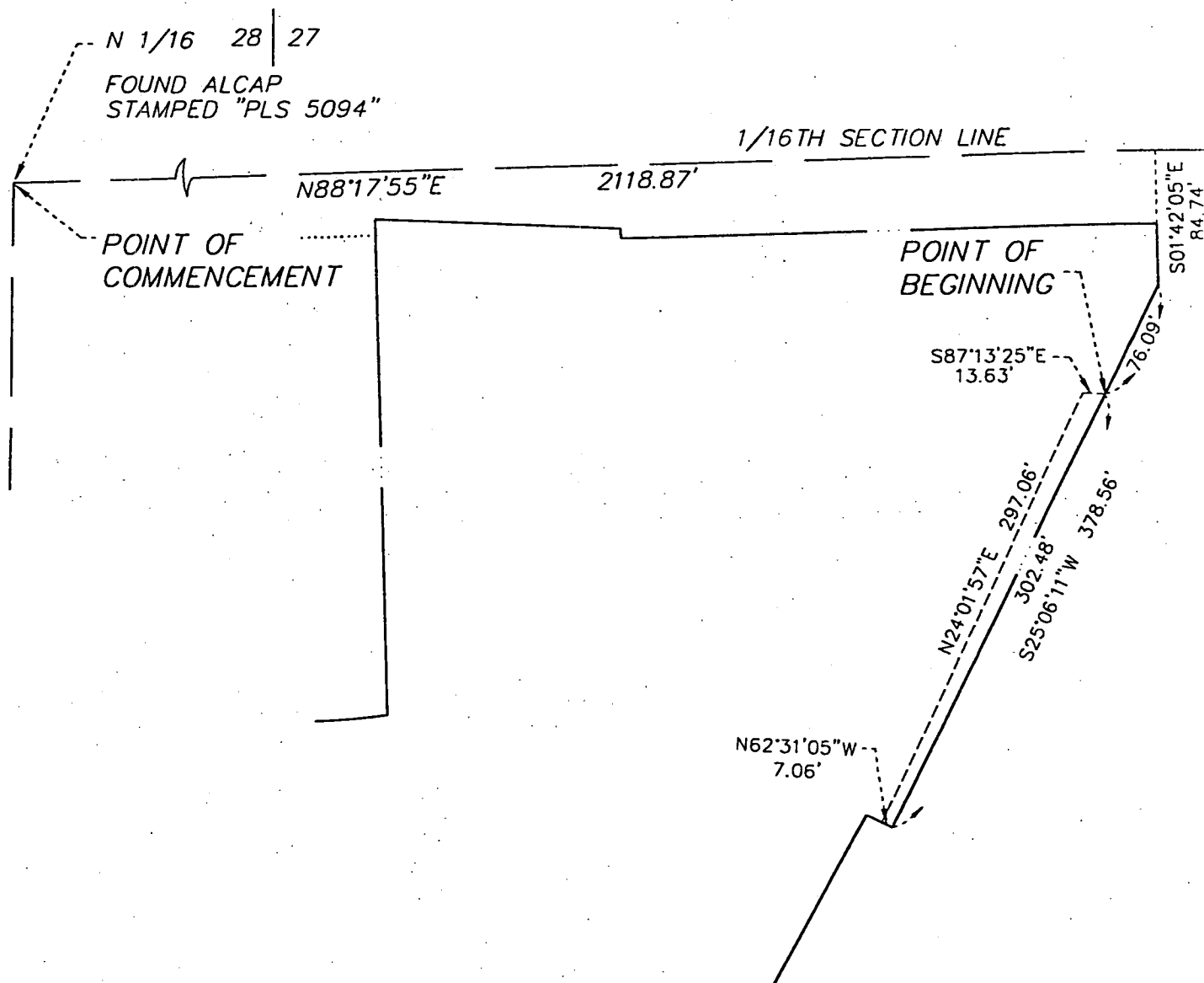
SCALE: 1" = 100'



G.C. WALLACE, INC.
 Engineers/Planners/Surveyors
 1555 SOUTH RAINBOW BLVD./LAS VEGAS, NEVADA 891

PROJECT NO.: 398.6691
 FILE: FIBEROP.DWG
 DATE: 12-23-00

CALC. BY: SS
 DRAWN BY: SS
 CHECKED BY: BT



EXPLANATION: THIS LEGAL DESCRIBES A SIGN EASEMENT FOR THE UNION PACIFIC RAILROAD PROJECT.

LEGAL DESCRIPTION

A PORTION OF THE SOUTH HALF (S 1/2) OF THE SOUTHWEST QUARTER (SW 1/4) OF SECTION 27, TOWNSHIP 20 SOUTH, RANGE 61 EAST, M.D.M., CITY OF LAS VEGAS, CLARK COUNTY, NEVADA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SOUTH HALF (S 1/2); THENCE ALONG THE NORTH LINE OF SAID SOUTH HALF (S 1/2), NORTH 88°17'55" EAST, 2118.87 FEET; THENCE SOUTH 01°42'05" EAST, 62.99 FEET TO THE POINT OF BEGINNING; THENCE CONTINUING SOUTH 01°42'05" EAST, 21.75 FEET; THENCE SOUTH 25°06'11" WEST, 45.76 FEET; THENCE FROM A TANGENT BEARING SOUTH 46°17'26" WEST, CURVING TO THE RIGHT ALONG THE ARC OF A 638.65 FOOT RADIUS CURVE, CONCAVE NORTHWESTERLY (THE RADIUS POINT OF WHICH BEARS NORTH 43°42'34" WEST), THROUGH A CENTRAL ANGLE OF 26°53'11", AN ARC LENGTH OF 299.69 FEET TO A POINT TO WHICH A RADIAL LINE BEARS SOUTH 16°49'23" EAST; THENCE SOUTH 71°29'10" WEST, 80.02 FEET; THENCE SOUTH 72°58'42" WEST, 75.01 FEET; THENCE SOUTH 77°02'27" WEST, 48.40 FEET TO A POINT ON THE EAST LINE OF THAT CERTAIN PARCEL OF LAND DESCRIBED BY "DEED" RECORDED JUNE 30, 1950 IN BOOK 62, PAGE 290 OF DEEDS AS INSTRUMENT NO. 343516 IN THE CLARK COUNTY RECORDER'S OFFICE, CLARK COUNTY, NEVADA; THENCE ALONG SAID EAST LINE, NORTH 01°42'05" WEST, 30.59 FEET; THENCE NORTH 77°02'27" EAST, 41.37 FEET; THENCE NORTH 72°58'42" EAST, 73.55 FEET; THENCE NORTH 71°29'10" EAST, 80.08 FEET; THENCE FROM A TANGENT BEARING NORTH 73°13'05" EAST, CURVING TO THE LEFT ALONG THE ARC OF A 608.65 FOOT RADIUS CURVE, CONCAVE NORTHWESTERLY (THE RADIUS POINT OF WHICH BEARS NORTH 16°46'55" WEST), THROUGH A CENTRAL ANGLE OF 32°19'18", AN ARC LENGTH OF 343.35 FEET TO THE POINT OF BEGINNING TO WHICH A RADIAL LINE BEARS SOUTH 49°06'13" EAST.



12-27-00

SIGN EASEMENT
 LYING WITHIN THE SOUTH HALF (S 1/2)
 OF THE SOUTHWEST QUARTER (SW 1/4)
 OF SECTION 27, TOWNSHIP 20 SOUTH,
 RANGE 61 EAST, M.D.M., CITY OF LAS VEGAS,
 CLARK COUNTY, NEVADA



SCALE: 1" = 40'



G.C. WALLACE, INC.
 Engineers/Planners/Surveyors
 1555 SOUTH RAINBOW BLVD., LAS VEGAS, NEVADA 89146

PROJECT NO.: 398.6691
 FILE: SIGNESMT.DWG
 DATE: 12-22-00

CALC. BY: SS
 DRAWN BY: SS
 CHECKED BY: BT

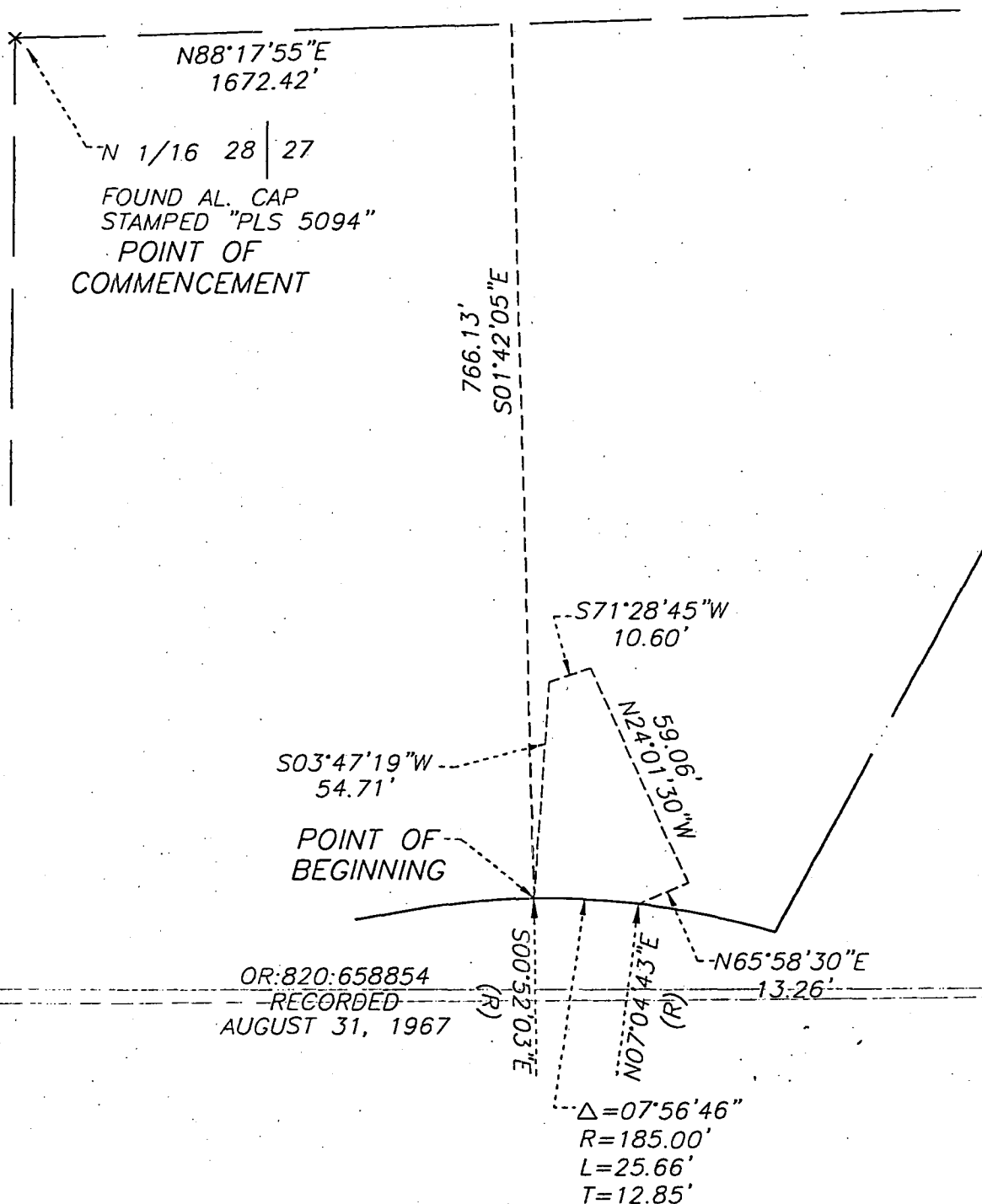


Exhibit D to Exhibit D-1

PETER C. MORROS
Director

STATE OF NEVADA
BOB MILLER
Governor

L. R. I.
Attorney

Administration (702) 687-4670
Air Quality 687-6286
Mining Regulation and Reclamation 687-6670
Waste Management 687-6878
Federal Facilities 687-6880



Wastewater Treatment Services 1
Water Permits and Compliance 1
Water Quality Planning 1
FAX 1

DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES
DIVISION OF ENVIRONMENTAL PROTECTION

123 W. Nye Lane
Carson City, Nevada 89710

September 10, 1991

William Wimmer
Assistant Vice President
Environmental Management
Union Pacific Railroad
1416 Dodge Street - Room 930
Omaha, NE 68179

RE: Las Vegas, Nevada, Yard Cleanup

Dear Mr. Wimmer:

The Nevada Division of Environmental Protection (NDEP) has reviewed the Union Pacific Railroad's (UPRR) recent proposed action level for the cleanup of Total Petroleum Hydrocarbons (TPH). Based on the data and information provided and discussions with Rick Bades, the NDEP is requiring adherence to the following stipulations.

The NDEP will require UPRR to:

1. - Remediate all soil with TPH values in excess of 100 mg/kg from ground level to 2 1/2 feet. The UPRR will be required to remediate the soil directly below the rail tracks during future track maintenance and repair. Immediate action on the impacted soil directly under the tracks is not directed, yet adherence to the clean-up stipulations outlined in this letter will be required. Other impacted soil not directly under the tracks will be required to adhere to the stipulations contained in this letter, and;
- remediate all soil with TPH values in excess of 10,000 mg/kg, irregardless of the depth, and;
- remediate all soil excavated during the remediation of the soils greater than 10,000 mg/kg, to a TPH value of less than 100 mg/kg, and;

William Wimmer
Assistant Vice President
Union Pacific Railroad
September 10, 1991
Page 2

- provide as per the March 13, 1991 meeting, a guarantee to be approved by NDEP, that soils excavated during future construction which have TPH levels in excess of 100 mg/kg (TPH) attributable to Union Pacific's past occupancy, will be disposed of by the railroad. This obligation also applies to ground water contamination encountered in future development that is attributable to Union Pacific's past use.
- 2. - Provide written documentation stating UPRR is the responsible party on environmental contamination of soils and groundwater.
- 3. - Initiate a pilot program to determine the feasibility for an in-situ remediation project on the hydrocarbon contaminated soil left in place.
- 4. - Negotiate and establish a written agreement with the City of Las Vegas for the monitoring and enforcement of future remediation activities that are attributed to UPRR past activities.

In regards to the other on going and proposed remediation activities on the other contaminants, solvent and lead, the NDEP understands the following:

- In the UPRR letter of November 26, 1990, UPRR agreed to remediate the soil and groundwater contaminated with chlorinated and non-chlorinated solvents. The NDEP is awaiting this remediation plan and informational data, per the request made by the NDEP on August 29, 1990.
- In the NDEP letter to UPRR dated June 24, 1991, the NDEP responded to the proposed lead remediation plan submitted on April 17, 1991. The NDEP provided comments on the plan and is awaiting a revised plan for remediation.
- Currently, there are two free product-recovery systems in place and operational. Modification to the westbound recovery system is currently being done per Mr. Jim Moran, USPCI, during the meeting of August 14, 1991. It is the understanding of the NDEP that the recovery systems for the area designated as the fuel farm area, is being designed and is considered to be of high priority by the NDEP, August 29, 1990 letter. The NDEP will require a written status report and schedule for the design, installation and operation of the free product recovery systems by October 11, 1991.

William Wimmer
Assistant Vice President
Union Pacific Railroad
September 10, 1991
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- The NDEP will require that the free product recovery systems operate with the goal of reducing free product to a thickness of $\frac{1}{4}$ inch or less as measured in the formation, per the Nevada Administrative Code. Adherence to the current NAC is mandated since no agreed to remediation plan has been executed at this time.

Sincerely,


L.E. Dodgion, P.E.
Administrator

LHD/JNW:klh

CC: E.L. Rosse, NDEP
A. Biaggi, NDEP
D. Gross, NDEP
B. Noonan, City Manager, City of Las Vegas
P. Shalmy, County Manager, Clark County
C. Judkins, Clark County Health District
R. Eades, UPRR
Gary Papak, UPRR
Jim Moran, USPCI
Rick Stout, Dames and Moore
R. Broadbent, Broadbent & Associates

1-1329-42

EXHIBIT D-2**LOT 4 DEED****RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:**

CITY OF LAS VEGAS

Attn: _____
400 Las Vegas Blvd. South
Las Vegas, Nevada 89101**MAIL TAX STATEMENTS TO:**_____
Attn: _____

(Space above line for Recorder's use only.)

GRANT, BARGAIN AND SALE DEED

FOR VALUE RECEIVED, UNION PACIFIC RAILROAD COMPANY, a Delaware corporation ("Grantor"), grants to CITY OF LAS VEGAS, a municipal corporation of the State of Nevada ("Grantee"), all of its right, title, and interest, in and to that certain real property (the "Property") situated in the City of Las Vegas, County of Clark, State of Nevada, described in **Exhibit A** attached hereto and incorporated by reference.

THE PROPERTY IS CONVEYED TO GRANTEE SUBJECT TO:

- A. All liens, encumbrances, easements, covenants, conditions and restrictions of record;
- B. All matters which would be revealed or disclosed by a physical inspection of the Property;
- C. A lien not yet delinquent for taxes for real property and personal property, and any general or special assessments against the Property; and
- D. Zoning ordinances and regulations and any other laws, ordinances, notices, orders and other governmental regulations and restrictions affecting the use, occupancy or enjoyment of the Property, and amendments and additions thereto, now or hereafter in force or effect.

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ENVIRONMENTAL PROVISIONS:

(a) Grantor hereby gives notice that portions of the Property are currently affected by contamination of the soil and groundwater. Therefore, Grantee (and its successors in title to the Property) should contact the State of Nevada Division of Environmental Protection (or its successor agency with jurisdiction to require clean up, correction, or other remediation of soil or groundwater contamination) prior to commencement of any building, construction or excavation activities on the Property in order to obtain information on past remediation or any necessary approvals for protective measures to be taken in conducting any such activities.

(b) Grantor (for itself and its successors and assigns) hereby covenants and agrees, for the benefit of the Property, that with respect to petroleum hydrocarbon contamination existing as of the date of this deed, Grantor shall (i) replace with clean soil and dispose of in accordance with law all soils on the Property excavated in the course of construction activity which contain total petroleum hydrocarbon levels in excess of one hundred (100) milligrams per kilogram, and (ii) remove and/or remediate in accordance with law any petroleum product in free or liquid phase that is present on or in the groundwater under the Property in an amount of excess of one-half inch ($\frac{1}{2}$ " in depth.

(c) Grantor (for itself and its successors and assigns) hereby covenants and agrees for the benefit of the Property, that with respect to heavy metals contamination existing as of the date of this deed, Grantor shall clean up, correct, or otherwise remediate all soils and waters located on or emanating from the Property from any contamination by heavy metals, including lead to a level of no more than 1400 milligrams per kilogram, to standards and in accordance with procedures now or in the future set by the governmental agency or agencies having jurisdiction over the establishment of such standards.

(d) (i) Condition of Property. Grantee and its representatives have been afforded the opportunity to make such inspections of the Property and matters related thereto as Grantee and its representatives desired, including, without limitation, governmental laws and regulations to which the Property is subject, and Grantee accepts the Property upon the basis of its review and determination of the applicability and effect of such laws and regulations. Grantee acknowledges and agrees that the Property is sold and conveyed to and accepted by Grantee in an "as is" condition with all faults, except as otherwise provided below. Grantor makes no representations or warranties of any kind whatsoever, either express or implied, with respect to the Property. In particular, but without limitation, Grantor makes no representations or warranties with respect to the use, condition, title, occupation or management of the Property, compliance with applicable statutes, laws, codes, ordinances, regulations or requirements relating to leasing, zoning, subdivision, planning, building, fire, safety, health or environmental matters, compliance with covenants, conditions and restrictions (whether or not of record), other local, municipal, regional, state or federal requirements, or other statutes, laws, codes, ordinances, regulations or requirements. Grantee acknowledges that it has accepted this deed on the basis of Grantee's own investigation of the physical and environmental conditions of the Property, including the subsurface conditions, and, except as otherwise provided

below, Grantee assumes the risk that adverse physical and environmental conditions may not have been revealed by its investigation.

(ii) Grantor's Environmental Obligations.

(A) Pursuant to an order issued to Grantor by the Nevada Department of Conservation and Natural Resources, Division of Environmental Protection ("NDEP") on May 26, 1987 (the "NDEP Order"), an environmental consultant, on behalf of Grantor, conducted a site characterization investigation covering the Property and certain adjacent properties, which was completed in March, 1989. The March 1989 site characterization disclosed the presence of certain contamination in, on and/or under the Property and such adjacent properties, which contamination, together with any other Total Petroleum Contamination ("TPH") attributable to Grantor's past use of the Property, is hereafter collectively called the "Subject Contamination". Grantor thereafter provided to NDEP, as required by the NDEP Order, descriptions of its recommended action level for clean-up for TPH and remediation of lead and solvents. By letter dated September 10, 1991 from NDEP to Grantor, copy of which is marked **Exhibit B**, attached hereto and incorporated herein by reference, NDEP set forth its requirements for remediation of TPH and its response to Grantor's recommended remedial action for solvents and lead (the "Plan"). At Grantor's cost except for costs for which Grantee is responsible under subparagraph (e) below or due to material breach of Grantee's covenants and agreements under the Environmental Provisions, Grantor, for itself, its successors and assigns, covenants and agrees to comply with the Plan with respect to the remediation of the Subject Contamination in, on, under or migrating from the Property, as amended or modified pursuant to the terms, standards and acceptable levels of clean-up of the Subject Contamination as required by NDEP or agreed to by NDEP and Grantor, including without limitation, any clean-up work, monitoring and recovery work and offsite work with respect to soil or groundwater which is required by NDEP to be performed with respect to the Subject Contamination in, on, under or migrating from the Property (the "Modified Plan"). Any and all construction activity on the Property shall be coordinated with Grantor's implementation of the Plan or Modified Plan. Grantor, its agents and contractors, shall have access to the Property to the extent reasonably necessary to implement the Plan or Modified Plan, and shall exercise such access rights using commercially reasonable efforts to minimize unnecessary interference with Grantee's use of the Property. In performing its obligations under this subparagraph (ii)(A), Grantor shall make commercially reasonable efforts to avoid damage to or destruction of improvements on the Property.

(B) It is acknowledged by both parties that certain remediation of the Subject Contamination is not required to be performed under the Plan until such time as construction excavation operations commence and proceed as required for the development of the Property. Grantor agrees that any such remediation of the Subject Contamination required to be performed under the Plan or Modified Plan shall be conducted by Grantor during the course of Grantee's required construction excavation operations in a reasonably diligent manner and in coordination with the development schedule of Grantee to the extent reasonably practicable; provided, however, that Grantee shall provide Grantor with Grantee's plan and schedule for development (and any modifications thereof) as soon as available. Grantee acknowledges and agrees that Grantor shall not be required to perform any excavation-related or other development activities which otherwise would

1-1329-42

be performed in connection with the development of the Property in the absence of the remediation requirements of the Plan or Modified Plan, i.e., any activities which are not directly and solely attributable to the remediation of the Subject Contamination in accordance with the Plan or Modified Plan. Grantor, at Grantor's cost except for costs for which Grantee is responsible under subparagraph (e) below or due to material breach of Grantee's covenants and agreements under the Environmental Provisions, agrees that soils excavated by Grantee for Grantee's future development of the Property which have TPH levels in excess of one hundred (100) mg/Kg attributable to Grantor's past use encountered in Grantee's future development of the Property will be disposed of by Grantor, as required by the Plan or Modified Plan and, with respect to such groundwater, also as may be required by NDEP under a valid order. Grantee shall give notice to Grantor reasonably in advance of commencement of any imminent excavation or construction activities that pose a reasonable likelihood of encountering contaminated soil or groundwater which Grantor is required to dispose of under this subparagraph (B), and in all events Grantee shall give Grantor prompt notice any time Grantee reasonably believes that Grantee actually has encountered such contaminated soil or groundwater in the course of excavation or construction activities. After any such notice is actually received by Grantor, and before any excavation or construction (or further excavation or construction) may be undertaken by Grantee, Grantor and Grantee shall promptly make arrangements, in coordination with Grantee's excavation/construction activities, for Grantor to provide for, at Grantor's cost except for costs for which Grantee is responsible under subparagraph (e) below, sampling and analysis of the suspected contaminated soil or groundwater and the personnel to conduct same, that are necessary for Grantor to discharge Grantor's obligations under this subparagraph (B).

(C) Grantee acknowledges that Grantor and NDEP shall have the right to agree upon the Plan and Modified Plan from time to time as NDEP and Grantor reasonably and in good faith deem appropriate. Grantee agrees to cooperate with and support any effort by Grantor to raise the permissible levels of TPH and lead through the adoption by NDEP of a risk-based corrective action approach to the Subject Contamination; provided, however, that any change in the permissible cleanup levels which is initiated by Grantor shall be subject to Grantee's consent, which consent shall not be unreasonably withheld or delayed. Grantee shall not interfere in any manner with Grantor's control over or implementation of the Plan or Modified Plan, or otherwise interfere with respect to the requirements of NDEP or any other governmental agency for remediation of the Subject Contamination. Except to the extent notification of NDEP or other authorized government agencies is clearly required under applicable laws and regulations, Grantee shall furnish Grantor with advance written notice of any communication with NDEP or any other environmental agency proposed by Grantee with respect to the Subject Contamination, the Plan or the Modified Plan, and the opportunity, to the extent practicable, to be present at any meetings with NDEP. Grantee and Grantor agree to cooperate with each other in dealing with NDEP with respect to the Plan and the Modified Plan, including, but not limited to, sending copies of all correspondence between NDEP and Grantee or Grantor, as appropriate, to the other party or parties.

(D) From and after the date of delivery of this deed, Grantor, for itself, its successors and assigns, agrees to and does hereby indemnify and hold Grantee harmless from and against any and all liability, loss, damage or injury, together with all reasonable costs and expenses

1-1329-42

relating thereto, including legal and accounting fees and expenses (collectively, "Losses"), where the Loss results from (1) any breach of the covenants made by Grantor hereunder, or (2) any suit, proceeding, claim, demand or judgment by any third party against Grantee for loss, liability or damage caused by any Subject Contamination migrating from the Property; provided, however, that Grantor's indemnity shall not apply (x) to the extent the Loss results from any breach of Grantee's covenants and agreements hereunder or from any exacerbation of the Subject Contamination caused by the acts or omissions of Grantee, its successors or assigns, any owner or occupant of any portion of the Property, or their agents, contractors, employees, licensees or invitees, or (y) where the third party under (2) above is an owner or occupant of the Property or any portion thereof, or an employee, agent, contractor, invitee or licensee of Grantee or any such owner or occupant, or (z) to any Losses which are lost profits, consequential damages, or punitive damages of Grantee, any owner or occupant of any portion of the Property, or their agents, contractors, employees, licensees, invitees, successors or assigns. Grantor's indemnity in this subparagraph (D) is personal to the City of Las Vegas as Grantee, and may not be assigned or otherwise transferred to benefit any person or entity other than the City of Las Vegas.

(e) Excavation Limitations. Grantee, for itself, its successors and assigns, and for each and every subsequent owner or occupant of any portion of the Property, covenants and agrees that notwithstanding anything in this Agreement to the contrary, (i) Grantor, its successors and assigns, shall not be responsible for any costs (including, without limitation, costs for sampling, analysis, remediation or disposal) relating to or in any manner arising from any excavation conducted within that portion of the Property described on **Exhibit C** as "Day Storage Area" except for excavation (the "Permitted Excavation") of not to exceed a total of 2000 cubic yards of soil for any and all construction and development activities, (ii) Grantee and/or the then-current owner of the Property shall pay Grantor for any costs (including, without limitation, reasonable charges for Grantor's own forces) incurred by Grantor relating to or in any manner arising out of any excavation within the Day Storage Area other than the Permitted Excavation, and (iii) before any excavation other than the Permitted Excavation may be conducted within the Day Storage Area, Grantee and/or the then-current owner of the Property shall provide Grantor with an excavation plan describing the location, nature, purpose and extent of the planned excavation and, prior to commencing such excavation, shall furnish Grantor with a bond, or other security, reasonably acceptable to Grantor, covering the costs reasonably expected by Grantor to be incurred by Grantor in connection with the proposed excavation other than the Permitted Excavation. If the foregoing covenant is breached or threatened to be breached, Grantor, its successors and assigns, shall have any and all available remedies at law or in equity, including, without limitation, injunctive relief and/or money damages.

(f) Grantee's Release. Except for Grantor's environmental obligations hereunder, Grantee, for itself, its successors and assigns, and for each and every subsequent owner or tenant of any portion of the Property (collectively, the "Releasing Parties"), hereby waives, releases, remises, acquits and forever discharges Grantor, its affiliates, their employees, agents, officers, successors and assigns, of and from any and all claims, suits, actions, causes of action, demands, rights, damages, costs, expenses, penalties, fines or compensation whatsoever, direct or indirect, which Grantee or any other Releasing Party now has or which Grantee or any other Releasing Party may have in the future on account of or in any way arising out of or in connection with the Subject

1-1329-42

Contamination, or any other physical or environmental condition of the Property to the extent such condition is actually known to Grantee (or to any of Grantee's employees involved in Grantee's acquisition of the Property) before the date of delivery of this deed, or any federal, state or local law, ordinance, rule or regulation applicable to any of the foregoing, including, without limitation, the Toxic Substances Control Act, the Comprehensive Environmental Response, Compensation and Liability Act, and the Resource Conservation and Recovery Act; provided, however, that this release shall not preclude a Releasing Party from asserting third-party indemnity or contribution claims against Grantor in any action brought against such Releasing Party by a third party other than another Releasing Party, or an employee, contractor, successor or assign of any Releasing Party.

(g) Covenants Running with Land. The above Environmental Provisions [paragraphs (a) through (f) above] shall bind and benefit each and every subsequent owner of the Property or any portion thereof as covenants running with the land. Grantee, and each subsequent owner of the Property or any portion thereof, shall require each and every transferee of the Property or any portion thereof to execute and deliver to Grantor the transferee's agreement to be bound by the Environmental Provisions as if the transferee were the Grantee.

IN WITNESS WHEREOF, the undersigned Grantor and Grantee have executed this Grant Deed as of _____, 2000.

Attest:

UNION PACIFIC RAILROAD COMPANY,
a Delaware corporation

Assistant Secretary (Seal)

By: _____
Its: _____

CITY OF LAS VEGAS, a municipal corporation
of the State of Nevada

By: _____
Title: _____

[illegible]

On _____, 2000, before me, a Notary Public in and for said County and State, personally appeared _____ and _____, _____ and Assistant Secretary, respectively, of UNION PACIFIC RAILROAD COMPANY, a Delaware corporation, personally known to me (or proved to me on the basis of satisfactory evidence) to be the persons whose names are subscribed to the within instrument, and acknowledged to me that they executed the same in their authorized capacities, and that by their signatures on the instrument the persons, or the entity upon behalf of which the persons acted, executed the instrument.

WITNESS my hand and official seal.

Notary Public

(SEAL)

STATE OF NEVADA)
) ss.
COUNTY OF CLARK)

On _____, 2000, before me, a Notary Public in and for said County and State, personally appeared _____, _____ of CITY OF LAS VEGAS, a municipal corporation of the State of Nevada, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument, and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Notary Public

(SEAL)

EXPLANATION: THIS LEGAL DESCRIBES A PARCEL OF LAND LOCATED NORTHEASTERLY OF THE INTERSECTION OF "F" STREET AND GRAND CENTRAL PARKWAY LYING WESTERLY OF THE UPRR MAIN RAILROAD TRACKS (PARCEL 2).

LEGAL DESCRIPTION

THAT PORTION OF LOT FOUR (4) OF "PARKWAY CENTER", A COMMERCIAL SUBDIVISION, AS SHOWN BY MAP THEREOF IN BOOK 53, PAGE 61 OF PLATS IN THE CLARK COUNTY RECORDER'S OFFICE, CLARK COUNTY, NEVADA, LYING WITHIN THE SOUTH HALF (S 1/2) OF THE SOUTHWEST QUARTER (SW 1/4) OF SECTION 27, TOWNSHIP 20 SOUTH, RANGE 61 EAST, M.D.M., CITY OF LAS VEGAS, CLARK COUNTY, NEVADA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF SAID LOT FOUR (4), BEING ON THE NORTHERLY RIGHT-OF-WAY LINE OF GRAND CENTRAL PARKWAY (100 FEET WIDE); THENCE ALONG THE SOUTHERLY LINE OF SAID LOT FOUR (4) AND SAID NORTHERLY RIGHT-OF-WAY LINE THE FOLLOWING FOUR (4) COURSES: NORTH 62°04'11" WEST, 68.77 FEET; THENCE CURVING TO THE LEFT ALONG THE ARC OF A 450.00 FOOT RADIUS CURVE, CONCAVE SOUTHWESTERLY, THROUGH A CENTRAL ANGLE OF 43°37'40", AN ARC LENGTH OF 342.65 FEET; THENCE SOUTH 74°18'09" WEST, 187.94 FEET; THENCE CURVING TO THE RIGHT ALONG THE ARC OF A 25.00 FOOT RADIUS CURVE, CONCAVE NORTHEASTERLY, THROUGH A CENTRAL ANGLE OF 90°00'00", AN ARC LENGTH OF 39.27 FEET TO THE WESTERLY LINE OF SAID LOT FOUR (4) AND THE EASTERLY RIGHT-OF-WAY LINE OF "F" STREET (60 FEET WIDE); THENCE ALONG SAID WESTERLY LINE AND SAID EASTERLY RIGHT-OF-WAY LINE THE FOLLOWING THREE (3) COURSES: NORTH 15°41'51" WEST, 43.23 FEET; THENCE CURVING TO THE RIGHT ALONG THE ARC OF A 270.00 FOOT RADIUS CURVE, CONCAVE NORTHEASTERLY, THROUGH A CENTRAL ANGLE OF 14°24'02", AN ARC LENGTH OF 67.86 FEET; THENCE NORTH 01°17'49" WEST, 43.11 FEET TO THE SOUTHWEST CORNER OF THAT CERTAIN PARCEL OF LAND DESCRIBED BY "FINAL ORDER OF CONDEMNATION" RECORDED NOVEMBER 3, 1999 IN BOOK 19991103 OF OFFICIAL RECORDS AS INSTRUMENT NO. 00619, IN THE CLARK COUNTY RECORDER'S OFFICE, CLARK COUNTY, NEVADA; THENCE ALONG THE SOUTHERLY LINE OF SAID CONDEMNATION PARCEL THE FOLLOWING THREE (3) COURSES: NORTH 42°32'03" EAST, 111.15 FEET, THENCE NORTH 74°47'09" EAST, 527.45 FEET; THENCE NORTH 79°03'43" EAST, 293.80 FEET TO THE EASTERLY LINE OF SAID LOT FOUR (4); THENCE ALONG SAID EASTERLY LINE, SOUTH 27°55'16" WEST, 522.90 FEET TO THE POINT OF BEGINNING.

CONTAINING 5.10 ACRES.



PETER C. MORROS
Director

STATE OF NEVADA
BOB MILLER
Governor

L. R. I
Adm.

Administration (702) 687-4678
Air Quality 687-6086
Mining Regulation and Reclamation 687-6670
Waste Management 687-6878
Federal Facilities 687-3080



Wastewater Treatment Services
Water Permits and Compliance
Water Quality Planning
FAX

DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES
DIVISION OF ENVIRONMENTAL PROTECTION

121 W. Nye Lane

Carson City, Nevada 89710

September 10, 1991

William Wimmer
Assistant Vice President
Environmental Management
Union Pacific Railroad
1416 Dodge Street - Room 930
Omaha, NE 68179

RE: Las Vegas, Nevada, Yard Cleanup

Dear Mr. Wimmer:

The Nevada Division of Environmental Protection (NDEP) has reviewed the Union Pacific Railroad's (UPRR) recent proposed action level for the cleanup of Total Petroleum Hydrocarbons (TPH). Based on the data and information provided and discussions with Rick Eades, the NDEP is requiring adherence to the following stipulations.

The NDEP will require UPRR to:

1. - Remediate all soil with TPH values in excess of 100 mg/kg from ground level to 2 1/2 feet. The UPRR will be required to remediate the soil directly below the rail tracks during future track maintenance and repair. Immediate action on the impacted soil directly under the tracks is not directed, yet adherence to the clean-up stipulations outlined in this letter will be required. Other impacted soil not directly under the tracks will be required to adhere to the stipulations contained in this letter, and;
- remediate all soil with TPH values in excess of 10,000 mg/kg, irregardless of the depth, and;
- remediate all soil excavated during the remediation of the soils greater than 10,000 mg/kg, to a TPH value of less than 100 mg/kg, and;

William Wimmer
Assistant Vice President
Union Pacific Railroad
September 10, 1991
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- provide as per the March 13, 1991 meeting, a guarantee to be approved by NDEP, that soils excavated during future construction which have TPH levels in excess of 100 mg/kg (TPH) attributable to Union Pacific's past occupancy, will be disposed of by the railroad. This obligation also applies to ground water contamination encountered in future development that is attributable to Union Pacific's past use.
- 2. - Provide written documentation stating UPRR is the responsible party on environmental contamination of soils and groundwater.
- 3. - Initiate a pilot program to determine the feasibility for an in-situ remediation project on the hydrocarbon contaminated soil left in place.
- 4. - Negotiate and establish a written agreement with the City of Las Vegas for the monitoring and enforcement of future remediation activities that are attributed to UPRR past activities.

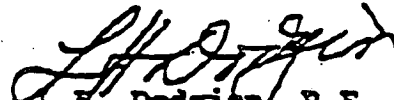
In regards to the other on going and proposed remediation activities on the other contaminants, solvent and lead, the NDEP understands the following:

- In the UPRR letter of November 26, 1990, UPRR agreed to remediate the soil and groundwater contaminated with chlorinated and non-chlorinated solvents. The NDEP is awaiting this remediation plan and informational data, per the request made by the NDEP on August 29, 1990.
- In the NDEP letter to UPRR dated June 24, 1991, the NDEP responded to the proposed lead remediation plan submitted on April 17, 1991. The NDEP provided comments on the plan and is awaiting a revised plan for remediation.
- Currently, there are two free product recovery systems in place and operational. Modification to the westbound recovery system is currently being done per Mr. Jim Moran, USPCI, during the meeting of August 14, 1991. It is the understanding of the NDEP that the recovery systems for the area designated as the fuel farm area, is being designed and is considered to be of high priority by the NDEP, August 29, 1990 letter. The NDEP will require a written status report and schedule for the design, installation and operation of the free product recovery systems by October 11, 1991.

William Wimmer
Assistant Vice President
Union Pacific Railroad
September 10, 1991
Page 3

- The NDEP will require that the free product recovery systems operate with the goal of reducing free product to a thickness of $\frac{1}{4}$ inch or less as measured in the formation, per the Nevada Administrative Code. Adherence to the current NAC is mandated since no agreed to remediation plan has been executed at this time.

Sincerely,


L.E. Dodgion, P.E.
Administrator

LHD/JNM:klh

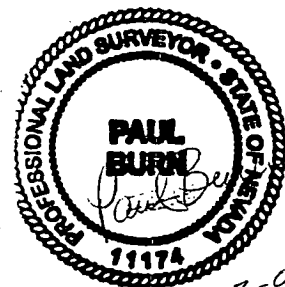
cc: K.L. Rosse, NDEP
A. Biaggi, NDEP
D. Gross, NDEP
B. Noonan, City Manager, City of Las Vegas
P. Shalmy, County Manager, Clark County
C. Judkins, Clark County Health District
R. Eades, UPRR
Gary Papak, UPRR
Jim Moran, USPCI
Rick Stout, Dames and Moore
R. Broadbent, Broadbent & Associates

EXPLANATION: THIS LEGAL DESCRIBES A DAY STORAGE AREA LOCATED NORTHEASTERLY OF THE INTERSECTION OF "F" STREET AND GRAND CENTRAL PARKWAY FOR THE UPRR RAILROAD PROJECT.

LEGAL DESCRIPTION

THAT PORTION OF LOT 4 OF "PARKWAY CENTER" AS SHOWN BY MAP THEREOF ON FILE IN BOOK 53, PAGE 61 OF PLATS IN THE CLARK COUNTY RECORDER'S OFFICE, CLARK COUNTY, NEVADA. LYING WITHIN THE SOUTH HALF (S 1/2) OF THE SOUTHWEST QUARTER (SW 1/4) OF SECTION 27, TOWNSHIP 20 SOUTH, RANGE 61 EAST, M.D.M., CITY OF LAS VEGAS, CLARK COUNTY, NEVADA, DESCRIBED AS FOLLOWS:

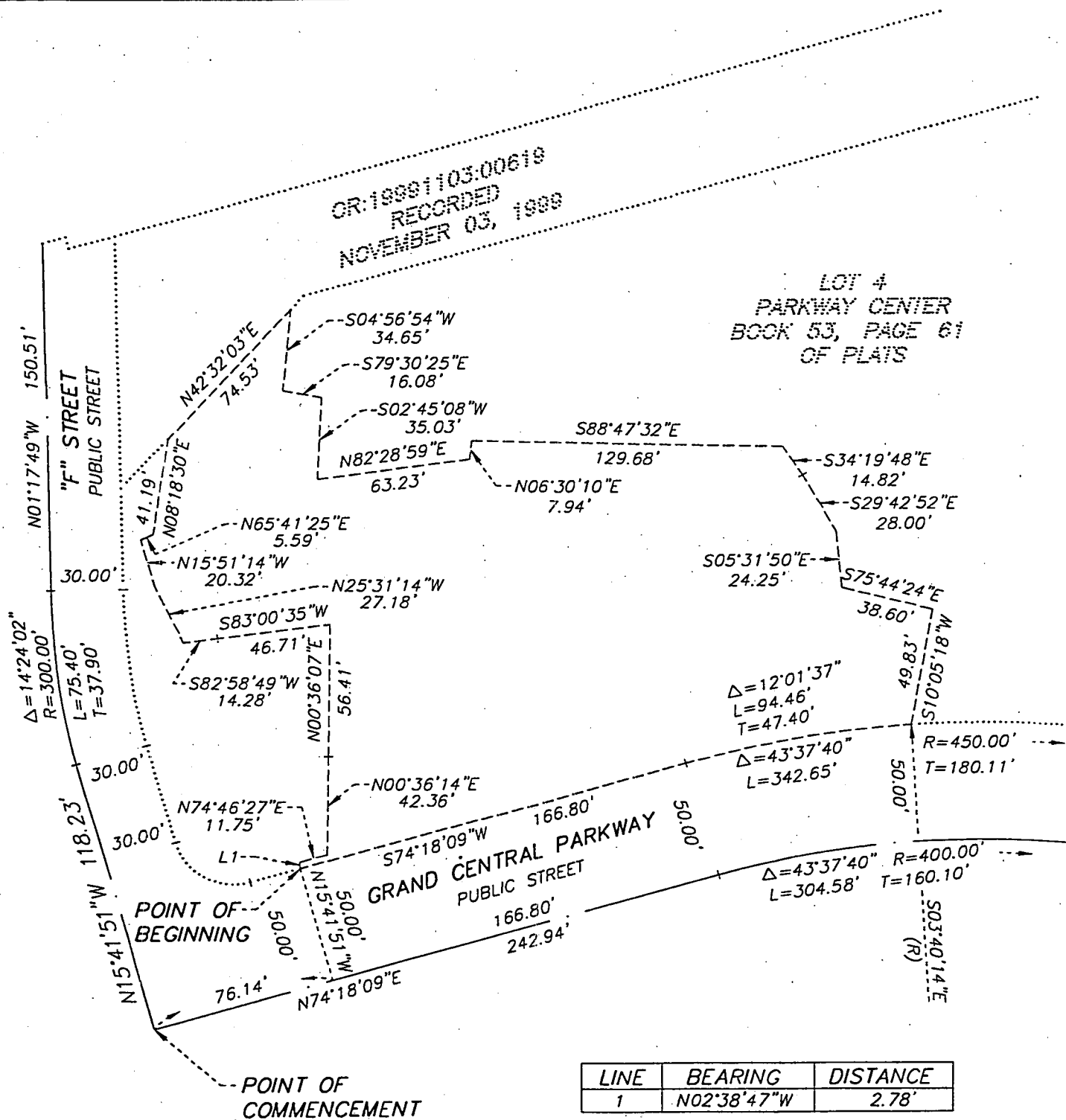
COMMENCING AT THE CENTERLINE INTERSECTION OF "F" STREET (60.00 FEET WIDE) AND GRAND CENTRAL PARKWAY (100.00 FEET WIDE) AS SHOWN ON SAID PLAT; THENCE ALONG THE CENTERLINE OF SAID GRAND CENTRAL PARKWAY, NORTH 74°18'09" EAST, 76.14 FEET; THENCE NORTH 15°41'51" WEST, 50.00 FEET TO THE POINT OF BEGINNING ON THE NORTHERLY RIGHT-OF-WAY LINE OF SAID GRAND CENTRAL PARKWAY, ALSO BEING THE SOUTH LINE OF SAID LOT 4; THENCE NORTH 02°38'47" WEST, 2.78 FEET; THENCE NORTH 74°46'27" EAST, 11.75 FEET; THENCE NORTH 00°36'14" EAST, 42.36 FEET; THENCE NORTH 00°36'07" EAST, 56.41 FEET; THENCE SOUTH 83°00'35" WEST, 46.71 FEET; THENCE SOUTH 82°58'49" WEST, 14.28 FEET; THENCE NORTH 25°31'14" WEST, 27.18 FEET; THENCE NORTH 15°51'14" WEST, 20.32 FEET; THENCE NORTH 65°41'25" EAST, 5.59 FEET; THENCE NORTH 08°18'30" EAST, 41.19 FEET TO A POINT ON THE SOUTHERLY LINE OF THAT CERTAIN PARCEL OF LAND DESCRIBED BY "FINAL ORDER OF CONDEMNATION" RECORDED NOVEMBER 03, 1999 IN BOOK 19991103 OF OFFICIAL RECORDS AS INSTRUMENT NO. 00619 IN THE CLARK COUNTY RECORDER'S OFFICE, CLARK COUNTY, NEVADA; THENCE ALONG SAID SOUTHERLY LINE, NORTH 42°32'03" EAST, 74.53 FEET; SOUTH 04°56'54" WEST, 34.65 FEET; THENCE SOUTH 79°30'25" EAST, 16.08 FEET; THENCE SOUTH 02°45'08" WEST, 35.03 FEET; THENCE NORTH 82°28'59" EAST, 63.23 FEET; THENCE NORTH 06°30'10" EAST, 7.94 FEET; THENCE SOUTH 88°47'32" EAST, 129.68 FEET; THENCE SOUTH 34°19'48" EAST, 14.82 FEET; THENCE SOUTH 29°42'52" EAST, 28.00 FEET; THENCE SOUTH 05°31'50" EAST, 24.25 FEET; THENCE SOUTH 75°44'24" EAST, 38.60 FEET; THENCE SOUTH 10°05'18" WEST, 49.83 FEET TO A POINT ON THE AFOREMENTIONED NORTHERLY RIGHT-OF-WAY LINE, THENCE ALONG SAID NORTHERLY RIGHT-OF-WAY LINE THE FOLLOWING TWO (2) COURSES: FROM A TANGENT BEARING SOUTH 86°19'46" WEST, CURVING TO THE LEFT ALONG THE ARC OF A 450.00 FOOT RADIUS CURVE, CONCAVE SOUTHEASTERLY (THE RADIUS POINT OF WHICH BEARS SOUTH 03°40'14" EAST), THROUGH A CENTRAL ANGLE OF 12°01'37", AN ARC LENGTH OF 94.46 FEET; THENCE SOUTH 74°18'09" WEST, 166.80 FEET TO THE POINT OF BEGINNING.





PROJECT NO.: 398.669
FILE: UPRRVAL1.dwg
DATE: 12.23.00

CALC. BY: BT
DRAWN BY: BT
CHECKED BY: SLS



1-1329-42

EXHIBIT E-1**ASSIGNMENT AND ASSUMPTION AGREEMENT**

FOR VALUE RECEIVED, UNION PACIFIC RAILROAD COMPANY, a Delaware corporation ("Assignor"), acting by and through its duly authorized officers, has ASSIGNED AND TRANSFERRED, and by these presents does ASSIGN AND TRANSFER unto CITY OF LAS VEGAS, a municipal corporation of the State of Nevada ("Assignee"), all of Assignor's right, title and interest in and to the tenant lease ("Lease") now or hereafter affecting the real property (the "Property") described on **Exhibit A**, which Lease, and all amendments thereto, are described on **Exhibit B**, together with all security deposits and other deposits held by Assignor under the terms of said Lease.

TO HAVE AND TO HOLD the Lease unto Assignee, its successors and assigns. This Assignment is made and accepted without recourse against Assignor as to the performance by any party under such Lease.

Assignee agrees to perform all of the obligations of Assignor pursuant to the Lease accruing after the date hereof.

All exhibits attached to this Agreement are incorporated herein for all purposes.

This Assignment and Assumption of Lease shall inure to and be binding upon the parties, their successors and assigns.

Dated the ____ day of _____, 2000.

UNION PACIFIC RAILROAD COMPANY,
a Delaware corporation

By: _____
Title: _____

CITY OF LAS VEGAS, a municipal corporation
of the State of Nevada

By: _____
Title: _____

EXPLANATION: THIS LEGAL DESCRIBES A PARCEL OF LAND LOCATED SOUTHWESTERLY OF THE INTERSECTION OF "D" STREET AND BONANZA ROAD LYING WESTERLY OF THE UPRR MAIN RAILROAD TRACKS (PARCEL 1).

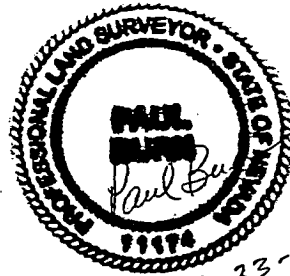
LEGAL DESCRIPTION

THAT PORTION OF THE SOUTH HALF (S 1/2) OF THE SOUTHWEST QUARTER (SW 1/4) OF SECTION 27, TOWNSHIP 20 SOUTH, RANGE 61 EAST, M.D.M., CITY OF LAS VEGAS, CLARK COUNTY, NEVADA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SOUTH HALF (S 1/2), SAID POINT BEING 10.00 FEET (MEASURED AT RIGHT ANGLES) SOUTH OF THE CENTERLINE OF BONANZA ROAD (VARYING WIDTH); THENCE ALONG THE NORTH LINE OF SAID SOUTH HALF (S 1/2) AND PARALLEL TO SAID CENTERLINE, NORTH 88°17'55" EAST, 1641.02 FEET; THENCE SOUTH 01°42'05" EAST, 30.00 FEET TO THE POINT OF BEGINNING ON THE SOUTHERLY RIGHT-OF-WAY LINE OF SAID BONANZA ROAD AND BEING THE NORTHEAST CORNER OF THAT CERTAIN PARCEL OF LAND DESCRIBED BY "DEED" RECORDED JUNE 30, 1950 IN BOOK 62 OF DEEDS, PAGE 290, AS INSTRUMENT NO. 343516, IN THE CLARK COUNTY RECORDER'S OFFICE, CLARK COUNTY, NEVADA; THENCE ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE THE FOLLOWING THREE (3) COURSES: SOUTH 87°53'14" EAST, 150.33 FEET; THENCE SOUTH 01°42'05" EAST, 6.00 FEET; THENCE NORTH 88°17'55" EAST, 327.85 FEET; THENCE SOUTH 01°42'05" EAST, 38.74 FEET; THENCE SOUTH 25°06'11" WEST, 378.56 FEET; THENCE NORTH 62°31'05" WEST, 17.16 FEET; THENCE SOUTH 27°28'55" WEST, 414.93 FEET TO A POINT ON THE NORTHERLY LINE OF THAT CERTAIN PARCEL OF LAND DESCRIBED BY "DEED" RECORDED AUGUST 31, 1967 IN BOOK 820 OF OFFICIAL RECORDS AS INSTRUMENT NO. 658854, IN THE CLARK COUNTY RECORDER'S OFFICE, CLARK COUNTY, NEVADA; THENCE ALONG THE NORTHERLY LINE OF SAID "DEED" PARCEL THE FOLLOWING TWO (2) COURSES: FROM A TANGENT BEARING NORTH 72°24'15" WEST, CURVING TO THE LEFT ALONG THE ARC OF A 185.00 FOOT RADIUS CURVE, CONCAVE SOUTHWESTERLY (THE RADIUS POINT OF WHICH BEARS SOUTH 17°35'45" WEST), THROUGH A CENTRAL ANGLE OF 27°49'45", AN ARC LENGTH OF 89.86 FEET; THENCE SOUTH 79°46'00" WEST, 14.23 FEET TO THE SOUTHEAST CORNER OF THAT CERTAIN PARCEL OF LAND DESCRIBED BY "FINAL ORDER OF CONDEMNATION" RECORDED SEPTEMBER 11, 1968 IN BOOK 899 OF OFFICIAL RECORDS AS INSTRUMENT NO. 721652, IN THE CLARK COUNTY RECORDER'S OFFICE, CLARK COUNTY, NEVADA; THENCE ALONG THE EASTERLY AND NORTHERLY LINE OF SAID CONDEMNATION PARCEL, THE FOLLOWING THREE (3) COURSES: NORTH 27°55'16" EAST, 274.60 FEET; THENCE NORTH 50°42'43" WEST, 98.15 FEET; THENCE FROM A TANGENT BEARING SOUTH 83°27'18" WEST, CURVING TO THE LEFT ALONG THE ARC OF A 2000.00 FOOT RADIUS CURVE, CONCAVE SOUTHEASTERLY (THE RADIUS POINT OF WHICH BEARS SOUTH 06°32'42" EAST), THROUGH A CENTRAL ANGLE OF 07°30'16", AN ARC LENGTH OF 261.95 FEET TO A POINT TO WHICH A RADIAL LINE BEARS NORTH 14°02'58" WEST TO THE EASTERLY LINE OF THAT CERTAIN PARCEL OF LAND DESCRIBED BY "DEED" RECORDED OCTOBER 13, 1955 IN BOOK 70 OF OFFICIAL RECORDS AS INSTRUMENT NO. 58946, IN THE CLARK COUNTY RECORDER'S OFFICE, CLARK COUNTY, NEVADA; THENCE ALONG SAID EASTERLY LINE, NORTH 01°42'05"

WEST, 161.48 FEET; THENCE NORTH 88°28'58" EAST, 165.90 FEET; THENCE CURVING TO THE LEFT ALONG THE ARC OF A 369.27 FOOT RADIUS CURVE, CONCAVE NORTHERLY, THROUGH A CENTRAL ANGLE 06°51'25", AN ARC LENGTH OF 44.19 FEET TO A POINT TO WHICH A RADIAL LINE BEARS SOUTH 08°22'27" EAST; THENCE NORTH 01°42'05" WEST, 46.95 FEET TO THE SOUTHEAST CORNER OF THE AFOREMENTIONED PARCEL DESCRIBED BY "DEED" RECORDED JUNE 30, 1950 IN BOOK 62 OF DEEDS, PAGE 290 AS INSTRUMENT NO. 343516; THENCE ALONG THE EAST LINE OF SAID PARCEL, NORTH 01°42'05" WEST, 265.93 FEET TO THE POINT OF BEGINNING.

CONTAINING 5.28 ACRES.



12-23-00

1-1329-42

EXHIBIT B TO EXHIBIT E-1**LEASE TO BE ASSIGNED**

Lease between Assignor and Outdoor Systems (now known as Infinity Outdoor), identified in the records of Assignor as Audit No. 207243, Folder No. 1649-60.

1-1329-42

EXHIBIT E-2**ASSIGNMENT AND ASSUMPTION AGREEMENT**

FOR VALUE RECEIVED, UNION PACIFIC RAILROAD COMPANY, a Delaware corporation ("Assignor"), acting by and through its duly authorized officers, has ASSIGNED AND TRANSFERRED, and by these presents does ASSIGN AND TRANSFER unto CITY OF LAS VEGAS, a municipal corporation of the State of Nevada ("Assignee"), all of Assignor's right, title and interest in and to the tenant lease ("Lease") now or hereafter affecting the real property (the "Property") described on **Exhibit A**, which Lease, and all amendments thereto, are described on **Exhibit B**.

TO HAVE AND TO HOLD the Lease unto Assignee, its successors and assigns. This Assignment is made and accepted without recourse against Assignor as to the performance by any party under such Lease.

Assignee agrees to perform all of the obligations of Assignor pursuant to the Lease accruing after the date hereof. Assignor shall reimburse Assignee for one-half of the amount of License Consideration paid by Assignee if the Lease is terminated pursuant to Section 11.3 of the Lease.

All exhibits attached to this Agreement are incorporated herein for all purposes.

This Assignment and Assumption of Lease shall inure to and be binding upon the parties, their successors and assigns.

Dated the ____ day of _____, 2000.

UNION PACIFIC RAILROAD COMPANY,
a Delaware corporation

By: _____
Title: _____

CITY OF LAS VEGAS, a municipal corporation
of the State of Nevada

By: _____
Title: _____

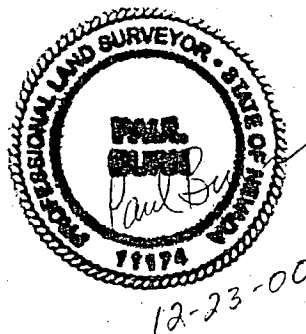
EXPLANATION: THIS LEGAL DESCRIBES A PARCEL OF LAND LOCATED NORTHEASTERLY OF THE INTERSECTION OF "F" STREET AND GRAND CENTRAL PARKWAY LYING WESTERLY OF THE UPRR MAIN RAILROAD TRACKS (PARCEL 2).

LEGAL DESCRIPTION

THAT PORTION OF LOT FOUR (4) OF "PARKWAY CENTER", A COMMERCIAL SUBDIVISION, AS SHOWN BY MAP THEREOF IN BOOK 53, PAGE 61 OF PLATS IN THE CLARK COUNTY RECORDER'S OFFICE, CLARK COUNTY, NEVADA, LYING WITHIN THE SOUTH HALF (S 1/2) OF THE SOUTHWEST QUARTER (SW 1/4) OF SECTION 27, TOWNSHIP 20 SOUTH, RANGE 61 EAST, M.D.M., CITY OF LAS VEGAS, CLARK COUNTY, NEVADA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF SAID LOT FOUR (4), BEING ON THE NORTHERLY RIGHT-OF-WAY LINE OF GRAND CENTRAL PARKWAY (100 FEET WIDE); THENCE ALONG THE SOUTHERLY LINE OF SAID LOT FOUR (4) AND SAID NORTHERLY RIGHT-OF-WAY LINE THE FOLLOWING FOUR (4) COURSES: NORTH 62°04'11" WEST, 68.77 FEET; THENCE CURVING TO THE LEFT ALONG THE ARC OF A 450.00 FOOT RADIUS CURVE, CONCAVE SOUTHWESTERLY, THROUGH A CENTRAL ANGLE OF 43°37'40", AN ARC LENGTH OF 342.65 FEET; THENCE SOUTH 74°18'09" WEST, 187.94 FEET; THENCE CURVING TO THE RIGHT ALONG THE ARC OF A 25.00 FOOT RADIUS CURVE, CONCAVE NORTHEASTERLY, THROUGH A CENTRAL ANGLE OF 90°00'00", AN ARC LENGTH OF 39.27 FEET TO THE WESTERLY LINE OF SAID LOT FOUR (4) AND THE EASTERLY RIGHT-OF-WAY LINE OF "F" STREET (60 FEET WIDE); THENCE ALONG SAID WESTERLY LINE AND SAID EASTERLY RIGHT-OF-WAY LINE THE FOLLOWING THREE (3) COURSES: NORTH 15°41'51" WEST, 43.23 FEET; THENCE CURVING TO THE RIGHT ALONG THE ARC OF A 270.00 FOOT RADIUS CURVE, CONCAVE NORTHEASTERLY, THROUGH A CENTRAL ANGLE OF 14°24'02", AN ARC LENGTH OF 67.86 FEET; THENCE NORTH 01°17'49" WEST, 43.11 FEET TO THE SOUTHWEST CORNER OF THAT CERTAIN PARCEL OF LAND DESCRIBED BY "FINAL ORDER OF CONDEMNATION" RECORDED NOVEMBER 3, 1999 IN BOOK 19991103 OF OFFICIAL RECORDS AS INSTRUMENT NO. 00619, IN THE CLARK COUNTY RECORDER'S OFFICE, CLARK COUNTY, NEVADA; THENCE ALONG THE SOUTHERLY LINE OF SAID CONDEMNATION PARCEL THE FOLLOWING THREE (3) COURSES: NORTH 42°32'03" EAST, 111.15 FEET, THENCE NORTH 74°47'09" EAST, 527.45 FEET; THENCE NORTH 79°03'43" EAST, 293.80 FEET TO THE EASTERLY LINE OF SAID LOT FOUR (4); THENCE ALONG SAID EASTERLY LINE, SOUTH 27°55'16" WEST, 522.90 FEET TO THE POINT OF BEGINNING.

CONTAINING 5.10 ACRES.



1-1329-42

EXHIBIT B TO EXHIBIT E-2**LEASE TO BE ASSIGNED**

Lease between Assignor and DR Partners (now known as Eller), identified in the records of Assignor as Audit No. 211083.

1-1329-42

EXHIBIT E-3**PARTIAL ASSIGNMENT AND ASSUMPTION AGREEMENT**

FOR VALUE RECEIVED, UNION PACIFIC RAILROAD COMPANY, a Delaware corporation ("Assignor"), acting by and through its duly authorized officers, has partially ASSIGNED AND TRANSFERRED, and by these presents does partially ASSIGN AND TRANSFER unto CITY OF LAS VEGAS, a municipal corporation of the State of Nevada ("Assignee"), all of Assignor's right, title and interest in and to the license ("License") to the extent the License affects the real property (the "Property") described on **Exhibit A**, which License is described on **Exhibit B**.

TO HAVE AND TO HOLD the License to the extent the same affects the Property unto Assignee, its successors and assigns. This Assignment is made and accepted without recourse against Assignor as to the performance by any party under such License.

Assignee agrees to perform all of the obligations of Assignor pursuant to the License as it relates to the Property accruing after the date hereof.

All exhibits attached to this Agreement are incorporated herein for all purposes.

This Assignment and Assumption of Lease shall inure to and be binding upon the parties, their successors and assigns.

Dated the ____ day of _____, 2000.

