DOWNTOWN LAS VEGAS

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

MINUTES

Meeting of
NOVEMBER 5, 2003
9:00 A.M.

(Following the morning session of the City Council Meeting)

Called To Order: 11:56 A.M.
Adjourned: 12:09 P.M.

REDEVELOPMENT AGENCY	PRESENT	ABSENT	EXCUSED
CHAIRMAN OSCAR B. GOODMAN	☒	☐	☐
MEMBER GARY REESE - VICE-CHAIRMAN	☒	☐	☐
MEMBER LARRY BROWN	☒	☐	☐
MEMBER LYNETTE BOGGS McDONALD	☒	☐	☐
MEMBER LAWRENCE WEEKLY	☒	☐	☐
MEMBER MICHAEL MACK	☒	☐	☐
MEMBER JANET MONCRIEF	☒	☐	☐
DOUG SELBY, EXECUTIVE DIRECTOR	☒	☐	☐
BRADFORD R. JERBIC, CITY ATTORNEY	☒	☐	☐
BARBARA JO RONEMUS, SECRETARY	☒	☐	☐

APPROVED BY REFERENCE: December 17, 2003

ATTEST:

SECRETARY

CHAIRMAN

224✓

City of Las Vegas

REDEVELOPMENT AGENCY MEETING
CITY HALL, 400 STEWART AVENUE
COUNCIL CHAMBERS
CITY OF LAS VEGAS INTERNET ADDRESS: http://www.lasvegasnevada.gov
WEDNESDAY, NOVEMBER 5, 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 SEPTEMBER 17, 2003
2. RA-5-2003 - DISCUSSION AND POSSIBLE ACTION REGARDING A RESOLUTION FINDING THE PROJECT PROPOSED BY THE DISPOSITION AND DEVELOPMENT AGREEMENT ("DDA") BETWEEN THE CITY OF LAS VEGAS RDA AND SCE-BULLDOG, LLC TO BE IN COMPLIANCE WITH AND IN FURTHERANCE OF THE GOALS AND OBJECTIVES OF THE RDA - WARD 1 (MONCRIEF) [NOTE: THIS ITEM IS RELATED TO COUNCIL ITEM #85 (R-161-2003) AND RDA ITEM #3.]
3. DISCUSSION AND POSSIBLE ACTION REGARDING A DISPOSITION AND DEVELOPMENT AGREEMENT WITH SCE-BULLDOG, LLC, FOR THE PURCHASE AND DEVELOPMENT OF A 0.94-ACRE PARCEL ON THE SOUTHEAST CORNER OF LAS VEGAS BOULEVARD AND CLARK AVENUE, APN 139-34-310-061, -062, -063, -076 & -710-001- (GAIN OF $1,200,000 – REDEVELOPMENT AGENCY SPECIAL REVENUE FUND) - WARD 1 (MONCRIEF) [NOTE: THIS ITEM IS RELATED TO COUNCIL ITEM #85 (R-161-2003) AND RDA ITEM #2.]
4. PUBLIC HEARING, DISCUSSION AND POSSIBLE ACTION REGARDING A LEASE AGREEMENT WITH LUKEGROUP, LLC, D.B.A. JIFFY SMOG, FOR APPROXIMATELY TWO THOUSAND SQUARE FEET OF FREE-STANDING BUILDING SPACE AND APPROXIMATELY SIX PARKING SPACES LOCATED AT 1501 NORTH DECATUR BOULEVARD ($1,800 REVENUE/MONTH - RDA MISCELLANEOUS RENTALS) - WARD 1 (MONCRIEF)

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

AFFIDAVIT OF MAILING

(Mailing required under the provisions of NRS Chapter 241)

STATE OF NEVADA)
) ss
COUNTY OF CLARK)

Eva Cotton, an employee of the City of Las Vegas, Nevada being first duly sworn, deposes and says that on the **29th** day of **October, 2003**, a copy of NOTICE, the attached of which is a true and correct copy of the Notice – re: **Redevelopment Agency Meeting** to be held on the **5th day of November, 2003**, was deposited in the United States Mail, Postage prepaid, First Class Mail, to each person and/or organization whose name appears on the list maintained in the Office of the City Clerk.

E Cotton
____

SIGNATURE

City Clerk
DEPARTMENT

Subscribed and sworn to before me this

30th day of October, 2003

Beverly K Bridges
NOTARY PUBLIC in and for said County and State

Notary Public-State Of Nevada
COUNTY OF CLARK
BEVERLY K. BRIDGES
My Appointment Expires
July 10, 2005
No. 93-4081-1

AFFIDAVIT OF POSTING
(Posting required under the provisions of NRS Chapter 241)

STATE OF NEVADA)
) ss
COUNTY OF CLARK)

Eva Cotton and Jo Ann Williams, employees of the City of Las Vegas, Nevada being first duly sworn, depose and say that on the **29th** day of **October, 2003**, at the hour of **4:30 P.M.** there were posted copies of a NOTICE, the attached of which is a true and correct copy of a **Redevelopment Agency Meeting** to be held on the **5th day of November, 2003** at **9:00 A.M.**, Las Vegas, Nevada; to be posted on Public Bulletin Boards at the following locations:

1. Las Vegas Library, 833 Las Vegas Blvd.
2. Senior Citizens Center, 450 E. Bonanza Road
3. Clark County Government Center, 500 S. Grand Central Parkway
4. Court Clerk's Office Bulletin Board, City Hall Plaza, 400 Stewart Avenue (near the entrance to the Court Clerk's Office);
5. City Hall Plaza, Special Outside Posting Bulletin Board, 400 Stewart Avenue (in the walkway area between Metro and Municipal Court).

SIGNATURE

City Clerk
DEPARTMENT

Subscribed and sworn to before me this

30th day of October, 2003

NOTARY PUBLIC in and for said County and State

Notary Public-State Of Nevada
COUNTY OF CLARK
BEVERLY K. BRIDGES
My Appointment Expires
July 10, 2005
No. 93-4081-1

City of Las Vegas

REDEVELOPMENT AGENCY AGENDA
MEETING OF: NOVEMBER 5, 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 CHAIR GOODMAN AT 11:56 A.M.

PRESENT: CHAIR GOODMAN and MEMBERS REESE, BROWN, L.B. McDONALD, WEEKLY, MACK, and MONCRIEF

ALSO PRESENT: BETSY FRETWELL, Acting 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

(11:56 – 11:57)
2-3145

City of Las Vegas

Agenda Item No.: 1

AGENDA SUMMARY PAGE

REDEVELOPMENT AGENCY MEETING OF: NOVEMBER 5, 2003

DEPARTMENT: OFFICE OF BUSINESS DEVELOPMENT
DIRECTOR: IAIN VASEY (ACTING)

SUBJECT:
APPROVAL OF THE MINUTES BY REFERENCE FOR THE MEETING OF SEPTEMBER 17, 2003

MOTION:
REESE – APPROVED by Reference – UNANIMOUS

MINUTES:
There was no discussion.

(11:57)
2-3172

City of Las Vegas

Agenda Item No.: 2

AGENDA SUMMARY PAGE

REDEVELOPMENT AGENCY MEETING OF: NOVEMBER 5, 2003

DEPARTMENT: BUSINESS DEVELOPMENT
DIRECTOR: IAIN VASEY (ACTING)

SUBJECT:
RESOLUTIONS:

RA-5-2003 - DISCUSSION AND POSSIBLE ACTION REGARDING A RESOLUTION FINDING THE PROJECT PROPOSED BY THE DISPOSITION AND DEVELOPMENT AGREEMENT ("DDA") BETWEEN THE CITY OF LAS VEGAS RDA AND SCE-BULLDOG, LLC TO BE IN COMPLIANCE WITH AND IN FURTHERANCE OF THE GOALS AND OBJECTIVES OF THE RDA - WARD 1 (MONCRIEF) **[NOTE: THIS ITEM IS RELATED TO COUNCIL ITEM #85 (R-161-2003) AND RDA ITEM #3.]**

Fiscal Impact

☐ **No Impact**	**Amount:** Gain of $1,200,000
☐ **Budget Funds Available**	**Dept./Division:** OBD/RDA
☐ **Augmentation Required**	**Funding Source:** OBD SPECIAL REVENUE FUND

PURPOSE/BACKGROUND:
This is a companion item to discussion and possible action regarding the SCE-Bulldog, LLC proposal for an office complex containing 75,000 square feet of Class "A" office space, 8,500 square feet of retail space, and a 306-space internal parking garage at the southeast corner of Las Vegas Boulevard and Clark Avenue ("Site"). The Redevelopment Agency is being asked to review and approve the DDA which establishes a purchase price of $1,200,000 for the project Site, deferral of the purchase price for a three-year maximum with 4.5% simple interest accruing during the deferment period, and vacation of a portion of the alley bisecting the Site as a condition of sale. Approval will adopt findings that the DDA is 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-5-2003
5. Disposition and Development Agreement
6. Affidavit of James B. Allen

Submitted after the meeting: elevation plans (filed under 11/5/2003 City Council Minutes Item 85)

City of Las Vegas

Agenda Item No.: 2

REDEVELOPMENT AGENCY MEETING OF NOVEMBER 5, 2003
Business Development
Item 2 – RA-5-2003

MOTION:
MONCRIEF – APPROVED as recommended - UNANIMOUS

MINUTES:
IAIN VASEY, Acting Director, Business Development, stated that SCE-Bulldog is a subsidiary of Sierra Crest Equities, the developer and owner of the Atrium Building on Rancho Road. He then reviewed the information under the Purpose/Background section above. The project is valued at over $18 million. The Redevelopment Agency will lease 122 spaces for public parking at $45 a month for two years and share the net profits 50/50 with the developer. Construction of the building will commence by 7/2004 and be completed within 14 months.

JAMES ALLEN, Chief Executive Officer with Sierra Crest Equities and President of SCE-Bulldog, thanked the Council for accepting this development. This project will enhance the downtown area and will be a nice addition to the City.

CHAIRMAN GOODMAN asked MR. ALLEN if he has ever considered adding a residential component to the upper floors of his building. MR. ALLEN responded that the company is reviewing that possibility for a similar project in Memphis, Tennessee. But he hesitates to get into an area in which he has no expertise. He would be open to future discussions on the matter. CHAIRMAN GOODMAN bet MR. ALLEN that rental lofts or condominiums would be very popular. MR. ALLEN agreed.

TOM McGOWAN, Las Vegas resident, opined that this is an excellent project. He then asked where the nightclub would be located. MR. ALLEN answered that there is no nightclub intended for the retail space. MR. McGOWAN then questioned why the legal names and corporate headquarters' addresses of the principals were not detailed on this agenda. MEMBER McDONALD indicated that the backup includes a disclosure of principals document that he could obtain from the City Clerk's office.

TODD FARLOW, 240 N. 19th Street, welcomed this project and this company to Las Vegas. There was no further discussion.

MEMBER MONCRIEF said that this project will be a great addition to the downtown area. She commended Bulldog, LLC for redeveloping an undesirable area.

There was no further discussion.

NOTE: 11/5/2003 Council Item 85 contains duplicate minutes.

(11:57 – 12:04)

2-3185

City of Las Vegas

AGENDA MEMO

REDEVELOPMENT AGENCY MEETING DATE: NOVEMBER 5, 2003
DEPARTMENT: BUSINESS DEVELOPMENT
ITEM DESCRIPTION: RA-5-2003 - DISCUSSION AND POSSIBLE ACTION REGARDING A RESOLUTION FINDING THE PROJECT PROPOSED BY THE DISPOSITION AND DEVELOPMENT AGREEMENT ("DDA") BETWEEN THE CITY OF LAS VEGAS RDA AND SCE-BULLDOG, LLC TO BE IN COMPLIANCE WITH AND IN FURTHERANCE OF THE GOALS AND OBJECTIVES OF THE RDA - WARD 1 (MONCRIEF)

1. 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 DDA to provide financial assistance in the form of deferred payment for the project, and finding that there is no other reasonable means of financing the project. It is also a companion item to the RDA item that approves the terms of the DDA specifying how property may be transferred and developed.

2. The proposal from SCE-Bulldog, LLC ("Developer") would result in a mixed-use, class "A" office building at the Southeast corner of Las Vegas Boulevard and Clark Avenue ("Site"), with the building façade facing the federal courthouse and Clark Avenue. The building includes 8,500 square feet of retail space on the ground floor, 306 parking spaces on the second floor, third floor, and fourth floor, and 75,000 square feet of office space on the fifth floor and the sixth floor.

3. The Developer's site development plan for the Site proposes that the building floor plan occupies a majority of the Site's acreage, and as a result would require a vacation of a portion of the alley which bisects the Site as depicted in the Site Map, which is attached to the DDA as Exhibit "A" and as more particularly described in Exhibit "B-2". Because the alley portion to be vacated is a prerequisite of the proposed development, the DDA provides that the RDA will submit the vacation application on behalf of the Developer.

4. Pursuant to the terms of the DDA, the Developer will be purchasing the Site for the purchase price of $1,200,000. The RDA's cost of assembling the five parcels was approximately $1,040,000.

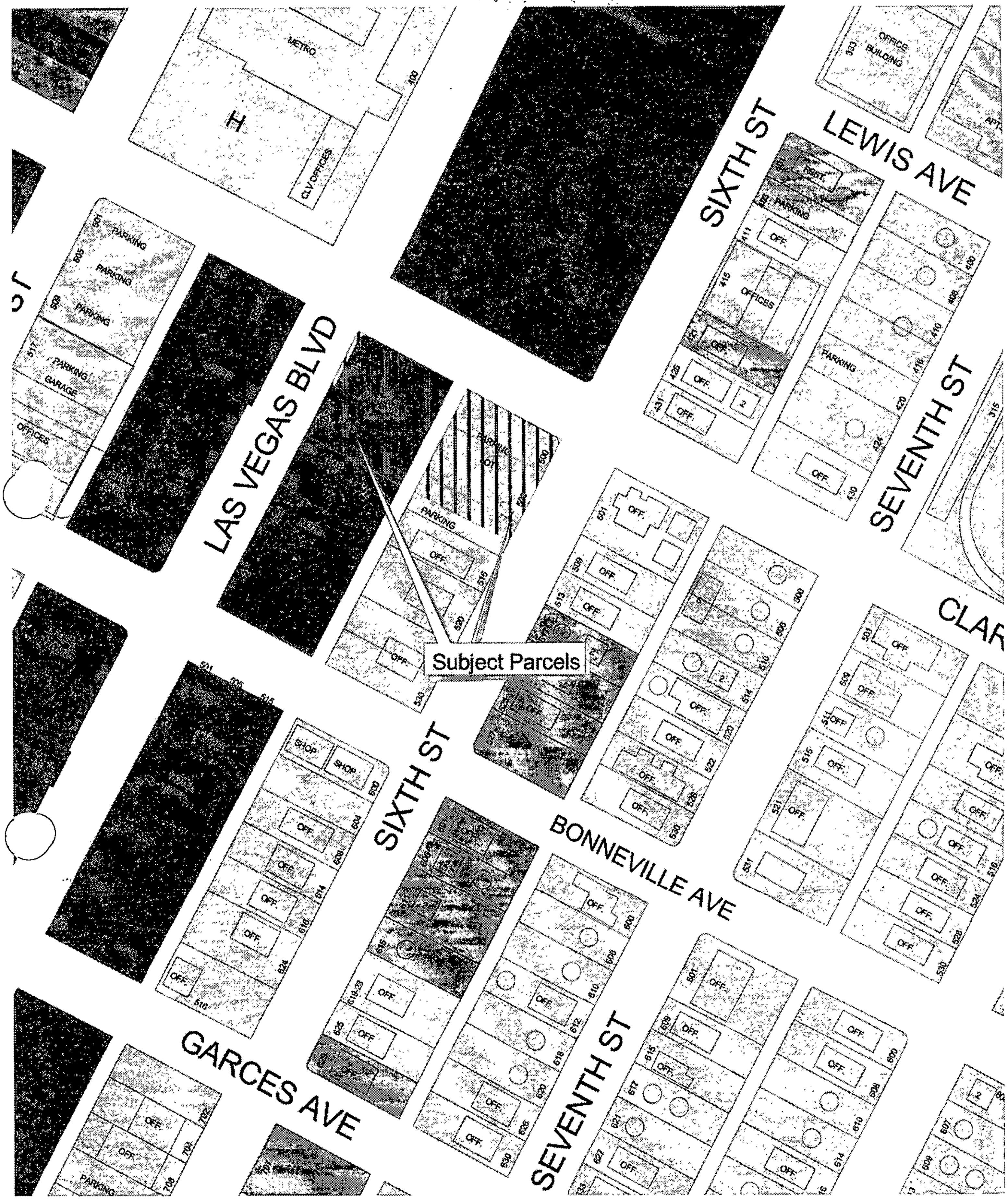
5. The purchase price is deferred until the earlier of (1) the date on which the Developer achieves 80% occupancy of the building as evidenced by leased space and (2) three years following the closing and conveyance of the Site, or no later than June 28, 2007, whichever occurs first. During the deferment period, the purchase price is guaranteed through a promissory note secured by a deed of trust, with simple interest accruing on the principal at an interest rate of 4.5% per annum. Final payment of principal and accrued interest will be due at the earlier of 80% of the space to be leased, and three years subsequent to the closing dated, or June 28, 2007, whichever occurs first.

6. Pursuant to the terms of the DDA, the RDA will be entering into a parking lease agreement for 40% of the spaces in the parking garage, not to exceed 122 parking spaces, at the fixed rate of $45.00 per month, as more particularly described in Exhibit "H" of the DDA.

7. The project will create jobs in the Redevelopment Area, spur new investment in real estate, and create economic opportunities in the district.

8. Because the Developer is building the office space and retail space on a speculative basis, the actual direct jobs to be created requires a projection based on industry norms for square footage of the project's office space and retail space. Based on the project's minimum square footage, 429 direct jobs will be created as a result of the office space, and 17 direct jobs will be created as a result of the ground floor retail space, for a total of 446 permanent jobs. These jobs are expected to be a mixture of new jobs and retained jobs for the community. The project also is expected to create 161 jobs during construction, and 179 permanent, indirect jobs. Indirect jobs include building management, lawyers, accountants, suppliers, and support staff doing business with the federal courthouse, the regional justice center, and more generally industries located in the downtown market.

9. When completed, the office building is expected to be valued in excess of $12 Million. This project is noteworthy in that tax increment financing is not being used to finance the project. As a result, the city and the RDA will realize an immediate fiscal benefit following completion of the project, with property tax revenue alone estimated conservatively at $143,000 per year.


LAS VEGAS BLVD
SIXTH ST
SEVENTH ST
LEWIS AVE
BONNEVILLE AVE
GARCES AVE
Subject Parcels
METRO
CLV OFFICES
OFFICE BUILDING
PARKING
PARKING GARAGE
OFFICES
PARKING LOT
N
S
E
W

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.

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.

Incorporation

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

CERTIFICATE – DISCLOSURE OF OWNERSHIP/PRINCIPALS (CONTINUED)

Block 1	Contracting Entity
Name	SCE-Bulldog, LLC
Address	4168 Douglas Blvd. Suite 200
Telephone	916-773-0700
EIN or DUNS	Applied for

Block 2	Description
Subject Matter of Contract/Agreement:	Disposition and Development Agreement for development of office building located at the corner of Las Vegas Blvd. and Clark Street.
RFP #	

Block 3 Type of Business

☐ Individual ☐ Partnership ☒ Limited Liability Company ☐ Corporation

Block 4 Disclosure of Ownership and Principals

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

	FULL NAME/TITLE	BUSINESS ADDRESS	BUSINESS PHONE
1.	SIERRA CREST EQUITIES, LLC	4168 Douglas Blvd., Suite 200 Granite Bay, CA 95746	916-773-0700
2.	Principals of Sierra Crest Equities, LLC are:		
3.	o James B. Allen	4168 Douglas Blvd., Suite 200 Granite Bay, CA 95746	916-773-0700
4.	o Brett R. Baumgarten	4168 Douglas Blvd., Suite 200 Granite Bay, CA 95746	916-773-0700
5.	o Brett A. Keeshin	4168 Douglas Blvd., Suite 200 Granite Bay, CA 95746	916-773-0700
6.	o Ronald N. Baumgarten	4168 Douglas Blvd., Suite 200 Granite Bay, CA 95746	916-773-0700
7.			
8.			
9.			
10.			

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: ____________ Number of Pages: ________
Date of Attached Document: ____________

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.

James B. Allen
Name

10/24/03
Date

Subscribed and sworn to before me this 24 day of

October, 2001.

Dana Luft, Notary Public

DANA R. LUFT
COMM. # 1389172
NOTARY PUBLIC • CALIFORNIA
PLACER COUNTY
Comm. Exp. DEC. 8, 2006

RESOLUTION NO. RA-5-2003

RESOLUTION FINDING THE PROJECT PROPOSED BY THE DISPOSITION AND DEVELOPMENT AGREEMENT BETWEEN THE CITY OF LAS VEGAS REDEVELOPMENT AGENCY AND SCE-BULLDOG, LLC TO BE IN COMPLIANCE WITH AND IN FURTHERANCE OF THE GOALS AND OBJECTIVES OF THE AGENCY'S REDEVELOPMENT PLAN AND AUTHORIZE THE EXECUTION BY THE AGENCY

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, the Agency is the owner of vacant parcels of land located at the southeast corner of Las Vegas Boulevard and Clark Avenue, and which parcels are commonly known as APNs 139-34-710-001, 139-34-310-061, 139-34-310-062, 139-34-310-063, and 139-34-310-076 (the "Site"); and

WHEREAS, the Governing Body of the Agency has determined that the Disposition and Development Agreement (the "Agreement"), which provides for the purchase of the Site by SCE-Bulldog, LLC and for the development of an office building, all as more fully set forth in the Agreement, is in compliance with and in furtherance of the goals and objectives of the Redevelopment Plan; and

WHEREAS, prior to the adoption and approval of the Agreement, and after proper publication of notice thereof, the Agency conducted a public hearing pursuant to the requirements of NRS 279.472;

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

THE FOREGOING RESOLUTION was passed, adopted and approved this 5 day of November, 2003.

CITY OF LAS VEGAS
REDEVELOMENT AGENCY

By: ______________________
OSCAR B. GOODMAN, Chairperson

ATTEST:

____
BARBARA JO RONEMUS, Secretary

APPROVED AS TO FORM:

______________________ 10/24/03
Date

DISPOSITION AND DEVELOPMENT AGREEMENT

THIS DISPOSITION AND DEVELOPMENT AGREEMENT ("Agreement") is entered into as of the 5 day of Nov, 2003, by and between CITY OF LAS VEGAS REDEVELOPMENT AGENCY ("RDA") and SCE-BULLDOG, LLC, a Nevada limited liability company (the "Developer").

WITNESSETH:

WHEREAS, RDA desires to sell to the Developer, and the Developer desires to purchase from RDA, that certain real property depicted in Exhibit "A" and described more particularly in Exhibit "B" both of which are attached to this Agreement (the "Site");

WHEREAS, RDA and Developer mutually desire that the Site be developed with a class-A office building and parking garage as described in this Agreement and on the terms and conditions set forth in this Agreement.

WHEREAS, RDA desires to lease from the Developer, and the Developer desires to lease to RDA, a portion of the parking spaces in the parking garage to be constructed by Developer on the Site.

WHEREAS, the parties desire to set forth in this Agreement the terms and conditions for the development of the Site.

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

1. **PURPOSE OF AGREEMENT**

The purpose of this Agreement is to effectuate the Redevelopment Plan (the "Redevelopment Plan") for the Downtown Las Vegas Redevelopment Area (the "Redevelopment Area") by providing for the redevelopment of the Site which is included within the boundaries of the Redevelopment Plan.

The redevelopment of the Site 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, morals 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 is subject to the provisions of the Redevelopment Plan that was approved and adopted on March 5, 1986, by the City Council of the City, and the health, safety, morals and welfare of its residents and in accord with the public purposes and provisions of applicable federal, state and local laws and requirements. The Redevelopment Area is located in the City and the exact boundaries thereof are specifically described in the Redevelopment Plan.

2. **THE SITE**

The Site consists of approximately 41,159 square feet as depicted in Exhibit "A" and more particularly described in Exhibit "B" together with the additional area more particularly described in Exhibit "B-2", excluding therefrom the area described in Exhibit "B-1" which will be dedicated to the City for public use.

3. **PARTIES TO THE AGREEMENT**

(a) RDA is an agency of the City. The office of RDA is located at 400 Stewart Avenue, Las Vegas, Nevada 89101. RDA shall have the right to assign this Agreement to the City.

(b) The Developer is SCE-BULLDOG, LLC, a Nevada limited liability company. The principal office of the Developer is located at 4168 Douglas Blvd., Suite 200, Granite Bay, CA 95746. Wherever the term "Developer" is used herein, such term shall include any permitted nominee, assignee or successor in interest as herein provided, including any development entity controlled by the Developer. The Developer shall disclose to RDA its principals in accordance with Agency Resolution No. RA-4-99.

(c) The qualifications and identity of the Developer are of particular concern to the City and RDA, and it is because of such qualifications and identity that RDA has entered into this Agreement with the Developer. Developer agrees that:

(i) 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; and

(ii) the Developer shall not assign all or any part of this Agreement without the prior written approval of RDA except as expressly permitted below in this Section 3.

This Agreement may be terminated by RDA if there is any change (voluntary or involuntary) in the membership, management or control of the Developer except as expressly provided herein. Notwithstanding the foregoing, the following shall be permitted transfers and shall not require RDA's approval hereunder:

(i) A transfer to any entity in which the Developer has (i) a minimum of thirty percent (30%) of the ownership interests in such entity and (ii) management control of such entity; and

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

4. **ACQUISITION OF SITE AND PURCHASE PRICE**

RDA agrees to sell, and the Developer agrees to purchase, the Site on the terms and conditions provided herein. The purchase price for the Site is One Million Two Hundred Thousand Dollars ($1,200,000.00) payable at the close of escrow in accordance with the provisions of Section 5 (the "Purchase Price").

5. **PAYMENT OF PURCHASE PRICE**

The Purchase Price described in Section 4 shall be paid as follows:

(a) In payment of the Purchase Price, at or before the close of escrow, the Developer shall deposit in escrow Developer's promissory note in the principal amount of One Million Two Hundred Thousand Dollars ($1,200,000.00) payable to RDA (the "Note"). The Note shall be due and payable at the earlier of (i) three (3) years after the close of escrow and (ii) fifteen (15) business days after occupancy of eighty percent (80%) of the office space of the Project (hereinafter). The Note will bear simple interest at the annual rate of four and one-half percent (4.5%) from the Closing (hereinafter defined) until paid. The Note will be in the form of Exhibit "C" attached to this Agreement.

(b) The Note shall be secured by Developer's deed of trust and assignment of rents (the "Deed of Trust") encumbering the Site in the form of Exhibit "D" attached hereto. Upon the Closing of the initial construction loan and permanent financing loan for the Project, RDA will, at the request of Developer, subordinate the rights of RDA under the Deed of Trust to the rights of a lender (the "Project Lender") under the initial construction loan and any subsequent permanent loan (each a "Project Loan") for the development of the Site. RDA hereby agrees to execute and deliver such reasonable subordination agreement and other instruments and agreements as the Project Lender may from time to time request to evidence and/or perfect the subordination by RDA of its right under the Deed of Trust to the rights of the Project Lender, under such documents as the Project Lender may designate evidencing, securing, and/or perfecting the rights of the Project Lender under the Project Loan. RDA's obligation to execute and deliver such reasonable subordination agreement is on the conditions that (i) the sum of the principal amount of the Project Loan plus the outstanding principal amount of the Note does not exceed one hundred percent (100%) of appraised value of the Site as developed with the Project and (ii) after the closing of the Project Loan, the Developer will continue to have at least $2,500,000 of cash equity invested in the Project, provided, however, that if the Project Loan is the initial construction loan the Developer only will have to demonstrate that upon completion of the Project that it will have at least $2,500,000 of cash equity invested in the Project. The Developer will supply (i) a current appraisal addressed to RDA, prepared by an M.A.I. appraiser approved by RDA provided that such approval shall not be unreasonably withheld, which gives effect to the development of the Project to determine such loan to value ratio and (ii) such evidence that is acceptable to RDA that after the closing of the Project Loan Developer will maintain the minimum of $2,500,000 cash equity invested in the Project upon completion of the Project.

(c) Developer agrees to submit to the RDA a commitment letter from the Project Lender ("Commitment"). The Commitment shall contain, at a minimum, the following information: (i) total amount being financed; (ii) the term and maturity date, including conditions causing any acceleration; (iii) repayment terms, including an amortization schedule if interest rate varies over term; (iv) collateral and security; (v) debt requirements, including loan-to-cost or loan-to-value; (vi) pre-leasing requirement, if any; and (v) any other conditions precedent for Developer to close on the Project Loan. RDA agrees to approve the Commitment in the time frame specified in the Schedule of Performance provided that it is in compliance with this Agreement, as more particularly described hereinafter.

6. SITE DEVELOPMENT

(a) RDA and the Developer agree that the development on the Site will be a class A office building consisting of (i) at least 75,000 square feet of Class "A" office space for lease, together with no less than 8,500 square feet of ground floor retail space fronting on Las Vegas Boulevard and (ii) a parking garage for at least 306 parking spaces (the "Project"). Any and all development on the Site will conform to the procedures and limitations contained in zoning regulations and all applicable building and other codes as adopted by the City. Before commencement of construction or development of any buildings or other work of improvement related to the Site, the Developer shall, at its own expense, secure or cause to be secured any and all permits and approvals that may be required by the City, any other governmental agency or any other party affected by such construction, development or work.

(b) The Developer shall carry out the construction of the Project improvements in conformity with all applicable laws, including, without limitation, NRS 279.500. The Developer shall require all contractors and subcontractors performing new construction work on the Site to pay construction workers prevailing wages for each craft and classification as determined by the Labor Commissioner pursuant to NRS 338.030 or its successor statute. The term "new construction work" as used in this paragraph shall apply to all construction and development work within the Site. Prior to the letting of any construction contracts, the Developer shall obtain a public works identifying number, or comparable, approved by the Labor Commissioner. Developer also agrees to comply with the terms and conditions of the Employment Plan attached hereto as Exhibit "E".

(c) No later than the time specified in the Schedule of Performance, the Developer shall submit to RDA evidence satisfactory to RDA that the Developer has the equity capital and firm and binding loan commitments for construction financing necessary for development of the Project. Such financing shall be subject to the approval of RDA to assure compliance with Section 5(b) above, which approval will not be unreasonably withheld, conditioned or delayed.

(d) RDA and Developer agree that it is their intent that the Site be developed as follows:

(i) The Project will be built in accordance to the Site Plan attached hereto as Exhibit "A" and as provided in the Scope of Development attached hereto as Exhibit "F". Within the time set forth in the Schedule of Performance attached hereto as Exhibit "G", the Developer shall prepare and submit to RDA for review and written approval Basic Concept Drawings and related documents containing the overall plan for development of the Project. The Basic Concept Drawings shall conform to this Agreement, including the Scope of Development. The Basic Concept Drawings shall include a site plan, elevations and an architect's rendering. RDA shall approve or disapprove the Basic Concept Drawings within the time established in the Schedule of Performance. Failure by RDA to either approve or disapprove within such time shall be deemed an approval. Any disapproval shall state in writing the reasons for disapproval. The Project shall be developed as generally established in the Basic Concept Drawings and related documents except as changes may be mutually agreed upon between the Developer and RDA. Any such changes shall be within the limitations of the Scope of Development.

(ii) Within the time set forth in the Schedule of Performance, the Developer shall prepare and submit to RDA for review and written approval the following plans drawings, related documents and any subsequent revisions thereto ("Plans and Drawings"):

1. Final Architectural Plans;
2. Final Plot Grading Utility Plans ("Civil Plans");
3. Final Structural Plans;
4. Final Mechanical, Electrical, and Plumbing Plans; and
5. Final Landscaping Plans.

RDA's approval shall be limited to the exterior elements of the Project. The Developer agrees to construct the Project in accordance with the approved Plans and Drawings. If the Developer desires to make any material change to the Project after approval of the Plans and Drawings, the Developer shall submit the proposed changes to RDA for its approval. RDA shall notify the Developer within fifteen (15) days after receipt of its approval or disapproval. Such changes in the Plans and Drawings shall, in any event, be deemed approved by RDA unless rejected, in whole or part, by written notice thereof to the Developer setting forth in detail the reasons therefor, and such rejection shall be made within such 15-day period.

(iii) The Project will be developed within the time schedule set forth herein in the Schedule of Performance. Developer agrees that, in all events, within four (4) months after the acquisition of the Site, the Developer will begin construction and will complete such construction within fourteen (14) months after commencement of construction. Commencement of construction shall be evidenced by the pouring of the foundation for the Project. Both commencement of construction and completion of construction will be extended by such additional time as corresponds to the extent of any delay that is caused by material shortages, labor disputes, fire, civil riots, unforeseen acts of government, acts of God or other events reasonably beyond the Developer's control.

(iv) The Developer will be responsible for the installation, at its expense, of all sidewalks and driveways and on-site utilities, sewer lines, and other on-site improvements.

(e) The Developer shall complete and submit to the City an application for a Site Development Plan review for a site plan consistent with the Basic Concept Drawings.

(f) The Developer shall complete and submit to the City an application for the vacation of the alley and right-of-way bisecting the Site, as more particularly described in Exhibit "A" and Exhibit "B-2" (the "Vacation Application"). The Developer acknowledges that, prior to the RDA's conveyance of the Site to the Developer, the City intends to dedicate a portion of the Site, as more particularly described in Exhibit "B-1". Developer also shall complete and submit to the City a Reversionary Parcel Map, and any and all necessary applications, in order to adjust the parcel lines to incorporate into the Site the real property arising from the vacation of the alley. The Developer and RDA mutually acknowledge and agree that their respective obligations to close the purchase and sale of the Site are mutually contingent upon the approval of the Vacation Application, such Reversionary parcel Map and the parcel line adjustments.

(g) RDA agrees to sign all required permit applications during its period of ownership of the Site, subject to the terms of this Agreement. The Developer agrees to assume all costs associated with preparation of the Site Development Plan review application, including the application fee.

(h) At the Closing, RDA and the Developer shall enter into a Parking Lot and Garage Lease (the "Parking Lease") in the form attached hereto as Exhibit "H" pursuant to which RDA leases from the Developer forty percent (40%) of the parking spaces in the parking garage up to a maximum of 122 parking spaces, all subject to the terms and conditions contained in the Parking Lease.

(i) So long as any of the principal amount of the Note is outstanding, the Developer shall furnish or cause to be furnished to RDA duplicate originals or appropriate certificates of bodily injury and property damage insurance policies in the amount of at least ONE MILLION DOLLARS ($1,000,000) for any person, TWO MILLION DOLLARS ($2,000,000) for any occurrence and FIVE HUNDRED THOUSAND DOLLARS ($500,000) property damage, naming RDA and the City as additional or coinsureds. The Developer shall also furnish or cause to be furnished to RDA evidence satisfactory to RDA that any contractor with whom it has contracted for the performance of work on the Project office building carries workers' compensation insurance as required by law.

(j) For the purposes of assuring compliance with this Agreement, representatives of RDA and the City shall have the reasonable right of 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 RDA or the City shall be those who are so identified in writing by the Executive Director of RDA. RDA and the City shall indemnify the Developer and hold it harmless from any damage caused or liability arising out of this right to access. The foregoing indemnity is subject to the provision of NRS 41.035.

(k) The Developer agrees to indemnify, hold harmless and defend (with counsel acceptable to RDA) RDA, the City of Las Vegas, their affiliates, its and their officers, agents, servants and employees against and from any and all actual or threatened liabilities, claims, actions, foreseeable and unforeseeable consequential damages, penalties, costs and expenses (including attorney's fees) and losses arising from or all actual or threatened liabilities, claims, actions, foreseeable and unforeseeable consequential damages, penalties, costs and expenses (including attorney's fees) and losses directly or indirectly arising out of or resulting from or relating in anyway to the development and/or operation of the Project.

(l) Failure on the part of the Developer, after acquisition of the Site, to comply with the provisions of this Section 6 shall constitute a default under the Deed of Trust as set forth in the Deed of Trust.

7. GENERAL REPRESENTATIONS AND WARRANTIES

(a) Representations and Warranties by RDA. RDA represents and warrants that as of the date hereof and the date of close of escrow:

(i) RDA is an agency of the City.

(ii) RDA has all requisite power and authority to enter into and perform its obligations under this Agreement, the Parking Lease and the Option Agreement.

(iii) By proper action of RDA, RDA's signatories have been duly authorized to execute and deliver this Agreement.

(iv) To RDA's actual knowledge, no condemnation, eminent domain or similar proceedings have been instituted or threatened against the Site.

(v) To RDA's actual knowledge, there are no legal actions, suits or proceedings pending or threatened before any judicial body or any governmental or quasi-governmental authority against the Site or against RDA which would inhibit RDA's ability to perform its obligations under this Agreement or the Parking Lease.

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

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

(viii) The execution of this Agreement or the Parking Lease by RDA does not violate any provision of any other agreement to which RDA is a party.

(ix) Except as may be specifically set forth herein, no approvals or consents not heretofore obtained by RDA are necessary in connection with the execution of this Agreement or the Parking Lease by RDA or with the performance by RDA of its obligations hereunder or under the Parking Lease.

As used in this Agreement, the term "RDA's actual knowledge" means the actual knowledge of the Chairman of RDA.

(b) Representations and Warranties of the Developer

The Developer represents and warrants to RDA that as of the date hereof and the date of close of escrow:

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

(ii) The Developer has all requisite power and authority to carry out business as now and whenever conducted and to enter into and perform its obligations under this Agreement and the Parking Lease.

(iii) By proper action of the Developer, the Developer's signatories have been duly authorized to execute and deliver this Agreement and the Parking Lease.

(iv) The execution of this Agreement or the Parking Lease by the Developer does not violate any provision of any other agreement to which the Developer is a party.

(v) Except as may be specifically set forth in this Agreement, no approvals or consents not heretofore obtained by the Developer are necessary in connection with the execution of this Agreement or the Parking Lease by the Developer or with the performance by the Developer of its obligations hereunder or under the Parking Lease.

(vi) Neither the Developer nor any of its principals is currently a debtor in a case under the Bankruptcy Code (Title 11 U.S.C.), is the subject of an involuntary petition under the Bankruptcy Code, has made an assignment for the benefit of creditors or is insolvent and unable to pay its debts as they become due.

(vii) To the Developer's actual knowledge, there are no legal actions, suits or proceedings pending or threatened before any judicial body or any governmental or quasi-governmental authority against the Developer which would inhibit the Developer's ability to perform its obligations under this Agreement or the Parking Lease.

8. **EARNEST MONEY DEPOSIT**

Concurrently with its execution of this Agreement, the Developer has delivered to RDA a deposit (the "Earnest Money Deposit") in the form of either cash or a cashier's check in the amount of Fifty Thousand Dollars ($50,000.00). The Earnest Money Deposit shall be disposed as set forth in Section 14 and Section 25 below.

9. **RESERVED**

10. **ESCROW**

(a) RDA and the Developer agrees to open an escrow with United Title of Nevada (the "Title Company"), as escrow agent (the "Escrow Agent"), in Clark County, Nevada, within three (3) days after both parties have fully executed this Agreement. This Agreement constitutes the joint escrow instructions of RDA and the Developer, and a fully executed copy of the Agreement shall be delivered to the Escrow Agent upon the opening of escrow. RDA and the Developer shall provide such additional escrow instructions as shall be necessary and consistent with this Agreement. The Escrow Agent hereby is empowered to act under this Agreement, and, upon indicating its acceptance of the provisions of this Section 10 in writing, delivered to RDA and to the Developer after the opening of the escrow, shall carry out its duties as Escrow Agent hereunder.

(b) The Developer shall deposit into escrow the following fees, charges and costs after the Escrow Agent has notified the Developer of the amount of such fees, charges and costs, but not earlier than ten (10) days prior to the scheduled date for the close of escrow:

(i) All of the escrow fee and the recording costs for the Deed of Trust and a memorandum of the Parking Lease;

(ii) All of the premium and costs for the title insurance policies or special endorsements to be paid by the Developer as set forth in Section 17 of this Agreement;

(iii) Any state, county or city documentary transfer tax;

(iv) The cost of the ALTA survey; and

(v) An amount not to exceed $5,000 to reimburse RDA for the fees of its outside counsel incurred in connection with the negotiation of this Agreement which amount shall be disbursed to RDA by the Escrow Agent.

(c) RDA shall pay in escrow to the Escrow Agent the following fees, charges and costs after the Escrow Agent has notified the Agency of the amount of such fees, charges and costs, but not earlier than one (1) day prior to the scheduled date for the close of escrow:

(i) The recording costs for the Deed; and

(ii) Ad valorem taxes, if any, upon the Site for any time prior to conveyance of title.

(d) Not later than one business day prior to the Closing Date, RDA will deposit with the Escrow Agent the following:

(i) The Deed and a memorandum of Parking Lease duly executed and acknowledged by RDA.

(ii) The Memorandum of Parking Lease City duly executed and acknowledged.

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

(e) Not later than one (1) day prior to the close of escrow, Developer shall deposit and deliver to Escrow Agent the following items:

(i) The Deed accepted and duly executed by the Developer.

(ii) The Note duly executed by Developer.

(iii) The Deed of Trust duly executed and acknowledged by Developer.

(iv) A memorandum of Parking Lease City duly executed and acknowledged by the Developer.

(v) Any other documents, instruments, data, records, correspondence or agreements called for under this Agreement which have been delivered.

