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City of Las Vegas Redevelopment Agency
Council Chambers • 400 Stewart Avenue
Phone - 229-6011 [Voice] 386-9108 [TDD]

MINUTES

Meeting of
JANUARY 22, 2003
9:00 A.M.

(Following the morning session of the City Council Meeting)

Called To Order: 12:30 P.M.
Adjourned: 1:00 P.M.

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REDEVELOPMENT AGENCY	PRESENT	ABSENT	EXCUSED
CHAIRMAN OSCAR B. GOODMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
MEMBER GARY REESE - VICE-CHAIRMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
MEMBER MICHAEL J. McDONALD	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
MEMBER LARRY BROWN	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
MEMBER LYNETTE BOGGS McDONALD	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
MEMBER LAWRENCE WEEKLY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
MEMBER MICHAEL MACK	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
DOUG SELBY, EXECUTIVE DIRECTOR	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
BRADFORD R. JERBIC, CITY ATTORNEY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
BARBARA JO RONEMUS, SECRETARY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

APPROVED BY REFERENCE: March 5, 2003

ATTEST:

SECRETARY

CHAIRMAN

74 ✓

City of Las Vegas

REDEVELOPMENT AGENCY MEETING
CITY HALL, 400 STEWART AVENUE
COUNCIL CHAMBERS

CITY OF LAS VEGAS INTERNET ADDRESS: <http://www.ci.las-vegas.nv.us>
WEDNESDAY, JANUARY 22, 2003
9:00 A.M.

(Following Morning Session of the City Council Meeting)

ALL ITEMS ON THIS AGENDA ARE SCHEDULED FOR ACTION UNLESS SPECIFICALLY NOTED OTHERWISE.

THESE PROCEEDINGS ARE BEING PRESENTED LIVE ON KCLV, CABLE CHANNEL 2, AND ARE CLOSED CAPTIONED FOR OUR HEARING IMPAIRED VIEWERS. THE COUNCIL MEETING, AS WELL AS ALL OTHER KCLV PROGRAMMING, CAN BE VIEWED ON THE INTERNET AT www.kclv.tv. THE PROCEEDINGS WILL BE REBROADCAST ON KCLV CHANNEL 2 AND THE WEB THE WEDNESDAY OF THE MEETING AT 8:00 PM, AND ALSO ON FRIDAY AT 4:00 AM, SATURDAY AT 7:00 PM, SUNDAY AT 7:00 AM AND THE FOLLOWING MONDAY AT 1:00 PM.

- CALL TO ORDER
- ANNOUNCEMENT RE: COMPLIANCE WITH OPEN MEETING LAW
- 1. APPROVAL OF THE MINUTES BY REFERENCE FOR THE MEETING OF DECEMBER 4, 2002
- 2. RA-1-2003 - DISCUSSION AND POSSIBLE ACTION REGARDING A RESOLUTION FINDING THE PROJECT PROPOSED BY THE OWNER PARTICIPATION AGREEMENT ("OPA") BETWEEN THE CITY OF LAS VEGAS RDA AND PH GSA, LLC AND THE DISPOSITION AND DEVELOPMENT AGREEMENT ("DDA") BETWEEN CITY PARKWAY IV-A, INC. ("CPY") AND PH GSA, LLC TO BE IN COMPLIANCE WITH AND IN FURTHERANCE OF THE GOALS AND OBJECTIVES OF THE RDA - WARD 5 (WEEKLY) [NOTE: THIS ITEM IS RELATED TO COUNCIL ITEM #80 (R-17-2003) AND COUNCIL ITEM #83 (REAL ESTATE)]

CITIZEN PARTICIPATION: ITEMS RAISED UNDER THIS PORTION OF THE AGENDA CANNOT BE DELIBERATED OR ACTED UPON UNTIL THE NOTICE PROVISION OF THE OPEN MEETING LAW HAVE BEEN MET. IF YOU WISH TO SPEAK ON A REDEVELOPMENT AGENCY MATTER NOT LISTED ON THE AGENDA, PLEASE STEP UP TO THE PODIUM AND CLEARLY STATE YOUR NAME AND ADDRESS. PLEASE LIMIT YOUR REMARKS TO THOSE MATTERS UNDER THE EXPRESS JURISDICTION OF THE REDEVELOPMENT AGENCY. IN CONSIDERATION OF OTHERS, AVOID REPETITION, AND LIMIT YOUR COMMENTS TO NO MORE THAN THREE (3) MINUTES. TO ENSURE ALL PERSONS EQUAL OPPORTUNITY TO SPEAK, EACH SUBJECT MATTER WILL BE LIMITED TO TEN (10) MINUTES

Facilities are provided throughout City Hall for the convenience of disabled persons. Special equipment for the hearing impaired is available for use at meetings. If you need an accommodation to attend and participate in this meeting, please call the City Clerk's office at 229-6311 and advise of your need at least 48 hours in advance of the meeting. The City's TDD number is 386-9108.

THIS MEETING HAS BEEN PROPERLY NOTICED AND POSTED AT THE FOLLOWING LOCATIONS:

Las Vegas Library, 833 Las Vegas Boulevard North
Senior Citizen Center, 450 East Bonanza Road
Clark County Government Center, 500 So. Grand Central Parkway
Court Clerk's Office Bulletin Board, City Hall Plaza
City Hall Plaza, Special Outside Posting Bulletin Board

City of Las Vegas

REDEVELOPMENT AGENCY AGENDA MEETING OF: JANUARY 22, 2003

THESE PROCEEDINGS ARE BEING PRESENTED LIVE ON KCLV, CABLE CHANNEL 2, AND ARE CLOSED CAPTIONED FOR OUR HEARING IMPAIRED VIEWERS. THE COUNCIL MEETING, AS WELL AS ALL OTHER KCLV PROGRAMMING, CAN BE VIEWED ON THE INTERNET AT www.kclv.tv. THE PROCEEDINGS WILL BE REBROADCAST ON KCLV CHANNEL 2 AND THE WEB THE WEDNESDAY OF THE MEETING AT 8:00 PM, AND ALSO ON FRIDAY AT 4:00 AM, SATURDAY AT 7:00 PM, SUNDAY AT 7:00 AM AND THE FOLLOWING MONDAY AT 1:00 PM.

- CALL TO ORDER
- ANNOUNCEMENT RE: COMPLIANCE WITH OPEN MEETING LAW

MINUTES:

CALLED TO ORDER BY CHAIRMAN GOODMAN AT 12:30 P.M.

PRESENT: CHAIRMAN GOODMAN and MEMBERS REESE, M. McDONALD, L.B. McDONALD, WEEKLY, and MACK

EXCUSED: MEMBER BROWN

ALSO PRESENT: DOUG SELBY, Executive Director, BRADFORD JERBIC, City Attorney, and BARBARA JO RONEMUS, Secretary

ANNOUNCEMENT MADE: Posted as follows:

Las Vegas Library, 833 Las Vegas Boulevard North
Senior Citizens Center, 450 E. Bonanza Road
Clark County Government Center, 500 S. Grand Central Pkwy.
Court Clerk's Bulletin Board, City Hall
City Hall Plaza, Posting Board

(12:30)
3-897

AGENDA SUMMARY PAGE
REDEVELOPMENT AGENCY MEETING OF: JANUARY 22, 2003

DEPARTMENT: OFFICE OF BUSINESS DEVELOPMENT
DIRECTOR: LESA CODER

SUBJECT:

APPROVAL OF THE MINUTES BY REFERENCE FOR THE MEETING OF DECEMBER 4,
2002

MOTION:

REESE – APPROVED by Reference – UNANIMOUS with BROWN excused

MINUTES:

There was no discussion.

(12:30)
3-905

AGENDA SUMMARY PAGE
REDEVELOPMENT AGENCY MEETING OF: JANUARY 22, 2003

DEPARTMENT: BUSINESS DEVELOPMENT
DIRECTOR: LESA CODER

SUBJECT:
RESOLUTIONS:

RA-1-2003 - DISCUSSION AND POSSIBLE ACTION REGARDING A RESOLUTION FINDING THE PROJECT PROPOSED BY THE OWNER PARTICIPATION AGREEMENT ("OPA") BETWEEN THE CITY OF LAS VEGAS RDA AND PH GSA, LLC AND THE DISPOSITION AND DEVELOPMENT AGREEMENT ("DDA") BETWEEN CITY PARKWAY IV-A, INC. ("CPY") AND PH GSA, LLC TO BE IN COMPLIANCE WITH AND IN FURTHERANCE OF THE GOALS AND OBJECTIVES OF THE RDA - WARD 5 (WEEKLY) [NOTE: THIS ITEM IS RELATED TO COUNCIL ITEM #80 (R-17-2003) AND COUNCIL ITEM #83 (REAL ESTATE)]

Fiscal Impact

<input type="checkbox"/>	No Impact	Amount: Gain of \$2,000,000
<input type="checkbox"/>	Budget Funds Available	Dept./Division: City Parkway IV-A, Inc.
<input type="checkbox"/>	Augmentation Required	Funding Source: City Parkway IV-A, Inc.

PURPOSE/BACKGROUND:

This is a companion item to discussion and possible action regarding the PH GSA, LLC proposal for a 85,000 square foot office facility in the downtown vicinity. The Redevelopment Agency is being asked to review and approve an Owner Participation Agreement (OPA) to provide Tax Increment Finance (TIF) assistance for 41% of new incremental taxes for 20 years. Approval will adopt findings that the OPA and DDA are in compliance with furtherance of the goals and objectives of the RDA, and the Redevelopment plan.

RECOMMENDATION:

Approval

BACKUP DOCUMENTATION:

1. Agenda Memo
2. Location Map
3. Disclosure of Principals
4. Resolution No. RA-1-2003
5. Owner Participation Agreement

MOTION:

WEEKLY – APPROVED as recommended – UNANIMOUS with BROWN excused

REDEVELOPMENT AGENCY MEETING OF JANUARY 22, 2003
Item 2 – RA-1-2003

MINUTES:

LESA CODER, Director, Office of Business Development, requested approval and that the testimony given under Items 80 and 83 of the 1/22/2003 Council meeting also be incorporated under this Item.

There was no further discussion.

(10:47 – 10:48)

2-278

AGENDA MEMO

REDEVELOPMENT AGENCY MEETING DATE: JANUARY 22, 2003

DEPARTMENT: BUSINESS DEVELOPMENT

ITEM DESCRIPTION: RA-1-2003 - RESOLUTION FINDING THE PROJECT PROPOSED BY THE OWNER PARTICIPATION AGREEMENT ("OPA") BETWEEN THE CITY OF LAS VEGAS REDEVELOPMENT AGENCY AND PH GSA, LLC AND THE DISPOSITION AND DEVELOPMENT AGREEMENT ("DDA") BETWEEN CITY PARKWAY IV-A, INC. ("CPY") AND PH GSA, LLC TO BE IN COMPLIANCE WITH AND IN FURTHERANCE OF THE GOALS AND OBJECTIVES OF THE REDEVELOPMENT PLAN AND APPROVING THE OPA BY THE AGENCY AND THE DDA BY CPY

The resolution attached adopts findings that the Disposition and Development Agreement (DDA) is in compliance with the goals and objectives of the Redevelopment plan. This is a companion item to the City Council resolution that provides council consent to the Redevelopment Agency's actions in approving the Owner Participation Agreement (OPA) to provide TIF assistance to the project, and finding that there is no other reasonable means of financing the project. It is also a companion item to the Real Estate Committee item that approves the terms of the DDA specifying how property may be transferred and developed.

The proposal from PH GSA LLC would result in a two-phase class "A" office facility that includes 185,000 square feet of space. The first phase of 85,000 square feet would be started within twelve (12) months. The second phase of 100,000 square feet would be started within five (5) years.

The developer, PH GSA LLC, will pay \$2,000,000 to City Parkway IV-A, Inc. for the site. The purchase price is being deferred for five years, or until the developer is ready to begin phase two, whichever is first. In the event the developer does not proceed with phase two, City Parkway, Inc. retains ownership of the phase two site, and the developer will still pay \$2,000,000.

The project will create jobs in the Redevelopment Area, spur new investment in real estate, and create economic opportunities in the district. The Developer has completed an Economic and Fiscal impact study of the project, which has been reviewed and verified by City of Las Vegas staff.

The GSA project will bring approximately 336 new government jobs into the downtown which the average annual wages will be \$55,400. In addition, there will be 124 new construction jobs and averages wages will be \$52,700. In addition to these direct jobs, there will be 126 indirect jobs during construction and 140 indirect jobs permanent. Indirect jobs include building management, lawyers, accountants, suppliers, and support staff who does business with the government. It should be noted that the tenant is relocating from another area of the city.

City of Las Vegas

REDEVELOPMENT AGENCY MEETING OF JANUARY 22, 2003

RA-1-2003

The City of Las Vegas is projected to receive \$443,900 in direct revenues (taxes, fees, etc.) per year from the first phase of the project. There is also projected to be a positive economic impact on the local and regional economy created because of the construction of two major new office buildings with the associated job creation involved.

It is projected that the overall economic output of Phase I will be \$36.5 million (including salaries of workers). Phase 2 would add a further \$47.4 million in total economic output.

Together, Phase I and Phase 2 could bring 756 direct jobs downtown, plus 758 indirect jobs. The buildings are anticipated to be valued at upwards of \$40 million when both phases are completed.

These will be the first privately-developed class "A" office buildings constructed along Grand Central Parkway.

RESOLUTION NO. RA-1-2003

RESOLUTION FINDING THE PROJECT PROPOSED BY THE OWNER PARTICIPATION AGREEMENT ("OPA") BETWEEN THE CITY OF LAS VEGAS REDEVELOPMENT AGENCY AND PH GSA, LLC AND THE DISPOSITION AND DEVELOPMENT AGREEMENT ("DDA") BETWEEN CITY PARKWAY IV-A, INC. ("CPY") AND PH GSA, LLC TO BE IN COMPLIANCE WITH AND IN FURTHERANCE OF THE GOALS AND OBJECTIVES OF THE REDEVELOPMENT PLAN AND APPROVING THE OPA BY THE AGENCY AND THE DDA BY CPY.