UNION PACIFIC RAILROAD COMPANY,
a Delaware corporation

By: _____
Title: _____

CITY OF LAS VEGAS, a municipal corporation
of the State of Nevada

By: _____
Title: _____

EXPLANATION: THIS LEGAL DESCRIBES A PARCEL OF LAND LOCATED SOUTHWESTERLY OF THE INTERSECTION OF "D" STREET AND BONANZA ROAD LYING WESTERLY OF THE UPRR MAIN RAILROAD TRACKS (PARCEL 1).

LEGAL DESCRIPTION

THAT PORTION OF THE SOUTH HALF (S 1/2) OF THE SOUTHWEST QUARTER (SW 1/4) OF SECTION 27, TOWNSHIP 20 SOUTH, RANGE 61 EAST, M.D.M., CITY OF LAS VEGAS, CLARK COUNTY, NEVADA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SOUTH HALF (S 1/2), SAID POINT BEING 10.00 FEET (MEASURED AT RIGHT ANGLES) SOUTH OF THE CENTERLINE OF BONANZA ROAD (VARYING WIDTH); THENCE ALONG THE NORTH LINE OF SAID SOUTH HALF (S 1/2) AND PARALLEL TO SAID CENTERLINE, NORTH 88°17'55" EAST, 1641.02 FEET; THENCE SOUTH 01°42'05" EAST, 30.00 FEET TO THE POINT OF BEGINNING ON THE SOUTHERLY RIGHT-OF-WAY LINE OF SAID BONANZA ROAD AND BEING THE NORTHEAST CORNER OF THAT CERTAIN PARCEL OF LAND DESCRIBED BY "DEED" RECORDED JUNE 30, 1950 IN BOOK 62 OF DEEDS, PAGE 290, AS INSTRUMENT NO. 343516, IN THE CLARK COUNTY RECORDER'S OFFICE, CLARK COUNTY, NEVADA; THENCE ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE THE FOLLOWING THREE (3) COURSES: SOUTH 87°53'14" EAST, 150.33 FEET; THENCE SOUTH 01°42'05" EAST, 6.00 FEET; THENCE NORTH 88°17'55" EAST, 327.85 FEET; THENCE SOUTH 01°42'05" EAST, 38.74 FEET; THENCE SOUTH 25°06'11" WEST, 378.56 FEET; THENCE NORTH 62°31'05" WEST, 17.16 FEET; THENCE SOUTH 27°28'55" WEST, 414.93 FEET TO A POINT ON THE NORTHERLY LINE OF THAT CERTAIN PARCEL OF LAND DESCRIBED BY "DEED" RECORDED AUGUST 31, 1967 IN BOOK 820 OF OFFICIAL RECORDS AS INSTRUMENT NO. 658854, IN THE CLARK COUNTY RECORDER'S OFFICE, CLARK COUNTY, NEVADA; THENCE ALONG THE NORTHERLY LINE OF SAID "DEED" PARCEL THE FOLLOWING TWO (2) COURSES: FROM A TANGENT BEARING NORTH 72°24'15" WEST, CURVING TO THE LEFT ALONG THE ARC OF A 185.00 FOOT RADIUS CURVE, CONCAVE SOUTHWESTERLY (THE RADIUS POINT OF WHICH BEARS SOUTH 17°35'45" WEST), THROUGH A CENTRAL ANGLE OF 27°49'45", AN ARC LENGTH OF 89.86 FEET; THENCE SOUTH 79°46'00" WEST, 14.23 FEET TO THE SOUTHEAST CORNER OF THAT CERTAIN PARCEL OF LAND DESCRIBED BY "FINAL ORDER OF CONDEMNATION" RECORDED SEPTEMBER 11, 1968 IN BOOK 899 OF OFFICIAL RECORDS AS INSTRUMENT NO. 721652, IN THE CLARK COUNTY RECORDER'S OFFICE, CLARK COUNTY, NEVADA; THENCE ALONG THE EASTERLY AND NORTHERLY LINE OF SAID CONDEMNATION PARCEL, THE FOLLOWING THREE (3) COURSES: NORTH 27°55'16" EAST, 274.60 FEET; THENCE NORTH 50°42'43" WEST, 98.15 FEET; THENCE FROM A TANGENT BEARING SOUTH 83°27'18" WEST, CURVING TO THE LEFT ALONG THE ARC OF A 2000.00 FOOT RADIUS CURVE, CONCAVE SOUTHEASTERLY (THE RADIUS POINT OF WHICH BEARS SOUTH 06°32'42" EAST), THROUGH A CENTRAL ANGLE OF 07°30'16", AN ARC LENGTH OF 261.95 FEET TO A POINT TO WHICH A RADIAL LINE BEARS NORTH 14°02'58" WEST TO THE EASTERLY LINE OF THAT CERTAIN PARCEL OF LAND DESCRIBED BY "DEED" RECORDED OCTOBER 13, 1955 IN BOOK 70 OF OFFICIAL RECORDS AS INSTRUMENT NO. 58946, IN THE CLARK COUNTY RECORDER'S OFFICE, CLARK COUNTY, NEVADA; THENCE ALONG SAID EASTERLY LINE, NORTH 01°42'05"

WEST, 161.48 FEET; THENCE NORTH 88°28'58" EAST, 165.90 FEET; THENCE CURVING TO THE LEFT ALONG THE ARC OF A 369.27 FOOT RADIUS CURVE, CONCAVE NORTHERLY, THROUGH A CENTRAL ANGLE 06°51'25", AN ARC LENGTH OF 44.19 FEET TO A POINT TO WHICH A RADIAL LINE BEARS SOUTH 08°22'27" EAST; THENCE NORTH 01°42'05" WEST, 46.95 FEET TO THE SOUTHEAST CORNER OF THE AFOREMENTIONED PARCEL DESCRIBED BY "DEED" RECORDED JUNE 30, 1950 IN BOOK 62 OF DEEDS, PAGE 290 AS INSTRUMENT NO. 343516; THENCE ALONG THE EAST LINE OF SAID PARCEL, NORTH 01°42'05" WEST, 265.93 FEET TO THE POINT OF BEGINNING.

CONTAINING 5.28 ACRES.



12-23-00

1-1329-42

EXHIBIT B TO EXHIBIT E-3**LICENSE TO BE PARTIALLY ASSIGNED**

Drainage Facility & Waterway Agreement dated as of the 14th day of January, 1999, by and between Union Pacific Railroad Company, a Delaware corporation, and City of Las Vegas, a municipal corporation, identified in the records of Assignor as Audit No. 208992.

1-1329-42

EXHIBIT F**CERTIFICATION OF NON-FOREIGN STATUS**

Under Section 1445(e) of the Internal Revenue Code, a corporation, partnership, trust, or estate must withhold tax with respect to certain transfers of property if a holder of an interest in the entity is a foreign person. To inform the transferee, CITY OF LAS VEGAS, a municipal corporation of the State of Nevada, that no withholding is required with respect to the transfer of a U.S. real property interest by UNION PACIFIC RAILROAD COMPANY, the undersigned hereby certifies the following on behalf of UNION PACIFIC RAILROAD COMPANY:

1. UNION PACIFIC RAILROAD COMPANY is not a foreign corporation, foreign partnership, foreign trust, or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations);
2. UNION PACIFIC RAILROAD COMPANY'S U.S. employer identification number is 94-6001323; and
3. UNION PACIFIC RAILROAD COMPANY'S office address is 1416 Dodge Street, Omaha, Nebraska 68179, and place of incorporation is Delaware.

UNION PACIFIC RAILROAD COMPANY agrees to inform the transferee if it becomes a foreign person at any time during the three year period immediately following the date of this notice.

UNION PACIFIC RAILROAD COMPANY understands that this certification may be disclosed to the Internal Revenue Service by the transferee and that any false statement contained herein could be punished by fine, imprisonment, or both.

Under penalties of perjury I declare that I have examined this Certification and to the best of my knowledge and belief it is true, correct and complete, and I further declare that I have authority to sign this document on behalf of UNION PACIFIC RAILROAD COMPANY.

UNION PACIFIC RAILROAD COMPANY,
a Delaware corporation

By: _____
Title: _____
Date: _____



MAYOR
OSCAR B. GOODMAN

CITY COUNCIL
MICHAEL J. McDONALD
(MAYOR PRO-TEM)

GARY REESE
LARRY BROWN
JANETTE B. McDONALD

CITY MANAGER
VIRGINIA VALENTINE

December 3, 1999

Mr. John Terrell
Senior Manager Special Properties
Union Pacific Railroad
4099 McEwen Road, Suite #600
Dallas, Texas 75244

Re: Parkway Center Lot One Site Development Standards

Dear Mr. Terrell:

I am pleased to inform you that staff has completed our review of the Parkway Center Lot One Site Development Standards dated September 20, 1999 and has found the standards to be acceptable as written. This satisfies Condition of Approval No. 2 of the Site Development Plan Review action Z-100-97(1) approved by the City Council on June 14, 1999. [NOTE: Any subsequent changes will require additional staff review.]

Staff wishes to note for the record that the process used for Lot One will need to be repeated as other parcels are proposed for development.

If you have any additional questions or concerns please do not hesitate to contact me at (702) 229-6895.

Sincerely,

A handwritten signature in black ink, appearing to read "RSG", is written over a horizontal line.

Robert S. Genzer
Deputy Director
Planning and Development Department

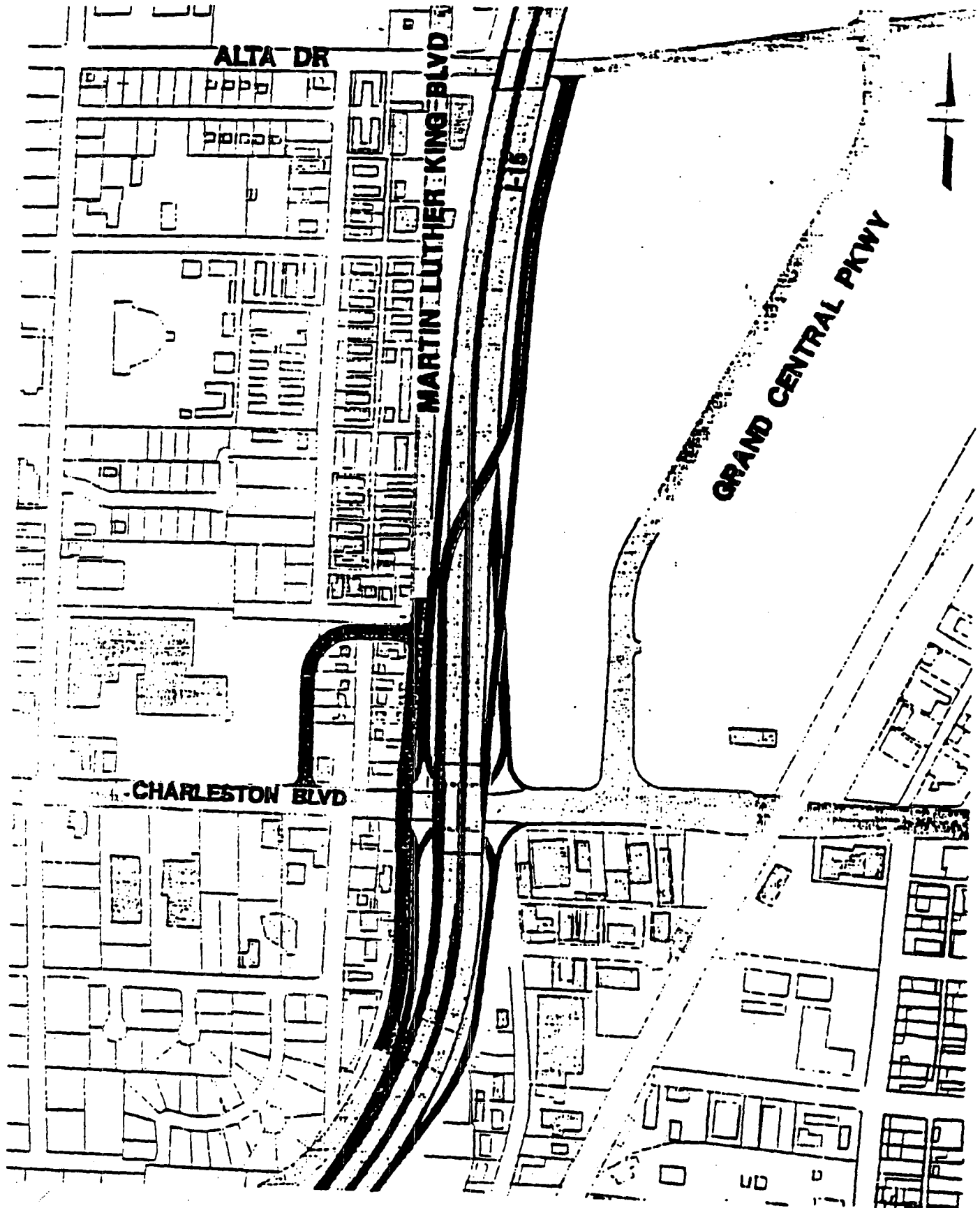
RSG:clb

CITY OF LAS VEGAS
400 STEWART AVENUE
LAS VEGAS, NEVADA 89101

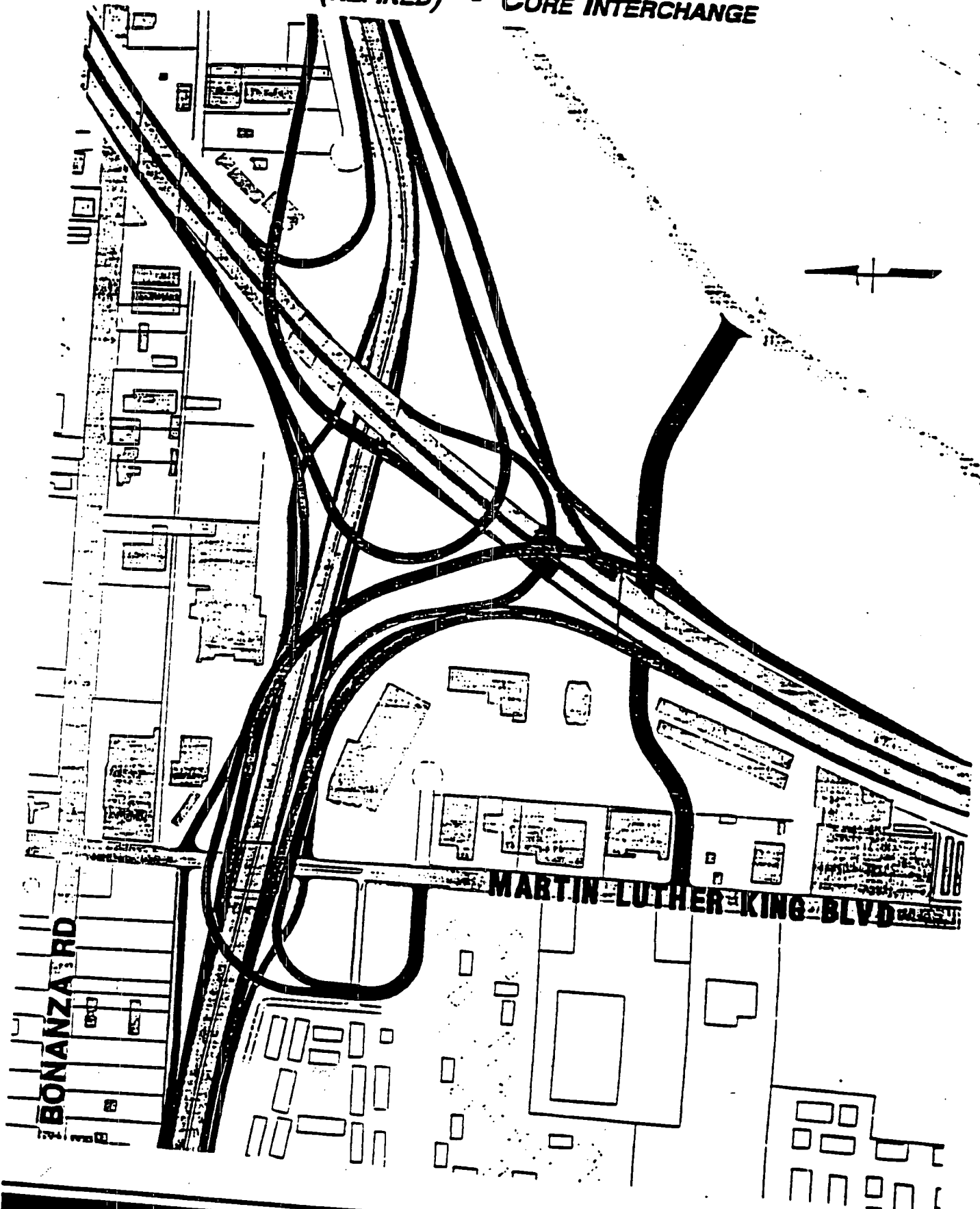
VOICE 702.229.6011

TDD 702.386.9108

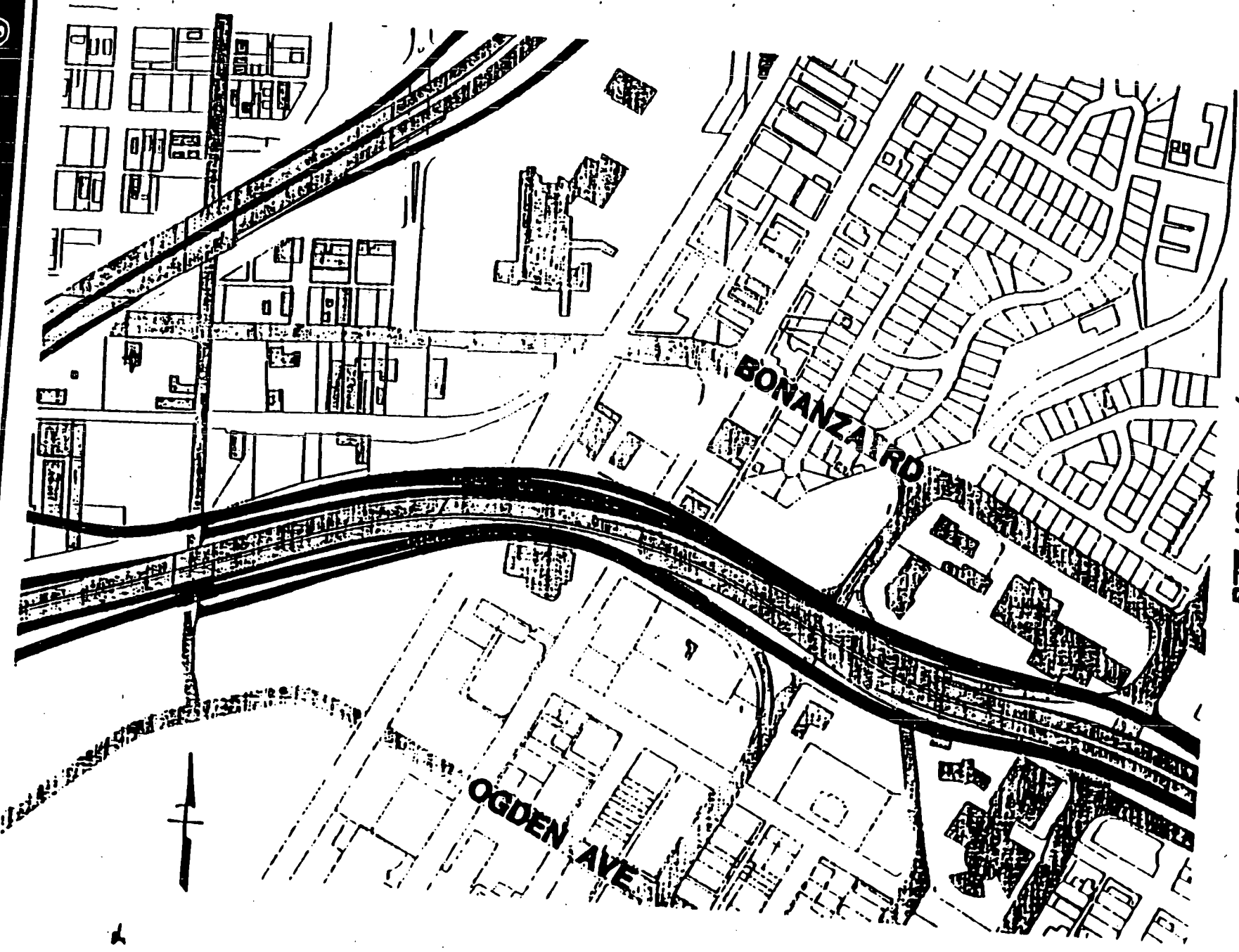
www.ci.las-vegas.nv.us

ALTERNATIVE 6 (REFINED) - I-15 / CHARLESTON BOULEVARD

ALTERNATIVE 6 (REFINED) - CORE INTERCHANGE



ALTERNATIVE 6 (REFINED) - EAST LEG



10

LV I-15/US 95 Interchange Improvements
Design Concepts and Environmental Analysis

1-1329-42

EXHIBIT I**RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:**Attn: _____

(Space above for Recorder's use only).

COVENANTS AGREEMENT

THIS COVENANTS AGREEMENT is made as of the _____ day of _____, 2000 ("Execution Date"), by and between CITY OF LAS VEGAS, a municipal corporation of the State of Nevada ("Owner"), the owner of record of certain property in Las Vegas, Clark County, Nevada, described in **Exhibits A and B** attached hereto and incorporated herein by this reference (collectively, the "Property"), and UNION PACIFIC RAILROAD COMPANY, a Delaware corporation ("UPRR"), with reference to the following facts:

A. By Grant, Bargain and Sale Deed dated _____, 2000 and recorded on _____, 2000 as Instrument No. _____ in the Official Records of Clark County, Nevada, UPRR conveyed to Owner that portion of the Property described in **Exhibit A**, and by Grant, Bargain and Sale Deed dated _____, 2000 and recorded on _____, 2000 as Instrument No. _____ in the Official Records of Clark County, Nevada, UPRR conveyed to Owner that portion of the Property ("Bonanza Street Property") described in **Exhibit B**. Owner is the current owner and holder of fee title to the Property.

B. The Property is adjacent to or in proximity of other property owned by UPRR. The portion of the Property identified as Lot 4 of Parkway Center ("Lot 4 Property") and UPRR's adjacent property comprise a portion of Parkway Center, a commercial subdivision, as shown by Map thereof recorded on August 13, 1992 in Book 53 of Plats, Page 61, in the Office of the County Recorder of Clark County, Nevada.

DECLARATION OF RESTRICTIONS AND AGREEMENTS

1. Restrictions. For good and valuable consideration, receipt of which is hereby acknowledged, Owner hereby agrees and declares as follows:

1-1329-42

A. SITE DEVELOPMENT STANDARDS: Owner and UPRR acknowledge that the Lot 4 Property and UPRR's remaining ownership in Parkway Center is subject to Site Development Standards approved by City of Las Vegas ("City") on June 14, 1999, as supplemented with Parkway Center Lot One Site Development Standards dated September 20, 1999, and that the Site Development Standards, as supplemented, have been accepted by the City of Las Vegas Planning and Development Department as indicated in Robert Genzer, Deputy Director's letter dated December 3, 1999 to John Terrell, former employee of UPRR, copy attached hereto as **Exhibit C** and made a part hereof. Owner, at its sole cost and expense, shall obtain City approval of a supplement to the Site Development Standards as supplemented, which is acceptable (including all conditions thereto) to Owner and UPRR, to allow for Owner's intended use of the Property for the construction of a high-technology campus consisting of approximately 129,225 square feet of office, retail and residential space ("Owner's Intended Use"). The proposed supplement shall be submitted to UPRR at the following address:

Mr. H. Don Caldwell
Senior Manager, Real Estate
Union Pacific Railroad Company
150 North Santa Anita Avenue, Suite 300
Arcadia, California 91006

for review and approval. Such review by UPRR shall be completed and appropriate response made to Owner within twenty (20) days after receipt of such supplement by UPRR; and it is expressly understood that approval of such supplement by UPRR shall not be unreasonably withheld. UPRR shall have no obligation to approve such supplement if such supplement (i) is not substantially equivalent to the Parkway Center Lot One Site Development Standards dated September 20, 1999, (ii) obligates UPRR as owner of the Property or otherwise to pay money, construct improvements or dedicate any interest in real property, or (iii) detrimentally affects the value, use or development of UPRR's remaining ownership in Parkway Center.

Owner, for itself, its successors and assigns, agrees to comply with the Parkway Center Site Development Standards, as supplemented pursuant to this Paragraph A.

B. LANDSCAPING COVENANT: The landscaping now on the Lot 4 Property was installed and is irrigated and otherwise maintained in common with common landscaping and parkscape features (the monument sign, water feature and lighting) on certain portions of Parkway Center. Owner agrees that UPRR or UPRR's designee may continue to maintain such landscaping and to operate the irrigation equipment with respect to any and all portions of the Lot 4 Property upon which landscaping is not hereafter installed in connection with the development thereof, and that Owner will reimburse UPRR or UPRR's designee for the cost thereof as to the Lot 4 Property or the portion thereof which has not been developed and landscaped, and as to common landscaping and parkscape features on certain portions of Parkway Center, based on the square footage of the Lot 4 Property relative to the square

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footage of property within lots in Parkway Center benefited by such common landscaping and parkscape features. If Owner transfers any portion of the Lot 4 Property, the transferee will be responsible only for the share of such costs attributable to its portion of the Lot 4 Property based on square footage.

C. DEDICATION OF EASEMENT: Owner, for itself, its successors and assigns, agrees, within a reasonable time after the Execution Date, to cause the dedication to the public of an easement ten feet (10') in width over, under, across and upon that portion of the Lot 4 Property that parallels on the north and lies adjacent to the property depicted on **Exhibit A-1** as "10' Esmt to Nevada Power Company", for the construction, reconstruction, installation, inspection, repair, maintenance, enjoyment, operation, use and/or removal of existing and/or future communication lines and/or facilities, including, but not limited to, fiber optic cables, conduits and related appurtenances, (including, without limitation, valves, manholes, air vents, warning signals, junction boxes, transformers, switch boxes, and electric devices), together with the right of ingress, egress and access from and to such easement area over and across the Lot 4Property.

D. STAGE TWO IMPROVEMENTS: Owner acknowledges that the Property may be subject to future assessments to fund the construction of the following improvements (the "Stage Two Improvements"):

(i) Full intersection at Charleston Boulevard/I-15 including on and off-ramps at Charleston, grade separation of Martin Luther King at Charleston, northbound and southbound I-15 ramps at Bonneville Avenue and other related improvements as shown on **Exhibit H-1**;

(ii) Fully improved Discovery Street from Martin Luther King to Parkway Center's westerly boundary as shown on **Exhibit H-2**;

(iii) Eastbound and westbound ramps on US-95 at "F" Street and related improvements as shown on **Exhibit H-3**.

Owner agrees not to protest the formation of an Assessment District to fund the construction of the Stage Two Improvements. If no such Assessment District is formed, and UPRR and/or other owners of property within Parkway Center contribute to the cost of the Stage Two Improvements, Owner agrees that Owner's share (including Owner's contribution required by any governmental entity, if any) of all such contributions by owners of property in Parkway Center will be the greater of (i) three percent (3%), or (ii) the percentage that the projected traffic to be generated by the Property bears to the projected traffic to be generated by Parkway Center, as determined by a professional traffic study commissioned by UPRR and the City of Las Vegas. If Owner is not required by any governmental entity to contribute to the cost of the Stage Two Improvements, then Owner will reimburse UPRR and other property owners, on a proportionate basis, to the extent of Owner's share as calculated above.

Owner will require any transferee (including, without limitation, any party that acquires title

1-1329-42

through foreclosure, public sale or deed in lieu thereof) of the Property or any portion thereof to assume Owner's obligations under this Paragraph D. in writing for the benefit of UPRR. In the case of transfers of less than all of the Property, such assumption will be on a pro rata basis calculated using the proportion that the gross square footage of the transferred portion bears to the gross square footage of the entire Property.

2. Enforcement.

(a) In the event of any breach or violation of any of the provisions of this Covenants Agreement, and the failure of Owner, its successors or assigns, to cure the breach within thirty (30) days after notice of the breach is given Owner, its successors or assigns, UPRR will have the right to enforce any or all of the following remedies, all of which will be cumulative and non-exclusive:

(i) Bring an action for damages before any court of competent jurisdiction;

(ii) Bring an action at law or in equity for specific performance to enforce compliance herewith or an injunction to enjoin the continuance of any breach, violation or failure hereunder; and

(iii) Pursue such other remedies as may be available at law or in equity.

(b) No violation or breach of this Covenants Agreement will defeat or render invalid or in any way impair the lien or charge of any bona fide mortgage or deed of trust recorded against the Property; provided, however, subject to Section 3, any subsequent owner of the Property will be bound by this Covenants Agreement, whether such owner's title is acquired by foreclosure, trustee's sale, deed in lieu of foreclosure or otherwise.

(c) No waiver by UPRR of a breach of this Covenants Agreement and no delay or failure to enforce any of the same will be construed or held to be a waiver of any succeeding or preceding breach of the same.

3. General Provisions.

(a) This Covenants Agreement will run with the Property in perpetuity and will be binding upon and will benefit all present and future owners and occupants of the Property; provided, however, that owners and occupants will have liability under Section 1 of this Covenants Agreement only for violations of Section 1 of this Covenants Agreement occurring during their period of ownership or occupancy, as applicable.

(b) In the event that suit is brought for the enforcement of this Covenants Agreement or as a result of any alleged breach thereof, the successful litigant or litigants in such suit will be entitled to be paid reasonable attorneys' fees by the losing litigant or litigants, and any judgment or decree rendered will include an award thereof.

1-1329-42

(c) This Covenants Agreement may be amended only by a recordable instrument executed by the then-owner of the Property and UPRR.

IN WITNESS WHEREOF, Owner and UPRR have executed this Covenants Agreement as of the date first above written.

OWNER:

CITY OF LAS VEGAS, a municipal corporation
of the State of Nevada

By: _____
Title: _____

UPRR:

UNION PACIFIC RAILROAD COMPANY,
a Delaware corporation

By: _____
Title: _____

1-1329-42

STATE OF NEBRASKA)
) ss.
COUNTY OF DOUGLAS)

On _____, 2000, before me, a Notary Public in and for said County and State, personally appeared _____, _____ UNION PACIFIC RAILROAD COMPANY, a Delaware corporation, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument, and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Notary Public

(SEAL)

1-1329-42

STATE OF NEVADA)
) ss.
COUNTY OF CLARK)

On _____, 2000, before me, a Notary Public in and for said County and State, personally appeared _____, _____ of CITY OF LAS VEGAS, a municipal corporation of the State of Nevada, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument, and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Notary Public

(SEAL)

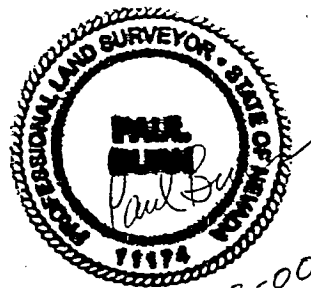
EXPLANATION: THIS LEGAL DESCRIBES A PARCEL OF LAND LOCATED NORTHEASTERLY OF THE INTERSECTION OF "F" STREET AND GRAND CENTRAL PARKWAY LYING WESTERLY OF THE UPRR MAIN RAILROAD TRACKS (PARCEL 2).

LEGAL DESCRIPTION

THAT PORTION OF LOT FOUR (4) OF "PARKWAY CENTER", A COMMERCIAL SUBDIVISION, AS SHOWN BY MAP THEREOF IN BOOK 53, PAGE 61 OF PLATS IN THE CLARK COUNTY RECORDER'S OFFICE, CLARK COUNTY, NEVADA, LYING WITHIN THE SOUTH HALF (S 1/2) OF THE SOUTHWEST QUARTER (SW 1/4) OF SECTION 27, TOWNSHIP 20 SOUTH, RANGE 61 EAST, M.D.M., CITY OF LAS VEGAS, CLARK COUNTY, NEVADA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF SAID LOT FOUR (4), BEING ON THE NORTHERLY RIGHT-OF-WAY LINE OF GRAND CENTRAL PARKWAY (100 FEET WIDE); THENCE ALONG THE SOUTHERLY LINE OF SAID LOT FOUR (4) AND SAID NORTHERLY RIGHT-OF-WAY LINE THE FOLLOWING FOUR (4) COURSES: NORTH 62°04'11" WEST, 68.77 FEET; THENCE CURVING TO THE LEFT ALONG THE ARC OF A 450.00 FOOT RADIUS CURVE, CONCAVE SOUTHWESTERLY, THROUGH A CENTRAL ANGLE OF 43°37'40", AN ARC LENGTH OF 342.65 FEET; THENCE SOUTH 74°18'09" WEST, 187.94 FEET; THENCE CURVING TO THE RIGHT ALONG THE ARC OF A 25.00 FOOT RADIUS CURVE, CONCAVE NORTHEASTERLY, THROUGH A CENTRAL ANGLE OF 90°00'00", AN ARC LENGTH OF 39.27 FEET TO THE WESTERLY LINE OF SAID LOT FOUR (4) AND THE EASTERLY RIGHT-OF-WAY LINE OF "F" STREET (60 FEET WIDE); THENCE ALONG SAID WESTERLY LINE AND SAID EASTERLY RIGHT-OF-WAY LINE THE FOLLOWING THREE (3) COURSES: NORTH 15°41'51" WEST, 43.23 FEET; THENCE CURVING TO THE RIGHT ALONG THE ARC OF A 270.00 FOOT RADIUS CURVE, CONCAVE NORTHEASTERLY, THROUGH A CENTRAL ANGLE OF 14°24'02", AN ARC LENGTH OF 67.86 FEET; THENCE NORTH 01°17'49" WEST, 43.11 FEET TO THE SOUTHWEST CORNER OF THAT CERTAIN PARCEL OF LAND DESCRIBED BY "FINAL ORDER OF CONDEMNATION" RECORDED NOVEMBER 3, 1999 IN BOOK 19991103 OF OFFICIAL RECORDS AS INSTRUMENT NO. 00619, IN THE CLARK COUNTY RECORDER'S OFFICE, CLARK COUNTY, NEVADA; THENCE ALONG THE SOUTHERLY LINE OF SAID CONDEMNATION PARCEL THE FOLLOWING THREE (3) COURSES: NORTH 42°32'03" EAST, 111.15 FEET, THENCE NORTH 74°47'09" EAST, 527.45 FEET; THENCE NORTH 79°03'43" EAST, 293.80 FEET TO THE EASTERLY LINE OF SAID LOT FOUR (4); THENCE ALONG SAID EASTERLY LINE, SOUTH 27°55'16" WEST, 522.90 FEET TO THE POINT OF BEGINNING.

CONTAINING 5.10 ACRES.



EXPLANATION: THIS LEGAL DESCRIBES A PARCEL OF LAND LOCATED SOUTHWESTERLY OF THE INTERSECTION OF "D" STREET AND BONANZA ROAD LYING WESTERLY OF THE UPRR MAIN RAILROAD TRACKS (PARCEL 1).

LEGAL DESCRIPTION

THAT PORTION OF THE SOUTH HALF (S 1/2) OF THE SOUTHWEST QUARTER (SW 1/4) OF SECTION 27, TOWNSHIP 20 SOUTH, RANGE 61 EAST, M.D.M., CITY OF LAS VEGAS, CLARK COUNTY, NEVADA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SOUTH HALF (S 1/2), SAID POINT BEING 10.00 FEET (MEASURED AT RIGHT ANGLES) SOUTH OF THE CENTERLINE OF BONANZA ROAD (VARYING WIDTH); THENCE ALONG THE NORTH LINE OF SAID SOUTH HALF (S 1/2) AND PARALLEL TO SAID CENTERLINE, NORTH 88°17'55" EAST, 1641.02 FEET; THENCE SOUTH 01°42'05" EAST, 30.00 FEET TO THE POINT OF BEGINNING ON THE SOUTHERLY RIGHT-OF-WAY LINE OF SAID BONANZA ROAD AND BEING THE NORTHEAST CORNER OF THAT CERTAIN PARCEL OF LAND DESCRIBED BY "DEED" RECORDED JUNE 30, 1950 IN BOOK 62 OF DEEDS, PAGE 290, AS INSTRUMENT NO. 343516, IN THE CLARK COUNTY RECORDER'S OFFICE, CLARK COUNTY, NEVADA; THENCE ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE THE FOLLOWING THREE (3) COURSES: SOUTH 87°53'14" EAST, 150.33 FEET; THENCE SOUTH 01°42'05" EAST, 6.00 FEET; THENCE NORTH 88°17'55" EAST, 327.85 FEET; THENCE SOUTH 01°42'05" EAST, 38.74 FEET; THENCE SOUTH 25°06'11" WEST, 378.56 FEET; THENCE NORTH 62°31'05" WEST, 17.16 FEET; THENCE SOUTH 27°28'55" WEST, 414.93 FEET TO A POINT ON THE NORTHERLY LINE OF THAT CERTAIN PARCEL OF LAND DESCRIBED BY "DEED" RECORDED AUGUST 31, 1967 IN BOOK 820 OF OFFICIAL RECORDS AS INSTRUMENT NO. 658854, IN THE CLARK COUNTY RECORDER'S OFFICE, CLARK COUNTY, NEVADA; THENCE ALONG THE NORTHERLY LINE OF SAID "DEED" PARCEL THE FOLLOWING TWO (2) COURSES: FROM A TANGENT BEARING NORTH 72°24'15" WEST, CURVING TO THE LEFT ALONG THE ARC OF A 185.00 FOOT RADIUS CURVE, CONCAVE SOUTHWESTERLY (THE RADIUS POINT OF WHICH BEARS SOUTH 17°35'45" WEST), THROUGH A CENTRAL ANGLE OF 27°49'45", AN ARC LENGTH OF 89.86 FEET; THENCE SOUTH 79°46'00" WEST, 14.23 FEET TO THE SOUTHEAST CORNER OF THAT CERTAIN PARCEL OF LAND DESCRIBED BY "FINAL ORDER OF CONDEMNATION" RECORDED SEPTEMBER 11, 1968 IN BOOK 899 OF OFFICIAL RECORDS AS INSTRUMENT NO. 721652, IN THE CLARK COUNTY RECORDER'S OFFICE, CLARK COUNTY, NEVADA; THENCE ALONG THE EASTERLY AND NORTHERLY LINE OF SAID CONDEMNATION PARCEL, THE FOLLOWING THREE (3) COURSES: NORTH 27°55'16" EAST, 274.60 FEET; THENCE NORTH 50°42'43" WEST, 98.15 FEET; THENCE FROM A TANGENT BEARING SOUTH 83°27'18" WEST, CURVING TO THE LEFT ALONG THE ARC OF A 2000.00 FOOT RADIUS CURVE, CONCAVE SOUTHEASTERLY (THE RADIUS POINT OF WHICH BEARS SOUTH 06°32'42" EAST), THROUGH A CENTRAL ANGLE OF 07°30'16", AN ARC LENGTH OF 261.95 FEET TO A POINT TO WHICH A RADIAL LINE BEARS NORTH 14°02'58" WEST TO THE EASTERLY LINE OF THAT CERTAIN PARCEL OF LAND DESCRIBED BY "DEED" RECORDED OCTOBER 13, 1955 IN BOOK 70 OF OFFICIAL RECORDS AS INSTRUMENT NO. 58946, IN THE CLARK COUNTY RECORDER'S OFFICE, CLARK COUNTY, NEVADA; THENCE ALONG SAID EASTERLY LINE, NORTH 01°42'05"

WEST, 161.48 FEET; THENCE NORTH 88°28'58" EAST, 165.90 FEET; THENCE CURVING TO THE LEFT ALONG THE ARC OF A 369.27 FOOT RADIUS CURVE, CONCAVE NORTHERLY, THROUGH A CENTRAL ANGLE 06°51'25", AN ARC LENGTH OF 44.19 FEET TO A POINT TO WHICH A RADIAL LINE BEARS SOUTH 08°22'27" EAST; THENCE NORTH 01°42'05" WEST, 46.95 FEET TO THE SOUTHEAST CORNER OF THE AFOREMENTIONED PARCEL DESCRIBED BY "DEED" RECORDED JUNE 30, 1950 IN BOOK 62 OF DEEDS, PAGE 290 AS INSTRUMENT NO. 343516; THENCE ALONG THE EAST LINE OF SAID PARCEL, NORTH 01°42'05" WEST, 265.93 FEET TO THE POINT OF BEGINNING.

CONTAINING 5.28 ACRES.



12-23-00



MAYOR
OSCAR B. GOODMAN

CITY COUNCIL
MICHAEL J. McDONALD
(MAYOR PRO-TEM)

GARY REESE
LARRY BROWN
NETTE B. McDONALD

CITY MANAGER
VIRGINIA VALENTINE

December 3, 1999

Mr. John Terrell
Senior Manager Special Properties
Union Pacific Railroad
4099 McEwen Road, Suite #600
Dallas, Texas 75244

Re: Parkway Center Lot One Site Development Standards

Dear Mr. Terrell:

I am pleased to inform you that staff has completed our review of the Parkway Center Lot One Site Development Standards dated September 20, 1999 and has found the standards to be acceptable as written. This satisfies Condition of Approval No. 2 of the Site Development Plan Review action Z-100-97(1) approved by the City Council on June 14, 1999. [NOTE: Any subsequent changes will require additional staff review.]

Staff wishes to note for the record that the process used for Lot One will need to be repeated as other parcels are proposed for development.

If you have any additional questions or concerns please do not hesitate to contact me at (702) 229-6895.

Sincerely,

A handwritten signature in black ink, appearing to read "RSG", followed by a horizontal line.

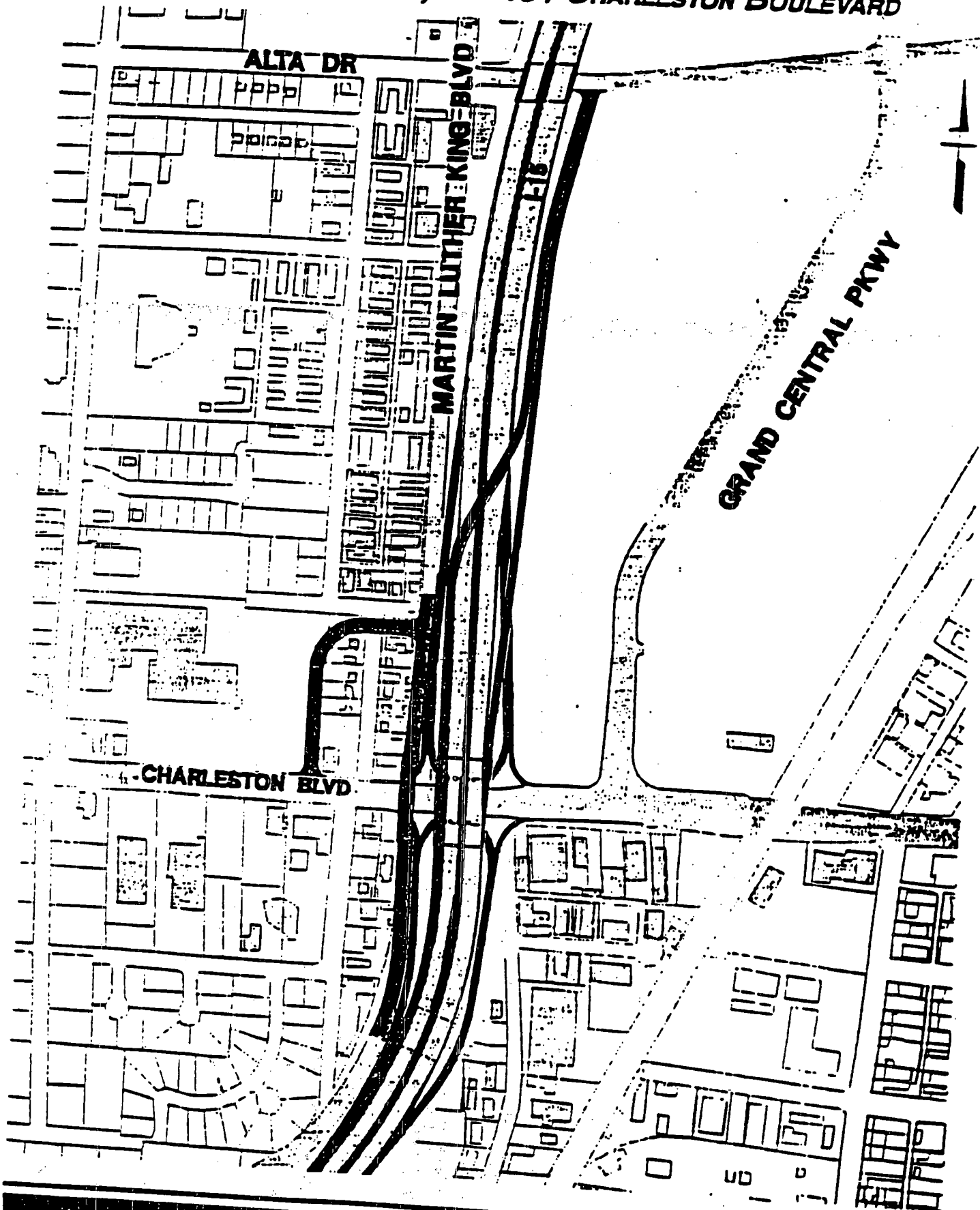
Robert S. Genzer
Deputy Director
Planning and Development Department

RSG:clb

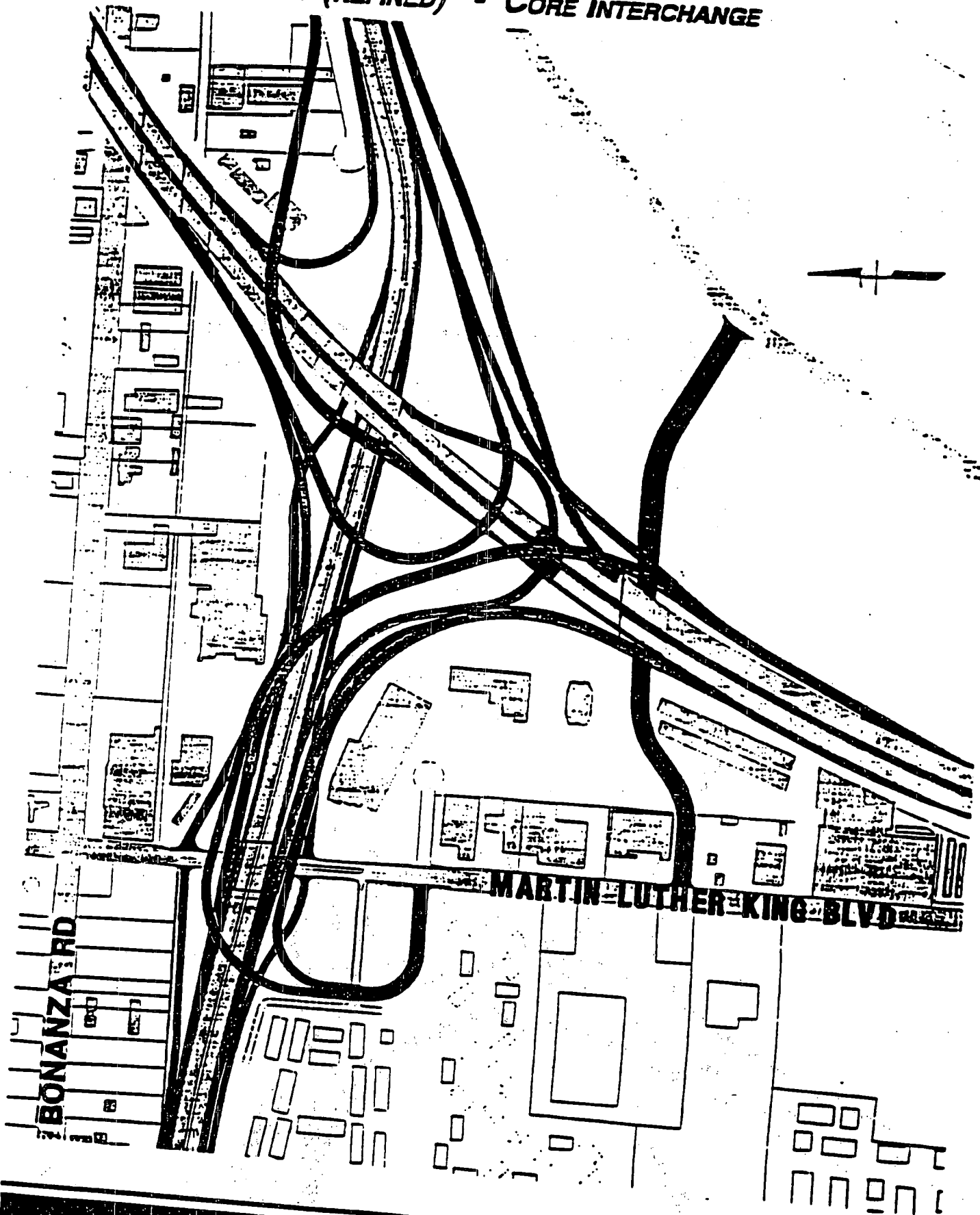
CITY OF LAS VEGAS
400 STEWART AVENUE
LAS VEGAS, NEVADA 89101

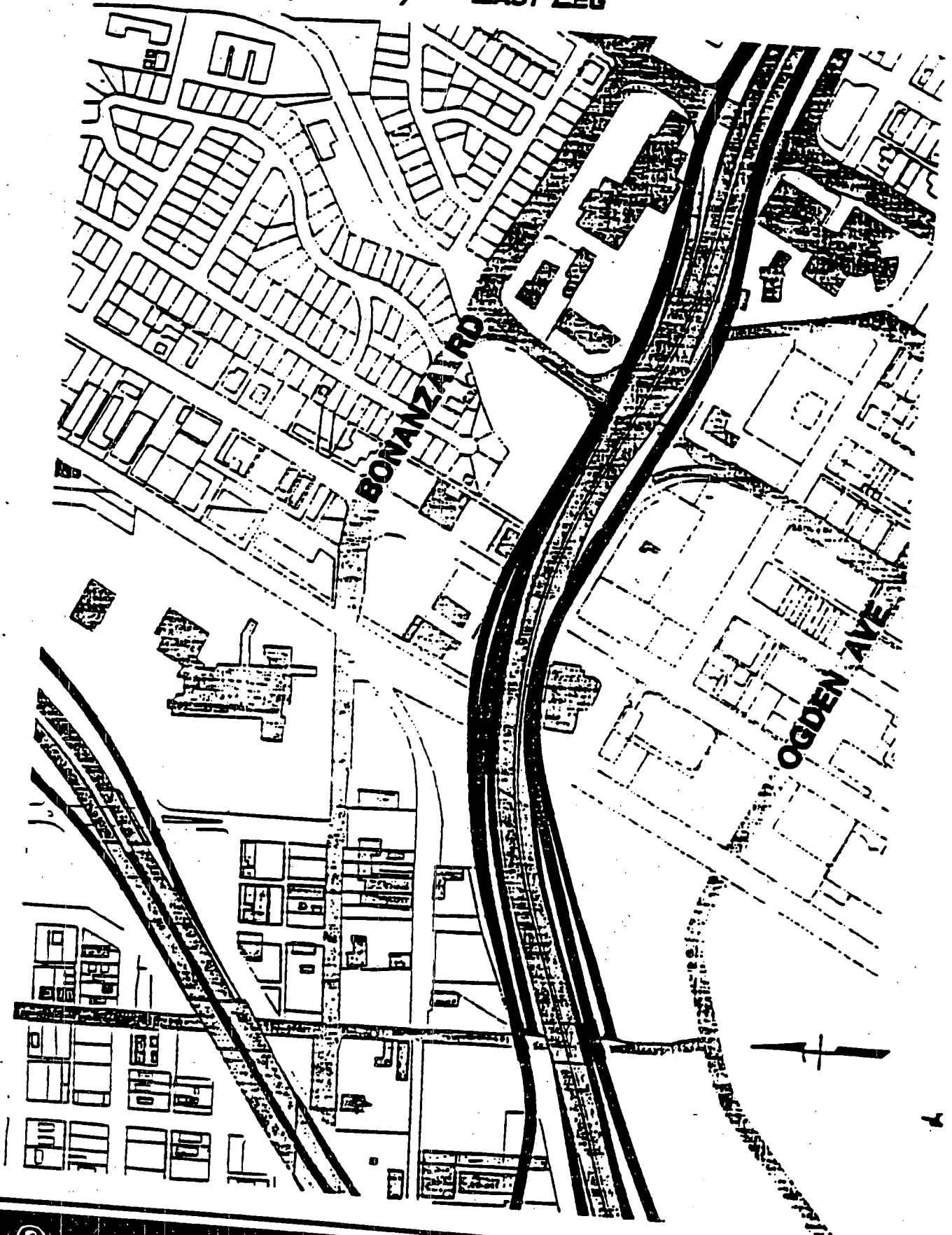
VOICE 702.229.6011
TDD 702.386.9108
www.ci.las-vegas.nv.us

ALTERNATIVE 6 (REFINED) - I-15 / CHARLESTON BOULEVARD



ALTERNATIVE 6 (REFINED) - CORE INTERCHANGE



ALTERNATIVE 6 (REFINED) - EAST LEG

1-1329-42

EXHIBIT J**CONFIDENTIALITY AGREEMENT**

THIS AGREEMENT is made and entered into this _____ day of _____, 200__, between UNION PACIFIC RAILROAD COMPANY, a Delaware corporation (hereinafter "Union Pacific"), and _____, a _____ (hereinafter "_____").

RECITALS:

Union Pacific and _____ have entered into negotiations covering the possible purchase by _____ of Union Pacific owned property located in Las Vegas, Clark County, Nevada shown on **Exhibit A** attached hereto and made a part hereof (the "Property").

_____ wishes to review the documents that are listed and described on **Exhibit B**, hereto attached and hereby made a part hereof (the "Property Materials"), which is acceptable to Union Pacific upon the following terms and conditions.

AGREEMENT:

NOW, THEREFORE, IT IS MUTUALLY AGREED BY AND BETWEEN THE PARTIES HERETO AS FOLLOWS:

Section 1. **NO REPRESENTATIONS OR WARRANTIES.**

Union Pacific makes no representation or warranty as to the accuracy or completeness of the Property Materials. The Property Materials listed on Exhibit A shall not be provided by Union Pacific to _____, but rather shall be made available to _____ for review and copying at _____.

Section 2. **CONFIDENTIALITY.**

A. The Property Materials shall remain confidential, and _____ shall not disclose any matters contained therein to any person or governmental agency except as unconditionally required by law, or to _____'s directors, officers, employees, consultants and advisors, subject to the requirements of Paragraphs B and C below. If, for any reason whatsoever, the City of Las Vegas does not acquire title to the Property within sixty (60) days after the date of this Agreement, _____ shall deliver and return the Property Materials (including any copies made of such reports) to Union Pacific at no cost to Union Pacific and _____ shall make no further distributions or disclosures of the Property Materials or any information contained therein.

1-1329-42

Any portion of the Property Materials that is or becomes available to the public shall not be considered confidential information hereunder.

B. Adequate instructions shall be issued by _____ to all appropriate directors, officers and employees of _____ as necessary to inform such individuals of the confidentiality obligations of _____ contained herein.

C. If _____ hires or uses consultants or advisors to review the Property Materials, _____ shall ensure that such consultants or advisors are advised of the confidentiality provisions contained herein.

D. _____ acknowledges that Union Pacific shall be entitled to equitable relief by way of injunction if _____ breaches or threatens to breach the confidentiality provisions herein.

E. All the terms and conditions contained herein shall survive the completion of discussions and negotiations involving the sale of the Property to _____ if the sale transaction does not close for any reason.

Section 3. EFFECTIVE DATE.

This Agreement shall become effective as of the date first herein written.

IN WITNESS WHEREOF, Union Pacific and _____ have duly executed this Agreement as of the date first herein written.

UNION PACIFIC RAILROAD COMPANY,
a Delaware corporation

By: _____

Title: _____

_____, a
_____ corporation

By: _____

Title: _____



Real Estate Department
1800 Farnam Street
Omaha, Nebraska 68102
Telephone (402) 997-3587 / Fax (402) 997-3601

**Application for Private Road Crossing
and Encroachment**

To enhance highway-rail grade crossing safety, Union Pacific endorses the concept of reducing the number of at-grade crossings, both public and private, through consolidation, elimination, grade separation and restriction of the number of new crossings installed. Because of safety concerns, every effort must be made to obtain alternative access to property adjacent to the railroad. Parallel or other roads leading to existing crossings and access from other directions must first be considered. In making application, applicant understands and agrees that if permission for the crossing is granted:

- All construction work for new crossings from end of tie to end of tie within the track area must be performed by Union Pacific forces at applicant's sole expense;
- All grading and drainage work on roadway approaches, including maintenance, will be the responsibility of applicant at applicant's sole expense;
- All relocation of utilities due to construction of a new crossing (if any) is at applicant's sole expense;
- Any maintenance work performed by Union Pacific forces will be at applicant's sole expense;
- Any current or future warning devices required for the crossing (passive or active) will be installed and maintained by Union Pacific forces at applicant's sole expense;
- All liability for accidents or injuries which arise as a result of the construction, maintenance and use of the crossing is assumed by applicant;
- A current certificate evidencing insurance coverage in the following amounts is required:
 - New individual and residential private crossings and encroachments: General Public Liability providing \$500,000 for each occurrence and general aggregate limit of \$500,000; Automobile Public Liability providing \$500,000 for each occurrence.
 - Small commercial private crossings and encroachments: General Public Liability providing \$1 million for each occurrence and general aggregate limit of \$2 million; Automobile Public Liability providing \$1 million for each occurrence; Worker's Compensation covering the statutory liability determined by state law.
 - Large commercial, industrial, and contractors private crossings and encroachments: General Public Liability providing \$2 million for each occurrence and general aggregate limit of \$4 million; Automobile Public Liability providing \$2 million for each occurrence; Worker's Compensation covering the statutory liability determined by state law; Railroad Protective Liability providing \$2 million for each occurrence and aggregate limit of \$6 million.
- Before any construction begins on a new crossing, applicant must enter into written agreement with Union Pacific and make payment to Union Pacific for the estimated cost of construction work;
- Applicant will pay Union Pacific all required engineering review fees and license fees;
- Before performing any work on Union Pacific property, applicant will telephone Union Pacific at 1-800-336-9193 (a 24-hour number) for fiber optic cable information, and will notify Union Pacific's Manager-Track Maintenance ten (10) working days prior to start of construction.

Completed applications and nonrefundable payment of \$500.00 (made payable to UTAH PACIFIC RAILROAD COMPANY, Federal Taxpayer Identification No. 94-6001323) for preliminary engineering review of new crossings are to be forwarded to the appropriate Manager of Industry and Public Projects shown on Page 5 of this application. Failure to complete the application in full may delay processing. Please allow a minimum of 30 days for processing existing crossing requests and a minimum of 180 days for new crossing requests.

SECTION 1 - TO BE COMPLETED FOR ALL CROSSINGS

NAME		
ADDRESS		
CITY	STATE	ZIP CODE
CONTACT PERSON	TELEPHONE NUMBER ()	FAX NUMBER ()
☐ INDIVIDUAL ☐ PARTNERSHIP ☐ PROPRIETORSHIP ☐ CORPORATION OF THE STATE OF _____ NAMES OF OFFICERS, PARTNERS OR PROPRIETOR _____		
BILLING ADDRESS IF DIFFERENT THAN ABOVE		
TYPE OF ROAD CROSSING ☐ PRIVATE FARM CROSSING ☐ PRIVATE COMMERCIAL CROSSING ☐ CONTRACTOR'S CROSSING ☐ PEDESTRIAN OVERPASS ☐ PEDESTRIAN UNDERPASS ☐ OTHER _____ ☐ EXISTING CROSSING ☐ NEW INSTALLATION ☐ RELOCATION ☐ RECONSTRUCTION ☐ PERMANENT USE ☐ TEMPORARY USE FOR _____ MONTHS		
CROSSING WILL BE USED AS ACCESS TO		
TYPE(S) OF VEHICLE(S) TO BE DRIVEN OVER CROSSING ☐ PASSENGER CARS ☐ PICKUP TRUCKS ☐ RECREATIONAL VEHICLES ☐ FARM EQUIPMENT ☐ HEAVY CONSTRUCTION EQUIPMENT ☐ OTHER _____		
APPROXIMATE NUMBER OF DAILY ONE-WAY TRIPS OVER THE CROSSING		

CROSSING IS LOCATED IN THE _____ SECTION _____, TOWNSHIP _____, RANGE _____
(Example: E $\frac{1}{4}$ of the SE $\frac{1}{2}$ of Section 5, Township 39 North, Range 12 East)
IN THE CITY OF _____, _____ COUNTY/PARISH
OF THE STATE OF _____

ATTACH a county property map or topography map showing the location of the crossing. INDICATE on the map the distance measured along the track between the crossing and fixed objects in the vicinity (i.e., bridges, culverts, railroad mile markers, nearest public roads).

NAME OF OWNER OF PROPERTY TO BE SERVED BY CROSSING

ADDRESS IF DIFFERENT THAN ABOVE

ATTACH a legal description of your property to be served by the crossing.

SECTION 2 - TO BE COMPLETED FOR EXISTING CROSSINGS ONLY

NAME(S) OF PREVIOUS USERS OF CROSSING

CROSSING IS CURRENTLY COVERED BY LICENSE AGREEMENT NUMBER _____
DATED _____ WITH _____

SECTION 3 - TO BE COMPLETED FOR INSTALLATION OF NEW CROSSINGS ONLY

HOW IS PROPERTY CURRENTLY ACCESSED?

WHY WAS ACCESS TO PROPERTY NOT OBTAINED FROM PREVIOUS OWNER?

DESIRED CROSSING WILL BE _____ FEET NORTH/SOUTH/EAST/WEST OF NEAREST
_____ PUBLIC/PRIVATE ROAD CROSSING.