(f) The Escrow Agent is authorized and instructed to:

(i) Charge the parties obligated hereunder, and to pay to the persons entitled thereto, any fees, charges and costs payable under this Section 10 and related solely to the acquisition and transfer to the

Developer of the Site. Before such payments are made, the Escrow Agent shall notify RDA and the Developer of the fees, charges and costs necessary to clear title and close the escrow.

(ii) Disburse funds and deliver the deed and other documents to the parties entitled thereto when the conditions of this escrow have been fulfilled by RDA and the Developer.

(iii) Obtain and charge the Developer all of the premiums and costs for the title insurance policies and endorsements thereto.

(iv) Record any instruments delivered through this escrow, if necessary or proper, to vest title in the Developer in accordance with the terms and provisions of this Agreement.

(g) All funds received in this escrow shall be deposited by the Escrow Agent with other escrow funds of the Escrow Agent in a general interest bearing escrow account or accounts with any state or national bank doing business in the State of Nevada. Such funds may be transferred to any other such general interest bearing escrow account or accounts. All disbursements shall be made by check of the Escrow Agent. All adjustments shall be made on the basis of a 30 (thirty) day month. Any interest that is earned on funds deposited under this paragraph shall be for the benefit of the party responsible for depositing those funds with the Escrow Agent and apply to the Purchase Price or returned to the Developer pursuant to Sections 11(c) and 11(e)

(h) If this escrow is not in condition to close before the time for the conveyance of the Site as established in this Agreement, either Party who then shall have fully performed the acts to be performed before the conveyance of title may, in writing, terminate this Agreement and demand the return of its money, papers or documents. Thereupon all obligations and liabilities of the Parties shall cease and terminate, except that the Party who has not fully performed shall be solely responsible for any escrow cancellation charges. If neither RDA nor the Developer shall have fully performed the acts to be performed by it on or before the time for the conveyance of the Site as established in this Agreement, no termination or demand for return shall be recognized until five (5) days after the Escrow Agent shall have mailed copies of such demand to the other party or parties at the address of its or their principal place or places of business. If any objections are raised within the five (5) day period, the Escrow Agent is authorized to hold all money, papers and documents with respect to the Site until instructed in writing by both RDA and the Developer or, upon failure thereof, by a court of competent jurisdiction. If no such demands are made, the escrow shall be closed as soon as possible. Nothing in this Section 10 shall be construed to impair or affect the rights or obligations of RDA or the Developer to specific performance.

(i) The Escrow Agent shall not be obligated to return any such money, papers or documents except upon the written instructions of both RDA and the Developer or until the party entitled thereto has been determined by a final decision of a court of competent jurisdiction.

(j) Any amendment of these escrow instructions shall be in writing and signed by both RDA and the Developer. At the time of any amendment, the Escrow Agent shall agree to carry out its duties as Escrow Agent under such amendment. All communications from the Escrow Agent to RDA or the Developer shall be directed to the addresses and in the manner established in Section 30 of this Agreement for notices, demands and communications between RDA and the Developer.

(k) The liability of the Escrow Agent under this Agreement is limited to performance of the obligations imposed upon it under Sections 10 to 17, inclusive, of this Agreement.

(l) Each party represents and warrants that no real estate broker is entitled to any commission as the procuring cause of this transaction resulting from any actions or words by or on behalf of such party, and each party agrees to indemnify and hold the other party harmless from any claim or demand made by any brokers.

11. CLOSE OF ESCROW, CONVEYANCE OF TITLE AND DELIVERY OF POSSESSION

(a) Provided that the Developer is not in default under this Agreement and all conditions precedent to such conveyance have occurred, the consummation of the sale, purchase and conveyance to the Developer of title to the Site (the "Closing") shall be completed on or prior to but no later than June 28, 2004 (the "Closing Date"). RDA and the Developer agree to perform all acts necessary to conveyance of title in sufficient time for title to be conveyed in accordance with the foregoing provision.

(b) Notwithstanding any other provision of this Agreement, the Developer's obligation to proceed with the close of escrow is subject to the fulfillment or waiver by the Developer of each of the conditions precedent described below, which are solely for the benefit of the Developer and which shall be fulfilled or waived prior to close of escrow:

(i) RDA shall not be in violation of any of its material obligations under this Agreement;

(ii) The Developer has received from the City and other applicable governmental bodies all permits and approvals necessary for the construction of the Project, including, without limitation, the approval of the Vacation Application, such Reversionary Parcel Map and the parcel line adjustments described in paragraph (f) of Section 6 of this Agreement.

(iii) Developer has been unable to obtain financing that is in compliance with paragraph "b" of Section 5 above and upon terms and conditions that are acceptable to Developer in Developer's sole and absolute discretion;

(iv) Prior to the close of escrow, RDA has entered into the Parking Lease; and

(v) Developer elects to cancel this Agreement prior to the expiration of the Feasibility Period in Section 14(a).

(c) Notwithstanding any other provision of this Agreement, RDA's obligation to proceed with the close of escrow is subject to the fulfillment or waiver by RDA of each of the conditions precedent described below, which are solely for the benefit of RDA and which shall be fulfilled or waived prior to close of escrow:

(i) Developer shall not be in violation of any of its material obligations under this Agreement;

(ii) Developer has been unable to obtain financing that is in compliance with paragraph "b" of Section 5 above and upon terms and conditions that are acceptable to Developer in Developer's sole and absolute discretion;

(iii) The Developer is prepared at the close of escrow to execute and deliver the Note, the Deed of Trust along with all financing statements required to perfect RDA's security interest under the Deed of Trust;

(iv) The Developer has received from the City and other applicable governmental bodies all permits and approvals necessary for the construction of the Project including, without limitation, the approval of the Vacation Application, such Reversionary Parcel Map and the parcel line adjustments described in paragraph (f) of Section 6 of this Agreement.;

(v) Prior to the close of escrow, the Developer has entered into the Parking Lease;

(vi) RDA has received from legal counsel acceptable to RDA a written opinion in form and substance acceptable to RDA that the Note and Deed are Trust are duly executed and authorized and enforceable in accordance with their respective terms and conditions; and

(vii) Developer elects to cancel this Agreement prior to the expiration of the Feasibility Period in Section 14(a).

(c) Possession shall be delivered to the Developer concurrently with the conveyance of title, except that limited access shall be permitted before conveyance of title as permitted in Section 14 of this Agreement.

12. **FORM OF DEED**

RDA shall convey to the Developer or to its nominee fee simple title to the Site in the condition provided in Section 13 of this Agreement by a Grant, Bargain and Sale deed ("Deed") in a form that is consistent with Exhibit "J" to this Agreement.

13. **CONDITION OF TITLE**

(a) RDA shall convey to the Developer fee simple title subject to:

(i) A lien not yet delinquent for ad valorem taxes for real property, and any general or special assessments against the Site.

(ii) All matters disclosed by the Title Report or the ALTA survey described in paragraph (b) of this Section 13, or any Supplemental Report, and which are approved or deemed approved by the Developer in accordance with this Section 13.

(iii) Any and all other exceptions, easements, conditions, covenants or reservations set forth in the Deed and of record.

(b) The Escrow Agent shall, upon the signing of this Agreement by the Parties and the delivery of a copy to Escrow Agent, deliver to the Developer a preliminary title report and legible copies of all documents referred to therein covering or relating to the Site. The Developer shall obtain its own ALTA survey of the Site (at the Developer's sole expense, but with the cooperation and all survey information available to RDA being provided to assist in obtaining such survey). The Developer shall then approve or disapprove the exceptions listed in such title report and ALTA survey as to the Site to be acquired by giving the Escrow Agent written notice thereof within sixty (60) days of the Effective Date of this Agreement as defined in Section 39. Failure to give written notice to the Escrow Agent and RDA by such date of approval or disapproval of some or all of the exceptions shall be deemed to be approval of all exceptions, except for monetary liens and taxes. If Developer disapproves any exceptions, RDA shall have five (5) days within which to agree in writing to remove the exception. Failure to give written notice of such agreement to the Developer and the Escrow Agent shall be deemed to be refusal. If City does not agree to remove any other exceptions properly and timely disapproved by the Developer, this Agreement shall terminate without further liability to Developer, unless the Developer waives its objection in writing delivered to RDA and to the Escrow Agent. If RDA shall agree to remove any exception objected to by the Developer, RDA shall then have until the date for close of escrow within which to remove such exception. If RDA is unable to remove any exception objected to by the Developer and which RDA has agreed to remove by the date for close of escrow, the Developer may elect to (1) terminate this Agreement and receive a return of all funds and documents; or (2) waive the objection and close escrow.

14. **FEASIBILITY REVIEW; INSPECTION**

(a) Developer will have approved, by no later than ninety (90) days from the Effective Date of this Agreement ("Feasibility Review Period"), the condition of the Site and the feasibility of Developer's development plan therefor. Developer's feasibility review will pertain to Developer's review of and satisfaction with the following:

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

(ii) Developer's engineering studies, soils investigations, environmental assessments, surveys and physical inspection of the Site.

(iii) Those items contained in Section 11(b) herein.

(b) Developer may elect, at any time prior to the expiration of the Feasibility Review Period, to terminate this Agreement as a result of Developer's disapproval of any of the foregoing matters; provided, however, that if Developer fails to notify City and Escrow Holder of Developer's disapproval of the feasibility of Developer's proposed development of the Site by written notice delivered to City no later than the date of expiration of the Feasibility Review Period, Developer will be deemed to have approved the feasibility and this condition will be deemed satisfied. If this Agreement is terminated pursuant to the foregoing provisions of this Section 14, Developer shall pay to Escrow Holder an amount equal to the cost of the cancellation of Escrow, and neither party will have any further rights or obligations under this Agreement. RDA shall immediately refund to Developer its full Earnest Money Deposit.

(c) During the term of the Feasibility Review Period (as defined in the above Section), Developer, and its representatives (including architects and engineers) will have the right to enter upon and inspect the Site and conduct such boundary and topographic surveys, soil and engineering tests and environmental assessments with engineers or consultants licensed in the State of Nevada as Developer may reasonably require; provided that such inspections and tests will not materially damage the Site in any respect; provided, further, that such tests and inspections are conducted in accordance with standards customarily employed in the industry and in compliance with all governmental laws, rules and regulations; provided, still further, that Developer notifies City in writing at least forty-two (42) hours prior to the date that Developer intends to conduct invasive testing or inspections on the Site. Following Developer's inspections or testing on the Site, Developer will promptly restore the Site to its original condition as existed prior to any such inspections and/or tests. If Developer, its agents, representatives or employees undertakes any boring or other disturbance of the soil, the soil so disturbed will be recompacted to the original condition of the Site and Developer will obtain at its own expense a certificate from a soils engineer which certifies that such soil so disturbed has been recompacted to the original condition of the Site. To the extent that any costs for damages and/or injuries are not covered by any insurance policy protections or are in excess of the insurance policy limits, the Developer agrees to indemnify, hold harmless and defend (with counsel reasonably acceptable to City) City, its affiliates or assignees, which are under the control of RDA and their officers, agents, servants and employees against and from any and all liability, loss, cost, damage or expense (including attorneys' fees) of whatsoever nature growing out of or in connection with personal injury to or death of persons whomsoever (including, without limitation, exposure to hazardous or toxic substances), or loss or destruction of or damage to property whatsoever (including, without limitation, contamination by hazardous or toxic substances and any required testing, removal or cleanup thereof), where such personal injury, death, loss, destruction or damage arises in any way in connection with or incident to the occupation or use of the Site by, or the presence thereon of, Developer, its officers, agents or employees and occurs from any such cause. If Developer should discover any hydrocarbon substances or any other hazardous or toxic substances, asbestos or asbestos-bearing materials, waste or materials subject to legal requirements or corrective action, Developer will immediately notify City of the same. The indemnity obligations of Developer under this Section will survive any termination of this Agreement or delivery of the Deed (as hereinafter defined) and transfer of title. Developer covenants and agrees upon request of RDA to promptly deliver to City without charge therefore, the results and copies of any and all environmental reports and related correspondence.

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

15. TIME FOR PLACE AND DELIVERY OF DEED

Subject to any mutually agreed upon extensions of time, RDA shall deposit the Deed for the Site with the Escrow Agent on or before the Closing Date.

The Parties shall also timely deliver into escrow (i) any transfer declarations, returns or other similar documents satisfying Nevada state law requirements, if any; (ii) all documents set forth in Section 10; (iii) evidence reasonably satisfactory to the other Party and Escrow Agent respecting the authorization and execution of the documents required to be delivered hereunder; and (iv) such additional documents as may be reasonably required by the other Party or Escrow Agent in order to consummate the transactions provided hereunder.

16. **CLOSE OF ESCROW**

Upon the fulfillment of the conditions described in Section 15 of the Escrow Agent shall file the deed for recordation among the land records in the Office of the County Recorder of Clark County and shall deliver to the Developer a title insurance policy insuring title in conformity with Section 17 of the Agreement. The recordation of the deed shall constitute the close of escrow.

17. **TITLE INSURANCE**

Concurrently with recordation of the Deed, and as a condition of the Closing, the Escrow Agent and any required co-insurer shall provide and deliver to Developer a title insurance policy issued by the Escrow Agent insuring that title is vested in the Developer in the condition required by Section 13 of this Agreement, and the title insurance policy shall be of the type and in the amount requested by the Developer receiving title to the Site, and with such endorsements and affirmative coverages as may be required by Developer. Such title insurance shall insure the lien of the Deed of Trust.

If Developer desires to obtain extended coverage for its title policy, RDA shall provide the Escrow Agent at the Closing with such evidence and customary documents as are reasonably required to issue such coverage.

18. **TAXES, ASSESSMENTS, ENCUMBRANCES AND LIENS**

The Developer shall be responsible for the payment of all real estate taxes and assessments assessed and levied on the Site for any period subsequent to conveyance of title thereto. Prior to conveyance of title, the Developer shall not place or allow to be placed on the Site (or portion thereof) any encumbrance or lien.

19. **CONVEYANCE FREE OF POSSESSION**

The Site shall be conveyed free of any possession or right of possession by any other person except that of the approved easements of record, the Outdoor Lease, DR Lease and Drainage Agreement of certain portions of the Site.

20. **"AS IS" SALE**

(a) The Developer acknowledges and agrees that the Site is to be sold and conveyed to and accepted by the Developer (pursuant to this Agreement and the Option Agreement) in an "as is" condition with, if any, all faults and defects. Except as otherwise specifically stated in this Agreement, RDA makes no representations or warranties of any kind whatsoever, either expressed or implied, with respect to the Site or any of such related matters; in particular, but without limitation, RDA makes no representations or warranties with respect to the use, condition, title, occupation or management of the Site, compliance with applicable statutes, laws, codes, ordinances, regulations or requirements relating to leasing, zoning, subdividing, planning, building, fire, safety, health or environmental matters, compliance with covenants, conditions and restrictions (whether or not of record,) other local, municipal, regional, state or federal requirements, or other statutes, laws, codes, ordinances, regulations or requirements affecting or relating to the Site. The Developer acknowledges that notwithstanding any prior or contemporaneous oral or written representations, statements, documents or understandings, this Agreement constitutes the entire understanding of the parties with respect to the subject matter hereof and the purchase and sale of the Site and supersedes any such prior or contemporaneous oral or written representations, statements, documents or understandings.

(b) Except as otherwise stated herein, the Developer, for itself, its successor and assigns, and for each and every subsequent owner or Lessee of the Site ("Releasing Parties") hereby mutually releases, waives, remises, acquits and forever discharges all rights, causes of action and claims which Developer has or may have in the future against RDA, its officers, employees, agents, attorneys, representatives, legal successors and assigns, from any and all claims, suits, actions, causes of action, demands, rights, damages, costs, expenses, penalties, fines or compensation whatsoever, direct or indirect, which Developer or any Releasing Party now has or which Developer or any other Releasing Party may have in the future on account of or in any way arising out of or in connection with Hazardous Materials or violation of Environmental Laws arising out of or in connection with any other physical or environmental condition of the Site. The Developer hereby agrees to hold harmless and indemnify RDA from any claims, judgements, penalties, fines, losses, damages, expenses (including reasonable attorneys fees) against or incurred by RDA after the conveyance of the Site to the Developer arising in any way from (i) the presence of Hazardous Materials at, on, beneath or from the Site or (ii) the application of Environmental Laws to the Site.

(c) The Developer agrees that RDA is making no representations or warranties regarding the environmental or any other condition of the Site.

(d) <u>Definitions</u>.

(i) As used in this Agreement, the term "Hazardous Materials" means any substance, material or waste which is:

(1) defined as a "hazardous waste," "hazardous material," "hazardous substance," "extremely hazardous waste" or "restricted Hazardous waste" under any provision of Nevada law;

(2) petroleum;

(3) asbestos;

(4) polychlorinated biphenyls;

(5) radioactive materials;

(6) designated as a "hazardous substance" pursuant to Section 311 of the Clean Water Act, 33 U.S.C. Section 1251 et seq. (33U.S.C. Section 1321) or listed pursuant to Section 307 of the Clean Water Act (33 U.S.C. Section 1317);

(7) defined as a "hazardous substance" pursuant to the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq. (42 U.S.C. Section 6903); or

(8) defined as a "hazardous substance' pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. Section 9601 et seq. (42 U.S.C. Section 9601).

(ii) As used in this Agreement, the term "Environmental Laws" shall mean any and all laws (whether common or statutory), compacts, treaties, conventions, rules, regulations, codes, plans, requirements, criteria, standards, orders, decrees, judgments, injunctions, notices or demand letters issued, promulgated or entered thereunder by any federal, state or local governmental entity relating to public or employee health and safety, pollution or protection of the environment, including without limitation, the Comprehensive Environmental Response, Compensation and Liability Act, as amended by the Superfund Amendment and Reauthorization Act and otherwise ("CERCLA"), the Resource Conservation and Recovery Act ("RCRA"), the Federal Safe Drinking Water Act, the Federal Water Pollution Control Act, and any and all other federal, state and local laws, rules, regulations and orders relating to reclamation of land, wetlands and waterways or relating to use, storage, emissions, discharges, cleanup, releases or threatened releases of pollutants, contaminants, chemicals or industrial, toxic or Hazardous Materials on or into the workplace or the environment (including without limitation, ambient air ,oceans, waterways, wetlands, surface water, ground water (tributary and nontributary), land surface or subsurface strata) or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transportation or handling of pollutants, contaminants, chemicals or industrial, toxic, hazardous or similar substances.

21. **GOVERNMENTAL PERMITS**

Nothing in this Agreement shall affect the responsibility of the Developer to seek, obtain and comply with the conditions of any and all permits and governmental authorizations necessary to develop the Site or any portion thereof. The Developer shall be responsible for the payment of permit fees, which shall be limited to those fees that are authorized by ordinance.

22. **ASSIGNMENT**

The Developer hereby represents and warrants that the Site is being acquired for the purpose of development in accordance with the provisions of Section 6. The Developer shall not assign any interest in or delegate any obligation under this Agreement, or sell or transfer the Site or any portion thereof without the written consent of RDA.

23. **Reserved**

24. **TIME OF ESSENCE**

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

25. **DEFAULT AND REMEDIES**

(a) IN THE EVENT THE DEVELOPER FAILS TO PERFORM ANY OF ITS OBLIGATIONS REQUIRED TO BE PERFORMED HEREUNDER PRIOR TO THE CLOSING, INCLUDING, WITHOUT LIMITATION, DEVELOPER'S OBLIGATIONS UNDER SECTION 6 OR (ii) THE CLOSING DOES NOT OCCUR FOR ANY REASON OTHER THAN THE DEFAULT OF RDA, RDA MAY, BY WRITTEN NOTICE TO THE DEVELOPER AND ESCROW HOLDER (AS DEFINED HEREIN), TERMINATE THIS AGREEMENT AND RECEIVE FROM ESCROW AGENT OR RETAIN, AS THE CASE MAY BE, AS ITS SOLE AND EXCLUSIVE REMEDY, THE EARNEST MONEY DEPOSIT TOGETHER WITH ALL EARNINGS THEREON AS RDA'S LIQUIDATED DAMAGES FOR THE BREACH OF THIS PURCHASE AGREEMENT BY THE DEVELOPER. IT IS EXPRESSLY UNDERSTOOD AND AGREED BETWEEN RDA AND THE DEVELOPER THAT RDA 'S ACTUAL DAMAGES FOR ANY SUCH BREACH BY THE DEVELOPER HEREUNDER WOULD BE SUBSTANTIAL BUT EXTREMELY DIFFICULT TO ASCERTAIN.

INITIALS:

RDA: ______________

DEVELOPER: ______________

(b) In the event of the occurrence of a default of RDA occurring prior to the Close of Escrow, the Developer's sole remedy shall be to pursue one, and only one, of the following remedies:

(i) to waive such default;

(ii) to terminate this Agreement; and on such termination, the Earnest Money Deposit and all interest thereon will be returned to the Developer and obtain from RDA reimbursement by RDA to the Developer of the Developer's out-of-pocket expenses for the cost of any surveys, phase 1 environmental studies and appraisals paid by the Developer to third parties in connection with the Developer's investigations of the Site. RDA thereafter shall have no liability or obligation hereunder; or

(iii) to demand specific performance of RDA's obligations under this Agreement without any abatement in the Purchase Price or other consideration and without any liability whatsoever on the part of RDA for damages.

(c) Notwithstanding any termination of this Agreement for any reason whatsoever, the obligations of the Developer under Sections 14(c) and (14(d) shall survive such termination of this Agreement.

26. **Reserved**

27. **SURVIVAL**

The representations and warranties contained in this Agreement, and the covenants that extend beyond the conveyance of title, shall survive the recordation of any deed and shall not be deemed merged into such deed.

28. **SUCCESSORS AND ASSIGNS**

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

29. **NONLIABILITY OF CITY OFFICIALS AND EMPLOYEES**

No official or employee of RDA or the City shall be personally liable to the Developer for any default or breach by RDA, for any amount which may become due to the Developer or for any obligation of RDA under the terms of this Agreement.

30. NOTICES, DEMANDS AND COMMUNICATIONS

Formal notices, demands and communications between RDA and the Developer shall be sufficiently given if made in writing and dispatched by registered or certified mail, postage prepaid, return receipt requested or by personal delivery, to the principal offices of RDA and the Developer as set forth in this Section 30. Such written notices, demands and communications may be sent in the same manner to such other addresses as either party may from time to time designate in writing.

If to RDA:

City of Las Vegas Redevelopment Agency
City of Las Vegas
400 Stewart Avenue
Las Vegas, Nevada 89101
Attention: Executive Director

With a copy to:

City Attorney's Office
City of Las Vegas
400 Stewart Avenue
Las Vegas, Nevada 89101

If to the Developer:

SCE-BULLDOG, LLC
4168 Douglas Blvd. Suite 200
Granite Bay, CA 95746
Attention: James Allen, CEO

31. SUBSEQUENT RDA APPROVALS

Any approvals of RDA required or permitted by the terms of this Agreement may be given by the Chairman of RDA or such other person that RDA designates in writing.

32. TERM

The term of this Agreement shall end upon the completion of all duties and obligations to be performed by each of the parties hereto, except that all warranties contained herein shall survive the Closing and shall remain in effect for the benefit of the Parties for one year after the Closing.

33. ENTIRE AGREEMENT, WAIVERS AND AMENDMENTS

This Agreement is executed in three duplicate originals, each of which is deemed to be an original. This includes Exhibits A, B, B-1, B-2, C, D, E, F, G, H and 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 RDA and the Developer and no waiver of one provision shall be construed as a waiver of that provision in the future or as a waiver of any other provision.

All amendments hereto must be in writing and signed by the appropriate authorities of RDA and the Developer.

34. **SEVERABILITY**

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

35. **GOVERNING LAW**

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

36. **CAPTIONS**

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

37. **Reserved**

38. **COUNTERPARTS**

This Agreement may be signed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same Agreement.

{The space below is left intentionally blank.}

...

39. **TIME FOR ACCEPTANCE OF AGREEMENT BY CITY**

This Agreement has been approved on 11/5, 2003 by the Las Vegas City Council. The effective date of this Agreement shall be the date when this Agreement has been signed by RDA ("Effective Date").

Date of RDA Approval:

11/5, 2003.

CITY OF LAS VEGAS REDEVELOPMENT AGENCY

By: ____________________
CHAIRMAN
"RDA"

APPROVED AS TO FORM:

____________________ 10-22-03
Date

Michael C. Niarchos, Esq.
Special Counsel to RDA

ATTEST:

____
BARBARA JO RONEMUS, City Clerk

____________________, 2003

SCE-BULLDOG, LLC
~~BULLDOG-SCE, LLC~~,
a Nevada limited liability company

By: ____________________

Its: CEO | Managing Member

"Developer"

LIST OF EXHIBITS

EXHIBIT "B"
A.P.N. 139-34-310-061, -062, -063, -076, -710-001
(040-107-012, -013, -002, -003 & -001)
PORTION OF BLOCK 23, SOUTH ADDITION
AND PORTION OF BLOCK A, WARDIE ADDITION

Those portions of the South Half (S 1/2) of Section 34, Township 20 South, Range 61 East, M.D.M., in the City of Las Vegas, County of Clark, State of Nevada, described as follows:

PARCEL 1

Lots 1, 2, 3, 4, 5 and 6, all in Block 23 of SOUTH ADDITION TO THE CITY OF LAS VEGAS, as recorded August 13, 1926 and filed in Book 1 of Plats, Page 51 of Clark County, Nevada Records.

EXCEPT THEREFROM, that portion of the above-described PARCEL 1 lying within the northwesterly 5.00 feet of Lots 1, 2, 3, 4, 5 and 6, all in said Block 23.

ALSO EXCEPT THEREFROM, that portion of the above-described PARCEL 1, lying within Lot 1 in said Block 23, being a triangular parcel of land, bounded as follows: bounded on the northeast by northeast line of said Lot 1; bounded on the northwest by the southeasterly line of the northwesterly 5.00 feet of said Lot 1; and bounded on the south by the arc of a curve, concave southerly, having a radius of 10.00 feet, being tangent to the northeasterly line of said Lot 1 and tangent to the southeasterly line of said northwesterly 5.00 feet.

The above-described PARCEL 1 contains an area of 20,204 square feet or 0.464 acres, more or less.

PARCEL 2

Lots 27, 28, 29, 30, 31 and 32 all in Block 23 of said SOUTH ADDITION TO THE CITY OF LAS VEGAS.

PARCEL 3

That portion of Block A of WARDIE ADDITION, as recorded May 12, 1913 and filed in Book 1 of Plats, Page 13 of Clark County, Nevada Records, bounded on the northeast by the northeasterly line of said Block A; bounded on the southeast by the southeasterly line of said Block A; bounded on the west by the westerly line of said Block A, also being a portion of the north-south, center-section line of said Section 34; and bounded on the southwest by the southeasterly prolongation of the southwesterly line of Lot 27 in Block 23 of said SOUTH ADDITION TO THE CITY OF LAS VEGAS.

The above-described PARCEL 2 and PARCEL 3 contains a total area of 20,955 square feet or 0.481 acres, more or less.

CHAIRMAN'S INITIALS____________

EXHIBIT "B-2"
A.P.N. 139-34-399-001
PORTION OF 20 FEET WIDE PUBLIC ALLEY,
SOUTHEAST CORNER OF LAS VEGAS BOULEVARD
AND CLARK AVENUE

That portion of Northeast Quarter (NE 1/4) of the Southwest Quarter (SW 1/4) of Section 34, Township 20 South, Range 61 East, M.D.M., in the City of Las Vegas, County of Clark, State of Nevada, being a portion of the 20 feet wide public alley in Block 23 of SOUTH ADDITION TO THE CITY OF LAS VEGAS, as recorded August 13, 1926 in Book 1 of Plats, Page 51 of Clark County, Nevada Records, bounded as follows:

Bounded on the northeast by the northeast line of said Block 23, bounded on the southwest by the southeasterly prolongation of the southwest line of Lot 6 in said Block 23.

The above-described parcel of land contains an area of 3,002 square feet or 0.069 acres, more or less.

RESERVING THEREFROM an easement to the CITY OF LAS VEGAS for public streetlight purposes, public fire hydrant purposes and appurtenances thereto, over, across and under the northeasterly 5.00 feet of the above described parcel of land, together with reasonable rights of ingress thereto and egress therefrom.

CHAIRMAN'S INITIALS____________

EXHIBIT "B-2"
A.P.N. 139-34-399-001
PORTION OF 20 FEET WIDE PUBLIC ALLEY,
SOUTHEAST CORNER OF LAS VEGAS BOULEVARD
AND CLARK AVENUE

That portion of Northeast Quarter (NE 1/4) of the Southwest Quarter (SW 1/4) of Section 34, Township 20 South, Range 61 East, M.D.M., in the City of Las Vegas, County of Clark, State of Nevada, being a portion of the 20 feet wide public alley in Block 23 of SOUTH ADDITION TO THE CITY OF LAS VEGAS, as recorded August 13, 1926 in Book 1 of Plats, Page 51 of Clark County, Nevada Records, bounded as follows:

Bounded on the northeast by the northeast line of said Block 23, bounded on the southwest by the southeasterly prolongation of the southwest line of Lot 6 in said Block 23.

The above-described parcel of land contains an area of 3,002 square feet or 0.069 acres, more or less.

RESERVING THEREFROM an easement to the CITY OF LAS VEGAS for public streetlight purposes, public fire hydrant purposes and appurtenances thereto, over, across and under the northeasterly 5.00 feet of the above described parcel of land, together with reasonable rights of ingress thereto and egress therefrom.

CHAIRMAN'S INITIALS____________

EXHIBIT "C"

PROMISSORY NOTE

$1,200,000 ___________ 2003

Las Vegas, Nevada

FOR VALUE RECEIVED, the undersigned, SCE-BULLDOG, LLC, a Nevada limited liability company (the "Developer"), hereby promises to pay to the CITY OF LAS VEGAS REDEVELOPMENT AGENCY, an agency of the City of Las Vegas, Nevada ("RDA") at 400 Stewart Avenue, Las Vegas, Nevada 89101 the principal sum of One Million Two Hundred Thousand Dollars ($1,200,000). Simple interest shall accrue, from time to time, on the unpaid principal balance under this Promissory Note ("Note") at the annual rate of four and one-half percent (4.5%). Principal and interest shall be payable in lawful money of the United States of America. The place of payment may be changed from time to time as RDA or any permitted assignee thereof may designate in writing.

A. Disposition and Development Agreement

This Note is made and delivered pursuant to, and in implementation of that certain Disposition and Development Agreement by and between RDA and the Developer dated ______________, 2003 (the "DDA"). The DDA is entered into to effectuate the Redevelopment Plan for the Downtown Las Vegas Redevelopment Area (the "Redevelopment Area") by providing for the redevelopment of certain real property (the "Site") included within the boundaries of the Redevelopment Area. Except as otherwise specifically set forth herein, capitalized terms in this Note shall have the meaning ascribed to those terms in the DDA.

B. Repayment

Principal and all interest under this Note are due and payable on the earlier date of (i) June 28, 2007 or (ii) that date on which eighty percent of the area in Project is leased.

C. Transferability

This Note may be negotiated or transferred by RDA without the consent of the Developer.

D. Prepayment

The Developer shall have the right to prepay, in whole or in part, the principal amount at anytime, provided, however, that all payments shall first be applied to accrued unpaid interest and then to principal.

E. Deed of Trust and Assignment of Leases

This Note shall be secured by a Deed of Trust and Assignment of Rents and Leases (the "Deed of Trust") of even date herewith recorded against the Site.

F. Legal Actions; Attorneys' Fees and Costs

Developer agrees to pay the following costs, expenses and attorneys' fees paid or incurred by RDA after default by Developer and adjudication by a court: (1) reasonable costs of collection, costs and expenses, and attorneys' fees paid or incurred in connection with the collection, enforcement or foreclosure sale of any security for this Note, or of any covenant of this Note or such security, whether or not suit is filed (including costs for services or advice of one or more attorneys with regard to collection of this Note against Developer, any guarantor or any other party liable therefor or to the protection of its rights under this Note, the Deed of Trust, the DDA or other loan document); (2) costs of suit and such sums the court may adjudge as attorneys' fees in any action to enforce payment of this Note or any part of it; (3) costs of suit and such sums as the court may adjudge as attorneys' fees in any other litigation or controversy connected with the enforcement of this Note or the security for it including, but not limited to, actions for declaratory relief that RDA is required to prosecute or defend and actions for relief based on rescission, or actions to cancel this Note that RDA is required to defend; and (4) RDA costs incurred in seeking to have the Site abandoned by or reclaimed from any estate in bankruptcy, or attempts to have any stay or injunction prohibiting the enforcement or collection of the Note or prohibiting the enforcement of the Deed of Trust or any other agreement evidencing or securing this Note lifted by any bankruptcy or other court.

G. Defaults

The occurrence of any of the following shall constitute an event of default under this Note: (i) the Developer fails to pay any amount due hereunder on its due date which remains uncured after fifteen (15) days after written notice from RDA; or (ii) any default by Developer under the DDA or the Deed of Trust, including Developer's covenant to commence and proceed with the construction of the Project or (iii) sale or transfer of the Site or any portion thereof in violation of the Deed of Trust. Upon the occurrence of any event of default and expiration of any applicable cure period, or at any time thereafter, at the option of RDA and without notice, the entire unpaid principal and interest owing on this Note shall become immediately due and payable. This option may be exercised at any time following any such event, and the acceptance of one or more installments thereafter shall not constitute a waiver of RDA's option. RDA's failure to exercise such option shall not constitute a waiver of such option with respect to any subsequent event. RDA's failure in the exercise of any other right or remedy hereunder or under any agreement that secures the indebtedness or is related thereto shall not affect any right or remedy, and no single or partial exercise of any right or remedy shall preclude any further exercise thereof.

H. Default Interest

Any amounts not paid when due hereunder shall bear interest at the rate of (i) fifteen percent (15%) per annum, or (ii) the Prime Rate plus five (5) percentage points per annum, whichever is greater, from the due date of such amount. If the interest rate specified in this Note is higher than the rate permitted by law, the interest rate is hereby decreased to the maximum legal interest rate permitted by law. The term "Prime Rate" means that rate of interest publicly announced from time to time by the Bank of America, N.A. as its prime lending rate of interest.

I. Waiver of Presentment

Developer and any endorsers hereof and all others who may become liable for all or any part of this obligation, severally waive presentment for payment, demand and protest and notice of protest, and of dishonor and nonpayment of this Note, and expressly consent to any extension of the time of payment hereof or of any installment hereof, to the release of any party liable for this obligation, and any such extension or release may be made without notice to any of said parties and without any way affecting or discharging this liability.

J. Notices

Any notices provided for in this Note shall be given by mailing such notice by certified mail, return receipt requested, at the address stated in the DDA or at such address as either party may designate by written notice.

K. Binding Effect

This Note shall be binding upon Developer, its successors and its assigns.

L. Applicable Laws

This Note shall be construed in accordance with and be governed by the laws of the State of Nevada.

M. Invalidity

If any provision of this Note shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

SCE-BULLDOG, LLC,
a Nevada limited liability company

By: ___________________________

Title: ________________________

EXHIBIT "D"

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:
City of Las Vegas Redevelopment Agency
400 Stewart Avenue
Las Vegas, Nevada 89101

DEED OF TRUST ASSIGNMENT OF RENTS AND LEASES, SECURITY AGREEMENT, AND FIXTURE FILING

THIS DOCUMENT IS ALSO A FIXTURE FILING IN ACCORDANCE WITH NRS SECTION 104.9402(6).

This Deed of Trust, Assignment of Rents and Leases, Security Agreement, and Fixture Filing ("*Deed of Trust*"), made as of ___________, 2003 by SCE-BULLDOG, LLC, a Nevada limited liability company as trustor ("*Trustor*") whose mailing address is 4168 Douglas Blvd., Suite 200, Granite Bay, CA 95746, to UNITED TITLE COMPANY OF NEVADA, a Nevada corporation, as trustee ("*Trustee*") whose mailing address is 2300 West Sahara, Suite 140, Las Vegas, Nevada 89102, and the REDEVELOPMENT AGENCY OF THE CITY OF LAS VEGAS, NEVADA, an agency of the City of Las Vegas, Nevada, as beneficiary and secured party ("*Beneficiary*") whose mailing address is 400 Stewart Avenue, Las Vegas NV 89101.

I. Grant in Trust and Secured Obligations

1.1 Grant in Trust. For the purpose of securing payment and performance of the Secured Obligations defined and described in Section 1.2 in such order of priority as Beneficiary may determine, Trustor hereby irrevocably and unconditionally grants, bargains, conveys, sells, transfers and assigns to Trustee, in trust for the benefit of Beneficiary, with power of sale and right of entry and possession, all estate, right, title and interest which Trustor now has or may later acquire in and to the following property (all or any part of such property, or any interest in all or any part of it, as the context may require, the "*Property*") and Trustor shall and will warrant and forever defend the above-bargained Property in the quiet and peaceable possession of the Trustee, its successors and assigns against all and every person or persons lawfully claiming or to claim the whole or any part thereof. Trustor agrees that any greater title to the Property hereafter acquired by Trustor during the term hereof shall be subject hereto.

(a) The real property located in the County of Clark, State of Nevada, as more fully described in Exhibit "D-1" attached hereto and made a part hereof as if fully set forth, together with all existing and future easements and rights affording access to it (the "*Land*"); together with

(b) All buildings, structures and improvements now located or later to be constructed on the Land (the "*Improvements*"); together with

(c) All existing and future appurtenances, privileges, easements, franchises and tenements of the Land, including all minerals, oil, gas, other hydrocarbons and associated substances, sulphur, nitrogen, carbon dioxide, helium and other commercially valuable substances which may be in, under or produced from any part of the Land, all development rights and credits, air rights, water, water courses, water rights (whether riparian, appropriative or otherwise, and whether or not appurtenant) and water stock, easements, rights-of-way, gores or strips of land, and any land lying in the streets, ways, alleys, passages, roads or avenues, open or proposed, in front of or adjoining the Land and Improvements; together with

(d) All of Trustor's right, title, and interest in and to all rents, issues, and profits of and from the Property, and in and to all leases now or hereafter existing, of all or any part of the Premises (the "*Leases*") and in and to the right to use and possess the Property, including, without limitation, any and all of the rents, issues, profits now due or which may hereafter become due under and by virtue of all present and future Leases, between Beneficiary, as landlord, and any and all tenants of the Property, together with

(e) All real property and improvements on it, and all appurtenances and other property and interests of any kind or character, whether described in Exhibit D-1 or not, which may be reasonably necessary or desirable to promote the present and any reasonable future beneficial use and enjoyment of the Land and improvements; together with

(f) All goods, materials, supplies, chattels, furniture, fixtures, equipment and machinery now or later to be attached to, placed in or on, or used in connection with the use, enjoyment, occupancy or operation of all or any part of the Land and Improvements, whether stored on the Land or elsewhere, including all pumping plants, engines, pipes, ditches and flumes, and also all gas, electric, cooking, heating, cooling, air conditioning, lighting, refrigeration and plumbing fixtures and equipment, all which shall be considered to the fullest extent of the law to be real property for purposes of this Deed of Trust; together with

(g) All building materials, equipment, work in process or other personal property of any kind, whether stored on the Land or elsewhere, which have been or later will be acquired for the purpose of being delivered to, incorporated into or installed in or about the Land or Improvements; together with

(h) All rights to the payment of money, accounts, accounts receivable, reserves, deferred payments, refunds, cost savings, payments and deposits, whether now or later to be received from third parties (including all earnest money sales deposits) or deposited by Trustor with third parties (including all utility deposits), contract rights, development and use rights, governmental permits and licenses, applications, architectural and engineering plans, specifications and drawings, as-built drawings, chattel paper, instruments, documents, notes, drafts and letters of credit (other than letters of credit in favor of Beneficiary), which arise from or relate to construction on the Land or to any business now or later to be conducted on it, or to the Land and Improvements generally; together with

(i) All proceeds, including all claims to and demands for them, of the voluntary or involuntary conversion of any of the Land, Improvements or the other property described above into cash or liquidated claims, including proceeds of all present and future fire, hazard or casualty insurance policies and all condemnation awards or payments now or later to be made by any public body or decree by any court of competent jurisdiction for any taking or in connection with any condemnation or eminent domain proceeding, and all causes of action and their proceeds for any damage or injury to the Land, Improvements or the other property described above or any part of them, or breach of warranty in connection with the construction of the Improvements, including causes of action arising in tort, contract, fraud or concealment of a material fact; together with

(j) All books and records pertaining to any and all of the property described above, including computer-readable memory and any computer hardware or software necessary to access and process such memory ("*Books and Records*"); together with

(k) All proceeds of, additions and accretions to, substitutions and replacements for, and changes in any of the property described above.

1.2 Secured Obligations.

(a) This Deed of Trust, and the Note secured hereby, are entered into in implementation of that certain Disposition and Development Agreement between Trustor and Beneficiary dated ______________, 2003 (the "DDA"). Any capitalized terms that are not defined in this Deed of Trust shall have the same meaning as set forth in the DDA. Trustor makes the grant, bargain, conveyance, sale, transfer and assignment set forth in Section 1.1 and grants the security interest set forth in Article II for the purpose of securing the following obligations (the "*Secured Obligations*") in any order of priority that Beneficiary may for the benefit of itself choose:

(i) Payment and performance of all obligations of Trustor under that certain Promissory Note dated __________, 2004 in the principal amount of One Million Two Hundred Thousand Dollars ($1,200,000.00) payable to the order of Beneficiary (the "*Note*").