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

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

WHEREAS, City Parkway IV-A, Inc. ("CPY") is the owner of 5.1 acres of land located 700 feet west of the intersection of Main Street and Bonanza, and 1,100 feet south of the intersection of D Street and Bonanza, adjacent to the Union Pacific Railroad, which parcel is described as 139-27-410-002 ("CPY"); and

WHEREAS, the Governing Board of the Agency has determined that the Owner Participation Agreement (the "OPA"), which provides for the financing of tax increment to reimburse for certain costs incurred by Developer to construct and develop certain improvements

for an office building at the Site ("Project"), all as more fully set forth in the OPA, is in compliance with and in furtherance of the goals and objectives of the Redevelopment Plan; and

WHEREAS, the Governing Board of the Agency has determined that the Disposition and Development Agreement between CPY and the Developer ("DDA"), which provides for the conveyance of the CPY Site to Developer for the development of an office building at the Site, all as more fully set forth in the DDA, is in compliance with and in furtherance with the goals and objectives of the Redevelopment Plan.


NOW, THEREFORE, BE IT HEREBY RESOLVED by the Governing Board of the Agency that the Project is determined to be in compliance with and in furtherance of the goals and objectives of the Redevelopment Plan, the OPA is hereby approved and the Chairperson of the Governing Board of the Agency is hereby authorized and directed to execute the OPA for and on behalf of the Agency, and to execute any and all additional documents (including any Attachments to the OPA) and to perform any additional acts necessary to carry out the intent and purpose of the OPA.

RESOLVED FURTHER, that the Governing Board hereby approves the DDA and determined to be in compliance with and in furtherance of the goals and objectives of the Redevelopment Plan and the Governing Board consents to the execution of the DDA by the President of CPY and any and all additional documents.

....

22nd day of January, 2003. THE FOREGOING RESOLUTION was passed, adopted and approved this


CITY OF LAS VEGAS
REDEVELOPMENT AGENCY

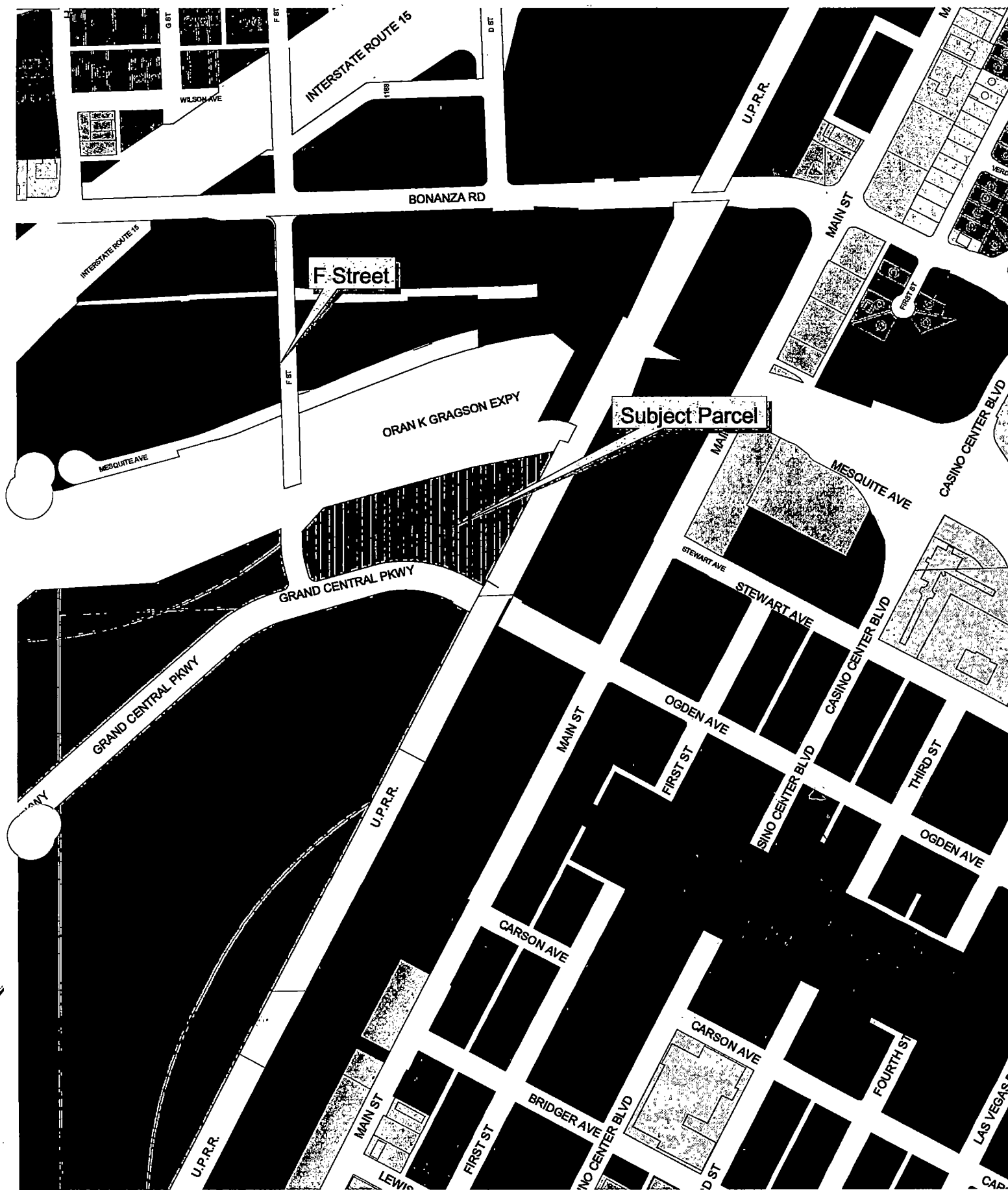
By: 
OSCAR B. GOODMAN, Chairperson

ATTEST:


BARBARA JO RONEMUS, Secretary

APPROVED AS TO FORM

 1/8/03
Date



Site Map

CERTIFICATE DISCLOSURE OF OWNERSHIP/PRINCIPALS

1. Definitions

"City" means the City of Las Vegas.

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

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

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

2. Policy

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

3. Instructions

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

4. Incorporation

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

Block 1	Contracting Entity
	PH GSA LLC
Name	3111 S. Maryland
Address	Las Vegas, NV 89109
Telephone	(702) 735-0155
FIN or DUNS	

Block 2	Description
	Subject Matter of Contract/Agreement
	RFP#

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

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

Block 4 Disclosure of Ownership and Principals

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

	FULL NAME/TITLE	BUSINESS ADDRESS	BUSINESS PHONE
1.	The Molasky Family 1998 Irrevocable Trust	3111 S. Maryland Parkway Las Vegas, NV 89109	(702) 735-0155
2.	Beneficiaries: Steven Molasky, Andrew Molasky, Alan Molasky, Beth Molasky		
3.	The Frey Family 2000 Irrevocable Trust	3111 S. Maryland Parkway Las Vegas, NV 89109	(702) 735-0155
4.	Beneficiaries: Robert Frey, Michael Frey, Gary Frey		
5.	The Irwin A. Molasky 1995 Irrevocable Trust	3111 S. Maryland Parkway Las Vegas, NV 89109	(702) 735-0155
6.	Beneficiaries: Susan Molasky		
	PH, LLC	3111 S. Maryland Parkway Las Vegas, NV 89109	(702) 735-0155
	Owned By: PH Management LLC, Owned By: Irwin A. Molasky, The Molasky Family 1998 Irrevocable Trust		
9.	Richard Worthington	3111 S. Maryland Parkway Las Vegas, NV 89109	(702) 735-0155
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.

Title of Attached Document _____
Date of Attached Document _____ **Number of Pages** _____

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

PH, LLC

Irwin A. Molasky

Name Irwin A. Molasky,
Operating Manager

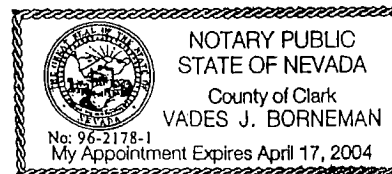
11-1-02

Date

Subscribed and sworn to before me this 1st day of

November, 2002

Vades J. Borneman
Notary Public



OWNER PARTICIPATION AGREEMENT

BETWEEN THE CITY OF LAS VEGAS REDEVELOPMENT AGENCY

AND

PH GSA LLC

THIS AGREEMENT ("Agreement") is entered into as of the _____ day of _____, 2002, by and between the CITY OF LAS VEGAS REDEVELOPMENT AGENCY (the "Agency") and PH GSA LLC, a Nevada limited liability company (the "Developer").

I. [§100] SUBJECT OF AGREEMENT

A. [§100] Purpose of this Agreement

The purpose of this Agreement is to effectuate the Redevelopment Plan (The "Redevelopment Plan") for the Downtown Las Vegas Redevelopment Area (the "Redevelopment Area") by providing for the development of certain real property included within the boundaries of the Redevelopment Area.

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

This Agreement has been negotiated and prepared to set forth certain terms and conditions pursuant to which the Agency would be willing to reimburse to the Developer a portion of the incremental increase in property taxes generated by the Site and the Project, as described therein.

B. [§102] The Redevelopment Plan

This Agreement is subject to the provisions of the Redevelopment Plan which was approved and adopted on March 5, 1986, by the City Council of the City of Las Vegas by Ordinance No. 3218. The Redevelopment Plan, as it now exists and as it may be subsequently amended pursuant to Section 701, is incorporated herein by reference and made a part hereof as though fully set forth herein.

C. [§103] The Redevelopment Area

The Redevelopment Area is located in the City of Las Vegas, Nevada, and the exact boundaries thereof are specifically described in the Redevelopment Plan and in a document recorded March 11, 1986, as Instrument No. 00777, Book 860311, and amended in the document recorded February 11, 1988, Instrument No. 00382, Book 880211, and further amended in the document recorded November 22, 1996, as Instrument No. 00847, Book 961122, in the Office of County Recorder of Clark County, which documents are incorporated herein by reference and made a part hereof as though fully set forth herein.

D. [§104] The Site

The Site is that portion of the Redevelopment Area consisting of approximately 109,194 square feet of undeveloped real property in Las Vegas, County of Clark, Nevada, as shown on the Map of the Site (Attachment "A") and is more particularly described in the Legal Description of the Site (Attachment "B") which is owned or controlled by the Developer.

E. [§105] Parties to or Interrelated to this Agreement

1. [§106] The Agency

The Agency is a public body, corporate and politic, exercising governmental functions and powers and organized and existing under the Community Redevelopment Law of the State of Nevada (NRS 279.382 *et seq.*). The office of the Agency is located at 400 Stewart Avenue, Las Vegas,

Nevada 89101. "Agency", as used in this Agreement means the City of Las Vegas Redevelopment Agency and any assignee of, or successor to, its rights, powers and responsibilities.

2. [§107] **The Developer**

The Developer is PH GSA LLC, a Nevada limited liability company. The Operating Member of the Developer is PH LLC, a Nevada limited liability company. Developer's principal address is 3111 South Maryland Parkway, Las Nevada 89109. Wherever the term "Developer" is used herein, such term shall include any permitted assignee or successor owner of the Project (hereinafter defined). The qualifications and identity of the Developer and of its Operating Member are of particular concern to the City and the Agency, and it is because of such qualifications and identity that the Agency has entered into this Agreement with the Developer. During the existence of this Agreement, Developer agrees not to transfer the Project, nor will the Operating Member of the Developer transfer its interest in the Project other than as permitted hereunder. No voluntary or involuntary successor in interest of the Developer shall acquire any rights or powers under this Agreement except as expressly set forth herein.

3. [§108] **Disclosure of Principals**

Pursuant to Resolution RA-4-99 adopted by the governing board of the Agency effective October 1, 1999, the Developer warrants that it has disclosed, on the form attached hereto as Attachment "H", all members of the Developer holding more than a one percent (1%) ownership interest in the Developer.

F. [§ 109] **The Development**

a. Subject to all the provisions of this Agreement and the City of Las Vegas Downtown Centennial Plan as adopted by City Council on July 5, 2000, and as both may be amended thereafter, the improvements to be constructed on the Site and the obligations of the Developer as to the Site (the "Development" or "Project") is an approximately 85,000 square foot office building to be constructed in accordance with the terms and conditions of that certain Disposition and Development Agreement of even date herewith between Developer and City Parkway IV-A, Inc., a Nevada not-for-profit corporation ("CPY") and a wholly owned subsidiary of the City (the "DDA"), including without limitation, the design approval rights of CPY pursuant to the DDA. The Developer intends to enter into a lease (the "GSA Lease") with the General Services Administration of the United States (the "GSA") for the entire office building for occupancy by the Internal Revenue Service. Developer and Agency acknowledge that Developer may be constructing an additional building or buildings on the Site or on a site adjacent to the Site in addition to the Project ("Subsequent Phases"). Developer and Agency mutually agree that any buildings or other improvements or constructed as part of the Subsequent Phases (i) are not covered by this Agreement. The Developer acknowledges and agrees (i) that nothing in this Agreement operates as a development approval, permit or entitlement for the development/construction of the Development and (ii) that Developer will be required to obtain all reviews, approvals and permits required for the construction of the Development.

[§110] INTENTIONALLY OMITTED

G. [§111] Developer Obligations**1. [§112] Construction of Development**

Developer agrees to complete the Project in accordance with the terms and conditions of the DDA, including, without limitation, the deadlines set forth in the schedule of performance set forth in the DDA.

2. [§113] [reserved]**3. [§ 114] Miscellaneous Developer Obligations**

a. **Financial Ability.** Developer represents and warrants to the Agency that Developer and Developer's Operating Member are solvent and are in sound financial condition.

b. **Employment Plan.** In accordance with the Agency's employment plan policy for the Developer with respect to the Project, the Developer shall comply with the provisions of the employment plan attached hereto as Attachment "G".

c. **Neighboring Businesses.** The Developer agrees to cooperate with the Agency to develop adequate means of pedestrian and vehicular access between the Project and neighboring businesses.