TRACK IS IN _____-FT. CUT / FILL

NO./TRACKS CROSSED _____

TRACK IS: ON CURVE /
STRAIGHT

SIGNED _____

DATE _____

FOR RAILROAD USE ONLY

RAILROAD MILEPOST	RAILROAD SUBDIVISION	AAR/DOT NUMBER
MGR.-IND. & PUBLIC PROJECTS TELEPHONE:	MGR.-TRACK MAINTENANCE TELEPHONE:	MGR.-SIGNAL MAINTENANCE TELEPHONE:
SUPERINTENDENT-TRANSP. SVCS. APPROVAL RECEIVED:		
WIDTH OF CROSSING	WIDTH OF RR RIGHT-OF-WAY	CROSSING SURFACE
FLAGGING PROTECTION REQUIRED?	LOCKED GATES REQUIRED AT RIGHT-OF-WAY LINE?	
SPECIAL PROVISIONS:		
WORK TO BE PERFORMED BY RAILROAD	ESTIMATED COST (ATTACH MATERIAL AND FORCE ACCOUNT ESTIMATE)	
ANNUAL LICENSE FEE	ANNUAL SIGNAL MAINTENANCE FEE	

SUBMITTED BY _____
TITLE: _____

DATE _____

Completed applications and nonrefur. The payment of \$500.00 (made payable to U I PACIFIC RAILROAD COMPANY, Federal Taxpayer Identification No. 94-6001323) for preliminary engineering review of new crossings are to be forwarded to the appropriate Manager of Industry and Public Projects shown below. Failure to complete the application in full may delay processing. Please allow a minimum of 30 days for processing existing crossing requests and a minimum of 180 days for new crossing requests.

FREDDY CHEUNG UNION PACIFIC RAILROAD 19100 SLOVER AVE BLOOMINGTON CA 92316 TELEPHONE 909 879-6288 FAX MACHINE 909 879-6289	WILLIAM E. CLAYTON UNION PACIFIC RAILROAD 2801 ROCK CREEK PKWY N KANSAS CITY MO 64117 TELEPHONE 816 245-2718 FAX MACHINE 816 245-2864	JACK DOBRINSKA UNION PACIFIC RAILROAD 1416 DODGE ST - NE SVC UNIT OMAHA NE 68179 TELEPHONE 402 271-2029 FAX MACHINE 402 271-3298
ROGER GILBERTSON UNION PACIFIC RAILROAD 206 EATON ST ST PAUL MN 55107 TELEPHONE 651 552-3941 FAX MACHINE 651 552-3924	MURRAY NELSON UNION PACIFIC RAILROAD 903 STORY ST BOONE IA 50036 TELEPHONE 515 433-5645 FAX MACHINE 515 433-5679	DENNIS DAVITT UNION PACIFIC RAILROAD 301 WEST LAKE STREET NORTHLAKE IL 60164 TELEPHONE 708 649-5210 FAX MACHINE 708 649-5418
ERNEST MITCHELL UNION PACIFIC RAILROAD 24125 ALDINE WESTFIELD RD SPRING TX 77373 TELEPHONE 281 350-7637 FAX MACHINE 281 350-7194	DAVE MCKERNAN UNION PACIFIC RAILROAD 210 N 13 ST RM 1612 ST LOUIS MO 63103 TELEPHONE 314 992-1169 FAX MACHINE 314 992-3134	JOHN TRUMBULL UNION PACIFIC RAILROAD 5424 S E MCLOUGHLIN BLVD PORTLAND OR 97202 TELEPHONE 503 872-1809 FAX MACHINE 503 872-1900
BOB PRINCE UNION PACIFIC RAILROAD 19100 SLOVER AVE BLOOMINGTON CA TELEPHONE 909 879-6611 FAX MACHINE 909 879-3289	STEVE MARTCHENKE UNION PACIFIC RAILROAD 101 SOUTH WATSON RD ARLINGTON TX 76010 TELEPHONE 817 878-4596 FAX MACHINE 817 640-8710	SUE GRABLER UNION PACIFIC RAILROAD 1400 WEST 52ND AVENUE DENVER CO 80221 TELEPHONE 303 964-4099 FAX MACHINE 303 964-4097
LARRY LUMM UNION PACIFIC RAILROAD 1001 WEST MAIN ST DENISON TX 75020 TELEPHONE 903 415-2418 FAX MACHINE 903 415-2429	JIM MARSHALL UNION PACIFIC RAILROAD 406 W 100 S SALT LAKE CITY UT 84101 TELEPHONE 801 595-3560 FAX MACHINE 801 595-3337	DOUG WOODS UNION PACIFIC RAILROAD 24125 ALDINE WESTFIELD RD SPRING TX 77373 TELEPHONE 281 350-7626 FAX MACHINE 281 350-7194
MIKE BENJAMIN UNION PACIFIC RAILROAD 6455 E COMMERCE AVE KANSAS CITY MO 64120 TELEPHONE 816 245-2774 FAX MACHINE 816 245-2864	PATRICK KERR UNION PACIFIC RAILROAD 10031 FOOTHILLS BLVD ROSEVILLE CA 95747 TELEPHONE 916 789-6334 FAX MACHINE 916 789-6333	JAMES H SMITH UNION PACIFIC RAILROAD 10031 FOOTHILLS BLVD ROSEVILLE CA 95747 TELEPHONE 916 789-6352 FAX MACHINE 916 789-6057
CHERYL KINKEL UNION PACIFIC RAILROAD 19100 SLOVER AVENUE BLOOMINGTON CA 92316 TELEPHONE 909 879-6610 FAX MACHINE 909 879-6289	CHARLES FELKINS UNION PACIFIC RAILROAD 1000 WEST 4TH STREET NORTH LITTLE ROCK AR 72114 TELEPHONE 501 373-2927 FAX MACHINE 501 373-2896	LARRY HATLEY UNION PACIFIC RAILROAD 1711 QUINTANA ROAD SAN ANTONIO TX 78211 TELEPHONE 210 921-3701 FAX MACHINE 210 921-3708
THERESA HARPER UNION PACIFIC RAILROAD 24125 ALDINE WESTFIELD ROAD SPRING TX 77373 TELEPHONE 281 350-7536 FAX MACHINE 281 350-7194		

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CITY COUNCIL MEETING OF MAY 16, 2001

Pg. 1249

Agreement Number _____

PRIVATE ROAD CROSSING AGREEMENT

Mile Post [Mile Post], [Subdivision or Branch Name]
Location: [City, County & State]

THIS AGREEMENT is made this ____ day of _____, 19____, by and between **UNION PACIFIC RAILROAD COMPANY**, a Delaware corporation to be addressed at 1800 Farnam Street, Omaha, Nebraska 68102 (hereinafter "Licensor"), and **[NAME OF LICENSEE]**, a(n) [corporate status] whose address is [Licensee mailing address] (hereinafter "Licensee").

RECITALS:

The Licensee desires the construction, maintenance and use of a(n) new/existing private road crossing (hereinafter "Road Crossing"), consisting of [size and type of private road crossing] private road crossing and all appurtenances thereto, including but not limited to any gates, cattle guards, stop signs or identification signs, drainage facilities, on, over, and across the Licensor's right-of-way on the [Subdivision or Branch Name] trackage at Mile Post [Mile Post], further identified as DOT Number [DOT Number], at or near [City, County & State], in the location shown on the attached print marked Exhibit A.

The Licensor is willing to grant the Licensee the right to cross its right-of-way and tracks at the location shown on Exhibit A subject to the terms set forth below.

NOW, THEREFORE, the parties agree as follows:

ARTICLE 1. LICENSOR GRANTS RIGHT

The Licensor grants the Licensee the right to cross its right-of-way and tracks at the location shown on Exhibit A subject to the terms set forth herein and in the attached Exhibit B, together with the right of entry to control and remove from the Licensor's right-of-way, on each side of the Road Crossing, weeds and vegetation which may obstruct the view of motorists approaching the crossing area to any trains that may also be approaching the crossing area.

ARTICLE 2. CONSIDERATION

a). In consideration of the license and permission granted herein, the Licensee agrees to observe and abide by the terms and conditions of this Agreement and to pay to the Licensor a(n) one-time or annual license fee of (\$[Fee (Numeric)]) upon the execution of this Agreement.

b). ~~The Licensee agrees to pay to the Licensor an administrative handling fee in the amount of FIVE HUNDRED DOLLARS (\$500.00) for clerical, administrative and handling expense in connection with processing this Agreement.~~ *ONE THOUSAND*

c). Effective on the first anniversary of this Agreement and on the anniversary date of each subsequent one-year period, the license fee will be increased at a rate of three percent (3%) per annum. Such changes in the license fee may be made by means of an automatic adjustment in billing.

d). Effective on or after the fifth anniversary of this Agreement and on or after the anniversary date of each subsequent five-year period, the Licensor may reevaluate the base upon which the above license fee is computed. Such changes in the license fee may be made by means of automatic adjustment in billing. Such adjustments may be made

only once during each such five-year period and shall not be applied retroactively.

ARTICLE 3. CONSTRUCTION OF ROAD CROSSING

- a). The Licensor will furnish the materials for and install the portion of the Road Crossing lying between the rails of the tracks and for one (1) foot on the outside of each rail and will furnish and install the stop signs and identification signs on each side of the crossing and raise, or cause to be raised, any interfering wireline of Licensor at a cost to the Licensee of \$[Construction Fee].
- b). The Licensee, at its own expense, will construct and perform grading and surfacing work for the remaining portion of the Road Crossing and install any and all appurtenant gates, cattle guards, drainage facilities, traffic signs, or traffic devices shown on Exhibit A. The construction work shall be done to the satisfaction of the Licensor.
- c). The Licensee agrees to notify the Railroad's representative at least 48 hours in advance of commencing any work in which any person or equipment will be within 25 feet of any track.

ARTICLE 4. IF WORK IS TO BE PERFORMED BY CONTRACTOR

If a contractor is to do any of the work performed on the Road Crossing (including initial construction and subsequent relocation or substantial maintenance and repair work), then the Licensee shall require its contractor to execute the Licensor's form Contractor's Right of Entry Agreement. Licensee acknowledges receipt of a copy of Contractor's Right of Entry Agreement and understanding its term, provisions and requirements, and will inform its contractor of the need to execute the Agreement. Under no circumstances will Licensee's contractor be allowed onto Licensor's premises without first executing the Contractor's Right of Entry Agreement.

ARTICLE 5. LIABILITY INSURANCE

- a). The Licensee shall provide the Licensor with a certificate issued by the insurance carrier providing the insurance coverage required pursuant to Exhibit B-1 of this agreement in a policy which contains the following type endorsement:

"Union Pacific Railroad is named as additional insured with respect to all liabilities arising out of Insured's (as Licensee) construction, maintenance and use of the road crossing on Licensor's property."

Licensee WARRANTS that this Agreement has been thoroughly reviewed by its insurance agent(s)/broker(s) and that said agent(s)/ broker(s) has been instructed to procure insurance coverage and an endorsement as required herein.

- b). All insurance correspondence shall be directed to: Union Pacific Railroad Company, 1800 Farnam Street, Omaha, Nebraska 68102, with reference to Folder No. [Folder Number].

ARTICLE 6. TERM

This Agreement shall be effective as of the date first herein written, and shall continue in full force and effect until terminated as provided in Exhibit B.

ARTICLE 7. CALIFORNIA CIVIL CODE § 2782(A)

The parties agree that this Agreement is not, and is not intended to be, a construction contract for purposes of California Civil Code § 2782(a). Accordingly, to the maximum extent permitted by law, the provisions of California

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COPY

Civil Code § 2782(a), as interpreted by the California courts in Southern Pacific Transportation Co. v. Sandyland Protective Association, 224 Cal. App. 3d 1494, 274 Cal. Rptr. 626 (1990), and in other past and future cases, shall not apply to this Agreement.

ARTICLE 8. **SPECIAL PROVISIONS**

None.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first herein written.

WITNESS:

UNION PACIFIC RAILROAD COMPANY

By _____
DIRECTOR CONTRACTS

WITNESS:

[NAME OF LICENSEE]

By _____
Title: _____

EXHIBIT B

SECTION 1. LIMITATION AND SUBORDINATION OF RIGHTS GRANTED.

(a) The rights granted to the Licensee are subject and subordinate to the prior and continuing right and obligation of the Licenser to use and maintain its entire railroad right of way, and are also subject to the right and power of the Licenser to construct, maintain, repair, renew, use, operate, change, modify or relocate railroad tracks, signal, communication, fiber optics or other wire lines, pipelines and other facilities upon, along or across any or all parts of said right of way, any of which may be freely done at any time by the Licenser without liability to the Licensee or to any other party for compensation or damages.

(b) The Licensee's rights are also subject to all outstanding superior rights (including those in favor of licensees, lessees of said right of way, and others) and the right of the Licenser to renew and extend the same, and are granted without covenant of title or quiet enjoyment.

(c) It is expressly stipulated that the Road Crossing is to be a strictly private one and is not intended for public use. The Licensee, without expense to the Licenser, will take any and all necessary action to preserve the private character of the Road Crossing and prevent its use as a public road.

SECTION 2. MAINTENANCE AND USE.

(a) The Licenser, at the sole expense of the Licensee, shall maintain the portion of the Road Crossing lying between the rails of the tracks and for one (1) foot on the outside of each rail; provided, however, that such maintenance work shall be limited to that required for the safe and efficient operation of its tracks, and such other maintenance as the Licenser has agreed to perform on specific request of the Licensee. The Licensee, at its own expense, shall maintain the remaining portion of the Road Crossing and shall keep the rail flangeways clear of obstructions.

(b) The Licensee shall, at its sole expense, maintain, repair, renew and replace any gates, cattle guards, drainage facilities, traffic signs or devices, identification signs approved by the Licenser or other appurtenances shown on Exhibit "A". The Licensee shall, at its own expense, install and thereafter maintain any such appurtenances that may subsequently be required by the Licenser, by law, or by any public authority having jurisdiction. The Licensee shall control vegetation along the right of way on each side of the crossing so that the Licensee's line of sight to approaching trains is not impaired or obstructed by vegetation. All work performed by the Licensee on the right of way shall be done to the satisfaction of the Licenser.

(c) The Licensee shall require all vehicles approaching the crossing to stop a safe distance from the tracks before crossing the tracks. The Licensee shall keep any gate affording access to the Road Crossing closed and locked at all times except during the time of actual passage through it onto or from the Road Crossing. The Licensee shall not do, suffer or permit anything which will or may obstruct, endanger or interfere with, hinder or delay the maintenance and operation of the Licenser's railroad tracks or appurtenant facilities or the facilities or equipment of others lawfully using the Licenser's property. The Licensee shall adequately supervise and police use of said Road Crossing so that no person, vehicle or livestock stops or stands on the Licenser's tracks or attempts to cross the Licenser's railroad tracks when a railroad train, engine, equipment, or car is approaching or occupying the Road Crossing.

SECTION 3. MODIFICATION OR RELOCATION OF ROAD CROSSING.

(a) Whenever the Licenser deems it necessary or desirable in the furtherance of its railroad operating requirements or for the improvement and use of its property to modify or relocate the Road Crossing:

(1) the Licenser shall, at the sole expense of the Licensee, modify or move the portion of the Road Crossing lying between the rails of the tracks and for one (1) foot on the outside of each rail; and

(2) the Licensee shall, at the Licensee's sole expense, modify or move the remaining portion of the Road Crossing and the appurtenances thereto.

(b) All the terms of this agreement shall govern the continued maintenance and use of the Road Crossing as modified or relocated pursuant to this section.

SECTION 4. PROTECTION OF FIBER OPTIC CABLE SYSTEMS.

(a) Fiber optic cable systems may be buried on the Licenser's property. Licensee shall telephone the Licenser at 1-800-336-9193 (a 24-hour number) to determine if fiber optic cable is buried anywhere on the Licenser's premises to be used by the Licensee. If it is, Licensee will telephone the telecommunications company(ies) involved, arrange for a cable locator, and make arrangements for relocation or other protection of the fiber optic cable prior to beginning any work on the Licenser's premises.

(b) In addition to the liability terms elsewhere in this Agreement, the Licensee shall indemnify and hold the Licenser harmless against and from all cost, liability, and expense whatsoever (including, without limitation, attorneys' fees and court costs and expenses) arising out of or in any way contributed to by any act or omission of the Licensee, its contractor, agents

and/or employees, that causes or in any way or degree contributes to (1) any damage to or destruction of any telecommunications system by the Licensee, and/or its contractor, agents and/or employees, on Licensors property, (2) any injury to or death of any person employed by or on behalf of any telecommunications company, and/or its contractor, agents and/or employees, on Licensors property, and/or (3) any claim or cause of action for alleged loss of profits or revenue by, or loss of service by a customer or user of, such telecommunication company(ies).

SECTION 5. INDEMNITY.

The Licensee assumes the risk of and shall indemnify and hold harmless the Licensors and other railroad companies which use the property of the Licensors, their officers, agents and employees, against and from any and all loss, damages, claims, demands, actions, causes of action, costs, attorneys' fees, fines, penalties and expenses of whatsoever nature (hereinafter "Loss") which may result from: (1) injury to or death of persons whomsoever, (including officers, agents and employees of the Licensors and of the Licensee, as well as other persons); (2) loss of or damage to property whatsoever (including damage to property of or in the custody of the Licensee and damage to the roadbed, tracks, equipment or other property of or in the custody of the Licensors and such other railroad companies, as well as other property); or (3) the Licensees failure to comply with any federal, state or local law, regulation, or enactment; when such Loss is due to or arises in connection with or as a result of:

- (a) the construction of the Road Crossing;
- (b) any work done by the Licensee on or in connection with the Road Crossing;
- (c) the use of said Road Crossing by the Licensee, or the officers, agents, employees, patrons or invitees of the Licensee, or by any other person;
- (d) the use of said Road Crossing by the Licensees successors or assigns or the officers, agents, employees, patrons or invitees of the Licensees successors or assigns until the Licensee either complies with the provisions of Section 8 or terminates the agreement as provided in Section 6; or

- (e) the breach of any covenant or obligation assumed by or imposed on the Licensee pursuant to this agreement, or the failure of the Licensee to promptly and fully do any act or work for which the Licensee is responsible pursuant to this agreement;

regardless of whether such Loss is caused solely or contributed to in part by the negligence of the Licensors, its officers, agents or employees.

SECTION 6. TERMINATION ON BREACH OR ON NOTICE.

- (a) It is agreed that the breach of any covenant, stipulation or condition herein contained to be kept and performed by the Licensee shall, at the option of the Lensors, forthwith work a termination of this agreement and all rights of the Licensee hereunder. A waiver by the Lensors of a breach by the Licensee of any covenant or condition of this agreement shall not impair the right of the Lensors to avail itself of any subsequent breach thereof.

- (b) This agreement may be terminated by either party on thirty (30) days' written notice to the other party.

SECTION 7. REMOVAL OF ROAD CROSSING.

- (a) Upon termination of this agreement howsoever, the Lensors shall, at the sole expense of the Licensee, remove said Road Crossing and restore the premises of the Lensors to a condition comparable to that existing immediately prior to the construction of said Road Crossing.

- (b) In the event of the removal of the Road Crossing as in this section provided, the Lensors shall not be liable to the Licensee for any damage sustained by the Licensee for or on account of such removal, and such removal shall not prejudice or impair any right of action for damage, or otherwise, which the Lensors may have against the Licensee.

SECTION 8. ASSIGNMENT.

The Licensee shall not assign this agreement, or any interest therein to any purchaser, lessee or other holder of the property served by the crossing or to any other person, without the written consent of the Lensors. If the Licensee fails to secure the Lensors' consent to any assignment, the Licensee will continue to be responsible for obligations and liabilities assumed herein.

SECTION 9. SUCCESSORS AND ASSIGNS.

Subject to the provisions of Section 8 hereof, this agreement shall be binding upon and inure to the benefit of the parties hereto, their respective heirs, executors, administrators, successors and assigns.

FORM A

EXHIBIT B-1

Individual and Residential
Private Grade Crossing and/or Encroachment
Insurance Requirements

Licensee and/or its Contractor/Subcontractor shall, at its own and/or its Contractor's/Subcontractor's sole cost and expense, procure the following kinds of insurance and promptly pay when due all premiums for that insurance. If it so elects, Licensor shall have the right to obtain such insurance and Licensee shall promptly reimburse Licensor for that expense. The following insurance shall be kept in force during the life of this Agreement:

General Public Liability insurance providing bodily injury, including death, personal injury and property damage coverage with a combined single limit of at least \$500,000 each occurrence or claim and a general aggregate limit of at least \$500,000. This insurance shall provide Broad Form Contractual Liability covering the indemnity provisions contained in this Agreement, severability of interests and name Licensor as an additional insured with respect to all liabilities arising out of Licensee's obligation to Licensor in the Agreement. If coverage is purchased on a 'claims made' basis it shall provide for at least a three (3) year extended reporting or discovery period, which shall be invoked should insurance covering the time period of this Agreement be cancelled.

Automobile Public Liability insurance providing bodily injury and property damage with a combined single limit of at least \$500,000 each occurrence or claim. This insurance shall provide contractual liability by endorsement ISO Form CA 00 25 or equivalent covering all motor vehicles including hired and non-owned, severability of interests and name Licensor as an additional insured with respect to all liabilities arising out of Licensee's obligation to Licensor in the Agreement.

The Licensee and/or its Contractor/Subcontractor hereby waives its right of subrogation, as respects the above insurance policy(ies), against Licensor for payments made to or on behalf of employees of Licensee or its agents and for loss of its owned or leased property or property under its care, custody and control while on or near Licensor's right-of-way or other real property. Licensee's and/or its Contractor's/Subcontractor's insurance shall be primary with respect to any insurance carried by Licensor.

Licensee and/or its Contractor/Subcontractor shall furnish to Licensor certificate(s) of insurance evidencing the required coverage and endorsement(s) and upon request a certified duplicate original of any of those policies. The insurance company(ies) issuing such policy(ies) shall notify Licensor in writing at least thirty (30) days prior to making any material alteration, including any change in the retroactive date in any 'claims-made' policies or substantial reduction of aggregate limits (if such limits apply), or cancellation of any policy(ies).

The insurance policy(ies) shall be written by a reputable insurance company or companies acceptable to Licensor or with a current Best's Insurance Guide Rating of B and Class VII or better. Such insurance company shall be authorized to transact business in the state(s) affected by this Agreement.

FORM B

EXHIBIT B-1

Small Commercial
Private Grade Crossing and/or Encroachment
Insurance Requirements

Licensee and/or its Contractor/Subcontractor shall, at its own and/or its Contractor's/Subcontractor's sole cost and expense, procure the following kinds of insurance and promptly pay when due all premiums for that insurance. If it so elects, Licensor shall have the right to obtain such insurance and Licensee shall promptly reimburse Licensor for that expense. The following insurance shall be kept in force during the life of this Agreement:

General Public Liability insurance providing bodily injury, including death, personal injury and property damage coverage with a combined single limit of at least \$1,000,000 each occurrence or claim and a general aggregate limit of at least \$2,000,000. This insurance shall provide Broad Form Contractual Liability covering the indemnity provisions contained in this Agreement, Broad Form Property Damage, a waiver of governmental immunity (ISO Form GL 24 14 or equivalent), coverage for construction or demolition work on or near the railroad tracks, severability of interests and name Licensor as an additional insured with respect to all liabilities arising out of Licensee's obligation to Licensor in the Agreement. If coverage is purchased on a 'claims-made' basis it shall provide for at least a three (3) year extended reporting or discovery period, which shall be invoked should insurance covering the time period of this Agreement be cancelled.

Automobile Public Liability insurance providing bodily injury and property damage with a combined single limit of at least \$1,000,000 each occurrence or claim. This insurance shall provide contractual liability by endorsement ISO Form CA 00 25 or equivalent covering all motor vehicles including hired and non-owned, mobile equipment to the extent it may be excluded from general liability insurance, severability of interests and name Licensor as an additional insured with respect to all liabilities arising out of Licensee's obligation to Licensor in the Agreement.

Worker's Compensation insurance covering the statutory liability as determined by the compensation laws of the state(s) affected by this Agreement and Employer's Liability. also compliance with all laws of states which require participation in their state workers' compensation fund.

The Licensee and/or its Contractor/Subcontractor hereby waives its right of subrogation, as respects the above insurance policy(ies), against Licensor for payments made to or on behalf of employees of Licensee or its agents and for loss of its owned or leased property or property under its care, custody and control while on or near Licensor's right-of-way or other real property. Licensee's and/or its Contractor's/Subcontractor's insurance shall be primary with respect to any insurance carried by Licensor.

Licensee and/or its Contractor/Subcontractor shall furnish to Licensor certificate(s) of insurance evidencing the required coverage and endorsement(s) and upon request a certified duplicate original of any of those policies. The insurance company(ies) issuing such policy(ies) shall notify Licensor in writing at least thirty (30) days prior to making any material alteration, including any change in the retroactive date in any 'claims-made' policies or substantial reduction of aggregate limits (if such limits apply), or cancellation of any policy(ies).

The insurance policy(ies) shall be written by a reputable insurance company or companies acceptable to Licensor or with a current Best's Insurance Guide Rating of B and Class VII or better. Such insurance company shall be authorized to transact business in the state(s) affected by this Agreement.

FORM C

EXHIBIT B-1

Large Commercial, Industrial, Contractors
Private Grade Crossing and/or Encroachment
Contractor's Road Crossing Insurance Requirements

Licensee and/or its Contractor/Subcontractor shall, at its own and/or its Contractor's/Subcontractor's sole cost and expense, procure the following kinds of insurance and promptly pay when due all premiums for that insurance. If it so elects, Licensors shall have the right to obtain such insurance and Licensee shall promptly reimburse Licensors for that expense. The following insurance shall be kept in force during the life of this Agreement:

General Public Liability insurance providing bodily injury, including death, personal injury and property damage coverage with a combined single limit of at least \$2,000,000 each occurrence or claim and a general aggregate limit of at least \$4,000,000. This insurance shall provide Broad Form Contractual Liability covering the indemnity provisions contained in this Agreement, Broad Form Property Damage, a waiver of governmental immunity (ISO Form GL 24 14 or equivalent), coverage for construction or demolition work on or near the railroad tracks, severability of interests and name Licensors as an additional insured with respect to all liabilities arising out of Licensee's obligation to Licensors in the Agreement. If coverage is purchased on a 'claims-made' basis it shall provide for at least a three (3) year extended reporting or discovery period, which shall be invoked should insurance covering the time period of this Agreement be cancelled.

Automobile Public Liability insurance providing bodily injury and property damage with a combined single limit of at least \$2,000,000 each occurrence or claim. This insurance shall provide contractual liability by endorsement ISO Form CA 00 25 or equivalent covering all motor vehicles including hired and non-owned, mobile equipment to the extent it may be excluded from general liability insurance, severability of interests and name Licensors as an additional insured with respect to all liabilities arising out of Licensee's obligation to Licensors in the Agreement.

Worker's Compensation insurance covering the statutory liability as determined by the compensation laws of the state(s) affected by this Agreement and Employer's Liability. also compliance with all laws of states which require participation in their state workers' compensation fund.

The Licensee and/or its Contractor/Subcontractor hereby waives its right of subrogation, as respects the above insurance policy(ies), against Licensors for payments made to or on behalf of employees of Licensee or its agents and for loss of its owned or leased property or property under its care, custody and control while on or near Licensors' right-of-way or other real property. Licensee's and/or its Contractor's/Subcontractor's insurance shall be primary with respect to any insurance carried by Licensors.

Licensee and/or its Contractor/Subcontractor shall furnish to Licensors certificate(s) of insurance evidencing the required coverage and endorsement(s) and upon request a certified duplicate original of any of those policies. The insurance company(ies) issuing such policy(ies) shall notify Licensors in writing at least thirty (30) days prior to making any material alteration, including any change in the retroactive date in any 'claims-made' policies or substantial reduction of aggregate limits (if such limits apply), or cancellation of any policy(ies).

The insurance policy(ies) shall be written by a reputable insurance company or companies acceptable to Licensors or with a current Best's Insurance Guide Rating of B and Class VII or better. Such insurance company shall be authorized to transact business in the state(s) affected by this Agreement.

CERTIFICATE **DISCLOSURE OF OWNERSHIP/PRINCIPALS**

EXHIBIT M

CITY COUNCIL MEETING OF MAY 16, 2001

Pg. 1257

1. Definitions

"City" means the City of Las Vegas.

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

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

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

2. Policy

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

3. Instructions

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

4. Incorporation

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

Block 1	<u>Contracting Entity</u>
Union Pacific Railroad Company	
<u>Name</u>	
1416 Dodge Street, Omaha, NE 68179	
<u>Address</u>	
(402) 997-3555	
<u>Telephone</u>	
94-6001323	
<u>EIN or DUNS</u>	

Block 2	<u>Description</u>
<u>Subject Matter of Contract/Agreement:</u>	
<u>RFP #</u>	

Block 3	<u>Type of Business</u>
☐ Individual ☐ Partnership ☐ Limited Liability Company ☒ Corporation	

[June 2000]

1

**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.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			

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: _____

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:	Form 10-Q and Form 10-K		
Date of Attached Document:	10-Q: 09/30/00	Number of Pages:	28
	10-K: 12/31/99		51

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.

Barbara Holden

Name Assistant Secretary

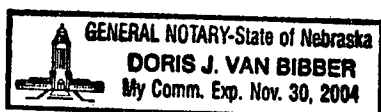
December 21, 2000

Date

Subscribed and sworn to before me this 21st day of

December, 2000.

Doris J. Van Bibber
Notary Public



[June 2000]

FORM 10-Q

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2000

- OR -

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 1-6146

UNION PACIFIC RAILROAD COMPANY
(Exact name of registrant as specified in its charter)

DELAWARE
(State or other jurisdiction of
incorporation or organization)

94-6001323
(I.R.S. Employer
Identification No.)

1416 DODGE STREET, OMAHA, NEBRASKA
(Address of principal executive offices)

68179
(Zip Code)

(402) 271-5000
(Registrant's telephone number, including area code)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES ☒ NO ☐

As of October 31, 2000 the Registrant had outstanding 7,130 shares of Common Stock, \$10 par value, and 620 shares of Class A Stock, \$10 par value.

THE REGISTRANT MEETS THE CONDITIONS SET FORTH IN GENERAL INSTRUCTIONS H(1)(a) AND (b) OF FORM 10-Q AND IS THEREFORE FILING THIS FORM WITH THE REDUCED DISCLOSURE FORMAT.

**UNION PACIFIC RAILROAD COMPANY
AND CONSOLIDATED SUBSIDIARY AND AFFILIATE COMPANIES
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PART I - FINANCIAL INFORMATION**Item 1. Consolidated Financial Statements****Statements of Consolidated Income (Unaudited)**

Union Pacific Railroad Company and Consolidated Subsidiary and Affiliate Companies
For the Three Months Ended September 30, 2000 and 1999

<i>Millions of Dollars, Except Ratios</i>		<i>2000</i>	<i>1999</i>
Operating Revenues	Rail and other.....	\$2,773	\$2,606
Operating Expenses	Salaries, wages and employee benefits	877	915
	Equipment and other rents	325	315
	Depreciation.....	272	259
	Fuel and utilities (Note 3)	326	199
	Materials and supplies.....	135	135
	Casualty costs	81	70
	Other costs	194	198
	Total.....	2,210	2,091
Income	Operating Income	563	515
	Other income (Note 5)	16	23
	Interest expense.....	(146)	(158)
	Income before Income Taxes.....	433	380
	Income taxes	(159)	(146)
	Net Income.....	\$ 274	\$ 234
	Ratio of Earnings to Fixed Charges (Note 6)	3.2	2.8

The accompanying notes are an integral part of these consolidated financial statements.

Statements of Consolidated Income (Unaudited)
Union Pacific Railroad Company and Consolidated Subsidiary and Affiliate Companies
For the Nine Months Ended September 30, 2000 and 1999

	<i>Millions of Dollars, Except Ratios</i>	<i>2000</i>	<i>1999</i>
Operating Revenues	Rail and other.....	\$8,097	\$7,576
Operating Expenses	Salaries, wages and employee benefits	2,618	2,694
	Equipment and other rents	923	930
	Depreciation.....	812	773
	Fuel and utilities (Note 3)	913	567
	Materials and supplies.....	421	401
	Casualty costs	239	254
	Other costs	604	641
	Total.....	6,530	6,260
Income	Operating Income	1,567	1,316
	Other income (Note 5)	58	63
	Interest expense.....	(444)	(469)
	Income before Income Taxes	1,181	910
	Income taxes	(429)	(321)
	Net Income.....	\$ 752	\$ 589
	Ratio of Earnings to Fixed Charges (Note 6)	3.1	2.4

The accompanying notes are an integral part of these consolidated financial statements.

Statements of Consolidated Financial Position*Union Pacific Railroad Company and Consolidated Subsidiary and Affiliate Companies*

<i>Millions of Dollars</i>		<i>(Unaudited)</i> Sept. 30, 2000	Dec. 31, 1999
Assets			
Current Assets	Cash and temporary investments	\$ 39	\$ 83
	Accounts receivable (Note 3)	457	418
	Inventories	321	329
	Current deferred tax asset	48	48
	Other current assets	67	78
	Total	932	956
Investments	Investments in and advances to affiliated companies ..	622	657
	Other investments	84	95
	Total	706	752
Properties	Cost	34,497	33,536
	Accumulated depreciation	(6,795)	(6,490)
	Net	27,702	27,046
Other	Other assets	148	126
	Total Assets	\$29,488	\$28,880
Liabilities and Stockholders' Equity			
Current Liabilities	Accounts payable	\$ 490	\$ 496
	Accrued wages and vacation	399	377
	Accrued casualty costs	348	344
	Income and other taxes	251	252
	Debt due within one year	210	210
	Interest	74	97
	Other current liabilities	547	669
	Total	2,319	2,445
Other Liabilities and Stockholders' Equity	Intercompany borrowing from UPC	5,247	5,357
	Third-party debt due after one year	2,425	2,419
	Deferred income taxes	7,630	7,266
	Accrued casualty costs	823	911
	Retiree benefit obligations	676	677
	Other long-term liabilities	487	533
	Redeemable preference shares	24	25
	Common stockholders' equity (Page 5)	9,857	9,247
Total Liabilities and Stockholders' Equity		\$29,488	\$28,880

The accompanying notes are an integral part of these consolidated financial statements.

Statements of Consolidated Cash Flows (Unaudited)
Union Pacific Railroad Company and Consolidated Subsidiary and Affiliate Companies
For the Nine Months Ended September 30, 2000 and 1999

<i>Millions of Dollars</i>		<i>2000</i>	<i>1999</i>
Operating Activities	Net Income	\$ 752	\$ 589
	Non-cash charges to income:		
	Depreciation.....	812	773
	Deferred income taxes	360	456
	Other – net.....	(309)	(315)
	Changes in current assets and liabilities.....	(146)	19
	Cash Provided by Operations.....	1,469	1,522
Investing Activities	Capital investments.....	(1,392)	(1,317)
	Other – net	128	39
	Cash Used in Investing Activities	(1,264)	(1,278)
Equity and Financing Activities	Debt repaid	(159)	(143)
	Net financings	171	34
	Dividends paid to parent	(150)	(150)
	Advances from affiliated companies – net.....	(111)	33
	Cash Used in Equity and Financing Activities.....	(249)	(226)
	Net Change in Cash and Temporary Investments	(44)	18
	Cash at Beginning of Period	83	35
	Cash at End of Period	\$ 39	\$ 53
Changes in Current Assets and Liabilities	Accounts receivable.....	\$ (39)	\$ 40
	Inventories	8	9
	Other current assets.....	11	76
	Accounts payable, accrued wages and vacation.....	16	61
	Debt due within one year	-	25
	Other current liabilities	(142)	(192)
	Total.....	\$ (146)	\$ 19
Supplemental cash flow information			
Cash paid (received) during the year for:			
	Interest	\$ 170	\$ 176
	Income taxes, net.....	58	(151)

The accompanying notes are an integral part of these consolidated financial statements.

Statement of Changes in Common Stockholders' Equity (Unaudited)
Union Pacific Railroad and Consolidated Subsidiary and Affiliate Companies
For the Nine Months Ended September 30, 2000

<i>Millions of Dollars</i>	<i>[a] Common Shares</i>	<i>[b] Class A Shares</i>	<i>Paid-in- Surplus</i>	<i>Retained Earnings</i>	<i>Accumulated Other Comprehensive Income</i>	<i>Total</i>
Balance at December 31, 1999	-	-	\$4,782	\$4,471	\$(6)	\$9,247
Net Income	-	-	-	752	-	752
Other Comprehensive Income:						
Foreign Currency Translation.....	-	-	-	-	8	8
Comprehensive Income	-	-	-	-	-	760
Dividends declared.....	-	-	-	(150)	-	(150)
Balance at September 30, 2000	-	-	\$4,782	\$5,073	\$ 2	\$9,857

[a] Common stock \$10.00 par value; 9,200 shares authorized; 4,465 shares issued at beginning and end of period.

[b] Class A Stock, \$10.00 par value; 800 shares authorized; 388 shares issued at beginning and end of period.

The accompanying notes are an integral part of these consolidated financial statements.

**UNION PACIFIC RAILROAD COMPANY AND CONSOLIDATED SUBSIDIARY AND
AFFILIATE COMPANIES**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

1. **Responsibilities for Financial Statements** - Union Pacific Railroad Company (the Registrant or UPRR), a Class I railroad incorporated in Delaware and a wholly owned subsidiary of Union Pacific Corporation (the Corporation or UPC), together with a number of wholly owned and majority-owned subsidiaries, certain affiliates and various minority-owned companies (collectively, the Company or Railroad), operates various railroad and railroad-related businesses. The consolidated financial statements of the Company are unaudited and reflect all adjustments (consisting only of normal and recurring adjustments) that are, in the opinion of management, necessary for a fair presentation of the financial position and operating results for the interim periods presented. The consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto contained in the Company's Annual Report on Form 10-K for the year ended December 31, 1999. The results of operations for the three and nine months ended September 30, 2000 are not necessarily indicative of the results for the year ending December 31, 2000.

2. **Acquisitions**

Southern Pacific (Southern Pacific or SP) - UPC consummated the acquisition of Southern Pacific in September 1996. Southern Pacific was acquired for \$4.1 billion (60% of the outstanding Southern Pacific common shares were converted into UPC common stock, and the remaining 40% of the outstanding shares were acquired for cash). UPC's investment in Southern Pacific was subsequently pushed down to the Railroad. The acquisition of Southern Pacific has been accounted for using the purchase method of accounting and was fully consolidated into the Company's results beginning October 1996.

Merger Consolidation Activities - In connection with the acquisition and continuing integration of UPRR and Southern Pacific's rail operations, the Company is in the process of eliminating 5,200 duplicate positions, which are primarily employees involved in activities other than train, engine and yard activities. In addition, the Company is relocating 4,700 positions, merging or disposing of redundant facilities, and disposing of certain rail lines. The Company is also canceling uneconomical and duplicative SP contracts.

To date, the Company has eliminated approximately 3,620 positions and relocated approximately 4,510 employees due to merger consolidation activities. The Company recognized a \$958 million pre-tax liability as part of the SP purchase price allocation for costs associated with SP's portion of these activities. In addition, the Railroad expects to incur between \$10 million and \$30 million over the remaining merger implementation period in pre-tax, acquisition-related costs for severing or relocating UPRR employees, disposing of certain UPRR facilities, training and equipment upgrading. Earnings for the three months ending September 30, 2000 and 1999 included \$4 million and \$13 million after-tax, respectively, and for the nine months ending September 30, 2000 and 1999, included \$15 million and \$30 million after-tax, respectively, for acquisition-related costs for UPRR consolidation activities.

The components of the merger liability as of September 30, 2000 were as follows:

<i>Millions of Dollars</i>	<i>Original Reserve</i>	<i>Cumulative Activity</i>	<i>Current Reserve</i>
Labor protection related to legislated and contractual obligations..	\$361	\$361	\$ -
Severance costs.....	343	271	72
Contract cancellation fees and facility and line closure costs.....	145	141	4
Relocation costs.....	109	95	14
Total	\$958	\$868	\$90

Merger liability activity reflects cash payments for merger consolidation activities and reclassification of contractual obligations from merger liabilities to contractual liabilities. In addition, where merger implementation has varied from the original merger plan, the Company has adjusted the merger liability and the fair value allocation of SP's purchase price to fixed assets to eliminate the variance. Where the merger implementation has caused the Company to incur more costs than were envisioned in the original merger plan, such costs are charged to expense in the period incurred. For the three and nine months ended September 30, 2000, the Company charged \$3 million and \$9 million against the merger liability, respectively. The Company expects that the remaining merger payments will be made over the course of the next 15 months as labor negotiations are completed and implemented, and related merger consolidation activities are finalized.

Mexican Railway Concession - During 1997, the Company and a consortium of partners were granted a 50-year concession to operate the Pacific-North and Chihuahua Pacific lines in Mexico and a 25% stake in the Mexico City Terminal Company at a price of \$525 million. The consortium assumed operational control of both lines in 1998. In March 1999, the Company purchased an additional 13% ownership interest for \$87 million from one of its partners. The Company now holds a 26% ownership share in the consortium. The investment is accounted for under the equity method. The Company's portion of the consortium's assets and liabilities is translated into U.S. dollars using the exchange rate in effect at the balance sheet date. The Company's portion of the consortium's net income is translated into U.S. dollars at weighted-average exchange rates prevailing during the year. The resulting translation adjustments are reflected within the stockholders' equity component, accumulated other comprehensive income.

3. Financial Instruments

Strategy and Risk - The Company uses derivative financial instruments in limited instances and for other than trading purposes to manage risk as it relates to changes in fuel prices. The Company uses swaps, futures and/or forward contracts to mitigate the downside risk of adverse price movements; however, the use of these instruments also limits future gains from favorable price movements. The purpose of this program is to protect the Company's operating margins and overall profitability from adverse fuel price changes.

Market and Credit Risk - The Company addresses market risk related to these instruments by selecting instruments whose value fluctuations highly correlate with the underlying item being hedged. Credit risk related to derivative financial instruments, which is minimal, is managed by requiring high credit standards for counterparties and periodic settlements. The total credit risk associated with the Company's

counterparties was \$16 million at September 30, 2000. The Company has not been required to provide collateral; however, the Company has received collateral relating to its hedging activity where the concentration of credit risk was substantial.

Determination of Fair Value - The fair market values of the Company's derivative financial instrument positions at September 30, 2000 and December 31, 1999, detailed below, were determined based upon current fair market values as quoted by recognized dealers or developed based upon the present value of future cash flows discounted at the applicable U.S. treasury rate and swap spread.

The following is a summary of the Company's derivative financial instruments at September 30, 2000 and December 31, 1999:

<i>Millions</i>	<i>September 30,</i>	<i>December 31,</i>
<i>Except Percentages and Average Commodity Prices</i>	<i>2000</i>	<i>1999</i>
Fuel Hedging:		
Number of gallons hedged for the remainder of 2000	32	126
Percentage of forecasted 2000 fuel consumption hedged	9%	10%
Average price of 2000 hedges outstanding (per gallon) [a]	\$0.40	\$0.40

[a] Excluding taxes, transportation costs, and regional pricing spreads.

The asset and liability positions of the Company's outstanding derivative financial instruments at September 30, 2000 and December 31, 1999 are as follows:

<i>Millions of Dollars</i>	<i>September 30,</i>	<i>December 31,</i>
	<i>2000</i>	<i>1999</i>
Fuel Hedging:		
Gross fair market asset position	\$16	\$22
Gross fair market (liability) position	-	-
Total net asset position	\$16	\$22

The Company's use of derivative financial instruments for fuel hedging decreased fuel costs by \$15 million and \$26 million for the three months ended September 30, 2000 and 1999, respectively, and decreased fuel costs by \$35 million and \$7 million for the nine months ended September 30, 2000 and 1999, respectively.

Sale of Receivables - The Railroad has sold, on a revolving basis, an undivided percentage ownership interest in a designated pool of accounts receivable to third parties through a bankruptcy-remote subsidiary (the Subsidiary). The Subsidiary is collateralized by a \$66 million note from the Registrant. The amount of receivables sold fluctuates based upon the availability of the designated pool of receivables and is directly affected by changing business volumes and credit risks. At September 30, 2000 and December 31, 1999, accounts receivable are presented net of \$603 million and \$576 million, respectively, of receivables sold.

4. **Capital Stock** - The number of shares shown in the Common Stock section of the Statement of Changes in Common Stockholders' Equity on page 5 excludes 2,665 shares of Common Stock and 232 shares of Class A Stock owned by Southern Pacific Rail Corporation, an affiliate of the Registrant, whose results are included in the consolidated financial statements.

5. **Other Income** - Other income included the following for the three and nine months ended September 30, 2000 and 1999:

<i>Millions of Dollars</i>	<i>Three Months Ended Sept. 30,</i>		<i>Nine Months Ended Sept. 30,</i>	
	<i>2000</i>	<i>1999</i>	<i>2000</i>	<i>1999</i>
Net gain on asset dispositions.....	\$15	\$17	\$37	\$35
Rental income.....	14	15	43	40
Interest income.....	1	1	4	5
Other - net.....	(14)	(10)	(26)	(17)
Total.....	\$16	\$23	\$58	\$63

6. **Ratio of Earnings to Fixed Charges** - The ratio of earnings to fixed charges has been computed on a consolidated basis. Earnings represent net income less equity in undistributed earnings of unconsolidated affiliates, plus income taxes and fixed charges. Fixed charges represent interest, amortization of debt discount and the estimated interest portion of rental charges.
7. **Commitments and Contingencies** - There are various claims and lawsuits pending against the Company. The Company is also subject to federal, state and local environmental laws and regulations, pursuant to which it is currently participating in the investigation and remediation of numerous sites. In addition, the Company periodically enters into financial and other commitments in connection with its business, and has retained certain contingent liabilities upon the disposition of formerly owned operations. It is not possible at this time for the Company to determine fully the effect of all unasserted claims on its consolidated financial condition, results of operations or liquidity; however, to the extent possible, where unasserted claims can be estimated and where such claims are considered probable, the Company has recorded a liability. The Company does not expect that any known lawsuits, claims, environmental costs, commitments or guarantees will have a material adverse effect on its consolidated financial condition, results of operations or liquidity. Certain potentially significant contingencies relating to the Company are detailed below:

Customer Claims - Some customers have submitted claims for damages related to shipments delayed by the Railroad as a result of congestion problems in 1997 and 1998, and certain customers have filed lawsuits seeking relief related to such delays. Some customers also asserted that they have the right to cancel contracts as a result of alleged material breaches of such contracts by the Railroad. The Company accrued amounts for these claims in 1997 and 1998. No additional amounts were accrued in 1999 or the nine months ended September 30, 2000.

Environmental Issues - For environmental sites where remediation costs can be reasonably determined, and where such remediation is probable, the Company has recorded a liability.

Shareholder Lawsuits - UPC and certain of its directors and officers (who are also directors of the Railroad) are defendants in two purported class actions that have been consolidated into one proceeding (the Class Action). The consolidated complaint alleges, among other things, that UPC violated the federal securities laws by failing to disclose material facts and making materially false and misleading statements concerning the service, congestion and safety problems encountered following UPC's acquisition of Southern Pacific in 1996. These lawsuits were filed in late 1997 in the United States District Court for the Northern District of Texas and seek to recover unspecified amounts of damages. Management believes that the plaintiffs' claims are without merit and has been defending them vigorously. The defendants moved to dismiss this action, and the motion was briefed and submitted to the Court for decision in 1998. In February 2000, prior

to a ruling on the motion, the parties jointly advised the Court that they were engaged in discussions concerning the possible settlement of the action and asked the Court to defer ruling on the motion to dismiss pending the outcome of these discussions. The Court entered an order dated February 29, 2000 agreeing to such deferral, subject to the motion of either party to reactivate the action and the pending motion to dismiss at any time.

In addition to the Class Action, a purported derivative action was filed on behalf of UPC and the Railroad in September 1998 in the District Court for Tarrant County, Texas, naming as defendants the then-current and certain former directors of UPC and the Railroad and, as nominal defendants, UPC and the Railroad (the Derivative Action and together with the Class Action, the Actions). The Derivative Action alleges, among other things, that the named directors breached their fiduciary duties to UPC and the Railroad by approving and implementing the Southern Pacific merger without informing themselves of its impact or ensuring that adequate controls were put in place and by causing UPC and the Railroad to make misrepresentations about the Railroad's service problems to the financial markets and regulatory authorities. The individual defendants also believe that these claims are without merit and have defended them vigorously.

In December 1998, UPC's Board of Directors established a special litigation committee consisting of three independent directors to review the plaintiff's allegations under the Derivative Action to determine whether it was in UPC's best interest to pursue them. In February 1999, the committee rendered its report, in which it unanimously concluded that further prosecution of the Derivative Action on behalf of UPC and the Railroad was not in the best interest of either such company. Accordingly, UPC and the Railroad filed a motion with the Court to dismiss the Derivative Action.

Prior to any ruling on the motions to dismiss the Class Action and the Derivative Action, counsel for UPC, the Railroad and certain officers and directors of UPC and the Railroad entered into a Memorandum of Understanding (the MOU), dated June 28, 2000, with counsel for the plaintiffs in the Class Action and Derivative Action, providing for the settlement of the Actions. The MOU provides, among other things, that the Class Action will be settled for \$34,025,000 in cash (the Settlement Payment), the full amount of which will be covered by UPC's insurance carriers. Counsel for the plaintiffs in the Class Action will apply to the court for any award of their fees and expenses, to be paid out of the Settlement Payment. The MOU also provides that, in settlement of the Derivative Action, UPC will adopt certain additional procedures which will reinforce its continuing effort to ensure both the effective implementation of its merger with Southern Pacific and its ongoing commitment to rail safety. In addition, in the event of any proposed merger or other transaction involving consolidation of UPC and a rail system of greater than 1,000 miles in length of road, UPC will commission a study, to be completed in advance of any formal application to a U.S., Canadian or Mexican federal regulatory board, to analyze prospective safety and congestion-related issues. As part of the terms of the Derivative Action settlement, counsel for the plaintiffs will receive such fees and expenses as may be awarded by the Court, up to an aggregate amount of \$975,000. Such amount will also be fully covered by UPC's insurance carriers.

On October 12, 2000, counsel for the respective parties in the Class Action and the Derivative Action entered into definitive Stipulations of Compromise and Settlement (the Stipulations), providing for the settlement of the Actions on the terms described above, subject to court approval. By order dated October 17, 2000, the court in which the Class Action is pending preliminarily approved the settlement of that Action and scheduled a hearing for December 13, 2000, on the question of whether the proposed settlement should be approved as fair, reasonable and adequate to the members of the class, and the amount of fees,

expenses and disbursements to be awarded to plaintiffs' counsel. By order dated October 23, 2000, the court in which the Derivative Action is pending preliminarily approved the settlement of that Action and scheduled a hearing, also for December 13, 2000, on the question of whether the proposed settlement of that action is fair, reasonable and in the best interest of UPC, its shareholders and the Railroad and the amount of fees, expenses and disbursements to be awarded to plaintiff's counsel. As of October 26, 2000, pursuant to the court orders in each of the Actions, notice of the proposed settlements and fairness hearings were mailed to those UPC shareholders affected by the Actions.

The settlement of each of the Actions is subject to, among other conditions, the entry of a final judgment approving each settlement by the respective courts in which each Action is pending. Notwithstanding the existence of the MOU, the Stipulations, and the court orders preliminarily approving the proposed settlements, there can be no assurances that a definitive settlement will be consummated with respect to either Action. UPC, the Railroad and the individual defendants named in the Actions entered into the MOU and Stipulations solely for the purpose of avoiding the further expense, inconvenience, burden and uncertainty of the Actions, and their decision to do so is not an admission or concession or evidence of any liability or wrongdoing on the part of any party to either Action, which liability and wrongdoing have consistently been, and continue to be, denied.

8. **Accounting Pronouncements** - In June 1998, the Financial Accounting Standards Board (FASB) issued Statement No. 133, "Accounting for Derivative Instruments and Hedging Activities" (FAS 133), that would have been effective January 1, 2000. In June 1999, the FASB issued Statement No. 137, "Accounting for Derivatives Instruments and Hedging Activities-Deferral of the Effective Date of FASB Statement No. 133" postponing the effective date for implementing FAS 133 to fiscal years beginning after June 15, 2000. In June 2000, the FASB issued Statement No. 138, "Accounting for Certain Derivative Instruments and Certain Hedging Activities" (FAS 138). FAS 138 addresses certain issues related to the implementation of FAS 133, but does not change the basic model of FAS 133 or further delay the implementation of FAS 133. Management has determined that FAS 133 and FAS 138 will increase the volatility of the Company's asset, liability and equity (comprehensive income) positions as the change in the fair market value of all financial instruments the Company uses for fuel hedging purposes will, upon adoption of FAS 133 and FAS 138, be recorded in the Company's Statement of Financial Position (Note 3). In addition, to the extent fuel hedges are ineffective due to pricing differentials resulting from the geographic dispersion of the Company's operations, income statement recognition of the ineffective portion of the hedge position will be required. Management does not anticipate that the final adoption of FAS 133 and FAS 138 will have a material impact on the Company's consolidated financial statements.

In December 1999, the Securities and Exchange Commission issued Staff Accounting Bulletin 101 (SAB 101), "Revenue Recognition". SAB 101 provides additional guidance on revenue recognition criteria and related disclosure requirements. This SAB is effective beginning in the fourth quarter of 2000. When the SAB becomes effective, it will require implementation as of the beginning of the current fiscal year. If the impact is material, the SAB requires retroactive application to all periods presented. Management is currently assessing the impact that SAB 101 will have on the Company's consolidated financial statements.

In September 2000, the FASB issued Statement No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities" (FAS 140), replacing FAS 125. FAS 140 revises criteria for accounting for securitizations, other financial asset transfers and collateral, and introduces new disclosures. FAS 140 is effective for fiscal 2000 in respect to the new disclosure requirements and

amendments of the collateral provisions originally presented in FAS 125. All other provisions are effective for transfers of financial assets and extinguishments of liabilities occurring after March 31, 2001. The provisions are to be applied prospectively with certain exceptions. Management is currently assessing the impact that FAS 140 will have on the Corporation's consolidated financial statements.

Item 2. Management's Narrative Analysis of the Results of Operations

**UNION PACIFIC RAILROAD COMPANY AND CONSOLIDATED
SUBSIDIARY AND AFFILIATE COMPANIES
RESULTS OF OPERATIONS**

**Three and Nine Months ended September 30, 2000 Compared to
Three and Nine Months ended September 30, 1999**

Net Income - Rail operations reported net income of \$274 million and \$752 million for the three and nine months ended September 30, 2000, respectively, compared to net income of \$234 million for the third quarter of 1999 and \$589 million for the nine month period in 1999. The increases resulted primarily from higher commodity and other revenue, combined with productivity gains, partially offset by higher fuel prices and volume-related costs.

Operating Revenues - Rail operating revenues increased \$167 million (6%) to a record \$2.8 billion and \$521 million (7%) to a record \$8.1 billion for the three- and nine-month periods ended September 30, 2000, respectively, over the comparable periods in 1999. Revenue carloads increased 4% and 5%, respectively, for the three- and nine-month periods over the comparable periods in 1999. Other revenue gains were the result of higher subsidiary revenues and reduced billing claims from customers and other railroads.

The following tables summarize rail commodity revenue, revenue carloads and average revenue per car for the periods indicated:

<i>Three Months Ended Sept. 30,</i>		<i>% Change</i>	<i>Commodity Revenue In Millions</i>	<i>Nine Months Ended Sept. 30,</i>		<i>% Change</i>
<i>2000</i>	<i>1999</i>			<i>2000</i>	<i>1999</i>	
\$ 363	\$ 367	(1)	Agricultural	\$ 1,047	\$ 1,042	-
280	239	17	Automotive	877	767	14
412	398	3	Chemicals	1,248	1,195	4
586	560	5	Energy	1,605	1,656	(3)
502	492	2	Industrial Products	1,519	1,416	7
506	459	10	Intermodal	1,418	1,273	11
\$2,649	\$2,515	5	Total	\$7,714	\$7,349	5

<i>Revenue Carloads In Thousands</i>						
217	233	(7)	Agricultural	651	670	(3)
196	167	18	Automotive	609	521	17
237	238	-	Chemicals	713	696	2
513	478	7	Energy	1,432	1,403	2
363	365	(1)	Industrial Products	1,094	1,045	5
767	719	7	Intermodal	2,181	2,026	8
2,293	2,200	4	Total	6,680	6,361	5

<i>Average Revenue Per Car</i>						
\$1,673	\$1,576	6	Agricultural	\$1,607	\$1,555	3
1,425	1,430	-	Automotive	1,439	1,472	(2)
1,738	1,673	4	Chemicals	1,752	1,717	2
1,141	1,172	(3)	Energy	1,120	1,181	(5)
1,383	1,350	2	Industrial Products	1,389	1,356	2
661	638	4	Intermodal	650	628	4
\$1,155	\$1,144	1	Total	\$1,155	\$1,155	-

Agricultural - Agricultural revenue decreased in the third quarter of 2000 and was flat for the nine-month period over the comparable periods in 1999. Carloads decreased primarily due to reduced market demand for wheat and corn and a lack of producer selling in anticipation of higher prices. Revenue was up for fresh fruits and vegetables primarily as a result of new express train service from northern California to eastern markets. Average revenue per car increased for the quarter and year to date primarily due to an increase in longer haul traffic and slower growth in shorter haul, lower average revenue per car traffic.

Automotive - Automotive revenue and carloads increased for both the three- and nine-month periods of 2000 over the comparable periods in 1999. The year-over-year gain resulted from strong demand for finished vehicles and materials. Average revenue per car decreased slightly principally due to an increase in lower average revenue per car materials moves utilizing containers, rather than boxcars.

Chemicals - Chemicals revenue increased for both the three- and nine-month periods of 2000 over the comparable periods in 1999. Third quarter gains were driven primarily by increases in average revenue per car for soda ash, fertilizer and liquid and dry shipments and selected price increases. Carload volume in the third quarter declined slightly due to a softening economy and higher inventories at end-user locations. Year-to-date gains were driven by improved service levels, customer plant expansions and economic strength in the first half of the year. Domestic soda ash, plastics and liquid and dry chemicals showed the highest gains in revenue.

Energy - Energy revenue increased in the third quarter and decreased for the nine-month period of 2000 over the comparable periods in 1999. The third quarter growth was driven by an increase in carloads. For the nine-month period, revenue decreased due to lower average revenue per car as a result of contract pricing provisions with certain major customers. Carloads increased in the third quarter due to market share gains and high demand due to hot summer weather in the south and southwest. For the nine-month period, the increase in carloads in the third quarter was partially offset by lower demand at utilities in the first six months of 2000 due to high inventory levels caused by Y2K concerns and mild winter weather.

Industrial Products - Industrial Products revenue increased for both the three- and nine-month periods of 2000 over the comparable periods in 1999 due to stronger commodity demand and improved service. Carloads decreased slightly in the third quarter due to a softening economy and declines in government shipments, recyclables, and stone, partially offset by higher steel carloads. Year to date, carloads increased over the comparable period in 1999 primarily due to strong domestic steel demand and the effects of a growing economy on lumber, cement, scrap metal, and paperboard. Increases in average revenue per car were due to gains in high average revenue per car steel and lumber moves and selected price increases.

Intermodal - Intermodal revenue increased for both the three- and nine-month periods of 2000 over the comparable periods in 1999. Third quarter revenue carloads and revenue were both quarterly records. Third quarter and year-to-date gains were driven by improved service and strong growth in imports from Asia. Average revenue per car increased primarily as a result of price increases.

Operating Expenses - Operating expenses increased \$119 million (6%) and \$270 million (4%) for the three- and nine-month periods ended September 30, 2000, respectively. Operating expense comparisons by category for the three- and nine-month periods ending September 30, 2000 and 1999 are discussed below. The factors primarily responsible for the increase or decrease in each category are substantially the same for both the three- and nine-month periods, except as noted.

Salaries, Wages and Employee Benefits - Costs decreased \$38 million (4%) and \$76 million (3%) for the three- and nine-month periods, respectively, over the comparable periods in 1999. Wage inflation and volume-related costs were more than offset by lower expenses from decreased workforce levels, higher train crew productivity and lower crew training expenses.

Equipment and Other Rents - Expenses increased \$10 million (3%) and decreased \$7 million (1%) for the three- and nine-month periods, respectively. The third quarter increase was due primarily to higher volume-related costs, partially offset by lower prices. For the nine-month period, the decrease was attributable to improvements in car cycle times, lower prices, and increased car rents from other railroads. Higher volume costs partially offset the year-to-date decreases.

Depreciation - Depreciation increased \$13 million (5%) and \$39 million (5%) for the three- and nine-month periods, respectively, over comparable periods in 1999, as a result of the Railroad's capital program in 1999 and the first nine months of 2000. Capital spending was \$1.4 billion in the nine months ended September 30, 2000 compared to \$1.3 billion in the nine months ended September 30, 1999.

Fuel and Utilities - Expenses were up \$127 million (64%) and \$346 million (61%) for the three- and nine-month periods, respectively. Higher fuel prices added \$115 million of expense in the third quarter and \$304 million of expense in the first nine months of 2000 over comparable periods in 1999. Volume costs added \$7 million for the third quarter and \$22 million for the first nine months of 2000 compared to 1999. The Railroad hedged approximately 10% of its fuel consumption for both the three- and nine-month periods, which decreased fuel costs by \$15 million and \$35 million, respectively. As of September 30, 2000, expected fuel consumption for the remaining three months of 2000 is 9% hedged at 40 cents per gallon excluding taxes, transportation costs and regional pricing spreads (see Note 3 to the Consolidated Financial Statements).

Materials and Supplies - Expenses remained flat for the three-month period and increased \$20 million (5%) for the nine-month period. In the third quarter, cost reductions and operating efficiencies offset higher volume-related costs and inflation. Year-to-date expenses were higher than 1999 due to higher locomotive overhauls and volume-related increases in car and locomotive repairs.

Casualty Costs - Expenses increased \$11 million (16%) and decreased \$15 million (6%) for the three- and nine-month periods, respectively. Third quarter 1999 expenses were favorably affected by an insurance refund and lower personal injury expenses. Year-to-date 2000 casualty costs were also favorably affected by lower personal injury expenses.

Other Costs - Expenses decreased \$4 million (2%) and \$37 million (6%) for the three- and nine-month periods, respectively, compared to comparable periods in 1999. Cost control and productivity gains offset volume-related cost increases and higher state and local taxes in both time periods.

Operating Income - Operating income increased \$48 million (9%) to \$563 million and \$251 million (19%) to \$1,567 million for the three and nine months ended September 30, 2000, respectively. The operating ratio for the third quarter of 2000 was 79.7%, 0.5 percentage points better than 1999's 80.2% operating ratio. The operating ratio for the first nine months of 2000 was 80.6%, 2.0 percentage points better than 1999's 82.6%.