(ii) Payment and performance of all obligations of Trustor under this Deed of Trust;

(iii) Trustor's obligations to commence and complete the Project as set forth in the DDA; and

(iv) Payment and performance of all modifications, amendments, extensions, and renewals, however evidenced, of any of the Secured Obligations.

II. Grant of Security Interest

2.1 Security Agreement. The parties intend for this Deed of Trust to create a lien on the Property in favor of Beneficiary. The parties acknowledge that some of the Property may be determined under applicable law to be personal property or fixtures. To the extent that any Property may be or be determined to be personal property, Trustor as debtor hereby grants Beneficiary as secured party a security interest in all such Property, to secure payment and performance of the Secured Obligations. This Deed of Trust constitutes a security agreement under the Nevada Uniform Commercial Code, covering all such Property.

2.2 Financing Statements. Trustor shall execute one or more financing statements and such other documents as Beneficiary may from time to time require to perfect or continue the perfection of Beneficiary's security interest in any Property. Trustor shall pay all fees and costs that Beneficiary may incur in filing such documents in public offices and in obtaining such record searches as Beneficiary may reasonably require. In case Trustor fails to execute any financing statements or other documents for the perfection or continuation of any security interest, Trustor hereby appoints Beneficiary as its true and lawful attorney-in-fact to execute any such documents on its behalf. If any financing statement or other document is filed in the records normally pertaining to personal property, that filing shall never be construed as in any way derogating from or impairing this Deed of Trust or the rights or obligations of the parties under it.

III. Fixture Filing

This Deed of Trust constitutes a financing statement filed as a fixture filing under NRS 104.9502, as amended or recodified from time to time, covering any Property which now is or later may become fixtures attached to the Land or Improvements.

IV. Rights and Duties of the Parties

4.1 Covenants, Representations and Warranties. Trustor agrees, represents, and warrants as follows:

(a)

(i) Trustor agrees that in no event shall it:

1. Fail to commence or proceed with the construction on the Property of the Project as required by the DDA for a period of ninety (90) days after written notice thereof from Beneficiary; or

2. Abandon or substantially suspend construction o the Property of the Project and such abandonment or suspension of construction continues for a period of ninety (90) days after written notice of such abandonment or suspension from Beneficiary; or

Any violation of this subsection 4.1(a)(i) shall be an Event of Default (hereinafter defined).

(ii) Trustor covenants to keep the Property in good condition and repair; not to remove or demolish any building thereon; to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged or destroyed thereon and to pay when due all claims for labor performed and materials furnished therefor; to comply with all laws affecting the Property or requiring any alterations or improvements to be made thereon; not to commit or permit waste thereof; not to commit, suffer or permit any act upon the Property in violation of law; to cultivate, irrigate, fertilize, fumigate, prune and do all other acts which from the character or use of the Property may be reasonably necessary, the specific enumerations herein not excluding the general.

(b) Trustor covenants to keep all buildings that may now or at any time be on the Property during the continuance of this trust insured against loss by any peril, with extended coverage endorsement, in a company or companies authorized to issue such insurance in the State of Nevada, and as may be approved by Beneficiary, for such sum or sums as shall equal the total indebtedness secured by this Deed of Trust and all obligations having priority over this Deed of Trust and shall be payable to Beneficiary to the amount of the unsatisfied obligation to Beneficiary hereby secured, and to deliver the policy to Beneficiary, or to a collection agent of Beneficiary, and in default thereof, Beneficiary may procure such insurance and/or make such repairs, and expend for either of such purposes such sum or sums as Beneficiary shall deem proper.

(c) Trustor covenants to appear in and defend any action or proceeding purporting to affect the Property or any part thereof, or the title thereto, or any adverse claim for or against the Property or any part thereof or the rights or powers of Beneficiary or Trustee; and to pay all costs and expenses, including costs of evidence of title and attorney's fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear, and in any suit brought by Beneficiary or Trustee to foreclose this Deed of Trust.

(d) Trustor covenants to pay at least ten days before delinquency all taxes and assessments affecting the Property, including assessments on appurtenant water stock, water rights and grazing privileges; when due, all encumbrances, charges and liens, with interest, on the Property or any part thereof, which appear to be prior or superior hereto, and all costs, fees and expenses of this trust.

(e) Whenever under any provision of this Deed of Trust Trustor shall be obligated to make any payment or expenditure, or to do any act or thing, or to incur any liability whatsoever, and Trustor fails, refuses or neglects to perform as herein required, Beneficiary shall be entitled, but shall not be obligated, to make any such payment or expenditure or to do any such act or things, or to incur any such liability, all on behalf of and at the cost and for the account of Trustor. In such event, the amount thereof with interest thereon at the rate set forth in the Note shall be paid by Trustor to Beneficiary on demand. Without limiting the generality of the foregoing, any act or payment by Beneficiary to cure, forestall, prevent or mitigate default hereunder shall be at the sole option of Beneficiary, shall be at the cost of Trustor and shall be reimbursed to Beneficiary as above provided. Beneficiary shall not be bound to inquire into the validity of any apparent or threatened tax, assessment, adverse title, lien, encumbrance, claim, or charge before making an advance for the purpose of preventing, removing or paying the same. Beneficiary shall be subrogated to all rights, equities and liens discharged by any such expenditure.

(f) Trustor shall insure the Property as required by this Deed of Trust. The amount collected under any insurance policy shall be paid to Beneficiary and credited as follows: first, to accrued interest due under the Note; next to expenditures hereunder; and any remainder upon the principal due under the Note; and interest shall thereupon cease upon the amount so credited upon principal; provided, however, that at the option of the Beneficiary, the entire amount collected under the policies or any part thereof may be released to the Trustor, without liability upon the Trustee for such release. Trustor further agrees that any award of damages in connection with any condemnation for public use of or injury to the Property or any part thereof is hereby assigned and shall be paid to Beneficiary who may apply or release such moneys received by it in the same manner and with the same effect as above provided for disposition of proceeds of insurance.

(g) That as additional security, Trustor hereby gives to and confers upon Beneficiary the right, power and authority, during the continuance of these trusts, to collect the rents, issues and profits of the Property, reserving unto Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default, Beneficiary may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of the Property or any part thereof, in its own name sue for or otherwise collect such rents, issues, and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of the Property, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

(h) Except as provided below in this paragraph (h), Trustor hereby agrees that Trustor shall not: (i) transfer, sell, assign, encumber (including, without limitation, any mortgage or deed of trust subordinate to the lien of this Deed of Trust) or otherwise convey all or any part of Trustor's interest in the Property, or (ii) permit or suffer the filing of any mechanic's, materialman's or other liens against the Property or any part thereof without either discharging the same within fifteen (15) days after the same shall have been filed or providing to Beneficiary with a bond in amounts and form reasonably satisfactory to Beneficiary covering the amount of such lien. Trustor agrees that any transfer of any of the membership interests in Trustor shall be a violation of this paragraph (h).

Upon the delivery of a construction loan and permanent financing letter of commitment from a licensed lender, Beneficiary will, at the reasonable request of Trustor, subordinate the rights of Beneficiary under this Deed of Trust to the rights of a lender (the "Project Lender") under the initial construction loan and any subsequent permanent loan (a "Project Loan") for the development of the Property. Beneficiary hereby agrees to execute and deliver such reasonable subordination agreement and other instruments and agreements as the Project Lender may from time to time request to evidence and/or perfect the subordination by Beneficiary of its right under this Deed of Trust to the rights of the Project Lender, under such documents as the Project Lender may designate evidencing, securing, and/or perfecting the rights of the Project Lender under the Project Loan. Beneficiary's obligation to execute and deliver such reasonable subordination agreement is on the conditions that (i) the sum of the principal amount of the Project Loan plus the outstanding principal amount of the Note does not exceed one hundred percent (100%) of appraised value of the Property as developed with the Project and (ii) after the closing of the Project Loan, the Developer will continue to have at least $2,500,000 of cash equity invested in the Project, provided, however, that if the Project Loan is the initial construction loan the Developer only will have to demonstrate that upon completion of the Project that it will have at least $2,500,000 of cash equity invested in the Project. Trustor will supply a current appraisal addressed to Beneficiary, prepared by an M.A.I. appraiser approved by Beneficiary, provided that such approval shall not be unreasonably withheld, which gives effect to the development of the Project to determine such loan to value ratio.

(i) If any action or proceeding shall be instituted for any purpose affecting the Property, or any part thereof, the title thereto or this Deed of Trust, or should Trustor receive any notice from any governmental agency relating to the use or occupancy of the Property, Trustor will immediately upon service thereof on or by Trustor, deliver to Beneficiary true copies of each notice, petition, summons, complaint, notice of motion, order to show cause, and all other process, pleadings and papers, however designated, served in any such action or proceeding.

(j) The waiver or release by Beneficiary or Trustee of any default or of any of the provisions, covenants and conditions hereof on the part of Trustor to be kept and performed shall not be a waiver or release of any preceding or subsequent breach of the same or any other provision, covenant or condition contained herein. The subsequent acceptance of any sum in payment of any indebtedness secured hereby or any other payment hereunder by Trustor to Beneficiary or Trustee shall not be construed to be a waiver or release of any preceding breach by Trustor of any provision, covenant or condition of this Deed of Trust other than the failure of Trustor to pay the particular sum so accepted, regardless of Beneficiary's or Trustee's knowledge of such preceding breach at the time of acceptance of such payment. No payment by Trustor or receipt by Beneficiary of a lesser amount than the amount herein provided shall be deemed to be other than on account of the earliest sums due and payable hereunder, nor shall any endorsement or statement on any check or any letter accompanying any check or payment be deemed an accord and satisfaction, and Beneficiary may accept any check or payment without prejudice to Beneficiary's right to recover the balance of such sum or pursue any other remedy provided in this Deed of Trust. The consent by Beneficiary or Trustee to any matter or event requiring such consent shall not constitute a waiver of the necessity for such consent to any subsequent matter or event.

(k) Trustor shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Materials on or in the Land. Trustor shall not do, nor allow anyone else to do, anything affecting the Land that is in violation of any Environmental Laws. Trustor shall promptly give Beneficiary written notice of any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Land and any Hazardous Materials or Environmental Laws of which Trustor has actual knowledge. If Trustor learns, or is notified by any governmental or regulatory authority, that the removal or other remediation of any Hazardous Materials affecting the Land is necessary, Trustor shall promptly take all necessary remedial actions in accordance with Environmental Laws. For purposes of this Deed of Trust, "*Hazardous Materials*" shall mean any substance, water or material which has been determined by any state, federal or local governmental authority to be capable of posing a risk of injury to health, safety and property, including, but not limited to, all of those materials, wastes and substances designated as hazardous or toxic by the U.S. Environmental Protection Agency, the U.S. Department of Labor, the U.S. Department of Transportation and/or any other governmental agency now or hereafter authorized to regulate materials and substances in the environment. For purposes of this Deed of Trust, the term "*Environmental Laws*" means federal laws and laws of the jurisdiction where the Land is located that relate to health, safety or environmental protection.

(l) Trustor agrees to indemnify, defend with counsel acceptable to Beneficiary, and hold Beneficiary, its parent and affiliated companies, and their respective officers, directors, employees and agents, harmless from and against all actual or threatened liabilities, claims, actions, foreseeable and unforeseeable consequential damages, penalties, costs and expenses (including attorney's fees) and losses directly or indirectly arising out of or resulting from the presence of any Hazardous Materials in or around any part of the Land, or in the soil or groundwater under the Land, including expenses incurred in connection with any investigation of site conditions or any clean-up, remedial, removal or restoration work, including any resulting damages or injuries to the person or property of any third parties or to any natural resources. In addition, Trustor shall similarly indemnify, defend and hold harmless any persons purchasing the Land through a foreclosure sale.

(m) Trustor agrees to indemnify, defend with counsel acceptable to Beneficiary, and hold Beneficiary, its parent and affiliated companies, and their respective officers, directors, employees and agents, harmless from and against all actual or threatened liabilities, claims, actions, foreseeable and unforeseeable consequential damages, penalties, costs and expenses (including attorney's fees) and losses directly or indirectly arising out of or resulting from or relating in anyway to the development and/or operation of the Project.

4.2 Reconveyance. When the Note and all of the other Secured Obligations have been paid in full, Beneficiary shall request Trustee in writing to reconvey the Property, and shall surrender this Deed of Trust to Trustee. When Trustee receives Beneficiary's written request for reconveyance and all fees and other sums owing to Trustee by Trustor under Section 4.3, Trustee shall reconvey the Property, or so much of it as is then held under this Deed of Trust, without warranty to the person or persons legally entitled to it. Such person or persons shall pay any costs of recordation. In the reconveyance, the grantee may be described as "the person or persons legally entitled thereto," and the recitals of any matters or facts shall be conclusive proof of their truthfulness. Neither Beneficiary nor Trustee shall have any duty to determine the rights of persons claiming to be rightful grantees of any reconveyance.

4.3 Compensation. Trustor agrees to pay fees in the maximum amounts legally permitted, or reasonable fees as may be charged by Beneficiary or Trustee when the law provides no maximum limit, for any services that Beneficiary or Trustee may render in connection with this Deed of Trust, including the Secured Obligations or Trustee's rendering of services in connection with a reconveyance. Trustor further agrees to pay or reimburse Beneficiary for all costs, expenses and other advances which may be incurred or made by Beneficiary or Trustee in any efforts to enforce any terms of this Deed of Trust, including any rights or remedies afforded to Beneficiary or Trustee.

V. Default and Remedies.

5.1 Events of Default. Trustor will be in default under this Deed of Trust upon the occurrence of any one or more of the following events (some or all collectively, "*Events of Default;*" any one singly, an "*Event of Default*"):

(a) Trustor fails to perform any obligation to pay money which arises under this the Secured Obligations, including, without limitation, the Note or this Deed of Trust, and does not cure that failure within fifteen (15) days after written notice from Beneficiary or Trustee; or

(b) Trustor is in default of Section 4.1(a); or

(c) Trustor fails to perform any obligation arising under this Deed of Trust other than one to pay money and other than a default of Section 4.1(a), and does not cure that failure within thirty (30) days ("*Initial Cure Period*") after written notice from Beneficiary or Trustee. So long as Trustor begins within the Initial Cure Period and diligently continues to cure the failure, and Beneficiary, in its sole judgment, determines that the cure cannot reasonably be completed at or before expiration of the Initial Cure Period then the Initial Cure Period may be extended by a period not to exceed ninety (90) days;

(c) A default occurs under any of the Secured Obligations, including without limitation, any payments due under the Note.

5.2 Remedies. At any time after an Event of Default, Beneficiary and Trustee shall be entitled to invoke any and all of the rights and remedies described below or otherwise available at law or equity. All of such rights and remedies shall be cumulative, and the exercise of any one or more of them shall not constitute an election of remedies.

5.3 Beneficiary's Power of Enforcement

(a) Time is of the essence hereof. Upon the occurrence of an Event of Default, Beneficiary may, at its option and in its sole and absolute discretion, deliver to the Trustee written declaration of default and demand for sale and of written Notice of Breach and Election to Sell (this term is interchangeable with Notice of Default and Election to Sell) to cause the Property to be sold to satisfy the obligations hereof, which Notice the Trustee shall cause to be filed for record.

Beneficiary may also deposit with the Trustor the Guarantee and all documents evidencing expenditures secured hereby.

(b) After the lapse of such time as may then be required by law following the recordation of said Notice of Breach and Election to Sell, and notice of sale having been given as then required by law, the Trustee without demand on Trustor, shall sell the Property at the time and place fixed by it in said notice, either as a whole or in separate parcels, and in such order as it may determine, at public auction to the highest bidder, for cash in lawful money of the United States payable at the time of sale. The Trustee may, for any cause it deems expedient, postpone the sale of all or any portion of the Property until it shall be completed and, in every case, notice of postponement shall be given by public announcement thereof at the time and place last appointed for the sale and from time to time thereafter the Trustee may postpone such sale by public announcement at the time fixed by the preceding postponement. The Trustee shall execute and deliver to the purchaser its Trustee's Deed conveying the Property so sold but without any covenant or warranty, express or implied. The recitals in the Trustee's Deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Beneficiary, may bid at the sale.

After deducting all costs, fees and expenses of the Trustee and of this Trust, including the cost of any evidence of title procured in connection with such sale, the Trustee shall apply the proceeds of sale to the payment of: (1) all sums expended under the terms hereof, not then repaid; (2) all other sums then secured hereby; and (3) the remainder, if any, to the person or persons legally entitled thereto.

(c) If an Event of Default shall have occurred, Beneficiary may, either with or without entry or taking possession, and without regard to whether or not the Secured Obligations and other sums secured hereby shall be due and without prejudice to the right of Beneficiary thereafter to bring an action or proceeding to foreclose or any other action for any default existing at the time such earlier action was commenced, proceed by any appropriate action or proceeding: (A) to enforce payment of the Guarantee or the performance of any other term hereof; (B) to foreclose this Deed of Trust in the manner provided by law for the foreclosure of deeds of trusts on real property and to sell, as an entirety or in separate lots or parcels, the Property pursuant to the laws of the State of Nevada or under the judgment or decree of a court or courts of competent jurisdiction and Beneficiary shall be entitled to recover in any such proceeding all costs and expenses incident thereto, including reasonable attorneys' fees in such amount as shall be awarded by the court; and (C) pursue any other remedy available to it at law or in equity.

5.4 <u>Waiver of Appraisement, Valuation, Stay, Extension and Redemption Laws</u>. Trustor agrees to the full extent permitted by law that in case of a default on its part hereunder, neither Trustor nor anyone claiming through or under it shall or will set up, claim or seek to take advantage of any appraisement, valuation, stay, extension or redemption laws now or hereafter in force in order to prevent or hinder the enforcement or foreclosure of this Deed of Trust or the absolute sale of the Property or the final and absolute transfer of possession of the Property, immediately after such sale, to the purchasers thereof. Trustor, for itself and all who may at any time claim through or under it, hereby waives, to the full extent that it may lawfully so do, the benefit of all such laws, and any and all right to have the assets comprising the Property marshaled upon any foreclosure of the lien hereof and agrees that the Trustee or any court having jurisdiction to foreclose such lien may sell the Property in part or as an entirety.

5.5 Receiver. If an Event of Default shall have occurred, Beneficiary, to the extent permitted by law and without regard to the value, adequacy or occupancy of the security for the Secured Obligations and other sums secured hereby, shall be entitled as a matter of right, if it so elects, to the appointment of a receiver to enter upon and take possession of the Property and to collect all rents, enforce any lease provisions and other benefits thereof and apply the same as the court may direct, and such receiver may be appointed by any court of competent jurisdiction by ex parte application and without notice of hearing, such notice of hearing being hereby expressly waived. The expenses, including receiver's fees, attorneys' fees, costs and agent's compensation, incurred pursuant to the powers herein contained, shall be secured by this Deed of Trust. The right to enter and take possession of and to manage and operate the Property and to collect all rents, enforce any lease provisions and other benefits thereof whether by a receiver or otherwise, shall be cumulative to any other right or remedy hereunder or afforded by law and may be exercised concurrently therewith or independently thereof. Beneficiary shall be liable to account only for such rents and other benefits actually received by Beneficiary. Notwithstanding the appointment of any receiver or other custodian, Beneficiary shall be entitled as pledgee to the possession and control of any cash, deposits, and instruments at the time held by, or payable or deliverable under the terms of this Deed of Trust to Beneficiary.

5.6 Suits to Protect the Property. Beneficiary shall have the power and authority, but shall have no obligation, to institute and maintain any suits and proceedings as Beneficiary may deem advisable (a) to prevent any impairment of the Property by any acts which may be unlawful or any violation of this Deed of Trust; (b) to preserve or protect its interest in the Property; and (c) to restrain the enforcement of or compliance with any legislation or other governmental enactment, rule or order that may be unconstitutional or otherwise invalid, if the enforcement of or compliance with such enactment, rule or order might impair the security hereunder or be otherwise prejudicial to Beneficiary's interest.

5.7 Proofs of Claim. In the case of any receivership, insolvency, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding affecting Trustor, its creditors or its property, Beneficiary, to the extent permitted by law, shall be entitled to file such proofs of claim or other documents as may be necessary or advisable in order to have its claims allowed in such proceedings for the entire Secured Obligation due and payable by Trustor under the Guarantee, this Deed of Trust, and any other instrument or document securing the Guarantee, or otherwise heretofore or hereafter executed in connection with the Secured Obligation hereunder, at the date of the institution of such proceedings, and for any additional amounts which may become due and payable by Trustor after such date.

VI. Miscellaneous Provisions

6.1 Merger. No merger shall occur as a result of Beneficiary's acquiring any other estate in or any other lien on the Property unless Beneficiary consents to a merger in writing.

6.2 Joint and Several Liability. If Trustor consists of more than one person, each shall be jointly and severally liable for the faithful performance of all of Trustor's obligations under this Deed of Trust.

6.3 Applicable Law. This Deed of Trust shall be governed by Nevada law.

6.4 Successors in Interest. The terms, covenants and conditions of this Deed of Trust shall be binding upon and inure to the benefit of the heirs, successors and assigns of the parties.

6.5 Statute of Limitations. To the extent permitted by law, Trustor hereby waives the right to plead the statute of limitations as a defense to any and all obligations secured by this Deed of Trust.

6.6 Substitution of Trustee. Beneficiary, or any successor in ownership of any Secured Obligation hereby may from time to time, by instrument in writing, substitute a successor or successors to any Trustee named herein or acting hereunder, which instrument, executed by Beneficiary and duly acknowledged and recorded in the office of the recorder of the county or counties where the Property is situated, shall be conclusive proof of proper substitution of such successor Trustee or Trustees, who shall, without conveyance from the Trustee predecessor, succeed to all its title, estate, rights, powers and duties. Said instrument must contain the name of the original Trustor, Trustee and Beneficiary hereunder, the book and page where this Deed of Trust is recorded and the name and address of the new Trustee.

6.7 Waiver of Marshaling. Trustor waives all rights, legal and equitable, it may now or hereafter have to require marshaling of assets or to direct the order in which any of the Property will be sold in the event of any sale under this Deed of Trust. Each successor and assign of Trustor, including any holder of a lien subordinate to this Deed of Trust, by acceptance of its interest or lien agrees that it shall be bound by the above waiver, as if it had given the waiver itself.

6.8 Time of Essence. Time is of the essence of this agreement.

6.9 Severability. If any provision of this Deed of Trust should be held unenforceable or void, that provision shall be deemed severable from the remaining provisions and shall in no way affect the validity of this Deed of Trust.

6.10 Notices. Trustor hereby requests that a copy of notice of default and notice of sale be mailed to it at the address set forth below. That address is also the mailing address of Trustor as Debtor under the Uniform Commercial Code. Beneficiary's address given below is the address for Beneficiary as Secured Party under the Uniform Commercial Code.

Addresses Where Notices to
Trustor Are to be Sent:

SCE-BULLDOG, LLC
4168 Douglas Blvd. Suite 200
Granite Bay, CA 95746
Attention: President & CEO

Address Where
Notices to BeneficiaryAre to be Sent:

City of Las Vegas Redevelopment Agency
City of Las Vegas
400 Stewart Avenue
Las Vegas, Nevada 89101
Attention: Executive Director

6.11 Statutory Covenants. Where not inconsistent with the above, the following covenants, Nos. 1; 2 (full replacement value); 3; 4 (fifteen percent (15%) per annum); 5; 6; 7 (a reasonable percentage); 8 and 9 of NRS 107.030 are hereby adopted and made a part of this Deed of Trust.

6.12 Interpretation

(a) Whenever the context requires, all words used in the singular will be construed to have been used in the plural, and vice versa, and each gender will include any other gender. The captions of the sections of this Deed of Trust are for convenience only and do not define or limit any terms or provisions. The word "*include(s)*" means "*include(s), without limitation*," and the word "*including*" means "*including, but not limited to*."

(b) The word "*obligations*" is used in its broadest and most comprehensive sense, and includes all primary, secondary, direct, indirect, fixed and contingent obligations. It further includes all principal, interest, prepayment charges, late charges, loan fees and any other fees and charges accruing or assessed at any time, as well as all obligations to perform acts or satisfy conditions.

(c) No listing of specific instances, items or matters in any way limits the scope or generality of any language of this Deed of Trust. The Exhibits to this Deed of Trust are hereby incorporated in this Deed of Trust.

IN WITNESS WHEREOF, Trustor has executed this Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing the day and year first above written.

TRUSTOR:

SCE-BULLDOG, LLC
a Nevada limited liability company

By:______________________________

Its:______________________________
Manager

STATE OF NEVADA)
) :SS
COUNTY OF CLARK)

This instrument was acknowledged before me on ____________ by ____.

(Signature of Notarial Officer)

(Seal, if any) (My Commission Expires______________)

EXHIBIT "D"

EXHIBIT D-1

LEGAL DESCRIPTION

EXHIBIT "B"
A.P.N. 139-34-310-061, -062, -063, -076, -710-001
(040-107-012, -013, -002, -003 & -001)
PORTION OF BLOCK 23, SOUTH ADDITION
AND PORTION OF BLOCK A, WARDIE ADDITION

Those portions of the South Half (S 1/2) of Section 34, Township 20 South, Range 61 East, M.D.M., in the City of Las Vegas, County of Clark, State of Nevada, described as follows:

PARCEL 1

Lots 1, 2, 3, 4, 5 and 6, all in Block 23 of SOUTH ADDITION TO THE CITY OF LAS VEGAS, as recorded August 13, 1926 and filed in Book 1 of Plats, Page 51 of Clark County, Nevada Records.

EXCEPT THEREFROM, that portion of the above-described PARCEL 1 lying within the northwesterly 5.00 feet of Lots 1, 2, 3, 4, 5 and 6, all in said Block 23.

ALSO EXCEPT THEREFROM, that portion of the above-described PARCEL 1, lying within Lot 1 in said Block 23, being a triangular parcel of land, bounded as follows: bounded on the northeast by northeast line of said Lot 1; bounded on the northwest by the southeasterly line of the northwesterly 5.00 feet of said Lot 1; and bounded on the south by the arc of a curve, concave southerly, having a radius of 10.00 feet, being tangent to the northeasterly line of said Lot 1 and tangent to the southeasterly line of said northwesterly 5.00 feet.

The above-described PARCEL 1 contains an area of 20,204 square feet or 0.464 acres, more or less.

PARCEL 2

Lots 27, 28, 29, 30, 31 and 32 all in Block 23 of said SOUTH ADDITION TO THE CITY OF LAS VEGAS.

PARCEL 3

That portion of Block A of WARDIE ADDITION, as recorded May 12, 1913 and filed in Book 1 of Plats, Page 13 of Clark County, Nevada Records, bounded on the northeast by the northeasterly line of said Block A; bounded on the southeast by the southeasterly line of said Block A; bounded on the west by the

EXHIBIT "D"

westerly line of said Block A, also being a portion of the north-south, center-section line of said Section 34; and bounded on the southwest by the southeasterly prolongation of the southwesterly line of Lot 27 in Block 23 of said SOUTH ADDITION TO THE CITY OF LAS VEGAS.

The above-described PARCEL 2 and PARCEL 3 contains a total area of 20,955 square feet or 0.481 acres, more or less.

CHAIRMAN'S INITIALS____________

EXHIBIT "D"

EXHIBIT "B-1"
A.P.N. 139-34-310-061 (040-107-012)
PORTION OF BLOCK 23, SOUTH ADDITION
DEDICATION 5-FOOT LAS VEGAS BOULEVARD

That portion of the Southwest Quarter (SW 1/4) of Section 34, Township 20 South, Range 61 East, M.D.M., in the City of Las Vegas, County of Clark, State of Nevada, being portion of Block 23 of SOUTH ADDITION TO THE CITY OF LAS VEGAS, as recorded August 13, 1926 and filed in Book 1 of Plats, Page 51 of Clark County, Nevada Records, described as:

The northwesterly 5.00 feet of Lots 4, 5 and 6 in Block 23 of said SOUTH ADDITION TO THE CITY OF LAS VEGAS.

The above-described parcel of land contains an area of 375 square feet or 0.009 acres, more or less.

CHAIRMAN'S INITIALS__________

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EXHIBIT "D"

EXHIBIT "B-2"
A.P.N. 139-34-399-001
PORTION OF 20 FEET WIDE PUBLIC ALLEY,
SOUTHEAST CORNER OF LAS VEGAS BOULEVARD
AND CLARK AVENUE

That portion of Northeast Quarter (NE 1/4) of the Southwest Quarter (SW 1/4) of Section 34, Township 20 South, Range 61 East, M.D.M., in the City of Las Vegas, County of Clark, State of Nevada, being a portion of the 20 feet wide public alley in Block 23 of SOUTH ADDITION TO THE CITY OF LAS VEGAS, as recorded August 13, 1926 in Book 1 of Plats, Page 51 of Clark County, Nevada Records, bounded as follows:

Bounded on the northeast by the northeast line of said Block 23, bounded on the southwest by the southeasterly prolongation of the southwest line of Lot 6 in said Block 23.

The above-described parcel of land contains an area of 3,002 square feet or 0.069 acres, more or less.

RESERVING THEREFROM an easement to the CITY OF LAS VEGAS for public streetlight purposes, public fire hydrant purposes and appurtenances thereto, over, across and under the northeasterly 5.00 feet of the above described parcel of land, together with reasonable rights of ingress thereto and egress therefrom.

CHAIRMAN'S INITIALS____________

EXHIBIT E

EMPLOYMENT PLAN FOR
SCE-Bulldog, LLC

The Employment Plan of SCE-Bulldog, LLC, a Nevada limited liability company (hereinafter "SCE") 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 SCE 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.

<u>Developer Employment Plan</u>

The Development Employment Plan shall apply only during the construction phase of the Project, due to the speculative nature of the project and as yet unknown tenants.

1. <u>Description of the Facilities to be Constructed</u>. The facilities to be constructed by SCE will consist of an 75,000 square foot office building, containing 8,500 square feet of retail space and 306 parking spaces in a structured garage. Please see Attachments F and G of the Disposition and Development Agreement for a complete description of the facilities and anticipated construction schedule.

2. <u>Contracts for Construction of the Project</u>. SCE 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

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 SCE has not yet caused the construction 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, SCE, through its construction manager, Valley Commercial Contractors, LP, 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 Disposition and Development Agreement. At such time, SCE's construction manager will submit an Addendum to this Plan identifying the construction contracts.

3. Manner of Involving MWDV Businesses. SCE 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, SCE will perform the following tasks:

(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.

(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, SCE will submit quarterly reports to the Redevelopment Agency for the period through Certificate of Occupancy, demonstrating its compliance with the requirements of the Employment Plan. SCE 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. SCE shall not charge for copies of the reports. The first report shall be distributed upon application for Building Permits.

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

(i) SCE 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. SCE shall encourage joint ventures with the MWDV owned business firms. In the event that any job fair is held for hiring in relation to this project, Developer will ensure that such fair is coordinated through the office of the City Council for that district.

ATTACHMENT 1

EMPLOYMENT PLAN POLICY

(As Adopted on June 6, 2001)

A. <u>What is the purpose of the Employment Plan Policy?</u>

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. <u>Who must submit Employment Plan?</u>

1. *<u>Developers:</u>* 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. *<u>Build-to-Suit Owners/Lessees:</u>* 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 Employee 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. <u>What are the reporting requirements?</u>

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 his 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

Attachment 2
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/DBVE 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 "F"
SCOPE OF DEVELOPMENT OF THE PROJECT

SCE-Bulldog, LLC ("Developer"), a Nevada limited liability company, which is an affiliate of Sierra Crest Equities, LLC, intends to purchase approximately 41,159 square feet of real property located at the Southeastern corner of Las Vegas Boulevard and Clark Avenue, currently owned by the City of Las Vegas Redevelopment Agency.

The Developer intends to construct an approximately 75,000 square foot, Class "A" office building for speculative purposes, and will include approximately 8,500 square feet of retail space fronting along Las Vegas Boulevard. The building will be six stories in height and include steel-frame and high-efficiency glass façade. In order to provide tenant parking, the Developer will construct a 306 parking spaces in a structured parking garage, on the second, third, and fourth floors of the office building. The parking garage will be pre-cast concrete, and will be a fully-staffed facility. A fixed amount of 40% of the parking spaces, or no less than 122 parking spaces, will be leased to the RDA for the purposes of public parking for the first two years following issuance of a certificate of occupancy. The total cost of the project including hard and soft costs to the Developer is anticipated to be approximately $18.4 million.

SCE-Bulldog, LLC will professionally manage and operate the office building and garage in a professional manner suitable for a Class "A" office building, with full amenities for tenants.

EXHIBIT "G"
SCHEDULE OF PERFORMANCE OF THE PROJECT

Action	Date
1. Execution and Delivery of Agreement. Developer shall execute and deliver this Agreement to the RDA.	Not later than November 5, 2003.
2. Execution of Agreement by RDA.	Not later than November 15, 2003.
3. Open Escrow and delivery of Earnest Money Deposit.	Developer shall open escrow at United Title of Nevada within twenty (20) calendar days of Execution of Agreement by RDA, or by December 5, 2003, whichever event occurs first. Developer shall deliver $50,000 earnest money deposit to RDA.
4. Submission of Basic Concept Drawings. The Developer shall submit to the RDA for approval a set of Basic Concept Drawings.	Concurrent with the Execution of this Agreement by the Developer and Delivery to the RDA.
5. Delivery of Title Report to Developer. Escrow Agent shall deliver the Title Report for the Site to the Developer.	Within twenty (20) calendar days of opening escrow.
6. Approval of Title Report.	Within sixty (60) calendar days of receipt by Developer.
7. Pre-Design Conference with City of Las Vegas.	Not later than January 15, 2004.
8. Expiration of Feasibility Review Period pursuant to Section 14.	Not later than ninety (90) days after the effective date of the Agreement, or by March 15, 2004, whichever event occurs first.
9. Completion of Reversionary Parcel Map.	Not later than May 15, 2004.
10. Submission to City by Developer of Site Development Plan application, and Vacation application.	Not later than May 30, 2004.
11. Submission of Developer's Firm and Binding Evidence of Financing (the "Commitment") from the Project Lender.	Not later than June 14, 2004.
12. Approval of Commitment pursuant to Section 5c.	Not later than twenty (20) calendar days following submission of Commitment.
13. Submission – Certificates of Insurance.	Not later than June 14, 2004.
14. City and other Governmental Permits necessary to commence construction.	Not later than June 18, 2004.
15. Payment of Conveyance Fee by Developer.	At closing.
16. <u>Execution of Promissory Note and Second Deed of Trust to secure performance and Recordation of Second Deed of Trust</u>.	At closing.

17. Submittal of Final Architectural Plans, Civil Plans, Mechanical, Electrical, and Plumbing Plans, Landscape Plans, and Structural Plans to RDA.	Not later than June 21, 2004.
18. Site Closing and Conveyance.	Not later than June 28, 2004.
19. Commencement of Construction Site Preparation. The Developer shall commence site preparation for construction, which shall include clearing and grubbing, relocation of power poles and related equipment in alley, and the securing and preparation of a staging area as needed.	Not later than July 7, 2004.
20. <u>Commencement of Construction. The Developer shall commence construction, which shall mean pouring concrete for the foundation of the Project, in accordance with the Agreement, particularly Section 6.</u>	Within one hundred twenty (120) calendar days after the Site Closing (closing of escrow and conveyance of the Site), or by November 1, 2004, whichever event occurs first.
21. Completion of Construction.	Not later that fourteen (14) calendar months following commencement of construction, or by December 30, 2005, whichever event occurs first.
22. Certificate of Completion. Upon written request by Developer and after completion of improvements as required by the Agreement, RDA shall furnish Developer with a Certificate of Completion.	Not later than thirty (30) calendar days following the completion of construction.
23. Final Payment to RDA. Developer shall Deliver payment of $1,200,000 plus any interest accrued as specified in the DDA to Title Company.	Not later than June 28, 2007, or within thirty six (36) calendar months of Closing and Conveyance Date, or upon the building being eighty percent (80%) leased, whichever date or event occurs first.
24. Release of Deed of Trust and Promissory Note by RDA.	Within fifteen (15) calendar days of receipt of final payment from Developer.

EXHIBIT "H"

PARKING GARAGE LEASE AGREEMENT

THIS PARKING GARAGE LEASE AGREEMENT (the "Lease") is entered into as of the ___ day of _____, 2003 by and between SCE-BULLDOG, LLC, a Nevada limited liability company ("Landlord") and the REDEVELOPMENT AGENCY OF THE CITY OF LAS VEGAS, NEVADA, an agency of the city of Las Vegas, Nevada ("Tenant").

RECITALS:

WHEREAS, Landlord is the record owner of certain real property which located in Clark County, Nevada (the "Property"), as described more particularly on Exhibit "H-1" attached hereto on which Landlord intends to construct an approximately 83,500 square foot Class-A office building including approximately 8,500 square feet of ground floor retail (the "Building") and a parking garage for no less than 306 parking spaces (the "Garage") (the Building and Garage are collectively referred to herein as the "Project");

WHEREAS, Tenant and Landlord have previously entered into that certain Disposition and Development Agreement dated ___________, 2003 (the "DDA") whereby Landlord agrees to construct the Project (the "DDA"); and

WHEREAS, Tenant desires to lease from Landlord, and Landlord desires to lease to Tenant, parking spaces in the Garage.

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein, Tenant and Landlord hereby agree as follows:

1. Lease Of Parking Spaces to Tenant.

Subject to reduction pursuant to Section 4(e) below, Landlord hereby leases to the Tenant for the Lease Term (hereinafter defined), and the Tenant hereby leases from Landlord for the Lease Term, forty percent (40%) of the parking spaces (rounded to the nearest whole space) not to exceed 122 parking spaces in the Garage (each a "Space") for use as set forth in this Lease. The location of the Spaces shall be located on the second and third floors of the Garage in an area approved by the Tenant.

2. Rent.

The Tenant hereby agrees to pay Landlord, as monthly rent for the Spaces (the "Parking Rent") in an amount equal to the Per Space Rate multiplied by the number of

Spaces leased from time to time hereunder. The "Per Space Rate" is forty-five dollars ($45.00) per month. Tenant shall not be required to pay any other amounts whatsoever under this Lease.

3. Commencement of Rent.

Tenant shall pay the Parking Rent monthly in advance commencing with the calendar month in which the Commencement Date (hereinafter defined) occurs without offset, deduction or prior demand except as otherwise provided herein.

4. Lease Term; Termination of Lease by Tenant and Abatement of Rent; Recapture of Spaces.

(a) The term of this Lease (the "Lease Term") shall commence on that date (the "Commencement Date") which is the first day of the first full calendar month after Landlord provides Tenant with no less than thirty (30) days written notice (the "Commencement Notice") from Landlord that the Project is Substantially Complete (hereinafter defined) and shall expire on the last day of the twenty-fourth (24th) full calendar month thereafter, unless earlier terminated as provided herein. As used in this Agreement, the term "Substantially Complete" means the occurrence of the following two events: (i) Landlord has obtained a certificate from the City of Las Vegas, Nevada evidencing that the Project, including the Building and the Garage, have been completed in compliance with the DDA and (ii) the Garage and all of the Spaces are open for use in full compliance with the Parking Management Plan.

(b) Tenant shall have the right to terminate this Lease as follows:

(i) In the event the Project is not Substantially Complete prior to the expiration of eighteen (18) months from the date of this Lease first above written, then Tenant shall have the right to terminate this Lease upon written notice to Landlord, provided, however, that if the Project is Substantially Complete within thirty (30) days after such notice this Lease shall remain in full force and effect. Upon such termination of this Lease by Tenant, this Lease shall be of no further force and effect and Landlord and Tenant shall have no further liability hereunder.

(ii) In the event Landlord fails to manage the Garage as set forth in the Parking Management Plan and such failure continues for a period of sixty (60) days after Landlord provides written notice of such failure to Landlord, Tenant shall have the right to terminate this Lease upon written notice to Landlord. Upon such termination of this Lease by Tenant, this Lease shall terminate and be of no further force and effect and Landlord and Tenant shall have no further liability hereunder other than the payment by Landlord of any Parking Revenues owed by Landlord to Tenant through the date of termination.

(iii) In the event Landlord fails to remit to Tenant any Parking Revenues (hereinafter defined) as required by this Lease and such failure continues for a period of five (5) days after written notice by Tenant, then Tenant shall have the right to terminate this Lease upon written notice to Landlord. Upon such termination of this Lease by Tenant, this Lease shall terminate and be of no further force and effect and Landlord and Tenant shall have no further liability hereunder other than the payment by Landlord of any Parking Revenues owed by Landlord to Tenant through the date of termination.

(iv) In the event Landlord defaults in performance of any of its obligations under this Lease other than those set forth in paragraphs (i), (ii) and (iii) of this Section 4 and such failure continues for a period of thirty (30) days after written notice by Tenant to Landlord of such default, then Tenant shall have the right to terminate this Lease upon written notice to Landlord. Upon such termination of this Lease by Tenant, this Lease shall terminate and be of no further force and effect and Landlord and Tenant shall have no further liability hereunder other than the payment by Landlord of any Parking Revenues owed by Landlord to Tenant other than the payment by Landlord of any Parking Revenues owed by Landlord to Tenant through the date of termination.

(c) Tenant shall have the right to abate without notice to Landlord the Parking Rent payable hereunder in the event any of the Spaces are unavailable for use for more than four (4) hours during regular business hours. The amount of any such abatement shall equal the number of Spaces that are unavailable during any given period of time multiplied by the greater of (i) $1.50 for each day such Spaces are not available or (ii) the amount of daily Parking Revenues lost by reason of the unavailability of such Spaces.