H. [§ 115] Agency Obligations**1. [§ 116] Developer Note**

a. Subject to the terms and conditions contained in Section 117 below, the Agency agrees to issue to the Developer a Special Limited Obligation Tax Increment Revenue Developer Note in the form attached hereto as Attachment "F" (herein, the "Note") to reimburse hard and soft costs incurred by the Developer to construct and develop Qualified Improvements (as defined below) for the Project. The principal amount of the Note shall equal the total amount of Qualifying Expenditures (hereinafter defined) for the Project. The Agency agrees to issue the Note within sixty (60) days after the later of (i) the date the Developer has complied with the conditions of paragraph a. of Section 117 including delivery of a certificate of Qualifying Expenditures and (ii) the date the Agency has made its determinations under paragraph b. of Section 117, provided, however, the Note shall only be issued between March 15 and June 30 of each year.

b. The Note shall have a term commencing on the date of issuance and maturing on the last day of 240 full calendar months thereafter (the "Maturity Date"). The Note shall bear interest thereunder at an annual rate equal to the lower of (i) seven percent (7%) or (ii) a rate equal to 300 hundred basis points over the Bond Buyer 20-Bond Index quoted in the Bond Buyer published by Thompson Financial in that edition published nearest to date of issuance of the Note. The principal amount of the Note shall be amortized over the term of the Note and shall be payable in equal annual installments commencing on the anniversary date of the issuance of the Note which falls immediately after the taxing authorities have collected Available Accrued Taxes (as defined below) and on the same date each year thereafter. Accrued unpaid interest shall be paid with each installment of principal. All payments shall first be applied to accrued unpaid interest and then to principal. All unpaid principal and accrued interest shall be payable upon the Maturity Date. The Agency and Developer agree that the interest payable under the Note is not intended to be exempt from federal income taxation.

c. INTENTIONALLY OMITTED

d. "Available Accrued Taxes" shall mean the product of fifty percent (50%) (rounded to the nearest one cent (\$.01)) multiplied by the Agency Share of Real Estate Taxes. The Agency Share of Real Estate Taxes equals the Real Estate Taxes (defined herein) paid from time to time in connection with the Project, including land and improvements, minus each of the following: (i) the portion of taxes paid (18% of taxes received by the Agency under NRS 279.676 with respect to the Project) which is required to be used providing low income housing pursuant to NRS 279.685, (ii) the Real Estate Taxes paid based on the then current tax rate applied against the fiscal year 2003-2004 assessed value of the property on which the Project is located, including land and improvements, if any, and (iii) the Real Estate Taxes paid with respect to the Project that is attributable to a tax rate levied by a taxing agency to produce revenues in an amount sufficient to make annual repayments of the principal of, and the interest on, any bonded indebtedness that was approved by the voters of the taxing agency on or after November 5, 1996, as provided in NRS 279.676(1)(c), (iv) the Real Estate Taxes paid with respect to the Project that is attributable to a new or increased tax rate levied by a taxing agency and was approved by the voters of the taxing agency on or after November 5, 1996, as provided in NRS 279.676(1)(d), and (v) any other portion of the Real Estate Taxes paid with respect to the Project which is not transferred to the Agency under NRS 279.676. "Real Estate Taxes" means the ad valorem real estate taxes paid in connection with the Project and shall not include any other taxes or assessments against the Project. Developer and the Agency mutually agree that (i) any increases in Real Estate Taxes due to improvements constructed in connection with Subsequent Phases shall not be included in Available Accrued Taxes and (ii) Agency shall determine the increase in Real Estate Taxes due to improvements constructed in connection with the Subsequent Phases utilizing such reasonable methodology as the Agency shall determine in its sole discretion.

e. Payment of the Note will be payable only from Available Accrued Taxes. On the final maturity date all unpaid principal and accrued interest shall be abated to the extent that on such date there are not sufficient Available Accrued Taxes to pay such sums, and the Agency shall be discharged of its obligation to pay the same. In the event by any installment payment date the Agency has not accrued sufficient Available Accrued Taxes to pay the full principal and interest installment payment due under the Note, then the Agency shall make a partial payment equal to then Available Accrued Taxes to the Developer, and any deficit shall be accrued and payable together with interest at the rate of interest under the Note and the next installment payment at the next anniversary.

f. The principal and interest due and payable on the Note: (i) do not constitute an indebtedness of the Agency other than from the Available Accrued Taxes, (ii) are not payable from, nor are they a charge upon, any funds of the Agency other than the Available Accrued Taxes, (iii) are not backed by the full faith and credit of the Agency, and (iv) are not secured by a pledge of the taxing power of the Agency for the payment of the Note other than to the extent of Available Accrued Taxes. Developer agrees that (i) the only obligation of the Agency in connection with the Note is to pay Available Accrued Taxes on the terms and conditions set forth in this Agreement and (ii) in the event Available Accrued Taxes are not sufficient to pay any installments of principal or interest when due under the Note or the principal balance and interest remaining unpaid at the final maturity date of the Note, neither the Agency, the City of Las Vegas nor any agency thereof shall be liable for any amounts unpaid under the Note.

g. The Agency and the Developer hereby agree that the Developer may submit written recommendations for changes and amendments to this Agreement that may be needed to accomplish the purposes of this Agreement. By way of example, and not limitation, if the subordination to future Agency debt contained in paragraph (b) of section 119 hereof is causing a financial hardship to

the Project, the Developer may make recommendations to ameliorate such hardships. Developer agrees, however, that the Agency may reject any such recommendations at the Agency's sole discretion.

2. **[§117] Conditions Precedent to Issuance of Special Limited Obligation Tax Increment Revenue Developer Notes**

a. The Special Limited Obligation Tax Increment Revenue Developer Note shall be issued for the Project upon the satisfaction of the following conditions: (i) the Agency has determined that the improvement Plans for the Project are in compliance with the DDA, (ii) the City has approved the improvement plans for the Project; and (iii) the Certificate of Completion (as defined below) has been issued by the Agency. Prior to the issuance of the Note, the Developer shall submit to the Agency (i) a written certification in a form reasonably acceptable to the Agency by which the Developer certifies the Qualified Expenditures for the Project and (ii) such supportive evidence and documentation reasonably required by the Agency establishing that the Qualified Expenditures were in fact incurred. Such evidence and documentation may include an affidavit of an authorized representative of the Developer, accompanied by receipts for paid invoices and/or cancelled checks.

b. Notwithstanding anything to the contrary herein, (i) the aggregate amount of principal payable under the Note issued for the Project shall not exceed the Agency's reasonable estimate of the present value (using the interest rate and term of the Note) of Projected Available Accrued Taxes (as defined below) for the Project and (ii) payments of principal and interest on the Note shall be scheduled to be made at such time as the Agency estimates Available Accrued Taxes will have been received in a sufficient amount to make such payments. Projected Available Accrued Taxes for the Project shall be the Available Accrued Taxes projected to be derived from the Total Development Costs of the Project over the term of the Special Limited Obligation Tax Increment Revenue Developer Note issued for the Project. In calculating Projected Available Accrued Taxes for the Project, reasonable assumptions shall be used by the Agency as to future increases and decreases to (i) the applicable tax rates, and (ii) the assessed value of Total Development Costs for the Project.

c. The Note will not be issued with a maturity of less than one (1) year. The Note will not be issued, without the prior written consent of the Agency, on or after a date that is three (3) years after the date of this Agreement.

3. **[§118] Qualified Improvements**

As used herein, "Qualified Improvements" and "Qualified Expenditures" shall include those items set forth in Attachment "C".

4. **[§119] Notes Subordinate**

a. Payment of the Note from Available Accrued Taxes will be subordinate to the repayment of the Agency's pre-existing debt ("Agency's Pre-Existing Debt") which is outstanding at the time the Note is issued, other than Agency debt to the City of Las Vegas, including any debt issued after such date for the purpose of refunding the then outstanding principal balance of such Agency's Pre-Existing Debt.

b. Payment of the Note from Available Accrued Taxes will also be subordinate to the repayment of the Agency's debt ("Agency's Future Debt", which term does not include any Agency debt owed to the City of Las Vegas) which is issued hereafter as parity or subordinate

Additional Parity Obligations or Subordinate Obligations as defined in and issued in accordance with the Indenture of Trust dated June 1, 1995 pursuant to which the Agency's Series 1995B Bonds were issued if, and only if, the chief financial officer of the Agency files a certificate prior to any issuance of such Agency's Future Debt establishing that the reasonably projected aggregate amount of the incremental increase in property taxes to be generated by all property within the City of Las Vegas Redevelopment Area over the remaining term of the then outstanding Notes, minus the aggregate amount of such incremental taxes to be set aside for low-income housing pursuant to NRS 279.685 and minus the aggregate remaining debt service on the outstanding Note, equals at least one hundred fifteen percent (115%) of the reasonably projected debt service on all then outstanding Agency's Pre-Existing Debt and on all then outstanding as well as the proposed to be issued Agency's Future Debt in each year in which the Note is to be outstanding.

5. [§ 120] Assignment

Except as set forth in this Section 120 and Section 107 above, the Note may not be assigned by the Developer to anyone other than those defined as a Developer in Section 107 without the Agency's written consent which the Agency may in its sole discretion determine to grant. Notwithstanding the foregoing, the Agency hereby consents to the transfer of the Project and the Note by the Developer to an affiliated entity (the "New Entity"), provided that the Developer retains no less than a fifty percent (50%) ownership interest in the New Entity. Moreover, the Agency hereby agrees that any restrictions on the transfer of the Project shall not apply to space leases of a portion of the Project or the improvements thereon and shall not apply after the issuance of the Certificate of Completion s defined in Section 222 below.

6. [§ 121] Miscellaneous Agency Obligations

In accordance with the schedule of performance set forth in the DDA, the Agency staff will assist the Developer in obtaining all necessary permits and in meeting all regulatory requirements associated with the development of the Site.

I. [§ 122] Acknowledgment of Bond Covenants

The Agency has issued its "City of Las Vegas Downtown Redevelopment Agency, Tax Increment Revenue Bonds (City of Las Vegas Redevelopment Project), Series 1986A" in the aggregate original principal amount of \$50,000,000 (the "Series 1986A Bonds"); its "City of Las Vegas Downtown Redevelopment Agency, Tax Increment Subordinate Lien Revenue Bonds (Fremont Street Project), Series 1994A" in the aggregate principal amount of \$18,800,000 (the "Series 1994A Bonds"); its "City of Las Vegas Downtown Redevelopment Agency, Tax Increment Subordinate Lien Revenue Bonds (Housing Project), Series 1994B," in the aggregate original principal amount of \$3,375,000 (the "Series 1994B Bonds"), its "City of Las Vegas Downtown Redevelopment Agency, Tax Increment Insured Refunding Parity Lien Revenue Bonds, Series 1995B, in the aggregate principal amount of \$16,525,000 (the "Series 1995A Bonds") and its "City of Las Vegas Downtown Redevelopment Agency, Tax Increment Subordinate Lien Refunding Revenue Bonds, Series 1995B in the aggregate principal amount of \$565,000 (the "Series 1995B Bonds") and its "City of Las Vegas Downtown Redevelopment Agency Tax Increment Refunding Bonds" Series 1998 in the original aggregate principal amount of \$9,890,000 (the "Series 1998 Bonds"). The Series 1986A Bonds, Series 1994A Bonds, Series 1994B Bonds, Series 1995A Bonds, Series 1995B Bonds and Series 1998 Bonds are collectively referred to herein as the "Bonds". The Series 1986A Bonds were issued pursuant to that certain Amended and Restated Indenture of Trust, dated as of December 1, 1989 (the "1986 Indenture"), between the Agency and Bank of America Nevada, formerly known as Valley Bank of Nevada (the "Trustee"). The Series 1994A Bonds were issued pursuant to the provisions of that certain Indenture of Trust, dated as of January 15, 1994 (the "1994A

Indenture”) between the Agency and the Trustee. The Series 1994B Bonds were issued pursuant to the provisions of that certain Indenture of Trust, dated as of January 15, 1994 (the “1994B Indenture”) between the Agency and the Trustee. The Series 1995A Bonds were issued pursuant to the provisions of that certain First Supplemental Indenture of Trust, dated as of June 1, 1995 (the “1995A Indenture”) between the Agency and the Trustee. The Series 1995B Bonds were issued pursuant to the provisions of that certain Indenture of Trust, dated as of June 1, 1995 (the “1995B Indenture”) between the Agency and the Trustee. The Series 1998 Bonds were issued pursuant to that certain Second Supplemental Indenture of Trust dated as of September 1, 1998 (the “1998 Indenture”). The 1986 Indenture, the 1994A Indenture, the 1994B Indenture, the 1995A Indenture, the 1995B Indenture and the 1998 Indenture are collectively referred to as the “Indentures.” The Bonds were issued for the purpose of financing certain undertakings by the Agency in connection with the Redevelopment Project. Under the Indentures, the rights, but not the obligation, of the Agency under this Agreement have been pledged by the Agency to the owners of the Bonds as security for the Bonds. The Developer understands and acknowledges that, under the Indentures, the trustees, on behalf of the Registered Owners (as defined in the Indentures), shall be entitled to enforce the provisions of this Agreement against the occurrence of any Event of Default as set forth therein.

J. [§ 123] General Representations

The Agency and the Developer each represent and warrant for itself that:

1. This Agreement and all agreements, instruments and documents herein provided to be executed are each a duly executed and binding agreement, instrument and document of the party executing the same.
2. This Agreement does not now or shall not hereafter breach, invalidate, cancel, make inoperative or interfere with any contract, agreement, instrument, mortgage, deed of trust, promissory note, lease, bank loan or credit agreement to which the Developer is subject.

II. [§200] DEVELOPMENT OF THE SITE

A. [§201] Development of the Site by the Developer

1. [§202] Scope of Development
2. [§203] Agency Approval of Changes in the Construction Plans and Drawings

Any material changes to the Project shall be made only in compliance with the DDA.

3. [§204] Cost of Construction

Except as otherwise agreed by the Parties, the cost of developing the Site and constructing all improvements thereon shall be borne by the Developer.

4. **[§205] Construction Schedule**

The Developer shall begin and complete all construction and development within the times specified Attachment "I" hereto or such reasonable extension of said dates as may be granted by the Agency or as provided in Section 604 of this Agreement.

[§206] Insurance and Indemnification

a. The Developer shall obtain and maintain during the existence of this Agreement, general comprehensive liability insurance for bodily injury and property damage in the minimum amount of One Million and No/100ths Dollars (\$1,000,000.00) combined single limit. If such policy is on a "claims made" basis, then such coverage shall be maintained in effect for one (1) year after the issuance of the final Certificate of Completion.

b. Prior to the commencement of any demolition or construction of the Site, the Developer shall furnish or cause to be furnished to the Agency certificates of insurance or endorsements evidencing the coverage required herein.

c. The Developer will provide renewal certificates for insurance coverage required herein that expires during the existence of this Agreement within sixty (60) calendar days following the expiration date of said insurance.

d. The Agency, its officers, employees and agents must be expressly covered as insured parties under the insurance coverage required herein if such coverage is reasonably available.

e. The insurance coverage required herein must provide for a thirty (30)-day written notice to the Agency before any amendments, modifications, suspension, cancellations, reductions or non-renewal of coverage. This notice requirement does not waive the insurance requirements contained herein.

f. In the event the Developer fails to obtain, or maintain the insurance required herein, the Agency shall have the right, in addition to the remedies available under Sections 407, 411 and 412, to pay the premium to reinstate the insurance coverage which the Developer has failed to maintain, or to procure substitute insurance coverage, which in either case the Agency shall be entitled to collect the cost thereof from the Developer or deduct the same from any sums due the Developer under this Agreement.

g. In addition to the insurance requirements of this Section, the Developer shall assume and be responsible for, and shall protect, indemnify, defend and hold harmless the Agency and the City of Las Vegas, and their respective officers, members, consultants, agents and employees, from and against any and all claims, demands, liabilities, losses or costs, including reasonable attorneys' fees and court costs, for injuries to or the death of any person or persons or damages to property, including property of the Agency or the City, which may arise out of or in any manner be connected with the performance of the obligations under this Agreement excluding any claims, demands, liabilities, losses or costs resulting from the acts or omissions of the City, the Agency, and any of their respective officers, members, consultants, agents and employees.

h. The Developer shall also furnish or cause to be furnished evidence satisfactory to the Agency that any contractor with whom it has contracted for performance of the work on the site carries worker's compensation insurance required by law.