Non-Operating Items - Non-operating expense, net, decreased \$5 million (4%) and \$20 million (5%) for the three and nine months ended September 30, 2000, respectively. Third quarter and year-to-date improvements were primarily the result of lower interest expense, partially offset by lower income from real estate sales and lower miscellaneous other income. Income taxes increased \$13 million (9%) for the third quarter and \$108 million (34%) for the first nine months of 2000 reflecting higher income levels and a one-time, \$19 million after-tax gain in the second quarter of 1999 related to prior year tax settlements.

OTHER MATTERS

Commitments and Contingencies - There are various claims and lawsuits pending against the Company and certain of its subsidiaries. In addition, the Company and its subsidiaries are subject to various Federal, state and local environmental laws and are currently participating in the investigation and remediation of various sites. A discussion of certain claims, lawsuits, guarantees and contingencies is set forth in Note 7 to the Consolidated Financial Statements, which is incorporated herein by reference.

Accounting Pronouncements - In June 1998, the Financial Accounting Standards Board (FASB) issued Statement No. 133, "Accounting for Derivative Instruments and Hedging Activities" (FAS 133), that would have been effective January 1, 2000. In June 1999, the FASB issued Statement No. 137, "Accounting for Derivatives Instruments and Hedging Activities-Deferral of the Effective Date of FASB Statement No. 133" postponing the effective date for implementing FAS 133 to fiscal years beginning after June 15, 2000. In June 2000, the FASB issued Statement No. 138, "Accounting for Certain Derivative Instruments and Certain Hedging Activities" (FAS 138). FAS 138 addresses certain issues related to the implementation of FAS 133, but does not change the basic model of FAS 133 or further delay the implementation of FAS 133. Management has determined that FAS 133 and FAS 138 will increase the volatility of the Company's asset, liability and equity (comprehensive income) positions as the change in the fair market value of all financial instruments the Company uses for fuel hedging purposes will, upon adoption of FAS 133 and FAS 138, be recorded in the Company's Statement of Financial Position (Note 3). In addition, to the extent fuel hedges are ineffective due to pricing differentials resulting from the geographic dispersion of the Company's operations, income statement recognition of the ineffective portion of the hedge position will be required. Management does not anticipate that the final adoption of FAS 133 and FAS 138 will have a material impact on the Company's consolidated financial statements.

In December 1999, the Securities and Exchange Commission issued Staff Accounting Bulletin 101 (SAB 101), "Revenue Recognition". SAB 101 provides additional guidance on revenue recognition criteria and related disclosure requirements. This SAB is effective beginning in the fourth quarter of 2000. When the SAB becomes effective, it will require implementation as of the beginning of the current fiscal year. If the impact is material, the SAB requires retroactive application to all periods presented. Management is currently assessing the impact that SAB 101 will have on the Company's consolidated financial statements.

In September 2000, the FASB issued Statement No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities" (FAS 140), replacing FAS 125. FAS 140 revises criteria for accounting for securitizations, other financial asset transfers and collateral, and introduces new disclosures. FAS 140 is effective for fiscal 2000 in respect to the new disclosure requirements and amendments of the collateral provisions originally presented in FAS 125. All other provisions are effective for transfers of financial assets and extinguishments of liabilities occurring after March 31, 2001. The provisions are to be applied prospectively with certain exceptions. Management is currently assessing the impact that FAS 140 will have on the Corporation's consolidated financial statements.

CAUTIONARY INFORMATION

Certain statements in this report are, and statements in other material filed or to be filed with the Securities and Exchange Commission (as well as information included in oral statements or other written statements made or to be made by the Company) are or will be, forward-looking within the meaning of the Securities Act of 1933 and the Securities Exchange Act of 1934. These forward-looking statements include, without limitation, statements regarding: expectations as to operational improvements; expectations as to cost savings, revenue growth and earnings; the time by which certain objectives will be achieved; estimates of costs relating to environmental remediation and restoration; expectations as to product applications; expectations that claims, lawsuits, environmental costs, commitments, contingent liabilities, labor negotiations or agreements, or other matters will not have a material adverse effect on the Company's consolidated financial position, results of operations or liquidity; and statements concerning projections, predictions, expectations, estimates or forecasts as to the Company's and its subsidiaries' business, financial and operational results, and future economic performance, statements of management's goals and objectives and other similar expressions concerning matters that are not historical facts.

Forward-looking statements should not be read as a guarantee of future performance or results, and will not necessarily be accurate indications of the times at, or by which, such performance or results will be achieved. Forward-looking information is based on information available at the time and/or management's good faith belief with respect to future events, and is subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in the statements.

Important factors that could cause such differences include, but are not limited to, whether the Company and its subsidiaries are fully successful in implementing their financial and operational initiatives; industry competition, conditions, performance and consolidation; legislative and/or regulatory developments, including possible enactment of initiatives to re-regulate the rail business; natural events such as severe weather, floods and earthquakes; the effects of adverse general economic conditions, both within the United States and globally; changes in fuel prices; changes in labor costs; labor stoppages; and the outcome of claims and litigation.

Forward-looking statements speak only as of the date the statement was made. The Company assumes no obligation to update forward-looking information to reflect actual results, changes in assumptions or changes in other factors affecting forward-looking information. If the Company does update one or more forward-looking statements, no inference should be drawn that the Company will make additional updates with respect thereto or with respect to other forward-looking statements.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

There have been no material changes in market risk from the information provided in Item 7A. Quantitative and Qualitative Disclosures About Market Risk of the Company's Annual Report on Form 10-K for the year ended December 31, 1999. Disclosure concerning market risk-sensitive instruments is set forth in Note 3 to the Consolidated Financial Statements included in Item 1 of Part I of this Report and is incorporated herein by reference.

PART II. OTHER INFORMATION**Item 1. Legal Proceedings**

The discussion of certain legal proceedings affecting the Registrant and/or certain of its subsidiaries set forth in Note 7 to the Consolidated Financial Statements included in Item 1 of Part I of this Report is incorporated herein by reference. In addition to those matters, the following proceedings, or developments in proceedings presently pending, arose or occurred during the third quarter of 2000.

Environmental Matters - As previously reported, the U.S. Environmental Protection Agency (EPA) had brought a civil action against certain subsidiaries of Southern Pacific, which have been merged into the Railroad, in the U.S. District Court for the District of Colorado alleging violation of the Clean Water Act and the Oil Pollution Act. The complaint identified seven incidents involving the alleged release of hazardous substances into the waters of the United States and sought civil penalties of \$25,000 per day and unspecified injunctive relief to prevent future violations. Six of the seven incidents were related to derailments dating back to 1992. Six of the incidents involved alleged releases from ruptured locomotive fuel tanks and an incident in 1996 involved an alleged release of sulfuric acid near the Tennessee Pass. During the third quarter of 2000, a final settlement was negotiated with the EPA disposing of the action. The Railroad agreed to pay a civil penalty in the amount of \$800,000 and to take various measures to prevent or mitigate the impact of future incidents, including clean up of right of way, rock slide prevention measures and a geologic study.

Shareholder Lawsuits - UPC and certain of its directors and officers (who are also directors of the Railroad) are defendants in two purported class actions that have been consolidated into one proceeding (the Class Action). The consolidated complaint alleges, among other things, that UPC violated the federal securities laws by failing to disclose material facts and making materially false and misleading statements concerning the service, congestion and safety problems encountered following UPC's acquisition of Southern Pacific in 1996. These lawsuits were filed in late 1997 in the United States District Court for the Northern District of Texas and seek to recover unspecified amounts of damages. Management believes that the plaintiffs' claims are without merit and has been defending them vigorously. The defendants moved to dismiss this action, and the motion was briefed and submitted to the Court for decision in 1998. In February 2000, prior to a ruling on the motion, the parties jointly advised the Court that they were engaged in discussions concerning the possible settlement of the action and asked the Court to defer ruling on the motion to dismiss pending the outcome of these discussions. The Court entered an order dated February 29, 2000 agreeing to such deferral, subject to the motion of either party to reactivate the action and the pending motion to dismiss at any time.

In addition to the Class Action, a purported derivative action was filed on behalf of UPC and the Railroad in September 1998 in the District Court for Tarrant County, Texas, naming as defendants the then-current and certain former directors of UPC and the Railroad and, as nominal defendants, UPC and the Railroad (the Derivative Action and together with the Class Action, the Actions). The Derivative Action alleges, among other

things, that the named directors breached their fiduciary duties to UPC and the Railroad by approving and implementing the Southern Pacific merger without informing themselves of its impact or ensuring that adequate controls were put in place and by causing UPC and the Railroad to make misrepresentations about the Railroad's service problems to the financial markets and regulatory authorities. The individual defendants also believe that these claims are without merit and have defended them vigorously.

In December 1998, UPC's Board of Directors established a special litigation committee consisting of three independent directors to review the plaintiff's allegations under the Derivative Action to determine whether it was in UPC's best interest to pursue them. In February 1999, the committee rendered its report, in which it unanimously concluded that further prosecution of the Derivative Action on behalf of UPC and the Railroad was not in the best interest of either such company. Accordingly, UPC and the Railroad filed a motion with the Court to dismiss the Derivative Action.

Prior to any ruling on the motions to dismiss the Class Action and the Derivative Action, counsel for UPC, the Railroad and certain officers and directors of UPC and the Railroad entered into a Memorandum of Understanding (the MOU), dated June 28, 2000, with counsel for the plaintiffs in the Class Action and Derivative Action, providing for the settlement of the Actions. The MOU provides, among other things, that the Class Action will be settled for \$34,025,000 in cash (the Settlement Payment), the full amount of which will be covered by UPC's insurance carriers. Counsel for the plaintiffs in the Class Action will apply to the court for any award of their fees and expenses, to be paid out of the Settlement Payment. The MOU also provides that, in settlement of the Derivative Action, UPC will adopt certain additional procedures which will reinforce its continuing effort to ensure both the effective implementation of its merger with Southern Pacific and its ongoing commitment to rail safety. In addition, in the event of any proposed merger or other transaction involving consolidation of UPC and a rail system of greater than 1,000 miles in length of road, UPC will commission a study, to be completed in advance of any formal application to a U.S., Canadian or Mexican federal regulatory board, to analyze prospective safety and congestion-related issues. As part of the terms of the Derivative Action settlement, counsel for the plaintiffs will receive such fees and expenses as may be awarded by the Court, up to an aggregate amount of \$975,000. Such amount will also be fully covered by UPC's insurance carriers.

On October 12, 2000, counsel for the respective parties in the Class Action and the Derivative Action entered into definitive Stipulations of Compromise and Settlement (the Stipulations), providing for the settlement of the Actions on the terms described above, subject to court approval. By order dated October 17, 2000, the court in which the Class Action is pending preliminarily approved the settlement of that Action and scheduled a hearing for December 13, 2000, on the question of whether the proposed settlement should be approved as fair, reasonable and adequate to the members of the class, and the amount of fees, expenses and disbursements to be awarded to plaintiffs' counsel. By order dated October 23, 2000, the court in which the Derivative Action is pending preliminarily approved the settlement of that Action and scheduled a hearing, also for December 13, 2000, on the question of whether the proposed settlement of that action is fair, reasonable and in the best interest of UPC, its shareholders and the Railroad and the amount of fees, expenses and disbursements to be awarded to plaintiff's counsel. As of October 26, 2000, pursuant to the court orders in each of the Actions, notice of the proposed settlements and fairness hearings were mailed to those UPC shareholders affected by the Actions.

The settlement of each of the Actions is subject to, among other conditions, the entry of a final judgment approving each settlement by the respective courts in which each Action is pending. Notwithstanding the existence of the MOU, the Stipulations, and the court orders preliminarily approving the proposed settlements, there can be no assurances that a definitive settlement will be consummated with respect to either Action. UPC, the Railroad and the individual defendants named in the Actions entered into the MOU and Stipulations solely for the purpose of avoiding the further expense, inconvenience, burden and uncertainty of the Actions, and their decision to do so is not an admission or concession or evidence of any liability or wrongdoing on the part of any party to either Action, which liability and wrongdoing have consistently been, and continue to be, denied.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

- 12(a) - Computation of ratio of earnings to fixed charges for the Three Months Ended September 30, 2000.
- 12(b) - Computation of ratio of earnings to fixed charges for the Nine Months Ended September 30, 2000.
- 27 - Financial data schedule.

(b) Reports on Form 8-K

On July 7, 2000, the Registrant filed a Current Report on Form 8-K announcing developments in certain litigation.

On July 27, 2000, the Registrant filed a Current Report on Form 8-K announcing UPC's financial results for the second quarter of 2000.

On October 19, 2000, the Registrant filed a Current Report on Form 8-K announcing UPC's financial results for the third quarter of 2000.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Dated: November 14, 2000

UNION PACIFIC RAILROAD COMPANY
(Registrant)

By /s/ Richard J. Putz
Richard J. Putz
Chief Accounting Officer and Controller
(Chief Accounting Officer and Duly Authorized Officer)

**UNION PACIFIC RAILROAD COMPANY AND CONSOLIDATED SUBSIDIARY
AND AFFILIATE COMPANIES**

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description of Exhibits Filed with this Statement</u>
12(a)	Computation of ratio of earnings to fixed charges for the Three Months Ended September 30, 2000.
12(b)	Computation of ratio of earnings to fixed charges for the Nine Months Ended September 30, 2000.
27	Financial data schedule.

EXHIBIT 12(a)

**UNION PACIFIC RAILROAD COMPANY AND CONSOLIDATED SUBSIDIARY
AND AFFILIATE COMPANIES**

COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES

(Unaudited)

<i>Millions of Dollars Except Ratios</i>	<i>Three Months Ended September 30,</i>	
	<i>2000</i>	<i>1999</i>
Earnings:		
Net Income	\$274	\$234
Undistributed equity earnings	(16)	(14)
Total	258	220
Income Taxes	159	146
Fixed Charges:		
Interest expense including amortization of debt discount	146	158
Portion of rentals representing an interest factor	44	48
Total fixed charges	190	206
Earnings available for fixed charges	\$607	\$572
Ratio of earnings to fixed charges (Note 6)	3.2	2.8

EXHIBIT 12(b)

**UNION PACIFIC RAILROAD COMPANY AND CONSOLIDATED SUBSIDIARY
AND AFFILIATE COMPANIES**

COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES

(Unaudited)

<i>Millions of Dollars Except Ratios</i>	<i><u>Nine Months Ended September 30,</u></i>	
	<i>2000</i>	<i>1999</i>
Earnings:		
Net Income.....	\$ 752	\$ 589
Undistributed equity earnings.....	44	(33)
Total.....	796	556
Income Taxes.....	429	321
Fixed Charges:		
Interest expense including amortization of debt discount.....	444	469
Portion of rentals representing an interest factor.....	127	138
Total fixed charges.....	571	607
Earnings Available for Fixed Charges	\$1,796	\$1,484
Ratio of earnings to fixed charges (Note 6)	3.1	2.4

EXHIBIT 27

**UNION PACIFIC RAILROAD COMPANY AND CONSOLIDATED SUBSIDIARY
AND AFFILIATE COMPANIES**

FINANCIAL DATA SCHEDULE

For the Nine Months Ended September 30, 2000

**(In Millions, Except Per Share Amounts)
(Unaudited)**

Cash and cash items	\$39
Marketable securities	-
Accounts receivable—trade	457
Allowance for doubtful accounts	-
Inventory	321
Total current assets	932
Property, plant and equipment	34,497
Accumulated depreciation	6,795
Total assets	29,488
Total current liabilities	2,319
Bonds, mortgages and similar debt	2,425
Common stock	-
Preferred stock -- Mandatory redemption	-
Preferred stock -- No mandatory redemption	24
Other stockholders' equity	9,857
Total liabilities and stockholders' equity	29,488
Net sales of tangible products	-
Total revenues	8,097
Cost of tangible goods sold	-
Total costs and expenses applicable to sales and revenues	6,530
Other costs and expenses	-
Provision for doubtful accounts and notes	-
Interest and amortization of debt	444
Income (loss) before taxes and other items	1,181
Income tax expense	429
Income (loss) from continuing operations	752
Discontinued operations	-
Extraordinary items	-
Cumulative effect -- Changes in accounting principles	-
Net income (loss)	752
Earnings per share -- Primary	-
Earnings per share -- Fully diluted	-

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Dated: November 14, 2000

UNION PACIFIC RAILROAD COMPANY
(Registrant)

By _____
Richard J. Putz
Chief Accounting Officer and Controller
(Chief Accounting Officer and Duly Authorized Officer)

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

(Mark One)

☒ [X]

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 1999

OR

☐ []

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 1-6146

UNION PACIFIC RAILROAD COMPANY
(Exact name of registrant as specified in its charter)

DELAWARE
(State or other jurisdiction of
incorporation or organization)

94-6001323
(I.R.S. Employer
Identification No.)

1416 DODGE STREET, OMAHA, NEBRASKA
(Address of principal executive offices)

68179
(Zip Code)

(402) 271-5000
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each Class</u>	<u>Name of each exchange on which registered</u>
Missouri Pacific Railroad Company	New York Stock Exchange, Inc.
4-1/4% First Mortgage Bonds due 2005	
Missouri Pacific Railroad Company	New York Stock Exchange, Inc.
4-3/4% General Income Mortgage Bonds due 2020 and 2030	
Missouri Pacific Railroad Company	New York Stock Exchange, Inc.
5% Income Debentures due 2045	
Texas and Pacific Railway Company	New York Stock Exchange, Inc.
5% First Mortgage Bonds due 2000	
Missouri-Kansas-Texas Railroad Company	New York Stock Exchange, Inc.
5-1/2% Subordinated Income Debentures due 2033	
Securities registered pursuant to Section 12(g) of the Act:	None

THE REGISTRANT MEETS THE CONDITIONS SET FORTH IN GENERAL INSTRUCTION I(1)(a) AND (b) OF FORM 10-K AND IS THEREFORE FILING THIS FORM WITH THE REDUCED DISCLOSURE FORMAT.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X].

None of the Registrant's voting stock is held by non-affiliates. The Registrant is a wholly owned subsidiary of Union Pacific Corporation.

As of February 29, 2000, the Registrant had outstanding 7,130 shares of Common Stock, \$10 par value, and 620 shares of Class A Stock, \$10 par value.

DOCUMENTS INCORPORATED BY REFERENCE: None

PART I**Item 1. Business****Company**

Union Pacific Railroad Company (the Registrant), a Class I railroad incorporated in Delaware and a wholly owned subsidiary of Union Pacific Corporation (the Corporation or UPC), together with a number of wholly owned and majority-owned subsidiaries, certain affiliates and various minority-owned companies (collectively, the Company or Railroad), operates various railroad and railroad-related businesses.

The Company has over 33,000 route miles linking Pacific Coast and Gulf Coast ports to the Midwest and eastern U.S. gateways and providing several north/south corridors to key Mexican gateways. The Railroad serves the western two-thirds of the country and maintains coordinated schedules with other carriers for the handling of freight to and from the Atlantic Coast, the Pacific Coast, the Southeast, the Southwest, Canada and Mexico. Export and import traffic is moved through Gulf Coast and Pacific Coast ports and across the Mexican and (primarily through interline connections) Canadian borders.

Product Mix - In 1999, the Railroad had operating revenues of nearly \$10.2 billion, approximately 97 percent of which were derived from rail freight operations. The percentages of revenue ton-miles (RTM) and rail commodity revenue for major commodities during 1999, 1998 and 1997 were as follows:

	1999		1998		1997	
	RTM	Commodity Revenue	RTM	Commodity Revenue	RTM	Commodity Revenue
Agriculture.....	14.7%	14.4%	14.1%	14.4%	15.3%	14.8%
Automotive.....	3.2	10.6	3.1	10.3	3.4	9.8
Chemicals.....	11.3	16.2	11.4	16.9	12.1	17.7
Energy.....	40.0	22.0	40.1	22.0	36.1	19.7
Industrial.....	16.2	19.3	16.5	19.7	17.2	20.1
Intermodal.....	14.6	17.5	14.8	16.7	15.9	17.9
Total.....	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total (Billions).....	473.1	\$9.9	432.1	\$9.1	451.8	\$9.7

Competition - The Railroad is subject to price and service competition from other railroads, motor carriers and barge operators. The Company's main rail competitor is Burlington Northern Santa Fe Corporation. Its rail subsidiary, The Burlington Northern and Santa Fe Railway Company (BNSF), operates parallel routes in many of the Company's main traffic corridors. In addition, the Company's operations are conducted in corridors served by other competing railroads and by motor carriers. Motor carrier competition is particularly strong for intermodal traffic. Because of the proximity of the Railroad's routes to major inland and Gulf Coast waterways, barge competition can be particularly pronounced, especially for grain and bulk commodities.

Employees - Approximately 87 percent of the Railroad's 52,000 employees are represented by rail unions. During 1996, nearly the entire unionized workforce of the Union Pacific Railroad Company, a Utah corporation (UPRR) and predecessor to the Registrant, ratified five-year national agreements, which include a combination of general wage increases and lump-sum payments. In addition, the agreements provide for increased flexibility in work rules. Negotiations under the Railway Labor Act for a new national agreement for all crafts began in late 1999 and are in the initial stages. Under the conditions imposed by the Surface Transportation Board of the U.S. Department of Transportation (STB) in connection with the Corporation's acquisition of Southern Pacific Rail Corporation (SP or Southern Pacific), labor agreements between the Railroad and the unions representing SP employees must be negotiated before the UPRR and SP rail systems can be fully integrated. The Railroad has successfully reached agreements with the shopcraft, carmen, clerical and maintenance-of-way unions. By the end of 1999, negotiations

with other operating crafts were nearly complete, with only one hub-and-spoke agreement (Los Angeles) left to implement in early 2000. The terms of ratified and pending labor agreements are not expected to have a material adverse effect on the Company's results of operations.

Acquisitions

Mexican Railway Concession - In 1999, the Company increased its investment in the Pacific-North and Chihuahua Pacific lines in Mexico. During 1997, the Company and a consortium of partners were granted a 50-year concession to operate the Pacific-North and Chihuahua Pacific lines and a 25% stake in the Mexico City Terminal Company at a price of \$525 million. The consortium assumed operational control of both lines in 1998. In March 1999, the Company purchased an additional 13% ownership interest for \$87 million from one of its partners. The Company now holds a 26% ownership share in the consortium and accounts for the investment under the equity method.

Southern Pacific - During 1999, the Company continued its integration of Southern Pacific's rail operations. This process is expected to be completed over the next 24 months (see Note 2 to the Consolidated Financial Statements on pages F-8 and F-9). The Corporation's investment in Southern Pacific has been pushed down to the Railroad. The acquisition of Southern Pacific has been accounted for using the purchase method and was fully consolidated into the Company's results beginning October 1996.

Other Information

Governmental Regulation - The Company's operations are currently subject to a variety of federal, state and local regulations. The most significant areas of regulation are described below. See also the discussion of certain regulatory proceedings in "Item 3. Legal Proceedings," which is incorporated herein by reference.

The Railroad is subject to the regulatory jurisdiction of the STB and other federal and state agencies. The STB has jurisdiction over rates charged on certain regulated rail traffic; freight car compensation; transfer, extension or abandonment of rail lines; and acquisition of control of rail and motor carriers by rail common carriers. Other federal agencies have jurisdiction over safety, movement of hazardous materials, movement and disposal of hazardous waste, and equipment standards. Various state and local agencies have jurisdiction over disposal of hazardous wastes and seek to regulate movement of hazardous materials.

Environmental Regulation - The Railroad is subject to various environmental statutes and regulations, including the Resource Conservation and Recovery Act (RCRA), the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA), and the Clean Air Act (CAA).

RCRA applies to hazardous waste generators and transporters, as well as to persons engaged in treatment and disposal of hazardous waste, and specifies standards for storage areas, treatment units and land disposal units. All generators of hazardous waste are required to label shipments in accordance with detailed regulations and to prepare a detailed manifest identifying the material and stating its destination before waste can be released for offsite transport. The transporter must deliver the hazardous waste in accordance with the manifest and only to a treatment, storage or disposal facility qualified for RCRA interim status or having a final RCRA permit.

The Environmental Protection Agency (EPA) regulations under RCRA have established a comprehensive system for the management of hazardous waste. These regulations identify a wide range of industrial by-products and residues as hazardous waste, and specify requirements for "cradle-to-grave" management of such waste from the time of generation through the time of disposal and beyond. States that have adopted hazardous waste management programs with standards at least as stringent as those promulgated by the EPA may be authorized by the EPA to administer all or part of RCRA on behalf of the EPA.

CERCLA was designed to establish a strategy for cleaning up facilities at which hazardous waste or other hazardous substances have created actual or potential environmental hazards. The EPA has designated certain

facilities as requiring cleanup or further assessment. Among other things, CERCLA authorizes the federal government either to clean up such facilities itself or to order persons responsible for the situation to do so. The act created a multi-billion dollar fund to be used by the federal government to pay for such cleanup efforts. In the event the federal government pays for such cleanup, it will seek reimbursement from private parties upon which CERCLA imposes liability.

CERCLA imposes strict liability on the owners and operators of facilities in which hazardous waste and other hazardous substances are deposited or from which they are released or are likely to be released into the environment. It also imposes strict liability on the generators of such waste and the transporters of the waste who select the disposal or treatment sites. Liability may include cleanup costs incurred by third persons and damage to publicly owned natural resources. The Company is subject to potential liability under CERCLA as an owner or operator of facilities at which hazardous substances have been disposed of, or as a generator or a transporter of hazardous substances disposed of at other locations. Some states have enacted, and other states are considering enacting, legislation similar to CERCLA. Certain provisions of these acts are more stringent than CERCLA. States that have passed such legislation are currently active in designating more facilities as requiring cleanup and further assessment.

The operations of the Company are subject to the requirements of the CAA. The 1990 amendments to the CAA include a provision under Title V requiring that certain facilities obtain operating permits. EPA regulations require all states to develop federally-approvable permit programs. Affected facilities must submit air operating permit applications to the respective states within one year of the EPA's approval of the state programs. Certain of the Company's facilities may be required to obtain such permits. In addition, in December 1997 the EPA issued final regulations which require that most locomotives purchased or remanufactured after 1999 or 2000 meet certain stringent emissions criteria. While the cost of meeting these requirements may be significant, expenditures are not expected to affect materially the Company's financial condition or results of operations.

The operations of the Company are also subject to other laws protecting the environment, including permit requirements for wastewater discharges pursuant to the National Pollutant Discharge Elimination System and storm-water runoff regulations under the Federal Water Pollution Control Act.

Information concerning environmental claims and contingencies and estimated attendant remediation costs is set forth in "Management's Narrative Analysis of Results of Operations - Other Matters - Environmental Costs" at page F-27. Such information is incorporated herein by reference.

Cautionary Information

Certain statements in this report are, and statements in other material filed or to be filed with the Securities and Exchange Commission (as well as information included in oral statements or other written statements made or to be made by the Company) are or will be, forward-looking within the meaning of the Securities Act of 1933 and the Securities Exchange Act of 1934. These forward-looking statements include, without limitation, statements regarding: expectations as to operational improvements; expectations as to cost savings, revenue growth and earnings; the time by which certain objectives will be achieved; estimates of costs relating to environmental remediation and restoration; expectations as to product applications; expectations that claims, lawsuits, environmental costs, commitments, contingent liabilities, labor negotiations or agreements, or other matters will not have a material adverse effect on its consolidated financial position, results of operations or liquidity; and statements concerning projections, predictions, expectations, estimates or forecasts as to the Company's business, financial and operational results, and future economic performance, statements of management's goals and objectives and other similar expressions concerning matters that are not historical facts.

Forward-looking statements should not be read as a guarantee of future performance or results, and will not necessarily be accurate indications of the times at, or by which, such performance or results will be achieved. Forward-looking information is based on information available at the time and/or management's good faith belief

with respect to future events, and is subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in the statements.

Important factors that could cause such differences include, but are not limited to, whether the Company is fully successful in implementing its financial and operational initiatives; industry competition, conditions, performance and consolidation; legislative and/or regulatory developments, including possible enactment of initiatives to re-regulate the rail business; natural events such as severe weather, floods and earthquakes; the effects of adverse general economic conditions, both within the United States and globally; changes in fuel prices; changes in labor costs; labor stoppages; the impact of latent year 2000 systems problems; and the outcome of claims and litigation, including claims arising from environmental investigations or proceedings.

Forward-looking statements speak only as of the date the statement was made. The Company assumes no obligation to update forward-looking information to reflect actual results, changes in assumptions or changes in other factors affecting forward-looking information. If the Company does update one or more forward-looking statements, no inference should be drawn that the Company will make additional updates with respect thereto or with respect to other forward-looking statements.

Item 2. Properties

Operating Equipment

At December 31, 1999, the Railroad owned or leased from others 6,974 locomotives, 114,729 freight cars and 9,927 units of work equipment. Substantially all railway equipment secures various outstanding equipment obligations.

Rail Property

The Railroad operates over 33,000 miles of track, including 27,000 miles of main line and over 6,000 miles of branch line. Approximately 12 percent of the main line track consists of trackage rights over track owned by others. A substantial portion of the right-of-way and track is subject to one or more mortgages.

Item 3. Legal Proceedings

Southern Pacific Acquisition

On August 12, 1996, the STB served a decision (the Decision) approving the acquisition of control of Southern Pacific by UPC, subject to various conditions. The acquisition was consummated on September 11, 1996. Various appeals were filed with respect to the Decision, all such appeals were ultimately consolidated in the U.S. Court of Appeals for the District of Columbia Circuit and all of the appeals have since been withdrawn or denied.

Among the conditions to the STB's approval of the Southern Pacific acquisition was the requirement that the STB retain oversight jurisdiction for five years to examine whether the conditions imposed under the Decision remain effective to address the competitive harms caused by the merger. On November 30, 1999, the STB served a decision in the third annual general oversight proceeding to review the implementation of the merger and the effectiveness of the conditions imposed under the Decision. The Board concluded that merger implementation continued to be positive, the conditions ensured effective competition and no new conditions were warranted. The STB established July 3, 2000 as the date for the next comprehensive summary to be filed by the Railroad. The STB order also requires interested parties to file comments concerning the next annual oversight proceeding on August 18, 2000, with replies being due September 5, 2000.

Bottleneck Proceedings

The STB initiated a proceeding in 1996 on the issue of whether it should modify existing law regarding a railroad's obligation to offer, and a shipper's rights to challenge, rates for rail service over a bottleneck segment. A bottleneck segment is a line of railroad that is served by only one railroad between a junction and an exclusively served shipper facility. The STB proceeding also encompassed motions to dismiss three individual complaint proceedings filed by shippers challenging class rates charged for or allegedly applicable to the movement of coal, two of which named the Company and Southern Pacific Transportation Company (SPT) as a defendant. On December 31, 1996, the STB served a decision that generally reaffirmed earlier rulings holding that a rail carrier is not obligated to provide rates for bottleneck segments and confirmed the right of rail carriers to set rates differentially based upon demand. It created an exception, requiring a bottleneck carrier that does not have its own route between origin and destination to provide a common carrier rate, challengeable by a shipper, for the bottleneck segment when the shipper obtains a contract rate for the remainder of the movement. It also dismissed the two complaint proceedings in which the Company and SPT were defendants. The STB subsequently served a decision generally declining to reconsider its December 31, 1996 decision. Shippers appealed the STB decisions to the U.S. Court of Appeals for the Eighth Circuit. In February 1999, the Court of Appeals affirmed the STB's decision and the dismissal of the two complaints against the Company and SPT. A petition for a writ of certiorari filed in the United States Supreme Court was denied in October 1999. The Court of Appeals also dismissed as premature a cross-appeal by the railroads challenging the contract rate exception.

In a separate case, the Railroad sought review of the contract rate exception. A December 1997 STB decision required the Railroad to publish separately challengeable bottleneck segment rates for the shipper's use in connection with a contract rate on another carrier. On February 15, 2000, the U.S. Court of Appeals for the District of Columbia affirmed the STB's decision and the exception. The shipper's complaint concerning the Railroad's rates and other rates is awaiting decision by the STB.

Customer Claims

Some customers have submitted claims for damages related to shipments delayed by the Railroad as a result of congestion problems in 1997 and 1998, and certain customers have filed lawsuits seeking damages related to such delays. Some customers have also asserted that they have the right to cancel contracts as a result of alleged material breaches of such contracts by the Railroad. The Company accrued amounts for these claims in 1998 and 1997. No additional amounts were accrued in 1999.

Shareholder Litigation

The Corporation and certain of its directors and officers (who are also directors of the Railroad) are defendants in two purported class actions that have been consolidated into one proceeding. The consolidated complaint alleges, among other things, that the Corporation violated the federal securities laws by failing to disclose material facts and making materially false and misleading statements concerning the service, congestion and safety problems encountered following the Corporation's acquisition of Southern Pacific in 1996. These lawsuits were filed in late 1997 in the United States District Court for the Northern District of Texas and seek to recover unspecified amounts of damages. Management believes that the plaintiffs' claims are without merit and has been defending them vigorously. The defendants moved to dismiss this action, and the motion was briefed and submitted to the Court for decision in 1998. In February 2000, prior to a ruling on the motion, the parties jointly advised the Court that they were engaged in discussions concerning the possible settlement of the action and asked the Court to defer ruling on the motion to dismiss pending the outcome of these discussions. The Court entered an order dated February 29, 2000 agreeing to such deferral, subject to the motion of either party to reactivate the action and the pending motion to dismiss at any time. Although settlement discussions are proceeding in good faith, there can be no assurance that they will be successful.

In addition to the class action litigation, a purported derivative action was filed on behalf of the Corporation and the Railroad in September 1998 in the District Court for Tarrant County, Texas, naming as defendants the then-current and certain former directors of the Corporation and the Railroad and, as nominal defendants, the Corporation and the Railroad. The derivative action alleges, among other things, that the named directors breached their fiduciary duties to the Corporation and the Railroad by approving and implementing the Southern Pacific merger without informing themselves of its impact or ensuring that adequate controls were put in place and by causing UPC and the Railroad to make misrepresentations about the Railroad's service problems to the financial markets and regulatory authorities. The Corporation's Board of Directors established a special litigation committee consisting of three independent directors to review the plaintiff's allegations and determine whether it is in UPC's best interest to pursue them. In February 1999, the committee rendered its report, in which it unanimously concluded that further prosecution of the derivative action on behalf of the Corporation and the Railroad is not in the best interest of either such company. Accordingly, the Corporation and the Railroad have filed a motion with the Court to dismiss the derivative action. The plaintiff has not yet responded to the motion. The individual defendants also believe that these claims are without merit and intend to defend them vigorously.

Other Matters

On August 29, 1997, an Amtrak train, operating on the Railroad's tracks, struck a car at a crossbuck-protected crossing near Warrensburg, Missouri, injuring Kimberley R. Alcorn, a passenger in the car. Ms. Alcorn brought suit against the Railroad and Amtrak in the Circuit Court of Jackson County, Missouri Division No. 10. On September 24, 1999, a jury found that Amtrak and the Railroad were negligent in causing the accident. The jury awarded Ms. Alcorn approximately \$40.3 million in compensatory damages, and, on September 29, 1999, found the Railroad liable for an additional \$120 million in punitive damages. On January 19, 2000, the Circuit Court reduced the jury's award to \$25 million for compensatory damages and \$50 million for punitive damages, an amount that is less than ten percent of the Railroad's current assets on December 31, 1999. The Railroad believes that the damage awards are not supported by the facts or the law, and is continuing to assist Amtrak's appeal to the Missouri Supreme Court seeking a new trial or relief from the damage awards. Under the terms of an existing agreement, Amtrak will continue to defend the Railroad's interests in this litigation and appeal, and the Railroad believes that Amtrak and its insurers, under the terms of the agreement, will hold the Railroad harmless from any final judgment.

Environmental Matters

The Railroad was named as a defendant in a civil action brought by the California Department of Fish and Game, Office of Spill Prevention and Response on April 10, 1998. The complaint alleged violations of California Fish and Game Code Section 5650, California Business and Professions Code Section 17200, Civil Code Sections 3479 and 3480, and damage to the waters of California for which the Department of Fish and Game allege trusteeship. The complaint resulted from derailments and alleged releases of diesel fuel oil during 1995 in the Feather River Canyon in Butte County, California. The Complaint sought penalties, exemplary damages, natural resource damages and unspecified injunctive relief. In 1999, a settlement was reached in this case between the Railroad and the governmental entities in which the Railroad agreed to various measures to assess and mitigate rockslide hazards and to pay stipulated civil penalties for future releases.

The Railroad was named as a defendant in a criminal misdemeanor action brought by the State of California in the Municipal Court of Placer County, California on February 24, 1998. The complaint alleged a violation of California Fish and Game Code Section 5650 as a result of a diesel fuel spill in Norden, California in February 1997. In addition, the California Department of Fish and Game sought penalties, monitoring costs and natural resource damages under state water statutes, and the EPA sought penalties for violation of the Clean Water Act in connection with the same incident. In 1999, a settlement was reached in this case between the Railroad and the governmental entities in which the Railroad agreed to remediate the spill and pay total penalties of approximately \$305,000.

The Railroad received approximately 20 Notices of Violation (NOVs) from the South Coast Air Quality Management District (the District) relating to fumes emitted from idling diesel locomotives at Slover siding near

the Railroad's yard in West Colton, California. Trains awaiting crews or room to enter the West Colton yard were parked at Slover siding with their engines running for various amounts of time, causing exhaust fumes to enter the backyards and homes of residents living along the siding. The District had cited the Railroad for creating a public nuisance pursuant to the California Health and Safety Code and the District's regulations. Each violation carried a maximum civil penalty of \$25,000 per day, which could be increased in some circumstances to \$50,000 per day. Although the Railroad modified its operating procedures for trains entering the West Colton yard to reduce the problem, the District entered an order with respect to the situation which the Railroad believed to be an impermissible burden on interstate commerce preempted by applicable federal law. In 1999, the Railroad and the government reached a settlement in this case. Under the terms of the settlement, the Railroad paid a penalty of \$500,000 and made certain operating changes.

The Railroad received notification that the District Attorney for San Bernardino County, California opened an investigation into the Railroad's handling of several hazardous material spills in Barstow and West Colton, California. The incident in Barstow involved a rear-end collision between two trains near Barstow in August 1997 that resulted in a spillage of locomotive diesel fuel and leakage from two tank cars containing toxic chemicals. Three incidents in the West Colton yard in 1998 involved leaking tank cars and spills of diesel fuel from a derailed locomotive. The District Attorney's office was investigating allegations that cleanup procedures were not undertaken promptly and required notices were not given in connection with these incidents. In 1999, the Railroad and the government reached a settlement in this case. Under the terms of the settlement, the Railroad paid a civil penalty of \$350,000 and agreed to certain spill handling and reporting requirements.

In March 1998, the Railroad received notice that the Railroad and Clean Harbors, a waste disposal firm, were the subjects of a criminal investigation by the EPA and the Federal Bureau of Investigation. Tank cars containing hazardous waste billed to Clean Harbors' transload facility in Sterling, Colorado were held in the Railroad's Sterling, Colorado rail yard for periods longer than ten days prior to placement in Clean Harbors' facility, allegedly in violation of hazardous waste regulations. The Railroad is cooperating with the investigation and has responded to grand jury subpoenas. A finding of violation could result in significant criminal or civil penalties.

The Corporation and its affiliates have received notices from the EPA and state environmental agencies alleging that they are or may be liable under certain federal or state environmental laws for remediation costs at various sites throughout the United States, including sites which are on the Superfund National Priorities List or state superfund lists. Although specific claims have been made by the EPA and state regulators with respect to some of these sites, the ultimate impact of these proceedings and suits by third parties cannot be predicted at this time because of the number of potentially responsible parties involved, the degree of contamination by various wastes, the scarcity and quality of volumetric data related to many of the sites, and/or the speculative nature of remediation costs. Nevertheless, at many of the superfund sites, the Corporation believes it will have little or no exposure because no liability should be imposed under applicable law, one or more other financially able parties generated all or most of the contamination, or a settlement of the Corporation's exposure has been reached although regulatory proceedings at the sites involved have not been formally terminated.

Information concerning environmental claims and contingencies and estimated attendant remediation costs is set forth in "Management's Narrative Analysis of the Results of Operations - Other Matters - Environmental Costs" at page F-27. Such information is incorporated by reference.

Item 4. Submission of Matters to a Vote of Security Holders

Omitted in accordance with General Instruction I of Form 10-K.

PART II

Item 5. Market for Registrant's Common Equity and Related Stockholder Matters

As of the date of filing this Report, the Registrant had the following amounts of capital stock issued and outstanding: 7,130 shares of Common Stock, par value \$10.00 per share (the Company Common Stock), 620 shares of Class A Stock, par value \$10.00 per share (the Company Class A Stock), 4,829 Redeemable Preference Shares (Series A), initial par value \$10,000 per share, and 436 Redeemable Preference Shares (Series B), initial par value \$10,000 per share (collectively, the Preference Shares). All of the Company Common Stock and the Company Class A Stock, which constitutes all of the voting capital stock of the Registrant, is owned by the Corporation or a wholly owned subsidiary of the Corporation, and all of the Preference Shares, which are non-voting stock, are owned by the Federal Railroad Administration. Accordingly, there is no market for the Registrant's capital stock.

Dividends on the Company Common Stock, which are paid on a quarterly basis, totaled \$200 million in 1999, \$308 million in 1998 and \$411 million in 1997. The 1997 dividends included \$29 million of asset transfers between the Company and UPC. There were no dividends paid on the Company Class A stock in 1999, \$12 million in 1998 and \$9 million in 1997. Information concerning restrictions on the Registrant's ability to pay dividends on the Company Common Stock and the Company Class A Stock is set forth in Note 6 on pages F-12 and F-13 and Note 9 on pages F-16 and F-17 to the Consolidated Financial Statements. All such information is incorporated herein by reference.

Item 6. Selected Financial Data

Omitted in accordance with General Instruction I of Form 10-K.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Omitted in accordance with General Instruction I of Form 10-K. In lieu thereof, a narrative analysis is presented beginning on Page F-21.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Information concerning market risk sensitive instruments is set forth in "Management's Narrative Analysis of the Results of Operations - Other Matters - Financial Instruments" on page F-28 and in Note 4 to the Consolidated Financial Statements on pages F-9 and F-10. All such information is incorporated herein by reference.

Item 8. Financial Statements and Supplementary Data

The financial statements and supplementary information related thereto, listed on the Index to Financial Statements, are provided on pages F-1 through F-30 herein.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

PART III

Item 10. Directors and Executive Officers of the Registrant

Omitted in accordance with General Instruction I of Form 10-K.

Item 11. Executive Compensation

Omitted in accordance with General Instruction I of Form 10-K.

Item 12. Security Ownership of Certain Beneficial Owners and Management

Omitted in accordance with General Instruction I of Form 10-K.

Item 13. Certain Relationships and Related Transactions

Omitted in accordance with General Instruction I of Form 10-K.

PART IV**Item 14. Exhibits, Financial Statement Schedules and Reports on Form 8-K****(a) (1) and (2) Financial Statements and Schedules**

See Index to Financial Statements.

(3) Exhibits

- 2(a) Agreement and Plan of Merger, dated as of January 29, 1998, between UPRR and SPT is incorporated herein by reference to Exhibit 2 to the Registrant's Current Report on Form 8-K dated February 13, 1998.
- 3(a) Amended Certificate of Incorporation of the Registrant, effective as of February 1, 1998, is incorporated by reference to Exhibit 3(a) to the Company's Annual Report on Form 10-K for the year ended December 31, 1998.
- 3(b) By-Laws of the Registrant, as amended effective as of November 19, 1998, are incorporated by reference to Exhibit 3(b) to the Company's Annual Report on Form 10-K for the year ended December 31, 1998.
- 4 Pursuant to various indentures and other agreements, the Registrant has issued long-term debt; however, no such agreement has securities or obligations covered thereby which exceed 10% of the Registrant's total consolidated assets. The Registrant agrees to furnish the Commission with a copy of any such indenture or agreement upon request by the Commission.
- 10(a) Amended and Restated Anschutz Shareholders Agreement, dated as of July 12, 1996, among UPC, UPRR, The Anschutz Corporation, Anschutz Foundation and Mr. Philip F. Anschutz, is incorporated herein by reference to Annex D to the Joint Proxy statement/Prospectus included in Post-Effective Amendment No. 2 to UPC's Registration Statement on Form S-4 (No. 33-64707).
- 10(b) Agreement, dated September 25, 1995, among UPC, UPRR, MPRR, SP, SPT, DRGW, SSW and SPCSL, on the one hand, and Burlington Northern Railroad Company ("BN") and The Atchison, Topeka and Santa Fe Railway Company ("Santa Fe"), on the other hand, is incorporated by reference to Exhibit 10.11 to UPC's Registration Statement on Form S-4 (No. 33-64707).

10(c) Supplemental Agreement, dated November 18, 1995, between UPC, UPRR, MPRR, SP, SPT, DRGW, SSW and SPCSL, on the one hand, and BN and Santa Fe, on the other hand, is incorporated herein by reference to Exhibit 10.12 to UPC's Registration Statement on Form S-4 (No. 33-64707).

12 Ratio of Earnings to Fixed Charges.

24 Powers of attorney.

27 Financial Data Schedule.

(b) Reports on Form 8-K

On January 20, 2000, the Registrant filed a current report on Form 8-K announcing UPC's financial results for the fourth quarter of 1999.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on this 27th day of March 2000.

UNION PACIFIC RAILROAD COMPANY

By /s/ Richard K. Davidson
Richard K. Davidson,
Chairman and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below, on this 27th day of March, by the following persons on behalf of the Registrant and in the capacities indicated.

PRINCIPAL EXECUTIVE OFFICER: By /s/ Richard K. Davidson
Richard K. Davidson,
Chairman and Chief Executive Officer

PRINCIPAL FINANCIAL OFFICER: By /s/ James R. Young
James R. Young,
Chief Financial Officer

PRINCIPAL ACCOUNTING OFFICER: By /s/ Richard J. Putz
Richard J. Putz
Chief Accounting Officer and Controller

SIGNATURES - (Continued)**DIRECTORS:**

Philip F. Anschutz*

Ivor J. Evans*

Robert P. Bauman*

Elbridge T. Gerry, Jr.*

Richard B. Cheney*

Judith Richards Hope*

E. Virgil Conway*

Richard J. Mahoney*

Richard K. Davidson*

James A. Shattuck*

Thomas J. Donohue*

Richard D. Simmons*

Spencer F. Eccles*

* By /s/ Thomas E. Whitaker
Thomas E. Whitaker, Attorney-in-fact

**UNION PACIFIC RAILROAD COMPANY AND CONSOLIDATED SUBSIDIARY
AND AFFILIATE COMPANIES**

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No schedules are required to be filed because of the absence of conditions under which they would be required or because the required information is set forth in the Consolidated Financial Statements referred to above.

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Union Pacific Railroad Company
Omaha, Nebraska

We have audited the accompanying statement of consolidated financial position of Union Pacific Railroad Company (a wholly owned subsidiary of Union Pacific Corporation) and consolidated subsidiary and affiliate companies as of December 31, 1999 and 1998, and the related statements of consolidated income, changes in common stockholders' equity and consolidated cash flows for each of the three years in the period ended December 31, 1999. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Union Pacific Railroad Company and subsidiary and affiliate companies at December 31, 1999 and 1998, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1999 in conformity with generally accepted accounting principles.

/s/ DELOITTE & TOUCHE LLP

Omaha, Nebraska
January 20, 2000

PART 1 – FINANCIAL INFORMATION**Statement of Consolidated Income**

Union Pacific Railroad Company and Consolidated Subsidiary and Affiliate Companies
For The Years Ended December 31, 1999, 1998 and 1997

<i>Millions of Dollars, Except Ratios</i>		<i>1999</i>	<i>1998</i>	<i>1997</i>
Operating Revenues	Rail.....	\$10,176	\$9,368	\$9,981
Operating Expenses	Salaries, wages and employee benefits (Note 8) ..	3,578	3,607	3,467
	Equipment and other rents.....	1,238	1,328	1,309
	Depreciation and amortization	1,034	1,003	972
	Fuel and utilities (Note 4).....	783	792	987
	Materials and supplies.....	538	513	515
	Casualty costs.....	334	423	432
	Other costs	849	1,269	1,046
	Total	8,354	8,935	8,728
Income	Operating income.....	1,822	433	1,253
	Other Income – net (Note 11)	115	186	172
	Interest expense (Notes 3 and 6)	(618)	(603)	(473)
	Income before income taxes.....	1,319	16	952
	Income taxes (Note 5).....	(465)	11	(332)
	Net Income.....	\$ 854	\$ 27	\$ 620
	Ratio of Earnings to Fixed Charges.....	2.6	1.0	2.4

The accompanying accounting policies and notes to the financial statements are an integral part of these statements.

Statement of Consolidated Financial Position

Union Pacific Railroad Company and Consolidated Subsidiary and Affiliate Companies
At December 31, 1999 and 1998

<i>Millions of Dollars</i>		<i>1999</i>	<i>1998</i>
Assets			
Current Assets	Cash and temporary investments	\$ 83	\$ 35
	Accounts receivable – net (Note 4).....	418	494
	Inventories	329	337
	Current deferred tax asset (Note 5).....	48	130
	Other current assets	78	85
	Total Current Assets	956	1,081
Investments	Investments in and advances to affiliated companies (Note 2)	657	520
	Other investments	95	171
	Total	752	691
Properties	Cost (Notes 6 and 7)		
	Road and other	25,781	24,789
	Equipment	7,755	7,545
	Total	33,536	32,334
	Accumulated depreciation and amortization.....	(6,490)	(5,871)
	Properties – Net	27,046	26,463
Other	Other Assets	126	122
	Total Assets	\$28,880	\$28,357
Liabilities and Stockholders' Equity			
Current Liabilities	Accounts payable.....	\$ 496	\$ 493
	Accrued wages and vacation.....	377	380
	Accrued casualty costs.....	344	364
	Income and other taxes	252	297
	Debt due within one year (Note 6).....	210	178
	Interest payable.....	97	110
	Other current liabilities	669	730
	Total	2,445	2,552
Other Liabilities and Stockholders' Equity	Intercompany borrowings from UPC (Notes 2, 3 & 6)....	5,357	5,368
	Third-party debt due after one year (Notes 6 and 7).....	2,419	2,606
	Deferred income taxes (Note 5).....	7,266	6,759
	Accrued casualty costs.....	911	928
	Retiree benefit obligations (Note 8).....	677	707
	Other long-term liabilities (Note 10)	533	811
	Redeemable preference shares.....	25	27
	Common stockholders' equity (Page F-6)	9,247	8,599
	Total Liabilities and Stockholders' Equity	\$28,880	\$28,357

The accompanying accounting policies and notes to consolidated financial statements are an integral part of these statements.

Statement of Consolidated Cash Flows

Union Pacific Railroad Company and Consolidated Subsidiary and Affiliate Companies
For The Years Ended December 31, 1999, 1998 and 1997

<i>Millions of Dollars</i>		<i>1999</i>	<i>1998</i>	<i>1997</i>
Cash from Operations	Net Income.....	\$ 854	\$ 27	\$ 620
	Non-Cash Charges to Income:			
	Depreciation and amortization	1,034	1,003	972
	Deferred income taxes (Note 5)	592	7	336
	Other, net.....	(560)	(218)	(289)
	Changes in current assets and liabilities	66	(266)	120
	Cash from Operations	1,986	553	1,759
Investing Activities	Capital investments	(1,777)	(2,044)	(2,035)
	Proceeds from sale of assets and other investing activities	211	212	265
	Cash Used in Investing Activities	(1,566)	(1,832)	(1,770)
Financing Activities (Note 2)	Cash dividends paid to parent (Note 9)	(200)	(320)	(420)
	Debt repaid.....	(239)	(276)	(210)
	Financings (Note 6).....	77	486	180
	Advances, net.....	(10)	1,374	438
	Other	-	-	(3)
	Cash Provided by (Used in) Financing Activities ..	(372)	1,264	(15)
	Net Change in Cash and Temporary Investments ..	\$ 48	\$ (15)	\$ (26)
	Cash at Beginning of Year	35	50	76
	Cash at End of Year	\$ 83	\$ 35	\$ 50
Changes in Current Assets and Liabilities	Accounts receivable	\$ 76	\$ 58	\$ (105)
	Inventories.....	8	(49)	7
	Other current assets	89	36	21
	Accounts, wages and vacation payable	-	(169)	205
	Debt due within one year	32	(51)	106
	Other current liabilities	(139)	(91)	(114)
	Total	\$ 66	\$ (266)	\$ 120

The accompanying accounting policies and notes to consolidated financial statements are an integral part of these statements.

Statement of Changes in Common Stockholders' Equity
Union Pacific Railroad Company and Consolidated Subsidiary and Affiliate Companies
For The Years Ended December 31, 1999, 1998 and 1997

<i>Millions of Dollars</i>		<i>1999</i>	<i>1998</i>	<i>1997</i>
Common Stock (Note 9)	Common stock, \$10.00 par value: authorized 9,200 shares and 4,465 outstanding.....	\$ -	\$ -	\$ -
Class A Stock (Note 9)	Class A stock - \$10.00 par value: authorized 800 shares and 388 outstanding.....	-	-	-
Paid-in Surplus	Balance at end and beginning of period	4,782	4,782	4,782
Retained Earnings	Beginning of year	3,817	4,110	3,939
	Net income	854	27	620
	Dividends to parent (Notes 6 and 9).....	(200)	(320)	(449)
	End of Year	4,471	3,817	4,110
Accumulated Other Comprehensive Income (Note 14)	Balance at beginning of period.....	-	-	-
	Minimum pension liability adjustment.....	(2)	-	-
	Foreign translation adjustment	(4)	-	-
	Balance at end of period.....	(6)	-	-
	Total Common Stockholder's Equity	\$9,247	\$8,599	\$8,892

The accompanying accounting policies and notes to consolidated financial statements are an integral part of these statements

**UNION PACIFIC RAILROAD COMPANY AND CONSOLIDATED SUBSIDIARY
AND AFFILIATE COMPANIES**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Significant Accounting Policies

Principles of Consolidation - The consolidated financial statements include the accounts of Union Pacific Railroad Company, a Delaware corporation (the Registrant), and all subsidiaries and certain affiliates (collectively, the Company or Railroad). The Registrant is a wholly owned subsidiary of Union Pacific Corporation, a Utah corporation (the Corporation or UPC). Investments in affiliated companies (20% to 50% owned and/or where the Company exercises significant influence over an investee's operations) are accounted for on the equity method. All material intercompany transactions are eliminated.

Cash and Temporary Investments - Temporary investments are stated at cost that approximates fair value and consist of investments with original maturities of three months or less.

Inventories - Inventories consist of materials and supplies carried at the lower of cost or market.

Property and Depreciation - Properties are carried at cost. Provisions for depreciation are computed principally on the straight-line method based on estimated service lives of depreciable property.

The cost (net of salvage) of depreciable rail property retired or replaced in the ordinary course of business is charged to accumulated depreciation. A gain or loss is recognized in other income for all other property upon disposition.

The cost of internally developed software is capitalized and amortized over a five-year period. An obsolescence review of capitalized software is performed on a periodic basis.

Revenue Recognition - Transportation revenues are recognized on a percentage-of-completion basis, while delivery costs are recognized as incurred.

Hedging Transactions - The Company periodically hedges fuel purchases. Unrealized gains and losses from fuel-related swaps, futures and forward contracts are deferred and recognized as the fuel is consumed. The effect of maturities, terminations and sales is recorded in earnings in the period the instrument terminates (Note 4).

Use of Estimates - The consolidated financial statements of the Company include estimates and assumptions regarding certain assets, liabilities, revenues and expenses and the disclosure of certain contingent assets and liabilities. Actual future results may differ from such estimates.

Change in Presentation - Certain prior year amounts have been reclassified to conform to the 1999 financial statement presentation.

1. **Nature of Operations** - The Registrant, a Class I railroad incorporated in Delaware and a wholly owned subsidiary of the Corporation, together with a number of wholly owned and majority-owned subsidiaries, certain affiliates and various minority-owned companies, operates various railroad and railroad-related businesses. The Company's rail operations include for all periods the operations of Union Pacific Railroad Company, a Utah corporation and predecessor to the Registrant (UPRR), and as of October 1, 1996, the rail operating subsidiaries of Southern Pacific Rail Corporation (Southern Pacific or SP). The Company expects to complete the integration of the operations of Southern Pacific over the next 24 months. In addition, during 1997, the Railroad and a consortium of partners were granted a 50-year concession to operate the Pacific-North and Chihuahua Pacific lines in Mexico (Note 2). The Railroad made an additional investment in the consortium in 1999.

The Railroad has over 33,000 route miles linking Pacific Coast and Gulf Coast ports to the Midwest and eastern United States gateways and providing several north/south corridors to key Mexican gateways. The Railroad serves the western two-thirds of the country and maintains coordinated schedules with other carriers for the handling of freight to and from the Atlantic Coast, the Pacific Coast, the Southeast, the Southwest, Canada and Mexico. Export and import traffic is moved through Gulf Coast and Pacific Coast ports and across the Mexican and (primarily through interline connections) Canadian borders. The Railroad is subject to price and service competition from other railroads, motor carriers and barge operators.

Approximately 87% of the Railroad's 52,000 employees are represented by rail unions. During 1996, nearly all of UPRR's unionized workforce ratified five-year national agreements, which include a combination of general wage increases and lump-sum payments. In addition, the agreements provide for increased flexibility in work rules. Negotiations under the Railway Labor Act for a new national agreement for all crafts began in late 1999 and are in the initial stages. Under the conditions imposed by the Surface Transportation Board of the U.S. Department of Transportation (STB) in connection with the Southern Pacific acquisition, labor agreements between the Railroad and the unions representing SP employees must be negotiated before the UPRR and SP rail systems can be fully integrated. The Company has successfully reached agreements with the shopcraft, carmen, clerical and maintenance-of-way unions. By the end of 1999, negotiations with other operating crafts were nearly complete, with only one hub-and-spoke agreement (Los Angeles) left to implement in early 2000. The terms of ratified and pending labor agreements are not expected to have a material adverse effect on the Company's results of operations.

2. Acquisitions

Southern Pacific - UPC consummated the acquisition of Southern Pacific in September 1996. Southern Pacific was acquired for \$4.1 billion (60% of the outstanding Southern Pacific common shares were converted into UPC common stock, and the remaining 40% of the outstanding shares were acquired for cash). UPC's investment in Southern Pacific was subsequently pushed down to the Railroad. The acquisition of Southern Pacific has been accounted for using the purchase method and was fully consolidated into the Company's results beginning October 1996.

Merger Consolidation Activities - In connection with the acquisition and continuing integration of UPRR and Southern Pacific's rail operations, the Company is in the process of eliminating 5,200 duplicate positions, primarily employees involved in activities other than train, engine and yard activities. The Company is also relocating 4,700 positions, merging or disposing of redundant facilities, and disposing of certain rail lines. The Company is also canceling uneconomical and duplicative SP contracts.

To date the Company has severed 3,100 employees and relocated 4,300 employees due to merger implementation activities. The Company recognized a \$958 million pre-tax liability in the SP purchase price allocation for costs associated with SP's portion of these activities. In addition, the Company expects to incur between \$65 million and \$95 million over the remaining merger implementation period in pre-tax, acquisition-related costs for severing or relocating UPRR employees, disposing of certain UPRR facilities, and training and equipment upgrading. Earnings for 1999 and 1998 included \$63 million pre-tax or \$39 million after-tax, and

\$69 million pre-tax or \$43 million after-tax, respectively, for acquisition-related costs for UPRR consolidation activities.

The components of the merger liability as of December 31, 1999 were as follows:

<i>(Millions of Dollars)</i>	<i>Original Reserve</i>	<i>Cumulative Activity</i>	<i>Current Reserve</i>
Labor protection related to legislated and contractual obligations	\$361	\$361	\$ -
Severance costs	343	265	78
Contract cancellation fees and facility and line closure costs	145	141	4
Relocation costs	109	92	17
Total	\$958	\$859	\$99

Merger Liabilities - Merger liability activity reflected cash payments for merger consolidation activities and reclassification of contractual obligations from merger liabilities to contractual liabilities. In addition, where merger implementation has varied from the original merger plan, the Company has adjusted the merger liability and the fair value allocation of SP's purchase price to fixed assets to eliminate the variance. Where the merger implementation has caused the Company to incur more costs than were envisioned in the original merger plan, such costs are charged to expense in the period incurred. The Company charged \$45 million and \$474 million against the merger liability in 1999 and 1998, respectively. The Company expects that the remaining merger payments will be made over the course of the next 24 months as labor negotiations are completed and implemented, and related merger consolidation activities are finalized.

Mexican Railway Concession - During 1997, the Company and a consortium of partners were granted a 50-year concession to operate the Pacific-North and Chihuahua Pacific lines in Mexico and a 25% stake in the Mexico City Terminal Company at a price of \$525 million. The consortium assumed operational control of both lines in 1998. In March 1999, the Company purchased an additional 13% ownership interest for \$87 million from one of its partners. The Company now holds a 26% ownership share in the consortium. The investment is accounted for under the equity method. The Company's portion of the consortium's assets and liabilities are translated into U.S. dollars using current exchange rates in effect at the balance sheet date. The Company's portion of the consortium's net income is translated into U.S. dollars at weighted-average exchange rates prevailing during the year (Note 14). The resulting translation adjustments are reflected within the stockholders' equity component, accumulated other comprehensive income.

3. **Related Party Transactions** - Amounts due to and from affiliates, including advances to and borrowings from the Corporation, bear interest at an annually determined rate which considers the Corporation's cost of debt. Net intercompany interest expense charged on such amounts was \$420 million, \$399 million and \$279 million in 1999, 1998 and 1997, respectively.

4. **Financial Instruments**

Strategy and Risk - The Company uses derivative financial instruments in limited instances and for other than trading purposes to manage risk related to changes in fuel prices. The Company uses swaps, futures and/or forward contracts to mitigate the downside risk of adverse price movements; however, the use of these instruments also limits future gains from favorable movements.

Market and Credit Risk - The Company addresses market risk related to these instruments by selecting instruments whose value fluctuations highly correlate with the underlying item being hedged. Credit risk related to derivative financial instruments, which is minimal, is managed by requiring high credit standards for counterparties and periodic settlements. The total credit risk associated with the Company's counterparties was \$22 million at December 31, 1999. The Company has not been required to provide collateral; however, the Company has received collateral relating to its hedging activity where the concentration of credit risk was substantial.