(d) Tenant shall have the right without notice to Landlord to set-off and deduct from the Parking Rent, along with any late charges or interest due thereon, any Parking Revenues not paid by Landlord when due.

(e) Upon thirty (30) days prior written notice, Landlord shall have the right from time to time to recapture ten (10) Spaces at a time and thereby reduce the number of Spaces leased to Tenant. Such reduction shall automatically be effective upon the expiration of such thirty (30) day period, provided, however, that if Tenant has prepaid any Parking Rent related to such recaptured Spaces, such notice must include a refund of any such prepaid Parking Rent. Upon such reduction of the Spaces subject to this Lease, the monthly Parking Rent shall be reduced by the number of recaptured Spaces.

5. Construction of Project.

Landlord agrees to construct the Project at its sole cost and expense. Landlord and Tenant agree that the Project shall be construed in accordance with the specifications set forth in the DDA.

6. Use of Spaces; Revenue Sharing.

(a) Tenant shall have the right to sublet the Spaces on such basis as Tenant shall determine in Tenant sole discretion, including, without limitation, an hourly or monthly basis. Landlord shall be responsible for managing the Spaces, including, without limitation, the letting of the Spaces, interfacing with all users of the Spaces and the collection of all Parking Revenues (hereinafter defined), all of which shall be in full compliance with a plan for the management of the Garage (the “Parking Management Plan”) to be submitted by Tenant to Landlord for Landlord’s approval which approval shall not be unreasonably withheld. Tenant shall submit the Parking Management Plan to Landlord no later than ninety (90) days prior to the date that the Project is Substantially Complete. The Parking Management Plan shall describe in detail the method of operating and maintaining the Garage, including, without limitation, locations and means of access to the Garage, location and means of physically separating parking available for the general public from parking reserved for tenants of the Building, hours of operating, maintenance standards, validation and other garage operation and management issues. Landlord agrees that Tenant shall have no responsibility or liability for actions of the users of the Spaces and that Landlord agrees to assume all risk of loss or damage resulting from the use of the Spaces. Landlord agrees to indemnify and hold harmless Tenant from any and all liability, claims, loss damage, costs (including reasonable attorneys’ fees), expense or any other matters incurred or suffered as a result of Landlord’s ownership and /or operation of the Project or relating in anyway to the Project.

(b) The term “Parking Revenues” means the gross amount of all revenues received by Landlord from the Spaces pursuant to the Parking Management Plan as determined on a cash accrual basis. Landlord agrees to remit to Tenant the Parking Revenues as follows:

(i) First, one hundred percent (100%) of all Parking Revenues collected by Landlord in each calendar month shall be remitted to Tenant until such time as the total amount of Parking Revenues Tenant has collectively received from the commencement of the Lease Term through the end of the calendar month for which Landlord is remitting Parking Revenues Parking Revenues exceeds all of Parking Rent collectively paid to Landlord from the commencement of the Lease Term through the end of the calendar month for which Landlord is remitting Parking Revenues.

(ii) Second, in any calendar month in which (i) the Parking Revenues for such month exceed the Parking Rent for such month (such excess herein referred to as “Excess Revenues”) and (ii) the total amount of Parking Revenues Tenant has collectively received from the commencement of the Lease Term through the end of the calendar month for which Landlord is remitting Parking Revenues Parking Revenues exceeds all of Parking Rent collectively paid to Landlord from the commencement of the Lease Term through the end of the calendar month for which Landlord is remitting Parking Revenues, then (x) fifty percent of the Excess Revenues shall be paid to Tenant and (y) fifty percent of the Excess Revenues shall be retained by Landlord.

(iii) All payments of Parking Revenues shall be paid to Tenant no later than the fifth (5^{th}) day after the respective calendar month during which the Parking revenues were collected or accrued, as the case may be. Concurrently with the payment of all Parking Revenues, Landlord shall deliver to Tenant a written statement showing all Parking Revenues received for the Calendar Month, the collective total amount of all Parking Revenues paid to Tenant by Landlord under this Lease and all Parking Rent paid by Tenant under this Lease.

(c) Landlord will keep complete books of account evidencing the accrual and collection of Parking Revenues and Landlord's compliance with the Parking Management Plan and preserve for at least four (4) years after the close of each calendar year the books of account, and all vouchers, invoices, statements, payroll records and other documents, evidencing such matters. Tenant and its authorized agents (including accountants and attorneys) may at any reasonable time, within this 4-year period, inspect, copy and audit the books of account and the documents. Should an audit show that the amount of any Parking Revenues paid to Tenant by Landlord was less than required by this Lease, Landlord shall immediately pay any shortfall to Tenant. If an audit shows that Landlord has underpaid Parking Revenues by more than two percent (2%), for any period, then Landlord will pay to Tenant upon demand, the costs of audit incurred by Tenant. The audit rights of Tenant shall survive any expiration or other termination of this Lease.

7. Late Payments.

(a) Tenant acknowledges that Tenant's failure to pay Parking Rent promptly may cause Landlord to incur unanticipated costs. The exact amount of such costs are impractical or extremely difficult to ascertain. Therefore, if Landlord does not receive any Parking Rent payment within ten (10) days after it becomes due, Tenant shall pay Landlord a late charge equal to five percent (5%) of the overdue amount. The parties agree that such late charge represents a fair and reasonable estimate of the costs Landlord will incur by reason of such late payment. In addition any amount owed by Tenant to Landlord which is not paid when due shall bear interest at the rate of (i) fifteen percent (15%) per annum, or (ii) the Prime Rate plus five (5) percentage points per annum, whichever is greater, from the due date of such amount. However, interest shall not be payable on late charges to be paid by Tenant under this Lease. The payment of interest on such amounts shall not excuse or cure any default by Tenant under this Lease unless otherwise cured as provided herein. If the interest rate specified in this Lease is higher than the rate permitted by law, the interest rate is hereby decreased to the maximum legal interest rate permitted by law. The term "Prime Rate" means that rate of interest publicly announced from time to time by the Bank of America, N.A. as its prime lending rate of interest.

(b) Landlord acknowledges that Landlord's failure to pay Parking Revenues promptly may cause Tenant to incur unanticipated costs. The exact amount of such costs are impractical or extremely difficult to ascertain. Therefore, if Tenant does not receive any Parking Revenues payment within ten (10) days after it becomes due, Landlord shall pay Tenant a late charge equal to five percent (5%) of the overdue amount. The parties agree that such late charge represents a fair and reasonable estimate of the costs Tenant will incur by reason of such late payment. In addition any amount owed by Landlord to Tenant which is not paid when due shall bear interest at the rate of (i) fifteen percent

(15%) per annum, or (ii) the Prime Rate plus five (5) percentage points per annum, whichever is greater, from the due date of such amount. However, interest shall not be payable on late charges to be paid by Landlord under this Lease. The payment of interest on such amounts shall not excuse or cure any default by Landlord under this Lease unless otherwise cured as provided herein. If the interest rate specified in this Lease is higher than the rate permitted by law, the interest rate is hereby decreased to the maximum legal interest rate permitted by law.

(c) Landlord shall have the right without notice to Tenant to set-off and deduct from Parking Revenues payable to Tenant, along with any late charges or interest due thereon, any Parking Rent that is not paid when due

8. Destruction of Garage. If the Garage is destroyed or damaged by any casualty Landlord, at its sole expense, shall immediately reconstruct or restore the Garage substantially to its original form. Any repairing or rebuilding of the Garage shall be on substantially the same location and of the same size or larger as the initial Garage; any repairing or rebuilding of the Garage shall be of the same material or similar material and of the same quality as that used in the original Garage, as applicable, unless otherwise agreed to in writing by the Tenant, provided however, in the event, the Building is destroyed and Landlord elects not to reconstruct the Building to a condition capable of occupancy, Landlord shall have no obligation to rebuild the Garage. Parking Rent shall abate for each Space that is not available for use in compliance with the Parking Management Plan for such period of time as the same remain unavailable.

9. Tenant Default.

In the event Tenant shall fail to pay any installment of Parking Rent when due within ten (10) days after receipt of written notice from Landlord and such failure is a default under this Lease, subject to all procedural repossession requirements under Nevada law, Landlord may, in addition to any other remedies which it may have at law or in equity, terminate the Tenant's right to possession of the Spaces. In the event of such termination Landlord hereby agrees to use commercially reasonable efforts to mitigate its damages. Subject to Landlord's obligation to mitigate its damages, upon termination, Landlord shall have the right to recover from the Tenant damages determined as follows:

(a) The worth, at the time of the award of any unpaid Parking Rent that had been earned at the time of termination of the Tenant's right to possession of the Spaces; and

(b) The worth, at the time of the award, of the amount by which (i) the unpaid Parking Rent payable after the date of termination of the Tenant's right to possession of the Spaces through the remainder of the Lease Term, exceeds (ii) the amount of any revenues collected by Landlord in letting the Spaces after such termination.

(c) the reasonable third party out-of-pocket collection expenses actually incurred by Landlord in the exercise of its remedies under this section 10(b), including reasonable attorneys' fees and court costs.

"The worth, at the time of the award," as referred to in subsections (1) and (2) of this Paragraph (b), is to be computed by discounting the amount of the award at the discount rate of the Federal Reserve Bank of San Francisco at the time of the award, plus one percent (1%).

10. Assignment.

(a) Landlord shall not assign, sublease, or transfer its right or obligations under this Lease without the consent of Tenant first being obtained which consent shall not be unreasonably withheld; provided, however, Landlord shall have the right to assign its rights and obligations hereunder without the consent of Tenant (i) as a security interest in connection with any financing of the Garage or to a purchaser of the Garage or (ii) in connection with a sale of the entire Project, provided that the transferee assumes in writing all obligations of Landlord hereunder, and (ii) the rights of the Tenant hereunder are superior to any security interest granted herein. As used in this Lease, the term "Landlord" means only the current owner or owners of the fee title to the Garage at the time in question. Each Landlord is obligated to perform the obligations of Landlord under this Lease only during the time such Landlord owns such interest or title. Any Landlord who transfers its title or interest is relieved of all liability with respect to the obligations of Landlord under this Lease to be performed on or after the date of transfer. In the event the Garage is pledged as security for any obligation prior to the recording date hereof, Landlord shall be obligated to obtain from all such superior lien holders, a non-disturbance agreement, whereby such lienholders agree to acknowledge and honor the rights of the Tenant hereunder in the event of a foreclosure of its security interest.

(b) The rights and obligations of the Tenant hereunder may be assigned by Tenant as Tenant may determine in Tenant's sole discretion.

11. Mortgagees.

Concurrently with the execution of this Lease, Landlord has delivered to Tenant a customary nondisturbance agreement from any mortgagee of the Project whereby such mortgagee agrees in the event of any foreclosure not to disturb Tenant's rights under this Lease and agrees to assume all of Landlord's obligations hereunder. In the event Landlord does not deliver such nondisturbance agreement, Tenant hereby represents and warrants to Tenant that there is no mortgage recorded against the Project as of the date of this Lease.

12. Notices.

Any notice required to be sent to Tenant or Landlord under the provisions of this Lease shall be deemed to have been properly sent when mailed, postage prepaid, to the address set forth below:

To Landlord:

SCE-Bulldog, LLC
4168 Douglas Blvd. Suite 200
Granite Bay, CA 95746
Attention: President & CEO

To Tenant:

Las Vegas Redevelopment Agency
400 Stewart Avenue
Las Vegas, Nevada 89101
Attention: Executive Director

Either party may change its notice address upon written notice to the other party.

13 Miscellaneous.

(a) Landlord promises, and it is a condition to the continuance of this Lease, that there will be no discrimination against, or segregation of, any person or group of persons on the basis of race, color, sex, creed, national origin or ancestry in the leasing, subleasing transferring, occupancy, tenure or use of the Spaces or any portion thereof.

(b) A determination by a court of competent jurisdiction that any provision of this Lease or any part thereof is illegal or unenforceable shall not cancel or invalidate the remainder of such provision or this Lease, which shall remain in full force and effect.

(c) The captions Sections of this Lease are to assist the parties in reading this Lease and are not a part of the terms or provisions of this Lease. Whenever required by the context of this Lease, the singular shall include the plural and the plural shall include the singular. The masculine, feminine and neuter genders shall each include the other.

(d) This Lease is the only agreement between the parties pertaining to the construction and lease of the Garage and no other agreements are effective or governing, including, without limitation, the DDA. All amendments to this Lease shall be in writing and signed by all parties. Any other attempted amendment shall be void.

(e) All waivers must be in writing and signed by the waiving party. Landlord's or Tenant's failure to enforce any provision of this Lease or their respective acceptance of Parking Rent or Parking Revenues shall not be a waiver and shall not prevent Landlord or Tenant from enforcing that provision or any other provision of this

Lease in the future. No statement on a payment check from Tenant or Landlord or in a letter accompanying a payment check shall be binding on Tenant or Landlord, and Landlord or Tenant may, with or without notice, negotiate such check without being bound to the conditions of such statement.

(f) Landlord or Tenant agree to enter into and record a memorandum of this Lease in the form attached hereto as Exhibit "H-2". Tenant hereby covenants and agrees that, upon the expiration or earlier termination of the Lease Term, Tenant will execute and deliver a quitclaim deed to Landlord in form reasonably satisfactory to Landlord, in favor of Landlord, or Landlord's successor in interest releasing and conveying any and all right, title, or interest of Tenant in the Garage.

(g) This Lease binds any party who legally acquires any rights or interest in this Lease from Landlord or Tenant. This Lease shall be governed by and construed in accordance with the laws of the State of Nevada.

(j) This Lease may be executed in counterparts, and, when all counterpart documents are executed, the counterparts shall constitute a single binding instrument. The delivery of this Lease by Landlord to Tenant shall not be deemed to be an offer and shall not be binding upon either party until executed and delivered by both parties.

(k) In any legal or equitable proceeding for the enforcement or to restrain the violation of this Lease or any provision hereof, the losing party or parties shall pay the reasonable attorneys' fees of the prevailing party or parties in the amount as may be fixed by the court in such proceedings. All remedies provided herein or at law or in equity shall be cumulative and not exclusive.

(l) All Exhibits attached hereto are hereby incorporated into this Lease and made a part of this Lease.

IN WITNESS WHEREOF, this Lease is executed the day and year first above written.

Landlord:

SCE-BULLDOG, LLC,
a Nevada limited liability company

BY: ____________________
MANAGER

Tenant:

CITY OF LAS VEGAS
REDEVELOPMENT AGENCY,
an agency of the City of Las Vegas, Nevada

BY: ____________________________
CHAIRMAN

Approved by: ____________________
Michael C. Niarchos, Esq.

EXHIBIT "H-1"

LEGAL DESCRIPTION
EXHIBIT "B"
A.P.N. 139-34-310-061, -062, -063, -076, -710-001
(040-107-012, -013, -002, -003 & -001)
PORTION OF BLOCK 23, SOUTH ADDITION
AND PORTION OF BLOCK A, WARDIE ADDITION

Those portions of the South Half (S 1/2) of Section 34, Township 20 South, Range 61 East, M.D.M., in the City of Las Vegas, County of Clark, State of Nevada, described as follows:

PARCEL 1

Lots 1, 2, 3, 4, 5 and 6, all in Block 23 of SOUTH ADDITION TO THE CITY OF LAS VEGAS, as recorded August 13, 1926 and filed in Book 1 of Plats, Page 51 of Clark County, Nevada Records.

EXCEPT THEREFROM, that portion of the above-described PARCEL 1 lying within the northwesterly 5.00 feet of Lots 1, 2, 3, 4, 5 and 6, all in said Block 23.

ALSO EXCEPT THEREFROM, that portion of the above-described PARCEL 1, lying within Lot 1 in said Block 23, being a triangular parcel of land, bounded as follows: bounded on the northeast by northeast line of said Lot 1; bounded on the northwest by the southeasterly line of the northwesterly 5.00 feet of said Lot 1; and bounded on the south by the arc of a curve, concave southerly, having a radius of 10.00 feet, being tangent to the northeasterly line of said Lot 1 and tangent to the southeasterly line of said northwesterly 5.00 feet.

The above-described PARCEL 1 contains an area of 20,204 square feet or 0.464 acres, more or less.

PARCEL 2

Lots 27, 28, 29, 30, 31 and 32 all in Block 23 of said SOUTH ADDITION TO THE CITY OF LAS VEGAS.

PARCEL 3

EXHIBIT "H"

That portion of Block A of WARDIE ADDITION, as recorded May 12, 1913 and filed in Book 1 of Plats, Page 13 of Clark County, Nevada Records, bounded on the northeast by the northeasterly line of said Block A; bounded on the southeast by the southeasterly line of said Block A; bounded on the west by the westerly line of said Block A, also being a portion of the north-south, center-section line of said Section 34; and bounded on the southwest by the southeasterly prolongation of the southwesterly line of Lot 27 in Block 23 of said SOUTH ADDITION TO THE CITY OF LAS VEGAS.

The above-described PARCEL 2 and PARCEL 3 contains a total area of 20,955 square feet or 0.481 acres, more or less.

CHAIRMAN'S INITIALS____________

EXHIBIT "B-1"
A.P.N. 139-34-310-061 (040-107-012)
PORTION OF BLOCK 23, SOUTH ADDITION
DEDICATION 5-FOOT LAS VEGAS BOULEVARD

That portion of the Southwest Quarter (SW 1/4) of Section 34, Township 20 South, Range 61 East, M.D.M., in the City of Las Vegas, County of Clark, State of Nevada, being portion of Block 23 of SOUTH ADDITION TO THE CITY OF LAS VEGAS, as recorded August 13, 1926 and filed in Book 1 of Plats, Page 51 of Clark County, Nevada Records, described as:

The northwesterly 5.00 feet of Lots 4, 5 and 6 in Block 23 of said SOUTH ADDITION TO THE CITY OF LAS VEGAS.

The above-described parcel of land contains an area of 375 square feet or 0.009 acres, more or less.

CHAIRMAN'S INITIALS__________

EXHIBIT "B-2"
A.P.N. 139-34-399-001
PORTION OF 20 FEET WIDE PUBLIC ALLEY,
SOUTHEAST CORNER OF LAS VEGAS BOULEVARD
AND CLARK AVENUE

That portion of Northeast Quarter (NE 1/4) of the Southwest Quarter (SW 1/4) of Section 34, Township 20 South, Range 61 East, M.D.M., in the City of Las Vegas, County of Clark, State of Nevada, being a portion of the 20 feet wide public alley in Block 23 of SOUTH ADDITION TO THE CITY OF LAS VEGAS, as recorded August 13, 1926 in Book 1 of Plats, Page 51 of Clark County, Nevada Records, bounded as follows:

Bounded on the northeast by the northeast line of said Block 23, bounded on the southwest by the southeasterly prolongation of the southwest line of Lot 6 in said Block 23.

The above-described parcel of land contains an area of 3,002 square feet or 0.069 acres, more or less.

RESERVING THEREFROM an easement to the CITY OF LAS VEGAS for public streetlight purposes, public fire hydrant purposes and appurtenances thereto, over, across and under the northeasterly 5.00 feet of the above described parcel of land, together with reasonable rights of ingress thereto and egress therefrom.

CHAIRMAN'S INITIALS____________

EXHIBIT "H-2"

MEMORANDUM OF LEASE

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

____
____
____

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE ("Memo") is made and entered into this ___ day of _____________, 200_, by and between SCE-BULLDOG, LLC, a Nevada limited liability company ("Landlord") and the REDEVELOPMENT AGENCY OF THE CITY OF LAS VEGAS, NEVADA, an agency of the city of Las Vegas, Nevada ("Tenant").

RECITALS

WHEREAS, Landlord is the record owner of certain real property which located in Clark County, Nevada (the "Property"), as described more particularly on Exhibit "A" attached hereto on which Landlord intends to construct an approximately 75,000 square foot Class-A office building including approximately 8,500 square feet of ground floor retail (the "Building") and a parking garage for no less than 306 parking spaces (the "Garage") (the Building and Garage are collectively referred to herein as the "Project");

WHEREAS, Tenant and Landlord have previously entered into that certain Disposition and Development Agreement dated ___________, 2003 (the "DDA") whereby Landlord agrees to construct the Project (the "DDA"); and

WHEREAS, Landlord and Tenant have entered into that certain written Parking Garage Lease Agreement dated _________________, 200_, whereby Landlord has leased to Tenant the parking spaces in the Garage ("Lease"); and

WHEREAS, the Lease provides that a memorandum of same shall be executed and recorded in the county in which the Project is located.

NOW, THEREFORE, for valuable consideration, the sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Landlord hereby grants to Tenant a leasehold interest in and to the Premises under the terms and conditions set forth in the Ground Lease, the terms of which are incorporated herein by this reference.

2. The term of the Lease is for twenty-four months commencing and ending as set forth in the Lease.

3. The addresses for Landlord and Tenant, respectively, for purposes of notice are as follows:

LANDLORD:	SCE-Bulldog, LLC 4168 Douglas Blvd. Suite 200 Granite Bay, CA 95746 Attention: President & CEO
TENANT:	Las Vegas Redevelopment Agency 400 Stewart Avenue Las Vegas, Nevada 89101 Attention: Executive Director

5. This Memo may be executed in counterparts and, when so executed and collated, shall constitute a single agreement, enforceable in accordance with its terms.

6. This Memo shall run with the land and shall bind the respective successors and assigns of the parties hereto.

7. In the event of any inconsistencies between the terms of this Memo and the terms of the Lease, the terms of the Lease shall control.

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

Landlord:

BULLDOG-SCE LLC,
a Nevada limited liability company

By: ______________________________

Print Name: ______________________
Print Title: _______________________

Tenant:

CITY OF LAS VEGAS
REDEVELOPMENT AGENCY,
an agency of the City of Las Vegas, Nevada

BY: ______________________________
CHAIRMAN

EXHIBIT "I"

FORM OF GRANT DEED

RECORDING REQUESTED BY

AND WHEN RECORDED MAIL TO:

Las Vegas Redevelopment Agency

400 Stewart Avenue

Las Vegas NV 89101

GRANT DEED

For valuable consideration, the receipt of which is hereby acknowledged,

CITY OF LAS VEGAS REDEVELOPMENT AGENCY, an agency of the City of Las Vegas, Nevada (herein called "Grantor"), acting to carry out the Redevelopment Plan (herein called "Redevelopment Plan") for the Downtown Las Vegas Redevelopment Area, under the Community Redevelopment Law of the State of Nevada, hereby grants to SCE-Bulldog, LLC, a Nevada limited liability company (herein called "Grantee"), the real property (the "Property") legally described in the document attached hereto, labeled Exhibit "I-1", and incorporated herein by this reference.

1. The Property is conveyed subject to the Redevelopment Plan and pursuant to a Disposition and Development Agreement (the "DDA") entered into by and between the Grantor and the Grantee and dated ____________ 2003. The Property is also conveyed subject to those easements of record and other title exceptions listed on Exhibit "I-2", attached hereto and incorporated herein by this reference.

2. The property shall be used for the sole purpose of constructing a Class-A office building of no less than 75,000 square feet and a parking garage of no less than 306 parking spaces, all as set forth in the DDA.

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

subdivision, planing, building, fire, safety, health or environmental matters, compliance with covenants, conditions and restrictions (whether or not of record), other local, municipal, regional, state or federal requirements, or other statutes, laws, codes, ordinances, regulations or requirements. Grantee acknowledges that it has accepted this deed on the basis of Grantee's own investigation of the physical and environmental conditions of the Property, including the subsurface conditions, and Grantee assumes the risk that adverse physical and environmental conditions may not have been revealed by its investigation.

4. Grantee, for itself, its successors and assigns, and for each and every subsequent owner or tenant of any portion of the Property (collectively, the "Releasing Parties"), hereby waives, releases, remises, acquits and forever discharges Grantor, its affiliates, their employees, agents, officers, successors and assigns, of and from any and all claims, suits, actions, causes of action, demands, rights, damages, costs, expenses, penalties, fines or compensation whatsoever, direct or indirect, which Grantee or any other Releasing Party now has or which Grantee or any other Releasing Party may have in the future on account of or in any way arising out of or in connection with any contamination or environmental condition of the Property, or any other physical or environmental condition of the Property, or the violation of any federal, state of local law, ordinance, rule or regulation, including, without limitation, the Toxic Substances Control Act, the Comprehensive Environmental Response, Compensation and Liability Act, and the Resource Conservation and Recovery Act, arising out of or in connection with any physical or environmental condition of the Property.

5. The covenants contained in paragraphs in this Grant Deed shall be binding for the benefit of the Grantor, its successors and assigns and the City of Las Vegas Redevelopment Agency. Such covenants shall bind each and every owner of the Property as covenants running with the land. The Grantor and such aforementioned parties, in the event of any breach of any such covenants, shall have the right to exercise all of the rights and remedies and to maintain any actions at law or suits in equity or other proper proceedings to enforce the curing of such breach. The covenants contained in this Grant Deed shall be for the benefit of and shall be enforceable only by the Grantor, its successors and such aforementioned parties.

6. In the event of any express conflict between this Grant Deed and the DDA, the provisions of this Grant Deed shall control.

IN WITNESS WHEREOF, the Grantor and Grantee have caused this instrument to be executed on their behalf by their respective officers thereunto duly authorized this ____ day of ____________. 200_.

CITY OF LAS VEGAS REDEVELOPMENT AGENCY
An agency of the City of Las Vegas, Nevada

By:________________________

Chairman

"GRANTOR"

APPROVED:

____

Counsel for Grantor

The provisions of this Grant Deed are hereby approved and accepted.

________ 200_

SCE-BULLDOG, LLC,
a Nevada limited liability company

By : ________________________

Manager

Print Name: __________________

EXHIBIT "I"

Acknowledgments

GRANTOR:

CITY OF LAS VEGAS REDEVELOPMENT AGENCY

____

_________________, Chairman

This instrument was acknowledged before me, a notary public, on this ___ day of _______________, ______, by ________________________, as ________________ of City of Las Vegas Redevelopment Agency.

NOTARY PUBLIC, in and for said County and State
My Commission Expires:

STATE OF NEVADA)
) ss.
COUNTY OF CLARK)

GRANTEE:

SCE-Bulldog, LLC
a Nevada Limited Liability Company

By: ____________________________
Name Printed:_____________
Title: ___________________________

This instrument was acknowledged before me, a notary public, on this ___ day of _______________, ______, by __________________________, as ________________ of SCE-Bulldog, LLC, a Nevada Limited Liability Company.

NOTARY PUBLIC, in and for said County and State
My Commission Expires:

STATE OF NEVADA)
) ss.
COUNTY OF CLARK)

EXHIBIT "I-1"

EXHIBIT "B"
A.P.N. 139-34-310-061, -062, -063, -076, -710-001
(040-107-012, -013, -002, -003 & -001)
PORTION OF BLOCK 23, SOUTH ADDITION
AND PORTION OF BLOCK A, WARDIE ADDITION

Those portions of the South Half (S 1/2) of Section 34, Township 20 South, Range 61 East, M.D.M., in the City of Las Vegas, County of Clark, State of Nevada, described as follows:

PARCEL 1

Lots 1, 2, 3, 4, 5 and 6, all in Block 23 of SOUTH ADDITION TO THE CITY OF LAS VEGAS, as recorded August 13, 1926 and filed in Book 1 of Plats, Page 51 of Clark County, Nevada Records.

EXCEPT THEREFROM, that portion of the above-described PARCEL 1 lying within the northwesterly 5.00 feet of Lots 1, 2, 3, 4, 5 and 6, all in said Block 23.

ALSO EXCEPT THEREFROM, that portion of the above-described PARCEL 1, lying within Lot 1 in said Block 23, being a triangular parcel of land, bounded as follows: bounded on the northeast by northeast line of said Lot 1; bounded on the northwest by the southeasterly line of the northwesterly 5.00 feet of said Lot 1; and bounded on the south by the arc of a curve, concave southerly, having a radius of 10.00 feet, being tangent to the northeasterly line of said Lot 1 and tangent to the southeasterly line of said northwesterly 5.00 feet.

The above-described PARCEL 1 contains an area of 20,204 square feet or 0.464 acres, more or less.

PARCEL 2

Lots 27, 28, 29, 30, 31 and 32 all in Block 23 of said SOUTH ADDITION TO THE CITY OF LAS VEGAS.

PARCEL 3

That portion of Block A of WARDIE ADDITION, as recorded May 12, 1913 and filed in Book 1 of Plats, Page 13 of Clark County, Nevada Records, bounded on the northeast by the northeasterly line of said Block A; bounded on the southeast by the southeasterly line of said Block A; bounded on the west by the westerly line of said Block A, also being a portion of the north-south, center-section line of said Section 34; and bounded on the southwest by the southeasterly prolongation of the southwesterly line of Lot 27 in Block 23 of said SOUTH ADDITION TO THE CITY OF LAS VEGAS.

The above-described PARCEL 2 and PARCEL 3 contains a total area of 20,955 square feet or 0.481 acres, more or less.

CHAIRMAN'S INITIALS___________

EXHIBIT "B-1"

A.P.N. 139-34-310-061 (040-107-012)
PORTION OF BLOCK 23, SOUTH ADDITION
DEDICATION 5-FOOT LAS VEGAS BOULEVARD

That portion of the Southwest Quarter (SW 1/4) of Section 34, Township 20 South, Range 61 East, M.D.M., in the City of Las Vegas, County of Clark, State of Nevada, being portion of Block 23 of SOUTH ADDITION TO THE CITY OF LAS VEGAS, as recorded August 13, 1926 and filed in Book 1 of Plats, Page 51 of Clark County, Nevada Records, described as:

The northwesterly 5.00 feet of Lots 4, 5 and 6 in Block 23 of said SOUTH ADDITION TO THE CITY OF LAS VEGAS.

The above-described parcel of land contains an area of 375 square feet or 0.009 acres, more or less.

CHAIRMAN'S INITIALS__________

ex030514.doc

EXHIBIT "B-2"
A.P.N. 139-34-399-001
PORTION OF 20 FEET WIDE PUBLIC ALLEY,
SOUTHEAST CORNER OF LAS VEGAS BOULEVARD
AND CLARK AVENUE

That portion of Northeast Quarter (NE 1/4) of the Southwest Quarter (SW 1/4) of Section 34, Township 20 South, Range 61 East, M.D.M., in the City of Las Vegas, County of Clark, State of Nevada, being a portion of the 20 feet wide public alley in Block 23 of SOUTH ADDITION TO THE CITY OF LAS VEGAS, as recorded August 13, 1926 in Book 1 of Plats, Page 51 of Clark County, Nevada Records, bounded as follows:

Bounded on the northeast by the northeast line of said Block 23, bounded on the southwest by the southeasterly prolongation of the southwest line of Lot 6 in said Block 23.

The above-described parcel of land contains an area of 3,002 square feet or 0.069 acres, more or less.

RESERVING THEREFROM an easement to the CITY OF LAS VEGAS for public streetlight purposes, public fire hydrant purposes and appurtenances thereto, over, across and under the northeasterly 5.00 feet of the above described parcel of land, together with reasonable rights of ingress thereto and egress therefrom.

CHAIRMAN'S INITIALS____________

EXHIBIT "I-2"
SCHEDULE OF TITLE EXCEPTIONS

AFFIDAVIT OF JAMES B. ALLEN

STATE OF NEVADA }
}ss:
COUNTY OF CLARK }

I, James B. Allen, being first duly sworn, depose and state under penalty of perjury as follows:

1. I am the Chief Executive Officer of Sierra Crest Equities, LLC, a California Limited Liability Company. Sierra Crest Equities, LLC has formed a Nevada Limited Liability Company, SCE-Bulldog, LLC, ("Developer") as a single-asset entity for the purpose of purchasing and developing the real property located at the southeast corner of Las Vegas Boulevard and Clark Avenue, as more particularly described by the Disposition and Development Agreement ("Agreement") being contemplated by the City of Las Vegas Redevelopment Agency at its public hearing to be held on November 5, 2003. I have expertise in commercial office development and am very familiar with the Las Vegas office market. Our firm's proposed project will feature no less than 75,000 square feet of Class-"A" office space, 306 parking spaces, and 8,500 square feet of ground floor retail space.

2. Based on feasibility conducted by my firm, I believe that the Las Vegas Downtown Office Market can absorb my project's 75,000 square feet of new, Class "A" office space within the development timeframe specified in the agreement. I also believe that there is sufficient demand for regular use of the 306 parking spaces and 8,500 square feet of retail space proposed by my project.

3. Because the Developer has been unable to acquire the adjacent parcels at a reasonable, fair market value, the Developer is seeking a vacation of the alley as a condition of closing on purchase of the property.

4. As contemplated by the Agreement, the purchase price, and the deferment period for full payment of the purchase price, are needed in order to make the project economically viable. The purchase terms specified in the Agreement provide for a reasonable return to the Developer without undue enrichment for a project of this scope.

5. No other means of financing, traditional or otherwise, are available to make the proposed project feasible and result in a reasonable return to the Developer.

DATED this 24 day of Oct, 2003.

James B. Allen

SIGNED AND SWORN TO before

me this 24 day of October 2003,

by Dana R Luft

NOTARY PUBLIC
My Commission Expires:

DANA R. LUFT
COMM. # 1389172
NOTARY PUBLIC • CALIFORNIA
PLACER COUNTY
Comm. Exp. DEC. 8, 2006

City of Las Vegas **Agenda Item No.: 3**

AGENDA SUMMARY PAGE

REDEVELOPMENT AGENCY MEETING OF: NOVEMBER 5, 2003

DEPARTMENT: BUSINESS DEVELOPMENT
DIRECTOR: IAIN VASEY (ACTING)

SUBJECT:
DISCUSSION AND POSSIBLE ACTION REGARDING A DISPOSITION AND DEVELOPMENT AGREEMENT WITH SCE-BULLDOG, LLC, FOR THE PURCHASE AND DEVELOPMENT OF A 0.94-ACRE PARCEL ON THE SOUTHEAST CORNER OF LAS VEGAS BOULEVARD AND CLARK AVENUE, APN 139-34-310-061, -062, -063, -076 & -710-001- (GAIN OF $1,200,000 - REDEVELOPMENT AGENCY SPECIAL REVENUE FUND) - WARD 1 (MONCRIEF) **[NOTE: THIS ITEM IS RELATED TO COUNCIL ITEM #85 (R-161-2003) AND RDA ITEM #2.]**

Fiscal Impact

☐	**No Impact**	**Amount:** Gain of $1,200,000
☐	**Budget Funds Available**	**Dept./Division:** OBD/RDA
☐	**Augmentation Required**	**Funding Source:** RDA SPECIAL REVENUE FUND

PURPOSE/BACKGROUND:
The developer, Sierra Crest Equities, LLC, entered into an Exclusive Negotiating Agreement for the purpose of negotiating a Disposition and Development Agreement ("DDA") for the acquisition and development of the Southeast Corner of Las Vegas Boulevard and Clark Street ("Site"). The DDA requires an affliate of the Developer, SCE-Bulldog, LLC, to develop on the Site 75,000 square feet of Class "A" office space, 8,500 square feet of ground floor retail, and a 306 parking space parking garage.

RECOMMENDATION:
Approval

BACKUP DOCUMENTATION:
1. Agenda Memo
2. Disposition and Development Agreement, with Attachments
3. Affidavit of James B. Allen
4. Disclosure of Principals for Bulldog SCE, LLC
5. Site Locator Map
Submitted after the meeting: elevation plans (filed under 11/5/2003 City Council Minutes Item 85)

MOTION:
MONCRIEF – APPROVED as recommended - UNANIMOUS

City of Las Vegas

Agenda Item No.: 3

REDEVELOPMENT AGENCY MEETING OF NOVEMBER 5, 2003
Business Development
Item 3 - DISCUSSION AND POSSIBLE ACTION REGARDING A DISPOSITION AND DEVELOPMENT AGREEMENT WITH SCE-BULLDOG, LLC, FOR THE PURCHASE AND DEVELOPMENT OF A 0.94-ACRE PARCEL ON THE SOUTHEAST CORNER OF LAS VEGAS BOULEVARD AND CLARK AVENUE, APN 139-34-310-061, -062, -063, -076 & -710-001- (GAIN OF $1,200,000 - REDEVELOPMENT AGENCY SPECIAL REVENUE FUND) - WARD 1 (MONCRIEF)

MINUTES:
IAIN VASEY, Acting Director, Business Development, and JAMES ALLEN, Chief Executive Officer with Sierra Crest Equities and President of SCE-Bulldog, were present.

NOTE: See related Item 2 for all discussion. Also, 11/5/2003 Council Item 85 contains duplicate minutes.

(11:57 – 12:04)
2-3185

City of Las Vegas

AGENDA MEMO

REDEVELOPMENT AGENCY MEETING DATE: NOVEMBER 5, 2003
DEPARTMENT: BUSINESS DEVELOPMENT
ITEM DESCRIPTION: DISCUSSION AND POSSIBLE ACTION REGARDING A DISPOSITION AND DEVELOPMENT AGREEMENT WITH SCE-BULLDOG, LLC, FOR THE PURCHASE AND DEVELOPMENT OF 0.94-ACRES OF REAL PROPERTY LOCATED AT THE SOUTHEAST CORNER OF LAS VEGAS BOULEVARD AND CLARK AVENUE, APN 139-34-310-061, -062, -063, -076 & -710-001- (GAIN OF $1,200,000) - WARD 1 (MONCRIEF)

1. As a result of the Exclusive Negotiation Agreement between the City of Las Vegas Redevelopment Agency ("RDA") and Sierra Crest Equities, LLC, the RDA and Sierra Crest Equities, LLC have reached agreement on development terms for the 0.94-acre parcel located at the Southeast corner of Las Vegas Boulevard and Clark Street ("Site").

2. Sierra Crest Equities, LLC and its principals have formed a Nevada Limited Liability Company, SCE-Bulldog, LLC (the "Developer"), for the purpose of acquiring and developing the Site for a six-story, mixed-used office complex.

3. As described in the Disposition and Development Agreement ("DDA"), the Developer proposes to develop a six-story office tower, with an internal parking garage, on the Site. The office space will contain 75,000 square feet and be located on the top two (fifth and sixth) floors. The 8,500 square feet of retail space will be located on the ground floor, and will have a façade facing Clark Avenue. The structured parking will be located on the second, third, and fourth floors and contain 306 parking spaces over approximately 140,700 square feet.

4. The Developer will be developing the office space on a speculative basis. Staff has evaluated the Class "A" office market, both for the downtown submarket and the overall Las Vegas market, and has concluded that there is pent-up demand for additional Class "A" office space, particularly within walking distance of both the federal courthouse and the Clark County Regional Justice Center.

5. In order to make the proposed development of the Site feasible, the Developer will be seeking a vacation of a portion of the alley which intersects Clark Avenue and Bonneville Avenue, and which bisects the existing surface parking lot, as more particularly described in Exhibit "A" of the DDA. Pursuant to the DDA, the RDA will be applying for the vacation on behalf of the Developer. The dimensions of the alley portion are approximately 20 feet in width, by 150 feet in length, or approximately 3,002 square feet, as more particularly described in Exhibit "B-2" of the DDA. The Developer also has been advised of the City's intent to dedicate a portion of the Site along Las Vegas Boulevard, as more particularly described in Exhibit "B-1" of the DDA.

6. Given the project's high density, RDA staff believes that the project represents the highest and best possible use of the Site.

7. Pursuant to the terms of the DDA, the Developer will be purchasing the Site for the purchase price of $1,200,000. The RDA's cost of assembling the five parcels was approximately $1,040,000.

8. The purchase price is deferred until the earlier of (1) the date on which the Developer achieves 80% occupancy of the building as evidenced by leased space and (2) three years following the closing and conveyance of the Site, or no later than June 28, 2007, whichever occurs first. During the deferment period, the purchase price is guaranteed through a promissory note secured by a deed of trust, with simple interest accruing on the principal at an interest rate of 4.5% per annum, as more particularly described in Exhibit "D" of the DDA. Final payment of principal and accrued interest will be due at the earlier of 80% of the space to be leased, and three years subsequent to the closing dated, or June 28, 2007, whichever occurs first.

9. The DDA requires the Developer to maintain cash equity of $2.5 Million in the project during the term of the promissory note and deed of trust.

10. Pursuant to the terms of the DDA, the RDA will be entering into a parking lease agreement for 40% of the spaces in the parking garage, not to exceed 122 parking spaces, at the fixed rate of $45.00 per month, as more particularly described in Exhibit "H" of the DDA.

11. The Developer is required to close escrow and complete purchase of the Site on or before June 28, 2004. The Developer is being afforded additional time to close on the Site due to the process required by the City for vacation of the alley, which includes the preparation of a reversionary parcel map, and design of utility relocation and connections, given the existing utility poles in the alley portion to be vacated.

12. The Developer must commence construction site preparation, including grading and utility relocation, no later than July 7, 2004. Construction on the building, as evidenced by the pouring of the foundation, will begin no later than 120 days after the closing of escrow, or by November 1, 2004, whichever occurs first.

13. The Developer must complete construction within 14 months of commencing construction, or no later than December 30, 2005, whichever occurs first.

14. The Developer is required to carry out the construction of the project in compliance with N.R.S. 279.500, and as such, the Developer is required to adhere to the Employment Plan attached to the DDA as Exhibit "E".

15. The Developer is building the office space and retail space on a speculative basis. Staff is projecting that 429 direct jobs will be created as a result of the office space, and 17 direct jobs will be created as a result of the ground floor retail space.

DISPOSITION AND DEVELOPMENT AGREEMENT

THIS DISPOSITION AND DEVELOPMENT AGREEMENT ("Agreement") is entered into as of the __ day of ___, 2003, by and between CITY OF LAS VEGAS REDEVELOPMENT AGENCY ("RDA") and SCE-BULLDOG, LLC, a Nevada limited liability company (the "Developer").