3. **[§209] City, Agency, and Other Governmental Permits**

Before commencement of construction or development of any buildings, structures or other work of improvement upon the Site, the Developer shall, at its own expense, secure or cause to be secured any and all permits which may be required by the City of Las Vegas or any other governmental agency affected by such construction, development or work. The Agency shall provide reasonable assistance deemed appropriate by the Agency to the Developer in securing these permits. Developer hereby agrees and acknowledges that (i) Agency review of any elements of the Project is for the sole purpose of assuring compliance with this Agreement (ii) that nothing in this Agreement operates as a development approval, permit or entitlement for the development/construction of the Development, and (iii) that the Developer will be required to obtain all reviews, approvals and permits required for the construction of the Development. The Agency hereby agrees and acknowledges that (i) the Agency's review of any elements of the Project is for the sole purpose of determining compliance with this Agreement, including the determination of compliance with this Agreement for the issuance of the Note, and (ii) Agency approval shall not be required for the design and construction of the Project. The Agency agrees that, except where a shorter timeframe is set forth herein, (i) any review and action required under this Agreement by the staff of the Agency shall be completed and notice thereof provided to the Developer within thirty (30) days after the Developer's request under this Agreement for a determination by the staff of the Agency and (ii) in the event the staff of the Agency fails to respond in writing within such thirty (30) day period, Agency staff will be deemed to have responded favorably to the Developer's request for review and determination.

4. **[§210] Rights of Access**

For the purposes of assuring compliance with this Agreement, representatives of the Agency shall have, upon notice to the Developer, the right of reasonable access to the Site without charges or fees and at normal construction hours during the period of construction for the purposes of this Agreement, including, but not limited to, the inspection of the work being performed in constructing the improvements. Such representatives of the Agency shall be those who are so identified in writing by the Executive Director of the Agency. The Agency shall indemnify the Developer and hold it harmless from any damage caused or liability arising out of this right to access.

5. **[§211] Compliance with Public Bidding Requirements and Other Local, State and Federal Laws**

The Developer recognizes that this Agreement will result in the Agency providing financial incentives to the Developer in excess of \$100,000. In accordance with NRS §279.500, the Developer agrees that the Project is subject to the Prevailing Wage Act, NRS §338.010 through §338.090, inclusive. The Developer agrees to comply with the Prevailing Wage Act and all other provisions of NRS that are applicable to the Project because of the issuance of the Notes.

The Developer shall ascertain the general prevailing rate of per diem wages in the locality in which the improvements are to be constructed for each craft or type of workman needed to construct the improvement and shall so specify such information in the bid specification. Subject to the provisions of applicable law, the Developer agrees not to pay less than the specified prevailing rate of wages to the contractor and its employees selected to construct the improvements.

The Developer shall require that the selected contractor keep accurate records showing the name, occupation and actual per diem wages paid to each employee used in connection with construction of the improvement. Such records shall be open to inspection and reproduction by the Agency during normal business hours.

6. [§212] Anti-discrimination During Construction

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

B. [§213] Agency Approval of Operating Covenants, and Reciprocal Easement Agreements

Upon written request, delivered by the Agency to the Developer, the Agency reserves the right of approval, which shall not be unreasonably withheld, of operating covenants and reciprocal easement agreements that the Developer may enter into during construction of the Development. Such operating covenants and reciprocal easement agreements shall be deemed approved by the Agency unless rejected, in whole or in part, by written notice thereof by the Agency to the Developer setting forth in detail the reasons therefor, within sixty (60) calendar days after the submission to the Agency.

§214 THROUGH §221 INTENTIONALLY OMITTED

C. [§222] Certificate of Completion

A Certificate of Completion in the form attached hereto as Attachment "D" for the Project shall be issued by the Agency after substantial completion of all construction of the Project and Developer has executed and delivered the Certificate of Completion along with the accompanying documentation required of the Developer by the Certificate of Completion. The Project shall be "substantially completed" at such time as the Project has been completed in compliance with Section 200 and a certificate of occupancy has been issued by the City so that the GSA is obligated to start paying rent under the GSA Lease. The Certificate of Completion shall also include the Agreement to be Recorded Affecting Real Property in the form of Attachment "E" both of which shall be recorded in the Office of the County Recorder of Clark County.

The Certificate of Completion for the Project shall be, and shall so state therein that it is, a conclusive determination of the satisfactory completion of the construction required by this Agreement upon the Project and of total compliance with the terms hereof. After issuance of the Certificate of Completion for the Project, any party then owning or thereafter purchasing, leasing or otherwise acquiring any interest in the Project covered by said Certificate of Completion shall not (because of such ownership, purchase, lease or acquisition) incur any obligation or liability under this Agreement, except that such party shall be bound by any covenants contained in the Agreement appended hereto as Attachment "E". Except as otherwise provided herein, after the issuance of the Certificate of Completion for the Project, neither the Agency, the City nor any other person shall have any rights, remedies or controls with respect to the Project that it would otherwise have or be entitled to exercise under this Agreement as a result of a default in or breach of any provision of this Agreement, and the respective rights and obligations of the parties with reference to the Site or such portion thereof shall be as set forth in Sections 301 to 305 inclusive, of this Agreement. Specifically, but not by way of limitation, upon issuance of the Certificate of Completion, the prohibition against transfer of the Project and/or the interest of the Operating Member

of the Developer shall no longer be applicable, provided, however, that the restrictions on assignment of the Note set forth in Section 120 shall continue.

The Agency shall not unreasonably withhold the Certificate of Completion. If the Agency refuses or fails to furnish the Certificate of Completion for the Project after written request from the Developer, the Agency shall, within ten (10) days of such written request, provide the Developer with a written statement of the reasons the Agency refused or failed to furnish the Certificate of Completion. The statement shall also contain the Agency's opinion of the action the Developer must take to obtain a Certificate of Completion. If the Agency shall have failed to provide such written statement within said ten (10)-day period, the Developer shall be deemed entitled to the Certificate of Completion.

The Certificate of Completion for the Project shall not constitute evidence of compliance with or satisfaction of any obligation of the Developer to any holder of a mortgage or any insurer of a mortgage securing money loaned to finance the improvements or any part thereof.

III. [§300] USE OF THE SITE

A. [§301] Uses

The Developer covenants and agrees for itself, its successors, assigns and every successor in interest that during construction and thereafter for the term of this Agreement, the Site shall be devoted only to the uses specified in this Agreement, and the Redevelopment Plan, for the periods of time specified in Section 304. The foregoing covenants shall run with the land.

B. [§302] Maintenance

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

C. [§303] Obligation to Refrain from Discrimination

The Developer covenants by and for itself, its successors, assigns and every successor in interest to the Site or any part thereof, that there shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, age, ancestry or national origin in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Site, nor shall the Developer itself or any person claiming under or through it establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees of the Site. The foregoing covenants shall run with the land.

D. [§304] Effect and Duration of Covenants

Except as otherwise provided, the covenants contained in this Agreement shall remain in effect until expiration of the term of the Note or any extension of the term of the Note. The covenants against

discrimination shall remain in effect in perpetuity. The covenants established in this Agreement shall, without regard to technical classification and designation, be binding for the benefit and in favor of the Agency, its successors and assigns, the City and any successor in interest to the Site or any part thereof.

The Agency is deemed the beneficiary of the terms and provisions of this Agreement and of the covenants running with the land for and in its own rights and for the purposes of protecting the interests of the community and other parties, public or private, in whose favor and for whose benefit this Agreement and the covenants running with the land have been provided. This Agreement and the covenants shall run in favor of the Agency without regard to whether the Agency has been, remains or is an owner of any land or interest therein in the Site, any parcel or subparcel, or in the Redevelopment Area. The Agency shall have the right, if this Agreement or the covenants are breached, to exercise all rights and remedies and to maintain any actions or suits at law or in equity or other proper proceedings to enforce the curing of such breaches to which it or any other beneficiaries of this Agreement and the covenants may be entitled.

IV. [§400] DEFAULTS, REMEDIES AND TERMINATION

A. [§401] Event of Default by the Developer

If during the existence of this Agreement, the Developer:

1. Transfers or assigns, or attempts to transfer or assign the rights, benefits or duties under this Agreement, or in the Site or any improvements thereon, contrary to the provisions of Section 107, as the same may be modified by Section 222;
2. Fails to proceed with, abandons or substantially suspends, except as permitted by Section 604 below, the construction of the Project required by the DDA;
3. Fails, except as permitted by Section 604 below, to meet the deadlines set forth in DDA or proceed in a timely manner with the Development required by the DDA;
4. Fails to substantially complete the Project as required by the DDA; or
5. Fails to perform any other material obligation imposed under the provisions of this Agreement or the DDA;

then, the occurrence of any of the foregoing events (a "Developer Event of Default") shall constitute a breach in the performance of the obligations imposed upon the Developer and shall entitle the Agency to the remedies, and only the remedies hereinafter set forth, if, after receiving thirty (30) calendar days written notice of default from the Agency, the Developer has failed to cure, or to commence a cure and diligently pursue it to completion (which in no event is to exceed sixty (60) calendar days).

B. [§402] Events of Default by the Agency

If during the existence of this Agreement, the Agency fails to perform any material obligation imposed under the provisions of this Agreement, then, the occurrence of any of the foregoing events (an "Agency Event of Default") shall constitute a breach in the performance of the obligations imposed upon the Agency and shall entitle the Developer to the remedies, and only the remedies, hereinafter set forth, if, after receiving thirty (30) calendar days written notice from the Developer, the Agency has failed to cure, or to commence a cure and diligently pursue it to completion (which in no event is to exceed sixty (60) calendar days).

1. **[§403] Institution of Legal Actions**

Any legal action to enforce the rights and remedies provided herein must be instituted in the District Court of the County of Clark, State of Nevada, or, alternatively, in the Federal District Court in the State of Nevada, if jurisdiction therein is appropriate.

2. **[§404] Applicable Law**

The laws of the State of Nevada shall govern the interpretation and enforcement of this Agreement.

3. **[§405] Service of Process**

In the event that any legal action is commenced by the Developer against the Agency, service of process on the Agency shall be made by personal service upon the Secretary of the Agency or in such other manner as may be provided by law.

C. **[§406] Remedies of the Parties**

1. **[§407] Mutual Remedy of Specific Performance**

Upon occurrence of an Event of Default by either the Developer or the Agency during the existence of this Agreement, the non-defaulting party, at its option, may institute an action for specific performance of the terms and obligations (including the payment of any monetary obligation) of this Agreement.

2. **[§408] Remedy of the Developer**

Upon the occurrence of an Agency Event of Default, Developer shall have the sole remedy of requiring specific performance of the Agency's obligations hereunder, including, without limitation, the issuance of the Note.

3. **[§409] Remedies of the Agency**

a. **[§410] In General**

1. **[§411] Termination**

During the existence of this Agreement and upon the occurrence of a Developer Event of Default, the Agency shall have the right to terminate, and this Agreement shall so terminate, on the date that the written notice of termination is received by the Developer or such other date as may be specified in the written notice. The Agency agrees that any such termination shall not affect the outstanding Note, provided, however, that the Developer agrees that the obligation of the Agency to issue the Note is contingent upon completion of the Project and the submission by Developer to the Agency of a completed Certificate of Completion for the Project.

4. **[§411] Attorneys Fees**

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

V. [§500] [RESERVED]

VI. [§600] GENERAL PROVISIONS

A. [§601] Notices, Demands and Communications Between the Parties

Formal notices, demands and communications between the Agency and the Developer shall be sufficiently given if dispatched by reputable overnight courier or registered or certified mail, postage prepaid, return receipt requested, to the principal offices of the Agency and the Developer as set forth in Sections 107 and 108 hereof, and shall be deemed given two (2) business days after delivery to a reputable overnight courier for next business day delivery, or five (5) days after delivery to the U.S. Postal Service for delivery by registered or certified mail. Such written notices, demands and communications may be sent in the same manner to such other addresses as either party may from time-to-time designate by mail.

B. [§602] Conflicts of Interest

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

The Developer warrants that it has not paid or given, and will not pay or give, any third person other than the Developer's attorneys and consultants any money or other consideration for drafting, negotiating and obtaining this Agreement.

C. [§603] Non-liability of Agency Officials and Employees

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

D. [§604] Enforced Delay: Extension of Times of Performance

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

giving of such notice. Times of performance under this Agreement may also be extended in writing by the Agency and the Developer.

E. [§605] Inspection of Books and Records

The Agency has the right, upon not less than seventy-two (72) hours notice, at all reasonable times, to inspect the books and records of the Developer pertaining to the Site as pertinent to the purposes of this Agreement.

The Developer also has the right, upon not less than seventy-two (72) hours notice, at all reasonable times, to inspect the books and records of the Agency pertaining to the Site and to the receipt of tax revenues as pertinent to the purposes of this Agreement.

F. [§606] [reserved]

VII. [§700] SPECIAL PROVISIONS

A. [§701] Amendment of Redevelopment Plan

The Agency will give the Developer notice of amendments to the Redevelopment Plan as required by applicable law applying to the Redevelopment Area but shall not be required to obtain the consent of the Developer to such changes.

B. [§702] Submission of Documents to the Agency for Review

Whenever this Agreement requires the Developer to submit plans, drawings or other documents to the Agency for review, which shall be deemed reviewed if not acted on by the Agency within a specified time, said plans, drawings or other documents shall be accompanied by a letter stating that they are being submitted and will be deemed reviewed within the stated time. If there is no time specified herein for such Agency action, the Developer may submit a letter requiring Agency review of documents within thirty (30) days after submission to the Agency or such documents shall be deemed reviewed. It is understood and agreed by the parties hereto that review by the Executive Director of the Agency or his designee shall be deemed review by the Agency for purposes of this section.