Determination of Fair Value - The fair market values of the Company's derivative financial instrument positions at December 31, 1999 and 1998, detailed below, were determined based upon current fair market values as quoted by recognized dealers or developed based upon the present value of expected future cash flows discounted at the applicable U.S. Treasury rate and swap spread.

Fuel Strategy - Fuel costs are a significant portion of the Company's total operating expenses. As a result of the significance of fuel costs and the historical volatility of fuel prices, the Company periodically use swaps, futures and/or forward contracts to mitigate the impact of fuel price volatility. The purpose of this program is to protect the Company's operating margins and overall profitability from adverse fuel price changes.

The following is a summary of the Company's financial instruments at December 31, 1999 and December 31, 1998:

<i>Millions, Except Percentages and Average Commodity Prices</i>	<i>1999</i>	<i>1998</i>
Fuel Hedging:		
Number of gallons hedged for 1999.....	-	844
Percentage of forecasted 1999 fuel consumption hedged.....	-	64%
Average price of 1999 hedges outstanding (per gallon) [a]	-	\$0.41
Number of gallons hedged for 2000	126	-
Percentage of forecasted 2000 fuel consumption hedged	10%	-
Average price of 2000 hedges outstanding (per gallon) [a]	\$0.40	-

[a] *Excluded taxes and transportation costs.*

The asset and liability positions of the Company's outstanding financial instruments at December 31, 1999 and December 31, 1998 were as follows:

<i>Millions of Dollars</i>	<i>1999</i>	<i>1998</i>
Fuel Hedging:		
Gross fair market asset position	\$22	\$ -
Gross fair market (liability) position.....	-	(49)
Total asset (liability) position.....	\$22	\$(49)

The Company's use of financial instruments for fuel hedging decreased fuel costs by \$53 million in 1999, increased 1998 fuel costs by \$87 million and had no significant effect on 1997 fuel costs.

Fair Value of Debt Instruments - The fair value of the Company's long- and short-term debt has been estimated using quoted market prices or current borrowing rates. At December 31, 1999, the fair value of total debt was less than the carrying value by approximately \$55 million. Approximately \$445 million of fixed-rate debt securities contain call provisions that allow the Company to retire the debt instruments prior to final maturity subject, in certain cases, to the payment of premiums.

Sale of Receivables - The Railroad has sold, on a revolving basis, an undivided percentage ownership interest in a designated pool of accounts receivable to third parties through a bankruptcy-remote subsidiary (the Subsidiary). The Subsidiary is collateralized by a \$66 million note from the Registrant. The amount of receivables sold fluctuates based upon the availability of the designated pool of receivables and is directly affected by changing business volumes and credit risks. At December 31, 1999 and December 31, 1998, accounts receivable are presented net of \$576 million and \$580 million, respectively, of receivables sold.

- Income Taxes** - The Company is included in the consolidated income tax return of the Corporation. The consolidated income tax liability of the Corporation is allocated among the parent and its subsidiaries on the basis of their separate contributions to the consolidated income tax liability, with full benefit of tax losses and

credits made available through consolidation by allocation to the individual companies generating such losses and credits.

Components of income tax expense (benefit) are as follows:

<i>(Millions of Dollars)</i>	1999	1998	1997
Current:			
Federal	\$(124)	\$ (15)	\$ 4
State	(3)	(3)	(8)
Total current	(127)	(18)	(4)
Deferred:			
Federal	566	286	304
State	26	15	32
Benefit of net operating loss	-	(294)	-
Total deferred	592	7	336
Total	\$ 465	\$ (11)	\$332

Deferred tax liabilities (assets) comprise the following:

<i>(Millions of Dollars)</i>	1999	1998
Net current deferred tax asset	\$ (48)	\$ (130)
Excess tax over book depreciation	7,493	7,322
State taxes – net	546	530
SP merger reserves	(35)	(50)
Long-term liabilities	(314)	(328)
Retirement benefits	(254)	(272)
Alternative minimum tax	(5)	(5)
Net operating loss	(486)	(719)
Other	321	281
Net long-term deferred tax liability	7,266	6,759
Net deferred tax liability	\$7,218	\$6,629

The Company has a deferred tax asset reflecting the benefits of \$1,388 million in net operating loss carryforwards, which expire as follows:

<i>(Millions of Dollars)</i>	
Expiring December 31:	
2002	\$ 139
2003	262
2004	134
2005	136
2006	226
2007-2018	491
Total	\$1,388

The Internal Revenue Code limits a corporation's ability to utilize net operating loss carryforwards. The Company does not expect these limits to impact its ability to utilize its carryforwards. The Company has analyzed its deferred tax assets and believes a valuation allowance is not necessary.

A reconciliation between Federal statutory and effective tax rates is as follows:

	1999	1998	1997
Statutory tax rate	35.0%	35.0%	35.0%
State taxes – net	1.1	(75.0)	1.6
Dividend exclusion.....	(0.9)	(75.0)	(1.2)
Tax settlements	(1.2)	-	(0.6)
Non-deductible expenses.....	1.3	62.7	0.9
Property contributions	(0.3)	(18.8)	(0.9)
Other	0.2	2.3	0.1
Effective tax rate	35.2%	(68.8)%	34.9%

The Company is part of the IRS Coordinated Examination Program; therefore every year is examined by the IRS. All years prior to 1986 are either closed or have only immaterial issues outstanding. Years 1986-1998 are currently under examination. The Company believes it has adequately provided for federal and state income taxes.

Net payments (refunds) of income taxes were \$(134) million in 1999, \$(49) million in 1998 and \$49 million in 1997.

6. Debt

Total debt is summarized below:

<i>(Millions of Dollars)</i>	1999	1998
Intercompany borrowings from UPC, 7.5%	\$5,357	\$5,368
Capitalized leases, due through 2018.....	1,341	1,429
Equipment obligations, 6.0% to 10.3% due through 2019	921	857
Notes and debentures, 0% to 11.5% due through 2054.....	227	253
Mortgage bonds, 4.3% to 5.0% due through 2030	175	175
Term floating rate debt, 6.2% through 2012	-	105
Tax-exempt financings, 4.2% through 2015	12	12
Unamortized discount.....	(47)	(47)
Total debt	7,986	8,152
Less current portion	(210)	(178)
Total long-term debt	\$7,776	\$7,974

Debt Maturities - For each year, 2000 through 2004, debt maturities are \$210 million, \$209 million, \$198 million, \$333 million and \$258 million, respectively. Interest payments approximate gross interest expense.

Mortgaged Properties - Approximately 30% of all rail equipment and other railroad properties secures outstanding equipment obligations and mortgage bonds.

Income-Based Securities - The Company has certain debt instruments which contain provisions that limit the payment of interest, require sinking fund installments and impose certain restrictions in the event all interest is not paid. Other debt instruments contain provisions that may impose restrictions on the Company's ability to declare dividends on certain classes of capital stock (Note 9). A description of those debt instruments follows.

MPRR Mortgage Bonds - The Company is the obligor under the Missouri Pacific Railroad Company 4¼% First Mortgage Bonds due 2005 (the MPRR First Mortgage Bonds) and the Missouri Pacific Railroad Company 4¼% General (Income) Mortgage Bonds, Series A and Series B, due 2020 and 2030, respectively (the MPRR General Mortgage Bonds). Payment of current interest on the MPRR First Mortgage Bonds is mandatory, but current

interest on the MPRR General Mortgage Bonds must be paid only to the extent that there is available income, as defined in the mortgages, remaining after allocation to a capital fund for the purpose of reimbursing the Company for certain capital expenditures and to the payment of certain sinking fund installments required on the MPRR First Mortgage Bonds. If available income is insufficient to pay interest in any calendar year, the unpaid interest accumulates to an amount not in excess of 13½% of the principal amount of the MPRR General Mortgage Bonds and is paid in subsequent years only to the extent that there is available income remaining after payment of current interest.

MPRR Debentures - The Company is the obligor under the Missouri Pacific Railroad Company 5% Income Debentures due 2045 (the MPRR Debentures). Current interest on the MPRR Debentures must be paid only to the extent that there is available income, as defined in the debenture, remaining after allocation to a capital fund for the purpose of reimbursing the Company for certain capital expenditures, to the payment of certain sinking fund installments on the MPRR First Mortgage Bonds, to the payment of current and accumulated interest on the MPRR General Mortgage Bonds and to the payment of certain sinking fund installments on the MPRR General Mortgage Bonds.

MKT Subordinated Income Debentures - The Company is the obligor under Missouri-Kansas-Texas Railroad Company (MKT) 5½% Subordinated Income Debentures due 2033 (the MKT Debentures). Current interest on the MKT Debentures must be paid only to the extent that there is available income, as defined in the indenture, remaining after allocation to a capital fund for the purpose of reimbursing the Company for certain capital expenditures. Unpaid interest accumulates to an amount not in excess of 16½% of the principal amount of the MKT Debentures and is paid only to the extent that there is available income remaining after payment of current interest. Amounts in the capital fund for the MKT Debentures which are unused or unappropriated for the reimbursement of capital expenditures may not exceed \$4.0 million at any time.

MKT Income Certificates - The Company has also assumed certain certificates constituting a charge on income (the Certificates) issued by MKT. The Certificates do not bear interest, and payments to a sinking fund for the Certificates are made only from available income, as defined in such Certificates. Available income must be applied to the capital fund, current and accumulated interest on the MKT Debentures and a sinking fund for the MKT Debentures before any payment is made to the sinking fund for the Certificates.

Interest Payments - Interest is payable annually on April 1 based on the previous year's available income. The Company paid no interest for 1998 and \$3.5 million for 1997 on the MPRR General Mortgage Bonds, no interest for 1998 and \$5.0 million for 1997 on the MPRR Debentures, and no interest in 1998 and \$1.5 million for 1997 on the MKT Debentures. The Company generated available income in 1999. As a result, 1999 and 1998 interest payments of \$7.0 million will be made on the MPRR General Mortgage Bonds, 1999 and 1998 interest payments of \$2.8 million on the MKT Debentures, and the 1999 interest payments of \$5.0 million on the MPRR Debentures.

Sinking Fund Contributions - In addition, because the Company generated available income in 1999, \$2.2 million will be applied to the sinking fund for the MPRR First Mortgage Bonds and the MPRR General Mortgage Bonds, \$62.3 million to the capital funds related to the MKT Debentures and Certificates and \$1.2 million to the sinking funds for the MKT Debenture and the Certificates. Amounts payable to the MPRR First Mortgage Bonds, MPRR General Mortgage Bonds, the MKT Debentures or the Certificates sinking funds may be covered by the cost of securities previously repurchased by the Company or its predecessors.

Dividend Restriction - At December 31, 1999, the amount of retained earnings available for dividends under the MPRR Mortgage Bonds and MPRR Debentures was \$3.6 billion.

7. **Leases** - The Company leases certain locomotives, freight cars, trailers and other property. Future minimum lease payments for capital and operating leases with initial or remaining non-cancelable lease terms in excess of one year as of December 31, 1999 are as follows:

<i>(Millions of Dollars)</i>	<i>Operating Leases</i>	<i>Capital Leases</i>
2000	\$ 399	\$ 214
2001	373	220
2002	301	192
2003	223	183
2004	202	197
Later years	1,868	1,176
Total minimum payments	\$3,366	2,182
Amount representing interest		(841)
Present value of minimum lease payments		\$1,341

Rent expense for operating leases with terms exceeding one month was \$609 million in 1999, \$573 million in 1998 and \$495 million in 1997. Contingent rentals and sub-rentals are not significant.

8. Retirement Plans

Benefit Summary - The Company provides defined benefit retirement income to eligible non-union employees through qualified and non-qualified (supplemental) pension plans of the Company. In addition, all non-union and certain of the Company's union employees participate in defined contribution medical and life insurance programs for retirees. All Railroad employees are covered by the Railroad Retirement System (System).

Funding and Benefit Payments - Qualified and non-qualified pension benefits are based on years of service and the highest compensation during the latest years of employment. The qualified plans are funded based on the Projected Unit Credit actuarial funding method and are funded at not less than the minimum funding standards set forth in the Employee Retirement Income Security Act of 1974, as amended. The Company has settled a portion of the non-qualified unfunded supplemental plan's accumulated benefit obligation by purchasing annuities. The Company also provides medical and life insurance benefits on a cost sharing basis for qualifying employees. These costs are funded as incurred. In addition, contributions made to the System are expensed as incurred and amounted to approximately \$426 million in 1999, \$411 million in 1998 and \$392 million in 1997.

The following illustrates the change in the Company's projected benefit obligation for 1999 and 1998:

<i>(Millions of Dollars)</i>	<i>Pension Benefits</i>		<i>Other Postretirement Benefits</i>	
	<i>1999</i>	<i>1998</i>	<i>1999</i>	<i>1998</i>
Net benefit obligation at beginning of year	\$1,516	\$1,385	\$378	\$368
Service cost	26	20	4	4
Interest cost	98	100	25	25
Plan amendments	33	2	-	(1)
Actuarial (gain) loss	(201)	95	(19)	6
Gross benefits paid	(90)	(86)	(31)	(24)
Net benefit obligation at end of year	\$1,382	\$1,516	\$357	\$378

Changes in the Company's benefit plan assets are summarized as follows for 1999 and 1998:

<i>(Millions of Dollars)</i>	<i>Pension Benefits</i>		<i>Other Postretirement Benefits</i>	
	<i>1999</i>	<i>1998</i>	<i>1999</i>	<i>1998</i>
Fair value of plan assets at beginning of year	\$1,557	\$1,390	\$ -	\$ -
Actual return on plan assets	254	249	-	-
Employer contributions	30	4	31	24
Gross benefits paid	(90)	(86)	(31)	(24)
Fair value of plan assets at end of year	\$1,751	\$1,557	\$ -	\$ -

The components of funded status of the benefit plans for 1999 and 1998 are as follows:

<i>(Millions of Dollars)</i>	<i>Pension Benefits</i>		<i>Other Postretirement Benefits</i>	
	<i>1999</i>	<i>1998</i>	<i>1999</i>	<i>1998</i>
Funded status at end of year	\$369	\$ 41	\$(357)	\$(378)
Unrecognized net actuarial gain	(747)	(399)	(18)	(20)
Unrecognized prior service cost (credit)	111	71	(53)	(36)
Unrecognized net transition obligation	(8)	(10)	-	-
Net liability recognized at end of year	\$(275)	\$(297)	\$(428)	\$(434)

In 1999 and 1998, \$26 million and \$24 million, respectively, of total pension and other postretirement liability were reclassified as a current liability. Amounts recognized for the benefit plan liabilities in the statement of consolidated financial position for 1999 and 1998 consist of:

<i>(Millions of Dollars)</i>	<i>Pension Benefits</i>		<i>Other Postretirement Benefits</i>	
	<i>1999</i>	<i>1998</i>	<i>1999</i>	<i>1998</i>
Prepaid benefit cost	\$ 2	\$ 2	\$ -	\$ -
Accrued benefit cost	(277)	(299)	(428)	(434)
Additional minimum liability	(31)	(14)	-	-
Intangible asset	28	14	-	-
Accumulated other comprehensive income	3	-	-	-
Net liability recognized at end of year	\$(275)	\$(297)	\$(428)	\$(434)

The components of the Company's net periodic pension costs for the years ended December 31, 1999, 1998 and 1997 were as follows:

	<i>Pension Benefits</i>			<i>Other Postretirement Benefits</i>		
	1999	1998	1997	1999	1998	1997
Service cost.....	\$ 26	\$ 20	\$ 16	\$ 4	\$ 4	\$ 4
Interest cost.....	98	100	87	25	25	26
Expected return on assets.....	(116)	(107)	(81)	-	-	-
Amortization of:						
Transition obligation.....	(2)	3	3	-	-	-
Prior service cost (credit).....	11	8	7	(3)	(3)	(3)
Actuarial gain (loss).....	(9)	3	(9)	(1)	(1)	(2)
Total net periodic benefit cost.....	\$ 8	\$ 27	\$ 23	\$25	\$25	\$25

As of year-end 1999 and 1998, approximately 25% and 31%, respectively, of the funded plans' assets were held in fixed-income and short-term securities, with the remainder in equity securities.

The weighted-average actuarial assumptions for the years ended December 31, 1999, 1998 and 1997 were as follows:

	<i>Pension Benefits</i>			<i>Other Postretirement Benefits</i>		
	1999	1998	1997	1999	1998	1997
Discount rate.....	8.0%	6.75%	7.0%	8.0%	6.75%	7.0%
Expected return on plan assets.....	10.0	9.0	9.0	N/A	N/A	N/A
Rate of compensation increase.....	5.0	4.75	5.0	5.0	4.75	5.0
Health care cost trend:						
Current.....	N/A	N/A	N/A	7.7	9.0	9.0
Level in 2005.....	N/A	N/A	N/A	5.5	4.5	4.5

Assumed health care cost trend rates have a significant effect on the amount reported for health care plans. A one-percentage point change in the assumed health care cost trend rates would have the following effects:

<i>(Millions of Dollars)</i>	<i>One percentage point increase</i>	<i>One percentage point decrease</i>
Effect on total service and interest cost components.....	\$ 3	\$ (3)
Effect on postretirement benefit obligation.....	34	(29)

9. **Capital Stock and Dividend Restrictions** - The Board of Directors of the Registrant has restricted the availability of retained earnings for payment of dividends by \$131 million. This represents (a) the amount by which the estimated fair value of the Registrant's investment in its non-transportation subsidiaries, as determined by the Board of Directors of the Registrant, exceeded the net book value of such investment, which was transferred to the Corporation by means of a dividend in June 1971 (\$110 million) and (b) the amount by which the fair market value exceeded the book value of certain investment securities which were transferred to the Corporation by means of a dividend in November 1972 (\$21 million).

The Company's capital structure consists of Class A Stock and Common Stock. The Class A Stock is entitled to a cash dividend whenever a dividend is declared on the Common Stock, in an amount which equals 8 percent of the sum of the dividends on both the Class A Stock and the Common Stock. However, dividends may be declared and paid on the Class A Stock only when there is unappropriated available income in respect of prior calendar years which is sufficient to make a sinking fund payment equal to 25 percent of such dividend

for the benefit of the MKT Debentures or the Certificates (Note 6). To the extent that dividends are paid on the Common Stock but not the Class A Stock because the amount of unappropriated available income is insufficient to make such a sinking fund payment, a special cash dividend on the Class A Stock shall be paid when sufficient unappropriated available income exists to make the sinking fund payment. Such insufficiency does not affect the Company's right to declare dividends on the Common Stock. For calendar year 1998, the Company did not have sufficient available income to declare a special cash dividend on the Class A Stock (Note 6). Dividends in arrears on the Class A Stock total \$99 million.

The number of shares shown in the Statement of Changes in Stockholders' Equity on page F-6 excludes 2,665 shares of Common Stock and 232 shares of Class A Stock owned by Southern Pacific Rail Corporation, whose results are included in the consolidated financial statements.

10. **Commitments and Contingencies** - There are various claims and lawsuits pending against the Company. The Company is also subject to federal, state and local environmental laws and regulations, pursuant to which it is currently participating in the investigation and remediation of numerous sites. In addition, the Company periodically enters into financial and other commitments in connection with its business, and has retained certain contingent liabilities upon the disposition of formerly-owned operations. It is not possible at this time for the Company to determine fully the effect of all unasserted claims on its consolidated financial condition, results of operations or liquidity; however, to the extent possible, where unasserted claims can be estimated and where such claims are considered probable, the Company has recorded a liability. The Company does not expect that any known lawsuits, claims, environmental costs, commitments or guarantees will have a material adverse effect on its consolidated financial condition, results of operations or liquidity. Certain potentially significant contingencies relating to the Company are detailed below:

Customer Claims - Some customers have submitted claims for damages related to shipments delayed by the Railroad as a result of congestion problems in 1997 and 1998, and certain customers have filed lawsuits seeking relief related to such delays. Some customers also asserted that they have the right to cancel contracts as a result of alleged material breaches of such contracts by the Railroad. The Company accrued amounts for these claims in 1998 and 1997. No additional amounts were accrued in 1999.

Environmental Issues - For environmental sites where remediation costs can be reasonably determined, and where such remediation is probable, the Company has recorded a liability. At December 31, 1999, the Company had accrued \$197 million for estimated future environmental costs and believes it is reasonably possible that actual environmental costs could be lower or significantly higher than the recorded reserve.

Shareholder Lawsuits - The Corporation and certain of its directors and officers (who are also directors of the Railroad) are defendants in two purported class actions that have been consolidated into one proceeding. The consolidated complaint alleges, among other things, that the Corporation violated the federal securities laws by failing to disclose material facts and making materially false and misleading statements concerning the service, congestion and safety problems encountered following the Corporation's acquisition of Southern Pacific in 1996. These lawsuits were filed in late 1997 in the United States District Court for the Northern District of Texas and seek to recover unspecified amounts of damages. Management believes that the plaintiffs' claims are without merit and has been defending them vigorously. The defendants moved to dismiss this action, and the motion was briefed and submitted to the Court for decision in 1998. In February 2000, prior to a ruling on the motion, the parties jointly advised the Court that they were engaged in discussions concerning the possible settlement of the action and asked the Court to defer ruling on the motion to dismiss pending the outcome of these discussions. The Court entered an order dated February 29, 2000 agreeing to such deferral, subject to the motion of either party to reactivate the action and the pending motion to dismiss at any time. Although settlement discussions are proceeding in good faith, there can be no assurance that they will be successful.

In addition to the class action litigation, a purported derivative action was filed on behalf of the Corporation and the Railroad in September 1998 in the District Court for Tarrant County, Texas, naming as defendants the then-current and certain former directors of the Corporation and the Railroad and, as nominal defendants, the Corporation and the Railroad. The derivative action alleges, among other things, that the named directors

breached their fiduciary duties to the Corporation and the Railroad by approving and implementing the Southern Pacific merger without informing themselves of its impact or ensuring that adequate controls were put in place and by causing UPC and the Railroad to make misrepresentations about the Railroad's service problems to the financial markets and regulatory authorities. The Corporation's Board of Directors established a special litigation committee consisting of three independent directors to review the plaintiff's allegations and determine whether it is in UPC's best interest to pursue them. In February 1999, the committee rendered its report, in which it unanimously concluded that further prosecution of the derivative action on behalf of the Corporation and the Railroad is not in the best interest of either such company. Accordingly, the Corporation and the Railroad have filed a motion with the Court to dismiss the derivative action. The plaintiff has not yet responded to the motion. The individual defendants also believe that these claims are without merit and intend to defend them vigorously.

11. Other Income - Other income included the following:

<i>(Millions of Dollars)</i>	<i>1999</i>	<i>1998</i>	<i>1997</i>
Net gain on asset dispositions	\$ 71	\$124	\$102
Rental income	63	55	75
Interest income.....	10	20	15
Other - net	(29)	(13)	(20)
Total.....	\$115	\$186	\$172

- 12. Accounting Pronouncements** - In June 1998, the Financial Accounting Standards Board issued Statement No.133, "Accounting for Derivative Instruments and Hedging Activities" (FAS 133), that would have been effective January 1, 2000. In June 1999, the Financial Accounting Standards Board issued Statement No. 137, "Accounting for Derivatives Instruments and Hedging Activities-Deferral of the Effective Date of FASB Statement No. 133" postponing the effective date for implementing FAS 133 to fiscal years beginning after June 15, 2000. While management is still in the process of determining the full effect FAS 133 will have on the Company's financial statements, management has determined that FAS 133 will increase the volatility of the Company's asset, liability and equity (comprehensive income) positions as the change in the fair market value of all financial instruments the Company uses for fuel hedging purposes will, upon adoption of FAS 133, be recorded in the Company's Statement of Financial Position (Note 4). In addition, to the extent fuel hedges are ineffective due to pricing differentials resulting from the geographic dispersion of the Company's operations, income statement recognition of the ineffective portion of the hedge position will be required. Management does not anticipate that the final adoption of FAS 133 will have a material impact on Company's consolidated financial statements

- 13. Quarterly Financial Information (Unaudited)** - Selected unaudited quarterly financial information for the Company for 1999 and 1998 are as follows:

<i>(Millions of Dollars)</i>		<i>Mar. 31</i>	<i>Jun. 30</i>	<i>Sep. 30</i>	<i>Dec. 31</i>	<i>Total</i>
Operating	1999	\$2,479	\$2,491	\$2,606	\$2,600	\$10,176
Revenues: [a]	1998	2,284	2,317	2,360	2,407	9,368
Operating	1999	364	437	515	506	1,822
Income (Loss):[a]	1998	53	(117)	225	272	433
Net Income	1999	149	206	234	265	854
(Loss):[a]	1998	(32)	(122)	67	114	27

[a] 1998 results were negatively impacted by congestion (see Service Recovery on page F-23).

14. Comprehensive Income - The Company adopted Statement of Financial Accounting Standards No. 130, "Reporting Comprehensive Income" in 1998.

The components of comprehensive income were as follows:

<i>Millions of Dollars</i>	<i>1999</i>	<i>1998</i>	<i>1997</i>
Net Income.....	\$854	\$27	\$620
Other comprehensive income (loss):			
Minimum pension liability adjustment			
(net of tax benefit of \$1)	(2)	-	-
Change in accumulated translation adjustment			
(net of tax benefit of \$2)	(4)	-	-
Total comprehensive income	\$848	\$27	\$620

15. Stock Options and Other Stock Plans

Options - The Railroad participates in the Corporation's stock incentive programs. The Corporation applies Accounting Principles Board Opinion 25 and related interpretations in accounting for its stock plans. Pursuant to the Corporation's stock option and retention stock plans for officers and key employees, 4,807,783, 4,493,578 and 8,997,375 common shares were available for grant at December 31, 1999, 1998 and 1997, respectively. Options are granted at market value on the grant date and are exercisable for a period of 10 years from the grant date. Options generally become exercisable no earlier than one year after grant.

Retention Stock - The plans provide for awarding retention shares of common stock or stock units (the right to receive shares of common stock) to eligible employees. These awards are subject to forfeiture if employment terminates during the prescribed retention period or, in some cases, if certain prescribed stock price or other financial criteria are not met. During 1999, 18,700 retention shares and stock units were issued at a weighted-average fair value of \$53.03. During 1998, 253,736 retention shares were issued at a weighted-average fair value of \$50.87. No retention shares were issued in 1997. A portion of the retention awards issued in 1999 and 1998 are subject to stock price or performance targets. The cost of retention shares is amortized to expense over the vesting period. In 1999, 1998 and 1997, UPC expensed approximately \$2 million, \$12 million and \$18 million, respectively, to amortize Railroad retention stock awards.

Executive Stock Purchase Incentive Plan - The Corporation adopted the plan effective October 1, 1999 in order to encourage and facilitate ownership of common stock by officers and other key executives of the Corporation and its subsidiaries and allow the plan participants to share in the same risks and rewards as the Corporation's other shareholders. Under the plan, the Railroad participants purchased a total of 542,000 shares of the Corporation's common stock with the proceeds of 6.02% interest-bearing, full recourse loans from the Corporation. Loans totaled \$25 million. Deferred cash payments will be awarded to the participants to repay interest and the loan principal if certain performance and retention criteria are met within a forty-month period ending January 1, 2003. The 1999 expense amortization attributable to Railroad participants was \$1.3 million.

Determination of Fair Value of Options - The fair value of each stock option granted is estimated for the determination of pro forma expense using a Black-Scholes option-pricing model. The expense impact of the option grant is reflected in pro forma results over the options' vesting period and is determined as of the date of grant. During 1999, 40,750 options were granted at a weighted-average option price of \$54.35. The pro forma expense determination for options granted in 1999 was valued using the following weighted-average assumptions: dividend yield of 1.8%, risk-free interest rate of 6.4%, expected option period of four years, and volatility of 28.3%. During 1998, 14,920,920 options were granted at a weighted-average option price of \$53.27. The pro forma expense determination for options granted in 1998 was based on the following weighted-average assumptions: dividend yield of 1.8%, risk-free interest rate of 4.5%, expected option period of four years, and volatility of 24.2%. The weighted-average fair value of options granted in 1999 and 1998 was \$14.84 and

\$11.73, respectively. There were no options granted during 1997. Pro forma net income (loss) for 1999, 1998 and 1997 including compensation expense for options that vested in each year was \$805, \$(6) and \$607, respectively.

Changes in common stock options outstanding were as follows:

	<i>Shares Under Option</i>	<i>Weighted-Average Option Price Per Share</i>
Balance December 31, 1996	6,112,726	\$43.13
Granted	-	-
Exercised.....	(694,775)	32.15
Expired/Surrendered	(70,862)	52.84
Balance December 31, 1997	5,347,089	\$44.41
Granted [a]	14,920,920	\$53.27
Exercised.....	(208,984)	24.52
Expired/Surrendered	(44,686)	56.17
Balance December 31, 1998	20,014,339	\$51.19
Granted	40,750	\$54.35
Exercised.....	(276,656)	28.34
Expired/Surrendered	(196,300)	53.04
Balance December 31, 1999	19,582,133	\$51.51

[a] During 1998, the Corporation implemented a broad-based option program that granted each Railroad employee 200 options at \$55.00 per share. This program resulted in 11,124,000 new options in 1998.

Stock options outstanding at December 31, 1999 were as follows:

	<i>Number of Options</i>	<i>Weighted- Average Years to Expiration</i>	<i>Weighted-Average Option Price</i>
Range of Option Prices:			
\$6.02 to \$42.87	2,300,728	4	\$34.40
\$45.69 to \$48.19	3,419,220	9	47.42
\$52.88 to \$60.71	13,862,185	8	55.37
Balance December 31, 1999	19,582,133	8	\$51.51

Stock options exercisable at December 31, 1999 were as follows:

	<i>Number of Options</i>	<i>Weighted- Average Years to Expiration</i>	<i>Weighted-Average Option Price</i>
Range of Option Prices:			
\$6.02 to \$42.87	2,184,062	4	\$34.11
\$45.69 to \$48.19	3,417,220	9	47.42
\$52.88 to \$60.71	13,050,655	8	55.27
Balance December 31, 1999	18,651,937	8	\$51.36

**UNION PACIFIC RAILROAD COMPANY AND CONSOLIDATED SUBSIDIARY
AND AFFILIATE COMPANIES**

**MANAGEMENT'S NARRATIVE ANALYSIS OF THE RESULTS OF OPERATIONS
1999 COMPARED TO 1998**

Union Pacific Railroad Company (the Registrant), a Class I railroad incorporated in Delaware and a wholly owned subsidiary of Union Pacific Corporation (the Corporation or UPC), together with a number of wholly owned and majority-owned subsidiaries, certain affiliates and various minority-owned terminal and bridge companies (collectively, the Company or Railroad), operates various railroad and railroad-related businesses.

Net Income - During 1999, the Railroad continued the earnings improvements that began in the third quarter of 1998. The Railroad continued to benefit from the service recovery process implemented in 1997 and 1998 described on page F-23. Rail operations reported net income of \$854 million compared to net income of \$27 million in 1998. The increase resulted from improved operations and service levels, increased revenues in all commodity lines and lower operating costs.

Operating Revenues - Rail operating revenues increased \$808 million (9%) to \$10.2 billion. Revenue carloads increased 7% over 1998 with gains in each commodity group. The increase in revenue carloads resulted from improved service, market share recovery and a strong economy.

The following tables summarize the year-over-year change in rail commodity revenue, carloads and average revenue per car by commodity type:

<i>Commodity Revenue</i>			
<i>In Millions of Dollars</i>			
	<i>1999</i>	<i>1998</i>	<i>% Change</i>
Agricultural	\$1,419	\$1,303	9
Automotive	1,048	937	12
Chemicals	1,595	1,535	4
Energy	2,168	1,996	9
Industrial Products	1,896	1,785	6
Intermodal	1,725	1,516	14
Total	\$9,851	\$9,072	9

<i>Revenue Carloads</i>			
<i>In Thousands</i>			
	<i>1999</i>	<i>1998</i>	<i>% Change</i>
Agricultural	911	840	8
Automotive	707	641	10
Chemicals	930	899	3
Energy	1,872	1,767	6
Industrial Products	1,398	1,320	6
Intermodal	2,738	2,531	8
Total	8,556	7,998	7

<i>Average Revenue Per Car</i>			
	<i>1999</i>	<i>1998</i>	<i>% Change</i>
Agricultural	\$1,558	\$1,552	-
Automotive	1,481	1,461	1
Chemicals	1,715	1,708	-
Energy	1,158	1,130	2
Industrial Products	1,357	1,352	-
Intermodal	630	599	5
Total	\$1,151	\$1,134	2

Agricultural - Revenue increased 9%, reflecting an 8% improvement in carloads. Carloads increased primarily due to stronger exports and improved service levels, which resulted in increased shipments of wheat, corn, meals and oils, fresh products and beverages. Carloads also increased due to pre-harvest shipments of stored crops to clear storage. Average revenue per car was flat, as longer hauls in meals and oils and a price increase on wheat shipments were offset by a shift in corn movements to shorter-haul Gulf Coast moves versus longer-haul Pacific Northwest moves.

Automotive - Revenue increased 12%, as a result of a 10% increase in carloads and a 1% rise in average revenue per car. The year-over-year increase was driven by improved market coverage and price increases in a year of record vehicle production. Improvements in service and the negative impact in 1998 of a strike against a major auto manufacturer also contributed to the increase in revenue. These gains were partially offset by the negative impact on rail traffic, due to the implementation of the joint acquisition of Conrail by two other major railroads. Average revenue per car increased 1% due to a change in mix and pricing actions.

Chemicals - A 3% increase in chemical carloads drove a 4% increase in revenue. Shipments increased due to improved service levels and increased demand for plastics, liquid and dry chemicals and phosphorous. These gains were partially offset by lower sulfur moves resulting from decreased production in response to weak demand and a decline in fertilizer moves resulting from depressed demand for U.S. farm commodities. Average revenue per car was level, reflecting traffic improvements in longer-haul plastics, offset by shorter-haul petroleum and export sulfur moves.

Energy - Revenue was up 9%, as a result of a 6% improvement in carloads and a 2% rise in average revenue per car. The volume increase was due to increases in the number of Powder River Basin trains per day, tons per car and average train length. Colorado and Utah volumes also increased, due to improved service. Average revenue per car increased resulting from longer-haul Powder River Basin traffic and an increase in tons per car.

Industrial Products - Revenue increased 6%, due to stronger demand and improved service. Carloads were up 6% because of increases in lumber, stone and cement moves, caused by strong construction demand; shipments of recyclables grew through new business. Gains were partially offset by decreased steel and ferrous scrap carloads, due to higher imports of lower-priced foreign steel and lost volumes from a major steel producer who filed for bankruptcy. Gains were also partially offset by the negative impact on rail traffic, due to the implementation of the joint acquisition of Conrail by two other major railroads.

Intermodal - Revenue increased 14%, driven by an 8% increase in carloads and a 5% increase in average revenue per car. Carloads improved due to strong demand from growth in imports from Asia, service improvements and a new premium service offering. Average revenue per car increased, due to longer-haul shipments and demand-driven price increases.

Operating Expenses - Operating expenses decreased \$581 million (7%) to \$8.4 billion in 1999. The lower expenses reflected improved operating efficiency and service levels and benefits resulting from the continuing integration of Southern Pacific operations.

Salaries, Wages and Employee Benefits - Labor costs decreased \$29 million (1%), due to productivity gains that resulted in reduced crew costs and lower recrew rates, partially offset by increases resulting from volume and inflation and one-time costs recorded in 1999 related to the Southern Pacific merger (see Note 2 to the Consolidated Financial Statements).

Equipment and Other Rents - Expenses decreased \$90 million (7%), due primarily to improvements in cycle time as well as lower prices, partially offset by higher volume.

Depreciation - Expenses increased \$31 million (3%), reflecting increased capital spending in recent years, partially offset by lower depreciation rates for equipment and track assets. Capital spending totaled \$1.8 billion in 1999 compared to \$2.0 billion in 1998.

Fuel and Utilities - Expenses were down \$9 million (1%). The decrease was driven by lower fuel prices and improved consumption rates, partially offset by higher volume. The Railroad hedged 68% of its fuel consumption for 1999 at an average of 41 cents per gallon (excluding taxes, transportation charges and regional pricing spreads), which decreased fuel costs by \$53 million. At December 31, 1999, expected fuel consumption for 2000 was 10% hedged at an average of 40 cents per gallon (excluding taxes, transportation charges and regional pricing spreads). At December 31, 1998, 64% of 1999 expected fuel consumption was hedged (see Note 4 to the Consolidated Financial Statements).

Materials and Supplies - Costs increased \$25 million (5%), reflecting higher volumes and increased fleet maintenance.

Casualty Costs - Costs declined \$89 million (21%), primarily due to the effect of lower than expected settlement costs. The decline also reflected an insurance refund received in 1999 and decreased costs for repairs on cars from other railroads.

Other Costs - Costs decreased \$420 million (33%), reflecting lower state and local taxes (primarily sales and property taxes), and the impact in 1998 of customer claims expense.

Operating Income - Operating income increased \$1.4 billion to \$1.8 billion in 1999. Both 1999 and 1998 operating income included the impact of one-time costs related to the Southern Pacific merger for severance, relocation and training of employees. The operating ratio in 1999 was 82.1%, 13.3 percentage points better than 1998's 95.4% operating ratio.

Non-Operating Items - Other income decreased \$71 million (38%) in 1999, due to the impact in 1998 of a telecommunications contract buyout, sale of a company aircraft, sale of the Southern Pacific headquarters building and an insurance recovery for 1997 flood damage received in 1998. Interest expense increased \$15 million (2%) in 1999, as a result of higher average debt levels year-over-year caused by increased borrowings during 1998. Income taxes increased \$476 million in 1999, reflecting higher income before income taxes, partially offset by settlements related to prior tax years.

1998 COMPARED TO 1997

Service Recovery - Congestion in and around Houston and the coastal areas of Texas and Louisiana (the Gulf Coast region) began in the third quarter of 1997. System congestion started in the Gulf Coast region and spread throughout the system during the third and fourth quarters of 1997, and continued to adversely affect the Railroad's operations and financial results in 1998. In response to its operational difficulties, the Railroad adopted certain measures beginning in 1997 designed to alleviate the congestion problems and improve the efficiency and flexibility of rail operations. To ease system congestion, the Railroad focused on reducing the number of cars on the system and restoring system velocity by hiring additional train and engine employees, accelerating and expanding locomotive purchases and leases, improving management of train crews, and using outside carriers for haulage and train switching in congested areas. In 1998, these efforts were supplemented by the institution of directional running in parts of the Gulf Coast region, establishment of a joint dispatching center in Texas, and extensive track maintenance and capacity expansion efforts in UPRR's Central Corridor and southern tier. While in some cases the Railroad's actions temporarily slowed service, they resulted in improved system velocity. Also in 1998, UPRR instituted several key initiatives including a new long-term strategy to improve the effectiveness of the organization. This effort focused on culture change, business process improvement and decentralization, each of which was designed to improve customer satisfaction, increase employee involvement and improve operational efficiency and financial results. The combination of all of the steps described above (the service recovery process) allowed the Railroad to

alleviate congestion and improve operations throughout its system. However, despite these improvements, the Railroad's operations and financial results were significantly impacted by congestion in 1998.

Weather and Other Congestion Issues - During 1998, service in the Railroad's Central Corridor between Chicago and Utah was slowed by track maintenance and capacity expansion work. The Railroad also experienced congestion on its lines in northern California, in the Los Angeles Basin and on the Sunset Route west of El Paso, Texas. This was caused in part by two derailments that occurred in July 1998, tight crew supply and limited track capacity in that region, and the learning curve associated with the integration of the computer system of Southern Pacific in the region with the Railroad's computer system, which commenced in July 1998. The Railroad alleviated this congestion by various measures, including temporarily rerouting trains from this region to other portions of its system. Late in the third quarter and early in the fourth quarter of 1998, the Railroad's operations were also adversely affected by severe weather in the southern portion of its system, including Hurricane Georges, which disrupted operations in New Orleans and other parts of Louisiana at the end of September, heavy rains that moved from northern Texas through Oklahoma and into the Kansas City area in early October, heavy rains that resulted in severe flooding in central and southern Texas later in October, and heavy rains and flooding across parts of Oklahoma and Kansas in early November. The Railroad was able to respond quickly to these problems by rerouting traffic, repairing damages caused by washouts and restoring service without severe or lengthy disruptions to the Railroad's operations, which reflected the success of the Railroad's service recovery process in addressing service and congestion problems. Despite these external difficulties, the Railroad was able to recoup the financial loss generated in the first half of 1998 and reported net income for the full year of 1998.

Net Income - The Railroad returned to profitability in the third quarter of 1998, by posting net income of \$67 million after three consecutive quarterly losses, and continued its earnings improvement in the fourth quarter of 1998, posting net income of \$114 million, as the Railroad began to see the benefits of implementing its service recovery process. Despite service improvements in the second half of 1998, year-over-year results were significantly affected by the congestion problems discussed above. As a result, the Railroad reported net income of \$27 million in 1998 compared to \$620 million in 1997.

Operating Revenues - 1998 rail operating revenues were down \$613 million over 1997 (6%) to \$9.4 billion. Revenue carloads for 1998 of 8.0 million were down 5% from 1997 loads of 8.5 million. These declines resulted from system congestion, which significantly lowered overall train velocity and efficiency, weakening demand for whole grain exports (due to strong worldwide crop yields), and a soft export market caused by the Asian economic crisis. Average revenue per car was down 1% for 1998 at \$1,134 per car from \$1,149 in 1997, driven by a shift in corn shipments from long-haul Pacific Northwest moves to shorter-haul Gulf Coast traffic and large volumes of empty repositioning moves for intermodal traffic, partially offset by longer-haul coal traffic.

The following tables summarize the year-over-year change in rail commodity revenue, carloads and average revenue per car by commodity type:

<i>Commodity Revenue</i>			
<i>In Millions of Dollars</i>			
	<i>1998</i>	<i>1997</i>	<i>% Change</i>
Agricultural	\$1,303	\$1,438	(9)
Automotive	937	950	(1)
Chemicals.....	1,535	1,715	(10)
Energy.....	1,996	1,914	4
Industrial Products	1,785	1,954	(9)
Intermodal.....	1,516	1,741	(13)
Total.....	\$9,072	\$9,712	(7)

<i>Revenue Carloads</i>			
<i>In Thousands</i>	<i>1998</i>	<i>1997</i>	<i>% Change</i>
Agricultural	840	907	(7)
Automotive	641	638	-
Chemicals	899	972	(8)
Energy	1,767	1,736	2
Industrial Products	1,320	1,430	(8)
Intermodal	2,531	2,770	(9)
Total	7,998	8,453	(5)

<i>Average Revenue per Car</i>			
	<i>1998</i>	<i>1997</i>	<i>% Change</i>
Agricultural	\$1,552	\$1,585	(2)
Automotive	1,461	1,490	(2)
Chemicals	1,708	1,764	(3)
Energy	1,130	1,102	3
Industrial Products	1,352	1,366	(1)
Intermodal	599	629	(5)
Total	\$1,134	\$1,149	(1)

Agricultural - Revenue fell 9% for 1998, as loads finished down 7% and average revenue per car decreased 2%. Low export demand due to strong worldwide crop yields, the Asian economic crisis and falling corn prices caused a decline in corn volumes. System congestion limited traffic for canned and packaged products, fresh fruit and vegetables, beverages, frozen products and food grains. Livestock feed declined 16%, as feed additives were replaced by less expensive corn. These volume declines were partially offset by higher wheat and meals and oils traffic. Average revenue per car declined 2%, as a result of a drop in longer-haul Pacific Northwest corn moves, due to weak export markets.

Automotive - Revenue was down 1%, reflecting flat volume and a 2% decrease in average revenue per car. Finished vehicles volumes were up 3%, reflecting new business and growth in existing business, partially mitigated by the effects of an automotive strike in mid-1998. Parts volumes lost 4% year-over-year, as volumes fell because of the Railroad's equipment shortages. Average revenue per car fell 2%, as a result of the new business that generated a shorter length of haul than existing business.

Chemicals - Carloads fell 8%, and revenues dropped 10% compared to 1997. Congestion-related diversions to truck, barge and other railroads plagued most business lines (especially liquid and dry chemicals and petroleum products). Liquid propane gas traffic was hurt by the introduction of new pipelines, while the Asian crisis significantly reduced the movements of soda ash. In addition, an unplanned furnace shutdown reduced shipments of phosphorous. The 3% decline in average revenue per car was largely due to more short-haul storage-in-transit moves, fewer high-average revenue per car liquid and dry chemical and soda ash moves, and the loss of long-haul business due to system congestion.

Energy - Carloads were up 2%, and revenue was up 4% from 1997 levels. Congestion caused by, among other things, maintenance and capacity expansion in the Central Corridor and diversion of Illinois traffic hampered coal volumes throughout 1998. However, efficiency gains in both Powder River Basin trains per day and train length helped boost year-over-year volumes despite the effects of congestion caused by maintenance and track expansion in the Railroad's Central Corridor. Colorado and Utah volumes increased due to better service performance. The 3% increase in average revenue per car was primarily a result of more high-average revenue per car Powder River Basin traffic.

Industrial Products - Volumes declined 8%, while average revenue per car declined 1%, resulting in a 9% drop in revenues. Volumes continued to be plagued by equipment shortages and service issues caused by slowed local switching and congestion. A large portion of industrial product moves occurred in the Railroad's southern region, where congestion hit hardest, although service levels improved in 1998. Shipments of ferrous scrap and steel were

lower due to congestion and higher steel imports. Metallic minerals and paperboard, newsprint and non-metallic products were affected by congestion. In addition, several of the same commodities were also affected by Central Corridor congestion due to, among other things, maintenance and capacity expansion and congestion in the western portion of the Railroad's system, as the final portion of UPRR's computerized operating system was brought on-line in Southern Pacific's western territory in the third quarter of 1998. Average revenue per car fell 1%, due to product mix issues and shortfalls of high-average revenue per car steel traffic, lumber and metallic minerals.

Intermodal - Revenue declined 13% as volumes fell 9% and average revenue per car fell 5%. Congestion-related diversions severely affected several intermodal segments, especially Intermodal Marketing Company/truckload and less-than-truckload/premium. Volumes also suffered from weak exports due to the Asian crisis. A partial offset was increased import volumes from various steamship lines. Average revenue per car fell due to changes in traffic mix and increased volumes of empty repositioning moves caused by equipment imbalances.

Operating Expenses - Operating expenses were \$8.9 billion for 1998, \$207 million (2%) higher than 1997 operating expenses of \$8.7 billion. However, second half 1998 operations improved significantly from the first half of 1998.

The following statistical table reflects the improvements in the Railroad's operating performance in the second half of 1998:

<i>Averages, Except Ratios</i>	<i>1997</i>			<i>1998</i>			
	<i>2Q</i>	<i>3Q</i>	<i>4Q</i>	<i>1Q</i>	<i>2Q</i>	<i>3Q</i>	<i>4Q</i>
Seven-Day Loadings (000).....	170.7	165.9	153.6	152.5	154.9	155.3	160.6
Train Speed (MPH).....	18.4	15.0	13.2	13.8	14.0	14.4	15.5
Car Cycle Times (Days).....	12.7	15.2	17.5	17.6	16.4	15.9	14.4
Operating Ratio (%).....	80.9	82.0	102.5	97.7	105.1	90.5	88.7

Salaries, Wages and Employee Benefits - Labor expenses were \$140 million (4%) higher than 1997. Slower train speeds increased the recrew rate. Higher recrew rates, inflation and other congestion- and service-related cost overruns contributed to higher labor costs. These higher costs were partially offset by lower volumes (gross-ton miles were down 4%) and the elimination of duplicative positions as part of the Southern Pacific merger implementation.

Equipment and Other Rents - Expenses were up \$19 million (1%) versus 1997. Cycle times were up 2 days from 1997 causing the Railroad to rent more equipment due to the decrease in equipment utilization. Locomotives leased to alleviate congestion and support service recovery also increased equipment costs, as slower train speeds lowered locomotive utilization and increased the need for additional locomotive power. However, these increases were partially offset by lower traffic levels due to congestion-related volume shortfalls.

Depreciation - Expense grew \$31 million (3%) to \$1.0 billion, driven by the Railroad's extensive capital programs in 1997 and 1998. The Railroad spent over \$2.0 billion on capital projects in 1998 (including \$400 million of SP integration projects).

Fuel and Utilities - Expenses were down \$195 million (20%) from 1997. A reduction of 4% in gross-ton miles year-over-year generated volume-related fuel savings of \$36 million versus 1997. Prices were down 9 cents per gallon to 62 cents, saving \$106 million. The fuel consumption rate of 1.39 gallons per thousand gross-ton miles improved 2% from 1997's 1.42, lowering the Railroad's fuel costs by \$23 million. Hedges of 57% of 1998 fuel volumes increased fuel costs by \$87 million, or 8 cents per gallon (included in the cost per gallon information above).

Materials and Supplies - Costs for 1998 were down \$2 million from 1997 to \$513 million caused by favorable contract pricing from economies of scale achieved from the Southern Pacific merger and lower material transportation costs, reflecting UPRR's ability to move materials on its rail system rather than by truck, partially offset by increased fleet maintenance.

Casualty Costs - Costs decreased \$9 million to \$423 million in 1998. Lower personal injury costs resulted from a decline in average settlement costs and were partially offset by higher insurance and damaged freight costs.

Other Costs - Expenses increased \$223 million (21%) from 1997, reflecting increased costs for congestion-related customer claims and liquidated damages on coal contracts. Increased use of trackage rights by competitors and merger-related cost savings on computers and contract pricing partially offset these cost increases.

Operating Income - Operating income of \$433 million for 1998 compares to \$1.3 billion in 1997, reflecting a year-over-year increase in pre-tax congestion costs and lost revenues, as congestion issues began late in the third quarter of 1997. The operating ratio for 1998 was 95.4%, up 8 points from 1997's 87.4%. Lost revenues and costs related to service performance were the key drivers of the change.

Non-Operating Items - Other income was \$14 million above 1997, reflecting increased asset sales and recovery of funds from insurers for 1997 floods. Interest costs were \$130 million (28%) unfavorable to 1997 at \$603 million, reflecting borrowings to fund capital investments that could not be funded from cash generated at the Railroad due to the effects of system congestion. State and federal income taxes were \$343 million less than 1997, the result of lower pre-tax income.

OTHER MATTERS

Personal Injury - The average cost of injury-related claims settled in 1999 continued to decline, decreasing 15% compared to the cost of claims settled in 1998. Annual expenses for the Railroad's personal injury-related events were \$228 million in 1999, reflecting lower-than-expected settlement costs, \$311 million in 1998 and \$328 million in 1997. In 1999, the Railroad's work-related injuries that resulted in lost job time declined 3% compared to 1998. Compensation for work-related accidents is governed by the Federal Employers' Liability Act (FELA). Under FELA, damages are assessed based on a finding of fault through litigation or on out-of-court settlements. The Railroad offers a comprehensive variety of services and rehabilitation programs for employees who are injured at work.

Environmental Costs - The Company generates and transports hazardous and nonhazardous waste in its current and former operations, and is subject to federal, state and local environmental laws and regulations. The Company has identified approximately 400 sites, including 45 sites that are the subject of enforcement actions by the U.S. government, 28 of which are currently on the Superfund National Priorities List, at which it is or may be liable for remediation costs associated with alleged contamination or for violations of environmental requirements. Certain federal legislation imposes joint and several liability for the remediation of identified sites; consequently, the Company's ultimate environmental liability may include costs relating to other parties, in addition to costs relating to its own activities at each site.

As of December 31, 1999, the Company has accrued a liability of \$197 million for future costs where its obligation is probable and where such costs can be reasonably estimated. However, the actual costs could be lower or significantly higher. The liability includes future costs for remediation and restoration of sites, as well as for ongoing monitoring costs, but excludes any anticipated recoveries from third parties. Cost estimates are based on information available for each site, financial viability of other potentially responsible parties, and existing technology, laws and regulations. The Company believes that it has adequately accrued for its ultimate share of costs at sites subject to joint and several liability. However, the ultimate liability for remediation is difficult to determine because of the number of potentially responsible parties involved, site-specific cost sharing arrangements with other potentially responsible parties, the degree of contamination by various wastes, the scarcity and quality of volumetric data related to many of the sites, and/or the speculative nature of remediation costs. The majority of the December 31, 1999 environmental liability is expected to be paid out over the next five years, funded by cash generated from operations.

Remediation of identified sites previously used in operations, used by tenants or contaminated by former owners required spending of \$56 million in 1999, \$58 million in 1998, and \$46 million in 1997. The Company is also

engaged in reducing emissions, spills and migration of hazardous materials, and spent \$5 million and \$9 million in 1999 and 1998, respectively, for control and prevention. In 2000, the Company anticipates spending \$60 million for remediation and \$6 million for control and prevention. The impact of current obligations is not expected to have a material adverse effect on the results of operations or financial condition of the Company.

Labor Matters - Approximately 87% of the Railroad's 52,000 employees are represented by rail unions. Under the conditions imposed by the STB in connection with the Southern Pacific acquisition, labor agreements between the Railroad and the unions must be negotiated before the UPRR and Southern Pacific rail systems can be fully integrated. The Railroad has successfully reached agreements with the shopcraft, carmen, clerical and maintenance-of-way unions. By the end of 1999, negotiations with other operating crafts were nearly complete, with only one hub-and-spoke agreement (Los Angeles) left to implement in early 2000. Under the hub-and-spoke concept, all operating employees in a central "hub" are placed under a single set of collective bargaining agreements with the ability to work on the "spokes" running into and out of the hub. Negotiations under the Railway Labor Act for a new national labor agreement for all crafts began in late 1999 and are in the initial stages.

Inflation - The cumulative effect of long periods of inflation has significantly increased asset replacement costs for capital-intensive companies such as the Railroad. As a result, depreciation charges on an inflation-adjusted basis, assuming that all operating assets are replaced at current price levels, would be substantially greater than historically reported amounts.

Financial Instruments - The Company uses derivative financial instruments, which are subject to market risk, in limited instances for other than trading purposes to manage risk related to changes in fuel prices. The Company uses swaps, futures and/or forward contracts to mitigate the downside risk of adverse price movements; however, the use of these instruments also limits future gains from favorable movements (see Note 4 to the Consolidated Financial Statements). The sensitivity analyses presented below illustrate the economic effect that hypothetical changes in interest rates or fuel prices could have on the Company's financial instruments. These hypothetical changes do not consider other factors that would impact actual results.

Interest Rates - The Company manages its overall exposure to fluctuations in interest rates by adjusting the proportion of fixed and floating rate debt instruments within its debt portfolio over a given period. The mix of fixed and floating rate debt is largely managed through the issuance of targeted amounts of each as debt matures or incremental borrowings are required. The Company also obtains additional flexibility in managing interest costs and the interest rate mix within its debt portfolio by issuing callable fixed-rate debt securities.

The Company has variable-rate debt representing less than 1% of its total debt at December 31, 1999. If interest rates average 10% higher in 2000 than the December 31, 1999 rate, the Company's interest expense would increase by less than \$1 million after tax. This amount is determined by considering the impact of the hypothetical interest rates on the balances of the Company's variable-rate debt at December 31, 1999.

Market risk for fixed-rate debt is estimated as the potential increase in fair value resulting from a hypothetical 10% decrease in interest rates as of December 31, 1999, and amounts to approximately \$125 million at December 31, 1999. The fair values of the Company's fixed-rate debt were estimated by considering the impact of the hypothetical interest rates on quoted market prices and current borrowing rates.

Fuel - Fuel costs are a significant portion of the Company's total operating costs. As a result of the significance of fuel costs and the historical volatility of fuel prices, the Company periodically use swaps, futures and forward contracts to mitigate the impact of fuel price volatility. The purpose of this program is to protect the Company's operating margins and overall profitability from adverse fuel price changes.

As of December 31, 1999, the Company had hedged approximately 10% of its forecasted 2000 fuel consumption. If fuel prices decrease 10% from the December 31, 1999 level, the corresponding decrease in the value of the Company's fuel hedging contracts would be approximately \$5 million after-tax.

Commitments and Contingencies - There are various claims and lawsuits pending against the Company. In addition, the Company is subject to various federal, state and local environmental laws and is currently participating in the investigation and remediation of various sites. A discussion of certain claims, lawsuits, guarantees and contingencies is set forth in Note 10 to the Consolidated Financial Statements.

Year 2000 - The Company experienced no significant problems related to the Year 2000 (Y2K) conversion either internally or with its electronic commerce systems that exchange information with customers, vendors, other railroads and financial institutions. The Company expensed approximately \$46 million to convert its systems and does not expect to incur any future expense related to Y2K. The Company's Y2K command center has been demobilized and any subsequent Y2K issues that arise will be handled in the normal course of operations. The Company believes its systems have been successfully modified. Although minor Y2K conversion issues may be uncovered during monthly or quarterly processing cycles, the Company believes that these will be handled by normal support staff, and that any future problems related to Y2K issues would not materially impact operations or financial results.

Accounting Pronouncements - In June 1998, the Financial Accounting Standards Board issued Statement No. 133, "Accounting for Derivative Instruments and Hedging Activities" (FAS 133), that would have been effective January 1, 2000. In June 1999, the Financial Accounting Standards Board issued Statement No. 137, "Accounting for Derivatives Instruments and Hedging Activities-Deferral of the Effective Date of FASB Statement No. 133", postponing the effective date for implementing FAS 133 to fiscal years beginning after June 15, 2000. While management is still in the process of determining the full effect FAS 133 will have on the Company's consolidated financial statements, management has determined that FAS 133 will increase the volatility of the Company's asset, liability and equity (comprehensive income) positions as the change in the fair market value of all financial instruments the Company uses for fuel or interest rate hedging purposes will, upon adoption of FAS 133, be recorded in the Company's Statement of Consolidated Financial Position (see Note 4 to the Consolidated Financial Statements). In addition, to the extent fuel hedges are ineffective due to pricing differentials resulting from the geographic dispersion of the Company's operations, income statement recognition of the ineffective portion of the hedge position will be required. Management does not anticipate that the final adoption of FAS 133 will have a material impact on the Company's consolidated financial statements.

A LOOK FORWARD

2000 Business Outlook - The Railroad anticipates revenue growth as it continues to recover market share lost during its service difficulties, as well as from increased demand for transportation and the introduction of new service offerings. Operating efficiency is also anticipated to improve in 2000, as higher train velocity generates improvements in cycle times, lowering costs for equipment and crews. Fuel prices began to rise in late 1999 and are expected to continue to increase in 2000. As a result, the Railroad will continue to look for opportunities to decrease future fuel expense. Ten percent of forecasted 2000 fuel consumption was hedged at December 31, 1999. The Railroad will also continue to implement the Southern Pacific Merger integration plan to achieve the operational and financial benefits associated with the merger.

2000 Capital Investments - The Company's 2000 capital expenditures, debt service requirements and payments related to the integration of Southern Pacific's rail operations are expected to be funded through cash generated from operations, additional debt financings and the sale or lease of various operating and non-operating properties. The Company expects that these sources will continue to provide sufficient funds to meet cash requirements in the foreseeable future. The Company expects to spend between \$1.9 billion and \$2.1 billion on capital projects in 2000. Capital expenditures will be used to continue capacity expansion on its main lines, maintain tracks and structures, upgrade and augment equipment to better meet customer needs, build infrastructure in the Texas area and develop and implement new technologies.

CAUTIONARY INFORMATION

Certain statements in this report are, and statements in other material filed or to be filed with the Securities and Exchange Commission (as well as information included in oral statements or other written statements made or to be made by the Company) are or will be, forward-looking within the meaning of the Securities Act of 1933 and the Securities Exchange Act of 1934. These forward-looking statements include, without limitation, statements regarding: expectations as to operational improvements; expectations as to cost savings, revenue growth and earnings; the time by which certain objectives will be achieved; estimates of costs relating to environmental remediation and restoration; expectations as to product applications; expectations that claims, law-suits, environmental costs, commitments, contingent liabilities, labor negotiations or agreements, or other matters will not have a material adverse effect on its consolidated financial position, results of operations or liquidity; and statements concerning projections, predictions, expectations, estimates or forecasts as to the Company's business, financial and operational results, and future economic performance, statements of management's goals and objectives and other similar expressions concerning matters that are not historical facts.

Forward-looking statements should not be read as a guarantee of future performance or results, and will not necessarily be accurate indications of the times at, or by which, such performance or results will be achieved. Forward-looking information is based on information available at the time and/or management's good faith belief with respect to future events, and is subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in the statements.

Important factors that could cause such differences include, but are not limited to, whether the Company is fully successful in implementing its financial and operational initiatives; industry competition, conditions, performance and consolidation; legislative and/or regulatory developments, including possible enactment of initiatives to re-regulate the rail business; natural events such as severe weather, floods and earthquakes; the effects of adverse general economic conditions, both within the United States and globally; changes in fuel prices; changes in labor costs; labor stoppages; the impact of latent year 2000 systems problems; and the outcome of claims and litigation, including claims arising from environmental investigations or proceedings.

Forward-looking statements speak only as of the date the statement was made. The Company assumes no obligation to update forward-looking information to reflect actual results, changes in assumptions or changes in other factors affecting forward-looking information. If the Company does update one or more forward-looking statements, no inference should be drawn that the Company will make additional updates with respect thereto or with respect to other forward-looking statements.

**UNION PACIFIC RAILROAD COMPANY AND CONSOLIDATED SUBSIDIARY
AND AFFILIATE COMPANIES**

EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Description</u>

<u>Filed with this Statement</u>	

12	Ratio of Earnings to Fixed Charges.

24	Powers of attorney.

27	Financial Data Schedule.

<u>Incorporated by Reference</u>	

2(a)	Agreement and Plan of Merger, dated as of January 29, 1998, between UPRR and SPT is incorporated herein by reference to Exhibit 2 to the Company's Current Report on Form 8-K dated February 13, 1998.

3(a)	Amended Certificate of Incorporation of the Company, effective as of February 1, 1998, is incorporated herein by reference to Exhibit 3(a) to the Company's Annual Report on Form 10-K for the year ended December 31, 1998.

3(b)	By-Laws of the Company, as amended effective as of November 19, 1998, are incorporated herein by reference to Exhibit 3(b) to the Company's Annual Report on Form 10-K for the year ended December 31, 1998.

4	Pursuant to various indentures and other agreements, the Company has issued long-term debt; however, no such agreement has securities or obligations covered thereby which exceed 10% of the Company's total consolidated assets. The Company agrees to furnish the Commission with a copy of any such indenture or agreement upon request by the Commission.

