

AGENDA SUMMARY PAGE
CITY COUNCIL MEETING OF: MARCH 17, 2004

DEPARTMENT: CITY MANAGER'S OFFICE**DIRECTOR: DOUGLAS A. SELBY**☐**CONSENT**☒**DISCUSSION****SUBJECT:****ADMINISTRATIVE:**

Discussion and possible action regarding the Darling Tennis Center Endowment Agreement for perpetual maintenance and the naming of the Buffalo/Washington Tennis Center pursuant to that agreement – Ward 4 (Brown)

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

The City is currently developing a tennis facility on land leased from BLM under the Recreation and Public Purposes Act. The Amanda and Stacy Darling Memorial Foundation has presented this proposed Endowment Agreement to the City as a means of contributing \$1,000,000 to the City toward the perpetual maintenance of the tennis facility in loving memory of Amanda Carol Darling, Stacy Lynn Darling and Ronald Craig Darling.

RECOMMENDATION:

Approve the Darling Tennis Center Endowment Agreement and the naming of the tennis facility pursuant to that agreement.

BACKUP DOCUMENTATION:

1. Darling Tennis Center Endowment Agreement
2. Submitted at meeting: amended Endowment Agreement

MOTION:**L.B. McDONALD – APPROVED Amended Agreement – UNANIMOUS**

NOTE: COUNCILMAN MACK disclosed that, although he is a consultant for a nearby SuperPawn shop owned by his brother STEVEN MACK, he would be voting as he did not believe this proposal would have any material impact on his brother's business.

MINUTES:

SANDY FOLEY and FRED DARLING were present.

DEPUTY CITY MANAGER FRETWELL indicated this type of agreement is new for the City. The endowment will be established with \$750,000 up front, with subsequent annual contributions in the amount of \$50,000 over the next five years. From this endowment, the City will be able to offset some operating costs for this facility. She requested an amendment to add the words "attached hereto" on the fourth line of Section 1 in order to attach conceptual drawings, and amend Section 2 to allow MR. DARLING a 30-day period to provide the monies.

CITY COUNCIL MEETING OF MARCH 17, 2004

Administrative

Item 69 – Discussion and possible action regarding the Darling Tennis Center Endowment Agreement for perpetual maintenance and the naming of the Buffalo/Washington Tennis Center pursuant to that agreement

MINUTES – Continued:

COUNCILWOMAN McDONALD was very excited about this project coming to fruition. She explained that this was a project that the Nevada Tennis Association was trying to convince the County to undertake, but the County kept turning it down. Shortly thereafter, she met with MS. FOLEY and MR. DARLING regarding this project. With the commitment of the entire City Council, the project has become a reality. She expressed her sincere appreciation to MS. FOLEY for her perseverance in this process and to MR. DARLING for his generosity. It is heartwarming to think about the heartaches MR. DARLING underwent with the loss of his children and to have them memorialized and their legacy continued in this fashion. They will live on and thousands of children in this community will be able to learn and love the game that his children loved so much in their lifetimes. She and the community will forever be indebted to MR. DARLING.

COUNCILMAN BROWN concurred with the comments of COUNCILWOMAN McDONALD. He thanked MS. FOLEY for her patience through this long trying process. He noted that MR. DARLING has dedicated his life to youth sports in this community, not just to tennis. He is also very dedicated and devoted to the Legion Program. He is a wonderful, humble man. His contributions have made Las Vegas the kind of place in which people want to live.

The Councilmembers then all stepped down to the podium where COUNCILWOMAN McDONALD presented MR. DARLING with a plaque and a framed rendering of the tennis facility as tokens of their gratitude. MR. DARLING expressed his appreciation to the Council, especially to COUNCILWOMAN McDONALD and COUNCILMAN BROWN. He also thanked MS. FOLEY for her hard work, but asked that the members of the Association, who were in the audience, stand in recognition, for they made this happen through all their hard work. MAYOR GOODMAN noted that the facility is a world-class complex.

(10:04 – 10:15)

1-1884

DARLING TENNIS CENTER ENDOWMENT AGREEMENT

This Endowment Agreement (hereinafter the "Agreement") is entered into this 17 day of March, 2004 by and between the AMANDA AND STACY DARLING MEMORIAL FOUNDATION (hereinafter the "Darling Foundation") and THE CITY OF LAS VEGAS, a municipal corporation of the State of Nevada (hereinafter the "City").

RECITALS

WHEREAS the City has acquired a lease (BLM Lease No. N-57555) from the United States Bureau of Land Management (hereinafter "BLM") on land located at Buffalo and Washington Streets in the City, for park and recreational purposes pursuant to the Recreation and Public Purposes Act, 43 U.S.C. Section 869 (hereinafter the R&PP Act); and

WHEREAS the City Council has approved the proposed development of a large-scale tennis facility (hereinafter the "facility") on a portion of said land consisting of approximately 15 acres to be operated by the City, to accommodate national amateur and professional level USTA tennis events in addition to providing tennis programs that would benefit Las Vegas youth and local residents, all of which is subject to BLM approval pursuant to the R&PP Act; and

WHEREAS the Darling Foundation desires to donate funds to the City to assist in the maintenance of said tennis facility in loving memory of Amanda Carol Darling, Stacy Lynn Darling and Ronald Craig Darling;

NOW THEREFORE, for and in consideration of the foregoing recitals and of the promises and covenants set forth herein, the parties do hereby agree as follows:

1. **Planning, Approval and Construction of Tennis Facility.** Preliminary plans for the tennis facility have been drafted and reviewed by the parties hereto and depict the general agreed upon concept for the facility. The conceptual drawing of the facility is attached hereto. The City shall construct and operate the facility substantially in compliance with the approved plans, as may be modified from time to time. The construction and operation of the facility are subject to the requirements of the R&PP Act and this Agreement is therefore subject to such requirements.
2. **Initial Darling Foundation Donation.** Within no later than 30-days following the execution of this Agreement by the parties hereto, the Darling Foundation shall deliver to the City, funds in the amount of Seven Hundred Fifty Thousand Dollars (\$750,000) to be held by the City in a special endowment fund, the interest from which will be applied to the perpetual operation and maintenance of the facility. The City shall set aside said funds for said purpose in an interest bearing account and shall not use said funds for any other purpose for a period of ten years unless agreed to by the Darling Foundation.

3. **Dedication of Facility and Annual Maintenance Funds Donation.** Upon completion of the facility, the City shall conduct a dedication ceremony of the facility at which the formal naming of the facility and courts shall be announced. The facility shall be irrevocably named the Amanda & Stacy Darling Memorial Tennis Center, with the center court being named the Ronald C. Darling Center Court. On said date, and on the anniversary of said date thereafter for an additional four years, the Darling Foundation shall present to the City funds in the amount of Fifty Thousand Dollars (\$50,000) each such year to be used by the City for the first five years operation and maintenance costs of the facility. Said funds vest in the City upon delivery and may be used by the City thereafter for such purpose. The City and the Darling Foundation will cooperate in good faith on issues such as signage, publicity, grand openings, and other publicity regarding the facility to insure the intent of the Darling Foundation through this gift to memorialize Amanda, Stacy and Ronald Darling.

4. **General Conditions.** The following conditions shall apply to this Agreement:

Applicable Law.

The parties to this Agreement shall conform to all existing and applicable City ordinances, resolutions, state laws, federal laws and all existing and applicable rules and regulations. Nevada law and Federal law will govern the terms and performance under this Agreement, and any action with respect hereto shall be prosecuted in the State of Nevada.

Merger

This Agreement shall not be merged into any other oral or written contract, lease or deed of any type. This is the complete and full agreement of the parties.

Modification

This Agreement contains the entire agreement of the parties. No representations were made or relied upon by either party other than those that are expressly set forth herein. No agent, employee or other representative of either party is empowered to alter any of the terms hereof unless done in writing and signed by an authorized officer of the respective parties.

Strict Compliance

All provisions of this Agreement and each and every document that shall be attached shall be strictly complied with as written, and no substitution or change shall be made except upon written direction from an authorized representative.

Authorized Representative

In further consideration of the mutual covenants herein contained, the parties hereto expressly agree that for the purposes of notice, including legal service of process, during the term of this Agreement and for the period of any applicable statute of limitations thereafter, the following named individuals shall be authorized representatives of the parties:

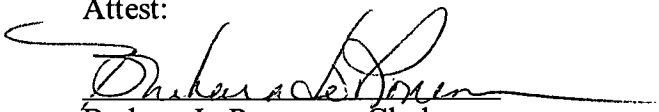
City of Las Vegas
400 Stewart Avenue
Las Vegas, Nevada 89101-2986
Attn: City Manager

Fred Darling, President
Amanda and Stacy Darling Memorial Foundation
4 Mallard Creek Trail
Henderson, Nevada 89052

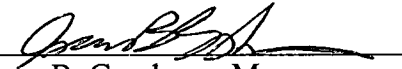
With a copy to:
The Law Offices of Garry Hayes
199 N. Arroyo Grande, Suite 200
Henderson, Nevada 89074

Executed this 17 day of March, 2004.

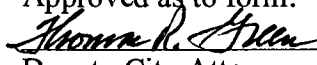
Attest:


Barbara Jo Ronemus, Clerk

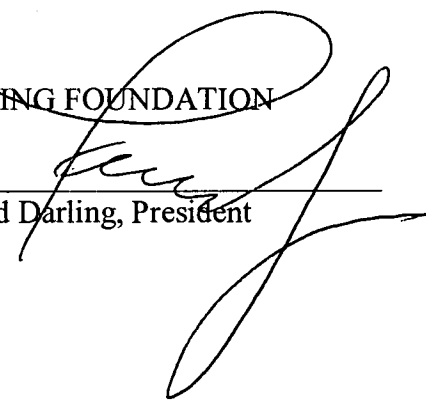
CITY OF LAS VEGAS

By 
Oscar B. Goodman, Mayor

Approved as to form:

 3/16/04
Deputy City Attorney Date

DARLING FOUNDATION

By 
Fred Darling, President

FOR WASHINGTON AVENUE
OFF-SITE IMPROVEMENTS
SEE PHASE IIB SET

--FOR WALKWAY, LANDSCAPING
AND CORNER IMPROVEMENTS
SEE PHASE II SET.

-IRRIGATION PUMP STATION - SEE PHASE 1B SET
SHEET SD-26; DETAIL H-6

**SEE PHASE 1B
CONSTRUCTION
DOCUMENT SET**

PLANS APPROVED
ARCHITECTURAL
Gibson & Son, Inc.
1741 N. 1st St., Tampa, Florida

NOV 03 2003

Does this include Domestic, Sexual
Harassment, or Off-Site
Improvement? ☐ No Change
Without Approval Plan or
Not a Part of Voluntary Order

PROPOSED SUMMERLIN OFF-RAMP (BY OTHERS)

DARLING TENNIS CENTER ENDOWMENT AGREEMENT

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Applicable Law.

The parties to this Agreement shall conform to all existing and applicable City ordinances, resolutions, state laws, federal laws and all existing and applicable rules and regulations. Nevada law and Federal law will govern the terms and performance under this Agreement, and any action with respect hereto shall be prosecuted in the State of Nevada.

Merger

This Agreement shall not be merged into any other oral or written contract, lease or deed of any type. This is the complete and full agreement of the parties.

Modification

This Agreement contains the entire agreement of the parties. No representations were made or relied upon by either party other than those that are expressly set forth herein. No agent, employee or other representative of either party is empowered to alter any of the terms hereof unless done in writing and signed by an authorized officer of the respective parties.

Strict Compliance

All provisions of this Agreement and each and every document that shall be attached shall be strictly complied with as written, and no substitution or change shall be made except upon written direction from an authorized representative.

Authorized Representative

In further consideration of the mutual covenants herein contained, the parties hereto expressly agree that for the purposes of notice, including legal service of process, during the term of this Agreement and for the period of any applicable statute of limitations thereafter, the following named individuals shall be authorized representatives of the parties:

City of Las Vegas
400 Stewart Avenue
Las Vegas, Nevada 89101-2986
Attn: City Manager

Fred Darling, President
Amanda and Stacy Darling Memorial Foundation
4 Mallard Creek Trail
Henderson, Nevada 89052

With a copy to:
The Law Offices of Garry Hayes
199 N. Arroyo Grande, Suite 200
Henderson, Nevada 89074

Executed this _____ day of _____, 2004.

Attest:

CITY OF LAS VEGAS

Barbara Jo Ronemus, Clerk

By _____
Oscar B. Goodman, Mayor

Approved as to form:

Deputy City Attorney Date

DARLING FOUNDATION

By _____
Fred Darling, President

AGENDA SUMMARY PAGE
CITY COUNCIL MEETING OF: MARCH 17, 2004

DEPARTMENT: CITY MANAGER**DIRECTOR: DOUGLAS A. SELBY**☐**CONSENT**☒**DISCUSSION****SUBJECT:**

ADMINISTRATIVE:

ABEYANCE ITEM - Discussion and possible action regarding a Memorandum of Understanding between the City of Las Vegas and Sher Development, LLC granting Sher Development a two year exclusive negotiation period to conduct feasibility studies and negotiate a Disposition and Development Agreement with the City for the development of a zoo on the Floyd Lamb State Park site owned by the State of Nevada – Ward 6 (Mack)

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

The City is currently in discussions with the State of Nevada concerning the potential transfer of the Floyd Lamb State Park site to the City of Las Vegas. Sher Development, LLC has approached the City Council with a proposal to develop and operate a zoo on the Park site, the revenues from which could potentially offset maintenance costs of the Park. Sher Development is willing to expend up to \$2,000,00 for the feasibility studies necessary to determine whether such a zoo is appropriate and viable without any expenditure by the City. Sher Development has request that in exchange for such expenditures for the feasibility studies, it be granted a two-year exclusive negotiation period so that the City will not negotiate with any other entities during the feasibility period for the development of a zoo within the City.

RECOMMENDATION:

Approve the Memorandum of Understanding, granting Sher Development the exclusive two-year negotiation period within which to conduct the feasibility studies and draft a proposed Disposition and Development Agreement for consideration by the City Council.

BACKUP DOCUMENTATION:

1. Memorandum of Understanding with disclosure of principals attachment
2. Submitted at meeting: amended Memorandum of Understanding dated 3/10/2004
3. Submitted at meeting: Feasibility Assessment Team sheet with attached Feasibility Study
4. Submitted at meeting: Copy of written comments of Tom McGowan

MOTION:**MACK – APPROVED the amended MOU - UNANIMOUS**

CITY COUNCIL MEETING OF MARCH 17, 2004

Administrative

Item 70 - Discussion and possible action regarding a Memorandum of Understanding between the City of Las Vegas and Sher Development, LLC granting Sher Development a two year exclusive negotiation period to conduct feasibility studies and negotiate a Disposition and Development Agreement with the City for the development of a zoo on the Floyd Lamb State Park site owned by the State of Nevada – Ward 6 (Mack)

MINUTES:

NOTE: A Verbatim Transcript is made a part of the Final Minutes.

APPEARANCES:

OSCAR GOODMAN, Mayor

LARRY BROWN, Councilman

DOUG SELBY, City Manager

ROGER BULLOCK, Senior Vice President, Bank of America

LAWRENCE WEEKLY, Councilman

ED SHER, Sher Development

LYNETTE BOGGS McDONALD, Councilwoman

JANET MONCRIEF, Councilwoman

LARRY BROWN, Councilman

MICHAEL MACK, Councilman

GARY REESE, Councilman

TOM MCGOWAN, Las Vegas resident

BRAD JERBIC, City Attorney

BARBARA JO RONEMUS, City Clerk

(10:15 – 10:45)

1-2406/2-1

**MEMORANDUM OF UNDERSTANDING
(Zoo Theme Park - Feasibility Study)**

THIS MEMORANDUM OF UNDERSTANDING ("MOU") is made this 10th day of March, 2004, by and between SHER DEVELOPMENT, LLC ("Sher Development") and the CITY OF LAS VEGAS, a municipal corporation of the State of Nevada ("City"). Sher Development and the City are sometimes referred to herein collectively as the "Parties."

RECITALS

WHEREAS, the City is considering the acquisition of the State of Nevada's interest in the following real property: (1) The 696 acre Floyd Lamb State Park ("State Park"); and (2) Additional acres surrounding the State Park that have been leased to the State by the BLM (the "Additional Property") (both properties sometimes referred to in combination as the "Property");

WHEREAS, Sher Development has offered to spend a total of up to \$2,000,000 to investigate the feasibility of developing a first class Zoo Theme Park (sometimes referred to as the "Zoo") on the Additional Property pursuant to the terms of this Memorandum of Understanding (the "Feasibility Studies");

WHEREAS, the City has not yet acquired the Property due to concerns regarding the cost of maintaining the State Park;

WHEREAS, Sher Development believes that the Feasibility Studies for the proposed Zoo Theme Park will demonstrate that the Zoo could generate sufficient excess revenues to offset the maintenance costs for the State Park;

WHEREAS, the Parties do not intend for the City to incur any costs related to the Feasibility Studies for the development of the Zoo Theme Park or the acquisition of the Property;

WHEREAS, the City desires to develop and maintain the State Park for the vital and best interests of the City, and the health, safety, morals and welfare of its residents which are in accord with the public purposes and provisions of applicable federal, state and local laws and requirements, and deems it appropriate to consider the development of such a Zoo Theme Park on the Additional Property;

NOW, THEREFORE, in consideration of the foregoing recitals, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

1. EXCLUSIVE NEGOTIATION PERIOD. In consideration for the monies that have and will be expended by Sher Development to accomplish the Feasibility Studies necessary to determine whether development and operation of a Zoo Theme Park within the City limits would be viable, the City grants to Sher Development the exclusive right to negotiate with the City for the development of a Zoo, or any type of Zoo related Theme Park on City owned or leased land, for a period of two years from the date of this MOU.

2. DISPOSITION AND DEVELOPMENT AGREEMENT. If the development and operation of the proposed Zoo Theme Park reasonably appears to the Parties to be achievable and financially viable, and in accord with State and Federal requirements, then the City shall exercise its right to obtain the Property from the State and the Parties shall negotiate in good faith to draft and execute a Disposition and Development Agreement ("DDA") by the end of the two year exclusive negotiation period. Although the DDA will be submitted to the City Council for review and approval before it becomes binding, Sher Development contemplates that the DDA shall include provisions that: (1) Grant Sher Development the exclusive, assignable right to plan, design, construct, develop and operate the Zoo Theme Park (provided that the construction of the Zoo is completed within 3 years of the execution of the DDA); (2) Grant Sher Development an option to purchase or lease at fair market value selected contiguous portions of the Additional Property not occupied by the Zoo; and, (3) The City shall issue or assist in the issuance of non-recourse municipal revenue bonds in an amount sufficient to finance the development and start-up costs of the Zoo.

3. INTELLECTUAL PROPERTY. The Parties agree that Sher Development shall be the sole and exclusive owner of all tangible and intangible rights in the property developed for or generated during the completion of the Feasibility Studies, including but not limited to, any reports, charts, graphs, studies, findings, conclusions, work product, and any intellectual property rights therein. The Parties agree that Sher Development's property rights described herein shall be perpetual and unaffected by the termination of this MOU.

4. CONFIDENTIALITY. The Parties agree to keep all information developed in connection with the Feasibility Studies confidential to the extent permitted by law. Pursuant thereto, the City shall not disclose such information to any third party without the prior written permission of Sher Development. This obligation to keep the results of the Feasibility Studies confidential shall continue in full force and effect despite the expiration or termination of this MOU and regardless of the reason therefore.

5. THE INTENT OF THE PARTIES. The intent of the Parties in executing this MOU is to evaluate the feasibility of a Zoo Theme Park and (if the Feasibility Studies demonstrate that the development and operation of the Zoo is a reasonably feasible and viable undertaking in accordance with State and Federal requirements) to secure the Property from the State, and negotiate and execute the DDA in good faith. Upon the execution and delivery of the formal DDA, the terms of the DDA will supercede and replace this MOU. In the event that the Parties, after good faith negotiation, are unable to agree upon the final terms for the DDA by the end of the two-year exclusive negotiation period, this MOU will expire, and the Parties shall have no further duties to one another (except as otherwise indicated in Paragraphs 3 and 4 herein).

7. JURISDICTION AND ATTORNEYS FEES. Should any party hereto retain counsel for the purpose of initiating litigation to enforce or prevent the breach of any provision hereof, or for any other judicial remedy, then the prevailing party shall be entitled to be reimbursed by the losing party for all costs and expenses incurred therein, including, but not limited to, reasonable attorneys fees and costs. The Parties agree that Clark County, Nevada is the appropriate forum for any action relating to this MOU.

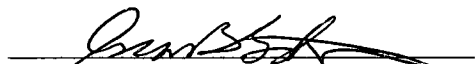
8. EXECUTION IN COUNTERPARTS. This MOU may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of such counterparts shall constitute one agreement. To facilitate the execution of this MOU, the parties may execute and exchange by telephone facsimile counterparts of the signature pages.

9. MISCELLANEOUS. Time is of the essence. No change, modification or amendment of this MOU shall be valid or binding unless such change, modification or amendment shall be in writing and signed by each party. This MOU will be binding upon the Parties, and all heirs, beneficiaries and devisees of the Parties, but is not assignable without the written consent of both Parties. This MOU is executed and is intended to be performed in the State of Nevada, and the laws of that state shall govern its interpretation and effect.

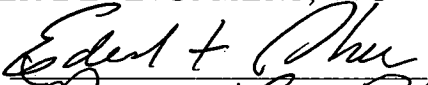
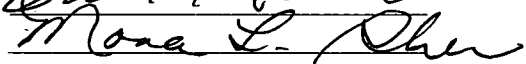
10. DISCLOSURE OF PRINCIPALS. Pursuant to Resolution R-105-99 adopted by the City Council effective October 1, 1999, Sher Development warrants that it has disclosed, on Exhibit A attached hereto, all Managers and Members of Sher Development, LLC, as well as all persons and entities holding more than 1% interest in Sher Development or any principal of Sher Development. Throughout the term hereof, Sher Development shall notify City in writing of any material change in the above disclosure within 15 days of any such change.

IN WITNESS WHEREOF, the Parties hereto have executed this MOU on the day and year first above written.

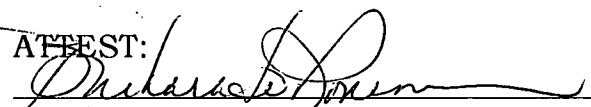
CITY OF LAS VEGAS

By: 
OSCAR B. GOODMAN, Mayor

SHER DEVELOPMENT, LLC

By: 
Its: 

ATTEST:


BARBARA JO RONEUMUS, City Clerk

APPROVED AS TO FORM:

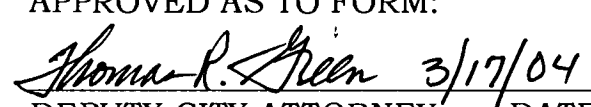
 3/17/04
DEPUTY CITY ATTORNEY DATE

EXHIBIT "A"

Disclosure of Principals
Sher Development, LLC

The Principals of Sher Development, LLC as well as all persons and entities holding more than 1% interest in Sher Development, LLC or any principal of Sher Development, LLC are the following:

<u>FULL NAME</u>	<u>BUSINESS ADDRESS</u>	<u>BUSINESS PHONE</u>
1. Edward F. SHER	3111 BEL AIR DR LAS VEGAS, NV. 89109	702 696 9397
2. MONA L. SHER	"	"

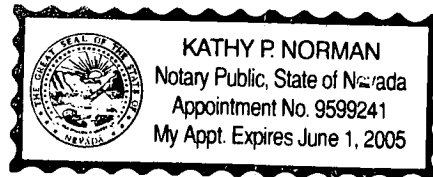
I hereby certify under penalty of perjury, that the foregoing list is complete.

SHER DEVELOPMENT, LLC

By: Edward F. Sher
Its: Mona L. Sher

Subscribed and sworn to before me this
10th day of March, 2004.

Kathy P. Norman
Notary Public



**MEMORANDUM OF UNDERSTANDING
(Zoo Theme Park - Feasibility Study)**

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WHEREAS, Sher Development has offered to spend a total of up to \$2,000,000 to investigate the feasibility of developing a first class Zoo Theme Park (sometimes referred to as the "Zoo") on the Additional Property pursuant to the terms of this Memorandum of Understanding (the "Feasibility Studies");

WHEREAS, the City has not yet acquired the Property due to concerns regarding the cost of maintaining the State Park;

WHEREAS, Sher Development believes that the Feasibility Studies for the proposed Zoo Theme Park will demonstrate that the Zoo could generate sufficient excess revenues to offset the maintenance costs for the State Park;

WHEREAS, the Parties do not intend for the City to incur any costs related to the Feasibility Studies for the development of the Zoo Theme Park or the acquisition of the Property;

WHEREAS, the City desires to develop and maintain the State Park for the vital and best interests of the City, and the health, safety, morals and welfare of its residents which are in accord with the public purposes and provisions of applicable federal, state and local laws and requirements, and deems it appropriate to consider the development of such a Zoo Theme Park on the Additional Property;

NOW, THEREFORE, in consideration of the foregoing recitals, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

1. EXCLUSIVE NEGOTIATION PERIOD. In consideration for the monies that have and will be expended by Sher Development to accomplish the Feasibility Studies necessary to determine whether development and operation of a Zoo Theme Park within the City limits would be viable, the City grants to Sher Development the exclusive right to negotiate with the City for the development of a Zoo, or any type of Zoo related Theme Park on City owned or leased land, for a period of two years from the date of this MOU.

2. DISPOSITION AND DEVELOPMENT AGREEMENT. If the development and operation of the proposed Zoo Theme Park reasonably appears to the Parties to be achievable and financially viable, and in accord with State and Federal requirements, then the City shall exercise its right to obtain the Property from the State and the Parties shall negotiate in good faith to draft and execute a Disposition and Development Agreement ("DDA") by the end of the two year exclusive negotiation period. Although the DDA will be submitted to the City Council for review and approval before it becomes binding, Sher Development contemplates that the DDA shall include provisions that: (1) Grant Sher Development the exclusive, assignable right to plan, design, construct, develop and operate the Zoo Theme Park (provided that the construction of the Zoo is completed within 3 years of the execution of the DDA); (2) Grant Sher Development an option to purchase or lease at fair market value selected contiguous portions of the Additional Property not occupied by the Zoo; and, (3) The City shall issue or assist in the issuance of non-recourse municipal revenue bonds in an amount sufficient to finance the development and start-up costs of the Zoo.

3. INTELLECTUAL PROPERTY. The Parties agree that Sher Development shall be the sole and exclusive owner of all tangible and intangible rights in the property developed for or generated during the completion of the Feasibility Studies, including but not limited to, any reports, charts, graphs, studies, findings, conclusions, work product, and any intellectual property rights therein. The Parties agree that Sher Development's property rights described herein shall be perpetual and unaffected by the termination of this MOU.

4. CONFIDENTIALITY. The Parties agree to keep all information developed in connection with the Feasibility Studies confidential to the extent permitted by law. Pursuant thereto, the City shall not disclose such information to any third party without the prior written permission of Sher Development. This obligation to keep the results of the Feasibility Studies confidential shall continue in full force and effect despite the expiration or termination of this MOU and regardless of the reason therefore.

5. THE INTENT OF THE PARTIES. The intent of the Parties in executing this MOU is to evaluate the feasibility of a Zoo Theme Park and (if the Feasibility Studies demonstrate that the development and operation of the Zoo is a reasonably feasible and viable undertaking in accordance with State and Federal requirements) to secure the Property from the State, and negotiate and execute the DDA in good faith. Upon the execution and delivery of the formal DDA, the terms of the DDA will supercede and replace this MOU. In the event that the Parties, after good faith negotiation, are unable to agree upon the final terms for the DDA by the end of the two-year exclusive negotiation period, this MOU will expire, and the Parties shall have no further duties to one another (except as otherwise indicated in Paragraphs 3 and 4 herein).

7. JURISDICTION AND ATTORNEYS FEES. Should any party hereto retain counsel for the purpose of initiating litigation to enforce or prevent the breach of any provision hereof, or for any other judicial remedy, then the prevailing party shall be entitled to be reimbursed by the losing party for all costs and expenses incurred therein, including, but not limited to, reasonable attorneys fees and costs. The Parties agree that Clark County, Nevada is the appropriate forum for any action relating to this MOU.

8. EXECUTION IN COUNTERPARTS. This MOU may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of such counterparts shall constitute one agreement. To facilitate the execution of this MOU, the parties may execute and exchange by telephone facsimile counterparts of the signature pages.

9. MISCELLANEOUS. Time is of the essence. No change, modification or amendment of this MOU shall be valid or binding unless such change, modification or amendment shall be in writing and signed by each party. This MOU will be binding upon the Parties, and all heirs, beneficiaries and devisees of the Parties, but is not assignable without the written consent of both Parties. This MOU is executed and is intended to be performed in the State of Nevada, and the laws of that state shall govern its interpretation and effect.

10. DISCLOSURE OF PRINCIPALS. Pursuant to Resolution R-105-99 adopted by the City Council effective October 1, 1999, Sher Development warrants that it has disclosed, on Exhibit A attached hereto, all Managers and Members of Sher Development, LLC, as well as all persons and entities holding more than 1% interest in Sher Development or any principal of Sher Development. Throughout the term hereof, Sher Development shall notify City in writing of any material change in the above disclosure within 15 days of any such change.

IN WITNESS WHEREOF, the Parties hereto have executed this MOU on the day and year first above written.

CITY OF LAS VEGAS

By: _____
OSCAR B. GOODMAN, Mayor

SHER DEVELOPMENT, LLC

By: Edert + Sher
Its: Mona L. Sher

ATTEST:

BARBARA JO RONEMUS, City Clerk

APPROVED AS TO FORM:

Thomas R. Green 3/17/04
DEPUTY CITY ATTORNEY DATE

EXHIBIT "A"

Disclosure of Principals
Sher Development, LLC

The Principals of Sher Development, LLC as well as all persons and entities holding more than 1% interest in Sher Development, LLC or any principal of Sher Development, LLC are the following:

<u>FULL NAME</u>	<u>BUSINESS ADDRESS</u>	<u>BUSINESS PHONE</u>
1. Edward F. SHER	3111 BEL AIR DR LAS VEGAS, NV. 89109	702.696.9397
2. MONA L. SHER	"	"

I hereby certify under penalty of perjury, that the foregoing list is complete.

SHER DEVELOPMENT, LLC

By: Edward F. Sher
Its: Mona L. Sher

Subscribed and sworn to before me this
10th day of March, 2004.

Kathy P. Norman
Notary Public



FEASIBILITY ASSESSMENT TEAM

MCM Group International / Harrison Price Company

Mike Mitchell
Founder, MCM Group
International

- Senior vice-president of the Los Angeles Olympics
- Been involved in hundreds of projects in 59 countries
- MCM Group focuses on how consumers relate to leisure activities, tourist destinations, entertainment projects and media
- Has personally worked on hundreds of zoos, animal parks, science centers, museums, themed attractions and themed retail environments throughout the world.

Fred Cochrane
Vice President,
Harrison Price
Company

- Worked with Walt Disney and Buzz Price to do analytical studies on amusement parks in the early 60's.
- Economics research and planning since 1961
- Studies in themed attractions in 17 U.S. states, 2 Canadian provinces and many foreign countries
- Building, investments and consulting with a concentration in the resort and recreation field

Rich Battaglia
Founder, Battaglia, Inc.

- Disney's management team until 1973
- Design, master-planning, architecture, and engineering, coupled with sound operational planners to provide turnkey services, taking a project from concept through opening day
- Current projects include the designing of the World Adventure Resort which is a 62 acre tropical gardens and resort, and Magical Journeys, a multi-billion dollar 125 acre theme park planned for Japan

Jeremy Railton
Founder, Entertainment
Design Corporation

- Four-time Emmy Award winning designer and founder of Entertainment Design Corporation
- Over 400 major projects to his credit, including the design production of the 2002 Winter Olympics, the 1984 Summer Olympics, three Superbowls, Epcot Center pavilions, Caesar's Forum Shops-Atlantis, the Fremont Street Experience, and the Dragon Show at Excalibur Hotel
- Until 1981, he and his family were the owner/operators of a Nature Park adjacent to the Khami ruins. The park catered to eco-tourists, but was abandoned after a terrorist attack killed both his parents

Norman L. Doerges
Principal, Apogee
Attractions

- Eight years as Executive Vice-President of Disneyland, where he was responsible for overall operational management of the Disney park and hotel.
- Best known for the instrumental role he played in the planning and development of EPCOT Center, where he had complete operating responsibility
- Currently a shareholder and operational consultant for Islands of Paradise, a new theme park to be built on the island of Oahu in Hawaii

Zofia Kostyenko
Principal, DeSign
Skape, LLC

- Served nine years as a Senior Concept Designer for Walt Disney World's Disney Animal Kingdom
- Award winning conceptual designer, storyteller, and team leader with nearly twenty years experience in zoo exhibit and museum design, attractions and live theater design
- Her partial list of successful projects include projects for the Houston Zoo, the Bronx Zoo, Aquarium of the Pacific in Long Beach, Cirque du Soleil, and several children's museums

Submitted at City Council

Date 3/17/04 Item # 70

Zoo Las Vegas

Feasibility Study

MCM/HPC's consultancy services are specifically focused on how consumers relate to leisure activities, entertainment facilities, tourist destinations, and media. Our studies include market analysis, concept development and programming, and financial feasibility. We have conducted over 4,000 studies for clients in 59 countries including zoos, aquariums, science centers, animal parks, museums, themed amusement parks, themed retail environments and other tourist facilities.

Project Development

We are impressed with the scope and mission of Zoo Las Vegas, and are willing to contribute to your developmental process at any stage you request. In your RFP, you have called for a market analysis, attendance projections and a financial analysis, plus additional studies that might be appropriate. Having been involved in a large array of visitor-based projects, we have seen a consistent pattern regarding which developmental processes are most efficient and which ones aren't. The following briefly outlines the steps of a feasibility process that you might want to consider:

Step 1 Planning Charrette

In order to deliver a useful feasibility study, we need to understand as much as possible about the project's programs and developmental strategy. One of the most significant issues we encounter is that project developers often initiate their projects with design concepts. Unfortunately most designers are not highly versed in attendance projections, design day planning, sizing guidelines and the economic impact of each of their design decisions. On over half of the projects we work on that are initially design-based, the design schematics presented to authorities have to be significantly reworked after our analysis, causing both increased costs, but more importantly a 'resell' to the authorities (which is always more difficult the second time around).

We advise clients to begin this process with some type of planning tool. One example is a planning charrette, which is a guided one or two day workshop where the principals plus selected experts are drawn together to work

towards an understanding of the 'program'. The program represents a review of the various experiential/show elements that create attendance and expenditures; how they work together; and ultimately estimate how many people may attend and ballpark the revenue potential that could be generated by the specific set of elements.

This step can also be accomplished by utilizing other planning methodologies. The developers can create an initial design or program concept, submit that plan to our team to independently address the issues discussed above, and then have the designers take our findings and rework the plan or program before we undertake a feasibility study. In many cases we work directly with the principals, develop a program, size it, and then have the designers take those findings to develop the site schematics and specific thematic expression.

Whether you decide to develop conceptual drawings as a starting discussion point, or decide to undertake a formal program development prior to site schematics, you will need a formalized program developed during this process before a feasibility study can be completed. MCM/HPC provides these services or will analyze and comment on a program developed by another experienced consultancy.

Step 2

Sizing Analysis/Attendance and Revenue Generation

There are two types of objectives for feasibility analysis. One is based upon the developers presenting exactly what they want to do, and requesting an analysis of the financial outcome for that concept (for example, if we do this, how many people will attend and how large of a financial subsidy will be required to support the program). The other approach is based upon starting with a defined economic objective and then working backwards to develop attendance driving programs to achieve that financial goal. For example, the developers may state that they want a 15% annual return on their investment; or they may require a financial break-even at a minimum; etc. In the case of the Las Vegas Zoo project, our current understanding is that your objective is the later – that you want to ensure that the project does not require an on-going operational subsidy and additionally that it is capable of retiring its capital bond obligation (which requires that the facility achieve a minimum annual return).

Achieving the later goal is a challenge, although from our experience on past 'cultural' projects, certainly doable. In order to realize an economically sound project, we would advise that the initial consulting emphasis be placed on developing a financially viable concept, which requires approaching the project in a specific manner – thinking more like an entertainment business than an institution. Showmanship brings people and generates earned income, which in turn enables cultural institutions to meet both economic as well as social objectives. This approach includes first analyzing attendance

drivers (show value) and all of the various revenue generating elements that could be developed under the umbrella concept; determining which ones could be included in a holistic thematic concept; sizing each of those elements; analyzing an optimum pricing plan; developing an appropriate phasing plan; and determining specific programming strategies along with aggressive promotional programs for attendance generation.

Once that is done, the project could go to facility planning and design. If desired, our company can help your team develop and analyze the above concepts, then produce the appropriate deliverable.

Step 3 Financial Feasibility Analysis

Once the initial steps are completed, we can prepare an informed financial feasibility analysis. This would include review of the site selection, market measurement, attendance projections, the sizing study, review of the thematic concept, preparation of pro forma operating statements, appropriate phasing, pricing review, and supportable investment.

Step 4 Consumer/Voter Analysis

Because you are requesting a number of municipal or county contributions, including a land-use grant, management contract, and a public bond measure, you may need to provide some evidence of the public's attitude and interest in the project.

We have done considerable work with focus groups, and have worked with companies that do voter research for bond measures. (We are currently advising on such a project in Israel). We could help you in this area if you have an interest. This step cannot adequately be undertaken until the facility design concepts and programs are completed.

We trust this review is useful in assessing what components you may want to address in preparing a complete feasibility study for Zoo Las Vegas.

Next Steps

After you have reviewed the rationale for the various components of the feasibility analysis and selected which ones you would want MCM/HPC to undertake, we will immediately prepare an Engagement Letter which formalizes the terms of the deliverables, schedule, budget and payment terms.

Once the Engagement Letter is signed, we would suggest coming to Las Vegas to meet with the team, review the site options, collect whatever written

information is available, and conduct interviews with the project principals and manager.

From our conversations, we understand that you want to compress the timetable for the feasibility study as much as possible. With that in mind, the following is a potential timetable:

January 28	Response to MCM/HPC
January 30	Submittal of MCM/HPC Engagement Letter
February 6	Completion of Engagement terms/initial fee deposit
February 12, 13	Start Project - Initial informational visit to Las Vegas
March 12	Completion of the Program Deliverable (30 days)
April 2	Completion of Sizing Analysis and Revenue Generators (30 days, partially overlapping Program Deliverable)
May 21	Completion of the Financial Feasibility Analysis (60 days)

Personnel

'Buzz' Price and myself will personally conduct the project. Staff will oversee research and table compilation, but all analysis and conclusions, as well as primary interviews and presentations will be conducted by Buzz and myself.

Personal Note

I am personally highly interested in this project. We have not only conducted studies and feasibility analysis for noted zoos, animal parks, aquariums, and science centers, but I have personally devoted much of my personal efforts to wildlife conservation. I worked directly with Russia's President Yeltsin and Prime Minister Chernomyrdin to personally establish and fund the Amur Tiger Sanctuary which brought back the 'Siberian' Tiger from near extinction in the wild, and am currently working with the AZA and leading national zoos to create a permanent source of revenues for endangered species conservation utilizing U.S. retail chains. The program is called ZooAid.

As you can see, your project is near and dear to my heart. We have the background and hands-on experience to assist you. We look forward to participating in your great adventure.

MCM/HPC Charrette Team**Zoo Las Vegas****Rich Battaglia**

Ground-breaking attraction designer and operational planner, Rich Battaglia left Disney's management team in 1973 to form Battaglia Inc. to develop high quality theme parks and entertainment complexes. Today, an ensemble of experts in creative design, master-planning, architecture, and engineering, coupled with sound operational planners enables the firm to provide turnkey services, taking a project from concept through opening day. Battaglia has turned concepts into reality around the globe.

One of Rich's most noted projects is *Marine World Africa USA*, a wildlife habitat featuring marine life and African land animals. Rich was responsible for the overall master-plan, theme development, schematic floor plans, façade design, and operating plans for this project located near San Francisco. Since that time Rich has worked on many projects with animal-based themes. In Taipei, he master-planned *World Adventure at Leofee Village*, a 122-acre theme and animal park. He also was responsible for master-planning a permanent home and attraction for *Ringling Brothers and Barnum and Bailey Circus* to be located next to Walt Disney World, which is yet to be built.

Among his most recognized accomplishments is the master-planning of *Lotte World*, a mixed-use project costing over \$1 billion, consisting of the world's largest in-door theme park (20 acres), a 40 acre outdoor park attraction, 1.3 million square feet of retail, a 533 room 5 star hotel plus live performance theaters; as well as the 1986 *Vancouver World's Fair*, for which he was responsible for the entire \$1.5 billion fair's master-planning and theme development.

Current projects include the designing of the *World Adventure Resort* which is a 62 acre tropical gardens and resort, and *Magical Journeys*, a multi-billion dollar 125 acre theme park planned for Japan.

Harrison "Buzz" Price

Fresh out of Stanford Business School, after receiving an engineering degree at Cal Tech, Buzz Price was asked by Walt Disney to do an analytical study that might help in the planning and locating of a new kind of amusement park that he had in mind. Thus

began a 50-year career of creating the mathematical underpinning of the attraction business. Along the way, he and his associates in the companies he formed, including Economic Research Associates (ERA), the largest leisure economic planning company in the world, and HPC, evolved a new planning technology and vocabulary which has become the standard attraction planning methodologies in use today.

In 1994, he was the first recipient of the Lifetime Achievement award from the Themed Entertainment Association. In 1995 he was elected to the Hall of Fame of IAAPA, the international Association of Amusement Parks and Attractions.

Over his long and stellar career Buzz has worked on thousands of projects, providing the economic feasibility assessment for numerous aquariums, animal parks, zoos, museums, and tourist facilities. He has worked on some of the most significant attractions of our time including Ellis Island, National Air & Space Museum, Seattle Center/Space Needle, Disneyland and Walt Disney World, Richard Nixon Library, Universal Studios and City Walk, Opryland, Sea World, Busch Gardens, and Knott's Berry Farm. He has had the pleasure of working in Las Vegas on several projects including on Luxor, the Hilton, and the Hoover Dam Visitor Center. Buzz is now in semi-retirement but still works on projects that 'fancy his interest.'

Jeremy Railton

Four-time Emmy Award winning designer and founder of the highly praised Entertainment Design Corporation Jeremy Railton was born in Rhodesia on a ranch 50 miles from Victoria Falls. Until 1981, he and his family were the owner/operators of Khamera Nature Park adjacent to the Khami ruins. The park catered to eco-tourists, but was abandoned after a terrorist attack that killed both his parents.

His love for nature and animal preservation has persisted throughout his stunning career in the attraction and entertainment industry. In the many Masterplans that he has developed around the world, nature parks, bird sanctuaries and zoos have always found a place. Among his many zoo projects was his work to concept design the *Fort Worth Zoo*.

With over 400 major projects to his credit, among his most recognized achievements are the Design Production of the *2002 Winter Olympics Opening and Closing Ceremonies*, the *1984 Summer Olympics Opening and Closing Shows*, three *Superbowls*, *Universal City Walk pavilions*, *Epcot Center pavilions*, over 26 theme parks and attractions, eighteen TV award shows including *Miss Universe*, *MTV Awards*, the *57th Academy Awards*, and over 40 concert tours for such stars as *Cher*, *Diana Ross*, *Phil Collins*, *Neil Diamond*, *Rod Steward*, *Dixie Chicks* and *Alice Cooper*. Jeremy has worked in Las Vegas several times including designing the centerpiece to *Caesar's Forum Shops- Atlantis – the Fremont Street Experience*, and the outdoor *Dragon Show at the Excalibur Hotel*.

The Entertainment Design Corporation has recently been directing its attention to eco-tourism facilities that have low environmental impact yet provide resort level experiences. Jeremy maintains a farm in the foothills of the Sierras where he continues his lifelong love of animals; raising antelope, ostriches, emus, peacocks, guinea fowl, and a variety of rare fowl.

Norm Doerges

Norm Doerges has an extraordinary background in attraction operational management, marketing and sales, and entertainment development. Norm served for eight years as *Executive Vice-President of Disneyland*, where he was responsible for overall operational management of the Disney park and hotel. He is probably best known for the instrumental role he played in the planning and development of *EPCOT Center*, where he had complete operating responsibility.

While at EPCOT, he personally directed the efforts of a group of agricultural and marine scientists to develop the concepts and programs for the immensely popular *Living Seas Pavilion*, which is the largest salt water tank environment ever built; and the *Land Pavilion*, which is a discovery tour of man's relationship to his environment. In the early 1980's, prior to his vice-presidency at EPCOT, Norm was vice-president of *Walt Disney Imagineering (WDI)* where he was responsible for creative and design support for all the Walt Disney properties in Orlando.

After thirty years in senior management at the Walt Disney Company, Norm left to become *President of Leavesden Development* where he had full responsibility for studio operations and the development of a new "state-of-the-art" motion picture studio, movie-based theme park, and business and residential complex planned for Leavesden, a suburb of London, England. Norm managed the team responsible for attracting and handling studio operations for productions that have included *Star Wars* episode 1: *"The Phantom Menace"* and Paramount Pictures' *"Sleepy Hollow"*, amongst numerous others.

Norm is currently a shareholder and operational consultant for *Islands of Paradise*, a new theme park to be built on the island of Oahu in Hawaii.

Michael Mitchell

Internationally recognized entertainment, attraction, and media consultant, Michael has been involved in hundreds of projects in 59 countries. Among his most well-known management successes include serving as senior vice-president of the *Los Angeles Olympics*, responsible for the Games planning and support operations of the only financially successful Olympics in history; as well as being the Executive Producer/Producer of *LiveAid*, the African famine relief concert which was the world's largest telecast in history at the time and the leading single day fundraiser. He also served as President of the *LiveAid* Foundation which managed the \$120 million in aid.

In 1984, Michael formed MCM Group which focuses on how consumers relate to leisure activities, tourist destinations, entertainment projects and media. The company specializes in five areas of study – Market Analysis, Concept Development, Strategic Planning, Financial Feasibility and Brand and Positioning. His firm has worked with many of the largest leisure, recreation, and entertainment companies in the world, as well as dozens of governmental entities. Michael has personally worked on hundreds of zoos, animal parks, science centers, museums, themed attractions and themed retail environments throughout the world.

Michael's interest in wildlife and the environment began in the late '60's. He was one of the national organizers of the first 'Earth Day' in 1970 and was honored as a keynote speaker at the National Wildlife Federation national convention in 1971. Michael participated on the project team that wrote the National Environmental Education Act and also worked on the development of the Environmental Impact Statement. He was one of the founders of a national environmental magazine and has continued his interest in conservation to this day. Michael founded and funded the International Amur Tiger Sanctuary in the Russian far east, whose anti-poaching patrols are credited with saving the last of the 200 'Siberian' tigers in the wild from extinction. Currently he is working with leading U.S. zoos on a program called ZooAid to help fund their conservation efforts to save endangered species.

Zofia Kostyrko

Zofia is an award winning conceptual designer, storyteller, and team leader with nearly twenty years experience in zoo exhibit and museum design, attractions and live theater design. She served nine years as a Senior Concept Designer for WDW *Disney Animal Kingdom*. She developed the park's overall concept, as well as the initial concepts for *Asian Tiger Rapids Ride* and *Pangani Trail*, original sculptures for the *Floating Animal Fountains*, and *African Nature Walk* interpretive graphics. Subsequently, Zofia provided the concept designs and creative leadership for the cognitive center of *DAK: Conservation Station*.

Zofia left Imagineering four years ago to form her own design company. Its mission is to create entertaining combinations of emotional and cognitive show elements that captivate audiences. Her partial list of successful projects include projects for the *Houston Zoo*, *the Bronx Zoo*, *Aquarium of the Pacific in Long Beach*, *Cirque du Soleil*, and several children museums.

Zofia offers expertise in creative concept development for zoo and 'educational' settings. She has an in-depth familiarity with how to combine show production and cutting edge digital technologies with animal exhibitory.

1536 W. 25th Street
Suite 335
San Pedro, CA 90732
Phone 310.831.3999
Fax 310.831.0333

Fred Cochrane

Fred began with Buzz Price in 1962 with Economic Research Associates and has spent 42 years in economic feasibility planning with Buzz. Fred has great experience in attraction economics having completed ten animal attraction feasibility studies, dozens of tourism development studies, and conducted some of the key feasibility analysis for Walt Disney World in Orlando. Fred is highly familiar with Las Vegas tourism economics having conducted several studies there including the feasibility analysis for the Sands Hotel and Casino. Fred has specialized in economic feasibility in the leisure resort and recreation field. He has worked in thirty states and across the world with recent international work in Venezuela, Spain, Belgium, Korea, Indonesia, Taiwan, Hong Kong and mainland China.

MCM/HPC

**MCM Group International
Harrison Price Company**

**International Leisure, Entertainment
And Media Consultants**

MCM/HPC

International Leisure, Entertainment and Media Consultants

PRACTICES

MCM/HPC's consultancy services are specifically focused on how consumers relate to leisure activities, entertainment programs, media, and tourist destinations. There are six primary practices:

- **Commercial Attractions**
Theme parks, sea life parks, water parks visitor centers, urban entertainment centers, and specialty attractions
- **Public Attractions**
Aquariums, expositions, world's fairs, Olympic Games, zoos, museums, arenas, stadiums and performing arts centers
- **Tourist Facilities Media**
Ski resorts, beach resorts, hotels, conference centers, visitor amenities, and tourism development
- **Media**
National and private television companies, film, broadband, telecommunications, cable, and communication companies
- **Media Technology**
Software, set-top boxes, wireless devices, game equipment, theaters, internet, and satellite, and simulators
- **Real Estate Development**
Festival and regional shopping centers, family entertainment centers, resort housing, and mixed-use developments

STUDIES

- **Planning Charrette**
Multi-day gathering of client interests to define a project, preliminary determination of project sizing, probable costs and profit, develop positioning identity, and establish general investment guidelines
- **Market Analysis**
Market measurement, audience projections, physical planning, sizing guidelines, consumer response and site selection
- **Concept Development**
Theme and content creation, programming for entertainment projects, strategies for audience development, designing 'whole' products for consumers, and consumer management tools
- **Strategic & Operational Planning**
Strategic review, product/service development, management reorganization, and operational planning. Primarily involved in the evaluation, design and implementation of strategies to build and sustain long-term value
- **Financial Feasibility**
Preparation of pro forma operating statements, appropriate phasing, pricing, supportable investment, financing strategy, economic impact
- **Brand & Positioning**
Analyzing consumer needs and expectations, SWOT Analysis, Creative Briefs, Brand Strategy, building a 'whole product', and designing promotional and launch strategies

INTERNATIONAL EXPERIENCE

MCM/HPC is a joint-venture between MCM Group International and the Harrison Price Company. HPC was founded in 1978 and MCM Group in 1984. Together we have conducted over 4,000 studies for clients in 59 countries. The firm is headquartered in Los Angeles, California.

Harrison A. Price is the acknowledged founder of leisure economics, having personally conducted all the site location and economic feasibility studies for Disneyland and Disney World. He founded Economic Research Associates in 1958, where he and his team conducted nearly 6,000 studies. Mr. Price was designated the first lifetime achievement honoree by the Themed Entertainment Association.

Michael C. Mitchell is an internationally recognized project planner and manager who has been operationally responsible for budgets to \$1 billion and direct personnel of 30,000 in the leisure, entertainment, and communication industries. He brings an operational perspective to each client study, of which he has been directly involved in over 2000.

Our consultancy is provided by a small team of seasoned professionals, averaging more than 25 years experience. These senior professionals are involved in every aspect of each assignment taken on by the firm.

MCM/HPC

International Leisure, Entertainment and Media Consultants

Specialty Attractions

City Walk, Universal City
Rock 'N Roll Hall of Fame
National Basketball Association Hall of Fame
Coca Cola Pavilion, Atlanta
Space Center, Houston
Space Park, Bremen, Germany
World's Fairs (seven)
Olympic Games (seven)

Richard Nixon Library
Hoover Dam Visitor Center
Luxor, Las Vegas
Seattle Center, Space Needle
Grand Canyon, IMAX
National Air & Space Museum, Washington, D.C.
Ellis Island
Field Museum, Chicago

Theme Parks

Disneyland
Walt Disney World
Six Flags (eight parks)
Sea World (four parks)
Opryland
Lotte World, Korea, Peking
Warner Movie World, Italy
Real World, Barcelona

Universal Studios Hollywood/Europe/Japan
Knott's Berry Farm
Busch Gardens
Camp Snoopy at Mall of America
Marine World USA
Enchanted Kingdom, Manila
Suzuka Amusement Parks, Tokyo
Water Wonderland, Amsterdam

Tourism and Resorts

State of California
Las Vegas Hilton
Waikiki, Hawaii
Branson, Missouri
Mt. St. Helens Visitor Center
Raffles Hotel, Singapore
New World Monument, Puerto Rico
Kempense Steenkolenminjen, Belgium

U.S. National Park Service
Urban Renewal Agency, City of Paris
Darling Harbour, Sydney
Stakis Hotels, Scotland
Government of Queensland, Australia
Inner Harbor, Baltimore
Ginoza Beach, Okinawa
Dubai Investment Corporation, Dubai

Media and Communications Technology

U.S. Major Broadcast and Cable Networks
Turkish National Broadcaster (TRT)
UAE National Broadcaster (EMI)
Pro Sieben Television (Germany)
Open TV (interactive software)
Hong Kong Telephone & Telegraph
Cable Plus, Czechoslovakia
Nippon Telephone & Telegraph, Japan

Sony New Technologies
Wamer Brothers
Electronic Arts
AT&T
British Telecom
Netia, Poland
Digital Domain
Iwerks Entertainment

Facilities and Events

Memorial Coliseum, Los Angeles
Universal Amphitheater, Universal City
Brand Zoo
Oklahoma City Redevelopment Plan
Des Moines, Iowa - Downtown Redevelopment Plan
Science Parks, Austrian Government
United States Football League
Venues for Los Angeles Olympics (70)

"Live Aid" concerts
Martin Luther King Dream Center
Buffalo bi-Centennial
Muscle Car Museum, Scottsdale, Arizona
Goodwill Games for Turner broadcasting (two)
Panama Heritage Visitor Center, Panama
American Malls International, Tokyo
"Umbrellas" by Cristo

MCM/HPC

Approach

The firm was founded to provide creative research and consulting services in the fields of leisure, entertainment and media for clients seeking innovative, well-founded solutions to complex market and economic questions:

- Clearly articulating the business proposition
- Designing strategies to build and sustain long-term value
- Providing a useful assessment and understanding of the marketplace
- Sizing the market, projecting usage rates and audience, and physical planning guidelines
- Determining pro forma operating statements, pricing, supportable investment and economic impact
- Developing a precise and understandable definition of the product offering
- Creating a cohesive brand positioning that meets consumer needs and expectations
- Designing a strategy that will ensure market leadership
- Providing organizational assessment and management services

The firm is known for its exceptional personal service, objectivity, creativity, professionalism and reliability.

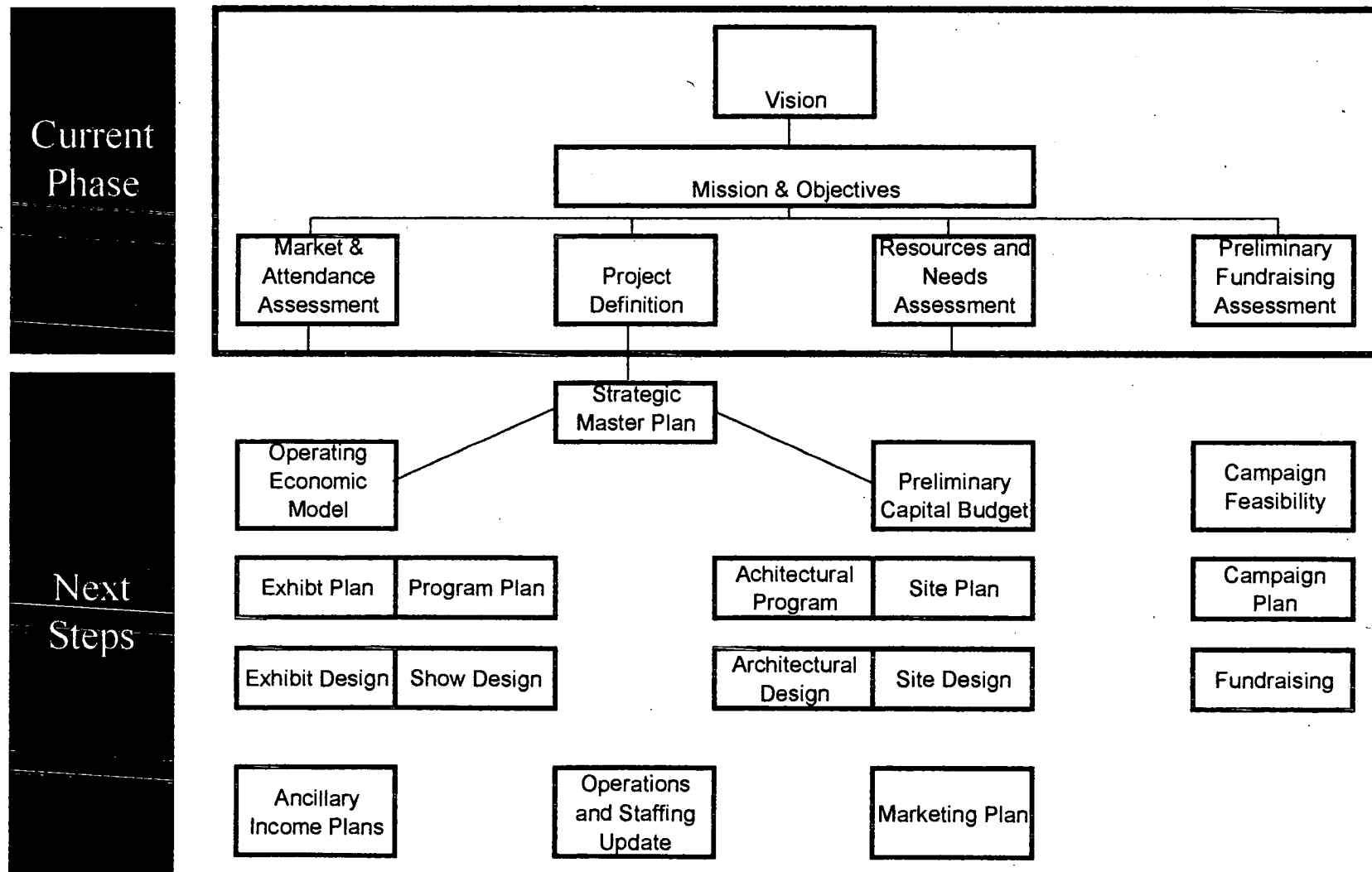
Headquartered in Los Angeles, the firm is active with governmental, institutional and corporate clients throughout the world.

Inquiries are welcome at:

MCM/HPC

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Planning Process



TM/LAS Council [9A WED. 17 MARCH, '04 (Cnd. chad) (May 016)]

PUB. COMMENT -

Submitted at City Council

Date 3/17/04 Item #70

.. < (1 min.) > ..

Item (Zoo: -)

#70. - TOM MC GOWN. LAS VEGAS RESIDENT. ASSISTING TO THE APPLICANT, AND IN THE INTEREST OF ROBUST REDUNDANCY.

1. MY PROPOSAL FOR A WORLD CLASS ARRAY OF OMNI-CULTURAL FOOD, BEVERAGE AND ENTERTAINMENT VENUES, CONFIGURED AS AN INTERNATIONAL SETTLEMENT OF 'GOURMET RESTAURANT ROW' CONTEXT WITHIN A TOWN-CENTER COMMUNITY CONTIGUOUSLY ADJACENT TO THE SHER/NAGY ZOO, WOULD PROVIDE THE RECIPROCAL MARKETING OPPORTUNITY AND VOLUME PATRONAGE REQUISITE TO ENSURE THE ECONOMIC SUCCESS OF THE ZOO, AND TO MORE THAN OFFSET THE COST OF MAINTENANCE AND OPERATIONS OF FLOYD LAMB PARK.
2. MY PROPOSED CENTENNIAL PRODUCTION OF THE SHER/NAGY ZOO PHENOMENON WILL PROMOTE AND PUBLICIZE THE ZOO LOCALLY, REGIONALLY, NATIONALLY AND WORLDWIDE, THROUGHOUT THE CENTENNIAL CELEBRATION YEAR, AND BEYOND, IN PERPETUITY.
3. THE ZOO PROPERTY IS ONE (1) OF THE SIX (6) SITING ALTERNATIVES RECOMMENDED IN MY 'ALL-WIN' PROPOSAL FOR THE EXPANSION DEVELOPMENT OF THE STATE PSYCHIATRIC HOSPITAL CURRENTLY INTENDED FOR THE RESIDENTIAL NEIGHBORHOOD IN WARD 1; ~ AND: ~
4. THE ZOO IS ALSO ONE (1) OF SEVERAL ALTERNATIVES SITES FOR A MAJOR TOURISM ATTRACTION COMPRISED OF SEVEN (7) OF THE HISTORIC RAILROAD COTTAGE 'ICONS' RECOMMENDED IN MY CENTENNIAL PROPOSAL PRODUCTION ENTITLED: - "THE HISTORIC RAILROAD COTTAGES OF LAS VEGAS, NEVADA."

CONSISTENT WITH THE PRINCIPLE: - "UNITY IS PLURAL", ~ APPROVE THE APPLICANT'S REQUEST ON THE CONDITION THE APPLICANT AGREES TO ADOPT AND IMPLEMENT MY PROPOSED POSITIVE RECOMMENDATIONS.

IN ANY OTHER, OR LESSER CASE, ~ DENY THE APPLICANT'S REQUEST, ~ NOT BECAUSE IT'S "TOO BIG", BUT BECAUSE IT'S NOT BIG ENOUGH AND GOOD ENOUGH AS A MASTER-PLANNED PARK-THEMED COMMUNITY TO PROVIDE FOR THE GENUINE BEST INTEREST OF ALL RESIDENTS OF THE CITY OF LAS VEGAS AND THE GREATER LAS VEGAS REGIONAL AREA.

THANK YOU.

(SUBMITTED FOR THE MINUTES).

CITY COUNCIL MEETING OF
March 17, 2004

VERBATIM TRANSCRIPT – ITEM 70

Discussion and possible action regarding a Memorandum of Understanding between the City of Las Vegas and Sher Development, LLC granting Sher a Disposition and Development Agreement with the City for the Development of a zoo on the Floyd Lamb State Park site owned by the State of Nevada – Ward 6 (Mack)

Appearance List:

OSCAR GOODMAN, Mayor

LARRY BROWN, Councilman

DOUG SELBY, City Manager

ROGER BULLOCK, Senior Vice President, Bank of America

LAWRENCE WEEKLY, Councilman

ED SHER, Sher Development

LYNETTE BOGGS McDONALD, Councilwoman

JANET MONCRIEF, Councilwoman

MICHAEL MACK, Councilman

GARY REESE, Councilman

TOM McGOWAN, Las Vegas Resident

BRAD JERBIC, City Attorney

BARBARA JO RONEMUS, City Clerk

(10:15 – 10:45)

1-2406/2-1

30 minutes

Typed by: Stacey Campbell

Proofed by: Angela Crolli

CITY COUNCIL MEETING OF
March 17, 2004

VERBATIM TRANSCRIPT – ITEM 70

30 **MAYOR GOODMAN**

31 Item number 71, discussion and possible action to establish an employment policy –

32

33 **COUNCILMAN BROWN**

34 70.

35

36 **MAYOR GOODMAN**

37 70, All right. Pardon me. Item number 70, discussion and possible action regarding a
38 Memorandum of Understanding between the City of Las Vegas and Sher Development LLC.,
39 granting Sher Development a two-year exclusive negotiation period to conduct feasibility studies
40 and negotiate a disposition and development agreement with the City for the development of a
41 zoo on Floyd Lamb State Park site owned by the State of Nevada. This is in Ward 6. Dr. Selby.

42

43 **DOUG SELBY**

44 Good morning Mayor and Council.

45

46 **MAYOR GOODMAN**

47 Good morning.

48

49 **DOUG SELBY**

50 I'll just introduce this item and our representatives here will discuss any details or answer any
51 questions you have. What I would like to do, though, is to offer you an amended Memorandum
52 of Understanding that is based upon the discussions that the Council had at the last meeting that
53 helps to clarify some of the, well, clarifies the intent of this Memorandum of Understanding.
54 Specifically, I'll call to your attention some additional recitals that recognize that we at this
55 point, have not yet acquired the property related to the State Park where the zoo is proposed.
56 That the feasibility studies will probably demonstrate that the zoo and it's related facilities could
57 generate revenue sufficient to offset the operating costs that the City would incur by taking over
58 the park. That the City will not incur any costs as a result of this MOU and the feasibility study
59 and that the City desires to maintain the park for the, it's best interests of the residents.

CITY COUNCIL MEETING OF
March 17, 2004

VERBATIM TRANSCRIPT – ITEM 70

60 There's some additional clarifications regarding the intent of the MOU as related to the
61 development of a Disposition and Development Agreement. And I'll call to your attention that
62 the Disposition and Development Agreement would evolve out of this MOU and it contemplates
63 the following considerations in that agreement that Sher Development would have the exclusive
64 right to plan, design, develop and construct and operate the zoo and that they would do so, the
65 construction of the zoo, within three years of the execution of the DDA. That Sher Development
66 would have an option to purchase or lease, at fair market value, contiguous portions of the
67 property that we might be able to obtain from the Bureau of Land Management, and that the City
68 would assist and participate in the issuance of bonds necessary to undertake the construction of
69 the zoo. With that, I'd ask the Council if they have any questions.

70

71 **MAYOR GOODMAN**

72 I have one question, Dr. Selby. Would those be non-recourse bonds?

73

74 **DOUG SELBY**

75 They would be, the intent would be non-recourse revenue bonds.

76

77 **MAYOR GOODMAN**

78 Right, because I think that underlying the entire discussion here is that the City is not going to be
79 subject to any type of liability as a result of this disposition with Mr. Sher.

80

81 **ROGER BULLOCK**

82 That's correct.

83

84 **MAYOR GOODMAN**

85 And I think that that's been confirmed over and over and over again. Good, all right, any other
86 questions?

87

88 **ROGER BULLOCK**

89 Mayor, could I address the Council?

CITY COUNCIL MEETING OF
March 17, 2004

VERBATIM TRANSCRIPT – ITEM 70

90 **MAYOR GOODMAN**

91 Sure, certainly.

92

93 **ROGER BULLOCK**

94 I just –

95

96 **MAYOR GOODMAN**

97 You have to tell us who you are.

98

99 **ROGER BULLOCK**

100 Okay. My name is Roger Bullock, I'm a Senior Vice President with a private bank, Bank of
101 America. I'm speaking to you today one, as a native and a resident of Las Vegas but also as the
102 Sher's private banker and financial advisor. The Shers, I just wanted to let the Council know
103 again, their real intent of this. The Shers are investors; they've made their well being in real
104 estate investments. They moved to Las Vegas more than ten years ago, they've adopted this City
105 as their home and they wanted to give something back. The zoo theme park, and it really is a
106 zoo theme park, as they've hired experts to really explore the feasibility and viability of this
107 venue. There was three main objectives that they set out from the outset and that was that this
108 venue be self sustaining and self supporting, that it doesn't require any economic benefit from
109 the City. The second was that it becomes a cultural and recreational amenity to the City of Las
110 Vegas, and the third was that this could serve as the basis or as a cornerstone to promote
111 additional venues in the area.

112 To that end, the Shers have at their own expense, unlike other public/private partnerships in
113 which the City helps bear some of the cost, the Shers have funded an account with Bank of
114 America of up to one million dollars with the willingness upon the execution of this MOU to
115 fund another million dollars to cover the soft costs. If – you've looked at other projects that the
116 Council has approved, i.e.: the Cleveland Clinic, a sculpture garden and other venues for, that the
117 City would own, the City has helped bear those costs. The Shers never have asked for this to be
118 done for the exploration of the zoo. What – they have asked for is that this Memorandum of
119 Understanding protects those costs that they are expending of their own dollars to explore the

CITY COUNCIL MEETING OF
March 17, 2004

VERBATIM TRANSCRIPT – ITEM 70

120 feasibility and viability of this zoo. That's what's the intent of this MOU is, that the City cannot
121 take those feasibility findings that they've spent their money on and go and shop this venture. It
122 gives them a two-year exclusivity period and two years comes and goes very quickly as we all
123 know. The Shers' intent is not to have this feasibility study and to sit on this. Their intent is, if
124 this is economically feasible to move forward with it to come to a definitive agreement. And the
125 third is really to give them the exclusivity in pursuing the development of the zoo. To that end,
126 they have retained, and I do have here if the Council would like it, bios of the charette team, of
127 the feasibility team they have engaged. Two weeks ago, and I think it's important for the
128 Council to know that we had Bruce Reed who is the top curator of animals for Disney's Animal
129 Kingdom. We had the former Executive Vice President and CEO of Disney World and
130 Disneyland here in Las Vegas exploring feasibility. We had the former COO and Senior Vice
131 President of the '84 Olympics that the Shers have all retained. The '84 Olympics was the most
132 profitable Olympics in History. We also had Jeremy Railton who is a four time Emmy Award
133 winner for set design and production design. The Shers have retained through their contacts,
134 both professionally and personally, some of the most experted people in creating feasibility
135 studies. Through their costs, with them managing this process, they could have taken the road
136 less traveled or probably the road most traveled, which is to do this on the cheapest budget they
137 can. They're taking significant reputation risks, they're, – at a point in their life that they don't
138 need this attraction for them personally that they feel like this could be an added benefit to Las
139 Vegas, to the community, to the locals and to the City of Las Vegas. This is not a zoo in the
140 typical sense, this is a zoo that is more of a theme park zoo. Similar to a sea world, similar to a
141 Bush Gardens, similar to a Disney's Animal kingdom. Their intent is not to have this be a stand-
142 alone venue at Floyd Lamb State Park.

143 They envision this supporting and the City has a great opportunity to take back what is arguably
144 one, some of the best property in all of Las Vegas Valley and to make this a family recreational
145 complex with a hundred-acre core park with lakes. Keep that rule, keep that as I remember it
146 was when I was a kid growing up out there. Put a zoo theme park out there, put a children's
147 museum, put multiple venues out there that would support this community. And my last four
148 points are, I would challenge the Council to – explain to Sher Development what costs they
149 would incur at this juncture we're not asking to take back the land or to spend dollars. We're

CITY COUNCIL MEETING OF
March 17, 2004

VERBATIM TRANSCRIPT – ITEM 70

150 saying, the Shers will cover the soft costs, the land contribution comes from the State and the
151 BLM leased land and the development of this zoo, only if it is economically feasible and viable,
152 the Shers through their contacts, have retained a person who set up one of the largest family
153 offices in North America out of Arkansas and who did all the municipal financing for NASA
154 Space Camp. Who will validate, he will put his reputation on the line, if this is viable, to procure
155 municipal revenue bonds that the only credit enhancer is bond insurance. There's no full faith in
156 credit, there is no recourse to the City and no recourse to the taxpayers. If we cannot make this
157 venue successful on that basis, the Shers aren't going to let risk their reputation and they're not
158 going to ask the Council to risk theirs. With that, I'll open it up. Ed Sher, who is the managing
159 principal, is here to address any questions that you would have regarding this venture.

160

161 **COUNCILMAN WEEKLY**

162 Your Honor, I just have one question if you don't mind.

163

164 **MAYOR GOODMAN**

165 Yes, Councilman Weekly.

166

167 **COUNCILMAN WEEKLY**

168 Thank you very much. I would just like for you to maybe explain to the viewing audience out
169 there in reference to, say for example, if the City were to take over Floyd Lamb Park and this zoo
170 was to come to fruition, if you could explain the type of animals that you all would have there
171 because there are a lot of concerns out there. I've gotten lots of e-mails from animal rights
172 groups and those who feel as if Las Vegas is not a place for a zoo due to our extremely hot
173 climate.

174

175 **MAYOR GOODMAN**

176 Okay. Fine.

177

CITY COUNCIL MEETING OF
March 17, 2004

VERBATIM TRANSCRIPT – ITEM 70

177 **COUNCILMAN WEEKLY**

178 If you could explain that for me and then maybe just touch upon again just this economic
179 feasibility study, as it relates to possibly no out of pocket money for the City of Las Vegas
180 because again, I'm getting a lot of phone calls from people who have those concerns as well –

181

182 **ROGER BULLOCK**

183 Sure.

184

185 **COUNCILMAN WEEKLY**

186 – that if, for example, it doesn't work out, are we going to be stuck with something that we can't
187 pay for because again, when you look around the country and you look at San Diego zoo and
188 some of the other zoos around the country, I understand they're not doing too well fiscally.

189

190 **ROGER BULLOCK**

191 Councilperson, would it be ok if I address the financial feasibility and let Ed Sher address –

192

193 **COUNCILMAN WEEKLY**

194 That's fine.

195

196 **ROGER BULLOCK**

197 – the heat and the type of animals –

198

199 **COUNCILMAN WEEKLY**

200 Yes Sir.

201

202 **ROGER BULLOCK**

203 From a financial perspective, the way that we have this structured and the way that we are
204 pursuing the financing, the Shers are covering the soft costs of the feasibility study. They've
205 already expended a quarter of a million dollars up to this point, of their own dollars, with experts,
206 flying them in, having them look at locations and having them initiate the feasibility component.

CITY COUNCIL MEETING OF
March 17, 2004

VERBATIM TRANSCRIPT – ITEM 70

207 They are covering those soft costs, so if the feasibility findings come back that a zoo cannot be
208 self sustaining, the Shers will take their loss, they'll take their write off and they will move on.
209 Typically in this fashion, when someone wants to propose a venture, the City helps offset that
210 cost. An example would be when they were assessing the demand for the Cleveland Clinic here
211 in Las Vegas, the City helped offset those costs. The Shers are not asking for that in the
212 feasibility component. The bonding component would be solely after our experts, which is
213 MCM Group and Harris and Price Company, mind you Harris and Price Company has done
214 every feasibility study for Walt Disney since they started Disneyland in the early '60's or late
215 '50's. They've been a part of every feasibility study Disneyland has conducted and they have
216 told us what you just said, zoos in the traditional sense have a very hard time being self-
217 sustaining. They condone, I should go there, I ought to go there, my kids need to go there, but
218 they don't exude the entertainment value that a Disneyland or a Seaworld or something else
219 attracts to get people there multiple times a year. So they are bringing in those elements to our
220 concept to help promote that component.

221 The feasibility study will show, and before you talk to bonding you need to have what's called a
222 debt service ratio, the debt coverage service ratio. There has to be a multiple over that. If we get
223 to the point to where that shows that it's feasible, we get to bonding and we sell those bonds, the
224 recourse of those bonds, if this venue is not successful, the City has contributed the land, the
225 bonds cover the development, the Shers have covered the soft costs so this thing is up and
226 running, and after a period of time that the anticipated results aren't as projected or we don't
227 receive those results, the bonds would decrease in value, credit insurance or bond insurance
228 would come in and cover some of that shortfall and the individual bond holders would bear the
229 balance. If it went into complete default, on a worse case scenario, very similar to the monorail.
230 If the monorail does not work and generate the revenue necessary it is not going to impact you or
231 myself individually. It is going to impact the bond holders who have purchased those bonds and
232 that is the process that we are pursuing.

233 There's two types of bonds. There's the Municipal Revenue bond and there's a General
234 Obligation bond. A General Obligation is backed by the taxing authority of the municipality.
235 We are not pursuing that type of bond nor do we intend on pursuing that because that would put

CITY COUNCIL MEETING OF
March 17, 2004

VERBATIM TRANSCRIPT – ITEM 70

236 the taxpayers and the City of Las Vegas at risk and that is not the Shers intention. Does that
237 answer your question Councilman?

238

239 **COUNCILMAN WEEKLY**

240 Thank you.

241

242 **MAYOR GOODMAN**

243 All right.

244

245 **ED SHER**

246 Good morning Mr. Mayor and fellow Council. Your, regarding your regards to the animals and
247 the type of animals we would have first of all, I'd like to say we were just endorsed by the
248 Nevada zoological society which is a local, I think they've been in existence two or three years
249 here in Las Vegas exploring the possibility of a zoo. What I'd like to bring up too, that there are
250 several zoos in the southwest, naming three there's one in Palm Desert California called the
251 Living Desert, which has animals, lions, tigers, elephants. The weather is much warmer than ours
252 in the summertime. Also, there's two zoos, there's one in Phoenix there's also one in Tucson
253 that do very, very well. So, to answer your questions, we're not going to have the type of
254 animals that are not conducive to this region. We would not have bears or penguins or anything.
255 We would have the lions, the tigers, the giraffes, which the weather's not a problem and also, in
256 our design there would be shaded areas. The animals are our first concern. My wife and myself
257 are animal lovers so we wouldn't even consider if we didn't think the animals could live and
258 prosper here well in the desert. So, that's one of our main concerns of how the animals will be
259 built, dealt with.

260

261 **ROGER BULLOCK**

262 Also, to address the design real quickly, these expert designers are not looking to put the animals
263 in cages. They're looking actually, as the people view the animals the people will be the ones
264 that are almost encaged, if you will, and the animals will have natural habitats to roam and to
265 have access to shaded space and live in a more natural environment. But the heat, we've

CITY COUNCIL MEETING OF
March 17, 2004

VERBATIM TRANSCRIPT – ITEM 70

266 addressed that. We – do not intend on having five thousand species of animals like San Diego
267 Zoo. We intend on having animals, the kids, and it's very fitting that we have kids up here
268 today, that will gravitate to that want to learn towards and it's going to be a lot more interactive.
269 We plan on having a lot more interactive stations –

270

271 **ED SHER**

272 The computer center.

273

274 **ROGER BULLOCK**

275 – incorporating technology with the experience of live animals.

276

277 **MAYOR GOODMAN**

278 Any other questions? Councilwoman?

279

280 **COUNCILWOMAN MCDONALD**

281 Just a comment, Your Honor. I just wanted to put on the record 'cause I was at the National
282 League of Cities when this item was heard before, but I'm in full support of the request in that
283 feasibility studies are just that. They are an exercise for us to be able to get the data to be able to
284 make an informed decision on whether or not we stop at that point or go forward. It doesn't bind
285 us in any way to say we will take over Floyd Lamb. It doesn't bind us in any way to say that we
286 will actually build a zoo, but it gives us the data and information and financial analysis especially
287 to say once we have all that information we can make an educated decision whether or not we
288 should move forward. So, I'm in full support of a feasibility study and you know I concur, I've
289 seen millions of dollars be approved by past and present City Councils on feasibility studies that
290 have never, you know, from dome stadiums to, you name it, that we've paid feasibility studies
291 with taxpayer dollars. Here we have an applicant wanting to spend his own dollars and I say let
292 him.

293

294 **MAYOR GOODMAN**

295 Thank you.

CITY COUNCIL MEETING OF
March 17, 2004

VERBATIM TRANSCRIPT – ITEM 70

296 **COUNCILWOMAN MONCRIEF**

297 Excuse me, Your Honor.

298

299 **MAYOR GOODMAN**

300 Any other comments by the Council? Councilwoman Moncrief.

301

302 **COUNCILWOMAN MONCRIEF**

303 I just – want to thank you for coming in a speaking to me about this, because I didn't quite
304 understand it the way I should have in the last Council Meeting. So by coming in and explaining
305 to me because I thought of it as a zoo with cages and when you explained it as an amusement
306 park I think it's much needed within our City and I agree with Councilwoman McDonald that
307 you're doing the feasibility, you're putting up the money, so I'm in approval.

308

309 **ED SHER**

310 Thank you.

311

312 **MAYOR GOODMAN**

313 Councilman Brown.

314

315 **COUNCILMAN BROWN**

316 Thank you, Mayor Goodman. I had just a couple questions, and I certainly support what we are
317 doing today but just to clarify a potential next step, is, by this MOU it speaks to the land and the
318 State. Do you feel comfortable that the enabling legislation that was passed at the State level
319 with specific language towards uses is compatible with what is planned? Have you taken a look
320 at that?

321

322 **ROGER BULLOCK**

323 We have, and if you will recall, we had George Chanos, who is our attorney who represented in
324 going through that language and what we have determined is that the State, in their language in
325 Senate Bill 444, has, references the transfer of land from the State to the City. The State owned

CITY COUNCIL MEETING OF
March 17, 2004

VERBATIM TRANSCRIPT – ITEM 70

326 land which encompasses about 380 acres, if I recall, that has what's called a passive use
327 restriction. As defined by the State of Nevada, passive use restriction means anything that raises
328 the heartbeat. For that purpose, we do have to be aware of that passive use restriction. However,
329 in Senate Bill 444, whether it was their intention or not, the way it is stated is that they will
330 relinquish their lease on the BLM lease, land lease portion and that the City would then enter a
331 lease agreement with the BLM to receive that land. So, in that, because they are relinquishing
332 their lease, it would relieve that BLM leased land of that passive use restriction. Do we feel
333 comfortable that what it is we're trying to accomplish fits on the State owned land? Yes. Would
334 it give our underwriters or our bond council and our attorneys more comfort if we are on the
335 BLM land that we know does not fall in line with that passive use restriction? Yes, And I
336 believe, as next steps proceed, the identification and the conversations that we've had with the
337 City would encompass putting this venue on the BLM land. Not on the State owned land
338 because mind you, the core park is on the State owned land and it is not the Shers' intentions to
339 do anything to destroy the natural feeling of that park. If anything, to make sure that there's
340 revenue from the zoo to actually improve and enhance that park. So this would be our intent to
341 be on the BLM of leased lands.

342

343 **COUNCILMAN BROWN**

344 Very good. And secondly, and my partner here James has pointed this out, when I asked him
345 about a zoo. He said there are other issues, one of which, was the community that surrounds the
346 zoo so all those things are certainly next steps but identifying what the product will be is
347 critically important. Specifically, if everything goes well with the feasibility and we, and
348 assuming there is a management proposal contract coming forward, what happens at the end of
349 this feasibility time period when this body, which is a political elected body, perhaps does not
350 support it at that point. Is there at that point in time any commitment at the City for
351 reimbursement or obligation or anything along the lines of taxpayer dollars?

352

353 **ROGER BULLOCK**

354 Very – good question. No. That's the beautiful thing about this, I mean in reality, everybody
355 should be singing the praises of the Shers cause what they're saying to do is we're, this is our

CITY COUNCIL MEETING OF
March 17, 2004

VERBATIM TRANSCRIPT – ITEM 70

356 hypothesis. We want to explore if this thing is economically viable and so we're willing to
357 expend our own dollars and the only thing that we're saying to the City is, don't take our
358 findings and shop it, give us a two year exclusivity period and if our findings come back
359 positive, let's work towards a definitive agreement. There's no obligation for the City to finalize
360 a definitive agreement. The only, it's basically acting in good feeth, faith. Now, if the City takes
361 the feasibility finding and then does go and shop this or shares this and tries to explore with
362 another group, then obviously there would be issues with that but –

363

364 **COUNCILMAN BROWN**

365 I understand, – that completely but –

366

367 **ROGER BULLOCK**

368 – there is not an issue with the City if we don't go forward.

369

370 **COUNCILMAN BROWN**

371 – what I meant, let me be more specific. I understand those and I think that's – obvious but if
372 we get to that point and we're not shopping it around, we're not going to use it for any other
373 purposes. But say if it's a very positive feasibility report and then for whatever reason, the City
374 chooses not to do anything with the feasibility report or a zoo concept or anything, Mr. Selby,
375 there's no obligation at that point for any kind of reimbursement or financial implications to the
376 City.

377

378 **DOUG SELBY**

379 Not under the MOU.

380

381 **COUNCILMAN BROWN**

382 Perfect.

383

CITY COUNCIL MEETING OF
March 17, 2004

VERBATIM TRANSCRIPT – ITEM 70

383 **DOUG SELBY**

384 The Council would be brought back a development agreement that the Council could choose to
385 execute or not as you choose.

386

387 **COUNCILMAN BROWN**

388 All right.

389

390 **DOUG SELBY**

391 It is not stated in the MOU and we did not ask for that.

392

393 **COUNCILMAN BROWN**

394 I appreciate that and I just wanted that on the record. Thank you.

395

396 **MAYOR GOODMAN**

397 All right. Anybody else? Councilman Mack?

398

399 **COUNCILMAN MACK**

400 Thank you, Your Honor. I appreciate my Council looking at this proposal again because I
401 believe there was some misinformation or lack of information out there, as Councilman Moncrief
402 and Councilwoman Boggs McDonald, you know, weren't, wasn't here for the prior meeting. I
403 do take my hat off to the Shers, you know, for stepping forward and, you know, the Mayor's
404 made statements in the past about people being altruistic and this is really a step in that direction
405 of altruism. The Shers don't need this project, and I think they are giving to the community in
406 this way and seeing this, a two million dollar feasibility study that is only a positive to the City
407 shows us that good faith. You know, I was privy to be part of a Charette and I've been part of a
408 lot of Charettes in Planning meetings being a Council Member, but seeing the dream team, and
409 Roger, if you could pass that list out to the, to my colleagues, I'd like them to take a look at that.

410

411 **MAYOR GOODMAN**

412 If you'd hand them to the Clerk, please. Thank you.

CITY COUNCIL MEETING OF
March 17, 2004

VERBATIM TRANSCRIPT – ITEM 70

413 **COUNCILMAN MACK**

414 I was invited to the Charette, I know that cost a lot of money, to see the dream team you had put
415 together, but I was sitting there in awe because sitting right next to me was a man who flew in a
416 helicopter with Walt Disney and – was doing site selections for Mr. Disney when he was
417 planning Disneyland in Los Angeles. And Mr. Sher and his wife have assembled a team of
418 people like this to do the feasibility and analysis and not to be a typical zoo, to be something that
419 is state of the art, something that is going to be quite profitable. I know Mr. and Mrs. Sher's
420 partners are a part of a zoo in Canada, which is open four months of the year and it is profitable.
421 So, I know that we're heading in the right direction. I know that I'll be very supportive of this as
422 the feasibility study is followed up and I'm hoping to see in the future, a zoo in our Valley and
423 an amusement park. So with that, Your Honor –

424

425 **MAYOR GOODMAN**

426 You next.

427

428 **ROGER BULLOCK**

429 Councilman Mack?

430

431 **MAYOR GOODMAN**

432 Excuse me, I think there's some further comment both by the Council and I'll let the gentleman
433 be heard.

434

435 **COUNCILMAN MACK**

436 Okay.

437

438 **MAYOR GOODMAN**

439 Councilman Reese?

440

CITY COUNCIL MEETING OF
March 17, 2004

VERBATIM TRANSCRIPT – ITEM 70

440 **COUNCILMAN REESE**

441 Thank you, Your Honor. Very fine presentation. I can see which way the votes are going to go
442 here today by just listening. I do still have a lot of reservations. I think there's a lot of questions
443 that need to be answered with this feasibility study. I really think that it's not quite right when
444 they try to explain to us that's not going to ever cost the City anything, and that – is the point
445 there that they're going to have to prove to me that we can take this from the State and where it
446 won't cost, the reason we gave it to the State and the reason the State wants to give it back to us
447 is nobody can afford it. And so, with those comments, Your Honor, I will be supporting this
448 feasibility study.

449

450 **MAYOR GOODMAN**

451 Thank you Councilman, appreciate that. Before I make my remarks here, did you want to be
452 heard?

453

454 **TOM MCGOWAN**

455 Very brief.

456

457 **MAYOR GOODMAN**

458 Please.

459

460 **TOM MCGOWAN**

461 Tom McGowan, Las Vegas resident, Your Honor. Assistive to the applicant and in the interest
462 of the robust redundancy, because there are still unresolved questions on the ifcome. My
463 proposal for a world class array of omni-cultural food, beverage and entertainment venues
464 continued as an international settlement of gourmet restaurant row context within the Town
465 Center community contiguously adjacent to the Sher Nagy Zoo. Would provide a reciprocal
466 marketing opportunity in the buy in patronage requisite to insure the economic success of the
467 zoo, and that more than offset the cost of maintenance and operation of Floyd Lamb Park. My
468 proposed centennial production of the Sher Nagy Zoo phenomenon will promote and publicize

CITY COUNCIL MEETING OF
March 17, 2004

VERBATIM TRANSCRIPT – ITEM 70

469 the zoo locally, regionally, nationally and world wide throughout the centennial celebration year
470 and beyond in perpetuity.