WITNESSETH:

WHEREAS, RDA desires to sell to the Developer, and the Developer desires to purchase from RDA, that certain real property depicted in Exhibit "A" and described more particularly in Exhibit "B" both of which are attached to this Agreement (the "Site");

WHEREAS, RDA and Developer mutually desire that the Site be developed with a class-A office building and parking garage as described in this Agreement and on the terms and conditions set forth in this Agreement.

WHEREAS, RDA desires to lease from the Developer, and the Developer desires to lease to RDA, a portion of the parking spaces in the parking garage to be constructed by Developer on the Site.

WHEREAS, the parties desire to set forth in this Agreement the terms and conditions for the development of the Site.

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

1. **PURPOSE OF AGREEMENT**

The purpose of this Agreement is to effectuate the Redevelopment Plan (the "Redevelopment Plan") for the Downtown Las Vegas Redevelopment Area (the "Redevelopment Area") by providing for the redevelopment of the Site which is included within the boundaries of the Redevelopment Plan.

The redevelopment of the Site 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, morals 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 is subject to the provisions of the Redevelopment Plan that was approved and adopted on March 5, 1986, by the City Council of the City, and the health, safety, morals and welfare of its residents and in accord with the public purposes and provisions of applicable federal, state and local laws and requirements. The Redevelopment Area is located in the City and the exact boundaries thereof are specifically described in the Redevelopment Plan.

2. **THE SITE**

The Site consists of approximately 41,159 square feet as depicted in Exhibit "A" together with an additional 375 feet more particularly described in Exhibit "B-2", excluding therefrom the area described in Exhibit "B-1" which will be dedicated to the City for public use.

3. **PARTIES TO THE AGREEMENT**

(a) RDA is an agency of the City. The office of RDA is located at 400 Stewart Avenue, Las Vegas, Nevada 89101. RDA shall have the right to assign this Agreement to the City.

(b) The Developer is SCE-BULLDOG, LLC, a Nevada limited liability company. The principal office of the Developer is located at 4168 Douglas Blvd., Suite 200, Granite Bay, CA 95746. Wherever the term "Developer" is used herein, such term shall include any permitted nominee, assignee or successor in interest as herein provided, including any development entity controlled by the Developer. The Developer shall disclose to RDA its principals in accordance with Agency Resolution No. RA-4-99.

(c) The qualifications and identity of the Developer are of particular concern to the City and RDA, and it is because of such qualifications and identity that RDA has entered into this Agreement with the Developer. Developer agrees that:

> (i) 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; and
>
> (ii) the Developer shall not assign all or any part of this Agreement without the prior written approval of RDA except as expressly permitted below in this Section 3.

This Agreement may be terminated by RDA if there is any change (voluntary or involuntary) in the membership, management or control of the Developer except as expressly provided herein. Notwithstanding the foregoing, the following shall be permitted transfers and shall not require RDA's approval hereunder:

> (i) A transfer to any entity in which the Developer has (i) a minimum of thirty percent (30%) of the ownership interests in such entity and (ii) management control of such entity; and
>
> (ii) A transfer of stock in a publicly held corporation or of the beneficial interest in any publicly held partnership or real estate investment trust.

4. **ACQUISITION OF SITE AND PURCHASE PRICE**

RDA agrees to sell, and the Developer agrees to purchase, the Site on the terms and conditions provided herein. The purchase price for the Site is One Million Two Hundred Thousand Dollars ($1,200,000.00) payable at the close of escrow in accordance with the provisions of Section 5 (the "Purchase Price").

5. **PAYMENT OF PURCHASE PRICE**

The Purchase Price described in Section 4 shall be paid as follows:

(a) In payment of the Purchase Price, at or before the close of escrow, the Developer shall deposit in escrow Developer's promissory note in the principal amount of One Million Two Hundred Thousand Dollars ($1,200,000.00) payable to RDA (the "Note"). The Note shall be due and payable at the earlier of (i) three (3) years after the close of escrow and (ii) fifteen (15) business days after occupancy of eighty percent (80%) of the office space of the Project (hereinafter). The Note will bear simple interest at the annual rate of four and one-half percent (4.5%) from the Closing (hereinafter defined) until paid. The Note will be in the form of Exhibit "C" attached to this Agreement.

(b) The Note shall be secured by Developer's deed of trust and assignment of rents (the "Deed of Trust") encumbering the Site in the form of Exhibit "D" attached hereto. Upon the Closing of the initial construction loan and permanent financing loan for the Project, RDA will, at the request of Developer, subordinate the rights of RDA under the Deed of Trust to the rights of a lender (the "Project Lender") under the initial construction loan and any subsequent permanent loan (each a "Project Loan") for the development of the Site. RDA hereby agrees to execute and deliver such reasonable subordination agreement and other instruments and agreements as the Project Lender may from time to time request to evidence and/or perfect the subordination by RDA of its right under the Deed of Trust to the rights of the Project Lender, under such documents as the Project Lender may designate evidencing, securing, and/or perfecting the rights of the Project Lender under the Project Loan. RDA's obligation to execute and deliver such reasonable subordination agreement is on the conditions that (i) the sum of the principal amount of the Project Loan plus the outstanding principal amount of the Note does not exceed one hundred percent (100%) of appraised value of the Site as developed with the Project and (ii) after the closing of the Project Loan, the Developer will continue to have at least $2,500,000 of cash equity invested in the Project, provided, however, that if the Project Loan is the initial construction loan the Developer only will have to demonstrate that upon completion of the Project that it will have at least $2,500,000 of cash equity invested in the Project. The Developer will supply (i) a current appraisal addressed to RDA, prepared by an M.A.I. appraiser approved by RDA provided that such approval shall not be unreasonably withheld, which gives effect to the development of the Project to determine such loan to value ratio and (ii) such evidence that is acceptable to RDA that after the closing of the Project Loan Developer will maintain the minimum of $2,500,000 cash equity invested in the Project upon completion of the Project.

(c) Developer agrees to submit to the RDA a commitment letter from the Project Lender ("Commitment"). The Commitment shall contain, at a minimum, the following information: (i) total amount being financed; (ii) the term and maturity date, including conditions causing any acceleration; (iii) repayment terms, including an amortization schedule if interest rate varies over term; (iv) collateral and security; (v) debt requirements, including loan-to-cost or loan-to-value; (vi) pre-leasing requirement, if any; and (v) any other conditions precedent for Developer to close on the Project Loan. RDA agrees to approve the Commitment in the time frame specified in the Schedule of Performance provided that it is in compliance with this Agreement, as more particularly described hereinafter.

6. SITE DEVELOPMENT

(a) RDA and the Developer agree that the development on the Site will be a class A office building consisting of (i) at least 75,000 square feet of Class "A" office space for lease, together with no less than 8,500 square feet of ground floor retail space fronting on Las Vegas Boulevard and (ii) a parking garage for at least 306 parking spaces (the "Project"). Any and all development on the Site will conform to the procedures and limitations contained in zoning regulations and all applicable building and other codes as adopted by the City. Before commencement of construction or development of any buildings or other work of improvement related to the Site, the Developer shall, at its own expense, secure or cause to be secured any and all permits and approvals that may be required by the City, any other governmental agency or any other party affected by such construction, development or work.

(b) The Developer shall carry out the construction of the Project improvements in conformity with all applicable laws, including, without limitation, NRS 279.500. The Developer shall require all contractors and subcontractors performing new construction work on the Site to pay construction workers prevailing wages for each craft and classification as determined by the Labor Commissioner pursuant to NRS 338.030 or its successor statute. The term "new construction work" as used in this paragraph shall apply to all construction and development work within the Site. Prior to the letting of any construction contracts, the Developer shall obtain a public works identifying number, or comparable, approved by the Labor Commissioner. Developer also agrees to comply with the terms and conditions of the Employment Plan attached hereto as Exhibit "E".

(c) No later than the time specified in the Schedule of Performance, the Developer shall submit to RDA evidence satisfactory to RDA that the Developer has the equity capital and firm and binding loan commitments for construction financing necessary for development of the Project. Such financing shall be subject to the approval of RDA to assure compliance with Section 5(b) above, which approval will not be unreasonably withheld, conditioned or delayed.

(d) RDA and Developer agree that it is their intent that the Site be developed as follows:

(i) The Project will be built in accordance to the Site Plan attached hereto as Exhibit "A" and as provided in the Scope of Development attached hereto as Exhibit "F". Within the time set forth in the Schedule of Performance attached hereto as Exhibit "G", the Developer shall prepare and submit to RDA for review and written approval Basic Concept Drawings and related documents containing the overall plan for development of the Project. The Basic Concept Drawings shall conform to this Agreement, including the Scope of Development. The Basic Concept Drawings shall include a site plan, elevations and an architect's rendering. RDA shall approve or disapprove the Basic Concept Drawings within the time established in the Schedule of Performance. Failure by RDA to either approve or disapprove within such time shall be deemed an approval. Any disapproval shall state in writing the reasons for disapproval. The Project shall be developed as generally established in the Basic Concept Drawings and related documents except as changes may be mutually agreed upon between the Developer and RDA. Any such changes shall be within the limitations of the Scope of Development.

(ii) Within the time set forth in the Schedule of Performance, the Developer shall prepare and submit to RDA for review and written approval the following plans drawings, related documents and any subsequent revisions thereto ("Plans and Drawings"):

1. Final Architectural Plans;
2. Final Plot Grading Utility Plans ("Civil Plans");
3. Final Structural Plans;
4. Final Mechanical, Electrical, and Plumbing Plans; and
5. Final Landscaping Plans.

RDA's approval shall be limited to the exterior elements of the Project. The Developer agrees to construct the Project in accordance with the approved Plans and Drawings. If the Developer desires to make any material change to the Project after approval of the Plans and Drawings, the Developer shall submit the proposed changes to RDA for its approval. RDA shall notify the Developer within fifteen (15) days after receipt of its approval or disapproval. Such changes in the Plans and Drawings shall, in any event, be deemed approved by RDA unless rejected, in whole or part, by written notice thereof to the Developer setting forth in detail the reasons therefor, and such rejection shall be made within such 15-day period.

(iii) The Project will be developed within the time schedule set forth herein in the Schedule of Performance. Developer agrees that, in all events, within four (4) months after the acquisition of the Site, the Developer will begin construction and will complete such construction within fourteen (14) months after commencement of construction. Commencement of construction shall be evidenced by the pouring of the foundation for the Project. Both commencement of construction and completion of construction will be extended by such additional time as corresponds to the extent of any delay that is caused by material shortages, labor disputes, fire, civil riots, unforeseen acts of government, acts of God or other events reasonably beyond the Developer's control.

(iv) The Developer will be responsible for the installation, at its expense, of all sidewalks and driveways and on-site utilities, sewer lines, and other on-site improvements.

(e) The Developer shall complete and submit to the City an application for a Site Development Plan review for a site plan consistent with the Basic Concept Drawings.

(f) The Developer shall complete and submit to the City an application for the vacation of the alley and right-of-way bisecting the Site, as more particularly described in Exhibit "A" and Exhibit "B-2" (the "Vacation Application"). The Developer acknowledges that, prior to the RDA's conveyance of the Site to the Developer, the City intends to dedicate a portion of the Site, as more particularly described in Exhibit "B-1". Developer also shall complete and submit to the City a Reversionary Parcel Map, and any and all necessary applications, in order to adjust the parcel lines to incorporate into the Site the real property arising from the vacation of the alley. The Developer and RDA mutually acknowledge and agree that their respective obligations to close the purchase and sale of the Site are mutually contingent upon the approval of the Vacation Application, such Reversionary parcel Map and the parcel line adjustments.

(g) RDA agrees to sign all required permit applications during its period of ownership of the Site, subject to the terms of this Agreement. The Developer agrees to assume all costs associated with preparation of the Site Development Plan review application, including the application fee.

(h) At the Closing, RDA and the Developer shall enter into a Parking Lot and Garage Lease (the "Parking Lease") in the form attached hereto as Exhibit "H" pursuant to which RDA leases from the Developer forty percent (40%) of the parking spaces in the parking garage up to a maximum of 122 parking spaces, all subject to the terms and conditions contained in the Parking Lease.

(i) So long as any of the principal amount of the Note is outstanding, the Developer shall furnish or cause to be furnished to RDA duplicate originals or appropriate certificates of bodily injury and property damage insurance policies in the amount of at least ONE MILLION DOLLARS ($1,000,000) for any person, TWO MILLION DOLLARS ($2,000,000) for any occurrence and FIVE HUNDRED THOUSAND DOLLARS ($500,000) property damage, naming RDA and the City as additional or coinsureds. The Developer shall also furnish or cause to be furnished to RDA evidence satisfactory to RDA that any contractor with whom it has contracted for the performance of work on the Project office building carries workers' compensation insurance as required by law.

(j) For the purposes of assuring compliance with this Agreement, representatives of RDA and the City shall have the reasonable right of 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 RDA or the City shall be those who are so identified in writing by the Executive Director of RDA. RDA and the City shall indemnify the Developer and hold it harmless from any damage caused or liability arising out of this right to access. The foregoing indemnity is subject to the provision of NRS 41.035.

(k) The Developer agrees to indemnify, hold harmless and defend (with counsel acceptable to RDA) RDA, the City of Las Vegas, their affiliates, its and their officers, agents, servants and employees against and from any and all actual or threatened liabilities, claims, actions, foreseeable and unforeseeable consequential damages, penalties, costs and expenses (including attorney's fees) and losses arising from or all actual or threatened liabilities, claims, actions, foreseeable and unforeseeable consequential damages, penalties, costs and expenses (including attorney's fees) and losses directly or indirectly arising out of or resulting from or relating in anyway to the development and/or operation of the Project.

(l) Failure on the part of the Developer, after acquisition of the Site, to comply with the provisions of this Section 6 shall constitute a default under the Deed of Trust as set forth in the Deed of Trust.

7. GENERAL REPRESENTATIONS AND WARRANTIES

(a) Representations and Warranties by RDA. RDA represents and warrants that as of the date hereof and the date of close of escrow:

(i) RDA is an agency of the City.

(ii) RDA has all requisite power and authority to enter into and perform its obligations under this Agreement, the Parking Lease and the Option Agreement.

(iii) By proper action of RDA, RDA's signatories have been duly authorized to execute and deliver this Agreement.

(iv) To RDA's actual knowledge, no condemnation, eminent domain or similar proceedings have been instituted or threatened against the Site.

(v) To RDA's actual knowledge, there are no legal actions, suits or proceedings pending or threatened before any judicial body or any governmental or quasi-governmental authority against the Site or against RDA which would inhibit RDA's ability to perform its obligations under this Agreement or the Parking Lease.

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

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

(viii) The execution of this Agreement or the Parking Lease by RDA does not violate any provision of any other agreement to which RDA is a party.

(ix) Except as may be specifically set forth herein, no approvals or consents not heretofore obtained by RDA are necessary in connection with the execution of this Agreement or the Parking Lease by RDA or with the performance by RDA of its obligations hereunder or under the Parking Lease.

As used in this Agreement, the term "RDA's actual knowledge" means the actual knowledge of the Chairman of RDA.

(b) <u>Representations and Warranties of the Developer</u>

The Developer represents and warrants to RDA that as of the date hereof and the date of close of escrow:

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

(ii) The Developer has all requisite power and authority to carry out business as now and whenever conducted and to enter into and perform its obligations under this Agreement and the Parking Lease.

(iii) By proper action of the Developer, the Developer's signatories have been duly authorized to execute and deliver this Agreement and the Parking Lease.

(iv) The execution of this Agreement or the Parking Lease by the Developer does not violate any provision of any other agreement to which the Developer is a party.

(v) Except as may be specifically set forth in this Agreement, no approvals or consents not heretofore obtained by the Developer are necessary in connection with the execution of this Agreement or the Parking Lease by the Developer or with the performance by the Developer of its obligations hereunder or under the Parking Lease.

(vi) Neither the Developer nor any of its principals is currently a debtor in a case under the Bankruptcy Code (Title 11 U.S.C.), is the subject of an involuntary petition under the Bankruptcy Code, has made an assignment for the benefit of creditors or is insolvent and unable to pay its debts as they become due.

(vii) To the Developer's actual knowledge, there are no legal actions, suits or proceedings pending or threatened before any judicial body or any governmental or quasi-governmental authority against the Developer which would inhibit the Developer's ability to perform its obligations under this Agreement or the Parking Lease.

8. **EARNEST MONEY DEPOSIT**

Concurrently with its execution of this Agreement, the Developer has delivered to RDA a deposit (the "Earnest Money Deposit") in the form of either cash or a cashier's check in the amount of Fifty Thousand Dollars ($50,000.00). The Earnest Money Deposit shall be disposed as set forth in Section 14 and Section 25 below.

9. **RESERVED**

10. **ESCROW**

(a) RDA and the Developer agrees to open an escrow with United Title of Nevada (the "Title Company"), as escrow agent (the "Escrow Agent"), in Clark County, Nevada, within three (3) days after both parties have fully executed this Agreement. This Agreement constitutes the joint escrow instructions of RDA and the Developer, and a fully executed copy of the Agreement shall be delivered to the Escrow Agent upon the opening of escrow. RDA and the Developer shall provide such additional escrow instructions as shall be necessary and consistent with this Agreement. The Escrow Agent hereby is empowered to act under this Agreement, and, upon indicating its acceptance of the provisions of this Section 10 in writing, delivered to RDA and to the Developer after the opening of the escrow, shall carry out its duties as Escrow Agent hereunder.

(b) The Developer shall deposit into escrow the following fees, charges and costs after the Escrow Agent has notified the Developer of the amount of such fees, charges and costs, but not earlier than ten (10) days prior to the scheduled date for the close of escrow:

(i) All of the escrow fee and the recording costs for the Deed of Trust and a memorandum of the Parking Lease;

(ii) All of the premium and costs for the title insurance policies or special endorsements to be paid by the Developer as set forth in Section 17 of this Agreement;

(iii) Any state, county or city documentary transfer tax;

(iv) The cost of the ALTA survey; and

(v) An amount not to exceed $5,000 to reimburse RDA for the fees of its outside counsel incurred in connection with the negotiation of this Agreement which amount shall be disbursed to RDA by the Escrow Agent.

(c) RDA shall pay in escrow to the Escrow Agent the following fees, charges and costs after the Escrow Agent has notified the Agency of the amount of such fees, charges and costs, but not earlier than one (1) day prior to the scheduled date for the close of escrow:

(i) The recording costs for the Deed; and

(ii) Ad valorem taxes, if any, upon the Site for any time prior to conveyance of title.

(d) Not later than one business day prior to the Closing Date, RDA will deposit with the Escrow Agent the following:

(i) The Deed and a memorandum of Parking Lease duly executed and acknowledged by RDA.

(ii) The Memorandum of Parking Lease City duly executed and acknowledged.

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

(e) Not later than one (1) day prior to the close of escrow, Developer shall deposit and deliver to Escrow Agent the following items:

(i) The Deed accepted and duly executed by the Developer.

(ii) The Note duly executed by Developer.

(iii) The Deed of Trust duly executed and acknowledged by Developer.

(iv) A memorandum of Parking Lease City duly executed and acknowledged by the Developer.

(v) Any other documents, instruments, data, records, correspondence or agreements called for under this Agreement which have been delivered.

(f) The Escrow Agent is authorized and instructed to:

(i) Charge the parties obligated hereunder, and to pay to the persons entitled thereto, any fees, charges and costs payable under this Section 10 and related solely to the acquisition and transfer to the

Developer of the Site. Before such payments are made, the Escrow Agent shall notify RDA and the Developer of the fees, charges and costs necessary to clear title and close the escrow.

(ii) Disburse funds and deliver the deed and other documents to the parties entitled thereto when the conditions of this escrow have been fulfilled by RDA and the Developer.

(iii) Obtain and charge the Developer all of the premiums and costs for the title insurance policies and endorsements thereto.

(iv) Record any instruments delivered through this escrow, if necessary or proper, to vest title in the Developer in accordance with the terms and provisions of this Agreement.

(g) All funds received in this escrow shall be deposited by the Escrow Agent with other escrow funds of the Escrow Agent in a general interest bearing escrow account or accounts with any state or national bank doing business in the State of Nevada. Such funds may be transferred to any other such general interest bearing escrow account or accounts. All disbursements shall be made by check of the Escrow Agent. All adjustments shall be made on the basis of a 30 (thirty) day month. Any interest that is earned on funds deposited under this paragraph shall be for the benefit of the party responsible for depositing those funds with the Escrow Agent and apply to the Purchase Price or returned to the Developer pursuant to Sections 11(c) and 11(e)

(h) If this escrow is not in condition to close before the time for the conveyance of the Site as established in this Agreement, either Party who then shall have fully performed the acts to be performed before the conveyance of title may, in writing, terminate this Agreement and demand the return of its money, papers or documents. Thereupon all obligations and liabilities of the Parties shall cease and terminate, except that the Party who has not fully performed shall be solely responsible for any escrow cancellation charges. If neither RDA nor the Developer shall have fully performed the acts to be performed by it on or before the time for the conveyance of the Site as established in this Agreement, no termination or demand for return shall be recognized until five (5) days after the Escrow Agent shall have mailed copies of such demand to the other party or parties at the address of its or their principal place or places of business. If any objections are raised within the five (5) day period, the Escrow Agent is authorized to hold all money, papers and documents with respect to the Site until instructed in writing by both RDA and the Developer or, upon failure thereof, by a court of competent jurisdiction. If no such demands are made, the escrow shall be closed as soon as possible. Nothing in this Section 10 shall be construed to impair or affect the rights or obligations of RDA or the Developer to specific performance.

(i) The Escrow Agent shall not be obligated to return any such money, papers or documents except upon the written instructions of both RDA and the Developer or until the party entitled thereto has been determined by a final decision of a court of competent jurisdiction.

(j) Any amendment of these escrow instructions shall be in writing and signed by both RDA and the Developer. At the time of any amendment, the Escrow Agent shall agree to carry out its duties as Escrow Agent under such amendment. All communications from the Escrow Agent to RDA or the Developer shall be directed to the addresses and in the manner established in Section 30 of this Agreement for notices, demands and communications between RDA and the Developer.

(k) The liability of the Escrow Agent under this Agreement is limited to performance of the obligations imposed upon it under Sections 10 to 17, inclusive, of this Agreement.

(l) Each party represents and warrants that no real estate broker is entitled to any commission as the procuring cause of this transaction resulting from any actions or words by or on behalf of such party, and each party agrees to indemnify and hold the other party harmless from any claim or demand made by any brokers.

11. CLOSE OF ESCROW, CONVEYANCE OF TITLE AND DELIVERY OF POSSESSION

(a) Provided that the Developer is not in default under this Agreement and all conditions precedent to such conveyance have occurred, the consummation of the sale, purchase and conveyance to the Developer of title to the Site (the "Closing") shall be completed on or prior to but no later than June 28, 2004 (the "Closing Date"). RDA and the Developer agree to perform all acts necessary to conveyance of title in sufficient time for title to be conveyed in accordance with the foregoing provision.

(b) Notwithstanding any other provision of this Agreement, the Developer's obligation to proceed with the close of escrow is subject to the fulfillment or waiver by the Developer of each of the conditions precedent described below, which are solely for the benefit of the Developer and which shall be fulfilled or waived prior to close of escrow:

(i) RDA shall not be in violation of any of its material obligations under this Agreement;

(ii) The Developer has received from the City and other applicable governmental bodies all permits and approvals necessary for the construction of the Project, including, without limitation, the approval of the Vacation Application, such Reversionary Parcel Map and the parcel line adjustments described in paragraph (f) of Section 6 of this Agreement.

(iii) Developer has been unable to obtain financing that is in compliance with paragraph "b" of Section 5 above and upon terms and conditions that are acceptable to Developer in Developer's sole and absolute discretion;

(iv) Prior to the close of escrow, RDA has entered into the Parking Lease; and

(v) Developer elects to cancel this Agreement prior to the expiration of the Feasibility Period in Section 14(a).

(c) Notwithstanding any other provision of this Agreement, RDA's obligation to proceed with the close of escrow is subject to the fulfillment or waiver by RDA of each of the conditions precedent described below, which are solely for the benefit of RDA and which shall be fulfilled or waived prior to close of escrow:

(i) Developer shall not be in violation of any of its material obligations under this Agreement;

(ii) Developer has been unable to obtain financing that is in compliance with paragraph "b" of Section 5 above and upon terms and conditions that are acceptable to Developer in Developer's sole and absolute discretion;

(iii) The Developer is prepared at the close of escrow to execute and deliver the Note, the Deed of Trust along with all financing statements required to perfect RDA's security interest under the Deed of Trust;

(iv) The Developer has received from the City and other applicable governmental bodies all permits and approvals necessary for the construction of the Project including, without limitation, the approval of the Vacation Application, such Reversionary Parcel Map and the parcel line adjustments described in paragraph (f) of Section 6 of this Agreement.;

(v) Prior to the close of escrow, the Developer has entered into the Parking Lease;

(vi) RDA has received from legal counsel acceptable to RDA a written opinion in form and substance acceptable to RDA that the Note and Deed are Trust are duly executed and authorized and enforceable in accordance with their respective terms and conditions; and

(vii) Developer elects to cancel this Agreement prior to the expiration of the Feasibility Period in Section 14(a).

(c) Possession shall be delivered to the Developer concurrently with the conveyance of title, except that limited access shall be permitted before conveyance of title as permitted in Section 14 of this Agreement.

12. **FORM OF DEED**

RDA shall convey to the Developer or to its nominee fee simple title to the Site in the condition provided in Section 13 of this Agreement by a Grant, Bargain and Sale deed ("Deed") in a form that is consistent with Exhibit "J" to this Agreement.

13. **CONDITION OF TITLE**

(a) RDA shall convey to the Developer fee simple title subject to:

(i) A lien not yet delinquent for ad valorem taxes for real property, and any general or special assessments against the Site.

(ii) All matters disclosed by the Title Report or the ALTA survey described in paragraph (b) of this Section 13, or any Supplemental Report, and which are approved or deemed approved by the Developer in accordance with this Section 13.

(iii) Any and all other exceptions, easements, conditions, covenants or reservations set forth in the Deed and of record.

(b) The Escrow Agent shall, upon the signing of this Agreement by the Parties and the delivery of a copy to Escrow Agent, deliver to the Developer a preliminary title report and legible copies of all documents referred to therein covering or relating to the Site. The Developer shall obtain its own ALTA survey of the Site (at the Developer's sole expense, but with the cooperation and all survey information available to RDA being provided to assist in obtaining such survey). The Developer shall then approve or disapprove the exceptions listed in such title report and ALTA survey as to the Site to be acquired by giving the Escrow Agent written notice thereof within sixty (60) days of the Effective Date of this Agreement as defined in Section 39. Failure to give written notice to the Escrow Agent and RDA by such date of approval or disapproval of some or all of the exceptions shall be deemed to be approval of all exceptions, except for monetary liens and taxes. If Developer disapproves any exceptions, RDA shall have five (5) days within which to agree in writing to remove the exception. Failure to give written notice of such agreement to the Developer and the Escrow Agent shall be deemed to be refusal. If City does not agree to remove any other exceptions properly and timely disapproved by the Developer, this Agreement shall terminate without further liability to Developer, unless the Developer waives its objection in writing delivered to RDA and to the Escrow Agent. If RDA shall agree to remove any exception objected to by the Developer, RDA shall then have until the date for close of escrow within which to remove such exception. If RDA is unable to remove any exception objected to by the Developer and which RDA has agreed to remove by the date for close of escrow, the Developer may elect to (1) terminate this Agreement and receive a return of all funds and documents; or (2) waive the objection and close escrow.

14. FEASIBILITY REVIEW; INSPECTION

(a) Developer will have approved, by no later than ninety (90) days from the Effective Date of this Agreement ("Feasibility Review Period"), the condition of the Site and the feasibility of Developer's development plan therefor. Developer's feasibility review will pertain to Developer's review of and satisfaction with the following:

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

(ii) Developer's engineering studies, soils investigations, environmental assessments, surveys and physical inspection of the Site.

(iii) Those items contained in Section 11(b) herein.

(b) Developer may elect, at any time prior to the expiration of the Feasibility Review Period, to terminate this Agreement as a result of Developer's disapproval of any of the foregoing matters; provided, however, that if Developer fails to notify City and Escrow Holder of Developer's disapproval of the feasibility of Developer's proposed development of the Site by written notice delivered to City no later than the date of expiration of the Feasibility Review Period, Developer will be deemed to have approved the feasibility and this condition will be deemed satisfied. If this Agreement is terminated pursuant to the foregoing provisions of this Section 14, Developer shall pay to Escrow Holder an amount equal to the cost of the cancellation of Escrow, and neither party will have any further rights or obligations under this Agreement. RDA shall immediately refund to Developer its full Earnest Money Deposit.

(c) During the term of the Feasibility Review Period (as defined in the above Section), Developer, and its representatives (including architects and engineers) will have the right to enter upon and inspect the Site and conduct such boundary and topographic surveys, soil and engineering tests and environmental assessments with engineers or consultants licensed in the State of Nevada as Developer may reasonably require; provided that such inspections and tests will not materially damage the Site in any respect; provided, further, that such tests and inspections are conducted in accordance with standards customarily employed in the industry and in compliance with all governmental laws, rules and regulations; provided, still further, that Developer notifies City in writing at least forty-two (42) hours prior to the date that Developer intends to conduct invasive testing or inspections on the Site. Following Developer's inspections or testing on the Site, Developer will promptly restore the Site to its original condition as existed prior to any such inspections and/or tests. If Developer, its agents, representatives or employees undertakes any boring or other disturbance of the soil, the soil so disturbed will be recompacted to the original condition of the Site and Developer will obtain at its own expense a certificate from a soils engineer which certifies that such soil so disturbed has been recompacted to the original condition of the Site. To the extent that any costs for damages and/or injuries are not covered by any insurance policy protections or are in excess of the insurance policy limits, the Developer agrees to indemnify, hold harmless and defend (with counsel reasonably acceptable to City) City, its affiliates or assignees, which are under the control of RDA and their officers, agents, servants and employees against and from any and all liability, loss, cost, damage or expense (including attorneys' fees) of whatsoever nature growing out of or in connection with personal injury to or death of persons whomsoever (including, without limitation, exposure to hazardous or toxic substances), or loss or destruction of or damage to property whatsoever (including, without limitation, contamination by hazardous or toxic substances and any required testing, removal or cleanup thereof), where such personal injury, death, loss, destruction or damage arises in any way in connection with or incident to the occupation or use of the Site by, or the presence thereon of, Developer, its officers, agents or employees and occurs from any such cause. If Developer should discover any hydrocarbon substances or any other hazardous or toxic substances, asbestos or asbestos-bearing materials, waste or materials subject to legal requirements or corrective action, Developer will immediately notify City of the same. The indemnity obligations of Developer under this Section will survive any termination of this Agreement or delivery of the Deed (as hereinafter defined) and transfer of title. Developer covenants and agrees upon request of RDA to promptly deliver to City without charge therefore, the results and copies of any and all environmental reports and related correspondence.

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

15. TIME FOR PLACE AND DELIVERY OF DEED

Subject to any mutually agreed upon extensions of time, RDA shall deposit the Deed for the Site with the Escrow Agent on or before the Closing Date.

The Parties shall also timely deliver into escrow (i) any transfer declarations, returns or other similar documents satisfying Nevada state law requirements, if any; (ii) all documents set forth in Section 10; (iii) evidence reasonably satisfactory to the other Party and Escrow Agent respecting the authorization and execution of the documents required to be delivered hereunder; and (iv) such additional documents as may be reasonably required by the other Party or Escrow Agent in order to consummate the transactions provided hereunder.

16. **CLOSE OF ESCROW**

Upon the fulfillment of the conditions described in Section 15 of the Escrow Agent shall file the deed for recordation among the land records in the Office of the County Recorder of Clark County and shall deliver to the Developer a title insurance policy insuring title in conformity with Section 17 of the Agreement. The recordation of the deed shall constitute the close of escrow.

17. **TITLE INSURANCE**

Concurrently with recordation of the Deed, and as a condition of the Closing, the Escrow Agent and any required co-insurer shall provide and deliver to Developer a title insurance policy issued by the Escrow Agent insuring that title is vested in the Developer in the condition required by Section 13 of this Agreement, and the title insurance policy shall be of the type and in the amount requested by the Developer receiving title to the Site, and with such endorsements and affirmative coverages as may be required by Developer. Such title insurance shall insure the lien of the Deed of Trust.

If Developer desires to obtain extended coverage for its title policy, RDA shall provide the Escrow Agent at the Closing with such evidence and customary documents as are reasonably required to issue such coverage.

18. **TAXES, ASSESSMENTS, ENCUMBRANCES AND LIENS**

The Developer shall be responsible for the payment of all real estate taxes and assessments assessed and levied on the Site for any period subsequent to conveyance of title thereto. Prior to conveyance of title, the Developer shall not place or allow to be placed on the Site (or portion thereof) any encumbrance or lien.

19. **CONVEYANCE FREE OF POSSESSION**

The Site shall be conveyed free of any possession or right of possession by any other person except that of the approved easements of record, the Outdoor Lease, DR Lease and Drainage Agreement of certain portions of the Site.

20. **"AS IS" SALE**

(a) The Developer acknowledges and agrees that the Site is to be sold and conveyed to and accepted by the Developer (pursuant to this Agreement and the Option Agreement) in an "as is" condition with, if any, all faults and defects. Except as otherwise specifically stated in this Agreement, RDA makes no representations or warranties of any kind whatsoever, either expressed or implied, with respect to the Site or any of such related matters; in particular, but without limitation, RDA makes no representations or warranties with respect to the use, condition, title, occupation or management of the Site, compliance with applicable statutes, laws, codes, ordinances, regulations or requirements relating to leasing, zoning, subdividing, planning, building, fire, safety, health or environmental matters, compliance with covenants, conditions and restrictions (whether or not of record,) other local, municipal, regional, state or federal requirements, or other statutes, laws, codes, ordinances, regulations or requirements affecting or relating to the Site. The Developer acknowledges that notwithstanding any prior or contemporaneous oral or written representations, statements, documents or understandings, this Agreement constitutes the entire understanding of the parties with respect to the subject matter hereof and the purchase and sale of the Site and supersedes any such prior or contemporaneous oral or written representations, statements, documents or understandings.

(b) Except as otherwise stated herein, the Developer, for itself, its successor and assigns, and for each and every subsequent owner or Lessee of the Site ("Releasing Parties") hereby mutually releases, waives, remises, acquits and forever discharges all rights, causes of action and claims which Developer has or may have in the future against RDA, its officers, employees, agents, attorneys, representatives, legal successors and assigns, from any and all claims, suits, actions, causes of action, demands, rights, damages, costs, expenses, penalties, fines or compensation whatsoever, direct or indirect, which Developer or any Releasing Party now has or which Developer or any other Releasing Party may have in the future on account of or in any way arising out of or in connection with Hazardous Materials or violation of Environmental Laws arising out of or in connection with any other physical or environmental condition of the Site. The Developer hereby agrees to hold harmless and indemnify RDA from any claims, judgements, penalties, fines, losses, damages, expenses (including reasonable attorneys fees) against or incurred by RDA after the conveyance of the Site to the Developer arising in any way from (i) the presence of Hazardous Materials at, on, beneath or from the Site or (ii) the application of Environmental Laws to the Site.

(c) The Developer agrees that RDA is making no representations or warranties regarding the environmental or any other condition of the Site.

(d) Definitions.

(i) As used in this Agreement, the term "Hazardous Materials" means any substance, material or waste which is:

(1) defined as a "hazardous waste," "hazardous material," "hazardous substance," "extremely hazardous waste" or "restricted Hazardous waste" under any provision of Nevada law;

(2) petroleum;

(3) asbestos;

(4) polychlorinated biphenyls;

(5) radioactive materials;

(6) designated as a "hazardous substance" pursuant to Section 311 of the Clean Water Act, 33 U.S.C. Section 1251 et seq. (33U.S.C. Section 1321) or listed pursuant to Section 307 of the Clean Water Act (33 U.S.C. Section 1317);

(7) defined as a "hazardous substance" pursuant to the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq. (42 U.S.C. Section 6903); or

(8) defined as a "hazardous substance' pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. Section 9601 et seq. (42 U.S.C. Section 9601).

(ii) As used in this Agreement, the term "Environmental Laws" shall mean any and all laws (whether common or statutory), compacts, treaties, conventions, rules, regulations, codes, plans, requirements, criteria, standards, orders, decrees, judgments, injunctions, notices or demand letters issued, promulgated or entered thereunder by any federal, state or local governmental entity relating to public or employee health and safety, pollution or protection of the environment, including without limitation, the Comprehensive Environmental Response, Compensation and Liability Act, as amended by the Superfund Amendment and Reauthorization Act and otherwise ("CERCLA"), the Resource Conservation and Recovery Act ("RCRA"), the Federal Safe Drinking Water Act, the Federal Water Pollution Control Act, and any and all other federal, state and local laws, rules, regulations and orders relating to reclamation of land, wetlands and waterways or relating to use, storage, emissions, discharges, cleanup, releases or threatened releases of pollutants, contaminants, chemicals or industrial, toxic or Hazardous Materials on or into the workplace or the environment (including without limitation, ambient air ,oceans, waterways, wetlands, surface water, ground water (tributary and nontributary), land surface or subsurface strata) or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transportation or handling of pollutants, contaminants, chemicals or industrial, toxic, hazardous or similar substances.

21. GOVERNMENTAL PERMITS

Nothing in this Agreement shall affect the responsibility of the Developer to seek, obtain and comply with the conditions of any and all permits and governmental authorizations necessary to develop the Site or any portion thereof. The Developer shall be responsible for the payment of permit fees, which shall be limited to those fees that are authorized by ordinance.

22. ASSIGNMENT

The Developer hereby represents and warrants that the Site is being acquired for the purpose of development in accordance with the provisions of Section 6. The Developer shall not assign any interest in or delegate any obligation under this Agreement, or sell or transfer the Site or any portion thereof without the written consent of RDA.

23. Reserved

24. TIME OF ESSENCE

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

25. DEFAULT AND REMEDIES

(a) IN THE EVENT THE DEVELOPER FAILS TO PERFORM ANY OF ITS OBLIGATIONS REQUIRED TO BE PERFORMED HEREUNDER PRIOR TO THE CLOSING, INCLUDING, WITHOUT LIMITATION, DEVELOPER'S OBLIGATIONS UNDER SECTION 6 OR (ii) THE CLOSING DOES NOT OCCUR FOR ANY REASON OTHER THAN THE DEFAULT OF RDA, RDA MAY, BY WRITTEN NOTICE TO THE DEVELOPER AND ESCROW HOLDER (AS DEFINED HEREIN), TERMINATE THIS AGREEMENT AND RECEIVE FROM ESCROW AGENT OR RETAIN, AS THE CASE MAY BE, AS ITS SOLE AND EXCLUSIVE REMEDY, THE EARNEST MONEY DEPOSIT TOGETHER WITH ALL EARNINGS THEREON AS RDA'S LIQUIDATED DAMAGES FOR THE BREACH OF THIS PURCHASE AGREEMENT BY THE DEVELOPER. IT IS EXPRESSLY UNDERSTOOD AND AGREED BETWEEN RDA AND THE DEVELOPER THAT RDA 'S ACTUAL DAMAGES FOR ANY SUCH BREACH BY THE DEVELOPER HEREUNDER WOULD BE SUBSTANTIAL BUT EXTREMELY DIFFICULT TO ASCERTAIN.

INITIALS:

RDA: ______________

DEVELOPER: ______________

(b) In the event of the occurrence of a default of RDA occurring prior to the Close of Escrow, the Developer's sole remedy shall be to pursue one, and only one, of the following remedies:

(i) to waive such default;

(ii) to terminate this Agreement; and on such termination, the Earnest Money Deposit and all interest thereon will be returned to the Developer and obtain from RDA reimbursement by RDA to the Developer of the Developer's out-of-pocket expenses for the cost of any surveys, phase 1 environmental studies and appraisals paid by the Developer to third parties in connection with the Developer's investigations of the Site. RDA thereafter shall have no liability or obligation hereunder; or

(iii) to demand specific performance of RDA's obligations under this Agreement without any abatement in the Purchase Price or other consideration and without any liability whatsoever on the part of RDA for damages.

(c) Notwithstanding any termination of this Agreement for any reason whatsoever, the obligations of the Developer under Sections 14(c) and (14(d) shall survive such termination of this Agreement.

26. **Reserved**

27. **SURVIVAL**

The representations and warranties contained in this Agreement, and the covenants that extend beyond the conveyance of title, shall survive the recordation of any deed and shall not be deemed merged into such deed.

28. **SUCCESSORS AND ASSIGNS**

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

29. **NONLIABILITY OF CITY OFFICIALS AND EMPLOYEES**

No official or employee of RDA or the City shall be personally liable to the Developer for any default or breach by RDA, for any amount which may become due to the Developer or for any obligation of RDA under the terms of this Agreement.

30. NOTICES, DEMANDS AND COMMUNICATIONS

Formal notices, demands and communications between RDA and the Developer shall be sufficiently given if made in writing and dispatched by registered or certified mail, postage prepaid, return receipt requested or by personal delivery, to the principal offices of RDA and the Developer as set forth in this Section 30. Such written notices, demands and communications may be sent in the same manner to such other addresses as either party may from time to time designate in writing.