10(a)	Amended and Restated Anschutz Shareholders Agreement, dated as of July 12, 1996, among UPC, UPRR, The Anschutz Company, Anschutz Foundation and Mr. Philip F. Anschutz, is incorporated herein by reference to Annex D to the Joint Proxy Statement/Prospectus included in Post-Effective Amendment No. 2 to UPC's Registration Statement on Form S-4 (No. 33-64707).

10(b)	Agreement, dated September 25, 1995, among UPC, UPRR, MPRR, SP, SPT, DRGW, SSW and SPCSL, on the one hand, and Burlington Northern Railroad Company (BN) and The Atchison, Topeka and Santa Fe Railway Company (Santa Fe), on the other hand, is incorporated by reference to Exhibit 10.11 to UPC's Registration Statement on Form S-4 (No. 33-64707).

10(c)	Supplemental Agreement, dated November 18, 1995, between UPC, UPRR, MPRR, SP, SPT, DRGW, SSW and SPCSL, on the one hand, and BN and Santa Fe, on the other hand, is incorporated herein by reference to Exhibit 10.12 to UPC's Registration Statement on Form S-4 (No. 33-64707).

EXHIBIT 12

**UNION PACIFIC RAILROAD COMPANY AND CONSOLIDATED SUBSIDIARY
AND AFFILIATE COMPANIES**

RATIO OF EARNINGS TO FIXED CHARGES

For the Years Ended December 31.

(Millions of Dollars, Except for Ratio)

	1999	1998 (a)	1997	1996	1995
Earnings from continuing operations.....	\$ 854	\$ 27	\$ 620	\$ 940	\$ 867
Undistributed equity earnings.....	(45)	(44)	(37)	(47)	(30)
Total operating earnings	\$ 809	\$(17)	\$ 583	\$ 893	\$ 837
Income taxes	465	(11)	332	477	443
Fixed charges:					
Interest expense including amortization of debt discount.....	\$ 618	\$603	\$ 473	\$ 323	\$ 193
Portion of rentals representing an interest factor...	181	175	158	129	60
Total fixed charges	\$ 799	\$778	\$ 631	\$ 452	\$ 253
Earnings available for fixed charges	\$2,073	\$750	\$1,546	\$1,822	\$1,533
Ratio of earnings to fixed charges	2.6	1.0	2.4	4.0	6.0

(a) 1998 earnings were inadequate to cover fixed charges by \$28 million.

EXHIBIT 24**UNION PACIFIC RAILROAD COMPANY AND CONSOLIDATED SUBSIDIARY
AND AFFILIATE COMPANIES****Powers of Attorney**

I, the undersigned, a director of Union Pacific Railroad Company, a Delaware corporation (the Railroad), do hereby appoint each of James R. Young, Carl W. von Bernuth and Thomas E. Whitaker my true and lawful attorney-in-fact and agent, to sign on my behalf the Railroad's Annual Report on Form 10-K for the year ended December 31, 1999, and any and all amendments thereto, and to file the same, with all exhibits thereto, with the Securities and Exchange Commission.

/s/ PHILIP F. ANSCHUTZ

Philip F. Anschutz

I, the undersigned, a director of Union Pacific Railroad Company, a Delaware corporation (the Railroad), do hereby appoint each of James R. Young, Carl W. von Bernuth and Thomas E. Whitaker my true and lawful attorney-in-fact and agent, to sign on my behalf the Railroad's Annual Report on Form 10-K for the year ended December 31, 1999, and any and all amendments thereto, and to file the same, with all exhibits thereto, with the Securities and Exchange Commission.

/s/ ROBERT P. BAUMAN

Robert P. Bauman

I, the undersigned, a director of Union Pacific Railroad Company, a Delaware corporation (the Railroad), do hereby appoint each of James R. Young, Carl W. von Bernuth and Thomas E. Whitaker my true and lawful attorney-in-fact and agent, to sign on my behalf the Railroad's Annual Report on Form 10-K for the year ended December 31, 1999, and any and all amendments thereto, and to file the same, with all exhibits thereto, with the Securities and Exchange Commission.

/s/ RICHARD B. CHENEY

Richard B. Cheney

I, the undersigned, a director of Union Pacific Railroad Company, a Delaware corporation (the Railroad), do hereby appoint each of James R. Young, Carl W. von Bernuth and Thomas E. Whitaker my true and lawful attorney-in-fact and agent, to sign on my behalf the Railroad's Annual Report on Form 10-K for the year ended December 31, 1999, and any and all amendments thereto, and to file the same, with all exhibits thereto, with the Securities and Exchange Commission.

/s/ E. VIRGIL CONWAY

E. Virgil Conway

I, the undersigned, a director of Union Pacific Railroad Company, a Delaware corporation (the Railroad), do hereby appoint each of James R. Young, Carl W. von Bernuth and Thomas E. Whitaker my true and lawful attorney-in-fact and agent, to sign on my behalf the Railroad's Annual Report on Form 10-K for the year ended December 31, 1999, and any and all amendments thereto, and to file the same, with all exhibits thereto, with the Securities and Exchange Commission.

/s/ THOMAS J. DONOHUE

Thomas J. Donohue

I, the undersigned, a director of Union Pacific Railroad Company, a Delaware corporation (the Railroad), do hereby appoint each of James R. Young, Carl W. von Bernuth and Thomas E. Whitaker my true and lawful attorney-in-fact and agent, to sign on my behalf the Railroad's Annual Report on Form 10-K for the year ended December 31, 1999, and any and all amendments thereto, and to file the same, with all exhibits thereto, with the Securities and Exchange Commission.

/s/ SPENCER F. ECCLES

Spencer F. Eccles

I, the undersigned, a director of Union Pacific Railroad Company, a Delaware corporation (the Railroad), do hereby appoint each of James R. Young, Carl W. von Bernuth and Thomas E. Whitaker my true and lawful attorney-in-fact and agent, to sign on my behalf the Railroad's Annual Report on Form 10-K for the year ended December 31, 1999, and any and all amendments thereto, and to file the same, with all exhibits thereto, with the Securities and Exchange Commission.

/s/ IVOR J. EVANS

Ivor J. Evans

I, the undersigned, a director of Union Pacific Railroad Company, a Delaware corporation (the Railroad), do hereby appoint each of James R. Young, Carl W. von Bernuth and Thomas E. Whitaker my true and lawful attorney-in-fact and agent, to sign on my behalf the Railroad's Annual Report on Form 10-K for the year ended December 31, 1999, and any and all amendments thereto, and to file the same, with all exhibits thereto, with the Securities and Exchange Commission.

/s/ ELBRIDGE T. GERRY, JR.

Elbridge T. Gerry, Jr.

I, the undersigned, a director of Union Pacific Railroad Company, a Delaware corporation (the Railroad), do hereby appoint each of James R. Young, Carl W. von Bernuth and Thomas E. Whitaker my true and lawful attorney-in-fact and agent, to sign on my behalf the Railroad's Annual Report on Form 10-K for the year ended December 31, 1999, and any and all amendments thereto, and to file the same, with all exhibits thereto, with the Securities and Exchange Commission.

/s/ JUDITH RICHARDS HOPE

Judith Richards Hope

I, the undersigned, a director of Union Pacific Railroad Company, a Delaware corporation (the Railroad), do hereby appoint each of James R. Young, Carl W. von Bernuth and Thomas E. Whitaker my true and lawful attorney-in-fact and agent, to sign on my behalf the Railroad's Annual Report on Form 10-K for the year ended December 31, 1999, and any and all amendments thereto, and to file the same, with all exhibits thereto, with the Securities and Exchange Commission.

/s/ RICHARD J. MAHONEY

Richard J. Mahoney

I, the undersigned, a director of Union Pacific Railroad Company, a Delaware corporation (the Railroad), do hereby appoint each of James R. Young, Carl W. von Bernuth and Thomas E. Whitaker my true and lawful attorney-in-fact and agent, to sign on my behalf the Railroad's Annual Report on Form 10-K for the year ended December 31, 1999, and any and all amendments thereto, and to file the same, with all exhibits thereto, with the Securities and Exchange Commission.

/s/ JAMES A. SHATTUCK

James A. Shattuck

I, the undersigned, a director of Union Pacific Railroad Company, a Delaware corporation (the Railroad), do hereby appoint each of James R. Young, Carl W. von Bernuth and Thomas E. Whitaker my true and lawful attorney-in-fact and agent, to sign on my behalf the Railroad's Annual Report on Form 10-K for the year ended December 31, 1999, and any and all amendments thereto, and to file the same, with all exhibits thereto, with the Securities and Exchange Commission.

/s/ RICHARD D. SIMMONS

Richard D. Simmons

EXHIBIT 27**UNION PACIFIC RAILROAD COMPANY AND CONSOLIDATED SUBSIDIARY
AND AFFILIATE COMPANIES****FINANCIAL DATA SCHEDULE****For the Year Ended December 31, 1999****(In Millions, Except Per Share Amounts)
(Unaudited)**

Cash and cash items	\$ 83
Marketable securities	-
Accounts receivable - Trade	418
Allowance for doubtful accounts	-
Inventory	329
Total current assets	956
Property, plant and equipment	33,536
Accumulated depreciation	6,490
Total assets	28,880
Total current liabilities	2,445
Bonds, mortgages and similar debt	7,776
Common stock	-
Preferred stock -- Mandatory redemption	-
Preferred stock -- No mandatory redemption	25
Other stockholder's equity	9,247
Total liabilities and stockholder's equity	28,880
Net sales of tangible products	-
Total revenues	10,176
Cost of tangible goods sold	-
Total costs and expenses applicable to sales and revenues	8,354
Other costs and expenses	-
Provision for doubtful accounts and notes	-
Interest and amortization of debt	618
Income before taxes and other items	1,319
Income tax expense	465
Income from continuing operations	854
Discontinued operations	-
Extraordinary items	-
Cumulative effect -- Changes in accounting principles	-
Net income	854
Earnings per share - Basic	-
Earnings per share - Diluted	-

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on this 27th day of March, 2000.

UNION PACIFIC RAILROAD COMPANY

By _____
Richard K. Davidson,
Chairman and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below, on this 27th day of March, by the following persons on behalf of the Registrant and in the capacities indicated.

PRINCIPAL EXECUTIVE OFFICER: By _____
Richard K. Davidson,
Chairman and Chief Executive Officer

PRINCIPAL FINANCIAL OFFICER: By _____
James R. Young,
Chief Financial Officer

PRINCIPAL ACCOUNTING OFFICER: By _____
Richard J. Putz
Chief Accounting Officer and Controller

Bonanza Road

Subject Parcels

UP Railroad

Ogden

OGDEN AVE
UNDERPASS

Parkway Center Lot 4 and Bonanza Street Property

City of Las Vegas

Agenda Item No. 97

AGENDA SUMMARY PAGE**CITY COUNCIL MEETING OF: MAY 16, 2001****DEPARTMENT: BUSINESS DEVELOPMENT****DIRECTOR: LESA CODER**☐**CONSENT**☒**DISCUSSION****SUBJECT:****REPORT FROM REAL ESTATE COMMITTEE - Councilmen Mack & Weekly**

Discussion and possible action regarding a Real Property Purchase and Sale Agreement and Escrow (Agreement) between the City of Las Vegas and 21st Century Financial Ventures, LLC. for the sale of land known as Parkway Center Lot 4 and Bonanza Street Property (Gain \$4,973,683 - Industrial Revenue Fund) - Ward 5 (Weekly)

Fiscal Impact☐**No Impact****Amount:** \$4,973,683 Revenue☒**Budget Funds Available****Dept./Division:** Business Development☐**Augmentation Required****Funding Source:** Industrial Revenue Fund**PURPOSE/BACKGROUND:**

Sale of land from City of Las Vegas to 21st Century Financial Ventures, LLC, commonly known as Parkway Center Lot #4 and the Bonanza Street Property. The subject property consists of 10.38 acres, as depicted on the attached map (Exhibit "A").

RECOMMENDATION:

The 5/14/2001 Real Estate Committee recommends approval, subject to the amendment to the Disclosure of Principals and revised Exhibit K, Promissory Note, read into the record by staff. It is recommended by the City Manager that the City Council finds the sale will have a favorable effect on economic development & approve the execution of the Agreement with 21st Century Financial Ventures, LLC. & that the Mayor be authorized to execute the same, & any & all documents, including the Exhibits attached thereto.

BACKUP DOCUMENTATION:

1. Agenda Memo
2. Real Property Purchase and Sale Agreement and Escrow Instructions
3. Site Map

MOTION:**WEEKLY – APPROVED as recommended – UNANIMOUS**

*City of Las Vegas***Agenda Item No. 97**

CITY COUNCIL MEETING OF MAY 16, 2001

Real Estate

Item 97 -- Discussion and possible action regarding a Real Property Purchase and Sale Agreement and Escrow Agreement between the City of Las Vegas and 21st Century Financial Ventures, LLC for the sale of land known as Parkway Center Lot 4 and Bonanza Street Property

MINUTES:

BRUCE MADRID, Managing Member, 21st Century Financial Ventures, LLC, 3901 Meadows Lane and DAVID JONES, Founder and CEO of 21st Century Financial Systems, Inc., were present.

LESA CODER, Director, Office of Business Development, referred to Exhibit K and stated that it allows for the agreement to conform to the repayment provisions in the loan agreement so that, in the event that any portion of the property would be sold by 21st Century Financial, the City would be reimbursed for the acreage sold.

As far as the posture the City would take in terms of the lienholder, MS. CODER indicated that the City holds the first lien for the amount of its participation. However, at the City Manager's discretion, the City could take a second lien option. In which case the applicant would be required to submit tax returns, and financial statements, and personal guarantees to cover the loan amount. The City would also have the option to have the applicant commit to both the construction loan as well as the takeout loans. She recommended approval.

MR. MADRID thanked the Council members for creating the climate that fosters entrepreneurial growth and opportunities such as this one. He also expressed his appreciation to the following people for their guidance, assistance, and support: MS. CODER, DOUG LIEN, DEPUTY CITY ATTORNEY TERRI PONTICELLO, STEPHANIE BOIXO, and ERIK PAPPA, SUMMER HOLMSWORTH, and JODI MACK.

He displayed renderings of the project and explained that the plan is to develop a 120,000 square foot cyber center on the northern part of the property with an adjacent approximate 285,000 square foot, Class A office building on the southern side of the property. The office building will be the corporate office for 21st Century Financial Systems, Inc., and other major tenants.

COUNCILMAN McDONALD stated that the project would benefit the City and the entire community.

MAYOR GOODMAN said that this project is the start of something really big that is going to allow the City to be on the cutting edge. He hopes the project will be completed in a timely manner.

Agenda Item No. 97

CITY COUNCIL MEETING OF MAY 16, 2001

Real Estate

Item 97 - Discussion and possible action regarding a Real Property Purchase and Sale Agreement and Escrow Agreement between the City of Las Vegas and 21st Century Financial Ventures, LLC for the sale of land known as Parkway Center Lot 4 and Bonanza Street Property

MINUTES:

MAYOR GOODMAN and COUNCILMAN WEEKLY thanked MR. MADRID for the briefings, as well as MS. CODER, MR. LIEN, MS. MACK, and MS. BIOXO for their involvement.

There was no further discussion.

(1:05 – 1:13)

3-2124

*City of Las Vegas***AGENDA MEMO****CITY COUNCIL MEETING DATE: MAY 16, 2001****DEPARTMENT: BUSINESS DEVELOPMENT****ITEM DESCRIPTION: REAL PROPERTY PURCHASE AND SALE AGREEMENT
AND ESCROW BETWEEN THE CITY OF LAS VEGAS AND 21ST CENTURY
FINANCIAL VENTURES, LLC.**

The major points of the Agreement are as follows:

- The site consists of 10.38 acres; land is to be purchased from Union Pacific Railroad (UPR)
- The Purchase Price will be \$11.00 per square foot; or \$4,973,683.00
- A \$250,000.00 Earnest Money Deposit will be deposited with the Title Company concurrently with 21st Century Financial Systems Inc. execution of the Agreement
- \$746,052.40 initial payment (including Earnest Money Deposit) shall be deposited in escrow
- The remainder of \$4,227,630.60 (85% of the Purchase Price) shall be paid no later than 36 months after Close of Escrow, together with 6% simple interest per annum on the unpaid balance; there shall be a promissory note, deed of trust and personal guarantees as part of the Agreement
- Construction of the project will begin within 9 months of the acquisition of the Site; and will be completed within 18 months after commencement of construction
- The City will pay premium for the standard owner's policy (CLTA); Developer will pay for additional charges if they desire to purchase an ALTA policy

Final sale of the property is contingent upon the following events:

- Approval of 21st Century Financial Ventures, LLC. Site Development Plan pursuant to Las Vegas Municipal Code
- The sale of the Property will have a favorable affect on downtown economic development by providing an office project on unimproved land

**REAL PROPERTY PURCHASE AND SALE AGREEMENT
AND ESCROW**

THIS AGREEMENT, entered into this 16th day of May, 2001, by and between the City of Las Vegas, a municipal corporation of the State of Nevada (hereinafter the "City") and 21st Century Financial Ventures, LLC, a Nevada limited liability company (hereinafter the "Developer").

WITNESSETH:

WHEREAS, the City, or its assignee, City Parkway IV intends to purchase certain real property that is depicted in Exhibit "A," and is described more particularly in Exhibit "B" attached to this Agreement. (This real property is hereinafter referred to as the "Site"); and

WHEREAS, the City desires to sell to the Developer or its nominee, and the Developer desires that it or its nominee purchase from the City, and

WHEREAS, the parties desire to set forth in this Agreement the terms and conditions for the purchase and sale of the Site.

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

1. PURPOSE OF AGREEMENT

The purpose of this Agreement is to accomplish the sale to and purchase by the Developer of the Site as hereinafter described. As used hereinafter, the "Developer" refers to the Developer, or its nominee or assignee, as approved by the City.

2. THE SITE

a. General Description

The Site consists of 10.38 (ten and thirty eight hundredths) acres, is depicted generally in Exhibit "A," and is described more particularly in Exhibit "B." Exhibits "A" and "B" are attached hereto and incorporated herein by this reference. The Site consists of unimproved land to which the utilities and infrastructure and all off-site improvements (excluding sidewalks and driveways) are available. It is the sole responsibility of the Developer to obtain and connect the necessary services from the local utility companies.

b. Union Pacific Railroad Company Easement Reservations

The Developer acknowledges certain easement reservations reserved to Union Pacific Railroad Company (UP) which are more accurately set forth in the Grant, Bargain and Sale Deed dated _____, 2001 and recorded in Book No. _____, Instrument No. _____, in

the office of the Clark County Recorder, State of Nevada. These easement reservations are summarily as follows:

1. Railroad Easement Reservation. EXCEPTING from this sale the railroad trackage and track appurtenances thereto, now located upon, along and across the Property, and RESERVING unto UP, its successors and assigns, forever, a PERPETUAL EXCLUSIVE EASEMENT thirty feet (30') in width in the location shown on Exhibit A, together with the right of ingress and egress thereto, for railroad purposes and purposes incidental thereto, including, without limitation, the construction, maintenance, operation, repair, renewal, reconstruction, use and removal of said railroad trackage and appurtenances.

2. Fiber Optic Easement Reservations.

(a) There is FURTHER EXCEPTED from this sale and RESERVED unto UP, its successors and assigns, forever, a PERPETUAL EXCLUSIVE EASEMENT ten feet (10') in width over, under, across and upon that portion of the Property depicted on Exhibit A as "communications easement property", for the construction, reconstruction, installation, inspection, repair, maintenance, enjoyment, operation, use and/or removal of existing and/or future communication lines and/or facilities, including, but not limited to, fiber optic cables, conduits and related appurtenances, (including, without limitation, valves, manholes, air vents, warning signals, junction boxes, transformers, switch boxes, and electric devices), together with the right of ingress, egress and access from and to such easement area over and across the Property for purposes of exercising the easement rights reserved herein. All communication lines and/or facilities presently existing or hereafter constructed on the communications easement property shall remain the personal property of UP.

UP shall have the right to grant, at its sole discretion, sub-easements, licenses and any other interests in the easement areas reserved under subparagraph above and to collect the rents, issues and profits therefrom, and from any existing contracts, and to use the easement areas for any other lawful purpose, including, but not limited to, entering into agreements with third parties for longitudinal occupancies or crossings. Neither City nor any successor or assign of City shall place or make any improvement on the surface of the easement areas except landscaping and paving for surface parking or driveways. UP, its successors and assigns, shall repair any damage (except for damage to prohibited improvements) to the surface of the easement areas caused by the exercise of the easement rights reserved under subparagraph (a) above, and shall indemnify and hold harmless City, its successors and assigns, from and against any losses, claims, liabilities, actions, causes of action, costs or expenses (including, without limitation, court costs and attorneys' fees) for personal injury or property damage caused by the exercise of such easement rights.

3. Signboard Easement Reservation/Termination.

(a) Under subparagraph (b) below, City may elect to cause termination of the agreement under which one (1) signboard is on the Property in the location shown

on Exhibit A as "Lamar Signboard". If Developer does not provide notice to City to elect to cause termination of the signboard agreement covering the Lamar Signboard, there is EXCEPTED from this sale the signboard and appurtenances thereto, including, without limitation, wirelines for electrical service to the signboard, and RESERVED unto UP, its successors and assigns, forever, a PERPETUAL EASEMENT for the construction, maintenance, operation, repair, replacement, renewal and reconstruction of signboards and appurtenances thereto (whether now or hereafter constructed) upon, along, under and across the portion of the Property which is the current location of the signboard and within a radius five feet (5') outside the perimeter of the land surface directly below the signboard (the "sign shadow") and any poles or footings if outside the sign shadow, together with (i) the right of unobstructed access, ingress and egress to and from said easement area for the purpose of exercising the rights herein reserved; and (ii) a sight line easement for the unobstructed view from U.S. Highway 95 to signboards now or hereafter located on said easement area.

(b) By Developer giving City written notice of such election on or before June 13, 2001 and City thereby notifying UP, Developer may elect to cause termination of the signboard agreement covering the Lamar Signboard. If Developer so elects then the following shall apply:

(i) The Lamar Signboard is located on the Property pursuant to Master Signboard Site License Agreement between UP and Eller Media Company ("Eller") dated September 30, 1997 (the "Eller Agreement"), and pursuant to sublicense agreement between Eller and Lamar Outdoor Advertising, identified in the records of UP as Audit No. 163336, Folder No. 490-36 (the "Sublicense"). On or before June 15, 2001, UP will send or cause to be sent to Eller notice of (1) withdrawal of the Lamar Signboard from the Eller Agreement, and (2) UP's election to cause termination of the Sublicense. The notice of withdrawal and election to terminate the Sublicense will be given in accordance with the provisions of the Eller Agreement. UP will have no duty to enforce the obligations of Eller or the sublicensee with respect to withdrawal of the Lamar Signboard site or the termination of the Sublicense, including, without limitation, any obligations of Eller and/or the sublicensee to remove the Lamar Signboard. UP will, upon request from City, assign to City, its successors or assigns, any of UP's rights to enforce any such obligations of Eller and/or the sublicensee and City will, thereafter, assign these rights to Developer. The fee of \$156,278.33 assuming termination date of June 15, 2001 as required under the Eller Agreement to be paid by UP to Eller for withdrawal of the Lamar Signboard site will be paid by Developer to UP by June 15, 2001. UP will hold this money in trust and will promptly pay this money to Eller pursuant to the terms of the Eller Agreement.

(ii) The withdrawal fee for the Lamar Signboard is hereinafter referred to as "Withdrawal Fee".

c. City Easement Reservations

The City hereby excepts from this sale certain easements reserved unto the City, its successors and assigns which are described as follows:

(1) Parkway Easement, also known as the Drainage Easement, which is identified in Note No. 24 of the ALTA Survey Map dated December 23, 2000 prepared by G.C. Wallace Engineering & Architecture, Inc. ("ALTA Survey") and received and reviewed by the City and Developer.

(2) The Box Culvert and Drainage Easement which is not yet created on Parcel 1 ("Bonanza Street Parcel") and will be described in the Right of Way Grant for Drainage Purposes dated _____ and recorded in the Office of the County Recorder, Clark County, State of Nevada, subsequent to the recording of the UP Deed. For reference purposes only, the location of the Box Culvert and Drainage Easement had been tentatively described in the ALTA Survey Map dated December 21, 2000 prepared by G.C. Wallace Engineering and Architecturing, Inc. ("12/21/00 ALTA Survey"). During the Feasibility Period, the Developer agrees to submit to the City's Public Works Department the Site Plan for the Developer's proposed development and, based upon the Site Plan submitted, the City and Developer shall work together to try and fashion a design and plans for the Box Culvert and Drainage Easement which is compatible with Developer's Site Plan and is acceptable to the Developer.

(3) The Nevada Department of Transportation Easements, which are identified as Note Nos. 17 and 37 in the ALTA Survey ("NDOT Easements").

The Parkway Easement, Box Culvert and Drainage Easement and NDOT Easements shall be collectively referred to as the "City Easements".

The City represents that it has the authority to grant and does hereby grant unto Developer, its successors and assigns, the right to place and make improvements on the Parkway Easement and the Box Culvert and Drainage Easement for landscaping, paving for surface parking and driveways, lighting and the installing of utilities and fiber optics in, along and under the Parkway Easement and the Box Culvert and Drainage Easement. The City hereby represents that it will strive with all due diligence to obtain all consents necessary to grant unto Developer, its successors and assigns, the right to place and make improvements on the NDOT Easements for landscaping, paving for surface parking and driveways, lighting, and the installing of utilities and fiber optics in, along and under the NDOT Easements. City agrees to cooperate with Developer, its successors and assigns, to ensure that the City Easements can be utilized for the above described purposes and shall facilitate and assist the Developer in obtaining the necessary approvals to comply with the City's Development Standards. Developer, its successors and assigns, shall repair any damage to the easement areas caused by their use of the easement areas as allowed herein. Developer, its successors and assigns, agrees to indemnify and hold harmless the City from and against any losses, claims, liabilities, actions, causes of action, costs or for personal injury or property damage caused

by their use of the easement areas as allowed herein. City, its successors and assigns, shall repair any damage (except for damage to prohibited improvements) to the surface of the easement areas caused by the exercise of the easement rights reserved under this Section 2.c. and shall indemnify and hold harmless Developer, its successors and assigns, from and against any losses, claims, liabilities, actions, causes of action, costs or for personal injury or property damage caused by the exercise of such easement rights, subject to the limitations of NRS Chapter 41.

3. GENERAL SCOPE OF ACQUISITION

By executing this Agreement, the City agrees to sell to the Developer, and the Developer agrees to purchase, the Site as described above.

4. ACQUISITION OF SITE

a. The Purchase Price for the Site is \$4,973,683.00 (Four Million Nine Hundred Seventy Three Thousand Six Hundred Eighty Three and 00/100 Dollars) (hereinafter "Purchase Price"). The Purchase Price is based on \$11.00 (Eleven and No Hundredths Dollars) per gross square foot for the Site, which contains 10.38 (ten and thirty eight hundredths) acres. The Purchase Price for the Site is due and payable at or before the close of escrow in accordance with the provisions in Section 5. For purposes of determining the Purchase Price, the area of the Site does include dedicated rights-of-way or any public or utility easement that is not available for use for buildings, parking or landscaping, unless agreed to by the City and UP, if necessary.

5. PAYMENT OF PURCHASE PRICE

The Purchase Price described in Section 4 shall be paid as follows:

a. The Earnest Money Deposit of \$250,000.00 (Two Hundred Fifty Thousand and 00/100 Dollars), provided such Deposit has been paid to the Escrow Agent in an interest-bearing account in accordance with Section 8, shall be applied as the down payment towards the Purchase Price.

b. At or before the close of escrow, the Developer shall deposit in the form of cash or a cashier's check the amount of \$496,052.40 (Four Hundred Ninety Six Thousand Fifty Two Dollars and 40/100 Dollars) (or 15% of the total Purchase Price) into escrow (hereinafter the "Initial Payment"). The Earnest Money Deposit and Initial Payment shall constitute fifteen percent (15%) of the Purchase Price.

c. The remainder of the Purchase Price, \$4,227,630.55 Four Million Two Hundred Twenty Seven Thousand Six Hundred Thirty and 55/100 Dollars) shall be paid no later than 36 (thirty-six) months after the close of escrow, together with 6% (six percent) simple interest per annum on the unpaid balance. The Developer agrees to deposit in escrow, prior to and as a

condition of the close of escrow, an executed Promissory Note in the amount of \$ Four Million Two Hundred Twenty Seven Thousand Six Hundred Thirty and 55/100 Dollars) in favor of the City, evidencing the Developer's obligation to pay the remaining balance of the Purchase Price (hereinafter the "Promissory Note"). The Promissory Note shall be secured by (1) an executed Deed of Trust encumbering the Site in favor of the City (hereinafter "City Deed of Trust"); and (2) at such time as hereinafter required Personal Guarantees will be executed individually by the principals of the Developer who are required by the Initial Construction Lender (as described below) to execute personal guarantees for the Initial Construction Loan, along with any joint tenants or tenants in common, pledging their personal assets as security for the Promissory Note in the City's favor to secure Developer's obligations (hereinafter the "Personal Guarantee"). The Personal Guarantees shall be executed at such time that the Developer requests the City to execute a subordination agreement to subordinate the rights of the City under the City Deed of Trust to the rights of the Initial Construction Lender under its deed of trust. Throughout the duration of this Agreement, Developer agrees that each new principal, as required by the Initial Construction Lender, will individually execute the required Personal Guarantees as security for the Promissory Note and this requirement shall survive closing.

Upon the delivery of a construction loan and permanent financing letter of commitment from a licensed lender, the City will, at the reasonable request of Developer, subordinate the rights of the City under the City Deed of Trust to the rights of a lender (the "Initial Construction Lender") under the initial construction loan (the "Initial Construction Loan") for the development of the Site. The City hereby agrees to execute and deliver such subordination agreement and other instruments and agreements as the Initial Construction Lender may from time to time request to evidence and/or perfect the subordination by City of its right under the City Deed of Trust to the rights of the Initial Construction Lender, under such documents as the Initial Construction Lender may designate evidencing, securing, and/or perfecting the rights of the Initial Construction Lender under the Initial Construction Loan, but only on the condition that the total cost of construction and the amount secured by the City Deed of Trust does not exceed 100% (one hundred percent) of appraised value of the Site as developed. The Developer will also supply a current copy of appraisal which gives effect to the development, and is used for the Initial construction loan at their cost (the "Subordination Agreement").

The City Deed of Trust, Promissory Note, and Personal Guarantee shall be in the form attached hereto as Exhibits I, K, and J to this Agreement.

6. SITE DEVELOPMENT

a. The Developer acknowledges, covenants and agrees that:

(1) Any and all development on the Site will conform to the procedures and limitations contained in zoning regulations and all applicable building and other codes as adopted by the City of Las Vegas.

(2) The Developer intends to develop one "Class A" office building consisting of approximately ten (10) stories and one (1) two (2) story building consisting of approximately 100,000 to 120,000 square feet on the Site, the size and layout of which will depend on what is reasonably feasible under the physical geographics of the Site and the applicable zoning and building regulations and what is economically feasible to Developer based upon said Site geographics and regulations.

(3) Developer shall obtain all applicable development or use permits, business license or any other similar entitlement or authorization of the Site.

(4) Developer's Site Development Plan shall be approved pursuant to Las Vegas Municipal Code.

(5) The entire Site will be developed within the time schedule set forth herein in accordance with the Site Development Plan. Within 12 (twelve) months after the acquisition of the Site, the Developer will begin construction and will complete such construction within 36 (thirty six) months after commencement of construction. Both commencement of construction and completion of construction will be extended by such additional time as corresponds to the extent of any delay that is caused by material shortages, labor disputes, fire, civil riots, unforeseen acts of government, acts of God receipt of governmental and UP approvals or other events reasonably beyond the Developer's control.

(6) The Developer will be responsible for the installation, at its expense, of all sidewalks and driveways and on-site utilities, sewer lines, and other on-site improvements.

(7) Prior to commencement of construction, Developer shall obtain City's approval and UP's approval of the Site Plan to be consistent to the Site Development Standards as supplemented, which allows for Developer's intended use of the Site for the construction of the Site as described in Section 6.a (2) above.

b. The Developer acknowledges and agrees that the Site is subject to certain covenants, conditions and restrictions as set forth in the Covenants Agreement dated _____ between UP and the City and recorded with the County Recorder, Clark County, Nevada, in Book No. _____, Instrument No. _____.

Failure on the part of the Developer, after acquisition of the Site after notice and opportunity to cure, to materially comply with the provisions of this Section 6 shall entitle the City, in its sole discretion, to exercise its rights under Section 26.

7. GENERAL REPRESENTATIONS AND WARRANTIES

a. Representations and Warranties by City. The City represents and warrants that as of the date hereof and the date of close of escrow:

- (1) The City is a municipal corporation of the State of Nevada.
- (2) The City has all requisite power and authority to enter into and perform its obligations under this Agreement.
- (3) By proper action of the City, the City's signatories have been duly authorized to execute and deliver this Agreement.
- (4) To the City's actual knowledge, no condemnation, eminent domain or similar proceedings have been instituted or threatened against the Site.
- (5) To the City's actual knowledge, there are no legal actions, suits or proceedings pending or threatened before any judicial body or any governmental or quasi-governmental authority against the Site or against the City which would inhibit the City's ability to perform its obligations under this Agreement.
- (6) To the City's actual knowledge, there are no legal actions, suits or proceedings, pending or threatened, before any judicial body or any governmental or quasi-governmental authority, against or affecting the Site.
- (7) To the City's actual knowledge, the execution, delivery and performance of this Agreement by the City will not (i) conflict with or be in contravention of any provision of law, order, rule or regulation applicable to the City or the Site, or (ii) result in any lien, charge or encumbrance of any nature on the Site other than as permitted by this Agreement.
- (8) Except for the Infinity Outdoor Lease and the DR Signboard Agreement, both of which are assigned by UP to City, its successors and assigns and any reserved easements, leases or licenses disclosed in this Agreement, including the Eller Agreement, to the City's actual knowledge, there are no leases, licenses or occupancy agreements involving the Site, nor any service or other agreements involving the Site which will remain in effect beyond the closing hereof.

- (9) The execution of this Agreement by the City does not violate any provision of any other agreement to which the City is a party.
- (10) Except as may be specifically set forth herein, no approvals or consents not heretofore obtained by the City are necessary in connection with the execution of this Agreement by the City or with the performance by the City of its obligations hereunder.

Except for subparagraphs (4), (5), (6) and (7) above, As used in this Agreement, the term "the City's actual knowledge" means the actual knowledge of the members of the City Council, the City Manager's Office, or of the Managers of any of the Departments of the City, without a duty to investigate City files.

b. Representations and Warranties of the Developer

The Developer represents and warrants to the City that as of the date hereof and the date of close of escrow:

- (1) The Developer is a limited liability company duly organized and existing under the laws of the State of Nevada.
- (2) The Developer has all requisite power and authority to carry out business as now and whenever conducted and to enter into and perform its obligations under this Agreement.
- (3) By proper action of the Developer, the Developer's signatories have been duly authorized to execute and deliver this Agreement.
- (4) The execution of this Agreement by the Developer does not violate any provision of any other agreement to which the Developer is a party.
- (5) Except as may be specifically set forth in this Agreement, no approvals or consents not heretofore obtained by the Developer are necessary in connection with the execution of this Agreement by the Developer or with the performance by the Developer of its obligations hereunder.
- (6) Neither the Developer nor any of its principals is currently a debtor in a case under the Bankruptcy Code (Title 11 U.S.C.), is the subject of an involuntary petition under the Bankruptcy Code, has made an

assignment for the benefit of creditors or is insolvent and unable to pay its debts as they become due.

- (7) To the 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 against the Developer which would inhibit the Developer's ability to perform its obligations under this Agreement.

8. EARNEST MONEY DEPOSIT

Concurrently with its execution of this Agreement, the Developer has delivered to the Escrow Agent a deposit (the "Earnest Money Deposit") in the form of either cash or a cashier's check in the amount of \$250,000.00 (Two Hundred Fifty Thousand and 00/100 Dollars). The Earnest Money Deposit shall be placed into an interest bearing account and shall be applied as the downpayment towards the Purchase Price.

Upon fulfillment of all conditions necessary to enable escrow to close with respect to the Site, the Earnest Money Deposit shall be applied towards the Purchase Price of the Site.

9. ACQUISITION AND CONVEYANCE; CONDITION PRECEDENT

In accordance with and subject to all the terms, covenants and conditions of this Agreement, the City agrees to convey to the Developer the Site in accordance with this Agreement. Except as otherwise specifically provided, all closing and escrow costs related to the conveyance of the Site to the Developer shall be borne by the parties in equal shares.

10. ESCROW

a. The Developer agrees to open an escrow with Lawyer's Title Company (the "Title Company"), as escrow agent (the "Escrow Agent"), in Clark County, Nevada, within one (1) day after both parties have fully executed this Agreement. This Agreement constitutes the joint escrow instructions of the City and the Developer, and a fully executed copy of the Agreement shall be delivered to the Escrow Agent upon the opening of escrow. The City and the Developer shall provide such additional escrow instructions as shall be necessary and consistent with this Agreement. The Escrow Agent hereby is empowered to act under this Agreement, and, upon indicating its acceptance of the provisions of this Section 10 in writing, delivered to the City and to the Developer after the opening of the escrow, shall carry out its duties as Escrow Agent hereunder.

b. The Developer shall deposit into escrow the following fees, charges and costs after the Escrow Agent has notified the Developer of the amount of such fees, charges and costs, but not earlier than ten (10) days prior to the scheduled date for the close of escrow:

1. One-half (1/2) of the escrow fee and recording costs; and
2. The portion of the premium for the title insurance policies or special endorsements to be paid by the Developer as set forth in Section 17 of this Agreement.

c. The City shall pay in escrow to the Escrow Agent the following fees, charges and costs after the Escrow Agent has notified the Agency of the amount of such fees, charges and costs, but not earlier than one (1) day prior to the scheduled date for the close of escrow:

1. One-half (1/2) of the escrow fee and recording costs.
2. The portion of the premium for the standard owner's policy (CLTA) pursuant to Section 17 of this Agreement.

d. Not later than September 28, 2001, City will deposit with the Escrow Agent the following:

1. The Grant, Bargain and Sale Deed in the form of Exhibit "C" ("Deed") duly executed and acknowledged by City.
2. The Irrevocable Escrow Instructions in the form of Exhibit "E" duly executed by City.
3. The Transferee Agreement in the form of Exhibit "H" duly executed by City.
4. The environmental insurance endorsement duly executed by the appropriate parties and effectively adding the Developer to the policy.
- 5.. Any other documents, instruments, data, records, correspondence or agreements called for under this Agreement which have not been delivered.

e. Not later than September 28, 2001, Developer shall deposit the balance of the Purchase Price and deliver to Escrow Agent the following items:

- 1.. The Acknowledgement of Covenants Agreement (as required in Section (23) in the form of Exhibit "G" duly executed by Developer.
- 2.. The Quitclaim Deed in the form of Exhibit "D" duly executed by Developer.

- 3.. Executed Irrevocable Escrow Instructions in the form of Exhibit "E" duly executed by Developer.
4. The Grant Bargain and Sale Deed in the form of Exhibit "C" accepted and duly executed by the Developer.
- 5.. The Promissory Note in the form of Exhibit "K" duly executed by Developer.
6. The City Deed of Trust in the form of Exhibit "I" duly executed by Developer.
7. The Transferee Agreement in the form of Exhibit "L" duly executed by Developer.
- 8.. Any other documents, instruments, data, records, correspondence or agreements called for under this Agreement which have been delivered.

f. The Escrow Agent is authorized and instructed to:

1. Charge the parties obligated hereunder, and to pay to the persons entitled thereto, any fees, charges and costs payable under this Section 10 and related solely to the acquisition and transfer to the Developer of the Site. Before such payments are made, the Escrow Agent shall notify the City and the Developer of the fees, charges and costs necessary to clear title and close the escrow.

- 2.. Disburse funds and deliver the deed and other documents to the parties entitled thereto when the conditions of this escrow have been fulfilled by the City and the Developer.

- 3.. Obtain and charge the City the base premium for a standard owner's title insurance policy insuring title to the Site in conformance with the requirements of Section 17 of this Agreement. The Developer will pay for additional charges assessed by the Title Company for any endorsements or changes to such owners title policy desired by the Developer. The additional cost of an ALTA survey policy if desired by the Developer shall be borne entirely by the Developer.

4. Record any instruments delivered through this escrow, if necessary or proper, to vest title in the Developer in accordance with the terms and provisions of this Agreement.

g. All funds received in this escrow shall be deposited by the Escrow Agent with other escrow funds of the Escrow Agent in a general interest bearing escrow account or accounts with any state or national bank doing business in the State of Nevada. Such funds may be transferred to any other such general interest bearing escrow account or accounts. All disbursements shall be

made by check of the Escrow Agent. All adjustments shall be made on the basis of a 30 (thirty) day month. Any interest that is earned on funds deposited under this paragraph shall be for the benefit of the party responsible for depositing those funds with the Escrow Agent and apply to the Purchase Price or returned to the Developer pursuant to Sections 11c. and 11e.

h. If this escrow is not in condition to close before the time for the conveyance of the Site as established in this Agreement, either Party who then shall have fully performed the acts to be performed before the conveyance of title may, in writing, terminate this Agreement and demand the return of its money, papers or documents. Thereupon all obligations and liabilities of the Parties shall cease and terminate, except that the Party who has not fully performed shall be solely responsible for any escrow cancellation charges. If neither the City nor the Developer shall have fully performed the acts to be performed by it on or before the time for the conveyance of the Site as established in this Agreement, no termination or demand for return shall be recognized until five (5) days after the Escrow Agent shall have mailed copies of such demand to the other party or parties at the address of its or their principal place or places of business. If any objections are raised within the five (5) day period, the Escrow Agent is authorized to hold all money, papers and documents with respect to the Site until instructed in writing by both the City and the Developer or, upon failure thereof, by a court of competent jurisdiction. If no such demands are made, the escrow shall be closed as soon as possible. Nothing in this Section 10 shall be construed to impair or affect the rights or obligations of the City or the Developer to specific performance.

i. The Escrow Agent shall not be obligated to return any such money, papers or documents except upon the written instructions of both the City and the Developer or until the party entitled thereto has been determined by a final decision of a court of competent jurisdiction.

j. Any amendment of these escrow instructions shall be in writing and signed by both the City and the Developer. At the time of any amendment, the Escrow Agent shall agree to carry out its duties as Escrow Agent under such amendment.

k. All communications from the Escrow Agent to the City or the Developer shall be directed to the addresses and in the manner established in Section 30 of this Agreement for notices, demands and communications between the City and the Developer.

l. The liability of the Escrow Agent under this Agreement is limited to performance of the obligations imposed upon it under Sections 10 to 17, inclusive, of this Agreement.

m. Each party represents and warrants that no real estate broker is entitled to any commission as the procuring cause of this transaction resulting from any actions or words by or on behalf of such party, and each party agrees to indemnify and hold the other party harmless from any claim or demand made by any brokers.

11. CLOSE OF ESCROW, CONVEYANCE OF TITLE AND DELIVERY OF POSSESSION

a. Provided that the Developer is not in default under this Agreement and all conditions precedent to such conveyance have occurred, and subject to any mutually agreed upon extensions of time, conveyance to the Developer of title to the Site shall be completed on or prior to September 28, 2001. The City and the Developer agree to perform all acts necessary to conveyance of title in sufficient time for title to be conveyed in accordance with the foregoing provision.

b. Notwithstanding any other provision of this Agreement, the Developer shall have no obligation to proceed with the acquisition of the Site if, by September 27, 2001.

1. The Developer has not approved the preliminary title report in accordance with Section 13 of this Agreement; or
2. Developer, in its sole and absolute discretion, has not approved the condition of the Site with respect to any environmental conditions existing or believed to be existing on the Site; or
3. Developer has been unable to obtain financing upon terms and conditions that are acceptable to Developer in Developer's sole and absolute discretion.
4. Developer, in its sole and absolute discretion, has not approved the ALTA Survey to be obtained by the Developer.
5. Developer elects to cancel this Agreement prior to the expiration of the Feasibility Period in Section 14a.

In the event of any of the foregoing, the Developer, upon request, shall be entitled to the return of its Earnest Money Deposit.

c. Possession shall be delivered to the Developer concurrently with the conveyance of title, except that limited access shall be permitted before conveyance of title as permitted in Section 14 of this Agreement. The Developer shall accept title and possession on or before the dates described in this Section 11.

d. Notwithstanding any other provision of this Agreement, City shall have no obligation to proceed with the sale of the Site if, by June 15, 2001, or any extension mutually agreed to by City and UP, City, has not acquired the Site from UP and terminates this Agreement. In such case, the City shall return the Earnest Money Deposit to the Developer.

12. FORM OF DEED

The City shall convey to the Developer or to its nominee fee simple title to the Site in the condition provided in Section 13 of this Agreement by a Grant, Bargain and Sale deed ("Deed") in a form that is consistent with Exhibit "C" to this Agreement.

13. CONDITION OF TITLE

a. The City shall convey to the Developer fee simple title subject to:

1. A lien not yet delinquent for ad valorem taxes for real property, and any general or special assessments against the Site;

2. The Parkway Center Site Development Standards dated June 14, 1999, as may be supplemented for the Site;

3. That certain lease dated October 7, 1998 (the "Outdoor Lease") between UP and Outdoor Systems (now known as Infinity Outdoor). At Closing, the Lease will be assigned by City to, and assumed by, Developer by duly executed Assignment and Assumption Agreement (the "Assignment") in the form attached hereto as Exhibit "M" and made a part hereof.

4. That certain Lease (the "DR Agreement") between UP and DR Partners (now known as Ellèr), identified in the records of UP as Audit No. 211083. At Closing the DR Agreement will be assigned by UP to, and assumed by, City by duly executed Assignment and Assumption Agreement (the "DR Assignment") in the form attached hereto as Exhibit "N" and hereby made a part hereof. No rental or other payments made by DR Partners to UP under the DR Agreement will be prorated at Closing, and will at all times be and remain the property of UP.

5. That certain Drainage Facility and Waterway Agreement (the "Drainage Agreement") dated as of January 14, 1999 between UP and City, identified in the records of UP as Audit No. 208992.

6. Exceptions disclosed by the Title Report described in this Section 10 or the ALTA Survey, or any Supplemental Report, and which are approved or deemed approved by City in accordance with this Section 10.

7. Any and all other exceptions, easements, conditions, covenants or reservations set forth in the Deed and of record.

b. The Escrow Agent shall, upon the signing of this Agreement by the Parties and the delivery of a copy to Escrow Agent, deliver to the Developer a preliminary title report and legible copies of all documents referred to therein covering or relating to the Site, and shall thereafter

provide a survey of the Site to the Developer (at the Developer's sole expense, but with the cooperation and all survey information available to the City being provided to assist in obtaining such survey). The Developer shall then approve or disapprove the exceptions listed therein as to the Site to be acquired by giving the Escrow Agent written notice thereof within sixty (60) days of the Effective Date of this Agreement as defined in Section 39. Failure to give written notice by the date of closing, of approval or disapproval to the Escrow Agent of some or all of the exceptions shall be deemed to be approval of all exceptions, except for monetary liens and taxes. If Developer disapproves any exceptions, the City shall have one (1) day within which to agree in writing to remove the exception. Failure to give written notice of such agreement to the Developer and the Escrow Agent shall be deemed to be refusal. If City does not agree to remove any other exceptions properly and timely disapproved by the Developer, this Agreement shall terminate without further liability to Developer, unless the Developer waives its objection in writing delivered to the City and to the Escrow Agent. If the City shall agree to remove any exception objected to by the Developer, the City shall then have until the date for close of escrow within which to remove such exception. If the City is unable to remove any exception objected to by the Developer and which the City has agreed to remove by the date for close of escrow, the Developer may elect to (1) terminate this Agreement and receive a return of all funds and documents; or (2) waive the objection and close escrow.

The City agrees not to encumber the Site after the effective date of this Agreement, and further agree to remove any monetary liens against its Site, and any voluntary encumbrances allowed to be placed against such Site after such effective date.

14. FEASIBILITY REVIEW; INSPECTION

a. Developer will have approved, by no later than sixty (60) days from the Effective Date of this Agreement ("Feasibility Review Period"), the condition of the Site and the feasibility of Developer's development plan therefor. Developer's feasibility review will pertain to Developer's review of and satisfaction with the following:

- (i) The availability of approvals by all governmental bodies having jurisdiction over the Site for Developer's intended development thereof; and
- (ii) Developer's engineering studies, soils investigations, environmental assessments, surveys and physical inspection of the Site.
- (iii) Those items contained in Section 11(b) herein.

b. Developer may elect, at any time prior to the expiration of the Feasibility Review Period, to terminate this Agreement as a result of Developer's disapproval of any of the foregoing matters; provided, however, that if Developer fails to notify City and Escrow Holder of Developer's disapproval of the feasibility of Developer's proposed development of the Site by written notice delivered to City no later than the date of expiration of the Feasibility Review Period,

Developer will be deemed to have approved the feasibility and this condition will be deemed satisfied. If this Agreement is terminated pursuant to the foregoing provisions of this Section 14 Developer shall pay to Escrow Holder an amount equal to the cost of the cancellation of Escrow, and neither party will have any further rights or obligations under this Agreement (except for the Surviving Obligations). Escrow Holder shall immediately refund to Developer its full Earnest Money Deposit.

c. Inspection. During the term of the Feasibility Review Period (as defined in the above Section), and to the extent that UP authorizes Developer onto the Site until June 15, 2001, Developer, and its representatives (including architects and engineers) will have the right to enter upon and inspect the Site and conduct such boundary and topographic surveys, soil and engineering tests and environmental assessments with engineers or consultants licensed in the State of Nevada as Developer may reasonably require; provided that such inspections and tests will not materially damage the Site in any respect; provided, further, that such tests and inspections are conducted in accordance with standards customarily employed in the industry and in compliance with all governmental laws, rules and regulations; provided, still further, that Developer notifies City in writing at least forty two (42) hours prior to the date that Developer intends to conduct invasive testing or inspections on the Site. Following Developer's inspections or testing on the Site, Developer will promptly restore the Site to its original condition as existed prior to any such inspections and/or tests. If Developer, its agents, representatives or employees undertakes any boring or other disturbance of the soil, the soil so disturbed will be recompacted to the original condition of the Site and Developer will obtain at its own expense a certificate from a soils engineer which certifies that such soil so disturbed has been recompacted to the original condition of the Site.

To the extent that any costs for damages and/or injuries are not covered by any insurance policy protections or are in excess of the insurance policy limits, the Developer agrees to indemnify, hold harmless and defend (with counsel reasonably acceptable to City) City, its affiliates or assignees, which are under the control of the City and their officers, agents, servants and employees against and from any and all liability, loss, cost, damage or expense (including attorneys' fees) of whatsoever nature growing out of or in connection with personal injury to or death of persons whomsoever (including, without limitation, exposure to hazardous or toxic substances), or loss or destruction of or damage to property whatsoever (including, without limitation, contamination by hazardous or toxic substances and any required testing, removal or cleanup thereof), where such personal injury, death, loss, destruction or damage arises in any way in connection with or incident to the occupation or use of the Site by, or the presence thereon of, Developer, its officers, agents or employees and occurs from any such cause. If Developer should discover any hydrocarbon substances or any other hazardous or toxic substances, asbestos or asbestos-bearing materials, waste or materials subject to legal requirements or corrective action, Developer will immediately notify City of the same. The indemnity obligations of Developer under this Section will survive any termination of this Agreement or delivery of the Deed (as hereinafter defined) and transfer of title. Developer covenants and agrees upon request of the City to promptly deliver to City without charge therefore, the results and copies of any and all environmental reports and related correspondence.

c. Developer covenants and agrees to pay in full for all materials joined or affixed to the Site and to pay in full all persons who perform labor upon the Site, and not to permit or suffer any mechanic's or materialman's lien of any kind or nature to be enforced against the Site for any work done or materials furnished thereon at the instance or request or on behalf of Developer; and Developer agrees to indemnify, hold harmless and defend (with counsel acceptable to City) City, its affiliates, its and their officers, agents, servants and employees against and from any and all liens, claims, demands, costs and expenses of whatsoever nature in any way connected with or growing out of such work done, labor performed or materials furnished prior to Closing.

15. TIME FOR PLACE AND DELIVERY OF DEED

Subject to any mutually agreed upon extensions of time, the City shall deposit the Deed for the Site with the Escrow Agent on or before September 28, 2001.

The Parties shall also timely deliver into escrow (i) any transfer declarations, returns or other similar documents satisfying Nevada state law requirements, if any; (ii) all documents set forth in Section 10; (iii) evidence reasonably satisfactory to the other Party and Escrow Agent respecting the authorization and execution of the documents required to be delivered hereunder; and (iv) such additional documents as may be reasonably required by the other Party or Escrow Agent in order to consummate the transactions provided hereunder.

16. CLOSE OF ESCROW

Upon the fulfillment of the conditions described in Section 15 of the Escrow Agent shall file the deed for recordation among the land records in the Office of the County Recorder of Clark County and shall deliver to the Developer a title insurance policy insuring title in conformity with Section 17 of the Agreement. The recordation of the deed shall constitute the close of escrow.

17. TITLE INSURANCE

Concurrently with recordation of the Deed, and as a condition of closing, the Escrow Agent and any required co-insurer shall provide and deliver to Developer a title insurance policy issued by the Escrow Agent insuring that title is vested in the Developer in the condition required by Section 13 of this Agreement, and the title insurance policy shall be of the type and in the amount requested by the Developer receiving title to the Site, and with such endorsements and affirmative coverages as may be required by Developer.

If Developer desires to obtain extended coverage for its title policy, the City shall provide the Escrow Agent at closing with such evidence and customary documents as are reasonably required to issue such coverage.

City shall pay for the standard title insurance (CLTA) premium for the policy and amount of title insurance and Developer shall pay for any special endorsements and coverages,

requested by the Developer for its Site acquired hereunder, including the additional cost of an ALTA survey policy.

18. TAXES, ASSESSMENTS, ENCUMBRANCES AND LIENS

The Developer shall be responsible for the payment of all real estate taxes and assessments assessed and levied on the Site for any period subsequent to conveyance of title thereto. Prior to conveyance of title, the Developer shall not place or allow to be placed on the Site (or portion thereof) any encumbrance or lien.

19. CONVEYANCE FREE OF POSSESSION

The Site shall be conveyed free of any possession or right of possession by any other person except that of the approved easements of record, the Outdoor Lease, DR Lease and Drainage Agreement of certain portions of the Site.

20. "AS IS" SALE

a. The Developer acknowledges and agrees that the Site is to be sold and conveyed to and accepted by the Developer in an "as is" condition with, if any, all faults and defects, except as otherwise provided in the Deed from UP to City. Except as otherwise specifically stated in this Agreement, the City makes no representations or warranties of any kind whatsoever, either expressed or implied, with respect to the Site or any of such related matters; in particular, but without limitation, the City makes no representations or warranties with respect to the use, condition, title (except as provided by the Deed to be delivered by the City to the Developer as set forth in Section 12,) occupation or management of the Site, compliance with applicable statutes, laws, codes, ordinances, regulations or requirements relating to leasing, zoning, subdividing, planning, building, fire, safety, health or environmental matters, compliance with covenants, conditions and restrictions (whether or not of record,) other local, municipal, regional, state or federal requirements, or other statutes, laws, codes, ordinances, regulations or requirements affecting or relating to the Site. The Developer acknowledges that notwithstanding any prior or contemporaneous oral or written representations, statements, documents or understandings, this Agreement constitutes the entire understanding of the parties with respect to the subject matter hereof and the purchase and sale of the Site and supersedes any such prior or contemporaneous oral or written representations, statements, documents or understandings.

b. Release and Waiver.

Except as otherwise stated herein, the Developer, for itself, its successor and assigns, and for each and every subsequent owner or Lessee of the Site ("Releasing Parties") hereby mutually releases, waives, remises, acquits and forever discharges all rights, causes of action and claims which Developer has or may have in the future against the City, its officers, employees, agents,

attorneys, representatives, legal successors and assigns, from any and all claims, suits, actions, causes of action, demands, rights, damages, costs, expenses, penalties, fines or compensation whatsoever, direct or indirect, which Developer or any Releasing Party now has or which Developer or any other Releasing Party may have in the future on account of or in any way arising out of or in connection with the Subject Contamination (as defined in Section 3.2 of the UP Agreement, as defined hereafter) arising out of or in connection with any other physical or environmental condition of the Site to the extent such condition is actually known to Developer, its employees, agents, contractors or representatives before the Close of Escrow or any federal, state or local law, ordinance, rule or regulation applicable to any of the foregoing, including, without limitation, the Toxic Substances Control Act, the Comprehensive Environmental Response, Compensation and Liability Act and the Resource Conservation and Recovery Act; provided, however, that this release shall not preclude a Releasing Party from asserting a third party indemnity or contribution claim against the City in any action brought against such Releasing Party by a third party other than a Releasing Party, or an employee, contractor, successor or assign of the Releasing Party.

c. Warranties.

City agrees that each it is making no representations or warranties regarding the environmental condition of the Site except that the City has not during its period of ownership of its Site brought any Hazardous Materials on to its Site in violation of Environmental Law.

d. Definitions.

1. As used in this Agreement, the term "Hazardous Materials" means any substance, material or waste which is:
 - (1) defined as a "hazardous waste," "hazardous material," "hazardous substance," "extremely hazardous waste" or "restricted Hazardous waste" under any provision of Nevada law;
 - (2) petroleum;
 - (3) asbestos;
 - (4) polychlorinated biphenyls;
 - (5) radioactive materials;
 - (6) designated as a "hazardous substance" pursuant to Section 311 of the Clean Water Act, 33 U.S.C. Section 1251 et seq. (33 U.S.C. Section 1321) or listed pursuant to Section 307 of the Clean Water Act (33 U.S.C. Section 1317);

- (7) defined as a "hazardous substance" pursuant to the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq. (42 U.S.C. Section 6903); or
 - (8) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. Section 9601 et seq. (42 U.S.C. Section 9601).
2. As used in this Agreement, the term "Environmental Laws" shall mean any and all laws (whether common or statutory), compacts, treaties, conventions, rules, regulations, codes, plans, requirements, criteria, standards, orders, decrees, judgments, injunctions, notices or demand letters issued, promulgated or entered thereunder by any federal, state or local governmental entity relating to public or employee health and safety, pollution or protection of the environment, including without limitation, the Comprehensive Environmental Response, Compensation and Liability Act, as amended by the Superfund Amendment and Reauthorization Act and otherwise ("CERCLA"), the Resource Conservation and Recovery Act ("RCRA"), the Federal Safe Drinking Water Act, the Federal Water Pollution Control Act, and any and all other federal, state and local laws, rules, regulations and orders relating to reclamation of land, wetlands and waterways or relating to use, storage, emissions, discharges, cleanup, releases or threatened releases of pollutants, contaminants, chemicals or industrial, toxic or Hazardous Materials on or into the workplace or the environment (including without limitation, ambient air, oceans, waterways, wetlands, surface water, ground water (tributary and nontributary), land surface or subsurface strata) or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transportation or handling of pollutants, contaminants, chemicals or industrial, toxic, hazardous or similar substances.

e. The Developer, and each subsequent owner or occupant of the Site, shall require each and every transferee to be bound by the provisions of Article III (except for Section 3.2(a)) of the Donation, Purchase and Sale Agreement dated December 27, 2000, and the Reinstatement and First Amendment to Donation, Purchase and Sale Agreement and Escrow Instructed dated May 16, 2001 between UP and the City (collectively the ("UP Agreement")). The Developer further acknowledges that it has received and reviewed the provisions of Article III of said Agreement. Developer agrees to execute and deliver to Escrow Agent at Closing for delivery to

UP the Developer's agreement, the form of which is attached as Exhibit "H" ("Transferee Agreement") to be bound by provisions of Article III (except Section 3.2(d)) as if the Developer were the City in the UP Agreement.

f. To the extent any covenants in the UP Agreement are assignable, the Developer and City will execute an assignment of the City's rights under the UP Agreement and agreeable to the City and Developer.

21. GOVERNMENTAL PERMITS

Nothing in this Agreement shall affect the responsibility of the Developer to seek, obtain and comply with the conditions of any and all permits and governmental authorizations necessary to develop the Site or any portion thereof. The Developer shall be responsible for the payment of permit fees, which shall be limited to those fees that are authorized by ordinance.

22. ASSIGNMENT

The Developer hereby represents and warrants that the Site is being acquired for the purpose of development in accordance with the provisions of Section 6. The Developer shall not assign any interest in or delegate any obligation under this Agreement, or sell or transfer the Site or any portion thereof without the written consent of the City. The City shall have the right to assign this Agreement to City Parkway IV, a nonprofit corporation, created by the City.

23. POST-SALE CONDITIONS

a. UP Post-Sale Conditions

The Developer acknowledges that the Site is subject to certain covenants, restrictions and conditions required by UP pursuant to Article X of the UP Agreement. These post-sale conditions are set forth in Article X of said Agreement and specifically cover the following matters: (1) Site Development Standards; (2) Landscaping; (3) Private Road Crossing; and (4) Dedication of Easement (collectively "Post Sale Conditions"). The Developer agrees to be bound by the Post-Sale Conditions which are set forth in the Covenants Agreement dated _____, 2001 between UP and the City and recorded or to be recorded with the County Recorder for Clark County, Nevada and shall execute an Acknowledgment of the Covenants Agreement, the form of which is attached as Exhibit "G," to be delivered to Escrow Agent prior to Closing. The City agrees to assign the City's rights to the Private Road Crossing provided in Section 10.3 of the UP Agreement and Developer shall have the right to apply to UP for the Private Road Crossing and enter into a Private Road Crossing Agreement with UP as if Developer were the Buyer in Section 10.3 of the UP Agreement.

b. City Post-Sale Conditions

Pursuant to Section 10.4 of the UP Agreement and the Covenants Agreement, the City, its successors and assigns, and UP agreed to the creation of a public easement by dedication ("Public Easement") which location of the Public Easement is generally described in Section 10.4 of the UP Agreement and in Section 1.A. of the Declaration of Restrictions and Agreements of the Covenants Agreement. The City grants to Developer, its successor and assigns, the right to use the surface of the easement area for landscaping, paving for surface parking and driveways, lighting, and installing utilities and fiber optics, however, any improvements allowed herein shall comply with the City's Development Standards. The Developer, its successors and assigns, agrees that they shall repair any damages to the easement areas to be dedicated herein due to their use of the easement areas as provided herein. Developer, its successors and assigns, shall also indemnify the City from and against any losses claims, liabilities, actions, causes of action, costs or for personal injury or property damage caused by their use of the easement area as provided herein. City, its successors and assigns, shall repair any damage (except for damage to prohibited improvements) to the surface of the easement areas caused by the exercise of the easement rights reserved under this Section 23 b. and shall indemnify and hold harmless the Developer, its successor and assigns, from and against any losses, claims, liabilities, actions, causes of action, costs or for personal injury or property damage caused by the exercise of the City's easement rights, subject to the limitations of NRS Chapter 41.