C. [§703] Amendments to this Agreement

The Developer and the Agency agree to mutually consider reasonable requests for amendments to this Agreement which may be made by any of the parties hereto, lending institutions, or bond counsel or financial consultants to the Agency, provided such requests are consistent with this Agreement and would not substantially alter the basic business terms included herein. Notwithstanding the foregoing, the Agency may elect not to enter into any amendment as it may determine in its sole discretion.

VIII. [§800] ENTIRE AGREEMENT, WAIVERS AND AMENDMENTS

This Agreement is executed in two (2) duplicate originals, each of which is deemed to be an original. This Agreement and Attachments "A" through "I", 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 Agency and the Developer, and all amendments hereto must be in writing and signed by the appropriate authorities of the Agency and the Developer. Any Agency approvals required or permitted by the terms of this Agreement may be given by the Executive Director or such other person that the Executive Director designates in writing.

IX. [§900] TIME FOR ACCEPTANCE OF AGREEMENT BY AGENCY

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

[End of Page]

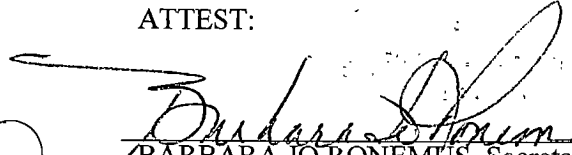
By executing this Agreement and submitting it to the Agency, the Developer is making an irrevocable offer to enter into this Agreement, which offer shall continue for the period of time specified above. The effective date of this Agreement shall be the date when this Agreement has been signed by the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

CITY OF LAS VEGAS
REDEVELOPMENT AGENCY

By: 
OSCAR B. GOODMAN, Chairperson

“Agency”

ATTEST:

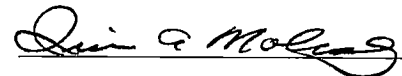

BARBARA JO RONEMUS, Secretary

APPROVED AS TO FORM:

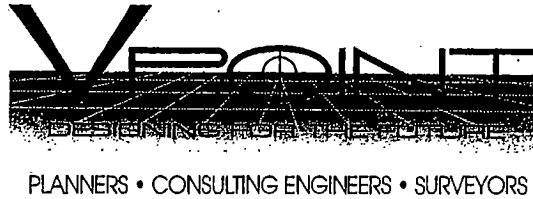
Date

PH GSA LLC,
a Nevada limited liability company

By: PH LLC, a Nevada limited liability company
MANAGER

By: 

“Developer”



W.O.# 056-e050
 File: e050x1a.doc
 January 6, 2003
 By: TLH
 Checked By: TH

EXHIBIT " "

EXPLANATION: Property description for **PHASE 1A**

BASIS OF BEARINGS:

The basis of bearings for this real property description is the easterly line of Lot 4 of "Parkway Center" (A Commercial Subdivision) in the City of Las Vegas, County of Clark, State of Nevada, which bears South 27°55'16" West, as per map recorded in Book 53, Page 61 of Plats in the Office of the County Recorder of said County.

Being a portion of Lot 4 of "Parkway Center" (A Commercial Subdivision) in the City of Las Vegas, County of Clark, State of Nevada as per map recorded in Book 53, Page 61 of Plats in the Office of the County Recorder of said County, situated in the Southwest Quarter (SW ¼) of Section 27, Township 20 South, Range 61 East, M.D.M., more particularly described as follows:

BEGINNING at the southeast corner of said Lot 4, said point being on the northerly right-of-way line of Grand Central Parkway, being a 100.00 foot wide public roadway as dedicated per said Book 53, Page 61 of Plats;

Thence along said line the following two (2) courses:

North 62°04'10" West, 68.77 feet to a point of curvature;

Thence westerly, along the arc of a curve to the left, concave southerly, having a radius of 450.00 feet, through a central angle of 18°33'32", an arc distance of 145.76 feet to a line being 212.00 feet westerly and parallel with measured at right angles from the easterly line of said Lot 4, a radial line to said point bears, North 09°22'18" East;

Thence along said parallel line, North 27°55'16" East, 298.59 feet;

Thence North 72°55'16" East, 41.42 feet;

Thence South 62°04'44" East, 182.71 feet to a point on the easterly line of said Lot 4, being

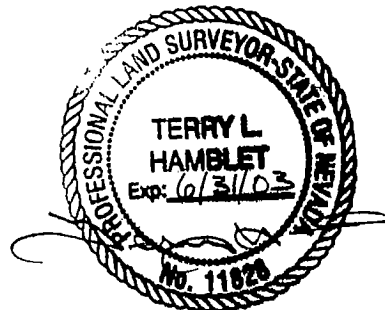
North 27°55'16" East, 304.51 feet from the southeast corner of said Lot 4;

Thence along said easterly line, South 27°55'16" West, 304.51 feet to the POINT OF BEGINNING.

Said parcel contains 65,229 sq.ft., 1.497 acres, more or less.

"The above described parcel of land represents a portion of Lot 4 of Book 53, Page 61 of Plats and is not intended for inclusion in a document conveying fee ownership. To do so is a violation of state law and or local ordinance."

END OF DESCRIPTION



1/06/03



PLANNERS • CONSULTING ENGINEERS • SURVEYORS

W.O.# 056-e050
 File: e050x1b.doc
 January 6, 2003
 By: TLH
 Checked By: TH

EXHIBIT "B."**EXPLANATION:** Property description for **PHASE 1B****BASIS OF BEARINGS:**

The basis of bearings for this real property description is the easterly line of Lot 4 of "Parkway Center" (A Commercial Subdivision) in the City of Las Vegas, County of Clark, State of Nevada, which bears South 27°55'16" West, as per map recorded in Book 53, Page 61 of Plats in the Office of the County Recorder of said County.

Being a portion of Lot 4 of "Parkway Center" (A Commercial Subdivision) in the City of Las Vegas, County of Clark, State of Nevada as per map recorded in Book 53, Page 61 of Plats in the Office of the County Recorder of said County, situated in the Southwest Quarter (SW ¼) of Section 27, Township 20 South, Range 61 East, M.D.M., more particularly described as follows:

COMMENCING at the southeast corner of said Lot 4, said point being on the northerly right-of-way line of Grand Central Parkway, being a 100.00 foot wide public roadway as dedicated per said Book 53, Page 61 of Plats;

Thence along said line the following two (2) courses:

North 62°04'10" West, 68.77 feet to a point of curvature;

Thence westerly, along the arc of a curve to the left, concave southerly, having a radius of 450.00 feet, through a central angle of 18°33'32", an arc distance of 145.76 feet to the **POINT OF BEGINNING**, a radial line to said point bears, North 09°22'18" East;

Thence continuing along said line, westerly, along the arc of a curve to the left, concave southerly, having a radius of 450.00 feet, through a central angle of 05°44'49", an arc distance of 45.14 feet to a line being 254.00 feet westerly and parallel with measured at right angles from the easterly line of said Lot 4, a radial line to said point bears, North 03°37'29" East;

Thence along said parallel line, North 27°55'16" East, 354.77 feet to the southerly line of that certain Final Order of Condemnation recorded in Book 991103, Instrument Number 00619 of Official Records;

Thence along said line the following two (2) courses:

North 74°47'09" East, 34.56 feet;

Thence North 79°03'43" East, 293.80 feet to the easterly line of said Lot 4;

Thence along said line, South 27°55'16" West, 218.38 feet;

Thence departing said line, North 62°04'44" West, 182.71 feet;

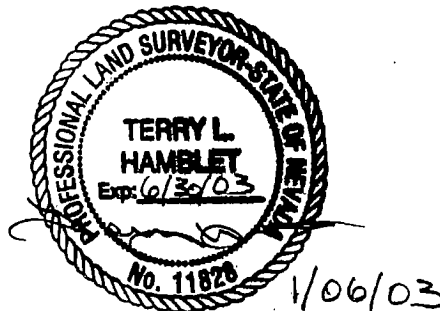
Thence South 72°55'16" West, 41.42 feet to a line being 212.00 feet westerly and parallel with measured at right angles from the easterly line of said Lot 4;

Thence along said parallel line, South 27°55'16" West, 298.59 feet to the **POINT OF BEGINNING**.

Said parcel contains 43,965 sq.ft., 1.009 acres, more or less.

"The above described parcel of land represents a portion of Lot 4 of Book 53, Page 61 of Plats and is not intended for inclusion in a document conveying fee ownership. To do so is a violation of state law and or local ordinance."

END OF DESCRIPTION



OWNER PARTICIPATION AGREEMENT: Attachment C

List of Qualifying Expenditures

ONSITE

Demolition
Clearing
Hazardous Waste Abatement
Grading
Utilities
Paving
Hardscape - Concrete
Concrete Masonry Units - CMU walls
Electrical
Landscaping & Irrigation

OFFSITE

Demolition
Clearing
Hazardous Waste Abatement
Grading
Utilities
Paving
Hardscape - Concrete
Concrete Masonry Units - CMU walls
Electrical
Landscaping & Irrigation

CORE & SHELL CONSTRUCTION

Surveying & Layout
Building Concrete (footings, cast in place, shear walls)
Reinforcing Steel (rebar & miscellaneous embeds & bolts)
Structural Steel (columns)
Metal Fabrications (stairs & rails)
Ornamental Metals (canopy & decorative column covers)
Roofing & Waterproofing
Sheetmetal
Caulking
Insulation
Glass & Glazing
Doors, Frames & Hardware
Lath & Plaster (EIFS)

Drywall & Framing
Finishes (Paint, Tile, Stone, Wallcovering, Carpet)
Elevators
Mechanical & Plumbing
Electrical
Fire System
Telecommunications & Security



ATTACHMENT "D"
Form of Certificate of Completion

Recording Required by:

City of Las Vegas Redevelopment Agency

After Recording, Mail to:

Executive Director
City of Las Vegas Redevelopment Agency
400 Las Vegas Boulevard South
Las Vegas, Nevada 89101

CERTIFICATE OF COMPLETION OF CONSTRUCTION AND DEVELOPMENT

WHEREAS, the Owner Participation Agreement (OPA) dated _____, 200_ and recorded _____, 2002, in Office of the Recorder of the County of Clark, Nevada, the City of Las Vegas Redevelopment Agency, a public body, corporate and politic, hereinafter referred to as the "Agency," provided assistance to PH GSA LLC, a Nevada limited liability company, hereinafter referred to as the "Developer," for construction and development of a certain redevelopment project situated in the City of Las Vegas, Nevada, described on Attachments "A" and "B", attached hereto and made a part hereof (the "Site"); and

WHEREAS, as referenced in said OPA, the Developer shall certify to the Agency that all construction and development on the Site has been substantially completed in compliance with the OPA; and

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

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

Now, therefore:

1. The Developer hereby certifies to the Agency that all construction on the Site has been completed in compliance with the OPA, including without limitation, the issuance of a certificate of occupancy for the core and shell of the project.
2. The Agency agrees and does hereby certify that the construction development on the Site have been fully and satisfactorily performed and completed as required by the OPA.

IN WITNESS WHEREOF, the Agency has executed this Certificate this _____ day of _____, 2002.

CITY OF LAS VEGAS
REDEVELOPMENT AGENCY

By: _____
OSCAR B. GOODMAN, Chairperson

“Agency”

ATTEST:

BARBARA JO RONEMUS, Secretary

APPROVED AS TO FORM:

Date

PH GSA LLC, a Delaware limited liability company

By: PH LLC, a Nevada limited liability company

By: _____
Name: _____
Title: _____

“Developer”

ACKNOWLEDGMENTS

STATE OF NEVADA)
) ss.
 COUNTY OF CLARK)

This instrument was acknowledged before me, a notary public, on this ____ day of _____, 2002, by OSCAR B. GOODMAN, Chairperson of the City of Las Vegas Redevelopment Agency.

 NOTARY PUBLIC, in and for said County and State



STATE OF _____)
) ss.
 COUNTY OF _____)

This instrument was acknowledged before me, a notary public, on this ____ day of _____, 2002, by _____, as _____ of _____.

 NOTARY PUBLIC, in and for said County and State



ATTACHMENT "E"**Form of Agreement to be Recorded Affecting Real Property**

Recording Required by:

City of Las Vegas Redevelopment Agency

After Recording, Mail to:

Executive Director
City of Las Vegas Redevelopment Agency
400 Las Vegas Boulevard South
Las Vegas, Nevada 89101

AGREEMENT TO BE RECORDED AFFECTING REAL PROPERTY

THIS AGREEMENT is entered into this ____ day of _____, 2002, by and between the CITY OF LAS VEGAS REDEVELOPMENT AGENCY, a public body, corporate and politic (hereinafter referred to as the "Agency") and PH GSA LLC, a Nevada limited liability company,(hereinafter referred to as the "Developer") with reference to the following:

A. The Developer is the present owner of certain real property (the "Site") located in the City of Las Vegas, County of Clark, State of Nevada, legally described in the attached Exhibit "A".

B. The Site is within the Downtown Las Vegas Redevelopment Area (the "Redevelopment Area") and is subject to the provisions of the Redevelopment Plan for the Redevelopment Area which was approved and adopted on March 5, 1986, by the City Council of the City of Las Vegas by Ordinance No. 3218. The Redevelopment Plan as it now exists and as it may be subsequently amended, is incorporated herein by reference and made a part hereof as though fully set forth herein.

C. Recordation of this Agreement at the Agency's request is conclusive evidence that the Developer has rehabilitated and/or constructed the improvements on the Site and has otherwise developed the Site in accordance with the Redevelopment Plan and pursuant to the terms and provisions of that certain Owner Participation Agreement entered into between the Agency and the Developer on _____, 2002 (the "OPA").

NOW, THEREFORE, THE AGENCY AND THE DEVELOPER HEREBY AGREE AS FOLLOWS:

1. By its recordation of this Agreement, the Agency acknowledges that the Developer has constructed the improvements on the Site and has otherwise developed the Site in accordance with the Redevelopment Plan and pursuant to the terms and provisions of the OPA, that the terms and provisions of the OPA have been fully and satisfactorily performed by the Developer and that the OPA shall be of no further force or effect.