471 The zoo property is one of the six setting alternatives recommended in my all new proposal for
472 the expansion development of the State psychiatric hospital currently intended for the residential
473 neighborhood in Ward 1, and the zoo is also, one of several alternative sites for a major tourism
474 attraction comprised of seven of the historical railroad cottages icons recommended in my
475 centennial proposal production entitled *The Historical Railroad Cottages of Las Vegas Nevada*.
476 Consistent with the principle, unity is plural, approve the applicant's request on the condition the
477 applicant agrees to adopt and implement my proposed (inaudible) of recommendations.
478 (Inaudible) in a lesser case, deny the applicant's request, not because he's too big, but because
479 it's not big enough and good enough as a master planned park themed community to provide
480 with the genuine best interests for our residents of the City of Las Vegas and the greater Las
481 Vegas regional area including Councilman Brown's partner. I (inaudible) sincerely the zoo is
482 the greatest asset this City has seen in many decades. It's hypothetical but it can be reality only
483 if it grows up to match its convictions. I'm here to help and you know the number to call.
484 Thank you.

485

486 **MAYOR GOODMAN**

487 All right. Would any members of the Council want to be heard? Mr. Jerbic?

488

489 **BRAD JERBIC**

490 Just very briefly on the record, Your Honor. I wanted to state that there's been some reference to
491 at the end of this process if it is feasible they'd be asking for municipal revenue bonds that there
492 is no agreement by the City at this point in time that that would be the type of bond that would be
493 issued. It may be not in the City's best interest to issue a City Municipal bond that will just be
494 part of the negotiations. I wanted to put that on the record.

495

496 **ROGER BULLOCK**

497 Yeah, correct.

498

CITY COUNCIL MEETING OF

March 17, 2004

VERBATIM TRANSCRIPT – ITEM 70

499 **BRAD JERBIC**

500 And the other thing that I wanted to remark is that this is BLM land and quite often we get to the
501 end of an agreement and BLM has issues so the only thing that does come out of this, if it is
502 feasible, would also be subject to BLM approval.

503

504 **ROGER BULLOCK**

505 Great.

506

507 **MAYOR GOODMAN**

508 Right. Let me ask you one more question, Mr. Jerbic, before I make a comment. It's along the
509 line of what Councilman Brown was asking. I'd like to ask it perhaps more pointedly. Let's
510 assume, and this is not within even my contemplation of being the case, but I want to make it
511 part of the record. Let's assume that at the end of the day the Council acts in a manner that could
512 reasonable be characterized as being arbitrary and capricious, do we have any liability under that
513 set of circumstances?

514

515 **BRAD JERBIC**

516 I think under, anytime you enter into an MOU you have an obligation to negotiate in good faith.
517 If there is a legitimate reason that the City would not want to pursue the project based on the
518 findings in the feasibility study, you have something else that comes up, we'd have an obligation
519 to discuss that with our contract partner and let them know why. I don't think the Council
520 should enter into this MOU or any other MOU if the ultimate intention would be to abandon it
521 without – some reason.

522

523 **MAYOR GOODMAN**

524 Okay. Well I want to make the record perfectly clear. This Council has a vision of doing
525 everything within our limited power, to make this the greatest city in the world. Part of that and
526 part of our discussion is we want to have a performing arts center, we want to have an academic
527 medical facility, a center of excellence, we want to have major league sports. And of course,
528 you're not a great city, in my opinion, unless you have a world-class zoo. So, I hope at the end

CITY COUNCIL MEETING OF
March 17, 2004

VERBATIM TRANSCRIPT – ITEM 70

529 of the day, with the reservations as expressed by my colleagues here, I hope that your findings
530 will be such that we will feel very comfortable in embracing you and making you part of the
531 fabric of what we want Las Vegas to be all about. So, I wish you well in your endeavor, I really
532 do.

533

534 **ROGER BULLOCK**

535 Thank you, Your Honor.

536

537 **MAYOR GOODMAN**

538 All right. This is in Councilman Mack's Ward.

539

540 **COUNCILMAN MACK**

541 Thank you, Your Honor. **With that I motion for approval.**

542

543 **MAYOR GOODMAN**

544 Let's vote on that please. Post.

545

546 **BARBARA JO RONE MUS**

547 Sorry, can we all vote?

548

549 **MAYOR GOODMAN**

550 Vote again. All right. Please vote again. Post.

551

552 **BARBARA JO RONE MUS**

553 With the amended agreement?

554

555 **MAYOR GOODMAN**

556 With the amended agreement, yes. Motion carries. Thank you. **(Motion carried unanimously)**

557

(END OF DISCUSSION)

558 /sc;/ac

AGENDA SUMMARY PAGE
CITY COUNCIL MEETING OF: MARCH 17, 2004

DEPARTMENT: CITY MANAGER

DIRECTOR: DOUGLAS A. SELBY

☐

CONSENT

☒

DISCUSSION

SUBJECT:

ADMINISTRATIVE:

TABLED ITEM - Discussion and possible action to establish an employment policy for state legislators and other elected or appointed government officials

Fiscal Impact

☒

No Impact

Amount:

☐

Budget Funds Available

Dept./Division:

☐

Augmentation Required

Funding Source:

PURPOSE/BACKGROUND:

Recent events have called attention to the need to establish a policy to address the employment of state legislators and other elected and appointed government officials by the City of Las Vegas. Staff will present policy options for consideration by the City Council.

RECOMMENDATION:

Receive a presentation and direct staff to prepare an appropriate policy

BACKUP DOCUMENTATION:

None

MOTION:

REESE – ABEYANCE to 4/7/2004 with direction to City Manager to devise options to be brought before Council for consideration – motion carried with L.B. McDONALD voting NO

MINUTES:

NOTE: A Verbatim Transcript is made a part of the Final Minutes.

APPEARANCES:

OSCAR GOODMAN, Mayor

MICHAEL MACK, Councilman

DOUG SELBY, City Manager

GARY REESE, Councilman

LYNETTE BOGGS McDONALD, Councilwoman

TOMMY RICKETTS, President, City Employees Association

LARRY BROWN, Councilman

BRAD JERBIC, City Attorney

TODD FARLOW, 240 N. 19th Street

TOM McGOWAN, Las Vegas resident

CITY COUNCIL MEETING OF MARCH 17, 2004

Administrative

Item 71 – Discussion and possible action to establish and employment policy for state legislators and other elected or appointed government officials

MINUTES – Continued:

NOTE: MAYOR GOODMAN directed CITY ATTORNEY JERBIC to research the reason behind the Charter's prohibition of government employees working for other government entities, such as a City employee working for the County.

(10:45 – 11:15)

2-160

CITY COUNCIL MEETING OF
March 17, 2004

VERBATIM TRANSCRIPT – ITEM 71

Discussion and possible action to establish an employment policy for state legislators and other elected or appointed government officials

Appearance List:

OSCAR GOODMAN, Mayor

MICHAEL MACK, Councilman

DOUG SELBY, City Manager

GARY REESE, Councilman

LYNETTE BOGGS McDONALD, Councilwoman

TOMMY RICKETTS, President, Las Vegas City Employees Association

LARRY BROWN, Councilman

BRAD JERBIC, City Attorney

TODD FARLOW, 240 North 19th Street

TOM McGOWAN, Las Vegas resident

(10:45 – 11:15)

2-160

31 minutes

Typed by: Angela Crolli

Proofed by: Stacey Campbell

CITY COUNCIL MEETING OF
March 17, 2004

VERBATIM TRANSCRIPT – ITEM 71

29 **MAYOR GOODMAN**

30 All right. Item 71. Discussion and possible action to establish an employment policy for state
31 legislators –

32

33 **COUNCILMAN MACK**

34 Your Honor, real – quickly. I know that our students have to get back and they have a tour of
35 City Hall. So, if I could ask our Centennial High School students to head to the right, here. We
36 appreciate you coming up here and join – us with the Council and I wish you guys a Happy Saint
37 Patrick's Day.

38

39 **MAYOR GOODMAN**

40 Thanks for coming – Thank you for coming. We appreciate it. Thank you very much. Thank
41 you. It's a real pleasure having you here. You're always welcome back. All right. This is
42 discussion and possible action to establish an employment policy for state legislators and other
43 elected or appointed government officials. Dr. Selby?

44

45 **DOUG SELBY**

46 Mayor and Council, this item is brought back to you. It was tabled at your last discussion of this
47 topic pending a opinion from the State Attorney General. That opinion has since come forward.
48 Unfortunately, it doesn't give us any specific guidance, with regard to local employment, other
49 than it is permissible for legislators to be employed by local governments. I leave it to you to
50 discuss and – City Attorney to give you additional input regarding the State Attorney General's
51 opinion.

52

53 **MAYOR GOODMAN**

54 All right. Thank you. Councilman Reese.

55

56 **COUNCILMAN REESE**

57 Thank you, Your Honor. I'm certainly will be followed by my Council members up here, as
58 well. I do have an opinion. I've had an opinion. I've kind of changed my opinion, seeing

CITY COUNCIL MEETING OF
March 17, 2004

VERBATIM TRANSCRIPT – ITEM 71

59 what's happened here at the City. It was my belief for many, many, many years that people
60 should have the right to – run for elected office, non-prohibited. I mean, there are certain
61 guidelines that our federal government does have for those who want to run for public office.
62 I – see problems. I know that there's a lot of things that we can, we're going to be discussing
63 that, discussing here today. There are outline procedures that we can probably follow, if we do
64 have an elected official elected from the employees of the City of Las Vegas. And to me, the
65 thing that really bothers me is that today that if we do allow this, even if they take a leave of
66 absence for the – duration of the – legislative session, when they come back they are still going
67 to be an elected official. And I think it's really, really hard to ask for anybody, anyone of our
68 department heads to try to work with and trying to have them be a supervisor over an elected
69 official. I think it's just pretty near impossible. So, I – do feel like that they should, but I just
70 hope that we during this discussion we can come up with some kind of, I guess, understanding.
71 If we do or if we don't, it don't matter, I guess. But if we do, that we do have some kind of help
72 for those supervisors they're going to be working for.

73

74 **MAYOR GOODMAN**

75 Thank you. Let's see, we'll try to do it, okay, Councilwoman?

76

77 **COUNCILWOMAN McDONALD**

78 Thank you, Your Honor, and I wanna kind of build upon some of the comments expressed by
79 Councilman Mayor Pro Tem Reese. And after, you know, reading through and examining this
80 opinion, I could see how the Attorney General had to craft it in the way that he did, and that there
81 is no case law on which we can really build a policy upon, 'cause nothing has ever gone, you
82 know, to the courts in our State. But, and I think that it really brings us down to a question of,
83 you know, policy and common sense as to whether or not, as he stated in one of his footnotes, he
84 says, this analysis will not address the principles of incompatibility, and, states that right up
85 front. And for us, I think, it really comes down to, when you take away the fact that there is no
86 case law, that having someone who one minute is your subordinate and then automatically
87 becomes your superior when they join the legislative branch of the State, is incompatible.

CITY COUNCIL MEETING OF
March 17, 2004

VERBATIM TRANSCRIPT – ITEM 71

88 And I think, unlike California, and I've said this many, many times, we do not have home rule in
89 the State of Nevada. So, we do not have the autonomy in our cities and counties that cities and
90 counties all throughout the State of California and others enjoy.

91 And just give you an example. I know that we struggle and we've had items on today's agenda
92 as it relates to escalating labor costs and the fact that we have collective bargaining for cities and
93 counties, the fact that we have binding arbitration for city/counties. This isn't something that we
94 put upon ourselves. This was through NRS 288 that the State of Nevada placed upon cities and
95 counties. They exempted themselves from having either collective bargaining or binding
96 arbitration of any kind, yet we, because of the State mandate on us and to have any kind of
97 tweaking. Mayor, you know, I've watched the tape of the meeting where I was out of town and
98 you talked about possibly having a panel for the binding arbitration. Any tweaking to the NRS
99 we will have to, as a City, put a bill draft forward to the State Legislature and now speak before
100 people who are members of City and County bargaining units and ask them to have mercy on us
101 to change this NRS. So, it's just illustrates how crazy it is that you have City and County
102 employees sitting on these committees that we now have to go forward before our bill drafts to
103 impact something that impacts them and us.

104 So, and the second thing or third thing, I think is very important, and you, we talk about this all
105 the time, I think it's think very important and why we can't have a leave of absence policy, in my
106 view, is that I think it's very, very important from a management standpoint, that every single
107 city employee, to the best of our ability, is held to the exact same standard. And I think if we say
108 it's okay that you are a State Legislator, then we're saying to other City employees it's okay if
109 you run for the City Council in North Las Vegas, it's okay for you to run in, for the City Council
110 in Henderson. And because we have City employees that live in these jurisdictions as well, so
111 hypothetically, and I can use just one of my own employees, as an example, she is a resident of
112 North Las Vegas. What is she ran for Councilwoman in North Las Vegas. One, she works for
113 me. How do I give her, as the manager, a leave of absence? She could actually be sitting next to
114 me on a regional board. And what if we had some annexation issue where the City wanted to
115 act, annex some land and the City of North Las Vegas opposed us in that, are they going be
116 following and implementing the policy of the City of Las Vegas, their employer or this, the
117 policies of the City of North Las Vegas. So, it really opens up a Pandora's box.

CITY COUNCIL MEETING OF
March 17, 2004

VERBATIM TRANSCRIPT – ITEM 71

118 And so we say, if you run for judge and win, which has been the case, you have to leave
119 employment of the City. If you run for County Commission and win you have to leave
120 employment. But in all these other scenarios, State Legislators can stay, stick around and, I think
121 that it's unfair and we set ourselves up for a potential violation of equal protection under the law,
122 if one employee all of the sudden says, hey, it wasn't fair that I had to resign where this other
123 employee got to keep their job and just take a leave of absence. So, I think it's just, we really set
124 ourselves up, just from a management standpoint when we're trying to customize leave of
125 absence policies depending on what type of position the individual runs for.

126 And I think too that, you know, we're the City of Las Vegas, you know, we are, you know,
127 provocative, we're upfront. I think that we should take the lead and set the standard. You know,
128 I've seen, you know, I know other cities and counties may not follow our lead, but I think that
129 we need to have that clear cut distinction and not have, you know, this wink and nod that maybe
130 a City employee might be an extra vote for us. I mean, again, that to me just, you know, clouds,
131 you know, the issue that the only fail safe position I think that we can adopt, one that is both
132 legal, ethical, and manageable for our senior supervisors and directors and our City managers is
133 to say that we encourage anyone, it is America to run for political office, but if you are fortunate
134 to win that election, you do so with the understanding that your employment with the City of Las
135 Vegas will cease. And I think that is the only fail safe manageable, ethical way that we can
136 proceed in this issue, not only for State legislators, but for anyone pursuing public office in
137 government. I don't care if you decide to become a – board member of United Way or some
138 charitable thing. I'm not talking those type of appointments. I'm talking about government
139 elected office.

140

141 **MAYOR GOODMAN**

142 Thank you. Would anybody else like to be heard? All right. I'll tell you what I would like you
143 to do, Dr. Selby. I'd like you to hire all the legislators and have them employed by the City of
144 Las Vegas so we can change the way our system of government works. We'll have the support
145 up there to get legislation where we can control our own destiny. But I know that that is not
146 pragmatic. That would be the best of all possible worlds because then we would be able to
147 manage ourselves and not be subject to the whim and caprice on occasion of legislators.

CITY COUNCIL MEETING OF
March 17, 2004

VERBATIM TRANSCRIPT – ITEM 71

148 There is an item that's going to be on this afternoon's calendar concerning the State Mental
149 Hospital where the legislature has basically thrown in our lap a very difficult constituent issue.
150 Not a difficult issue as far as what's right and what's wrong because we all realize that we have
151 to have mental facilities here. We're inadequate, as far as the availability of beds, but they
152 basically said that we have the authority to approve a site development plan and send it down to
153 us to make a decision without taking the heat from the folks who live in the neighborhood that
154 we're very sensitive, as far as their rights are concerned. And in the bargain, members of the
155 legislature who voted for the project to be located at the Jones and Oakey location, and I'll make
156 a record on this this afternoon, wrote me, and I think they wrote the other members of the
157 Council, that, I'm not sure what they're saying. They either didn't know what they were voting
158 on. I think I get a little bit of that or now when they face the ire of their own constituents, they
159 now want us to vote against the project. And to me that's totally unacceptable. But that's the
160 problem that the Councilwoman is talking about.

161 That's the problem that's bothering me, though. I'll never forget two legislators, two legislatures
162 ago I went up there and the City was really – being sorely challenged, as far as the consolidated
163 taxes concern. And politics did get involved and there were strong politicians from different
164 cities who really attempted to cripple us. And I'm afraid what will happen if we don't have any
165 representation up there how we can really be taken advantage of and that's what I'm coping
166 with. I don't disagree that the fail-safe measures, you know, prohibited, manageable, prohibited,
167 ethical, maybe prohibited. I can't disagree with any of that, but I'm still not ready to say that we
168 can't have representation up there until the other entities do what's right as well. I – understand
169 that we are cutting edge and we're the leaders and we should set by example, but sometimes you
170 cut off your nose to spite your face and that's what's really bothering me on this one, because I
171 don't want to be able to say that I put us in a vulnerable position up at the Legislature based on
172 my vote.

173 So, that's where I'm coming from. Now, I don't disagree with anything that Mayor Pro Tem
174 said or the Councilwoman. And it is an issue. There's no question about, of compatibility, and
175 basically was not going to knock anybody further, but the bottom line really was compatibility
176 could have been explored. Just because there wasn't any case law on it that we looked to the
177 Attorney General for his definition as to what is or is not compatible, and I can tell you from the

CITY COUNCIL MEETING OF
March 17, 2004

VERBATIM TRANSCRIPT – ITEM 71

one example that we had in the City that we had to live through with Assemblyman Williams, his employment here was incompatible. But under the circumstances, as it turned out, based on the personalities involved with his supervisor and his – work with the City, but I would hope that we would be able to get some kind of a manageable practice in place so that we're not going to be put in a disadvantage up in the Legislature. That's – my only concern

I do believe the people should have the right to run for office and I also, look, when I ran for office, I gave up a lot economically with the expectation that I would win and you make certain sacrifices. We all do. I mean, contrary to, you know, people's opinion about politicians, we – we're here at great deal of personal sacrifice. But we made that decision. So I backed off my law practice and I don't see anything wrong with telling a City employee you can run, but if you win, you can't serve. I see nothing wrong with that. But I am concerned about giving up whatever little bit of strength we have in the Legislature and leave us naked up there. That's – where I'm from.

COUNCILWOMAN McDONALD

I guess, the point I would throw out is, what evidence is there that, to suggest that that City employee would be, you know, I guess, a (sic) extra voice for us. There, I would say that probably one of the greatest allies the City of Las Vegas had just this past session was a Assemblyman from Yerington, who happened to be a former executive director of the Nevada League of Cities. He knows more about local government, the issues that we're facing and probably spent a lot of time blocking some things that were detrimental to cities all across the board. Yet he's never been a city employee. And so, you know, I guess, what are we saying, if you're a City of Las Vegas employee and you go to the Legislature, we're kind of giving you a wink and nod that we have an expectation that you're going to help us out.

MAYOR GOODMAN

And yes, I think that that is what I would do. I'd give a wink and a nod. Yeah, I would want an employee for the City of Las Vegas to make sure the City of Las Vegas was protected when he's up at the Legislature. Whether you like it or not, that's what I would like.

CITY COUNCIL MEETING OF
March 17, 2004

VERBATIM TRANSCRIPT – ITEM 71

207 **COUNCILWOMAN McDONALD**

208 Right.

209

210 **MAYOR GOODMAN**

211 But –

212

213 **COUNCILWOMAN McDONALD**

214 But we could get the opposite too. I mean, you look at cases, you know, with Chris
215 Giunchigliani, I would say, if you look at her voting record is much going against the interest the
216 institution she is employed as for. I would say they're more tilted to working against. So, you
217 might not always get what you're hoping for.

218

219 **MAYOR GOODMAN**

220 I understand. I understand all the arguments. Mr. Ricketts.

221

222 **TOMMY RICKETTS**

223 Thank you, Mayor and City Council. Tommy Ricketts. I'm the President of the Las Vegas City
224 Employees Association. I just wanted the opportunity to – at least put my position on the table
225 and also extend my full cooperation to at least try to help resolve this problem from my position.
226 I – think for the record because I believe the majority of the citizens and – the public in general,
227 view City employees as one being. However, in public government there are several different
228 positions. You have appointive employees, confidential employees and classified employees
229 that have bargaining unit protection under NRS 288. And the employees that I represent are the
230 classified employees. It's – 1500 plus employees. I – guess, where – I'm going here and not to
231 try to change your mind or sway you, I – am fully in support of somebody exercising their right
232 and the – position that we would bring is that, as a public employee, we can't accept gifts, we
233 have an ethical guideline that we're supposed to follow while we're employees. So, for, coming
234 from – that position, if an employee from any entity was serving and they were living by their
235 code of ethics or their rules and procedures that their councils had set in place or the County

CITY COUNCIL MEETING OF

March 17, 2004

VERBATIM TRANSCRIPT – ITEM 71

236 Commissions, that I believe that would hold them to a higher standard, at least ethically, I would
237 hope.

238 But to try to help resolve this position, I – would like, you know, the Council's blessing or at
239 least, I would extend my cooperation to sit down with the – City Manager to try to come to some
240 sort of an agreement, at least on the employees that I currently represent, to say, look, here's –
241 our willingness to say, look, an opportunity to say that if you're a City employee, blah, blah, blah
242 and you get elected, that we can come up with a fail-safe mechanism that A, would protect the
243 employee's rights under their current collective bargaining agreement, because currently under
244 our agreement, the only remedies or the only allowance to cease an employee's employment is
245 through just cause. So, to create a policy that says if you get elected you're – going have to leave
246 the employment of the City, could end up in a challenge saying, okay, here we got a contract
247 dispute. That is not my intent nor would it be in the best interest of anybody. Our preamble says
248 that we mutually agree to continue good labor relations and try to, you know, still provide the
249 essential services the most efficiently possible. I fully support that and – just with that, I would
250 say, you know, I – would love to sit down and at least try to help devise a mechanism that would
251 clarify classified employees serving in the Legislature. And – I will leave you with that.

252

253 **MAYOR GOODMAN**

254 Thank you, Mr. Ricketts.

255

256 **TOMMY RICKETTS**

257 Thank you.

258

259 **MAYOR GOODMAN**

260 Councilman Brown.

261

262 **COUNCILMAN BROWN**

263 Thank you, Your Honor. Question for Mr. Selby or yourself or our City Attorney. Does the
264 opinion as written, does it lead one to believe that they will be either be challenged or perhaps
265 better define the role of the local government employee?

CITY COUNCIL MEETING OF

March 17, 2004

VERBATIM TRANSCRIPT – ITEM 71

266 **BRAD JERBIC**

267 The way I read the opinion Council, Councilman, is that the – opinion clearly exempts local
268 government employees, and I think that the, it's hard to imagine who would have standing to
269 challenge that right now. The, if they wrote an opinion saying local government employees
270 could not serve in the legislature, if – it were the opposite conclusion, and one were to run and
271 then be removed from City service, that person would probably have standing to challenge it. As
272 written right now, they have said that this does not apply, and it's – I don't know that anybody
273 would have standing to challenge it at this point in time.

274

275 **COUNCILMAN BROWN**

276 And is there anything currently in our Charter or ordinance or standing policies that would
277 prohibit an employee from seeking State office?

278

279 **BRAD JERBIC**

280 There's nothing in our policies per se that addresses State office by name. There is a provision
281 in the Charter that prohibits City employees from working for any other county or city
282 governments. That's currently in the City Charter.

283

284 **DOUG SELBY**

285 If – I might add, in Title 2 of the City Code there is also a couple paragraphs that deal with
286 election to office and they use the words, if it's inconsistent, incompatible, or in conflict with the
287 public employee's job duties that such, holding such office while employed would be prohibited.

288

289 **COUNCILMAN BROWN**

290 Good. So that would – certainly speak to whatever policy, if we – weren't going to have the
291 absolute you can't run policy in place. Then a policy could be in place and my understanding it
292 was early in this debate, maybe a couple of decades ago, that a leave of absence without pay
293 could be part of that, as long as, it's been brought up before, a person taking six months off every
294 two years –

CITY COUNCIL MEETING OF

March 17, 2004

VERBATIM TRANSCRIPT – ITEM 71

295 **COUNCILMAN REESE**

296 (Inaudible)

297

298 **COUNCILMAN BROWN**

299 – why do need them in the first place. And I think some jobs could be shuffled, that's a
300 management issue. So, you know, that issue comes up. But I just, I likewise, I agree with a lot
301 of the comments that have been made today, but I still – feel the way the State's structured
302 legislatively as a part time legislature, that – if a person should have the right to run for the State
303 and the sacrifices that an office like that bears with it, those are, ultimately left up to the
304 individual. Can they do the job 18 months a year? Will the City allow them to do the job?

305 The Mayor brought up a word that I think is at the core of this whole discussion and that's
306 personalities. And I – believe that if you have the right person running for the State office and if
307 you have the right person within the City government in the right department, in the right job,
308 that that can, in fact be compatible. Now that is a scenario. We've seen the other side of the
309 coin where that scenario absolutely was incompatible. I'd still like to see a little more dialogue
310 and a little more work done from the Manager's Office, as far as the options. I'm not totally
311 against barring City employees from seeking State office, but at the same time there has to be
312 something more definitive, as far as option A, B and C, just simply won't work from a
313 management standpoint, from a logistical standpoint, before I'll support that ultimate decision.
314 But I'd like to see a little more work done, as far as what policies we can put in place to still
315 allow a person to run for office and yet protect the interest of City Hall.

316

317 **MAYOR GOODMAN**

318 All right. Thank you.

319

320 **COUNCILMAN REESE**

321 If I – could just ask Councilman Brown a question then. Councilman Brown are you looking at a
322 motion maybe to have the City Manager come back at a later date with three or four
323 recommendations?

CITY COUNCIL MEETING OF
March 17, 2004

VERBATIM TRANSCRIPT – ITEM 71

324 **COUNCILMAN BROWN**

325 I'd –like, at least part of that, Mayor Pro Tem, is to – see what kind of policies we could put in
326 place. It may not be fail-safe, but it would be as close as we could come to that point of barring
327 an employee. And I – use, you know, when I – ran for election in '97, I resigned from the Las
328 Vegas Valley Water District, and although that was not directly involved with the City, it is
329 certainly, and – it's proven to be true, it is certainly sometimes that maybe an employee's
330 decision or opinion at the Water District would be in conflict with this Board. So, but that was a
331 personal decision. And I think, I – still feel that the right person has the ability to run for State
332 office and still serve the City in the capacity that he's hired in or she's hired in.

333

334 **MAYOR GOODMAN**

335 Okay. Thank you. Councilwoman.

336

337 **COUNCILWOMAN McDONALD**

338 Your Honor, with the, when we banned city and county elective office what was the, I guess,
339 thought behind that and rationale behind that.

340

341 **DOUG SELBY**

342 I'd have ask Brad, I don't know.

343

344 **BRAD JERBIC**

345 It wasn't, per se, a ban on elective office it's a prohibition against a City employee with the City
346 of Las Vegas working for any other city government or county government. So, that would
347 mean in an elective capacity or even as a maintenance worker or any – other position that you
348 could imagine. We had this issue come up when Councilman McDonald was first elected to the
349 City Council and the question was, could he work for Metro, which is made of City and County
350 and retain a seat on the City Council. And the court said yes because that wasn't, Metro is not a
351 City government or a County government. But if it were either one, if – for example Metro were
352 run completely by the County, he would have been prohibited from doing that.

CITY COUNCIL MEETING OF
March 17, 2004

VERBATIM TRANSCRIPT – ITEM 71

353 **COUNCILWOMAN McDONALD**

354 But why the ban, is my question?

355

356 **BRAD JERBIC**

357 It's in the Charter. I don't know how it got in the Charter, but it's been there since I've been
358 here, and my suspicion is, is probably similar provision in most city charters.

359

360 **MAYOR GOODMAN**

361 (Inaudible)

362

363 **COUNCILWOMAN McDONALD**

364 Would you say it had something to do with compatibility?

365

366 **BRAD JERBIC**

367 It probably does.

368

369 **COUNCILWOMAN McDONALD**

370 Conflicts of interest?

371

372 **BRAD JERBIC**

373 It probably does. It probably does, it would seem to be strong rationale behind that –

374

375 **COUNCILWOMAN McDONALD**

376 Okay.

377

378 **BRAD JERBIC**

379 – but I – do not know the legislative history of it, but I suspect it's in most city charters.

380

381 **MAYOR GOODMAN**

382 Is there a legislative history to it, Mr. Jerbic?

CITY COUNCIL MEETING OF
March 17, 2004

VERBATIM TRANSCRIPT – ITEM 71

383 **BRAD JERBIC**

384 I could find out for you, Your Honor. I know that that Charter provision, like I said, for a very
385 long time, it was adopted by the State Legislature. Whether it was put at the suggestion of the
386 Las Vegas City Council or as a referendum of the people, my guess is it was probably just
387 adopted by the legislature, but I could find that out for you and report back.

388

389 **MAYOR GOODMAN**

390 I – think that's a very legitimate inquiry.

391

392 **COUNCILWOMAN McDONALD**

393 Cause again, if City and County work, having both pay checks or being on both payrolls is
394 incompatible, how can we argue that a State legislative office that has even more authority over
395 the City than another city or the County itself would be compatible. And, you know, I hate to
396 put, you know, City Manager on the spot, but I think we put him on the spot is, do you, you
397 know, what, give us some honest, you know, reflection, from your perspective as the leader of
398 this organization, administrative leader, on whether you consider this compatible or not.

399

400 **DOUG SELBY**

401 I appreciate the opportunity to offer a comment. And I'll – preface it saying, whatever the
402 Council sets as a policy that'll – be my – mission and directive.

403

404 **COUNCILWOMAN McDONALD**

405 Of course.

406

407 **DOUG SELBY**

408 But, in reviewing what we went through recently, as well as the very scenarios that have been
409 mentioned here, it – does seem to me that it'll be a major challenge to create any kind of a
410 firewall or a really good barrier between the conflict between being a City employee first and
411 foremost and your loyalty to the City of Las Vegas and being a legislator, who has the ability to
412 write laws and – governance that will basically change the way the City operates. So, and from

CITY COUNCIL MEETING OF
March 17, 2004

VERBATIM TRANSCRIPT – ITEM 71

413 just a management point of view, losing an employee for a hundred and twenty days, plus
414 interim session assignments, we've – thinned down and trimmed out the staff to a point where, I
415 doubt there's few positions and very – few directors and managers that can afford to lose an
416 employee for that period of time. So, from a compatibility point of view, that might be a
417 challenge.

418

419 **COUNCILWOMAN McDONALD**

420 And so, I just, you know, throw that out that, you know, we can the ask, we're asking our leaders
421 of this, of our City, our, you know, management leaders to come up with a policy that they
422 already know they can't enforce or implement. So, we're just, you know, we're putting an
423 impossible task upon their shoulders, if you ask me.

424

425 **MAYOR GOODMAN**

426 Okay. Thank you. Anyone to be heard?

427

428 **TODD FARLOW**

429 Thank you. Todd Farlow, 240 North 19th Street. It comes down to the will of the people, Your
430 Honor. When we go to the caucuses, we know full well what the, what the people running, what
431 they do for a living and all of that. There's some things that you're going just have to live with
432 them in this life and this is one of 'em. Thank you.

433

434 **MAYOR GOODMAN**

435 Thank you. I appreciate that. All right, anybody else?

436

437 **TOM McGOWAN**

438 Yeah, just very brief.

439

440 **MAYOR GOODMAN**

441 All right, make it very brief, please.

CITY COUNCIL MEETING OF
March 17, 2004

VERBATIM TRANSCRIPT – ITEM 71

442 **TOM McGOWAN**

443 Very brief, briefer than you've been so far. Tom McGowan, Las Vegas resident. This State is in
444 transition, obviously, from village-hood to cosmopolitan community-hood. That's what you're
445 confronting. There are changes, just like you change the size of your shoes as you grow and
446 your waist, not everybody, but me anyhow. And I think the City Manager, the City Attorney has
447 given you absolutely astute advise on the matter. It is not for you to decide. It is for the people
448 of this State to understand that they are growing, whether they like it or not., and someday
449 they're going have to grow up and what are you going to do? Thank you.

50

451 **MAYOR GOODMAN**

452 Thank you. Mayor Pro Tem.

453

454 **COUNCILMAN REESE**

455 Yes, Your Honor. I want to thank Doug for his report here today. **I – would like to make a**
456 **motion to allow you to come back at our April the 7th, if that's quick enough. If it's too**
457 **quick, with maybe three or four ideas so that we can discuss those and maybe take one of**
458 **those and implement it.** And again, the reason I say April the 7th is, we are a leader, Las Vegas
459 does step out there, and I think that maybe some of the other entities might – be waiting to see
460 what we're going to do. So, if you could Doug I'd like you to come back on the seventh with
461 three or four options for us and that is pick and choose and come up then with a consensus.

462

463 **DOUG SELBY**

464 I'll be very happy to do that.

465

466 **COUNCILMAN REESE**

467 Thank you.

468

469 **MAYOR GOODMAN**

470 All right. Could that motion also include that Mr. Jerbic has to provide, at least through
471 Councilwoman Boggs McDonald and myself whatever the legislative history –

CITY COUNCIL MEETING OF
March 17, 2004

VERBATIM TRANSCRIPT – ITEM 71

472 **COUNCILMAN REESE**

473 My motion – includes all the comments put on the dais by –

474

475 **MAYOR GOODMAN**

476 All right. Thank you. Right. Let's – vote on that, please. Vote. Post. Motion carries. Thank
477 you. **(Motion carried with L.B. McDonald voting No)**

478

479 **(END OF DISCUSSION)**

80 /ac;sc

AGENDA SUMMARY PAGE
CITY COUNCIL MEETING OF: MARCH 17, 2004

DEPARTMENT: CITY ATTORNEY

DIRECTOR: BRADFORD R. JERBIC

☐

CONSENT

☒

DISCUSSION

SUBJECT:

Discussion and possible action on Appeal of Work Card Denial: Charles H. Lloyd, 301 Orland Street #25, Las Vegas, Nevada 89108

Fiscal Impact

☒

No Impact

Amount:

☐

Budget Funds Available

Dept./Division:

☐

Augmentation Required

Funding Source:

PURPOSE/BACKGROUND:

RECOMMENDATION:

BACKUP DOCUMENTATION:

Appellant Letter of Appeal and City Clerk Notification Letter to Appellant

MOTION:

REESE – Motion to bring forward and Hold in ABEYANCE Items 72 and 75 to 4/21/2004 and STRIKE Items 73 and 100 – UNANIMOUS

MINUTES:

There was no discussion.

(9:47 – 9:49)

1-1256

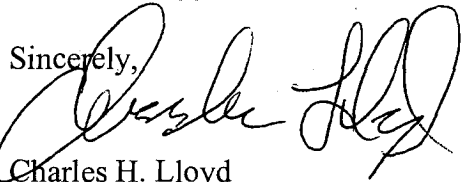
March 2, 2004

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

To Whom It May Concern:

I wish to appeal to the City Council the denial by the Metropolitan Police Department of my Work Card application.

Sincerely,



Charles H. Lloyd
301 Orland Street, #25
Las Vegas, NV 89108

RECEIVED
CITY CLERK

2004 MAR -2 P 4:24



MAYOR
OSCAR B. GOODMAN

CITY COUNCIL
GARY REESE
(MAYOR PRO-TEM)
LARRY BROWN
LYNETTE B. McDONALD
LAWRENCE WEEKLY
MICHAEL MACK
JANET MONCRIEF

CITY MANAGER
DOUGLAS A. SELBY

March 2, 2004

Charles H. Lloyd
301 Orland Street, #25
Las Vegas, NV 89108

Re: **WORK CARD APPEAL**

Dear Mr. Lloyd:

I am in receipt of your formal appeal to the City Council regarding the denial of a work card. This matter will be heard by the City Council at their regularly scheduled meeting of March 17, 2004.

Your appeal is scheduled to be heard during the morning session of the meeting, which commences at 9:00 a.m. We would advise that you be in attendance to present your appeal and answer any questions which may arise.

Occasionally, the City Council has been persuaded to grant a work card to an applicant through the intercession of the applicant's prospective employer. Therefore, if you think that your prospective employer would acknowledge, either in writing or personally before the City Council at your hearing, that he is aware of the reasons your work card was originally denied and wishes to hire you anyway, I urge you to request him to do so.

If a letter is submitted to the Council, it must be from the licensee or principal who must be approved for suitability under Las Vegas Municipal Code Chapter 6.06 (the owner of the business, other principal or key employee) for the establishment in which you are seeking employment. Also, you should bring to the hearing all other materials which may assist you in your appeal.

Sincerely,

A handwritten signature in cursive script that reads "Angela Crolli".

ANGELA CROLLI
DEPUTY CITY CLERK

/ac

cc: City Attorney-Civil
Las Vegas Metropolitan Police Department - SIB

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

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

AGENDA SUMMARY PAGE
CITY COUNCIL MEETING OF: MARCH 17, 2004

DEPARTMENT: CITY ATTORNEY

DIRECTOR: BRADFORD R. JERBIC

☐

CONSENT

☒

DISCUSSION

SUBJECT:

Discussion and possible action on Appeal of Work Card Denial: Denise Windom Patchell, c/o Harrah's, Room 1665, 3475 S. Las Vegas Boulevard, Las Vegas, Nevada 89109

Fiscal Impact

☒

No Impact

Amount:

☐

Budget Funds Available

Dept./Division:

☐

Augmentation Required

Funding Source:

PURPOSE/BACKGROUND:

RECOMMENDATION:

BACKUP DOCUMENTATION:

Appellant Letter of Appeal and City Clerk Notification Letter to Appellant

MOTION:

REESE – Motion to bring forward and Hold in ABEYANCE Items 72 and 75 to 4/21/2004 and STRIKE Items 73 and 100 – UNANIMOUS

MINUTES:

There was no discussion.

(9:47 – 9:49)

1-1256

RECEIVED
CITY CLERK

2004 MAR -4 P 2: 31

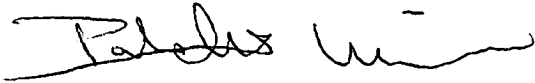
March 4, 2004

City Clerk
City of Las Vegas
400 East Stewart Avenue
Las Vegas, Nevada 89101

Gentlemen:

I wish to appeal to the City Council the denial by the Metropolitan Police Department of my Work Card application.

Sincerely,



Ms Denise Windom Patchell
c/o Harrah's, Room 1665
3475 S. Las Vegas Boulevard
Las Vegas, Nevada



MAYOR
OSCAR B. GOODMAN

CITY COUNCIL
GARY REESE
(MAYOR PRO-TEM)
LARRY BROWN
LYNETTE B. McDONALD
LAWRENCE WEEKLY
MICHAEL MACK
NET MONCRIEF

CITY MANAGER
DOUGLAS A. SELBY

March 4, 2004

Ms Denise Windom Patchell
c/o Harrah's, Room 1665
3475 S. Las Vegas Boulevard
Las Vegas, Nevada

Re: **WORK CARD APPEAL**

Dear Ms. Patchell:

I am in receipt of your formal appeal to the City Council regarding the denial of a work card. This matter will be heard by the City Council at their regularly scheduled meeting of March 17, 2004.

Your appeal is scheduled to be heard during the morning session of the meeting, which commences at 9:00 a.m. We would advise that you be in attendance to present your appeal and answer any questions which may arise.

Occasionally, the City Council has been persuaded to grant a work card to an applicant through the intercession of the applicant's prospective employer. Therefore, if you think that your prospective employer would acknowledge, either in writing or personally before the City Council at your hearing, that he is aware of the reasons your work card was originally denied and wishes to hire you anyway, I urge you to request him to do so.

If a letter is submitted to the Council, it must be from the licensee or principal who must be approved for suitability under Las Vegas Municipal Code Chapter 6.06 (the owner of the business, other principal or key employee) for the establishment in which you are seeking employment. Also, you should bring to the hearing all other materials which may assist you in your appeal.

Sincerely,

A handwritten signature in cursive script, appearing to read "Doreen Araujo".

DOREEN ARAUJO
DEPUTY CITY CLERK

da

cc: City Attorney-Civil
Las Vegas Metropolitan Police Department - SIB

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

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

AGENDA SUMMARY PAGE
CITY COUNCIL MEETING OF: MARCH 17, 2004

DEPARTMENT: FINANCE AND BUSINESS SERVICES

DIRECTOR: MARK R. VINCENT

☐

CONSENT

☒

DISCUSSION

SUBJECT:

Discussion and possible action regarding a Six-Month Review of a Tavern License, D. Westwood, Inc., dba Treasures, 2801 Westwood Drive, Ali Davari, Dir, Pres, Treas, 50%, Hassan Davari, Dir, Secy, 50% - Ward 1 (Moncrief)

Fiscal Impact

☒

No Impact

Amount:

☐

Budget Funds Available

Dept./Division:

☐

Augmentation Required

Funding Source:

PURPOSE/BACKGROUND:

Discussion and possible action regarding a Six-Month Review of a Tavern License

RECOMMENDATION:

Recommendation to be provided following discussion of this item at the City Council meeting

BACKUP DOCUMENTATION:

1. Agenda Memo
2. Submitted at meeting: Memoranda dated 3/16/2004 from City Attorney Jerbic regarding advice to disclose for Mayor Goodman and Councilman Mack on this item
3. Submitted at meeting: Summary of Compliance Measures for Treasures with attached Compliance Policy and Compliance Regulations packet, including a transcript under Tab 4 of Item 73 of 2/21/2001 Council meeting by Attorney Mark Fiorentino

MOTION:

REESE – ABEYANCE to 6/16/2004 – UNANIMOUS with GOODMAN abstaining because his son ROSS GOODMAN is the attorney for Treasures and MACK abstaining because his company Mack Consulting has a contract with Treasures

NOTE: COUNCILWOMAN McDONALD stated that she would be voting but disclosed that she is an outside director for Station Casinos, which holds privileged licenses for alcohol, as does the applicant. However, she has not discussed this item with the company, nor will her affiliation impact her judgment. She reviewed this matter with the City Attorney, who opined that this item would have no material impact on Station Casinos.

NOTE: CITY ATTORNEY JERBIC noted that MAYOR GOODMAN and COUNCILMAN MACK received a written opinion, which was submitted for the record, from his office regarding their conflicts and stating with specificity the factual circumstances. In accordance with NRS 281.035, this reduces the quorum of the Council from seven to five; therefore, three votes would be needed to carry a vote.

MINUTES:

NOTE: A Verbatim Transcript is made a part of the Final Minutes.

CITY COUNCIL MEETING OF MARCH 17, 2004

Finance and Business Services

Item 74 - Discussion and possible action regarding a Six-Month Review of a Tavern License, D. Westwood, Inc., dba Treasures, 2801 Westwood Drive, Ali Davari, Dir, Pres, Treas, 50%, Hassan Davari, Dir, Secy, 50% - Ward 1 (Moncrief)

MINUTES – Continued:

APPEARANCES:

OSCAR GOODMAN, Mayor

MICHAEL MACK, Councilman

BRAD JERBIC, City Attorney

GARY REESE, Councilman

LYNETTE BOGGS McDONALD, Councilwoman

JIM DiFIORE, Manager, Business Services

JOHN LORETTO, Detective, Las Vegas Metropolitan Police Department

STACY RODD, Detective, Las Vegas Metropolitan Police Department

JANET MONCRIEF, Councilwoman

MARK FIORENTINO, Attorney, Kummer, Kaempfer, Bonner, and Renshaw, appeared on behalf of the applicant

LAWRENCE WEEKLY, Councilman

LARRY BROWN, Councilman

BARBARA JO RONEMUS, City Clerk

NOTE: COUNCILMAN BROWN emphasized that at the February 2001 hearing on this matter, this Council decided to raise the bar for these types of businesses and questioned the implications this might bring. He requested Business Services staff provide a report within the next three months as to whether the City is on solid ground should legal action be necessitated. He also directed CITY ATTORNEY JERBIC to provide an opinion regarding the legal implications the Council's decision to raise the bar for this club might have on the rest of the industry.

NOTE: COUNCILWOMAN McDONALD stressed that all privileged licensees should be held to the same standard. She requested a comparison report be provided regarding the type of citations issued at downtown hotels relating to solicitation of prostitution.

(11:39 – 12:25)

2-2143/3-1

CITY COUNCIL MEETING OF
March 17, 2004

VERBATIM TRANSCRIPT – ITEM 74

1 **Discussion and possible action regarding a Six-Month Review of a Tavern License, D.**
2 **Westwood, Inc., dba Treasures, 2801 Westwood Drive, Ali Davari, Dir, Pres, Treas, 50%,**
3 **Hassan Davari, Dir, Secy, 50%**
4

5 **Appearance List:**

6 OSCAR GOODMAN, Mayor
7 MICHAEL MACK, Councilman
8 BRAD JERBIC, City Attorney
9 GARY REESE, Mayor Pro Tem
10 LYNETTE BOGGS McDONALD, Councilwoman
11 JIM DiFIORE, Manager, Business Services
12 JOHN LORETTO, Detective, Las Vegas Metropolitan Police Department
13 STACY RODD, Detective, Las Vegas Metropolitan Police Department
14 JANET MONCRIEF, Councilwoman
15 MARK FIORENTINO, Attorney, Kummer, Kaempfer, Bonner, and Renshaw, appeared on
16 behalf of the applicant
17 LAWRENCE WEEKLY, Councilman
18 LARRY BROWN, Councilman
19 BARBARA JO RONEMUS, City Clerk
20
21
22
23

24 (11:39 – 12:25)

25 **2-2143/3-1**
26
27
28

29 46 minutes
30
31
32

33 Typed by: Angela Crolli and Gabriela S. Portillo-Brenner

34 Proofed by: Stacey Campbell

CITY COUNCIL MEETING OF
March 17, 2004

VERBATIM TRANSCRIPT – ITEM 74

35 **MAYOR GOODMAN**

36 We turn to Item Number 74. Item 74 is discussion and possible action regarding a Six-Month
37 Review of a Tavern License, D. Westwood, Inc., doing business as Treasures, 2801 Westwood
38 Drive. This is in Ward 1.

39 For the record, I'm going to have to abstain. One of my sons, Ross Goodman, is an attorney who
40 represents Treasures on occasion.

41

42 **COUNCILMAN MACK**

43 Your Honor. Your Honor.

44

45 **MAYOR GOODMAN**

46 Yes.

47

48 **COUNCILMAN MACK**

49 On Item 74, I'd given a written, I've gotten written disclosure to the City Attorney and he's also
50 provided me with some language. Item 74 on March 17, 2004 City Council agenda is up for a
51 Six-Month Review of a Tavern License granted to D. Westwood, Inc., dba Treasures. My
52 business, Mack Consulting, has a contract with D. Westwood and provides marketing and
53 advertising advice. Do I need to read all this, Mr. Jerbic?

54

55 **BRAD JERBIC**

56 I don't think so. I think it's probably just sufficient that both you and the Mayor disclose that
57 your conflicts involve your relationship by contract, Councilman Mack, and your relationship
58 through your son's representation, Mayor. And that you received written opinion from counsel
59 regarding this conflict and it does exist and it's real under 281 and I think that having disclosed
60 those, I have extra copies, with your permission, I'd like to file with the Clerk.

61

62 **MAYOR GOODMAN**

63 Absolutely.

CITY COUNCIL MEETING OF
March 17, 2004

VERBATIM TRANSCRIPT – ITEM 74

64 **BRAD JERBIC**

65 I would also observe at this point in time that under NRS 241.0355, you have received a written
66 opinion from counsel stating forth with specificity the factual circumstances and an analysis
67 leading to the conclusion that you have a conflict of interest. And at this point in time the
68 quorum of the City Council has been reduced from seven to five. So, a three votes is what is
69 needed to carry today.

70

71 **COUNCILMAN MACK**

72 Thank you, Your Honor.

73

74 **MAYOR PRO TEM REESE**

75 Thank you. Any comments?

76

77 **COUNCILWOMAN McDONALD**

78 And, yes. I just want to, I'll be voting on Item 74, but need to disclose that I'm an outside
79 director for Station Casinos that holds privileged licenses for alcohol as this applicant. I've not
80 discussed these items with the company nor my affiliation impact my judgment. I've reviewed
81 these disclosures with the City Attorney as these itols (sic) will have no material impact on
82 Station Casinos.

83

84 **MAYOR PRO TEM REESE**

85 Thank you. I see our Mr. DiFiore is the, okay, I see the representative for the applicant. Mr.
86 DiFiore?

87

88 **JIM DiFIORE**

89 Mayor Pro Tem and members of the Council, today is the scheduled six-month review on the
90 temporary license for the liquor license granted to the applicant by the City Council on February
91 of 2001. A brief recap from that meeting and for the benefit of Councilwoman Moncrief, will
92 remind the Council that this license consideration was one which the Council granted based on a
93 higher standard condition that was motioned and approved and that condition including that if

CITY COUNCIL MEETING OF
March 17, 2004

VERBATIM TRANSCRIPT – ITEM 74

94 one conviction for solicitation of prostitution occurred, the City Council could revoke the –
95 tavern license. The – applicants, I believe, are here today. Mr. Fiorentino, Mr. David and
96 George Davari, who are the principals in the application itself.

97 I also want to suggest to the City Council today that a temporary license is a license which is
98 technically considered on probation and that the Council can consider the suitability of the
99 applicant, as well as the appropriateness of the business activity at the business location in
100 consideration for further action.

101 Today, with me, we have Detectives John Loretto and Detective Stacy Rodd and I'm going to
102 step aside for a moment for the Detectives to give a brief summary of the updated report.

103
104 **MAYOR PRO TEM REESE**

105 Before – you do that, Council members, are there any questions or concerns we need to bring
106 forward at this time? Seeing none, I would ask the Detectives to please step forward.

107
108 **JOHN LORETTO**

109 Mayor and Council, I'm Detective John Loretto with Metro's Special Investigations. I was here
110 on the initial investigation back in 2001. This is Detective Stacy Rodd. I'm here before you
111 today to discuss the six-month review of D. Westwood, Inc., doing business as Treasures, at
112 2801 Westwood.

113 On February 21st this Board approved the Davaris' Tavern and adult cabaret application with
114 some very high expectations. The expectations were for the Davaris to raise the bar in the Las
115 Vegas adult cabaret industry, which was referred to at that time as being set pretty low. It was
116 also thought that the investment that the Davaris were making would insure the compliance and
117 increase responsibilities and their community involvement. The Davaris continued to implement
118 new rules, policies and procedures at their business. Despite these efforts, business is still
119 operated as it was on day one, where undercover detectives observed several violations of erotic
120 dance regulation.

121 I would like to stand before you and state that the Davaris have done just what has been asked of
122 them by this board. However, that would not be a true account of what has been observed at
123 their business. It has been a hundred and seventy eight days between the time the business was

CITY COUNCIL MEETING OF

March 17, 2004

VERBATIM TRANSCRIPT – ITEM 74

124 open, September 16, 2003, and the last inspection conducted by our unit on March 11th, 2004.
125 This business continues to operate outside of the code and there have been no signs of
126 improvement. Special Investigations has issued the following citations at this business. The first
127 set of citations were to employees. There were 15 for violation of the erotic dance regulation.
128 There were three for work card address change. There was one employee who was cited for not
129 having a work card at all inside the establishment. There was no business license for massage
130 that was occurring there. Obstructing a police officer. Display of business license for the valet,
131 as the valet was operating without having a valid license to do so. In total, there was 22
132 violations issued to employees at this business.

133 The business themselves received, what we issue, are called non-compliances. There were 14
134 for allowing a violation of erotic dance code. Three work card address change violations.
135 Obstructing a police officer by a security officer. No business license for massage. Obstructing
136 a police officer by a waitress. No current employee list. In total they received 21 notices in non-
137 compliance. As far as our Vice Unit, they have made two visits to this establishment and that
138 has resulted in four arrest for entertainers, for four counts of prostitution, and three counts of the
139 erotic dance code violation.

140 In closing, I would like to add that Hassan Davari has asked at the 2000 February meeting, if the
141 Mayor would be fined if someone ran a red light in his City. Well, just as the Mayor takes
142 responsibility to what occurs in this City, I would ask now that we hold this business and their
143 owners responsible for what has occurred at their business. And you have before you my report,
144 which details everything that I've just said in brief. And now I would like to defer to Detective
145 Rodd.

146

147 **MAYOR PRO TEM REESE**

148 Thank you.

149

150 **STACY RODD**

151 Good morning Council, I'll be relatively brief and you do have before you a very in-depth
152 investigative report that both Detective Loretto and I worked on. Detective Loretto is, has had
153 the benefit of being on the enforcement team that has made the visits to some of these, so, he

CITY COUNCIL MEETING OF
March 17, 2004

VERBATIM TRANSCRIPT – ITEM 74

154 speaks from first-hand knowledge. I speak from knowledge of seeing the report, seeing the
155 citations and the violations and helping to coordinate the effort and bring it before you.

156 In that report we detail citable viol, (inaudible) citable violations – including prostitution and
157 license related transgressions, but other problems equally troubling. We have absentee
158 ownership, which contributes to this problem. We would expect that owners take responsibility
159 for their businesses, privileged, regulated, general, whatever. There's a responsibility by
160 ownership and we're not seeing that here.

161 We have the hindrance and prevention of officers who are out there conducting legitimate
162 investigations. In one instance, it wasn't even related to the club, except that's where the call
163 came from, but we're getting no cooperation with – any agencies other than Special
164 Investigations coming out to that club that may have to interview people or have some contact
165 with the club itself. So, we're running into obstruction issues there and that's a reference to
166 those, some of those citations that were issued.

167 We see employees announcing the presense, the presence, excuse me, of vice or police officers
168 when we enter the building to do enforcement. Why would this be necessary if there weren't
169 behavior that would have to be hidden? That question begs to be asked. I think, we, as the
170 police agency, understand exactly what's going on there, but I think you have a pretty good idea
171 also, but we want to bring that to your attention.

172 It's this, is this the behavior that we would except of any licensee, regardless of the type of
173 license. And is this the expectation of a business that came before you pledging and committing
174 to raising the bar, creating a new standard of behavior that would make you proud and honor the
175 license that you gave them. That's not what we're seeing here.

176 This business has exercised absolutely no corrective action as demonstrated by the citations and
177 the notices of non-compliance. We – find the same violations in repeated visits that have not
178 been addressed, have not been corrected, several issuing citations for the same violations over
179 and over again. And to be quite honest, those violations are – continuing without any noticeable
180 corrective action.

181 Finally, I would like to impress upon you that, to the Council, that the existence of the LVMPD
182 Vice Section, which has a finite number of officers with which to accomplish their mission, is to
183 work within the neighborhoods and the greater community to curb prostitution, to prevent child

CITY COUNCIL MEETING OF
March 17, 2004

VERBATIM TRANSCRIPT – ITEM 74

184 prostitution among runaways arriving here, to address the issue on the Strip and Downtown
185 areas, and within our gaming corridors as well. So, they're multi-tasked throughout the Valley
186 with a finite number of officers. It is not, nor should it be, a responsibility of theirs that they
187 have to assign themselves to any one particular business that is privileged or regulated in nature,
188 meeting a higher standard they're held to, because the management and owners refuse to govern
189 and regulate themselves. I think that is a reasonable expectation that you bestow upon them
190 when you issue a license. And that responsibility, although the police department accepts it with
191 specialized units, it should not be allowed to create a drain and a tax on a finite number of
192 officers to have to sit and baby sit one unit, one, excuse me, one business at the expense of the
193 rest of the community, because I guarantee, the rest of the community suffers when you take 10,
194 12 or 15 officers and have them, have to focus on any one or any group of businesses. There just
195 aren't enough bodies.

196 So, I wanted to express to you also that it's taxing to the police department to that section to have
197 to baby sit a business that is failing over and over to – regulate and to govern itself. And that
198 concludes my presentation.

199

200 **MAYOR PRO TEM REESE**

201 Could I just, have one question, Detective? Is this the only business like this that we have to
202 send that amount of officers to, I mean, your words, baby sit or do we have concerns the other
203 businesses like this also.

204

205 **STACY RODD**

206 The only other business is that, we monitor for regulation, for compliance with the regulations.
207 We see that this particular business has only been operating under its current ownership and
208 management for a short period of time, and we have acted upon the fact that they have
209 committed to raising the bar, that we wouldn't expect to find these things there.

**CITY COUNCIL MEETING OF
March 17, 2004**

VERBATIM TRANSCRIPT – ITEM 74

210 **MAYOR PRO TEM REESE**

211 So, those – are concerns that I have also, is that they did promise us, you know, they would raise
212 the bar when they come here. And so, I appreciate both of you being here today and giving us
213 this report.

214

215 **STACY RODD**

216 Very good. Thank you, Sir.

217

218 **MAYOR PRO TEM REESE**

219 Thank you.

220

221 **JOHN LORETTO**

222 Any other questions?

223

224 **MAYOR PRO TEM REESE**

225 Are there any other questions?

226

227 **COUNCILWOMAN McDONALD**

228 Yes, I do have a question.

229

230 **MAYOR PRO TEM REESE**

231 Yes.

232

233 **COUNCILWOMAN McDONALD**

234 So, just I kind of follow on Councilman Reese's question, so you're saying that the number of
235 violations and citations you've seen at this establishment deviate from the norm of what you see
236 at other establishments in this industry?

CITY COUNCIL MEETING OF
March 17, 2004

VERBATIM TRANSCRIPT – ITEM 74

237 **STACY RODD**

238 To be quite frank, I would say they are within the norm, possibly slightly above. The problem is,
239 this is – a business that has been open for a finite period of time. So, to be able to compare them
240 to businesses that have been open for extended periods of time, we'd have to measure the same
241 period of time. I will say that we're finding violations that we did not expect and did not hope to
242 find because we operate on the same representation that this business is going to set a new
243 standard. We're not go in there and find these things. And so we go in from the very beginning
244 to make sure, hey, listen, let's – make sure they're following up on their pledge and their
245 commitment. And we're finding the same activity that we find in other places. And for sure –

246

247 **JOHN LORETTO**

248 Can I (inaudible) real quick.

249

250 **COUNCILWOMAN McDONALD**

251 Go ahead.

252

253 **JOHN LORETTO**

254 Just, what he means to by starting at the very beginning, we had meetings with the owners before
255 the place opened. We had meetings with their attorneys before the place opened. We've had
256 those meetings since the place has been open. Our goal in Special Investigations is not to try to
257 go after any one business or the industry as a whole. As we all know, this industry is here in this
258 town, it's not going anywhere. Our goal is to bring these places into compliance. As soon as a
259 business is in compliance, it's just a monitoring phase. We go back there once every so often.
260 We go in, we're 20 minutes. We're out of the business, everything is fine, we can go on to
261 businesses that are high police calls, businesses that demand our attention.
262 What you have to understand about this business is we were there on seven visits as Special
263 Investigations. Only four of those visits were for enforcement activities. The other three visits
264 were for other stuff relating to the management, talking to the key employees of the business.
265 Every time we go to these places it isn't to go in there, write a ton of tickets and leave. Our goal
266 is to bring a business into compliance and that's what we've been working towards doing.

CITY COUNCIL MEETING OF
March 17, 2004

VERBATIM TRANSCRIPT – ITEM 74

267 **COUNCILWOMAN McDONALD**

268 And the only reason why I ask that question is, just, I'm trying to imagine in my mind what
269 business of this kind in this industry is fully in compliance all the time. It just seems like
270 impossible –

271

272 **STACY RODD**

273 I would like to tell you the name, but I couldn't.

274

275 **COUNCILWOMAN McDONALD**

276 That was, you know, kind of my – thought along that. Second question I have, are the people
277 that you're citing their employees or independent contractors?

278

279 **STACY RODD**

280 As the code reads, we define an employee as an independent contractor, a variation, anything
281 that pretty much is working there is an employee, other than the guy that's hired to come in and
282 fix to the air conditioning system.

283

284 **COUNCILWOMAN McDONALD**

285 Okay. And so, my hearing that you're recommending that we revoke the license based on the
286 activity?

287

288 **STACY RODD**

289 Again, we don't make a recommendation. We merely just present a report to you.

290

291 **COUNCILWOMAN McDONALD**

292 Okay, 'cause, I guess, Your Honor, the only thing, and I'll defer to the Councilwoman on how
293 she wants to proceed on, you know, this issue, but the only concern that I have is, whatever
294 standard that we're out there enforcing, if we're out there raiding, we should be raid everyone.

295 So, that whatever the standard is, we need to hold everyone to that standard, is my opinion.

CITY COUNCIL MEETING OF
March 17, 2004

VERBATIM TRANSCRIPT – ITEM 74

296 **JOHN LORETTO**

297 What I would present to you, as the enforcement squad, you're more than welcome to come
298 along with us and see exactly what we do. We can –

299

300 **COUNCILWOMAN McDONALD**

301 I don't – go to those establishments. You'll never see me on a tape.

302

303 **JOHN LORETTO**

304 We could sit down and explain in detail, as to what exactly what we do do, and is straight and
305 across the board. And actually, Mr. DiFiore has visited several establishment in your City with
306 us, and we regulate the City and County.

307

308 **COUNCILWOMAN McDONALD**

309 Right, but the only thing I have is that I want to make sure that if we come back a future
310 recommendation is to revoke this license with x amount of violations in these categories, then I
311 think that we have an obligation to say, anyone else out there who has x amounts in these
312 categories, whatever that bar is, high, low or whatever, I think we have to hold and apply that
313 standard across the board to everyone.

314

315 **STACY RODD**

316 If I could make a brief comment, Councilwoman, that is exactly the position that we take as well.
317 By the comments made by this Council when this item came before you before, a direct quote is
318 that the standard or the bar is pretty low now. So, we welcome establishments and owners who
319 say, you know what, we're going to create a new day and a new way and we're going raise this
320 bar and – give you an establishment where you're not going have to worry about these issues.
321 We're not going to allow it. We're not going have that here and – that's how we're going to
322 proceed. That's what we expect. We would love to see that industry wide and we would do
323 whatever we could to achieve that. And we will certainly, if the mechanisms are in place, hold
324 everybody accountable to that same standard. This was, in our opinion, the beginning of that
325 change, but when we go to the business we find that change hasn't taken place.

CITY COUNCIL MEETING OF
March 17, 2004

VERBATIM TRANSCRIPT – ITEM 74

326 **COUNCILWOMAN McDONALD**

327 Okay.

328

329 **COUNCILWOMAN MONCRIEF**

330 Excuse me, Your Honor.

331

332 **MAYOR PRO TEM REESE**

333 You know what –

334

335 **COUNCILWOMAN McDONALD**

336 I'll defer to the Councilwoman.

337

338 **MAYOR PRO TEM REESE**

339 – just what really scares me is, what happens when you're not there.

340

341 **STACY RODD**

342 That scares us too, Sir.

343

344 **MAYOR PRO TEM REESE**

345 Councilwoman?

346

347 **COUNCILWOMAN MONCRIEF**

348 This is in my Ward and used to be in Gary Reese's Ward and has moved over to mine now,
349 obviously, I'm new to the Council and so I wasn't there for the initial voting for this license. But
350 reading this confidential report on the sexual oriented businesses that the Davaris own in Texas, I
351 was, which is extremely graphic, I was very surprised. I'm surprised that this license was ever
352 given, but now that it is, that's not what we're discussing today. The issue today is the issues of
353 what the problems are, they are presently.

354 And there's a quote from Metro that there's a culture of lawlessness at this business that's
355 accelerating and is demonstrated by the ever-increasing number of violations and citations being

CITY COUNCIL MEETING OF
March 17, 2004

VERBATIM TRANSCRIPT – ITEM 74

356 documented by Metro's Special Investigation in Las Vegas Metro Police. In speaking to Metro
357 they ask the Davaris to hire like a third-party investigator, that they hire themselves, to watch
358 over their employees. I was wondering, could someone answer if they're looking into doing
359 this?

360

361 **STACY RODD**

362 I think that's a proposal and I think that –

363

364 **JOHN LORETTO**

365 Actually, from my understanding, I believe he's here today, who they hired. We spoke with Mr.
366 Fiorentino, who could probably address that better for you, as to the whole process.

367

368 **COUNCILWOMAN MONCRIEF**

369 Maybe he can come up so we can speak about this.

370

371 **MAYOR PRO TEM REESE**

372 Yeah. Mr. Fiorentino?

373

374 **MARK FIORENTINO**

375 Is it my turn?

376

377 **MAYOR PRO TEM REESE**

378 Yes. We will allow Mr. Fiorentino to make a few comments. Mark?

379

380 **MARK FIORENTINO**

381 No, I think, I, we would prefer to make a presentation.

382

383 **MAYOR PRO TEM REESE**

384 That's fine.

CITY COUNCIL MEETING OF
March 17, 2004

VERBATIM TRANSCRIPT – ITEM 74

385 **MARK FIORENTINO**

386 But if the question was, have we hired a private investigator to help us with enforcement issues,
387 the answer is yes, and I'm prepared to get into that in some detail when you're ready to let me
388 talk.

389

390 **MAYOR PRO TEM REESE**

391 Mr. Fiorentino?

392

393 **COUNCILWOMAN MONCRIEF**

394 I have numerous questions?

395

396 **MARK FIORENTINO**

397 I don't, I'm – sorry; I don't mean to be rude. But if, I – want to give them the complete
398 opportunity and when you're ready I'll –

399

400 **COUNCILWOMAN MONCRIEF**

401 I think they are ready.

402

403 **MARK FIORENTINO**

404 Okay. Can – Mr. Rowe join me

405

406 **MAYOR PRO TEM REESE**

407 Yes.

408

409 **MARK FIORENTINO**

410 – before you, cause I'm going to need some help.

411

412 **MAYOR PRO TEM REESE**

413 Yes.

CITY COUNCIL MEETING OF
March 17, 2004

VERBATIM TRANSCRIPT – ITEM 74

414 **MARK FIORENTINO**

415 Mayor Pro Tem and members of the Council, Mark Fiorentino and Russell Rowe, we represent
416 the owners of this establishment on this application, as we have had, I guess, now going on three
417 years when we started with the initial zoning issues.

418 The last place I wanna be is standing before you talking about these issues. I didn't want do it
419 three years ago, I didn't want do it today. I have learned in the last couple years more than I ever
420 wanted to learn about the operations of these clubs. I stood before you. Councilman Reese, you
421 remember, it was me who stood before you and said that we will raise the bar, and the concern at
422 the time was prostitution, prostitution-related offenses and drug-related activity. I said then, and
423 I'll say again today, absolutely a legitimate concern. You should not tolerate it. You should make
424 the Davaries, and everyone else who operates in this town, do whatever they can to ensure that
425 that doesn't take place.

426 And I wanna highlight some of the things we've been doing with both respect to that issue and
427 compliance in general. And I'm not sure exactly where to begin, but let's start with the
428 prostitution-related issues. Every person who comes to work at Treasures –

429

430 **MAYOR PRO TEM REESE**

431 If I could, Mark, I wanna put also on the record here today, I think it's important at this time that
432 everything, every comment that's been made, there has only been citations issued; there has not
433 been any convictions at all. This has, none of these cases have been in court. There have been no
434 convictions of any crimes committed at this location.

435

436 **MARK FIORENTINO**

437 That's absolutely correct. And I wanna point to a specific, perhaps, example in one of those
438 cases that, I think, demonstrates the point that there really are two sides to every story and this
439 one in particular.

440 But let's start with the prostitution-related offenses. Because, again, I think, there's nobody in
441 this room who would say, you shouldn't be doing everything you could. And if –, my clients
442 aren't doing everything they could, then you should revoke their license. You absolutely should.

CITY COUNCIL MEETING OF
March 17, 2004

VERBATIM TRANSCRIPT – ITEM 74

443 That's what they told you they were willing to not challenge, if you did, and that'd what I'm
444 gonna do again today.

445 Everybody who comes to work for Treasures, whether they are an employee or an independent
446 contractor, the dancers are independent contractors, they have to sign an independent contractor
447 agreement. We're gonna distribute to you just some highlights. We probably ought to get these
448 going around. I don't know if we gave you the contract. Take my word for it; they have to sign a
449 contract that requires them to comply with all state and local regulations, blah, blah, blah, blah,
450 blah. But it also allows them to, it allows us to submit them to background checks done by us. It
451 also warns them that they will be subject to either suspension or prohibition from dancing in the
452 club, if they conduct certain activities.

453 So, everybody signs this policy. Everybody signs it coming in. We are conducting background
454 checks. Councilwoman, we have hired a private investigator. It was always part of the plan, to
455 help us do the training, to help us do the background checks, and to help the management team
456 watch after their own employees. Unfortunately, he hasn't been on board for very long. He's on
457 board, and we told Metro we were gonna bring him on board. It took us a while to find someone
458 that everybody was comfortable with. Someone who was above reproach that if you, he told you
459 something, you could believe it. But it, it's ongoing.

460 So, we do background checks on dancers, or we will begin very soon doing background checks
461 on dancers. If that check reveals an institute of prostitution, or an instance of prostitution, they
462 are banned from the club. They prohibited from dancing in the club. Dancers who actually work
463 in the club, and this has been the case with the three citations that have been issued. If they are
464 issued a citation for prostitution, they are immediately placed on probation. If they are convicted,
465 they are prohibited from working in the club. If they are issued a second citation, whether the
466 first one resulted in a conviction or not, they are prohibited from working in the club. None of
467 the three cases have yet gone to trial. There have been no convictions, but none of those three
468 dancers have been back in the club since they had – well, one of them was, and the management
469 prohibited her from coming back. Not because she was convicted of prostitution, but because
470 they were worried that she was doing things that might lead to that. So, you're not – hearing the
471 whole part of the story.

CITY COUNCIL MEETING OF
March 17, 2004

VERBATIM TRANSCRIPT – ITEM 74

472 And that is the same with our managers. There have been, since the club opened in six – months
473 ago, plus or minus, the management has issued 51 suspensions and firings. Okay? They range
474 from independent contractors who are no longer allowed to come back in the club, to hosts, to
475 managers. Okay? I personally think they are doing everything they can to prohibit prostitution in
476 the club, with those regulations that are taking place. Could they do a better job of enforcing the
477 exotic dance code? Obviously, they can, based on the report that Metro gave you. Obviously,
478 every establishment in this town could do a better job of enforcing that code. If the standard
479 you're going to hold this to is there cannot be violations of the erotic dance code, then you
480 should revoke their license now no matter how hard the owners try. And they can improve.
481 They're willing to tell you they are. They need to improve in enforcing that portion of the code.
482 But, no matter how hard they try, you could walk in today and issue citations if that was what
483 you wanted to do.

484 With respect to the lack of cooperation, I take that as a personal assault. The, Metro is talking
485 about the Dennis Rodman incident. When I first learned about that incident, I read about it in the
486 newspaper. I called Mr. Davari immediately, and I called Metro immediately. And I said, you are
487 absolutely right, Metro. You should not tolerate that kind of behavior. If you're trying to do an
488 investigation and someone at the club tells you they won't give you information they have, you
489 should not tolerate it, and I told Mr. Davari he should not tolerate it. The two managers involved
490 were suspended for two weeks. I believe, one of them was ultimately fired later. And I said to
491 Metro, here's my cell phone number, here's my home phone number If you ever get in a
492 situation again where they are not cooperating in an investigation you're doing, you call me,
493 'cause I quit. I've not heard from Metro again. I think they were right. I have, to the best of my
494 knowledge, 'til today, I've heard no indication that they were not receiving cooperation in
495 ongoing investigations.

496 Finally, one final example to indicate to you that, I think, they are doing everything they can.
497 This morning, I read the police report and the police statement in one of the three prostitution
498 cases that's pending. The police report contains a statement in which the dancer allegedly said to
499 the vice officer who was doing the investigation, we need to be careful what we say in here,
500 because the floor hosts won't put up with it and they'll throw me out of here. Now that's the kind

CITY COUNCIL MEETING OF
March 17, 2004

VERBATIM TRANSCRIPT – ITEM 74

501 of stuff you need to hear if what you're really interested in is are they doing what they can to
502 prohibit prostitution in that club. And, I think, they are.

503 And, I'm here to stand before you again today and say, if somebody else has a better idea,
504 something in addition to what we can do, then tell us and we will do it. We summarized things
505 they're doing in the club that go beyond just signing in a – set of procedures. Mr. Rowe
506 personally audited the files of the dancers and employees at the club in the last couple days to
507 ensure that they're really following this, that if you – were reprimanded, there's something in the
508 file that shows that is there. The paperwork is there. We could bring in files and files to show
509 you that they are trying to do what they can. This is just a highlight that, for example, the third
510 point from the top, they have a very sophisticated computer system which makes the dancers
511 scan in and scan out when they leave, so they can detect violations with work cards, and they can
512 tell when the dancers are leaving the establishments to help monitor whether they're leaving with
513 patrons. All things that are evidencing that, if you're trying to put an end to prostitution, these are
514 the kind of things that you would be doing.

515 So, I stood before you. I read this transcript. I studied it. I regret I was ever here. I regret I ever
516 said anything about it at all. But this is what I said, and I don't think we're here today to back off
517 of this. There was at least ten minutes of discussion on this. What we said was, if there is a single
518 conviction for prostitution, I don't remember anybody ever saying that to you before, we
519 understand that you may revoke their license for that, and we agree that we will not challenge
520 that revocation in court for a similar proceeding. That hasn't changed today. There haven't been
521 any convictions today. I think Mr. Davari fully understands what he needs to do to make sure
522 there aren't any convictions. Some day there may be. A – person who's charged may never come
523 back to his club again and may never show up for a court hearing and get convicted of something
524 they were charged with.

525 So, although I didn't intentionally mean this at the time, when we came up with that statement
526 two years ago, I think it was the right thing to do. I think you ended up in the right place. I think
527 in your hearts, if you see activity that warrants the revocation of their license, you should take
528 that action. You should direct your staff to advise you to take that action. In my heart, I haven't
529 seen it. And, for whatever that's worth, and we should continue to do what we're doing. I'd be

CITY COUNCIL MEETING OF
March 17, 2004

VERBATIM TRANSCRIPT – ITEM 74

530 happy to answer any questions that any of you have, or the Councilwoman has, and we'll go
531 from there.

532

533 **COUNCILWOMAN MONCRIEF**

534 Thank you very much. I do –

535

536 **MAYOR PRO TEM REESE**

537 Councilwoman?

538

539 **COUNCILWOMAN MONCRIEF**

540 I just have a few questions. In reading this transcript, five times it was noted that, if there's a
541 conviction of prostitution, that the license will be revoked, but not a citation.

542

543 **COUNCILMAN WEEKLY**

544 Correct.

545

546 **COUNCILWOMAN MONCRIEF**

547 Mayor Goodman said, a single conviction for sexual – misconduct, and he says his clients are
548 ready to agree that the license would be revoked. You said that a single conviction will result in

549 them losing their license. Mayor Goodman said, that there's one conviction that you agree that

550 you'll have your license revoked. That is, do I understand that? The Mayor says, okay, under a

551 criminal law that there's a conviction okay that you agree whether you're sitting in Houston or in

552 your boat in the gulf, I don't care, that you agree you should have your license revoked, etc., etc.

553 So, um, I think today that I'd like to ask a couple questions. If Metro could please come back up.

554 Is it true that there still is a problem with upper management? That maybe they can work on their

555 upper management to get this under control.

556

557 **STACY RODD**

558 Councilwoman, coming from the law enforcement standpoint and working in this section, we

559 refuse to accept the – representation that there is nothing that can be done to stop these things

CITY COUNCIL MEETING OF
March 17, 2004

VERBATIM TRANSCRIPT – ITEM 74

560 from happening. I mean, we don't buy into that. If I owned a store, and I had problems with
561 theft, if it took me 24 hours a day to sit in my store and make sure that my things aren't walking
562 out the door, that's what I'm gonna do as the owner. I have an interest to protect. Maybe it's not
563 the same example, but the licensees have an interest to protect. Whatever it takes to prevent these
564 acts of prostitution, these acts of violation of erotic dance, the violations that are noted in your
565 report, I would think he would have a vested enough interest to, whether it meant hiring more
566 staff, whether it meant getting more private investigators on board. Whatever it takes to prevent
567 these violations, like he agreed to, that's I would think would – take place.

568 And, yes, this is, the direction – of any business comes from management and ownership,
569 because people will only do what they're allowed to do. Now, I'm not saying they actively
570 promote prostitution activities there, but it is taking place. It's being brought to their attention
571 that it's taking place, and it continues. So, ultimately the – management and the owners are
572 responsible for that. They know it's taking place. It's, the impetus is on them to prevent this.

573

574 **COUNCILWOMAN MONCRIEF**

575 (inaudible) I would like to hear today from the owners or their representation, you know, are they
576 going to possibly change their upper management or work with their upper management, and
577 hire more investigators. Is there anyone that would like to speak?

578

579 **MAYOR PRO TEM REESE**

580 Mark?

581

582 **MARK FIORENTINO**

583 The answer to that question is yes. We – have hired the private investigator. We're going to put
584 him –

585

586 **COUNCILWOMAN MONCRIEF**

587 Did you know we need that on the record?

CITY COUNCIL MEETING OF
March 17, 2004

VERBATIM TRANSCRIPT – ITEM 74

588 **MARK FIORENTINO**

589 Oh, I'm sorry. I thought I already put it on the record. One other thing, and again, I don't mean
590 any disrespect. Metro is doing their job. Mr. DiFiore's staff is doing their job. Their job is to
591 enforce the code, whether you, I or anybody else thinks it right, and point out what they think are
592 violations of the code. But if anybody in this room could tell me how to meet this standard, that
593 no one, who ever sets foot in that club can be convicted of a crime, whether it's prostitution or
594 not, what I can do to absolutely ensure that that will never be the case, then I'll like to hear it and
595 we'll do it.

596

597 **COUNCILWOMAN MONCRIEF**

598 The problem is that you're the one that stated that, when you gave these people, when we gave
599 the license.

600

601 **MARK FIORENTINO**

602 I said and I said it again today, if there's a conviction for prostitution in this club, you're well
603 within your rights to revoke it. We will not challenge that revocation in court as many, well, I
604 shouldn't say many, as others before us have attempted to do.

605

606 **COUNCILWOMAN MONCRIEF**

607 Okay. Thank – you.

608

609 **MARK FIORENTINO**

610 That's, in of itself, I submit to you, is raising the bar.

611

612 **COUNCILWOMAN MONCRIEF**

613 Thank you.

614

615 **MAYOR PRO TEM REESE**

616 Are there any questions? Mr. Fiorentino do you have anything else?

CITY COUNCIL MEETING OF
March 17, 2004

VERBATIM TRANSCRIPT – ITEM 74

617 **MARK FIORENTINO**

618 No, I'd like to go ahead on my zoning items in the County.

619

620 **MAYOR PRO TEM REESE**

621 Well, I'm glad to know where we stand, as far as your importance then. Mr. DiFiore, would you
622 please step forward. Councilwoman, do you have anything else you'd like to ask or say?

623

624 **COUNCILWOMAN MONCRIEF**

625 One more question. If there is a conviction of prostitution, this was a question asked by our staff
626 to me, will we have the right to revoke the license immediately or this, will this become, come
627 before Council again?

628

629 **COUNCILWOMAN McDONALD**

630 It's going to come before Council.

631

632 **MAYOR PRO TEM REESE**

633 Yes, it's going to be back before Council.

634

635 **COUNCILWOMAN McDONALD**

636 It's a revocation hearing.

637

638 **MAYOR PRO TEM REESE**

639 Mr. DiFiore, can you answer that for, on the record?

640

641 **JIM DiFIORE**

642 Well, I – guess that was the clarification I was wondering myself. Because of the transcripts and
643 the – motion that took place in 2001, I – wasn't really clear whether or not the day that there was
644 a conviction in court, if that should happen, whether or not that day the license is – automatically
645 revoked by the City Council or if it requires us to come back before the City Council for
646 disciplinary action.

CITY COUNCIL MEETING OF
March 17, 2004

VERBATIM TRANSCRIPT – ITEM 74

647 **MAYOR PRO TEM REESE**

648 Well I – my – opinion at the time was that it would have to come back before the City Council
649 for revocation. I think everybody deserves a hearing. So, that would be, does that answer the
650 question?

651

652 **COUNCILWOMAN MONCRIEF**

653 Yes, sir, it does.

654

655 **MAYOR PRO TEM REESE**

656 Are there any other questions or comments? Mr. DiFiore, at this time, I – feel like that, you
657 know, Metro has done a good job, and I also feel like that – Mr. Fiorentino has represented his
658 client as being able, wanting to work with us and to make sure that we don't have any problems
659 in this club. And – in other words, trying to raise the bar one more time. I feel that because we
660 haven't had any convictions at this time, I would like to hold this in abeyance for a three-month
661 period and maybe at that time, because we are trying to raise the bar, I think it's important that
662 we also see what's happening in other locations like business, like businesses.

663 So, I think it's important that we are staying on top of this issue here, and I know that there is a
664 huge investment at this location. And so I would just hope that the Davari brothers realize and
665 understand just how thin the ice is that they're skating on right now. I think that they may have
666 three months to show us, make changes, do whatever they have to do to make sure that when
667 they come back before us that there is a pos, a positive input on this subject, rather than, I think,
668 the negative that has been here, that has been shown here today. I think that we understand, as a
669 Council, what needs to be done, and I don't think that the City – Council here today would have
670 any problems doing what needs to be done. So, I think because we haven't had any convictions
671 at, as of this time, **I would move that we hold this in abeyance for three months and come**
672 **back with those reports for us.**

673

674 **JIM DiFIORE**

675 Mayor Pro Tem, if I could, before the motion is voted on, could I make three quick points.

CITY COUNCIL MEETING OF
March 17, 2004

VERBATIM TRANSCRIPT – ITEM 74

676 **MAYOR PRO TEM REESE**

677 Absolutely.

678

679 **JIM DiFIORE**

680 Okay. First of all, when the discussion was ensued with regard to employees and independent
681 contractors, we have a provision in Title 6.6.02, I believe it's 370, which makes the licensee for
682 any business responsible for the actions of their employees, agents, officers and members of that
683 particular business. So, whether an independent contractor or an employee, the licensee is
684 responsible for the actions of those individuals.

685

686 **MAYOR PRO TEM REESE**

687 Well, Mr. – DiFiore, I own a barbershop and I got two barbers working there; I'm responsible for
688 them.

689

690 **JIM DiFIORE**

691 Yes, you are. And, the second point is, I just want to make it clear to the Davaris that because of
692 the motion made in 2001, it doesn't absolve them from any other violations, whether this be
693 Business Licensing codes or a liquor code violations or an erotic dance code violations. And in –
694 addressing Mark's comment with regard what can they do, I'm not a novice at this. I've been an
695 investigator before I was a Manager here in Business Licensing. I've been involved in
696 investigations on – alcohol and non-alcohol related topless clubs, and one of – the things that I
697 see in Treasures that I haven't seen too frequently in other clubs is the fact that the erotic dance
698 code violations, and Metro does a good job in being prudent and – scrutinizing these before they
699 issue citations, but it's the erotic dance code violations that lead the customer to believe that
700 there is more to offer. And that leads to the – appearance that there is more prostitution, and –
701 that it can be bought and be available at that location. So, I think that it's kind of a two-fold
702 problem. It starts with the erotic dance code violations.

703 So, that would be my suggestion with regard to the whole thing. Personally, the last time I was
704 out there, March 5th, I observed with the Sergeant in the enforcement division, through the video
705 monitor, a – lady who was – topless and who was massaging the client and allowing the client to

CITY COUNCIL MEETING OF
March 17, 2004

VERBATIM TRANSCRIPT – ITEM 74

706 massage her. We brought this to the attention of management. We watched it and observed it
707 for 20 minutes and management agreed that should not be happening. What we observed was no
708 floor person, no floor manager walking by tapping the girl on the shoulder and saying, can't do
709 that, back off, which is pretty prevalent in the other clubs. The – ironic thing about this, about 30
710 to 45 minutes later, as we were leaving, we went back in that same room to view the monitor and
711 we saw the same thing happening over and over again, I think two or three times. And we –
712 brought it to management attention and we said we're leaving, we've got other things to do,
713 other places to go, take care of it. So –

14

715 **MAYOR PRO TEM REESE**

716 I just got a question. Okay. If he was there for 20 minutes and viewed this for 20 minutes and is
717 against the law, how come you didn't ask management to step in and stop this?

718

719 **JIM DiFIORE**

720 We asked management –

721

722 **MAYOR PRO TEM REESE**

723 And how come –

724

725 **JIM DiFIORE**

726 – we asked management to – look at it with us and tell us, is that in violation of your – policies?
727 Is it, do you believe that this should be happening? And they agreed no. Now, five minutes after
728 we left the room, that – young lady was brought into an area, discretely and she was issued a
729 citation for that particular offense. Again, I think the detectives indicated –

730

731 **MAYOR PRO TEM REESE**

732 Well, no, but –

733

734 **JIM DiFIORE**

735 – that we've –

CITY COUNCIL MEETING OF
March 17, 2004

VERBATIM TRANSCRIPT – ITEM 74

736 **MAYOR PRO TEM REESE**

737 – again, though, to me, it – looks to me that once management seen what was going on, they
738 were go in there and stop it right then.

739

740 **JIM DiFIORE**

741 Absolutely.

742

743 **MAYOR PRO TEM REESE**

744 Any other comments? Councilman Brown?

745

746 **COUNCILMAN BROWN**

747 Thank you, Mayor Pro Tem. Just a few. Back on February 21st, 2001, my first question, after
748 reading the Metro report on the Davari operations in Houston that dealt with perspective in
749 comparisons, and even today, I'm still not comfortable with that, and over the next three months
750 I certainly get with you, Mr. DiFiore, cause I think it's been brought up by some of my
751 colleagues. The industry, personally, I need a better perspective of where this club falls in with
752 our industry, not Houston now. And in the context of that hearing in 2001, the report was so
753 graphic and so lewd that I think that it certainly opened my eyes up, as far as what this industry
754 could be doing. Now, apparently that's not as prevalent in Las Vegas. But that was the context
755 of that licensing hearing was the dramatic going ons in Houston versus what we were trying to
756 license here in Las Vegas, and as Mr. Fiorentino said there's a, two sides of every story. The
757 good news that I've heard on this side of the ledger is in Houston there were significant fines,
758 there was drugs, there was prostitution and those were all convictions. Here, although there's
759 pending citations on prostitution, I heard no reference to any drugs and the fines, I'm not sure if
760 that information is – available yet. The – manual, so, there's so some positive, as far as to what
761 was committed to back in February '01.

762 But Metro's report is likewise very telling, as far as not only some minor violations, but some
763 serious activity occurring in the club. And this Council decided to raise the bar in 2001. My
764 second question during that 2001 hearing was addressed to, I think everyone at the time, was if
765 we're going to raise this bar or holding this application to a higher standard, what does that mean

CITY COUNCIL MEETING OF
March 17, 2004

VERBATIM TRANSCRIPT – ITEM 74

766 retroactively to the other clubs? Do they immediately get brought up to our new standard,
767 understanding the limited resources of Metro, they can't be everywhere and we certainly don't
768 want them to be everywhere. In – this industry is just impossible. But what implications does
769 that have. If – there's going to be some legal action taken by this City, are we on solid grounds,
770 as far as creating a new standard for one club and not holding the others to that same standard.
771 That likewise, I would like to have addressed over the next few months.

772

773 **MAYOR PRO TEM REESE**

774 That's a good question.

775

776 **COUNCILMAN BROWN**

777 But certainly, you know, it's disappointing because there were some commitments and promises
778 made on this record to raise the bar, and the bottom line is the owners are responsible for every
779 one of their employees. Seems to me, thanks to Metro's enlightening reports on this industry,
780 that it's inherit, there're certain things that are going to hap, happen in these clubs and their –job,
781 as the detective pointed out, is to try to enforce compliance. And enforcing compliance, I don't
782 think it's possible in this industry. Hopefully, they'll be the lesser of the – charges or the
783 citations that are issued, but when you come down to these independent contractors, and I'm
784 guessing there's thousands in Las Vegas alone, what happens from that allowable dance or
785 allowable activity and how it progresses to the minor offenses, to the major offenses, it just, it
786 seems to be, again, part of the overall industry that we're facing.

787 So, those are the two things over the next few months I'd like to get a better comfort level with
788 is, is just the comparison and for no other reason than to have some context in making some
789 decisions. And also –

790

791 **MAYOR PRO TEM REESE**

792 I couldn't get it either.

CITY COUNCIL MEETING OF
March 17, 2004

VERBATIM TRANSCRIPT – ITEM 74

793 **COUNCILMAN BROWN**

794 – Mr. Jerbic if we could, from a legal perspective, get – a little bit more understanding of the
795 policy, if it is in fact the policy that this Council set forth in holding the Davari brothers or
796 Treasures to this new standard, does that have any implications with the rest of the industry, as
797 far as Las Vegas goes.

798

799 **MAYOR PRO TEM REESE**

800 Thank you.

801

802 **COUNCILMAN BROWN**

803 Thank you.

804

805 **MAYOR PRO TEM REESE**

806 Council, thank you, Councilman. Councilwoman?

807

808 **COUNCILWOMAN McDONALD**

809 And yes, as we were compiling statistical data, I just, for my own education, would like to see
810 what type of citations are issued at downtown hotels, as it relates to solicitation of prostitution,
811 just to get a sense, because if we're gonna start, you know, closing people down, we may be
812 closing down a lot more than we think we are.