24. **TIME OF ESSENCE**

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

25. **DEFAULT AND REMEDIES**

If the Developer fails to fulfill its obligations with respect to the purchase of the Site, where such failure is not based upon defective title or is not otherwise excused specifically under this Agreement, the City shall be entitled to terminate this Agreement and retain the Earnest Money Deposit.

Additionally, either party may avail itself of any legal or equitable remedy for breach. No such remedy shall be available unless and until:

- a. Written notice of default is provided to the party in default; and
- b. Within 20 (twenty) days after receipt of such notice, such default has not been cured to the reasonable satisfaction of the party giving notice.

26. RIGHT TO REPURCHASE, REENTER AND REPOSSESS

In addition to and independent of any other remedy available to it, the City shall have the additional right at its option to repurchase, reenter and take possession of the Site with all improvements thereon if, after conveyance of title thereto and prior to the issuance of all certificates of occupancy for the Site, therefor, the Developer does any of the following:

a. Fails to complete construction of the improvements as required by this Agreement under Section 6.a.(5) . This is a condition and a covenant.

b. Transfers the entire Site and fails to pay the balance of the Promissory Note or transfers any portion of the Site and fails to pay to the City 125% (one hundred twenty five percent) of the amount arrived at by multiplying the remaining balance due on the Promissory Note by the number obtained by dividing the acreage constituting the portion of the Site to transferee or sole by the total acreage of the Site. This is a condition and a covenant.

c. Fails or refuses to comply with or to cure the default of any provision of Section 6 for a period of 20 (twenty) days after written notice thereof from the City. If the Developer has taken reasonable steps to cure, but cannot reasonably cure such default within the 20 (twenty) day period, it shall have a reasonable time thereafter to effectuate such cure.

The right to repurchase, reenter and repossess to the extent provided in this Agreement, shall be subordinate, subject to, be limited by and shall not defeat, render invalid or limit any mortgage, deed of trust, sale and leaseback or other security instrument or conveyance for financing permitted by this Agreement.

To exercise its right to repurchase, reenter and take possession of the Site, the City, or its nominee, shall pay to the Developer the Purchase Price set forth in Section 4 minus the amount needed to repay any liens, encumbrances or other security instruments held against the Site for the purpose of financing the construction improvements thereon so as to enable the City to receive title to the Site free and clear of any such liens, encumbrances, outstanding claims, bills to subcontractors, labor/material suppliers, or other security instruments.

For the purpose of implementing the provision of this Section, at the time of conveyance of the Site, the Developer will deliver to the Escrow Agent an executed and acknowledged Quitclaim Deed in the form of Exhibit "D" hereto. The deposit of this deed will be accompanied by irrevocable escrow instructions in the form of Exhibit "E" hereto directed to the Escrow Agent and signed by the Developer and the City. If any of the events authorizing the City to repurchase, reenter and take possession of the Site as provided in this Section occur, the City may, without limiting its remedies under this Agreement, direct the Escrow Agent, upon at least 20 (twenty) days' prior notice to the Developer, to record the Quitclaim Deed to the Site. If the Developer completes construction on or before the time set forth in Section 6.c., the City agrees to join with the Developer in instructing the Escrow Agent to return the Quitclaim Deed to the Developer.

27. SURVIVAL

The representations and warranties contained in this Agreement, and the covenants that extend beyond the conveyance of title, shall survive the recordation of any deed and shall not be deemed merged into such deed.

28. SUCCESSORS AND ASSIGNS

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

29. NONLIABILITY OF CITY OFFICIALS AND EMPLOYEES

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

30. NOTICES, DEMANDS AND COMMUNICATIONS

Formal notices, demands and communications between the City and the Developer shall be sufficiently given if made in writing and dispatched by registered or certified mail, postage prepaid, return receipt requested or by personal delivery, to the principal offices of the City and the Developer as set forth in this Section 30. Such written notices, demands and communications may be sent in the same manner to such other addresses as either party may from time to time designate in writing.

If to the City:

City Manager's Office
City of Las Vegas
400 Stewart Avenue
Las Vegas, Nevada 89101

With a copy to:

City Attorney's Office
City of Las Vegas
400 Stewart Avenue
Las Vegas, Nevada 89101

If to the Developer:

21st Century Financial Ventures, LLC
3901 Meadows Lane
Las Vegas, Nevada 89107
Attention: Managing Member

With a copy to: John McMillan, Esq.
Jimmerson Hansen
415 S. Sixth Street, Suite 100
Las Vegas, Nevada 89101

31. SUBSEQUENT CITY APPROVALS

Any City approvals required or permitted by the terms of this Agreement except with respect to zoning and City Code amendments may be given by the City Manager or such other person that the City Manager designates in writing.

32. TERM

The term of this Agreement shall end upon the completion of all duties and obligations to be performed by each of the parties hereto, except that all warranties contained herein shall survive the closing and shall remain in effect for the benefit of the Parties for one year after such closing.

33. ENTIRE AGREEMENT, WAIVERS AND AMENDMENTS

This Agreement is executed in three duplicate originals, each of which is deemed to be an original. This Agreement comprises pages 1 through 30, inclusive, and Exhibits A, B, C, D, E, F, G, H, I J and K attached hereto and incorporated herein by reference, all of which 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.

All waivers of the provisions of this Agreement must be in writing and signed by the appropriate authorities of the City and the 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 the City and the Developer.

34. SEVERABILITY

Whenever possible, each provision of this Agreement 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 Agreement and the remaining provisions shall remain in full force and effect.

35. **GOVERNING LAW**

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

36. **CAPTIONS**

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

37. **DISCLOSURE OF PRINCIPALS**

Pursuant to Resolution R-105-99 adopted by the City Council effective October 1, 1999, Developer warrants that it has disclosed, on the form attached hereto as Exhibit "F," all members of 21st Century Financial Ventures, LLC, as well as all persons and entities holding more than 1% (one percent) interest in 21st Century Financial Ventures, LLC or any member of 21st Century Financial Ventures, LLC. Throughout the term hereof, Developer shall notify City in writing of any material change in the above disclosure within 15 (fifteen) days of any such change.

38. **COUNTERPARTS**

This Agreement may be signed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same Agreement.

...
...
...

39. TIME FOR ACCEPTANCE OF AGREEMENT BY CITY

This Agreement will have been approved on May 16, 2001 by the Las Vegas City Council. The effective date of this Agreement shall be the date when this Agreement has been signed by the City ("Effective Date"). This Agreement may be recorded in the Office of the County Recorder, Clark County, Nevada.

Date of City Council Approval:

May 16, 2001.

CITY OF LAS VEGAS

By: [Signature]
OSCAR B. GOODMAN, Mayor

"City"

APPROVED AS TO FORM:

[Signature] 5/7/01
Date

ATTEST:

[Signature]
BARBARA JO RONEMUS, City Clerk

May 18, 2001

21ST CENTURY FINANCIAL
VENTURES, LLC

By: [Signature]

Its: Manager
"Developer"

ACKNOWLEDGMENTS

STATE OF NEVADA)
) ss.
COUNTY OF CLARK)

Before me, May 18, 2001, a Notary Public in and for said County and State, on this day personally appeared OSCAR B. GOODMAN on behalf of CITY OF LAS VEGAS, a municipal corporation of the State of Nevada, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument, and acknowledged to me that the same was the act of CITY OF LAS VEGAS, and that he executed the same as the act of the CITY OF LAS VEGAS for the purposes and consideration therein expressed, and in the capacity therein stated.

WITNESS my hand and official seal.



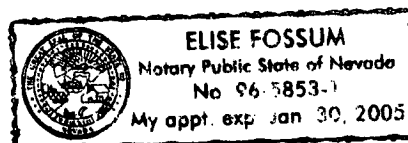
Beverly K. Bridges
NOTARY PUBLIC in and for said
County and State

STATE OF NEVADA)
) ss.
COUNTY OF CLARK)

On May 1th, 2001, before me, a Notary Public in and for said County and State, personally appeared Bruce Madrid, Manager, of 21ST Century Financial Ventures, LLC, a Nevada limited liability company, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Elise Fossum
NOTARY PUBLIC in and for said County
and State



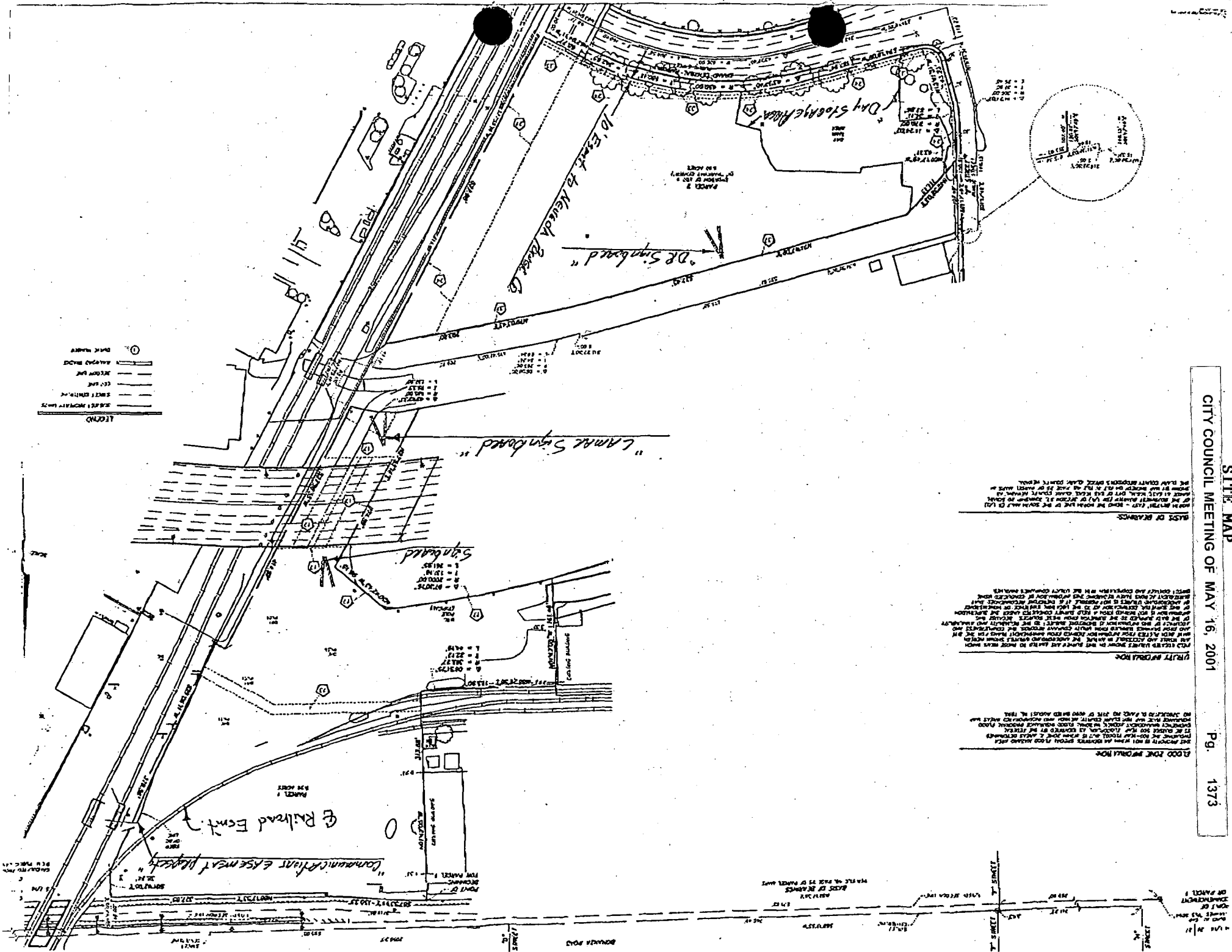


EXHIBIT B

EXPLANATION: THIS LEGAL DESCRIBES A PARCEL OF LAND LOCATED SOUTHWESTERLY OF THE INTERSECTION OF "D" STREET AND BONANZA ROAD LYING WESTERLY OF THE UPRR MAIN RAILROAD TRACKS (PARCEL 1).

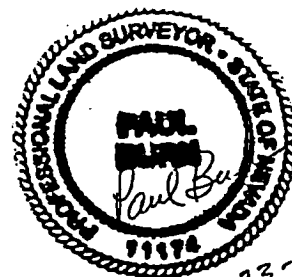
LEGAL DESCRIPTION

THAT PORTION OF THE SOUTH HALF (S 1/2) OF THE SOUTHWEST QUARTER (SW 1/4) OF SECTION 27, TOWNSHIP 20 SOUTH, RANGE 61 EAST, M.D.M., CITY OF LAS VEGAS, CLARK COUNTY, NEVADA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SOUTH HALF (S 1/2), SAID POINT BEING 10.00 FEET (MEASURED AT RIGHT ANGLES) SOUTH OF THE CENTERLINE OF BONANZA ROAD (VARYING WIDTH); THENCE ALONG THE NORTH LINE OF SAID SOUTH HALF (S 1/2) AND PARALLEL TO SAID CENTERLINE, NORTH 88°17'55" EAST, 1641.02 FEET; THENCE SOUTH 01°42'05" EAST, 30.00 FEET TO THE POINT OF BEGINNING ON THE SOUTHERLY RIGHT-OF-WAY LINE OF SAID BONANZA ROAD AND BEING THE NORTHEAST CORNER OF THAT CERTAIN PARCEL OF LAND DESCRIBED BY "DEED" RECORDED JUNE 30, 1950 IN BOOK 62 OF DEEDS, PAGE 290, AS INSTRUMENT NO. 343516, IN THE CLARK COUNTY RECORDER'S OFFICE, CLARK COUNTY, NEVADA; THENCE ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE THE FOLLOWING THREE (3) COURSES: SOUTH 87°53'14" EAST, 150.33 FEET; THENCE SOUTH 01°42'05" EAST, 6.00 FEET; THENCE NORTH 88°17'55" EAST, 327.85 FEET; THENCE SOUTH 01°42'05" EAST, 38.74 FEET; THENCE SOUTH 25°06'11" WEST, 378.56 FEET; THENCE NORTH 62°31'05" WEST, 17.16 FEET; THENCE SOUTH 27°28'55" WEST, 414.93 FEET TO A POINT ON THE NORTHERLY LINE OF THAT CERTAIN PARCEL OF LAND DESCRIBED BY "DEED" RECORDED AUGUST 31, 1967 IN BOOK 820 OF OFFICIAL RECORDS AS INSTRUMENT NO. 658854, IN THE CLARK COUNTY RECORDER'S OFFICE, CLARK COUNTY, NEVADA; THENCE ALONG THE NORTHERLY LINE OF SAID "DEED" PARCEL THE FOLLOWING TWO (2) COURSES: FROM A TANGENT BEARING NORTH 72°24'15" WEST, CURVING TO THE LEFT ALONG THE ARC OF A 185.00 FOOT RADIUS CURVE, CONCAVE SOUTHWESTERLY (THE RADIUS POINT OF WHICH BEARS SOUTH 17°35'45" WEST), THROUGH A CENTRAL ANGLE OF 27°49'45", AN ARC LENGTH OF 89.86 FEET; THENCE SOUTH 79°46'00" WEST, 14.23 FEET TO THE SOUTHEAST CORNER OF THAT CERTAIN PARCEL OF LAND DESCRIBED BY "FINAL ORDER OF CONDEMNATION" RECORDED SEPTEMBER 11, 1968 IN BOOK 899 OF OFFICIAL RECORDS AS INSTRUMENT NO. 721652, IN THE CLARK COUNTY RECORDER'S OFFICE, CLARK COUNTY, NEVADA; THENCE ALONG THE EASTERLY AND NORTHERLY LINE OF SAID CONDEMNATION PARCEL, THE FOLLOWING THREE (3) COURSES: NORTH 27°55'16" EAST, 274.60 FEET; THENCE NORTH 50°42'43" WEST, 98.15 FEET; THENCE FROM A TANGENT BEARING SOUTH 83°27'18" WEST, CURVING TO THE LEFT ALONG THE ARC OF A 2000.00 FOOT RADIUS CURVE, CONCAVE SOUTHEASTERLY (THE RADIUS POINT OF WHICH BEARS SOUTH 06°32'42" EAST), THROUGH A CENTRAL ANGLE OF 07°30'16", AN ARC LENGTH OF 261.95 FEET TO A POINT TO WHICH A RADIAL LINE BEARS NORTH 14°02'58" WEST TO THE EASTERLY LINE OF THAT CERTAIN PARCEL OF LAND DESCRIBED BY "DEED" RECORDED OCTOBER 13, 1955 IN BOOK 70 OF OFFICIAL RECORDS AS INSTRUMENT NO. 58946, IN THE CLARK COUNTY RECORDER'S OFFICE, CLARK COUNTY, NEVADA; THENCE ALONG SAID EASTERLY LINE, NORTH 01°42'05"

WEST, 161.48 FEET; THENCE NORTH 88°28'58" EAST, 165.90 FEET; THENCE CURVING TO THE LEFT ALONG THE ARC OF A 369.27 FOOT RADIUS CURVE, CONCAVE NORTHERLY, THROUGH A CENTRAL ANGLE 06°51'25", AN ARC LENGTH OF 44.19 FEET TO A POINT TO WHICH A RADIAL LINE BEARS SOUTH 08°22'27" EAST; THENCE NORTH 01°42'05" WEST, 46.95 FEET TO THE SOUTHEAST CORNER OF THE AFOREMENTIONED PARCEL DESCRIBED BY "DEED" RECORDED JUNE 30, 1950 IN BOOK 62 OF DEEDS, PAGE 290 AS INSTRUMENT NO. 343516; THENCE ALONG THE EAST LINE OF SAID PARCEL, NORTH 01°42'05" WEST, 265.93 FEET TO THE POINT OF BEGINNING.

CONTAINING 5.28 ACRES.



12-23-00

EXPLANATION: THIS LEGAL DESCRIBES A PARCEL OF LAND LOCATED NORTHEASTERLY OF THE INTERSECTION OF "F" STREET AND GRAND CENTRAL PARKWAY LYING WESTERLY OF THE UPRR MAIN RAILROAD TRACKS (PARCEL 2).

LEGAL DESCRIPTION

THAT PORTION OF LOT FOUR (4) OF "PARKWAY CENTER", A COMMERCIAL SUBDIVISION, AS SHOWN BY MAP THEREOF IN BOOK 53, PAGE 61 OF PLATS IN THE CLARK COUNTY RECORDER'S OFFICE, CLARK COUNTY, NEVADA, LYING WITHIN THE SOUTH HALF (S 1/2) OF THE SOUTHWEST QUARTER (SW 1/4) OF SECTION 27, TOWNSHIP 20 SOUTH, RANGE 61 EAST, M.D.M., CITY OF LAS VEGAS, CLARK COUNTY, NEVADA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF SAID LOT FOUR (4), BEING ON THE NORTHERLY RIGHT-OF-WAY LINE OF GRAND CENTRAL PARKWAY (100 FEET WIDE); THENCE ALONG THE SOUTHERLY LINE OF SAID LOT FOUR (4) AND SAID NORTHERLY RIGHT-OF-WAY LINE THE FOLLOWING FOUR (4) COURSES: NORTH 62°04'11" WEST, 68.77 FEET; THENCE CURVING TO THE LEFT ALONG THE ARC OF A 450.00 FOOT RADIUS CURVE, CONCAVE SOUTHWESTERLY, THROUGH A CENTRAL ANGLE OF 43°37'40", AN ARC LENGTH OF 342.65 FEET; THENCE SOUTH 74°18'09" WEST, 187.94 FEET; THENCE CURVING TO THE RIGHT ALONG THE ARC OF A 25.00 FOOT RADIUS CURVE, CONCAVE NORTHEASTERLY, THROUGH A CENTRAL ANGLE OF 90°00'00", AN ARC LENGTH OF 39.27 FEET TO THE WESTERLY LINE OF SAID LOT FOUR (4) AND THE EASTERLY RIGHT-OF-WAY LINE OF "F" STREET (60 FEET WIDE); THENCE ALONG SAID WESTERLY LINE AND SAID EASTERLY RIGHT-OF-WAY LINE THE FOLLOWING THREE (3) COURSES: NORTH 15°41'51" WEST, 43.23 FEET; THENCE CURVING TO THE RIGHT ALONG THE ARC OF A 270.00 FOOT RADIUS CURVE, CONCAVE NORTHEASTERLY, THROUGH A CENTRAL ANGLE OF 14°24'02", AN ARC LENGTH OF 67.86 FEET; THENCE NORTH 01°17'49" WEST, 43.11 FEET TO THE SOUTHWEST CORNER OF THAT CERTAIN PARCEL OF LAND DESCRIBED BY "FINAL ORDER OF CONDEMNATION" RECORDED NOVEMBER 3, 1999 IN BOOK 19991103 OF OFFICIAL RECORDS AS INSTRUMENT NO. 00619, IN THE CLARK COUNTY RECORDER'S OFFICE, CLARK COUNTY, NEVADA; THENCE ALONG THE SOUTHERLY LINE OF SAID CONDEMNATION PARCEL THE FOLLOWING THREE (3) COURSES: NORTH 42°32'03" EAST, 111.15 FEET, THENCE NORTH 74°47'09" EAST, 527.45 FEET; THENCE NORTH 79°03'43" EAST, 293.80 FEET TO THE EASTERLY LINE OF SAID LOT FOUR (4); THENCE ALONG SAID EASTERLY LINE, SOUTH 27°55'16" WEST, 522.90 FEET TO THE POINT OF BEGINNING.

CONTAINING 5.10 ACRES.

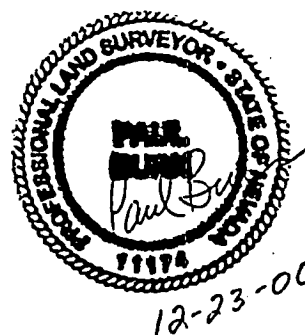


EXHIBIT C

Recording Requested by:

City of Las Vegas, Nevada

After Recordation, mail to:

Office of Business Development
City of Las Vegas
400 Las Vegas Boulevard South
Las Vegas, Nevada 89101

GRANT, BARGAIN AND SALE DEED

For valuable consideration, the receipt of which is hereby acknowledged, the City Parkway IV, Inc., a Nevada nonprofit corporation of the State of Nevada (herein the "Grantor"), hereby grants, bargains and sells to 21st Century Financial Ventures, LLC, a Nevada limited liability company (herein the "Grantee"), all of its right, title and interest in the real property (the "Property") legally described in the document attached hereto as Exhibit A and incorporated herein by this reference.

1. The Property is conveyed pursuant to a Purchase and Sale Agreement of the Property entered into by and between the City of Las Vegas and Grantee and dated May 16, 2001 ("Agreement"). The conveyance herein is subject to the terms, covenants and conditions set forth in the Agreement.

2. The Property conveyed is subject to all liens, encumbrances, easements, covenants, conditions and restrictions of record as of the close of escrow.

3. The Property conveyed is subject to the Environmental Provisions set forth in the Grant, Bargain and Sale Deeds dated _____ granting the Property from Union Pacific Railroad Company to Grantor.

4. The Agreement provides, among other things, (a) that Grantee's failure to perform thereunder may result in Grantor's exercising its rights to repurchase, re-enter and repossess as set forth in said Agreement, provided, however, that Grantor's exercise of rights shall not defeat, render invalid or limit any mortgage, deed of trust or other security instrument permitted by the Agreement; and (b) the conditions set forth in the foregoing Paragraph 4(b) shall remain in effect until the construction of improvements are completed pursuant to Section 6(a) 6 of the Agreement.

5. The Property is conveyed subject to all matters which would be revealed or disclosed by a physical inspection of the Property.

6. The Property is conveyed subject to a lien not yet delinquent for taxes for real property and personal property, and any general or special assessments against the Property; and

7. The Property is conveyed subject to zoning ordinances and regulations and other laws, ordinances, notices, orders and governmental regulations and restrictions affecting the use, occupancy or enjoyment of Property, and amendments and additions thereto, now or hereafter in force and effect.

8. In addition to all liens, encumbrances, easements, conditions and restrictions of record, the Property is conveyed subject to the City Easement Reservations as set forth in Section 2. c of the Agreement and the conditions, rights and obligations of the Grantor and Grantee described therein which shall bind each and every subsequent owner of the Property or any portion thereof as covenants running with the land.

9. The Property is conveyed subject to the City Post-Sale Conditions as set forth in Section 23. b. of the Agreement and the conditions, rights and obligations of the Grantor and Grantee described therein which shall bind each and every subsequent owner of the Property or any portion thereof as covenants running with the land.

IN WITNESS WHEREOF, the Grantor and Grantee have caused this instrument to be executed this ____ day of _____, 2001.

CITY PARKWAY IV, INC.

By: _____
Lesa Coder, President

"Grantor"

ACCEPTANCE

The provisions of this Grant, Bargain and Sale Deed are hereby approved and accepted.

21st Century Financial Ventures, LLC

By: _____

Its: _____

"Grantee"

ACKNOWLEDGMENTS

State of Nevada)
)ss.
County of Clark)

On this ____ day of _____, 2001, personally appeared before me, a Notary Public in and for said County and State, Lesa Coder, known to me to be the President of City Parkway IV, Inc., the Corporation that executed the foregoing instrument, and upon oath, did depose and say that she is the officer of said Corporation as above designated; and that the said Corporation executed the said instrument freely and voluntarily and for the uses and purposes therein mentioned.

WITNESS my hand and official seal.

NOTARY PUBLIC in and for said County
and State

State of Nevada)
)ss.
County of Clark)

On this ____ day of _____, 2001, personally appeared before me, a Notary Public in and for said County and State, _____, known to me to be the _____ of _____, and __he acknowledged to me that __he executed the same for and on behalf of _____ and that said _____ executed the said instrument freely and voluntarily and for the uses and purposes therein mentioned.

WITNESS my hand and official seal.

NOTARY PUBLIC in and for said County
and State

EXPLANATION: THIS LEGAL DESCRIBES A PARCEL OF LAND LOCATED SOUTHWESTERLY OF THE INTERSECTION OF "D" STREET AND BONANZA ROAD LYING WESTERLY OF THE UPRR MAIN RAILROAD TRACKS (PARCEL 1).

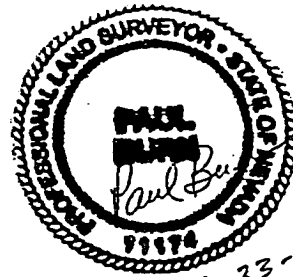
LEGAL DESCRIPTION

THAT PORTION OF THE SOUTH HALF (S 1/2) OF THE SOUTHWEST QUARTER (SW 1/4) OF SECTION 27, TOWNSHIP 20 SOUTH, RANGE 61 EAST, M.D.M., CITY OF LAS VEGAS, CLARK COUNTY, NEVADA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SOUTH HALF (S 1/2), SAID POINT BEING 10.00 FEET (MEASURED AT RIGHT ANGLES) SOUTH OF THE CENTERLINE OF BONANZA ROAD (VARYING WIDTH); THENCE ALONG THE NORTH LINE OF SAID SOUTH HALF (S 1/2) AND PARALLEL TO SAID CENTERLINE, NORTH 88°17'55" EAST, 1641.02 FEET; THENCE SOUTH 01°42'05" EAST, 30.00 FEET TO THE POINT OF BEGINNING ON THE SOUTHERLY RIGHT-OF-WAY LINE OF SAID BONANZA ROAD AND BEING THE NORTHEAST CORNER OF THAT CERTAIN PARCEL OF LAND DESCRIBED BY "DEED" RECORDED JUNE 30, 1950 IN BOOK 62 OF DEEDS, PAGE 290, AS INSTRUMENT NO. 343516, IN THE CLARK COUNTY RECORDER'S OFFICE, CLARK COUNTY, NEVADA; THENCE ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE THE FOLLOWING THREE (3) COURSES: SOUTH 87°53'14" EAST, 150.33 FEET; THENCE SOUTH 01°42'05" EAST, 6.00 FEET; THENCE NORTH 88°17'55" EAST, 327.85 FEET; THENCE SOUTH 01°42'05" EAST, 38.74 FEET; THENCE SOUTH 25°06'11" WEST, 378.56 FEET; THENCE NORTH 62°31'05" WEST, 17.16 FEET; THENCE SOUTH 27°28'55" WEST, 414.93 FEET TO A POINT ON THE NORTHERLY LINE OF THAT CERTAIN PARCEL OF LAND DESCRIBED BY "DEED" RECORDED AUGUST 31, 1967 IN BOOK 820 OF OFFICIAL RECORDS AS INSTRUMENT NO. 658854, IN THE CLARK COUNTY RECORDER'S OFFICE, CLARK COUNTY, NEVADA; THENCE ALONG THE NORTHERLY LINE OF SAID "DEED" PARCEL THE FOLLOWING TWO (2) COURSES: FROM A TANGENT BEARING NORTH 72°24'15" WEST, CURVING TO THE LEFT ALONG THE ARC OF A 185.00 FOOT RADIUS CURVE, CONCAVE SOUTHWESTERLY (THE RADIUS POINT OF WHICH BEARS SOUTH 17°35'45" WEST), THROUGH A CENTRAL ANGLE OF 27°49'45", AN ARC LENGTH OF 89.86 FEET; THENCE SOUTH 79°46'00" WEST, 14.23 FEET TO THE SOUTHEAST CORNER OF THAT CERTAIN PARCEL OF LAND DESCRIBED BY "FINAL ORDER OF CONDEMNATION" RECORDED SEPTEMBER 11, 1968 IN BOOK 899 OF OFFICIAL RECORDS AS INSTRUMENT NO. 721652, IN THE CLARK COUNTY RECORDER'S OFFICE, CLARK COUNTY, NEVADA; THENCE ALONG THE EASTERLY AND NORTHERLY LINE OF SAID CONDEMNATION PARCEL, THE FOLLOWING THREE (3) COURSES: NORTH 27°55'16" EAST, 274.60 FEET; THENCE NORTH 50°42'43" WEST, 98.15 FEET; THENCE FROM A TANGENT BEARING SOUTH 83°27'18" WEST, CURVING TO THE LEFT ALONG THE ARC OF A 2000.00 FOOT RADIUS CURVE, CONCAVE SOUTHEASTERLY (THE RADIUS POINT OF WHICH BEARS SOUTH 06°32'42" EAST), THROUGH A CENTRAL ANGLE OF 07°30'16", AN ARC LENGTH OF 261.95 FEET TO A POINT TO WHICH A RADIAL LINE BEARS NORTH 14°02'58" WEST TO THE EASTERLY LINE OF THAT CERTAIN PARCEL OF LAND DESCRIBED BY "DEED" RECORDED OCTOBER 13, 1955 IN BOOK 70 OF OFFICIAL RECORDS AS INSTRUMENT NO. 58946, IN THE CLARK COUNTY RECORDER'S OFFICE, CLARK COUNTY, NEVADA; THENCE ALONG SAID EASTERLY LINE, NORTH 01°42'05"

WEST, 161.48 FEET; THENCE NORTH 88°28'58" EAST, 165.90 FEET; THENCE CURVING TO THE LEFT ALONG THE ARC OF A 369.27 FOOT RADIUS CURVE, CONCAVE NORTHERLY, THROUGH A CENTRAL ANGLE 06°51'25", AN ARC LENGTH OF 44.19 FEET TO A POINT TO WHICH A RADIAL LINE BEARS SOUTH 08°22'27" EAST; THENCE NORTH 01°42'05" WEST, 46.95 FEET TO THE SOUTHEAST CORNER OF THE AFOREMENTIONED PARCEL DESCRIBED BY "DEED" RECORDED JUNE 30, 1950 IN BOOK 62 OF DEEDS, PAGE 290 AS INSTRUMENT NO. 343516; THENCE ALONG THE EAST LINE OF SAID PARCEL, NORTH 01°42'05" WEST, 265.93 FEET TO THE POINT OF BEGINNING.

CONTAINING 5.28 ACRES.



12-23-00

EXPLANATION: THIS LEGAL DESCRIBES A PARCEL OF LAND LOCATED NORTHEASTERLY OF THE INTERSECTION OF "F" STREET AND GRAND CENTRAL PARKWAY LYING WESTERLY OF THE UPRR MAIN RAILROAD TRACKS (PARCEL 2).

LEGAL DESCRIPTION

THAT PORTION OF LOT FOUR (4) OF "PARKWAY CENTER", A COMMERCIAL SUBDIVISION, AS SHOWN BY MAP THEREOF IN BOOK 53, PAGE 61 OF PLATS IN THE CLARK COUNTY RECORDER'S OFFICE, CLARK COUNTY, NEVADA, LYING WITHIN THE SOUTH HALF (S 1/2) OF THE SOUTHWEST QUARTER (SW 1/4) OF SECTION 27, TOWNSHIP 20 SOUTH, RANGE 61 EAST, M.D.M., CITY OF LAS VEGAS, CLARK COUNTY, NEVADA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF SAID LOT FOUR (4), BEING ON THE NORTHERLY RIGHT-OF-WAY LINE OF GRAND CENTRAL PARKWAY (100 FEET WIDE); THENCE ALONG THE SOUTHERLY LINE OF SAID LOT FOUR (4) AND SAID NORTHERLY RIGHT-OF-WAY LINE THE FOLLOWING FOUR (4) COURSES: NORTH 62°04'11" WEST, 68.77 FEET; THENCE CURVING TO THE LEFT ALONG THE ARC OF A 450.00 FOOT RADIUS CURVE, CONCAVE SOUTHWESTERLY, THROUGH A CENTRAL ANGLE OF 43°37'40", AN ARC LENGTH OF 342.65 FEET; THENCE SOUTH 74°18'09" WEST, 187.94 FEET; THENCE CURVING TO THE RIGHT ALONG THE ARC OF A 25.00 FOOT RADIUS CURVE, CONCAVE NORTHEASTERLY, THROUGH A CENTRAL ANGLE OF 90°00'00", AN ARC LENGTH OF 39.27 FEET TO THE WESTERLY LINE OF SAID LOT FOUR (4) AND THE EASTERLY RIGHT-OF-WAY LINE OF "F" STREET (60 FEET WIDE); THENCE ALONG SAID WESTERLY LINE AND SAID EASTERLY RIGHT-OF-WAY LINE THE FOLLOWING THREE (3) COURSES: NORTH 15°41'51" WEST, 43.23 FEET; THENCE CURVING TO THE RIGHT ALONG THE ARC OF A 270.00 FOOT RADIUS CURVE, CONCAVE NORTHEASTERLY, THROUGH A CENTRAL ANGLE OF 14°24'02", AN ARC LENGTH OF 67.86 FEET; THENCE NORTH 01°17'49" WEST, 43.11 FEET TO THE SOUTHWEST CORNER OF THAT CERTAIN PARCEL OF LAND DESCRIBED BY "FINAL ORDER OF CONDEMNATION" RECORDED NOVEMBER 3, 1999 IN BOOK 19991103 OF OFFICIAL RECORDS AS INSTRUMENT NO. 00619, IN THE CLARK COUNTY RECORDER'S OFFICE, CLARK COUNTY, NEVADA; THENCE ALONG THE SOUTHERLY LINE OF SAID CONDEMNATION PARCEL THE FOLLOWING THREE (3) COURSES: NORTH 42°32'03" EAST, 111.15 FEET, THENCE NORTH 74°47'09" EAST, 527.45 FEET; THENCE NORTH 79°03'43" EAST, 293.80 FEET TO THE EASTERLY LINE OF SAID LOT FOUR (4); THENCE ALONG SAID EASTERLY LINE, SOUTH 27°55'16" WEST, 522.90 FEET TO THE POINT OF BEGINNING.

CONTAINING 5.10 ACRES.

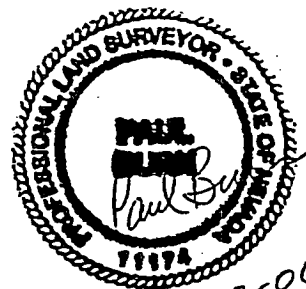


**EXHIBIT D
FORM OF QUITCLAIM DEED**

Recorded at the Request of:

City of Las Vegas
400 Stewart Avenue
Las Vegas, Nevada 89101

When Recorded, Return to:

City Attorney's Office
City of Las Vegas
400 Stewart Avenue, 9th Floor
Las Vegas, Nevada 89101

QUITCLAIM DEED

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, 21st Century Financial Ventures, LLC, a Nevada LLC, does hereby REMISE, RELEASE AND QUITCLAIM to the City of Las Vegas, a municipal corporation of the State of Nevada, the real property in the City of Las Vegas, County of Clark, State of Nevada, described on Exhibit "A" attached hereto.

DATED this _____ day of _____, 2001.

21st Century Financial Ventures, LLC

By: _____

Its: _____

EXPLANATION: THIS LEGAL DESCRIBES A PARCEL OF LAND LOCATED SOUTHWESTERLY OF THE INTERSECTION OF "D" STREET AND BONANZA ROAD LYING WESTERLY OF THE UPRR MAIN RAILROAD TRACKS (PARCEL 1).

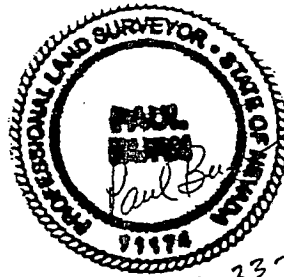
LEGAL DESCRIPTION

THAT PORTION OF THE SOUTH HALF (S 1/2) OF THE SOUTHWEST QUARTER (SW 1/4) OF SECTION 27, TOWNSHIP 20 SOUTH, RANGE 61 EAST, M.D.M., CITY OF LAS VEGAS, CLARK COUNTY, NEVADA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SOUTH HALF (S 1/2), SAID POINT BEING 10.00 FEET (MEASURED AT RIGHT ANGLES) SOUTH OF THE CENTERLINE OF BONANZA ROAD (VARYING WIDTH); THENCE ALONG THE NORTH LINE OF SAID SOUTH HALF (S 1/2) AND PARALLEL TO SAID CENTERLINE, NORTH 88°17'55" EAST, 1641.02 FEET; THENCE SOUTH 01°42'05" EAST, 30.00 FEET TO THE POINT OF BEGINNING ON THE SOUTHERLY RIGHT-OF-WAY LINE OF SAID BONANZA ROAD AND BEING THE NORTHEAST CORNER OF THAT CERTAIN PARCEL OF LAND DESCRIBED BY "DEED" RECORDED JUNE 30, 1950 IN BOOK 62 OF DEEDS, PAGE 290, AS INSTRUMENT NO. 343516, IN THE CLARK COUNTY RECORDER'S OFFICE, CLARK COUNTY, NEVADA; THENCE ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE THE FOLLOWING THREE (3) COURSES: SOUTH 87°53'14" EAST, 150.33 FEET; THENCE SOUTH 01°42'05" EAST, 6.00 FEET; THENCE NORTH 88°17'55" EAST, 327.85 FEET; THENCE SOUTH 01°42'05" EAST, 38.74 FEET; THENCE SOUTH 25°06'11" WEST, 378.56 FEET; THENCE NORTH 62°31'05" WEST, 17.16 FEET; THENCE SOUTH 27°28'55" WEST, 414.93 FEET TO A POINT ON THE NORTHERLY LINE OF THAT CERTAIN PARCEL OF LAND DESCRIBED BY "DEED" RECORDED AUGUST 31, 1967 IN BOOK 820 OF OFFICIAL RECORDS AS INSTRUMENT NO. 658854, IN THE CLARK COUNTY RECORDER'S OFFICE, CLARK COUNTY, NEVADA; THENCE ALONG THE NORTHERLY LINE OF SAID "DEED" PARCEL THE FOLLOWING TWO (2) COURSES: FROM A TANGENT BEARING NORTH 72°24'15" WEST, CURVING TO THE LEFT ALONG THE ARC OF A 185.00 FOOT RADIUS CURVE, CONCAVE SOUTHWESTERLY (THE RADIUS POINT OF WHICH BEARS SOUTH 17°35'45" WEST), THROUGH A CENTRAL ANGLE OF 27°49'45", AN ARC LENGTH OF 89.86 FEET; THENCE SOUTH 79°46'00" WEST, 14.23 FEET TO THE SOUTHEAST CORNER OF THAT CERTAIN PARCEL OF LAND DESCRIBED BY "FINAL ORDER OF CONDEMNATION" RECORDED SEPTEMBER 11, 1968 IN BOOK 899 OF OFFICIAL RECORDS AS INSTRUMENT NO. 721652, IN THE CLARK COUNTY RECORDER'S OFFICE, CLARK COUNTY, NEVADA; THENCE ALONG THE EASTERLY AND NORTHERLY LINE OF SAID CONDEMNATION PARCEL, THE FOLLOWING THREE (3) COURSES: NORTH 27°55'16" EAST, 274.60 FEET; THENCE NORTH 50°42'43" WEST, 98.15 FEET; THENCE FROM A TANGENT BEARING SOUTH 83°27'18" WEST, CURVING TO THE LEFT ALONG THE ARC OF A 2000.00 FOOT RADIUS CURVE, CONCAVE SOUTHEASTERLY (THE RADIUS POINT OF WHICH BEARS SOUTH 06°32'42" EAST), THROUGH A CENTRAL ANGLE OF 07°30'16", AN ARC LENGTH OF 261.95 FEET TO A POINT TO WHICH A RADIAL LINE BEARS NORTH 14°02'58" WEST TO THE EASTERLY LINE OF THAT CERTAIN PARCEL OF LAND DESCRIBED BY "DEED" RECORDED OCTOBER 13, 1955 IN BOOK 70 OF OFFICIAL RECORDS AS INSTRUMENT NO. 58946, IN THE CLARK COUNTY RECORDER'S OFFICE, CLARK COUNTY, NEVADA; THENCE ALONG SAID EASTERLY LINE, NORTH 01°42'05"

WEST, 161.48 FEET; THENCE NORTH 88°28'58" EAST, 165.90 FEET; THENCE CURVING TO THE LEFT ALONG THE ARC OF A 369.27 FOOT RADIUS CURVE, CONCAVE NORTHERLY, THROUGH A CENTRAL ANGLE 06°51'25", AN ARC LENGTH OF 44.19 FEET TO A POINT TO WHICH A RADIAL LINE BEARS SOUTH 08°22'27" EAST; THENCE NORTH 01°42'05" WEST, 46.95 FEET TO THE SOUTHEAST CORNER OF THE AFOREMENTIONED PARCEL DESCRIBED BY "DEED" RECORDED JUNE 30, 1950 IN BOOK 62 OF DEEDS, PAGE 290 AS INSTRUMENT NO. 343516; THENCE ALONG THE EAST LINE OF SAID PARCEL, NORTH 01°42'05" WEST, 265.93 FEET TO THE POINT OF BEGINNING.

CONTAINING 5.28 ACRES.



12-23-00

EXPLANATION: THIS LEGAL DESCRIBES A PARCEL OF LAND LOCATED NORTHEASTERLY OF THE INTERSECTION OF "F" STREET AND GRAND CENTRAL PARKWAY LYING WESTERLY OF THE UPRR MAIN RAILROAD TRACKS (PARCEL 2).

LEGAL DESCRIPTION

THAT PORTION OF LOT FOUR (4) OF "PARKWAY CENTER", A COMMERCIAL SUBDIVISION, AS SHOWN BY MAP THEREOF IN BOOK 53, PAGE 61 OF PLATS IN THE CLARK COUNTY RECORDER'S OFFICE, CLARK COUNTY, NEVADA, LYING WITHIN THE SOUTH HALF (S 1/2) OF THE SOUTHWEST QUARTER (SW 1/4) OF SECTION 27, TOWNSHIP 20 SOUTH, RANGE 61 EAST, M.D.M., CITY OF LAS VEGAS, CLARK COUNTY, NEVADA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF SAID LOT FOUR (4), BEING ON THE NORTHERLY RIGHT-OF-WAY LINE OF GRAND CENTRAL PARKWAY (100 FEET WIDE); THENCE ALONG THE SOUTHERLY LINE OF SAID LOT FOUR (4) AND SAID NORTHERLY RIGHT-OF-WAY LINE THE FOLLOWING FOUR (4) COURSES: NORTH 62°04'11" WEST, 68.77 FEET; THENCE CURVING TO THE LEFT ALONG THE ARC OF A 450.00 FOOT RADIUS CURVE, CONCAVE SOUTHWESTERLY, THROUGH A CENTRAL ANGLE OF 43°37'40", AN ARC LENGTH OF 342.65 FEET; THENCE SOUTH 74°18'09" WEST, 187.94 FEET; THENCE CURVING TO THE RIGHT ALONG THE ARC OF A 25.00 FOOT RADIUS CURVE, CONCAVE NORTHEASTERLY, THROUGH A CENTRAL ANGLE OF 90°00'00", AN ARC LENGTH OF 39.27 FEET TO THE WESTERLY LINE OF SAID LOT FOUR (4) AND THE EASTERLY RIGHT-OF-WAY LINE OF "F" STREET (60 FEET WIDE); THENCE ALONG SAID WESTERLY LINE AND SAID EASTERLY RIGHT-OF-WAY LINE THE FOLLOWING THREE (3) COURSES: NORTH 15°41'51" WEST, 43.23 FEET; THENCE CURVING TO THE RIGHT ALONG THE ARC OF A 270.00 FOOT RADIUS CURVE, CONCAVE NORTHEASTERLY, THROUGH A CENTRAL ANGLE OF 14°24'02", AN ARC LENGTH OF 67.86 FEET; THENCE NORTH 01°17'49" WEST, 43.11 FEET TO THE SOUTHWEST CORNER OF THAT CERTAIN PARCEL OF LAND DESCRIBED BY "FINAL ORDER OF CONDEMNATION" RECORDED NOVEMBER 3, 1999 IN BOOK 19991103 OF OFFICIAL RECORDS AS INSTRUMENT NO. 00619, IN THE CLARK COUNTY RECORDER'S OFFICE, CLARK COUNTY, NEVADA; THENCE ALONG THE SOUTHERLY LINE OF SAID CONDEMNATION PARCEL THE FOLLOWING THREE (3) COURSES: NORTH 42°32'03" EAST, 111.15 FEET, THENCE NORTH 74°47'09" EAST, 527.45 FEET; THENCE NORTH 79°03'43" EAST, 293.80 FEET TO THE EASTERLY LINE OF SAID LOT FOUR (4); THENCE ALONG SAID EASTERLY LINE, SOUTH 27°55'16" WEST, 522.90 FEET TO THE POINT OF BEGINNING.

CONTAINING 5.10 ACRES.



EXHIBIT E
IRREVOCABLE ESCROW INSTRUCTIONS
FOR QUITCLAIM DEED

_____, 2001

Lawyers Title of Nevada
1210 South Valley View Boulevard
Las Vegas, Nevada 89102
Attn: Joy Turner

Re: Escrow No. _____

Gentlemen:

21st Century Financial Ventures, LLC., a Nevada limited liability corporation (the "Developer"), one of the undersigned, has entered into that certain Real Property Purchase and Sale Agreement dated May 16, 2001, with the City of Las Vegas, which Agreement has been assigned by the City of Las Vegas to City Parking IV, Inc. ("City") the other party to these instructions, providing for conveyance of a certain parcel of real property (the "Site").

The Site is the subject of this escrow and is described in the accompanying quitclaim deed (the "Quitclaim Deed").

Section 26 of the Agreement provides that at the time of conveyance of the Site, the Quitclaim Deed will be delivered to you together with irrevocable escrow instructions and is for the purpose of instructing you as to the disposition of the accompanying Quitclaim Deed.

In the event that you receive from the City notice certifying that a copy of it has been delivered concurrently to the Developer and stating that the City has given notice of the exercise of the City's remedy in Section 26 of the Agreement with respect to the Site and accompanied by satisfactory evidence that any mortgage existing thereon has been discharged or by funds sufficient to discharge such mortgage, you shall at the end of twenty (20) days after receipt of said notice record the Quitclaim Deed.

The undersigned, jointly and severally, and each of us to the extent that we may lawfully do so and to the extent of unencumbered budgeted appropriations, hereby agrees to defend, indemnify and hold you harmless from any liability whatsoever, including attorneys' fees arising out of your carrying out these instructions.

In the event that you receive notice from the Developer certifying that a copy of the notice has been delivered concurrently to the City and stating that the Developer has completed construction as provided in the Agreement, you shall at the end of twenty (20) days after receipt of said notice return the Quitclaim Deed to the Developer, unless during the twenty (20) day

period, the City objects on the basis that construction has not been completed pursuant to the Agreement.

In the event that you are advised by both parties hereto that the City's power of termination has ended in compliance with Section 6a.5 with respect to the Site has ended, you will forthwith return the Quitclaim Deed to the Developer.

These instructions may not be withdrawn or in any way amended, modified or waived without the prior written consent of both of the parties hereto.

Please indicate your acceptance of and agreement to carry out these instructions as indicated below.

CITY PARKWAY IV, INC.

By _____
Lesa Coder, President

APPROVED AS TO FORM:

Date

21st Century Financial Ventures, LLC

By: _____

Its: _____

_____ hereby accepts and agrees to carry out these instructions.

By: _____

EXHIBIT F DISCLOSURE OF PRINCIPALS

The members of 21st Century Financial Ventures, LLC and all persons and entities holding more than 1% interest in 21st Century Financial Ventures, ~~Inc.~~ **LLC** are the following:

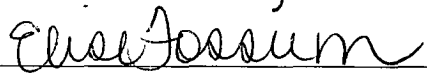
<u>FULL NAME</u>	<u>BUSINESS ADDRESS</u>	<u>BUSINESS PHONE</u>
1. DAPAJ LLC. 23.5%	6375 Eldora Street	947-5136
2. see attached	Las Vegas, NV 89146	
3. BAVM LLC. 23.5%	3901 Meadows Lane	944-4498
4. see attached	Las Vegas, NV 89107	
5. MAC LLC 23.5%	3901 Meadows Lane	947-5136
6. see attached	Las Vegas, NV 89107	
7. M3T LLC 23.5%	3901 Meadows Lane	947-5136
8. see attached	Las Vegas, NV 89107	
9. Gentarie Ventures, LLC.	2700 W. Sahara 5th Fl.	768-8167
10. see attached 6%	Las Vegas, NV 89102	

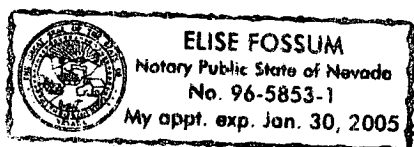
I hereby certify under penalty of perjury, that the foregoing list is full and complete.

21st Century Financial Ventures, LLC

By: 
Its: Manager

Subscribed and sworn to before me this
7th day of May, 2001.


Notary Public



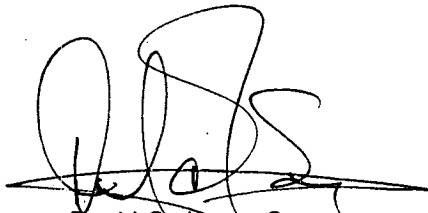
DAPAJ LLC

David C. Jones, Sr.
6375 Eldora Street
Las Vegas, NV 89146
SS# 136-36-4819

Managing Member 55.00%

Patricia A. Jones
6375 Eldora Street
Las Vegas, NV 89146
SS# 138-42-1111

Member 45.00%



David C. Jones, Sr.
Managing Member

BAVM LLC

Wilfred Bruce Madrid
2013 Arbor Forest Street
Las Vegas, NV 89134
SS# 464-15-8513

Managing Member

51%

Venessa H. Madrid
2013 Arbor Forest Street
Las Vegas, NV 89134
SS# 462-41-6215

Member

49%

W3T LLC

William Hollinger Dendiu 3901 Meadows Lane Las Vegas, NV 89107 SS# 271-58-9795	Managing Member	70%

Troian Dendiu, Jr. 255 Abbot Ave. Worthington, OH 43085 SS# 300-72-1402	Member	10%

Thomas Scott Dendiu 32158 Camino Capistrano #331 San Juan Capistrano, CA 92675 SS# 274-60-6644	Member	10%

William Timothy Hollinger 2661 Dorsett Road Columbus, OH 43221 SS# 294-44-7308	Member	10%

MAC LLC

Michael F. Accardi
28 Feather Sound Drive
Henderson, NV 89052
SS# 140-82-7888

Managing Member

100%

Gentarie Ventures, LLC.

JKM Family Ventures, LLC.

16.67%

768-8167

John R. McMillan

Kristin McMillan

Michele McMillan

John and Kristin McMillan

Family Trust

FNSK, LLC.

83.33%

860-3733

Fred Maxik

Susan Maxik

**EXHIBIT G
ACKNOWLEDGMENT
COVENANTS AGREEMENT**

WHEREAS, 21st Century Financial Ventures, LLC. ("Developer") has entered into a Purchase and Sale Agreement dated May 16, 2001 with the City of Las Vegas for purchase of certain property more specifically described in said Agreement ("Property");

WHEREAS, the Property being conveyed will be subject to certain post-sale conditions as more specifically described in the Covenants Agreement dated _____ 2001 between the City of Las Vegas and Union Pacific Railroad Company ("UPPR"), the form of which is attached as Exhibit "A".

Developer hereby acknowledges that the Covenants Agreement will run with the Property in perpetuity and will be binding upon and will benefit all present and future owners and occupants of the Property, provided that owners and occupants will have liability under Section 1 of the Covenants Agreement only for violations of Section 1 of the Covenants Agreement occurring during their period of ownership or occupancy, as applicable.

Developer further acknowledges and agrees that the Covenants Agreement may be amended only by a recordable instrument executed by the then-owner of the Property and UPPR.

IN WITNESS WHEREOF, Developer has executed this Acknowledgment of Covenants Agreement the date first above written.

DATED: _____

21st Century Financial Ventures, LLC.

By: _____

Its: _____

"Developer"

ACKNOWLEDGMENT

State of Nevada)
) ss.
County of Clark)

On this ____ day of _____, 2001, personally appeared before me, a Notary Public in and for said County and State, _____, known to me to be the managing member of _____, and he acknowledged to me that he executed the same for and on behalf of _____ and that said _____ executed the said instrument freely and voluntarily and for the uses and purposes therein mentioned.

WITNESS my hand and official seal.

NOTARY PUBLIC in and for said County
and State

EXHIBIT A

**RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:****UNION PACIFIC RAILROAD COMPANY**

Attn: Real Estate Attorney
1416 Dodge Street, Room 830
Omaha, Nebraska 68179

(Space above for Recorder's use only).

COVENANTS AGREEMENT

THIS COVENANTS AGREEMENT is made as of the ____ day of December, 2000 ("Execution Date"), by and between CITY PARKWAY IV, INC., a nonprofit corporation and political subdivision of the State of Nevada ("Owner"), the owner of record of certain property in Las Vegas, Clark County, Nevada, described in **Exhibits A and B** attached hereto and incorporated herein by this reference (collectively, the "Property"), and UNION PACIFIC RAILROAD COMPANY, a Delaware corporation ("UPRR"), with reference to the following facts:

A. By Grant, Bargain and Sale Deed dated December __, 2000 and recorded on December __, 2000 as Instrument No. _____ in the Official Records of Clark County, Nevada, UPRR conveyed to Owner that portion of the Property described in **Exhibit A**, and by Grant, Bargain and Sale Deed dated December __, 2000 and recorded on December __, 2000 as Instrument No. _____ in the Official Records of Clark County, Nevada, UPRR conveyed to Owner that portion of the Property ("Bonanza Street Property") described in **Exhibit B**. Owner is the current owner and holder of fee title to the Property.

B. The Property is adjacent to or in proximity of other property owned by UPRR. The portion of the Property identified as Lot 4 of Parkway Center ("Lot 4 Property") and UPRR's adjacent property comprise a portion of Parkway Center, a commercial subdivision, as shown by Map thereof recorded on August 13, 1992 in Book 53 of Plats, Page 61, in the Office of the County Recorder of Clark County, Nevada.

DECLARATION OF RESTRICTIONS AND AGREEMENTS

1. Restrictions. For good and valuable consideration, receipt of which is hereby acknowledged, Owner hereby agrees and declares as follows:

A. **SITE DEVELOPMENT STANDARDS:** Owner and UPRR acknowledge that the Lot 4 Property and UPRR's remaining ownership in Parkway Center is subject to Site Development Standards approved by City of Las Vegas ("City") on June 14, 1999, as supplemented with Parkway Center Lot One Site Development Standards dated September 20, 1999, and that the Site Development Standards, as supplemented, have

been accepted by the City of Las Vegas Planning and Development Department as indicated in Robert Genzer, Deputy Director's letter dated December 3, 1999 to John Terrell, former employee of UPRR, copy attached hereto as **Exhibit C** and made a part hereof. Owner, at its sole cost and expense, shall obtain City approval of a supplement to the Site Development Standards as supplemented, which is acceptable (including all conditions thereto) to Owner and UPRR, to allow for Owner's intended use of the Property for the construction of a high-technology campus consisting of approximately 129,225 square feet of office, retail and residential space ("Owner's Intended Use"). The proposed supplement shall be submitted to UPRR at the following address:

Mr. H. Don Caldwell
Senior Manager, Real Estate
Union Pacific Railroad Company
150 North Santa Anita Avenue, Suite 300
Arcadia, California 91006

for review and approval. Such review by UPRR shall be completed and appropriate response made to Owner within twenty (20) days after receipt of such supplement by UPRR; and it is expressly understood that approval of such supplement by UPRR shall not be unreasonably withheld. UPRR shall have no obligation to approve such supplement if such supplement (i) is not substantially equivalent to the Parkway Center Lot One Site Development Standards dated September 20, 1999, (ii) obligates UPRR as owner of the Property or otherwise to pay money, construct improvements or dedicate any interest in real property, or (iii) detrimentally affects the value, use or development of UPRR's remaining ownership in Parkway Center.

Owner, for itself, its successors and assigns, agrees to comply with the Parkway Center Site Development Standards, as supplemented pursuant to this Paragraph A.

B. LANDSCAPING COVENANT: The landscaping now on the Lot 4 Property was installed and is irrigated and otherwise maintained in common with common landscaping and parkscape features (the monument sign, water feature and lighting) on certain portions of Parkway Center. Owner agrees that UPRR or UPRR's designee may continue to maintain such landscaping and to operate the irrigation equipment with respect to any and all portions of the Lot 4 Property upon which landscaping is not hereafter installed in connection with the development thereof, and that Owner will reimburse UPRR or UPRR's designee for the cost thereof as to the Lot 4 Property or the portion thereof which has not been developed and landscaped, and as to common landscaping and parkscape features on certain portions of Parkway Center, based on the square footage of the Lot 4 Property relative to the square footage of property within lots in Parkway Center benefited by such common landscaping and parkscape features. If Owner transfers any portion of the Lot 4 Property, the transferee will be responsible only for the share of such costs attributable to its portion of the Lot 4 Property based on square footage.

C. **DEDICATION OF EASEMENT:** Owner, for itself, its successors and assigns, agrees, within a reasonable time after the Execution Date, to cause the dedication to the public of an easement ten feet (10') in width over, under, across and upon that portion of the Lot 4 Property that parallels on the north and lies adjacent to the property depicted on Exhibit A-1 as "10' Esmt to Nevada Power Company", for the construction, reconstruction, installation, inspection, repair, maintenance, enjoyment, operation, use and/or removal of existing and/or future communication lines and/or facilities, including, but not limited to, fiber optic cables, conduits and related appurtenances, (including, without limitation, valves, manholes, air vents, warning signals, junction boxes, transformers, switch boxes, and electric devices), together with the right of ingress, egress and access from and to such easement area over and across the Lot 4 Property.

TO BE DELETED

D. ~~**STAGE TWO IMPROVEMENTS:** Owner acknowledges that the Property may be subject to future assessments to fund the construction of the following improvements (the "Stage Two Improvements"):~~

(i) Full intersection at Charleston Boulevard/I-15 including on and off-ramps at Charleston, grade separation of Martin Luther King at Charleston, northbound and southbound I-15 ramps at Bonneville Avenue and other related improvements as shown on Exhibit D-1;

(ii) Fully improved Discovery Street from Martin Luther King to Parkway Center's westerly boundary as shown on Exhibit D-2;

(iii) Eastbound and westbound ramps on US-95 at "F" Street and related improvements as shown on Exhibit D-3.

Owner agrees not to protest the formation of an Assessment District to fund the construction of the Stage Two Improvements. If no such Assessment District is formed, and UPRR and/or other owners of property within Parkway Center contribute to the cost of the Stage Two Improvements, Owner agrees that Owner's share (including Owner's contribution required by any governmental entity, if any) of all such contributions by owners of property in Parkway Center will be the greater of (i) three percent (3%), or (ii) the percentage that the projected traffic to be generated by the Property bears to the projected traffic to be generated by Parkway Center, as determined by a professional traffic study commissioned by UPRR and the City of Las Vegas. If Owner is not required by any governmental entity to contribute to the cost of the Stage Two Improvements, then Owner will reimburse UPRR and other property owners, on a proportionate basis, to the extent of Owner's share as calculated above. Owner will require any transferee (including, without limitation, any party that acquires title through foreclosure, public sale or deed in lieu thereof) of the Property or any portion thereof to assume Owner's obligations under this Paragraph D. in writing for the benefit of UPRR. In the case of transfers of less than all of the Property, such assumption will be on a pro rata basis calculated using the proportion that the gross square footage of the transferred portion bears to the gross square footage of the entire Property.

2. Enforcement.

(a) In the event of any breach or violation of any of the provisions of this Covenants Agreement, and the failure of Owner, its successors or assigns, to cure the breach within thirty (30) days after notice of the breach is given Owner, its successors or assigns, UPRR will have the right to enforce any or all of the following remedies, all of which will be cumulative and non-exclusive:

(i) Bring an action for damages before any court of competent jurisdiction;

(ii) Bring an action at law or in equity for specific performance to enforce compliance herewith or an injunction to enjoin the continuance of any breach, violation or failure hereunder; and

(iii) Pursue such other remedies as may be available at law or in equity.