If to RDA:	City of Las Vegas Redevelopment Agency City of Las Vegas 400 Stewart Avenue Las Vegas, Nevada 89101 Attention: Executive Director
With a copy to:	City Attorney's Office City of Las Vegas 400 Stewart Avenue Las Vegas, Nevada 89101
If to the Developer:	SCE-BULLDOG, LLC 4168 Douglas Blvd. Suite 200 Granite Bay, CA 95746 Attention: James Allen, CEO

31. SUBSEQUENT RDA APPROVALS

Any approvals of RDA required or permitted by the terms of this Agreement may be given by the Chairman of RDA or such other person that RDA designates in writing.

32. TERM

The term of this Agreement shall end upon the completion of all duties and obligations to be performed by each of the parties hereto, except that all warranties contained herein shall survive the Closing and shall remain in effect for the benefit of the Parties for one year after the Closing.

33. ENTIRE AGREEMENT, WAIVERS AND AMENDMENTS

This Agreement is executed in three duplicate originals, each of which is deemed to be an original. This includes Exhibits A, B, C, D, E, F, G, H and I attached hereto and incorporated herein by reference, all of which constitute the entire understanding and agreement of the parties.

B 為 B-1, B-2

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 RDA and the Developer and no waiver of one provision shall be construed as a waiver of that provision in the future or as a waiver of any other provision.

All amendments hereto must be in writing and signed by the appropriate authorities of RDA and the Developer.

34. **SEVERABILITY**

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

35. **GOVERNING LAW**

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

36. **CAPTIONS**

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

37. **Reserved**

38. **COUNTERPARTS**

This Agreement may be signed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same Agreement.

{The space below is left intentionally blank.}

...

39. **TIME FOR ACCEPTANCE OF AGREEMENT BY CITY**

This Agreement has been approved on _____________, 2003 by the Las Vegas City Council. The effective date of this Agreement shall be the date when this Agreement has been signed by RDA ("Effective Date").

Date of RDA Approval:

CITY OF LAS VEGAS REDEVELOPMENT AGENCY

__________________,2003.

By:______________________________
CHAIRMAN
"RDA"

APPROVED AS TO FORM:

______________________ 10-22-03
Date

Michael C. Niarchos, Esq.
Special Counsel to RDA

ATTEST:

____
BARBARA JO RONEMUS, City Clerk

__________________, 2003

BULLDOG-SCE, LLC,
a Nevada limited liability company

By:______________________________

Its:______________________________
"Developer"

LIST OF EXHIBITS

EXHIBIT "A"
SITE DEPICTION

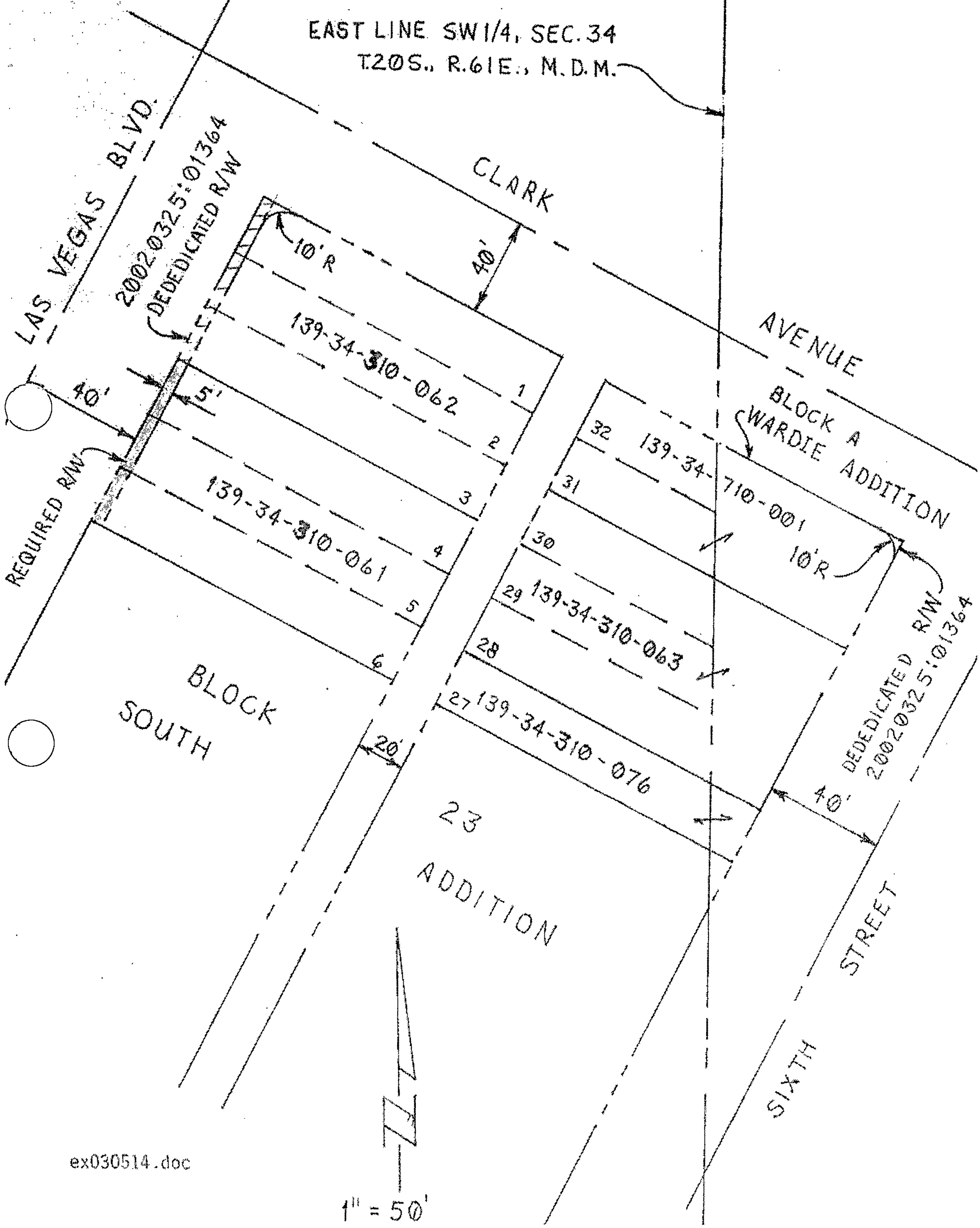

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EXHIBIT "B"

A.P.N. 139-34-310-061, -062, -063, -076, -710-001

(040-107-012, -013, -002, -003 & -001)

PORTION OF BLOCK 23, SOUTH ADDITION

AND PORTION OF BLOCK A, WARDIE ADDITION

Those portions of the South Half (S 1/2) of Section 34, Township 20 South, Range 61 East, M.D.M., in the City of Las Vegas, County of Clark, State of Nevada, described as follows:

PARCEL 1

Lots 1, 2, 3, 4, 5 and 6, all in Block 23 of SOUTH ADDITION TO THE CITY OF LAS VEGAS, as recorded August 13, 1926 and filed in Book 1 of Plats, Page 51 of Clark County, Nevada Records.

EXCEPT THEREFROM, that portion of the above-described PARCEL 1 lying within the northwesterly 5.00 feet of Lots 1, 2, 3, 4, 5 and 6, all in said Block 23.

ALSO EXCEPT THEREFROM, that portion of the above-described PARCEL 1, lying within Lot 1 in said Block 23, being a triangular parcel of land, bounded as follows: bounded on the northeast by northeast line of said Lot 1; bounded on the northwest by the southeasterly line of the northwesterly 5.00 feet of said Lot 1; and bounded on the south by the arc of a curve, concave southerly, having a radius of 10.00 feet, being tangent to the northeasterly line of said Lot 1 and tangent to the southeasterly line of said northwesterly 5.00 feet.

The above-described PARCEL 1 contains an area of 20,204 square feet or 0.464 acres, more or less.

PARCEL 2

Lots 27, 28, 29, 30, 31 and 32 all in Block 23 of said SOUTH ADDITION TO THE CITY OF LAS VEGAS.

PARCEL 3

That portion of Block A of WARDIE ADDITION, as recorded May 12, 1913 and filed in Book 1 of Plats, Page 13 of Clark County, Nevada Records, bounded on the northeast by the northeasterly line of said Block A; bounded on the southeast by the southeasterly line of said Block A; bounded on the west by the westerly line of said Block A, also being a portion of the north-south, center-section line of said Section 34; and bounded on the southwest by the southeasterly prolongation of the southwesterly line of Lot 27 in Block 23 of said SOUTH ADDITION TO THE CITY OF LAS VEGAS.

The above-described PARCEL 2 and PARCEL 3 contains a total area of 20,955 square feet or 0.481 acres, more or less.

CHAIRMAN'S INITIALS____________

EXHIBIT "B-1"
A.P.N. 139-34-310-061 (040-107-012)
PORTION OF BLOCK 23, SOUTH ADDITION
DEDICATION 5-FOOT LAS VEGAS BOULEVARD

That portion of the Southwest Quarter (SW 1/4) of Section 34, Township 20 South, Range 61 East, M.D.M., in the City of Las Vegas, County of Clark, State of Nevada, being portion of Block 23 of SOUTH ADDITION TO THE CITY OF LAS VEGAS, as recorded August 13, 1926 and filed in Book 1 of Plats, Page 51 of Clark County, Nevada Records, described as:

The northwesterly 5.00 feet of Lots 4, 5 and 6 in Block 23 of said SOUTH ADDITION TO THE CITY OF LAS VEGAS.

The above-described parcel of land contains an area of 375 square feet or 0.009 acres, more or less.

CHAIRMAN'S INITIALS__________

EXHIBIT "B-2"
A.P.N. 139-34-399-001
PORTION OF 20 FEET WIDE PUBLIC ALLEY,
SOUTHEAST CORNER OF LAS VEGAS BOULEVARD
AND CLARK AVENUE

That portion of Northeast Quarter (NE 1/4) of the Southwest Quarter (SW 1/4) of Section 34, Township 20 South, Range 61 East, M.D.M., in the City of Las Vegas, County of Clark, State of Nevada, being a portion of the 20 feet wide public alley in Block 23 of SOUTH ADDITION TO THE CITY OF LAS VEGAS, as recorded August 13, 1926 in Book 1 of Plats, Page 51 of Clark County, Nevada Records, bounded as follows:

Bounded on the northeast by the northeast line of said Block 23, bounded on the southwest by the southeasterly prolongation of the southwest line of Lot 6 in said Block 23.

The above-described parcel of land contains an area of 3,002 square feet or 0.069 acres, more or less.

RESERVING THEREFROM an easement to the CITY OF LAS VEGAS for public streetlight purposes, public fire hydrant purposes and appurtenances thereto, over, across and under the northeasterly 5.00 feet of the above described parcel of land, together with reasonable rights of ingress thereto and egress therefrom.

CHAIRMAN'S INITIALS____________

EXHIBIT "C"

PROMISSORY NOTE

$1,200,000 __________ 2003

Las Vegas, Nevada

FOR VALUE RECEIVED, the undersigned, SCE-BULLDOG, LLC, a Nevada limited liability company (the "Developer"), hereby promises to pay to the CITY OF LAS VEGAS REDEVELOPMENT AGENCY, an agency of the City of Las Vegas, Nevada ("RDA") at 400 Stewart Avenue, Las Vegas, Nevada 89101 the principal sum of One Million Two Hundred Thousand Dollars ($1,200,000). Simple interest shall accrue, from time to time, on the unpaid principal balance under this Promissory Note ("Note") at the annual rate of four and one-half percent (4.5%). Principal and interest shall be payable in lawful money of the United States of America. The place of payment may be changed from time to time as RDA or any permitted assignee thereof may designate in writing.

A. Disposition and Development Agreement

This Note is made and delivered pursuant to, and in implementation of that certain Disposition and Development Agreement by and between RDA and the Developer dated ______________, 2003 (the "DDA"). The DDA is entered into to effectuate the Redevelopment Plan for the Downtown Las Vegas Redevelopment Area (the "Redevelopment Area") by providing for the redevelopment of certain real property (the "Site") included within the boundaries of the Redevelopment Area. Except as otherwise specifically set forth herein, capitalized terms in this Note shall have the meaning ascribed to those terms in the DDA.

B. Repayment

Principal and all interest under this Note are due and payable on the earlier date of (i) June 28, 2007 or (ii) that date on which eighty percent of the area in Project is leased.

C. Transferability

This Note may be negotiated or transferred by RDA without the consent of the Developer.

D. Prepayment

The Developer shall have the right to prepay, in whole or in part, the principal amount at anytime, provided, however, that all payments shall first be applied to accrued unpaid interest and then to principal.

E. Deed of Trust and Assignment of Leases

This Note shall be secured by a Deed of Trust and Assignment of Rents and Leases (the "Deed of Trust") of even date herewith recorded against the Site.

F. Legal Actions; Attorneys' Fees and Costs

Developer agrees to pay the following costs, expenses and attorneys' fees paid or incurred by RDA after default by Developer and adjudication by a court: (1) reasonable costs of collection, costs and expenses, and attorneys' fees paid or incurred in connection with the collection, enforcement or foreclosure sale of any security for this Note, or of any covenant of this Note or such security, whether or not suit is filed (including costs for services or advice of one or more attorneys with regard to collection of this Note against Developer, any guarantor or any other party liable therefor or to the protection of its rights under this Note, the Deed of Trust, the DDA or other loan document); (2) costs of suit and such sums the court may adjudge as attorneys' fees in any action to enforce payment of this Note or any part of it; (3) costs of suit and such sums as the court may adjudge as attorneys' fees in any other litigation or controversy connected with the enforcement of this Note or the security for it including, but not limited to, actions for declaratory relief that RDA is required to prosecute or defend and actions for relief based on rescission, or actions to cancel this Note that RDA is required to defend; and (4) RDA costs incurred in seeking to have the Site abandoned by or reclaimed from any estate in bankruptcy, or attempts to have any stay or injunction prohibiting the enforcement or collection of the Note or prohibiting the enforcement of the Deed of Trust or any other agreement evidencing or securing this Note lifted by any bankruptcy or other court.

G. Defaults

The occurrence of any of the following shall constitute an event of default under this Note: (i) the Developer fails to pay any amount due hereunder on its due date which remains uncured after fifteen (15) days after written notice from RDA; or (ii) any default by Developer under the DDA or the Deed of Trust, including Developer's covenant to commence and proceed with the construction of the Project or (iii) sale or transfer of the Site or any portion thereof in violation of the Deed of Trust. Upon the occurrence of any event of default and expiration of any applicable cure period, or at any time thereafter, at the option of RDA and without notice, the entire unpaid principal and interest owing on this Note shall become immediately due and payable. This option may be exercised at any time following any such event, and the acceptance of one or more installments thereafter shall not constitute a waiver of RDA's option. RDA's failure to exercise such option shall not constitute a waiver of such option with respect to any subsequent event. RDA's failure in the exercise of any other right or remedy hereunder or under any agreement that secures the indebtedness or is related thereto shall not affect any right or remedy, and no single or partial exercise of any right or remedy shall preclude any further exercise thereof.

H. Default Interest

Any amounts not paid when due hereunder shall bear interest at the rate of (i) fifteen percent (15%) per annum, or (ii) the Prime Rate plus five (5) percentage points per annum, whichever is greater, from the due date of such amount. If the interest rate specified in this Note is higher than the rate permitted by law, the interest rate is hereby decreased to the maximum legal interest rate permitted by law. The term "Prime Rate" means that rate of interest publicly announced from time to time by the Bank of America, N.A. as its prime lending rate of interest.

I. Waiver of Presentment

Developer and any endorsers hereof and all others who may become liable for all or any part of this obligation, severally waive presentment for payment, demand and protest and notice of protest, and of dishonor and nonpayment of this Note, and expressly consent to any extension of the time of payment hereof or of any installment hereof, to the release of any party liable for this obligation, and any such extension or release may be made without notice to any of said parties and without any way affecting or discharging this liability.

J. Notices

Any notices provided for in this Note shall be given by mailing such notice by certified mail, return receipt requested, at the address stated in the DDA or at such address as either party may designate by written notice.

K. Binding Effect

This Note shall be binding upon Developer, its successors and its assigns.

L. Applicable Laws

This Note shall be construed in accordance with and be governed by the laws of the State of Nevada.

M. Invalidity

If any provision of this Note shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

SCE-BULLDOG, LLC,
a Nevada limited liability company

By: ______________________________

Title: ___________________________

EXHIBIT "D"

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:
City of Las Vegas Redevelopment Agency
400 Stewart Avenue
Las Vegas, Nevada 89101

DEED OF TRUST ASSIGNMENT OF RENTS AND LEASES, SECURITY AGREEMENT, AND FIXTURE FILING

THIS DOCUMENT IS ALSO A FIXTURE FILING IN ACCORDANCE WITH NRS SECTION 104.9402(6).

This Deed of Trust, Assignment of Rents and Leases, Security Agreement, and Fixture Filing ("*Deed of Trust*"), made as of ___________, 2003 by SCE-BULLDOG, LLC, a Nevada limited liability company as trustor ("*Trustor*") whose mailing address is 4168 Douglas Blvd., Suite 200, Granite Bay, CA 95746, to UNITED TITLE COMPANY OF NEVADA, a Nevada corporation, as trustee ("*Trustee*") whose mailing address is 2300 West Sahara, Suite 140, Las Vegas, Nevada 89102, and the REDEVELOPMENT AGENCY OF THE CITY OF LAS VEGAS, NEVADA, an agency of the City of Las Vegas, Nevada, as beneficiary and secured party ("*Beneficiary*") whose mailing address is 400 Stewart Avenue, Las Vegas NV 89101.

I. Grant in Trust and Secured Obligations

1.1 Grant in Trust. For the purpose of securing payment and performance of the Secured Obligations defined and described in Section 1.2 in such order of priority as Beneficiary may determine, Trustor hereby irrevocably and unconditionally grants, bargains, conveys, sells, transfers and assigns to Trustee, in trust for the benefit of Beneficiary, with power of sale and right of entry and possession, all estate, right, title and interest which Trustor now has or may later acquire in and to the following property (all or any part of such property, or any interest in all or any part of it, as the context may require, the "*Property*") and Trustor shall and will warrant and forever defend the above-bargained Property in the quiet and peaceable possession of the Trustee, its successors and assigns against all and every person or persons lawfully claiming or to claim the whole or any part thereof. Trustor agrees that any greater title to the Property hereafter acquired by Trustor during the term hereof shall be subject hereto.

(a) The real property located in the County of Clark, State of Nevada, as more fully described in Exhibit "D-1" attached hereto and made a part hereof as if fully set forth, together with all existing and future easements and rights affording access to it (the "*Land*"); together with

(b) All buildings, structures and improvements now located or later to be constructed on the Land (the "*Improvements*"); together with

EXHIBIT ''D''

(c) All existing and future appurtenances, privileges, easements, franchises and tenements of the Land, including all minerals, oil, gas, other hydrocarbons and associated substances, sulphur, nitrogen, carbon dioxide, helium and other commercially valuable substances which may be in, under or produced from any part of the Land, all development rights and credits, air rights, water, water courses, water rights (whether riparian, appropriative or otherwise, and whether or not appurtenant) and water stock, easements, rights-of-way, gores or strips of land, and any land lying in the streets, ways, alleys, passages, roads or avenues, open or proposed, in front of or adjoining the Land and Improvements; together with

(d) All of Trustor's right, title, and interest in and to all rents, issues, and profits of and from the Property, and in and to all leases now or hereafter existing, of all or any part of the Premises (the "*Leases*") and in and to the right to use and possess the Property, including, without limitation, any and all of the rents, issues, profits now due or which may hereafter become due under and by virtue of all present and future Leases, between Beneficiary, as landlord, and any and all tenants of the Property, together with

(e) All real property and improvements on it, and all appurtenances and other property and interests of any kind or character, whether described in Exhibit D-1 or not, which may be reasonably necessary or desirable to promote the present and any reasonable future beneficial use and enjoyment of the Land and improvements; together with

(f) All goods, materials, supplies, chattels, furniture, fixtures, equipment and machinery now or later to be attached to, placed in or on, or used in connection with the use, enjoyment, occupancy or operation of all or any part of the Land and Improvements, whether stored on the Land or elsewhere, including all pumping plants, engines, pipes, ditches and flumes, and also all gas, electric, cooking, heating, cooling, air conditioning, lighting, refrigeration and plumbing fixtures and equipment, all which shall be considered to the fullest extent of the law to be real property for purposes of this Deed of Trust; together with

(g) All building materials, equipment, work in process or other personal property of any kind, whether stored on the Land or elsewhere, which have been or later will be acquired for the purpose of being delivered to, incorporated into or installed in or about the Land or Improvements; together with

(h) All rights to the payment of money, accounts, accounts receivable, reserves, deferred payments, refunds, cost savings, payments and deposits, whether now or later to be received from third parties (including all earnest money sales deposits) or deposited by Trustor with third parties (including all utility deposits), contract rights, development and use rights, governmental permits and licenses, applications, architectural and engineering plans, specifications and drawings, as-built drawings, chattel paper, instruments, documents, notes, drafts and letters of credit (other than letters of credit in favor of Beneficiary), which arise from or relate to construction on the Land or to any business now or later to be conducted on it, or to the Land and Improvements generally; together with

(i) All proceeds, including all claims to and demands for them, of the voluntary or involuntary conversion of any of the Land, Improvements or the other property described above into cash or liquidated claims, including proceeds of all present and future fire, hazard or casualty insurance policies and all condemnation awards or payments now or later to be made by any public body or decree by any court of competent jurisdiction for any taking or in connection with any condemnation or eminent domain proceeding, and all causes of action and their proceeds for any damage or injury to the Land, Improvements or the other property described above or any part of them, or breach of warranty in connection with the construction of the Improvements, including causes of action arising in tort, contract, fraud or concealment of a material fact; together with

(j) All books and records pertaining to any and all of the property described above, including computer-readable memory and any computer hardware or software necessary to access and process such memory ("*Books and Records*"); together with

(k) All proceeds of, additions and accretions to, substitutions and replacements for, and changes in any of the property described above.

1.2 Secured Obligations.

(a) This Deed of Trust, and the Note secured hereby, are entered into in implementation of that certain Disposition and Development Agreement between Trustor and Beneficiary dated ______________, 2003 (the "DDA"). Any capitalized terms that are not defined in this Deed of Trust shall have the same meaning as set forth in the DDA. Trustor makes the grant, bargain, conveyance, sale, transfer and assignment set forth in Section 1.1 and grants the security interest set forth in Article II for the purpose of securing the following obligations (the "*Secured Obligations*") in any order of priority that Beneficiary may for the benefit of itself choose:

(i) Payment and performance of all obligations of Trustor under that certain Promissory Note dated __________, 2004 in the principal amount of One Million Two Hundred Thousand Dollars ($1,200,000.00) payable to the order of Beneficiary (the "*Note*").

(ii) Payment and performance of all obligations of Trustor under this Deed of Trust;

(iii) Trustor's obligations to commence and complete the Project as set forth in the DDA; and

(iv) Payment and performance of all modifications, amendments, extensions, and renewals, however evidenced, of any of the Secured Obligations.

EXHIBIT ''D''

II. Grant of Security Interest

2.1 Security Agreement. The parties intend for this Deed of Trust to create a lien on the Property in favor of Beneficiary. The parties acknowledge that some of the Property may be determined under applicable law to be personal property or fixtures. To the extent that any Property may be or be determined to be personal property, Trustor as debtor hereby grants Beneficiary as secured party a security interest in all such Property, to secure payment and performance of the Secured Obligations. This Deed of Trust constitutes a security agreement under the Nevada Uniform Commercial Code, covering all such Property.

2.2 Financing Statements. Trustor shall execute one or more financing statements and such other documents as Beneficiary may from time to time require to perfect or continue the perfection of Beneficiary's security interest in any Property. Trustor shall pay all fees and costs that Beneficiary may incur in filing such documents in public offices and in obtaining such record searches as Beneficiary may reasonably require. In case Trustor fails to execute any financing statements or other documents for the perfection or continuation of any security interest, Trustor hereby appoints Beneficiary as its true and lawful attorney-in-fact to execute any such documents on its behalf. If any financing statement or other document is filed in the records normally pertaining to personal property, that filing shall never be construed as in any way derogating from or impairing this Deed of Trust or the rights or obligations of the parties under it.

III. Fixture Filing

This Deed of Trust constitutes a financing statement filed as a fixture filing under NRS 104.9502, as amended or recodified from time to time, covering any Property which now is or later may become fixtures attached to the Land or Improvements.

IV. Rights and Duties of the Parties

4.1 Covenants, Representations and Warranties. Trustor agrees, represents, and warrants as follows:

(a)

(i) Trustor agrees that in no event shall it:

1. Fail to commence or proceed with the construction on the Property of the Project as required by the DDA for a period of ninety (90) days after written notice thereof from Beneficiary; or

2. Abandon or substantially suspend construction o the Property of the Project and such abandonment or suspension of construction continues for a period of ninety (90) days after written notice of such abandonment or suspension from Beneficiary; or

Any violation of this subsection 4.1(a)(i) shall be an Event of Default (hereinafter defined).

(ii) Trustor covenants to keep the Property in good condition and repair; not to remove or demolish any building thereon; to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged or destroyed thereon and to pay when due all claims for labor performed and materials furnished therefor; to comply with all laws affecting the Property or requiring any alterations or improvements to be made thereon; not to commit or permit waste thereof; not to commit, suffer or permit any act upon the Property in violation of law; to cultivate, irrigate, fertilize, fumigate, prune and do all other acts which from the character or use of the Property may be reasonably necessary, the specific enumerations herein not excluding the general.

(b) Trustor covenants to keep all buildings that may now or at any time be on the Property during the continuance of this trust insured against loss by any peril, with extended coverage endorsement, in a company or companies authorized to issue such insurance in the State of Nevada, and as may be approved by Beneficiary, for such sum or sums as shall equal the total indebtedness secured by this Deed of Trust and all obligations having priority over this Deed of Trust and shall be payable to Beneficiary to the amount of the unsatisfied obligation to Beneficiary hereby secured, and to deliver the policy to Beneficiary, or to a collection agent of Beneficiary, and in default thereof, Beneficiary may procure such insurance and/or make such repairs, and expend for either of such purposes such sum or sums as Beneficiary shall deem proper.

(c) Trustor covenants to appear in and defend any action or proceeding purporting to affect the Property or any part thereof, or the title thereto, or any adverse claim for or against the Property or any part thereof or the rights or powers of Beneficiary or Trustee; and to pay all costs and expenses, including costs of evidence of title and attorney's fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear, and in any suit brought by Beneficiary or Trustee to foreclose this Deed of Trust.

(d) Trustor covenants to pay at least ten days before delinquency all taxes and assessments affecting the Property, including assessments on appurtenant water stock, water rights and grazing privileges; when due, all encumbrances, charges and liens, with interest, on the Property or any part thereof, which appear to be prior or superior hereto, and all costs, fees and expenses of this trust.

(e) Whenever under any provision of this Deed of Trust Trustor shall be obligated to make any payment or expenditure, or to do any act or thing, or to incur any liability whatsoever, and Trustor fails, refuses or neglects to perform as herein required, Beneficiary shall be entitled, but shall not be obligated, to make any such payment or expenditure or to do any such act or things, or to incur any such liability, all on behalf of and at the cost and for the account of Trustor. In such event, the amount thereof with interest thereon at the rate set forth in the Note shall be paid by Trustor to Beneficiary on demand. Without limiting the generality of the foregoing, any act or payment by Beneficiary to cure, forestall, prevent or mitigate default hereunder shall be at the sole option of Beneficiary, shall be at the cost of Trustor and shall be reimbursed to Beneficiary as above provided. Beneficiary shall not be bound to inquire into the validity of any apparent or threatened tax, assessment, adverse title, lien, encumbrance, claim, or charge before making an advance for the purpose of preventing, removing or paying the same. Beneficiary shall be subrogated to all rights, equities and liens discharged by any such expenditure.

(f) Trustor shall insure the Property as required by this Deed of Trust. The amount collected under any insurance policy shall be paid to Beneficiary and credited as follows: first, to accrued interest due under the Note; next to expenditures hereunder; and any remainder upon the principal due under the Note; and interest shall thereupon cease upon the amount so credited upon principal; provided, however, that at the option of the Beneficiary, the entire amount collected under the policies or any part thereof may be released to the Trustor, without liability upon the Trustee for such release. Trustor further agrees that any award of damages in connection with any condemnation for public use of or injury to the Property or any part thereof is hereby assigned and shall be paid to Beneficiary who may apply or release such moneys received by it in the same manner and with the same effect as above provided for disposition of proceeds of insurance.

(g) That as additional security, Trustor hereby gives to and confers upon Beneficiary the right, power and authority, during the continuance of these trusts, to collect the rents, issues and profits of the Property, reserving unto Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default, Beneficiary may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of the Property or any part thereof, in its own name sue for or otherwise collect such rents, issues, and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of the Property, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

(h) Except as provided below in this paragraph (h), Trustor hereby agrees that Trustor shall not: (i) transfer, sell, assign, encumber (including, without limitation, any mortgage or deed of trust subordinate to the lien of this Deed of Trust) or otherwise convey all or any part of Trustor's interest in the Property, or (ii) permit or suffer the filing of any mechanic's, materialman's or other liens against the Property or any part thereof without either discharging the same within fifteen (15) days after the same shall have been filed or providing to Beneficiary with a bond in amounts and form reasonably satisfactory to Beneficiary covering the amount of such lien. Trustor agrees that any transfer of any of the membership interests in Trustor shall be a violation of this paragraph (h).

Upon the delivery of a construction loan and permanent financing letter of commitment from a licensed lender, Beneficiary will, at the reasonable request of Trustor, subordinate the rights of Beneficiary under this Deed of Trust to the rights of a lender (the "Project

Lender") under the initial construction loan and any subsequent permanent loan (a "Project Loan") for the development of the Property. Beneficiary hereby agrees to execute and deliver such reasonable subordination agreement and other instruments and agreements as the Project Lender may from time to time request to evidence and/or perfect the subordination by Beneficiary of its right under this Deed of Trust to the rights of the Project Lender, under such documents as the Project Lender may designate evidencing, securing, and/or perfecting the rights of the Project Lender under the Project Loan. Beneficiary's obligation to execute and deliver such reasonable subordination agreement is on the conditions that (i) the sum of the principal amount of the Project Loan plus the outstanding principal amount of the Note does not exceed one hundred percent (100%) of appraised value of the Property as developed with the Project and (ii) after the closing of the Project Loan, the Developer will continue to have at least $2,500,000 of cash equity invested in the Project, provided, however, that if the Project Loan is the initial construction loan the Developer only will have to demonstrate that upon completion of the Project that it will have at least $2,500,000 of cash equity invested in the Project. Trustor will supply a current appraisal addressed to Beneficiary, prepared by an M.A.I. appraiser approved by Beneficiary, provided that such approval shall not be unreasonably withheld, which gives effect to the development of the Project to determine such loan to value ratio.

(i) If any action or proceeding shall be instituted for any purpose affecting the Property, or any part thereof, the title thereto or this Deed of Trust, or should Trustor receive any notice from any governmental agency relating to the use or occupancy of the Property, Trustor will immediately upon service thereof on or by Trustor, deliver to Beneficiary true copies of each notice, petition, summons, complaint, notice of motion, order to show cause, and all other process, pleadings and papers, however designated, served in any such action or proceeding.

(j) The waiver or release by Beneficiary or Trustee of any default or of any of the provisions, covenants and conditions hereof on the part of Trustor to be kept and performed shall not be a waiver or release of any preceding or subsequent breach of the same or any other provision, covenant or condition contained herein. The subsequent acceptance of any sum in payment of any indebtedness secured hereby or any other payment hereunder by Trustor to Beneficiary or Trustee shall not be construed to be a waiver or release of any preceding breach by Trustor of any provision, covenant or condition of this Deed of Trust other than the failure of Trustor to pay the particular sum so accepted, regardless of Beneficiary's or Trustee's knowledge of such preceding breach at the time of acceptance of such payment. No payment by Trustor or receipt by Beneficiary of a lesser amount than the amount herein provided shall be deemed to be other than on account of the earliest sums due and payable hereunder, nor shall any endorsement or statement on any check or any letter accompanying any check or payment be deemed an accord and satisfaction, and Beneficiary may accept any check or payment without prejudice to Beneficiary's right to recover the balance of such sum or pursue any other remedy provided in this Deed of Trust. The consent by Beneficiary or Trustee to any matter or event requiring such consent shall not constitute a waiver of the necessity for such consent to any subsequent matter or event.

(k) Trustor shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Materials on or in the Land. Trustor shall not do, nor allow anyone else to do, anything affecting the Land that is in violation of any Environmental Laws. Trustor shall promptly give Beneficiary written notice of any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Land and any Hazardous Materials or Environmental Laws of which Trustor has actual knowledge. If Trustor learns, or is notified by any governmental or regulatory authority, that the removal or other remediation of any Hazardous Materials affecting the Land is necessary, Trustor shall promptly take all necessary remedial actions in accordance with Environmental Laws. For purposes of this Deed of Trust, "*Hazardous Materials*" shall mean any substance, water or material which has been determined by any state, federal or local governmental authority to be capable of posing a risk of injury to health, safety and property, including, but not limited to, all of those materials, wastes and substances designated as hazardous or toxic by the U.S. Environmental Protection Agency, the U.S. Department of Labor, the U.S. Department of Transportation and/or any other governmental agency now or hereafter authorized to regulate materials and substances in the environment. For purposes of this Deed of Trust, the term "*Environmental Laws*" means federal laws and laws of the jurisdiction where the Land is located that relate to health, safety or environmental protection.

(l) Trustor agrees to indemnify, defend with counsel acceptable to Beneficiary, and hold Beneficiary, its parent and affiliated companies, and their respective officers, directors, employees and agents, harmless from and against all actual or threatened liabilities, claims, actions, foreseeable and unforeseeable consequential damages, penalties, costs and expenses (including attorney's fees) and losses directly or indirectly arising out of or resulting from the presence of any Hazardous Materials in or around any part of the Land, or in the soil or groundwater under the Land, including expenses incurred in connection with any investigation of site conditions or any clean-up, remedial, removal or restoration work, including any resulting damages or injuries to the person or property of any third parties or to any natural resources. In addition, Trustor shall similarly indemnify, defend and hold harmless any persons purchasing the Land through a foreclosure sale.

(m) Trustor agrees to indemnify, defend with counsel acceptable to Beneficiary, and hold Beneficiary, its parent and affiliated companies, and their respective officers, directors, employees and agents, harmless from and against all actual or threatened liabilities, claims, actions, foreseeable and unforeseeable consequential damages, penalties, costs and expenses (including attorney's fees) and losses directly or indirectly arising out of or resulting from or relating in anyway to the development and/or operation of the Project.

4.2 Reconveyance. When the Note and all of the other Secured Obligations have been paid in full, Beneficiary shall request Trustee in writing to reconvey the Property, and shall surrender this Deed of Trust to Trustee. When Trustee receives Beneficiary's written request for reconveyance and all fees and other sums owing to Trustee by Trustor under Section 4.3, Trustee shall reconvey the Property, or so much of it as is then held under this Deed of Trust, without warranty to the person or persons legally entitled to it. Such person or persons shall pay any costs of recordation. In the reconveyance, the grantee may be described as "the person or persons legally entitled thereto," and the recitals of any matters or facts shall be conclusive proof of their truthfulness. Neither Beneficiary nor Trustee shall have any duty to determine the rights of persons claiming to be rightful grantees of any reconveyance.

4.3 Compensation. Trustor agrees to pay fees in the maximum amounts legally permitted, or reasonable fees as may be charged by Beneficiary or Trustee when the law provides no maximum limit, for any services that Beneficiary or Trustee may render in connection with this Deed of Trust, including the Secured Obligations or Trustee's rendering of services in connection with a reconveyance. Trustor further agrees to pay or reimburse Beneficiary for all costs, expenses and other advances which may be incurred or made by Beneficiary or Trustee in any efforts to enforce any terms of this Deed of Trust, including any rights or remedies afforded to Beneficiary or Trustee.

V. Default and Remedies.

5.1 Events of Default. Trustor will be in default under this Deed of Trust upon the occurrence of any one or more of the following events (some or all collectively, "*Events of Default;*" any one singly, an "*Event of Default*"):

(a) Trustor fails to perform any obligation to pay money which arises under this the Secured Obligations, including, without limitation, the Note or this Deed of Trust, and does not cure that failure within fifteen (15) days after written notice from Beneficiary or Trustee; or

(b) Trustor is in default of Section 4.1(a); or

(c) Trustor fails to perform any obligation arising under this Deed of Trust other than one to pay money and other than a default of Section 4.1(a), and does not cure that failure within thirty (30) days ("*Initial Cure Period*") after written notice from Beneficiary or Trustee. So long as Trustor begins within the Initial Cure Period and diligently continues to cure the failure, and Beneficiary, in its sole judgment, determines that the cure cannot reasonably be completed at or before expiration of the Initial Cure Period then the Initial Cure Period may be extended by a period not to exceed ninety (90) days;

(c) A default occurs under any of the Secured Obligations, including without limitation, any payments due under the Note.

5.2 Remedies. At any time after an Event of Default, Beneficiary and Trustee shall be entitled to invoke any and all of the rights and remedies described below or otherwise available at law or equity. All of such rights and remedies shall be cumulative, and the exercise of any one or more of them shall not constitute an election of remedies.

5.3 Beneficiary's Power of Enforcement

(a) Time is of the essence hereof. Upon the occurrence of an Event of Default, Beneficiary may, at its option and in its sole and absolute discretion, deliver to the Trustee written declaration of default and demand for sale and of written Notice of Breach and Election to Sell (this term is interchangeable with Notice of Default and Election to Sell) to cause the Property to be sold to satisfy the obligations hereof, which Notice the Trustee shall cause to be filed for record. Beneficiary may also deposit with the Trustor the Guarantee and all documents evidencing expenditures secured hereby.

(b) After the lapse of such time as may then be required by law following the recordation of said Notice of Breach and Election to Sell, and notice of sale having been given as then required by law, the Trustee without demand on Trustor, shall sell the Property at the time and place fixed by it in said notice, either as a whole or in separate parcels, and in such order as it may determine, at public auction to the highest bidder, for cash in lawful money of the United States payable at the time of sale. The Trustee may, for any cause it deems expedient, postpone the sale of all or any portion of the Property until it shall be completed and, in every case, notice of postponement shall be given by public announcement thereof at the time and place last appointed for the sale and from time to time thereafter the Trustee may postpone such sale by public announcement at the time fixed by the preceding postponement. The Trustee shall execute and deliver to the purchaser its Trustee's Deed conveying the Property so sold but without any covenant or warranty, express or implied. The recitals in the Trustee's Deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Beneficiary, may bid at the sale.

After deducting all costs, fees and expenses of the Trustee and of this Trust, including the cost of any evidence of title procured in connection with such sale, the Trustee shall apply the proceeds of sale to the payment of: (1) all sums expended under the terms hereof, not then repaid; (2) all other sums then secured hereby; and (3) the remainder, if any, to the person or persons legally entitled thereto.

(c) If an Event of Default shall have occurred, Beneficiary may, either with or without entry or taking possession, and without regard to whether or not the Secured Obligations and other sums secured hereby shall be due and without prejudice to the right of Beneficiary thereafter to bring an action or proceeding to foreclose or any other action for any default existing at the time such earlier action was commenced, proceed by any appropriate action or proceeding: (A) to enforce payment of the Guarantee or the performance of any other term hereof; (B) to foreclose this Deed of Trust in the manner provided by law for the foreclosure of deeds of trusts on real property and to sell, as an entirety or in separate lots or parcels, the Property pursuant to the laws of the State of Nevada or under the judgment or decree of a court or courts of competent jurisdiction and Beneficiary shall be entitled to recover in any such proceeding all costs and expenses incident thereto, including reasonable attorneys' fees in such amount as shall be awarded by the court; and (C) pursue any other remedy available to it at law or in equity.

5.4 Waiver of Appraisement, Valuation, Stay, Extension and Redemption Laws. Trustor agrees to the full extent permitted by law that in case of a default on its part hereunder, neither Trustor nor anyone claiming through or under it shall or will set up, claim or seek to take advantage of any appraisement, valuation, stay, extension or redemption laws now or hereafter in force in order to prevent or hinder the enforcement or foreclosure of this Deed of Trust or the absolute sale of the Property or the final and absolute transfer of possession of the Property, immediately after such sale, to the purchasers thereof. Trustor, for itself and all who may at any time claim through or under it, hereby waives, to the full extent that it may lawfully so do, the benefit of all such laws, and any and all right to have the assets comprising the Property marshaled upon any foreclosure of the lien hereof and agrees that the Trustee or any court having jurisdiction to foreclose such lien may sell the Property in part or as an entirety.

5.5 Receiver. If an Event of Default shall have occurred, Beneficiary, to the extent permitted by law and without regard to the value, adequacy or occupancy of the security for the Secured Obligations and other sums secured hereby, shall be entitled as a matter of right, if it so elects, to the appointment of a receiver to enter upon and take possession of the Property and to collect all rents, enforce any lease provisions and other benefits thereof and apply the same as the court may direct, and such receiver may be appointed by any court of competent jurisdiction by ex parte application and without notice of hearing, such notice of hearing being hereby expressly waived. The expenses, including receiver's fees, attorneys' fees, costs and agent's compensation, incurred pursuant to the powers herein contained, shall be secured by this Deed of Trust. The right to enter and take possession of and to manage and operate the Property and to collect all rents, enforce any lease provisions and other benefits thereof whether by a receiver or otherwise, shall be cumulative to any other right or remedy hereunder or afforded by law and may be exercised concurrently therewith or independently thereof. Beneficiary shall be liable to account only for such rents and other benefits actually received by Beneficiary. Notwithstanding the appointment of any receiver or other custodian, Beneficiary shall be entitled as pledgee to the possession and control of any cash, deposits, and instruments at the time held by, or payable or deliverable under the terms of this Deed of Trust to Beneficiary.