2. The Developer, on behalf of itself and its successors, assigns and each successor in interest to the Site, or any part thereof, hereby covenants and agrees:

a. To use, devote and maintain the Site, and each part thereof, for the uses specified in the Redevelopment Plan.

b. To maintain the improvements on the Site, keep the Site free from any accumulation of debris or waste material and maintain the landscaping planted on the Site in a healthy condition. All such maintenance shall be at the sole expense of the Developer; provided, however, that if the Developer shall fail to so maintain the Site, the Agency may perform such maintenance for the Developer and in such event shall be entitled to be reimbursed by the Developer for the actual cost thereof.

c. That there shall be no unlawful discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, marital status, or ancestry or national origin in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Site.

3. Prior to the issuance of a Certificate of Completion as set forth in Section 222 of the Agreement, the Developer shall not sell, transfer, convey, assign or lease the Project without the prior written approval of the Agency except as permitted in the DDA, which approval shall not be unreasonably withheld. Notwithstanding the foregoing, the Agency hereby consents to the transfer of the Project and the Notes by the Developer to an affiliated entity (the "New Entity"), provided that the Developer retains no less than a fifty percent (50%) ownership interest in the New Entity. Moreover, the Agency hereby acknowledges and agrees that the foregoing prohibition shall not apply to space leases of a portion of the Project or the improvements thereon or to a transfer of either of the Outparcels.

4. The covenants and agreements established in this Agreement shall, without regard to technical classification and designation, be binding on the Developer and any successor in interest to the Site, or any part thereof, for the benefit and in favor of the Agency, its successors and assigns, and the City of Las Vegas. The covenants contained in Section 2.a. and 2.b. of this Agreement shall remain in effect until March 5, 2016 (the termination date of the Redevelopment Plan). The covenants against discrimination (contained in Section 2.c.) shall remain in effect in perpetuity. The covenants contained in Section 3 shall remain in effect until the date set forth in Section 222 of the Agreement. The Agency shall have the right, if this Agreement or the covenants are breached, to exercise all rights and remedies and to maintain any actions or suits at law or in equity or other proper proceedings to enforce the curing of such breaches to which it or any other beneficiaries of this Agreement and the covenants may be entitled.

IN WITNESS WHEREOF, the Agency and the Developer have executed this Agreement as of the date first above written.

CITY OF LAS VEGAS
REDEVELOPMENT AGENCY

By: _____
OSCAR B. GOODMAN, Chairperson

“Agency”

ATTEST:

BARBARA JO RONEMUS, Secretary

APPROVED AS TO FORM:

Date

PH GSA LLCa Delaware limited liability company

By: PH LLC

By: _____
Name: _____
Title: _____

“Developer”

EXHIBIT "A"
Legal Description

ATTACHMENT "F"

Special Limited Obligation Tax Increment Revenue Developer Note

Attachment "F"

CITY OF LAS VEGAS

CITY OF LAS VEGAS REDEVELOPMENT AGENCY

TAXABLE TAX INCREMENT SUBORDINATE LIEN NOTE

DATED _____, 20__

No. _____ MATURITY DATE _____, 20__

REGISTERED OWNER: _____

PRINCIPAL AMOUNT: _____

INTEREST RATE: _____ PERCENT (_____ %) PER ANNUM

The City of Las Vegas Redevelopment Agency (the "Agency"), a public body corporate and politic duly organized and existing under the laws of the State of Nevada, for value received, hereby promises to pay, but solely from the special sources hereinafter designated, to the Registered Owner designated above, on the following dates in the following principal installments:

<u>DATE</u>	<u>PRINCIPAL DUE</u>
_____	\$ _____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

and in like manner to pay interest on said Principal Amount from the date hereof at the Interest Rate specified above, payable annually on _____ of each year, commencing _____, 2____, until the earlier of the maturity date listed above or such time as said Principal Amount is paid, unless this Note shall have been called for prior prepayment and payment hereof shall have been made or provided for. The principal of this Note is payable in lawful money of the United States of America upon presentation and surrender hereof at the office of the City Treasurer of the City of Las Vegas Nevada (the "Treasurer") as paying agent under the Resolution pursuant to which this Note (the "Note") is issued and secured or at such other office as may be designated by the Treasurer. Payment of interest on this Note and other payments of principal shall be made by check or draft mailed by the Treasurer to the person in whose name this Note is registered in the registration records of the Treasurer (the "Registered Owner") at the address appearing thereon at the close of the business on the business day next proceeding the date such interest is paid. All such interest payments shall be made in lawful money of the United States of America. If any payment date is on a Saturday, Sunday or Legal Holiday, payment (by mail) shall be made on the next succeeding business day.

The Note is issued by the Agency pursuant to and in full compliance with the Constitution and laws of the State of Nevada, particularly the Nevada Community Redevelopment Law, consisting of NRS 279.382 to 279.680, inclusive (the "Act"), and pursuant to a resolution duly adopted by the Agency (the "Resolution") for the purpose of defraying a portion of the costs a redevelopment project (the "Agency Improvements") located in an area (the "Redevelopment Area") within the boundaries of the City of Las Vegas, Clark County, Nevada.

This Note is payable exclusively from Available Accrued Taxes as defined in the Owner Participation Agreement between the Agency and PH GSA, LLC dated _____, 2002. By accepting this Note, the owner hereby agrees that it has no other source to look for payment, and the Agency shall not be in default hereunder if the owner of this Note is not paid the principal and interest hereon when due because of the fact the Available Accrued Taxes are insufficient for making that payment however; any unpaid amounts due shall accrue from year to year until the Maturity Date and any available Accrued Taxes which are over and above what is needed for paying that current year's principal and interest on this Note and the amount required to pay Superior Bonds as described below shall be utilized for the purpose of paying such prior years' accrued and unpaid principal and interest requirements with respect to this Note.

Any amounts due hereunder which have not been paid on or before the Maturity Date because of an insufficiency of Available Accrued Taxes shall cease to be due and payable thereafter and this Note shall be at that time deemed to be paid in full.

The payment of the Available Accrued Taxes for the payment of the principal and interest on this Note is subordinate and junior to the lien of the Agency Debt, described below. Payments of the principal and interest on the Note shall be made only if Available Accrued Taxes remain available to the Agency after the payment of the Agency's Pre-Existing Debt and Agency's Future Debt (as defined below) and failure to pay the principal of or interest on this Note as a result of the need to apply Available Accrued Taxes to Agency's Pre-Existing Debt and Agency's Future Debt (collectively "Agency Debt") should not be a default hereunder, but the amount not paid shall accrue from year to year until the maturity date and any Available Accrued Taxes which are over and above the amount that is needed for paying that current year's principal and interest on this Note and the amount required to pay the Agency Debt in that current year shall be utilized for the purpose of paying such prior years accrued and unpaid principal and interest requirements with respect to this Note. All unpaid principal and interest that remains due on the Maturity Date hereof will cease to be owed and the Agency will owe no additional money after the Maturity Date hereof.

Payment of the Notes from Available Accrued Taxes will be subordinate to the repayment of the Agency's pre-existing debt ("Agency's Pre-Existing Debt") which is outstanding at the time such Note is issued, other than Agency debt to the City of Las Vegas, including any debt issued after such date for the purpose of refunding the then outstanding principal balance of such Agency's Pre-Existing Debt.

Payment of the Notes from Available Accrued Taxes will also be subordinate to the repayment of the Agency's debt ("Agency's Future Debt", which term does not include any Agency debt owed to the City of Las Vegas) which is issued hereafter as parity or subordinate Additional Parity Obligations or Subordinate Obligations as defined in and issued in accordance with the Indenture of Trust dated June 1, 1995 pursuant to which the Agency's Series 1995B Bonds were issued if, and only if, the chief financial officer of the Agency files a certificate prior to any issuance of such Agency's Future Debt establishing that the reasonably projected aggregated amount of the incremental increase in property taxes to be generated by all property within the City of Las Vegas Redevelopment Area over the remaining term of the then outstanding Notes, minus the aggregate amount of such incremental taxes to be set aside for low-income housing pursuant to NRS 279.685 and minus the aggregate remaining debt service on all then outstanding Notes, equals at least 115% of the reasonably projected debt service on all then outstanding Agency's Pre-Existing Debt and on all then outstanding as well as the proposed to be issued Agency's Future Debt in each year in which a Note is to be outstanding.

This Note and all similar notes requiring payment from a portion of the tax increment on a specified parcel(s) of property in the City of Las Vegas Redevelopment Area shall share pro-rata, according to the relative unpaid principal amount of all of such notes, and any reduction in payments caused by a need to use tax increment to pay Agency Debt.

Principal of and interest on the Note shall not constitute an indebtedness of the City, the Agency, the State of Nevada or any other political subdivision thereof, and neither the City, the State nor any political subdivision thereof other than the Agency shall be liable thereon, nor shall the principal of or interest on the Note constitutes a general obligation of the Agency or be payable out of any funds or properties of the Agency other than Available Accrued Taxes.

Reference is hereby made to the Resolution for a further and more detailed description of the Available Accrued Taxes, the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of the Agency, the Registered Owners of the Note, and the terms upon which the Note is issued and secured.

The Note shall not be assigned by the Registered Owner to anyone other than those defined as Developer in the Agreement without the Agency's written consent, which the Agency may in its sole discretion, determine to grant.

This Note may be prepaid in whole or in part at any time. Notice of prepayment shall be given by mailing a copy of the prepayment notice not less than 30 days prior to the date fixed for prepayment to the Registered Owner at the address shown on the registration records maintained by the Treasurer. The amount called for prepayment will cease to bear interest after the specified prepayment date.

The Resolution imposes limitations and conditions on the rights of any Registered Owner to enforce the provisions of the Resolution or the Note. The Resolution permits, subject to certain conditions and limitations and with certain exceptions as provided therein, the amendment thereof and the modification of the rights and obligations of the Agency.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the adoption of the Resolution and the issuance of this Note do exist, have happened and have been performed in due time, form and manner as required by law.

This Note shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Resolution until the certificate of authentication hereon shall have been manually signed on behalf of the Treasurer.

IN WITNESS WHEREOF, the City of Las Vegas Redevelopment Agency has caused this Note to be executed in its name by the facsimile or manual signature of its Chairperson and its corporate seal or a facsimile thereof to be impressed, imprinted or otherwise reproduced hereon and attested by the facsimile or manual signature of its Secretary, all as of the date set forth above.

CITY OF LAS VEGAS

REDEVELOPMENT AGENCY

By: _____

OSCAR B. GOODMAN, Chairperson

ATTEST:

Barbara Jo Ronemus, Secretary

APPROVED AS TO FORM:

Date

TREASURER'S CERTIFICATE OF AUTHENTICATION

Date of authentication and registration:

This Note is issued pursuant to the within mentioned Resolution, and has been duly registered in the registration records kept by the undersigned Treasurer.

CITY TREASURER OF THE CITY OF
LAS VEGAS, NEVADA

City Treasurer

Exhibit A

(Legal Description of Parcel)



[Form of Prepayment Panel]

The following installments of principal (or portions thereof) of this Note have been prepaid in accordance with the terms of the Resolution authorizing the issuance of this Note.

Date of Prepayment	Principal Prepaid	Signature of Treasurer
-----------------------	----------------------	---------------------------



EXHIBIT G

**EMPLOYMENT PLAN FOR
PH GSA LLC**

The Employment Plan of PH GSA LLC, a Nevada limited liability company ("PHGSA") is prepared in accordance with NRS 279.482(2) and the City of Las Vegas Redevelopment Agency Employment Plan Policy (hereinafter the "Policy") dated June 3, 1992, and amended June 6, 2001. (Attachment 1). This Employment Plan outlines the steps to be taken by PHGSA to assist it in achieving compliance with the Policy. In accordance with the Policy, developers and build-to-suit owners which receive redevelopment project funds are encouraged to hire individuals who live within the area of the operations and are economically disadvantaged residents, physically handicapped, members of racial minorities, veterans, women, and/or the homeless.

Developer Employment Plan

The Development Employment Plan shall apply during the construction phase of the Project.

1. Description of the Facilities to be Constructed. The facilities to be constructed by PHGSA will consist of an office building. Please see Attachments No. 4 and No. 3 of the Disposition and Development Agreement for a complete description of the facilities and anticipated construction schedule.

2. Contracts for Construction of the Project. PHGSA will promote the utilization of women, minority, disabled, and veteran-owned business enterprises for the construction of the Project, as discussed more fully in paragraph 3 below. In this regard, it will establish, as targets, the participation goals established by the City in its "Equal Opportunity

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EXHIBIT G

Contracting Policy.” See Attachment 2. These goals represent the dollar value of subcontracts and materials agreements awarded to women, minority, disabled and veteran-owned businesses expressed as a proportion of the total dollar value of bids.

The Policy requests a list and the amount of contracts to be let for the construction of the redevelopment project. Since PHGSA has not yet caused the bid documents to be prepared, it is premature to identify the subcontracts and material agreements that will be required for construction. When the construction drawings and bid documents have been received, PHGSA, through its construction manager, will seek input regarding the bid estimates from various contractors and subcontractors, including minority, women, disabled, veterans (“MWDV”) business firms. Bid documents will then be completed and disseminated, using the City’s Minority Vendors Directory, as described below. It is anticipated that these documents will be prepared approximately three months after the signing of the Owner Participation Agreement. At such time, PHGSA will submit an Addendum to this Plan identifying the construction contracts.

3. Manner of Involving MWDV Businesses. PHGSA hereby certifies that, for the construction phase of the Project, it shall use and instruct its project manager and construction manager to use the City’s Minority Vendors Directory to locate potential subcontractors. These entities shall notify qualified vendors identified in such directory of contracts to be let for construction, in sufficient time to allow effective participation by MWDV owned business firms. A copy of the notification shall be submitted to the Redevelopment Agency.

In addition to the above, PHGSA will perform the following tasks:

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EXHIBIT G

(a) Advertise in the newspapers of general circulation, trade association papers and MWDV focused media concerning subcontracting opportunities, giving sufficient time to allow the opportunity for effective participation by MWDV owned businesses;

(b) Contact and coordinate with the City's Minority Business Officer and Redevelopment Agency representatives to obtain lists and information concerning City's certified MWDV owned business enterprises;

(c) Utilize referral agencies such as MWDV community organizations, professional associations and small business assistance offices or other organizations that provide assistance in the recruitment and placement of MWDV business enterprises;

(d) When appropriate, break down contracts into the smallest economically feasible units to facilitate and encourage participation by MWDV owned businesses to the maximum extent possible that will comply with NRS 332.