813

814 **MAYOR PRO TEM REESE**

815 Thank you. Any other comments?

816

817 **MARK FIORENTINO**

818 Mayor Pro Tem, before you vote.

819

820 **MAYOR PRO TEM REESE**

821 Yes, Sir.

**CITY COUNCIL MEETING OF
March 17, 2004**

VERBATIM TRANSCRIPT – ITEM 74

822 **MARK FIORENTINO**

823 Actually, the reason I came back up. Could we have an understanding today that three months
824 doesn't mean exactly three months, 'cause that's going get us into the summer holiday schedule
825 and could we just have an understanding that it isn't exactly three months. Let me be more
826 direct.

827

828 **MAYOR PRO TEM REESE**

829 Yes.

830

831 **MARK FIORENTINO**

832 Exactly –

833

834 **MAYOR PRO TEM REESE**

835 We need a date.

836

837 **MARK FIORENTINO**

838 – three months I'm supposed to be in San Diego with my family.

839

840 **MAYOR PRO TEM REESE**

841 We're – going have a date. Let's see, the second – meeting in –

842

843 **MARK FIORENTINO**

844 How about the second meeting in June?

845

846 **BARBARA JO RONE MUS**

847 It will be June 16.

848

849 **MAYOR PRO TEM REESE**

850 June 16th.

CITY COUNCIL MEETING OF
March 17, 2004

VERBATIM TRANSCRIPT – ITEM 74

851 **MARK FIORENTINO**

852 Okay.

853

854 **MAYOR PRO TEM REESE**

855 And again, I'd ask Mr. DiFiore, I do have concerns. Has there been any problems with drugs or
856 drug sales at this location?

857

858 **JIM DiFIORE**

859 Not –

860

861 **MAYOR PRO TEM REESE**

862 I, it wasn't mentioned so.

863

864 **JIM DiFIORE**

865 – not that it'd been brought to my attention.

866

867 **MAYOR PRO TEM REESE**

868 All right. I think that's a one – plus there. I know that there was a lot of problems in Houston at
869 the time. So, I'm – glad there's no problems there. Okay. You've heard the motion. Please,
870 cast your vote. Please, post. Motion carries. **(Motion carried with Goodman abstaining**
871 **because his son Eric Goodman is the attorney for Treasures and Mack abstaining because**
872 **his company Mack Consulting has a contract with Treasures)**

873

874 **MARK FIORENTINO**

875 Thank you.

876

877 **MAYOR PRO TEM REESE**

878 Thank you, Mr. DiFiore. Thank you, Mark.

879

(END OF DISCUSSION)

880 /ac/gpb/ac;sc

AGENDA MEMO

CITY COUNCIL MEETING DATE: MARCH 17, 2004

DEPARTMENT: FINANCE AND BUSINESS SERVICES

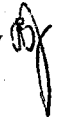
ITEM DESCRIPTION: Discussion and possible action regarding a Six-Month Review of a Tavern License, D. Westwood, Inc., dba Treasures, 2801 Westwood Drive

On February 21, 2001 the City Council approved this license subject to a six-month review after the date of opening (September 15, 2003) due to areas of concern in the police report.

A report from the Special Investigations Section, Las Vegas Metropolitan Police Department will be furnished to the City Council prior to the meeting.

Memorandum

City of Las Vegas Office of the City Attorney

To: Mayor Oscar B. Goodman
From: Bradford R. Jerbic, City Attorney 
CC:
Date: March 16, 2004
Re: ADVICE TO DISCLOSE AND ABSTAIN ON ITEM 74 OF THE MARCH 17, 2004-CITY COUNCIL AGENDA: DISCUSSION AND POSSIBLE ACTION REGARDING A SIX-MONTH REVIEW OF A TAVERN LICENSE, D. WESTWOOD, INC., D/B/A TREASURES

Item 74 of the March 17, 2004-City Council Agenda is a six-month review of the tavern license granted to D. Westwood, Inc., d/b/a Treasures.

Your son, Ross C. Goodman, Esq., is corporate counsel for D. Westwood, Inc., d/b/a Treasures. Three dancers have been arrested at Treasures, and charged with four counts of Soliciting an Act of Prostitution within the last six months. These charges are pending trial in the Las Vegas Municipal Court. Your son represents two of these dancers.

NRS 281.481(2) relevantly provides:

A code of ethical standards is hereby established to govern the conduct of public officers and employees:

....

A public officer or employee shall not use his position in government to secure or grant unwarranted privileges, preferences, exemptions or advantages for himself, any business entity in which he has a significant pecuniary interest, or any person to whom he has a commitment in a private capacity to the interests of that person. As used in this subsection:

(a) "Commitment in a private capacity to the interests of that person" has the meaning ascribed to "commitment in a private capacity to the interests of others" in subsection 8 of NRS 281.501.

Submitted at City Council

Date 3/17/04 Item #74

NRS 281.501(8) relevantly provides:

As used in this section, "commitment in a private capacity to the interests of others" means a commitment to a person:

....

(b) Who is related to him by blood, adoption or marriage within the third degree of consanguinity or affinity

Consideration of NRS 281.481(2) and the professional relationship your son has with D. Westwood, Inc., d/b/a Treasures and his two criminal clients compels me to advise you to disclose the foregoing and abstain from participation or voting on Item 74.

BRJ/WPH:ck

F:\WHENRY\Docs\Treasures.mem.wpd

Memorandum

City of Las Vegas Office of the City Attorney

To: Councilman Michael Mack
From: Bradford R. Jerbic, City Attorney 
CC:
Date: March 16, 2004
Re: ADVICE TO DISCLOSE AND ABSTAIN ON ITEM 74 OF THE MARCH 17, 2004-CITY COUNCIL AGENDA: DISCUSSION AND POSSIBLE ACTION REGARDING A SIX-MONTH REVIEW OF A TAVERN LICENSE, D. WESTWOOD, INC., D/B/A TREASURES

Item 74 of the March 17, 2004-City Council Agenda is a six-month review of the tavern license granted to D. Westwood, Inc., d/b/a Treasures.

Your business, Mack Consulting, LLC, has a contract with D. Westwood, Inc., d/b/a Treasures to provide marketing and advertising advice.

NRS 281.481(2) provides:

A code of ethical standards is hereby established to govern the conduct of public officers and employees:

....

A public officer or employee shall not use his position in government to secure or grant unwarranted privileges, preferences, exemptions or advantages for himself, any business entity in which he has a significant pecuniary interest, or any person to whom he has a commitment in a private capacity to the interests of that person.

Consideration of NRS 281.481(2) and the professional relationship you have with D. Westwood, Inc., d/b/a Treasures compels me to advise you to disclose the foregoing and abstain from participation or voting on Item 74.

BRJ/WPH:ck

F:\WHENRY\Docs\Treasures.mmo.wpd

Submitted at City Council

Date 3/17/04 Item # 74

TREASURES

Summary of Compliance Measures

Since its approval by the City Council, Treasures has endeavored to create a compliance program to assist with the implementation of all governmental regulations and to create a culture of compliance within Treasures. The following is a brief outline of the steps undertaken by Treasures to achieve this goal:

- Attempting to establish a working relationship with the Las Vegas Metropolitan Police Department and the City Business Licensing Department. For example, Treasures provided Metro and Business Licensing with copies of its Compliance Policy and Compliance Regulations for their review and comments. Additionally, although Treasures management deals directly with both Metro and the City, both have the mobile telephone numbers of Treasures owners should a problem arise which is not being addressed by management to Metro's or the City's satisfaction.
- Developed a broad Compliance Policy to govern the operation of the establishment. Convictions for solicitation or prostitution result in immediate termination for employees and immediate termination of the entertainer agreement for entertainers. The Policy also requires that violators of Title 6 of the City code receive, at a minimum, the following discipline:
 - For the first offense, the employee or entertainer is reprimanded and placed on probation pending the disposition of the violation.
 - For the second offense, the employee is suspended without pay for two weeks, while the entertainer is prohibited from performing at Treasures for two weeks.
 - For the third offense, the employee is terminated and the entertainer is prohibited from ever performing at Treasures in the future.
- Developed separate Compliance Regulations for management, employees and entertainers. Each set of regulations outlines specific City code requirements and Treasures policies for the respective positions. Each manager, employee and entertainer must read and sign their respective copy of the regulations as a condition to working at Treasures. The Regulations are updated as needed to address any areas of concern that may arise.
- Placed signs notifying employees and entertainers that prostitution and solicitation, and the use of illegal drugs, are strictly prohibited and shall result in immediate termination or dismissal.
- Installed a computerized fingerprint and database system for the tracking of each entertainer. Upon entry to the establishment, each entertainer's fingerprint is scanned, permitting Treasures to confirm the identity of the entertainer. The entertainer's work card is then scanned and compared to the computer database to determine whether the work card has expired. Only when these two procedures are completed will the entertainer be permitted to perform. The entertainer is not permitted to leave the establishment until she receives a receipt confirming that she is "checked out." This gives management the tools to know who is performing in Treasures at any given time, and provides a mechanism for enforcement of the rule that an entertainer cannot leave the establishment with any Treasures patron.
- Hired an independent private investigator to assist with the following:
 - Hiring appropriate personnel for management and security positions.
 - Providing training for management and security personnel.
 - Providing guidance on the implementation of the Compliance Policy.
 - Conducting background checks as necessary to achieve the above.
- Monitor and track all citations received by any employee or entertainer in order to implement disciplinary action as may be required under the Compliance Policy.

Submitted at City Council

Date 3/17/04 Item #74



Treasures

Compliance Policy

&

Compliance Regulations

Table of Contents

- 1. Compliance Policy**
- 2. Compliance Regulations: Management**
- 3. Compliance Regulations: Entertainers/Independent Contractors**
- 4. Compliance Regulations: Employees**

TREASURES

COMPLIANCE POLICY

Overview

The owners of Treasures have adopted and will enforce a "no tolerance" compliance policy. All managers, employees and entertainers will be required to abide by all applicable state, county and city regulations governing the operation of erotic dance entertainments and liquor establishments, and also abide by all club policies. The purpose and goal of Treasures' compliance policy is to foster an environment that encourages full compliance with all laws and regulations governing Treasures.

Club managers, employees and entertainers will be trained, both prior to beginning work and on a continuing basis. Training will include a comprehensive review of all applicable laws, regulations and club policies, and a detailed system of enforcement. Enforcement will be the responsibility of all managers, employees and entertainers. Any person who participates in illegal conduct, or who knowingly allows such conduct to occur will be disciplined and/or terminated, or prohibited from performing at Treasures, as the case may be.

Treasures' compliance policy also includes a reporting system to ensure that managers and owners are continuously advised on all matters affecting club operations. Employees and entertainers are required to report to a manager whenever they witness activity that violates any law or regulation. Club managers, in turn, are required to provide a report to club owners at least twice per month.

The following pages detail the job requirements and responsibilities relating to Treasures' compliance policy. The requirements are in addition to other general club policies and detailed regulations governing management, entertainers and employees. All questions should be referred to a manager.

General Requirements **(Applies To All Employees and Entertainers)**

1. All employees and entertainers must have a valid, unexpired work card prior to working in the club.
2. Employment applications must be signed by the applicant. The applicant will be required to disclose any criminal convictions he or she has had in the last five (5) years. The club will not hire any person who has been convicted of any crime involving prostitution or illegal drugs within five (5) years of the application date. The club also reserves the right to refuse employment to any person who is arrested or convicted for any other reason.

3. Any employee convicted of a crime involving prostitution or illegal drugs during the person's employment with the club will be immediately terminated. Any entertainer convicted of a crime involving prostitution or illegal drugs during the person's employment with the club will be prohibited from any future use of the facilities at Treasures and the Entertainer Agreement will be terminated.
4. All employees and entertainers must complete a training course on the applicable laws and regulations governing adult entertainment and liquor licensees. Employees and entertainers will be required to sign a document evidencing completion of the course and understanding of the law prior to working in the club.
5. Any employee or entertainer who participates in any activity that violates Title 6 of the Las Vegas Municipal Code, or who knowingly allows such activity to occur, will be disciplined as follows:
 - For the first offense, the employee or entertainer will be reprimanded and placed on probation. A report of the reprimand will be retained in the appropriate personnel file for a period of six (6) months. The period of probation will be determined by management based upon the severity of the offense, or until the determination of any pending citation. Management may immediately suspend an employee or entertainer based upon the severity of the offense, repeated violations, and/or the surrounding circumstances.
 - For a second offense, the employee will be suspended, without pay, for a minimum period of two (2) weeks, and the entertainer will be prohibited from performing at Treasures for a minimum period of two (2) weeks. The suspension period may be extended by management based upon the severity of the offense, repeated violations, and/or the surrounding circumstances.
 - For the third offense, the employee will be terminated and prohibited from any future employment in the club, and the entertainer will be prohibited from performing at Treasures and the Entertainer Agreement will be terminated.
6. Any employee who consumes illegal drugs, or who engages in prostitution or solicitation of prostitution, while working in the club may be immediately terminated and prohibited from any future employment in the club. An entertainer who consumes illegal drugs, or who engages in prostitution or solicitation of prostitution, while performing at the club may be immediately removed from the premises and prohibited from performing at Treasures, and may result in termination of the Entertainer Agreement.
7. Any employee or entertainer who reports to work while either intoxicated or under the influence of illegal drugs will be disciplined as follows:
 - For the first offense, the employee will be suspended, without pay, for a period of two (2) weeks, and the entertainer will be prohibited from use of the facilities at Treasures for a period of two (2) weeks.

- For the second offense, the employee will be terminated and prohibited from any future employment in the club, and the entertainer will be prohibited from performing at Treasures and the Entertainer Agreement will be terminated.

Manager Requirements

1. Club managers have the primary responsibility for ensuring that: (a) the club operates in compliance with all applicable laws and regulations; and (b) the club's owners receive regular reports on club operations.
2. Club managers will be required to conduct training sessions for all employees and entertainers. The sessions will include a study of each of the following:
 - The provisions of Title 6 of the Las Vegas Municipal Code governing erotic dance establishments and liquor licensees.
 - Club policies regarding proper conduct when dealing with customers, entertainers and employees.
 - Club policies regarding the reporting of any activity that violates any applicable law or regulation.
3. Each club manager shall take an active role in ensuring compliance with club policies and all applicable laws and regulations. Managers are required to supervise club operations throughout their entire shift, and to promptly take action deemed appropriate to ensure compliance.
4. Club managers will be responsible for enforcing all of the club's policies regarding the hiring, training and disciplining (including termination) of club employees, and for the engagement, oversight and action against entertainers in violation of applicable laws and/or club policies.
5. Each manager shall, at least twice per month, report the following to the club owners:
 - Any report the manager has received, regardless of the source of the report, regarding: (a) activity that is either illegal or violates club policy; and (b) the action taken for each reported activity.
 - Any activity the manager witnessed that was illegal or violated club policy, and the action taken.
 - Any citation, notice of noncompliance, complaint or notification received from any governmental or law enforcement agency, and the action taken.
 - Any disciplinary action the manager took during the reporting period that related to the club's compliance policies.

- Any recommendations that the manager deems appropriate to ensure continued compliance with club policies and the applicable laws and regulations.
6. Failure to comply with any of these requirements will result in disciplinary action and/or termination.

Entertainer Requirements

1. Prior to beginning work in the club, all entertainers must sign a certificate that indicates they have read and understand: (a) the provisions of Title 6 of the Las Vegas Municipal Code governing erotic dance establishments and liquor licensees; (b) club policies regarding proper conduct of employees and entertainers; and (c) club policies regarding suspension and/or termination of employees and entertainers who fail to comply with either the applicable provisions or club policy.
2. Prior to beginning work in the club, all entertainers must provide proof that:
 - She is at least twenty-one (21) years of age; and
 - She has a valid, unexpired work card.
3. Entertainers must notify a manager immediately if any of the following occurs:
 - The entertainer sees a potential conflict arising between customers.
 - The entertainer sees any customer or employee in possession of a weapon.
 - A customer or employee tries to sell the entertainer drugs or asks the entertainer for drugs.
 - A customer tries to solicit prostitution.
4. An entertainer must not, under any circumstances:
 - Publicly display or expose any portion of her genitals in any area of the club open to the public;
 - fondle or caress any customer;
 - allow herself to be fondled or caressed by any customer; or
 - engage in prostitution, solicitation of prostitution, or pandering.
5. Failure to comply with these requirements will result in disciplinary action, which may include loss of privileges to perform at Treasures on a temporary or permanent basis and/or termination of the Entertainer Agreement.

Additional Compliance / Security Measures

1. Metal detectors may be installed at all customer entry points to the club. Weapons will be prohibited.
2. The club owners may, if deemed necessary, contract with private, undercover security personnel to provide them monthly reports on potential prostitution, drug or other illegal activity. The identity of these personnel will be known only to the owners. Any employees involved in such activity will be terminated.
3. The club owners will meet with City and LVMPD enforcement officials on an as needed basis to report on the status of all compliance related issues.

TREASURES

COMPLIANCE REGULATIONS

MANAGEMENT

In addition to management compliance with each of the following regulations, it is management's *primary* responsibility to ensure *all* persons working at Treasures comply with Treasures' compliance policy and compliance regulations.

1. **Prostitution:** Prostitution, solicitation of prostitution, and pandering is prohibited in the City of Las Vegas. Management is responsible for ensuring compliance with and enforcement of the prohibition of these activities in Treasures. Failure to properly to do so will subject management to discipline pursuant to Treasures' Compliance Policy.
2. **Entertainer/Customer Contact:** No entertainer shall fondle or caress any patron, and no patron shall fondle or caress any entertainer. "Fondle or caress" means conduct or affectionate touching that is intended to sexually arouse (may include "sexual conduct"). "Sexual conduct" means the engaging in or the commission of an act of sexual intercourse, oral-genital contact, or the touching of the sexual organ, pubic region, buttock or female breast of a person for the purpose of arousing or gratifying the sexual desire of another person.
To simplify this rule remember the following: Neither an entertainer nor a patron can touch the other's breast, buttock or genital area. To do so would be considered fondling or caressing in a sexual manner. This is prohibited in the City of Las Vegas.
Management is responsible for ensuring compliance with and enforcement of this rule. Failure to enforce this rule will subject management to discipline pursuant to Treasures' Compliance Policy.
3. **Exposure:** No person shall publicly display or expose, with less than a full opaque covering (not transparent or see-through), any portion of a person's genitals, pubic area or buttocks in a lewd and obscene fashion.
It is unlawful for any person, while acting as an employee, waiter, waitress, performer or entertainer in any live act, play, demonstration or exhibition or while serving food or drink to any customer, to do any of the following acts on the premises where alcoholic beverages are licensed to be sold:
 - Expose his or her genitals, pubic hair, perineum, anal region or pubic hair region; or
 - Expose or use any device, costume or covering which gives the appearance of or simulates the genitals, pubic hair, perineum, anal region or pubic hair region.A person shall be deemed to be a waiter, waitress, performer or entertainer if such person acts in that capacity without regard to whether or not such person is paid any compensation. It is unlawful for any licensee, agent or employee to allow, cause, permit, procure, counsel or assist any person to perform any of the acts set forth above on the premises where alcoholic beverages are licensed or sold. No entertainer shall serve or handle food or beverage.

4. **Entertainer Records:** Management shall record and maintain a list containing the name, age, address and work card (new and renewal) of each entertainer for a period of three years. This list shall be submitted to LVMPD on a monthly basis.
5. **Entertainer's Work Card:** No entertainer shall work at Treasures without a valid, unexpired work card. Note that work cards may be denied for fraudulent statements on the application, for crimes of fraud, prostitution or solicitation within the last two years, and for code violations within the last year. Work card information shall be recorded and maintained as per item four above.
6. **Entertainer's Age:** An entertainer shall not be employed unless proof is provided that she is at least twenty-one (21) years of age.
7. **Dance Areas:** Dancing shall only take place within an area which is visible:
 - Immediately upon entrance to the establishment premises;
 - Immediately from the entry room;
 - Immediately from one fixed staffed security station; or
 - Immediately from a service bar area of the establishment's premises.However, no erotic dancing shall be visible to the outside sidewalk or street areas. Dance areas must not be obscured by any curtain or door that restricts view from one of the above-described areas. Patrons are not allowed to enter private rooms with entertainers. Video cameras and supervised monitors qualify as meeting the "one fixed staffed security station" requirement.
8. **Video Cameras:** Management is responsible for ensuring that all video cameras are working properly at all times, and for training employees charged with supervising the video monitors in conduct prohibited by law.
9. **Drugs/Alcohol:** Any person who consumes illegal drugs while working in the club will be immediately terminated and prohibited from any future employment in the club. Any person who reports to work while either intoxicated or under the influence of illegal drugs will be disciplined per the penalties outlined in the regulations for employees and entertainers.
10. **Violation of City Code:** Any person who participates in any activity that violates Title 6 of the Las Vegas Municipal Code (attached), or who knowingly allows such activity to occur, will be disciplined per the penalties outlined in the regulations for employees and entertainers. Management is responsible for ensuring compliance with and enforcement of Title 6. Failure to do so will subject management to discipline pursuant to Treasures' Compliance Policy.
11. **Tipping Taxicabs:** No person working at Treasures may provide a gratuity, tip or other form of compensation to any taxicab driver for diverting or attempting to divert a prospective customer from any commercial establishment to Treasures.

12. **Tips from Entertainers:** Entertainers shall not provide a gratuity, tip or other form of compensation to management, security or other persons charged with enforcing provisions of Title 6 of the Las Vegas Municipal Code regulating entertainer conduct.
13. **Liquor License:** All licenses must be conspicuously displayed. Service of alcohol is prohibited without a valid liquor license. Management must understand that a liquor license, like a sexually oriented business license, is granted as a matter of privilege not of right. The license is subject to *suspension or revocation* by the City of Las Vegas for violations of the code. It is management's responsibility to ensure compliance with and enforcement of the liquor code.
14. **Work Cards, Liquor:** The following individuals must have a valid, unexpired work card to be employed in the retail sale of alcoholic beverages:
- A manager; and,
 - Any employee who pours or serves alcoholic beverages for on premises consumption.
15. **Unlawful Sale of Liquor:** City code prohibits the sale of any alcoholic beverage:
- Without a valid unexpired license;
 - To a person who is intoxicated;
 - For delivery to a personal residence pursuant to a telephone call request;
 - Through a drive-in or walk-up window, door or other opening;
 - In any manner not authorized by the license; or
 - By a person who is intoxicated.
16. **Sale of Alcohol to Minor:** It is unlawful to sell, serve, give away or dispense alcohol to a minor. It is a defense to any criminal prosecution or proceeding for the suspension or revocation of any license that the licensee, agent or employee, immediately prior to furnishing the alcoholic beverage to a minor, demanded and was shown a bona fide documentary evidence of the age and identity of the minor issued by a governmental agency, including a motor vehicle operator's license.
Management shall require all employees serving alcohol to demand proof of age from any customer who appears to be 30 years of age or younger.
17. **Employee Age, Liquor:** It is unlawful for any person to employ a person under the age of 21 to sell or handle alcoholic beverages, or to allow a person under the age of 21 to sell or handle alcoholic beverages at such person's place of business. Management is responsible for ensuring all employees at Treasures are at least 21 years of age.
18. **Alcohol Awareness Program:** No person may be employed by a licensee to serve, sell, distribute alcoholic beverages, or perform security guard functions unless such person has successfully completed a comprehensive alcohol awareness training course of not less than four hours in duration and has completed an alcohol awareness training refresher course not less than two hours in duration every five years from the date of their most recent course certification. The alcohol awareness training card, or a copy thereof, must be available during the work shift on the premises where the employee is serving, selling or distributing alcoholic beverages for inspection by Metro, the City or other government personnel.
Licenses of all licensees which do not comply with the requirements of alcohol awareness

certification are *automatically suspended* until compliance is shown.

Management shall be responsible for ensuring all employees serving, selling or distributing alcoholic beverages, or performing security guard functions, are properly certified.

19. Management Report: Each manager shall, on the 1st and 15th of each month, report the following to the club owners (sample form is attached):

- Any report the manager has received, regardless of the source of the report, regarding: (a) activity that is either illegal or violates club policy; and (b) the action taken for each reported activity.
- Any activity the manager witnessed that was illegal or violated club policy, and the action taken.
- Any citation, notice of noncompliance, complaint or notification received from any governmental or law enforcement agency, and the action taken.
- Any disciplinary action the manager took during the reporting period that related to the club's compliance policies.
- Any recommendations that the manager deems appropriate to ensure continued compliance with club policies and the applicable laws and regulations.

Management shall immediately report to the club owners occurrence of any of the first three items listed above.

I have fully read and understand the regulations set-out above. Any regulations which I did not understand or for which I had questions, I was given an opportunity to have the regulations further explained to me. I agree to abide by all state and local laws governing Treasures and all compliance regulations required by Treasures, and I agree to cooperate fully with Treasures' legal counsel with respect to the same.

Name

Date

Signature

TREASURES

Bi-Monthly Management Report

Name: _____

Date: _____

Any report received, regardless of the source of the report, regarding: (a) activity that is either illegal or violates club policy; and (b) the action taken for each reported activity.

Any activity witnessed that was illegal or violated club policy, and the action taken.

Any citation, notice of noncompliance, complaint or notification received from any governmental or law enforcement agency, and the action taken.

Any disciplinary action taken during the reporting period that related to the club's compliance policies.

Any recommendations deemed appropriate to ensure continued compliance with club policies and the applicable laws and regulations.

TREASURES

COMPLIANCE REGULATIONS

ENTERTAINERS/INDEPENDENT CONTRACTORS

Entertainers shall be required to read, understand and comply with all of the following regulations. Entertainers shall comply with all the applicable laws, rules and regulations for the United States, State of Nevada, County of Clark and the City of Las Vegas. Specifically, entertainers agree to comply with all applicable provisions of the Las Vegas Municipal Code governing prostitution, solicitation, and conduct of entertainers in erotic dance establishments. These provisions are applicable to all other clubs similarly situated in the City of Las Vegas. Failure to comply with the following regulations may subject the entertainer to discipline pursuant to Treasures' Compliance Policy and/or termination of the Entertainer Agreement.

1. **Prostitution:** Prostitution, solicitation of prostitution, and pandering is prohibited in the City of Las Vegas. Any entertainer engaged in such conduct shall be immediately removed from the premises and subject to discipline pursuant to Treasures' Compliance Policy.
2. **Entertainer/Customer Contact:** No entertainer shall fondle or caress any patron, nor permit a patron to fondle or caress any entertainer. "Fondle or caress" means conduct or affectionate touching that is intended to sexually arouse (may include "sexual conduct"). "Sexual conduct" means the engaging in or the commission of an act of sexual intercourse, oral-genital contact, or the touching of the sexual organ, pubic region, buttock or female breast of a person for the purpose of arousing or gratifying the sexual desire of another person.
Any entertainer violating this rule shall be immediately removed from the premises and subject to discipline pursuant to Treasures' Compliance Policy.
3. **Exposure:** No entertainer shall publicly display or expose, with less than a full opaque covering (not transparent or see-through), any portion of her genitals, pubic area or buttocks in a lewd and obscene fashion.
Any entertainer failing to comply with this rule shall be immediately removed from the premises and subject to discipline pursuant to Treasures' Compliance Policy.
4. **Work Card:** No entertainer shall perform at Treasures without a valid, unexpired work card. Each entertainer must present her work card to management prior to entering the club. Note that work cards may be denied for fraudulent statements on the application; for crimes of fraud, prostitution or solicitation within the last two (2) years, and for code violations within the last year.

5. **Age:** Each entertainer must provide proof to management that she is at least twenty-one (21) years of age prior to entering the club.
6. **Tips by Entertainers:** Entertainers shall not provide a gratuity, tip or other form of compensation to management, security or other person charged with enforcing provisions of Title 6 of the Las Vegas Municipal Code regulating entertainer conduct.
7. **Drugs/Alcohol:** An entertainer who consumes illegal drugs while performing at the club shall be immediately removed from the premises and prohibited from any future use of the facilities at Treasures, and shall result in termination of the Entertainer Agreement. Any person who reports to work while either intoxicated or under the influence of illegal drugs shall be subject to the following:
 - For the first offense, the entertainer will be prohibited from performing at Treasures for a period of two (2) weeks.
 - For the second offense, the Entertainer Agreement will be terminated and the entertainer will be prohibited from performing at Treasures.
8. **Violation of City Code:** An entertainer performing at Treasures who participates in any activity that violates Title 6 of the Las Vegas Municipal Code, or who knowingly allows such activity to occur, shall be subject to the following:
 - For the first offense, the entertainer will be reprimanded and placed on probation. A report of the reprimand will be retained in the appropriate personnel file for a period of six (6) months. The period of probation will be determined by management based upon the severity of the offense, or until the determination of any pending citation. Management may immediately suspend an employee or entertainer based upon the severity of the offense, repeated violations, and/or the surrounding circumstances.
 - For a second offense, the entertainer will be prohibited from performing at Treasures for a minimum period of two (2) weeks. The suspension period may be extended by management based upon the severity of the offense, repeated violations, and/or the surrounding circumstances.
 - For the third offense, the entertainer will be prohibited from performing at Treasures and the Entertainer Agreement will be terminated.

I have fully read and understand the regulations set out above. Any regulations which I did not understand or for which I had questions, I was given an opportunity to have the regulations further explained to me. I agree to abide by all state and local laws governing Treasures and all compliance regulations required by Treasures, and I agree to cooperate fully with Treasures management and legal counsel with respect to the same.

Name

Date

Signature

TREASURES

COMPLIANCE REGULATIONS

EMPLOYEES

Employees shall be required to read, understand and comply with all of the following regulations. Failure to comply may result in disciplinary action pursuant to Treasures' Compliance Policy.

1. **Exposure:** No person shall publicly display or expose, with less than a full opaque covering (not transparent or see-through), any portion of a person's genitals, pubic area or buttocks in a lewd and obscene fashion.

It is unlawful for any person, while acting as an employee, waiter, waitress, performer or entertainer in any live act, play, demonstration or exhibition or while serving food or drink to any customer, to do any of the following acts on the premises where alcoholic beverages are licensed to be sold:

- Expose his or her genitals, pubic hair, perineum, anal region or pubic hair region; or
- Expose or use any device, costume or covering which gives the appearance of or simulates the genitals, pubic hair, perineum, anal region or pubic hair region.

A person shall be deemed to be a waiter, waitress, performer or entertainer if such person acts in that capacity without regard to whether or not such person is paid any compensation.

It is unlawful for any licensee, agent or employee to allow, cause, permit, procure, counsel or assist any person to perform any of the acts set forth above on the premises where alcoholic beverages are licensed or sold. No entertainer shall serve or handle food or beverage.

2. **Entertainer/Customer Contact:** No entertainer shall fondle or caress any patron, and no patron shall fondle or caress any entertainer. "Fondle or caress" means conduct or affectionate touching that is intended to sexually arouse (may include "sexual conduct"). "Sexual conduct" means the engaging in or the commission of an act of sexual intercourse, oral-genital contact, or the touching of the sexual organ, pubic region, buttock or female breast of a person for the purpose of arousing or gratifying the sexual desire of another person.
3. **Prostitution:** Prostitution, solicitation of prostitution, and pandering is prohibited in the City of Las Vegas. Any person working at Treasures must report to management any knowledge of any such conduct. Failure to do so shall subject the employee to disciplinary action pursuant to Treasures' Compliance Policy.
4. **Work Card:** No employee, including security guards, shall work at Treasures without a valid, unexpired work card. Note that work cards may be denied for fraudulent statements on the application, for crimes of fraud, prostitution or solicitation within the last two (2) years, and for code violations within the last year.

5. **Tipping Taxicabs:** No person working at Treasures may provide a gratuity, tip or other form of compensation to any taxicab driver for diverting or attempting to divert a prospective customer from any commercial establishment to Treasures.
6. **Drugs/Alcohol:** Any person who consumes illegal drugs while working in the club will be immediately terminated and prohibited from any future employment in the club. Any person who reports to work while either intoxicated or under the influence of illegal drugs will be disciplined as follows:
 - For the first offense, the employee will be suspended, without pay, for a period of two (2) weeks.
 - For the second offense, the employee will be terminated and prohibited from any future employment in the club.
7. **Violation of City Code:** Any employee or entertainer who participates in any activity that violates Title 6 of the Las Vegas Municipal Code (attached), or who knowingly allows such activity to occur, will be disciplined as follows:
 - For the first offense, the employee will be reprimanded and placed on probation. A report of the reprimand will be retained in the appropriate personnel file for a period of six (6) months. The period of probation will be determined by management based upon the severity of the offense, or until the determination of any pending citation. Management may immediately suspend an employee or entertainer based upon the severity of the offense, repeated violations, and/or the surrounding circumstances.
 - For a second offense, the employee will be suspended, without pay, for a minimum period of two (2) weeks. The suspension period may be extended by management based upon the severity of the offense, repeated violations, and/or the surrounding circumstances.
 - For the third offense, the employee will be terminated and prohibited from any future employment in the club.
8. **Work Cards, Liquor:** The following individuals must have a valid, unexpired work card to be employed in the retail sale of alcoholic beverages:
 - A manager; and,
 - Any employee who pours or serves alcoholic beverages for on premises consumption.
9. **Unlawful Sale of Liquor:** City code prohibits the sale of any alcoholic beverage:
 - Without a valid unexpired license;
 - To a person who is intoxicated;
 - For delivery to a personal residence pursuant to a telephone call request;
 - Through a drive-in or walk-up window, door or other opening;
 - In any manner not authorized by the license; or
 - By a person who is intoxicated.
10. **Sale of Alcohol to Minor:** It is unlawful to sell, serve, give away or dispense alcohol to a minor. It is a defense to any criminal prosecution or proceeding for the suspension or revocation of any license that the licensee, agent or employee, immediately prior to furnishing the alcoholic beverage to a minor, demanded and was shown a bona fide documentary evidence of the age and identity of the minor issued by a governmental agency, including a motor vehicle

operator's license.

All employees serving alcohol to must demand proof of age from any customer who appears to be 30 years of age or younger.

11. **Alcohol Awareness Program:** No person may be employed by a licensee to serve, sell, distribute alcoholic beverages, or perform security guard functions unless such person has successfully completed a comprehensive alcohol awareness training course of not less than four hours in duration and has completed an alcohol awareness training refresher course not less than two hours in duration every five years from the date of their most recent course certification.

The alcohol awareness training card, or a copy thereof, must be available during the work shift on the premises where the employee is serving, selling or distributing alcoholic beverages for inspection by Metro, the City or other government personnel.

Licenses of all licensees which do not comply with the requirements of alcohol awareness certification are automatically suspended until compliance is shown.

I have fully read and understand the regulations set-out above. Any regulations which I did not understand or for which I had questions, I was given an opportunity to have the regulations further explained to me. I agree to abide by all state and local laws governing Treasures and all compliance regulations required by Treasures, and I agree to cooperate fully with Treasures management and legal counsel with respect to the same.

Name

Date

Signature

CITY COUNCIL MINUTES
MEETING OF
FEBRUARY 21, 2001

Page 1

VERBATIM TRANSCRIPT: ITEM 73 – DISCUSSION AND POSSIBLE ACTION REGARDING CHANGE OF OWNERSHIP AND BUSINESS NAME FOR A TAVERN LIQUOR LICENSE FROM RANGER BUILDING CORPORATION, DBA RANGER BUILDING CORPORATION TO D. WESTWOOD, INC., DBA THE BOARD ROOM, ALI DAVARI AND HASSAN DAVARI

MAYOR GOODMAN

Item No. 73, discussion and possible action regarding change of ownership and business name for a tavern liquor license, subject to the provisions of the fire codes and Health Department regulations, from Ranger Building Corporation, doing business as Ranger Building Corporation to D. Westwood, Inc., doing business as The Board Room, located at 2801 Westwood Drive. The recommendation is to be made following the discussion of the investigation by the Las Vegas Metropolitan Police Department. Mr. DiFiore, be happy to hear from you now.

JIM DiFIORE, MANAGER,
BUSINESS SERVICES

Okay.

COUNCILMAN McDONALD

Your Honor, before we start, I'm gonna be abstaining on this item related to my relationship with Mr. Rogich who owns the building now.

MAYOR GOODMAN

Thank you.

JIM DiFIORE, MANAGER,
BUSINESS SERVICES

Mayor and members of the Council, during the investigation of the applicants, there was an area of concern that was developed by the Metropolitan Police Department. Sergeant Alexander, Detectives Hafen and Loretto are here to go over the background investigation.

MAYOR GOODMAN

Very good. Thank you, Mr. DiFiore. Sergeant Alexander.

SERGEANT REAGAN
ALEXANDER, LVMPD

Mayor and Council, good morning. Once again, Sergeant Alexander from Metro. The investigative report, which you have been provided, along with an addendum for quick reference, as you know, has several areas of concerns. Most of the information, which this report is based on, was obtained through two agencies that are in Texas that handle enforcement matters of these privileged or regulated licenses. That is the Texas Alcohol and Beverage Commission, or TABC, and the Houston Police Department.

The report discusses nine clubs owned, or at one time owned by the applicants, the Davaries. They are Gigi's, Centerfolds, Gold Cup, Solid Platinum, Pleasures, Treasures, The Cover Girls, The Splendor. All of those are in Houston and there's one in Dallas. There's also one, Runway 66, in Canada. We did not travel there. We did travel to the Houston area, though, during the course of this investigation.

CITY COUNCIL MINUTES
MEETING OF
FEBRUARY 21, 2001

Page 2

VERBATIM TRANSCRIPT: ITEM 73 – DISCUSSION AND POSSIBLE ACTION REGARDING CHANGE OF
OWNERSHIP AND BUSINESS NAME FOR A TAVERN LIQUOR LICENSE FROM RANGER BUILDING
CORPORATION, DBA RANGER BUILDING CORPORATION TO D. WESTWOOD, INC., DBA THE BOARD
ROOM, ALI DAVARI AND HASSAN DAVARI

The investigation revealed concerns in the following areas regarding the ownership and management of these businesses and, in brief, I'd like to just globally go over these: 1) concerns regarding discipline or acts that would constitute a crime; 2) concerns regarding unlawful, blatant, and continued sexual-related activity; 3) concerns over a documented high-volume of calls for police services; 4) concerns regarding incomplete or misleading information in the application for this license, that they presented to the City as well to us; 5) concerns regarding affidavits, which were introduced into evidence during a revocation hearing regarding one of the businesses; 6) concerns identified during an on-site visit by our detectives, which was as recent as of October of last year, October of 2000, of clubs owned by the applicants; and 7) which is not in the report but which is of most recent information, concerns regarding unlawful activity as recent as three weeks ago as reported to us by Houston PD.

Now, I have with me today, if you wish for further briefing and discussion of this matter, Detective Loretto. He was the lead investigator during the course of this investigation. Also with him is the secondary detective Andy Hafen. He's prepared to provide, if you wish, a basic synopsis of the investigative report. Due to the lengthy nature of the report, Detective Loretto has also broken down the information by club and in a chronological timeline addressing enforcement actions by both the TABC as well as the Houston Police Department, 'cause it's very important to look at those individually.

Or, if you'd like him just to answer any particular questions that the Council might have regarding this investigation, we're prepared to do so.

COUNCILMAN REESE

Sergeant, I do have one question. At any time in any of these clubs have they lost their license? Has their license been revoked?

SERGEANT REAGAN
ALEXANDER, LVMPD

Their license has been suspended, but not revoked.

MAYOR GOODMAN

And before I participate I'd better ask Mr. Jerbic. I see Steve Stein was here. Is Steve Stein here now? All right, Steve was a law partner of mine about 12 years ago. We don't have any business relationship. We don't have any particular social relationship. I don't know whether he's

CITY COUNCIL MINUTES
MEETING OF
FEBRUARY 21, 2001

Page 3

VERBATIM TRANSCRIPT: ITEM 73 – DISCUSSION AND POSSIBLE ACTION REGARDING CHANGE OF OWNERSHIP AND BUSINESS NAME FOR A TAVERN LIQUOR LICENSE FROM RANGER BUILDING CORPORATION, DBA RANGER BUILDING CORPORATION TO D. WESTWOOD, INC., DBA THE BOARD ROOM, ALI DAVARI AND HASSAN DAVARI

representing anybody in these proceedings. I was under the impression at one point in time he was representing the Davaries, but I don't know whether that's accurate or not. Mr. Fiorentino?

ATTORNEY MARK FIORENTINO

Your Honor, Mark Fiorentino. I represent the applicants in this matter, and Mr. Stein is and continues to be the co-counsel in this matter. I don't know, unless you have specific questions for him, whether he's gonna make a presentation to you today. But he is present and he continues to be co-counsel.

MAYOR GOODMAN

Okay. I appreciate that. I was just concerned about the potential conflict. I don't feel that my relationship, as it presently exists nor as it was in the past, would in anyway affect my ability to sit impartially, but I think that I should definitely get your opinion on that, Mr. Jerbic.

CITY ATTORNEY JERBIC

I think that's right, Your Honor. I think under the level one analysis, clearly there's no conflict. There's no ongoing business relationship between you and Mr. Stein. There's no contractual relationship. And because of that, we would go to the level two analysis, which is whether or not you can remain objective in the weighing of the evidence as presented before the Council today. You've already answered that question. Given that, I don't believe that there's a conflict of interest that prohibits you from voting, but I think disclosure is appropriate.

MAYOR GOODMAN

Very good. Thank you. And with that in mind, Sergeant, do you have a recommendation? Because if, I think we're entitled to know your recommendation at this time, as far as whether or not this license should be approved.

SERGEANT REAGAN
ALEXANDER, LVMPD

Your Honor, as always, we submit our investigative reports to the City Business License for them to provide you any recommendation based upon their research of our report with the facts and circumstances. So, I would defer to Mr. DiFiore.

MAYOR GOODMAN

All right. Very good. Mr. DiFiore, do you have a recommendation?

JIM DIFIORE, MANAGER,
BUSINESS SERVICES

Mayor, this – item has been continued, I think, three times now, and we're here for the fourth time for this particular item. It was continued at the – request of Mr. Fiorentino and the compliance policy manual that he was gonna provide the City Council. Before I give my recommendation, and

CITY COUNCIL MINUTES
MEETING OF
FEBRUARY 21, 2001

Page 4

VERBATIM TRANSCRIPT: ITEM 73 – DISCUSSION AND POSSIBLE ACTION REGARDING CHANGE OF OWNERSHIP AND BUSINESS NAME FOR A TAVERN LIQUOR LICENSE FROM RANGER BUILDING CORPORATION, DBA RANGER BUILDING CORPORATION TO D. WESTWOOD, INC., DBA THE BOARD ROOM, ALI DAVARI AND HASSAN DAVARI

there are reasons why I'm gonna make my recommendations, I'd like to hear from Mr. Fiorentino on his compliance policy manual.

MAYOR GOODMAN

Okay. Well, I appreciate that. The reason that I wanted to know about the recommendation is, if it's a recommendation for denial, I certainly feel that Metro should give us all they have so we can make a judgment as to why the recommendation is such. If it's a recommendation for approval, then I don't have to hear from Metro; I'll just hear from Mr. Fiorentino.

JIM DiFIORE, MANAGER,
BUSINESS SERVICES

Okay. It is a recommendation for denial.

MAYOR GOODMAN

Well, then I think Metro better set it on the record why the basis for your – coming to that decision.

JIM DiFIORE, MANAGER,
BUSINESS SERVICES

Okay.

SERGEANT REAGAN
ALEXANDER, LVMPD

Thank you, Your Honor, for allowing us to present this to you. As I said before, Detective John Loretto was the lead detective. I'd like John to come up now and to address Your Honor and Council, and he will give you, as I laid out, a brief synopsis of each club and chronologically all of the violations and concerns that – are included in that report that you have before you.

DETECTIVE JOHN LORETTO

Honorable Mayor and Council members, we'll try to keep this short, but it's quite a lengthy report, so if you could please bear with me.

Mr. Ali Davari was born in Iran along with his brother Hassan Davari. Ali Davari came to the United States in 1977. His brother followed. Correction. His brother was here in 1976. They received further education within the United States. And in 1986, with the sum of approximately \$12,000, they were able to enter into a liquor establishment/adult cabaret within Houston. That location is Gigi's. From 1986 till current, they've owned nine clubs, as Sergeant Alexander's already pointed out. This \$12,000 investment has grown to a multi-million dollar corporation for the two individuals.

But what I'm pointing out to you now is the cost to the Houston City in Texas in order for these guys to obtain their multi-million dollar corporation.

CITY COUNCIL MINUTES
MEETING OF
FEBRUARY 21, 2001

Page 5

VERBATIM TRANSCRIPT: ITEM 73 – DISCUSSION AND POSSIBLE ACTION REGARDING CHANGE OF
OWNERSHIP AND BUSINESS NAME FOR A TAVERN LIQUOR LICENSE FROM RANGER BUILDING
CORPORATION, DBA RANGER BUILDING CORPORATION TO D. WESTWOOD, INC., DBA THE BOARD
ROOM, ALI DAVARI AND HASSAN DAVARI

To start off with Texas ABC, the information we received was predominantly through a – phone call to the Texas Alcohol and Beverage Commission. They – supplied us with the information they had. Whether there's more information before 1990, I'm unaware of. And the current information we have is as of two weeks ago. And I'll finish up with that.

From 1990 to 2000, starting with Gigi's. In 1990 to 1991, there was three different inspections of those, that location. Those three inspections resulted in \$2200, \$2,250 in fines levied against the business. That business was opened from 1986 to 1993.

Centerfolds was opened in 1990 and is still owned and operated by the applicants. There was nine different inspection dates at Centerfold by Texas ABC. And we have to understand that there's two different enforcement (inaudible) agencies here: TABC and the Houston Police Department.

Centerfolds was fined six, or \$12,600 from these nine inspection dates. Now, each inspection date, as you could refer to in your report has several violations on each date. It's not necessarily one inspection, one violation.

We go onto Gold Cup, which was opened in 1993. Three inspections resulted in \$6,000, \$6,060 in fines.

Solid Platinum, which was opened in 1993, had four inspections resulting in \$4,500 in fines. I'd like to note two of those fines, one of them, July 23 of 1994, was for refusing an inspection to the inspecting committee, the TABC. The explanation I received for this was it was a locked kitchen closet. They felt there was no need for them to go in there. I think we can all kinda understand, with a liquor license, that it's important that we be able to inspect the full premise, not just what they deem we need to inspect.

And then also, 3/11 in 1995, intoxicated employee on premise, which is also would be in violation of our codes here.

Pleasures was opened in 1995 and sold in 1996. That is their Dallas location. Now we contacted Dallas, it's their special investigation section, and they explained to us that there was not any derogatory information that they possessed against the applicants for the operation of that

CITY COUNCIL MINUTES
MEETING OF
FEBRUARY 21, 2001

Page 6

VERBATIM TRANSCRIPT: ITEM 73 – DISCUSSION AND POSSIBLE ACTION REGARDING CHANGE OF
OWNERSHIP AND BUSINESS NAME FOR A TAVERN LIQUOR LICENSE FROM RANGER BUILDING
CORPORATION, DBA RANGER BUILDING CORPORATION TO D. WESTWOOD, INC., DBA THE BOARD
ROOM, ALI DAVARI AND HASSAN DAVARI

business. And I'll explain to you further as to the possible reason behind that. However, TABC did inspect their business on two separate occasions and they were fined zero dollars but they did have two violations during those two inspections.

Treasures was opened in 1995 and is still currently owned. They have had six inspections, with a total fine of \$4500. Two violations that I'd like to point out to you are the sell, delivery of drugs by an employee. And the other one, again, refusing inspection of a license premise.

Cover Girls has not been inspected with the information I was given by TABC. Now whether that's changed from here on out I'm unsure. As of yet, from 1999, when they were opened, to this date they have had no violations from TABC that were noted within the information given to me. And along with Splendors, which was supposed to open in 2000, as of our investigative travel in October of 2000, they had yet to open. I believe they were suited for November to open.

Of the Texas Alcohol and Beverage Commission, there was 27 inspections. Fifty-five violations were noted during those 27 inspections. Ten were criminal, eleven were warning. Thirty-four administrative cases were against their liquor license. For the 34 violations the applicants were given an option. Each violation resulted in you can close your door for three days, four days, ten days, thirty days. Whatever the Texas ABC saw fit. They also issued a comparable fine. If you would like not to close your doors, you may pay a fine. So, in lieu of closing their doors for a total of one hundred and sixty-six days, they were fined a total of \$28,400 from Texas ABC during this ten-year period.

Per a phone call to one of the Texas ABC agents who we made contact with while we were over there, he was supposed to have faxed me a copy of the current investigation that Sergeant Alexander was referring to. It was about three weeks ago. They have two violations on there that they furnished and sell of intoxicated liquor to a minor. I don't know of any other circumstances of that incident, because he was supposed to forward me a copy of that report, and this is as of last week when I spoke to him. However, he doesn't come back to work till Thursday of this week, and he said he was gonna do it on Monday. And I don't have a copy of that report for you. And I'm sorry for that.

CITY COUNCIL MINUTES
MEETING OF
FEBRUARY 21, 2001

Page 7

VERBATIM TRANSCRIPT: ITEM 73 – DISCUSSION AND POSSIBLE ACTION REGARDING CHANGE OF OWNERSHIP AND BUSINESS NAME FOR A TAVERN LIQUOR LICENSE FROM RANGER BUILDING CORPORATION, DBA RANGER BUILDING CORPORATION TO D. WESTWOOD, INC., DBA THE BOARD ROOM, ALI DAVARI AND HASSAN DAVARI

I would like to now switch over to Houston Police Department, the enforcement section there.

In May of 1996, the City of Houston proceeded with a revocation hearing against Centerfold, Gold Club (sic), Gold Cup, and Solid Platinum, with intent to revoke their sexually oriented business license. The Houston PD Vice Section had to conduct a numerous undercover operations, which lead to the City of Houston filing to revoke the SOB license of the listed club.

Here are the statistics of the investigation conducted from September 28 to 1994 through September 18th of 1996. There were 177 dancers contacted. Of them 134 were arrested. Twenty-four had warrants issued and 21 of the 177 were found not to be in violation. Of those arrested, 86.39% were actually convicted of what they were arrested for. The charges were usually one of four: public lewdness, prostitution, aggravated promotion of prostitution, or indecent exposure.

The rest of the statistics for 15 clubs showed an average of 15.8 arrests per clubs. The average for Centerfold, Gold Cup, or Solid Platinum was 51 each. Of the other a hundred and nineteen SOB's in, which stands for sexually oriented businesses, in Houston only one had more than 40 arrests, and that was at Michaels International.

I have a breakdown, which you can refer to in your report, that explains all of the arrests and problems with each club there. And it should be noted that neither of the applicants on their application listed any problems with the Houston Police Department or the City of Houston. The only thing they referred to in their report was the TABC. And that was merely explained by saying we've had numerous fines and suspensions in lieu, or fines in lieu of suspensions. Contact TABC for further. That's all they've explained to us as far as problems with their license.

I would like to point out the Houston Police Department also has responded to, from the dates approximately 1 of '94 to 11 in '96 at Centerfolds one hundred and fifty-six calls for service. Gold Cup from 1 of '94 to 11 of '96 one hundred and seven calls for service. Along with Solid Platinum from 11 of '94 to 11 of '96, 59. If we add all those calls up, that's just about one every third day a police officer's responding to their place of business, of those three locations.

CITY COUNCIL MINUTES
MEETING OF
FEBRUARY 21, 2001

Page 8

VERBATIM TRANSCRIPT: ITEM 73 – DISCUSSION AND POSSIBLE ACTION REGARDING CHANGE OF OWNERSHIP AND BUSINESS NAME FOR A TAVERN LIQUOR LICENSE FROM RANGER BUILDING CORPORATION, DBA RANGER BUILDING CORPORATION TO D. WESTWOOD, INC., DBA THE BOARD ROOM, ALI DAVARI AND HASSAN DAVARI

And you have to understand the reason why we have information predominantly on these three locations is because that's what the City of Houston obtained to go for the revocation hearing.

During the revocation hearing, they pulled forward several affidavits that are very graphic in detail and you could refer to them in your report. Some of them that I've picked here to explain to you are short and brief.

MAYOR GOODMAN

Basically, officer –

DETECTIVE JOHN LORETTO

Would you –

MAYOR GOODMAN

– we – do have the report and you can make reference to that. Mr. Fiorentino, you've seen, have you received the confidential report?

ATTORNEY MARK FIORENTINO

Your Honor, yes. We have been allowed to review it.

MAYOR GOODMAN

Okay.

ATTORNEY MARK FIORENTINO

I have not received the addendum that was referred to earlier today, but we were allowed to review the original report.

MAYOR GOODMAN

Okay.

ATTORNEY MARK FIORENTINO

We have read it.

MAYOR GOODMAN

All right. Thank you. I just wanted you to be in a position where you're able to respond to – the report here. And I think at this point in time we sort of have a good idea as to the – report? I'd like to hear from Mr. Fiorentino, unless there's additional need to hear from the officer? Is that all right?

COUNCILMAN REESE

That's fine.

MAYOR GOODMAN

All right, Mr. Fiorentino? Sergeant. Yes.

SERGEANT REAGAN
ALEXANDER, LVMPD

Yes, Your Honor, I was just going to, I wanted to confirm if you would like us, for my detective to mention that, because it is very graphic in nature, or if you are okay with just reviewing it, what's in front of it?

CITY COUNCIL MINUTES
MEETING OF
FEBRUARY 21, 2001

Page 9

VERBATIM TRANSCRIPT: ITEM 73 – DISCUSSION AND POSSIBLE ACTION REGARDING CHANGE OF OWNERSHIP AND BUSINESS NAME FOR A TAVERN LIQUOR LICENSE FROM RANGER BUILDING CORPORATION, DBA RANGER BUILDING CORPORATION TO D. WESTWOOD, INC., DBA THE BOARD ROOM, ALI DAVARI AND HASSAN DAVARI

MAYOR GOODMAN

I'm okay with it. I just wanted to make sure that Mr. Fiorentino has the information before him so he could respond to it.

SERGEANT REAGAN
ALEXANDER, LVMPD

On that, he has reviewed that document that you're looking at. The addendum, Mr. Fiorentino, is, we can supply to you. It is just basic paperwork that was included in the overall report.

ATTORNEY MARK FIORENTINO

I'll take your word for it.

MAYOR GOODMAN

Okay. Thank you. So --

COUNCILMAN BROWN

Your Honor?

MAYOR GOODMAN

Yes, Councilman.

COUNCILMAN BROWN

I just need to ask a question. Perhaps it's background or clarification. But I think this is the first, I'm not sure if it's the first SOB here in Las Vegas that's before this Council in the last few years. But my question would deal with perspective or comparisons. A lot of the statistics that are being referenced, I have -- no doubt that they're accurate. But if there's any way during today's public hearing that we could put that in perspective as far as the additional clubs in Houston or what the SOB industry at large, if there's a standard. And specifically there was some arrests referenced. I think there was prostitution. Something leading up to prostitution. Indecent exposure. These all, I think, I need to understand more than just the hard numbers, but more of a -- global perspective of the industry. And you don't have to answer it now, but at the end of the public hearing, what we're reading and what we're hearing, is it bad by industry standard, be it national or Las Vegas standards? I think if either Metro or Mr. DiFiore or even the applicant can help during this presentation clarify that perspective, it would help my opinion.

COUNCILMAN REESE

Okay. And if I could, Your Honor, I would just like to put something out there that I'm very concerned about. And that is the industry itself; you know, we've -- heard a number of cases where citations was issued. And my problem, I guess, is, and that's why I asked the first question that I ask, because I feel that it's easy to pay a fine rather than have your doors closed. And, you know, we can have all kinds of citations issued and fines paid, but are we in fact even

CITY COUNCIL MINUTES
MEETING OF
FEBRUARY 21, 2001

Page 10

VERBATIM TRANSCRIPT: ITEM 73 – DISCUSSION AND POSSIBLE ACTION REGARDING CHANGE OF OWNERSHIP AND BUSINESS NAME FOR A TAVERN LIQUOR LICENSE FROM RANGER BUILDING CORPORATION, DBA RANGER BUILDING CORPORATION TO D. WESTWOOD, INC., DBA THE BOARD ROOM, ALI DAVARI AND HASSAN DAVARI

making a dent into, and I'm not gonna ask for a – record of his income tax for the last, the applicant's income tax for the last hundred years, but I – feel that if they understand from get go that here we may not make, have a fine. It may be the revocation of that license the first offense. I can see him paying a fine and going right on and continue to make the – dollars. So, I don't feel like that a fine sometimes hurts a – businessman. And I just want to put that on the record right now as we go through this hearing.

MAYOR GOODMAN

And the only question I have at this moment of the officers, and it probably dovetails into what Councilman Brown was referring to. By Las Vegas standards, is the conduct, which we have before us in our report, would it be – similar to the type of activity that takes place in these adult businesses in Las Vegas or is it less or is it more?

SERGEANT REAGAN
ALEXANDER, LVMPD

Your Honor, that wasn't incorporated in this report. What we wanted to provide, though, based upon those figures, during that arrest cycle, during that arrest time, what we wanted to include, which – is included, is that the arrest statistics from the Houston Police Department Vice Section showed that 15 of the area clubs, other clubs had an average of 15.8 arrests per club. The average for just Centerfolds, Gold Club (sic), and Solid Platinum, three of the nine clubs that – the applicants own, or owned, were 51 each.

MAYOR GOODMAN

Sergeant, I guess I didn't make myself clear. What – I'm asking is this. I'm asking – this – report, at least to myself, is a pretty graphic, salacious, raw report. I don't think there's any other way that we – could express it. And I'd like to know whether or not you believe this kind of activity at this level of activity is taking place in Las Vegas and the other SOB establishments.

LIEUTENANT PATRICK NEVILLE

Good morning. Lieutenant Neville, Special Investigations Section. Mayor Goodman, Councilman Brown, to answer your questions, I don't have the documentation or the numbers directly here before me. I've directed my staff to contact Vice so that we can – get some numbers so that we can make that. If you would like to defer that to later today or at another time, I'd be more than happy to provide that. But we do have the mechanisms in place to get that information to you as quickly as we possibly can.

MAYOR GOODMAN

Well, maybe I have to ask the question more simply then. There are acts which are very graphic and they're discovered by law enforcement officers where the girls are

CITY COUNCIL MINUTES
MEETING OF
FEBRUARY 21, 2001

Page 11

VERBATIM TRANSCRIPT: ITEM 73 – DISCUSSION AND POSSIBLE ACTION REGARDING CHANGE OF OWNERSHIP AND BUSINESS NAME FOR A TAVERN LIQUOR LICENSE FROM RANGER BUILDING CORPORATION, DBA RANGER BUILDING CORPORATION TO D. WESTWOOD, INC., DBA THE BOARD ROOM, ALI DAVARI AND HASSAN DAVARI

engaging in sexual conduct, not a dance, not a lap dance. Sexual conduct that is described very vividly here. You've read the report, I'm sure?

LIEUTENANT PATRICK NEVILLE Yes, I have.

MAYOR GOODMAN Okay. Is that kind of conduct happening in other establishments, SOB licensed establishments in Las Vegas at this time?

LIEUTENANT PATRICK NEVILLE Mayor, I was just informed that Mr. DiFiore has some numbers that may enlighten you in that area. I can't speak.

MAYOR GOODMAN It's sort of a yes or no question. I'm asking whether or not this kind of activity is taking place at the other places at this time in Las Vegas.

LIEUTENANT PATRICK NEVILLE To answer your question, it would be based on my experience?

MAYOR GOODMAN Yes, of course.

LIEUTENANT PATRICK NEVILLE No. It's not.

MAYOR GOODMAN Okay. Fair enough. I'm glad to hear that.

COUNCILMAN BROWN And –, Your Honor, just to further clarify, just this statistic – and again, let me preface my remarks by saying I understand the report. I believe the numbers in the report. It's 100% accurate. But even the number that you just gave, Sergeant, was 15.8% in the other clubs and 51% of three out of the nine Davari brother owned or previously owned clubs. What would nine out of nine, would that 51% go back towards 15 point. I just need – Again, the important thing is this is graphic, it's detailed, but compared to what?

DETECTIVE JOHN LORETTO Sir, I understand your question. And to explain to you, that's what I tried to point out is that we are just focused in on these three clubs because that's the information that was compiled. The other clubs were either opening and closing during this time period. So it's not like they had all this information. These were the three clubs that were causing them the most problems. That's the clubs that the City of Houston was going out to revoke their license. That's the information we were provided. The arrest statistics for 15 clubs, that's also what was used during their revocation hearing to compare them to the other area clubs. So that's

CITY COUNCIL MINUTES
MEETING OF
FEBRUARY 21, 2001

Page 12

VERBATIM TRANSCRIPT: ITEM 73 - DISCUSSION AND POSSIBLE ACTION REGARDING CHANGE OF OWNERSHIP AND BUSINESS NAME FOR A TAVERN LIQUOR LICENSE FROM RANGER BUILDING CORPORATION, DBA RANGER BUILDING CORPORATION TO D. WESTWOOD, INC., DBA THE BOARD ROOM, ALI DAVARI AND HASSAN DAVARI

what was also given to us within the information. If that helps.

COUNCILMAN BROWN

Thank you. That helps. It does. Thank you.

MAYOR GOODMAN

All right. Thanks. Mr. Fiorentino. Sergeant, do you have something you wanted to add?

SERGEANT REAGAN
ALEXANDER, LVMPD

I was just gonna point out, Mr. DiFiore has reminded, we were, if I may bring this up, it was another investigation we were involved in with the Forbidden Club. I don't know if you remember that coming before Council last year. There were some statistics that were drawn at that time for calls for service, if you will, arrests from the area clubs. And Mr. DiFiore reminded me about that and, if possible, he has the exact numbers which will give an idea perhaps as to what degree this would relate to to the clubs here.

JIM DIFIORE, MANAGER,
BUSINESS SERVICES

Yes, over a period of two years, being 1998 and 1999, Sergeant Cannito at that time, through his office, we ran a list of arrests from all of the clubs, which would include Clark County and Las Vegas, there was a total of 54 arrests, Clark County and Las Vegas both for those two years.

UNIDENTIFIED GENTLEMAN

Total.

MAYOR GOODMAN

All right. Thank you. Mr. Fiorentino.

ATTORNEY MARK FIORENTINO

Thank you, Your Honor.

COUNCILWOMAN McDONALD

Can I ask just one brief question?

MAYOR GOODMAN

Yes, (inaudible)

COUNCILWOMAN McDONALD

I just have one brief question before you begin. About 12 years ago, I had, you know, lived in Texas and, you know, was a news reporter and covered the TABC from time to time and so I just wanted to see if the laws have changed in that 12-year period. Back then it was a pretty common adjudication procedure to have fines paid. That was a pretty commonplace thing if you had any type of offense on the TABC. It was very rare that you would have a court case. It was very common place that anyone that went before the TABC in any type of circumstance, you know, paying a fine was a very common practice. Is that, was that your today, you know, information? Did you see that same trend or has it changed somewhat?

CITY COUNCIL MINUTES
MEETING OF
FEBRUARY 21, 2001

Page 13

VERBATIM TRANSCRIPT: ITEM 73 – DISCUSSION AND POSSIBLE ACTION REGARDING CHANGE OF OWNERSHIP AND BUSINESS NAME FOR A TAVERN LIQUOR LICENSE FROM RANGER BUILDING CORPORATION, DBA RANGER BUILDING CORPORATION TO D. WESTWOOD, INC., DBA THE BOARD ROOM, ALI DAVARI AND HASSAN DAVARI

DETECTIVE JOHN LORETTO From the information I received, which is pretty much in the report, it's up to the person who is being fined. You can close your doors for a certain amount of days, comparable to the offense, or you can pay the fine. Most businesses are probably gonna lose more financially by closing the doors; therefore, it's easier for them to pay the fine.

COUNCILWOMAN McDONALD So that is still very common –

DETECTIVE JOHN LORETTO Every one of the violations that I received from them, it was always pay the fine; it was never close the door.

COUNCILWOMAN McDONALD And then the other question, if my memory still serves me well, and the law could have changed in 12 years. Liquor licenses in Texas are given a one-year durations?

SERGEAN REAGAN ALEXANDER, LVMPD You may have to repeat that. I'm sorry.

DETECTIVE JOHN LORETTO You're asking if it's for one year in duration? That's correct. They always, every year they come up for renewal.

COUNCILWOMAN McDONALD Okay, and so in that time they would have each year an opportunity to have some kind of hearing or review before the commission and they could opt –

DETECTIVE JOHN LORETTO Correct.

COUNCILWOMAN McDONALD – you know, to renew or revoke at that time.

DETECTIVE JOHN LORETTO Correct. And if you refer to the pamphlet that was handed you with some of the documents in it from us --

COUNCILWOMAN McDONALD Um, hum –

DETECTIVE JOHN LORETTO – the, get the exact exhibit number for you. It'd be under Exhibit 3. There's two letters there from the captain of the vice division to the TABC explaining that: we are of the opinion that this establishment is not what your commission intended to license and we stand ready to support your agency should you decide to deny the re-issuance of the liquor license for Solid Platinum. And then the other one is for Centerfolds.

So, the police department there put forth their letters to the TABC. Now, whatever reason TABC has, they choose to operate the way they do.

CITY COUNCIL MINUTES
MEETING OF
FEBRUARY 21, 2001

Page 14

VERBATIM TRANSCRIPT: ITEM 73 – DISCUSSION AND POSSIBLE ACTION REGARDING CHANGE OF OWNERSHIP AND BUSINESS NAME FOR A TAVERN LIQUOR LICENSE FROM RANGER BUILDING CORPORATION, DBA RANGER BUILDING CORPORATION TO D. WESTWOOD, INC., DBA THE BOARD ROOM, ALI DAVARI AND HASSAN DAVARI

And I would just like to state a little further on closing their doors. They did have to close their doors but it was relevant to the City of Houston revocation hearing, not because of the TABC violations. So there was two separate type of entities there that were enforcing closing their doors. So they did close their doors and it's explained in the report: Centerfolds had to close their doors for a period of 20 days and pay the \$50,000 -- and to explain it right -- to the City of Houston to cover attorney fees, cover cost, attorney's fees and to avoid potential loss of income due to further suspension or revocation of the club's SOB permit. And then Gold Cup was again 20 days and \$50,000. And Solid Platinum agreed to pay \$100,000 in lieu of closing their doors at all.

COUNCILWOMAN McDONALD

And I guess the last question I have was there any, I guess, public record that, you know, despite these letters coming from the City of Houston as to why the license was renewed?

DETECTIVE JOHN LORETTO

I cannot answer that. There was no explanation as to why they continued to renew it. I did ask, however -- We here do suitabilities of applicants. The way it was explained to me in Texas is it's suitability of location only. They do not necessarily look at the suitability of the applicant as much as we do here.

COUNCILWOMAN McDONALD

Thank you.

COUNCILMAN BROWN

And --

MAYOR GOODMAN

Mr. Fiorentino? Oh.

COUNCILMAN BROWN

I'm -- sorry, Your Honor, but Councilwoman brings up a good point. And perhaps either our attorney or Mr. DiFiore, that suitability question, as it's agendaed today, could you explain what -- we are determining today as far as the suitability?

MAYOR GOODMAN

So would I.

COUNCILMAN BROWN

I think the location in Houston is more of a person in Las Vegas. So, again, for background, if you could just clarify that issue.

CITY ATTORNEY JERBIC

The Council has broad latitude under 6.50 regarding privileged licenses to determine the suitability of applicants

CITY COUNCIL MINUTES
MEETING OF
FEBRUARY 21, 2001

Page 15

VERBATIM TRANSCRIPT: ITEM 73 – DISCUSSION AND POSSIBLE ACTION REGARDING CHANGE OF OWNERSHIP AND BUSINESS NAME FOR A TAVERN LIQUOR LICENSE FROM RANGER BUILDING CORPORATION, DBA RANGER BUILDING CORPORATION TO D. WESTWOOD, INC., DBA THE BOARD ROOM, ALI DAVARI AND HASSAN DAVARI

to run a particular business. They involve, according to the chapter, and I'll read it verbatim: The City Council declares that liquor control is an exercise of its regulatory powers delegated to the City Council by the State. I'm reading this (inaudible). The regulations contained in this chapter involve to the highest degree the economic, social, physical, and moral well being of the residents and the taxpayers of the City. The sale or other disposition of alcoholic beverages is not a matter of right but of privilege, which would otherwise be unlawful if it were not exercised pursuant to a license. This privilege may be denied, revoked, conditioned, or suspended by any disciplinary action by the Council – and it goes on to say – for the protection of the safety, welfare, health, peace, and morals of the residents of the taxpayers of the City.

Under that very broad language, you are quite able, based upon the facts presented to the Council, to determine whether or not these applicants meet those standards as individuals who are economically, socially, physically, and morally suited to hold a privileged license with the City of Las Vegas.

COUNCILMAN BROWN

Thank you, Your Honor.

MAYOR GOODMAN

Thank you. Sergeant? We'll give you plenty of time, Mr. Fiorentino.

ATTORNEY MARK FIORENTINO

Thank you, Your Honor.

SERGEANT REAGAN
ALEXANDER, LVMPD

Mr. Fiorentino, thank you for your patience. Your Honor, I'd like my detective to be allowed just to conclude with the most recent information in regards to our travel there in October of 2000 –

MAYOR GOODMAN

Very good.

SERGEANT REAGAN
ALEXANDER, LVMPD

– if you'd permit that.

MAYOR GOODMAN

Certainly.

DETECTIVE JOHN LORETTO

And, again, sorry for the time, but it is quite lengthy. This section, however, though, is not as long. It should be noted that upon arriving in October, we contacted Houston Vice, and they sent a lieutenant and a sergeant to accompany us in an undercover capacity to inspect the clubs.

CITY COUNCIL MINUTES
MEETING OF
FEBRUARY 21, 2001

Page 16

VERBATIM TRANSCRIPT: ITEM 73 – DISCUSSION AND POSSIBLE ACTION REGARDING CHANGE OF OWNERSHIP AND BUSINESS NAME FOR A TAVERN LIQUOR LICENSE FROM RANGER BUILDING CORPORATION, DBA RANGER BUILDING CORPORATION TO D. WESTWOOD, INC., DBA THE BOARD ROOM, ALI DAVARI AND HASSAN DAVARI

Prior to going to the clubs, they explained to me that during September they had conducted several investigations based on citizen complaints reference illegal activities at Treasures Club. During this investigation that occurred on four occasions within a seven-day period, there were numerous violations. The violations again were public lewdness, prostitution, indecent exposure, and liquor violations.

Of the twenty-eight dancers received by the undercover officers, only two were found to be in, not in violation. There were twenty-three for public lewdness, one prostitution, two indecent exposures, four no dance license violation, and three liquor license violations. There was one arrest of the manager, which I think is important, for violating the SOB code by failing to manage to ensure entertainers comply with the no touch and three-foot ordinance.

Now what we observed when we were there, we went into Centerfolds, and we observed several dances occurring throughout the club and none of which were in compliance with the three-foot rule, which is set by the Houston ordinance. A female dancer came up and sat down, well, it gets very graphic. That part's actually in the report too, so I'll probably defer that.

MAYOR GOODMAN

That's your choice. I mean, I was just trying – to spare feelings here. But whatever you feel is necessary you tell us.

SERGEANT REAGAN
ALEXANDER, LVMPD

I think it's necessary. Just go ahead and explain it to them. Just go ahead and explain it.

DETECTIVE JOHN LORETTO

Well, we're there in October and the Houston lieutenant is sitting, we're sitting down at a table of four and one of the female dancers comes up and sits on the Lieutenant's lap, at which time she takes his hand and sticks it in between her legs. Now, shortly after she then gets up performs a dance for myself, at which she rubbed her body all over me in violation of the three-foot rule. She also grabbed my genitalia, clothed genitalia and she was then paid for her dance and she – was, left the table. I asked the lieutenant, you know, about his hand being between her legs, and he explained to me that she actually penetrated her own vagina with his thumb under her G string that she was wearing, and then he had to get up and go wash his hands because of this. And we then proceeded, we left this club and we went to another club, and it was there that we noticed the same

CITY COUNCIL MINUTES
MEETING OF
FEBRUARY 21, 2001

Page 17

VERBATIM TRANSCRIPT: ITEM 73 – DISCUSSION AND POSSIBLE ACTION REGARDING CHANGE OF OWNERSHIP AND BUSINESS NAME FOR A TAVERN LIQUOR LICENSE FROM RANGER BUILDING CORPORATION, DBA RANGER BUILDING CORPORATION TO D. WESTWOOD, INC., DBA THE BOARD ROOM, ALI DAVARI AND HASSAN DAVARI

thing was occurring as far as violations of the three-foot rule. Nobody was in observance of that.

And we felt that we were burned because the lieutenant and the Vice sergeant were not generally undercover. So due to the actions of the manager, walking around and standing directly by us and no dancers approaching us, we felt that it was kind of obvious who we were and what we were doing there.

At that time I walked around the club myself. The have a second floor of Gold Cup, at which I observed a female dancer. She was kind of standing on the chair and the male patron was sitting in the chair and she was rubbing her pubic area clothed, but she was rubbing it in this gentleman's face. And that was just very graphic to myself.

In conclusion, this investigation has revealed numerous TABC violations, along with City of Houston violations. These violations have cost the applicants \$228,000 in fines. And there, again, if I can answer any questions for you at this time or give it to Mr. Fiorentino.

MAYOR GOODMAN

Okay. Thank you.

COUNCILMAN REESE

I certainly appreciate your time and effort and, you know, this is, I think, one of those type of hearings that it's – hard to understand that a person that has money invested can allow stuff like this to go on. But I do appreciate Metro's efforts and – what they've done.

MAYOR GOODMAN

Okay. Mr. Fiorentino, finally.

ATTORNEY MARK FIORENTINO

Thank you, Your Honor. I actually have a presentation, which I hope to be relatively brief, at least in comparison anyway. And that I would, I'm gonna try to address specific concerns without necessarily going through the report page by page, unless you have specific questions.

I do represent the applicants in this matter. George and David Davari are here. They're in the front row. They don't mean any disrespect by not standing at the podium, but if you have questions for 'em, that's why their in the front row. They will certainly come forward and – ask them, or answer them for you.

CITY COUNCIL MINUTES
MEETING OF
FEBRUARY 21, 2001

Page 18

VERBATIM TRANSCRIPT: ITEM 73 – DISCUSSION AND POSSIBLE ACTION REGARDING CHANGE OF OWNERSHIP AND BUSINESS NAME FOR A TAVERN LIQUOR LICENSE FROM RANGER BUILDING CORPORATION, DBA RANGER BUILDING CORPORATION TO D. WESTWOOD, INC., DBA THE BOARD ROOM, ALI DAVARI AND HASSAN DAVARI

I did want to honestly thank the Council and thank Mr. DiFiore and thank Sergeant Alexander for at least having the patience to allow us to hold this, so we could have an opportunity for reviewing at least most of the report that you've been presented and to try to address some of those concerns, and – I hope, in my presentation to you, I demonstrate that we did try to at least address those concerns, at least ever since I've been involved in this application.

Maybe just a little bit of background. David and George Davari have been operating adult nightclubs for approximately 15 years. So, please keep that in the context of the number of citations you hear. In that time, they personally have never been arrested or charged with any crime, have never had a license revoked. And I'll get into that in a little bit more detail. They currently own six clubs, both in the United States and Canada, and they hold numerous liquor licenses and adult entertainment licenses in various different jurisdictions and have never had one revoked and have never been refused a new one when they have applied for 'em in these same jurisdictions where these allegations have been raised.

The first, I – passed out to you a –, just a booklet of exhibits. I won't go into 'em in detail, but I wanna cover 'em unless you have specific questions. Behind tab one, I've given you copies of, not all, but some of the licenses that have been issued to the Davaries.

COUNCILMAN REESE

Mr. Fiorentino, if you could, I would like to, for my own edifice, I guess, is to have you, okay, state the location where the application is to be and to kinda tell us what they're gonna tell us what they're going to do with the building if they are, license is accepted. Maybe have a rendering.

ATTORNEY MARK FIORENTINO

That was actually my next, the next part of my presentation. But I wanted to point out, at least behind tab one, something I think is very significant for you. Within the last 20 days, the City of Houston has issued a renewal to these same individuals for their sexually oriented business. And to respond to a previous question that came up, I asked these questions of the attorneys. I went out to Houston myself and asked. The Davaries have two different attorneys. One that handles the TABC matters and one that handles the other matters. And I asked that question specifically: How does it

CITY COUNCIL MINUTES
MEETING OF
FEBRUARY 21, 2001

Page 19

VERBATIM TRANSCRIPT: ITEM 73 – DISCUSSION AND POSSIBLE ACTION REGARDING CHANGE OF OWNERSHIP AND BUSINESS NAME FOR A TAVERN LIQUOR LICENSE FROM RANGER BUILDING CORPORATION, DBA RANGER BUILDING CORPORATION TO D. WESTWOOD, INC., DBA THE BOARD ROOM, ALI DAVARI AND HASSAN DAVARI

work there? And it is a little bit different then it is in Las Vegas. With respect to both your liquor license and your sexually oriented businesses, as I've been told, you don't automatically renew every year. You have to come back and you have to go through a hearing process to be either issued one or renewed a liquor license. That is, I think, particularly relevant with respect to the – Texas Alcohol and Beverage Commission because they have, throughout this entire process, always had the right to just simply not review licenses if they thought that the activity that was occurring there or that was alleged there was beyond the norm of what other people experience in – the City of Houston, or in Texas in general.

To answer your question, Councilman Reese, I will ask you to bear with me for a second. These obviously have not been approved by your zoning department. So these aren't finalized, but they, we have spent a great deal of time working on designing this building. It's a location I think everybody's familiar with. It backs up to I-15, south of Sahara, between Industrial and I-15. It is zoned M-1. It is appropriate location for a sexually oriented business. In fact, you have already issued a sexually oriented business to the Davari brothers for this specific site. What you have before you today is the transfer of the liquor license, but they have already been issued an adult entertainment license at that location.

The reason I brought these was to – hope that they demonstrated to you that these individuals are talking about making a substantial investment in this site and in the City in this particular location. They are paying a great deal of money and this is, these are exterior elevations. And this is a rendering of what the interior lobby (inaudible). We propose to have two floors. This will be the staircase that led to the second floor.

My only purpose in showing you these, again, is to hope, I hope, demonstrate to you that this is something we –

UNIDENTIFIED GENTLEMAN

I'm sorry.

ATTORNEY MARK FIORENTINO

– have spent a great deal of time and effort working on and to show you that we intend to build a first-class, first-rate facility here. And we will spend in excess of \$7 million on this facility, if we're fortunate enough to gain your approval, and it may be as much as 10 or \$11 million, depending on actually how things are worked out.

CITY COUNCIL MINUTES
MEETING OF
FEBRUARY 21, 2001

Page 20

VERBATIM TRANSCRIPT: ITEM 73 – DISCUSSION AND POSSIBLE ACTION REGARDING CHANGE OF OWNERSHIP AND BUSINESS NAME FOR A TAVERN LIQUOR LICENSE FROM RANGER BUILDING CORPORATION, DBA RANGER BUILDING CORPORATION TO D. WESTWOOD, INC., DBA THE BOARD ROOM, ALI DAVARI AND HASSAN DAVARI

As I pointed out to you, neither one of these two individuals has ever personally been charged with any crime. And I, they both, again, as near as I can – determine are recognized as reputable human beings and people and businessmen in the Houston community, not only based on the – licenses that have been issued to 'em, but by what people say about them, and I, that's what behind tab two of the booklet that I gave you. This is a number of letters of support or character letters or, so forth, from people who know the Davaries in Houston. They range from public accountants to doctors to neighbors of the clubs where the – Davaries operate in Houston to business people that the Davaries are associated with to corporate customers of the Davaries and they all speak highly of their – character and their ability to make a promise to you and to keep it, and I hope that is important to you as you're making your decision today.

MAYOR GOODMAN

Excuse me. Councilman Brown?

COUNCILMAN BROWN

Thank you, Your Honor. Mr. Fiorentino, would you comment, on tab one, my understanding is you've represented that your client has never been denied a sexually oriented business application in the City of Houston?

ATTORNEY MARK FIORENTINO

That's what I have been told. I believe that to be true.

COUNCILMAN BROWN

And that is on annual basis? I guess, this may be a follow-up to Councilwoman's inquiry.

ATTORNEY MARK FIORENTINO

Yes. Each of those, as I understand it, each of their licenses and they hold multiple ones, are reviewed annually for a decision on whether they should be re-issued or not. The first page of tab one is a renewal, a re-issuance of one of the clubs that were referenced in the report that Metro made to you.

COUNCILMAN BROWN

And – I'm looking at that letter right now. And what strikes me as peculiar is it – states that your enterprise has met all of the requirements of the SOB ordinance, Chapter 28 such and such. So, I – guess, I would then turn to Mr. DiFiore or perhaps Metro and just ask, as far as, from what we've been told statistically, can we offer an opinion on why the City would be continually renewing these licenses? Is it a meeting of a minimum standard or a minimum requirement

CITY COUNCIL MINUTES
MEETING OF
FEBRUARY 21, 2001

Page 21

VERBATIM TRANSCRIPT: ITEM 73 – DISCUSSION AND POSSIBLE ACTION REGARDING CHANGE OF OWNERSHIP AND BUSINESS NAME FOR A TAVERN LIQUOR LICENSE FROM RANGER BUILDING CORPORATION, DBA RANGER BUILDING CORPORATION TO D. WESTWOOD, INC., DBA THE BOARD ROOM, ALI DAVARI AND HASSAN DAVARI

or – These two just – Or maybe I should direct it to the attorney?

MAYOR GOODMAN

Mr. Jerbic?

CITY ATTORNEY JERBIC

I think it's important at the beginning of the hearing to differentiate between a sexually oriented business license and a liquor license. A sexually oriented business license is almost a first amendment privilege in this country. It is almost impossible not to give one. They are not given out as privileged licenses. They are given out as a right under the constitution because the US Supreme Court has found that erotic dancing is a form of First Amendment expression. And, therefore, you can have in this town and other places a sexually oriented business license without liquor.

And those licenses aren't tied to conditions other than the standard conditions that exist in the criminal law. A liquor license is a privileged license that you get as a matter of right. I read the standards for approving those. So, the issuance of a sexually oriented business license, unless in Texas that has something with it that is different than the – City of Las Vegas and the State of Nevada is merely saying that you have a right to conduct your First Amendment business. It does not, and certainly in the City of Las Vegas, in any way, shape, or form look at the privilege aspect of the license as does the liquor license.

MAYOR GOODMAN

Thank you.

ATTORNEY MARK FIORENTINO

Councilman Brown, maybe if I could, 'cause I –

COUNCILMAN BROWN

If –

ATTORNEY MARK FIORENTINO

– don't necessarily disagree with what he said. But I have a different perspective on it, I think.

COUNCILMAN BROWN

And before I hear your perspective, I, again, to Mr. Jerbic or – to Mr. DiFiore. Am I then looking at documentation that regardless of what the Texas Alcohol Beverage Commission states, that Houston, as long as the licensing requirements are met, are going to renew this SOB component? They are independent?

CITY ATTORNEY JERBIC

They should be independent. I think, constitutionally, they – have to be independent. I would go further to state that revocation of a sexually oriented business license would be

CITY COUNCIL MINUTES
MEETING OF
FEBRUARY 21, 2001

Page 22

VERBATIM TRANSCRIPT: ITEM 73 – DISCUSSION AND POSSIBLE ACTION REGARDING CHANGE OF OWNERSHIP AND BUSINESS NAME FOR A TAVERN LIQUOR LICENSE FROM RANGER BUILDING CORPORATION, DBA RANGER BUILDING CORPORATION TO D. WESTWOOD, INC., DBA THE BOARD ROOM, ALI DAVARI AND HASSAN DAVARI

almost impossible on a permanent basis. In the eyes of the court, and pardon me, Mr. Moeller, for (inaudible), it's no different than the Review Journal. It's an expression of First Amendment speech. You wouldn't be able to take a newspaper's business license for an indefinite period of time for a violation of the law, nor would you be able to take away an SOB license indefinitely. You can punish, you can suspend, but I doubt that you could permanently get rid of it.

MAYOR GOODMAN

And, Councilman, it would appear that the – SOB licenses or permits are issued by the City of Houston and the Houston Police Department, whereas the alcohol permit is issued by the Texas Alcoholic Beverage Commission, at least from the documents in front of us.

COUNCILMAN BROWN

Then – my question – is better asked: Why would the Texas ABC renew on an annual basis if all these statistics, or do they have the ability to deny an application on an annual basis because of all the statistics that were referenced earlier?

SERGEANT REAGAN
ALEXANDER, LVMPD

I'll try to answer that. It appears, from – our research and from this investigation, that they certainly do act independently of each other, TABC and the City of Houston. There seems to be a pattern there, right or wrong. But the pattern that we have seen there from the information we've been able to obtain from our investigation is that their typical mode of operation, again right or wrong, is, with the SOB at least, to, if they have enough to bring him before for a hearing, to either fine them or to close your doors down for a certain amount of time. In each one of the cases with the Gold Club (sic) and Centerfolds, which are still owned by the applicant – Solid Platinum has been sold – arrangements were worked out to where the, they closed the doors for twenty days on each of those and paid \$50,000 fines on each of those.

And it seems to be a pattern there that that's how they handle those situations. As to why TABC never moved in and took the proper action or protocol to revoke the – liquor license that are, that's attached to each of those facilities, I can't answer your question. I wish they could have given us a – nice synopsis and disposition, but we weren't able to – obtain that.

COUNCILMAN BROWN

I – appreciate that. I'd like to revisit that later, though, Your Honor.

CITY COUNCIL MINUTES
MEETING OF
FEBRUARY 21, 2001

Page 23

VERBATIM TRANSCRIPT: ITEM 73 – DISCUSSION AND POSSIBLE ACTION REGARDING CHANGE OF OWNERSHIP AND BUSINESS NAME FOR A TAVERN LIQUOR LICENSE FROM RANGER BUILDING CORPORATION, DBA RANGER BUILDING CORPORATION TO D. WESTWOOD, INC., DBA THE BOARD ROOM, ALI DAVARI AND HASSAN DAVARI

MAYOR GOODMAN

Very good. Thank you.

COUNCILMAN REESE

I have one other question. I would like Mr. Jerbic to explain one more time, then what is this hearing here for today?

CITY ATTORNEY JERBIC

Today you are here to examine the suitability of these applicants to receive a privileged liquor license in the City of Las Vegas.

COUNCILMAN REESE

Then we're not looking at a SOB license here today?

CITY ATTORNEY JERBIC

That's correct. The – location has been deemed a suitable location for conducting a sexually oriented business. Regardless of whether or not this application goes up or down, a sexually oriented business can be conducted at – this location.

COUNCILMAN REESE

If we –

CITY ATTORNEY JERBIC

And it would not involve any review by the Council.

COUNCILMAN REESE

If we allow the liquor license then, and they have multiple arrests, or citations for problems arising from a sexually oriented business, we – can't revoke that license?

CITY ATTORNEY JERBIC

I think you can. If the sexually oriented business and the liquor are conducted at the same location, and the effect – and it's well documented that alcohol and these kinds of businesses together have negative secondary effects – if it results in problems, the liquor license can be taken away, but the sexually oriented business license could remain in place.

COUNCILMAN REESE

And, what I'm saying is this. My question then is if we can revoke the – liquor license, then we can still have the same problems that we have because the SOB license?

CITY ATTORNEY JERBIC

You would technically have an – open SOB without a liquor license, and your correct. Hypothetically, you could continue to – have those kinds of problems.

COUNCILMAN REESE

And what we're talking about here today, the problems that we have are the SOB type rather than the – liquor license?

CITY ATTORNEY JERBIC

I – think that, it's really a complicated question. I understand the question. But, I think the law recognizes that when you have a simple sexually oriented business without liquor, it

CITY COUNCIL MINUTES
MEETING OF
FEBRUARY 21, 2001

Page 24

VERBATIM TRANSCRIPT: ITEM 73 – DISCUSSION AND POSSIBLE ACTION REGARDING CHANGE OF OWNERSHIP AND BUSINESS NAME FOR A TAVERN LIQUOR LICENSE FROM RANGER BUILDING CORPORATION, DBA RANGER BUILDING CORPORATION TO D. WESTWOOD, INC., DBA THE BOARD ROOM, ALI DAVARI AND HASSAN DAVARI

has negative secondary effects. When you couple it with liquor, those secondary effects go up. There is increased prostitution. There is increased vice type activities. There's increased drug activities when you couple SOB's with liquor. That's very well documented, and that's why the Council has an additional right to regulate the First Amendment activity when you couple it with liquor.

And so, I think that the best way to answer the question is that liquor and sex together actually multiply the effect of --, the negative effect of -- the license.