5.6 Suits to Protect the Property. Beneficiary shall have the power and authority, but shall have no obligation, to institute and maintain any suits and proceedings as Beneficiary may deem advisable (a) to prevent any impairment of the Property by any acts which may be unlawful or any violation of this Deed of Trust; (b) to preserve or protect its interest in the Property; and (c) to restrain the enforcement of or compliance with any legislation or other governmental enactment, rule or order that may be unconstitutional or otherwise invalid, if the enforcement of or compliance with such enactment, rule or order might impair the security hereunder or be otherwise prejudicial to Beneficiary's interest.

5.7 Proofs of Claim. In the case of any receivership, insolvency, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding affecting Trustor, its creditors or its property, Beneficiary, to the extent permitted by law, shall be entitled to file such proofs of claim or other documents as may be necessary or advisable in order to have its claims allowed in such proceedings for the entire Secured Obligation due and payable by Trustor under the Guarantee, this Deed of Trust, and any other instrument or document securing the Guarantee, or otherwise heretofore or hereafter executed in connection with the Secured Obligation hereunder, at the date of the institution of such proceedings, and for any additional amounts which may become due and payable by Trustor after such date.

EXHIBIT ''D''

VI. Miscellaneous Provisions

6.1 Merger. No merger shall occur as a result of Beneficiary's acquiring any other estate in or any other lien on the Property unless Beneficiary consents to a merger in writing.

6.2 Joint and Several Liability. If Trustor consists of more than one person, each shall be jointly and severally liable for the faithful performance of all of Trustor's obligations under this Deed of Trust.

6.3 Applicable Law. This Deed of Trust shall be governed by Nevada law.

6.4 Successors in Interest. The terms, covenants and conditions of this Deed of Trust shall be binding upon and inure to the benefit of the heirs, successors and assigns of the parties.

6.5 Statute of Limitations. To the extent permitted by law, Trustor hereby waives the right to plead the statute of limitations as a defense to any and all obligations secured by this Deed of Trust.

6.6 Substitution of Trustee. Beneficiary, or any successor in ownership of any Secured Obligation hereby may from time to time, by instrument in writing, substitute a successor or successors to any Trustee named herein or acting hereunder, which instrument, executed by Beneficiary and duly acknowledged and recorded in the office of the recorder of the county or counties where the Property is situated, shall be conclusive proof of proper substitution of such successor Trustee or Trustees, who shall, without conveyance from the Trustee predecessor, succeed to all its title, estate, rights, powers and duties. Said instrument must contain the name of the original Trustor, Trustee and Beneficiary hereunder, the book and page where this Deed of Trust is recorded and the name and address of the new Trustee.

6.7 Waiver of Marshaling. Trustor waives all rights, legal and equitable, it may now or hereafter have to require marshaling of assets or to direct the order in which any of the Property will be sold in the event of any sale under this Deed of Trust. Each successor and assign of Trustor, including any holder of a lien subordinate to this Deed of Trust, by acceptance of its interest or lien agrees that it shall be bound by the above waiver, as if it had given the waiver itself.

6.8 Time of Essence. Time is of the essence of this agreement.

6.9 Severability. If any provision of this Deed of Trust should be held unenforceable or void, that provision shall be deemed severable from the remaining provisions and shall in no way affect the validity of this Deed of Trust.

6.10 Notices. Trustor hereby requests that a copy of notice of default and notice of sale be mailed to it at the address set forth below. That address is also the mailing address of Trustor as Debtor under the Uniform Commercial Code. Beneficiary's address given below is the address for Beneficiary as Secured Party under the Uniform Commercial Code.

Addresses Where Notices to
Trustor Are to be Sent:

SCE-BULLDOG, LLC
4168 Douglas Blvd. Suite 200
Granite Bay, CA 95746
Attention: President & CEO

Address Where
Notices to BeneficiaryAre to be Sent:

City of Las Vegas Redevelopment Agency
City of Las Vegas
400 Stewart Avenue
Las Vegas, Nevada 89101
Attention: Executive Director

6.11 Statutory Covenants. Where not inconsistent with the above, the following covenants, Nos. 1; 2 (full replacement value); 3; 4 (fifteen percent (15%) per annum); 5; 6; 7 (a reasonable percentage); 8 and 9 of NRS 107.030 are hereby adopted and made a part of this Deed of Trust.

6.12 Interpretation

(a) Whenever the context requires, all words used in the singular will be construed to have been used in the plural, and vice versa, and each gender will include any other gender. The captions of the sections of this Deed of Trust are for convenience only and do not define or limit any terms or provisions. The word "*include(s)*" means "*include(s), without limitation*," and the word "*including*" means "*including, but not limited to*."

(b) The word "*obligations*" is used in its broadest and most comprehensive sense, and includes all primary, secondary, direct, indirect, fixed and contingent obligations. It further includes all principal, interest, prepayment charges, late charges, loan fees and any other fees and charges accruing or assessed at any time, as well as all obligations to perform acts or satisfy conditions.

(c) No listing of specific instances, items or matters in any way limits the scope or generality of any language of this Deed of Trust. The Exhibits to this Deed of Trust are hereby incorporated in this Deed of Trust.

IN WITNESS WHEREOF, Trustor has executed this Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing the day and year first above written.

TRUSTOR:

SCE-BULLDOG, LLC
a Nevada limited liability company

By:__________________________

Its:__________________________
Manager

STATE OF NEVADA)
) :SS
COUNTY OF CLARK)

This instrument was acknowledged before me on ____________ by ____.

(Signature of Notarial Officer)

(Seal, if any)

(My Commission Expires____________)

EXHIBIT ''D''

EXHIBIT D-1

LEGAL DESCRIPTION

~~EXHIBIT "B"~~

A.P.N. 139-34-310-061, -062, -063, -076, -710-001
(040-107-012, -013, -002, -003 & -001)
PORTION OF BLOCK 23, SOUTH ADDITION
AND PORTION OF BLOCK A, WARDIE ADDITION

Those portions of the South Half (S 1/2) of Section 34, Township 20 South, Range 61 East, M.D.M., in the City of Las Vegas, County of Clark, State of Nevada, described as follows:

PARCEL 1

Lots 1, 2, 3, 4, 5 and 6, all in Block 23 of SOUTH ADDITION TO THE CITY OF LAS VEGAS, as recorded August 13, 1926 and filed in Book 1 of Plats, Page 51 of Clark County, Nevada Records.

EXCEPT THEREFROM, that portion of the above-described PARCEL 1 lying within the northwesterly 5.00 feet of Lots 1, 2, 3, 4, 5 and 6, all in said Block 23.

ALSO EXCEPT THEREFROM, that portion of the above-described PARCEL 1, lying within Lot 1 in said Block 23, being a triangular parcel of land, bounded as follows: bounded on the northeast by northeast line of said Lot 1; bounded on the northwest by the southeasterly line of the northwesterly 5.00 feet of said Lot 1; and bounded on the south by the arc of a curve, concave southerly, having a radius of 10.00 feet, being tangent to the northeasterly line of said Lot 1 and tangent to the southeasterly line of said northwesterly 5.00 feet.

The above-described PARCEL 1 contains an area of 20,204 square feet or 0.464 acres, more or less.

PARCEL 2

Lots 27, 28, 29, 30, 31 and 32 all in Block 23 of said SOUTH ADDITION TO THE CITY OF LAS VEGAS.

PARCEL 3

That portion of Block A of WARDIE ADDITION, as recorded May 12, 1913 and filed in Book 1 of Plats, Page 13 of Clark County, Nevada Records, bounded on the northeast by the northeasterly line of said Block A; bounded on the southeast by the southeasterly line of said Block A; bounded on the west by the westerly line of said Block A, also being a portion of the north-south, center-section line of said Section 34; and

EXHIBIT ''D''

bounded on the southwest by the southeasterly prolongation of the southwesterly line of Lot 27 in Block 23 of said SOUTH ADDITION TO THE CITY OF LAS VEGAS.

The above-described PARCEL 2 and PARCEL 3 contains a total area of 20,955 square feet or 0.481 acres, more or less.

CHAIRMAN'S INITIALS____________

EXHIBIT ''D''

EXHIBIT "B-1"
A.P.N. 139-34-310-061 (040-107-012)
PORTION OF BLOCK 23, SOUTH ADDITION
DEDICATION 5-FOOT LAS VEGAS BOULEVARD

That portion of the Southwest Quarter (SW 1/4) of Section 34, Township 20 South, Range 61 East, M.D.M., in the City of Las Vegas, County of Clark, State of Nevada, being portion of Block 23 of SOUTH ADDITION TO THE CITY OF LAS VEGAS, as recorded August 13, 1926 and filed in Book 1 of Plats, Page 51 of Clark County, Nevada Records, described as:

The northwesterly 5.00 feet of Lots 4, 5 and 6 in Block 23 of said SOUTH ADDITION TO THE CITY OF LAS VEGAS.

The above-described parcel of land contains an area of 375 square feet or 0.009 acres, more or less.

CHAIRMAN'S INITIALS__________

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EXHIBIT ''D''

EXHIBIT "B-2"
A.P.N. 139-34-399-001
PORTION OF 20 FEET WIDE PUBLIC ALLEY,
SOUTHEAST CORNER OF LAS VEGAS BOULEVARD
AND CLARK AVENUE

That portion of Northeast Quarter (NE 1/4) of the Southwest Quarter (SW 1/4) of Section 34, Township 20 South, Range 61 East, M.D.M., in the City of Las Vegas, County of Clark, State of Nevada, being a portion of the 20 feet wide public alley in Block 23 of SOUTH ADDITION TO THE CITY OF LAS VEGAS, as recorded August 13, 1926 in Book 1 of Plats, Page 51 of Clark County, Nevada Records, bounded as follows:

Bounded on the northeast by the northeast line of said Block 23, bounded on the southwest by the southeasterly prolongation of the southwest line of Lot 6 in said Block 23.

The above-described parcel of land contains an area of 3,002 square feet or 0.069 acres, more or less.

RESERVING THEREFROM an easement to the CITY OF LAS VEGAS for public streetlight purposes, public fire hydrant purposes and appurtenances thereto, over, across and under the northeasterly 5.00 feet of the above described parcel of land, together with reasonable rights of ingress thereto and egress therefrom.

CHAIRMAN'S INITIALS____________

EXHIBIT E

EMPLOYMENT PLAN FOR
SCE-Bulldog, LLC

The Employment Plan of SCE-Bulldog, LLC, a Nevada limited liability company (hereinafter "SCE") 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 SCE 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 only during the construction phase of the Project, due to the speculative nature of the project and as yet unknown tenants.

1. Description of the Facilities to be Constructed. The facilities to be constructed by SCE will consist of an 75,000 square foot office building, containing 8,500 square feet of retail space and 306 parking spaces in a structured garage. Please see Attachments F and G of the Disposition and Development Agreement for a complete description of the facilities and anticipated construction schedule.

2. Contracts for Construction of the Project. SCE 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

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 SCE has not yet caused the construction 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, SCE, through its construction manager, Valley Commercial Contractors, LP, 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 Disposition and Development Agreement. At such time, SCE's construction manager will submit an Addendum to this Plan identifying the construction contracts.

3. Manner of Involving MWDV Businesses. SCE 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, SCE will perform the following tasks:

(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.

(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, SCE will submit quarterly reports to the Redevelopment Agency for the period through Certificate of Occupancy, demonstrating its compliance with the requirements of the Employment Plan. SCE 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. SCE shall not charge for copies of the reports. The first report shall be distributed upon application for Building Permits.

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

(i) SCE 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. SCE shall encourage joint ventures with the MWDV owned business firms. In the event that any job fair is held for hiring in relation to this project, Developer will ensure that such fair is coordinated through the office of the City Council for that district.

ATTACHMENT 1

EMPLOYMENT PLAN POLICY

(As Adopted on June 6, 2001)

A. <u>What is the purpose of the Employment Plan Policy?</u>

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. <u>Who must submit Employment Plan?</u>

1. *<u>Developers:</u>* 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. *<u>Build-to-Suit Owners/Lessees:</u>* 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 Employee 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. <u>What information must be in the Employment Plan submitted by Build-to-Suit Owner/Lessees?</u>

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. <u>What procedural guidelines must Build-to-Suit Owner/Lessee follow?</u>

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. <u>What are the reporting requirements?</u>

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 his 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

Attachment 2
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/DBVE 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 "F"
SCOPE OF DEVELOPMENT OF THE PROJECT

SCE-Bulldog, LLC ("Developer"), a Nevada limited liability company, which is an affiliate of Sierra Crest Equities, LLC, intends to purchase approximately 41,159 square feet of real property located at the Southeastern corner of Las Vegas Boulevard and Clark Avenue, currently owned by the City of Las Vegas Redevelopment Agency.

The Developer intends to construct an approximately 75,000 square foot, Class "A" office building for speculative purposes, and will include approximately 8,500 square feet of retail space fronting along Las Vegas Boulevard. The building will be six stories in height and include steel-frame and high-efficiency glass façade. In order to provide tenant parking, the Developer will construct a 306 parking spaces in a structured parking garage, on the second, third, and fourth floors of the office building. The parking garage will be pre-cast concrete, and will be a fully-staffed facility. A fixed amount of 40% of the parking spaces, or no less than 122 parking spaces, will be leased to the RDA for the purposes of public parking for the first two years following issuance of a certificate of occupancy. The total cost of the project including hard and soft costs to the Developer is anticipated to be approximately $18.4 million.

SCE-Bulldog, LLC will professionally manage and operate the office building and garage in a professional manner suitable for a Class "A" office building, with full amenities for tenants.

EXHIBIT "G"
SCHEDULE OF PERFORMANCE OF THE PROJECT

Action	Date
1. Execution and Delivery of Agreement. Developer shall execute and deliver this Agreement to the RDA.	Not later than November 5, 2003.
2. Execution of Agreement by RDA.	Not later than November 15, 2003.
3. Open Escrow and delivery of Earnest Money Deposit.	Developer shall open escrow at United Title of Nevada within twenty (20) calendar days of Execution of Agreement by RDA, or by December 5, 2003, whichever event occurs first. Developer shall deliver $50,000 earnest money deposit to RDA.
4. Submission of Basic Concept Drawings. The Developer shall submit to the RDA for approval a set of Basic Concept Drawings.	Concurrent with the Execution of this Agreement by the Developer and Delivery to the RDA.
5. Delivery of Title Report to Developer. Escrow Agent shall deliver the Title Report for the Site to the Developer.	Within twenty (20) calendar days of opening escrow.
6. Approval of Title Report.	Within sixty (60) calendar days of receipt by Developer.
7. Pre-Design Conference with City of Las Vegas.	Not later than January 15, 2004.
8. Expiration of Feasibility Review Period pursuant to Section 14.	Not later than ninety (90) days after the effective date of the Agreement, or by March 15, 2004, whichever event occurs first.
9. Completion of Reversionary Parcel Map.	Not later than May 15, 2004.
10. Submission to City by Developer of Site Development Plan application, and Vacation application.	Not later than May 30, 2004.
11. Submission of Developer's Firm and Binding Evidence of Financing (the "Commitment") from the Project Lender.	Not later than June 14, 2004.
12. Approval of Commitment pursuant to Section 5c.	Not later than twenty (20) calendar days following submission of Commitment.
13. Submission – Certificates of Insurance.	Not later than June 14, 2004.
14. City and other Governmental Permits necessary to commence construction.	Not later than June 18, 2004.
15. Payment of Conveyance Fee by Developer.	At closing.
16. <u>Execution of Promissory Note and Second Deed of Trust to secure performance and Recordation of Second Deed of Trust.</u>	At closing.

17. Submittal of Final Architectural Plans, Civil Plans, Mechanical, Electrical, and Plumbing Plans, Landscape Plans, and Structural Plans to RDA.	Not later than June 21, 2004.
18. Site Closing and Conveyance.	Not later than June 28, 2004.
19. Commencement of Construction Site Preparation. The Developer shall commence site preparation for construction, which shall include clearing and grubbing, relocation of power poles and related equipment in alley, and the securing and preparation of a staging area as needed.	Not later than July 7, 2004.
20. Commencement of Construction. The Developer shall commence construction, which shall mean pouring concrete for the foundation of the Project, in accordance with the Agreement, particularly Section 6.	Within one hundred twenty (120) calendar days after the Site Closing (closing of escrow and conveyance of the Site), or by November 1, 2004, whichever event occurs first.
21. Completion of Construction.	Not later that fourteen (14) calendar months following commencement of construction, or by December 30, 2005, whichever event occurs first.
22. Certificate of Completion. Upon written request by Developer and after completion of improvements as required by the Agreement, RDA shall furnish Developer with a Certificate of Completion.	Not later than thirty (30) calendar days following the completion of construction.
23. Final Payment to RDA. Developer shall Deliver payment of $1,200,000 plus any interest accrued as specified in the DDA to Title Company.	Not later than June 28, 2007, or within thirty six (36) calendar months of Closing and Conveyance Date, or upon the building being eighty percent (80%) leased, whichever date or event occurs first.
24. Release of Deed of Trust and Promissory Note by RDA.	Within fifteen (15) calendar days of receipt of final payment from Developer.

EXHIBIT "H"

PARKING GARAGE LEASE AGREEMENT

THIS PARKING GARAGE LEASE AGREEMENT (the "Lease") is entered into as of the ___ day of _____, 2003 by and between SCE-BULLDOG, LLC, a Nevada limited liability company ("Landlord") and the REDEVELOPMENT AGENCY OF THE CITY OF LAS VEGAS, NEVADA, an agency of the city of Las Vegas, Nevada ("Tenant").

RECITALS:

WHEREAS, Landlord is the record owner of certain real property which located in Clark County, Nevada (the "Property"), as described more particularly on Exhibit "H-1" attached hereto on which Landlord intends to construct an approximately 83,500 square foot Class-A office building including approximately 8,500 square feet of ground floor retail (the "Building") and a parking garage for no less than 306 parking spaces (the "Garage") (the Building and Garage are collectively referred to herein as the "Project");

WHEREAS, Tenant and Landlord have previously entered into that certain Disposition and Development Agreement dated ___________, 2003 (the "DDA") whereby Landlord agrees to construct the Project (the "DDA"); and

WHEREAS, Tenant desires to lease from Landlord, and Landlord desires to lease to Tenant, parking spaces in the Garage.

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein, Tenant and Landlord hereby agree as follows:

1. Lease Of Parking Spaces to Tenant.

Subject to reduction pursuant to Section 4(e) below, Landlord hereby leases to the Tenant for the Lease Term (hereinafter defined), and the Tenant hereby leases from Landlord for the Lease Term, forty percent (40%) of the parking spaces (rounded to the nearest whole space) not to exceed 122 parking spaces in the Garage (each a "Space") for use as set forth in this Lease. The location of the Spaces shall be located on the second and third floors of the Garage in an area approved by the Tenant.

2. Rent.

The Tenant hereby agrees to pay Landlord, as monthly rent for the Spaces (the "Parking Rent") in an amount equal to the Per Space Rate multiplied by the number of

Spaces leased from time to time hereunder. The "Per Space Rate" is forty-five dollars ($45.00) per month. Tenant shall not be required to pay any other amounts whatsoever under this Lease.

3. Commencement of Rent.

Tenant shall pay the Parking Rent monthly in advance commencing with the calendar month in which the Commencement Date (hereinafter defined) occurs without offset, deduction or prior demand except as otherwise provided herein.

4. Lease Term; Termination of Lease by Tenant and Abatement of Rent; Recapture of Spaces.

(a) The term of this Lease (the "Lease Term") shall commence on that date (the "Commencement Date") which is the first day of the first full calendar month after Landlord provides Tenant with no less than thirty (30) days written notice (the "Commencement Notice") from Landlord that the Project is Substantially Complete (hereinafter defined) and shall expire on the last day of the twenty-fourth (24^{th}) full calendar month thereafter, unless earlier terminated as provided herein. As used in this Agreement, the term "Substantially Complete" means the occurrence of the following two events: (i) Landlord has obtained a certificate from the City of Las Vegas, Nevada evidencing that the Project, including the Building and the Garage, have been completed in compliance with the DDA and (ii) the Garage and all of the Spaces are open for use in full compliance with the Parking Management Plan.

(b) Tenant shall have the right to terminate this Lease as follows:

(i) In the event the Project is not Substantially Complete prior to the expiration of eighteen (18) months from the date of this Lease first above written, then Tenant shall have the right to terminate this Lease upon written notice to Landlord, provided, however, that if the Project is Substantially Complete within thirty (30) days after such notice this Lease shall remain in full force and effect. Upon such termination of this Lease by Tenant, this Lease shall be of no further force and effect and Landlord and Tenant shall have no further liability hereunder.

(ii) In the event Landlord fails to manage the Garage as set forth in the Parking Management Plan and such failure continues for a period of sixty (60) days after Landlord provides written notice of such failure to Landlord, Tenant shall have the right to terminate this Lease upon written notice to Landlord. Upon such termination of this Lease by Tenant, this Lease shall terminate and be of no further force and effect and Landlord and Tenant shall have no further liability hereunder other than the payment by Landlord of any Parking Revenues owed by Landlord to Tenant through the date of termination.

(iii) In the event Landlord fails to remit to Tenant any Parking Revenues (hereinafter defined) as required by this Lease and such failure continues for a period of five (5) days after written notice by Tenant, then Tenant shall have the right to terminate this Lease upon written notice to Landlord. Upon such termination of this Lease by Tenant, this Lease shall terminate and be of no further force and effect and Landlord and Tenant shall have no further liability hereunder other than the payment by Landlord of any Parking Revenues owed by Landlord to Tenant through the date of termination.

(iv) In the event Landlord defaults in performance of any of its obligations under this Lease other than those set forth in paragraphs (i), (ii) and (iii) of this Section 4 and such failure continues for a period of thirty (30) days after written notice by Tenant to Landlord of such default, then Tenant shall have the right to terminate this Lease upon written notice to Landlord. Upon such termination of this Lease by Tenant, this Lease shall terminate and be of no further force and effect and Landlord and Tenant shall have no further liability hereunder other than the payment by Landlord of any Parking Revenues owed by Landlord to Tenant other than the payment by Landlord of any Parking Revenues owed by Landlord to Tenant through the date of termination.

(c) Tenant shall have the right to abate without notice to Landlord the Parking Rent payable hereunder in the event any of the Spaces are unavailable for use for more than four (4) hours during regular business hours. The amount of any such abatement shall equal the number of Spaces that are unavailable during any given period of time multiplied by the greater of (i) $1.50 for each day such Spaces are not available or (ii) the amount of daily Parking Revenues lost by reason of the unavailability of such Spaces.

(d) Tenant shall have the right without notice to Landlord to set-off and deduct from the Parking Rent, along with any late charges or interest due thereon, any Parking Revenues not paid by Landlord when due.

(e) Upon thirty (30) days prior written notice, Landlord shall have the right from time to time to recapture ten (10) Spaces at a time and thereby reduce the number of Spaces leased to Tenant. Such reduction shall automatically be effective upon the expiration of such thirty (30) day period, provided, however, that if Tenant has prepaid any Parking Rent related to such recaptured Spaces, such notice must include a refund of any such prepaid Parking Rent. Upon such reduction of the Spaces subject to this Lease, the monthly Parking Rent shall be reduced by the number of recaptured Spaces.

5. <u>Construction of Project</u>.

Landlord agrees to construct the Project at its sole cost and expense. Landlord and Tenant agree that the Project shall be construed in accordance with the specifications set forth in the DDA.

6. <u>Use of Spaces; Revenue Sharing</u>.

(a) Tenant shall have the right to sublet the Spaces on such basis as Tenant shall determine in Tenant sole discretion, including, without limitation, an hourly or monthly basis. Landlord shall be responsible for managing the Spaces, including, without limitation, the letting of the Spaces, interfacing with all users of the Spaces and the collection of all Parking Revenues (hereinafter defined), all of which shall be in full compliance with a plan for the management of the Garage (the "Parking Management Plan") to be submitted by Tenant to Landlord for Landlord's approval which approval shall not be unreasonably withheld. Tenant shall submit the Parking Management Plan to Landlord no later than ninety (90) days prior to the date that the Project is Substantially Complete. The Parking Management Plan shall describe in detail the method of operating and maintaining the Garage, including, without limitation, locations and means of access to the Garage, location and means of physically separating parking available for the general public from parking reserved for tenants of the Building, hours of operating, maintenance standards, validation and other garage operation and management issues. Landlord agrees that Tenant shall have no responsibility or liability for actions of the users of the Spaces and that Landlord agrees to assume all risk of loss or damage resulting from the use of the Spaces. Landlord agrees to indemnify and hold harmless Tenant from any and all liability, claims, loss damage, costs (including reasonable attorneys' fees), expense or any other matters incurred or suffered as a result of Landlord's ownership and /or operation of the Project or relating in anyway to the Project.

(b) The term "Parking Revenues" means the gross amount of all revenues received by Landlord from the Spaces pursuant to the Parking Management Plan as determined on a cash accrual basis. Landlord agrees to remit to Tenant the Parking Revenues as follows:

(i) First, one hundred percent (100%) of all Parking Revenues collected by Landlord in each calendar month shall be remitted to Tenant until such time as the total amount of Parking Revenues Tenant has collectively received from the commencement of the Lease Term through the end of the calendar month for which Landlord is remitting Parking Revenues Parking Revenues exceeds all of Parking Rent collectively paid to Landlord from the commencement of the Lease Term through the end of the calendar month for which Landlord is remitting Parking Revenues.

(ii) Second, in any calendar month in which (i) the Parking Revenues for such month exceed the Parking Rent for such month (such excess herein referred to as "Excess Revenues") and (ii) the total amount of Parking Revenues Tenant has collectively received from the commencement of the Lease Term through the end of the calendar month for which Landlord is remitting Parking Revenues Parking Revenues exceeds all of Parking Rent collectively paid to Landlord from the commencement of the Lease Term through the end of the calendar month for which Landlord is remitting Parking Revenues, then (x) fifty percent of the Excess Revenues shall be paid to Tenant and (y) fifty percent of the Excess Revenues shall be retained by Landlord.

(iii) All payments of Parking Revenues shall be paid to Tenant no later than the fifth (5^{th}) day after the respective calendar month during which the Parking revenues were collected or accrued, as the case may be. Concurrently with the payment of all Parking Revenues, Landlord shall deliver to Tenant a written statement showing all Parking Revenues received for the Calendar Month, the collective total amount of all Parking Revenues paid to Tenant by Landlord under this Lease and all Parking Rent paid by Tenant under this Lease.

(c) Landlord will keep complete books of account evidencing the accrual and collection of Parking Revenues and Landlord's compliance with the Parking Management Plan and preserve for at least four (4) years after the close of each calendar year the books of account, and all vouchers, invoices, statements, payroll records and other documents, evidencing such matters. Tenant and its authorized agents (including accountants and attorneys) may at any reasonable time, within this 4-year period, inspect, copy and audit the books of account and the documents. Should an audit show that the amount of any Parking Revenues paid to Tenant by Landlord was less than required by this Lease, Landlord shall immediately pay any shortfall to Tenant. If an audit shows that Landlord has underpaid Parking Revenues by more than two percent (2%), for any period, then Landlord will pay to Tenant upon demand, the costs of audit incurred by Tenant. The audit rights of Tenant shall survive any expiration or other termination of this Lease.

7. Late Payments.

(a) Tenant acknowledges that Tenant's failure to pay Parking Rent promptly may cause Landlord to incur unanticipated costs. The exact amount of such costs are impractical or extremely difficult to ascertain. Therefore, if Landlord does not receive any Parking Rent payment within ten (10) days after it becomes due, Tenant shall pay Landlord a late charge equal to five percent (5%) of the overdue amount. The parties agree that such late charge represents a fair and reasonable estimate of the costs Landlord will incur by reason of such late payment. In addition any amount owed by Tenant to Landlord which is not paid when due shall bear interest at the rate of (i) fifteen percent (15%) per annum, or (ii) the Prime Rate plus five (5) percentage points per annum, whichever is greater, from the due date of such amount. However, interest shall not be payable on late charges to be paid by Tenant under this Lease. The payment of interest on such amounts shall not excuse or cure any default by Tenant under this Lease unless otherwise cured as provided herein. If the interest rate specified in this Lease is higher than the rate permitted by law, the interest rate is hereby decreased to the maximum legal interest rate permitted by law. The term "Prime Rate" means that rate of interest publicly announced from time to time by the Bank of America, N.A. as its prime lending rate of interest.

(b) Landlord acknowledges that Landlord's failure to pay Parking Revenues promptly may cause Tenant to incur unanticipated costs. The exact amount of such costs are impractical or extremely difficult to ascertain. Therefore, if Tenant does not receive any Parking Revenues payment within ten (10) days after it becomes due, Landlord shall pay Tenant a late charge equal to five percent (5%) of the overdue amount. The parties agree that such late charge represents a fair and reasonable estimate of the costs Tenant will incur by reason of such late payment. In addition any amount owed by Landlord to Tenant which is not paid when due shall bear interest at the rate of (i) fifteen percent

(15%) per annum, or (ii) the Prime Rate plus five (5) percentage points per annum, whichever is greater, from the due date of such amount. However, interest shall not be payable on late charges to be paid by Landlord under this Lease. The payment of interest on such amounts shall not excuse or cure any default by Landlord under this Lease unless otherwise cured as provided herein. If the interest rate specified in this Lease is higher than the rate permitted by law, the interest rate is hereby decreased to the maximum legal interest rate permitted by law.

(c) Landlord shall have the right without notice to Tenant to set-off and deduct from Parking Revenues payable to Tenant, along with any late charges or interest due thereon, any Parking Rent that is not paid when due

8. Destruction of Garage. If the Garage is destroyed or damaged by any casualty Landlord, at its sole expense, shall immediately reconstruct or restore the Garage substantially to its original form. Any repairing or rebuilding of the Garage shall be on substantially the same location and of the same size or larger as the initial Garage; any repairing or rebuilding of the Garage shall be of the same material or similar material and of the same quality as that used in the original Garage, as applicable, unless otherwise agreed to in writing by the Tenant, provided however, in the event, the Building is destroyed and Landlord elects not to reconstruct the Building to a condition capable of occupancy, Landlord shall have no obligation to rebuild the Garage. Parking Rent shall abate for each Space that is not available for use in compliance with the Parking Management Plan for such period of time as the same remain unavailable.

9. Tenant Default.

In the event Tenant shall fail to pay any installment of Parking Rent when due within ten (10) days after receipt of written notice from Landlord and such failure is a default under this Lease, subject to all procedural repossession requirements under Nevada law, Landlord may, in addition to any other remedies which it may have at law or in equity, terminate the Tenant's right to possession of the Spaces. In the event of such termination Landlord hereby agrees to use commercially reasonable efforts to mitigate its damages. Subject to Landlord's obligation to mitigate its damages, upon termination, Landlord shall have the right to recover from the Tenant damages determined as follows:

(a) The worth, at the time of the award of any unpaid Parking Rent that had been earned at the time of termination of the Tenant's right to possession of the Spaces; and

(b) The worth, at the time of the award, of the amount by which (i) the unpaid Parking Rent payable after the date of termination of the Tenant's right to possession of the Spaces through the remainder of the Lease Term, exceeds (ii) the amount of any revenues collected by Landlord in letting the Spaces after such termination.

(c) the reasonable third party out-of-pocket collection expenses actually incurred by Landlord in the exercise of its remedies under this section 10(b), including reasonable attorneys' fees and court costs.

"The worth, at the time of the award," as referred to in subsections (1) and (2) of this Paragraph (b), is to be computed by discounting the amount of the award at the discount rate of the Federal Reserve Bank of San Francisco at the time of the award, plus one percent (1%).

10. Assignment.

(a) Landlord shall not assign, sublease, or transfer its right or obligations under this Lease without the consent of Tenant first being obtained which consent shall not be unreasonably withheld; provided, however, Landlord shall have the right to assign its rights and obligations hereunder without the consent of Tenant (i) as a security interest in connection with any financing of the Garage or to a purchaser of the Garage or (ii) in connection with a sale of the entire Project, provided that the transferee assumes in writing all obligations of Landlord hereunder, and (ii) the rights of the Tenant hereunder are superior to any security interest granted herein. As used in this Lease, the term "Landlord" means only the current owner or owners of the fee title to the Garage at the time in question. Each Landlord is obligated to perform the obligations of Landlord under this Lease only during the time such Landlord owns such interest or title. Any Landlord who transfers its title or interest is relieved of all liability with respect to the obligations of Landlord under this Lease to be performed on or after the date of transfer. In the event the Garage is pledged as security for any obligation prior to the recording date hereof, Landlord shall be obligated to obtain from all such superior lien holders, a non-disturbance agreement, whereby such lienholders agree to acknowledge and honor the rights of the Tenant hereunder in the event of a foreclosure of its security interest.

(b) The rights and obligations of the Tenant hereunder may be assigned by Tenant as Tenant may determine in Tenant's sole discretion.

11. Mortgagees.

Concurrently with the execution of this Lease, Landlord has delivered to Tenant a customary nondisturbance agreement from any mortgagee of the Project whereby such mortgagee agrees in the event of any foreclosure not to disturb Tenant's rights under this Lease and agrees to assume all of Landlord's obligations hereunder. In the event Landlord does not deliver such nondisturbance agreement, Tenant hereby represents and warrants to Tenant that there is no mortgage recorded against the Project as of the date of this Lease.

12. Notices.

Any notice required to be sent to Tenant or Landlord under the provisions of this Lease shall be deemed to have been properly sent when mailed, postage prepaid, to the address set forth below:

To Landlord:

SCE-Bulldog, LLC
4168 Douglas Blvd. Suite 200
Granite Bay, CA 95746
Attention: President & CEO

To Tenant:

Las Vegas Redevelopment Agency
400 Stewart Avenue
Las Vegas, Nevada 89101
Attention: Executive Director

Either party may change its notice address upon written notice to the other party.

13 Miscellaneous.

(a) Landlord promises, and it is a condition to the continuance of this Lease, that there will be no discrimination against, or segregation of, any person or group of persons on the basis of race, color, sex, creed, national origin or ancestry in the leasing, subleasing transferring, occupancy, tenure or use of the Spaces or any portion thereof.

(b) A determination by a court of competent jurisdiction that any provision of this Lease or any part thereof is illegal or unenforceable shall not cancel or invalidate the remainder of such provision or this Lease, which shall remain in full force and effect.

(c) The captions Sections of this Lease are to assist the parties in reading this Lease and are not a part of the terms or provisions of this Lease. Whenever required by the context of this Lease, the singular shall include the plural and the plural shall include the singular. The masculine, feminine and neuter genders shall each include the other.

(d) This Lease is the only agreement between the parties pertaining to the construction and lease of the Garage and no other agreements are effective or governing, including, without limitation, the DDA. All amendments to this Lease shall be in writing and signed by all parties. Any other attempted amendment shall be void.

(e) All waivers must be in writing and signed by the waiving party. Landlord's or Tenant's failure to enforce any provision of this Lease or their respective acceptance of Parking Rent or Parking Revenues shall not be a waiver and shall not prevent Landlord or Tenant from enforcing that provision or any other provision of this

Lease in the future. No statement on a payment check from Tenant or Landlord or in a letter accompanying a payment check shall be binding on Tenant or Landlord, and Landlord or Tenant may, with or without notice, negotiate such check without being bound to the conditions of such statement.

(f) Landlord or Tenant agree to enter into and record a memorandum of this Lease in the form attached hereto as Exhibit "H-2". Tenant hereby covenants and agrees that, upon the expiration or earlier termination of the Lease Term, Tenant will execute and deliver a quitclaim deed to Landlord in form reasonably satisfactory to Landlord, in favor of Landlord, or Landlord's successor in interest releasing and conveying any and all right, title, or interest of Tenant in the Garage.

(g) This Lease binds any party who legally acquires any rights or interest in this Lease from Landlord or Tenant. This Lease shall be governed by and construed in accordance with the laws of the State of Nevada.

(j) This Lease may be executed in counterparts, and, when all counterpart documents are executed, the counterparts shall constitute a single binding instrument. The delivery of this Lease by Landlord to Tenant shall not be deemed to be an offer and shall not be binding upon either party until executed and delivered by both parties.

(k) In any legal or equitable proceeding for the enforcement or to restrain the violation of this Lease or any provision hereof, the losing party or parties shall pay the reasonable attorneys' fees of the prevailing party or parties in the amount as may be fixed by the court in such proceedings. All remedies provided herein or at law or in equity shall be cumulative and not exclusive.

(l) All Exhibits attached hereto are hereby incorporated into this Lease and made a part of this Lease.

IN WITNESS WHEREOF, this Lease is executed the day and year first above written.

Landlord:

SCE-BULLDOG, LLC,
a Nevada limited liability company

BY: ____________________
MANAGER

Tenant:

CITY OF LAS VEGAS
REDEVELOPMENT AGENCY,
an agency of the City of Las Vegas, Nevada

BY: ____________________
CHAIRMAN

Approved by: ____________________
Michael C. Niarchos, Esq.

EXHIBIT "H-1"

LEGAL DESCRIPTION
EXHIBIT "B"
A.P.N. 139-34-310-061, -062, -063, -076, -710-001
(040-107-012, -013, -002, -003 & -001)
PORTION OF BLOCK 23, SOUTH ADDITION
AND PORTION OF BLOCK A, WARDIE ADDITION

Those portions of the South Half (S 1/2) of Section 34, Township 20 South, Range 61 East, M.D.M., in the City of Las Vegas, County of Clark, State of Nevada, described as follows:

PARCEL 1

Lots 1, 2, 3, 4, 5 and 6, all in Block 23 of SOUTH ADDITION TO THE CITY OF LAS VEGAS, as recorded August 13, 1926 and filed in Book 1 of Plats, Page 51 of Clark County, Nevada Records.

EXCEPT THEREFROM, that portion of the above-described PARCEL 1 lying within the northwesterly 5.00 feet of Lots 1, 2, 3, 4, 5 and 6, all in said Block 23.

ALSO EXCEPT THEREFROM, that portion of the above-described PARCEL 1, lying within Lot 1 in said Block 23, being a triangular parcel of land, bounded as follows: bounded on the northeast by northeast line of said Lot 1; bounded on the northwest by the southeasterly line of the northwesterly 5.00 feet of said Lot 1; and bounded on the south by the arc of a curve, concave southerly, having a radius of 10.00 feet, being tangent to the northeasterly line of said Lot 1 and tangent to the southeasterly line of said northwesterly 5.00 feet.

The above-described PARCEL 1 contains an area of 20,204 square feet or 0.464 acres, more or less.

PARCEL 2

Lots 27, 28, 29, 30, 31 and 32 all in Block 23 of said SOUTH ADDITION TO THE CITY OF LAS VEGAS.

PARCEL 3

That portion of Block A of WARDIE ADDITION, as recorded May 12, 1913 and filed in Book 1 of Plats, Page 13 of Clark County, Nevada Records, bounded on the northeast by the northeasterly line of said Block A; bounded on the southeast by the southeasterly line of said Block A; bounded on the west by the westerly line of said Block A, also being a portion of the north-south, center-section line of said Section 34; and bounded on the southwest by the southeasterly prolongation of the southwesterly line of Lot 27 in Block 23 of said SOUTH ADDITION TO THE CITY OF LAS VEGAS.

The above-described PARCEL 2 and PARCEL 3 contains a total area of 20,955 square feet or 0.481 acres, more or less.

CHAIRMAN'S INITIALS____________

EXHIBIT "B-1"
A.P.N. 139-34-310-061 (040-107-012)
PORTION OF BLOCK 23, SOUTH ADDITION
DEDICATION 5-FOOT LAS VEGAS BOULEVARD

That portion of the Southwest Quarter (SW 1/4) of Section 34, Township 20 South, Range 61 East, M.D.M., in the City of Las Vegas, County of Clark, State of Nevada, being portion of Block 23 of SOUTH ADDITION TO THE CITY OF LAS VEGAS, as recorded August 13, 1926 and filed in Book 1 of Plats, Page 51 of Clark County, Nevada Records, described as:

The northwesterly 5.00 feet of Lots 4, 5 and 6 in Block 23 of said SOUTH ADDITION TO THE CITY OF LAS VEGAS.

The above-described parcel of land contains an area of 375 square feet or 0.009 acres, more or less.

CHAIRMAN'S INITIALS__________

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EXHIBIT "B-2"
A.P.N. 139-34-399-001
PORTION OF 20 FEET WIDE PUBLIC ALLEY,
SOUTHEAST CORNER OF LAS VEGAS BOULEVARD
AND CLARK AVENUE

That portion of Northeast Quarter (NE 1/4) of the Southwest Quarter (SW 1/4) of Section 34, Township 20 South, Range 61 East, M.D.M., in the City of Las Vegas, County of Clark, State of Nevada, being a portion of the 20 feet wide public alley in Block 23 of SOUTH ADDITION TO THE CITY OF LAS VEGAS, as recorded August 13, 1926 in Book 1 of Plats, Page 51 of Clark County, Nevada Records, bounded as follows:

Bounded on the northeast by the northeast line of said Block 23, bounded on the southwest by the southeasterly prolongation of the southwest line of Lot 6 in said Block 23.

The above-described parcel of land contains an area of 3,002 square feet or 0.069 acres, more or less.