(b) No violation or breach of this Covenants Agreement will defeat or render invalid or in any way impair the lien or charge of any bona fide mortgage or deed of trust recorded against the Property; provided, however, subject to Section 3, any subsequent owner of the Property will be bound by this Covenants Agreement, whether such owner's title is acquired by foreclosure, trustee's sale, deed in lieu of foreclosure or otherwise.

(c) No waiver by UPRR of a breach of this Covenants Agreement and no delay or failure to enforce any of the same will be construed or held to be a waiver of any succeeding or preceding breach of the same.

3. General Provisions.

(a) This Covenants Agreement will run with the Property in perpetuity and will be binding upon and will benefit all present and future owners and occupants of the Property; provided, however, that owners and occupants will have liability under Section 1 of this Covenants Agreement only for violations of Section 1 of this Covenants Agreement occurring during their period of ownership or occupancy, as applicable.

(b) In the event that suit is brought for the enforcement of this Covenants Agreement or as a result of any alleged breach thereof, the successful litigant or litigants in such suit will be entitled to be paid reasonable attorneys' fees by the losing litigant or litigants, and any judgment or decree rendered will include an award thereof.

(c) This Covenants Agreement may be amended only by a recordable instrument executed by the then-owner of the Property and UPRR.

IN WITNESS WHEREOF, Owner and UPRR have executed this Covenants Agreement as of the date first above written.

OWNER:

CITY PARKWAY IV, INC., a nonprofit
corporation and political subdivision
of the State of Nevada

By: _____
Title: _____

UPRR:

UNION PACIFIC RAILROAD COMPANY,
a Delaware corporation

By: James V. Dike
Title: Vice President - Legal

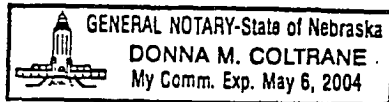
STATE OF NEBRASKA)
) ss.
COUNTY OF DOUGLAS)

On December 26, 2000, before me, a Notary Public in and for said County and State, personally appeared James V. Dolan, Vice President-Law UNION PACIFIC RAILROAD COMPANY, a Delaware corporation, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument, and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Donna M. Coltrane
Notary Public

(SEAL)



STATE OF NEVADA)
) ss.
COUNTY OF CLARK)

On December ____, 2000, before me, a Notary Public in and for said County and State, personally appeared _____, _____ of CITY PARKWAY IV, INC., a nonprofit corporation and political subdivision of the State of Nevada, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument, and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Notary Public

(SEAL)

EXHIBIT A

EXPLANATION: THIS LEGAL DESCRIBES A PARCEL OF LAND LOCATED NORTHEASTERLY OF THE INTERSECTION OF "F" STREET AND GRAND CENTRAL PARKWAY LYING WESTERLY OF THE UPRR MAIN RAILROAD TRACKS (PARCEL 2).

LEGAL DESCRIPTION

THAT PORTION OF LOT FOUR (4) OF "PARKWAY CENTER", A COMMERCIAL SUBDIVISION, AS SHOWN BY MAP THEREOF IN BOOK 53, PAGE 61 OF PLATS IN THE CLARK COUNTY RECORDER'S OFFICE, CLARK COUNTY, NEVADA, LYING WITHIN THE SOUTH HALF (S 1/2) OF THE SOUTHWEST QUARTER (SW 1/4) OF SECTION 27, TOWNSHIP 20 SOUTH, RANGE 61 EAST, M.D.M., CITY OF LAS VEGAS, CLARK COUNTY, NEVADA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF SAID LOT FOUR (4), BEING ON THE NORTHERLY RIGHT-OF-WAY LINE OF GRAND CENTRAL PARKWAY (100 FEET WIDE); THENCE ALONG THE SOUTHERLY LINE OF SAID LOT FOUR (4) AND SAID NORTHERLY RIGHT-OF-WAY LINE THE FOLLOWING FOUR (4) COURSES: NORTH 62°04'11" WEST, 68.77 FEET; THENCE CURVING TO THE LEFT ALONG THE ARC OF A 450.00 FOOT RADIUS CURVE, CONCAVE SOUTHWESTERLY, THROUGH A CENTRAL ANGLE OF 43°37'40", AN ARC LENGTH OF 342.65 FEET; THENCE SOUTH 74°18'09" WEST, 187.94 FEET; THENCE CURVING TO THE RIGHT ALONG THE ARC OF A 25.00 FOOT RADIUS CURVE, CONCAVE NORTHEASTERLY, THROUGH A CENTRAL ANGLE OF 90°00'00", AN ARC LENGTH OF 39.27 FEET TO THE WESTERLY LINE OF SAID LOT FOUR (4) AND THE EASTERLY RIGHT-OF-WAY LINE OF "F" STREET (60 FEET WIDE); THENCE ALONG SAID WESTERLY LINE AND SAID EASTERLY RIGHT-OF-WAY LINE THE FOLLOWING THREE (3) COURSES: NORTH 15°41'51" WEST, 43.23 FEET; THENCE CURVING TO THE RIGHT ALONG THE ARC OF A 270.00 FOOT RADIUS CURVE, CONCAVE NORTHEASTERLY, THROUGH A CENTRAL ANGLE OF 14°24'02", AN ARC LENGTH OF 67.86 FEET; THENCE NORTH 01°17'49" WEST, 43.11 FEET TO THE SOUTHWEST CORNER OF THAT CERTAIN PARCEL OF LAND DESCRIBED BY "FINAL ORDER OF CONDEMNATION" RECORDED NOVEMBER 3, 1999 IN BOOK 19991103 OF OFFICIAL RECORDS AS INSTRUMENT NO. 00619, IN THE CLARK COUNTY RECORDER'S OFFICE, CLARK COUNTY, NEVADA; THENCE ALONG THE SOUTHERLY LINE OF SAID CONDEMNATION PARCEL THE FOLLOWING THREE (3) COURSES: NORTH 42°32'03" EAST, 111.15 FEET, THENCE NORTH 74°47'09" EAST, 527.45 FEET; THENCE NORTH 79°03'43" EAST, 293.80 FEET TO THE EASTERLY LINE OF SAID LOT FOUR (4); THENCE ALONG SAID EASTERLY LINE, SOUTH 27°55'16" WEST, 522.90 FEET TO THE POINT OF BEGINNING.

CONTAINING 5.10 ACRES.

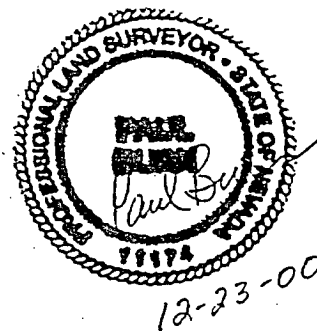


EXHIBIT B

EXPLANATION: THIS LEGAL DESCRIBES A PARCEL OF LAND LOCATED SOUTHWESTERLY OF THE INTERSECTION OF "D" STREET AND BONANZA ROAD LYING WESTERLY OF THE UPRR MAIN RAILROAD TRACKS (PARCEL 1).

LEGAL DESCRIPTION

THAT PORTION OF THE SOUTH HALF (S 1/2) OF THE SOUTHWEST QUARTER (SW 1/4) OF SECTION 27, TOWNSHIP 20 SOUTH, RANGE 61 EAST, M.D.M., CITY OF LAS VEGAS, CLARK COUNTY, NEVADA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SOUTH HALF (S 1/2), SAID POINT BEING 10.00 FEET (MEASURED AT RIGHT ANGLES) SOUTH OF THE CENTERLINE OF BONANZA ROAD (VARYING WIDTH); THENCE ALONG THE NORTH LINE OF SAID SOUTH HALF (S 1/2) AND PARALLEL TO SAID CENTERLINE, NORTH 88°17'55" EAST, 1641.02 FEET; THENCE SOUTH 01°42'05" EAST, 30.00 FEET TO THE POINT OF BEGINNING ON THE SOUTHERLY RIGHT-OF-WAY LINE OF SAID BONANZA ROAD AND BEING THE NORTHEAST CORNER OF THAT CERTAIN PARCEL OF LAND DESCRIBED BY "DEED" RECORDED JUNE 30, 1950 IN BOOK 62 OF DEEDS, PAGE 290, AS INSTRUMENT NO. 343516, IN THE CLARK COUNTY RECORDER'S OFFICE, CLARK COUNTY, NEVADA; THENCE ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE THE FOLLOWING THREE (3) COURSES: SOUTH 87°53'14" EAST, 150.33 FEET; THENCE SOUTH 01°42'05" EAST, 6.00 FEET; THENCE NORTH 88°17'55" EAST, 327.85 FEET; THENCE SOUTH 01°42'05" EAST, 38.74 FEET; THENCE SOUTH 25°06'11" WEST, 378.56 FEET; THENCE NORTH 62°31'05" WEST, 17.16 FEET; THENCE SOUTH 27°28'55" WEST, 414.93 FEET TO A POINT ON THE NORTHERLY LINE OF THAT CERTAIN PARCEL OF LAND DESCRIBED BY "DEED" RECORDED AUGUST 31, 1967 IN BOOK 820 OF OFFICIAL RECORDS AS INSTRUMENT NO. 658854, IN THE CLARK COUNTY RECORDER'S OFFICE, CLARK COUNTY, NEVADA; THENCE ALONG THE NORTHERLY LINE OF SAID "DEED" PARCEL THE FOLLOWING TWO (2) COURSES: FROM A TANGENT BEARING NORTH 72°24'15" WEST, CURVING TO THE LEFT ALONG THE ARC OF A 185.00 FOOT RADIUS CURVE, CONCAVE SOUTHWESTERLY (THE RADIUS POINT OF WHICH BEARS SOUTH 17°35'45" WEST), THROUGH A CENTRAL ANGLE OF 27°49'45", AN ARC LENGTH OF 89.86 FEET; THENCE SOUTH 79°46'00" WEST, 14.23 FEET TO THE SOUTHEAST CORNER OF THAT CERTAIN PARCEL OF LAND DESCRIBED BY "FINAL ORDER OF CONDEMNATION" RECORDED SEPTEMBER 11, 1968 IN BOOK 899 OF OFFICIAL RECORDS AS INSTRUMENT NO. 721652, IN THE CLARK COUNTY RECORDER'S OFFICE, CLARK COUNTY, NEVADA; THENCE ALONG THE EASTERLY AND NORTHERLY LINE OF SAID CONDEMNATION PARCEL, THE FOLLOWING THREE (3) COURSES: NORTH 27°55'16" EAST, 274.60 FEET; THENCE NORTH 50°42'43" WEST, 98.15 FEET; THENCE FROM A TANGENT BEARING SOUTH 83°27'18" WEST, CURVING TO THE LEFT ALONG THE ARC OF A 2000.00 FOOT RADIUS CURVE, CONCAVE SOUTHEASTERLY (THE RADIUS POINT OF WHICH BEARS SOUTH 06°32'42" EAST), THROUGH A CENTRAL ANGLE OF 07°30'16", AN ARC LENGTH OF 261.95 FEET TO A POINT TO WHICH A RADIAL LINE BEARS NORTH 14°02'58" WEST TO THE EASTERLY LINE OF THAT CERTAIN PARCEL OF LAND DESCRIBED BY "DEED" RECORDED OCTOBER 13, 1955 IN BOOK 70 OF OFFICIAL RECORDS AS INSTRUMENT NO. 58946, IN THE CLARK COUNTY RECORDER'S OFFICE, CLARK COUNTY, NEVADA; THENCE ALONG SAID EASTERLY LINE, NORTH 01°42'05"

WEST, 161.48 FEET; THENCE NORTH 88°28'58" EAST, 165.90 FEET; THENCE CURVING TO THE LEFT ALONG THE ARC OF A 369.27 FOOT RADIUS CURVE, CONCAVE NORTHERLY, THROUGH A CENTRAL ANGLE 06°51'25", AN ARC LENGTH OF 44.19 FEET TO A POINT TO WHICH A RADIAL LINE BEARS SOUTH 08°22'27" EAST; THENCE NORTH 01°42'05" WEST, 46.95 FEET TO THE SOUTHEAST CORNER OF THE AFOREMENTIONED PARCEL DESCRIBED BY "DEED" RECORDED JUNE 30, 1950 IN BOOK 62 OF DEEDS, PAGE 290 AS INSTRUMENT NO. 343516; THENCE ALONG THE EAST LINE OF SAID PARCEL, NORTH 01°42'05" WEST, 265.93 FEET TO THE POINT OF BEGINNING.

CONTAINING 5.28 ACRES.



12-23-00

EXHIBIT C



MAYOR
OSCAR B. GOODMAN

CITY COUNCIL
MICHAEL J. McDONALD
(MAYOR PRO-TEM)

GARY REESE
LARRY BROWN
LYNETTE B. McDONALD

CITY MANAGER
VIRGINIA VALENTINE

December 3, 1999

Mr. John Terrell
Senior Manager Special Properties
Union Pacific Railroad
4099 McEwen Road, Suite #600
Dallas, Texas 75244

Re: Parkway Center Lot One Site Development Standards

Dear Mr. Terrell:

I am pleased to inform you that staff has completed our review of the Parkway Center Lot One Site Development Standards dated September 20, 1999 and has found the standards to be acceptable as written. This satisfies Condition of Approval No. 2 of the Site Development Plan Review action Z-100-97(1) approved by the City Council on June 14, 1999. [NOTE: Any subsequent changes will require additional staff review.]

Staff wishes to note for the record that the process used for Lot One will need to be repeated as other parcels are proposed for development.

If you have any additional questions or concerns please do not hesitate to contact me at (702) 229-6895.

Sincerely,

A handwritten signature in black ink, appearing to read "RSG", is written over a horizontal line.

Robert S. Genzer
Deputy Director
Planning and Development Department

RSG:clb

CITY OF LAS VEGAS
400 STEWART AVENUE
LAS VEGAS, NEVADA 89101

VOICE 702.229.8011

TDD 702.386.9106

www.ci.las-vegas.nv.us

EXHIBIT D-1

ALTERNATIVE 6 (REFINED) - I-75 / CHARLESTON BOULEVARD

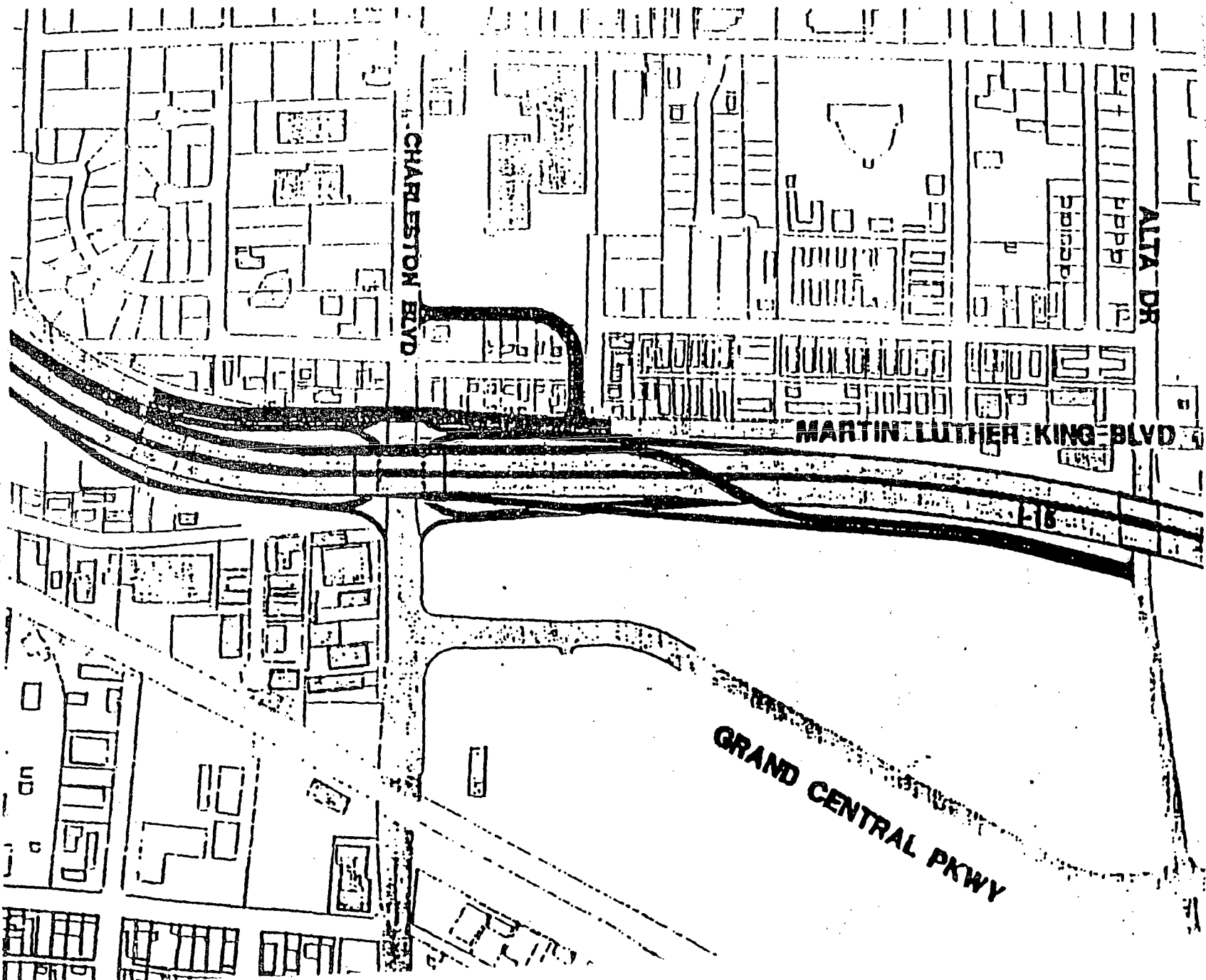


EXHIBIT D-2

ALTERNATIVE 6 (REFINED) - CORE INTERCHANGE

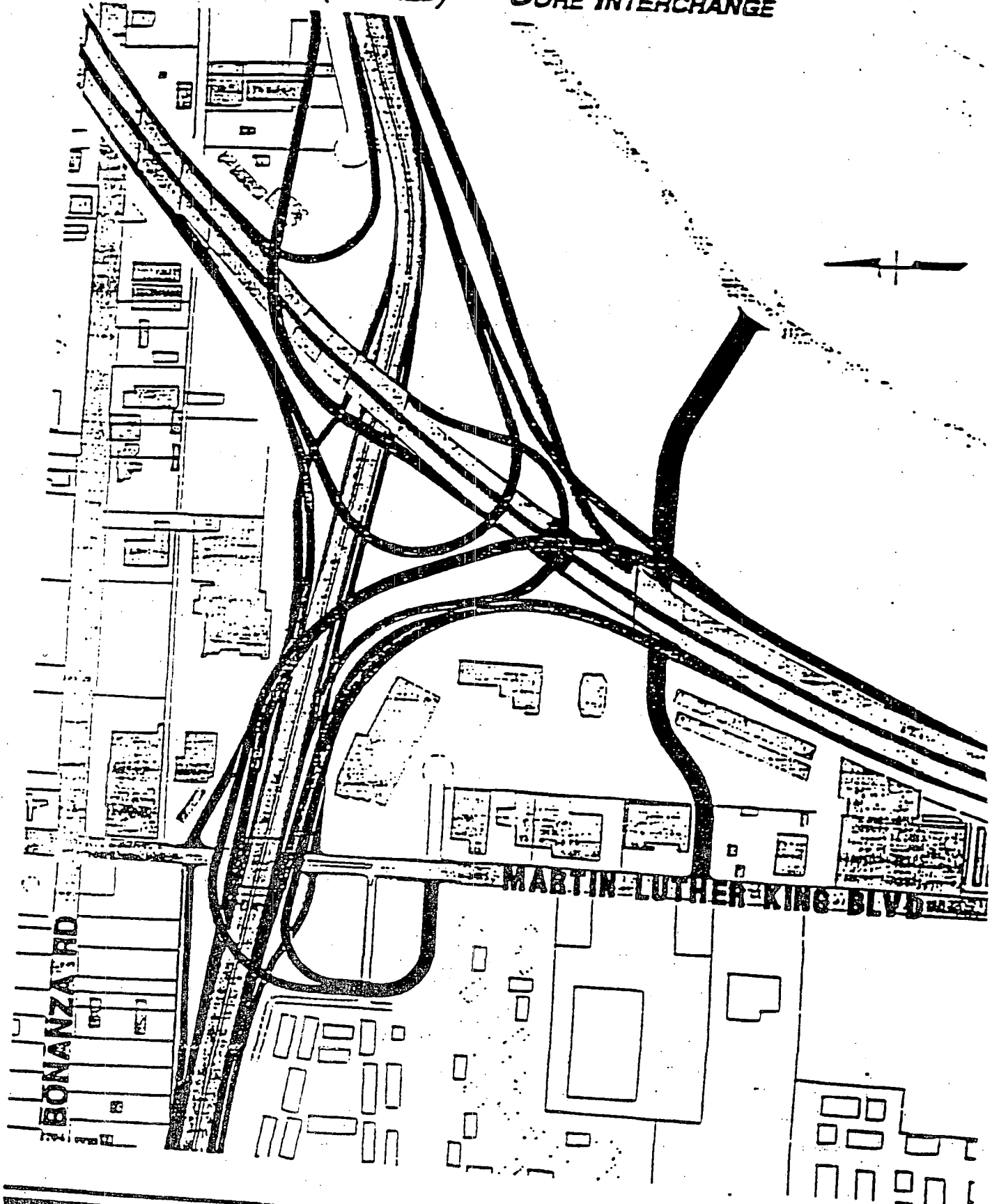


EXHIBIT D-3

ALTERNATIVE 6 (REFINED) - EAST LEG

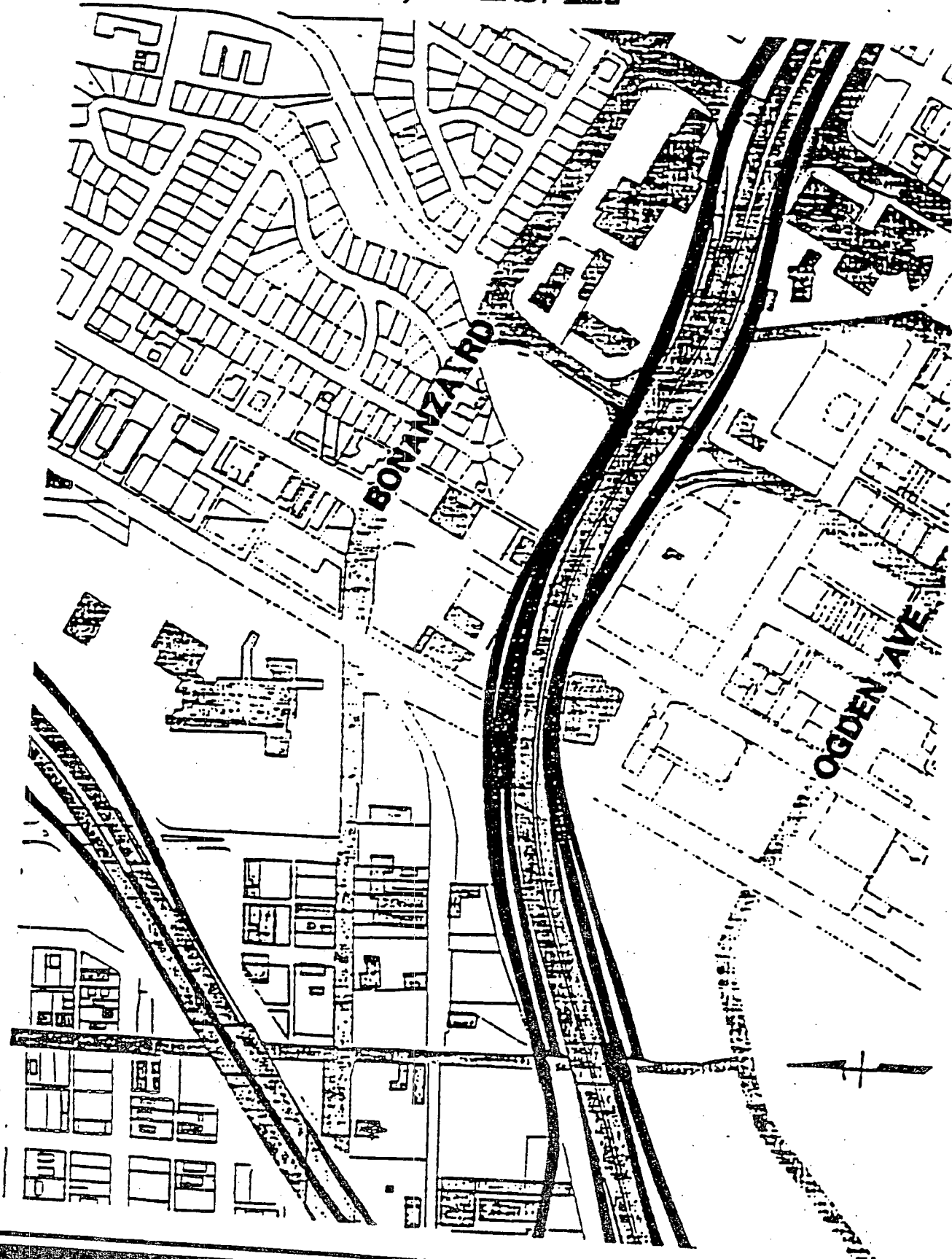


EXHIBIT H
TRANSFeree AGREEMENT

21st Century Ventures, LLC, a Nevada limited liability company ("Developer"), hereby agrees as follows:

1. Pursuant to Purchase and Sale Agreement between the City of Las Vegas ("City") and Developer dated May 16, 2001, Developer will be the owner of certain property ("Property") located in Las Vegas, Clark County, Nevada, more specifically described in the Donation, Purchase and Sale Agreement ("UPRR-City Agreement") between the City and Union Pacific Railroad Company ("UPRR") dated December 27, 2000 and Reinstatement and First Amendment dated May 16, 2001.
2. The Property is subject to certain environmental provisions as set forth in Article III (except for Section 3.2(d) thereof, which is personal to the City) of the UPRR-City Agreement and in the Environmental Provisions (except for subparagraph (d)(ii)(D) thereof, which is personal to City Parkway IV, Inc.) of the Grant, Bargain and Sale Deeds ("Deeds") conveying the Property from UPRR to City Parkway IV, Inc. as the assignee of the City.
3. For the benefit of UPRR, Developer agrees to be bound by the provisions of Article III (except for Section 3.2(d) thereof) of the UPRR-City Agreement as if Developer were the Buyer thereunder and by the Environmental Provisions (a) through (f) (except for subparagraph (d)(ii)(D) of such Environmental Provisions) of the Deeds as if Developer were the Grantee thereunder.

IN WITNESS WHEREOF, Developer has executed this Transferee Agreement as of the date and year first above written.

21st Century Financial Ventures, LLC

By: _____

Its: _____

"Developer"

ACKNOWLEDGMENT

State of Nevada)
) ss.
County of Clark)

This instrument was acknowledged before me, a notary public, on this ____ day of _____, 2001, by _____.

Notary Public

THIS DEED OF TRUST, made this _____ day of _____, between
 21st Century Financial Ventures, LLC
 _____, herein called GRANTOR or TRUSTOR,
 whose mailing address is 3901 Meadows Lane, Las Vegas, Nevada 89102
(number and street) (city) (state) (zip code)
 STEWART TITLE OF NEVADA, a Nevada Corporation, herein called TRUSTEE, and
 City of Las Vegas

_____ herein called BENEFICIARY,
 WITNESSETH: THAT WHEREAS Trustor has borrowed and received from Beneficiary in lawful money of the United States the
 sum of Four Million Two Hundred Twenty Seven Thousand Six Hundred Thirty and DOLLARS
 (\$4,227,630.55) 55/100

and has agreed to repay the same, with interest, to Beneficiary in lawful money of the United States according to the terms
 of a promissory note of even date herewith, executed and delivered therefor by Trustor;

NOW, THEREFORE for the purpose of securing each agreement of the Trustor herein contained including payment of the
 said promissory note and of any money with interest thereon that may be advanced by or otherwise become due to Trus-
 tee or Beneficiary under the provisions hereof and for the purpose of securing payment of such additional sums as may be here-
 after advanced for the account of Trustor by Beneficiary with interest thereon, Trustor irrevocably GRANTS AND TRANS-
 FERS TO TRUSTEE, in TRUST WITH POWER OF SALE, all that property in Clark County, Nevada, described as:

See Exhibit "A" Legal Description

Note secured by this Oed of Trust payable at 400 Stewart Ave., Las Vegas, NV TOGETHER WITH all
 appurtenances in which Trustor has any interest, including water rights benefiting said realty whether represented by shares
 of a company or otherwise; and

TRUSTOR ALSO ASSIGNS to Beneficiary all rents, issues, and profits of said realty, reserving the right to collect and use
 the same except during continuance of some default hereunder and during continuance of such default authorizing Bene-
 ficiary to collect and enforce the same by any lawful means in the name of any party hereto.

TO HAVE AND TO HOLD SAID PROPERTY UPON AND SUBJECT TO THE TRUSTS AND AGREEMENTS HEREIN set forth to-wit:

To Protect the Security of This Oed of Trust, Trustor Agrees: By the execution and delivery of this Deed of Trust and the
 note secured hereby, that provisions (1) to (17) inclusive of the Oed of Trust, recorded in Book 730, as Document
 No. 586593, of Official Records in the Office of the County Recorder of Clark County.

(WHICH PROVISIONS ARE PRINTED ON THE REVERSE HEREOF) hereby are adopted and incorporated herein and made a
 part hereof as fully as though set forth herein at length; that he will observe and perform said provisions; and that the
 references to property, obligations, and parties in said provisions shall be construed to refer to the property, obligations,
 and parties set forth in this Oed of Trust.

The parties agree that with respect to provision 17, the amount of fire insurance required by covenant 2 shall be
 \$_____ and with respect to attorney's fees provided for by covenant 7 the percentage shall be _____%.

The undersigned Trustor requests that a copy of any Notice of Default and of any Notice of Sale hereunder be mailed
 to him at his address hereinbefore set forth.

21st Century Financial Ventures, LLC

By: _____

Its: _____

STATE OF NEVADA, }
 COUNTY OF _____ } ss

On _____
 before me, the undersigned, a Notary Public in and for said
 County and State, personally appeared

known to me to be the person described in and who executed
 the foregoing instrument, who acknowledged to me that he
 executed the same freely and voluntarily and for the uses and
 purposes therein mentioned.

WITNESS my hand and official seal.

Notary Public in and for Said County and State

ESCROW NO. }
 ORDER NO. }
 WHEN RECORDED MAIL TO: _____

To Protect the Security of This Deed of Trust, Trustor Agrees:

1. To properly care for and keep said property in good condition and repair; not to remove or demolish any building thereon; to complete in a good and workmanlike manner any building which may be constructed thereon, and to pay when due all claims for labor performed and materials furnished therefor; to comply with all laws, ordinances and regulations requiring any alterations or improvements to be made thereon; not to commit or permit any waste thereon; not to commit suffer or permit any act to be done in or upon said property in violation of law; to cultivate, irrigate, fertilize, fumigate, prune and/or do any other act or acts, all in a timely and proper manner, which, from the character or use of said property, may be reasonably necessary, the specific enumerations herein not excluding the general.
2. The Grantor agrees to pay and discharge all costs, fees and expenses of these Trusts, including cost of evidence of title and Trustee's fees in connection with sale, whether completed or not, which amounts shall become due upon delivery to Trustee of Declaration of Default and Demand for sale, as hereinafter provided.
3. The amount collected under any fire insurance policy shall be credited: first, to accrued interest; next to expenditures hereunder; and any remainder upon the principal; and interest shall thereupon cease upon the amount so credited upon principal; provided, however, that at the option of the Beneficiary, the entire amount collected under the policies or any part thereof may be released to the Grantor, without liability upon the Trustee for such release.
4. The Grantor promises and agrees that if, during the existence of the Trust there be commenced or pending any suit or action affecting said conveyed premises, or any part thereof, or the title thereto, or if any adverse claim for or against said premises, or any part thereof, be made or asserted, he will appear in and defend any such matter purporting to affect the security and will pay all costs and damages arising because of such action.
5. Any award of damages in connection with any condemnation for public use or injury to any property or any part hereof is hereby assigned and shall be paid to Beneficiary, who may apply or release such moneys received by him in the same manner and with the same effect as herein provided for disposition of proceeds of insurance.
6. Trustee shall be under no obligation to notify any party hereto of any pending sale hereunder or of action or proceeding of any kind in which Grantor, Beneficiary and/or Trustee shall be named as defendant, unless brought by Trustee.
7. Acceptance by Beneficiary of any sum in payment of any indebtedness secured hereby, after the date when the same is due, shall not constitute a waiver of the right either to require prompt payment, when due, of all other sums so secured or to declare default as herein provided for failure so to pay.
8. Trustee may, at any time, or from time to time, without liability therefor and without notice, upon written request of Beneficiary and presentation of this Deed of Trust and the notes secured hereby for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby or the effect of this Deed of Trust upon the remainder of said property; reconvey any part of said property; consent in writing to the making of any map or plat thereof; join in granting any easement thereof; or join in any extension agreement or subordination agreement in connection herewith.
9. Upon receipt of written request from Beneficiary reciting that all sums secured hereby have been paid and upon surrender of this Deed of Trust and said note to Trustee for cancellation and retention and upon payment of its fees, the Trustee shall reconvey without warranty the property then held hereunder. The recitals in such reconveyance of any matters of fact shall be conclusive proof of the truth thereof. The Grantee in such reconveyance may be described in general terms as "the person or persons legally entitled thereto," and Trustee is authorized to retain this Deed of Trust and note.
 - (a) Should default be made by Grantor in payment of any indebtedness secured hereby and/or in performance of any agreement herein, then Beneficiary may declare all sums secured hereby immediately due by delivery to Trustee of a written declaration of default and demand for sale, and of written notice of default and election to cause said property to be sold (which notice Trustee shall cause to be filed for record) and shall surrender to Trustee this Deed, the notes and all documents evidencing any expenditure secured hereby, and Beneficiary may at its option by itself or by a receiver to be appointed by the Court, without regard to the adequacy of any security for indebtedness, enter and take possession of the property, exclude the Grantor, collect the rents and apply them to the indebtedness pursuant to the Assignment of Rent set forth above.
10. After three months shall have elapsed following recordation of any such notice of default, Trustee shall sell said property at such time and at such place in the State of Nevada as the Trustee, in its sole discretion, shall deem best to accomplish the objects of these Trusts, having first given notice of such sale as then required by law. Place of sale may be either in the County in which the property to be sold, or any part thereof, is situated, or at an office of the Trustee located in the State of Nevada.
 - (a) The Grantor, Pledgor and Mortgagor of the personal property herein pledged and/or mortgaged waives any and all other demands or notices as conditions precedent to sale of such personally.
 - (b) Trustee may postpone sale of all, or any portion of said property by public announcement at the time fixed by said notice of sale, and may thereafter postpone said sale from time to time by public announcement at the time previously appointed.
 - (c) At the time of sale so fixed, Trustee may sell the property so advertised or any part thereof, either as a whole or in separate parcels at its sole discretion at public auction, to the highest bidder for cash in lawful money of the United States, payable at time of sale, and shall deliver to such purchaser a deed conveying the property so sold, but without covenant or warranty, express or implied, Grantor hereby agrees to surrender, immediately and without demand, possession of said property to such purchaser.
11. That as additional security, Trustor hereby gives to and confers upon Beneficiary the right, power and authority, during the continuance of these Trusts, to collect the rents, issues and profits of said property, reserving unto Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such rents, issues, and profits as they become due and payable. Upon any such default, Beneficiary may at any time without notice, without bringing any action or proceeding, and irrespective of whether declaration of default has been delivered to Trustee, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said property or any part thereof, hold, occupy, possess and enjoy the same, make, cancel, enforce or modify leases, obtain and eject tenants, set or modify rents and terms of rents, in his own name sue for or otherwise collect the rents, issues and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees, all as determined by Beneficiary, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of said property, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.
12. Trustee shall apply the proceeds of any such sale to payment of: expenses of sale and all charges and expenses of Trustee and of these Trusts, including cost of evidence of title and Trustee's fee in connection with sale; all sums expended under the terms hereof, not then repaid, with accrued interest at the rate of ten per cent (10%) per annum; all other sums then secured hereby, and the remainder, if any, to the person or persons legally entitled thereto.
13. The Beneficiary or assigns may, at any time, by instrument in writing, appoint a successor or successors to the Trustee named herein or acting hereunder, which instrument, executed and acknowledged by beneficiary, and recorded in the Office of the County Recorder of the County wherein said property is situated, shall be conclusive proof of the proper substitution of such successor or trustee, who shall have all the estate, powers, duties and trusts in the premises vested in or conferred on the original Trustee. If there be more than one Trustee, either may act alone and execute the trusts upon the request of the Beneficiary and his acts shall be deemed to be the acts of all Trustees, and the recital in any conveyance executed by such sole trustee of such requests shall be conclusive evidence thereof, and of the authority of such sole Trustee to act. The bringing of any action under the Deed of Trust for enforcement of any right under the Deed of Trust, including the right to rent, should not be construed to be a waiver of any other right thereunder.
14. This Deed of Trust applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns.
15. Trustee accepts these trusts when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law.
16. In this Deed of Trust, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural, and the term Beneficiary shall include any future holder, including pledgees, of the note secured hereby.
17. The following covenants, No. 1, 2, () 3; 4 (10%); 5, 6, 7 (%) of NRS 107.030 are hereby adopted and made a part of this Deed of Trust.

DO NOT RECORD

REQUEST FOR FULL RECONVEYANCE

To be used only when note has been paid.

TO STEWART TITLE INSURANCE OF NEVADA, a Nevada Corporation, Trustee: _____ Dated: _____

The undersigned is the legal owner and holder of all indebtedness secured by the Within Deed of Trust. All sums secured by said Deed of Trust have been fully paid and satisfied; and you are hereby requested and directed, on payment to you of any sums owing to you under the terms of said Deed of Trust, to cancel all evidences of indebtedness, secured by said Deed of Trust, delivered to you herewith together with said Deed of Trust, and to reconvey, without warranty, to the parties designated by the terms of said Deed of Trust, the estate now held by you under the same.

Mail Reconveyance To: _____

By _____

By _____

Do not lose or destroy this Deed of Trust OR THE NOTE which it secures. Both must be delivered to the Trustee for cancellation before reconveyance will be made.

EXHIBIT J
PERSONAL GUARANTEE

This PERSONAL GUARANTEE ("Guarantee") is made effective as of the _____ day of _____, 2001, by _____ collectively, the "Guarantor"), in favor of the CITY PARKWAY IV, INC. (the "City"), and its successors and assigns.

A. 21st Century Financial Ventures, LLC., (the "Developer") has promised to pay City the principal sum of Four Million Two Hundred Twenty Seven Thousand Six Hundred Thirty and 55/100 Dollars (\$4,227,630.55) for the purpose of purchasing a certain real property located in Clark County, Nevada (the "Real Property"), and more specifically described in the Real Property Purchase and Sale Agreement dated May, 16, 2001 (the "Purchase and Sale Agreement").

B. The above principal sum will be evidenced by a secured Promissory Note (the "Note") secured by a Deed of Trust And Security Agreement And Fixture Filing With Assignment of Rents (the "City Deed of Trust"). The Purchase and Sale Agreement, Note, Deed of Trust and any other instrument or document executed and delivered to or for the benefit of City in connection with the Developer's indebtedness to City are hereinafter referred to as the "Loan Documents".

C. The Note shall result in a substantial benefit to each Guarantor.

D. The City has made or agreed to accept the Note upon the inducement and representation that Guarantor would guarantee Developer's obligations to City under the Loan Documents and/or arising in connection with the Note, and any indebtedness to the construction lender whose deed of trust has priority over the City Deed of Trust (the "Senior Debt") as provided herein.

NOW, THEREFORE, in consideration of and in order to induce City to accept the Note, Guarantor hereby agrees for the benefit of City, its successors and assigns, as follows:

AGREEMENT

1. **Indebtedness Guaranteed.** Guarantor hereby unconditionally guarantees the payment, when due, of the indebtedness of Developer to City or its order evidenced by the Note or any other Loan Document and to perform any and all obligations of Developer under the terms of any Loan Document. Guarantor acknowledges that the amount of the indebtedness guaranteed hereby may exceed the principal amount of the Note.

2. **Completion of Improvements.** Except as otherwise set forth in this Paragraph 2, if for any reason or under any contingency (i) Developer shall fail to complete the construction within the maximum construction time and in the manner provided in, and in accordance with the terms of, the Purchase and Sale Agreement and pay all costs thereof; or (ii) pursuant to Section 26 of the Purchase and Sale Agreement and the provisions of the City Deed of Trust, City takes possession of the Real Property prior to the completion of the development by

reason of a Default or breach under the Purchase and Sale Agreement, then, in any such event, the Guarantor agrees to pay all indebtedness owed by the Borrower, and all costs and expenses incurred by the City in excess of the amount the City receives from the sale of the Property. . Notwithstanding the above, City, at City's sole option, shall have the right to repurchase, re-enter and repossess the Real Property as more specifically set forth in Section 26 of the Purchase and Sale Agreement. The amount of any and all expenditures made by City over the Note less the amount to sell Property shall be due and payable by Guarantor to City upon demand. In addition, notwithstanding any provision of this Guarantee or of any other instrument to the contrary, Guarantor shall have no liability whatsoever, under this Guarantee, at such time as all principal and interest under the Note has been paid (i.e., whether by the Borrower, Guarantor, and/or otherwise).

3. **Representations and Warranties.** Each Guarantor hereby represents and warrants that such Guarantor has a financial interest in the Developer, that the Note accepted by the City by the Developer enhances that financial interest, that this Guarantee is given in consideration of the City accepting the Note by the Developer, and that such Guarantor has examined or has had the full opportunity to examine each of the Loan Documents.

4. **Alteration of Obligations.** In such manner, upon such terms and at such times as City and Developer deem best and without notice to Guarantor, City and Developer may alter, compromise, accelerate, extend, renew or change the time or manner for the payment of any indebtedness or the performance of any obligation hereby guaranteed, increase or reduce the rate of interest on the Note or add any one or more guarantors or endorsers, accept additional or substituted security therefor, or release or subordinate any security therefor. No exercise or non-exercise by City of any right available to City, no dealing by City with Guarantor or any other guarantor, endorser of the Note or any other person, and no change, impairment of all or a portion of the obligations of Developer under any of the Loan Documents or suspension of any right or remedy of City against any person, including, without limitation, Developer and any other such guarantor, endorser or other person, shall in any way affect any of the obligations of Guarantor hereunder or any security furnished by Guarantor or give Guarantor any recourse against City. To the extent permitted by law, if City has exculpated Developer from personal liability in whole or in part and/or agreed to look solely to the Real Property covered by the Deed of Trust for the satisfaction of Developer's obligations, under the Loan Documents for any amount exceeding the value which the City is obligated to pay, said exculpation and agreement shall not affect the obligations of Guarantor hereunder, since Guarantor acknowledges that its obligations hereunder are independent of the obligations of Developer and are to be construed as if no such exculpation or agreement had been given to Developer by City. Guarantor further acknowledges that if any such exculpation or agreement has been given to Developer, City has done so in reliance upon the covenants of Guarantor contained herein.

5. **Waiver.** To the extent permitted by law, Guarantor hereby waives and relinquishes all rights and remedies accorded by applicable law to guarantors and agrees not to assert or take advantage of any such rights or remedies, including, without limitation, (i) any right provided by NRS 40.430, or any other statute or decision, to require City to proceed against Developer or any other person or to proceed against or exhaust any security held by City at any time or to pursue any other remedy in City's power before proceeding against Guarantor; (ii) the defense of the statute of

limitations in any action hereunder or in any action for the collection of any indebtedness or the performance of any obligation hereby guaranteed; (iii) any defense that may arise by reason of the incapacity, lack of authority, death or disability of any other person or persons or the failure of City to file or enforce a claim against the estate (in administration, bankruptcy or any other proceeding) of any other person or persons; (iv) demand, protest and notice of any kind, including, without limitation, notice of the existence, of indebtedness or obligation or of any action or non-action on the part of Developer, City, any endorser or creditor of Developer or Guarantor or on the part of any other person whomsoever under this or any other instrument in connection with any obligation or evidence of indebtedness held by City as collateral or in connection with any indebtedness hereby guaranteed; (v) all rights and defenses arising out of an election or remedies by City, even though that election of remedies such as nonjudicial foreclosure with respect to security for any obligation guaranteed hereby, has destroyed the Guarantor's rights of subrogation and reimbursement against the principal by operation of applicable law; (vi) any defense based upon any statute or rule of law which provides that the obligation of a surety must be neither larger in amount nor in other respects more burdensome than that of the principal; (vii) any duty on the part of City to disclose to Guarantor any facts City may now or hereafter know about Developer, regardless of whether City has reason to believe that any such facts materially increase the risk beyond that which Guarantor intends to assume or has reason to believe that such facts are unknown to Guarantor or has a reasonable opportunity to communicate such facts to Guarantor, since Guarantor acknowledges that it is fully responsible for being and keeping informed of the financial condition of Developer and of all circumstances bearing on the risk of nonpayment of any indebtedness hereby guaranteed; (viii) any defense arising because of City's election, in any proceeding instituted under the Federal Bankruptcy Code, of the application of Section 1111(b)(2) of the Federal Bankruptcy Code; (ix) any defense based on any borrowing or grant of a security interest under Section 364 of the Federal Bankruptcy Code and (x) any claim, right or remedy which any Guarantor may now have or hereafter acquire against Developer that arises hereunder and/or from the performance by any Guarantor hereunder, including, without limitation, any claim, right or remedy of City against Developer or any security which City now has or hereafter acquires, whether or not such claim, right or remedy arises in equity, under contract, by statute, under common law or otherwise.

6. **Subordination.** To the extent permitted by law and effective upon a default or breach which has not been cured under the Purchase and Sale Agreement, all existing and future indebtedness of Developer to Guarantor and the right of Guarantor to withdraw any capital invested by Guarantor in Developer is hereby subordinated to all indebtedness hereby guaranteed and, without the prior written consent of City, such subordinated indebtedness or capital shall not be paid or withdrawn in whole or in part nor will Guarantor accept any payment of or on account of any such indebtedness or as a withdrawal of capital while this Guarantee is in effect. The foregoing sentence does not apply if the amount of Developer's cash flow exceeds the payments due on the indebtedness owed under the City's Promissory Note and the Initial Construction Loan and no uncured Event of Default exists. At City's request following a default or breach under the Purchase and Sale Agreement, Guarantor shall cause Developer to pay to City all or any part of such subordinated indebtedness and any capital which Guarantor is entitled to withdraw. Each such payment by Developer in violation of this Guarantee shall be received by Guarantor in trust for City, and Guarantor shall cause the same to be paid to City immediately upon demand by City on account of the indebtedness to City guaranteed hereunder.

7. **Bankruptcy.** So long as any indebtedness shall be owing to City, Guarantor shall not, without the prior written consent of City, commence, or join with any other person in commencing, any bankruptcy, reorganization, or insolvency proceeding against Developer. The obligations of Guarantor under this Guarantee shall not be altered, limited or affected by any proceeding, voluntary or involuntary, involving the bankruptcy, insolvency, receivership, reorganization, liquidation or arrangement of Developer, or by any defense which Developer may have by reason of any order, decree or decision or any court or administrative body resulting from any such proceeding.

8. **Claims in Bankruptcy.** Guarantor shall file in any bankruptcy or other proceeding in which the filing of claims is required or permitted by law all claims which Guarantor may have against Developer relating to any indebtedness of Developer to Guarantor and will assign to City all rights of Guarantor thereunder. If Guarantor does not file any such claim, City, as attorney-in-fact for Guarantor, is hereby authorized to do so in the name of Guarantor, or, at City's discretion, to assign the claim to a nominee and to cause proof of claim to be filed in the name of City's nominee. The foregoing power of attorney is coupled with an interest and cannot be revoked. City or its nominee shall have the sole right to accept or reject any plan proposed in such proceeding and to take any other action which a party filing a claim is entitled to do. In all such cases, whether in administration, bankruptcy or otherwise, the person or persons authorized to pay such claim shall pay to City the amount payable on such claim, and, to the full extent necessary for that purpose, Guarantor hereby assigns to City all of Guarantor's rights to any such payments or distributions to which Guarantor would otherwise be entitled; provided, however, that Guarantor's obligations hereunder shall not be deemed satisfied except to the extent that City receives cash by reason of any such payment or distribution. If City receives anything hereunder other than cash, the same shall be held as collateral for amounts due under this Guarantee. If at any time the holder of the Note is required to refund to Developer any payments made by Developer under the Note because such payments have been held by a bankruptcy court having jurisdiction over Developer to constitute a preference under any bankruptcy, insolvency or similar law then in effect, or for any other reason,

then in addition to Guarantor's other obligation under this Guarantee, Guarantor shall reimburse the holder in the aggregate amount of such refund payments.

9. **Interest and Costs.** If Developer or Guarantor fails to pay all or any portion of the indebtedness hereby guaranteed upon demand by City, the amount of such indebtedness shall thereafter bear interest at the rate then applicable under the Note. Guarantor shall also pay City's reasonable attorneys' fees and all costs and other expenses which City expends or incurs in collecting or compromising any such indebtedness or in enforcing this Guarantee against Guarantor, whether or not suit is filed, including, without limitation, all such fees, costs and expenses incurred in connection with any insolvency, bankruptcy, reorganization, arrangement or other similar proceedings involving Guarantor which in any way affect the exercise by City of its rights and remedies hereunder.

10. **Cumulative Rights.** The amount of Guarantor's liability and all rights, powers and remedies of City hereunder and under any other agreement now or at any time hereafter in force between City and Guarantor, including, without limitation, any other guarantee executed by Guarantor relating to any indebtedness of Developer to City, shall be cumulative and not alternative and such rights, powers and remedies shall be in addition to all rights, powers and remedies given to City by law. This Guarantee is in addition to and exclusive of the guarantee of any other guarantor of any indebtedness of Developer to City.

11. **Independent Obligations.** The obligations of Guarantor hereunder are independent of the obligations of Developer and, to the extent permitted by law, in the event of any default hereunder, a separate action or actions may be brought and prosecuted against Guarantor whether or not Developer is joined therein or a separate action or actions are brought against Developer. City may maintain successive actions for other defaults. City's rights hereunder shall not be exhausted by its exercise of any of its rights or remedies or by any such action or by any number of successive actions until and unless all indebtedness and obligations, the payment and performance of which are hereby guaranteed, have been paid and fully performed.

12. **Severability.** Should any one or more provisions of this Guarantee be determined to be illegal or unenforceable, all other provisions hereof shall nevertheless remain in full force and effect.

13. **Successors and Assigns.** This Guarantee shall inure to the benefit of City, its successors and assigns, including the assignees of any indebtedness hereby guaranteed, and shall bind the estate, executors, administrators, personal representatives, successors and assigns of Guarantor. This Guarantee may be assigned by City with respect to all or any portion of the indebtedness hereby guaranteed, and when so assigned, Guarantor shall be liable to the assignees under this Guarantee without in any manner affecting the liability of Guarantor hereunder with respect to any indebtedness retained by City.

14. **Notices.** Whenever Guarantor or City shall desire to give or serve any notice, demand, request or other communication with respect to this Guarantee, each such notice shall be in writing and shall be effective only if the same is delivered by personal service, by telefax or mailed

by registered or certified mail, postage prepaid, return receipt requested, addressed as follows:

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

To Guarantor: _____

Any such notice delivered personally shall be deemed to have been received upon delivery. Any such notice sent by telefax shall be presumed to have been received by confirmation of the telefax. Any such notice sent by mail shall be presumed to have been received by the addressee three (3) business days after posting in the United States mail. Any party to whom any such notice is to be sent hereunder may change its address by giving the other such parties written notice of its new address as herein provided.

15. **Application of Payments or Recoveries.** With or without notice to Guarantor, City, in City's sole discretion and at any time and from time to time and in such manner and upon such terms as City deems fit, may (i) apply any or all payments or recoveries from Developer or from any other guarantor or endorser under any other instrument or realized from any security, in such manner and order of priority as City may determine, to any indebtedness of Developer to City by the City Promissory Note or under the Senior Debt, and (ii) refund to Developer any payment received by City upon any indebtedness hereby guaranteed and payment of the amount refunded shall be fully guaranteed hereby.

16. **Financial Statements.** Guarantor hereby represents and warrants that the most recent financial statements of Developer and Guarantor heretofore delivered to City are true and correct in all material respects, have been prepared in accordance with generally accepted accounting practices consistently applied and fairly present the financial condition of Developer and Guarantor as of the respective dates thereof and for the period(s) covered thereby, and no material adverse change has occurred in the financial condition or prospects of Developer or Guarantor since the respective dates thereof.

17. **Rights and Remedies.** Guarantor understands that the exercise by City of certain rights and remedies contained in the Deed of Trust may affect or eliminate Guarantor's right of subrogation against Developer and that Guarantor may therefore incur partially or totally nonreimbursable liability hereunder. Nevertheless, to the extent permitted by law, Guarantor hereby authorizes and empowers City, its successors, endorsees and/or assigns, to exercise in its or their sole discretion, any rights and remedies, or any combination thereof, which then may be available, it being the purpose and intent of Guarantor that the obligations hereunder shall be absolute, independent and unconditional under any and all circumstances.

18. **Miscellaneous.**

a. This Guarantee shall be governed by and construed in accordance with the laws of the State of Nevada. Guarantor hereby consents to the jurisdiction of any competent court within the State of Nevada and consents to service of process by any means authorized by Nevada law in any action brought under or arising out of this Guarantee.

b. Except as provided in any other written agreement now or at any time hereafter in force between City and Guarantor, this Guarantee shall constitute the entire agreement of Guarantor with City with respect to the subject matter hereof, and no representation, understanding, promise or condition concerning the subject matter hereof shall be binding upon City unless expressed herein.

c. The obligations of all persons signing this Guarantee as Guarantor shall be joint and several.

d. When the context and construction so require, all words used in the singular herein shall be deemed to have been used in the plural and the masculine shall include the feminine and neuter and vice versa. The word "person" as used herein shall include any individual, company, firm, association, partnership, corporation, trust or other legal entity of any kind whatsoever.

e. No provision of this Guarantee or right granted to City hereunder can be waived in whole or in part nor can Guarantor be released from Guarantor's obligations hereunder except by a writing duly executed by an authorized officer of City.

f. Until all indebtedness of Developer to City pursuant to the City Promissory Note and the Senior Debt has been paid in full, Guarantor shall have no right of subrogation and hereby waives any right to enforce any remedy which City now has or may hereafter have against Developer and any benefit of, and any right to participate in, any security now or hereafter held by City.

g. City need not inquire into the power of Developer or the authority of its partners, officers or agents acting or purporting to act on its behalf.

...
...
...

h. The headings of this Guarantee are inserted for convenience only and shall have no effect upon the construction or interpretation hereof.

Executed as of the date first above written.

"Guarantor"

"Guarantor"

EXHIBIT K
SECURED PROMISSORY NOTE

\$4,227,630.55

Las Vegas, Nevada
September 28, 2001

FOR VALUE RECEIVED, the undersigned ("Borrower") promises to pay to the order of the City Parkway IV, Inc., a Nevada nonprofit corporation ("City"), at such place as City from time to time may designate, the principal sum of Four Million Two Hundred Twenty Seven Thousand Six Hundred Thirty and 55/100 (\$4,227,630.55) Dollars plus interest as specified in this Secured Promissory Note ("Note").

1. **Interest Rate.** The principal sum outstanding from time to time under this Note shall bear interest at the rate per annum of six percent (6%).

2. **Maturity.** All principal and all accrued and unpaid interest shall be due and payable no later than September 28, 2004, which is three (3) years from the date hereof. No payment of any kind or nature shall be due upon this Note prior to its maturity.

3. **Security.** This Note shall be secured by a deed of trust (the "Deed of Trust") encumbering the property which is the subject therein, (the "Property"), granted by Borrower, as "Trustor", in favor of City, as "Beneficiary". This Note shall also be secured by personal guarantees of certain principals of Borrower ("Personal Guarantee") as required in the Real Property Purchase and Sale Agreement dated May 16, 2001 between Borrower and City ("Agreement").

4. **Prepayment.** Borrower may from time to time prepay some or all of the principal under this Note, without penalty or premium.

5. **Acceleration.** In the event (a) Borrower fails to pay principal and/or interest on this Note prior to the due date thereof; or (b) if the Borrower shall assign, sell or transfer all of the Property without the consent of the City and, thereafter, fails to pay the entire balance of this Note upon the assignment, sale or transfer of all of the Property; or (c) if the Borrower shall assign, sell or transfer a portion of the Site and fails to pay to the City 125% (one hundred twenty-five percent) of the amount arrived at by multiplying the remaining balance due on the Promissory Note by the number obtained by dividing the acreage constituting the portion of the Property transferred or sold by the total acreage of the Property (an "Event of Default" hereunder), then and in any such event, City may at its option declare the entire unpaid balance of this Note, together with interest accrued hereon, to be immediately due and payable, and City may proceed to exercise any rights or remedies that it may have under this Note, or such other rights and remedies which City may have at law, in equity, or otherwise. In the event of such

acceleration, Borrower may discharge its obligations hereunder to City by paying the entire unpaid balance hereof as of the date of such payment.

6. **Payments.** All amounts payable under this Note are payable in lawful money of the United States.

7. **Attorney Fees.** If any lawsuit or arbitration is commenced which arises out of or relates to this Note, the prevailing party shall be entitled to recover from the other party such sums as the court or arbitrator may adjudge to be reasonable attorney fees in the action or arbitration, in addition to costs and expenses otherwise allowed by law.

8. **Choice of Law.** This Note is governed by the laws of the State of Nevada, without regard to its principles of conflict of laws.

9. **No Waiver by City.** If City delays in exercising or fails to exercise any of its rights under this Note, that delay or failure shall not constitute a waiver of any of City's rights, or of any breach, default, or failure or condition of or under this Note. No waiver by City of any of its rights, or of any such breach, default, or failure of condition shall be effective, unless the waiver is expressly stated in a writing signed by City. All of City's remedies in connection with this Note or under applicable law shall be cumulative, and City's exercise of any one or more of those remedies shall not constitute an election of remedies.

10. **Waiver by Borrower.** Borrower waives presentment, demand for payment, dishonor, notice of dishonor, protest, notice of protest, notice of nonpayment and any other notice or formality.

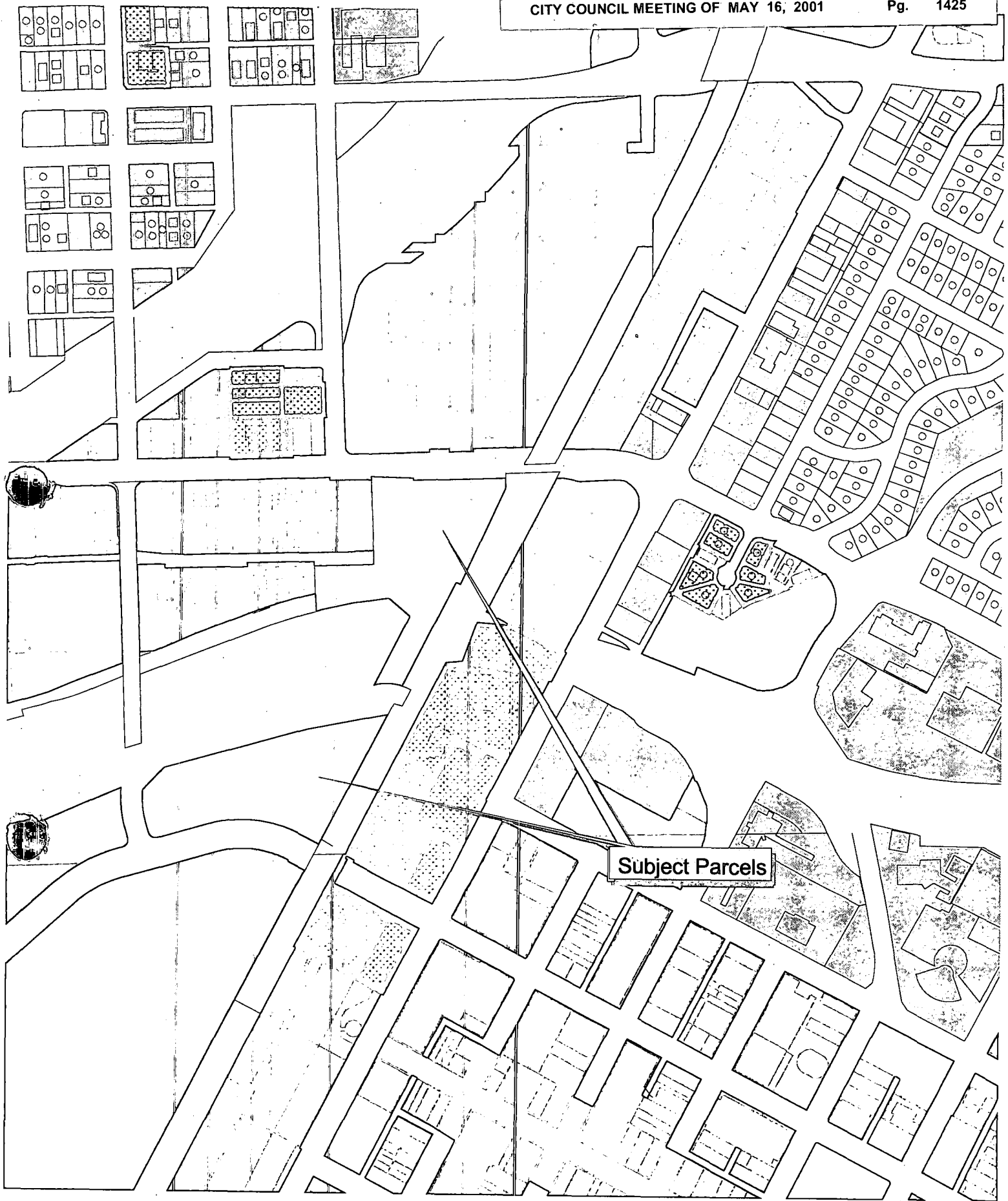
11. **Rights Cumulative.** All rights and remedies provided to the City or the holder of this Note shall be cumulative and shall be in addition to all other rights and remedies provided at law or in equity and all such rights and remedies may be exercised singly, successively and/or concurrently.

BORROWER:

21ST Century Financial Ventures, LLC

By: _____

Its: _____



21st Century Financial Ventures, LLC.