COUNCILMAN REESE

Well, it just seems to me like, though, through the presentation of Metro, and I'll direct this at Mark and, or the Attorney and also the City Attorney, that the fines that are paid are just the pittance, that the only way you can really control a business like this is revoking the liquor license then.

CITY ATTORNEY JERBIC

I think that, you know, clearly there's, people have different marketing strategies for these kinds of businesses. There are some people in this town that have businesses without liquor licenses that have an SOB and if they were a problem we would attack them that way.

MAYOR GOODMAN

But, of course, Mr. Jerbic, in answering Councilman Reese's inquiry here, if, in fact, and I'm gonna address the Davari brothers with this, 'cause I'm gonna make them a proposition that they may wanna refuse; I'm not sure. If, in fact, the kind of activity that is alleged in the report which we received concerning sexual misconduct and criminal sexual activities taking place on the premises under their existing SOB, notwithstanding whether they have liquor or not, we could certainly revoke that license; could we not?

CITY ATTORNEY JERBIC

The SOB license (inaudible)

MAYOR GOODMAN

Yes. Yeah, because that's not protected. I mean, I can understand erotic dancing being protected, but sexual activity, such as alleged in this report, certainly is not protected. That's criminal.

CITY ATTORNEY JERBIC

Right. I think if it reaches a pattern of crimes or criminal nuisance, I think you have the strongest argument for that point in time shutting it down completely.

MAYOR GOODMAN

And what constitutes a pattern?

CITY COUNCIL MINUTES
MEETING OF
FEBRUARY 21, 2001

Page 25

VERBATIM TRANSCRIPT: ITEM 73 – DISCUSSION AND POSSIBLE ACTION REGARDING CHANGE OF OWNERSHIP AND BUSINESS NAME FOR A TAVERN LIQUOR LICENSE FROM RANGER BUILDING CORPORATION, DBA RANGER BUILDING CORPORATION TO D. WESTWOOD, INC., DBA THE BOARD ROOM, ALI DAVARI AND HASSAN DAVARI

CITY ATTORNEY JERBIC

It's gonna be in the eyes of the court, as you and I both know, Your Honor. But I think that, to me, it would take more than one incident of prostitution. It would take more than an isolated problem with a club. It would take a lengthy investigation and some pattern of that type of conduct before a court would entertain taking away a First Amendment business' license. I think it would take something much more substantial than an individual act of – criminal activity.

MAYOR GOODMAN

Right. But one act – of criminal activity concerning the liquor aspect, that would be grounds to revoke the liquor license?

CITY ATTORNEY JERBIC

That's correct. Just the opposite from liquor, because it is a privileged license.

MAYOR GOODMAN

Okay. Very good. Yes. Mr. Fiorentino?

Is that okay?

COUNCILMAN REESE

That's fine, yes.

ATTORNEY MARK FIORENTINO

Thank you, Your Honor. I guess, I wanted to try to – answer a couple of those issues that came up before I go on in my presentation. But before I do that, let me – say this. Again, I have spent a great deal of time with the – Davaries going over the Metro report in the last couple of months. There's no question that the allegations that were raised, and particularly in the beginning part of that report, deserve Mr. DiFiore's concern, and they deserve Metro's concern, and they deserve your concern. I do think there are mitigating circumstances that we'd like to present to you. And perhaps some explanations we'd like to present to you that – warrant your consideration, and I'll get into those in just a second.

But I wanna reiterate what I wanted to say a minute ago. I think there is no question that the City of Houston, this is where I may disagree with Mr. Jerbic slightly, can refuse to issue you a new sexually oriented business when your license permit comes up, if they can prove that you are continually violating the otherwise constitutional regulations that they placed on sexually oriented businesses.

So, I think, that does speak, and you can give it whatever weight you want to. But it does, think it does speaks somewhat to what the Houston authorities think about the

CITY COUNCIL MINUTES
MEETING OF
FEBRUARY 21, 2001

Page 26

VERBATIM TRANSCRIPT: ITEM 73 – DISCUSSION AND POSSIBLE ACTION REGARDING CHANGE OF OWNERSHIP AND BUSINESS NAME FOR A TAVERN LIQUOR LICENSE FROM RANGER BUILDING CORPORATION, DBA RANGER BUILDING CORPORATION TO D. WESTWOOD, INC., DBA THE BOARD ROOM, ALI DAVARI AND HASSAN DAVARI

allegations and the – pattern or lack of pattern that may be occurring in their clubs there.

Second, as, at least is what I've been told, and I believe it to be true, there is no question that in the city, in Texas the liquor license is clearly a privileged license, much like it is here. And – it's actually a little bit more stringent there than it is here, because here, at least in – my experience in my practice, once you issue a liquor license, if you haven't imposed any other conditions on it, if I come every, I guess here it's semi-annually, and pay my fee, it gets re-issued to me unless there's a – hearing to revoke it or suspend it. That is not the case in Texas. When you come up, you can't just pay your fee and get your license, you have to go through another approval process. And the Davaries in that process, have never been, for whatever reason, and we submit to you that – even though there have been problems in their clubs there, they have not risen to the level that the Texas authorities deemed necessary to revoke their license, and they have never had that happen.

And finally, with respect to the pattern, there has not been a single revocation hearing or action against any of these licenses since the settlement of that lawsuit, which was almost four years ago, which I also think is significant.

And that, I wanted to lead that into the lawsuit itself. What you were presented in the Metro report were based on affidavits that were submitted in a revocation hearing that actually was the culmination of about five years worth of cases and allegations made against mostly dancers in those clubs but on occasion, specific employees of those particular clubs. It was a consolidation of a number of cases. There were cross suits filed against the City of Houston. It was about five years ago. And both sides in that case, and that's behind – I think Metro gave it to you, but I also provided you another copy behind tab 3 in our report – both sides in that litigation agreed to a settlement in which neither party admitted any wrongdoing or liability. And I think that's important because, although there's no question again that those allegations that were made warranted some attention, they were allegations. And they were not allegations that we took any opportunity to dispute as we would if that litigation had gone on. Instead, we settled the case. We settled it by paying a fairly large fine, resulting in a temporary suspension of a couple of the licenses and no suspension of the rest of the licenses. And at the time that's

CITY COUNCIL MINUTES
MEETING OF
FEBRUARY 21, 2001

Page 27

VERBATIM TRANSCRIPT: ITEM 73 – DISCUSSION AND POSSIBLE ACTION REGARDING CHANGE OF OWNERSHIP AND BUSINESS NAME FOR A TAVERN LIQUOR LICENSE FROM RANGER BUILDING CORPORATION, DBA RANGER BUILDING CORPORATION TO D. WESTWOOD, INC., DBA THE BOARD ROOM, ALI DAVARI AND HASSAN DAVARI

what both parties, including the City of Houston, deemed to be an appropriate settlement of those issues. Since then, again, there have been no actions taken to revoke the licenses of the Davaries since the settlement, that lawsuit, at least not that I have been made aware of.

Now, after I have said all that, there is, it's nevertheless true that neither George or David are proud of – In fact, it's exactly the opposite. Some of the allegations that were taking place. And most of those relate to a particular club of theirs in Houston. They're not proud of those. And they recognize that even though they settled the lawsuit and were able to keep their licenses as a result of the settlement, that the allegations themselves resulted in them needing to make some changes and needing to pay more attention to what happens in their particular clubs.

What they did in response to that lawsuit, even though they weren't required to, pursuant to the settlement, as they fired the manager involved. And – you've got the report; it refers to a specific manager. He was terminated. They initiated new training procedures and new hiring procedures and new enforcement procedures to try to make sure that the dancers complied with the local regulations. Is it true that the dancers sometimes don't comply? Absolutely. That's true. I will submit to you, and have evidence of it if you – want to go into it, that that would also be true of the licensed establishments here in Las Vegas. But I'm not sure that we need to get into that.

What has happened since the settlement, if you look very closely at the numbers, is that there have been dramatically fewer citations than there were leading up to that particular lawsuit. I have asked Mr. Paul Nugent, who represents the Davaries in Houston, on that settlement and on a continuing basis to give me, identify for me every citation in all of the clubs in Houston that have – been issued against either a dancer or an employee since the settlement. So we're talking about four years and five clubs in Texas, and there have been a total over that period of 70 citations issued. Five clubs, four years, all relating, except in maybe one or two incidences, to dancers of the club violating the three-foot rule.

Or prior in Houston, as I am told, prior to them having a three-foot rule. They prosecuted those cases under an indecent exposure statute, which says the dancers can't dance in a manner that is either indecent or obscene. Which

CITY COUNCIL MINUTES
MEETING OF
FEBRUARY 21, 2001

Page 28

VERBATIM TRANSCRIPT: ITEM 73 – DISCUSSION AND POSSIBLE ACTION REGARDING CHANGE OF OWNERSHIP AND BUSINESS NAME FOR A TAVERN LIQUOR LICENSE FROM RANGER BUILDING CORPORATION, DBA RANGER BUILDING CORPORATION TO D. WESTWOOD, INC., DBA THE BOARD ROOM, ALI DAVARI AND HASSAN DAVARI

as, I guess, everyone would recognize when you think about it, is a tough issue in court and otherwise on where you cross the line to being obscene.

But at any point, those, of those 70 cases, 74% of them have either subsequently been dismissed or the – person was found not guilty. There're only a few of them left that are still pending. A few of them the dancer pleaded no contest as opposed to – challenging it in court. And recognize that the Davaries, once the dancers get cited have limited control over what happens to the citations, because the dancers are independent contractors.

What I mean by that to say is that the Davaries had no control over whether a dancer wants to just say, look, I'll pay a fine and admit to the liability as opposed to contesting whether I actually committed the crime or not. But even so 73% of those cases have either been dismissed or the dancer's been found not guilty. The one case that Metro made a specific reference to was a manager who was cited for failing to enforce the law. That case was also dismissed.

So, we stand before you today, and – we really only have, I guess, one thing to offer and one thing to ask for and that is that the Davaries have had a fair opportunity to – prove to you that they're worthy of this privileged license that they've asked you for.

You know, I appear before you every two weeks, and I have spent a great deal of time with both of the Davari brothers and – told them that, how important you deem promises that people make to you and how angry you are if people make promises to you and don't keep them. And they are so far willing to prove that they are worthy of that privilege. They are willing to make a – \$7 million investment up front with the idea that you only grant them a limited license that they have to come back and review.

MAYOR GOODMAN

Let me ask you this: What's a, I think, using your expression, they want a fair chance; is that what you said?

ATTORNEY MARK FIORENTINO

Yes.

MAYOR GOODMAN

Well, what's a fair chance? How many citations before we close 'em down?

ATTORNEY MARK FIORENTINO

Let me tell you what – we proposed and –

CITY COUNCIL MINUTES
MEETING OF
FEBRUARY 21, 2001

Page 29

VERBATIM TRANSCRIPT: ITEM 73 – DISCUSSION AND POSSIBLE ACTION REGARDING CHANGE OF OWNERSHIP AND BUSINESS NAME FOR A TAVERN LIQUOR LICENSE FROM RANGER BUILDING CORPORATION, DBA RANGER BUILDING CORPORATION TO D. WESTWOOD, INC., DBA THE BOARD ROOM, ALI DAVARI AND HASSAN DAVARI

MAYOR GOODMAN

No. Please answer that question. What's a fair chance? We had a night and day owner come before us before who had a history of being warned and warned and warned and finally came the time that he had to pay the piper. I'm asking you, what is a fair chance? I'm a gambling man. Okay? These folks are gonna put up \$7.4 million. A lot of money. What's a fair chance? How many times do we have to cite 'em before we close 'em down?

ATTORNEY MARK FIORENTINO

Here's what I've told them and what they've agreed to. That any – citation that was remotely close to the first part of your report, where people were talking about illegal inappropriate sexual activity, that a single citation was gonna result in – you telling them they can't keep their license anymore, and they're willing to commit to that.

MAYOR GOODMAN

That's fine. They are ready to commit to that?

ATTORNEY MARK FIORENTINO

Yes.

MAYOR GOODMAN

Single citation of a sexual, like what was described by the officer; that would be the – bar?

ATTORNEY MARK FIORENTINO

Yes –

MAYOR GOODMAN

Okay. Fine. Very good.

ATTORNEY MARK FIORENTINO

They're – here to pledge to you that there will be no prostitution-related activity, no drug-related activity, that sort of thing –

MAYOR GOODMAN

No, I don't care about – I appreciate that. I'm not particularly concerned about their pledge at this time, but a single citation, they're agreeing, will result in revocation of a license that they're actually paying \$7.4 million for?

ATTORNEY MARK FIORENTINO

Yes.

MAYOR GOODMAN

Okay.

COUNCILMAN BROWN

Your Honor?

MAYOR GOODMAN

Yes.

COUNCILMAN BROWN

Mr. Fiorentino, or Mr. DiFiore, or Metro, or Mr. Jerbic, I've heard a lot today about –

CITY COUNCIL MINUTES
MEETING OF
FEBRUARY 21, 2001

Page 30

VERBATIM TRANSCRIPT: ITEM 73 – DISCUSSION AND POSSIBLE ACTION REGARDING CHANGE OF OWNERSHIP AND BUSINESS NAME FOR A TAVERN LIQUOR LICENSE FROM RANGER BUILDING CORPORATION, DBA RANGER BUILDING CORPORATION TO D. WESTWOOD, INC., DBA THE BOARD ROOM, ALI DAVARI AND HASSAN DAVARI

ATTORNEY MARK FIORENTINO

Do I get to go first, or, since you're looking at me? Or –

COUNCILMAN BROWN

I've heard a lot about the three-foot rule in Houston, and the preponderance of citations deal with this three-foot rule or some kind of suggestion on obscene and lewd. How does that compare with Las Vegas, where I've been told there is no three-foot rule and there isn't even a no-touch rule?

So, I guess, again, this is the first question I asked was the comparison. If you were to take this Houston ordinance, which is far more lenient than Las Vegas, and this will then lead to the Mayor's comment as far as what will be a violation, what – is our rule? What are our standards?

JIM DiFIORE, MANAGER,
BUSINESS SERVICES

Councilman, there is no foot rule here in Las Vegas. I believe the code references the fact that dancers may not caress or fondle patrons. But it does not address any distance measurement. Now, I think that the Houston rule, the three-foot rule is actually more stringent, because there is that gap, and in Las Vegas there isn't. And – I guess, I know of other circumstances or other jurisdictions where they have a six-foot rule, and I think more recently they now have a ten-foot rule in some cases. I think the six-foot rule has recently in the last year been upheld as a constitutional ordinance.

I would suggest that – what we see here is – them not complying with the three-foot rule. And I would think that we would have more problems in Las Vegas, because we have no foot rule at all.

COUNCILMAN BROWN

So, if – we went into, if you or Metro went into an SOB existing today and saw dancers right up against patrons and touching, you – say fondle or caress, but, according to this report, brushing is illegal in Houston. That would be fine. There'd be no violation according to our City ordinance?

JIM DiFIORE, MANAGER,
BUSINESS SERVICES

Under our current codes, that's correct. Now I do have some suggestions that I've – sent to my boss for changes to be made.

MAYOR GOODMAN

Right. But right now we're under the current code.

COUNCILMAN BROWN

Yeah.

JIM DiFIORE, MANAGER,
BUSINESS SERVICES

Right.

CITY COUNCIL MINUTES
MEETING OF
FEBRUARY 21, 2001

Page 31

VERBATIM TRANSCRIPT: ITEM 73 – DISCUSSION AND POSSIBLE ACTION REGARDING CHANGE OF OWNERSHIP AND BUSINESS NAME FOR A TAVERN LIQUOR LICENSE FROM RANGER BUILDING CORPORATION, DBA RANGER BUILDING CORPORATION TO D. WESTWOOD, INC., DBA THE BOARD ROOM, ALI DAVARI AND HASSAN DAVARI

MAYOR GOODMAN

Is that it? Councilman?

COUNCILMAN BROWN

And maybe along the three-foot, no-touch rule, what – kind of activity, Sergeant, this may be best directed to you. What kind of incident reporting do we have as far as the existing City SOB's? Is, are violations commonplace? Would it be 15.8% of the days or violations of the club? Do we have any statistics to compare today before, separate from this application?

SERGEANT REAGAN
ALEXANDER, LVMPD

To – answer that question, no. No. But the most common arrest in the SOB's we have here is for prostitution.

COUNCILMAN BROWN

And, Your Honor, I guess this – would be from a – global perspective. I know this Council a few years back fined someone \$50,000, and it might have been an SOB. Was it an SOB, Jim? So, I, I'd be very interested, as a backdrop to all this, what the current state of affairs is in the SOB industry.

MAYOR GOODMAN

Well, that's why I asked the question, and I asked them whether or not at least anecdotically in Las Vegas we have situations such as those that are described which would anyone of us would agree as sexually, sexual misconduct. And I was given the answer none, and I said good for us. So, with that backdrop that I'm gonna be acting on this application.

COUNCILMAN BROWN

But, can we hold and if, and I certainly support where – you're going with that, can we hold this application to a higher standard and – yet retro to some of the existing SOB's have a far less strict standard?

MAYOR GOODMAN

Well, I – think the, at the question that I asked Mr. Fiorentino that if there was a single citation, and not a citation a conviction, of course. A single conviction for a sexually, sexual misconduct, then he says his clients are ready to agree that the license would be revoked.

ATTORNEY MARK FIORENTINO

Your Honor, if I can, just before I forget to amplify this point. I think this is another point where we disagree slightly with Metro. I hired a private investigator to do some undercover work in existing City of Las Vegas licensees in the last thirty days to find out whether some of this conduct was occurring. I have a – report, which I can submit to you later. I prefer that it be confidential. If you want to see it, or you can take my word for it that some of the conduct that was

CITY COUNCIL MINUTES
MEETING OF
FEBRUARY 21, 2001

Page 32

VERBATIM TRANSCRIPT: ITEM 73 – DISCUSSION AND POSSIBLE ACTION REGARDING CHANGE OF OWNERSHIP AND BUSINESS NAME FOR A TAVERN LIQUOR LICENSE FROM RANGER BUILDING CORPORATION, DBA RANGER BUILDING CORPORATION TO D. WESTWOOD, INC., DBA THE BOARD ROOM, ALI DAVARI AND HASSAN DAVARI

referenced in the complaint is currently happening here in the City of Las Vegas.

Now, here's why I say that and make a point, because I think that's important to recognize that my clients are willing to go above and beyond what is happening here, and with respect to sexual misconduct, or drug activity, or anything like that, they understand that you will expect a no-tolerance policy. That a single conviction will result in them losing their license. They understand that as clearly as I can make it to them, 'cause I told 'em a hundred times, and they can tell you themselves if you wanna hear it from them.

MAYOR GOODMAN

Well, I'll certainly ask them that. But, if in fact, you have -- See, what disturbs me about this, and this really is an aside. What disturbs me about this is if in fact this kind of conduct is happening here, and I'm told it's not, you're saying that it is, then it's tantamount to prostitution as far as I'm concerned. And for us to pretend that we're holier than thou and that prostitution doesn't exist is foolishness on our part. May as well legalize it if in fact this kind of conduct is taking place. I'm told by Metro it's not, and that satisfies me. If you have a report that suggests that it is, I'd like to see it.

ATTORNEY MARK FIORENTINO

And perhaps what I could do, if Metro is interested, I'll share the information that we have with them. Maybe we're -- Your concern is absolutely legitimate. No one should be doing that because it's illegal.

MAYOR GOODMAN

We either legalize it or it's illegal. There's no, it's either being pregnant or you're not.

ATTORNEY MARK FIORENTINO

And we agree.

MAYOR GOODMAN

Okay. All right, let me have the Davaries come up here, please.

ATTORNEY MARK FIORENTINO

Your Honor, members of Council, this is David Davari and his brother George Davari.

ALI "DAVID" DAVARI

Hi.

ATTORNEY MARK FIORENTINO

The gentleman standing behind them is Paul Nugent who is their counsel on matters in Houston.

MAYOR GOODMAN

Could, would you please identify yourselves, gentlemen.

CITY COUNCIL MINUTES
MEETING OF
FEBRUARY 21, 2001

Page 34

VERBATIM TRANSCRIPT: ITEM 73 – DISCUSSION AND POSSIBLE ACTION REGARDING CHANGE OF OWNERSHIP AND BUSINESS NAME FOR A TAVERN LIQUOR LICENSE FROM RANGER BUILDING CORPORATION, DBA RANGER BUILDING CORPORATION TO D. WESTWOOD, INC., DBA THE BOARD ROOM, ALI DAVARI AND HASSAN DAVARI

HASSAN "GEORGE" DAVARI Yes.

MAYOR GOODMAN It's going to be hard to knowingly allow it.

HASSAN "GEORGE" DAVARI No, because the management staff are gonna handle it.

ATTORNEY MARK FIORENTINO Well, there's –

MAYOR GOODMAN Well, we're – talking about on a respondent superior basis?

ATTORNEY MARK FIORENTINO No. I, there's – no question that if a citation is issued for any of those activity he will know about it.

MAYOR GOODMAN He'll know about it after the citation is issued.

COUNCILMAN REESE We're talking about convictions.

MAYOR GOODMAN And – then if there's a conviction, he would certainly know that a trial is gonna be taking place. If there's a conviction, he agrees that he will have his license revoked without a court hassle, without litigation and the like? Is that, that's the way I understand what I've heard. Gentlemen?

HASSAN "GEORGE" DAVARI Excuse me. I believe what you meant is anything we promote directly or we have a knowledge of it.

MAYOR GOODMAN No.

COUNCILMAN REESE No.

MAYOR GOODMAN What I'm saying that if when you're, this business that you'll own, that you own right now –

HASSAN "GEORGE" DAVARI Right.

MAYOR GOODMAN – if in fact there is a violation of sexually prohibited conduct –

HASSAN "GEORGE" DAVARI Correct.

MAYOR GOODMAN – okay, under our criminal laws and there's a conviction, okay? That you agree whether you're sitting in Houston or you're on a boat in the gulf, I don't care, you agree that you will have your license revoked, correct?

HASSAN "GEORGE" DAVARI Well, of course, we coming here to operate and cooperate with the law. If that's (inaudible) on the law, obviously we

CITY COUNCIL MINUTES
MEETING OF
FEBRUARY 21, 2001

Page 34

VERBATIM TRANSCRIPT: ITEM 73 – DISCUSSION AND POSSIBLE ACTION REGARDING CHANGE OF OWNERSHIP AND BUSINESS NAME FOR A TAVERN LIQUOR LICENSE FROM RANGER BUILDING CORPORATION, DBA RANGER BUILDING CORPORATION TO D. WESTWOOD, INC., DBA THE BOARD ROOM, ALI DAVARI AND HASSAN DAVARI

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CITY COUNCIL MINUTES
MEETING OF
FEBRUARY 21, 2001

Page 35

VERBATIM TRANSCRIPT: ITEM 73 – DISCUSSION AND POSSIBLE ACTION REGARDING CHANGE OF OWNERSHIP AND BUSINESS NAME FOR A TAVERN LIQUOR LICENSE FROM RANGER BUILDING CORPORATION, DBA RANGER BUILDING CORPORATION TO D. WESTWOOD, INC., DBA THE BOARD ROOM, ALI DAVARI AND HASSAN DAVARI

don't deserve to keep the license. And I'm pretty sure the law is unique for all over the City of Las Vegas. I'd be more than happy to comply with it, if that's answer the question.

MAYOR GOODMAN

No, that's not an answer to the question. The question I'm asking is pretty simple. That if, in fact there's a conviction for sexually prohibited misconduct, okay?

HASSAN "GEORGE" DAVARI

Right.

MAYOR GOODMAN

If there's a conviction, do you agree that your license can be revoked without getting involved in a lawsuit with the City saying that we've done something that's inappropriate?

HASSAN "GEORGE" DAVARI

I'd like to get a comment of my attorneys. Because I don't know if I explained myself correctly.

MAYOR GOODMAN

Okay. And I – want you to, this is very important. You're talking about \$7.4 million. Almost my net worth.

JIM DiFIORE, MANAGER,
BUSINESS SERVICES

Mayor, while there's a pause here, what about the – fact that we're hearing a liquor license today? What about sale of alcohol to minors or any other liquor related –

MAYOR GOODMAN

No. I'm not – concerned about it. I mean, that's, that comes in the ordinary course. We're, the conduct that I think is offensive to this Council is the sexually oriented activity. We, nobody's advocating that we want violations of the liquor laws, but those would be handled independent without the, I'm asking for an (inaudible) of a very high price here, and I wanna relate it to the – sexually oriented activity.

COUNCILMAN BROWN

Your Honor?

MAYOR GOODMAN

Yes.

COUNCILMAN BROWN

And, again, I – agree with where you're heading with this. If we raise the bar and hold this application to that standard of a one conviction, zero tolerance, then do we also raise the bar and hold the other licensees to that same standard?

MAYOR GOODMAN

I'm not sure the answer to that. The reason that I'm even suggesting this is because of the history.

COUNCILMAN REESE

This is a new application here.

MAYOR GOODMAN

The pattern of conduct that has been described to us that these folks have been involved in over several years. I could

CITY COUNCIL MINUTES
MEETING OF
FEBRUARY 21, 2001

Page 36

VERBATIM TRANSCRIPT: ITEM 73 – DISCUSSION AND POSSIBLE ACTION REGARDING CHANGE OF OWNERSHIP AND BUSINESS NAME FOR A TAVERN LIQUOR LICENSE FROM RANGER BUILDING CORPORATION, DBA RANGER BUILDING CORPORATION TO D. WESTWOOD, INC., DBA THE BOARD ROOM, ALI DAVARI AND HASSAN DAVARI

assure you this. That from my, where I'm sitting here today if somebody were to show me that a place that's licensed today under an SOB has this kind of activity taking place, you can bet your bottom dollar I would ask for revocation of their license.

COUNCILMAN BROWN

And you –

COUNCILWOMAN McDONALD

Your Honor, I have a – question of clarification too, because in all of the material that's been presented here, I don't think anyone has charged these gentlemen with inappropriate behavior. It's been the employees of these gentlemen who have not been held to, or have shown inappropriate management or leadership of the organization. And so, it'd be very easy to say I didn't know about it. It was my manager's responsibility. So we have to set the ground rule today regardless of it's just their knowledge, or if it's not their knowledge and it's the manager's knowledge, we need to know what the ground rules and I want to know before I cast a vote what (inaudible) –

MAYOR GOODMAN

Okay. And I would – I think that's an excellent suggestion. And I would suggest that if the manager on the, knew or should have known that this activity was taking place and permitted it to take place that that would be related to these people that they would be responsible for it. That it would go all the way to the captain of the ship.

ATTORNEY MARK FIORENTINO

I just asked him the – question that I thought you asked. Which is if – the manager should have, knew or should have known, you're going to impute that knowledge to him.

MAYOR GOODMAN

Yes.

ATTORNEY MARK FIORENTINO

And is he willing to accept that responsibility?

MAYOR GOODMAN

Yes.

ATTORNEY MARK FIORENTINO

And I thought his answer was yes. Do you agree?

ALI "DAVID" DAVARI

Yes, Sir. I will accept that.

MAYOR GOODMAN

All right. How about your brother?

HASSAN "GEORGE" DAVARI

Absolutely. I'd like to make a comment on that. If someone pass a red traffic light, are they going to fine you as the Mayor of the City?

CITY COUNCIL MINUTES
MEETING OF
FEBRUARY 21, 2001

Page 37

VERBATIM TRANSCRIPT: ITEM 73 – DISCUSSION AND POSSIBLE ACTION REGARDING CHANGE OF OWNERSHIP AND BUSINESS NAME FOR A TAVERN LIQUOR LICENSE FROM RANGER BUILDING CORPORATION, DBA RANGER BUILDING CORPORATION TO D. WESTWOOD, INC., DBA THE BOARD ROOM, ALI DAVARI AND HASSAN DAVARI

MAYOR GOODMAN No. I go to traffic school. They do fine me.

HASSAN "GEORGE" DAVARI Right. So we go back to the same thing. We do our best to avoid any kind of violation. We not –

MAYOR GOODMAN Yeah, but I do my best too and I ended up at traffic school for five hours.

HASSAN "GEORGE" DAVARI Right. We (inaudible) comply with the law.

MAYOR GOODMAN No. What I'm saying is this. This is, this isn't, no second chance –

HASSAN "GEORGE" DAVARI This is a tough – business. I just, it took us about a year to get in this City and we are still not finished. And we wanna make sure by the same token we are protected too. Not scared to not comply with the law. We just wanna make sure, as some of the Council member mentioned, everything gonna be unique. We going to be more than happy to cooperate with Metro and we thank your time that they try to protect the City of Las Vegas, because we're gonna be part of this City with a big investment.

MAYOR GOODMAN I under – Well, –

COUNCILMAN REESE Your Honor –

MAYOR GOODMAN Yes.

COUNCILMAN REESE I think I'm ready to make a motion.

MAYOR GOODMAN All right.

COUNCILMAN REESE I think I've pretty well understood the – flow of –

COUNCILMAN MACK One comment, if you don't mind.

COUNCILMAN REESE Yes, Sir.

COUNCILMAN MACK I'm sorry, Mayor Pro Tem. I'd just like to make a comment. As a responsible parent, I've looked at this issue and it's a very difficult issue that we're about to push the buttons on. And I see that, you know, this – use has already been granted. The sexually oriented business is going into this location. I see a substantial investment that's being put forth into our community.

CITY COUNCIL MINUTES
MEETING OF
FEBRUARY 21, 2001

Page 38

VERBATIM TRANSCRIPT: ITEM 73 – DISCUSSION AND POSSIBLE ACTION REGARDING CHANGE OF OWNERSHIP AND BUSINESS NAME FOR A TAVERN LIQUOR LICENSE FROM RANGER BUILDING CORPORATION, DBA RANGER BUILDING CORPORATION TO D. WESTWOOD, INC., DBA THE BOARD ROOM, ALI DAVARI AND HASSAN DAVARI

And I also, I believe that we are raising the bar for all sexually oriented businesses today. And with the discussion and, Mr. DiFiore, I'd like to hear some of your further comments after today's vote on how we can raise the bar. Because it sounds to me that the bar's pretty low right now. What – I'm hearing and I'm seeing is that the Davari brothers are willing to raise the bar, and we can hold them accountable. And I think it's like any business. When you have a – substantial investment in any business sector, I know we've seen it in the industry that I work in in a private capacity. That when the investment's made and the improvements have been made, the whole industry seems to increase their responsibility and their community involvement. So, I see the bar being raised. I think we're having some excellent dialogue today.

But like I state. As a responsible parent, I have two young boys that I'm raising in this community; I want this to be a better place than what I've been fortunate to have. And I look forward to seeing this come forward.

COUNCILMAN REESE

Are there any other questions or comments from our attorneys or –

MAYOR GOODMAN

Yes, Mayor Pro Tem. I want to make perfectly clear. I – see no problem with the type of facility that you contemplate here. I think it's part of Las Vegas. I think it's part of our community. I think that if run legitimately, there's, it's fine. I want my comments just to be construed that if in fact it's a den for prostitution, then that won't be tolerated by the Council until prostitution's legalized here.

COUNCILMAN REESE

I think, Your Mayor, a lot of your comments and questions have been taken in the right mode that it was meant. I would just like to direct my comments to Mr. Fiorentino and the Davari brothers.

I think, number one, the location of the proposed business is the proper location. Okay, I don't have any problem with that. I see in other, in Houston, some of your other locations, the continued problems. I sometimes don't feel that fines are adequate, which led us to the discussion as far as you agree with one conviction that your license will be revoked.

I feel like that we don't have enough Metro officers, we don't have enough City employees to go out every day to sit in

CITY COUNCIL MINUTES
MEETING OF
FEBRUARY 21, 2001

Page 39

VERBATIM TRANSCRIPT: ITEM 73 – DISCUSSION AND POSSIBLE ACTION REGARDING CHANGE OF OWNERSHIP AND BUSINESS NAME FOR A TAVERN LIQUOR LICENSE FROM RANGER BUILDING CORPORATION, DBA RANGER BUILDING CORPORATION TO D. WESTWOOD, INC., DBA THE BOARD ROOM, ALI DAVARI AND HASSAN DAVARI

your place of business and make sure that you're complying with the conditions that you've agreed to, that I have here in front of me. I think that it would be up to you to hire somebody that will be able to see. Watch the dancers. Whether you have three security guards or a dozen security guards in your place of business, that they can see where a lady, a dancer is headed, in what direction. It's been brought to my attention that we might have something start inside where one of the employees may go outside. I think that you under, you need to understand that there will be no tolerance at all of any type of prostitution. And we may not have this in other locations today, but I think that the prior hearing that you heard, you've seen where this Council is going and what we're trying to do here.

This is a privileged license. I think it's important for you to understand that if you come in here with the investment that has been mentioned, over \$7 ½ million, then you do want to protect that. So, to me, in my mind, you're gonna have somebody there, whether it takes one person or fifteen people to go in there and make sure that none of this does happen. And I don't – feel like that I want to have what's going on in other locations here in the City of Las Vegas. And if what Mr. Fiorentino, Mark, alluded to is going on, then we want to check that out. I want to check that out. And maybe we are going to hold you to a higher standard.

I definitely respect Mr. DiFiore. This, my – motion is not going to reflect at all on your investigation, your recommendation. This is somebody coming in here with a new license request. And I – certainly respect Metro's investigation. The job that they've done for us giving us this information. And I – feel like with the – point that the Mayor made, with the questions that Mr. Brown asked and Councilwoman McDonald asked are very pertinent, and I think we all are on the same page. And if, Mr. Fiorentino, if I can put this in the record to the conditions, and also the condition that the Mayor alluded to, one conviction, then they stand to lose their liquor license and with no – long lawsuits, no nothing.

ATTORNEY MARK FIORENTINO

Understood.

COUNCILMAN REESE

And that's understood. So, then I would make that one of the conditions.

ATTORNEY MARK FIORENTINO

And you can – certainly add that to the record. What you're referring to is we put together a – set of procedures to try to

CITY COUNCIL MINUTES
MEETING OF
FEBRUARY 21, 2001

Page 40

VERBATIM TRANSCRIPT: ITEM 73 – DISCUSSION AND POSSIBLE ACTION REGARDING CHANGE OF OWNERSHIP AND BUSINESS NAME FOR A TAVERN LIQUOR LICENSE FROM RANGER BUILDING CORPORATION, DBA RANGER BUILDING CORPORATION TO D. WESTWOOD, INC., DBA THE BOARD ROOM, ALI DAVARI AND HASSAN DAVARI

come up with a compliance manual to make sure that (inaudible) –

COUNCILMAN REESE

Well, I think that those, and I went over those conditions, and I feel like that those conditions that you're agreeing to, we already are, we already have those in place here in the City of Las Vegas. I would hope that we do or in Clark County. So, I –, but I do wanna put that in the record. But I also want it understood that one of my conditions, the condition that I'm gonna make a motion for approval is with a six-month review and at the six-month review, if there's any problems, then we're gonna go with a three-month review. Because I – and this is from the time that it's opened, not from today, but from the time it's opened.

And like I say, I don't feel like that we, the City of Las Vegas, the taxpayers here can afford to pay somebody to go into your place of business and to police it for you. And so if there's any – problems at all, that come back to us, then I – want to be able to call them in for a special hearing, whether it's before the six months or after the six months. Is that understood?

ATTORNEY MARK FIORENTINO

Yes.

COUNCILMAN REESE

And with those conditions in place, then my motion would be approval of this application as noted.

MAYOR GOODMAN

All right. All right, vote on the motion, please.

COUNCILMAN WEEKLY

Councilman Reese?

COUNCILMAN REESE

Yes.

COUNCILMAN WEEKLY

Just real quick, before I cast my vote. I just wanna say for the record, this is an item, and as Councilman Mack alluded to, that we all will be so glad to put behind us, because I think some of us toyed with this thing tremendously. And I do wanna say to the Davari brothers is that in the beginning I did not support this. Not for anybody else's reason but my own personal reasons. And I do want you to know from my heart, because I have to say this on behalf of my constituents, you know, I am very much concerned with your activities in Houston. And I'm only supporting this motion, and I needed to say this for the records, only because of that condition, that, just one act. I mean, I think it's so important that, for me, to sit here and listen to a staff's recommendation. That's important to me because we pay

CITY COUNCIL MINUTES
MEETING OF
FEBRUARY 21, 2001

Page 41

VERBATIM TRANSCRIPT: ITEM 73 – DISCUSSION AND POSSIBLE ACTION REGARDING CHANGE OF OWNERSHIP AND BUSINESS NAME FOR A TAVERN LIQUOR LICENSE FROM RANGER BUILDING CORPORATION, DBA RANGER BUILDING CORPORATION TO D. WESTWOOD, INC., DBA THE BOARD ROOM, ALI DAVARI AND HASSAN DAVARI

them to give us recommendations. And, you know, I'm going against my staff's recommendations today to support this motion, and I really and truly hope that you do the right thing. I mean, I really and truly hope that you do that, because, I mean, for all of us who had to toy with this, this has been a very difficult, difficult item to deal with. And I really hope that you don't bring your staff from Houston here. Leave the girls down there. I mean, you probably can find some ones here to participate in your club here. But it's my hope that you do follow the recommendations that the Councilman made today and the Mayor.

COUNCILMAN REESE

And also, I want you to understand. A lot of my feelings, my beliefs is because of the man representing you here. I trust Mark. Okay. And if Mark says this is what's gonna happen, then this is what's gonna happen. And he'll be the first one I call if I ever hear of any problems at this location. And I'm gonna say, Mark, you represented them, you promised –

ATTORNEY MARK FIORENTINO

Why don't you start with my wife. Call her first.

COUNCILMAN REESE

No. I'm gonna call you first. And that's the one reason that also makes me make this motion today.

MAYOR GOODMAN

Okay. Vote on the motion, please. Post, please. Motion carries. **(Motion carried unanimously with M. McDONALD abstaining because of his relationship with Mr. Rogich.)**

ATTORNEY MARK FIORENTINO

Your Honor, Council, thank you very much for your time. I appreciate that.

(END OF DISCUSSION)

/gpb;da

AGENDA SUMMARY PAGE
CITY COUNCIL MEETING OF: MARCH 17, 2004

DEPARTMENT: FINANCE AND BUSINESS SERVICES

DIRECTOR: MARK R. VINCENT

☐

CONSENT

☒

DISCUSSION

SUBJECT:

Discussion and possible action regarding an Appeal of Denial of Business License for an Independent Massage Therapist License, Nicholas A. Hoover, dba Nicholas A. Hoover, 4200 East Bonanza Road, #123, Nicholas A. Hoover, 100% - Ward 3 (Reese)

Fiscal Impact

☒

No Impact

Amount:

☐

Budget Funds Available

Dept./Division:

☐

Augmentation Required

Funding Source:

PURPOSE/BACKGROUND:

Discussion and possible action regarding an Appeal of Denial of Business License for an Independent Massage Therapist License

RECOMMENDATION:

Recommendation to be provided following discussion of this item at the City Council meeting

BACKUP DOCUMENTATION:

1. Agenda Memo
2. Letter from Nicholas Hoover

MOTION:

REESE – Motion to bring forward and Hold in ABEYANCE Items 72 and 75 to 4/21/2004 and STRIKE Items 73 and 100 – UNANIMOUS

MINUTES:

There was no discussion.

(9:47 – 9:49)

1-1256

AGENDA MEMO

CITY COUNCIL MEETING DATE: MARCH 17, 2004

DEPARTMENT: FINANCE AND BUSINESS SERVICES

ITEM DESCRIPTION: Discussion and possible action regarding an Appeal of Denial of Business License for an Independent Massage Therapist License, Nicholas A. Hoover, dba Nicholas A. Hoover

On June 17, 2003, Mr. Nicholas A. Hoover submitted an application for an independent massage therapist license. Mr. Hoover was referred to the Las Vegas Metropolitan Police Department for investigation pursuant to LVMC 6.52.170(A) on June 19, 2003. Based on a review of the applicant's Scope printout, this Department issued a temporary license on June 19, 2003 pending receipt of a favorable police report.

On December 12, 2003, the Special Investigations Section submitted a police report with an area of concern. The Police Report reflected that Mr. Hoover had conducted business without a license, the application was incomplete and he had been convicted of a crime that involves moral turpitude.

Based on this report, the Department denied this license on December 23, 2003, as provided in Las Vegas Municipal Code 6.02.090, which states, in pertinent part:

“...The Director may:

(A) Deny an applicant a license if...

(1) The application is incomplete or contains false, misleading or fraudulent statements with respect to any information that is required in the application;

(4) The applicant or any of its principals is or has engaged in a business, trade or profession without having obtained a valid license, an approval for suitability, a permit or work card when such applicant or any of its principals knew that one was required or under such circumstances that they reasonably should have known one was required;

(6) The applicant or any of its principals has been convicted or an act that constitutes a crime which involves moral turpitude or involves any local, State or Federal law or regulation which relates to the same or a similar business...”

Las Vegas Municipal Code provides an applicant the right to appeal a decision of the Director within thirty days to the City Council. Attached is a letter from Mr. Hoover requesting an appeal of the denial of the license.

2 / 18 / 04

Nicholas Hoover #184
3225 S. Pecos
Las Vegas NV 89121
(702) 489-2994

Dear, Jim Difiore

2004 FEB 24 P 4: 35
RECEIVED
FINANCE AND
BUSINESS SERVICES

I Nicholas Hoover am writing this letter
to inform you that I would like to appeal
the decision that was made denying my
massage business license.

It looks like the passed of years

ago has come back to haunt me. Even
tho that is not the person who I am
today.

Being legally blind I was able

to go through the program that

Services for the blind offers
that helped with Schooling, Getting
my massage License, and obtaining
work. Also I have been
Volunteering as a massage
therapist working once a week
for the past year and a half
with a hospice.

Why I Should get my Business
License.

① The hard work I have put in
to get to where I am now.

② Have employment and
» ready to go to work.

③ Volunteer Work - Giving Back

④ My will to help people
myself and also the city of LV.

Jim thanks any question
Please Call (702) 4592994

Sincerely

Nick Hornum

AGENDA SUMMARY PAGE
CITY COUNCIL MEETING OF: MARCH 17, 2004

DEPARTMENT: FINANCE AND BUSINESS SERVICES

DIRECTOR: MARK R. VINCENT

☐

CONSENT

☒

DISCUSSION

SUBJECT:

Discussion and possible action regarding Temporary Approval of a new Massage Establishment License subject to the provisions of the planning and fire codes, Hoover-Youshock Two Wahinie's "LTD", dba Lakeshore Salon and Day Spa, 2908 Lake East Drive, Rosemary Youshock, Dir, Secy, Treas, 50%, Susan F. Hoover, Dir, Pres, 50% - Ward 2 (L.B. McDonald)

Fiscal Impact

☒

No Impact

Amount:

☐

Budget Funds Available

Dept./Division:

☐

Augmentation Required

Funding Source:

PURPOSE/BACKGROUND:

Discussion and possible action regarding Temporary Approval of a new Massage Establishment License

RECOMMENDATION:

Recommend approval subject to the provisions of the planning and fire codes with authority for the Director or Designee to issue a permanent license upon receipt of a favorable police report

BACKUP DOCUMENTATION:

1. Agenda Memo
2. Letter from Hoover & Youshock
3. Map

MOTION:

L.B. McDONALD – APPROVED the temporary license, subject to provisions as recommended, with the manager of Business Services granted the authority to approve the permanent license after completion of appropriate process – UNANIMOUS

MINUTES:

ROSEMARY YOUSHOCK was present. She requested approval of the required license.

JIM DiFIORE, Manager, Business Services, indicated that the applicant met the requirements for a temporary license. He suggested approval as recommended.

(12:25 – 12:26)

3-541

AGENDA MEMO

CITY COUNCIL MEETING DATE: MARCH 17, 2004

DEPARTMENT: FINANCE AND BUSINESS SERVICES

ITEM DESCRIPTION: Discussion and possible action regarding Temporary Approval of a new Massage Establishment License subject to the provisions of the planning and fire codes, Hoover-Youshock Two Wahinie's "LTD", dba Lakeshore Salon and Day Spa, 2908 Lake East Drive

The applicants are requesting approval of a temporary license as provided by LVMC 6.06.051, which reads as follows:

(A) City Council may grant a temporary license pending its decision regarding a license application in order to determine:

- (1) The applicant's fitness for a license; and
- (2) The appropriateness of the applicant's business location.

(B) A temporary license shall not be granted under this Section unless:

- (1) All principals required to be approved for suitability have submitted a complete investigation packet for determination of suitability and paid all applicable fees;
- (2) The Director makes a preliminary finding that all of the principals of the business are suitable; and
- (3) The applicant has submitted a completed and accurate license application and has paid all required application fees.

The attached letter from Rosemary Youshock and Susan Hoover, outlines the request for temporary license.

The applicants submitted all of the required documentation and paid all applicable fees for investigation on February 25, 2004. Based on a review of the Scope printouts furnished to this Department by the applicants, we have determined that they are preliminarily suitable to hold a temporary massage establishment license until the investigation is complete.

In the event the Special Investigations Section, Las Vegas Metropolitan Police Department, should develop an area of concern with these applicants this item will be brought back before the Council for appropriate action.

February 16, 2004

To: Las Vegas City Council

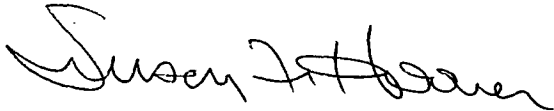
From: Lakeshore Salon & Day Spa
2908 Lake East Drive
Las Vegas, Nevada, 89117

To Whom it may concern,

We are writing to you in hopes of getting a temporary privilege license for our new Salon and Day Spa. We have recently bought a Salon and Massage establishment and have already received all our licenses for the Salon part. We did not realize that our privilege license would take 3 to 4 months, and put massage therapist out of work. We would like to request a temporary license until are permanent one comes through. I have a Real Estate License and Rosemary Youshock has had a Gaming and Liquor license and now has a Massage license and Karate Studio license. We would appreciate anything you can do for us.

Thank you,

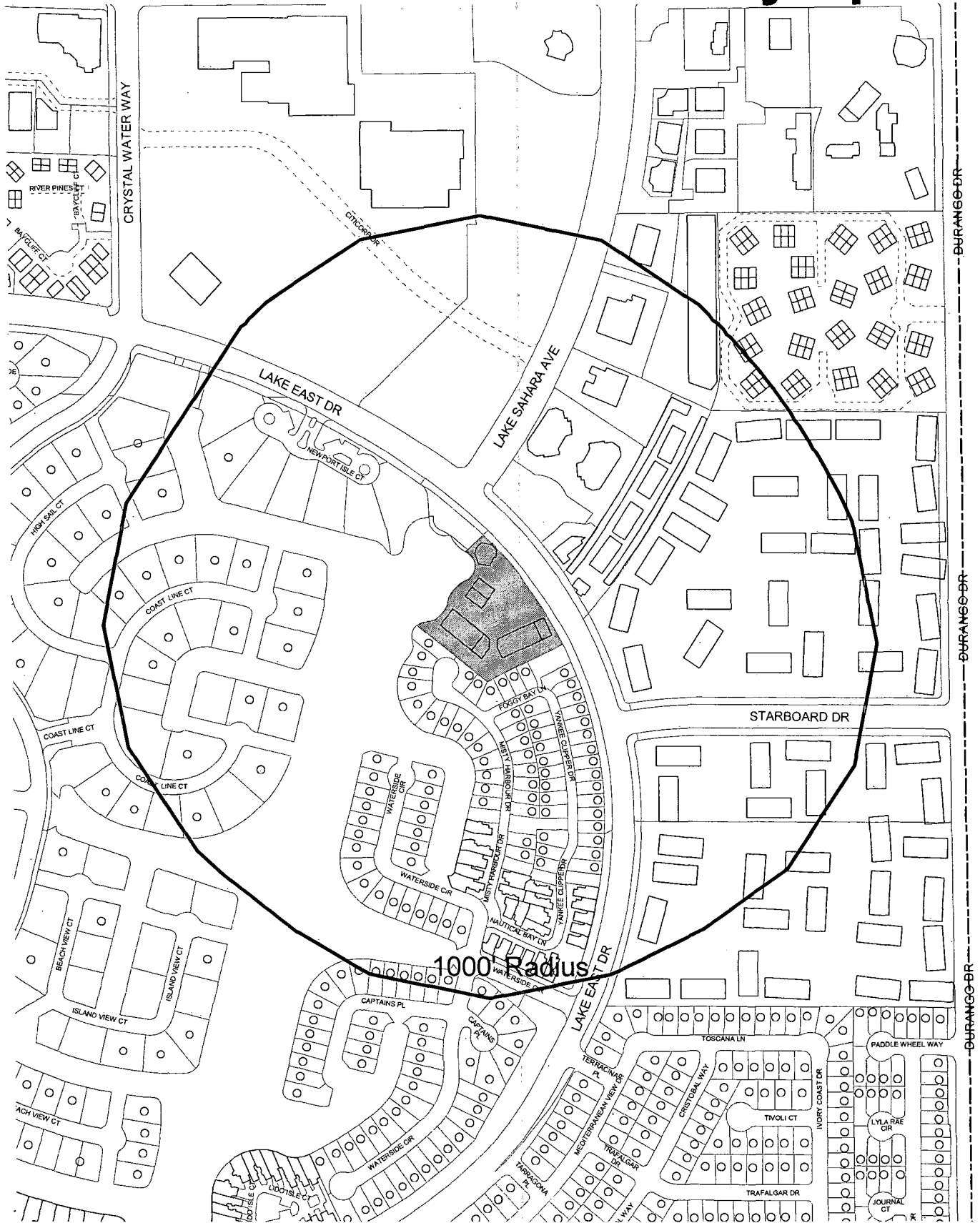
Susan F. Hoover - Owner



Rosemary Youshock - Owner



Lake Shore Salon and Day Spa



0 200 400 Feet



AGENDA SUMMARY PAGE
CITY COUNCIL MEETING OF: MARCH 17, 2004

DEPARTMENT: FINANCE AND BUSINESS SERVICES

DIRECTOR: MARK R. VINCENT

☐

CONSENT

☒

DISCUSSION

SUBJECT:

ABEYANCE ITEM - Discussion and possible action regarding a Six Month Review of a Beer/Wine/Cooler Off-sale License, Mulugeta K. Bour, dba Oakey Discount Market, 1616 Las Vegas Boulevard South, Mulugeta K. Bour, 100% - Ward 1 (Moncrief)

Fiscal Impact

☒

No Impact

Amount:

☐

Budget Funds Available

Dept./Division:

☐

Augmentation Required

Funding Source:

PURPOSE/BACKGROUND:

Discussion and possible action regarding a Six Month Review of a Beer/Wine/Cooler Off-sale License

RECOMMENDATION:

Recommendation to be provided following discussion of this item at the City Council meeting

BACKUP DOCUMENTATION:

Agenda Memo

MOTION:

MONCRIEF – APPROVED subject to a 90-day (6/16/2004) extension and the condition to post signs on coolers prohibiting the sale of single containers – **UNANIMOUS**

MINUTES:

The applicant was present.

JIM DiFIORE, Manager, Business Services, requested extension of the temporary for an additional 90 days, as staff has seen improvements, but would like to obtain a comfort level that MR. BOUR will maintain the condition imposed prohibiting the sale of single containers. He recommended an additional condition requiring MR. BOUR to post signs on the coolers that no single sales are permitted. MR. BOUR concurred with the new condition.

COUNCILWOMAN MONCRIEF confirmed with MR. DiFIORE that the signs would be provided to MR. BOUR.

See companion Item 78 for related discussion.

(12:26 – 12:28)

3-590

AGENDA MEMO

CITY COUNCIL MEETING DATE: MARCH 17, 2004

DEPARTMENT: FINANCE AND BUSINESS SERVICES

ITEM DESCRIPTION: Discussion and possible action regarding a Six Month Review of a Beer/Wine/Cooler Off-sale License, Mulugeta K. Bour, dba Oakey Discount Market, 1616 Las Vegas Boulevard South

On March 5, 2003 the City Council granted approval of this temporary license subject to a six-month review and conditioned the license prohibiting single sales of alcoholic beverages. Sales of alcoholic beverages were limited to standard industry packaging. On September 9, 2003 the City Council conducted the six-month review and extended the temporary subject to another six-month review with the same conditions as the original approval.

This Department conducted unannounced inspections of the premises on October 2, 2003, November 13, 2003 and December 24, 2003. At each inspection we found the business to be in compliance with LVMC 6.50 and the conditions placed on the license. Also of significance, the proprietor has added a substantial stock of grocery items as well as fresh produce to the inventory.

A report from the Special Investigations Section, Las Vegas Metropolitan Police Department, will be furnished to the City Council prior to the meeting.

AGENDA SUMMARY PAGE
CITY COUNCIL MEETING OF: MARCH 17, 2004

DEPARTMENT: FINANCE AND BUSINESS SERVICES

DIRECTOR: MARK R. VINCENT

☐

CONSENT

☒

DISCUSSION

SUBJECT:

ABEYANCE ITEM - Discussion and possible action regarding a Review of a Slot Route Operator Space Lease Location Restricted Gaming License for 5 slots, Green Valley Gaming, Inc., db at Oakey Discount Market, 1616 Las Vegas Boulevard South - Ward 1 (Moncrief)

Fiscal Impact

☒

No Impact

Amount:

☐

Budget Funds Available

Dept./Division:

☐

Augmentation Required

Funding Source:

PURPOSE/BACKGROUND:

Discussion and possible action regarding a Review of a Slot Route Operator Space Lease Location Restricted Gaming License for 5 slots

RECOMMENDATION:

Recommendation to be provided following discussion of this item at the City Council meeting

BACKUP DOCUMENTATION:

Agenda Memo

MOTION:

MONCRIEF – APPROVED subject to a 90-day (6/16/2004) extension and the condition to post signs on coolers prohibiting the sale of single containers – **UNANIMOUS**

NOTE: COUNCILWOMAN McDONALD disclosed that she would be voting, even though she is an outside director for Station Casinos, who holds privileged licenses for alcohol, as does the applicant. She has not discussed this matter with the applicant and did not feel her affiliation would impact her judgment. She has reviewed this disclosure with the City Attorney, who opined that there would be no material impact on Station Casinos.

MINUTES:

ATTORNEY JEFF ARLITZ, appeared representing the applicant.

JIM DiFIORE, Manager, Business Services, suggested the same conditions imposed on related Item 77.

See companion Item 77 for related discussion.

(12:28 – 12:29)

3-630

AGENDA MEMO

CITY COUNCIL MEETING DATE: MARCH 17, 2004

DEPARTMENT: FINANCE AND BUSINESS SERVICES

ITEM DESCRIPTION: Discussion and possible action regarding a Review of a Slot Route Operator Space Lease Location Restricted Gaming License for 5 slots, Green Valley Gaming, Inc., db at Oakey Discount Market, 1616 Las Vegas Boulevard South

On November 5, 2003 the City Council granted approval of this license subject to review on March 4, 2004 in conjunction with a six-month review of the beer/wine/cooler off-sale license approved for this business on September 9, 2003.

This Department conducted unannounced inspections of the premises on October 2, 2003, November 13, 2003 and December 24, 2003. At each inspection we found the business to be in compliance with LVMC 6.50 and the conditions placed on the license. Also of significance, the proprietor has added a substantial stock of grocery items as well as fresh produce to the inventory.

A report from the Special Investigations Section, Las Vegas Metropolitan Police Department, will be furnished to the City Council prior to the meeting.

AGENDA SUMMARY PAGE
CITY COUNCIL MEETING OF: MARCH 17, 2004

DEPARTMENT: FINANCE AND BUSINESS SERVICES

DIRECTOR: MARK R. VINCENT

☐

CONSENT

☒

DISCUSSION

SUBJECT:

ABEYANCE ITEM - Discussion and possible action regarding a new Martial Arts Instruction Business License subject to the provisions of the fire codes, Young Il Kong, dba Grand Master Kong Taekwon-do, 1780 North Buffalo Drive, Suite 105, Young I. Kong, 100% - Ward 4 (Brown)

Fiscal Impact

☒

No Impact

Amount:

☐

Budget Funds Available

Dept./Division:

☐

Augmentation Required

Funding Source:

PURPOSE/BACKGROUND:

Discussion and possible action regarding a new Martial Arts Instruction Business License

RECOMMENDATION:

Recommendation to be provided following discussion of this item at the City Council meeting

BACKUP DOCUMENTATION:

Map

MOTION:

BROWN – DENIED – UNANIMOUS

MINUTES:

The applicant was present with his attorney, DAVID AMESBURY.

JIM DiFIORE, Manager, Business Services, deferred to STACY RODD, Detective, Las Vegas Metropolitan Police Department (Metro), who indicated that the Council had the investigative report, which was shared with the applicant and his attorney. Metro previously represented that the applicant was a willing participant in a kidnap-for-robbery scheme to recover investment funds, as described in the report. MR. KONG was not involved in the actual beatings and torture; he was present and assisted in transporting the victims to his licensed business location where the activity continued. ATTORNEY AMESBURY countered that there were no charges filed in Los Angeles. MAYOR GOODMAN rejoined that, based on the briefing Metro detectives provided him, there were charges filed; however, the two necessary witnesses were not available so the charges were dismissed.

CITY COUNCIL MEETING OF MARCH 17, 2004

Finance and Business Services

Item 79 - Discussion and possible action regarding a new Martial Arts Instruction Business License subject to the provisions of the fire codes, Young Il Kong, dba Grand Master Kong Taekwon-do, 1780 North Buffalo Drive, Suite 105, Young I. Kong, 100% - Ward 4 (Brown)

MINUTES – Continued:

DETECTIVE RODD explicated that the victims identified the applicant's business, gave statements, and identified the applicant from a photo lineup. The applicant was arrested and interviewed. However, the victims, who feared for their safety, did not continue contact with the police up to the point of trial. The charges were then dismissed because the victims were not available for testimony. But charges were definitely filed.

MAYOR GOODMAN was especially concerned about MR. KONG'S admissions in the report Metro obtained from Los Angeles Police. Ostensibly, MR. KONG confessed to transporting certain individuals that were beaten. DETECTIVE RODD interjected that ATTORNEY AMESBURY read the investigative report. As an attorney, MR. AMESBURY could petition for the police report through the courts or the police agency in California, but Metro could not release it to him.

COUNCILMAN BROWN requested CITY ATTORNEY JERBIC'S opinion on which the Council could base its decision. CITY ATTORNEY JERBIC indicated that the Council was limited to the record presented by way of backup material, staff, and Metro.

MR. DiFIORE paraphrased that Las Vegas Municipal Code 6.06.120(a), indicates that the fitness or acceptability for a license or approval for suitability is upon the applicant. He opined that the burden falls on the applicant to respond to the charge and the actions that were taken on the basis of the police report. MAYOR GOODMAN agreed with MR. DiFIORE, but explained that he was just wondering if ATTORNEY AMESBURY wanted to gain access to the police report Metro obtained.

COUNCILMAN BROWN remarked that he was concerned about Metro's report regarding MR. KONG'S participation in criminal activity at his place of business, which was licensed for the same type of business he was seeking licensure with the City. Even though there were questions that needed further elaboration, he did not feel comfortable supporting this application.

ATTORNEY AMESBURY requested additional time, alleging that he was not aware of the exact content of the report. MAYOR GOODMAN indicated that there is no substantive difference between the report and the summary provided. DETECTIVE RODD advised that MR. KONG acknowledged that he was there and some of his role in the incident, but alleges that it was a big misunderstanding.

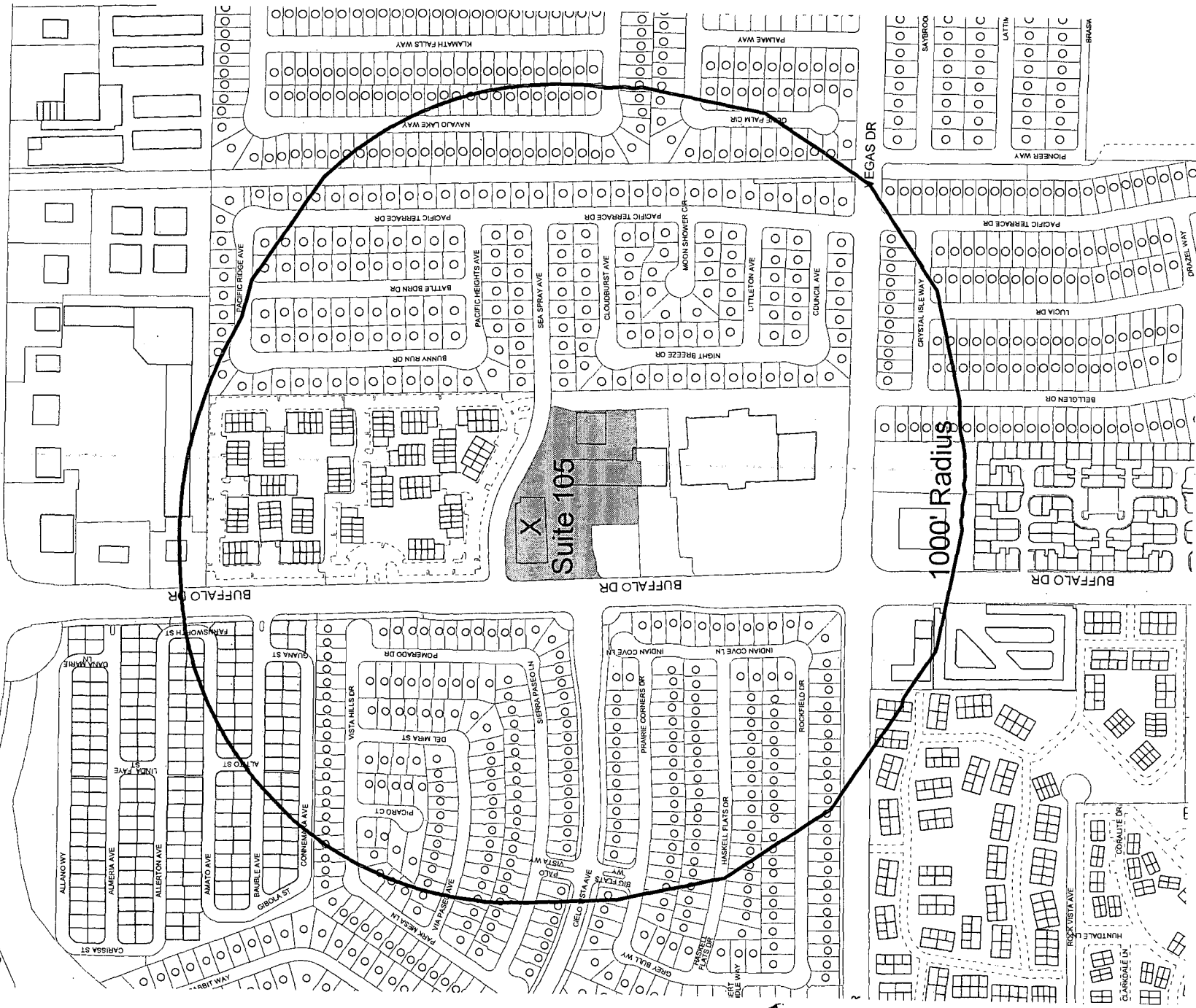
COUNCILWOMAN McDONALD asked if a person could be considered guilty if the case is dropped. MAYOR GOODMAN opined that the Council could not find him guilty, but certainly responsible. CITY ATTORNEY JERBIC concurred with the Mayor's comments. COUNCILMAN BROWN still did not feel comfortable, and motioned for denial.

(12:29 – 12:39)

3-670

Grand Master Kong Taekwon-Do

LAKE MEAD BLVD



0 200 400 Feet



AGENDA SUMMARY PAGE
CITY COUNCIL MEETING OF: MARCH 17, 2004

DEPARTMENT: NEIGHBORHOOD SERVICES**DIRECTOR: ORLANDO SANCHEZ**☐**CONSENT**☒**DISCUSSION****SUBJECT:**

Discussion and possible action on a conditional allocation of \$6,122,000 in Community Development Block Grant (CDBG) funds subject to final HUD approval of the Environmental Review process, pursuant to 24 CFR Part 58 and \$160,000 in anticipated Program Income Funds – All Wards

Fiscal Impact☐**No Impact****Amount: \$6,282,000**☒**Budget Funds Available****Dept./Division: Neigh. Svcs./Neigh. Devel.**☐**Augmentation Required****Funding Source: HUD-CDBG****PURPOSE/BACKGROUND:**

For Fiscal Year 2004-05, the city of Las Vegas is eligible to receive \$6,122,000 in Community Development Block Grant (CDBG) funds from the United States Department of Housing and Urban Development. It is anticipated that the city will receive an additional \$160,000 in program income funds. NDD staff shall complete all HUD required Environmental Reviews. No project may commit and/or expend any funds prior to compliance with part 58 and final notification by NDD staff.

RECOMMENDATION:

Staff recommends that the City Council approve the CDBG allocations and authorize the Mayor to execute the agreements.

BACKUP DOCUMENTATION:

1. Agenda Memo
2. FY2004-2005 CDBG-Construction Applicants and CDRB Recommendations
3. FY2004-2005 CDBG Public Service (Childcare, Life Skills, Social Services, Youth) Applicants and CDRB Recommendations
4. Submitted at meeting: Department of Human Resources Non-State Title XX Quarterly Report by Steven Brooks

MOTION:

REESE – APPROVED – UNANIMOUS with GOODMAN abstaining as an honorary member of Positively Kids and MACK abstaining because of his service on the board for the Boys and Girls Club

NOTE: COUNCILMAN WEEKLY disclosed that he is Vice Chairman of the EOB Executive Board; therefore, he would be abstaining. However, during the afternoon session, CITY

CITY COUNCIL MEETING OF MARCH 17, 2004

Neighborhood Services

Item 80 – Discussion and possible action on a conditional allocation of \$6,122,000 in Community Development Block Grant (CDBG) funds subject to final HUD approval of the Environmental Review process, pursuant to 24 CFR Part 58 and \$160,000 in anticipated Program Income Funds – All Wards

MOTION - Continued:

ATTORNEY JERBIC clarified that he did not have to abstain because he is the City's representative on a board where the City is obligated to fill a seat.

NOTE: COUNCILMAN REESE disclosed that he is Chairman of the Clark County Health District Board. However, CITY ATTORNEY JERBIC advised him that disclosure would be appropriate but abstention would not be necessary, as he is not part of this group requesting monies.

NOTE: MAYOR GOODMAN indicated that he is an honorary member of Nevada Kids to Kids and was advised to abstain. CITY ATTORNEY JERBIC stated that he was unaware of that advice. Out of an abundance of caution, if there were still four votes, he should abstain on that item.

NOTE: COUNCILWOMAN McDONALD disclosed that she would be abstaining on Item 83, as she is a Trustee of Catholic Charities of Southern Nevada.

NOTE: During the afternoon session, COUNCILMAN WEEKLY disclosed that his neighbor runs a track program and is a recipient of some of this funding and his doctor has a foundation that is also a recipient. CITY ATTORNEY JERBIC assured him that so long as he could be objective, there was no conflict and he could vote on the item.

MINUTES:

COUNCILMAN WEEKLY questioned why they have to abstain when they are appointed to certain boards, like the EOB, by the Mayor. CITY ATTORNEY JERBIC answered that it depends on the case. As in the case of the Clark County Health District, the District itself did not apply for a CDBG grant and COUNCILMAN REESE had no role in it. Therefore, disclosure was appropriate.

ORLANDO SANCHEZ, Director, Neighborhood Services, felt honored to present this year's recommendations from the Community Development Recommending Board. The federal and state funds touch the lives of many individuals in the City of Las Vegas. The Board members take their responsibility very seriously and should be commended for their commitment, hard work, and dedication to improve the quality of all the lives of the residents. The Board consists of 24 citizens appointed by the Council, and they each attended approximately 14 applicant representation/recommendation meetings, committing about 70 hours of their personal time. This does not include the many additional hours they spend reviewing the applications.

CITY COUNCIL MEETING OF MARCH 17, 2004

Neighborhood Services

Item 80 – Discussion and possible action on a conditional allocation of \$6,122,000 in Community Development Block Grant (CDBG) funds subject to final HUD approval of the Environmental Review process, pursuant to 24 CFR Part 58 and \$160,000 in anticipated Program Income Funds – All Wards

MOTION - Continued:

ISRAEL FUENTES, Chairman, Community Development Recommending Board, reviewed the recommendations for CDBG Construction and Public Service applicants, as outlined in the backup documentation. He thanked COUNCILMAN REESE for giving him the honor to serve the community.

In light of the issues surrounding the Economic Opportunity Board, MR. SANCHEZ recommended an amendment to the agreement allowing the City to withdraw the recommended funding should the findings come back non-favorable.

MAYOR GOODMAN interjected that CITY ATTORNEY JERBIC advised him that he would have to abstain because of his honorary membership on Nevada Kids to Kids. However, he noted that the Board and Neighborhood Services staff has once again done a phenomenal job. The City will be forever indebted for all their hard work and time.

KEN EVANS, Co-Chairman, Community Development Recommending Board, reviewed the funding recommendations for HOME, HOPWA, and ESG applications, as listed in the backup documentation. He thanked the Council and staff for the opportunity to participate. He also thanked the fellow members, who stood in recognition in the audience, because it took a lot of teamwork to arrive at this point.

CITY ATTORNEY JERBIC noted that because of various conflicts on various line items the required four votes under state law might not be available. State law requires a majority of votes if a written opinion is not submitted for the record on any abstention, even with an ethical reason. He suggested trailing Items 80, 81, 82, and 83 to the afternoon session, after public comments, so that he could meet with the Councilmembers and provide written opinions.

TOM McGOWAN, Las Vegas resident, asked if there is any statistical data available demonstrating the positive results of these grants over time. He then asked if all recipients of these grants are legal residents of the United States. He advised the Council to seriously consider responding to his questions. COUNCILMAN REESE stated that the positive results could be seen all over the City.

ISAAC HENDERSON proposed to work with the Council on the non-disclosure, non-circumvented contract, because he felt he was entitled to more funding. He indicated he would bring the documents to the 4/7/2004 meeting.

CITY COUNCIL MEETING OF MARCH 17, 2004

Neighborhood Services

Item 80 – Discussion and possible action on a conditional allocation of \$6,122,000 in Community Development Block Grant (CDBG) funds subject to final HUD approval of the Environmental Review process, pursuant to 24 CFR Part 58 and \$160,000 in anticipated Program Income Funds – All Wards

MOTION - Continued:

STEVEN BROOKS, representing Freedom Enhancement Academy, thanked the Board for the recommended monies to his agency. He appealed for future funding that might become available. He then stated that the children are going through school in a cloud of darkness because they are not learning the basic fundamentals of mathematics and science. He presented a performance report, a copy of which was submitted for the record, demonstrating how his agency's program of Doctor for a Day has successfully taught these basics to children by teaching them how to take blood pressure, vital signs, body fat percentages, CPR, and first aid.

SABRINA HIGGINS-HINX appeared on behalf of In Our Presence. She expressed her appreciation for the recommended funding to her program. The program brings mobile computers to at-risk youth in low-income neighborhoods to teach them employment skills. She noted that she has been working with MR. BROOKS and she is confident that their collaborative efforts will benefit the community.

LINDA WILBURGER, grant writer for the Blind Center of Nevada, thanked the Board members for their recommendation.

COUNCILMAN REESE thanked the Board members for their recommendations. He apologized for having to trail the matter. COUNCILMAN BROWN also thanked the Board members. He commented that there is so much need, yet not enough monies, and they are becoming even scarcer.

The item was recalled during the afternoon session. CITY ATTORNEY JERBIC reported on Ethics Opinions 9306 and 9211. The standard is members who sit on a board that the City is obligated to sit on do not have to disclose or abstain. For example, the City is obligated to fill a seat on the Economic Opportunity Board or Clark County Health District. In those instances where a member sits on a board voluntarily where there is no such City obligation, that member should disclose and should abstain.

AL GALLEGOS requested a list of the organizations that each member belongs to. Although disclosure is not required, he discussed with MAYOR GOODMAN, COUNCILMAN REESE and COUNCILWOMAN McDONALD how to access that information.

(11:15 – 11:39/2:10 – 2:13)

2-1184/4-69

AGENDA MEMO

CITY COUNCIL MEETING DATE: MARCH 17, 2004

DEPARTMENT: NEIGHBORHOOD SERVICES

ITEM DESCRIPTION: Discussion and possible action on a conditional allocation of \$6,122,000 in Community Development Block Grant (CDBG) funds subject to final HUD approval of the Environmental Review process, pursuant to 24 CFR Part 58 and \$160,000 in anticipated Program Income Funds – All Wards

SUMMARY NARRATIVE OF TOTAL GRANT RESERVATIONS

Public Service	\$ 840,607
Subrecipient Construction	\$ 879,163
Affordable Housing Implementation, Lead Based Paint, & Housing Quality Standards Inspections	\$ 200,000
Housing Rehabilitation: Mobile Homes & Emergency Repairs	\$ 150,000
East Las Vegas Community Center Bond Payment	\$1,046,857
CLV Future CDBG Rehabilitation/Construction Projects	\$ 530,000
CLV Future CDBG Public Service Projects	\$ 77,693
CDBG Administration and Fair Housing	\$1,224,400
Emerald Breeze Apartments	\$1,333,280
TOTAL	\$6,282,000

City of Las Vegas

MARCH 17, 2004-PAGE 2

SUMMARY CDBG CONSTRUCTION PROJECT

	WARD	
Anthony Pollard Foundation - Rainbow Dreams Academy	5	\$269,800
Blind Center of Nevada	5	\$247,043
EOB - Hollyhock	5	\$29,975
EOB - Treatment Center	5	\$10,550
Golden Rule	3	\$125,000
James Seastrand	CDBG Census Tracts	\$7,000
Opportunity Village	1	\$89,795
Rebuilding Together: Christmas in April	CDBG Census Tracts	\$100,000

NOT SIGNED & RETURNED
AS OF 1/2010

TOTAL ALLOCATION TO NON PROFIT AGENCIES	\$879,163

City of Las Vegas

NOT A PART OF THE
RECORD.

WORK SHEET ONLY

MARCH 17, 2004-PAGE 3 - 8/4/04 MORE \$\$\$ AWARDED 8475

SUMMARY CDBG PUBLIC SERVICE GRANTS

WARD

Classroom on Wheels #1	Child Care	3 & 5	\$34,500	OK
Nevada Association of Latin Americans (NALA)	Child Care	3	\$57,382	OK
Variety Day Home	Child Care	3	\$45,000	OK
CLV Safekey-Various Sites	Child Care	3	\$60,000	OK

Total Recommended - Child Care \$196,882

ASAP	Life Skills	3 & 5	\$12,000	OK
Blind Center of NV	Life Skills	5	\$22,000	OK
Computers on Wheels	Life Skills	5	\$21,000	
Ethiopian Comm. Dev. Council, Inc.				
African Community Center	Life Skills	3	\$5,000	OK
Ethiopian Mutual Assoc (EMAN)	Life Skills	3	\$25,000	OK
Expertise-School of Beauty	Life Skills	5	\$5,000	OK
Family Cabinet	Life Skills	3	\$20,000	OK
Key Foundation	Life Skills	5	\$12,500	OK
Las Vegas Indian Ctr.	Life Skills	5	\$15,000	OK
Lutheran Social Services - 2	Life Skills	5	\$10,000	OK
Nevada Partners	Life Skills	5	\$10,000	OK
Southern Nevada AHEC	Life Skills	3	\$5,000	OK
Talking Hands Ltd.	Life Skills	C	\$9,160	OK

Total Recommended - Life Skills \$171,660

Center for Independent Living	Social Services	5	\$29,000	OK
EOB Hollyhock	Social Services	5	\$6,000	
EOB Treatment Center	Social Services	5	\$5,000	
Give Me A Break	Social Services	C	\$17,600	OK - 26,000 added 8/4/04 #22
HELP of SNV-A New Path	Social Services	C	\$8,475	OK
HELP of SNV-Emergency Resource Services	Social Services	3 & 5	\$8,500	OK
Helping Hands of Vegas Valley	Social Services	1, 3, 5	\$19,000	OK
Jude 22	Social Services	5	\$29,000	OK
Lutheran Social Services - 1	Social Services	5	\$9,000	OK
NALA - 2	Social Services	5	\$9,000	OK
Nevada Treatment Center	Social Services	1	\$10,000	
Positively Kids	Social Services	C	\$14,000	OK
Salvation Army	Social Services	5	\$5,000	
Sartini Plaza/Annex Resident Council	Social Services	1	\$21,000	
Women's Development Ctr.	Social Services	3	\$14,000	OK

City of Las Vegas

Total Recommended – Social Services

\$214,575

MARCH 17, 2004-PAGE 4

AAC Athletics	Youth/Alternative Ed	5	\$5,000 ✓OK
Big Brothers Big Sisters	Youth/Alternative Ed	citywide	\$5,000 ✓OK
Clark County Bar Assoc.	Youth/Alternative Ed	3	\$5,000 ✓OK
Clark County Health District	Youth/Alternative Ed	3	\$9,000
Committed 100 Men	Youth/Alternative Ed	5	\$5,000 ✓OK
Freedom Enhancement Academy	Youth/Alternative Ed	3 & 5	\$5,000 ✓OK
Friends of Channel 10	Youth/Alternative Ed	citywide	\$7,500
Girl Scouts	Youth/Alternative Ed	3 & 5	\$12,000
Hen Hen Youth Sports	Youth/Alternative Ed	5	\$5,000 ✓OK
In Our Presence	Youth/Alternative Ed	5	\$7,500 ✓OK
Las Vegas Fact	Youth/Alternative Ed	5	\$5,000 ✓OK
Las Vegas Heat Track Club	Youth/Alternative Ed	5	\$5,000 ✓OK
Las Vegas Natural History Museum	Youth/Alternative Ed	citywide	\$5,000 ✓OK
Las Vegas Stealth Track Club	Youth/Alternative Ed	5	\$5,000 ✓OK
Lied Discovery Museum	Youth/Alternative Ed	citywide	\$11,245 ✓OK
Music Dev. Ctr.	Youth/Alternative Ed	citywide	\$5,000 ✓OK
Nuff Sed	Youth/Alternative Ed	5	\$5,000 ✓OK
P/S Vegas Flyers	Youth/Alternative Ed	3 & 5	\$9,000 ✓OK
Spread the Word NV: Kids to Kids	Youth/Alternative Ed	citywide	\$5,000 ✓OK
Sunrise Children Foundation	Youth/Alternative Ed	5	\$7,500 ✓OK
CLV Leisure Services Youth Programs	Youth/Alternative Ed	citywide	\$128,745 ✓OK

Total Recommended – Youth / Alternative Ed.

\$257,490

TOTAL ALLOCATION TO NON PROFIT AGENCIES

\$840,607

MARCH 17, 2004-PAGE 3

SUMMARY CDBG PUBLIC SERVICE GRANTS

		WARD	
Classroom on Wheels #1	Child Care	3 & 5	\$34,500
Nevada Association of Latin Americans (NALA)	Child Care	3	\$57,382
Variety Day Home	Child Care	3	\$45,000
CLV Safekey-Various Sites	Child Care	3	\$60,000

Total Recommended - Child Care \$196,882

ASAP	Life Skills	3 & 5	\$12,000
Blind Center of NV	Life Skills	5	\$22,000
Computers on Wheels	Life Skills	5	\$21,000
Ethiopian Comm. Dev. Council, Inc.			
African Community Center	Life Skills	3	\$5,000
Ethiopian Mutual Assoc (EMAN)	Life Skills	3	\$25,000
Expertise School of Beauty	Life Skills	5	\$5,000
Family Cabinet	Life Skills	3	\$20,000
Key Foundation	Life Skills	5	\$12,500
Las Vegas Indian Ctr.	Life Skills	5	\$15,000
Lutheran Social Services - 2	Life Skills	5	\$10,000
Nevada Partners	Life Skills	5	\$10,000
Southern Nevada AHEC	Life Skills	3	\$5,000
Talking Hands Ltd.	Life Skills	C	\$9,160

Total Recommended - Life Skills \$171,660

Center for Independent Living	Social Services	5	\$29,000
EOB Hollyhock	Social Services	5	\$6,000
EOB Treatment Center	Social Services	5	\$5,000
Give Me A Break	Social Services	C	\$17,600
HELP of SNV-A New Path	Social Services	C	\$8,475
HELP of SNV-Emergency Resource Services	Social Services	3 & 5	\$8,500
Helping Hands of Vegas Valley	Social Services	1, 3, 5	\$19,000
Jude 22	Social Services	5	\$29,000
Lutheran Social Services - 1	Social Services	5	\$9,000
NALA - 2	Social Services	5	\$9,000
Nevada Treatment Center	Social Services	1	\$10,000
Positively Kids	Social Services	C	\$14,000
Salvation Army	Social Services	5	\$5,000
Sartini Plaza/Annex Resident Council	Social Services	1	\$21,000
Women's Development Ctr.	Social Services	3	\$14,000

City of Las Vegas

Total Recommended – Social Services

\$214,575

MARCH 17, 2004-PAGE 4

AAC Athletics	Youth/Alternative Ed	5	\$5,000
Big Brothers Big Sisters	Youth/Alternative Ed	citywide	\$5,000
Clark County Bar Assoc.	Youth/Alternative Ed	3	\$5,000
Clark County Health District	Youth/Alternative Ed	3	\$9,000
Committed 100 Men	Youth/Alternative Ed	5	\$5,000
Freedom Enhancement Academy	Youth/Alternative Ed	3 & 5	\$5,000
Friends of Channel 10	Youth/Alternative Ed	citywide	\$7,500
Girl Scouts	Youth/Alternative Ed	3 & 5	\$12,000
Hen Hen Youth Sports	Youth/Alternative Ed	5	\$5,000
In Our Presence	Youth/Alternative Ed	5	\$7,500
Las Vegas Fact	Youth/Alternative Ed	5	\$5,000
Las Vegas Heat Track Club	Youth/Alternative Ed	5	\$5,000
Las Vegas Natural History Museum	Youth/Alternative Ed	citywide	\$5,000
Las Vegas Stealth Track Club	Youth/Alternative Ed	5	\$5,000
Lied Discovery Museum	Youth/Alternative Ed	citywide	\$11,245
Music Dev. Ctr.	Youth/Alternative Ed	citywide	\$5,000
Nuff Sed	Youth/Alternative Ed	5	\$5,000
P/S Vegas Flyers	Youth/Alternative Ed	3 & 5	\$9,000
Spread the Word NV: Kids to Kids	Youth/Alternative Ed	citywide	\$5,000
Sunrise Children Foundation	Youth/Alternative Ed	5	\$7,500
CLV Leisure Services Youth Programs	Youth/Alternative Ed	citywide	\$128,745

Total Recommended – Youth / Alternative Ed.

\$257,490

TOTAL ALLOCATION TO NON PROFIT AGENCIES

\$840,607

**CITY OF LAS VEGAS
NEIGHBORHOOD SERVICES DEPARTMENT
FY2004 - 2005 CDBG-CONSTRUCTION APPLICANTS AND CDRB RECOMMENDATIONS**

	APPLICANT	PROJECT DESCRIPTION/ADDRESS	WARD	AMOUNT REQUESTED	AMOUNT RECOMMENDED	TOTAL PROJECT COSTS	APPLICANT'S CONTRIBUTION	* PRIVATE AND OTHER FUNDING
1	Anthony Pollard Foundation	Rainbow Dreams Academy Architectural & Engineering associated with new school constriction. Location: 916 W. Lake Mead Blvd	5	604,912	269,800	4,673,646	1,000,000	4,403,846
2	Blind Center of Nevada	Reconstruction of activity floor. Location: 1001 N. Bruce St.	5	350,000	247,043	434,735	0	187,692
3	Boys & Girls Club of Nevada	Feasibility study for new site location. Location: CDBG Census Tracts	All	30,000	0	50,000	0	25,000
4	EOB	HVAC replacement at Hollyhock Adult Day Care. Location: 380 N. Maryland Parkway.	5	29,975	29,975	29,975	0	0
5	EOB	HVAC replacement at Treatment Center. Location: 522 W. Washington Avenue.	5	10,550	10,550	10,550	0	0
6	Golden Rule	Construction of new preschool. Location: 832 N. Eastern Avenue.	3	175,000	125,000	1,013,069	385,000	888,069
7	James Seastrand Helping Hands of NLV, Inc.	Minor home repairs for senior citizens 50 years of age and older. Location: Wards 3 & 5.	3 & 5	7,000	7,000	127,846	0	1,008,915
8	Opportunity Village	Upgrade and rehabilitate fire & life safety systems. Location: 6300 W. Oakey	1	89,795	89,795	89,795	27,268	0
9	Rebuilding Together with Christmas in April, Southern Nevada	Repair and rehabilitation of homes of low-income individuals and families. Location: emphasis in Wards 3, 4, 5.	3, 4 & 5	100,000	100,000	500,000	0	400,000
		TOTAL		1,397,232	879,163			
	TOTAL CDBG CONSTRUCTION REQUESTS			1,397,232				
	TOTAL CDBG CONSTRUCTION RECOMMENDATIONS			879,163				
	TOTAL CDBG CONSTRUCTION FUNDS AVAILABLE			879,163				
	DIFFERENCE BETWEEN AVAILABLE FUNDS AND RECOMMENDATIONS			-				

* Private donations, fundraising, foundations, bank financing, tax credits, Clark County, CDBG, and other Federal Funds

CITY OF LAS VEGAS
NEIGHBORHOOD SERVICES DEPARTMENT
FY 2004 - 2005 CDBG PUBLIC SERVICE CDRB RECOMMENDATIONS
YOUTH ALTERNATIVE EDUCATION PROGRAMS

	APPLICANTS	PROJECT/PROGRAM DESCRIPTION	ADDRESS/SITE LOCATION	WARD	AMOUNT REQUESTED	AMOUNT RECOMMENDED	TOTAL PROJECT COSTS	APPLICANT FUNDS	TOTAL OTHER FUNDING
1	Academics Athletics Connection/LV Stars Inc. - AAC	Structured year round educational athletic program. Participating youth will play sports, receive tutoring, and attend life skills presentations. West Community Center 2050 Sapphire Stone	2050 Sapphire Stone Lake Mead & Martin L. King	5	\$53,800	\$5,000	\$160,200	\$63,800	\$42,600
2	Big Brothers Big Sisters of NV	Provides one on one mentoring relationships between at risk children and adult volunteers.	4045 S. Spencer St. Ste. A-57	citywide	\$28,000	\$5,000	\$664,750	\$137,205	\$8,000
3	Clark County Bar Association - Trial By Peers	Provide positive alternatives to juvenile offenders.	725 S. 8th	5	\$25,000	\$5,000	\$185,325	\$95,075	\$40,000
4	Clark County Health District - Columbia TeenScreen	Provide counseling to at risk teens to assist with mental health issues and suicide prevention.	Roy Martin Jr. High, Desert Pines Sr. High	3	\$74,586	\$9,000	\$122,373	\$2,190	\$47,483
5	Committed 100 Men Helping Boys - Rites of Passage	10 week program held in the spring and fall to offer life skills training for at risk African American youth. West Community Center 2050 Sapphire Stone	2050 Sapphire Stone Lake Mead & Martin L. King	5	\$10,000	\$5,000	\$30,398	\$1,750	\$20,398
6	Freedom Enhancement Academy - Doctors of Tomorrow	Provide hands on concepts to math and science for low income youth. P.O. Box 621802	Various sites	3 & 5	\$119,742	\$5,000	\$143,542	\$600	\$15,900
7	Friends of Channel 10 - Reading For Smiles	Provide at risk low income families with literacy program and dental hygiene.	citywide	citywide	\$28,000	\$7,500	\$200,992	\$173,042	\$0
8	Frontier Girl Scouts - Taking Care of Yourself	Provide girls ages 5-17 in at risk areas such as Shade Tree, and targeted apartment communities the opportunity to explore scouting. 2941 Harris Ave.	2941 Harris Ave. 20 sites in targeted low income neighborhoods.	3 & 5	\$12,360	\$12,000	\$28,490	\$14,380	\$1,750
9	Hen Hen Dogcatchers Youth Organization	Allow low income children to participate in athletic events, program includes self-esteem building, moral decision making, anti gang, anti drug and academic assistance. 1100 Bull Run	524 J Street	5	\$41,750	\$5,000	\$72,250	\$0	\$30,500
10	In Our Presence	Provide counseling to at risk youth for societal concerns. Pressing On to Purpose and Prosperity (POPP)	various	5	\$34,964	\$7,500	\$152,049	\$34,823	\$82,262
11	Las Vegas Fact - Kickin It	Develop HIV Prevention Peer educators aged 13-18. Enterprise Health Center	Owens & Martin L. King	5	\$30,338	\$5,000	\$42,274	\$2,658	\$9,278

*Other funds consist of Private Foundations, Federal, State and Local Funds.