(e) Ensure access by interested MWDV owned business enterprises to plans and specifications and adequate information about the scope of services and other requirements; and

(f) Offer information to interested MWDV owned business firms regarding the obtaining of bonding, lines of credit and/or insurance;

(g) Pursuant to the terms of the Employment Plan, PHGSA will submit quarterly reports to the Redevelopment Agency for the period through final Certificate of Occupancy by the GSA/IRS, demonstrating its compliance with the requirements of the Employment Plan. PHGSA shall also send copies of the quarterly reports to the State of Nevada Legislative Counsel Bureau, and to the Office of the City Clerk who shall keep these copies on

file. PHGSA shall not charge for copies of the reports. The first report shall be distributed upon application for Building Permits.

(h) PHGSA will provide and dedicate a public announcement board in a public area of the Project.

(i) PHGSA shall advertise and solicit bids and accept qualified joint venture bids from local MWDV owned business firms and from joint ventures involving local and out of state MWDV owned business firms. PHGSA shall encourage joint ventures with the MWDV owned business firms.

EMPLOYMENT PLAN POLICY

(As Adopted on June 6, 2001)

A. What is the purpose of the Employment Plan Policy?

The purpose of this Employment Plan Policy is to encourage developers and build-to-suit owners/lessees participating in a redevelopment project funded by the Redevelopment Agency to hire individuals of specially targeted population groups (economically disadvantaged residents, physically handicapped, members of racial minorities, veterans or women) who live within the area of operation.

B. Who must submit Employment Plans?

1. **Developers:** As appropriate for the redevelopment project, the developer shall submit to the Redevelopment Agency an Employment Plan for the construction phase of the redevelopment project in accordance with the requirements of this Policy. For purposes of this Policy, a "developer" means any person or entity who is proposing to construct commercial, office, retail or industrial space with the assistance of the Redevelopment Agency and includes both developers of speculative space and build-to-suit owners.

A "developer of speculative space" means any developer who constructs commercial, office, retail or industrial space for the purpose of conveying or leasing to an unknown owner and/or tenant. A "build-to-suit developer" means any developer who constructs commercial, office, retail or industrial space in accordance with the customized specifications of a known owner and/or lessee to whom the space will be conveyed or leased upon completion of the redevelopment project.

2. **Build-to-Suit Owners/Lessees:** As appropriate for the redevelopment project submitted by a build-to-suit developer, the owner/lessee for which the redevelopment project is to be constructed shall submit to the Redevelopment Agency an Employment Plan for the post construction phase of the redevelopment project in accordance with the requirements of this Policy.

For purposes of this Policy, "build-to-suit owner/lessee" means the owner and/or lessee of commercial, office, retail or industrial space which has been constructed by the developer to the customized specifications of the owner/lessee.

3. **Owners/Lessees:** An owner/lessee of speculative commercial, industrial, office or retail space shall be exempt from submitting an Employment Plan.

C. What is the term of the Employment Plan?

1. The developer shall adhere to the Employment Plan only during the construction phase of the development.
2. The build-to-suit owner/lessee shall adhere to the Employment Plan for at least as long as the redevelopment project remains subject to the Owner Participation Agreement (OPA)/Disposition and Development Agreement (DDA). Each OPA/DDA will include the specific time periods based on the particular relevant aspects of the project. All subcontractors of permanent operations will be required to adhere to the Employment Plan through contractual language included in any agreement with the build-to-suit owner/lessee. The appropriate requirements of the Employment Plan Policy shall be included in the Owner Participation Agreement.
3. Employment Plans must be submitted to the Agency for review during negotiations for redevelopment funding to be approved as part of the OPA/DDA.

D. What information must the developer provide in the Employment Plan?

The developer shall provide the Agency with a list and amount of all contracts to be let for the construction of the redevelopment project.

E. What procedures shall the developer adhere to?

The developer is required to submit an Employment Plan for the construction phase of the redevelopment project, and shall be referred to the City's Minority Vendors Directory. The developer shall notify the vendors identified in the Minority Vendors Directory of all contracts to be let for the redevelopment project. A copy of the notification shall be submitted to the Redevelopment Agency.

F. What information must be in the Employment Plan submitted by Build-to-Suit Owner/Lessees?

1. A description of the existing opportunities for employment within the area. This information is available from the Nevada Employment Security Department. The Agency shall make every effort to assist the build-to-suit owner/lessee in obtaining this information for inclusion in the Employment Plan.
2. A projection of the effect that the redevelopment project will have on opportunities for employment within the area. In other words, the number of new jobs created as a result of the redevelopment project and a description of the skills required to fill the positions. The build-to-suit owner/lessee must supply this information to the Redevelopment Agency.
3. It is the intent of this Policy that a minimum of 51% of all new jobs created as a direct result of the Redevelopment Project be filled by residents of the Redevelopment Area and/or the City of Las Vegas Special Impact Area (SIA) and/or Census Tracts 5.03 and 5.04 (these tracts will be eligible for SIA designation upon release of the 1990 census information). The Redevelopment Agency shall have the authority to reduce the employment requirements of this section after a showing of just cause. This includes the refilling of those jobs for the duration of the Employment Plan. The build-to-suit owner/lessee is required to submit an Employment Plan which describes how the operation will employ persons who are:
 - a. *economically disadvantaged*
 - b. *physically handicapped*
 - c. *members of racial minorities*
 - d. *veterans*
 - e. *women*
4. The build-to-suit owner/lessee shall, as part of the Employment Plan, utilize one or more of the following referral agencies for the purpose of receiving qualified job applicants. Only nominal administrative fees can be charged to the employee by non-profit referral agencies for referral or job placement. These referral agencies, by virtue of their activities, are recognized as having a knowledge of the applicant pool available to assist in the location of and, in some cases, training and upgrading of skills of qualified applicants to fill the unique needs of each business.

- a. *Nevada Employment Security Department*
- b. *Nevada Business Services*
- c. *Nevada Black Chamber of Commerce*
- d. *Latin Chamber of Commerce*
- e. *Las Vegas Indian Center*
- f. *Nevada Association for the Handicapped*
- g. *Nevada Welfare Department*
- h. *Women's Development Center*
- i. *St. Vincent's Job Desk*
- j. *Community College of Southern Nevada*
- k. *Bureau of Vocational Rehabilitation of Southern Nevada*
- l. *Dr. Martin Luther King, Jr. Committee*

5. Build-to-suit owner/lessees shall be required to pay a minimum rate which is the higher of the federal minimum wage or the market rates paid by employers in similar businesses in order to ensure that redevelopment jobs provide decent standards of living for employees.
6. Build-to-suit owner/lessee shall establish an in-house training program for promoting employees, provided the operation employs a total of more than (25) employees. The training program shall be included as part of the Employment Plan.

G. What procedural guidelines must Build-to-Suit Owner/Lessee follow?

1. The build-to-suit owner/lessee agrees to submit written notification to the referral agency of job positions available for hire at least thirty (30) working days prior to the employer's anticipated hiring date.
2. Such written notification shall include a description of the required job qualifications, the rate of pay, the anticipated hiring date, and the date by which the referral agency must refer qualified applicants to the build-to-suit owner/lessee in order to be considered for hiring to the vacant position including management, technical and professional positions.
3. The build-to-suit owner/lessee need not notify the referral agency of any vacancy to be filled by an internal promotion from his own work force.

4. In the event that the referral agency fails to refer qualified individuals within thirty (30) working days for consideration of the vacant job openings of which the build-to-suit owner/lessee has notified the referral agency, the build-to-suit owner/lessee will be free to directly fill any and all remaining positions after so notifying the referral agency in writing.
5. The build-to-suit owner/lessee shall make the final decision on hiring new employees but shall be encouraged to select employees from among qualified persons referred by the referral agencies. This does not release the build-to-suit owner/lessee from the requirements of this Policy.
6. The build-to-suit owner/lessee will not discriminate against any applicant for employment because of race, religion, age, handicap, color, sex, national origin.
7. The Redevelopment Agency shall be copied on all written correspondence between the build-to-suit owner/lessee and the referral agency.

H. What are the reporting requirements?

1. The developer shall inform the Agency of the selected bidder after the bid is awarded, including a justification for not selecting the minority vendor, if such is the outcome. Backup documentation shall be provided to the Agency, as requested.
2. The build-to-suit owner/lessee shall submit a report to the Redevelopment Agency within thirty (30) calendar days after the end of each calendar quarter. This report will provide the Agency with a list of employees' names, addresses, rates of pay and health benefit status, and whether or not they were referred by the above agencies. Affected employees shall be notified that this information is being reported to the Agency. The Agency shall use this information for the sole purpose of determining compliance of the owner/lessee with the submitted Employment Plan. This information shall not be submitted to any other person or organization for any other purpose.

Assembly Bill No. 664- Assemblymen Arberry and Wendell Williams

Chapter 621

An ACT relating to the redevelopment of communities; requiring a proposal for a project of redevelopment to include an employment plan; and providing other matters property relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. NRS 279.572 is hereby amended to read as follows:

279.572 **1. Every redevelopment plan must show:**

- [1.] (a) The amount of open space to be provided and the layout of streets.
- [2.] (b) Limitations on type, size, height, number and proposed use of buildings.
- [3.] (c) The approximate number of dwelling units.
- [4.] (d) The property to be devoted to public purposes and the nature of those purposes
- [5.] (e) Other covenants, conditions and restrictions which the legislative body prescribes.
- [6.] (f) The proposed method of financing the redevelopment plan in sufficient detail so that the legislative body may determine the economic feasibility of the plan.

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

- (a) A description of the existing opportunities for employment within the area.
- (b) A projection of the effect that the redevelopment project will have on opportunities for employment within the area.
- (c) A description of the manner in which an employer relocating his business into the area plans to employ persons living within the area of operation who are:
 - (1) Economically disadvantaged
 - (2) Physically handicapped
 - (3) Members of racial minorities
 - (4) Veterans
 - (5) Women

EQUAL OPPORTUNITY CONTRACTING POLICY

Minority business enterprises will be afforded full opportunity to submit bids in response to this invitation and will not be discriminated against on the grounds of race, color, creed, sex, or national origin in consideration for an award.

A. GENERAL

- 1) An M/W/DVBE may participate as a prime contractor, sub-contractor, joint venture partner with a prime or sub-contractor, or as a vendor of materials and/or supplies. Only those sub-contractor(s) and suppliers contracting directly with or to be paid by the prime contractor may be credited toward the goals.
- 2) An M/W/DVBE joint venture partner must be responsible for a clearly defined scope of work detailed separately from the work to be performed by the non-M/W/DVBE joint venture partner. In addition, an agreement signed by all parties, identifying the extent to which each joint venture partner shares in the Ownership, control, management, risk and profits of the joint venture must be submitted to the City of Las Vegas.
- 3) An M/W/DVBE must perform a commercially useful function, i.e., must be responsible for the execution of a distinct element of the Work and must carry out its responsibility by actually performing, managing, and supervising the Work specified.
- 4) The Contractor shall not be entitled to payment for any work or material scheduled to be performed by an M/W/DVBE unless it is performed or supplied by the listed M/W/DVBE or by an approved substitution.

B. MBE/WBE/DVBE GOALS

- 1) The Owner has adopted the following goals for MBE/WBE/DVBE participation and utilization.

Minority-owned Business Enterprise (MBE) 25%

Women-owned Business Enterprise (WBE) 5%

Disabled Veteran-owned Business Enterprise (DVBE) 2.5%

These percentage goals represent the value of sub-contracts and materials agreements awarded to M/W/DVBE's based on the total dollar value of the bid. Only sub-contractors and suppliers listed prior to bid opening may be counted toward the goals.

- 2) Each Bidder is responsible for making a sufficient portion of the Work available to sub-contractors and suppliers and to select those portions of the Work and/or material needs consistent with M/W/DVBE availability.
- 3) Each Bidder is responsible for making a good faith effort to meet the M/W/DVBE participation and utilization goals. If the Bidder fails to meet the goals, information documenting the Bidder's good faith efforts to achieve the goals must be submitted prior to bid award.
- 4) Prior to award of the Contract, the apparent low bidder's bid submission will be reviewed to determine if the Owner goals have been met. If goals have been achieved, the Bidder will not be required to submit any information documenting their good faith efforts to meet the goals.

- 5) M/W/DVBE prime contractors will receive credit toward the goals only for that portion of the Work to be completed by their own workforce and that of other M/W/DVBE subcontractors.
- 6) M/W/DVBE prime contractors are also expected to meet the goals for M/W/DVBE participation or to demonstrate a good faith effort to meet the goals.

C. GOOD FAITH EFFORT

1. A good faith effort is defined as that which, given all relevant circumstances, a Contractor actively and aggressively seeking to meet the goals would make. Efforts that are merely pro forma, are not good faith efforts to meet the goals, even if they are sincerely motivated, if, given all relevant circumstances, those efforts could not reasonably be expected to produce a level of participation to meet the goals. In evaluating good faith efforts, the following are some examples that the Owner will consider:
 - a) Whether the Contractor attended any pre-bid conferences scheduled to discuss the Owner's Equal Opportunity Contracting Program goals and requirements for the Project.
 - b) Whether the Contractor advertised in general circulation, trade association, and minority, women, and disabled veteran-focus media concerning sub-contracting opportunities in time to allow opportunity for effective participation by M/W/DVBE firms.
 - c) Whether the Contractor contacted the Owner's Minority Business Enterprise Section for a list of identified M/W/DVBE firms and the Owner's M/W/DVBE Resource List, and effectively used this information.
 - d) Whether the Contractor effectively used additional services of available: (i) minority, women, and disabled veteran community organizations; (ii) minority, women, and disabled veteran professional associations; (iii) minority, women, and disabled veteran trade associations; (iv) local, state and federal small business assistance offices; and (v) other organizations that provide assistance in the recruitment and placement of M/W/DVBE's.
 - e) Whether the Contractor provided written notice to a reasonable number of specific M/W/DVBE firms in sufficient time to allow opportunity for effective participation in the Contract.
 - f) Whether the Contractor followed up initial solicitations of interest by contacting M/W/DVBE firms to determine with certainty whether they were interested.
 - g) Whether the Contractor selected portions of the Work to be performed by M/W/DVBE firms in order to increase the likelihood of meeting the established goals, including, where appropriate, breaking down contracts into economically feasible units to facilitate M/W/DVBE participation.
 - h) Whether the Contractor provided interested M/W/DVBE firms with access to plans, specifications and adequate information about the scope of services and other requirements of the Contract.
 - i) Whether the Contractor negotiated in good faith with interested M/W/DVBE firms in order to arrive at a fair price, opting for negotiation in lieu of inviting bids.
 - j) Whether the Contractor fairly determined the qualifications of interested M/W/DVBE firms using only the criteria specified in the Bid Documents.