RESERVING THEREFROM an easement to the CITY OF LAS VEGAS for public streetlight purposes, public fire hydrant purposes and appurtenances thereto, over, across and under the northeasterly 5.00 feet of the above described parcel of land, together with reasonable rights of ingress thereto and egress therefrom.

CHAIRMAN'S INITIALS____________

EXHIBIT "H-2"

MEMORANDUM OF LEASE

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

____
____
____

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE ("Memo") is made and entered into this ___ day of _____________, 200_, by and between SCE-BULLDOG, LLC, a Nevada limited liability company ("Landlord") and the REDEVELOPMENT AGENCY OF THE CITY OF LAS VEGAS, NEVADA, an agency of the city of Las Vegas, Nevada ("Tenant").

RECITALS

WHEREAS, Landlord is the record owner of certain real property which located in Clark County, Nevada (the "Property"), as described more particularly on Exhibit "A" attached hereto on which Landlord intends to construct an approximately 75,000 square foot Class-A office building including approximately 8,500 square feet of ground floor retail (the "Building") and a parking garage for no less than 306 parking spaces (the "Garage") (the Building and Garage are collectively referred to herein as the "Project");

WHEREAS, Tenant and Landlord have previously entered into that certain Disposition and Development Agreement dated ___________, 2003 (the "DDA") whereby Landlord agrees to construct the Project (the "DDA"); and

WHEREAS, Landlord and Tenant have entered into that certain written Parking Garage Lease Agreement dated _________________, 200_, whereby Landlord has leased to Tenant the parking spaces in the Garage ("Lease"); and

WHEREAS, the Lease provides that a memorandum of same shall be executed and recorded in the county in which the Project is located.

NOW, THEREFORE, for valuable consideration, the sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Landlord hereby grants to Tenant a leasehold interest in and to the Premises under the terms and conditions set forth in the Ground Lease, the terms of which are incorporated herein by this reference.

2. The term of the Lease is for twenty-four months commencing and ending as set forth in the Lease.

3. The addresses for Landlord and Tenant, respectively, for purposes of notice are as follows:

LANDLORD:	SCE-Bulldog, LLC 4168 Douglas Blvd. Suite 200 Granite Bay, CA 95746 Attention: President & CEO
TENANT:	Las Vegas Redevelopment Agency 400 Stewart Avenue Las Vegas, Nevada 89101 Attention: Executive Director

5. This Memo may be executed in counterparts and, when so executed and collated, shall constitute a single agreement, enforceable in accordance with its terms.

6. This Memo shall run with the land and shall bind the respective successors and assigns of the parties hereto.

7. In the event of any inconsistencies between the terms of this Memo and the terms of the Lease, the terms of the Lease shall control.

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

Landlord:

BULLDOG-SCE LLC,
a Nevada limited liability company

By: ______________________________

Print Name: ______________________
Print Title: ______________________

Tenant:

CITY OF LAS VEGAS
REDEVELOPMENT AGENCY,
an agency of the City of Las Vegas, Nevada

BY: ______________________________
CHAIRMAN

EXHIBIT "I"

FORM OF GRANT DEED

RECORDING REQUESTED BY

AND WHEN RECORDED MAIL TO:

Las Vegas Redevelopment Agency

400 Stewart Avenue

Las Vegas NV 89101

GRANT DEED

For valuable consideration, the receipt of which is hereby acknowledged,

CITY OF LAS VEGAS REDEVELOPMENT AGENCY, an agency of the City of Las Vegas, Nevada (herein called "Grantor"), acting to carry out the Redevelopment Plan (herein called "Redevelopment Plan") for the Downtown Las Vegas Redevelopment Area, under the Community Redevelopment Law of the State of Nevada, hereby grants to SCE-Bulldog, LLC, a Nevada limited liability company (herein called "Grantee"), the real property (the "Property") legally described in the document attached hereto, labeled Exhibit "I-1", and incorporated herein by this reference.

1. The Property is conveyed subject to the Redevelopment Plan and pursuant to a Disposition and Development Agreement (the "DDA") entered into by and between the Grantor and the Grantee and dated ____________ 2003. The Property is also conveyed subject to those easements of record and other title exceptions listed on Exhibit "I-2", attached hereto and incorporated herein by this reference.

2. The property shall be used for the sole purpose of constructing a Class-A office building of no less than 75,000 square feet and a parking garage of no less than 306 parking spaces, all as set forth in the DDA.

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

subdivision, planing, building, fire, safety, health or environmental matters, compliance with covenants, conditions and restrictions (whether or not of record), other local, municipal, regional, state or federal requirements, or other statutes, laws, codes, ordinances, regulations or requirements. Grantee acknowledges that it has accepted this deed on the basis of Grantee's own investigation of the physical and environmental conditions of the Property, including the subsurface conditions, and Grantee assumes the risk that adverse physical and environmental conditions may not have been revealed by its investigation.

4. Grantee, for itself, its successors and assigns, and for each and every subsequent owner or tenant of any portion of the Property (collectively, the "Releasing Parties"), hereby waives, releases, remises, acquits and forever discharges Grantor, its affiliates, their employees, agents, officers, successors and assigns, of and from any and all claims, suits, actions, causes of action, demands, rights, damages, costs, expenses, penalties, fines or compensation whatsoever, direct or indirect, which Grantee or any other Releasing Party now has or which Grantee or any other Releasing Party may have in the future on account of or in any way arising out of or in connection with any contamination or environmental condition of the Property, or any other physical or environmental condition of the Property, or the violation of any federal, state of local law, ordinance, rule or regulation, including, without limitation, the Toxic Substances Control Act, the Comprehensive Environmental Response, Compensation and Liability Act, and the Resource Conservation and Recovery Act, arising out of or in connection with any physical or environmental condition of the Property.

5. The covenants contained in paragraphs in this Grant Deed shall be binding for the benefit of the Grantor, its successors and assigns and the City of Las Vegas Redevelopment Agency. Such covenants shall bind each and every owner of the Property as covenants running with the land. The Grantor and such aforementioned parties, in the event of any breach of any such covenants, shall have the right to exercise all of the rights and remedies and to maintain any actions at law or suits in equity or other proper proceedings to enforce the curing of such breach. The covenants contained in this Grant Deed shall be for the benefit of and shall be enforceable only by the Grantor, its successors and such aforementioned parties.

6. In the event of any express conflict between this Grant Deed and the DDA, the provisions of this Grant Deed shall control.

IN WITNESS WHEREOF, the Grantor and Grantee have caused this instrument to be executed on their behalf by their respective officers thereunto duly authorized this ____ day of ____________. 200_.

CITY OF LAS VEGAS REDEVELOPMENT AGENCY
An agency of the City of Las Vegas, Nevada

By:______________________

Chairman

"GRANTOR"

APPROVED:

____

Counsel for Grantor

The provisions of this Grant Deed are hereby approved and accepted.

________ 200_

SCE-BULLDOG, LLC,
a Nevada limited liability company

By : ________________________

Manager

Print Name: __________________

EXHIBIT "I"

Acknowledgments

GRANTOR:

CITY OF LAS VEGAS REDEVELOPMENT AGENCY

____

_________________, Chairman

This instrument was acknowledged before me, a notary public, on this ___ day of _____________, ______, by ________________________, as _______________ of City of Las Vegas Redevelopment Agency.

NOTARY PUBLIC, in and for said County and State
My Commission Expires:

STATE OF NEVADA)
) ss.
COUNTY OF CLARK)

GRANTEE:

SCE-Bulldog, LLC
a Nevada Limited Liability Company

By: ___________________________
Name Printed:_____________
Title: __________________________

This instrument was acknowledged before me, a notary public, on this ___ day of _____________, ______, by ________________________, as _______________ of SCE-Bulldog, LLC, a Nevada Limited Liability Company.

NOTARY PUBLIC, in and for said County and State
My Commission Expires:

STATE OF NEVADA)
) ss.
COUNTY OF CLARK)

EXHIBIT "I-1"

EXHIBIT "B"
A.P.N. 139-34-310-061, -062, -063, -076, -710-001
(040-107-012, -013, -002, -003 & -001)
PORTION OF BLOCK 23, SOUTH ADDITION
AND PORTION OF BLOCK A, WARDIE ADDITION

Those portions of the South Half (S 1/2) of Section 34, Township 20 South, Range 61 East, M.D.M., in the City of Las Vegas, County of Clark, State of Nevada, described as follows:

PARCEL 1

Lots 1, 2, 3, 4, 5 and 6, all in Block 23 of SOUTH ADDITION TO THE CITY OF LAS VEGAS, as recorded August 13, 1926 and filed in Book 1 of Plats, Page 51 of Clark County, Nevada Records.

EXCEPT THEREFROM, that portion of the above-described PARCEL 1 lying within the northwesterly 5.00 feet of Lots 1, 2, 3, 4, 5 and 6, all in said Block 23.

ALSO EXCEPT THEREFROM, that portion of the above-described PARCEL 1, lying within Lot 1 in said Block 23, being a triangular parcel of land, bounded as follows: bounded on the northeast by northeast line of said Lot 1; bounded on the northwest by the southeasterly line of the northwesterly 5.00 feet of said Lot 1; and bounded on the south by the arc of a curve, concave southerly, having a radius of 10.00 feet, being tangent to the northeasterly line of said Lot 1 and tangent to the southeasterly line of said northwesterly 5.00 feet.

The above-described PARCEL 1 contains an area of 20,204 square feet or 0.464 acres, more or less.

PARCEL 2

Lots 27, 28, 29, 30, 31 and 32 all in Block 23 of said SOUTH ADDITION TO THE CITY OF LAS VEGAS.

PARCEL 3

That portion of Block A of WARDIE ADDITION, as recorded May 12, 1913 and filed in Book 1 of Plats, Page 13 of Clark County, Nevada Records, bounded on the northeast by the northeasterly line of said Block A; bounded on the southeast by the southeasterly line of said Block A; bounded on the west by the westerly line of said Block A, also being a portion of the north-south, center-section line of said Section 34; and bounded on the southwest by the southeasterly prolongation of the southwesterly line of Lot 27 in Block 23 of said SOUTH ADDITION TO THE CITY OF LAS VEGAS.

The above-described PARCEL 2 and PARCEL 3 contains a total area of 20,955 square feet or 0.481 acres, more or less.

CHAIRMAN'S INITIALS____________

EXHIBIT "I"

EXHIBIT "B-1"

A.P.N. 139-34-310-061 (040-107-012)
PORTION OF BLOCK 23, SOUTH ADDITION
DEDICATION 5-FOOT LAS VEGAS BOULEVARD

That portion of the Southwest Quarter (SW 1/4) of Section 34, Township 20 South, Range 61 East, M.D.M., in the City of Las Vegas, County of Clark, State of Nevada, being portion of Block 23 of SOUTH ADDITION TO THE CITY OF LAS VEGAS, as recorded August 13, 1926 and filed in Book 1 of Plats, Page 51 of Clark County, Nevada Records, described as:

The northwesterly 5.00 feet of Lots 4, 5 and 6 in Block 23 of said SOUTH ADDITION TO THE CITY OF LAS VEGAS.

The above-described parcel of land contains an area of 375 square feet or 0.009 acres, more or less.

CHAIRMAN'S INITIALS__________

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EXHIBIT "B-2"
A.P.N. 139-34-399-001
PORTION OF 20 FEET WIDE PUBLIC ALLEY,
SOUTHEAST CORNER OF LAS VEGAS BOULEVARD
AND CLARK AVENUE

That portion of Northeast Quarter (NE 1/4) of the Southwest Quarter (SW 1/4) of Section 34, Township 20 South, Range 61 East, M.D.M., in the City of Las Vegas, County of Clark, State of Nevada, being a portion of the 20 feet wide public alley in Block 23 of SOUTH ADDITION TO THE CITY OF LAS VEGAS, as recorded August 13, 1926 in Book 1 of Plats, Page 51 of Clark County, Nevada Records, bounded as follows:

Bounded on the northeast by the northeast line of said Block 23, bounded on the southwest by the southeasterly prolongation of the southwest line of Lot 6 in said Block 23.

The above-described parcel of land contains an area of 3,002 square feet or 0.069 acres, more or less.

RESERVING THEREFROM an easement to the CITY OF LAS VEGAS for public streetlight purposes, public fire hydrant purposes and appurtenances thereto, over, across and under the northeasterly 5.00 feet of the above described parcel of land, together with reasonable rights of ingress thereto and egress therefrom.

CHAIRMAN'S INITIALS____________

EXHIBIT "I-2"
SCHEDULE OF TITLE EXCEPTIONS

AFFIDAVIT OF JAMES B. ALLEN

STATE OF NEVADA }
}ss:
COUNTY OF CLARK }

I, James B. Allen, being first duly sworn, depose and state under penalty of perjury as follows:

1. I am the Chief Executive Officer of Sierra Crest Equities, LLC, a California Limited Liability Company. Sierra Crest Equities, LLC has formed a Nevada Limited Liability Company, SCE-Bulldog, LLC, ("Developer") as a single-asset entity for the purpose of purchasing and developing the real property located at the southeast corner of Las Vegas Boulevard and Clark Avenue, as more particularly described by the Disposition and Development Agreement ("Agreement") being contemplated by the City of Las Vegas Redevelopment Agency at its public hearing to be held on November 5, 2003. I have expertise in commercial office development and am very familiar with the Las Vegas office market. Our firm's proposed project will feature no less than 75,000 square feet of Class-"A" office space, 306 parking spaces, and 8,500 square feet of ground floor retail space.

2. Based on feasibility conducted by my firm, I believe that the Las Vegas Downtown Office Market can absorb my project's 75,000 square feet of new, Class "A" office space within the development timeframe specified in the agreement. I also believe that there is sufficient demand for regular use of the 306 parking spaces and 8,500 square feet of retail space proposed by my project.

3. Because the Developer has been unable to acquire the adjacent parcels at a reasonable, fair market value, the Developer is seeking a vacation of the alley as a condition of closing on purchase of the property.

4. As contemplated by the Agreement, the purchase price, and the deferment period for full payment of the purchase price, are needed in order to make the project economically viable. The purchase terms specified in the Agreement provide for a reasonable return to the Developer without undue enrichment for a project of this scope.

5. No other means of financing, traditional or otherwise, are available to make the proposed project feasible and result in a reasonable return to the Developer.

DATED this 24 day of Oct, 2003.

James B. Allen

SIGNED AND SWORN TO before

me this 24 day of October 2003,

by Dana R Luft

NOTARY PUBLIC
My Commission Expires:

DANA R. LUFT
COMM. # 1369172
NOTARY PUBLIC • CALIFORNIA
PLACER COUNTY
Comm. Exp. DEC. 8, 2006

CERTIFICATE
DISCLOSURE OF OWNERSHIP/PRINCIPALS

1. Definitions

"City" means the City of Las Vegas.

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

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

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

2. Policy

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

3. Instructions

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

4. Incorporation

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

CERTIFICATE – DISCLOSURE OF OWNERSHIP/PRINCIPALS (CONTINUED)

Block 1	Contracting Entity
Name	SCE-Bulldog, LLC
Address	4168 Douglas Blvd. Suite 200
Telephone	916-773-0700
EIN or DUNS	Applied for

Block 2 **Description**

Subject Matter of Contract/Agreement: Disposition and Development Agreement for development of office building located at the corner of Las Vegas Blvd. and Clark Street.

RFP #

Block 3 **Type of Business**

☐ Individual ☐ Partnership ☒ Limited Liability Company ☐ Corporation

Block 4 **Disclosure of Ownership and Principals**

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

	FULL NAME/TITLE	BUSINESS ADDRESS	BUSINESS PHONE
1.	SIERRA CREST EQUITIES, LLC	4168 Douglas Blvd., Suite 200 Granite Bay, CA 95746	916-773-0700
2.	Principals of Sierra Crest Equities, LLC are:		
3.	o James B. Allen	4168 Douglas Blvd., Suite 200 Granite Bay, CA 95746	916-773-0700
4.	o Brett R. Baumgarten	4168 Douglas Blvd., Suite 200 Granite Bay, CA 95746	916-773-0700
5.	o Brett A. Keeshin	4168 Douglas Blvd., Suite 200 Granite Bay, CA 95746	916-773-0700
6.	o Ronald N. Baumgarten	4168 Douglas Blvd., Suite 200 Granite Bay, CA 95746	916-773-0700
7.			
8.			
9.			
10.			

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

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

Name of Attached Document: ______________

Date of Attached Document: ______________ Number of Pages: ________

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

James B. Allen ______________
Name

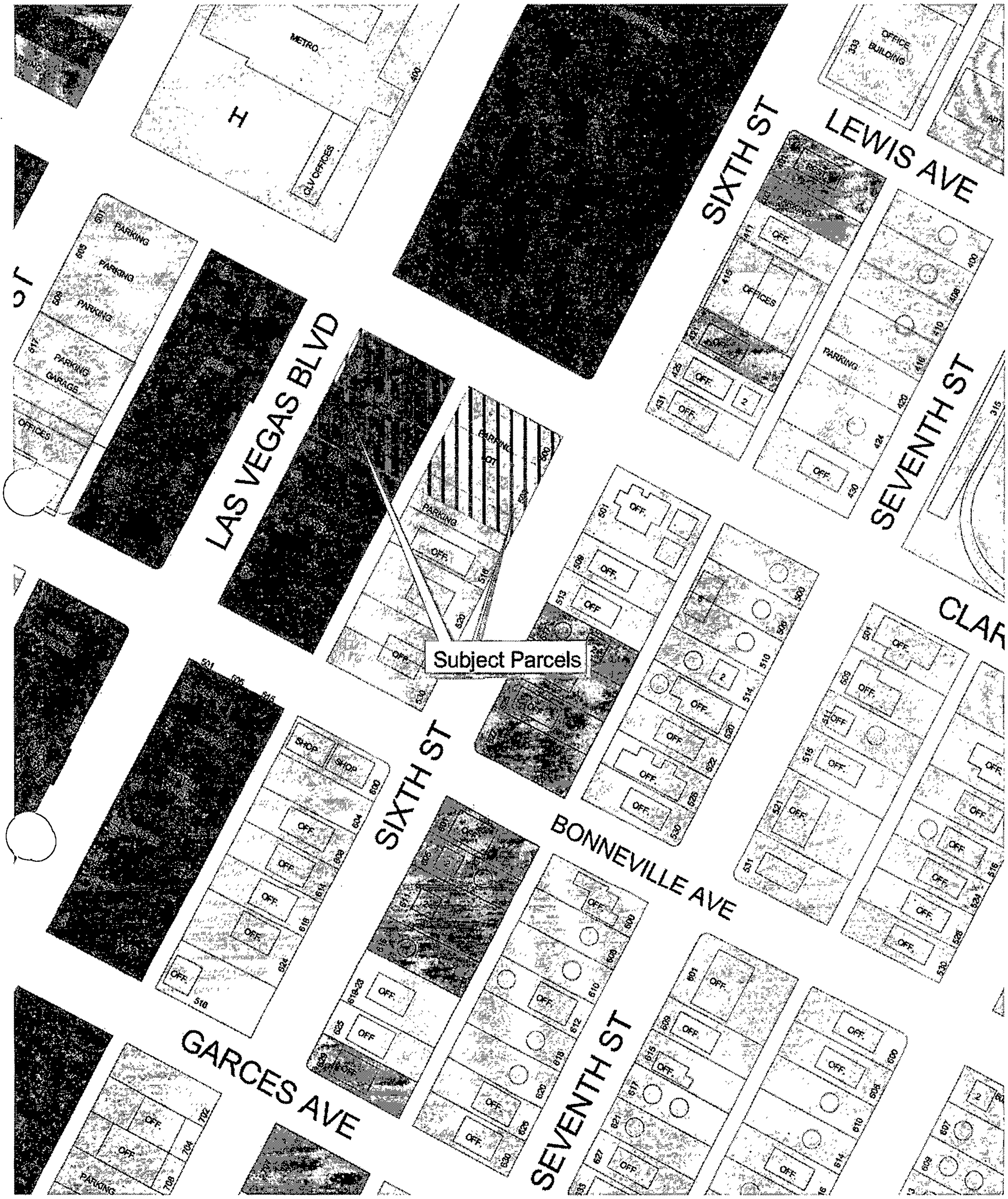
10/24/03
Date

Subscribed and sworn to before me this 24 day of

October, 2001.

____
Dana Luft, Notary Public

DANA R. LUFT
COMM. # 1389172
NOTARY PUBLIC • CALIFORNIA
PLACER COUNTY
Comm. Exp. DEC. 8, 2006


LEWIS AVE
SIXTH ST
METRO
H
CLV OFFICES
OFFICE BUILDING
PARKING
PARKING GARAGE
OFFICES
LAS VEGAS BLVD
PARKING LOT
SEVENTH ST
Subject Parcels
BONNEVILLE AVE
SHOP
OFF.
GARCES AVE

Site Map

City of Las Vegas

Agenda Item No.: 4

AGENDA SUMMARY PAGE

REDEVELOPMENT AGENCY MEETING OF: NOVEMBER 5, 2003

DEPARTMENT: BUSINESS DEVELOPMENT
DIRECTOR: IAIN VASEY (ACTING)

SUBJECT:
PUBLIC HEARING, DISCUSSION AND POSSIBLE ACTION REGARDING A LEASE AGREEMENT WITH LUKEGROUP, LLC, D.B.A. JIFFY SMOG, FOR APPROXIMATELY TWO THOUSAND SQUARE FEET OF FREE-STANDING BUILDING SPACE AND APPROXIMATELY SIX PARKING SPACES LOCATED AT 1501 NORTH DECATUR BOULEVARD ($1,800 REVENUE/MONTH - RDA MISCELLANEOUS RENTALS) - WARD 1 (MONCRIEF)

Fiscal Impact

☐ **No Impact**	**Amount:** $1,800 REVENUE/MONTH
☐ **Budget Funds Available**	**Dept./Division:** REDEVELOPMENT AGENCY
☐ **Augmentation Required**	**Funding Source:** MISCELLANEOUS RENTALS

PURPOSE/BACKGROUND:
This Lease Agreement will allow the continued operation of the Jiffy Smog business on a month-to-month basis on property owned by the Agengy at 1501 North Decatur Boulevard. The Premises shall be used for off-street motor vehicle parking for the Tenant and its customers to provide smog testing (auto emission testing) only and for no other purpose.

RECOMMENDATION:
Approval

BACKUP DOCUMENTATION:
1. Public Hearing Notice
2. Lease Agreement
3. Disclosure of Principals

MOTION:
MONCRIEF – APPROVED as recommended – UNANIMOUS with BROWN not voting

MINUTES:
IAIN VASEY, Acting Director, Business Development, advised that this matter involves a proposal to continue the month-to-month lease with Lukegroup, LLC, doing business as Jiffy Smog. The agency will receive $1,800 a month in revenue.

TOM McGOWAN, Las Vegas resident, said his question is the same as with Items 2 and 3 of this agenda.

There was no further discussion.

(12:04 – 12:05)
2-3613/3-1

Notice is hereby given that the City of Las Vegas Redevelopment Agency will hold a public hearing on Wednesday, November 5, 2003 immediately following the morning session of the City Council meeting, in the City Council Chambers located at 400 Stewart Avenue, Las Vegas, Nevada to receive input regarding the proposed development of certain real property located at the Southeast corner of Las Vegas Boulevard and Clark Street, in connection with the development agreement between the City of Las Vegas Redevelopment Agency and Bulldog SCE, LLC.

LEGAL DESCRIPTION

Being lots 1 thru 6 and lots 27 through 32, block 23 of the South addition to the City of Las Vegas, recorded in Book 1, page 51 of plats in the office of the Clark County Nevada recorders, and block A of the Wardie Addition recorded in Book 1, Page 13, of plats in the office of the county recorder of said county, situated in the S ½ of Section 34, T20S, R61E, MDM.

A.P.N. 139-34-710-001, 139-34-310-061, -062, -063, & -076

LEASE AGREEMENT

THIS LEASE AGREEMENT (hereinafter referred to as "Lease") is entered into this 5 day of November, 2003, by and between the CITY OF LAS VEGAS REDEVELOPMENT AGENCY (hereinafter referred to as "Landlord"), and LUKEGROUP, LLC (hereinafter referred to as "Tenant").

Landlord and Tenant hereby agree to the following terms and conditions:

1. **LEASE OF PREMISES**: On the terms and conditions set forth below, Landlord hereby leases to Tenant, and Tenant leases from Landlord, approximately 2,000 square feet of free-standing building space and approximately six (6) parking spaces situated on the real property depicted on Exhibit "A" (Site Map), which is attached hereto and made a part of this Lease Agreement (hereinafter referred to as "Lease"). The leased building and parking spaces are hereinafter referred to as the "Premises".

2. **LEASE PROVISIONS**:

2.1 **TERM**: The term of this Lease shall be on a month-to-month basis commencing on the date first set forth above and continuing until either party provides thirty (30) calendar days written notification of termination in accordance with Section 5.3, unless Landlord exercises its right to terminate in the event of default as provided in Section 3.

2.2 **PERMITTED USE**: The Premises shall be used for providing smog testing (auto emission testing) service and off-street motor vehicle parking for the Tenant and its customers only and for no other purpose without the written consent of Landlord.

2.3 **COMPENSATION**: Tenant agrees to pay Landlord the amount of One Thousand Eight Hundred Dollars and No/100ths ($1,800.00) per month as rent for the Premises during the term of the Lease. Tenant agrees to pay Landlord the rent monthly in advance on the first (1st) day of each and every calendar month during the term of this Lease. If payment is not received by the fifteenth (15th) of each month, the rent is considered late and subject to a ten percent (10%) penalty payment.

2.4 **INSURANCE:** During the existence of this Lease, the Tenant shall procure and maintain general comprehensive liability insurance for bodily injury and property damage in the amount of One Million and No/100ths Dollars ($1,000,000.00) combined single limit. The Tenant shall provide the Landlord with the proper certificates of insurance or endorsements evidencing the coverage required herein. The Landlord, the City of Las Vegas, their officers, employees, agents, consultants and volunteers must be expressly covered as additional insured parties under the insurance coverage required herein.

The Tenant shall provide renewal certificates for insurance coverage required herein that expires during the existence of this Agreement within thirty (30) calendar days prior to the expiration date of said insurance.

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

In the event that the Tenant fails to obtain or maintain the insurance coverage required herein, the Landlord shall have the right to terminate this Lease.

2.5 **MAINTENANCE AND UTILITIES**: Tenant shall maintain the Premises in good order; shall make all necessary repairs on a timely basis and shall perform cleaning duties on a regular basis.

2.6 **COMPLIANCE LAWS**: During the term of this Lease, Tenant shall not use or knowingly permit any person to use all or any portion of the Premises, including any improvement in the Premises, in any manner which violates any laws, ordinances or regulations of the United States; the State of Nevada; Clark County, Nevada; or the City of Las Vegas, Nevada; or any other governmental authority having jurisdiction over the Premises.

2.7 **HAZARDOUS WASTE**: Tenant shall not cause or permit any hazardous waste or substances to be used, stored, generated or deposited on or in the Premises by Tenant, its agents, employees, contractors, invitees or customers without the Landlord's consent.

2.8 **SURRENDER OF PREMISES**: Upon the expiration or termination of this Lease, Tenant shall return the Premises to Landlord in a reasonably clean condition and in good order, except normal wear and tear. Any damage to the Premises resulting from Tenant's use or removal of Tenant's fixtures, furnishings and equipment shall be repaired by Tenant at Tenant's expense.

2.9 **ACCESS TO PREMISES**: Landlord shall deliver to Tenant the right to use, possession and occupancy of the Premises. Tenant acknowledges that Landlord will have unrestricted access to the Premises throughout the term of this Lease, unless Landlord deems it necessary under certain situations or conditions to not allow access to the Premises. Landlord agrees to provide reasonable timely notice to Tenant in the event access is not allowed to the Premises.

3. **DEFAULT**:

3.1 The following events of any one or more of them shall be events of default under this Lease:

a. If Tenant abandons or vacates the Premises; or

b. If Tenant fails to pay any compensation to be paid by Tenant under this Lease and such failure continues for thirty (30) days after written notification is issued that payment is delinquent.

c. If Tenant fails to promptly and fully perform any other covenant, condition or agreement contained in this Lease for thirty (30) days after written notice from Landlord to Tenant.

3.2 If there is an event of default under this Lease, Landlord may terminate this Lease by a notice in writing to Tenant on a date (Termination Date) specified in the notice (which may be the date the notice is given), without any right by the Tenant to reinstate its rights by paying any compensation or other sum which is due or otherwise curing the situation which constituted an event of default. On the Termination Date, the term of this Lease shall terminate as fully and with the same effect as if that were the date of termination specified in Section 2.1.

4. **INDEMNIFICATION**: Tenant shall defend, indemnify and hold Landlord harmless against and from loss, liability and claims of any kind for loss or damage to property, or for any injury to or death of any person arising out of Tenant's use and occupancy of the Premises, or any work or activity allowed or suffered by Tenant on or about the Premise.

5. **MISCELLANEOUS**:

5.1 **ASSIGNMENT AND SUBLETTING:** Tenant shall not transfer, assign, delegate, mortgage or hypothecate this Lease, in whole or in part, or permit the use of the Premises by any person or persons other than Tenant, or sublet the Premises, or any part thereof, without the prior written consent of Landlord in each instance. Any assignment, encumbrance or sublease contrary to the provisions of this Section 5.1 shall be null and void and constitute a breach of this Lease.

Except as provided above, Tenant shall not assign, sublease or encumber its interest in this Lease or in the Premises.

5.2 **PRIOR AGREEMENTS AND AMENDMENTS**: This Lease contains all of the agreements and understanding of the parties with respect to any matter covered or mentioned in this Lease, and no other agreements or understandings shall be effective for any purpose. No provision of this Lease may be amended or added except by a written amendment signed by both Landlord and Tenant.

5.3 **NOTICES**: Any notice or other communication required or permitted to be given under this Lease (herein the "Notices") shall be in writing and shall be (i) personally delivered, or (ii) delivered by certified mail, return receipt requested, and deposited in the U.S. Mail, postage prepaid. The Notices shall be deemed received upon actual receipt. The Notices shall be directed to the parties at their respective addresses shown below, or such other address as either party may, from time to time, specify in writing to the other party in the manner described above:

TO LANDLORD:	City of Las Vegas Redevelopment Agency Attn: Executive Director 400 Stewart Avenue Las Vegas, Nevada 89101
WITH A COPY TO:	City of Las Vegas Attn: Real Estate Manager 400 Stewart Avenue, 4th Floor Las Vegas, Nevada 89101
TO TENANT:	Lukegroup, LLC. Attn: Lawrence Lucas, General Manager 9101 W. Sahara Avenue, Suite 105-E1 Las Vegas, NV 89117

5.4 **TIME OF THE ESSENCE**: Time is of the essence of this Lease and each and every term, condition and provision hereof.

5.5 **NO WAIVER**: No waiver of any of the provisions of this Lease shall be deemed, or shall constitute, a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver.

5.6 **COUNTERPARTS**: This Lease may be executed in three (3) counterparts, each of which shall be deemed to be an original.

5.7 **ENTIRE AGREEMENT**: This Lease constitutes the entire agreement between the parties hereto with respect to the subject matter hereof, and supersedes all prior understandings or agreements between the parties.

5.8 **HEADINGS AND INTERPRETATION**: Headings used in this Lease are for convenience or reference only and are not intended to govern, limit or aid in the construction of any term or provision hereof. Any reference to a Section in this Lease shall include all sections and subsections related thereto.

5.9 **CHOICE OF LAW**: This Lease and each and every related document are to be governed by, and construed in accordance with, the laws of the State of Nevada.

5.10 **SEVERABILITY**: If any term, covenant, condition or provision of this Lease, or the application thereof to any person or circumstance, shall to any extent be held by a court of competent jurisdiction, or rendered by the adoption of a statute invalid, void or unenforceable, the remainder of the terms, covenants, conditions or provisions of this Lease, or the application thereof to any person or circumstance, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.

5.11 **RELATIONSHIP OF THE PARTIES**: The parties agree that their relationship is that of Tenant and Landlord, and that nothing contained herein shall constitute either party as being the agent or legal representative of the other for any purpose whatsoever, nor shall this Lease be deemed to create any form or business organization between the parties hereto, nor is either party granted the right or authority to assume or create any obligation or responsibility on behalf of the other party, nor shall either party be in any way liable for any debt of the other.

5.12 **FORCE MAJEURE:** Lessor and Lessee shall each be excused for the period of any delay in the performance of any obligation hereunder when prevented from doing so by cause or causes beyond that party's control, including labor disputes, civil commotion, war, governmental regulations or controls, fire or other casualty, inability to obtain any material or services, or acts of God.

5.13 **ATTORNEYS' FEES**: In the event that any party hereto institutes an action or proceeding relating to or arising out of this Lease, or the transactions contemplated hereby, or in the event any party is in default of its obligations pursuant thereto, whether or not suit is filed or prosecuted to final judgment, the prevailing party shall be entitled to its reasonable attorneys' fees and to all court costs incurred, in addition to any other damages or relief awarded.

5.14 **DISCLOSURE OF PRINCIPALS**: Pursuant to Resolution R-4-99 adopted by the governing board of the City of Las Vegas Redevelopment Agency effective October 1, 1999, Tenant warrants that is has disclosed on the form attached as Exhibit "B", all principals and partners of LUKEGROUP, LLC, as well as all persons and entities holding more than a one percent (1%) interest in LUKEGROUP, LLC, or any principal of LUKEGROUP, LLC. Throughout the term hereof, LUKEGROUP, LLC, shall notify Landlord in writing of any material change in the above disclosure within 15 days of any such change.

5.15 **MODIFICATIONS OR AMENDMENTS**: Upon approval of this initial agreement by the governing board of the City of Las Vegas Redevelopment Agency and after it has been fully executed by signature of all parties, staff of the Real Estate & Asset Management Division of the City's Department of Public Works, on behalf of the City of Las Vegas Redevelopment Agency, shall have the authority to complete and execute any additional documents necessary for the completion of the intent of this contractual obligation during the original term of this agreement. As an example, this may include amendments, changes of address, adjustments to monetary revenue or expenditure not to exceed ten thousand ($10,000.00) dollars, filing and recording of appropriate documents with the County Recorders Office or the County Tax Assessors Office, and recordings and filing with the City Clerk's Office. No amendment, change or modification of this Agreement shall be valid unless in writing and signed by all parties hereto.

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be executed by their duly authorized representatives the day and year first written above.

"Landlord"
CITY OF LAS VEGAS
REDEVELOPMENT AGNCY

By______________________
OSCAR B. GOODMAN, Chairman

ATTEST:

____
BARBARA JO RONEMUS, Secretary

"Tenant"
LUKEGROUP, LLC.

By:______________________
Lawrence R. Lucas, General Manager

APPROVED AS TO FORM:

______________ 10/20/03
City Attorney Date

EXHIBIT "A"

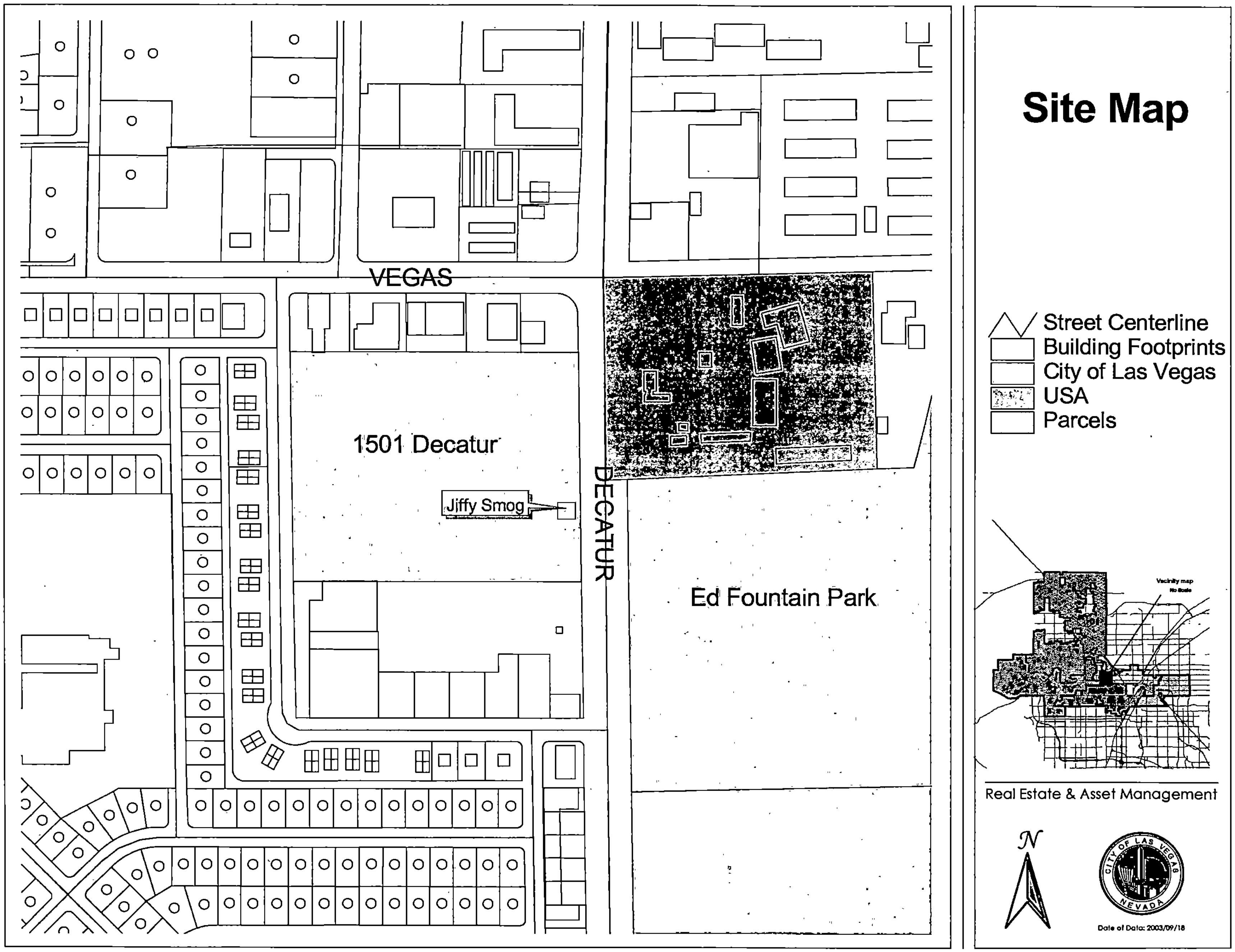

VEGAS
1501 Decatur
Jiffy Smog
DECATUR
Ed Fountain Park
Site Map
Street Centerline
Building Footprints
City of Las Vegas
USA
Parcels
Real Estate & Asset Management
N
CITY OF LAS VEGAS
NEVADA
Date of Data: 2003/09/18

EXHIBIT "B"

CERTIFICATE – DISCLOSURE OF OWNERSHIP/PRINCIPALS (CONTINUED)

Block 1	**Contracting Entity (Name)**
	LUKEGROUP, LLC
Name	9101 West Sahara Ave, #105-E1
Address	Las Vegas, NV 89117
EIN or Social Security #	___-__-___-____

Block 2	**Description**
Subject Matter of Contract/Agreement:	LEASE AGREEMENT FOR TENANCY AT 1501. NORTH DECATUR LAS, VEGAS

Block 3 **Type of Business**

☐ Individual ☐ Partnership ☑ Limited Liability Company ☐ Corporation

Block 4 **Disclosure of Ownership and Principals**

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

	FULL NAME/TITLE	**BUSINESS ADDRESS**	**BUSINESS PHONE**
1.	LAWRENCE R. LUCAS,	9101 West Sahara Ave, #105-E1 Las Vegas, NV 89117	702 326 2445
2.	GENERAL MANAGER		
3.	JEANNE B. LUCAS	same as above	same as above
4.	MANAGER		
5.			
6.			
7.			
8.			
9.			
10.			

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

EXHIBIT "B"

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

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

Name of Attached Document: ____________________
Date of Attached Document: ____________ Number of Pages: ______

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

Laurence A. Lucas
Name

9/15/03
Date

Subscribed and sworn to before me this 15th day of

September, 2003.

Notary Public

VINETTA P. WONG-WUI
Notary Public State of Nevada
No. 01-69486-1
My appt. exp. May 23, 2005

[June 2000]

City of Las Vegas

AGENDA SUMMARY PAGE

REDEVELOPMENT AGENCY MEETING OF: NOVEMBER 5, 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:

TOM McGOWAN, Las Vegas resident, commented that he advised STEPHANIE BOIXO, of the Mayor's staff, that the wife of the city manager of Salem, Massachusetts received a complete makeover courtesy of the NBC Today Show. Subsequently, the Mayor got a complete makeover courtesy of FRANK MARINO, for which MR. MARINO should be awarded the Key to the City and have a street named after him. The event took place at 6:00 a.m. on 11/4/2003. Nevertheless, since the Mayor has repeatedly declined to meet with him during normal business hours, he requested a meeting with the Mayor at 6:00 a.m.

(12:05 – 12:08)
3-25

TODD FARLOW, 240 N. 19th Street, insisted that the L'Octaine project be completed. CHAIR GOODMAN indicated that this is one of many projects the City is trying to bring to fruition.

(12:08 – 12:09)
3-85

THE MEETING ADJOURNED AT 12:09 P.M.

Respectfully submitted: Gabriela S. Portillo-Brenner
GABRIELA S. PORTILLO-BRENNER, DEPUTY CITY CLERK
December 31, 2003

Barbara Jo Ronemus
Barbara Jo Ronemus, Secretary