CITY OF LAS VEGAS
NEIGHBORHOOD SERVICES DEPARTMENT
FY 2004 - 2005 CDBG PUBLIC SERVICE CDRB RECOMMENDATIONS
YOUTH ALTERNATIVE EDUCATION PROGRAMS

	APPLICANTS	PROJECT/PROGRAM DESCRIPTION	ADDRESS/SITE LOCATION	WARD	AMOUNT REQUESTED	AMOUNT RECOMMENDED	TOTAL PROJECT COSTS	APPLICANT FUNDS	TOTAL OTHER FUNDING
12	Las Vegas Heat Track Club	Provide 100 children athletic and life skills opportunities. Mojave High School	Goldfield & Washburn	5	\$10,000	\$5,000	\$35,500	\$3,000	\$22,500
13	Las Vegas Natural History Museum - Explore!	Provide at risk elementary school children the opportunity to attend a learning safari at the museum. 900 Las Vegas Blvd	900 Las Vegas Blvd Washington & Las Vegas Blvd.	5	\$10,000	\$5,000	\$40,634	\$0	\$30,634
14	Las Vegas Stealth Youth Track Club	Allow low income children to participate in athletic events, program includes self-esteem building. Clark County Community College Track	Cheyenne & Vandemeer	5	\$10,000	\$5,000	\$29,500	\$3,000	\$20,000
15	Lied Discovery Children's Museum -Youthworks	Work program for low income youth that offers job skills training and life skills. Expected number of youth for program is 100. 833 Las Vegas Blvd.	833 Las Vegas Blvd. N. Washington & Las Vegas Blvd.	5	\$15,000	\$11,245	\$141,142	\$70,727	\$55,415
16	Music Development Center - Youth Stars	Provide youth exposure to music and film production.	West and North Las Vegas Libraries	5	\$35,000	\$5,000	\$35,000	\$0	\$0
17	Nuff Sed - Youth Basketball Program	Provide an opportunity for youth to excel in athletics, social skills and careers.	Gibson Community School Washington & Decatur	5	\$10,000	\$5,000	\$30,400	\$2,000	\$18,400
18	P/S Vegas Flyers Youth Track Club	Provide life skills and track and field opportunities to low income children ages 5-18.	Cimarron-Memorial High School Smoke Ranch & Tenaya	6	\$10,046	\$9,000	\$76,763	\$0	\$66,717
19	Spread the Word Nevada Kids to Kids	Literacy program for youth and families. Provide gently used books to low income and at risk students and families.	Citywide	1, 3, 5	\$15,000	\$5,000	\$366,851	\$336,851	\$15,000
20	Sunrise Children's Foundation - SCF - Parent Information and Resource Ctr.	Provide low income and limited English proficient children preschool opportunities.	Sherman Gardens 908 Weaver Lake Mead & J	5	\$35,000	\$7,500	\$611,475	\$13,780	\$562,695
21	City of Las Vegas Leisure Services Youth Programs	Allow low income children to participate in a variety of leisure activities such as: arts programs and track break programs.	Various Community Sites	3 & 5	\$128,745	\$128,745	n/a	n/a	
TOTAL					\$737,331	\$257,490			

*Other funds consist of Private Foundations, Federal, State and Local Funds.

Department of Human Resources
NON-STATE TITLE XX QUARTERLY REPORT

1	Agency	Clark County Parks and Community Services
2	Program Name	Doctor For A Day Social Etiquette Program
3	Name of Person Completing Report	Kelly Woods/ Steven Brooks
4	Report Ending Period	10/01/03-12/31-03

UNDUPLICATED COUNT OF PERSONS SERVED

Year to Date Totals

5	Number of Unduplicated Children Served, age 0 – 17	92
6	Number of Unduplicated Adults Served, age 18 – 59	
7	Number of Unduplicated Adults Served, age 60+	
8	Total Number of Unduplicated Persons Served	92

PERFORMANCE MEASURE RESULTS

	Performance Measure	Year To Date Results
9	Total student participation = 100 Anticipated Student Participation = 40 Total (20 per session x 2 sessions)	Year to date student participation = 93 (2 sessions completed) 57 students @ Cambridge 35 students @ Walnut
10	Session 1- Pre-test percentage- 53%	Session 1- Post-test percentage- 74% 100 % improvement on post test data
11		

12	Performance Measure Reporting Explanation:

END OF YEAR EXPENDITURE DATA (To be completed with 4th quarter report)

		Project Year Total
13	Total Expenditures (include Title XX and all other revenue sources)	
14	Title XX Administrative Expenditures (enter Title XX admin funds only)	

15	Signature:	Title:	Date:

Report Submission Options:

Fax: (775) 688-2558

Mail: Department of Human Resources 505 E. King St., Carson City, NV 89701

9/03

Submitted at City Council

Date 3/17/04 Item # 80

Pre- Survey

Name: _____

Doctor For A Day

1. Gathering information such as measurements to be used as a basis for reasoning, discussion or calculation is known as
 - a. mode
 - b. median
 - c. mean
 - d. data
2. The number that occurs most frequently in a set of information is known as the
 - a. median
 - b. mode
 - c. mean
 - d. data
3. The middle number in an ordered set of data is called the
 - a. median
 - b. mean
 - c. mode
 - d. data
4. The normal body temperature of an individual is (in Fahrenheit):
 - a. 79.3
 - b. 61.5
 - c. 98.6
 - d. 101
5. The normal pulse rate of a person is
 - a. 20-40 beats per minute
 - b. 30-50 beats per minute
 - c. 40-60 beats per minute
 - d. 60-80 beats per minute
6. How many bones are located in the adult body?
 - a. 206
 - b. 100
 - c. 213
 - d. 196
7. The normal blood pressure for a person is:
 - a. 100/90
 - b. 120/80
 - c. 140/50
 - d. 70/100

8. Where is cartilage found on the human face?
 - a. Eyes and lips
 - b. Forehead and cheeks
 - c. Hair and eyes
 - d. Ears and nose
9. What is the first function of the skeletal system?
 - a. Protect and support the internal organs
 - b. To heal bones from the inside out
 - c. To provide calcium to the bones
 - d. Support the framework of the body
10. What is nutrition?
 - a. The study of a proper balanced diet to promote health
 - b. The study of a wrong and unbalanced diet to decrease health
 - c. both A& B
 - d. None of the above
11. What does the primary assessment of a patient allow you to do?
 - a. To call 911
 - b. To pour water on the victim
 - c. To find out what is wrong with the patient
 - d. None of the above
12. How many breaths are given to a patient when beginning CPR?
 - a. one
 - b. three
 - c. eight
 - d. two
13. What does it mean to activate EMS?
 - a. Point and say, call 911
 - b. Point and say, go to the store
 - c. Point and run home
 - d. Point and say I'll be back
14. What is the name of the artery that you would check to see if the patient has a pulse?
 - a. The brachial artery
 - b. The femoral artery
 - c. The carotid artery
 - d. The temporal artery

15. How many chest compressions and breaths do you give an adult when you begin CPR?

- a. 10 chest compressions and 1 breath
- b. 20 chest compressions and 3 breaths
- c. 15 chest compressions and 2 breaths
- d. 30 chest compressions and 5 breaths

16. If a person appears to be choking but is still coughing and can speak, what do you do?

- a. Nothing. The person can still breathe so do not begin any procedure yet
- b. Begin CPR
- c. Begin abdominal thrust
- d. Check there pulse

17. What is the name of the maneuver you use to help a patient that is choking?

- a. Monster maneuver
- b. CPR maneuver
- c. Heimlich Maneuver
- d. None of the above

18. What is the telephone number you would call in an emergency situation?

True or False

19. Smoking will make a person that is sick feel worse?	True	False
20. Smoking will make it easier for you to get heart disease?	True	False
21. Eating fast food every day will clog up your arteries?	True	False

WALNUT CESILE

	No. Correct Pre Test	Post Test	Pre/Post Test	Pre	Percent Post
Charles Boyd	13	17	21	61%	81%
Aaron Dupree	11	15	21		
Anthony R.	4	15	21	19%	71%
Lamarus Horndan	5	15	21	23%	71%
Michael Robinson	5	15	21	23%	71%
Omar Gomez	6	14	21	28%	67%
Alphon Jones	10	12	21	47%	57%
Wanda	7	11	21	33%	52%
Andre Moore	6	10	21	28%	48%

Cambridge Community Center

	No. Correct	Post Test	Pre/Post Test	Percent	
	Pre Test			Pre	Post
Riccia Watkins	14	21	21	67%	100%
David Friedlander	12	21	21	57%	100%
Kevin Brach	15	20	21	67%	95%
Anthony Woods	11	19	21	52%	90%
Karen Nachani	14	17	21	67%	80%
Jonathan A	16	16	21	76%	76%
Theo Frens	14	15	21	66%	71%
Shila Nathani	12	15	21	57%	71%
Derrick Cox	9	11	21	42%	52%
Eulalia	5	10	21	24%	48%
Robert Zamora	1	5	21	4.8	24%

COMMUNITY DEVELOPMENT BLOCK GRANT AGREEMENT

Between the City of Las Vegas and
Anthony L. Pollard Foundation

THIS AGREEMENT, made and entered into this 1st day of July, 2004 by and between the CITY OF LAS VEGAS, a municipal corporation of the State of Nevada, hereinafter referred to as "CITY," and Anthony L. Pollard Foundation, a nonprofit corporation duly organized under the laws of the State of Nevada, hereinafter referred to as SUBRECIPIENT, whose primary mailing address at the date of execution is 1331 S. Rainbow Blvd. #102 Las Vegas, NV 89146.

WITNESSETH

WHEREAS, the CITY has entered into a Grant Agreement with the U.S. Department of Housing and Urban Development for participation in the Community Development Block Grant, hereinafter referred to as "CDBG," program under Title I of the Housing and Community Development Act of 1974, P.L. 93-383 as amended; and

WHEREAS, the CITY is responsible for planning, administering, implementing, and evaluating the CDBG program to ensure that it conforms to the HUD-approved Consolidated Plan for the City; and

WHEREAS, CITY as Grantee wishes to engage SUBRECIPIENT to assist the CITY in utilizing such funds by providing services to meet one (or more) of the CDBG Program's three broad National Objectives (defined in 24 CFR Part 570.208) as follows:

1. To benefit low- and moderate-income persons,
2. To aid in the prevention or elimination of slum or blight,
3. To meet Community Development needs having a particular urgency;

NOW, THEREFORE, it is agreed between the parties hereto that;

I. SCOPE OF SERVICE

A. ACTIVITIES

SUBRECIPIENT will be responsible for administering a 2004-2005 CDBG-funded Project known as Rainbow Dreams Academy - Architectural & Engineering Services, which provides activities eligible under the Community Development Block Grant Program as cited in the Scope of Services I.B.1, hereinafter referred to as "Project or Program." It is expressly agreed and understood that the total amount to be provided by the CITY under this Agreement shall not exceed **\$269,800** in CDBG funds to be allocated in accordance with the Project Budget as detailed in Exhibit "C," attached. SUBRECIPIENT hereby agrees to utilize said CDBG funds made available pursuant to this Agreement to supplement rather than supplant funds otherwise available.

B. PROJECT DESCRIPTION

1. Scope of Services to be provided

Legal description of site to be developed or improved:

Please refer to "Exhibit B" of this Agreement, hereinafter referred to as "Property."

Purpose of Services:

To provide funding to Anthony L. Pollard Foundation for architect and engineering services for Rainbow Dreams Academy. Rainbow Dreams Academy will enroll low-income students eligible for kindergarten, first and second grades. Additionally, the facility will offer GED and ESL classes, and employment readiness training to the parents/guardians of enrolled students.

Tasks to be Performed:

Architectural and engineering design services for Rainbow Dreams Academy

Level of Service to be Provided:

Upon completion, the facility will provide services citywide to eligible low-moderate income individuals.

Measurable Goals for Grant period:

In the first year after completion, 120 students are anticipated to be served in first and second grade and 240 students served upon completion of K-5 in 2008. Also 50-100 low-moderate income adults are expected to be served through after-school employment and continuing education training.

SUBRECIPIENT hereby agrees to meet the goals as stated above, to the greatest extent feasible, in order to ensure the success of the Project.

2. The following are either opportunities, which may enhance, or constraints, which may limit the ability of SUBRECIPIENT to effectively implement, said Project in the City of Las Vegas.

The project is contingent on Subrecipient acquiring the balance of the financing that is needed to construct Rainbow Dreams Academy.

C. CLIENT DATA

SUBRECIPIENT will be required to collect for and provide to the CITY Project accomplishments and usage records beginning the date the building receives its Certificate of Occupancy or the date first written above, until June 30, 2014, unless this Agreement is modified at the express consent of the CITY and SUBRECIPIENT. SUBRECIPIENT shall submit, on an annual basis, and on occasion upon request of the CITY, a Progress Status

Report that shall provide program statistics and a narrative to demonstrate compliance with National Objectives as stated above. Failure to submit said reports in a timely manner may result in the city requiring SUBRECIPIENT to return the CDBG funding. Records and reports shall contain, but not be limited to, the following data:

- 1) Total unduplicated (new) clients served including: ethnic breakdown, number and percentage of low- and moderate-income clients served and female heads-of-households served. Exhibit "D"
- 2) Overall number of clients served within the City of Las Vegas corporate limits. New clients plus old for the Program year.

These reports shall be forwarded to the City of Las Vegas Neighborhood Services Department, ATTN: Neighborhood Development Division. CITY will monitor the performance of SUBRECIPIENT against goals and performance standards required herein. Substandard performance as determined by CITY will constitute non-compliance with this Agreement.

If action to correct such substandard performance is not taken by SUBRECIPIENT within a reasonable period of time after being notified by CITY, SUBRECIPIENT will be required to repay the \$269,800 CDBG funding allocated by the city.

D. TIME OF PERFORMANCE

This Agreement provides for CDBG funding of SUBRECIPIENT program rendered in accordance with this Agreement from July 1, 2004 through June 30, 2005, inclusive. The CITY shall bear no liability to fund or provide payment for SUBRECIPIENT program services in the event that no CDBG grant award funds are received during fiscal year 2004-2005. Furthermore, the CITY shall be liable only for payment proportional to the extent of that CDBG grant for which the CITY receives award funds. SUBRECIPIENT program expenses incurred after July 1, 2004, but prior to execution of this Agreement may be reimbursed upon approval of the Grantee and contingent upon SUBRECIPIENT conformance with 24 CFR 570.200(h)(1)(i-vi).

II. CITY GENERAL CONDITIONS

A. COMPLIANCE WITH OTHER APPLICABLE STATUTES AND REGULATIONS

SUBRECIPIENT shall obtain any and all Federal, State, and Local permits and licenses required to execute the project or program as described in the Agreement's Scope of Services. SUBRECIPIENT further agrees to abide by all applicable Federal, State, and Local codes, regulations, statutes, ordinances, and laws.

SUBRECIPIENT also hereby agrees to comply with any and all development conditions as established by CITY Council, the CITY Planning Commission, and by the CITY Planning Department as stated in the "Project Description" section of this Agreement. When

necessary, the CITY may amend such conditions to comply with the City of Las Vegas General Plan, with Title 19 of the Municipal Code of the City of Las Vegas, and with any applicable state, local, and federal law.

B. APPRAISAL OF PROPERTY

SUBRECIPIENT understands and agrees that it is the policy of the City to secure as collateral an interest in any and all real property being financed with federal funds. Accordingly, for properties involving acquisition of real property, improvements to real property, or a combination thereof, the City shall not provide funding in excess of appraised value of the subject property. For projects involving acquisition and improvements to the real property, the City shall require an appraisal indicating the fair market value of the property including all improvements to be made to the property. The City will not disburse any funds pursuant to this Agreement until such appraisal is received to the satisfaction of the City.

C. CONSTRUCTION CONTROL

For any construction activities financed in whole or in part by CDBG funds pursuant to this agreement, Subrecipient agrees and understands that Subrecipient may not commence construction until the Director of the Neighborhood Services Department (hereinafter referred to as "Director") issues a Notice to Proceed in writing. Subrecipient further agrees and understands that the City may require the Subrecipient to use a City approved licensed voucher control company for the construction of the Project, unless specified otherwise in writing by the Director.

D. DEED OF TRUST

The City shall require reasonable assurances of security for Subrecipient's performance or repayment pursuant to 24 CFR 570.505, which shall be a Deed of Trust for such Property, the form of which is attached to this document as Exhibit "A" and which Subrecipient shall execute as part of this Agreement. Such Deed of Trust shall serve as a collateral interest in the property for which architectural and engineering services are being financed with CDBG Program funds. If the Subrecipient ceases to meet a national objective in accordance with 24CFR570.208, or through foreclosure, transfer in lieu of foreclosure, or other circumstances, Subrecipient does not maintain vested ownership or legal possession of the Property, or if the provisions of Section II (F) of this Agreement are not complied with, Subrecipient will, upon the request of the City, repay to the City, without interest, the entire \$269,800 in CDBG Program funds that Subrecipient received from the City hereunder.

The City acknowledges that the Property is or will be encumbered by a First Deed of Trust for permanent financing which will be recorded in the Official Records of Clark County, Nevada. The City acknowledges and agrees that this Security Instrument and all rights of city hereunder are and will be subject and subordinate to the lien of the First Deed of Trust and to all rights and remedies of the BENEFICIARY and TRUSTEE under

the First Deed of Trust and its successors and assigns, including, without limitation, any purchaser at a trustee's sale under the First Deed of Trust and the heirs, personal representatives, successors and assigns of such purchaser, shall not be bound by or obligated to perform any of the obligations of the Purchaser under this Security Instrument. This Security Instrument will not be subject or subordinate to any replacement of the First Deed of Trust, occurring as a result of any prepayment, refinancing, sale or other transaction.

For all activities pertaining to the architectural and engineering services of the Property, the Subrecipient shall record a "Deed of Trust" the form of which is attached as Exhibit "A" herein and by reference is made a part hereof. The Subrecipient, as Trustor, hereby agrees to record the "Deed of Trust" at the Recorder's Office of the County of Clark to ensure performance by the Subrecipient pursuant to the Project as specified in this Agreement.

The Subrecipient agrees to provide a Preliminary Title Report to the City and a Title Insurance Policy in a minimum amount of \$269,800, which will protect the City from losses, damages, or claims concerning the title of the Property.

E. COMPLIANCE WITH NATIONAL OBJECTIVES

The term of this Agreement shall be for a period not less than five (5) years. Thereafter, pursuant to 24 CFR 570.503 (b)(8)(i), all projects receiving CDBG funding must continue to meet a National Objective until five years after expiration of the Agreement; effectively, a ten-year compliance period. SUBRECIPIENT and CITY agree that so long as the Subrecipient shall well and truly perform its obligations to the City of Las Vegas under this Agreement, the City shall retain an interest in the "Property" through a Trust Deed until the expiration period required to meet the National Objective. The funds are recapturable upon sale, refinance or transfer of title during the period of compliance.

F. CONSTRUCTION COMPLIANCE REQUIRED

For any and all activities to be performed by SUBRECIPIENT under the scope of this Agreement, SUBRECIPIENT hereby agrees that all such activity shall comply with any and all applicable federal, state, and local building codes, housing codes, and health, fire and safety codes. SUBRECIPIENT shall, to the greatest extent feasible, provide a detailed timeline, which explicitly provides deadlines for all major construction activities to be performed pursuant to this Agreement.

Furthermore, the SUBRECIPIENT hereby agrees to provide the CITY with a design and construction schedule detailing the Project's phases to augment the CITY's capacity to monitor SUBRECIPIENT activities as to be performed under the "Project Description" of this Agreement.

G. SUBRECIPIENT RETAINS EXCLUSIVE RIGHT OF PERFORMING SERVICES

SUBRECIPIENT has requested the financial support of the CITY to enable SUBRECIPIENT to provide the services contemplated herein. The CITY shall have no relationship whatsoever with the services contemplated herein except the provision of financial support and the receipt of reports as provided herein. In any and all events, the services contemplated herein shall be rendered at the time, in the manner and under circumstances determined solely and exclusively by SUBRECIPIENT, subject only to review by the City of Las Vegas, Neighborhood Services Director or other designee of the Neighborhood Services Director to assure continuing eligibility for CDBG funding.

H. INDEMNIFICATION

SUBRECIPIENT agrees to protect, defend, indemnify and save harmless the CITY from and against any and all liability, damages, claims, suits, liens, and judgments of whatever nature, including but not limited to, claims for contribution and/or indemnification for injuries to or death of any person or persons, caused by, in connection with, or arising out of any activities undertaken pursuant to this Agreement. SUBRECIPIENT'S obligation to protect, defend, indemnify, and save harmless as set forth in this paragraph, shall include any and all attorneys' fees incurred by the CITY in the defense and/or handling of said suits, demands, judgments, liens, claims and the like and all attorneys' fees and investigation expenses incurred by the CITY in enforcing and/or obtaining compliance with the provisions of this paragraph.

SUBRECIPIENT will not use any funds or resources which are supplied by the CITY in litigation against any person, natural or otherwise, or in its own defense in any such litigation and agrees to notify the CITY of any legal action which is filed by or against it with respect to the Project.

I. LIMIT ON ASSIGNMENT OF INTEREST

SUBRECIPIENT may not assign any part of its rights in this Agreement without consent of CITY. Any such assignment of rights without consent of CITY shall result in the forfeiture of all compensation, or any part thereof, as determined by CITY.

J. ON-SITE MONITORING

Projects and programs funded under this Agreement will be subject to on-site monitoring by duly authorized CITY representatives, CITY-contracted independent auditors, HUD and/or the Comptroller of the United States. Said representatives will be announced no less than 24 hours in advance of such visits, which shall occur during normal operating hours. The representatives may request, and be granted access to records. Representatives may, on occasion, interview program recipients who volunteer to be interviewed.

K. ACCESS TO RECORDS

At any time during normal business hours, SUBRECIPIENT'S records, with respect to matters covered by this Agreement shall be made available for audit, examination, and

review by CITY representatives, CITY-contracted independent auditors, HUD and/or the Comptroller of the United States.

L. INSURANCE AND BOND

If SUBRECIPIENT uses a vehicle in providing its services, it shall carry or provide a Comprehensive Automobile Liability Insurance covering bodily injury and property damage, with a minimum comprehensive single limit liability of \$1,000,000.00.

For all construction activities, SUBRECIPIENT must carry a performance bond of a sufficient amount to ensure performance by any and all private contractors retained to perform activities pertaining to the Scope of Services of this Agreement. The specific amount of any bond shall be consistent with the Program Budget as defined in Exhibit "C."

The SUBRECIPIENT shall be required to maintain general liability insurance on the property as follows: bodily injury liability insurance in the amount of \$1,000,000.00 for the injury to or death of any one person, and \$2,000,000.00 for injuries to or the death of any number of persons in one occurrence, and property damage liability insurance in the amount of \$1,000,000.00.

The CITY shall be named as an additional insured in all policies of insurance obtained pursuant to this Agreement. The CITY shall be furnished evidence that the foregoing insurance coverage(s) are in effect, and the CITY shall be notified at least thirty (30) days prior to the cancellation or material change of any such coverage.

M. DISCLOSURE OF PRINCIPALS

Pursuant to Resolution R-105-99 adopted by the City Council effective October 1, 1999, Subrecipient warrants that it has disclosed, on the form attached hereto as Attachment 1, all principals, including, partners of Subrecipient, as well as all persons and entities holding more than 1% interest in Subrecipient or any principal of Subrecipient. Throughout the term hereof, Subrecipient shall notify City in writing of any material change in the above disclosure within 15 days of any such change. Attachment 1.

N. CONTRACT REVISIONS

Changes in the Scope of Services as outlined herein must be in accordance with CDBG Program regulations, made by written amendment to this Agreement and approved by both the Subrecipient and the Mayor if funding amounts over \$24,999 are involved or by the Director of Neighborhood Services or the Director's designee if funding amounts of less than \$25,000 are involved. In addition, the Department Director is authorized to sign amendments, which revise the Agreement language without any funding impact. Any such changes must not jeopardize CDBG funding to the City.

O. GROUNDBREAKING/GRAND OPENING EVENTS

The Subrecipient agrees and understands that all costs incurred for groundbreaking and grand opening ceremonies will be the responsibility of the Subrecipient. In addition, the Subrecipient agrees to coordinate any ceremonial events concerning this project with the city of Las Vegas to include review and approval of the date selected, the invitations, the invitation list, the press release, and the programs. The City will be responsible for scheduling the event with any city-elected officials.

III. FEDERAL GENERAL CONDITIONS

A. RELIGIOUS ACTIVITIES

24 CFR 570.200(j)

As a general rule, in accordance with First Amendment Church/State Principles, CDBG assistance may not be used for religious activities or provided to primarily religious entities for any activities, including secular activities, except as cited at 24 CFR 570.200(J)(1)(2)(3).

B. POLITICAL ACTIVITIES

24 CFR 570.207

SUBRECIPIENT will comply with this section, which prohibits the use of CDBG funds to finance the use of facilities or equipment for political purposes or to engage in other partisan political activities, such as candidate forums, voter transportation, or voter registration.

HATCH ACT

CHAPTER 15, TITLE 5, U.S. CODE

SUBRECIPIENT further agrees that none of the personnel employed in the administration of the within defined Project shall be in any way or to any extent, engaged in the conduct of political activities in contravention of Chapter 15, Title 5, U.S. Code.

C. PROGRAM INCOME

24 CFR 570.500

SUBRECIPIENT agrees that program income, as defined in 24 CFR 570.500, includes, but is not limited to, the following:

1. Proceeds from the disposition by sale or long-term lease of real property purchased or improved with CDBG funds;
2. Proceeds from the disposition of equipment purchased with CDBG funds;
3. Gross income from the use or rental of real or personal property acquired by SUBRECIPIENT with CDBG funds, less costs incidental to generation of the income;

4. Gross income from the use or rental of real property, owned by SUBRECIPIENT, that was constructed or improved with CDBG funds, less costs incidental to generation of the income;
5. Payments of principal and interest on loans made using CDBG funds, except as provided in 24 CFR 570.500(a)(3); and
6. Interest earned on program income pending its disposition.

D. DISPOSITION OF PROGRAM INCOME

24 CFR 570.504

Program income shall be recorded separately and returned to the CITY for disposition. Upon approval by the CITY, SUBRECIPIENT may retain income from the Project provided that written notification is given to the Neighborhood Services Director and that the income is to be used for the exclusive benefit of the Program. Such income will be subject to guidelines for use of such income in accordance with HUD regulations.

E. APPLICABILITY OF UNIFORM ADMINISTRATIVE REQUIREMENTS

24 CFR 570.502

SUBRECIPIENT shall comply with the requirements and standards of OMB Circular A-122, "Cost Principles for Non-profit Organizations," or OMB Circular No. A-21, "Cost Principles for Educational Institutions," as applicable, and OMB Circular A-133, "Audits of Institutions of Higher Education and Other Non-profit Institutions."

F. OTHER PROGRAM REQUIREMENTS

24 CFR SUBPART K

SUBRECIPIENT shall carry out its activities in compliance with all Federal laws and regulations as described in 24 CFR 570.600--570.612, except that SUBRECIPIENT will not assume the CITY'S environmental responsibilities described at 24 CFR 570.604, nor the CITY'S responsibility for initiating the review process under the provisions of 24 CFR Part 58.

1. GENERAL--24 CFR 570.600

SUBRECIPIENT agrees to comply with such laws and Program requirements as are applicable to grants made under section 106 of Title I of the Housing and Community Development Act of 1974.

2. TITLE VI OF THE CIVIL RIGHTS ACT OF 1964--24 CFR 570.601

FAIR HOUSING ACT--24 CFR 570.601

EXECUTIVE ORDER 11063--24 CFR 570.601

This Agreement is subject to the requirements of Title VI of the Civil Rights Act of 1964, P.L. 88-352; the Fair Housing Act; and Executive Order 11063, as amended by Executive Order 12259; and HUD regulations at 24 CFR

Part 1, providing for non-discrimination on the grounds of race, color, creed, sex, familial status, disability, or national origin under any activity receiving Federal funds and also obligating SUBRECIPIENT to use Federally-funded property for the purpose for which the Federal funds were awarded.

3. SECTION 109 OF THE ACT--24 CFR 570.602
AGE DISCRIMINATION ACT of 1975--24 CFR 570.602(c)
SECTIONS 504 OF THE REHABILITATION ACT OF 1973
24 CFR 570.602(c)

This Agreement is subject to Section 109 of the Housing and Community Development Act of 1974, The Age Discrimination Act of 1975, and Section 504 of the Rehabilitation Act of 1973, which requires that no person in the United States shall, on the grounds of age, race, color, national origin, disability, or sex, be excluded from participation in, be denied the benefits of, or be subject to discrimination under any program or activity funded in whole or in part with Community Development Block Grant funds.

4. AFFORDABILITY PROVISIONS
24 CFR 570.208(a)(3)

Subrecipient acknowledges and understands that low and moderate-income households shall occupy all rehabilitation of permanent, residential structures, upon completion. For any rehabilitation of rental housing, occupancy by low and moderate-income households must be at affordable rents as determined by the City.

5. LABOR STANDARDS & DAVIS BACON ACT
24 CFR 570.603

Section 110(a) of the Act contains labor standards that apply to non-volunteer labor financed in whole or in part with assistance provided under the Act. The Contract Work Hours and Safety Standards Act and Copeland Act also apply. Contractors or subcontractors on construction work shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended.

6. ENVIRONMENTAL STANDARDS
24 CFR 570.604

This Agreement is subject to the National Environmental Policy Act of 1969, as detailed in implementing regulations 24 CFR Part 58.

7. NATIONAL FLOOD INSURANCE PROGRAM
24 CFR 570.605

This Agreement is subject to the Flood Disaster Protection Act of 1973, and the regulations in 44 CFR Parts 59 through 79.

8. DISPLACEMENT, RELOCATION, ACQUISITION, AND ONE-FOR-ONE REPLACEMENT OF HOUSING
24 CFR 570.606

SUBRECIPIENT shall assure it has taken all reasonable steps to minimize the displacement of persons (families, individuals, businesses, non-profit organizations, and farms) as a result of activities pursuant to Part 570.606. Relocation of displaced persons shall be provided in conformance with the Uniform Relocation Assistance and Real Property Acquisition Act of 1970. In addition, Subrecipient understands and agrees that there must be a one-for-one replacement of any occupied or vacant, occupiable low or moderate income dwelling which is demolished or converted to another use in connection with a CDBG-funded activity.

9. EMPLOYMENT AND CONTRACTING OPPORTUNITIES
24 CFR 570.607

SUBRECIPIENT shall comply with Executive Order 11246, as amended by Executive Order 12086, which provides for Equal Employment Opportunity, and Section 3 of the Housing and Urban Development Act of 1968, with implementing regulations at 24 CFR Part 135. Section 3 requires that employment and other economic development opportunities arising in connection with housing rehabilitation, housing construction, or other public construction projects shall, to the greatest extent feasible, and consistent with existing Federal, State, and local laws and regulations, be given to low- and very low-income persons.

10. LEAD-BASED PAINT
24 CFR 570.608

This Agreement is subject to the regulations at 24 CFR Part 35, prohibiting the use of lead-based paint in residential structures constructed or rehabilitated with assistance provided pursuant to Part 570.608; notification of hazards of lead-based paint poisoning; and elimination of lead-based paint hazards.

11. USE OF DEBARRED, SUSPENDED, OR INELIGIBLE CONTRACTORS OR SUBRECIPIENTS
24 CFR 570.609

This Agreement is subject to the requirements set forth in 24 CFR Part 5, in which is incorporated 24 CFR Part 24, which provides for the listing of debarred and suspended participants, participants declared ineligible, and

participants who have voluntarily excluded themselves from participation in covered transactions pursuant to Part 24.

12. **UNIFORM ADMINISTRATIVE REQUIREMENTS AND COST PRINCIPLES**
24 CFR 570.610

SUBRECIPIENT shall comply with the policies, guidelines, and requirements of 24 CFR Part 85 and OMB Circulars A-87, A-110, A-122, A-133, and A-128, as applicable, as they relate to the acceptance and use of Federal funds pursuant to Part 570.610. The applicable sections of 24 CFR Parts 84 and 85 are set forth at Part 570.502.

13. **CONFLICT OF INTEREST**
24 CFR 570.611

This Agreement is subject to the general rule that no person who is an employee, agent, consultant, officer, or elected official or appointed official of the CITY as Recipient, or of any designated public agencies, or of SUBRECIPIENT who exercise or have exercised any functions or responsibilities with respect to CDBG activities assisted pursuant to Part 570.611, or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from a CDBG-assisted activity, or have a financial interest in any contract, subcontract, or Agreement with respect to a CDBG-assisted activity, or with respect to the proceeds of the CDBG-assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one year thereafter.

G. DRUG-FREE WORKPLACE

As a subrecipient of CDBG funds, and in connection with public services offered, the SUBRECIPIENT agrees that it shall comply with the provisions of the Drug-Free Workplace Act of 1988, 45 CFR Part 76, Subpart F, which requires that SUBRECIPIENT shall maintain a facility free from the illegal use, possession, or distribution of drugs or alcohol by its beneficiaries.

H. EXPIRATION OR REVOCATION OF AGREEMENT

Upon the expiration or revocation of this Agreement, SUBRECIPIENT shall transfer to CITY any CDBG funds on hand at the time of expiration or revocation and any accounts receivable attributable to the use of CDBG funds.

I. ANTI-LOBBYING

Section 319 of Public Law 101-121, of the Department of the Interior Appropriations Act, prohibits SUBRECIPIENT from using appropriated Federal funds for lobbying the

Executive or Legislative Branches of the Federal Government in connection with a specific contract, grant, or loan, and requires that no Federal appropriated funds have been paid or will be paid, by or on behalf of SUBRECIPIENT to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

J. AMERICANS WITH DISABILITIES ACT

SUBRECIPIENT agrees to comply fully with any and all provisions of the Americans with Disabilities Act (hereinafter referred to as "ADA") as applicable to the SUBRECIPIENT and the activities to be performed by SUBRECIPIENT under the scope of this Agreement. If employing more than fifteen (15) employees, SUBRECIPIENT agrees to comply fully with Title I of the "ADA" as set forth at 28 CFR Part 130. If providing "public accommodations" as defined by the Act in Section 301(7)(A)-(L), SUBRECIPIENT agrees to comply fully with Title III of the "ADA" as set forth at 28 CFR Part 36. If providing public transportation, SUBRECIPIENT agrees to comply fully with the federal regulations as set forth at 49 CFR Parts 37 and 38.

IV. FINANCIAL MANAGEMENT

A. AUDIT REQUIREMENTS

This Agreement is subject to other requirements of United State's Office of Management and Budget (OMB) Circular No. A-110 "Grants and Agreements with Institutions of Higher Education, Hospitals, and other Non-Profit Organizations" and its relevant attachments "A" through "O"; and Circular A-122, entitled "Cost Principles for Non-Profit Organizations."

This Agreement is also subject to an OMB A-133 Audit pursuant to the Single Audit Act. Prior to July 1, 1997, the A-133 was applicable to grant recipients who had received \$25,000 per year in federal funds for two consecutive years. Effective July 1, 1997, the Office of Management and Budget requires that grant recipients who expend over \$300,000 in any federal grant funds in the fiscal year received are required to conduct an A-133 audit. In order to ensure Program compliance to the greatest extent feasible, the Neighborhood Services Department has established a policy, effective July 1, 1997, which requires an A-133 audit for grant subrecipients receiving annually \$50,000 or more for two consecutive years.

B. RIGHT TO REVIEW AND AUDIT

1. The Subrecipient agrees to maintain financial records pertaining to all matters relative to this Agreement in accordance with standard accounting principles and procedures and

to retain all records and supporting documentation applicable to the Agreement for a period of three years, except those records subject to audit findings shall be retained for three years after such findings have been resolved. In the event the Subrecipient goes out of existence, the Subrecipient shall turn over to the City all of its records relating to this Agreement to be retained by the City for the required period of time.

2. The Subrecipient agrees to permit the City or the City's designated representatives to inspect and audit its records and books relative to this Agreement at any time during normal business hours and under reasonable circumstances and to copy therefrom any information that the City desires concerning Subrecipient's operation hereunder. The Subrecipient further understands and agrees that said inspection and audit would be exercised upon written notice. If the Subrecipient or its records and books are not located within Clark County, Nevada, in the event of an inspection and audit, Subrecipient agrees to deliver the records or books or have the records or books delivered to the City or the City's designated representatives at an address within the City of Las Vegas as designated by the City. If the City or the City's designated representatives find that the records delivered by the Subrecipient are incomplete, the Subrecipient agrees to pay the City or the City representatives' costs to travel (including travel, lodging, meals, and other related expenses) to the Subrecipient's offices to inspect, audit, and retrieve the complete records. The Subrecipient further agrees to permit the City or the City's designated representatives to inspect and audit, as deemed necessary, all records of this project relating to finances, as well as other records including performance records that may be required by relevant directives of funding sources of the City.

C. DOCUMENTATION OF COSTS

All costs shall be recorded by budget line-items and be supported by properly executed payrolls, time records, invoices, contracts, or vouchers, or other official documentation evidencing in proper detail the nature and propriety of the charge. All checks, payrolls, invoices, contracts, and vouchers, orders or other accounting documents pertaining in whole or in part to the Agreements, shall be thoroughly identified and readily accessible.

D. FINANCIAL RECORD KEEPING

Financial records pertaining to all invoices, materials, payrolls, personnel records, and other data concerning matters related to this Agreement may be requested from SUBRECIPIENT by duly authorized CITY representatives, CITY-contracted independent auditors, HUD and/or the Comptroller of the United States, or any combination thereof.

E. RECORDS

Program records shall be maintained in accordance with HUD and CITY requirements with respect to all matters covered by this Agreement. Such records shall be maintained for a period of five years after the term of this Agreement expires (effectively a ten year retention period).

F. PROGRAM BUDGET

Invoice expenditures eligible for payment by the CITY will be in accordance with the Project budget delineated in Exhibit "C" and subject to any conditions imposed in the Scope of Services, to include monthly or quarterly reports and narratives when seeking reimbursement from the City for Project costs. SUBRECIPIENT shall not make any changes in the Project budget unless permission is obtained in writing from the Neighborhood Services Department Director.

G. METHOD OF PAYMENT

The CITY shall reimburse valid invoices for approved Project budget expenditures identified in Exhibit "C" of this Agreement. Before paying such expenses, the CITY will review invoice expenditures to determine their consistency with the approved eligible expenditures and the scope of services, pursuant to this Agreement. The CITY reserves the right to refuse reimbursement for expenses, which are CDBG-ineligible or which are not within the scope of this Agreement. The CITY also reserves the right to refuse reimbursement for expenses when the documentation is insufficient or not received with 15 days of request for additional information. Monthly and quarterly reimbursement requests shall include reports and narratives as detailed in "Scope of Services" section of this Agreement.

H. UNEXPENDED FUNDS

In the event that CITY staff anticipates the total amount of funds allocated for this Agreement will not be expended in the time and manner prescribed in this Agreement, the CITY reserves the right to such unexpended portion for other Projects/programs operating under the CITY'S CDBG Program. An extension of the June 30, 2005 deadline may be authorized in writing by the CITY Neighborhood Services Director or the Director's designee, following written request from the SUBRECIPIENT.

I. ACCOUNTING METHODS

Expenditures charged to CITY fiscal year 2004-2005 CDBG funds will be accounted separately from all other revenue sources. SUBRECIPIENT shall maintain these records.

J. REAL PROPERTY, NON-EXPENDABLE PERSONAL PROPERTY, DEPRECIATION SCHEDULES, AND DISPOSITION OF PROPERTY

In accordance with the United States Office of Management and Budget (OMB) Circulars A-87, Cost Principles of State and Local Governments, and A-110, Grants and Agreements with Institutions of Higher Education, Hospitals, and other Nonprofit Organizations, the following shall apply:

- 1) Non-expendable personal property will be defined as any property either tangible or intangible other than real property as defined herein, which has a unit acquisition cost of \$500 or more, and a useful life of more than one year.

- 2) Real property will be defined as land, including land improvements, structures and appurtenances thereto, but excluding movable machinery and equipment.
- 3) Non-expendable personal property shall be depreciated on a 5-year, straight-line schedule, as is the accounting standard used for the City of Las Vegas in its financial management. SUBRECIPIENT will be required to maintain property records for and report to the City during the 5-year depreciation period. If the property is disposed of prior to the 5-year depreciation period, the CITY shall provide the SUBRECIPIENT with disposition instructions upon request. If the property is disposed of for cash during this period, it constitutes Program Income, which must be reported in accordance with the Section III C. & D., Program Income, portion of this Agreement. Examples of non-expendable personal property are vehicles and computer equipment. If said property is a vehicle, the City shall be named as a lienholder on the title.
- 4) When non-expendable personal property has been fully depreciated in accordance with the CITY'S 5-year straight-line schedule, and the property is disposed of for cash, the SUBRECIPIENT may retain such funds provided that SUBRECIPIENT notifies the CITY in writing and that SUBRECIPIENT uses such funds for the exclusive benefit of the Program.
- 5) Pursuant to 24 CFR Part 570.503, the SUBRECIPIENT must transfer upon expiration of the term of this Agreement any CDBG funds on hand at the time of expiration and any accounts receivable attributable to the use of CDBG funds provided pursuant to this Agreement. In addition, any real property as described above either acquired or improved in whole or in part, in excess of \$25,000, shall be used to meet one of the national objectives pursuant to Part 570.208 until five (5) years after expiration of this Agreement, or for such longer period of time as deemed appropriate by the CITY. If not used as such, SUBRECIPIENT must dispose of such real property in a manner that results in the reimbursement of CDBG funds for the amount of the current fair market value of the property less any portion of the value attributable to expenditures of non-CDBG funds for acquisition of or improvement to the property. This reversion of assets will not be required after such period of time deemed appropriate by the CITY.

V. MODIFICATION OR TERMINATION OF AGREEMENT

A. AMENDMENT OR REVISION REQUIRED BY HUD

SUBRECIPIENT and the CITY hereby agree to amend or otherwise revise this Agreement should HUD and/or any applicable federal statutes or regulations require such modification.

B. TERMINATION

If SUBRECIPIENT fails to fulfill in a timely and proper manner its obligation under this Agreement or shall violate any of the covenants, agreements or stipulations of this Agreement, the CITY shall thereupon have the right to suspend or terminate this Agreement

and specify the effective date thereof in accordance with 24 CFR 85.43. Such notice shall be given no less than ten (10) days before the effective date of such termination and sent to SUBRECIPIENT at 1331 S. Rainbow Blvd. #102 Las Vegas, NV 89146. All documentation (maps, reports, surveys, plot plans, permits, zoning, etc.) of Architectural and Engineering services funded by the CITY shall be given to the CITY as documentation for funds expended.

C. PROVISIONS REQUIRED BY LAW DEEMED INSERTED

Each and every provision of law and clause required by law to be inserted in this Agreement will be deemed to be inserted herein, and this Agreement shall be read and enforced as though it were included herein and if through mistake or otherwise any such provisions not inserted, or is not correctly inserted, then upon the application of either party this Agreement shall forthwith be physically amended to make such insertion.

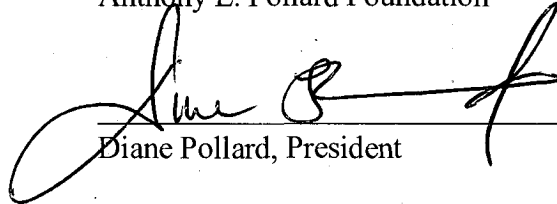
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IN WITNESS WHEREOF, the parties hereto have entered this Agreement the day and year first above written.

CITY OF LAS VEGAS

Anthony L. Pollard Foundation

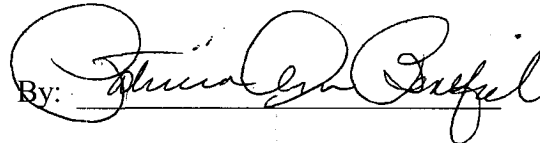

Oscar B. Goodman, Mayor


Diane Pollard, President

ATTEST:

ATTEST:


Barbara Jo Ronemus, City Clerk

By: 

COUNCIL ACTION: MARCH 17, 2004
Anthony Pollard Foundation-Rainbow Dreams Academy
Architect and Engineering Services (\$269,800)

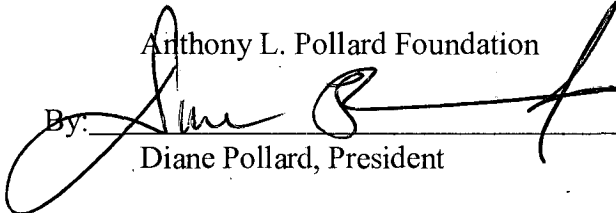
APPROVED AS TO FORM: 
8/2/04

ACCEPTANCE OF DEFERRED LOAN AND AGREEMENT TO
COMPLY WITH DEFERRED LOAN CONDITIONS

I, Diane Pollard, President, Anthony L. Pollard Foundation, a non-profit corporation, on behalf of that corporation, do hereby accept the deferred loan in the amount of \$269,800 and the conditions imposed upon that loan contained in the Community Development Block Grant (CDBG) Agreement to Loan CDBG Program Funds to Anthony L. Pollard Foundation approved by the City Council of the City of Las Vegas, Nevada on the 17th day of March, 2004, a copy of which is attached hereto and incorporated herein.

Executed this 4 day of August, 2004.

Anthony L. Pollard Foundation

By: 

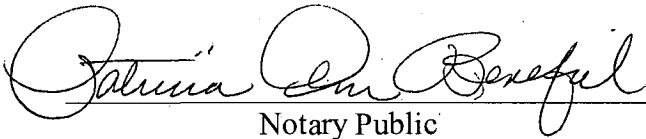
Diane Pollard, President

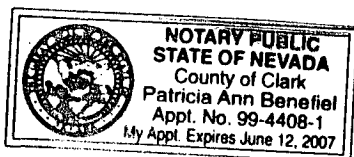
State of Nevada)

}SS

County of Clark)

On this 4 day of AUGUST, 2004, before me, the undersigned, a Notary Public in and for said County and State, personally appeared Diane Pollard, President, known to me to be the person described in and who executed the foregoing instrument, who acknowledged to me that she executed the same freely and voluntary and for the uses and purposes therein mentioned.


Notary Public



WHEN RECORDED MAIL TO:

Earlie King
Neighborhood Services Department,
City of Las Vegas
400 East Stewart Avenue
Las Vegas, NV 89101

MAIL TAX BILL TO:

Diane Pollard
Anthony L. Pollard Foundation
1331 S. Rainbow Blvd. #102
Las Vegas, NV 89146

SHORT FORM DEED OF TRUST

THIS DEED OF TRUST, made this ____ day of _____, 2004 between Anthony L. Pollard Foundation, whose principal office is located at 1331 S. Rainbow Blvd. #102 Las Vegas, NV 89146, herein called TRUSTOR, and the City of Las Vegas, a municipal corporation duly organized in the State of Nevada, whose principal office is located at 400 E. Stewart, Las Vegas, NV, 89101, Attention: Neighborhood Services Department, herein called TRUSTEE and BENEFICIARY.

WITNESSETH: Whereas Trustor has received a deferred loan in the amount of \$269,800 from Beneficiary and has agreed to faithfully perform certain obligations or repay the deferred loan monies in accordance with the Community Development Block Grant Agreement of even date between Trustor and Beneficiary ("Agreement");

NOW THEREFORE, for the purpose of securing each Agreement of the Trustor herein and therein contained and in the Agreement, Trustor IRREVOCABLY GRANTS, TRANSFERS AND ASSIGNS to Trustee in trust, WITH POWER OF SALE, that certain property located in the City of Las Vegas, Clark County, State of Nevada described as:

See Attachment "A" attached hereto and by this reference is made a part hereof.

To protect the security of this Deed of Trust, Trustor shall abide by the terms of the Agreement executed; Trustor agrees to acquire, dispose of, construct, reconstruct, or install public facilities and make improvements to either benefit primarily low- and moderate-income persons; aid in the prevention or elimination of slum or blight; or to meet Community Development needs having a particular urgency for a period of not less than ten years from the date the project receive a Certificate of Occupancy; Trustor agrees to maintain and operate the above-described property as a drug-free environment; Trustor agrees to abide by any and all applicable CDBG program rules and regulations as provided by 24 CFR Part 570; Trustor agrees to transfer title of

property to Beneficiary if Trustor, after proper notice and due process, is found to be in violation of its Agreement with Beneficiary; and

Notwithstanding the rights of Beneficiary to the Property under this Deed of Trust, Trustor agrees to repay to the Beneficiary \$269,800 in CDBG program funds if the Property acquired by Trustor ceases to meet a national objective in accordance with 24CFR570.208, pursuant to its Agreement with Beneficiary, or if Trustor loses through foreclosure, sale, or other circumstances legal possession of the Property; and

All of the agreements and/or acknowledgments of the Trustee set forth in this Short Form Deed of Trust also constitute agreements or acknowledgments of the City of Las Vegas in its capacity as Beneficiary. The Trustee and Beneficiary agree that the Beneficiary and Trustee under the First Deed of Trust and their respective successors and assigns, including, without limitation, any purchaser, at a trustee's sale under the First Deed of Trust and the heirs, personal representatives, successors and assigns of any such purchaser, shall not be bound by or obligated to perform any of the obligations of the Trustor under this Deed of Trust or under the Agreement referred to herein.

Notwithstanding the rights of Beneficiary to the Property under this Deed of Trust, Trustor agrees to repay to the Beneficiary \$269,800 in CDBG program funds if the Property, or any portion thereof, is subleased without prior written approval of Beneficiary or through foreclosure, sale, or other circumstances Trustor loses legal possession of the Property; and

So long as the Subrecipient/Trustor shall well and truly perform its obligations to the City of Las Vegas under the Agreement, the obligations of the Subrecipient/Trustor will terminate on the fifth anniversary of the expiration date of the Agreement. Pursuant to 24 570.503 (b) (8) (i), all projects receiving CDBG funding must continue to meet a national objective "until five years after expiration of the Agreement". After that time, the Trustee under the Deed of Trust, its successors and assigns, on request by the Trustor, or assigns, shall reconvey to the Trustor, or assigns, all the estate in the premises described in Attachment "A" hereto conveyed to the Trustee by the Trustor under the Deed of Trust. The funds will remain recapturable upon sale or transfer of title during the period of compliance.

TRUSTEE acknowledges that the Property is or will be encumbered by a deed of trust (the First Deed of Trust), which will be recorded in the Official Records of Clark County, Nevada prior to recordation of this Security Instrument. TRUSTEE acknowledges and agrees that this Security Instrument and all rights of TRUSTEE hereunder are and will be subject and subordinate to the lien of the First Deed of Trust and to all rights and remedies of the BENEFICIARY and TRUSTEE under the First Deed of Trust and its successors and assigns, including, without limitation, any purchaser at a trustee's sale under the First Deed of Trust and the heirs, personal representatives, successors and assigns of such purchaser, shall not be bound by or obligated to perform any of the obligations of the Purchaser under this Security Instrument. This Security Instrument will not be subject or subordinate to any replacement of the First Deed of Trust, occurring as a result of any prepayment, refinancing, sale or other transaction.

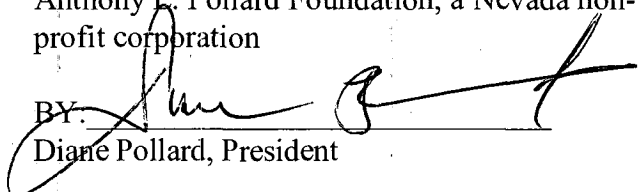
Trustor also agrees and acknowledges that a Request for Notice, the form of which is attached hereto shall be recorded upon the recordation of this Deed of Trust and the Agreement secured hereby.

By execution and delivery of this Deed of Trust and the Agreement secured hereby, Trustor agrees that Covenants Nos. 1, 2, 3, 4, 5, 6, 7, 8 and 9 of NRS 107.030 are adopted and incorporated herein and made a part hereof as though set forth herein, that Trustor will observe and perform said provisions, and that the references to property, obligations and parties in said provisions shall be construed to refer to the property, obligations, and parties set forth in this Deed of Trust.

The undersigned TRUSTOR requests that a copy of any Notice of Default, any Notice of Sale, and or any Notice of Lien hereunder be mailed to the address hereinabove set forth.

TRUSTOR:

Anthony L. Pollard Foundation, a Nevada non-profit corporation

BY: 

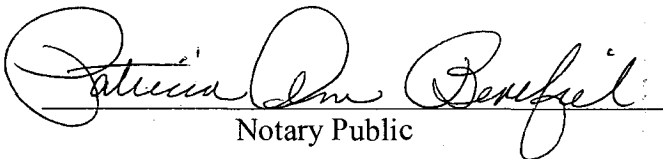
Diane Pollard, President

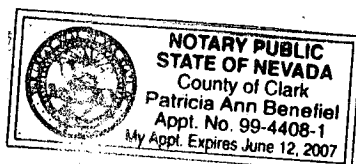
State of Nevada)

}SS

County of Clark)

On this 4 day of AUGUST, 2004, before me, the undersigned, a Notary Public in and for said county and State, personally appeared Diane Pollard, President, known to me to be the person described in and who executed the foregoing instrument, who acknowledged to me that she executed the same freely and voluntary and for the uses and purposes therein mentioned.


Notary Public



WHEN RECORDED MAIL TO:

Earlie King
Neighborhood Services Dept.
400 East Stewart Avenue
Las Vegas, Nevada 89101

REQUEST FOR NOTICE

under NRS 107.090

IN ACCORDANCE with Chapter 107 NRS, request is hereby made that a copy of any Notice of Default of any Notice of Sale under the Deed of Trust recorded _____ as Document No. _____ in Book No. _____ of Official Records, Clark County, Nevada, and describing land therein as:

Please refer to Attachment "A" which is attached hereto and by reference made a part hereof.

Executed by Anthony L. Pollard Foundation as Trustor, in which the City of Las Vegas is named as Trustee and Beneficiary, be mailed to City of Las Vegas, Neighborhood Services Department at 400 E. Stewart Avenue, 2nd Floor, Las Vegas NV 89101.

Anthony L. Pollard Foundation, a Nevada non-profit corporation

BY: _____

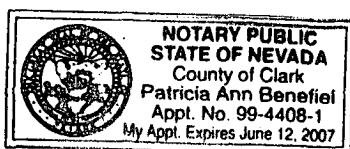
Diane Pollard, President

State of Nevada)

County of Clark)

On this 14 day of AUGUST, 2004, before me, the undersigned, a Notary Public in and for said County and State, personally appeared Diane Pollard, President, known to me to be the person described in and who executed the foregoing instrument, who acknowledged to me that she executed the same freely and voluntary and for the uses and purposes therein mentioned.

Patricia Ann Benefiel
Notary Public



ATTACHMENT "A"
LEGAL DESCRIPTION

APN: 139-21-612-054
Lot 6E and 6D, Vegas Heights Tract
Most commonly known as 941 Hart Avenue
Las Vegas, NV 89106

APN: 139-21-612-078
Lot 7B and 7C, Vegas Heights
Most commonly known as 954 West Lake Mead Blvd.
Las Vegas, NV 89106

APN: 139-21-612-074
Lot 6A, Vegas Heights Tract
Most commonly known as 916 West Lake Mead Boulevard
Las Vegas, NV 89106

APN: 139-21-612-079
Lot 8A, Vegas Heights
Most commonly known as 988 West Lake Mead Blvd.
Las Vegas, NV 89106

APN: 139-21-612-053
Lot 7F, Vegas Heights Tract
Most commonly known as 953 Hart Avenue
Las Vegas, NV 89106

APN: 139-21-612-077
Lot 7A, Vegas Heights Tract
Most commonly known as 952 West Lake Mead Blvd.
Las Vegas, NV 89106

EXHIBIT "C"
PROGRAM BUDGET

Organization: Anthony L. Pollard Foundation
Project: Rainbow Dreams Academy-Architectural & Engineering Services
Program: Community Development Block Grant, Fiscal Year 2004-2005

Program Budget*

Account	Description	Amount Authorized
992090	Architectural and Engineering Services	\$269,800
Total Amount		\$269,800

*NOTE: Detailed construction budget to be submitted within 30 days of contract execution.

EXHIBIT "D"
CDBG REPORT

Neighborhood Services Department
400 Stewart, 2nd Floor
Las Vegas, NV 89101

RE: Project: _____
Represents Month _____

HUD has created new race categories. In addition, HUD requires that the Hispanic ethnicity be counted either for every race sub category as applicable or as simply Hispanic.

*Hispanic must be counted for each category as appropriate and totaled in column C. Example: White column may have 25 clients, 4 of which are also Hispanic. The White column would have 25 and the Hispanic column would have 4, the total clients would still be 25, do not add the two columns together. There may be other categories that also have Hispanic clients. Therefore, column (C) would have the total Hispanic count for all mixed categories and a final total for mixed clients at the bottom of the column. The Hispanic total for clients claiming a straight Hispanic race and ethnicity must also be counted. This is a separate category and has its own row for monthly and year to date totals. The Year to Date Columns should reflect the numbers for each monthly column of clients served to date.

A	B	C	D	E
Race Category	Monthly Client Total	Monthly Hispanic Total*	Year To Date Client Total	Year to Date Hispanic Total
White				
Black/African American				
Asian				
American Indian/Alaskan				
Native Hawaiian/Other Pac. Islander				
American Indian Alaskan Native & White				
Asian & White				
Black & White				
American Indian/Alaskan Native & Black				
Other Multi Racial				
Asian/Pacific Islander				
Hispanic				
TOTAL All Categories				
Female				
Male				
Female Head of Household				

DISCLOSURE OF PRINCIPALS

The principals and partners of *Anthony L. Pollard Foundation* and all persons and entities holding more than 1% interest in Anthony L. Pollard Foundation or any principal of *Anthony L. Pollard Foundation* are the following:

FULL NAME	BUSINESS ADDRESS	BUSINESS PHONE

1. <u>none</u>		
2. _____		
3. _____		
4. _____		
5. _____		
6. _____		

Continue list until full and complete disclosure is made.

I certify under penalty of perjury, that the foregoing list is full and complete.

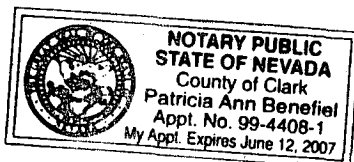
Anthony L. Pollard Foundation

By: [Signature]

Title: President

Subscribed and sworn to before me this
4 day of AUGUST, 2004

[Signature]
Notary Public



COMMUNITY DEVELOPMENT BLOCK GRANT AGREEMENT
Between the City of Las Vegas and
Blind Center of Nevada

THIS AGREEMENT, made and entered into this 1st day of July, 2004 by and between the CITY OF LAS VEGAS, a municipal corporation of the State of Nevada, hereinafter referred to as "CITY," and **Blind Center of Nevada**, a nonprofit corporation duly organized under the laws of the State of Nevada, hereinafter referred to as SUBRECIPIENT, whose primary mailing address at the date of execution is 1001 N. Bruce, Las Vegas, NV 89101.

WITNESSETH

WHEREAS, the CITY has entered into a Grant Agreement with the U.S. Department of Housing and Urban Development for participation in the Community Development Block Grant, hereinafter referred to as "CDBG," program under Title I of the Housing and Community Development Act of 1974, P.L. 93-383 as amended; and

WHEREAS, the CITY is responsible for planning, administering, implementing, and evaluating the CDBG program to ensure that it conforms to the HUD-approved Consolidated Plan for the City; and

WHEREAS, CITY as Grantee wishes to engage SUBRECIPIENT to assist the CITY in utilizing such funds by providing services to meet one (or more) of the CDBG Program's three broad National Objectives (defined in 24 CFR Part 570.208) as follows:

1. To benefit low- and moderate-income persons,
2. To aid in the prevention or elimination of slum or blight,
3. To meet Community Development needs having a particular urgency;

NOW, THEREFORE, it is agreed between the parties hereto that;

I. SCOPE OF SERVICE

A. ACTIVITIES

SUBRECIPIENT will be responsible for administering a 2004-2005 CDBG-funded Project known as **Blind Center of Nevada Rehabilitation – Activity Floor** that provides activities eligible under the Community Development Block Grant Program as cited in the Scope of Services I.B., hereinafter referred to as "Program" or "Project." It is expressly agreed and understood that the total amount to be provided by the CITY under this Agreement shall not exceed **\$247,043.00** in CDBG funds to be allocated in accordance with the Project Budget as detailed in Exhibit "C" attached. SUBRECIPIENT hereby agrees to utilize said CDBG funds made available pursuant to this Agreement to

supplement rather than supplant funds otherwise available. The SUBRECIPIENT agrees that construction will not begin until the Director or his/her designee has issued a Notice To Proceed, which shall not be unreasonably withheld or delayed following the request therefore by SUBRECIPIENT.

B. PROJECT DESCRIPTION

Scope of Services to be provided

To rehabilitate Blind Center of Nevada by remodeling the second floor of the main building so that it can be used for the Back to Work program and other activities. Blind Center of Nevada is located at 1001 N. Bruce street Las Vegas, NV 89101. Ward 5 Census Tract 34.24 the City of Las Vegas, Clark County, Nevada. See attached Legal Description, Exhibit "B" (collectively referred to as the "Property").

C. CLIENT DATA

SUBRECIPIENT will be required to collect for and provide to the CITY Project accomplishments and usage records beginning July 1, 2004 or the date first written above, until June 30, 2009, unless this Agreement is modified at the express consent of the CITY and SUBRECIPIENT. SUBRECIPIENT shall submit, on an annual basis, and on occasion upon request by the CITY, a Progress Status Report that shall provide program statistics and a narrative to demonstrate compliance with national objectives as stated above. Failure to submit said reports in a timely manner may delay reimbursement to SUBRECIPIENT for grant-eligible Program expenses. Records and reports shall contain, but not be limited to, the following data:

Total unduplicated (new) residents benefiting from the rehab including: ethnic breakdown, number and percentage of low- and moderate-income residents served.

These reports shall be forwarded to the City of Las Vegas Neighborhood Services Department, ATTN: Neighborhood Development Division. CITY will monitor the performance of SUBRECIPIENT against goals and performance standards required herein. Substandard performance as determined by CITY will constitute non-compliance with this Agreement.

If action to correct such substandard performance is not taken by SUBRECIPIENT within a reasonable period of time after being notified by CITY, contract suspension or termination procedures will be initiated.

D. TIME OF PERFORMANCE

This Agreement provides for CDBG funding of SUBRECIPIENT program rendered in accordance with this Agreement from July 1, 2004 *through July 1, 2005*,

inclusive. The CITY shall bear no liability to fund or provide payment for SUBRECIPIENT program services in the event that no CDBG grant award funds are received during fiscal year 2004-2005. Furthermore, the CITY shall be liable only for payment proportional to the extent of that CDBG grant for which the CITY receives award funds.

E. DISCLOSURE OF PRINCIPALS.

Pursuant to Resolution R-105-99 adopted by the Las Vegas City Council effective October 1, 1999, and amended on November 17, 1999, SUBRECIPIENT warrants that it has disclosed, on the form attached hereto as Exhibit "D", all principals, including partners or directors of SUBRECIPIENT, as well as all persons and entities holding more than a one percent (1%) interest in SUBRECIPIENT and shall notify City in writing of any material change in the above disclosure within fifteen (15) days of any such changes.

F. CHANGES IN SCOPE OF SERVICES.

Changes in the Scope of Services as outlined herein must be in accordance with CDBG regulations, made by written amendment to this Agreement and approved by both the Subrecipient and the Mayor if funding amounts over \$24,999 are involved or by the Director of Neighborhood Services or the Director's designee if funding amounts of less than \$25,000 are involved. In addition, the Department Director is authorized to sign amendments which revise the Agreement language without any funding impact. Any such changes must not jeopardize CDBG funding to the City

II. CITY GENERAL CONDITIONS

A. COMPLIANCE WITH OTHER APPLICABLE STATUTES AND REGULATIONS

SUBRECIPIENT shall obtain any and all Federal, State, and Local permits and licenses required to execute the project or program as described in the Agreement's Scope of Services. SUBRECIPIENT further agrees to abide by all applicable Federal, State, and Local codes, regulations, statutes, ordinances, and laws.

SUBRECIPIENT also hereby agrees to comply with any and all development conditions as established by CITY Council, the CITY Planning Commission, and by the CITY Planning Department as stated in the "Scope of Services" section of this Agreement. When necessary, the CITY may amend such conditions to comply with the City of Las Vegas General Plan, with Title 19 of the Municipal Code of the City of Las Vegas, and with any applicable state, local, and federal law.

B. APPRAISAL OF PROPERTY

SUBRECIPIENT understands and agrees that it is the policy of the CITY to secure as collateral an interest in any and all real property being financed with federal funds. Accordingly, for properties involving acquisition of real property, improvements to real property, or a combination thereof, the CITY shall not provide funding in excess of appraised value of the subject property. The CITY will not disburse any funds pursuant to this Agreement until such appraisal is received to the satisfaction of the CITY.

C. CONSTRUCTION CONTROL

For any construction activities financed in whole or in part by CDBG funds pursuant to this Agreement, SUBRECIPIENT agrees and understands that SUBRECIPIENT may not commence construction until the Director or his or her designee, of Neighborhood Services Department (hereinafter referred to as "Director") issues a Notice to Proceed in writing. SUBRECIPIENT further agrees and understands that the CITY may require the SUBRECIPIENT to use a CITY approved licensed voucher control company for the construction of the Project, unless specified otherwise in writing by the Director. SUBRECIPIENT further agrees to submit copies of the minutes from all construction meetings to Neighborhood Services Department.

D. DEED OF TRUST REQUIRED FOR ACQUISITION / CAPITAL IMPROVEMENT

The CITY shall require reasonable assurances of security for SUBRECIPIENT'S performance or repayment pursuant to 24 CFR 570.505, which shall be a Deed of Trust for such Property, the form of which is attached to this document as Exhibit "A" and which SUBRECIPIENT shall execute as part of this Agreement. Such Deed of Trust shall serve as a collateral interest in the property being rehabilitated with CDBG Program funds. If the SUBRECIPIENT ceases to meet a national objective in accordance with 24 CFR 570.208, or through foreclosure, transfer in lieu of foreclosure, or other circumstances, SUBRECIPIENT does not maintain vested ownership or legal possession of the Property, or if the provisions of Section II (F) of this Agreement are not complied with, SUBRECIPIENT will, upon the request of the City, repay to the City, without interest, the entire \$247,043.00 in CDBG Program funds that SUBRECIPIENT received from the CITY hereunder.

The CITY acknowledges that the Property is or will be encumbered by a deed of trust the ("First Deed of Trust") created for permanent financing for the property, which will be recorded in the Official Records of Clark County, Nevada prior to recordation of this Security Instrument. CITY acknowledges and agrees that this Security Instrument and all rights of CITY hereunder are and will be subject and subordinate to the lien of the First Deed of Trust and to all rights and remedies of the BENEFICIARY and TRUSTEE under the First Deed of Trust and its successors and assigns, including, without limitation, any purchaser at a trustee's

sale under the First Deed of Trust and the heirs, personal representatives, successors and assigns of such purchaser, shall not be bound by or obligated to perform any of the obligations of the purchaser under this Security Instrument. This Security instrument will not be subject or subordinate to any replacement of the First Deed of Trust, occurring as a result of any prepayment, refinancing, sale or other transaction.

The SUBRECIPIENT, as Trustor, hereby agrees to record the "Deed of Trust", at the Recorder's Office of the County of Clark to ensure performance by the SUBRECIPIENT pursuant to the Project as specified in this Agreement.

The SUBRECIPIENT agrees to provide a Preliminary Title Report to the City and a Title Insurance Policy in a minimum amount of \$247,043.00, which will protect the City from losses, damages, or claims concerning the title of the Property.

E. COMPLIANCE WITH NATIONAL OBJECTIVES

The term of this agreement shall be for a period not less than five (5) years. SUBRECIPIENT and CITY agree that so long as the SUBRECIPIENT shall well and truly perform its obligations to the City of Las Vegas under this Agreement, the City shall retain an interest in the "Property" through a Trust Deed until the fifth (5th) anniversary of the expiration date of the Agreement, (effectively a ten year compliance period). The funds are recapturable upon sale or transfer of title during the period of compliance.

F. CONSTRUCTION COMPLIANCE REQUIRED

For any and all rehabilitation or construction to be performed by SUBRECIPIENT under the scope of this Agreement, SUBRECIPIENT hereby agrees that all such construction shall comply with any and all applicable federal, state, and local building codes, housing codes, and health, fire and safety codes. SUBRECIPIENT shall, to the greatest extent feasible, provide a detailed timeline, which explicitly provides deadlines for all major construction activities to be performed pursuant to this Agreement.

Furthermore, the SUBRECIPIENT hereby agrees to provide the CITY with a design and construction schedule detailing the Project's phases to augment the CITY's capacity to monitor SUBRECIPIENT activities as to be performed under the "Project Description" of this Agreement.

G. SUBRECIPIENT RETAINS EXCLUSIVE RIGHT OF PERFORMING SERVICES

SUBRECIPIENT has requested the financial support of the CITY to enable SUBRECIPIENT to provide the services contemplated herein. The CITY shall have no relationship whatsoever with the services contemplated herein except the provision of financial support and the receipt of reports as provided herein. In any and all events, the services contemplated herein shall be rendered at the time, in the manner and under circumstances determined solely and exclusively by

SUBRECIPIENT, subject only to review by the City of Las Vegas, Neighborhood Services Director or other designee of the Neighborhood Services Director to assure continuing eligibility for CDBG funding.

H. INDEMNIFICATION

SUBRECIPIENT agrees to protect, defend, indemnify and save harmless the CITY from and against any and all liability, damages, claims, suits, liens, and judgments of whatever nature, including but not limited to, claims for contribution and/or indemnification for injuries to or death of any person or persons, caused by, in connection with, or arising out of any activities undertaken pursuant to this Agreement. SUBRECIPIENT'S obligation to protect, defend, indemnify, and save harmless as set forth in this paragraph, shall include any and all attorneys' fees incurred by the CITY in the defense and/or handling of said suits, demands, judgments, liens, claims and the like and all attorneys' fees and investigation expenses incurred by the CITY in enforcing and/or obtaining compliance with the provisions of this paragraph.

SUBRECIPIENT will not use any funds or resources which are supplied by the CITY in litigation against any person, natural or otherwise, or in its own defense in any such litigation and agrees to notify the CITY of any legal action which is filed by or against it with respect to the Project.

I. LIMIT ON ASSIGNMENT OF INTEREST

SUBRECIPIENT may not assign any part of its rights in this Agreement without consent of CITY. Any such assignment of rights without consent of CITY shall result in the forfeiture of all compensation, or any part thereof, as determined by CITY.

J. ON-SITE MONITORING

The Project funded under this Agreement will be subject to on-site monitoring by duly authorized CITY representatives, CITY-contracted independent auditors, HUD and/or the Comptroller of the United States. Said representatives will be announced no less than 24 hours in advance of such visits, which shall occur during normal operating hours. The representatives may request, and be granted access to records. Representatives may, on occasion, interview Project participants who volunteer to be interviewed.

K. ACCESS TO RECORDS

At any time during normal business hours, SUBRECIPIENT'S records, with respect to matters covered by this Agreement shall be made available for audit, examination, and review by CITY representatives, CITY-contracted independent auditors, HUD and/or the Comptroller of the United States.

L. INSURANCE AND BOND

If SUBRECIPIENT uses a vehicle in providing its services, it shall carry or provide a Comprehensive Automobile Liability Insurance covering bodily injury and property damage, with a minimum comprehensive single limit liability of \$1,000,000.00.

For all construction activities, SUBRECIPIENT must carry a performance bond of a sufficient amount to ensure performance by any and all private contractors retained to perform activities pertaining to the Scope of Services of this Agreement. The specific amount of any bond shall be consistent with the Program Budget as defined in Exhibit "C".

The SUBRECIPIENT shall be required to maintain general liability insurance on the Property as follows: bodily injury liability insurance in the amount of \$1,000,000.00 for the injury to or death of any one person, and \$2,000,000.00 for injuries to or the death of any number of persons in one occurrence, and property damage liability insurance in the amount of \$1,000,000.00.

The CITY shall be named as an additional insured in all policies of insurance obtained pursuant to this Agreement. The CITY shall be furnished evidence that the foregoing insurance coverage(s) are in effect, and the CITY shall be notified at least thirty (30) days prior to the cancellation or material change of any such coverage.

III. FEDERAL GENERAL CONDITIONS

**A. RELIGIOUS ACTIVITIES
24 CFR 570.200(j)**

As a general rule, in accordance with First Amendment Church/State Principles, CDBG assistance may not be used for religious activities or provided to primarily religious entities for any activities, including secular activities, except as cited at 24 CFR 570.200(J)(1)(2)(3).

**B. POLITICAL ACTIVITIES
24 CFR 570.207**

SUBRECIPIENT will comply with this section, which prohibits the use of CDBG funds to finance the use of facilities or equipment for political purposes or to engage in other partisan political activities, such as candidate forums, voter transportation, or voter registration.

**HATCH ACT
CHAPTER 15, TITLE 5, U.S. CODE**

SUBRECIPIENT further agrees that none of the personnel employed in the administration of the within defined Project shall be in any way

or to any extent, engaged in the conduct of political activities in contravention of Chapter 15, Title 5, U.S. Code.

C. PROGRAM INCOME
24 CFR 570.500

SUBRECIPIENT agrees that program income, as defined in 24 CFR 570.500, includes, but is not limited to, the following:

1. Proceeds from the disposition by sale or long-term lease of real property purchased or improved with CDBG funds;
2. Proceeds from the disposition of equipment purchased with CDBG funds;
3. Gross income from the use or rental of real or personal property acquired by SUBRECIPIENT with CDBG funds, less costs incidental to generation of the income;
4. Gross income from the use or rental of real property, owned by SUBRECIPIENT, that was constructed or improved with CDBG funds, less costs incidental to generation of the income;
5. Payments of principal and interest on loans made using CDBG funds, except as provided in 24 CFR 570.500(a)(3); and
6. Interest earned on program income pending its disposition.

D. APPLICABILITY OF UNIFORM ADMINISTRATIVE REQUIREMENTS
24 CFR 570.502

SUBRECIPIENT shall comply with the requirements and standards of OMB Circular A-122, "Cost Principles for Non-profit Organizations," or OMB Circular No. A-21, "Cost Principles for Educational Institutions," as applicable, and OMB Circular A-133, "Audits of Institutions of Higher Education and Other Non-profit Institutions."

E. OTHER PROGRAM REQUIREMENTS
24 CFR SUBPART K

SUBRECIPIENT shall carry out its activities in compliance with all Federal laws and regulations as described in 24 CFR 570.600--570.612, except that SUBRECIPIENT will not assume the CITY'S environmental responsibilities described at 24 CFR 570.604, nor the CITY'S responsibility for initiating the review process under the provisions of 24 CFR Part 58.

...

1. GENERAL--24 CFR 570.600

SUBRECIPIENT agrees to comply with such laws and Program requirements as are applicable to grants made under section 106 of Title I of the Housing and Community Development Act of 1974.

2. TITLE VI OF THE CIVIL RIGHTS ACT OF 1964--24 CFR 570.601
FAIR HOUSING ACT--24 CFR 570.601
EXECUTIVE ORDER 11063--24 CFR 570.601

This Agreement is subject to the requirements of Title VI of the Civil Rights Act of 1964, P.L. 88-352; the Fair Housing Act; and Executive Order 11063, as amended by Executive Order 12259; and HUD regulations at 24 CFR Part 1, providing for non-discrimination on the grounds of race, color, creed, sex, familial status, disability, or national origin under any activity receiving Federal funds and also obligating SUBRECIPIENT to use Federally-funded property for the purpose for which the Federal funds were awarded.

3. SECTION 109 OF THE ACT--24 CFR 570.602
AGE DISCRIMINATION ACT of 1975--24 CFR 570.602(c)
SECTION 504 OF THE REHABILITATION ACT OF 1973
24 CFR 570.602(c)

This Agreement is subject to Section 109 of the Housing and Community Development Act of 1974, The Age Discrimination Act of 1975, and Section 504 of the Rehabilitation Act of 1973, which requires that no person in the United States shall, on the grounds of age, race, color, national origin, disability, or sex, be excluded from participation in, be denied the benefits of, or be subject to discrimination under any program or activity funded in whole or in part with Community Development Block Grant funds.

4. AFFORDABILITY PROVISIONS
24 CFR 570.208(a)(3)

SUBRECIPIENT acknowledges and understands that all rehabilitation of permanent, residential structures, upon completion, shall be occupied by low and moderate income households. For any rehabilitation of rental housing, occupancy by low and moderate income households must be at affordable rents as determined by the City.

5. LABOR STANDARDS & DAVIS BACON ACT
24 CFR 570.603

Section 110(a) of the Act contains labor standards that apply to non-volunteer labor financed in whole or in part with assistance provided

under the Act. The Contract Work Hours and Safety Standards Act and Copeland Act also apply. Contractors or subcontractors on construction work shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended.

6. ENVIRONMENTAL STANDARDS
24 CFR 570.604

This Agreement is subject to the National Environmental Policy Act of 1969, as detailed in implementing regulations 24 CFR Part 58.

7. NATIONAL FLOOD INSURANCE PROGRAM
24 CFR 570.605

This Agreement is subject to the Flood Disaster Protection Act of 1973, and the regulations in 44 CFR Parts 59 through 79.

8. DISPLACEMENT, RELOCATION, ACQUISITION, AND ONE-FOR-ONE REPLACEMENT OF HOUSING
24 CFR 570.606

SUBRECIPIENT shall assure it has taken all reasonable steps to minimize the displacement of persons (families, individuals, businesses, non-profit organizations, and farms) as a result of activities pursuant to Part 570.606. Relocation of displaced persons shall be provided in conformance with the Uniform Relocation Assistance and Real Property Acquisition Act of 1970. In addition, SUBRECIPIENT understands and agrees that there must be a one-for-one replacement of any occupied or vacant, occupiable low or moderate income dwelling which is demolished or converted to another use in connection with a CDBG-funded activity.

9. EMPLOYMENT AND CONTRACTING OPPORTUNITIES
24 CFR 570.607

SUBRECIPIENT shall comply with Executive Order 11246, as amended by Executive Order 12086, which provides for Equal Employment Opportunity, and Section 3 of the Housing and Urban Development Act of 1968, with implementing regulations at 24 CFR Part 135. Section 3 requires that employment and other economic development opportunities arising in connection with housing rehabilitation, housing construction, or other public construction projects shall, to the greatest extent feasible, and consistent with existing Federal, State, and local laws and regulations, be given to low- and very low-income persons.

10. LEAD-BASED PAINT
24 CFR 570.608

This Agreement is subject to the regulations at 24 CFR Part 35, prohibiting the use of lead-based paint in residential structures constructed or rehabilitated with assistance provided pursuant to Part 570.608; notification of hazards of lead-based paint poisoning; and elimination of lead-based paint hazards.

11. USE OF DEBARRED, SUSPENDED, OR INELIGIBLE
CONTRACTORS OR SUBRECIPIENTS
24 CFR 570.609

This Agreement is subject to the requirements set forth in 24 CFR Part 5, in which is incorporated 24 CFR Part 24, which provides for the listing of debarred and suspended participants, participants declared ineligible, and participants who have voluntarily excluded themselves from participation in covered transactions pursuant to Part 24.

12. UNIFORM ADMINISTRATIVE REQUIREMENTS AND COST
PRINCIPLES
24 CFR 570.610

SUBRECIPIENT shall comply with the policies, guidelines, and requirements of 24 CFR Part 85 and OMB Circulars A-87, A-110, A-122, A-133, and A-128, as applicable, as they relate to the acceptance and use of Federal funds pursuant to Part 570.610. The applicable sections of 24 CFR Parts 84 and 85 are set forth at Part 570.502.

13. CONFLICT OF INTEREST
24 CFR 570.611

This Agreement is subject to the general rule that no person who is an employee, agent, consultant, officer, or elected official or appointed official of the CITY as Recipient, or of any designated public agencies, or of SUBRECIPIENT who exercise or have exercised any functions or responsibilities with respect to CDBG activities assisted pursuant to Part 570.611, or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from a CDBG-assisted activity, or have a financial interest in any contract, subcontract, or Agreement with respect to a CDBG-assisted activity, or with respect to the proceeds of the CDBG-assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one year thereafter.

F. DRUG-FREE WORKPLACE

As a SUBRECIPIENT of CDBG funds, and in connection with public services offered, the SUBRECIPIENT agrees that it shall comply with the provisions of the Drug-Free Workplace Act of 1988, 45 CFR Part 76, Subpart F, which requires that SUBRECIPIENT shall maintain a facility free from the illegal use, possession, or distribution of drugs or alcohol by its beneficiaries.

G. EXPIRATION OR REVOCATION OF AGREEMENT

Upon the expiration or revocation of this Agreement, SUBRECIPIENT shall transfer to CITY any CDBG funds on hand at the time of expiration or revocation and any accounts receivable attributable to the use of CDBG funds.

H. ANTI-LOBBYING

Section 319 of Public Law 101-121, of the Department of the Interior Appropriations Act, prohibits SUBRECIPIENT from using appropriated Federal funds for lobbying the Executive or Legislative Branches of the Federal Government in connection with a specific contract, grant, or loan, and requires that no Federal appropriated funds have been paid or will be paid, by or on behalf of SUBRECIPIENT to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

I. AMERICANS WITH DISABILITIES ACT

SUBRECIPIENT agrees to comply fully with any and all provisions of the Americans with Disabilities Act (hereinafter referred to as "ADA") as applicable to the SUBRECIPIENT and the activities to be performed by SUBRECIPIENT under the scope of this Agreement. If employing more than fifteen (15) employees, SUBRECIPIENT agrees to comply fully with Title I of the "ADA" as set forth at 28 CFR Part 130. If providing "public accommodations" as defined by the Act in Section 301(7)(A)-(L), SUBRECIPIENT agrees to comply fully with Title III of the "ADA" as set forth at 28 CFR Part 36. If providing public transportation, SUBRECIPIENT agrees to comply fully with the federal regulations as set forth at 49 CFR Parts 37 and 38.

IV. FINANCIAL MANAGEMENT

A. AUDIT REQUIREMENTS

This Agreement is subject to other requirements of United State's Office of Management and Budget (OMB) Circular No. A-110 "Grants and Agreements with

Institutions of Higher Education, Hospitals, and other Non-Profit Organizations" and its relevant attachments "A" through "O"; and Circular A-122, entitled "Cost Principles for Non-Profit Organizations."

This Agreement is also subject to an OMB A-133 Audit pursuant to the Single Audit Act. Prior to July 1, 1997, the A-133 was applicable to grant recipients who had received \$25,000 per year in federal funds for two consecutive years. Effective July 1, 1997, the Office of Management and Budget requires that grant recipients who receive \$50,000 in federal funds for two consecutive years conduct an A-133 audit. In order to ensure Program compliance to the greatest extent feasible, the Neighborhood Services Department has established a policy, effective July 1, 1997, which requires an A-133 audit for grant SUBRECIPIENTS receiving annually \$50,000 or more for two consecutive years.

B. DOCUMENTATION OF COSTS

All costs shall be recorded by budget line-items and be supported by properly executed payrolls, time records, invoices, contracts, or vouchers, or other official documentation evidencing in proper detail the nature and propriety of the charge. All checks, payrolls, invoices, contracts, and vouchers, orders or other accounting documents pertaining in whole or in part to the Agreements, shall be thoroughly identified and readily accessible.

C. FINANCIAL RECORDKEEPING

Financial records pertaining to all invoices, materials, payrolls, personnel records, and other data concerning matters related to this Agreement may be requested from SUBRECIPIENT by duly authorized CITY representatives, CITY-contracted independent auditors, HUD and/or the Comptroller of the United States, or any combination thereof.

D. RECORDS

Program records shall be maintained in accordance with HUD and CITY requirements with respect to all matters covered by this Agreement. Such records shall be maintained for a period of five years after the term of this Agreement expires (effectively a ten year retention period).

E. PROGRAM BUDGET

Invoice expenditures eligible for payment by the CITY will be in accordance with the Project budget delineated in Exhibit "C" and subject to any conditions imposed in the Scope of Services, to include monthly or quarterly reports and narratives when seeking reimbursement from the City for Project costs. SUBRECIPIENT shall not make any changes in the Project budget unless written permission is requested and obtained in writing from the CITY.

F. METHOD OF PAYMENT

The CITY shall reimburse valid invoices for approved Project budget expenditures identified in Exhibit "C" of this Agreement. Before paying such expenses, the CITY will review invoice expenditures to determine their consistency with the approved eligible expenditures, the scope of services, pursuant to this Agreement. The CITY reserves the right to refuse reimbursement for expenses that are CDBG-ineligible or which are not within the scope of this Agreement. The CITY also reserves the right to refuse reimbursement for expenses when the documentation is insufficient or not received within 15 days of request for additional information. Monthly and quarterly reimbursement requests shall include reports and narratives as detailed in "Scope of Services" section of this Agreement.

G. UNEXPENDED FUNDS

In the event that CITY staff anticipates the total amount of funds allocated for this Agreement will not be expended in the time and manner prescribed in this Agreement, the CITY reserves the right to such unexpended portion for other Projects/programs operating under the CITY'S CDBG Program. An extension of the July 1, 2005 deadline may be authorized in writing by the CITY's Neighborhood Services Director or the Director's designee, following written request from the SUBRECIPIENT.

H. ACCOUNTING METHODS

Expenditures charged to CITY fiscal year 2004-2005 CDBG funds will be accounted separately from all other revenue sources. These records shall be maintained by SUBRECIPIENT.

I. REAL PROPERTY, NON-EXPENDABLE PERSONAL PROPERTY, DEPRECIATION SCHEDULES, AND DISPOSITION OF PROPERTY

In accordance with the United States Office of Management and Budget (OMB) Circulars A-87, Cost Principles of State and Local Governments, and A-110, Grants and Agreements with Institutions of Higher Education, Hospitals, and other Nonprofit Organizations, the following shall apply:

- 1) Non-expendable personal property will be defined as any property either tangible or intangible other than real property as defined herein, which has a unit acquisition cost of \$500 or more and a useful life of more than one year.
- 2) Real property will be defined as land, including land improvements, structures and appurtenances thereto, but excluding movable machinery and equipment.
- 3) Non-expendable personal property shall be depreciated on a 5-year, straight-line schedule, as is the accounting standard used for the City of Las Vegas in its financial management. SUBRECIPIENT will be required to

maintain property records for and report to the City during the 5-year depreciation period. If the property is disposed of prior to the 5-year depreciation period, the CITY shall provide the SUBRECIPIENT with disposition instructions upon request. If the property is disposed of for cash during this period, it constitutes Program Income, which must be reported in accordance with the Section III C. & D., Program Income, portion of this Agreement. Examples of non-expendable personal property are vehicles and computer equipment. If said property is a vehicle, the City shall be named as a lien-holder on the title.

- 4) When non-expendable personal property has been fully depreciated in accordance with the CITY'S 5-year straight-line schedule, and the property is disposed of for cash, the SUBRECIPIENT may retain such funds provided that SUBRECIPIENT notifies the CITY in writing and that SUBRECIPIENT uses such funds for the exclusive benefit of the Program.
- 5) Pursuant to 24 CFR Part 570.503, the SUBRECIPIENT must transfer upon expiration of the term of this Agreement any CDBG funds on hand at the time of expiration and any accounts receivable attributable to the use of CDBG funds provided pursuant to this Agreement. In addition, any real property as described above either acquired or improved in whole or in part, in excess of \$25,000, shall be used to meet one of the national objectives pursuant to Part 570.208 until five (5) years after expiration of this Agreement, or for such longer period of time as deemed appropriate by the CITY. If not used as such, SUBRECIPIENT must dispose of such real property in a manner that results in the reimbursement of CDBG funds for the amount of the current fair market value of the property less any portion of the value attributable to expenditures of non-CDBG funds for acquisition of or improvement to the property. This reversion of assets will not be required after such period of time deemed appropriate by the CITY.

J. RIGHT TO REVIEW AND AUDIT

The SUBRECIPIENT agrees to maintain financial records pertaining to all matters relative to this Agreement in accordance with standard accounting principles and procedures and to retain all records and supporting documentation applicable to this Agreement for a period of three years, except those records subject to audit findings shall be retained for three years after such findings have been resolved. In the event the SUBRECIPIENT goes out of existence, the SUBRECIPIENT shall turn over to the City all of its records relating to this Agreement to be retained by the City for the required period of time.

The SUBRECIPIENT agrees to permit the City or the City's designated representatives to inspect and audit its records and books relative to this Contract at any time during normal business hours and under reasonable circumstances and to copy therefrom any information that the City desires concerning SUBRECIPIENT'S operation hereunder. The SUBRECIPIENT further understands and agrees that said inspection and audit would be exercised upon

written notice. If the SUBRECIPIENT or its records or books are not located within Clark County Nevada, in the event of an inspection and audit, SUBRECIPIENT agrees to deliver the records or books or have the records or books delivered to the City or the City's designated representatives at an address within the City of Las Vegas as designated by the City. If the City or the City's designated representatives find that the records delivered by the SUBRECIPIENT are incomplete, the SUBRECIPIENT agrees to pay the City or the City's representatives' costs to travel (including travel, lodging, meals, and other related expenses) to the Contractor's offices to inspect and audit, as deemed necessary, all records of this project relating to finances, as well as other records including performance records that may be required by relevant directives of funding sources of the City.