- k) Whether the Contractor made efforts to assist interested M/W/DVBE firms in obtaining bonds, lines of credit, insurance, and/or meeting other governmental contracting requirements.
 - l) Whether the Contractor documented legitimate reasons why the particular M/W/DVBE's contacted were not utilized or qualified.
 - m) Other evidence to indicate compliance with the spirit of the Owner's Equal Opportunity Contracting Program.
2. This list is a guideline and is not meant to be exhaustive. The exercise of these good faith efforts does not necessarily establish a determination of compliance. In the determination of whether a potential contractor exercised good faith efforts to achieve the W/M/DVBE goals, the availability of qualified M/W/DVBE firms for the type of work involved on a particular contract will be considered.
 3. In the event that a potential contractor has not achieved the M/W/DVBE participation goals, it may be entitled to receive an award of the contract if it exercises good faith efforts to achieve the goal, but is unable to do so.
 4. Lack of good faith efforts will subject a potential qualified contractor's bid to additional scrutiny by the Minority Business Enterprise Section, and may cause the award process to be held in abeyance until an appropriate determination can be made.

D. SUBMITTALS

1. If goals have been achieved, the apparent low bidder will not be required to submit any information documenting their good faith efforts to meet the goals.
2. If the apparent low bidder fails to meet the Owner's M/W/DVBE goals, documentation supporting their good faith efforts must be submitted within five (5) working days after bid opening to the Owner's Minority Business Enterprise Section. Such documentation must indicate all efforts expended under paragraph C of this Section.

E. ADDITIONAL INFORMATION

Any prospective bidder wishing additional information on the Owner's Equal Opportunity Contracting Policy or information regarding minority, women, and disabled veteran contractors may contact the Minority Business Enterprise Section at (702) 229-6231.

Exhibit H
**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.	The Molasky Family 1998 Irrevocable Trust	3111 S. Maryland Parkway Las Vegas, NV 89109	(702) 735-0155
2.	Beneficiaries: Steven Molasky, Andrew Molasky, Alan Molasky, Beth Molasky		
3.	The Frey Family 2000 Irrevocable Trust	3111 S. Maryland Parkway Las Vegas, NV 89109	(702) 735-0155
4.	Beneficiaries: Robert Frey, Michael Frey, Gary Frey		
5.	The Irwin A. Molasky 1995 Irrevocable Trust	3111 S. Maryland Parkway Las Vegas, NV 89109	(702) 735-0155
6.	Beneficiaries: Susan Molasky		
7.	PH, LLC	3111 S. Maryland Parkway Las Vegas, NV 89109	(702) 735-0155
8.	Owned By: PH Management LLC, Owned By: Irwin A. Molasky, The Molasky Family 1998 Irrevocable Trust		
9.	Richard Worthington	3111 S. Maryland Parkway Las Vegas, NV 89109	(702) 735-0155
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 _____

of Attached Document _____

Number of Pages _____

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

PH, LLC

Irwin A. Molasky

Name Irwin A. Molasky,
Operating Manager

11-1-02

Date

Subscribed and sworn to before me this 1st day of

November, 2002

Vades J. Borneman
Notary Public

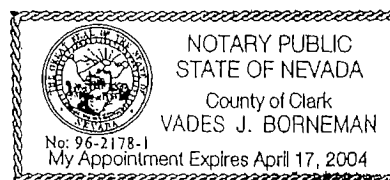


Exhibit I

OWNER PARTICIPATION AGREEMENT
Schedule of Performance

	Duration in Calendar Days	Early Start	Early Finish	Late Start	Late Finish
GSA PROPOSAL & BID					
Submit GSA SFO Proposal	1	08/09/02			
Amendment 1	1				
Amendment 2	1	09/06/02			
Amendment 3	1	10/10/02			
Amendment 4	1	10/22/02			
Best and Final Offer Due	1	11/15/02	11/15/02		
GSA Review and Preliminary Award of Lease	12	11/15/02	11/27/02		
Prepare and Negotiate Lease	90	11/28/02	02/26/03		
TOTAL TENANT IMPROVEMENT CONSTRUCTION TIME - IRS	240	01/10/04	09/06/04	07/13/04	03/10/05
DESIGN					
Conceptual Design	60	06/09/02	08/09/02		
Conceptual Revisions	180	08/09/02	02/05/03		
Core & Shell Design Development Drawings	14	02/06/03	02/20/03		
Core & Shell Contract Documents	70	02/27/03	05/08/03		
Tenant Improvement Design Development Drawings - IRS	180 - 365	02/27/03	08/26/03	02/27/03	02/27/04
IRS National Employees Union Approval	30	08/27/03	09/26/03	02/28/04	03/29/04
Tenant Improvement Contract Documents	60	09/27/03	11/26/03	03/30/04	05/29/04
CITY OF LAS VEGAS - OFFICE OF BUSINESS DEVELOPMENT					
Conveyance Date - Phase 1A & 1B		11/22/03		01/20/04	
Commencement Date - Phase 1		11/21/04		01/20/05	
Commencement Date - Phase 2		11/20/08		01/18/09	
ENTITLEMENT					
Boundary & Topo	10	02/05/03	02/15/03		
Site Development Plan Review	10	02/25/03	03/07/03		
Pre-Application Conference	1	03/07/03	03/07/03		
Planning Commission	1	03/13/03	03/13/03		
City Council	1	04/23/03	04/23/03		
Traffic Study - Prepare & Process	65	05/01/03	07/29/03		
Hydrology Study - Prepare & Process	65	05/01/03	07/29/03		
Improvement Drawings - Prepare & Process	108	05/27/03	11/28/03		
PLAN CHECK & PERMIT					
Core & Shell	21	11/29/03	12/20/03	02/25/04	03/17/04
Tenant Improvements	21	09/27/03	10/18/03	05/30/04	06/20/04
BID, AWARD & PURCHASE					
Bid Demo & Site Work	21	10/30/03	11/20/03	12/28/03	01/18/04
Award & Purchase Demo & Site Work	7	11/21/03	11/28/03	01/19/04	01/26/04
Bid Core & Shell	30	11/29/03	12/29/03	02/16/04	03/17/04
Award & Purchase Core & Shell	14	12/30/03	01/13/04	06/03/03	06/17/03
Bid Tenant Improvements	30	11/27/03	12/27/03	05/30/04	06/29/04
Award & Purchase Tenant Improvements	14	12/27/03	01/10/04	06/29/04	07/13/04
CONSTRUCTION - IRS BUILDING					
Demo & Clear Site	21	11/29/03	12/20/03	01/27/04	02/17/04
Grading & Site Work	28	11/29/03	12/27/03	02/18/04	03/17/04
Foundations & Underslab Utilities	28	12/27/03	01/24/04	03/18/04	04/15/04
Form & Pour Columns & Walls - First Level	21	01/24/04	02/14/04	04/16/04	05/07/04
Form & Pour Slab on Grade (SOG)	28	02/14/04	03/13/04	05/08/04	06/05/04
Shore & Form Structural Deck - Second Level	28	03/13/04	04/10/04	06/06/04	07/04/04
Form & Pour Columns & Walls - Second Level	7	04/10/04	01/03/04	07/05/04	07/12/04
Start Tenant Improvements		01/10/04		07/13/04	
Shore & Form Structural Deck - Third Level	14	01/04/04	01/18/04	07/13/04	07/27/04
Form & Pour Columns & Walls - Third Level	7	01/19/04	01/26/04	07/28/04	08/04/04
Shore & Form Structural Deck - Fourth Level	14	01/27/04	02/10/04	08/05/04	08/19/04
Form & Pour Columns & Walls - Fourth Level	7	02/11/04	02/18/04	08/20/04	08/27/04
Form & Pour Roof Deck	14	02/19/04	03/04/04	08/28/04	09/11/04
Mechanical Penthouse	42	03/05/04	04/16/04	09/12/04	10/24/04
Roof	14	04/17/04	05/01/04	10/25/04	11/08/04
Energize Building	7	05/02/04	05/09/04	11/09/04	11/16/04
Elevator	42	05/10/04	06/21/04	11/17/04	12/29/04
Core & Shell Finishes & Occupancy	180	02/19/04	08/17/04	08/28/04	02/24/05
Tenant Improvements	240	01/10/04	09/06/04	07/13/04	03/10/05

AGENDA SUMMARY PAGE
REDEVELOPMENT AGENCY MEETING OF: JANUARY 22, 2003

CITIZEN PARTICIPATION: ITEMS RAISED UNDER THIS PORTION OF THE AGENDA CANNOT BE DELIBERATED OR ACTED UPON UNTIL THE NOTICE PROVISION OF THE OPEN MEETING LAW HAVE BEEN MET. IF YOU WISH TO SPEAK ON A REDEVELOPMENT AGENCY MATTER NOT LISTED ON THE AGENDA, PLEASE STEP UP TO THE PODIUM AND CLEARLY STATE YOUR NAME AND ADDRESS. PLEASE LIMIT YOUR REMARKS TO THOSE MATTERS UNDER THE EXPRESS JURISDICTION OF THE REDEVELOPMENT AGENCY. IN CONSIDERATION OF OTHERS, AVOID REPETITION, AND LIMIT YOUR COMMENTS TO NO MORE THAN THREE (3) MINUTES. TO ENSURE ALL PERSONS EQUAL OPPORTUNITY TO SPEAK, EACH SUBJECT MATTER WILL BE LIMITED TO TEN (10) MINUTES.

MINUTES – Continued:

BEATRICE TURNER, West Las Vegas resident, said that there is some redevelopment property in West Las Vegas on Owens and H Street that has a sign announcing a shopping center that is supposed to be built soon. But she does not believe anyone is going to build on that property. She opined that it is time for the City to take action on that property and bring on another developer.

She commended Code Enforcement for doing their job. However, she would like to see the rules applied to everyone, including the Housing Authority. They need to be held accountable like any other property owner.

STAN WASHINGTON, Las Vegas resident, updated the Council on the Chelsea development employment plan issue. Since he last met with representatives, he received a letter from ATTORNEY MARK FIORENTINO, for Chelsea Development, indicating that they intended to ask the City Council to consider amending the Chelsea Agreement at one of its November meetings. As of his last discussion with Iain Vasey of Business Development, he had not yet received that letter. MR. WASHINGTON stated that the Chelsea Group has been put on notice that if they do not submit their employment plan by February, his group would block the gate. He noted that some progress has been made as far as hiring minority contractors.

As far as the employment plan, GENE COLLINS said that had they not brought their concerns to the Council, they would not have been able to make progress. It would have been nice if the Chelsea Group would have operated like IRWIN MOLASKY and do what is right. MR. KLINE and MR. DAVIS of the Chelsea Group were put on notice as to what the West Las Vegas community will do if they do not get the employment plan before the Council for consideration. DR. MARTIN LUTHER KING JR. would protest at the job site if he did not get results. He thanked the Council for their assistance in this matter.

TODD FARLOW, 240 N. 19th Street, asked MEMBER WEEKLY if he was able to see the tapes that he gave to his Liaison Ricky Barlow. He then stated that the Chelsea Group promised to keep the existing trees and move them if necessary in order to save them. On December 19, 2002, on the way back from the doctor's office, he noticed that the tree had been ripped out from the

City of Las Vegas

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MINUTES – Continued:

roots. He was so mad that he went immediately up to 10th floor. COUNCILMAN BROWN's secretary then called the Chelsea Group and she was told that it was a mistake and that the remainder of the trees would remain. A week ago he came back from the doctor's office again to find that the entire line of trees had been torn out. He opined that the Chelsea Group is a group of liars and the City should not do business with developers that do not comply with the conditions. The City should seek recompense through the bond.

DOROTHY BARNES, civil rights activist, said that she has been in this community for a little over three years, and she has been experiencing a lot of problems with Nellis Air Force Base because they are falsifying information about her to the CIA. This is happening to a lot of homeless people in Las Vegas.

DAN CONTRERAS, Bonanza Village resident, commented that the Mayor made a comment during the Council meeting about community pride, which led him to want to speak about things that are happening in Bonanza Village, such as the entryway kickoff earlier that morning to get landscaping put in. He assured the Agency members that the residents of Bonanza Village intend to do their part in the community this year and volunteer hours with Neighborhood Services to make a difference. He also thanked COUNCILWOMAN McDONALD for the Angel Tree program and coming up with ways to involve all those that wanted to get involved. He also thanked COUNCILWOMAN WEEKLY for having his heart in the right place, even if they do not always agree. Lastly, he said that the community is committed to being proactive, but they do not want another social service in their neighborhood. He would rather see the VA building vacant than to see another social service put in there.

TOM MCGOWAN, Las Vegas resident and mayoral candidate, indicated that the story of man's inhumanity to man is unending. In 1492 the king and queen expelled 2000 Jews. It took 456 years for the homeless to firmly establish their homeland, which is now Israel. On 1/18/2003 he was privileged to attend the Second Annual Jewish Film Festival to see "All The Ones I've Loved." It told the story of a man that risked his own life to save the lives of 669 Jewish children who said goodbye to their parents that were incinerated while a preoccupied world looked the other way. In summary, he said that he was privileged to visit the God in Me Ministries building in Ward 5. They received a notice of eviction, by which the City is attempting to condemn 600 men each year. The City is forcing men and women to return to the streets as homeless exiles to die of exposure or worse. He opined that those that did not learn the lessons of history are destined to repeat them. The Pilgrims and every immigrant who arrived in America. He vowed that man's inhumanity will cease in the City of Las Vegas, even if he has to run against the entire Council to prove it.

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MINUTES – Continued:

CONRAD (inaudible), mentioned that on 1/16/2003 California finally listened to what LaRouche has been saying since 1995 to not deregulate. He submitted a booklet titled Emergency Intervention by LaRouche and sated that he is the only man with the answer to deregulation. LaRouche also knows about maglev trains, which is what is needed in Las Vegas. He noted that Mr. LaRouche would be speaking on 1/28/2003.

Regarding the Hospital on Vegas Drive and Martin Luther King Drive, MARGARET LEWIS suggested that the location would be ideal for a high school so that the kids in West Las Vegas do not have be bused out, especially for sports. This would save the School District a lot of money.

(12:31 – 1:00)

3-955

THE MEETING ADJOURNED AT 1:00 P.M.

Respectfully submitted:


GABRIELA S. PORTILLO-BRENNER, DEPUTY CITY CLERK

April 4, 2003


Barbara Jo Ronemus, Secretary