V. MODIFICATION OR TERMINATION OF AGREEMENT

A. AMENDMENT OR REVISION REQUIRED BY HUD

SUBRECIPIENT and the CITY hereby agree to amend or otherwise revise this Agreement should HUD and/or any applicable federal statutes or regulations require such modification.

B. TERMINATION

If SUBRECIPIENT fails to fulfill in a timely and proper manner its obligation under this Agreement or shall violate any of the covenants, agreements or stipulations of this Agreement, the CITY shall thereupon have the right to suspend or terminate this Agreement and specify the effective date thereof in accordance with 24 CFR 85.43. Such notice shall be given no less than ten (10) days before the effective date of such termination and sent to SUBRECIPIENT.

C. PROVISIONS REQUIRED BY LAW DEEMED INSERTED

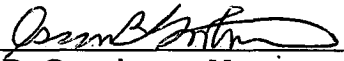
Each and every provision of law and clause required by law to be inserted in this Agreement will be deemed to be inserted herein, and this Agreement shall be read and enforced as though it were included herein and if through mistake or otherwise any such provisions not inserted, or is not correctly inserted, then upon the application of either party this Agreement shall forthwith be physically amended to make such insertion.

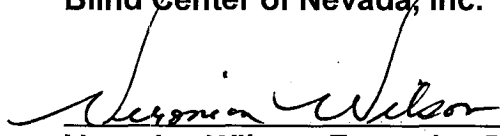
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IN WITNESS WHEREOF, the parties hereto have entered this Agreement the day and year first above written.

CITY OF LAS VEGAS

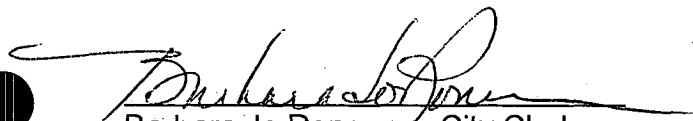
Blind Center of Nevada, Inc.

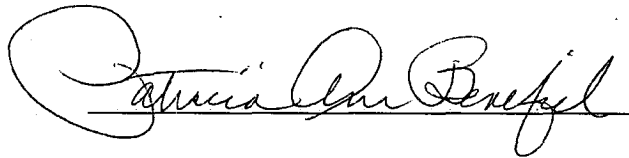

Oscar B. Goodman, Mayor


Veronica Wilson, Executive Director

Attest:

Attest:


Barbara Jo Ronemus, City Clerk



Council Approval: March 17, 2004 Blind Center of Nevada Rehabilitation –Activity Floor

APPROVED AS TO FORM:  6/16/04

ACCEPTANCE OF DEFERRED LOAN AND AGREEMENT TO
COMPLY WITH DEFERRED LOAN CONDITIONS

I, Veronica Wilson, Executive Director, Blind Center of Nevada, a Nevada non-profit corporation, on behalf of that corporation, do hereby accept the deferred loan in the amount of \$247,043 and the conditions imposed upon that loan contained in the Community Development Block Grant (CDBG) Agreement to Loan CDBG Program Funds to Blind Center of Nevada for the Activity Floor Rehabilitation Project approved by the City Council of the City of Las Vegas, Nevada on the 17th of March, 2004, a copy of which is attached hereto and incorporated herein.

Executed this 27th day of July, 2004.

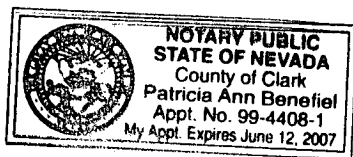
BLIND CENTER OF NEVADA

By: Veronica Wilson
Veronica Wilson, Executive Director

State of Nevada)
 } SS
County of Clark)

On this 27 day of July, 2004, before me, the undersigned, a Notary Public in and for said County and State, personally appeared Veronica Wilson as Executive Director, known to me to be the person described in and who executed the foregoing instrument, who acknowledged to me that she executed the same freely and voluntary and for the uses and purposes therein mentioned.

Patricia Ann Benefiel
Notary Public



WHEN RECORDED MAIL TO:

City of Las Vegas
Neighborhood Services Department
Attn: Earlie King
400 East Stewart Avenue
Las Vegas, NV 89101

MAIL TAX STATEMENT TO:

Veronica Wilson, Executive Director
Blind Center of Nevada
1001 N. Bruce
Las Vegas, NV 89101

SHORT FORM DEED OF TRUST

THIS DEED OF TRUST, made this 30TH day of July, 2004 between Blind Center of Nevada, whose principal office is located at 1001 N. Bruce, Las Vegas, NV, 89101, herein called TRUSTOR, and the City of Las Vegas, a municipal corporation duly organized in the State of Nevada, whose principal office is located at 400 E. Stewart, Las Vegas, NV, 89101, Attention: Neighborhood Services Department, herein called TRUSTEE and BENEFICIARY.

WITNESSETH: Whereas Trustor has received CDBG funds in the amount of \$247,043.00 from Beneficiary and has agreed to faithfully perform certain obligations or repay CDBG funds in accordance with the Community Development Block Grant of even date between Trustor and Beneficiary ("Agreement");

NOW THEREFORE, for the purpose of securing each agreement of the Trustor herein and therein contained and in the Agreement, Trustor IRREVOCABLY GRANTS, TRANSFERS AND ASSIGNS to Trustee in trust, WITH POWER OF SALE, that certain property located in the City of Las Vegas, Clark County, State of Nevada described as:

See Attachment "A," attached hereto and by this reference is made a part hereof.

To protect the security of this Deed of Trust, Trustor shall abide by the terms of the Agreement executed; Trustor agrees to acquire, dispose of, construct, reconstruct, or install public facilities and make improvements to either benefit primarily low- and moderate-income persons; aid in the prevention or elimination of slum or blight; or to meet Community Development needs having a particular urgency; Trustor agrees to maintain and operate the above-described property as a drug-free environment; Trustor agrees to abide by any and all applicable CDBG program rules and regulations as provided by 24 CFR Part 570; Trustor agrees to transfer title of property to Beneficiary if Trustor, after proper notice and due process, is found to be in violation of its Agreement with Beneficiary; and

Notwithstanding the rights of Beneficiary to the Property under this Deed of Trust, Trustor agrees to repay to the Beneficiary \$247,043.00 in CDBG program funds if the Property acquired by Trustor ceases to meet a national objective in accordance with 24CFR570.208, pursuant to its Agreement with Beneficiary, or if Trustor loses through foreclosure, sale, or other circumstances legal possession of the Property; and

All of the agreements and/or acknowledgments of the Trustee set forth in this Short Form Deed of Trust also constitute agreements or acknowledgments of the City of Las Vegas in its capacity as Beneficiary. The Trustee and Beneficiary agree that the Beneficiary and Trustee under the First Deed of Trust and their respective successors and assigns, including, without limitation, any purchaser, at a trustee's sale under the First Deed of Trust and the heirs, personal representatives, successors and assigns of any such purchaser, shall not be bound by or obligated to perform any of the obligations of the Trustor under this Deed of Trust or under the Agreement referred to herein.

Notwithstanding the rights of Beneficiary to the Property under this Deed of Trust, Trustor agrees to repay to the Beneficiary \$247,043.00 in CDBG program funds if the Property, or any portion thereof, is subleased without prior written approval of Beneficiary or through foreclosure, sale, or other circumstances Trustor loses legal possession of the Property; and

So long as the Subrecipient/Trustor shall well and truly perform its obligations to the City of Las Vegas under the Agreement, the obligations of the Subrecipient/Trustor will terminate on the tenth anniversary of the date of final disbursement of funds to the Subrecipient/Trustor; and thereafter the Trustee under the Deed of Trust, its successors and assigns, on request by the Trustor, or assigns, shall reconvey to the Trustor, or assigns, all the estate in the premises described in Attachment "A" hereto conveyed to the Trustee by the Trustor under the Deed of Trust. The funds will remain recapturable upon sale or transfer of title during the time of compliance.

TRUSTEE acknowledges that the Property is or will be encumbered by a deed of trust (the First Deed of Trust) for the property, which will be recorded in the Official Records of Clark County, Nevada prior to recordation of this Security Instrument. TRUSTEE acknowledges and agrees that this Security Instrument and all rights of TRUSTEE hereunder are and will be subject and subordinate to the lien of the First Deed of Trust and to all rights and remedies of the BENEFICIARY and TRUSTEE under the First Deed of Trust and its successors and assigns, including, without limitation, any purchaser at a trustee's sale under the First Deed of Trust and the heirs, personal representatives, successors and assigns of such purchaser, shall not be bound by or obligated to perform any of the obligations of the Purchaser under this Security Instrument. This Security Instrument will not be subject or subordinate to any replacement of the First Deed of Trust, occurring as a result of any prepayment, refinancing, sale or other transaction.

Trustor also agrees and acknowledges that a Request for Notice will be recorded upon the recordation of this Deed of Trust and the Agreement secured hereby.

By execution and delivery of this Deed of Trust and the Agreement secured hereby, Trustor agrees that provisions (1) to (17) inclusive of the Deed of Trust, recorded in Book 730, as Document No. 586593, of Official Records in the Office of the County Recorder of Clark County hereby are adopted and incorporated herein and made a part hereof as though set forth herein, that Trustor will observe and perform said provisions, and that the references to property, obligations and parties in said provisions shall be construed to refer to the property, obligations, and parties set forth in this Deed of Trust.

The undersigned TRUSTOR requests that a copy of any Notice of Default, any Notice of Sale, and or any Notice of Lien hereunder be mailed to the address hereinabove set forth.

TRUSTOR:

Blind Center of Nevada, a Nevada non-profit corporation

BY: Veronica Wilson
Veronica Wilson, Executive Director

State of Nevada)

}SS

County of Clark)

On this 30 day of July, 2004, before me, the undersigned, a Notary Public in and for said county and State, personally appeared Veronica Wilson, as Executive Director, known to me to be the person described in and who executed the foregoing instrument, who acknowledged to me that she executed the same freely and voluntarily and for the uses and purposes therein mentioned.

Patricia Ann Benefiel
Notary Public

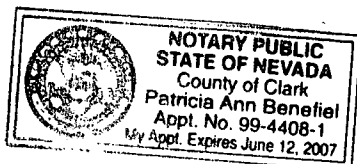


EXHIBIT "B

LEGAL DESCRIPTION

A.P.N. 139-26-201-011

A certain tract or parcel of land lying and being situate in the City of Las Vegas, County of Clark, State of Nevada, and being a portion of the South One Half (S ½) of the Northwest One Quarter (NW ¼) of Section 26, Township 20 South, Range 61 East, M.D. B. & M., and being more particularly described as follows, to-wit:

BEGINNING at a point which bears North 0°05'47" East distant 399.71 feet and South 89°49'07" West distant 30 feet from the center of Section 26, Township 20 South, Range 61 East, said point being the Northeast corner of that certain parcel conveyed to the Fraternal Order of Eagles as described by Document 103883, Book 126, Official Records, Clark County, Nevada, said corner also being a point on the West right-of-way line of Bruce Street, thence South 89°49'07" West along the North Line of the aforementioned parcel conveyed to the Fraternal Order of Eagles a distance of 200 feet, thence North 0°05'47" East a distance of 354.01 feet to a point on the South line of that certain parcel conveyed to the Presiding Bishop of the Church of Jesus Christ of Latter Day Saints as described by Document 63660, Book 76 of Official Records, Clark County, Nevada, thence North 89°32'47" East along the South line thereof a distance of 200.1 feet to a point on the West right-of-way line of Bruce street, thence South 0°05'47" West along said West right-of-way line, a distance of 354.84 feet to the POINT OF BEGINNING

EXCEPTING THEREFROM: the North 60.00 feet.

ALSO EXCEPTING THEREFROM: that certain parcel of land described by that certain Dedication recorded May 25, 1970, as Inst. No. 27656, of Official Records of Clark County, Nevada.

EXHIBIT "C"

PROGRAM BUDGET

Organization: Blind Center of Nevada
Project: Activity Floor Rehabilitation
Program: Community Development Block Grant, fiscal year 2004 - 2005

Program Budget*

Account	Description	Amount Authorized
991055	Capital Outlay-construction	\$247,043.00
Total Amount		\$247,043.00

NOTE: Detailed construction budget to be submitted within 30 days of contract execution.

DISCLOSURE OF PRINCIPALS

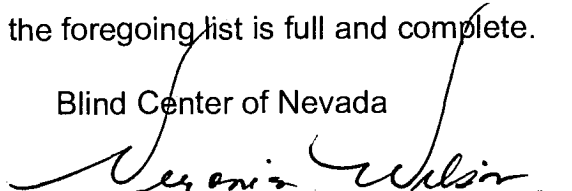
The principals and partners of Blind Center of Nevada and all persons and entities holding more than 1% interest in Blind Center of Nevada or any principal of Blind Center of Nevada the following:

FULL NAME	BUSINESS ADDRESS	BUSINESS PHONE
1. <u>NONE</u>		
2. _____		
3. _____		
4. _____		
5. _____		

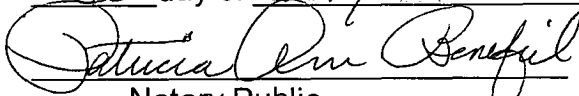
Continue list until full and complete disclosure is made.

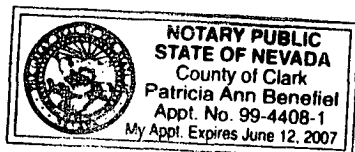
I certify under penalty of perjury, that the foregoing list is full and complete.

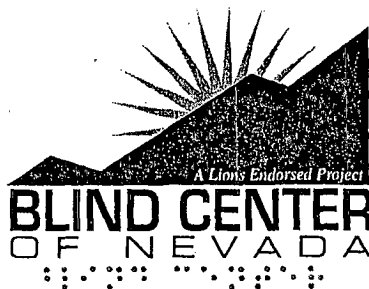
Blind Center of Nevada


Veronica Wilson, Executive Director

Subscribed and sworn to before me this
30 day of July, 2004.


Notary Public





VERONICA WILSON
President/CEO

LLOYD BENSON
Chairman of the Board

BOARD MEMBERS

Don Ahern
Bryon Davis
Jeff Davis
Dix Jarman
J. Windom Kimsey
Catherine Law
Tom Letizia
Al Magnuson
Neal Marek DPM
Earle White
Carl Wilson

Name
CHAIRMAN OF THE BOARD:
Lloyd Benson
7140 Doe Avenue
Las Vegas, NV 89117

BOARD MEMBERS:
Michael Anderson
709 Valley Verde Court
Henderson, NV 89106

Don Ahern
1611 W. Bonanza Road
Las Vegas, NV 89106

Jeff Davis
1621 Brock Court
Las Vegas, NV 89117

Bryon Davis
285 Seal Court
Henderson, NV 89014

Chuck Giblin
1001 N. Bruce Street
Las Vegas, NV 89101

Dix Jarman
1630 Brock Court
Las Vegas, NV 89117

Catherine Law
5575 Sundance Avenue
Las Vegas, NV 89110

Tom Letizia
8010 W. Sahara Avenue #260
Las Vegas, NV 89117

Al Magnuson
231 W. Longacres
Henderson, NV 89105

Neal Marek DPM
2105 Jade Leaf Court
Las Vegas, NV 89134

2003 BOARD OF DIRECTORS

Business/Community Affiliations

Retired; Chairman – Friends for Scouting
Boy Scouts of America

Architect – Tate, Synder & Kimsey Architects

Owner – Ahern Rentals

Owner – Sierra Ready Mix; Boy Scouts of America

Owner – B & D Plastering

Client – Blind Center of Nevada

Owner – Sunburst Shutters; BYU Marriott School
of Business; Boy Scouts of America

Past President – Blind Center of Nevada

Owner – Letizia Ad Team

Retired; Las Vegas Breakfasters Lions Club

Doctor of Podiatry

1001 N. Bruce Street
Las Vegas, NV 89101

(702) 642-6000

FAX: (702) 649-6739

www.blindcenter.org

COMMUNITY DEVELOPMENT BLOCK GRANT AGREEMENT
Between the City of Las Vegas and
Economic Opportunity Board of Clark County

THIS AGREEMENT, made and entered into this 13th day of December 2004 by and between the CITY OF LAS VEGAS, a municipal corporation of the State of Nevada, hereinafter referred to as "CITY," and Economic Opportunity Board of Clark County, a nonprofit corporation duly organized under the laws of the State of Nevada, hereinafter referred to as SUBRECIPIENT, whose primary mailing address at the date of execution is P.O. Box 270880, Las Vegas NV 89127.

WITNESSETH

WHEREAS, the CITY has entered into a Grant Agreement with the U.S. Department of Housing and Urban Development for participation in the Community Development Block Grant, hereinafter referred to as "CDBG," program under Title I of the Housing and Community Development Act of 1974, P.L. 93-383 as amended; and

WHEREAS, the CITY is responsible for planning, administering, implementing, and evaluating the CDBG program to ensure that it conforms to the HUD-approved Consolidated Plan for the City; and

WHEREAS, CITY as Grantee wishes to engage SUBRECIPIENT to assist the CITY in utilizing such funds by providing services to meet one (or more) of the CDBG Program's three broad National Objectives (defined in 24 CFR Part 570.208) as follows:

1. To benefit low- and moderate-income persons,
2. To aid in the prevention or elimination of slum or blight,
3. To meet Community Development needs having a particular urgency;

NOW, THEREFORE, it is agreed between the parties hereto that;

I. SCOPE OF SERVICE

A. ACTIVITIES

SUBRECIPIENT will be responsible for administering a 2004-2005 CDBG-funded Program known as Treatment Center HVAC Replacement, which provides activities eligible under the Community Development Block Grant Program as cited in the Scope of Services I.B.1, hereinafter referred to as "Program." It is expressly agreed and understood that the total amount to be provided by the CITY under this Agreement shall not exceed \$10,550 in CDBG funds to be allocated in accordance with the Program Budget as detailed in Exhibit "C," attached. SUBRECIPIENT hereby agrees to utilize said CDBG funds made available pursuant to this Agreement to supplement rather than supplant funds otherwise available.

B. PROGRAM DESCRIPTION

1. *Scope of Services to be provided*

Legal description of site to be developed or improved:

Please refer to "Exhibit B" of this Agreement, hereinafter referred to as "Property."

Purpose of Services:

The Economic Opportunity Board of Clark County treatment centers provides residential substance abuse treatment to addicted adults in Southern Nevada.

Tasks to be Performed:

HVAC replacement.

Level of Service to be Provided:

Services will be provided citywide to eligible individuals.

Measurable Goals for Grant period:

SUBRECIPIENT hereby agrees to meet the goals as stated above, to the greatest extent feasible, in order to ensure the success of the Program.

2. *The following are either opportunities, which may enhance, or constraints, which may limit the ability of SUBRECIPIENT to effectively implement, said Program in the City of Las Vegas.*

Not applicable.

C. CLIENT DATA

SUBRECIPIENT will be required to collect for and provide to the CITY Program accomplishments and usage records beginning July 1, 2004 or the date first written above, until June 30, 2005, unless this Agreement is modified at the express consent of the CITY and SUBRECIPIENT. SUBRECIPIENT shall submit, on a quarterly basis, and on occasion upon request of the CITY, a Progress Status Report that shall provide program statistics and a narrative to demonstrate compliance with national objectives as stated above. Failure to submit said reports in a timely manner may delay reimbursement to SUBRECIPIENT for grant-eligible Program expense. Records and reports shall contain, but not be limited to, the following data:

- 1) Total unduplicated (new) clients served including: ethnic breakdown, number and percentage of low- and moderate-income clients served and female heads-of-households served. Exhibit "D"
- 2) Overall number of clients served within the City of Las Vegas corporate limits. New clients plus old for the Program year.

- 3) Statement of Program year goals cited in SUBRECIPIENT application and measurable accomplishments toward achieving said goals through reporting date of said report.

These reports shall be forwarded to the City of Las Vegas Neighborhood Services Department, ATTN: Neighborhood Development Division. CITY will monitor the performance of SUBRECIPIENT against goals and performance standards required herein. Substandard performance as determined by CITY will constitute non-compliance with this Agreement.

If action to correct such substandard performance is not taken by SUBRECIPIENT within a reasonable period of time after being notified by CITY, contract suspension or termination procedures will be initiated.

D. TIME OF PERFORMANCE

This Agreement provides for CDBG funding of SUBRECIPIENT program rendered in accordance with this Agreement from July 1, 2004 through June 30, 2005, inclusive. The CITY shall bear no liability to fund or provide payment for SUBRECIPIENT program services in the event that no CDBG grant award funds are received during fiscal year 2004-2005. Furthermore, the CITY shall be liable only for payment proportional to the extent that CDBG grant the CITY receives award funds. SUBRECIPIENT program expenses incurred after July 1, 2004, but prior to execution of this Agreement may be reimbursed upon approval of the Grantee and contingent upon SUBRECIPIENT conformance with 24 CFR 570.200(h)(1)(i-vi).

II. CITY GENERAL CONDITIONS

A. COMPLIANCE WITH OTHER APPLICABLE STATUTES AND REGULATIONS

SUBRECIPIENT shall obtain any and all Federal, State, and Local permits and licenses required to execute the project or program as described in the Agreement's Scope of Services. SUBRECIPIENT further agrees to abide by all applicable Federal, State, and Local codes, regulations, statutes, ordinances, and laws.

SUBRECIPIENT also hereby agrees to comply with any and all development conditions as established by CITY Council, the CITY Planning Commission, the CITY Board of Zoning Adjustment, and by the CITY Planning Department as stated in the "Program Description" section of this Agreement. When necessary, the CITY may amend such conditions to comply with the City of Las Vegas General Plan, with Title XIX of the Municipal Code of the City of Las Vegas, and with any applicable state, local, and federal law.

B. IRS REGULATIONS

SUBRECIPIENT agrees to comply with all applicable IRS regulations, specifically regarding employees, depositing of payroll taxes, filing of payroll tax returns, and issuance of W-2's at year-end. All persons working for a non-profit agency, whether full or part-time, are considered employees, pursuant to IRS Publication 15A. If a private contractor or instructor is hired, a W-9 must be completed if he/she is paid \$600 or more, and an IRS Form 1099 must be issued to that person at year-end, as well as filed with the IRS. 1099 instructions can be obtained on the IRS website.

C. CONSTRUCTION CONTROL

For any construction activities financed in whole or in part by CDBG funds pursuant to this agreement, Subrecipient agrees and understands that Subrecipient may not commence construction until the Director of the Neighborhood Services Department (hereinafter referred to as "Director") issues a Notice to Proceed in writing. Subrecipient further agrees and understands that the City may require the Subrecipient to use a City approved licensed voucher control company for the construction of the Project, unless specified otherwise in writing by the Director.

D. DEED OF TRUST REQUIRED FOR ACQUISITION / CAPITAL IMPROVEMENT

The City shall require reasonable assurances of security for Subrecipient's performance and repayment pursuant to 24 CFR 570.505, which shall be a Deed of Trust for such Property, the form of which is attached to this document as Exhibit "A" and which Subrecipient shall execute as part of this Agreement. Such Deed of Trust shall serve as a collateral interest in the property being financed with CDBG Program funds. If the Subrecipient ceases to meet a national objective in accordance with 24CFR570.208, or through foreclosure, transfer in lieu of foreclosure, or other circumstances, Subrecipient does not maintain vested ownership or legal possession of the Property, or if the provisions of Section II (F) of this Agreement are not complied with, Subrecipient will, upon the request of the City, repay to the City, without interest, the entire \$10,550 in CDBG Program funds that Subrecipient received from the City hereunder.

For all activities pertaining to acquisition of the Property or capital improvement on the Property, the SUBRECIPIENT shall record a "Deed of Trust" the form of which is attached as Exhibit "A" herein and by reference is made a part hereof. The SUBRECIPIENT, as Trustor, hereby agrees to record the "Deed of Trust" at the Recorder's Office of the County of Clark upon the closing of escrow on the Property to ensure performance by the SUBRECIPIENT pursuant to the Program as specified in this Agreement.

The Subrecipient agrees to provide a Preliminary Title Report to the City and a Title Insurance Policy in a minimum amount of \$10,550, which will protect the City from losses, damages, or claims concerning the title of the Property.

E. COMPLIANCE WITH NATIONAL OBJECTIVES

SUBRECIPIENT and CITY agree that so long as the Subrecipient shall well and truly perform its obligations to the City of Las Vegas under this Agreement, the City shall retain an interest in the "Property" through a Trust Deed until the tenth anniversary of the date of final disbursement of funds to the Trustor. The funds will still be recapturable upon sale, refinance or transfer of title.

F. CONSTRUCTION COMPLIANCE REQUIRED

For any and all rehabilitation or construction to be performed by SUBRECIPIENT under the scope of this Agreement, SUBRECIPIENT hereby agrees that all such construction shall comply with any and all applicable federal, state, and local building codes, housing codes, and health, fire and safety codes. SUBRECIPIENT shall, to the greatest extent feasible, provide a detailed timeline, which explicitly provides deadlines for all major construction activities to be performed pursuant to this Agreement.

Furthermore, the SUBRECIPIENT hereby agrees to provide the CITY with a design and construction schedule detailing the project's phases to augment the CITY's capacity to monitor SUBRECIPIENT activities as to be performed under the "Program Description" of this Agreement.

G. SUBRECIPIENT RETAINS EXCLUSIVE RIGHT OF PERFORMING SERVICES

SUBRECIPIENT has requested the financial support of the CITY to enable SUBRECIPIENT to provide the services contemplated herein. The CITY shall have no relationship whatsoever with the services contemplated herein except the provision of financial support and the receipt of reports as provided herein. In any and all events, the services contemplated herein shall be rendered at the time, in the manner and under circumstances determined solely and exclusively by SUBRECIPIENT, subject only to review by the City of Las Vegas, Neighborhood Services Director or other designee of the Neighborhood Services Director to assure continuing eligibility for CDBG funding.

H. INDEMNIFICATION

SUBRECIPIENT agrees to protect, defend, indemnify and save harmless the CITY from and against any and all liability, damages, claims, suits, liens, and judgments of whatever nature, including but not limited to, claims for contribution and/or indemnification for injuries to or death of any person or persons, caused by, in connection with, or arising out of any activities undertaken pursuant to this Agreement. SUBRECIPIENT'S obligation to protect, defend, indemnify, and save harmless as set forth in this paragraph, shall include any and all attorneys' fees incurred by the CITY in the defense and/or handling of said suits, demands, judgments, liens, claims and the like and all attorneys' fees and investigation expenses incurred by the CITY in enforcing and/or obtaining compliance with the provisions of this paragraph.

I. LIMIT ON ASSIGNMENT OF INTEREST

SUBRECIPIENT may not assign any part of its rights in this Agreement without consent of CITY. Any such assignment of rights without consent of CITY shall result in the forfeiture of all compensation, or any part thereof, as determined by CITY.

J. ON-SITE MONITORING

Projects and programs funded under this Agreement will be subject to on-site monitoring by duly authorized CITY representatives, CITY-contracted independent auditors, HUD and/or the Comptroller of the United States. Said representatives will be announced no less than 24 hours in advance of such visits, which shall occur during normal operating hours. The representatives may request, and be granted access to records. Representatives may, on occasion, interview program recipients who volunteer to be interviewed.

K. ACCESS TO RECORDS

At any time during normal business hours, SUBRECIPIENT'S records, with respect to matters covered by this Agreement shall be made available for audit, examination, and review by CITY representatives, CITY-contracted independent auditors, HUD and/or the Comptroller of the United States.

L. INSURANCE AND BOND

If SUBRECIPIENT uses a vehicle in providing its services, it shall carry or provide a Comprehensive Automobile Liability Insurance covering bodily injury and property damage, with a minimum comprehensive single limit liability of \$1,000,000.00.

For all construction activities, SUBRECIPIENT must carry a performance bond of a sufficient amount to ensure performance by any and all private contractors retained to perform activities pertaining to the Scope of Services of this Agreement. The specific amount of any bond shall be consistent with the Program Budget as defined in Exhibit "C."

The SUBRECIPIENT shall be required to maintain general liability insurance on the property as follows: bodily injury liability insurance in the amount of \$1,000,000.00 for the injury to or death of any one person, and \$2,000,000.00 for injuries to or the death of any number of persons in one occurrence, and property damage liability insurance in the amount of \$1,000,000.00.

The CITY shall be named as an additional insured in all policies of insurance obtained pursuant to this Agreement. The CITY shall be furnished evidence that the foregoing insurance coverage(s) are in effect, and the CITY shall be notified at least thirty (30) days prior to the cancellation or material change of any such coverage.

M. DISCLOSURE OF PRINCIPALS

Pursuant to Resolution R-105-99 adopted by the City Council effective October 1, 1999, Subrecipient warrants that it has disclosed, on the form attached hereto as Attachment 1, all principals, including, partners of Subrecipient, as well as all persons and entities

holding more than 1% interest in Subrecipient or any principal of Subrecipient. Throughout the term hereof, Subrecipient shall notify City in writing of any material change in the above disclosure within 15 days of any such change. Attachment 1.

N. CONTRACT REVISIONS

Changes in the Scope of Services as outlined herein must be in accordance with CDBG Program regulations, made by written amendment to this Agreement and approved by both the Subrecipient and the Mayor if funding amounts over \$24,999 are involved or by the Director of Neighborhood Services or the Director's designee if funding amounts of less than \$25,000 are involved. In addition, the Department Director is authorized to sign amendments, which revise the Agreement language without any funding impact. Any such changes must not jeopardize CDBG funding to the City.

M. GROUNDBREAKING/GRAND OPENING EVENTS

The Subrecipient agrees and understands that all costs incurred for groundbreaking and grand opening ceremonies will be the responsibility of the Subrecipient. In addition, the Subrecipient agrees to coordinate any ceremonial events concerning this project with the city of Las Vegas to include review and approval of the date selected, the invitations, the invitation list, the press release, and the programs. The City will be responsible for scheduling the event with any city-elected officials.

III. FEDERAL GENERAL CONDITIONS

A. RELIGIOUS ACTIVITIES
24 CFR 570.200(j)

As a general rule, in accordance with First Amendment Church/State Principles, CDBG assistance may not be used for religious activities or provided to primarily religious entities for any activities, including secular activities, except as cited at 24 CFR 570.200(J)(1)(2)(3).

B. POLITICAL ACTIVITIES
24 CFR 570.207

SUBRECIPIENT will comply with this section, which prohibits the use of CDBG funds to finance the use of facilities or equipment for political purposes or to engage in other partisan political activities, such as candidate forums, voter transportation, or voter registration.

HATCH ACT
CHAPTER 15, TITLE 5, U.S. CODE

SUBRECIPIENT further agrees that none of the personnel employed in the administration of the within defined Project shall be in any way or to any extent, engaged in the conduct of political activities in contravention of Chapter 15, Title 5, U.S. Code.

C. PROGRAM INCOME
24 CFR 570.500

SUBRECIPIENT agrees that program income, as defined in 24 CFR 570.500, includes, but is not limited to, the following:

1. Proceeds from the disposition by sale or long-term lease of real property purchased or improved with CDBG funds;
2. Proceeds from the disposition of equipment purchased with CDBG funds;
3. Gross income from the use or rental of real or personal property acquired by SUBRECIPIENT with CDBG funds, less costs incidental to generation of the income;
4. Gross income from the use or rental of real property, owned by SUBRECIPIENT, that was constructed or improved with CDBG funds, less costs incidental to generation of the income;
5. Payments of principal and interest on loans made using CDBG funds, except as provided in 24 CFR 570.500(a)(3); and
6. Interest earned on program income pending its disposition.

D. DISPOSITION OF PROGRAM INCOME
24 CFR 570.504

Program income shall be recorded separately and returned to the CITY for disposition. Upon approval by the CITY, SUBRECIPIENT may retain income from the Project provided that written notification is given to the Neighborhood Services Director and that the income is to be used for the exclusive benefit of the Program. Such income will be subject to guidelines for use of such income in accordance with HUD regulations.

E. APPLICABILITY OF UNIFORM ADMINISTRATIVE REQUIREMENTS
24 CFR 570.502

SUBRECIPIENT shall comply with the requirements and standards of OMB Circular A-122, "Cost Principles for Non-profit Organizations," or OMB Circular No. A-21, "Cost Principles for Educational Institutions," as applicable, and OMB Circular A-133, "Audits of Institutions of Higher Education and Other Non-profit Institutions."

F. OTHER PROGRAM REQUIREMENTS
24 CFR SUBPART K

SUBRECIPIENT shall carry out its activities in compliance with all Federal laws and regulations as described in 24 CFR 570.600--570.612, except that SUBRECIPIENT will not assume the CITY'S environmental responsibilities described at 24 CFR 570.604, nor

the CITY'S responsibility for initiating the review process under the provisions of 24 CFR Part 58.

1. GENERAL--24 CFR 570.600

SUBRECIPIENT agrees to comply with such laws and Program requirements as are applicable to grants made under section 106 of Title I of the Housing and Community Development Act of 1974.

2. TITLE VI OF THE CIVIL RIGHTS ACT OF 1964--24 CFR 570.601
FAIR HOUSING ACT--24 CFR 570.601
EXECUTIVE ORDER 11063--24 CFR 570.601

This Agreement is subject to the requirements of Title VI of the Civil Rights Act of 1964, P.L. 88-352; the Fair Housing Act; and Executive Order 11063, as amended by Executive Order 12259; and HUD regulations at 24 CFR Part 1, providing for non-discrimination on the grounds of race, color, creed, sex, familial status, disability, or national origin under any activity receiving Federal funds and also obligating SUBRECIPIENT to use Federally-funded property for the purpose for which the Federal funds were awarded.

3. SECTION 109 OF THE ACT--24 CFR 570.602
AGE DISCRIMINATION ACT of 1975--24 CFR 570.602(c)
SECTIONS 504 OF THE REHABILITATION ACT OF 1973
24 CFR 570.602(c)

This Agreement is subject to Section 109 of the Housing and Community Development Act of 1974, The Age Discrimination Act of 1975, and Section 504 of the Rehabilitation Act of 1973, which requires that no person in the United States shall, on the grounds of age, race, color, national origin, disability, or sex, be excluded from participation in, be denied the benefits of, or be subject to discrimination under any program or activity funded in whole or in part with Community Development Block Grant funds.

4. AFFORDABILITY PROVISIONS
24 CFR 570.208(a)(3)

Subrecipient acknowledges and understands that low and moderate-income households shall occupy all rehabilitation of permanent, residential structures, upon completion. For any rehabilitation of rental housing, occupancy by low and moderate-income households must be at affordable rents as determined by the City.

5. LABOR STANDARDS & DAVIS BACON ACT
24 CFR 570.603

Section 110(a) of the Act contains labor standards that apply to non-volunteer labor financed in whole or in part with assistance provided under

the Act. The Contract Work Hours and Safety Standards Act and Copeland Act also apply. Contractors or subcontractors on construction work shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended.

6. ENVIRONMENTAL STANDARDS
24 CFR 570.604

This Agreement is subject to the National Environmental Policy Act of 1969, as detailed in implementing regulations 24 CFR Part 58.

7. NATIONAL FLOOD INSURANCE PROGRAM
24 CFR 570.605

This Agreement is subject to the Flood Disaster Protection Act of 1973, and the regulations in 44 CFR Parts 59 through 79.

8. DISPLACEMENT, RELOCATION, ACQUISITION, AND ONE-FOR-ONE REPLACEMENT OF HOUSING
24 CFR 570.606

SUBRECIPIENT shall assure it has taken all reasonable steps to minimize the displacement of persons (families, individuals, businesses, non-profit organizations, and farms) as a result of activities pursuant to Part 570.606. Relocation of displaced persons shall be provided in conformance with the Uniform Relocation Assistance and Real Property Acquisition Act of 1970. In addition, Subrecipient understands and agrees that there must be a one-for-one replacement of any occupied or vacant, occupiable low or moderate income dwelling which is demolished or converted to another use in connection with a CDBG-funded activity.

9. EMPLOYMENT AND CONTRACTING OPPORTUNITIES
24 CFR 570.607

SUBRECIPIENT shall comply with Executive Order 11246, as amended by Executive Order 12086, which provides for Equal Employment Opportunity, and Section 3 of the Housing and Urban Development Act of 1968, with implementing regulations at 24 CFR Part 135. Section 3 requires that employment and other economic development opportunities arising in connection with housing rehabilitation, housing construction, or other public construction projects shall, to the greatest extent feasible, and consistent with existing Federal, State, and local laws and regulations, be given to low- and very low-income persons.

10. LEAD-BASED PAINT
24 CFR 570.608

This Agreement is subject to the regulations at 24 CFR Part 35, prohibiting the use of lead-based paint in residential structures constructed or rehabilitated with assistance provided pursuant to Part 570.608; notification of hazards of lead-based paint poisoning; and elimination of lead-based paint hazards.

11. USE OF DEBARRED, SUSPENDED, OR INELIGIBLE CONTRACTORS
OR SUBRECIPIENTS
24 CFR 570.609

This Agreement is subject to the requirements set forth in 24 CFR Part 5, in which is incorporated 24 CFR Part 24, which provides for the listing of debarred and suspended participants, participants declared ineligible, and participants who have voluntarily excluded themselves from participation in covered transactions pursuant to Part 24.

12. UNIFORM ADMINISTRATIVE REQUIREMENTS AND COST
PRINCIPLES
24 CFR 570.610

SUBRECIPIENT shall comply with the policies, guidelines, and requirements of 24 CFR Part 85 and OMB Circulars A-87, A-110, A-122, A-133, and A-128, as applicable, as they relate to the acceptance and use of Federal funds pursuant to Part 570.610. The applicable sections of 24 CFR Parts 84 and 85 are set forth at Part 570.502.

13. CONFLICT OF INTEREST
24 CFR 570.611

This Agreement is subject to the general rule that no person who is an employee, agent, consultant, officer, or elected official or appointed official of the CITY as Recipient, or of any designated public agencies, or of SUBRECIPIENT who exercise or have exercised any functions or responsibilities with respect to CDBG activities assisted pursuant to Part 570.611, or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from a CDBG-assisted activity, or have a financial interest in any contract, subcontract, or Agreement with respect to a CDBG-assisted activity, or with respect to the proceeds of the CDBG-assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one year thereafter.

14. LIMITED ENGLISH PROFICIENCY (LEP)

Executive order 12166 enacted August 11, 2000, mandates the federal government reduce language barriers to limited English proficiency (LEP) persons with regard to accessing federal benefits.

Recipients of HUD assistance including state and local governments, public housing authority assisted housing providers, profit and non-profit organizations and other entities receiving funds directly or indirectly from HUD are subject to executive order 12166 and title vi provisions as a condition of receiving federal funds.

Failure to ensure limited English persons (LEP) access to HUD benefits may violate title vi civil rights protections based upon national origin.

G. DRUG-FREE WORKPLACE

As a subrecipient of CDBG funds, and in connection with public services offered, the SUBRECIPIENT agrees that it shall comply with the provisions of the Drug-Free Workplace Act of 1988, 45 CFR Part 76, Subpart F, which requires that SUBRECIPIENT shall maintain a facility free from the illegal use, possession, or distribution of drugs or alcohol by its beneficiaries.

H. EXPIRATION OR REVOCATION OF AGREEMENT

Upon the expiration or revocation of this Agreement, SUBRECIPIENT shall transfer to CITY any CDBG funds on hand at the time of expiration or revocation and any accounts receivable attributable to the use of CDBG funds.

I. ANTI-LOBBYING

Section 319 of Public Law 101-121, of the Department of the Interior Appropriations Act, prohibits SUBRECIPIENT from using appropriated Federal funds for lobbying the Executive or Legislative Branches of the Federal Government in connection with a specific contract, grant, or loan, and requires that no Federal appropriated funds have been paid or will be paid, by or on behalf of SUBRECIPIENT to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

J. AMERICANS WITH DISABILITIES ACT

SUBRECIPIENT agrees to comply fully with any and all provisions of the Americans with Disabilities Act (hereinafter referred to as "ADA") as applicable to the SUBRECIPIENT and the activities to be performed by SUBRECIPIENT under the scope of this Agreement. If employing more than fifteen (15) employees, SUBRECIPIENT agrees to comply fully

with Title I of the "ADA" as set forth at 28 CFR Part 130. If providing "public accommodations" as defined by the Act in Section 301(7)(A)-(L), SUBRECIPIENT agrees to comply fully with Title III of the "ADA" as set forth at 28 CFR Part 36. If providing public transportation, SUBRECIPIENT agrees to comply fully with the federal regulations as set forth at 49 CFR Parts 37 and 38.

IV. FINANCIAL MANAGEMENT

A. AUDIT REQUIREMENTS

This Agreement is subject to other requirements of United State's Office of Management and Budget (OMB) Circular No. A-110 "Grants and Agreements with Institutions of Higher Education, Hospitals, and other Non-Profit Organizations" and its relevant attachments "A" through "O"; and Circular A-122, entitled "Cost Principles for Non-Profit Organizations."

This Agreement is also subject to an OMB A-133 Audit pursuant to the Single Audit Act. Effective December 31, 2004, the Office of Management and Budget requires that grant recipients who expend \$500,000 or more during a one year period in federal funds aggregate, conduct an A-133 audit.

In order to ensure Program compliance to the greatest extent feasible, the Neighborhood Services Department has established a policy, effective July 1, 1997, which requires a Subrecipient receiving annual federal funding of \$50,000 or more for two consecutive years to submit an audited financial statement. Such Subrecipient must submit the audited financial statement no later than six (6) months after the conclusion of the second program year of federal funding.

Please Note: Beginning July 1, 2005, the City will implement the following audit policy: Any agency that expends between \$200,000 - \$499,999 in federal funds will be required to have a CPA Audited Financial Statement. The funds expended may be from one or multiple federal sources. If allowable by program regulations, the City may only pay for the portion of the audit, which represents the percentage of City federal funds in the program budget. This policy will replace the policy above placed in effect on July 1, 1997.

All Subrecipients who fall under the requirements of OMB A-133 Auditing rules must submit a full and complete copy of such audits to the Neighborhood Services Department. It is the responsibility of the SUBRECIPIENT to ensure that audits are completed in a proper and timely manner. Failure to submit copies of the A-133 Audit will render the SUBRECIPIENT as non-compliant. This means that no funds may be drawn until the City of Las Vegas Neighborhood Services Department has received and reviewed the copy of the

audit. Please refer to the Public Services Program Subrecipient Manual as provided for further guidance on this matter.

B. RIGHT TO REVIEW AND AUDIT

1. The Subrecipient agrees to maintain financial records pertaining to all matters relative to this Agreement in accordance with standard accounting principles and procedures and to retain all records and supporting documentation applicable to the Agreement for a period of three years, except those records subject to audit findings have been resolved. In the event the Subrecipient goes out of existence, the Subrecipient shall turn over to the City all of its records relating to this Agreement to be retained by the City for the required period of time.
2. The Subrecipient agrees to permit the City or the City's designated representatives to inspect and audit its records and books relative to this Agreement at any time during normal business hours and under reasonable circumstances and to copy therefrom any information that the City desires concerning Subrecipient's operation hereunder. The Subrecipient further understands and agrees that said inspection and audit would be exercised upon written notice. If the Subrecipient or its records and books are not located within Clark County, Nevada, in the event of an inspection and audit, Subrecipient agrees to deliver the records or books or have the records or books delivered to the City or the City's designated representatives at an address within the City of Las Vegas as designated by the City. If the City or the City's designated representatives find that the records delivered by the Subrecipient are incomplete, the Subrecipient agrees to pay the City or the City representatives' costs to travel (including travel, lodging, meals, and other related expenses) to the Subrecipient's offices to inspect, audit, and retrieve the complete records. The Subrecipient further agrees to permit the City or the City's designated representatives to inspect and audit, as deemed necessary, all records of this project relating to finances, as well as other records including performance records that may be required by relevant directives of funding sources of the City.

C. DOCUMENTATION OF COSTS

All costs shall be recorded by budget line-items and be supported by properly executed payrolls, time records, invoices, contracts, or vouchers, or other official documentation evidencing in proper detail the nature and propriety of the charge. All checks, payrolls, invoices, contracts, and vouchers, orders or other accounting documents pertaining in whole or in part to the Agreements, shall be thoroughly identified and readily accessible.

D. FINANCIAL RECORD KEEPING

Financial records pertaining to all invoices, materials, payrolls, personnel records, and other data concerning matters related to this Agreement may be requested from SUBRECIPIENT by duly authorized CITY representatives, CITY-contracted independent auditors, HUD and/or the Comptroller of the United States, or any combination thereof.

E. RECORDS

Program records shall be maintained in accordance with HUD and CITY requirements with respect to all matters covered by this Agreement. Such records shall be maintained for a period of five years after the term of this Agreement expires (effectively a fifteen year retention period).

F. PROGRAM BUDGET

Invoice expenditures eligible for payment by the CITY will be in accordance with the Project budget delineated in Exhibit "C" and subject to any conditions imposed in the Scope of Services, to include monthly or quarterly reports and narratives when seeking reimbursement from the City for Project costs. SUBRECIPIENT shall not make any changes in the Project budget unless permission is obtained in writing from the Neighborhood Services Department Director.

G. METHOD OF PAYMENT

The CITY shall reimburse valid invoices for approved Project budget expenditures identified in Exhibit "C" of this Agreement. Before paying such expenses, the CITY will review invoice expenditures to determine their consistency with the approved eligible expenditures, the scope of services, pursuant to this Agreement. The CITY reserves the right to refuse reimbursement for expenses, which are CDBG-ineligible or which are not within the scope of this Agreement. Monthly and quarterly reimbursement requests shall include reports and narratives as detailed in "Scope of Services" section of this Agreement.

H. UNEXPENDED FUNDS

In the event that CITY staff anticipates the total amount of funds allocated for this Agreement will not be expended in the time and manner prescribed in this Agreement, the CITY reserves the right to such unexpended portion for other Projects/programs operating under the CITY'S CDBG Program. An extension of a June 30, 2004 deadline may be authorized in writing by the CITY Neighborhood Services Director the Director's designee.

I. ACCOUNTING METHODS

Expenditures charged to CITY fiscal year 2004-2004 CDBG funds will be accounted separately from all other revenue sources. SUBRECIPIENT shall maintain these records.

J. REAL PROPERTY, NON-EXPENDABLE PERSONAL PROPERTY,
DEPRECIATION SCHEDULES, AND DISPOSITION OF PROPERTY

In accordance with the United States Office of Management and Budget (OMB) Circulars A-87, Cost Principles of State and Local Governments, and A-110, Grants and Agreements with Institutions of Higher Education, Hospitals, and other Nonprofit Organizations, the following shall apply:

- 1) Non-expendable personal property will be defined as any property either tangible or intangible other than real property as defined herein, which has a unit acquisition cost of \$500 or more, and a useful life of more than one year.
- 2) Real property will be defined as land, including land improvements, structures and appurtenances thereto, but excluding movable machinery and equipment.
- 3) Non-expendable personal property shall be depreciated on a 5-year, straight-line schedule, as is the accounting standard used for the City of Las Vegas in its financial management. SUBRECIPIENT will be required to maintain property records for and report to the City during the 5-year depreciation period. If the property is disposed of prior to the 5-year depreciation period, the CITY shall provide the SUBRECIPIENT with disposition instructions upon request. If the property is disposed of for cash during this period, it constitutes Program Income, which must be reported in accordance with the Section III C. & D., Program Income, portion of this Agreement. Examples of non-expendable personal property are vehicles and computer equipment. If said property is a vehicle, the City shall be named as a lienholder on the title.
- 4) When non-expendable personal property has been fully depreciated in accordance with the CITY'S 5-year straight-line schedule, and the property is disposed of for cash, the SUBRECIPIENT may retain such funds provided that SUBRECIPIENT notifies the CITY in writing and that SUBRECIPIENT uses such funds for the exclusive benefit of the Program.
- 5) Pursuant to 24 CFR Part 570.503, the SUBRECIPIENT must transfer upon expiration of the term of this Agreement any CDBG funds on hand at the time of expiration and any accounts receivable attributable to the use of CDBG funds provided pursuant to this Agreement. In addition, any real property as described above either acquired or improved in whole or in part, in excess of \$25,000, shall be used to meet one of the national objectives pursuant to Part 570.208 until five (5) years after expiration of this Agreement, or for such longer period of time as deemed appropriate by the CITY. If not used as such, SUBRECIPIENT must dispose of such real property in a manner that results in the reimbursement of CDBG funds for the amount of the current fair market value of the property less any portion of the value attributable to expenditures of non-CDBG funds for acquisition of or improvement to the property. This reversion of assets will not be required after such period of time deemed appropriate by the CITY.

V. MODIFICATION OR TERMINATION OF AGREEMENT

A. AMENDMENT OR REVISION REQUIRED BY HUD

SUBRECIPIENT and the CITY hereby agree to amend or otherwise revise this Agreement should HUD and/or any applicable federal statutes or regulations require such modification.

B. TERMINATION

If SUBRECIPIENT fails to fulfill in a timely and proper manner its obligation under this Agreement or shall violate any of the covenants, agreements or stipulations of this Agreement, the CITY shall thereupon have the right to suspend or terminate this Agreement and specify the effective date thereof in accordance with 24 CFR 85.43. Such notice shall be given no less than ten (10) days before the effective date of such termination and sent to SUBRECIPIENT at P.O. Box 270880, Las Vegas, NV 89127.

C. PROVISIONS REQUIRED BY LAW DEEMED INSERTED

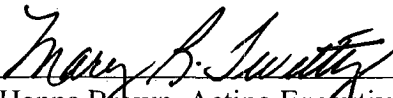
Each and every provision of law and clause required by law to be inserted in this Agreement will be deemed to be inserted herein, and this Agreement shall be read and enforced as though it were included herein and if through mistake or otherwise any such provisions not inserted, or is not correctly inserted, then upon the application of either party this Agreement shall forthwith be physically amended to make such insertion.

IN WITNESS WHEREOF, the parties hereto have entered this Agreement the day and year first above written.

CITY OF LAS VEGAS

Economic Opportunity Board of Clark County


Oscar B. Goodman, Mayor


Hanna Brown, Acting Executive Directive
Mary B. Twitty

ATTEST:

ATTEST:


Barbara Jo Ronemus, City Clerk

By: _____

COUNCIL ACTION: MARCH 17, 2004

APPROVED AS TO FORM: 
8/3/04

ACCEPTANCE OF DEFERRED LOAN AND AGREEMENT TO
COMPLY WITH DEFERRED LOAN CONDITIONS

I, Hanna Brown, Acting Executive Directive, Economic Opportunity Board of Clark County, a non-profit corporation, on behalf of that corporation, do hereby accept the deferred loan in the amount of \$10,550 and the conditions imposed upon that loan contained in the Community Development Block Grant (CDBG) Agreement to Loan CDBG Program Funds to Economic Opportunity Board of Clark County approved by the City Council of the City of Las Vegas, Nevada on the 17th day of March 2004, a copy of which is attached hereto and incorporated herein.

Executed this 27th day of September, 2004.

Economic Opportunity Board of Clark County

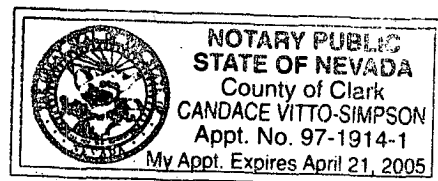
By: Mary R. Twitty
Hanna Brown, Acting Executive Directive
MARY R. TWITTY

State of Nevada)

County of Clark)

On this 27th day of September, 2004, before me, the undersigned, a Notary Public in and for said County and State, personally appeared Mary Twitty, ~~Hanna Brown~~, Acting Executive Directive, known to me to be the person described in and who executed the foregoing instrument, who acknowledged to me that he executed the same freely and voluntary and for the uses and purposes therein mentioned.

Candace Vitto-Simpson
Notary Public



ORDER NO. _____

EXHIBIT "A"

SHORT FORM DEED OF TRUST

THIS DEED OF TRUST, made this ____ day of _____, 2004 between Economic Opportunity Board of Clark County, whose principal office is located at P.O. Box 50285, Henderson, NV 89016, herein called TRUSTOR, and the City of Las Vegas, a municipal corporation duly organized in the State of Nevada, whose principal office is located at 400 E. Stewart, Las Vegas, NV, 89101, Attention: Neighborhood Services Department, herein called TRUSTEE and BENEFICIARY.

WITNESSETH: Whereas Trustor has received a deferred loan in the amount of \$10,550 from Beneficiary and has agreed to faithfully perform certain obligations and repay the deferred loan monies in accordance with the Community Development Block Grant of even date between Trustor and Beneficiary ("Agreement");

NOW THEREFORE, for the purpose of securing each agreement of the Trustor herein and therein contained and in the Agreement, Trustor IRREVOCABLY GRANTS, TRANSFERS AND ASSIGNS to Trustee in trust, WITH POWER OF SALE, that certain property located in the City of Las Vegas, Clark County, State of Nevada described as:

See Exhibit "B" attached hereto and by this reference is made a part hereof.

To protect the security of this Deed of Trust, Trustor shall abide by the terms of the Agreement executed; Trustor agrees to acquire, dispose of, construct, reconstruct, or install public facilities and make improvements to either benefit primarily low- and moderate-income persons; aid in the prevention or elimination of slum or blight; or to meet Community Development needs having a particular urgency; Trustor agrees to maintain and operate the above-described property as a drug-free environment; Trustor agrees to abide by any and all applicable CDBG program rules and regulations as provided by 24 CFR Part 570; Trustor agrees to transfer title of property to Beneficiary if Trustor, after proper notice and due process, is found to be in violation of its Agreement with Beneficiary; and

Notwithstanding the rights of Beneficiary to the Property under this Deed of Trust, Trustor agrees to repay to the Beneficiary \$10,550 in CDBG program funds if the Property acquired by Trustor ceases to meet a national objective in accordance with 24CFR570.208, pursuant to its Agreement with Beneficiary, or if Trustor loses through foreclosure, sale, or other circumstances legal possession of the Property; and

All of the agreements and/or acknowledgments of the Trustee set forth in this Short Form Deed of Trust also constitute agreements or acknowledgments of the City of Las Vegas in its capacity as Beneficiary. The Trustee and Beneficiary agree that the Beneficiary and Trustee under the First Deed of Trust and their respective successors and assigns, including, without limitation, any purchaser, at a trustee's sale under the First Deed of Trust and the heirs, personal representatives, successors and assigns of any such purchaser, shall not be bound by or obligated

to perform any of the obligations of the Trustor under this Deed of Trust or under the Agreement referred to herein.

Notwithstanding the rights of Beneficiary to the Property under this Deed of Trust, Trustor agrees to repay to the Beneficiary \$10,550 in CDBG program funds if the Property, or any portion thereof, is subleased without prior written approval of Beneficiary or through foreclosure, sale, or other circumstances Trustor loses legal possession of the Property; and

So long as the Subrecipient/Trustor shall well and truly perform its obligations to the City of Las Vegas under the Agreement, the obligations of the Subrecipient/Trustor will terminate on the tenth anniversary of the date of final disbursement of funds to the Subrecipient/Trustor; and thereafter the Trustee under the Deed of Trust, its successors and assigns, on request by the Trustor, or assigns, shall reconvey to the Trustor, or assigns, all the estate in the premises described in the "Request for Notice" hereto conveyed to the Trustee by the Trustor under the Deed of Trust. The funds will remain recapturable upon sale or transfer of title.

TRUSTEE acknowledges that the Property is or will be encumbered by a deed of trust (the First Deed of Trust), which will be recorded in the Official Records of Clark County, Nevada prior to recordation of this Security Instrument. TRUSTEE acknowledges and agrees that this Security Instrument and all rights of TRUSTEE hereunder are and will be subject and subordinate to the lien of the First Deed of Trust and to all rights and remedies of the BENEFICIARY and TRUSTEE under the First Deed of Trust and its successors and assigns, including, without limitation, any purchaser at a trustee's sale under the First Deed of Trust and the heirs, personal representatives, successors and assigns of such purchaser, shall not be bound by or obligated to perform any of the obligations of the Purchaser under this Security Instrument. This Security Instrument will not be subject or subordinate to any replacement of the First Deed of Trust, occurring as a result of any prepayment, refinancing, sale or other transaction.

Trustor also agrees and acknowledges that a Request for Notice, the form of which is attached hereto shall be recorded upon the recordation of this Deed of Trust and the Agreement secured hereby.

By execution and delivery of this Deed of Trust and the Agreement secured hereby, Trustor agrees that Covenants Nos. 1, 2, 3, 4, 5, 6, 7, 8 and 9 of NRS 107.030 are adopted and incorporated herein and made a part hereof as though set forth herein, that Trustor will observe and perform said provisions, and that the references to property, obligations and parties in said provisions shall be construed to refer to the property, obligations, and parties set forth in this Deed of Trust.

The undersigned TRUSTOR requests that a copy of any Notice of Default, any Notice of Sale, and or any Notice of Lien hereunder be mailed to the address hereinabove set forth.

TRUSTOR:

Economic Opportunity Board of Clark County, a
Nevada non-profit corporation

BY: _____
Hanna Brown, Acting Executive Directive

State of Nevada)

County of Clark)

On this _____ day of _____, 2004, before me, the undersigned, a Notary Public in and for said county and State, personally appeared Hanna Brown, Acting Executive Directive, known to me to be the person described in and who executed the foregoing instrument, who acknowledged to me that he executed the same freely and voluntary and for the uses and purposes therein mentioned.

Notary Public

WHEN RECORDED MAIL TO:

Rodney L. Lister
Neighborhood Services Department,
City of Las Vegas
400 East Stewart Avenue
Las Vegas, NV 89101

MAIL TAX BILL TO:

Hanna Brown
Economic Opportunity Board of Clark County
P.O. Box 270880
Las Vegas, NV 89127

EXHIBIT "B"

LEGAL DESCRIPTION

APN 139-25-301-001

That portion of the Northwest Quarter (NW ¼) of the Southwest Quarter (SW ¼) of Section 25, Township 20 South, Range 61 East, M.D.M., described as follows:

Parcel 1 as shown by map thereof in File 24 of Parcel Maps, Page 42, and Parcel 2A as shown by map thereof in File 26 of Parcel Maps, Page 68, in the Office of the County Recorder, Clark County, Nevada.

Together with those portions vacated by that certain Order of Vacation recorded April 9, 1979 in Book 1036 as Document No. 995696 of Official Records.

EXHIBIT "C"
PROGRAM BUDGET

Organization: Economic Opportunity Board of Clark County
Project: HVAC Replacement
Program: Community Development Block Grant, Fiscal Year 2004-2005

Program Budget*

Account	Description	Amount Authorized
992100	Rehab/Improvements	\$ 10,550
Total Amount		\$ 10,550

*NOTE: Detailed construction budget to be submitted within 30 days of contract execution.

EXHIBIT "D"

CDBG MONTHLY REPORTS

Clients Served & Program Goals Met This Month

Neighborhood Services Department
Neighborhood Development Division
400 Stewart, 2nd Floor
Las Vegas, NV 89101

RE: Project: _____

Represents Month _____

HUD has created new race categories. In addition, HUD requires that the Hispanic ethnicity be counted either for every race sub category as applicable or as simply Hispanic.

*Hispanic must be counted for each category as appropriate and totaled in column C. Example: White column may have 25 clients, 4 of which are also Hispanic. The White column would have 25 and the Hispanic column would have 4, the total clients would still be 25, do not add the two columns together. There may be other categories that also have Hispanic clients. Therefore, column (C) would have the total Hispanic count for all mixed categories and a final total for mixed clients at the bottom of the column. The Hispanic total for clients claiming a straight Hispanic race and ethnicity must also be counted. This is a separate category and has its own row for monthly and year to date totals. The Year to Date Columns should reflect the numbers for each monthly column of clients served to date.

A	B	C	D	E
Race Category	Monthly Client Total	Monthly Hispanic Total*	Year To Date Client Total	Year to Date Hispanic Total
White				
Black/African American				
Asian				
American Indian/Alaskan				
Native Hawaiian/Other Pac. Islander				
American Indian Alaskan Native & White				
Asian & White				
Black & White				
American Indian/Alaskan Native & Black				
Other Multi Racial				
Asian/Pacific Islander				

Hispanic				
TOTAL All Categories				
Female				
Male				
Female Head of Household				

ATTACHMENT 1

DISCLOSURE OF PRINCIPALS

The principals and partners of *Economic Opportunity Board of Clark County* and all persons and entities holding more than 1% interest in Economic Opportunity Board of Clark County or any principal of *Economic Opportunity Board of Clark County* are the following:

FULL NAME	BUSINESS ADDRESS	BUSINESS PHONE
1. Claude E. Logan	716 S. 6th Str, LV, NV 89101	(702) 386-2138
2. Lawrence Weekly	400 E. Stewart Ave., LV, NV 89030	(702) 229-5443
3. Eloiza Martinez	1700 E. Charleston Blvd. LV, NV 89104	(702) 765-1968
4. Joe M. Neal	304 Lance Ave., LV, NV 890303	(702) 399-2114
5. Marion Bennett	1911 Goldhill Ave. LV, NV 89106	(702) 648-1205
6. Vicente Herrera	925 Las Vegas Blvd., North LV, NV 89101	(702) 385-1441

Continue list until full and complete disclosure is made.

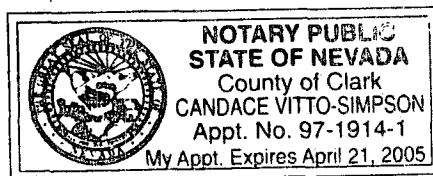
I certify under penalty of perjury, that the foregoing list is full and complete.

Economic Opportunity Board of Clark County

By: Mary B. Smith
Title: Int. Executive Director

Subscribed and sworn to before me this
27th day of September, 2004.

Candace Vitto-Simpson
Notary Public



COMMUNITY DEVELOPMENT BLOCK GRANT AGREEMENT

Between the City of Las Vegas and
Golden Rule, Inc.

THIS AGREEMENT, made and entered into this 17th day of March, 2005 by and between the CITY OF LAS VEGAS, a municipal corporation of the State of Nevada, hereinafter referred to as "CITY," and Golden Rule, Inc., a nonprofit corporation duly organized under the laws of the State of Nevada, hereinafter referred to as SUBRECIPIENT, whose primary mailing address at the date of execution is P.O. Box 50285, Henderson, NV 89016.

WITNESSETH

WHEREAS, the CITY has entered into a Grant Agreement with the U.S. Department of Housing and Urban Development for participation in the Community Development Block Grant, hereinafter referred to as "CDBG," program under Title I of the Housing and Community Development Act of 1974, P.L. 93-383 as amended; and

WHEREAS, the CITY is responsible for planning, administering, implementing, and evaluating the CDBG program to ensure that it conforms to the HUD-approved Consolidated Plan for the City; and

WHEREAS, CITY as Grantee wishes to engage SUBRECIPIENT to assist the CITY in utilizing such funds by providing services to meet one (or more) of the CDBG Program's three broad National Objectives (defined in 24 CFR Part 570.208) as follows:

1. To benefit low- and moderate-income persons,
2. To aid in the prevention or elimination of slum or blight,
3. To meet Community Development needs having a particular urgency;

NOW, THEREFORE, it is agreed between the parties hereto that;

I. SCOPE OF SERVICE

A. ACTIVITIES

SUBRECIPIENT will be responsible for administering a 2004-2005 CDBG-funded Program known as **Pre school construction and on/off site preparation**, which provides activities eligible under the Community Development Block Grant Program as cited in the Scope of Services I.B.1, hereinafter referred to as "Program." It is expressly agreed and understood that the total amount to be provided by the CITY under this Agreement shall not exceed **\$125,000** in CDBG funds to be allocated in accordance with the Program Budget as detailed in Exhibit "C," attached. SUBRECIPIENT hereby agrees to utilize said CDBG funds made available pursuant to this Agreement to supplement rather than supplant funds otherwise available.

B. PROGRAM DESCRIPTION

1. *Scope of Services to be provided*

Legal description of site to be developed or improved:

Please refer to "Exhibit B" of this Agreement, hereinafter referred to as "Property."

Purpose of Services:

The Golden Rule, Inc. provides after school programming for neighborhood youths. Additionally, the facility will include a day care unit and banquet hall.

Tasks to be Performed:

New construction and on/off site preparation.

Level of Service to be Provided:

Services will be provided citywide to eligible individuals.

Measurable Goals for Grant period:

SUBRECIPIENT hereby agrees to meet the goals as stated above, to the greatest extent feasible, in order to ensure the success of the Program.

2. *The following are either opportunities, which may enhance, or constraints, which may limit the ability of SUBRECIPIENT to effectively implement, said Program in the City of Las Vegas.*

Not applicable.

C. CLIENT DATA

SUBRECIPIENT will be required to collect for and provide to the CITY Program accomplishments and usage records beginning July 1, 2004 or the date first written above, until June 30, 2005, unless this Agreement is modified at the express consent of the CITY and SUBRECIPIENT. SUBRECIPIENT shall submit, on a quarterly basis, and on occasion upon request of the CITY, a Progress Status Report that shall provide program statistics and a narrative to demonstrate compliance with national objectives as stated above. Failure to submit said reports in a timely manner may delay reimbursement to SUBRECIPIENT for grant-eligible Program expense. Records and reports shall contain, but not be limited to, the following data:

- 1) Total unduplicated (new) clients served including: ethnic breakdown, number and percentage of low- and moderate-income clients served and female heads-of-households served. Exhibit "D"
- 2) Overall number of clients served within the City of Las Vegas corporate limits. New clients plus old for the Program year.

- 3) Statement of Program year goals cited in SUBRECIPIENT application and measurable accomplishments toward achieving said goals through reporting date of said report.

These reports shall be forwarded to the City of Las Vegas Neighborhood Services Department, ATTN: Neighborhood Development Division. CITY will monitor the performance of SUBRECIPIENT against goals and performance standards required herein. Substandard performance as determined by CITY will constitute non-compliance with this Agreement.

If action to correct such substandard performance is not taken by SUBRECIPIENT within a reasonable period of time after being notified by CITY, contract suspension or termination procedures will be initiated.

D. TIME OF PERFORMANCE

This Agreement provides for CDBG funding of SUBRECIPIENT program rendered in accordance with this Agreement from July 1, 2004 through June 30, 2005, inclusive. The CITY shall bear no liability to fund or provide payment for SUBRECIPIENT program services in the event that no CDBG grant award funds are received during fiscal year 2004-2005. Furthermore, the CITY shall be liable only for payment proportional to the extent that CDBG grant the CITY receives award funds. SUBRECIPIENT program expenses incurred after July 1, 2004, but prior to execution of this Agreement may be reimbursed upon approval of the Grantee and contingent upon SUBRECIPIENT conformance with 24 CFR 570.200(h)(1)(i-vi).

II. CITY GENERAL CONDITIONS

A. COMPLIANCE WITH OTHER APPLICABLE STATUTES AND REGULATIONS

SUBRECIPIENT shall obtain any and all Federal, State, and Local permits and licenses required to execute the project or program as described in the Agreement's Scope of Services. SUBRECIPIENT further agrees to abide by all applicable Federal, State, and Local codes, regulations, statutes, ordinances, and laws.

SUBRECIPIENT also hereby agrees to comply with any and all development conditions as established by CITY Council, the CITY Planning Commission, the CITY Board of Zoning Adjustment, and by the CITY Planning Department as stated in the "Program Description" section of this Agreement. When necessary, the CITY may amend such conditions to comply with the City of Las Vegas General Plan, with Title XIX of the Municipal Code of the City of Las Vegas, and with any applicable state, local, and federal law.

B. IRS REGULATIONS

SUBRECIPIENT agrees to comply with all applicable IRS regulations, specifically regarding employees, depositing of payroll taxes, filing of payroll tax returns, and issuance of W-2's at year-end. All persons working for a non-profit agency, whether full or part-time, are considered employees, pursuant to IRS Publication 15A. If a private contractor or instructor is hired, a W-9 must be completed if he/she is paid \$600 or more, and an IRS Form 1099 must be issued to that person at year-end, as well as filed with the IRS. 1099 instructions can be obtained on the IRS website.

C. CONSTRUCTION CONTROL

For any construction activities financed in whole or in part by CDBG funds pursuant to this agreement, Subrecipient agrees and understands that Subrecipient may not commence construction until the Director of the Neighborhood Services Department (hereinafter referred to as "Director") issues a Notice to Proceed in writing. Subrecipient further agrees and understands that the City may require the Subrecipient to use a City approved licensed voucher control company for the construction of the Project, unless specified otherwise in writing by the Director.

D. DEED OF TRUST REQUIRED FOR ACQUISITION / CAPITAL IMPROVEMENT

The City shall require reasonable assurances of security for Subrecipient's performance and repayment pursuant to 24 CFR 570.505, which shall be a Deed of Trust for such Property, the form of which is attached to this document as Exhibit "A" and which Subrecipient shall execute as part of this Agreement. Such Deed of Trust shall serve as a collateral interest in the property being financed with CDBG Program funds. If the Subrecipient ceases to meet a national objective in accordance with 24CFR570.208, or through foreclosure, transfer in lieu of foreclosure, or other circumstances, Subrecipient does not maintain vested ownership or legal possession of the Property, or if the provisions of Section II (F) of this Agreement are not complied with, Subrecipient will, upon the request of the City, repay to the City, without interest, the entire \$125,000 in CDBG Program funds that Subrecipient received from the City hereunder.

For all activities pertaining to acquisition of the Property or capital improvement on the Property, the SUBRECIPIENT shall record a "Deed of Trust" the form of which is attached as Exhibit "A" herein and by reference is made a part hereof. The SUBRECIPIENT, as Trustor, hereby agrees to record the "Deed of Trust" at the Recorder's Office of the County of Clark upon the closing of escrow on the Property to ensure performance by the SUBRECIPIENT pursuant to the Program as specified in this Agreement.

The Subrecipient agrees to provide a Preliminary Title Report to the City and a Title Insurance Policy in a minimum amount of \$125,000, which will protect the City from losses, damages, or claims concerning the title of the Property.

E. COMPLIANCE WITH NATIONAL OBJECTIVES

SUBRECIPIENT and CITY agree that so long as the Subrecipient shall well and truly perform its obligations to the City of Las Vegas under this Agreement, the City shall retain an interest in the "Property" through a Trust Deed until the tenth anniversary of the date of final disbursement of funds to the Trustor. The funds will still be recapturable upon sale, refinance or transfer of title.

F. CONSTRUCTION COMPLIANCE REQUIRED

For any and all rehabilitation or construction to be performed by SUBRECIPIENT under the scope of this Agreement, SUBRECIPIENT hereby agrees that all such construction shall comply with any and all applicable federal, state, and local building codes, housing codes, and health, fire and safety codes. SUBRECIPIENT shall, to the greatest extent feasible, provide a detailed timeline, which explicitly provides deadlines for all major construction activities to be performed pursuant to this Agreement.

Furthermore, the SUBRECIPIENT hereby agrees to provide the CITY with a design and construction schedule detailing the project's phases to augment the CITY's capacity to monitor SUBRECIPIENT activities as to be performed under the "Program Description" of this Agreement.

G. SUBRECIPIENT RETAINS EXCLUSIVE RIGHT OF PERFORMING SERVICES

SUBRECIPIENT has requested the financial support of the CITY to enable SUBRECIPIENT to provide the services contemplated herein. The CITY shall have no relationship whatsoever with the services contemplated herein except the provision of financial support and the receipt of reports as provided herein. In any and all events, the services contemplated herein shall be rendered at the time, in the manner and under circumstances determined solely and exclusively by SUBRECIPIENT, subject only to review by the City of Las Vegas, Neighborhood Services Director or other designee of the Neighborhood Services Director to assure continuing eligibility for CDBG funding.

H. INDEMNIFICATION

SUBRECIPIENT agrees to protect, defend, indemnify and save harmless the CITY from and against any and all liability, damages, claims, suits, liens, and judgments of whatever nature, including but not limited to, claims for contribution and/or indemnification for injuries to or death of any person or persons, caused by, in connection with, or arising out of any activities undertaken pursuant to this Agreement. SUBRECIPIENT'S obligation to protect, defend, indemnify, and save harmless as set forth in this paragraph, shall include any and all attorneys' fees incurred by the CITY in the defense and/or handling of said suits, demands, judgments, liens, claims and the like and all attorneys' fees and investigation expenses incurred by the CITY in enforcing and/or obtaining compliance with the provisions of this paragraph.

I. LIMIT ON ASSIGNMENT OF INTEREST

SUBRECIPIENT may not assign any part of its rights in this Agreement without consent of CITY. Any such assignment of rights without consent of CITY shall result in the forfeiture of all compensation, or any part thereof, as determined by CITY.

J. ON-SITE MONITORING

Projects and programs funded under this Agreement will be subject to on-site monitoring by duly authorized CITY representatives, CITY-contracted independent auditors, HUD and/or the Comptroller of the United States. Said representatives will be announced no less than 24 hours in advance of such visits, which shall occur during normal operating hours. The representatives may request, and be granted access to records. Representatives may, on occasion, interview program recipients who volunteer to be interviewed.

K. ACCESS TO RECORDS

At any time during normal business hours, SUBRECIPIENT'S records, with respect to matters covered by this Agreement shall be made available for audit, examination, and review by CITY representatives, CITY-contracted independent auditors, HUD and/or the Comptroller of the United States.

L. INSURANCE AND BOND

If SUBRECIPIENT uses a vehicle in providing its services, it shall carry or provide a Comprehensive Automobile Liability Insurance covering bodily injury and property damage, with a minimum comprehensive single limit liability of \$1,000,000.00.

For all construction activities, SUBRECIPIENT must carry a performance bond of a sufficient amount to ensure performance by any and all private contractors retained to perform activities pertaining to the Scope of Services of this Agreement. The specific amount of any bond shall be consistent with the Program Budget as defined in Exhibit "C."

The SUBRECIPIENT shall be required to maintain general liability insurance on the property as follows: bodily injury liability insurance in the amount of \$1,000,000.00 for the injury to or death of any one person, and \$2,000,000.00 for injuries to or the death of any number of persons in one occurrence, and property damage liability insurance in the amount of \$1,000,000.00.

The CITY shall be named as an additional insured in all policies of insurance obtained pursuant to this Agreement. The CITY shall be furnished evidence that the foregoing insurance coverage(s) are in effect, and the CITY shall be notified at least thirty (30) days prior to the cancellation or material change of any such coverage.

M. DISCLOSURE OF PRINCIPALS

Pursuant to Resolution R-105-99 adopted by the City Council effective October 1, 1999, Subrecipient warrants that it has disclosed, on the form attached hereto as Attachment 1, all principals, including, partners of Subrecipient, as well as all persons and entities

holding more than 1% interest in Subrecipient or any principal of Subrecipient. Throughout the term hereof, Subrecipient shall notify City in writing of any material change in the above disclosure within 15 days of any such change. Attachment 1.

N. CONTRACT REVISIONS

Changes in the Scope of Services as outlined herein must be in accordance with CDBG Program regulations, made by written amendment to this Agreement and approved by both the Subrecipient and the Mayor if funding amounts over \$24,999 are involved or by the Director of Neighborhood Services or the Director's designee if funding amounts of less than \$25,000 are involved. In addition, the Department Director is authorized to sign amendments, which revise the Agreement language without any funding impact. Any such changes must not jeopardize CDBG funding to the City.

M. GROUNDBREAKING/GRAND OPENING EVENTS

The Subrecipient agrees and understands that all costs incurred for groundbreaking and grand opening ceremonies will be the responsibility of the Subrecipient. In addition, the Subrecipient agrees to coordinate any ceremonial events concerning this project with the city of Las Vegas to include review and approval of the date selected, the invitations, the invitation list, the press release, and the programs. The City will be responsible for scheduling the event with any city-elected officials.

III. FEDERAL GENERAL CONDITIONS

A. RELIGIOUS ACTIVITIES

24 CFR 570.200(j)

As a general rule, in accordance with First Amendment Church/State Principles, CDBG assistance may not be used for religious activities or provided to primarily religious entities for any activities, including secular activities, except as cited at 24 CFR 570.200(J)(1)(2)(3).

B. POLITICAL ACTIVITIES

24 CFR 570.207

SUBRECIPIENT will comply with this section, which prohibits the use of CDBG funds to finance the use of facilities or equipment for political purposes or to engage in other partisan political activities, such as candidate forums, voter transportation, or voter registration.

HATCH ACT

CHAPTER 15, TITLE 5, U.S. CODE

SUBRECIPIENT further agrees that none of the personnel employed in the administration of the within defined Project shall be in any way or to any extent, engaged in the conduct of political activities in contravention of Chapter 15, Title 5, U.S. Code.

C. PROGRAM INCOME
24 CFR 570.500

SUBRECIPIENT agrees that program income, as defined in 24 CFR 570.500, includes, but is not limited to, the following:

1. Proceeds from the disposition by sale or long-term lease of real property purchased or improved with CDBG funds;
2. Proceeds from the disposition of equipment purchased with CDBG funds;
3. Gross income from the use or rental of real or personal property acquired by SUBRECIPIENT with CDBG funds, less costs incidental to generation of the income;
4. Gross income from the use or rental of real property, owned by SUBRECIPIENT, that was constructed or improved with CDBG funds, less costs incidental to generation of the income;
5. Payments of principal and interest on loans made using CDBG funds, except as provided in 24 CFR 570.500(a)(3); and
6. Interest earned on program income pending its disposition.

D. DISPOSITION OF PROGRAM INCOME
24 CFR 570.504

Program income shall be recorded separately and returned to the CITY for disposition. Upon approval by the CITY, SUBRECIPIENT may retain income from the Project provided that written notification is given to the Neighborhood Services Director and that the income is to be used for the exclusive benefit of the Program. Such income will be subject to guidelines for use of such income in accordance with HUD regulations.

E. APPLICABILITY OF UNIFORM ADMINISTRATIVE REQUIREMENTS
24 CFR 570.502

SUBRECIPIENT shall comply with the requirements and standards of OMB Circular A-122, "Cost Principles for Non-profit Organizations," or OMB Circular No. A-21, "Cost Principles for Educational Institutions," as applicable, and OMB Circular A-133, "Audits of Institutions of Higher Education and Other Non-profit Institutions."

F. OTHER PROGRAM REQUIREMENTS
24 CFR SUBPART K

SUBRECIPIENT shall carry out its activities in compliance with all Federal laws and regulations as described in 24 CFR 570.600--570.612, except that SUBRECIPIENT will not assume the CITY'S environmental responsibilities described at 24 CFR 570.604, nor

the CITY'S responsibility for initiating the review process under the provisions of 24 CFR Part 58.

1. GENERAL--24 CFR 570.600

SUBRECIPIENT agrees to comply with such laws and Program requirements as are applicable to grants made under section 106 of Title I of the Housing and Community Development Act of 1974.

2. TITLE VI OF THE CIVIL RIGHTS ACT OF 1964--24 CFR 570.601
FAIR HOUSING ACT--24 CFR 570.601
EXECUTIVE ORDER 11063--24 CFR 570.601

This Agreement is subject to the requirements of Title VI of the Civil Rights Act of 1964, P.L. 88-352; the Fair Housing Act; and Executive Order 11063, as amended by Executive Order 12259; and HUD regulations at 24 CFR Part 1, providing for non-discrimination on the grounds of race, color, creed, sex, familial status, disability, or national origin under any activity receiving Federal funds and also obligating SUBRECIPIENT to use Federally-funded property for the purpose for which the Federal funds were awarded.

3. SECTION 109 OF THE ACT--24 CFR 570.602
AGE DISCRIMINATION ACT of 1975--24 CFR 570.602(c)
SECTIONS 504 OF THE REHABILITATION ACT OF 1973
24 CFR 570.602(c)

This Agreement is subject to Section 109 of the Housing and Community Development Act of 1974, The Age Discrimination Act of 1975, and Section 504 of the Rehabilitation Act of 1973, which requires that no person in the United States shall, on the grounds of age, race, color, national origin, disability, or sex, be excluded from participation in, be denied the benefits of, or be subject to discrimination under any program or activity funded in whole or in part with Community Development Block Grant funds.

4. AFFORDABILITY PROVISIONS
24 CFR 570.208(a)(3)

Subrecipient acknowledges and understands that low and moderate-income households shall occupy all rehabilitation of permanent, residential structures, upon completion. For any rehabilitation of rental housing, occupancy by low and moderate-income households must be at affordable rents as determined by the City.

5. LABOR STANDARDS & DAVIS BACON ACT
24 CFR 570.603

Section 110(a) of the Act contains labor standards that apply to non-volunteer labor financed in whole or in part with assistance provided under

the Act. The Contract Work Hours and Safety Standards Act and Copeland Act also apply. Contractors or subcontractors on construction work shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended.

6. ENVIRONMENTAL STANDARDS
24 CFR 570.604

This Agreement is subject to the National Environmental Policy Act of 1969, as detailed in implementing regulations 24 CFR Part 58.

7. NATIONAL FLOOD INSURANCE PROGRAM
24 CFR 570.605

This Agreement is subject to the Flood Disaster Protection Act of 1973, and the regulations in 44 CFR Parts 59 through 79.

8. DISPLACEMENT, RELOCATION, ACQUISITION, AND ONE-FOR-ONE REPLACEMENT OF HOUSING
24 CFR 570.606

SUBRECIPIENT shall assure it has taken all reasonable steps to minimize the displacement of persons (families, individuals, businesses, non-profit organizations, and farms) as a result of activities pursuant to Part 570.606. Relocation of displaced persons shall be provided in conformance with the Uniform Relocation Assistance and Real Property Acquisition Act of 1970. In addition, Subrecipient understands and agrees that there must be a one-for-one replacement of any occupied or vacant, occupiable low or moderate income dwelling which is demolished or converted to another use in connection with a CDBG-funded activity.

9. EMPLOYMENT AND CONTRACTING OPPORTUNITIES
24 CFR 570.607

SUBRECIPIENT shall comply with Executive Order 11246, as amended by Executive Order 12086, which provides for Equal Employment Opportunity, and Section 3 of the Housing and Urban Development Act of 1968, with implementing regulations at 24 CFR Part 135. Section 3 requires that employment and other economic development opportunities arising in connection with housing rehabilitation, housing construction, or other public construction projects shall, to the greatest extent feasible, and consistent with existing Federal, State, and local laws and regulations, be given to low- and very low-income persons.

10. LEAD-BASED PAINT
24 CFR 570.608

This Agreement is subject to the regulations at 24 CFR Part 35, prohibiting the use of lead-based paint in residential structures constructed or rehabilitated with assistance provided pursuant to Part 570.608; notification of hazards of lead-based paint poisoning; and elimination of lead-based paint hazards.

11. USE OF DEBARRED, SUSPENDED, OR INELIGIBLE CONTRACTORS
OR SUBRECIPIENTS
24 CFR 570.609

This Agreement is subject to the requirements set forth in 24 CFR Part 5, in which is incorporated 24 CFR Part 24, which provides for the listing of debarred and suspended participants, participants declared ineligible, and participants who have voluntarily excluded themselves from participation in covered transactions pursuant to Part 24.

12. UNIFORM ADMINISTRATIVE REQUIREMENTS AND COST
PRINCIPLES
24 CFR 570.610

SUBRECIPIENT shall comply with the policies, guidelines, and requirements of 24 CFR Part 85 and OMB Circulars A-87, A-110, A-122, A-133, and A-128, as applicable, as they relate to the acceptance and use of Federal funds pursuant to Part 570.610. The applicable sections of 24 CFR Parts 84 and 85 are set forth at Part 570.502.

13. CONFLICT OF INTEREST
24 CFR 570.611

This Agreement is subject to the general rule that no person who is an employee, agent, consultant, officer, or elected official or appointed official of the CITY as Recipient, or of any designated public agencies, or of SUBRECIPIENT who exercise or have exercised any functions or responsibilities with respect to CDBG activities assisted pursuant to Part 570.611, or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from a CDBG-assisted activity, or have a financial interest in any contract, subcontract, or Agreement with respect to a CDBG-assisted activity, or with respect to the proceeds of the CDBG-assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one year thereafter.

14. LIMITED ENGLISH PROFICIENCY (LEP)

Executive order 12166 enacted August 11, 2000, mandates the federal government reduce language barriers to limited English proficiency (LEP) persons with regard to accessing federal benefits.

Recipients of HUD assistance including state and local governments, public housing authority assisted housing providers, profit and non-profit organizations and other entities receiving funds directly or indirectly from HUD are subject to executive order 12166 and title vi provisions as a condition of receiving federal funds.

Failure to ensure limited English persons (LEP) access to HUD benefits may violate title vi civil rights protections based upon national origin.

G. DRUG-FREE WORKPLACE

As a subrecipient of CDBG funds, and in connection with public services offered, the SUBRECIPIENT agrees that it shall comply with the provisions of the Drug-Free Workplace Act of 1988, 45 CFR Part 76, Subpart F, which requires that SUBRECIPIENT shall maintain a facility free from the illegal use, possession, or distribution of drugs or alcohol by its beneficiaries.

H. EXPIRATION OR REVOCATION OF AGREEMENT

Upon the expiration or revocation of this Agreement, SUBRECIPIENT shall transfer to CITY any CDBG funds on hand at the time of expiration or revocation and any accounts receivable attributable to the use of CDBG funds.

I. ANTI-LOBBYING

Section 319 of Public Law 101-121, of the Department of the Interior Appropriations Act, prohibits SUBRECIPIENT from using appropriated Federal funds for lobbying the Executive or Legislative Branches of the Federal Government in connection with a specific contract, grant, or loan, and requires that no Federal appropriated funds have been paid or will be paid, by or on behalf of SUBRECIPIENT to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

J. AMERICANS WITH DISABILITIES ACT

SUBRECIPIENT agrees to comply fully with any and all provisions of the Americans with Disabilities Act (hereinafter referred to as "ADA") as applicable to the SUBRECIPIENT and the activities to be performed by SUBRECIPIENT under the scope of this Agreement. If employing more than fifteen (15) employees, SUBRECIPIENT agrees to comply fully

with Title I of the "ADA" as set forth at 28 CFR Part 130. If providing "public accommodations" as defined by the Act in Section 301(7)(A)-(L), SUBRECIPIENT agrees to comply fully with Title III of the "ADA" as set forth at 28 CFR Part 36. If providing public transportation, SUBRECIPIENT agrees to comply fully with the federal regulations as set forth at 49 CFR Parts 37 and 38.

IV. FINANCIAL MANAGEMENT

A. AUDIT REQUIREMENTS

This Agreement is subject to other requirements of United State's Office of Management and Budget (OMB) Circular No. A-110 "Grants and Agreements with Institutions of Higher Education, Hospitals, and other Non-Profit Organizations" and its relevant attachments "A" through "O"; and Circular A-122, entitled "Cost Principles for Non-Profit Organizations."

This Agreement is also subject to an OMB A-133 Audit pursuant to the Single Audit Act. Effective December 31, 2004, the Office of Management and Budget requires that grant recipients who expend \$500,000 or more during a one year period in federal funds aggregate, conduct an A-133 audit.

In order to ensure Program compliance to the greatest extent feasible, the Neighborhood Services Department has established a policy, effective July 1, 1997, which requires a Subrecipient receiving annual federal funding of \$50,000 or more for two consecutive years to submit an audited financial statement. Such Subrecipient must submit the audited financial statement no later than six (6) months after the conclusion of the second program year of federal funding.

Please Note: Beginning July 1, 2005, the City will implement the following audit policy: Any agency that expends between \$200,000 - \$499,999 in federal funds will be required to have a CPA Audited Financial Statement. The funds expended may be from one or multiple federal sources. If allowable by program regulations, the City may only pay for the portion of the audit, which represents the percentage of City federal funds in the program budget. This policy will replace the policy above placed in effect on July 1, 1997.

All Subrecipients who fall under the requirements of OMB A-133 Auditing rules must submit a full and complete copy of such audits to the Neighborhood Services Department. It is the responsibility of the SUBRECIPIENT to ensure that audits are completed in a proper and timely manner. Failure to submit copies of the A-133 Audit will render the SUBRECIPIENT as non-compliant. This means that no funds may be drawn until the City of Las Vegas Neighborhood Services Department has received and reviewed the copy of the

audit. Please refer to the Public Services Program Subrecipient Manual as provided for further guidance on this matter.

B. RIGHT TO REVIEW AND AUDIT

1. The Subrecipient agrees to maintain financial records pertaining to all matters relative to this Agreement in accordance with standard accounting principles and procedures and to retain all records and supporting documentation applicable to the Agreement for a period of three years, except those records subject to audit findings have been resolved. In the event the Subrecipient goes out of existence, the Subrecipient shall turn over to the City all of its records relating to this Agreement to be retained by the City for the required period of time.
2. The Subrecipient agrees to permit the City or the City's designated representatives to inspect and audit its records and books relative to this Agreement at any time during normal business hours and under reasonable circumstances and to copy therefrom any information that the City desires concerning Subrecipient's operation hereunder. The Subrecipient further understands and agrees that said inspection and audit would be exercised upon written notice. If the Subrecipient or its records and books are not located within Clark County, Nevada, in the event of an inspection and audit, Subrecipient agrees to deliver the records or books or have the records or books delivered to the City or the City's designated representatives at an address within the City of Las Vegas as designated by the City. If the City or the City's designated representatives find that the records delivered by the Subrecipient are incomplete, the Subrecipient agrees to pay the City or the City representatives' costs to travel (including travel, lodging, meals, and other related expenses) to the Subrecipient's offices to inspect, audit, and retrieve the complete records. The Subrecipient further agrees to permit the City or the City's designated representatives to inspect and audit, as deemed necessary, all records of this project relating to finances, as well as other records including performance records that may be required by relevant directives of funding sources of the City.

C. DOCUMENTATION OF COSTS

All costs shall be recorded by budget line-items and be supported by properly executed payrolls, time records, invoices, contracts, or vouchers, or other official documentation evidencing in proper detail the nature and propriety of the charge. All checks, payrolls, invoices, contracts, and vouchers, orders or other accounting documents pertaining in whole or in part to the Agreements, shall be thoroughly identified and readily accessible.

D. FINANCIAL RECORD KEEPING

Financial records pertaining to all invoices, materials, payrolls, personnel records, and other data concerning matters related to this Agreement may be requested from SUBRECIPIENT

by duly authorized CITY representatives, CITY-contracted independent auditors, HUD and/or the Comptroller of the United States, or any combination thereof.

E. RECORDS

Program records shall be maintained in accordance with HUD and CITY requirements with respect to all matters covered by this Agreement. Such records shall be maintained for a period of five years after the term of this Agreement expires (effectively a fifteen year retention period).

F. PROGRAM BUDGET

Invoice expenditures eligible for payment by the CITY will be in accordance with the Project budget delineated in Exhibit "C" and subject to any conditions imposed in the Scope of Services, to include monthly or quarterly reports and narratives when seeking reimbursement from the City for Project costs. SUBRECIPIENT shall not make any changes in the Project budget unless permission is obtained in writing from the Neighborhood Services Department Director.

G. METHOD OF PAYMENT

The CITY shall reimburse valid invoices for approved Project budget expenditures identified in Exhibit "C" of this Agreement. Before paying such expenses, the CITY will review invoice expenditures to determine their consistency with the approved eligible expenditures, the scope of services, pursuant to this Agreement. The CITY reserves the right to refuse reimbursement for expenses, which are CDBG-ineligible or which are not within the scope of this Agreement. Monthly and quarterly reimbursement requests shall include reports and narratives as detailed in "Scope of Services" section of this Agreement.

H. UNEXPENDED FUNDS

In the event that CITY staff anticipates the total amount of funds allocated for this Agreement will not be expended in the time and manner prescribed in this Agreement, the CITY reserves the right to such unexpended portion for other Projects/programs operating under the CITY'S CDBG Program. An extension of a June 30, 2004 deadline may be authorized in writing by the CITY Neighborhood Services Director the Director's designee.

I. ACCOUNTING METHODS

Expenditures charged to CITY fiscal year 2004-2004 CDBG funds will be accounted separately from all other revenue sources. SUBRECIPIENT shall maintain these records.

J. REAL PROPERTY, NON-EXPENDABLE PERSONAL PROPERTY;
DEPRECIATION SCHEDULES, AND DISPOSITION OF PROPERTY

In accordance with the United States Office of Management and Budget (OMB) Circulars A-87, Cost Principles of State and Local Governments, and A-110, Grants and Agreements

with Institutions of Higher Education, Hospitals, and other Nonprofit Organizations, the following shall apply:

- 1) Non-expendable personal property will be defined as any property either tangible or intangible other than real property as defined herein, which has a unit acquisition cost of \$500 or more, and a useful life of more than one year.
- 2) Real property will be defined as land, including land improvements, structures and appurtenances thereto, but excluding movable machinery and equipment.
- 3) Non-expendable personal property shall be depreciated on a 5-year, straight-line schedule, as is the accounting standard used for the City of Las Vegas in its financial management. SUBRECIPIENT will be required to maintain property records for and report to the City during the 5-year depreciation period. If the property is disposed of prior to the 5-year depreciation period, the CITY shall provide the SUBRECIPIENT with disposition instructions upon request. If the property is disposed of for cash during this period, it constitutes Program Income, which must be reported in accordance with the Section III C. & D., Program Income, portion of this Agreement. Examples of non-expendable personal property are vehicles and computer equipment. If said property is a vehicle, the City shall be named as a lienholder on the title.
- 4) When non-expendable personal property has been fully depreciated in accordance with the CITY'S 5-year straight-line schedule, and the property is disposed of for cash, the SUBRECIPIENT may retain such funds provided that SUBRECIPIENT notifies the CITY in writing and that SUBRECIPIENT uses such funds for the exclusive benefit of the Program.
- 5) Pursuant to 24 CFR Part 570.503, the SUBRECIPIENT must transfer upon expiration of the term of this Agreement any CDBG funds on hand at the time of expiration and any accounts receivable attributable to the use of CDBG funds provided pursuant to this Agreement. In addition, any real property as described above either acquired or improved in whole or in part, in excess of \$25,000, shall be used to meet one of the national objectives pursuant to Part 570.208 until five (5) years after expiration of this Agreement, or for such longer period of time as deemed appropriate by the CITY. If not used as such, SUBRECIPIENT must dispose of such real property in a manner that results in the reimbursement of CDBG funds for the amount of the current fair market value of the property less any portion of the value attributable to expenditures of non-CDBG funds for acquisition of or improvement to the property. This reversion of assets will not be required after such period of time deemed appropriate by the CITY.

V. MODIFICATION OR TERMINATION OF AGREEMENT

A. AMENDMENT OR REVISION REQUIRED BY HUD

SUBRECIPIENT and the CITY hereby agree to amend or otherwise revise this Agreement should HUD and/or any applicable federal statutes or regulations require such modification.

B. TERMINATION

If SUBRECIPIENT fails to fulfill in a timely and proper manner its obligation under this Agreement or shall violate any of the covenants, agreements or stipulations of this Agreement, the CITY shall thereupon have the right to suspend or terminate this Agreement and specify the effective date thereof in accordance with 24 CFR 85.43. Such notice shall be given no less than ten (10) days before the effective date of such termination and sent to SUBRECIPIENT at P.O. Box 50285, Henderson, NV 89016.

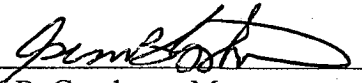
C. PROVISIONS REQUIRED BY LAW DEEMED INSERTED

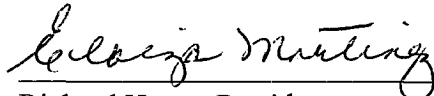
Each and every provision of law and clause required by law to be inserted in this Agreement will be deemed to be inserted herein, and this Agreement shall be read and enforced as though it were included herein and if through mistake or otherwise any such provisions not inserted, or is not correctly inserted, then upon the application of either party this Agreement shall forthwith be physically amended to make such insertion.

IN WITNESS WHEREOF, the parties hereto have entered this Agreement the day and year first above written.

CITY OF LAS VEGAS

Golden Rule, Inc.


Oscar B. Goodman, Mayor


Richard Henry, President
ELOIZA MARTINEZ 

ATTEST:

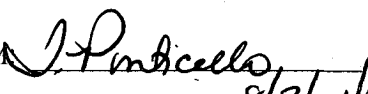
ATTEST:


Barbara Jo Ronemus, City Clerk

By: _____

COUNCIL ACTION: MARCH 17, 2004

APPROVED AS TO FORM


8/3/04

ACCEPTANCE OF DEFERRED LOAN AND AGREEMENT TO
COMPLY WITH DEFERRED LOAN CONDITIONS

I, Richard Henry, President, Golden Rule, Inc., a non-profit corporation, on behalf of that corporation, do hereby accept the deferred loan in the amount of \$125,000 and the conditions imposed upon that loan contained in the Community Development Block Grant (CDBG) Agreement to Loan CDBG Program Funds to Golden Rule, Inc. approved by the City Council of the City of Las Vegas, Nevada on the 17th day of March 2004, a copy of which is attached hereto and incorporated herein.

Executed this 21 day of March, 2005.

Golden Rule, Inc.

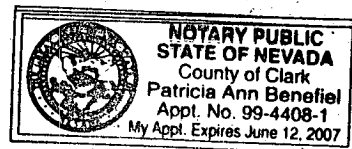
By: Eloiza Martiny
Richard Henry, President con
Eloiza Martiny

State of Nevada)

County of Clark)

On this 21 day of MARCH, 2005, before me, the undersigned, a Notary Public in and for said County and State, personally appeared Richard Henry, President, known to me to be the person described in and who executed the foregoing instrument, who acknowledged to me that he executed the same freely and voluntary and for the uses and purposes therein mentioned.

Patricia Ann Benefiel
Notary Public



ORDER NO. _____

EXHIBIT "A"

SHORT FORM DEED OF TRUST

THIS DEED OF TRUST, made this ____ day of _____, 2004 between Golden Rule, Inc., whose principal office is located at P.O. Box 50285, Henderson, NV 89016, herein called TRUSTOR, and the City of Las Vegas, a municipal corporation duly organized in the State of Nevada, whose principal office is located at 400 E. Stewart, Las Vegas, NV, 89101, Attention: Neighborhood Services Department, herein called TRUSTEE and BENEFICIARY.

WITNESSETH: Whereas Trustor has received a deferred loan in the amount of \$125,000 from Beneficiary and has agreed to faithfully perform certain obligations and repay the deferred loan monies in accordance with the Community Development Block Grant of even date between Trustor and Beneficiary ("Agreement");

NOW THEREFORE, for the purpose of securing each agreement of the Trustor herein and therein contained and in the Agreement, Trustor IRREVOCABLY GRANTS, TRANSFERS AND ASSIGNS to Trustee in trust, WITH POWER OF SALE, that certain property located in the City of Las Vegas, Clark County, State of Nevada described as:

See Exhibit "B" attached hereto and by this reference is made a part hereof.

To protect the security of this Deed of Trust, Trustor shall abide by the terms of the Agreement executed; Trustor agrees to acquire, dispose of, construct, reconstruct, or install public facilities and make improvements to either benefit primarily low- and moderate-income persons; aid in the prevention or elimination of slum or blight; or to meet Community Development needs having a particular urgency; Trustor agrees to maintain and operate the above-described property as a drug-free environment; Trustor agrees to abide by any and all applicable CDBG program rules and regulations as provided by 24 CFR Part 570; Trustor agrees to transfer title of property to Beneficiary if Trustor, after proper notice and due process, is found to be in violation of its Agreement with Beneficiary; and

Notwithstanding the rights of Beneficiary to the Property under this Deed of Trust, Trustor agrees to repay to the Beneficiary \$125,000 in CDBG program funds if the Property acquired by Trustor ceases to meet a national objective in accordance with 24CFR570.208, pursuant to its Agreement with Beneficiary, or if Trustor loses through foreclosure, sale, or other circumstances legal possession of the Property; and

All of the agreements and/or acknowledgments of the Trustee set forth in this Short Form Deed of Trust also constitute agreements or acknowledgments of the City of Las Vegas in its capacity as Beneficiary. The Trustee and Beneficiary agree that the Beneficiary and Trustee under the First Deed of Trust and their respective successors and assigns, including, without limitation, any purchaser, at a trustee's sale under the First Deed of Trust and the heirs, personal representatives, successors and assigns of any such purchaser, shall not be bound by or obligated

to perform any of the obligations of the Trustor under this Deed of Trust or under the Agreement referred to herein.

Notwithstanding the rights of Beneficiary to the Property under this Deed of Trust, Trustor agrees to repay to the Beneficiary \$125,000 in CDBG program funds if the Property, or any portion thereof, is subleased without prior written approval of Beneficiary or through foreclosure, sale, or other circumstances Trustor loses legal possession of the Property; and

So long as the Subrecipient/Trustor shall well and truly perform its obligations to the City of Las Vegas under the Agreement, the obligations of the Subrecipient/Trustor will terminate on the tenth anniversary of the date of final disbursement of funds to the Subrecipient/Trustor; and thereafter the Trustee under the Deed of Trust, its successors and assigns, on request by the Trustor, or assigns, shall reconvey to the Trustor, or assigns, all the estate in the premises described in the "Request for Notice" hereto conveyed to the Trustee by the Trustor under the Deed of Trust. The funds will remain recapturable upon sale or transfer of title.

TRUSTEE acknowledges that the Property is or will be encumbered by a deed of trust (the First Deed of Trust), which will be recorded in the Official Records of Clark County, Nevada prior to recordation of this Security Instrument. TRUSTEE acknowledges and agrees that this Security Instrument and all rights of TRUSTEE hereunder are and will be subject and subordinate to the lien of the First Deed of Trust and to all rights and remedies of the BENEFICIARY and TRUSTEE under the First Deed of Trust and its successors and assigns, including, without limitation, any purchaser at a trustee's sale under the First Deed of Trust and the heirs, personal representatives, successors and assigns of such purchaser, shall not be bound by or obligated to perform any of the obligations of the Purchaser under this Security Instrument. This Security Instrument will not be subject or subordinate to any replacement of the First Deed of Trust, occurring as a result of any prepayment, refinancing, sale or other transaction.

Trustor also agrees and acknowledges that a Request for Notice, the form of which is attached hereto shall be recorded upon the recordation of this Deed of Trust and the Agreement secured hereby.

By execution and delivery of this Deed of Trust and the Agreement secured hereby, Trustor agrees that Covenants Nos. 1, 2, 3, 4, 5, 6, 7, 8 and 9 of NRS 107.030 are adopted and incorporated herein and made a part hereof as though set forth herein, that Trustor will observe and perform said provisions, and that the references to property, obligations and parties in said provisions shall be construed to refer to the property, obligations, and parties set forth in this Deed of Trust.

The undersigned TRUSTOR requests that a copy of any Notice of Default, any Notice of Sale, and or any Notice of Lien hereunder be mailed to the address hereinabove set forth.

TRUSTOR:

Golden Rule, Inc., a Nevada non-profit corporation

BY: _____

Richard Henry, President

State of Nevada)

County of Clark)

On this _____ day of _____, 2004, before me, the undersigned, a Notary Public in and for said county and State, personally appeared Richard Henry, President, known to me to be the person described in and who executed the foregoing instrument, who acknowledged to me that he executed the same freely and voluntary and for the uses and purposes therein mentioned.

Notary Public

WHEN RECORDED MAIL TO:

Rodney L. Lister
Neighborhood Services Department,
City of Las Vegas
400 East Stewart Avenue
Las Vegas, NV 89101

MAIL TAX BILL TO:

Richard Henry
Golden Rule, Inc.
2415 Doherty Way
Henderson, NV 89014

EXHIBIT "B"

LEGAL DESCRIPTION

APN 139-25-301-001

That portion of the Northwest Quarter (NW $\frac{1}{4}$) of the Southwest Quarter (SW $\frac{1}{4}$) of Section 25, Township 20 South, Range 61 East, M.D.M., described as follows:

Parcel 1 as shown by map thereof in File 24 of Parcel Maps, Page 42, and Parcel 2A as shown by map thereof in File 26 of Parcel Maps, Page 68, in the Office of the County Recorder, Clark County, Nevada.

Together with those portions vacated by that certain Order of Vacation recorded April 9, 1979 in Book 1036 as Document No. 995696 of Official Records.

EXHIBIT "C"
PROGRAM BUDGET

Organization: Golden Rule, Inc.
Project: Pre school construction and on/off site preparation
Program: Community Development Block Grant, Fiscal Year 2004-2005

Program Budget*

Account	Description	Amount Authorized
992100	Rehab/Improvements	\$ 125,000
Total Amount		\$ 125,000

*NOTE: Detailed construction budget to be submitted within 30 days of contract execution.

EXHIBIT "D"

CDBG MONTHLY REPORTS

Clients Served & Program Goals Met This Month

Neighborhood Services Department
Neighborhood Development Division
400 Stewart, 2nd Floor
Las Vegas, NV 89101

RE: Project: _____

Represents Month _____

HUD has created new race categories. In addition, HUD requires that the Hispanic ethnicity be counted either for every race sub category as applicable or as simply Hispanic.

*Hispanic must be counted for each category as appropriate and totaled in column C. Example: White column may have 25 clients, 4 of which are also Hispanic. The White column would have 25 and the Hispanic column would have 4, the total clients would still be 25, do not add the two columns together. There may be other categories that also have Hispanic clients. Therefore, column (C) would have the total Hispanic count for all mixed categories and a final total for mixed clients at the bottom of the column. The Hispanic total for clients claiming a straight Hispanic race and ethnicity must also be counted. This is a separate category and has its own row for monthly and year to date totals. The Year to Date Columns should reflect the numbers for each monthly column of clients served to date.

A	B	C	D	E
Race Category	Monthly Client Total	Monthly Hispanic Total*	Year To Date Client Total	Year to Date Hispanic Total
White				
Black/African American				
Asian				
American Indian/Alaskan				
Native Hawaiian/Other Pac. Islander				
American Indian Alaskan Native & White				
Asian & White				
Black & White				
American Indian/Alaskan Native & Black				
Other Multi Racial				
Asian/Pacific Islander				

Hispanic				
TOTAL All Categories				
Female				
Male				
Female Head of Household				

ATTACHMENT 1

DISCLOSURE OF PRINCIPALS

The principals and partners of *Golden Rule, Inc.* and all persons and entities holding more than 1% interest in Golden Rule, Inc. or any principal of *Golden Rule, Inc.* are the following:

FULL NAME	BUSINESS ADDRESS	BUSINESS PHONE

1. <u>None</u>		
2. _____		
3. _____		
4. _____		
5. _____		
6. _____		

Continue list until full and complete disclosure is made.

I certify under penalty of perjury, that the foregoing list is full and complete.

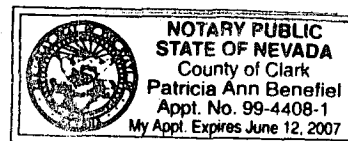
Golden Rule, Inc.

By: Elizabeth Martinez
Title: President

Subscribed and sworn to before me this

21 day of MARCH, 2005

Patricia Ann Benefiel
Notary Public



COMMUNITY DEVELOPMENT BLOCK GRANT AGREEMENT
between the City of Las Vegas and
James Seastrand Helping Hands of North Las Vegas, Incorporated

THIS AGREEMENT, made and entered into this 11 day of MARCH, 2004 by and between the CITY OF LAS VEGAS, a municipal corporation of the State of Nevada, hereinafter referred to as "City", and James Seastrand Helping Hands of North Las Vegas, Incorporated, a Nevada non-profit corporation hereinafter referred to as "Subrecipient," whose primary mailing address at the date of execution is 2225 Civic Center Drive, Suite 240B, North Las Vegas, NV 89030, with City and Subrecipient sometimes being referred to collectively as "Parties."

WITNESSETH

WHEREAS, the City has entered into a Grant Agreement with the U.S. Department of Housing and Urban Development for participation in the Community Development Block Grant, hereinafter referred to as "CDBG," program under Title I of the Housing and Community Development Act of 1974, P.L. 93-383 as amended; and

WHEREAS, the City is responsible for planning, administering, implementing, and evaluating the CDBG program to ensure that it conforms to the HUD-approved Consolidated Plan for the City; and

WHEREAS, City as Grantee wishes to engage Subrecipient to assist the City in utilizing such funds by providing services to meet one (or more) of the CDBG Program's three broad National Objectives (defined in 24 CFR Part 570.208) as follows:

1. To benefit low- and moderate-income persons,
2. To aid in the prevention or elimination of slum or blight,
3. To meet Community Development needs having a particular urgency;

NOW, THEREFORE, it is agreed between the Parties hereto that;

I. SCOPE OF SERVICE

A. ACTIVITIES

Subrecipient will be responsible for administering a FY2004-2005 CDBG-funded Program known as **Home Maintenance and Repair** that provides activities eligible under the Community Development Block Grant Program as cited in the Scope of Work, Exhibit "A", hereinafter referred to as "Program" or "Project." It is expressly agreed and understood that the total amount to be provided by the City under this Agreement shall not exceed **\$7,000.00** in CDBG funds, hereinafter "CDBG Funds" or "Funds" to be allocated in accordance with the Program Budget as detailed in Exhibit "B," attached.

Subrecipient hereby agrees to utilize said CDBG Funds made available pursuant to this Agreement to supplement rather than supplant funds otherwise available.

B. PROGRAM DESCRIPTION

Subrecipient shall contract with technical assistance providers to produce the services more fully described in the Scope of Work, attached hereto as Exhibit "A". City and Subrecipient agree and acknowledge that such Scope of Work may be altered subject to both Parties' consent in writing. The services performed by the Subrecipient shall benefit primarily low and moderate income households, subject to the Income Guidelines attached hereto as Exhibit "C".

C. TIME OF PERFORMANCE

This Agreement provides for CDBG funding of Subrecipient program rendered in accordance with this Agreement from July 1, 2004 through June 30, 2005, inclusive. The City shall bear no liability to fund or provide payment for Subrecipient program services in the event that no CDBG Funds are received during fiscal year 2004-2005. Furthermore, the City shall be liable only for payment proportional to the extent that CDBG Funds are received by the City. Subrecipient program expenses incurred after July 1, 2004, but prior to execution of this Agreement may be reimbursed upon approval of the City and contingent upon Subrecipient's conformance with 24 CFR 570.200(h)(1)(i-vi).

II. CITY GENERAL CONDITIONS

A. COMPLIANCE WITH OTHER APPLICABLE STATUTES AND REGULATIONS

Subrecipient shall obtain any and all Federal, State, and local permits and licenses required to execute the Project or Program as described in the Agreement's Scope of Services. Subrecipient further agrees to abide by all applicable Federal, State, and Local codes, regulations, statutes, ordinances, and laws.

B. SUBRECIPIENT RETAINS EXCLUSIVE RIGHT OF PERFORMING SERVICES

Subrecipient has requested financial support of the City to enable Subrecipient to provide the services contemplated herein. The City shall have no relationship whatsoever with the services contemplated herein except with the provision of financial support and the receipt of Reports as provided herein. In any and all events, the services contemplated herein shall be rendered at the time, in the manner and under circumstances determined solely and exclusively by Subrecipient, subject only to review by the City of Las Vegas, Neighborhood Services Department Director or other designee of the Neighborhood Services Director, to assure continuing eligibility for CDBG funding.

C. CLIENT DATA

SUBRECIPIENT will be required to collect for and provide to the CITY program accomplishments and usage records beginning July 1, 2004 or the date first written above, until June 30, 2005, unless this Agreement is modified at the express consent of the CITY and SUBRECIPIENT. SUBRECIPIENT shall submit, on a monthly basis, and on occasion upon request of the CITY, a Progress Status Report that shall provide program statistics and a narrative to demonstrate compliance with national objectives as stated above. Failure to submit said reports in a timely manner may delay reimbursement to SUBRECIPIENT for grant-eligible program expenses. Records and reports shall contain, but not be limited to, the following data:

- 1) Total unduplicated (new) clients served including: ethnic breakdown, number and percentage of low and moderate-income clients served and female heads-of-households served. Exhibit "D"
- 2) Overall number of clients served within the City of Las Vegas corporate limits. New clients plus old for the program year.
- 3) Statement of program year goals cited in SUBRECIPIENT application and measurable accomplishments toward achieving goals through reporting date of said report.

These reports shall be forwarded to the City of Las Vegas Neighborhood Services Department, ATTN: Neighborhood Development Division. CITY will monitor the performance of SUBRECIPIENT against goals and performance standards required herein. Substandard performance as determined by CITY will constitute non-compliance with this Agreement.

If action to correct such substandard performance is not taken by SUBRECIPIENT within a Reasonable period of time after being notified by CITY, contract suspension or termination Procedures will be initiated.

D. INDEMNIFICATION

Subrecipient agrees to protect, defend, indemnify and save harmless the City from and against any and all liability, damages, claims, suits, liens, and judgments of whatever nature, including but not limited to, claims for contribution and/or indemnification for injuries to or death of any person or persons, caused by, in connection with, or arising out of any activities undertaken pursuant to this Agreement. Subrecipient's obligation to protect, defend, indemnify, and save harmless as set forth in this paragraph, shall include reasonable attorneys' fees incurred by the City in the defense and/or handling of said suits, demands, judgments, liens, claims and the like and reasonable attorneys' fees and reasonable investigation expenses incurred by the City in enforcing and/or obtaining compliance with the provisions of this paragraph.

E. ON-SITE MONITORING

The City shall reserve the right to inspect all work products delivered to Subrecipient for said Project. In the event that Subrecipient fails to provide City with work products requested by City, City shall reserve the right to withhold payment until Subrecipient delivers such product to the satisfaction of the City.

Projects and Programs funded under this Agreement will be subject to on-site monitoring by duly authorized City representatives, City-contracted independent auditors, HUD and/or the Comptroller of the United States, or any combination thereof. Said representatives will be announced, at a minimum, 24 hours in advance of such visits which shall occur during normal operating hours. The representatives shall be granted access to any and all records pertaining to said Program.

F. RIGHT TO REVIEW AND AUDIT

The Subrecipient agrees to maintain financial records pertaining to all matters relative to this Agreement in accordance with standard accounting principles and procedures and to retain all records and supporting documentation applicable to this Agreement for a period of three years, except those records subject to audit findings shall be retained for three years after such findings have been resolved. In the event the Subrecipient goes out of existence, the Subrecipient shall turn over to the City all of its records relating to this Agreement to be retained by the City for the required period of time.

The Subrecipient agrees to permit the City or the City's designated representatives to inspect and audit its records and books relative to this Agreement at any time during normal business hours and under reasonable circumstances and to copy therefrom any information that the City desires concerning Subrecipient's operation hereunder. The Subrecipient further understands and agrees that said inspection and audit would be exercised upon written notice. If the Subrecipient or its records or books are not located within Clark County, Nevada, in the event of an inspection and audit, Subrecipient agrees to deliver the records or books or have the records or books delivered to the City or the City's designated representatives at an address within the City of Las Vegas as designated by the City. If the City or the City's designated representatives find that the records delivered by the Subrecipient are incomplete, the Subrecipient agrees to pay the City or the city's designated representatives' costs to travel (including travel, lodging, meals and other related expenses) to the Subrecipient's offices to inspect, audit and retrieve the complete records. The Subrecipient further agrees to permit the City or the City's designated representatives to inspect and audit, as deemed necessary, all records of this project relating to finances, as well as other records including performance records that may be required by relevant directives of funding sources of the City.

G. INSURANCE

If Subrecipient uses a vehicle in providing its services, it shall carry or provide a Comprehensive Automobile Liability Insurance covering bodily injury and property damage, with a minimum comprehensive single limit liability of \$1,000,000.00.

The City shall be named as an additional insured in all policies of insurance obtained for the Program, including, but not limited to, comprehensive general liability, bodily injury liability insurance in the amount of \$1,000,000.00 for the injury to or death of any one person, and \$2,000,000.00 for injuries to or the death of any number of persons in one occurrence, and property damage liability insurance in the amount of \$1,000,000.00. Subrecipient will notify the City at least thirty (30) days prior to the date on which any cancellation or material change of any such coverage is to become effective.

H. LIMIT ON ASSIGNMENT OF INTEREST

Subrecipient may not assign any part of its rights in this Agreement without consent of City. Any such assignment of rights without consent of City shall result in the forfeiture of all compensation, or any part thereof, as determined by City.

- I.** Subrecipient shall provide the City of Las Vegas Neighborhood Services Department with a monthly activity report in a format approved by the Neighborhood Services Department.

III. FEDERAL GENERAL CONDITIONS

A. RELIGIOUS ACTIVITIES

24 CFR 570.200(j)

As a general rule, in accordance with First Amendment Church/State Principles, CDBG assistance may not be used for religious activities or provided to primarily religious entities for any activities, including secular activities, except as cited at 24 CFR 570.200(J)(1)(2)(3).

B. POLITICAL ACTIVITIES

24 CFR 570.207

Subrecipient will comply with this section, which prohibits the use of CDBG funds to finance the use of facilities or equipment for political purposes or to engage in other partisan political activities, such as candidate forums, voter transportation, or voter registration.

HATCH ACT
CHAPTER 15, TITLE 5, U.S. CODE

Subrecipient further agrees that none of the personnel employed in the administration of the within defined Project shall be in any way or to any extent, engaged in the conduct of political activities in contravention of Chapter 15, Title 5, U.S. Code.

C. PROGRAM INCOME
24 CFR 570.500

Subrecipient agrees that program income, as defined in 24 CFR 570.500, includes, but is not limited to, the following:

1. Proceeds from the disposition by sale or long-term lease of real property purchased or improved with CDBG funds;
2. Proceeds from the disposition of equipment purchased with CDBG funds;
3. Gross income from the use or rental of real or personal property acquired by Subrecipient with CDBG funds, less costs incidental to generation of the income;
4. Gross income from the use or rental of real property, owned by Subrecipient, that was constructed or improved with CDBG funds, less costs incidental to generation of the income;
5. Payments of principal and interest on loans made using CDBG funds, except as provided in 24 CFR 570.500(a)(3); and
6. Interest earned on program income pending its disposition.

D. DISPOSITION OF PROGRAM INCOME
24 CFR 570.504

Program income shall be recorded separately and returned to the City for disposition. Upon approval by the City, income from the Project may be retained by Subrecipient provided that written notification is given to the Neighborhood Services Director and that the income is to be used for the exclusive benefit of the Program. Such income will be subject to guidelines for use of such income in accordance with HUD regulations.

E. APPLICABILITY OF UNIFORM ADMINISTRATIVE REQUIREMENTS
24 CFR 570.502

Subrecipient shall comply with the requirements and standards of OMB Circular A-122, "Cost Principles for Non-profit Organizations," or OMB Circular No. A-21, "Cost Principles for Educational Institutions," as applicable, and OMB Circular A-133, "Audits of Institutions of Higher Education and Other Non-profit Institutions."

F. OTHER PROGRAM REQUIREMENTS
24 CFR SUBPART K

Subrecipient shall carry out its activities in compliance with all Federal laws and regulations as described in 24 CFR 570.600--570.612, except that Subrecipient will not assume the City's environmental responsibilities described at 24 CFR 570.604, nor the City's responsibility for initiating the review process under the provisions of 24 CFR Part 58.

1. GENERAL--24 CFR 570.600

Subrecipient agrees to comply with such laws and Program requirements as are applicable to grants made under section 106 of Title I of the Housing and Community Development Act of 1974.

2. TITLE VI OF THE CIVIL RIGHTS ACT OF 1964--24 CFR 570.601
FAIR HOUSING ACT--24 CFR 570.601
EXECUTIVE ORDER 11063--24 CFR 570.601

This Agreement is subject to the requirements of Title VI of the Civil Rights Act of 1964, P.L. 88-352; the Fair Housing Act; and Executive Order 11063, as amended by Executive Order 12259; and HUD regulations at 24 CFR Part 1, providing for non-discrimination on the grounds of race, color, creed, sex, familial status, disability, or national origin under any activity receiving Federal funds and also obligating Subrecipient to use Federally-funded property for the purpose for which the Federal funds were awarded.

3. SECTION 109 OF THE ACT--24 CFR 570.602
AGE DISCRIMINATION ACT of 1975--24 CFR 570.602(c)
SECTION 504 OF THE REHABILITATION ACT OF 1973
24 CFR 570.602(c)

This Agreement is subject to Section 109 of the Housing and Community Development Act of 1974, The Age Discrimination Act of 1975, and Section 504 of the Rehabilitation Act of 1973, which requires that no person in the United States shall, on the grounds of age, race, color, national origin, disability, or sex, be excluded from participation in, be denied the benefits of, or be subject to discrimination under any program or activity funded in whole or in part with Community Development Block Grant funds.

4. LABOR STANDARDS & DAVIS BACON ACT
24 CFR 570.603

Section 110(a) of the Act contains labor standards that apply to nonvolunteer labor financed in whole or in part with assistance provided under the Act. The Contract Work Hours and Safety Standards Act also applies. Contractors or subcontractors on construction work shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended.

5. ENVIRONMENTAL STANDARDS
24 CFR 570.604

This Agreement is subject to the National Environmental Policy Act of 1969, as detailed in implementing regulations 24 CFR Part 58.

6. NATIONAL FLOOD INSURANCE PROGRAM
24 CFR 570.605

This Agreement is subject to the Flood Disaster Protection Act of 1973, and the regulations in 44 CFR Parts 59 through 79.

7. DISPLACEMENT, RELOCATION, ACQUISITION, AND REPLACEMENT OF HOUSING
24 CFR 570.606

Subrecipient shall assure that they have taken all reasonable steps to minimize the displacement of persons (families, individuals, businesses, non-profit organizations, and farms) as a result of activities pursuant to Part 570.606. Relocation of displaced persons shall be provided in conformance with the Uniform Relocation Assistance and Real Property Acquisition Act of 1970.

8. EMPLOYMENT AND CONTRACTING OPPORTUNITIES
24 CFR 570.607

Subrecipient shall comply with Executive Order 11246, as amended by Executive Order 12086, which provides for Equal Employment Opportunity, and Section 3 of the Housing and Urban Development Act of 1968, with implementing regulations at 24 CFR Part 135. Section 3 requires that employment and other economic development opportunities arising in connection with housing rehabilitation, housing construction, or other public construction projects shall, to the greatest extent feasible, and consistent with existing Federal, State, and local laws and regulations, be given to low income and moderate income persons.

9. LEAD-BASED PAINT
24 CFR 570.608

This Agreement is subject to the regulations at 24 CFR Part 35, prohibiting the use of lead-based paint in residential structures constructed or rehabilitated with assistance provided pursuant to Part 570.608; notification of hazards of lead-based paint poisoning; and elimination of lead-based paint hazards.

10. USE OF DEBARRED, SUSPENDED, OR INELIGIBLE CONTRACTORS OR SUBRECIPIENTS
24 CFR 570.609

This Agreement is subject to the requirements set forth in 24 CFR Part 5, in which is incorporated 24 CFR Part 24, which provides for the listing of debarred and suspended participants, participants declared ineligible, and participants who have voluntarily excluded themselves from participation in covered transactions pursuant to Part 24.

11. UNIFORM ADMINISTRATIVE REQUIREMENTS AND COST PRINCIPLES
24 CFR 570.610

Subrecipient shall comply with the policies, guidelines, and requirements of 24 CFR Part 85 and OMB Circulars A-87, A-110, A-122, A-133, and A-128, as applicable, as they relate to the acceptance and use of Federal funds pursuant to Part 570.610. The applicable sections of 24 CFR Parts 84 and 85 are set forth at Part 570.502.

12. CONFLICT OF INTEREST
24 CFR 570.611

This Agreement is subject to the general rule that no person who is an employee, agent, consultant, officer, or elected official or appointed official of the City as Recipient, or of any designated public agencies, or of Subrecipient who exercise or have exercised any functions or responsibilities with respect to CDBG activities assisted pursuant to Part 570.611, or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from a CDBG-assisted activity, or have a financial interest in any contract, subcontract, or Agreement with respect to a CDBG-assisted activity, or with respect to the proceeds of the CDBG-assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one year thereafter.

G. DRUG-FREE WORKPLACE

As a Subrecipient of CDBG funds, and in connection with public services offered, the Subrecipient agrees that it shall comply with the provisions of the Drug-Free Workplace Act of 1988, 45 CFR Part 76, Subpart F, which requires that Subrecipient shall maintain a facility free from the illegal use, possession, or distribution of drugs or alcohol by its beneficiaries.

H. EXPIRATION OR REVOCATION OF AGREEMENT

Pursuant to 24 CFR Part 570.503, the Subrecipient must transfer to the City, upon expiration or revocation of this Agreement, any CDBG funds on hand and any accounts receivable attributable to the use of CDBG funds provided pursuant to this Agreement.

I. ANTI-LOBBYING

Section 319 of Public Law 101-121, of the Department of the Interior Appropriations Act, prohibits Subrecipient from using appropriated Federal funds for lobbying the Executive or Legislative Branches of the Federal Government in connection with a specific contract, grant, or loan, and requires that no Federal appropriated funds have been paid or will be paid, by or on behalf of Subrecipient to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

J. AMERICANS WITH DISABILITIES ACT

Subrecipient agrees to comply fully with any and all provisions of the Americans with Disabilities Act (hereinafter referred to as "ADA") as applicable to the Subrecipient and the activities to be performed by Subrecipient under the scope of this Agreement. If employing more than fifteen (15) employees, Subrecipient agrees to comply fully with Title I of the "ADA" as set forth at 28 CFR Part 130. If providing "public accommodations" as defined by the Act in Section 301(7)(A)-(L), Subrecipient agrees to comply fully with Title III of the "ADA" as set forth at 28 CFR Part 36. If providing public transportation, Subrecipient agrees to comply fully with the federal regulations as set forth at 49 CFR Parts 37 and 38.

IV. FINANCIAL MANAGEMENT

A. AUDIT REQUIREMENTS

This Agreement is subject to other requirements of United State's Office of Management and Budget (OMB) Circular No. A-110 "Grants and Agreements with Institutions of Higher Education, Hospitals, and other Non-Profit Organizations" and its relevant

attachments "A" through "O"; and Circular A-122, entitled "Cost Principles for Non-Profit Organizations."

This Agreement is also subject to an OMB A-133 Audit pursuant to the Single Audit Act. Prior to December 31, 2003, the A-133 was applicable to grant recipients who had expended \$300,000 per year in federal funds for two consecutive years. Effective December 31, 2003, the Office of Management and Budget requires that grant recipients who expend over \$500,000 in any federal grant funds in the fiscal year received must conduct an A-133 audit. In order to ensure Program compliance to the greatest extent feasible, the Neighborhood Services Department has established a policy, effective July 1, 1997, which requires a Subrecipient receiving annual federal funding of \$50,000 or more for two consecutive years to submit an audited financial statement. Such Subrecipient must submit the audited financial statement no later than six (6) months after the conclusion of the second program year of federal funding.

B. DOCUMENTATION OF COSTS

All costs shall be recorded by budget line-items and be supported by properly executed payrolls, time records, invoices, contracts, or vouchers, or other official documentation evidencing in proper detail the nature and propriety of the charge. All checks, payrolls, invoices, contracts, and vouchers, orders or other accounting documents pertaining in whole or in part to the Agreements, shall be thoroughly identified and readily accessible.

C. FINANCIAL RECORDKEEPING

Financial records pertaining to all invoices, materials, payrolls, personnel records, and other data concerning matters related to this Agreement may be requested from Subrecipient by duly authorized City representatives, City-contracted independent auditors, HUD and/or the Comptroller of the United States, or any combination thereof.

D. RECORDS

Program records shall be maintained in accordance with HUD and City requirements with respect to all matters covered by this Agreement. Such records shall be maintained for a period of four years after the term of this Agreement expires (effectively a five year retention period).

E. PROGRAM BUDGET

Invoice expenditures eligible for payment by the City will be in accordance with the Project budget delineated in Exhibit "B" and subject to any conditions imposed in the Scope of Services, to include monthly or quarterly reports and narratives when seeking reimbursement from the City for Project costs. Subrecipient shall not make any changes in the Project budget unless permission is obtained in writing from the City.

F. METHOD OF PAYMENT

The City shall reimburse valid invoices for approved Project Budget expenditures identified in Exhibit "B" of this Agreement. Before paying such expenses, the City will review invoice expenditures to determine their consistency with the approved eligible expenditures, the scope of services, pursuant to this Agreement. The City reserves the right to refuse reimbursement for expenses which are CDBG-ineligible or which are not within the scope of this Agreement. Monthly and quarterly reimbursement requests shall include reports and narratives as detailed in "Scope of Services" section of this Agreement.

G. UNEXPENDED FUNDS

In the event that City staff anticipates the total amount of funds allocated for this Agreement will not be expended in the time and manner prescribed in this Agreement, the City reserves the right to such unexpended portion for other Projects/programs operating under the City's CDBG Program. An extension of the June 30, 2004 deadline may be authorized in writing by the City Neighborhood Services Director, or the Director's designee.

H. ACCOUNTING METHODS

Expenditures charged to City fiscal year 2003-2004 CDBG funds will be accounted separately from all other revenue sources. These records shall be maintained by Subrecipient.

V. MODIFICATION OR TERMINATION OF AGREEMENT

A. AMENDMENT OR REVISION REQUIRED BY HUD

Subrecipient and the City hereby agree to amend or otherwise revise this Agreement should such modification be required by HUD and/or any applicable federal statutes or regulations.

B. CHANGES IN THE SCOPE OF SERVICES

Changes in the Scope of Services as outlined herein must be in accordance with CDBG Program regulations, made by written amendment to this Agreement and approved and signed by both the Subrecipient and (1) by the Mayor (with City Council approval) if funding amounts over \$24,999 are involved or (2) by the Director of Neighborhood Services or the Director's designee if funding amounts of less than \$25,000 are involved. In addition, the Director of Neighborhood Services Department is authorize to sign amendments which revise the Agreement language without any funding impact. Any such changes must not jeopardize the CDBG Program funding to the City.

C. TERMINATION PROCEDURES

Subrecipient and the City hereby agree that this Agreement pursuant to 24 CFR Part 570.509 is subject to federal enforcement procedures identified in 24 CFR Part 85.43. Remedies for noncompliance with any of the covenants, agreements or stipulations of this Agreement shall include:

1. the temporary withholding of cash payments pending correction of the deficiency by the City or Subrecipient or more severe action by the U.S. Department of Housing and Urban Development, as the awarding federal agency,
2. the disallowance (that is, denying both the use of funds and matching credit for) all or part of the cost of the activity or action not in compliance,
3. the whole or partial suspension or termination of the current award for the Program,
4. the withholding of further awards for the Program, or
5. the adoption of other remedies that may be legally available.

As Recipient, the City reserves the right to set the terms and conditions for suspension or termination, provided that such conditions are consistent with 24 CFR Part 85.43 and are appropriate for the noncompliance being addressed. Any notice of termination for noncompliance shall be given no less than ten (10) days before the effective date of such termination and sent to James Seastrand Helping Hands, 2225 Civic Center Dr., Suite 240B, North Las Vegas, NV 89030.

C. PROVISIONS REQUIRED BY LAW DEEMED INSERTED

Each and every provision of law and clause required by law to be inserted in this Agreement will be deemed to be inserted herein, and this Agreement shall be read and enforced as though it were included herein and if through mistake or otherwise any such provisions not inserted, or is not correctly inserted, then upon the application of either party this Agreement shall forthwith be physically amended to make such insertion.

{THIS SPACE IS LEFT INTENTIONALLY BLANK.}

...
...
...

IN WITNESS WHEREOF, the parties hereto have entered this Agreement the day and year first above written.

CITY OF LAS VEGAS

ATTEST:

By: _____

Oscar B. Goodman, Mayor

Barbara Jo Ronemus, City Clerk

COUNCIL ACTION: March 17, 2004

APPROVED AS TO FORM:

J. P. Biallo
10/8/04

James Seastrand Helping Hands of North Las Vegas, Inc.

By: _____

Charrie Parry, Executive Director Glen Easter, Vice President

State of Nevada)

County of Clark)

On this 20TH day of October, 2004, before me, the undersigned, a Notary Public in and for said county and State, personally appeared

Glen Easter as Vice President known to me to be the person described in and who executed the foregoing instrument, who acknowledged to me that he executed the same freely and voluntary and for the uses and purposes therein mentioned.

Notary Public



EXHIBIT "A" - Scope of Work

Complete minor home repairs for 25 low-moderate income citizens, 50 years or older, so they may stay in their homes without injury or suffering. Such home repairs shall be limited to the following areas; zip codes 89101, 89104, 89106, 89107, 89108 and 89110.

EXHIBIT "B"

PROGRAM BUDGET

Organization: James Seastrand Helping Hands of North Las Vegas, Inc.
Project: Home Maintenance and Repairs
Program: Community Development Block Grant, Fiscal Year 2004-2005

Program Budget

Account	Description	Amount Authorized
992075	Home maintenance and repair	\$ 7,000
TOTAL AMOUNT		\$ 7,000

EXHIBIT "C"

CDBG PROGRAM INCOME GUIDELINES:

Effective Date: February, 2004; Median Family Income \$54,700

<u>FAMILY SIZE</u>	<u>INCOME NOT TO EXCEED</u>	
1	30%	11,850
	50%	19,800 (Low)
	60%	23,760
	80%	31,650 (Moderate)
2	30%	13,550
	50%	22,600 (Low Income)
	60%	27,120
	80%	36,150 (Moderate Income)
3	30%	15,250
	50%	25,450 (Low Income)
	60%	30,540
	80%	40,700 (Moderate Income)
4	30%	16,950
	50%	28,250 (Low Income)
	60%	33,900
	80%	45,200 (Moderate Income)
5	30%	18,300
	50%	30,500 (Low Income)
	60%	36,600
	80%	48,800 (Moderate Income)
6	30%	19,650
	50%	32,750 (Low Income)
	60%	39,300
	80%	52,450 (Moderate Income)
7	30%	21,000
	50%	35,050 (Low Income)
	60%	42,060
	80%	56,050 (Moderate Income)
8	30%	22,350
	50%	37,300 (Low Income)
	60%	44,760
	80%	59,650 (Moderate Income)

EXHIBIT "D"

MONTHLY REPORTS

Clients Served & Program Goals Met This Month

Neighborhood Services Department
Neighborhood Development Division
400 Stewart, 2nd Floor
Las Vegas, NV 89101

RE: Project: _____
Represents Month _____

HUD has created new race categories. In addition, HUD requires that the Hispanic ethnicity be counted either for every race sub category as applicable or as simply Hispanic.

*Hispanic must be counted for each category as appropriate and totaled in column C. Example: White column may have 25 clients, 4 of which are also Hispanic. The White column would have 25 and the Hispanic column would have 4, the total clients would still be 25, do not add the two columns together. There may be other categories that also have Hispanic clients. Therefore, column (C) would have the total Hispanic count for all mixed categories and a final total for mixed clients at the bottom of the column. The Hispanic total for clients claiming a straight Hispanic race and ethnicity must also be counted. This is a separate category and has its own row for monthly and year to date totals. The Year to Date Columns should reflect the numbers for each monthly column of clients served to date.

A	B	C	D	E
Race Category	Monthly Client Total	Monthly Hispanic Total*	Year To Date Client Total	Year to Date Hispanic Total
White				
Black/African American				
Asian				
American Indian/Alaskan				
Native Hawaiian/Other Pac. Islander				
American Indian Alaskan Native & White				
Asian & White				
Black & White				
American Indian/Alaskan Native & Black				
Other Multi Racial				
Asian/Pacific Islander				
Hispanic				
TOTAL All Categories				

COMMUNITY DEVELOPMENT BLOCK GRANT AGREEMENT

Between the City of Las Vegas and Opportunity Village

THIS AGREEMENT, made and entered into this 17th day of March, 2004 by and between the CITY OF LAS VEGAS, a municipal corporation of the State of Nevada, hereinafter referred to as "CITY," and Opportunity Village, a nonprofit corporation duly organized under the laws of the State of Nevada, hereinafter referred to as SUBRECIPIENT, whose primary mailing address at the date of execution is 6300 West Oakey, Las Vegas, NV 89146.

WITNESSETH

WHEREAS, the CITY has entered into a Grant Agreement with the U.S. Department of Housing and Urban Development for participation in the Community Development Block Grant, hereinafter referred to as "CDBG," program under Title I of the Housing and Community Development Act of 1974, P.L. 93-383 as amended; and

WHEREAS, the CITY is responsible for planning, administering, implementing, and evaluating the CDBG program to ensure that it conforms to the HUD-approved Consolidated Plan for the City; and

WHEREAS, CITY as Grantee wishes to engage SUBRECIPIENT to assist the CITY in utilizing such funds by providing services to meet one (or more) of the CDBG Program's three broad National Objectives (defined in 24 CFR Part 570.208) as follows:

1. To benefit low- and moderate-income persons,
2. To aid in the prevention or elimination of slum or blight,
3. To meet Community Development needs having a particular urgency;

NOW, THEREFORE, it is agreed between the parties hereto that;

I. SCOPE OF SERVICE

A. ACTIVITIES

SUBRECIPIENT will be responsible for administering a 2004-2005 CDBG-funded Program known as **Safety and security systems and upgrades**, which provides activities eligible under the Community Development Block Grant Program as cited in the Scope of Services I.B.1, hereinafter referred to as "Program." It is expressly agreed and understood that the total amount to be provided by the CITY under this Agreement shall not exceed **\$89,795** in CDBG funds to be allocated in accordance with the Program Budget as detailed in Exhibit "C," attached. SUBRECIPIENT hereby agrees to utilize said CDBG funds made available pursuant to this Agreement to supplement rather than supplant funds otherwise available.

B. PROGRAM DESCRIPTION

1. *Scope of Services to be provided*

Legal description of site to be developed or improved:

Please refer to "Exhibit B" of this Agreement, hereinafter referred to as "Property."

Purpose of Services:

Opportunity Village provides vocational training, supported employment and leisure activity programs to individuals with severe intellectual disabilities.

Tasks to be Performed:

Update, rehabilitate and reconfigure facility fire and life safety systems.

Level of Service to be Provided:

Services will be provided citywide to eligible individuals.

Measurable Goals for Grant period:

SUBRECIPIENT hereby agrees to meet the goals as stated above, to the greatest extent feasible, in order to ensure the success of the Program.

2. *The following are either opportunities, which may enhance, or constraints, which may limit the ability of SUBRECIPIENT to effectively implement, said Program in the City of Las Vegas.*

Not applicable.

C. CLIENT DATA

SUBRECIPIENT will be required to collect for and provide to the CITY Program accomplishments and usage records beginning July 1, 2004 or the date first written above, until June 30, 2005, unless this Agreement is modified at the express consent of the CITY and SUBRECIPIENT. SUBRECIPIENT shall submit, on a quarterly basis, and on occasion upon request of the CITY, a Progress Status Report that shall provide program statistics and a narrative to demonstrate compliance with national objectives as stated above. Failure to submit said reports in a timely manner may delay reimbursement to SUBRECIPIENT for grant-eligible Program expense. Records and reports shall contain, but not be limited to, the following data:

- 1) Total unduplicated (new) clients served including: ethnic breakdown, number and percentage of low- and moderate-income clients served and female heads-of-households served. Exhibit "D"
- 2) Overall number of clients served within the City of Las Vegas corporate limits. New clients plus old for the Program year.

- 3) Statement of Program year goals cited in SUBRECIPIENT application and measurable accomplishments toward achieving said goals through reporting date of said report.

These reports shall be forwarded to the City of Las Vegas Neighborhood Services Department, ATTN: Neighborhood Development Division. CITY will monitor the performance of SUBRECIPIENT against goals and performance standards required herein. Substandard performance as determined by CITY will constitute non-compliance with this Agreement.

If action to correct such substandard performance is not taken by SUBRECIPIENT within a reasonable period of time after being notified by CITY, contract suspension or termination procedures will be initiated.

D. TIME OF PERFORMANCE

This Agreement provides for CDBG funding of SUBRECIPIENT program rendered in accordance with this Agreement from July 1, 2004 through June 30, 2005, inclusive. The CITY shall bear no liability to fund or provide payment for SUBRECIPIENT program services in the event that no CDBG grant award funds are received during fiscal year 2004-2005. Furthermore, the CITY shall be liable only for payment proportional to the extent that CDBG grant the CITY receives award funds. SUBRECIPIENT program expenses incurred after July 1, 2004, but prior to execution of this Agreement may be reimbursed upon approval of the Grantee and contingent upon SUBRECIPIENT conformance with 24 CFR 570.200(h)(1)(i-vi).

II. CITY GENERAL CONDITIONS

A. COMPLIANCE WITH OTHER APPLICABLE STATUTES AND REGULATIONS

SUBRECIPIENT shall obtain any and all Federal, State, and Local permits and licenses required to execute the project or program as described in the Agreement's Scope of Services. SUBRECIPIENT further agrees to abide by all applicable Federal, State, and Local codes, regulations, statutes, ordinances, and laws.

SUBRECIPIENT also hereby agrees to comply with any and all development conditions as established by CITY Council, the CITY Planning Commission, the CITY Board of Zoning Adjustment, and by the CITY Planning Department as stated in the "Program Description" section of this Agreement. When necessary, the CITY may amend such conditions to comply with the City of Las Vegas General Plan, with Title XIX of the Municipal Code of the City of Las Vegas, and with any applicable state, local, and federal law.

B. IRS REGULATIONS

SUBRECIPIENT agrees to comply with all applicable IRS regulations, specifically regarding employees, depositing of payroll taxes, filing of payroll tax returns, and issuance of W-2's at year-end. All persons working for a non-profit agency, whether full or part-time, are considered employees, pursuant to IRS Publication 15A. If a private contractor or instructor is hired, a W-9 must be completed if he/she is paid \$600 or more, and an IRS Form 1099 must be issued to that person at year-end, as well as filed with the IRS. 1099 instructions can be obtained on the IRS website.

C. CONSTRUCTION CONTROL

For any construction activities financed in whole or in part by CDBG funds pursuant to this agreement, Subrecipient agrees and understands that Subrecipient may not commence construction until the Director of the Neighborhood Services Department (hereinafter referred to as "Director") issues a Notice to Proceed in writing. Subrecipient further agrees and understands that the City may require the Subrecipient to use a City approved licensed voucher control company for the construction of the Project, unless specified otherwise in writing by the Director.

D. DEED OF TRUST REQUIRED FOR ACQUISITION / CAPITAL IMPROVEMENT

The City shall require reasonable assurances of security for Subrecipient's performance and repayment pursuant to 24 CFR 570.505, which shall be a Deed of Trust for such Property, the form of which is attached to this document as Exhibit "A" and which Subrecipient shall execute as part of this Agreement. Such Deed of Trust shall serve as a collateral interest in the property being financed with CDBG Program funds. If the Subrecipient ceases to meet a national objective in accordance with 24CFR570.208, or through foreclosure, transfer in lieu of foreclosure, or other circumstances, Subrecipient does not maintain vested ownership or legal possession of the Property, or if the provisions of Section II (F) of this Agreement are not complied with, Subrecipient will, upon the request of the City, repay to the City, without interest, the entire \$89,795 in CDBG Program funds that Subrecipient received from the City hereunder.

For all activities pertaining to acquisition of the Property or capital improvement on the Property, the SUBRECIPIENT shall record a "Deed of Trust" the form of which is attached as Exhibit "A" herein and by reference is made a part hereof. The SUBRECIPIENT, as Trustor, hereby agrees to record the "Deed of Trust" at the Recorder's Office of the County of Clark upon the closing of escrow on the Property to ensure performance by the SUBRECIPIENT pursuant to the Program as specified in this Agreement.

The Subrecipient agrees to provide a Preliminary Title Report to the City and a Title Insurance Policy in a minimum amount of \$89,795, which will protect the City from losses, damages, or claims concerning the title of the Property.

E. COMPLIANCE WITH NATIONAL OBJECTIVES

SUBRECIPIENT and CITY agree that so long as the Subrecipient shall well and truly perform its obligations to the City of Las Vegas under this Agreement, the City shall retain an interest in the "Property" through a Trust Deed until the tenth anniversary of the date of final disbursement of funds to the Trustor. The funds will still be recapturable upon sale, refinance or transfer of title.

F. CONSTRUCTION COMPLIANCE REQUIRED

For any and all rehabilitation or construction to be performed by SUBRECIPIENT under the scope of this Agreement, SUBRECIPIENT hereby agrees that all such construction shall comply with any and all applicable federal, state, and local building codes, housing codes, and health, fire and safety codes. SUBRECIPIENT shall, to the greatest extent feasible, provide a detailed timeline, which explicitly provides deadlines for all major construction activities to be performed pursuant to this Agreement.

Furthermore, the SUBRECIPIENT hereby agrees to provide the CITY with a design and construction schedule detailing the project's phases to augment the CITY's capacity to monitor SUBRECIPIENT activities as to be performed under the "Program Description" of this Agreement.

G. SUBRECIPIENT RETAINS EXCLUSIVE RIGHT OF PERFORMING SERVICES

SUBRECIPIENT has requested the financial support of the CITY to enable SUBRECIPIENT to provide the services contemplated herein. The CITY shall have no relationship whatsoever with the services contemplated herein except the provision of financial support and the receipt of reports as provided herein. In any and all events, the services contemplated herein shall be rendered at the time, in the manner and under circumstances determined solely and exclusively by SUBRECIPIENT, subject only to review by the City of Las Vegas, Neighborhood Services Director or other designee of the Neighborhood Services Director to assure continuing eligibility for CDBG funding.

H. INDEMNIFICATION

SUBRECIPIENT agrees to protect, defend, indemnify and save harmless the CITY from and against any and all liability, damages, claims, suits, liens, and judgments of whatever nature, including but not limited to, claims for contribution and/or indemnification for injuries to or death of any person or persons, caused by, in connection with, or arising out of any activities undertaken pursuant to this Agreement. SUBRECIPIENT'S obligation to protect, defend, indemnify, and save harmless as set forth in this paragraph, shall include any and all attorneys' fees incurred by the CITY in the defense and/or handling of said suits, demands, judgments, liens, claims and the like and all attorneys' fees and investigation expenses incurred by the CITY in enforcing and/or obtaining compliance with the provisions of this paragraph.

I. LIMIT ON ASSIGNMENT OF INTEREST

SUBRECIPIENT may not assign any part of its rights in this Agreement without consent of CITY. Any such assignment of rights without consent of CITY shall result in the forfeiture of all compensation, or any part thereof, as determined by CITY.

J. ON-SITE MONITORING

Projects and programs funded under this Agreement will be subject to on-site monitoring by duly authorized CITY representatives, CITY-contracted independent auditors, HUD and/or the Comptroller of the United States. Said representatives will be announced no less than 24 hours in advance of such visits, which shall occur during normal operating hours. The representatives may request, and be granted access to records. Representatives may, on occasion, interview program recipients who volunteer to be interviewed.

K. ACCESS TO RECORDS

At any time during normal business hours, SUBRECIPIENT'S records; with respect to matters covered by this Agreement shall be made available for audit, examination, and review by CITY representatives, CITY-contracted independent auditors, HUD and/or the Comptroller of the United States.

L. INSURANCE AND BOND

If SUBRECIPIENT uses a vehicle in providing its services, it shall carry or provide a Comprehensive Automobile Liability Insurance covering bodily injury and property damage, with a minimum comprehensive single limit liability of \$1,000,000.00.

For all construction activities, SUBRECIPIENT must carry a performance bond of a sufficient amount to ensure performance by any and all private contractors retained to perform activities pertaining to the Scope of Services of this Agreement. The specific amount of any bond shall be consistent with the Program Budget as defined in Exhibit "C."

The SUBRECIPIENT shall be required to maintain general liability insurance on the property as follows: bodily injury liability insurance in the amount of \$1,000,000.00 for the injury to or death of any one person, and \$2,000,000.00 for injuries to or the death of any number of persons in one occurrence, and property damage liability insurance in the amount of \$1,000,000.00.

The CITY shall be named as an additional insured in all policies of insurance obtained pursuant to this Agreement. The CITY shall be furnished evidence that the foregoing insurance coverage(s) are in effect, and the CITY shall be notified at least thirty (30) days prior to the cancellation or material change of any such coverage.

M. DISCLOSURE OF PRINCIPALS

Pursuant to Resolution R-105-99 adopted by the City Council effective October 1, 1999, Subrecipient warrants that it has disclosed, on the form attached hereto as Attachment 1, all principals, including, partners of Subrecipient, as well as all persons and entities holding more than 1% interest in Subrecipient or any principal of Subrecipient. Throughout the term hereof, Subrecipient shall notify City in writing of any material change in the above disclosure within 15 days of any such change. Attachment 1.

N. CONTRACT REVISIONS

Changes in the Scope of Services as outlined herein must be in accordance with CDBG Program regulations, made by written amendment to this Agreement and approved by both the Subrecipient and the Mayor if funding amounts over \$24,999 are involved or by the Director of Neighborhood Services or the Director's designee if funding amounts of less than \$25,000 are involved. In addition, the Department Director is authorized to sign amendments, which revise the Agreement language without any funding impact. Any such changes must not jeopardize CDBG funding to the City.

M. GROUNDBREAKING/GRAND OPENING EVENTS

The Subrecipient agrees and understands that all costs incurred for groundbreaking and grand opening ceremonies will be the responsibility of the Subrecipient. In addition, the Subrecipient agrees to coordinate any ceremonial events concerning this project with the city of Las Vegas to include review and approval of the date selected, the invitations, the invitation list, the press release, and the programs. The City will be responsible for scheduling the event with any city-elected officials.

III. FEDERAL GENERAL CONDITIONS

A. RELIGIOUS ACTIVITIES
24 CFR 570.200(j)

As a general rule, in accordance with First Amendment Church/State Principles, CDBG assistance may not be used for religious activities or provided to primarily religious entities for any activities, including secular activities, except as cited at 24 CFR 570.200(J)(1)(2)(3).

B. POLITICAL ACTIVITIES
24 CFR 570.207

SUBRECIPIENT will comply with this section, which prohibits the use of CDBG funds to finance the use of facilities or equipment for political purposes or to engage in other partisan political activities, such as candidate forums, voter transportation, or voter registration.

HATCH ACT

CHAPTER 15, TITLE 5, U.S. CODE

SUBRECIPIENT further agrees that none of the personnel employed in the administration of the within defined Project shall be in any way or to any extent, engaged in the conduct of political activities in contravention of Chapter 15, Title 5, U.S. Code.

C. PROGRAM INCOME

24 CFR 570.500

SUBRECIPIENT agrees that program income, as defined in 24 CFR 570.500, includes, but is not limited to, the following:

1. Proceeds from the disposition by sale or long-term lease of real property purchased or improved with CDBG funds;
2. Proceeds from the disposition of equipment purchased with CDBG funds;
3. Gross income from the use or rental of real or personal property acquired by SUBRECIPIENT with CDBG funds, less costs incidental to generation of the income;
4. Gross income from the use or rental of real property, owned by SUBRECIPIENT, that was constructed or improved with CDBG funds, less costs incidental to generation of the income;
5. Payments of principal and interest on loans made using CDBG funds, except as provided in 24 CFR 570.500(a)(3); and
6. Interest earned on program income pending its disposition.

D. DISPOSITION OF PROGRAM INCOME

24 CFR 570.504

Program income shall be recorded separately and returned to the CITY for disposition. Upon approval by the CITY, SUBRECIPIENT may retain income from the Project provided that written notification is given to the Neighborhood Services Director and that the income is to be used for the exclusive benefit of the Program. Such income will be subject to guidelines for use of such income in accordance with HUD regulations.

E. APPLICABILITY OF UNIFORM ADMINISTRATIVE REQUIREMENTS

24 CFR 570.502

SUBRECIPIENT shall comply with the requirements and standards of OMB Circular A-122, "Cost Principles for Non-profit Organizations," or OMB Circular No. A-21, "Cost Principles for Educational Institutions," as applicable, and OMB Circular A-133, "Audits of Institutions of Higher Education and Other Non-profit Institutions."

F. OTHER PROGRAM REQUIREMENTS
24 CFR SUBPART K

SUBRECIPIENT shall carry out its activities in compliance with all Federal laws and regulations as described in 24 CFR 570.600--570.612, except that SUBRECIPIENT will not assume the CITY'S environmental responsibilities described at 24 CFR 570.604, nor the CITY'S responsibility for initiating the review process under the provisions of 24 CFR Part 58.

1. GENERAL--24 CFR 570.600

SUBRECIPIENT agrees to comply with such laws and Program requirements as are applicable to grants made under section 106 of Title I of the Housing and Community Development Act of 1974.

2. TITLE VI OF THE CIVIL RIGHTS ACT OF 1964--24 CFR 570.601
FAIR HOUSING ACT--24 CFR 570.601
EXECUTIVE ORDER 11063--24 CFR 570.601

This Agreement is subject to the requirements of Title VI of the Civil Rights Act of 1964, P.L. 88-352; the Fair Housing Act; and Executive Order 11063, as amended by Executive Order 12259; and HUD regulations at 24 CFR Part 1, providing for non-discrimination on the grounds of race, color, creed, sex, familial status, disability, or national origin under any activity receiving Federal funds and also obligating SUBRECIPIENT to use Federally-funded property for the purpose for which the Federal funds were awarded.

3. SECTION 109 OF THE ACT--24 CFR 570.602
AGE DISCRIMINATION ACT of 1975--24 CFR 570.602(c)
SECTIONS 504 OF THE REHABILITATION ACT OF 1973
24 CFR 570.602(c)

This Agreement is subject to Section 109 of the Housing and Community Development Act of 1974, The Age Discrimination Act of 1975, and Section 504 of the Rehabilitation Act of 1973, which requires that no person in the United States shall, on the grounds of age, race, color, national origin, disability, or sex, be excluded from participation in, be denied the benefits of, or be subject to discrimination under any program or activity funded in whole or in part with Community Development Block Grant funds.

4. AFFORDABILITY PROVISIONS
24 CFR 570.208(a)(3)

Subrecipient acknowledges and understands that low and moderate-income households shall occupy all rehabilitation of permanent, residential structures, upon completion. For any rehabilitation of rental housing, occupancy by low and moderate-income households must be at affordable rents as determined by the City.

5. LABOR STANDARDS & DAVIS BACON ACT
24 CFR 570.603

Section 110(a) of the Act contains labor standards that apply to non-volunteer labor financed in whole or in part with assistance provided under the Act. The Contract Work Hours and Safety Standards Act and Copeland Act also apply. Contractors or subcontractors on construction work shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended.

6. ENVIRONMENTAL STANDARDS
24 CFR 570.604

This Agreement is subject to the National Environmental Policy Act of 1969, as detailed in implementing regulations 24 CFR Part 58.

7. NATIONAL FLOOD INSURANCE PROGRAM
24 CFR 570.605

This Agreement is subject to the Flood Disaster Protection Act of 1973, and the regulations in 44 CFR Parts 59 through 79.

8. DISPLACEMENT, RELOCATION, ACQUISITION, AND ONE-FOR-ONE REPLACEMENT OF HOUSING
24 CFR 570.606

SUBRECIPIENT shall assure it has taken all reasonable steps to minimize the displacement of persons (families, individuals, businesses, non-profit organizations, and farms) as a result of activities pursuant to Part 570.606. Relocation of displaced persons shall be provided in conformance with the Uniform Relocation Assistance and Real Property Acquisition Act of 1970. In addition, Subrecipient understands and agrees that there must be a one-for-one replacement of any occupied or vacant, occupiable low or moderate income dwelling which is demolished or converted to another use in connection with a CDBG-funded activity.

9. EMPLOYMENT AND CONTRACTING OPPORTUNITIES
24 CFR 570.607

SUBRECIPIENT shall comply with Executive Order 11246, as amended by Executive Order 12086, which provides for Equal Employment Opportunity, and Section 3 of the Housing and Urban Development Act of 1968, with implementing regulations at 24 CFR Part 135. Section 3 requires that employment and other economic development opportunities arising in connection with housing rehabilitation, housing construction, or other public

construction projects shall, to the greatest extent feasible, and consistent with existing Federal, State, and local laws and regulations, be given to low- and very low-income persons.

10. LEAD-BASED PAINT
24 CFR 570.608

This Agreement is subject to the regulations at 24 CFR Part 35, prohibiting the use of lead-based paint in residential structures constructed or rehabilitated with assistance provided pursuant to Part 570.608; notification of hazards of lead-based paint poisoning; and elimination of lead-based paint hazards.

11. USE OF DEBARRED, SUSPENDED, OR INELIGIBLE CONTRACTORS
OR SUBRECIPIENTS
24 CFR 570.609

This Agreement is subject to the requirements set forth in 24 CFR Part 5, in which is incorporated 24 CFR Part 24, which provides for the listing of debarred and suspended participants, participants declared ineligible, and participants who have voluntarily excluded themselves from participation in covered transactions pursuant to Part 24.

12. UNIFORM ADMINISTRATIVE REQUIREMENTS AND COST
PRINCIPLES
24 CFR 570.610

SUBRECIPIENT shall comply with the policies, guidelines, and requirements of 24 CFR Part 85 and OMB Circulars A-87, A-110, A-122, A-133, and A-128, as applicable, as they relate to the acceptance and use of Federal funds pursuant to Part 570.610. The applicable sections of 24 CFR Parts 84 and 85 are set forth at Part 570.502.

13. CONFLICT OF INTEREST
24 CFR 570.611

This Agreement is subject to the general rule that no person who is an employee, agent, consultant, officer, or elected official or appointed official of the CITY as Recipient, or of any designated public agencies, or of SUBRECIPIENT who exercise or have exercised any functions or responsibilities with respect to CDBG activities assisted pursuant to Part 570.611, or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from a CDBG-assisted activity, or have a financial interest in any contract, subcontract, or Agreement with respect to a CDBG-assisted activity, or with respect to the proceeds of the CDBG-assisted activity, either for themselves or those with whom they have

business or immediate family ties, during their tenure or for one year thereafter.

14. LIMITED ENGLISH PROFICIENCY (LEP)

Executive order 12166 enacted August 11, 2000, mandates the federal government reduce language barriers to limited English proficiency (LEP) persons with regard to accessing federal benefits.

Recipients of HUD assistance including state and local governments, public housing authority assisted housing providers, profit and non-profit organizations and other entities receiving funds directly or indirectly from HUD are subject to executive order 12166 and title vi provisions as a condition of receiving federal funds.

Failure to ensure limited English persons (LEP) access to HUD benefits may violate title vi civil rights protections based upon national origin.

G. DRUG-FREE WORKPLACE

As a subrecipient of CDBG funds, and in connection with public services offered, the SUBRECIPIENT agrees that it shall comply with the provisions of the Drug-Free Workplace Act of 1988, 45 CFR Part 76, Subpart F, which requires that SUBRECIPIENT shall maintain a facility free from the illegal use, possession, or distribution of drugs or alcohol by its beneficiaries.

H. EXPIRATION OR REVOCATION OF AGREEMENT

Upon the expiration or revocation of this Agreement, SUBRECIPIENT shall transfer to CITY any CDBG funds on hand at the time of expiration or revocation and any accounts receivable attributable to the use of CDBG funds.

I. ANTI-LOBBYING

Section 319 of Public Law 101-121, of the Department of the Interior Appropriations Act, prohibits SUBRECIPIENT from using appropriated Federal funds for lobbying the Executive or Legislative Branches of the Federal Government in connection with a specific contract, grant, or loan, and requires that no Federal appropriated funds have been paid or will be paid, by or on behalf of SUBRECIPIENT to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

J. AMERICANS WITH DISABILITIES ACT

SUBRECIPIENT agrees to comply fully with any and all provisions of the Americans with Disabilities Act (hereinafter referred to as "ADA") as applicable to the SUBRECIPIENT and the activities to be performed by SUBRECIPIENT under the scope of this Agreement. If employing more than fifteen (15) employees, SUBRECIPIENT agrees to comply fully with Title I of the "ADA" as set forth at 28 CFR Part 130. If providing "public accommodations" as defined by the Act in Section 301(7)(A)-(L), SUBRECIPIENT agrees to comply fully with Title III of the "ADA" as set forth at 28 CFR Part 36. If providing public transportation, SUBRECIPIENT agrees to comply fully with the federal regulations as set forth at 49 CFR Parts 37 and 38.

IV. FINANCIAL MANAGEMENT

A. AUDIT REQUIREMENTS

This Agreement is subject to other requirements of United State's Office of Management and Budget (OMB) Circular No. A-110 "Grants and Agreements with Institutions of Higher Education, Hospitals, and other Non-Profit Organizations" and its relevant attachments "A" through "O"; and Circular A-122, entitled "Cost Principles for Non-Profit Organizations."

This Agreement is also subject to an OMB A-133 Audit pursuant to the Single Audit Act. Effective December 31, 2004, the Office of Management and Budget requires that grant recipients who expend \$500,000 or more during a one year period in federal funds aggregate, conduct an A-133 audit.

In order to ensure Program compliance to the greatest extent feasible, the Neighborhood Services Department has established a policy, effective July 1, 1997, which requires a Subrecipient receiving annual federal funding of \$50,000 or more for two consecutive years to submit an audited financial statement. Such Subrecipient must submit the audited financial statement no later than six (6) months after the conclusion of the second program year of federal funding.

Please Note: Beginning July 1, 2005, the City will implement the following audit policy: Any agency that expends between \$200,000 - \$499,999 in federal funds will be required to have a CPA Audited Financial Statement. The funds expended may be from one or multiple federal sources. If allowable by program regulations, the City may only pay for the portion of the audit, which represents the percentage of City federal funds in the program budget. This policy will replace the policy above placed in effect on July 1, 1997.

All Subrecipients who fall under the requirements of OMB A-133 Auditing rules must submit a full and complete copy of such audits to the Neighborhood Services Department. It is the responsibility of the SUBRECIPIENT to ensure that audits are completed in a

proper and timely manner. Failure to submit copies of the A-133 Audit will render the SUBRECIPIENT as non-compliant. This means that no funds may be drawn until the City of Las Vegas Neighborhood Services Department has received and reviewed the copy of the audit. Please refer to the Public Services Program Subrecipient Manual as provided for further guidance on this matter.

B. RIGHT TO REVIEW AND AUDIT

1. The Subrecipient agrees to maintain financial records pertaining to all matters relative to this Agreement in accordance with standard accounting principles and procedures and to retain all records and supporting documentation applicable to the Agreement for a period of three years, except those records subject to audit findings have been resolved. In the event the Subrecipient goes out of existence, the Subrecipient shall turn over to the City all of its records relating to this Agreement to be retained by the City for the required period of time.
2. The Subrecipient agrees to permit the City or the City's designated representatives to inspect and audit its records and books relative to this Agreement at any time during normal business hours and under reasonable circumstances and to copy therefrom any information that the City desires concerning Subrecipient's operation hereunder. The Subrecipient further understands and agrees that said inspection and audit would be exercised upon written notice. If the Subrecipient or its records and books are not located within Clark County, Nevada, in the event of an inspection and audit, Subrecipient agrees to deliver the records or books or have the records or books delivered to the City or the City's designated representatives at an address within the City of Las Vegas as designated by the City. If the City or the City's designated representatives find that the records delivered by the Subrecipient are incomplete, the Subrecipient agrees to pay the City or the City representatives' costs to travel (including travel, lodging, meals, and other related expenses) to the Subrecipient's offices to inspect, audit, and retrieve the complete records. The Subrecipient further agrees to permit the City or the City's designated representatives to inspect and audit, as deemed necessary, all records of this project relating to finances, as well as other records including performance records that may be required by relevant directives of funding sources of the City.

C. DOCUMENTATION OF COSTS

All costs shall be recorded by budget line-items and be supported by properly executed payrolls, time records, invoices, contracts, or vouchers, or other official documentation evidencing in proper detail the nature and propriety of the charge. All checks, payrolls, invoices, contracts, and vouchers, orders or other accounting documents pertaining in whole or in part to the Agreements, shall be thoroughly identified and readily accessible.

D. FINANCIAL RECORD KEEPING

Financial records pertaining to all invoices, materials, payrolls, personnel records, and other data concerning matters related to this Agreement may be requested from SUBRECIPIENT by duly authorized CITY representatives, CITY-contracted independent auditors, HUD and/or the Comptroller of the United States, or any combination thereof.

E. RECORDS

Program records shall be maintained in accordance with HUD and CITY requirements with respect to all matters covered by this Agreement. Such records shall be maintained for a period of five years after the term of this Agreement expires (effectively a fifteen year retention period).

F. PROGRAM BUDGET

Invoice expenditures eligible for payment by the CITY will be in accordance with the Project budget delineated in Exhibit "C" and subject to any conditions imposed in the Scope of Services, to include monthly or quarterly reports and narratives when seeking reimbursement from the City for Project costs. SUBRECIPIENT shall not make any changes in the Project budget unless permission is obtained in writing from the Neighborhood Services Department Director.

G. METHOD OF PAYMENT

The CITY shall reimburse valid invoices for approved Project budget expenditures identified in Exhibit "C" of this Agreement. Before paying such expenses, the CITY will review invoice expenditures to determine their consistency with the approved eligible expenditures, the scope of services, pursuant to this Agreement. The CITY reserves the right to refuse reimbursement for expenses, which are CDBG-ineligible or which are not within the scope of this Agreement. Monthly and quarterly reimbursement requests shall include reports and narratives as detailed in "Scope of Services" section of this Agreement.

H. UNEXPENDED FUNDS

In the event that CITY staff anticipates the total amount of funds allocated for this Agreement will not be expended in the time and manner prescribed in this Agreement, the CITY reserves the right to such unexpended portion for other Projects/programs operating under the CITY'S CDBG Program. An extension of a June 30, 2004 deadline may be authorized in writing by the CITY Neighborhood Services Director the Director's designee.

I. ACCOUNTING METHODS

Expenditures charged to CITY fiscal year 2004-2004 CDBG funds will be accounted separately from all other revenue sources. SUBRECIPIENT shall maintain these records.

J. REAL PROPERTY, NON-EXPENDABLE PERSONAL PROPERTY,
DEPRECIATION SCHEDULES, AND DISPOSITION OF PROPERTY

In accordance with the United States Office of Management and Budget (OMB) Circulars A-87, Cost Principles of State and Local Governments, and A-110, Grants and Agreements with Institutions of Higher Education, Hospitals, and other Nonprofit Organizations, the following shall apply:

- 1) Non-expendable personal property will be defined as any property either tangible or intangible other than real property as defined herein, which has a unit acquisition cost of \$500 or more, and a useful life of more than one year.
- 2) Real property will be defined as land, including land improvements, structures and appurtenances thereto, but excluding movable machinery and equipment.
- 3) Non-expendable personal property shall be depreciated on a 5-year, straight-line schedule, as is the accounting standard used for the City of Las Vegas in its financial management. SUBRECIPIENT will be required to maintain property records for and report to the City during the 5-year depreciation period. If the property is disposed of prior to the 5-year depreciation period, the CITY shall provide the SUBRECIPIENT with disposition instructions upon request. If the property is disposed of for cash during this period, it constitutes Program Income, which must be reported in accordance with the Section III C. & D., Program Income, portion of this Agreement. Examples of non-expendable personal property are vehicles and computer equipment. If said property is a vehicle, the City shall be named as a lienholder on the title.
- 4) When non-expendable personal property has been fully depreciated in accordance with the CITY'S 5-year straight-line schedule, and the property is disposed of for cash, the SUBRECIPIENT may retain such funds provided that SUBRECIPIENT notifies the CITY in writing and that SUBRECIPIENT uses such funds for the exclusive benefit of the Program.
- 5) Pursuant to 24 CFR Part 570.503, the SUBRECIPIENT must transfer upon expiration of the term of this Agreement any CDBG funds on hand at the time of expiration and any accounts receivable attributable to the use of CDBG funds provided pursuant to this Agreement. In addition, any real property as described above either acquired or improved in whole or in part, in excess of \$25,000, shall be used to meet one of the national objectives pursuant to Part 570.208 until five (5) years after expiration of this Agreement, or for such longer period of time as deemed appropriate by the CITY. If not used as such, SUBRECIPIENT must dispose of such real property in a manner that results in the reimbursement of CDBG funds for the amount of the current fair market value of the property less any portion of the value attributable to expenditures of non-CDBG funds for acquisition of or improvement to the property. This reversion of assets will not be required after such period of time deemed appropriate by the CITY.

V. MODIFICATION OR TERMINATION OF AGREEMENT

A. AMENDMENT OR REVISION REQUIRED BY HUD

SUBRECIPIENT and the CITY hereby agree to amend or otherwise revise this Agreement should HUD and/or any applicable federal statutes or regulations require such modification.

B. TERMINATION

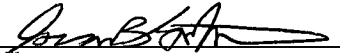
If SUBRECIPIENT fails to fulfill in a timely and proper manner its obligation under this Agreement or shall violate any of the covenants, agreements or stipulations of this Agreement, the CITY shall thereupon have the right to suspend or terminate this Agreement and specify the effective date thereof in accordance with 24 CFR 85.43. Such notice shall be given no less than ten (10) days before the effective date of such termination and sent to SUBRECIPIENT at 6300 West Oakey, Las Vegas, NV 89146.

C. PROVISIONS REQUIRED BY LAW DEEMED INSERTED

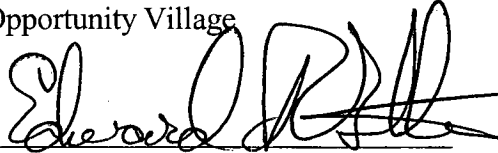
Each and every provision of law and clause required by law to be inserted in this Agreement will be deemed to be inserted herein, and this Agreement shall be read and enforced as though it were included herein and if through mistake or otherwise any such provisions not inserted, or is not correctly inserted, then upon the application of either party this Agreement shall forthwith be physically amended to make such insertion.

IN WITNESS WHEREOF, the parties hereto have entered this Agreement the day and year first above written.

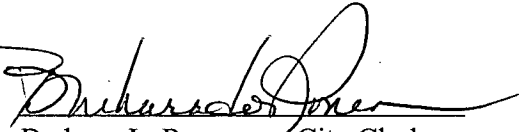
CITY OF LAS VEGAS


Oscar B. Goodman, Mayor

Opportunity Village


Edward Guthrie, Executive Director

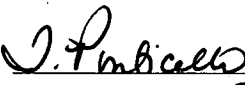
ATTEST:


Barbara Jo Ronemus, City Clerk

ATTEST:

By: _____

COUNCIL ACTION: MARCH 17, 2004

APPROVED AS TO FORM: 
8/3/04

ACCEPTANCE OF DEFERRED LOAN AND AGREEMENT TO
COMPLY WITH DEFERRED LOAN CONDITIONS

I, Edward Guthrie, Executive Director, Opportunity Village, a non-profit corporation, on behalf of that corporation, do hereby accept the deferred loan in the amount of \$89,795 and the conditions imposed upon that loan contained in the Community Development Block Grant (CDBG) Agreement to Loan CDBG Program Funds to Opportunity Village approved by the City Council of the City of Las Vegas, Nevada on the 17th day of March 163-02-601-005 2004, a copy of which is attached hereto and incorporated herein.

Executed this 22nd day of October, 2004.

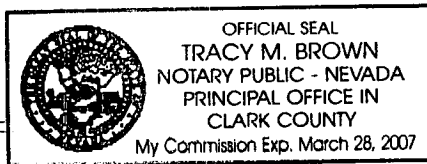
Opportunity Village
By: [Signature]
Edward Guthrie, Executive Director

State of Nevada)

County of Clark)

On this 22nd day of October, 2004, before me, the undersigned, a Notary Public in and for said County and State, personally appeared Edward Guthrie, Executive Director, known to me to be the person described in and who executed the foregoing instrument, who acknowledged to me that he executed the same freely and voluntary and for the uses and purposes therein mentioned.

[Signature]
Notary Public



ORDER NO. _____

EXHIBIT "A"
SHORT FORM DEED OF TRUST

THIS DEED OF TRUST, made this ____ day of _____, 2004 between Opportunity Village, whose principal office is located at 6300 West Oakey, Las Vegas, NV 89146, herein called TRUSTOR, and the City of Las Vegas, a municipal corporation duly organized in the State of Nevada, whose principal office is located at 400 E. Stewart, Las Vegas, NV, 89101, Attention: Neighborhood Services Department, herein called TRUSTEE and BENEFICIARY.

WITNESSETH: Whereas Trustor has received a deferred loan in the amount of \$89,795 from Beneficiary and has agreed to faithfully perform certain obligations and repay the deferred loan monies in accordance with the Community Development Block Grant of even date between Trustor and Beneficiary ("Agreement");

NOW THEREFORE, for the purpose of securing each agreement of the Trustor herein and therein contained and in the Agreement, Trustor IRREVOCABLY GRANTS, TRANSFERS AND ASSIGNS to Trustee in trust, WITH POWER OF SALE, that certain property located in the City of Las Vegas, Clark County, State of Nevada described as:

See Exhibit "B" attached hereto and by this reference is made a part hereof.

To protect the security of this Deed of Trust, Trustor shall abide by the terms of the Agreement executed; Trustor agrees to acquire, dispose of, construct, reconstruct, or install public facilities and make improvements to either benefit primarily low- and moderate-income persons; aid in the prevention or elimination of slum or blight; or to meet Community Development needs having a particular urgency; Trustor agrees to maintain and operate the above-described property as a drug-free environment; Trustor agrees to abide by any and all applicable CDBG program rules and regulations as provided by 24 CFR Part 570; Trustor agrees to transfer title of property to Beneficiary if Trustor, after proper notice and due process, is found to be in violation of its Agreement with Beneficiary; and

Notwithstanding the rights of Beneficiary to the Property under this Deed of Trust, Trustor agrees to repay to the Beneficiary \$89,795 in CDBG program funds if the Property acquired by Trustor ceases to meet a national objective in accordance with 24CFR570.208, pursuant to its Agreement with Beneficiary, or if Trustor loses through foreclosure, sale, or other circumstances legal possession of the Property; and

All of the agreements and/or acknowledgments of the Trustee set forth in this Short Form Deed of Trust also constitute agreements or acknowledgments of the City of Las Vegas in its capacity as Beneficiary. The Trustee and Beneficiary agree that the Beneficiary and Trustee under the First Deed of Trust and their respective successors and assigns, including, without limitation, any purchaser, at a trustee's sale under the First Deed of Trust and the heirs, personal representatives, successors and assigns of any such purchaser, shall not be bound by or obligated

to perform any of the obligations of the Trustor under this Deed of Trust or under the Agreement referred to herein.

Notwithstanding the rights of Beneficiary to the Property under this Deed of Trust, Trustor agrees to repay to the Beneficiary \$89,795 in CDBG program funds if the Property, or any portion thereof, is subleased without prior written approval of Beneficiary or through foreclosure, sale, or other circumstances Trustor loses legal possession of the Property; and

So long as the Subrecipient/Trustor shall well and truly perform its obligations to the City of Las Vegas under the Agreement, the obligations of the Subrecipient/Trustor will terminate on the tenth anniversary of the date of final disbursement of funds to the Subrecipient/Trustor; and thereafter the Trustee under the Deed of Trust, its successors and assigns, on request by the Trustor, or assigns, shall reconvey to the Trustor, or assigns, all the estate in the premises described in the "Request for Notice" hereto conveyed to the Trustee by the Trustor under the Deed of Trust. The funds will remain recapturable upon sale or transfer of title.

TRUSTEE acknowledges that the Property is or will be encumbered by a deed of trust (the First Deed of Trust), which will be recorded in the Official Records of Clark County, Nevada prior to recordation of this Security Instrument. TRUSTEE acknowledges and agrees that this Security Instrument and all rights of TRUSTEE hereunder are and will be subject and subordinate to the lien of the First Deed of Trust and to all rights and remedies of the BENEFICIARY and TRUSTEE under the First Deed of Trust and its successors and assigns, including, without limitation, any purchaser at a trustee's sale under the First Deed of Trust and the heirs, personal representatives, successors and assigns of such purchaser, shall not be bound by or obligated to perform any of the obligations of the Purchaser under this Security Instrument. This Security Instrument will not be subject or subordinate to any replacement of the First Deed of Trust, occurring as a result of any prepayment, refinancing, sale or other transaction.

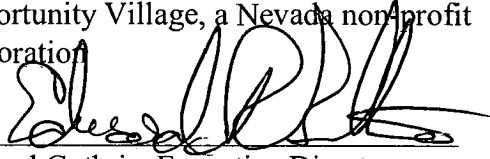
Trustor also agrees and acknowledges that a Request for Notice, the form of which is attached hereto shall be recorded upon the recordation of this Deed of Trust and the Agreement secured hereby.

By execution and delivery of this Deed of Trust and the Agreement secured hereby, Trustor agrees that Covenants Nos. 1, 2, 3, 4, 5, 6, 7, 8 and 9 of NRS 107.030 are adopted and incorporated herein and made a part hereof as though set forth herein, that Trustor will observe and perform said provisions, and that the references to property, obligations and parties in said provisions shall be construed to refer to the property, obligations, and parties set forth in this Deed of Trust.

The undersigned TRUSTOR requests that a copy of any Notice of Default, any Notice of Sale, and or any Notice of Lien hereunder be mailed to the address hereinabove set forth.

TRUSTOR:

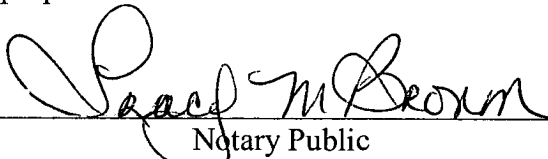
Opportunity Village, a Nevada nonprofit corporation

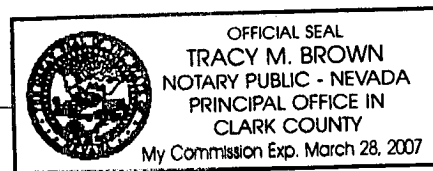
BY: 
Edward Guthrie, Executive Director

State of Nevada)

County of Clark)

On this 22nd day of October, 2004, before me, the undersigned, a Notary Public in and for said county and State, personally appeared Edward Guthrie, Executive Director, known to me to be the person described in and who executed the foregoing instrument, who acknowledged to me that he executed the same freely and voluntary and for the uses and purposes therein mentioned.


Notary Public



WHEN RECORDED MAIL TO:

Rodney L. Lister
Neighborhood Services Department,
City of Las Vegas
400 East Stewart Avenue
Las Vegas, NV 89101

MAIL TAX BILL TO:

Edward Guthrie
Opportunity Village
6300 West Oakey
Las Vegas, NV 89146

EXHIBIT "B"

LEGAL DESCRIPTION

APN 163-02-601-005

That portion of the Northwest Quarter (NW ¼) of the Southwest Quarter (SW ¼) of Section 25, Township 20 South, Range 61 East, M.D.M., described as follows:

Parcel 1 as shown by map thereof in File 24 of Parcel Maps, Page 42, and Parcel 2A as shown by map thereof in File 26 of Parcel Maps, Page 68, in the Office of the County Recorder, Clark County, Nevada.

Together with those portions vacated by that certain Order of Vacation recorded April 9, 1979 in Book 1036 as Document No. 995696 of Official Records.

EXHIBIT "C"
PROGRAM BUDGET

Organization: Opportunity Village
Project: Fire and Life safety systems upgrades and replacements
Program: Community Development Block Grant, Fiscal Year 2004-2005

Program Budget*

Account	Description	Amount Authorized
992100	Rehab/Improvements	\$ 89,795
Total Amount		\$ 89,795

*NOTE: Detailed construction budget to be submitted within 30 days of contract execution.

EXHIBIT "D"

CDBG MONTHLY REPORTS

Clients Served & Program Goals Met This Month

Neighborhood Services Department
Neighborhood Development Division
400 Stewart, 2nd Floor
Las Vegas, NV 89101

RE: Project: _____

Represents Month _____

HUD has created new race categories. In addition, HUD requires that the Hispanic ethnicity be counted either for every race sub category as applicable or as simply Hispanic.

*Hispanic must be counted for each category as appropriate and totaled in column C. Example: White column may have 25 clients, 4 of which are also Hispanic. The White column would have 25 and the Hispanic column would have 4, the total clients would still be 25, do not add the two columns together. There may be other categories that also have Hispanic clients. Therefore, column (C) would have the total Hispanic count for all mixed categories and a final total for mixed clients at the bottom of the column. The Hispanic total for clients claiming a straight Hispanic race and ethnicity must also be counted. This is a separate category and has its own row for monthly and year to date totals. The Year to Date Columns should reflect the numbers for each monthly column of clients served to date.

A	B	C	D	E
Race Category	Monthly Client Total	Monthly Hispanic Total*	Year To Date Client Total	Year to Date Hispanic Total
White				
Black/African American				
Asian				
American Indian/Alaskan				
Native Hawaiian/Other Pac. Islander				
American Indian Alaskan Native & White				
Asian & White				
Black & White				
American Indian/Alaskan Native & Black				
Other Multi Racial				
Asian/Pacific Islander				

Hispanic				
TOTAL All Categories				
Female				
Male				
Female Head of Household				

ATTACHMENT 1

DISCLOSURE OF PRINCIPALS

The principals and partners of *Opportunity Village* and all persons and entities holding more than 1% interest in Opportunity Village or any principal of *Opportunity Village* are the following:

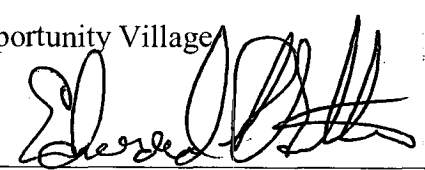
FULL NAME	BUSINESS ADDRESS	BUSINESS PHONE

1.		
2.		
3.		
4.		
5.		
6.		

Continue list until full and complete disclosure is made.

I certify under penalty of perjury, that the foregoing list is full and complete.

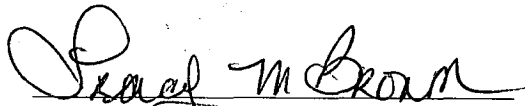
Opportunity Village

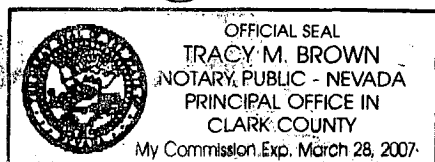
By: 

Title: Executive Director

Subscribed and sworn to before me this

22nd day of October 2004


Notary Public



COMMUNITY DEVELOPMENT BLOCK GRANT AGREEMENT
between the City of Las Vegas and
Christmas In April

THIS AGREEMENT, made and entered into this 17 day of March, 2004 by and between the City OF LAS VEGAS, a municipal corporation of the State of Nevada, hereinafter referred to as "City", and Christmas In April, a Nevada non-profit corporation hereinafter referred to as "Subrecipient," whose primary mailing address at the date of execution is 3360 W. Sahara Ave., Suite 115, Las Vegas, NV 89101, with City and Subrecipient sometimes being referred to collectively as "Parties."

WITNESSETH

WHEREAS, the City has entered into a Grant Agreement with the U.S. Department of Housing and Urban Development for participation in the Community Development Block Grant, hereinafter referred to as "CDBG," program under Title I of the Housing and Community Development Act of 1974, P.L. 93-383 as amended; and

WHEREAS, the City is responsible for planning, administering, implementing, and evaluating the CDBG program to ensure that it conforms to the HUD-approved Consolidated Plan for the City; and

WHEREAS, City as Grantee wishes to engage Subrecipient to assist the City in utilizing such funds by providing services to meet one (or more) of the CDBG Program's three broad National Objectives (defined in 24 CFR Part 570.208) as follows:

1. To benefit low- and moderate-income persons,
2. To aid in the prevention or elimination of slum or blight,
3. To meet Community Development needs having a particular urgency;

NOW, THEREFORE, it is agreed between the Parties hereto that;

I. SCOPE OF SERVICE

A. ACTIVITIES

Subrecipient will be responsible for administering a FY2004-2005 CDBG-funded Program known as **Rebuilding Together-Christmas In April** that provides activities eligible under the Community Development Block Grant Program as cited in the Scope of Services I.B., hereinafter referred to as "Program" or "Project." It is expressly agreed and understood that the total amount to be provided by the City under this Agreement shall not exceed **\$100,000.00** in CDBG funds, hereinafter "CDBG Funds" or "Funds" to be allocated in accordance with the Program Budget as detailed in Exhibit "B," attached.

Subrecipient hereby agrees to utilize said CDBG Funds made available pursuant to this Agreement to supplement rather than supplant funds otherwise available.

B. PROGRAM DESCRIPTION

Subrecipient shall contract with technical assistance providers to produce the services and studies more fully described in the "Scope of Work", attached hereto as Exhibit "A". City and Subrecipient agree and acknowledge that such Scope of Work may be altered subject to both Parties' consent in writing. The services performed by the Subrecipient shall be for the benefit of low income households, subject to the income guidelines attached hereto as Exhibit "C".

C. TIME OF PERFORMANCE

This Agreement provides for CDBG funding of Subrecipient program rendered in accordance with this Agreement from July 1, 2004 through June 30, 2005, inclusive. The City shall bear no liability to fund or provide payment for Subrecipient program services in the event that no CDBG Funds are received during fiscal year 2004-2005. Furthermore, the City shall be liable only for payment proportional to the extent that CDBG Funds are received by the City. Subrecipient program expenses incurred after July 1, 2004, but prior to execution of this Agreement may be reimbursed upon approval of the City and contingent upon Subrecipient's conformance with 24 CFR 570.200(h)(1)(i-vi).

II. CITY GENERAL CONDITIONS

A. COMPLIANCE WITH OTHER APPLICABLE STATUTES AND REGULATIONS

Subrecipient shall obtain any and all Federal, State, and local permits and licenses required to execute the Project or Program as described in the Agreement's Scope of Services. Subrecipient further agrees to abide by all applicable Federal, State, and Local codes, regulations, statutes, ordinances, and laws.

B. SUBRECIPIENT RETAINS EXCLUSIVE RIGHT OF PERFORMING SERVICES

Subrecipient has requested financial support of the City to enable Subrecipient to provide the services contemplated herein. The City shall have no relationship whatsoever with the services contemplated herein except with the provision of financial support and the receipt of Reports as provided herein. In any and all events, the services contemplated herein shall be rendered at the time, in the manner and under circumstances determined solely and exclusively by Subrecipient, subject only to review by the City of Las Vegas, Neighborhood Services Department Director or other designee of the Neighborhood Services Director, to assure continuing eligibility for CDBG funding.

C. INDEMNIFICATION

Subrecipient agrees to protect, defend, indemnify and save harmless the City from and against any and all liability, damages, claims, suits, liens, and judgments of whatever nature, including but not limited to, claims for contribution and/or indemnification for injuries to or death of any person or persons, caused by, in connection with, or arising out of any activities undertaken pursuant to this Agreement. Subrecipient's obligation to protect, defend, indemnify, and save harmless as set forth in this paragraph, shall include reasonable attorneys' fees incurred by the City in the defense and/or handling of said suits, demands, judgments, liens, claims and the like and reasonable attorneys' fees and reasonable investigation expenses incurred by the City in enforcing and/or obtaining compliance with the provisions of this paragraph.

D. ON-SITE MONITORING

The City shall reserve the right to inspect all work products delivered to Subrecipient for said Project. In the event that Subrecipient fails to provide City with work products requested by City, City shall reserve the right to withhold payment until Subrecipient delivers such product to the satisfaction of the City.

Projects and Programs funded under this Agreement will be subject to on-site monitoring by duly authorized City representatives, City-contracted independent auditors, HUD and/or the Comptroller of the United States, or any combination thereof. Said representatives will be announced, at a minimum, 24 hours in advance of such visits, which shall occur during normal operating hours. The representatives shall be granted access to any and all records pertaining to said Program.

E. RIGHT TO REVIEW AND AUDIT

- A. The Subrecipient agrees to maintain financial records pertaining to all matters relative to this Agreement in accordance with standard accounting principles and procedures and to retain all records and supporting documentation applicable to this Agreement for a period of three years, except those records subject to audit findings shall be retained for three years after such findings have been resolved. In the event the Subrecipient goes out of existence, the Subrecipient shall turn over to the City all of its records relating to this Agreement to be retained by the City for the required period of time.

B. The Subrecipient agrees to permit the city or the City's designated representatives to inspect and audit its records and books relative to this Agreement at any time during normal business hours and under reasonable circumstances and to copy therefrom any information that the City desires concerning Subrecipient's operation hereunder. The Subrecipient further understands and agrees that said inspection and audit would be exercised upon written notice. If the Subrecipient or its records or books are not located within Clark County, Nevada, in the event of an inspection and audit, Subrecipient agrees to deliver the records or books or have the records or books delivered to the City or the City's designated representatives at an address within the City of Las Vegas as designated by the City. If the City or the City's designated representatives find that the records delivered by the Subrecipient are incomplete, the Subrecipient agrees to pay the City or the City representatives' costs to travel (including travel, lodging, meals and other related expenses) to the Subrecipient's offices to inspect, audit, and retrieve the complete records. The Subrecipient further agrees to permit the City or the City's designated representatives to inspect and audit, as deemed necessary, all records of this project relating to finances, as well as other records including performance records that may be required by relevant directives of funding sources of the City.

F. INSURANCE

If Subrecipient uses a vehicle in providing its services, it shall carry or provide a Comprehensive Automobile Liability Insurance covering bodily injury and property damage, with a minimum comprehensive single limit liability of \$1,000,000.00.

The City shall be named as an additional insured in all policies of insurance obtained for the Program, including, but not limited to, comprehensive general liability, bodily injury liability insurance in the amount of \$1,000,000.00 for the injury to or death of any one person, and \$2,000,000.00 for injuries to or the death of any number of persons in one occurrence, and property damage liability insurance in the amount of \$1,000,000.00. Subrecipient will notify the City at least thirty (30) days prior to the date on which any cancellation or material change of any such coverage is to become effective.

G. LIMIT ON ASSIGNMENT OF INTEREST

Subrecipient may not assign any part of its rights in this Agreement without consent of City. Any such assignment of rights without consent of City shall result in the forfeiture of all compensation, or any part thereof, as determined by City.

H. Subrecipient shall provide the City of Las Vegas Neighborhood Services Department with a monthly activity report in a format approved by the Neighborhood Services Department, attached hereto as Exhibit "D".

III. FEDERAL GENERAL CONDITIONS

A. RELIGIOUS ACTIVITIES

24 CFR 570.200(j)

As a general rule, in accordance with First Amendment Church/State Principles, CDBG assistance may not be used for religious activities or provided to primarily religious entities for any activities, including secular activities, except as cited at 24 CFR 570.200(J)(1)(2)(3).

B. POLITICAL ACTIVITIES

24 CFR 570.207

Subrecipient will comply with this section, which prohibits the use of CDBG funds to finance the use of facilities or equipment for political purposes or to engage in other partisan political activities, such as candidate forums, voter transportation, or voter registration.

HATCH ACT

CHAPTER 15, TITLE 5, U.S. CODE

Subrecipient further agrees that none of the personnel employed in the administration of the within defined Project shall be in any way or to any extent, engaged in the conduct of political activities in contravention of Chapter 15, Title 5, U.S. Code.

C. PROGRAM INCOME

24 CFR 570.500

Subrecipient agrees that program income, as defined in 24 CFR 570.500, includes, but is not limited to, the following:

1. Proceeds from the disposition by sale or long-term lease of real property purchased or improved with CDBG funds;
2. Proceeds from the disposition of equipment purchased with CDBG funds;
3. Gross income from the use or rental of real or personal property acquired by Subrecipient with CDBG funds, less costs incidental to generation of the income;
4. Gross income from the use or rental of real property, owned by Subrecipient, that was constructed or improved with CDBG funds, less costs incidental to generation of the income;
5. Payments of principal and interest on loans made using CDBG funds, except as provided in 24 CFR 570.500(a)(3); and
6. Interest earned on program income pending its disposition.

D. DISPOSITION OF PROGRAM INCOME
24 CFR 570.504

Program income shall be recorded separately and returned to the City for disposition. Upon approval by the City, income from the Project may be retained by Subrecipient provided that written notification is given to the Neighborhood Services Director and that the income is to be used for the exclusive benefit of the Program. Such income will be subject to guidelines for use of such income in accordance with HUD regulations.

E. APPLICABILITY OF UNIFORM ADMINISTRATIVE REQUIREMENTS
24 CFR 570.502

Subrecipient shall comply with the requirements and standards of OMB Circular A-122, "Cost Principles for Non-profit Organizations," or OMB Circular No. A-21, "Cost Principles for Educational Institutions," as applicable, and OMB Circular A-133, "Audits of Institutions of Higher Education and Other Non-profit Institutions."

F. OTHER PROGRAM REQUIREMENTS
24 CFR SUBPART K

Subrecipient shall carry out its activities in compliance with all Federal laws and regulations as described in 24 CFR 570.600--570.612, except that Subrecipient will not assume the City's environmental responsibilities described at 24 CFR 570.604, nor the City's responsibility for initiating the review process under the provisions of 24 CFR Part 58.

1. GENERAL--24 CFR 570.600

Subrecipient agrees to comply with such laws and Program requirements as are applicable to grants made under section 106 of Title I of the Housing and Community Development Act of 1974.

2. TITLE VI OF THE CIVIL RIGHTS ACT OF 1964--24 CFR 570.601
FAIR HOUSING ACT--24 CFR 570.601
EXECUTIVE ORDER 11063--24 CFR 570.601

This Agreement is subject to the requirements of Title VI of the Civil Rights Act of 1964, P.L. 88-352; the Fair Housing Act; and Executive Order 11063, as amended by Executive Order 12259; and HUD regulations at 24 CFR Part 1, providing for non-discrimination on the grounds of race, color, creed, sex, familial status, disability, or national origin under any activity receiving Federal funds and also obligating Subrecipient to use Federally-funded property for the purpose for which the Federal funds were awarded.

3. SECTION 109 OF THE ACT--24 CFR 570.602
AGE DISCRIMINATION ACT of 1975--24 CFR 570.602(c)
SECTION 504 OF THE REHABILITATION ACT OF 1973
24 CFR 570.602(c)

This Agreement is subject to Section 109 of the Housing and Community Development Act of 1974, The Age Discrimination Act of 1975, and Section 504 of the Rehabilitation Act of 1973, which requires that no person in the United States shall, on the grounds of age, race, color, national origin, disability, or sex, be excluded from participation in, be denied the benefits of, or be subject to discrimination under any program or activity funded in whole or in part with Community Development Block Grant funds.

4. LABOR STANDARDS & DAVIS BACON ACT
24 CFR 570.603

Section 110(a) of the Act contains labor standards that apply to nonvolunteer labor financed in whole or in part with assistance provided under the Act. The Contract Work Hours and Safety Standards Act also applies. Contractors or subcontractors on construction work shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended.

5. ENVIRONMENTAL STANDARDS
24 CFR 570.604

This Agreement is subject to the National Environmental Policy Act of 1969, as detailed in implementing regulations 24 CFR Part 58.

6. NATIONAL FLOOD INSURANCE PROGRAM
24 CFR 570.605

This Agreement is subject to the Flood Disaster Protection Act of 1973, and the regulations in 44 CFR Parts 59 through 79.

7. DISPLACEMENT, RELOCATION, ACQUISITION, AND REPLACEMENT OF HOUSING
24 CFR 570.606

Subrecipient shall assure that they have taken all reasonable steps to minimize the displacement of persons (families, individuals, businesses, non-profit organizations, and farms) as a result of activities pursuant to Part 570.606. Relocation of displaced persons shall be provided in conformance with the Uniform Relocation Assistance and Real Property Acquisition Act of 1970.

8. EMPLOYMENT AND CONTRACTING OPPORTUNITIES
24 CFR 570.607

Subrecipient shall comply with Executive Order 11246, as amended by Executive Order 12086, which provides for Equal Employment Opportunity, and Section 3 of the Housing and Urban Development Act of 1968, with implementing regulations at 24 CFR Part 135. Section 3 requires that employment and other economic development opportunities arising in connection with housing rehabilitation, housing construction, or other public construction projects shall, to the greatest extent feasible, and consistent with existing Federal, State, and local laws and regulations, be given to low income and moderate income persons.

9. LEAD-BASED PAINT
24 CFR 570.608

This Agreement is subject to the regulations at 24 CFR Part 35, prohibiting the use of lead-based paint in residential structures constructed or rehabilitated with assistance provided pursuant to Part 570.608; notification of hazards of lead-based paint poisoning; and elimination of lead-based paint hazards.

10. USE OF DEBARRED, SUSPENDED, OR INELIGIBLE CONTRACTORS OR SUBRECIPIENTS
24 CFR 570.609

This Agreement is subject to the requirements set forth in 24 CFR Part 5, in which is incorporated 24 CFR Part 24, which provides for the listing of debarred and suspended participants, participants declared ineligible, and participants who have voluntarily excluded themselves from participation in covered transactions pursuant to Part 24.

11. UNIFORM ADMINISTRATIVE REQUIREMENTS AND COST PRINCIPLES
24 CFR 570.610

Subrecipient shall comply with the policies, guidelines, and requirements of 24 CFR Part 85 and OMB Circulars A-87, A-110, A-122, A-133, and A-128, as applicable, as they relate to the acceptance and use of Federal funds pursuant to Part 570.610. The applicable sections of 24 CFR Parts 84 and 85 are set forth at Part 570.502.

12. CONFLICT OF INTEREST
24 CFR 570.611

This Agreement is subject to the general rule that no person who is an employee, agent, consultant, officer, or elected official or appointed official of the City as Recipient, or of any designated public agencies, or of Subrecipient who exercise or have exercised any functions or responsibilities with respect to CDBG activities assisted pursuant to Part 570.611, or who are in a position to participate

in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from a CDBG-assisted activity, or have a financial interest in any contract, subcontract, or Agreement with respect to a CDBG assisted activity, or with respect to the proceeds of the CDBG-assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one year thereafter.

G. DRUG-FREE WORKPLACE

As a Subrecipient of CDBG funds, and in connection with public services offered, the Subrecipient agrees that it shall comply with the provisions of the Drug-Free Workplace Act of 1988, 45 CFR Part 76, Subpart F, which requires that Subrecipient shall maintain a facility free from the illegal use, possession, or distribution of drugs or alcohol by its beneficiaries.

H. EXPIRATION OR REVOCATION OF AGREEMENT

Pursuant to 24 CFR Part 570.503, the Subrecipient must transfer to the City, upon expiration or revocation of this Agreement, any CDBG funds on hand and any accounts receivable attributable to the use of CDBG funds provided pursuant to this Agreement.

I. ANTI-LOBBYING

Section 319 of Public Law 101-121, of the Department of the Interior Appropriations Act, prohibits Subrecipient from using appropriated Federal funds for lobbying the Executive or Legislative Branches of the Federal Government in connection with a specific contract, grant, or loan, and requires that no Federal appropriated funds have been paid or will be paid, by or on behalf of Subrecipient to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

J. AMERICANS WITH DISABILITIES ACT

Subrecipient agrees to comply fully with any and all provisions of the Americans with Disabilities Act (hereinafter referred to as "ADA") as applicable to the Subrecipient and the activities to be performed by Subrecipient under the scope of this Agreement. If employing more than fifteen (15) employees, Subrecipient agrees to comply fully with Title I of the "ADA" as set forth at 28 CFR Part 130. If providing "public accommodations" as defined by the Act in Section 301(7)(A)-(L), Subrecipient agrees to comply fully with Title III of the "ADA" as set forth at 28 CFR Part 36. If providing public transportation, Subrecipient agrees to comply fully with the federal regulations as set forth at 49 CFR Parts 37 and 38.

IV. FINANCIAL MANAGEMENT

A. AUDIT REQUIREMENTS

This Agreement is subject to other requirements of United State's Office of Management and Budget (OMB) Circular No. A-110 "Grants and Agreements with Institutions of Higher Education, Hospitals, and other Non-Profit Organizations" and its relevant attachments "A" through "O"; and Circular A-122, entitled "Cost Principles for Non-Profit Organizations."

This Agreement is also subject to an OMB A-133 Audit pursuant to the Single Audit Act. Prior to December 31, 2003 the A-133 was applicable to grant recipients who had expended \$300,000 per year in federal funds for two consecutive years. Effective December 31, 2003, the Office of Management and Budget requires that grant recipients who expend \$500,000 in federal funds for two consecutive years conduct an A-133 audit. In order to ensure Program compliance to the greatest extent feasible, the Neighborhood Services Department has established a policy, effective July 1, 1997, which requires a Subrecipient receiving annual federal funding of \$50,000 or more for two consecutive years to submit an audited financial statement. Such Subrecipient must submit the audited financial statement no later than six (6) months after the conclusion of the second program year of federal funding.

B. DOCUMENTATION OF COSTS

All costs shall be recorded by budget line-items and be supported by properly executed payrolls, time records, invoices, contracts, or vouchers, or other official documentation evidencing in proper detail the nature and propriety of the charge. All checks, payrolls, invoices, contracts, and vouchers, orders or other accounting documents pertaining in whole or in part to the Agreements, shall be thoroughly identified and readily accessible.

C. FINANCIAL RECORDKEEPING

Financial records pertaining to all invoices, materials, payrolls, personnel records, and other data concerning matters related to this Agreement may be requested from Subrecipient by duly authorized City representatives, City-contracted independent auditors, HUD and/or the Comptroller of the United States, or any combination thereof.

D. RECORDS

Program records shall be maintained in accordance with HUD and City requirements with respect to all matters covered by this Agreement. Such records shall be maintained for a period of four years after the term of this Agreement expires (effectively a five year retention period).

E. PROGRAM BUDGET

Invoice expenditures eligible for payment by the City will be in accordance with the Project budget delineated in Exhibit "B" and subject to any conditions imposed in the

Scope of Services, to include monthly or quarterly reports and narratives when seeking reimbursement from the City for Project costs. Subrecipient shall not make any changes in the Project budget unless permission is obtained in writing from the City.

F. METHOD OF PAYMENT

The City shall reimburse valid invoices for approved Project Budget expenditures identified in Exhibit "B" of this Agreement. Before paying such expenses, the City will review invoice expenditures to determine their consistency with the approved eligible expenditures, the scope of services, pursuant to this Agreement. The City reserves the right to refuse reimbursement for expenses which are CDBG-ineligible or which are not within the scope of this Agreement. Monthly and quarterly reimbursement requests shall include reports and narratives as detailed in "Scope of Services" section of this Agreement.

G. UNEXPENDED FUNDS

In the event that City staff anticipates the total amount of funds allocated for this Agreement will not be expended in the time and manner prescribed in this Agreement, the City reserves the right to such unexpended portion for other Projects/programs operating under the City's CDBG Program. An extension of the June 30, 2005 deadline may be authorized in writing by the City Neighborhood Services Director, or the Director's designee.

H. ACCOUNTING METHODS

Expenditures charged to City fiscal year 2004-2005 CDBG funds will be accounted separately from all other revenue sources. These records shall be maintained by Subrecipient.

V. MODIFICATION OR TERMINATION OF AGREEMENT

A. AMENDMENT OR REVISION REQUIRED BY HUD

Subrecipient and the City hereby agree to amend or otherwise revise this Agreement should such modification be required by HUD and/or any applicable federal statutes or regulations.

B. CHANGES IN THE SCOPE OF SERVICES

Changes in the Scope of Services as outlined herein must be in accordance with CDBG Program regulations, made by written amendment to this Agreement and approved and Signed by both the Subrecipient and (1) by the Mayor (with City council approval) if funding amounts over \$24,999 are involved or (2) by the Director of Neighborhood Services or the Director's designee if funding amounts of less than \$25,000 are involved. In addition, the Director of Neighborhood Services Department is authorized to sign

amendments which revise the Agreement language without any funding impact. Any such changes must not jeopardize the CDBG Program funding to the City.

C. TERMINATION PROCEDURES

Subrecipient and the City hereby agree that this Agreement pursuant to 24 CFR Part 570.509 is subject to federal enforcement procedures identified in 24 CFR Part 85.43. Remedies for noncompliance with any of the covenants, agreements or stipulations of this Agreement shall include:

1. the temporary withholding of cash payments pending correction of the deficiency by the City or Subrecipient or more severe action by the U.S. Department of Housing and Urban Development, as the awarding federal agency,
2. the disallowance (that is, denying both the use of funds and matching credit for) all or part of the cost of the activity or action not in compliance,
3. the whole or partial suspension or termination of the current award for the Program,
4. the withholding of further awards for the Program, or
5. the adoption of other remedies that may be legally available.

As Recipient, the City reserves the right to set the terms and conditions for suspension or termination, provided that such conditions are consistent with 24 CFR Part 85.43 and are appropriate for the noncompliance being addressed. Any notice of termination for noncompliance shall be given no less than ten (10) days before the effective date of such termination and sent to Christmas In April, 3360 W. Sahara Ave., Suite 115, Las Vegas, Nevada 89102.

D. PROVISIONS REQUIRED BY LAW DEEMED INSERTED

Each and every provision of law and clause required by law to be inserted in this Agreement will be deemed to be inserted herein, and this Agreement shall be read and enforced as though it were included herein and if through mistake or otherwise any such provisions not inserted, or is not correctly inserted, then upon the application of either party this Agreement shall forthwith be physically amended to make such insertion.

{THIS SPACE IS LEFT INTENTIONALLY BLANK.}

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...

IN WITNESS WHEREOF, the parties hereto have entered this Agreement the day and year first above written.

CITY OF LAS VEGAS

ATTEST:

By:

Oscar B. Goodman, Mayor

Barbara Jo Ronemus, City Clerk

COUNCIL ACTION: March 17, 2004

APPROVED AS TO FORM:

J. Pontado
Deputy City Attorney 10/8/04

Christmas In April

By:

Keith Lane
Keith Lane, Executive Director

Attest: _____

State of Nevada)
County of Clark)

On this 13 day of October, 2004, before me, the undersigned, a Notary Public in and for said county and State, personally appeared

Keith Lane as _____, known to me to be the person described in and who executed the foregoing instrument, who acknowledged to me that he executed the same freely and voluntary and for the uses and purposes therein mentioned.

Therese Elliott
Notary Public



EXHIBIT “A” - Scope of Work

1. Repair and rehabilitate the homes of 16 low-income seniors, the disabled and families with children.

EXHIBIT "B"

PROGRAM BUDGET

Organization: Christmas in April
Project: Rebuilding America
Program: Community Development Block Grant-Fiscal Year 2004/05

PROGRAM BUDGET

<u>ACCOUNT</u>	<u>DESCRIPTION</u>	<u>AMOUNT AUTHORIZED</u>
991105	CONSTRUCTION COSTS	\$80,000
991105	ADMINISTRATION	20,000

**COMMUNITY DEVELOPMENT BLOCK GRANT AGREEMENT
BETWEEN THE CITY OF LAS VEGAS and
CHRISTMAS IN APRIL**

THIS AGREEMENT, made and entered into this day of 3/10 2005, by and between the CITY OF LAS VEGAS, a municipal corporation of the State of Nevada, hereinafter referred to as "CITY", and **Christmas in April**, a nonprofit corporation, duly organized under the laws of the State of Nevada, hereinafter referred to as "SUBRECIPIENT," whose primary mailing address at the date of execution is, 611 S. 9th Street, Las Vegas, 89101.

WITNESSETH

WHEREAS, the CITY has entered into a Grant Agreement with the U.S. Department of Housing and Urban Development (HUD) for participation in the Community Development Block Grant, hereinafter referred to as "CDBG," program under Title I of the Housing and Community Development Act of 1974, P.L. 93-383 as amended. For reference the Catalog of Federal Domestic Assistance number for HUD-CDBG grant programs is 14.218; and

WHEREAS, the CITY is responsible for planning, administering, implementing, and evaluating the CDBG program to ensure that it conforms to the HUD-approved Consolidated Plan for the City; and

WHEREAS, CITY as Grantee wishes to engage SUBRECIPIENT to assist the CITY in utilizing such funds by providing services to meet the CDBG Program's National Objectives (defined in 24 CFR Part 570.208), Public Service funds are used as follows:

1. To benefit low- and moderate-income persons,

NOW, THEREFORE, it is agreed between the parties hereto that;

I. SCOPE OF SERVICE

A. ACTIVITIES

SUBRECIPIENT will be responsible for administering a FY2004-2005 CDBG-funded Program known as **Rebuilding Together** that provides activities eligible under the Community Development Block Grant Program as cited in the Scope of Services I.B.1, and specified in Scope of Service and/or Exhibit "A" Expanded Scope of Service, hereinafter referred to as "Program" or "Project." It is expressly agreed and understood that the total amount to be provided by the CITY under this Agreement shall not exceed **\$20,000.00** in CDBG funds, hereinafter "CDBG Funds" or "Funds" to be allocated in accordance with the Program Budget as detailed in Exhibit "B," attached. SUBRECIPIENT hereby agrees to utilize said CDBG Funds made available pursuant to this Agreement to supplement rather than supplant funds otherwise available.

B. PROGRAM DESCRIPTION

1. *Scope of Services to be provided. For full scope of services See Exhibit "A"*

Purpose of Services:

Provide administrative costs and expenses for the Agency.

Tasks to be Performed:

Management and administration for the home office.

Level of Service to be Provided and Measurable Goals for Grant Period:

Will provide substantial residential reconstruction for 18 low income homeowners.

Changes in the Scope of Services as outlined herein must be in accordance with CDBG Program regulations, made by written amendment to this Agreement and approved and signed by both the Subrecipient and (1) by the Mayor (with City Council approval) if funding amounts over \$24,999 are involved or (2) by the Director of Neighborhood Services or the Director's designee if funding amounts of less than \$25,000 are involved. In addition, the Director of Neighborhood Services Department is authorized to sign amendments which revise the Agreement language without any funding impact. Any such changes must not jeopardize the CDBG Program funding to the City.

2. *The following are either opportunities which may enhance, or constraints which may limit the ability of SUBRECIPIENT to effectively implement said Program in the City of Las Vegas:*
None
3. The SUBRECIPIENT hereby appoints the following representative to attend *scheduled quarterly meetings of the non-profit organizations in partnership with the City of Las Vegas, Neighborhood Services Department*, Mr. Keith Lane or a designee chosen at the discretion of SUBRECIPIENT.

C. CLIENT DATA

SUBRECIPIENT will be required to collect for and provide to the CITY Program accomplishments and usage records beginning July 1st of the fiscal year or the date first written above, until June 30th of the fiscal year unless this Agreement is modified at the express consent of the CITY and SUBRECIPIENT. SUBRECIPIENT shall submit, no later than the 7th of the month, the Monthly Status Report, Exhibit "C", which shall provide program statistics and a narrative to demonstrate compliance with the national objective as stated above. Failure to submit said Report in a timely manner may delay reimbursement to SUBRECIPIENT for grant-eligible Program expense. Said report shall contain, but not be limited to, the following data:

1. Total unduplicated (new) clients served including: ethnic breakdown, number and percentage of low- and moderate-income clients served (see Exhibit "D" for current HUD Section 8 income guidelines), female heads-of-households served, and veterans served.
2. Overall number of clients served within the City of Las Vegas corporate limits, delineated monthly by new clients and existing clients with a running total for the Program Year.
3. Statement of Program year goals cited in SUBRECIPIENT application and measurable accomplishments toward achieving said goals through reporting date of said Report.

Said Report shall be forwarded to the City of Las Vegas Neighborhood Services Department, ATTN: Neighborhood Development Division, 400 Stewart Avenue, Las Vegas, Nevada, 89101 no later than the 7th of the month following the reporting period. The forms may be e-mailed. CITY

will monitor the performance of SUBRECIPIENT against goals and performance standards required herein. Substandard performance as determined by CITY will constitute non-compliance with this Agreement.

If action to correct such substandard performance is not taken by SUBRECIPIENT within a reasonable period of time as determined by the CITY, after being notified by CITY either (1) contract suspension procedures or (2) termination procedures will be initiated, as set forth in Section V.B. of this Agreement.

D. TIME OF PERFORMANCE

This Agreement provides for CDBG funding of SUBRECIPIENT program rendered in accordance with this Agreement from July 1, 2004 through June 30, 2005, inclusive. The CITY shall bear no liability to fund or provide payment for SUBRECIPIENT program services in the event that no CDBG Funds are received during fiscal year 2004-2005. Furthermore, the CITY shall be liable only for payment proportional to the extent that CDBG Funds are received by the CITY. SUBRECIPIENT program expenses incurred after July 1st of the fiscal year in which the funds were allocated, but prior to execution of this Agreement may be reimbursed upon approval of the CITY and contingent upon SUBRECIPIENT conformance with 24 CFR 570.200(h)(1)(i-vi).

II. CITY GENERAL CONDITIONS

A. COMPLIANCE WITH THE SUBRECIPIENT PROGRAM MANUAL AND OTHER APPLICABLE STATUTES AND REGULATIONS

SUBRECIPIENT agrees to abide with all Policies, Regulations and CDBG program criteria as specified in the Neighborhood Services Public Services Program Manual. SUBRECIPIENT shall obtain any and all Federal, State, and local permits and licenses required to execute the Project or Program as described in the Agreement's Scope of Services. SUBRECIPIENT further agrees to abide by all applicable Federal, State, and Local codes, regulations, statutes, ordinances, and laws.

B. IRS REGULATIONS:

SUBRECIPIENT agrees to comply with all applicable IRS regulations, specifically regarding employees, depositing of payroll taxes, filing of payroll tax returns, and issuance of W-2's at year-end. All persons working for a non-profit agency, whether full or part-time, are considered employees, pursuant to IRS Publication 15A. If a private contractor or instructor is hired, a W-9 must be completed if he/she is paid \$600 or more, and an IRS Form 1099 must be issued to that person at year-end, as well as filed with the IRS. 1099 instructions can be obtained on the IRS website.

C. SUBRECIPIENT RETAINS EXCLUSIVE RIGHT OF PERFORMING SERVICES

SUBRECIPIENT has requested financial support of the CITY to enable SUBRECIPIENT to provide the services contemplated herein. The CITY shall have no relationship whatsoever with the services contemplated herein except with the provision of financial support and the receipt of Reports as provided herein. In any and all events, the services contemplated herein shall be rendered at the time, in the manner and under circumstances determined solely and exclusively by SUBRECIPIENT, subject only to review by the City of Las Vegas, Neighborhood Services Department Director or other designee of the Neighborhood Services Director, to assure continuing eligibility for CDBG funding.

D. INDEMNIFICATION

SUBRECIPIENT agrees to protect, defend, indemnify and save harmless the CITY from and against any and all liability, damages, claims, suits, liens, and judgments of whatever nature, including but not limited to, claims for contribution and/or indemnification for injuries to or death of any person or persons, caused by, in connection with, or arising out of any activities undertaken

pursuant to this Agreement. SUBRECIPIENT'S obligation to protect, defend, indemnify, and save harmless as set forth in this paragraph, shall include reasonable attorneys' fees incurred by the CITY in the defense and/or handling of said suits, demands, judgments, liens, claims and the like and reasonable attorneys' fees and reasonable investigation expenses incurred by the CITY in enforcing and/or obtaining compliance with the provisions of this paragraph.

E. THIRD PARTY CONTRACTS

SUBRECIPIENT shall provide reasonable advance notice to, and obtain express consent from the CITY prior to obtaining, through funds made available pursuant to this Agreement, professional services pursuant to a written contractual agreement with a third party, an example of said contractual agreement to be provided by the City. Such advance notice shall demonstrate the necessity of such services and shall provide for adequate remedy in the event that professional services are not rendered in a manner consistent with the terms of this Agreement.

F. ON-SITE MONITORING

Projects and Programs funded under this Agreement will be subject to on-site monitoring by duly authorized CITY representatives, CITY-contracted independent auditors, HUD and/or the Comptroller of the United States, or any combination thereof. Said representatives will be announced, at a minimum, 24 hours in advance of such visits, which shall occur during normal operating hours. The representatives shall be granted access to any and all records pertaining to said Program. Representatives may, on occasion, interview Program recipients who volunteer to be interviewed.

G. ACCESS TO RECORDS

At any time during normal business hours, SUBRECIPIENT'S records, with respect to matters covered by this Agreement shall be made available for audit, examination, and review by CITY representatives, CITY-contracted independent auditors, HUD and/or the Comptroller of the United States, or any combination thereof. Such records shall be made available at a location convenient to the CITY.

H. INSURANCE

If SUBRECIPIENT uses a vehicle in providing its services, it shall carry or provide a Comprehensive Automobile Liability Insurance covering bodily injury and property damage, with a minimum comprehensive single limit liability of \$1,000,000.

The CITY shall be named as an additional insured in all policies of insurance obtained for the Program including, but not limited to, comprehensive general liability, bodily injury and property damage policies in an amount not less than \$1,000,000 for any person, and \$5,000,000 per occurrence and \$1,000,000 property damage. The CITY shall be furnished evidence that the foregoing insurance coverage(s) are in effect, and the CITY shall be notified at least thirty (30) days prior to the cancellation or material change of any such coverage.

I. LIMIT ON ASSIGNMENT OF INTEREST

SUBRECIPIENT may not assign any part of its rights in this Agreement without consent of CITY. Any such assignment of rights without consent of CITY shall result in the forfeiture of all compensation, or any part thereof, as determined by CITY.

III. FEDERAL GENERAL CONDITIONS

A. RELIGIOUS ACTIVITIES 24 CFR 570.200(j)

As a general rule, in accordance with First Amendment Church/State Principles, CDBG assistance may not be used for religious activities or provided to primarily religious entities for any activities, including secular activities, except as cited at 24 CFR 570.200(J)(1)(2)(3).

B. POLITICAL ACTIVITIES 24 CFR 570.207

SUBRECIPIENT will comply with this section, which prohibits the use of CDBG funds to finance the use of facilities or equipment for political purposes or to engage in other partisan political activities, such as candidate forums, voter transportation, or voter registration.

HATCH ACT CHAPTER 15, TITLE 5, U.S. CODE

SUBRECIPIENT further agrees that none of the personnel employed in the administration of the within defined Project shall be in any way or to any extent, engaged in the conduct of political activities in contravention of Chapter 15, Title 5, U.S. Code.

C. PROGRAM INCOME 24 CFR 570.500

SUBRECIPIENT agrees that program income, as defined in 24 CFR 570.500, includes, but is not limited to, the following:

1. Proceeds from the disposition by sale or long-term lease of real property purchased or improved with CDBG funds;
2. Proceeds from the disposition of equipment purchased with CDBG funds;
3. Gross income from the use or rental of real or personal property acquired by SUBRECIPIENT with CDBG funds, less costs incidental to generation of the income;
4. Gross income from the use or rental of real property, owned by SUBRECIPIENT, that was constructed or improved with CDBG funds, less costs incidental to generation of the income;
5. Payments of principal and interest on loans made using CDBG funds, except as provided in 24 CFR 570.500(a)(3); and
6. Interest earned on program income pending its disposition.

D. DISPOSITION OF PROGRAM INCOME 24 CFR 570.504

Program income shall be recorded separately and returned to the CITY for disposition. Upon approval by the CITY, income from the Project may be retained by SUBRECIPIENT provided that written notification is given to the Neighborhood Services Director and that the income is to be used for the exclusive benefit of the Program. Such income will be subject to guidelines for use of such income in accordance with HUD regulations.

E. APPLICABILITY OF UNIFORM ADMINISTRATIVE REQUIREMENTS 24 CFR 570.502

SUBRECIPIENT shall comply with the requirements and standards of OMB Circular A-122, "Cost Principles for Non-profit Organizations," or OMB Circular No. A-21, "Cost Principles for Educational Institutions," as applicable, and OMB Circular A-133, "Audits of Institutions of Higher Education and Other Non-profit Institutions."

F. OTHER PROGRAM REQUIREMENTS 24 CFR SUBPART K

SUBRECIPIENT shall carry out its activities in compliance with all Federal laws and regulations as described in 24 CFR 570.600-570.612, except that SUBRECIPIENT will not assume the CITY'S environmental responsibilities described at 24 CFR 570.604, nor the CITY'S responsibility for initiating the review process under the provisions of 24 CFR Part 58.

1. GENERAL--24 CFR 570.600

SUBRECIPIENT agrees to comply with such laws and Program requirements as are applicable to grants made under section 106 of Title I of the Housing and Community Development Act of 1974.

2. TITLE VI OF THE CIVIL RIGHTS ACT OF 1964--24 CFR 570.601 FAIR HOUSING ACT--24 CFR 570.601 EXECUTIVE ORDER 11063--24 CFR 570.601

This Agreement is subject to the requirements of Title VI of the Civil Rights Act of 1964, P.L. 88-352; the Fair Housing Act; and Executive Order 11063, as amended by Executive Order 12259; and HUD regulations at 24 CFR Part 1, providing for non-discrimination on the grounds of race, color, creed, sex, familial status, disability, or national origin under any activity receiving Federal funds and also obligating SUBRECIPIENT to use Federally-funded property for the purpose for which the Federal funds were awarded.

3. SECTION 109 OF THE ACT--24 CFR 570.602 AGE DISCRIMINATION ACT of 1975--24 CFR 570.602(c) SECTION 504 OF THE REHABILITATION ACT OF 1973 24 CFR 570.602(c)

This Agreement is subject to Section 109 of the Housing and Community Development Act of 1974, The Age Discrimination Act of 1975, and Section 504 of the Rehabilitation Act of 1973, which requires that no person in the United States shall, on the grounds of age, race, color, national origin, disability, or sex, be excluded from participation in, be denied the benefits of, or be subject to discrimination under any program or activity funded in whole or in part with Community Development Block Grant funds.

4. LABOR STANDARDS & DAVIS BACON ACT 24 CFR 570.603

Section 110(a) of the Act contains labor standards that apply to non-volunteer labor financed in whole or in part with assistance provided under the Act. The Contract Work Hours and Safety Standards Act also applies. Contractors or subcontractors on construction work shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended.

5. ENVIRONMENTAL STANDARDS 24 CFR 570.604

This Agreement is subject to the National Environmental Policy Act of 1969, as detailed in implementing regulations 24 CFR Part 58.

6. NATIONAL FLOOD INSURANCE PROGRAM 24 CFR 570.605

This Agreement is subject to the Flood Disaster Protection Act of 1973, and the regulations in 44 CFR Parts 59 through 79.

7. DISPLACEMENT, RELOCATION, ACQUISITION, AND REPLACEMENT OF HOUSING 24 CFR 570.606

SUBRECIPIENT shall assure that they have taken all reasonable steps to minimize the displacement of persons (families, individuals, businesses, non-profit organizations, and farms) as a result of activities pursuant to Part 570.606. Relocation of displaced persons shall be provided in conformance with the Uniform Relocation Assistance and Real Property Acquisition Act of 1970.

8. EMPLOYMENT AND CONTRACTING OPPORTUNITIES 24 CFR 570.607

SUBRECIPIENT shall comply with Executive Order 11246, as amended by Executive Order 12086, which provides for Equal Employment Opportunity, and Section 3 of the Housing and Urban Development Act of 1968, with implementing regulations at 24 CFR Part 135. Section 3 requires that employment and other economic development

opportunities arising in connection with housing rehabilitation, housing construction, or other public construction projects shall, to the greatest extent feasible, and consistent with existing Federal, State, and local laws and regulations, be given to low- and very low-income persons.

9. LEAD-BASED PAINT 24 CFR 570.608

This Agreement is subject to the regulations at 24 CFR Part 35, prohibiting the use of lead-based paint in residential structures constructed or rehabilitated with assistance provided pursuant to Part 570.608; notification of hazards of lead-based paint poisoning; and elimination of lead-based paint hazards.

10. USE OF DEBARRED, SUSPENDED, OR INELIGIBLE CONTRACTORS OR SUBRECIPIENTS 24 CFR 570.609

This Agreement is subject to the requirements set forth in 24 CFR Part 5, in which is incorporated 24 CFR Part 24, which provides for the listing of debarred and suspended participants, participants declared ineligible, and participants who have voluntarily excluded themselves from participation in covered transactions pursuant to Part 24.

11. UNIFORM ADMINISTRATIVE REQUIREMENTS AND COST PRINCIPLES 24 CFR 570.610

SUBRECIPIENT shall comply with the policies, guidelines, and requirements of 24 CFR Part 85 and OMB Circulars A-87, A-110, A-122, A-133, and A-128, as applicable, as they relate to the acceptance and use of Federal funds pursuant to Part 570.610. The applicable sections of 24 CFR Parts 84 and 85 are set forth at Part 570.502.

12. CONFLICT OF INTEREST 24 CFR 570.611

This Agreement is subject to the general rule that no person who is an employee, agent, consultant, officer, or elected official or appointed official of the CITY as Recipient, or of any designated public agencies, or of SUBRECIPIENT who exercise or have exercised any functions or responsibilities with respect to CDBG activities assisted pursuant to Part 570.611, or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from a CDBG-assisted activity, or have a financial interest in any contract, subcontract, or Agreement with respect to a CDBG-assisted activity, or with respect to the proceeds of the CDBG-assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one year thereafter.

13. LIMITED ENGLISH PROFICIENCY (LEP)

Executive order 12166 enacted August 11, 2000, mandates the federal government reduce language barriers to limited English proficiency (LEP) persons with regard to accessing federal benefits.

Recipients of HUD assistance including state and local governments, public housing authority assisted housing providers, profit and non-profit organizations and other entities receiving funds directly or indirectly from HUD are subject to executive order 12166 and title vi provisions as a condition of receiving federal funds.

Failure to ensure limited English persons (LEP) access to HUD benefits may violate title vi civil rights protections based upon national origin.

G. DRUG-FREE WORKPLACE

As a Subrecipient of CDBG funds, and in connection with public services offered, the SUBRECIPIENT agrees that it shall comply with the provisions of the Drug-Free Workplace Act of 1988, 45 CFR Part 76, Subpart F, which requires that SUBRECIPIENT shall maintain a facility free from the illegal use, possession, or distribution of drugs or alcohol by its beneficiaries.

H. EXPIRATION OR REVOCATION OF AGREEMENT

Upon the expiration or revocation of this Agreement, SUBRECIPIENT shall transfer to CITY any CDBG funds on hand at the time of expiration or revocation and any accounts receivable attributable to the use of CDBG funds.

I. ANTI-LOBBYING

Section 319 of Public Law 101-121, of the Department of the Interior Appropriations Act, prohibits SUBRECIPIENT from using appropriated Federal funds for lobbying the Executive or Legislative Branches of the Federal Government in connection with a specific contract, grant, or loan, and requires that no Federal appropriated funds have been paid or will be paid, by or on behalf of SUBRECIPIENT to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

J. AMERICANS WITH DISABILITIES ACT

SUBRECIPIENT agrees to comply fully with any and all provisions of the Americans with Disabilities Act (hereinafter referred to as "ADA") as applicable to the SUBRECIPIENT and the activities to be performed by SUBRECIPIENT under the scope of this Agreement. If employing more than fifteen (15) employees, SUBRECIPIENT agrees to comply fully with Title I of the "ADA" as set forth at 28 CFR Part 130. If providing "public accommodations" as defined by the Act in Section 301(7)(A)-(L), SUBRECIPIENT agrees to comply fully with Title III of the "ADA" as set forth at 28 CFR Part 36. If providing public transportation, SUBRECIPIENT agrees to comply fully with the federal regulations as set forth at 49 CFR Parts 37 and 38.

IV. FINANCIAL MANAGEMENT

A. AUDIT REQUIREMENTS

This Agreement is subject to other requirements of United State's Office of Management and Budget (OMB) Circular No. A-110 "Grants and Agreements with Institutions of Higher Education, Hospitals, and other Non-Profit Organizations" and its relevant attachments "A" through "O"; and Circular A-122, entitled "Cost Principles for Non-Profit Organizations."

This Agreement is also subject to an OMB A-133 Audit pursuant to the Single Audit Act. Effective December 31, 2003, the Office of Management and Budget requires that grant recipients who expend \$500,000 or more during a one year period in federal funds aggregate, conduct an A-133 audit.

In order to ensure Program compliance to the greatest extent feasible, the Neighborhood Services Department has established a policy, effective July 1, 1997, which requires a Subrecipient receiving annual federal funding of \$50,000 or more for two consecutive years to submit an audited financial statement. Such Subrecipient must submit the audited financial statement no later than six (6) months after the conclusion of the second program year of federal funding.

Please Note: Beginning July 1, 2005, the City will implement the following audit policy: Any agency that expends between \$200,000 - \$499,999 in federal funds will be required to have a CPA Audited Financial Statement. The funds expended may be from one or multiple federal sources. If allowable by program regulations, the City may only pay for the portion of the audit, which represents the percentage of City federal funds in the program budget. This policy will replace the policy above placed in effect on July 1, 1997.

All Subrecipients who fall under the requirements of OMB A-133 Auditing rules must submit a full and complete copy of such audits to the Neighborhood Services Department. It is the responsibility of the SUBRECIPIENT to ensure that audits are completed in a proper and timely manner. Failure to submit copies of the A-133 Audit will render the SUBRECIPIENT as non-

compliant. This means that no funds may be drawn until the City of Las Vegas Neighborhood Services Department has received and reviewed the copy of the audit. Please refer to the Public Services Program Subrecipient Manual as provided for further guidance on this matter.

B. RIGHT TO REVIEW AND AUDIT

The SUBRECIPIENT agrees to maintain financial records pertaining to all matters relative to this Agreement in accordance with standard accounting principles and procedures and to retain all records and supporting documentation applicable to this Agreement for a period of three years, except those records subject to audit findings shall be retained for three years after such findings have been resolved. In the event the SUBRECIPIENT goes out of existence, the SUBRECIPIENT shall turn over to the City all of its records relating to this Agreement to be retained by the City for the required period of time.

The SUBRECIPIENT agrees to permit the City or the City's designated representatives to inspect and audit its records and books relative to this Contract at any time during normal business hours and under reasonable circumstances and to copy therefrom any information that the City desires concerning SUBRECIPIENT'S operation hereunder. The SUBRECIPIENT further understands and agrees that said inspection and audit would be exercised upon written notice. If the SUBRECIPIENT or its records or books are not located within Clark County Nevada, in the event of an inspection and audit, SUBRECIPIENT agrees to deliver the records or books or have the records or books delivered to the City or the City's designated representatives at an address within the City of Las Vegas as designated by the City. If the City or the City's designated representatives find that the records delivered by the SUBRECIPIENT are incomplete, the SUBRECIPIENT agrees to pay the City or the City's representatives' costs to travel (including travel, lodging, meals, and other related expenses) to the Contractor's offices to inspect and audit, as deemed necessary, all records of this project relating to finances, as well as other records including performance records that may be required by relevant directives of funding sources of the City.

C. DOCUMENTATION OF COSTS

All costs shall be recorded by budget line-items and be supported by properly executed payrolls, time records, invoices, contracts, or vouchers, or other official documentation evidencing in proper detail the nature and propriety of the charge. All checks, payrolls, invoices, contracts, and vouchers, orders or other accounting documents pertaining in whole or in part to the Agreements, shall be thoroughly identified and readily accessible.

D. FINANCIAL RECORDKEEPING

Financial records pertaining to all invoices, materials, payrolls, personnel records, and other data concerning matters related to this Agreement may be requested from SUBRECIPIENT by duly authorized CITY representatives, CITY-contracted independent auditors, HUD and/or the Comptroller of the United States, or any combination thereof.

E. RECORDS

Program records shall be maintained in accordance with HUD and CITY requirements with respect to all matters covered by this Agreement. Such records shall be maintained for a period of four years after the term of this Agreement expires (effectively a five year retention period).

F. PROGRAM BUDGET

Invoice expenditures eligible for payment by the CITY will be in accordance with the Project budget delineated in Exhibit "B" and subject to any conditions imposed in the Scope of Services, to include monthly or quarterly reports and narratives when seeking reimbursement from the City for Project costs. SUBRECIPIENT shall not make any changes in the Project budget unless permission is obtained in writing from the CITY.

G. METHOD OF PAYMENT

The CITY shall reimburse valid invoices for approved Project budget expenditures identified in Exhibit "B" of this Agreement. Before paying such expenses, the CITY will review invoice expenditures to determine their consistency with the approved eligible expenditures, the scope of services, pursuant to this Agreement. The CITY reserves the right to refuse reimbursement for expenses, which are CDBG-ineligible or which are not within the scope of this Agreement. Monthly and quarterly reimbursement requests shall include reports and narratives as detailed in "Scope of Services" section of this Agreement.

H. UNEXPENDED FUNDS

CDBG funds must be spent in a timely manner. To ensure compliance with this requirement, fifty percent (50%) of the CDBG grant award provided by this agreement must be spent by December 31st of the fiscal year the funds are awarded. The City's fiscal year is from July 1st – June 30th. Completed Request for Funds for the first six months must be received and processed by Neighborhood Services no later than January 31st of the fiscal year the funds are awarded. Client reporting forms for the first six months must have also been received prior to January 31st in order for any Request For Funds to be processed. In the event that NEIGHBORHOOD SERVICES staff anticipates the total amount of funds allocated for this Agreement will not be expended in the time and manner prescribed in this Agreement, the City reserves the right to reprogram the funds to another CDBG eligible project/program.

I. ACCOUNTING METHODS

Expenditures charged to CITY fiscal year 2004-2005 CDBG funds will be accounted separately from all other revenue sources. These records shall be maintained by SUBRECIPIENT.

J. REAL PROPERTY, NON-EXPENDABLE PERSONAL PROPERTY, DEPRECIATION SCHEDULES, AND DISPOSITION OF PROPERTY

In accordance with the United States Office of Management and Budget (OMB) Circulars A-87, Cost Principles of State and Local Governments, and A-110, Grants and Agreements with Institutions of Higher Education, Hospitals, and other Nonprofit Organizations, the following shall apply:

- 1) Non-expendable personal property will be defined as any property either tangible or intangible other than real property as defined herein which has a unit acquisition cost of \$500 or more and a useful life of more than one year.
- 2) Real property will be defined as land, including land improvements, structures and appurtenances thereto, but excluding movable machinery and equipment.
- 3) Non-expendable personal property shall be depreciated on a 5-year, straight-line schedule, as is the accounting standard used for the City of Las Vegas in its financial management. SUBRECIPIENT will be required to maintain property records for and report to the City during the 5-year depreciation period. If the property is disposed of prior to the 5-year depreciation period, the CITY shall provide the SUBRECIPIENT with disposition instructions upon request. If the property is disposed of for cash during this period, it constitutes Program Income which must be reported in accordance with the Section III C. & D., Program Income, portion of this Agreement. Examples of non-expendable personal property are vehicles and computer equipment. If said property is a vehicle, the City shall be named as a lien-holder on the title.
- 4) When non-expendable personal property has been fully depreciated in accordance with the CITY'S 5-year straight-line schedule, and the property is disposed of for cash, the SUBRECIPIENT may retain such funds provided that SUBRECIPIENT notifies the CITY in writing and that SUBRECIPIENT uses such funds for the exclusive benefit of the Program.
- 5) Pursuant to 24 CFR Part 570.503, the SUBRECIPIENT must transfer upon expiration of the term of this Agreement any CDBG funds on hand at the time of expiration and any accounts receivable attributable to the use of CDBG funds provided pursuant to this

Agreement. In addition, any real property as described above either acquired or improved in whole or in part, in excess of \$25,000, shall be used to meet one of the national objectives pursuant to Part 570.208 until five (5) years after expiration of this Agreement, or for such longer period of time as deemed appropriate by the CITY. If not used as such, SUBRECIPIENT must dispose of such real property in a manner that results in the reimbursement of CDBG funds for the amount of the current fair market value of the property less any portion of the value attributable to expenditures of non-CDBG funds for acquisition of or improvement to the property. This reversion of assets will not be required after such period of time deemed appropriate by the CITY.

V. MODIFICATION OR TERMINATION OF AGREEMENT

A. AMENDMENT OR REVISION REQUIRED BY HUD

SUBRECIPIENT and the CITY hereby agree to amend or otherwise revise this Agreement should such modification be required by HUD and/or any applicable federal statutes or regulations.

B. TERMINATION PROCEDURES

SUBRECIPIENT and the CITY hereby agree that this Agreement pursuant to 24 CFR Part 570.509 is subject to federal enforcement procedures identified in 24 CFR Part 85.43. Remedies for noncompliance with any of the covenants, agreements or stipulations of this Agreement shall include:

1. the temporary withholding of cash payments pending correction of the deficiency by the CITY or SUBRECIPIENT or more severe action by the U.S. Department of Housing and Urban Development, as the awarding federal agency,
2. the disallowance (that is, denying both the use of funds and matching credit for) all or part of the cost of the activity or action not in compliance,
3. the whole or partial suspension or termination of the current award for the Program,
4. the withholding of further awards for the Program, or
5. the adoption of other remedies that may be legally available.

As Recipient, the CITY reserves the right to set the terms and conditions for suspension or termination, provided that such conditions are consistent with 24 CFR Part 85.43 and are appropriate for the noncompliance being addressed. Any notice of termination for noncompliance shall be given no less than ten (10) days before the effective date of such termination and sent to SUBRECIPIENT at 611 S. 9th Street, Las Vegas, NV 89101.

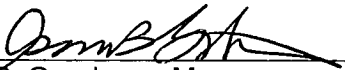
C. PROVISIONS REQUIRED BY LAW DEEMED INSERTED

Each and every provision of law and clause required by law to be inserted in this Agreement will be deemed to be inserted herein, and this Agreement shall be read and enforced as though it were included herein and if through mistake or otherwise any such provisions not inserted, or is not correctly inserted, then upon the application of either party this Agreement shall forthwith be physically amended to make such insertion.

IN WITNESS WHEREOF, the parties hereto have entered this Agreement the day and year first above written.

CITY OF LAS VEGAS

CHRISTMAS IN APRIL

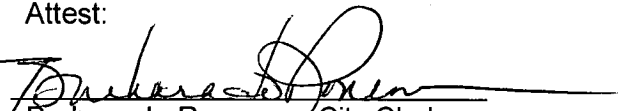


Oscar B. Goodman, Mayor



Keith Lane, Executive Director

Attest:



Barbara Jo Ronemus, City Clerk

Council Action

March 17, 2004

APPROVED AS TO FORM:



2/11/05

EXHIBIT "A"
Social Service
Scope of Services

Principal Tasks

The Subrecipient will be responsible for providing social services to eligible clients over the period of July 1st to June 30th. The Subrecipient will administer all tasks in the provision of the aforementioned public services in compliance with all applicable Federal, state, and local rules and regulations governing these funds, and in a manner satisfactory to the City.

Changes in the scope of services, budget, or method of compensation contained in the Agreement, unless otherwise noted, may only be made through a written amendment to the Agreement, executed by the Subrecipient and City.

The major tasks which the Subrecipient will perform in connection with the provision of the eligible social services include, but are not limited to, the following:

- 1). Maintain facilities at all times in conformance with all applicable codes, licensing, and other requirements for the operation of the program. The facilities must also be handicapped accessible.
- 2). Conduct outreach through flyers, public service announcements, networking with local agencies, scheduling of open houses and other means to inform the low- and moderate-income community of the availability of the program components offered. All descriptions of the program will emphasize that the center is handicapped-accessible. (When possible, flyers should be translated in Spanish)
- 3). Accept applications and perform eligibility determinations. CDBG funds must be used for the clients whose family income does not exceed 80% of median income.
- 4). Ensure that program components allow clients the opportunity to become self-sufficient, avoid homelessness, maintain employment and maintain a reasonable standard of living and quality of life.
- 5). Ensure that the staffing, background and qualifications of the Subrecipient's employees and/or volunteers providing social related services are appropriate for the enrolled population served and meet at least the minimum standards established by the pertinent licensing bodies.
- 6). As part of the social services, provide a range of structured social, educational, basic needs and case management activities appropriate to ensure that client needs are met. Provide documentation, which will show the outcome of referrals made on behalf of clients.
- 7). Maintain program and financial records documenting the eligibility, attendance, provision of services, and Subrecipient expenses relative to the clients receiving social services as a result of assistance provided through the CDBG program.

EXHIBIT "B"
CITY OF LAS VEGAS

NEIGHBORHOOD SERVICES DEPARTMENT

REQUEST FOR RELEASE OF FUNDS

This form must be used to request reimbursement from the City of Las Vegas Neighborhood Development Division for Community Development Block Grant (CDBG) funds expended for the 2004/2005 Fiscal Year. Failure to properly submit this form, along with back-up documentation such as: copies of canceled checks, invoices, purchase orders, and an accounts payable printout, or check register, will result in a non-pay status for the request. Do not alter this form.

Request #	Amount of Request	Period Covered	
		From	To

Agency: Christmas in April	Phone: 259-4900
Project: Rebuilding America	FAX: 259-8600
Contact Person: Keith Lane	e-mail

Account Title	Budgeted Amount	Request Amount	Previous Drawdowns	Remaining Funds
Wages & Benefits	\$0.00			
Operating Costs	\$20,000.00			
Travel & Transportation				
Food (client)				
Employment Training				
Direct Client Services				
Machinery & Equipment				
TOTAL	\$20,000.00			

Signature

Date

EXHIBIT "C"
MONTHLY REPORTS
 Clients Served & Program Goals Met This Month

Neighborhood Services Department
 Neighborhood Development Division
 400 Stewart, 2nd Floor
 Las Vegas, NV 89101

RE: Project: _____
 Represents Month _____

HUD has created new race categories. In addition, HUD requires that the Hispanic ethnicity be counted either for every race sub category as applicable or as simply Hispanic.

*Hispanic must be counted for each category as appropriate and totaled in column C. Example: White column may have 25 clients, 4 of which are also Hispanic. The White column would have 25 and the Hispanic column would have 4, the total clients would still be 25, do not add the two columns together. There may be other categories that also have Hispanic clients. Therefore, column (C) would have the total Hispanic count for all mixed categories and a final total for mixed clients at the bottom of the column. The Hispanic total for clients claiming a straight Hispanic race and ethnicity must also be counted. This is a separate category and has its own row for monthly and year to date totals. The Year to Date Columns should reflect the numbers for each monthly column of clients served to date.

A	B	C	D	E
Race Category	Monthly Client Total	Monthly Hispanic Total*	Year To Date Client Total	Year to Date Hispanic Total
White				
Black/African American				
Asian				
American Indian/Alaskan				
Native Hawaiian/Other Pac. Islander				
American Indian Alaskan Native & White				
Asian & White				
Black & White				
American Indian/Alaskan Native & Black				
Other Multi Racial				
Asian/Pacific Islander				
Hispanic				
TOTAL All Categories				
Female				
Male				
Female Head of Household				

0-30% Extremely-Low	31-50% Very Low	51-80% Moderate	Total
			Monthly Total
			Year to Date Total

Activities/Objectives	This Month	Year To Date	Goal

AUGUST 2004 - PROGRAM ACCOMPLISHMENTS *(Sample)*

Activity 1. Youth Enrollment

- Distributed 2,000 program flyers to North, South and Central High
- Sponsored and Open House on August 15th to attract youth
- 65 youth attended Open House and 27 formally enrolled in program

Activity 2. Mentor Recruitment

- Contracted Clark County Adult Probation Department to explain program
- Received two youth referrals fulfilling Community Service hours
- Interviewed two youths for Mentorship, received formal commitments

Activity 3. Case Management

- Request for assistance forms were available at Orientation
- Five families completed intake form requesting assistance
- Three families had follow up visits at the center for assistance

Activity 4. Tutoring Services

- Contacted UNLV & Community College to identify student tutor volunteers
- Three tutors were interviewed and attended Open House
- Tutoring classes held in Math, Science, English (schedule available)

Activity 5. Peer Support Meetings

- Identified meeting topics/agenda
- Recruited student facilitator and set schedule
- 11 attended first meeting, 9 in attendance second meeting

EXHIBIT "D"

CLIENT ELIGIBILITY HUD SECTION 8 GUIDELINES

In order for a project or program to be eligible to receive Community Development Block Grant (CDBG) funds, at least 51% of the participants or recipients must have income that is less than 80% of median income.

INCOME NOT TO EXCEED

FAMILY SIZE	EXTREMELY LOW INCOME (30%)	VERY LOW INCOME (50%)	LOW INCOME (80%)
1	\$11,850 or less	\$19,800	\$31,650
2	\$13,550 or less	\$22,600	\$36,150
3	\$15,250 or less	\$25,450	\$40,700
4	\$16,950 or less	\$28,250	\$45,200
5	\$18,300 or less	\$30,500	\$48,800
6	\$19,650 or less	\$32,750	\$52,450
7	\$21,000 or less	\$35,050	\$56,050
8	\$22,350 or less	\$37,300	\$59,650

Low and moderate income household means a household having an income equal to or less than the Section 8 low income limit (80%) established by HUD, adjusted for family size.

A very low income household means a household having an income equal to or less than the Section 8 very low income limit (50%) established by HUD, adjusted for family size.

An extremely low income household means a household whose income is 30 percent or less of the area median income, adjusted for family size.

Provided by the United States Department of Housing and Urban Development (HUD), effective April 2004.

NOV 11 11 00 AM '05
11 616
CHANDLER, ARIZONA

**FIRST AMENDMENT TO
COMMUNITY DEVELOPMENT BLOCK GRANT AGREEMENT
Between the City of Las Vegas and
Christmas in April**

THIS FIRST AMENDMENT TO COMMUNITY DEVELOPMENT BLOCK GRANT AGREEMENT made and entered into this day of ,2005, by and between the CITY OF LAS VEGAS, a municipal corporation of the State of Nevada, with offices located at City Hall, 400 Stewart Avenue, Las Vegas, Nevada 89101-2986 (hereinafter referred to as the "City), and CHRISTMAS IN APRIL, a Nevada non-profit corporation with a mailing address of 611 S. 9th Street, Las Vegas, NV 89101 (hereinafter referred to as "Subrecipient), the City and Subrecipient hereinafter sometimes referred to singly as "Party" and collectively as the "Parties".

WITNESSETH

WHEREAS, the parties entered into the Community Development Block Grant (CDBG) Agreement dated March 17, 2004 ("Agreement"); and

WHEREAS, the City is amending the Agreement for compliance with CDBG regulations.

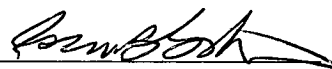
NOW THEREFORE, in consideration of the foregoing, the Parties do hereby agree as follows:

1. Article 1. Scope of Services Section A, Activities, is hereby amended to read as follows:
 - A. Subrecipient will be responsible for administering a FY 2004-05 CDBG funded Program known as **Rebuilding Together-Christmas In April** that provides activities eligible under the Community Development Block Grant Program as cited in the Scope of Services I.B., hereinafter referred to as "Program" or "Project". It is expressly agreed and understood that the total amount to be provided by the City under this Agreement shall not exceed \$80,000 in CDBG funds, hereinafter "CDBG Funds" or "Funds" to be allocated in accordance with the Program Budget as detailed in Exhibit "B" attached. Subrecipient hereby agrees to utilize said CDBG Funds made available pursuant to this Agreement to supplement rather than supplant funds otherwise available.
2. Except as herein set forth, all other provisions of the Agreement which are not Inconsistent herewith shall remain in full force and effect.

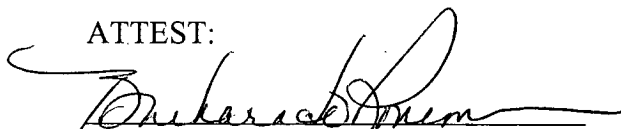
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IN WITNESS WHEREOF, the parties have caused this First Amendment to the Community Development Block Grant Agreement to be executed by their duly authorized representatives the day and year first above written.

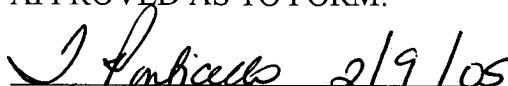
CITY OF LAS VEGAS


Oscar B. Goodman, Mayor

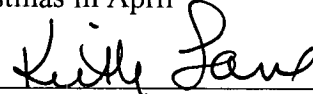
ATTEST:


Barbara Jo Ronemus, City Clerk

APPROVED AS TO FORM:


Date

Christmas in April

By: 

Its: Executive Director

EXHIBIT "A" - Scope of Work

1. Repair and rehabilitate the homes of 16 low-income seniors, the disabled and families with children.

EXHIBIT "B"

PROGRAM BUDGET

Organization: Christmas in April
Project: Rebuilding America
Program: Community Development Block Grant-Fiscal Year 2004/05

PROGRAM BUDGET

<u>ACCOUNT</u>	<u>DESCRIPTION</u>	<u>AMOUNT AUTHORIZED</u>
991105	CONSTRUCTION COSTS	\$80,000

COMMUNITY DEVELOPMENT BLOCK GRANT AGREEMENT
between the CITY OF LAS VEGAS and
Classroom on Wheels

THIS AGREEMENT, made and entered into this 1st day of July 2004, by and between the CITY OF LAS VEGAS, a municipal corporation of the State of Nevada, hereinafter referred to as "CITY", and **Classroom on Wheels**, a nonprofit corporation, duly organized under the laws of the State of Nevada, hereinafter referred to as "SUBRECIPIENT," whose primary mailing address at the date of execution is, 2039 E. Lake Mead N. Las Vegas, 89030.

WITNESSETH

WHEREAS, the CITY has entered into a Grant Agreement with the U.S. Department of Housing and Urban Development (HUD) for participation in the Community Development Block Grant, hereinafter referred to as "CDBG," program under Title I of the Housing and Community Development Act of 1974, P.L. 93-383 as amended. For reference the Catalog of Federal Domestic Assistance number for HUD-CDBG grant programs is 14.218; and

WHEREAS, the CITY is responsible for planning, administering, implementing, and evaluating the CDBG program to ensure that it conforms to the HUD-approved Consolidated Plan for the City; and

WHEREAS, CITY as Grantee wishes to engage SUBRECIPIENT to assist the CITY in utilizing such funds by providing services to meet the CDBG Program's National Objectives (defined in 24 CFR Part 570.208), Public Service funds are used as follows:

1. To benefit low- and moderate-income persons,

NOW, THEREFORE, it is agreed between the parties hereto that;

I. SCOPE OF SERVICE

A. ACTIVITIES

SUBRECIPIENT will be responsible for administering a FY2004-2005 CDBG-funded Program known as **Classroom on Wheels Mobile Pre-school** that provides activities eligible under the Community Development Block Grant Program as cited in the Scope of Services I.B.1, and specified in Scope of Service and/or Exhibit "A" Expanded Scope of Service, hereinafter referred to as "Program" or "Project." It is expressly agreed and understood that the total amount to be provided by the CITY under this Agreement shall not exceed **\$34,500.00** in CDBG funds, hereinafter "CDBG Funds" or "Funds" to be allocated in accordance with the Program Budget as detailed in Exhibit "B," attached. SUBRECIPIENT hereby agrees to utilize said CDBG Funds made available pursuant to this Agreement to supplement rather than supplant funds otherwise available.

B. PROGRAM DESCRIPTION

1. *Scope of Services to be provided. For full scope of services See Exhibit "A"*

Purpose of Services:

Mobile pre-school program.

Tasks to be Performed:

Free mobile bi-lingual preschool and drug prevention program, this component will make 3 stops: ~~28th and Bonanza, 28th and Stewart~~, and Meadows Lane off Las Vegas Blvd. The program is offered to low and moderate income children.

Level of Service to be Provided and Measurable Goals for Grant Period: 18

Provide 2.5 hours of class twice a week for 39 weeks per stop to at least ~~27~~ low income children.

Changes in the Scope of Services as outlined herein must be in accordance with CDBG Program regulations, made by written amendment to this Agreement and approved and signed by both the Subrecipient and (1) by the Mayor (with City Council approval) if funding amounts over \$24,999 are involved or (2) by the Director of Neighborhood Services or the Director's designee if funding amounts of less than \$25,000 are involved. In addition, the Director of Neighborhood Services Department is authorized to sign amendments which revise the Agreement language without any funding impact. Any such changes must not jeopardize the CDBG Program funding to the City.

2. *The following are either opportunities which may enhance, or constraints which may limit the ability of SUBRECIPIENT to effectively implement said Program in the City of Las Vegas:*
None
3. The SUBRECIPIENT hereby appoints the following representative to attend *scheduled quarterly meetings of the non-profit organizations in partnership with the City of Las Vegas, Neighborhood Services Department*, Ms. Angela Pernatozzi or a designee chosen at the discretion of SUBRECIPIENT.

C. CLIENT DATA

SUBRECIPIENT will be required to collect for and provide to the CITY Program accomplishments and usage records beginning July 1st of the fiscal year or the date first written above, until June 30th of the fiscal year unless this Agreement is modified at the express consent of the CITY and SUBRECIPIENT. SUBRECIPIENT shall submit, no later than the 7th of the month, the Monthly Status Report, Exhibit "C", which shall provide program statistics and a narrative to demonstrate compliance with the national objective as stated above. Failure to submit said Report in a timely manner may delay reimbursement to SUBRECIPIENT for grant-eligible Program expense. Said report shall contain, but not be limited to, the following data:

1. Total unduplicated (new) clients served including: ethnic breakdown, number and percentage of low- and moderate-income clients served (see Exhibit "D" for current HUD Section 8 income guidelines), female heads-of-households served, and veterans served.
2. Overall number of clients served within the City of Las Vegas corporate limits, delineated monthly by new clients and existing clients with a running total for the Program Year.
3. Statement of Program year goals cited in SUBRECIPIENT application and measurable accomplishments toward achieving said goals through reporting date of said Report.

Said Report shall be forwarded to the City of Las Vegas Neighborhood Services Department, ATTN: Neighborhood Development Division, 400 Stewart Avenue, Las Vegas, Nevada, 89101 no later than the 7th of the month following the reporting period. The forms may be e-mailed. CITY will monitor the performance of SUBRECIPIENT against goals and performance standards required herein. Substandard performance as determined by CITY will constitute non-compliance with this Agreement.

If action to correct such substandard performance is not taken by SUBRECIPIENT within a reasonable period of time as determined by the CITY, after being notified by CITY either (1) contract suspension procedures or (2) termination procedures will be initiated, as set forth in Section V.B. of this Agreement.

D. TIME OF PERFORMANCE

This Agreement provides for CDBG funding of SUBRECIPIENT program rendered in accordance with this Agreement from July 1, 2004 through June 30, 2005, inclusive. The CITY shall bear no liability to fund or provide payment for SUBRECIPIENT program services in the event that no CDBG Funds are received during fiscal year 2004-2005. Furthermore, the CITY shall be liable only for payment proportional to the extent that CDBG Funds are received by the CITY. SUBRECIPIENT program expenses incurred after July 1st of the fiscal year in which the funds were allocated, but prior to execution of this Agreement may be reimbursed upon approval of the CITY and contingent upon SUBRECIPIENT conformance with 24 CFR 570.200(h)(1)(i-vi).

II. CITY GENERAL CONDITIONS

A. COMPLIANCE WITH THE SUBRECIPIENT PROGRAM MANUAL AND OTHER APPLICABLE STATUTES AND REGULATIONS

SUBRECIPIENT agrees to abide with all Policies, Regulations and CDBG program criteria as specified in the Neighborhood Services Public Services Program Manual. SUBRECIPIENT shall obtain any and all Federal, State, and local permits and licenses required to execute the Project or Program as described in the Agreement's Scope of Services. SUBRECIPIENT further agrees to abide by all applicable Federal, State, and Local codes, regulations, statutes, ordinances, and laws.

B. IRS REGULATIONS:

SUBRECIPIENT agrees to comply with all applicable IRS regulations, specifically regarding employees, depositing of payroll taxes, filing of payroll tax returns, and issuance of W-2's at year-end. All persons working for a non-profit agency, whether full or part-time, are considered employees, pursuant to IRS Publication 15A. If a private contractor or instructor is hired, a W-9 must be completed if he/she is paid \$600 or more, and an IRS Form 1099 must be issued to that person at year-end, as well as filed with the IRS. 1099 instructions can be obtained on the IRS website.

C. SUBRECIPIENT RETAINS EXCLUSIVE RIGHT OF PERFORMING SERVICES

SUBRECIPIENT has requested financial support of the CITY to enable SUBRECIPIENT to provide the services contemplated herein. The CITY shall have no relationship whatsoever with the services contemplated herein except with the provision of financial support and the receipt of Reports as provided herein. In any and all events, the services contemplated herein shall be rendered at the time, in the manner and under circumstances determined solely and exclusively by SUBRECIPIENT, subject only to review by the City of Las Vegas, Neighborhood Services Department Director or other designee of the Neighborhood Services Director, to assure continuing eligibility for CDBG funding.

D. INDEMNIFICATION

SUBRECIPIENT agrees to protect, defend, indemnify and save harmless the CITY from and against any and all liability, damages, claims, suits, liens, and judgments of whatever nature, including but not limited to, claims for contribution and/or indemnification for injuries to or death of any person or persons, caused by, in connection with, or arising out of any activities undertaken pursuant to this Agreement. SUBRECIPIENT'S obligation to protect, defend, indemnify, and save harmless as set forth in this paragraph, shall include reasonable attorneys' fees incurred by the CITY in the defense and/or handling of said suits, demands, judgments, liens, claims and the like and reasonable attorneys' fees and reasonable investigation expenses incurred by the CITY in enforcing and/or obtaining compliance with the provisions of this paragraph.

E. THIRD PARTY CONTRACTS

SUBRECIPIENT shall provide reasonable advance notice to, and obtain express consent from the CITY prior to obtaining, through funds made available pursuant to this Agreement, professional services pursuant to a written contractual agreement with a third party, an example of said contractual agreement to be provided by the City. Such advance notice shall demonstrate the necessity of such services and shall provide for adequate remedy in the event that professional services are not rendered in a manner consistent with the terms of this Agreement.

F. ON-SITE MONITORING

Projects and Programs funded under this Agreement will be subject to on-site monitoring by duly authorized CITY representatives, CITY-contracted independent auditors, HUD and/or the Comptroller of the United States, or any combination thereof. Said representatives will be announced, at a minimum, 24 hours in advance of such visits, which shall occur during normal operating hours. The representatives shall be granted access to any and all records pertaining to said Program. Representatives may, on occasion, interview Program recipients who volunteer to be interviewed.

G. ACCESS TO RECORDS

At any time during normal business hours, SUBRECIPIENT'S records, with respect to matters covered by this Agreement shall be made available for audit, examination, and review by CITY representatives, CITY-contracted independent auditors, HUD and/or the Comptroller of the United States, or any combination thereof. Such records shall be made available at a location convenient to the CITY.

H. INSURANCE

If SUBRECIPIENT uses a vehicle in providing its services, it shall carry or provide a Comprehensive Automobile Liability Insurance covering bodily injury and property damage, with a minimum comprehensive single limit liability of \$1,000,000.

The CITY shall be named as an additional insured in all policies of insurance obtained for the Program including, but not limited to, comprehensive general liability, bodily injury and property damage policies in an amount not less than \$1,000,000 for any person, and \$5,000,000 per occurrence and \$1,000,000 property damage. The CITY shall be furnished evidence that the foregoing insurance coverage(s) are in effect, and the CITY shall be notified at least thirty (30) days prior to the cancellation or material change of any such coverage.

I. LIMIT ON ASSIGNMENT OF INTEREST

SUBRECIPIENT may not assign any part of its rights in this Agreement without consent of CITY. Any such assignment of rights without consent of CITY shall result in the forfeiture of all compensation, or any part thereof, as determined by CITY.

III. FEDERAL GENERAL CONDITIONS

A. RELIGIOUS ACTIVITIES 24 CFR 570.200(j)

As a general rule, in accordance with First Amendment Church/State Principles, CDBG assistance may not be used for religious activities or provided to primarily religious entities for any activities, including secular activities, except as cited at 24 CFR 570.200(J)(1)(2)(3).

B. POLITICAL ACTIVITIES 24 CFR 570.207

SUBRECIPIENT will comply with this section, which prohibits the use of CDBG funds to finance the use of facilities or equipment for political purposes or to engage in other partisan political activities, such as candidate forums, voter transportation, or voter registration.

HATCH ACT CHAPTER 15, TITLE 5, U.S. CODE

SUBRECIPIENT further agrees that none of the personnel employed in the administration of the within defined Project shall be in any way or to any extent, engaged in the conduct of political activities in contravention of Chapter 15, Title 5, U.S. Code.

C. PROGRAM INCOME 24 CFR 570.500

SUBRECIPIENT agrees that program income, as defined in 24 CFR 570.500, includes, but is not limited to, the following:

1. Proceeds from the disposition by sale or long-term lease of real property purchased or improved with CDBG funds;
2. Proceeds from the disposition of equipment purchased with CDBG funds;
3. Gross income from the use or rental of real or personal property acquired by SUBRECIPIENT with CDBG funds, less costs incidental to generation of the income;
4. Gross income from the use or rental of real property, owned by SUBRECIPIENT, that was constructed or improved with CDBG funds, less costs incidental to generation of the income;
5. Payments of principal and interest on loans made using CDBG funds, except as provided in 24 CFR 570.500(a)(3); and
6. Interest earned on program income pending its disposition.

D. DISPOSITION OF PROGRAM INCOME 24 CFR 570.504

Program income shall be recorded separately and returned to the CITY for disposition. Upon approval by the CITY, income from the Project may be retained by SUBRECIPIENT provided that written notification is given to the Neighborhood Services Director and that the income is to be used for the exclusive benefit of the Program. Such income will be subject to guidelines for use of such income in accordance with HUD regulations.

E. APPLICABILITY OF UNIFORM ADMINISTRATIVE REQUIREMENTS 24 CFR 570.502

SUBRECIPIENT shall comply with the requirements and standards of OMB Circular A-122, "Cost Principles for Non-profit Organizations," or OMB Circular No. A-21, "Cost Principles for Educational Institutions," as applicable, and OMB Circular A-133, "Audits of Institutions of Higher Education and Other Non-profit Institutions."

F. OTHER PROGRAM REQUIREMENTS 24 CFR SUBPART K

SUBRECIPIENT shall carry out its activities in compliance with all Federal laws and regulations as described in 24 CFR 570.600-570.612, except that SUBRECIPIENT will not assume the CITY'S environmental responsibilities described at 24 CFR 570.604, nor the CITY'S responsibility for initiating the review process under the provisions of 24 CFR Part 58.

1. GENERAL--24 CFR 570.600

SUBRECIPIENT agrees to comply with such laws and Program requirements as are applicable to grants made under section 106 of Title I of the Housing and Community Development Act of 1974.

2. TITLE VI OF THE CIVIL RIGHTS ACT OF 1964--24 CFR 570.601 FAIR HOUSING ACT--24 CFR 570.601 EXECUTIVE ORDER 11063--24 CFR 570.601

This Agreement is subject to the requirements of Title VI of the Civil Rights Act of 1964, P.L. 88-352; the Fair Housing Act; and Executive Order 11063, as amended by Executive Order 12259; and HUD regulations at 24 CFR Part 1, providing for non-discrimination on the grounds of race, color, creed, sex, familial status, disability, or national origin under any activity receiving Federal funds and also obligating SUBRECIPIENT to use Federally-funded property for the purpose for which the Federal funds were awarded.

3. SECTION 109 OF THE ACT--24 CFR 570.602 AGE DISCRIMINATION ACT of 1975--24 CFR 570.602(c) SECTION 504 OF THE REHABILITATION ACT OF 1973 24 CFR 570.602(c)

This Agreement is subject to Section 109 of the Housing and Community Development Act of 1974, The Age Discrimination Act of 1975, and Section 504 of the Rehabilitation Act of 1973, which requires that no person in the United States shall, on the grounds of age, race, color, national origin, disability, or sex, be excluded from participation in, be denied the benefits of, or be subject to discrimination under any program or activity funded in whole or in part with Community Development Block Grant funds.

4. LABOR STANDARDS & DAVIS BACON ACT 24 CFR 570.603

Section 110(a) of the Act contains labor standards that apply to non-volunteer labor financed in whole or in part with assistance provided under the Act. The Contract Work Hours and Safety Standards Act also applies. Contractors or subcontractors on construction work shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended.

5. ENVIRONMENTAL STANDARDS 24 CFR 570.604

This Agreement is subject to the National Environmental Policy Act of 1969, as detailed in implementing regulations 24 CFR Part 58.

6. NATIONAL FLOOD INSURANCE PROGRAM 24 CFR 570.605

This Agreement is subject to the Flood Disaster Protection Act of 1973, and the regulations in 44 CFR Parts 59 through 79.

7. DISPLACEMENT, RELOCATION, ACQUISITION, AND REPLACEMENT OF HOUSING 24 CFR 570.606

SUBRECIPIENT shall assure that they have taken all reasonable steps to minimize the displacement of persons (families, individuals, businesses, non-profit organizations, and farms) as a result of activities pursuant to Part 570.606. Relocation of displaced persons shall be provided in conformance with the Uniform Relocation Assistance and Real Property Acquisition Act of 1970.

8. EMPLOYMENT AND CONTRACTING OPPORTUNITIES 24 CFR 570.607

SUBRECIPIENT shall comply with Executive Order 11246, as amended by Executive Order 12086, which provides for Equal Employment Opportunity, and Section 3 of the Housing and Urban Development Act of 1968, with implementing regulations at 24 CFR Part 135. Section 3 requires that employment and other economic development

opportunities arising in connection with housing rehabilitation, housing construction, or other public construction projects shall, to the greatest extent feasible, and consistent with existing Federal, State, and local laws and regulations, be given to low- and very low-income persons.

9. LEAD-BASED PAINT 24 CFR 570.608

This Agreement is subject to the regulations at 24 CFR Part 35, prohibiting the use of lead-based paint in residential structures constructed or rehabilitated with assistance provided pursuant to Part 570.608; notification of hazards of lead-based paint poisoning; and elimination of lead-based paint hazards.

10. USE OF DEBARRED, SUSPENDED, OR INELIGIBLE CONTRACTORS OR SUBRECIPIENTS 24 CFR 570.609

This Agreement is subject to the requirements set forth in 24 CFR Part 5, in which is incorporated 24 CFR Part 24, which provides for the listing of debarred and suspended participants, participants declared ineligible, and participants who have voluntarily excluded themselves from participation in covered transactions pursuant to Part 24.

11. UNIFORM ADMINISTRATIVE REQUIREMENTS AND COST PRINCIPLES 24 CFR 570.610

SUBRECIPIENT shall comply with the policies, guidelines, and requirements of 24 CFR Part 85 and OMB Circulars A-87, A-110, A-122, A-133, and A-128, as applicable, as they relate to the acceptance and use of Federal funds pursuant to Part 570.610. The applicable sections of 24 CFR Parts 84 and 85 are set forth at Part 570.502.

12. CONFLICT OF INTEREST 24 CFR 570.611

This Agreement is subject to the general rule that no person who is an employee, agent, consultant, officer, or elected official or appointed official of the CITY as Recipient, or of any designated public agencies, or of SUBRECIPIENT who exercise or have exercised any functions or responsibilities with respect to CDBG activities assisted pursuant to Part 570.611, or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from a CDBG-assisted activity, or have a financial interest in any contract, subcontract, or Agreement with respect to a CDBG-assisted activity, or with respect to the proceeds of the CDBG-assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one year thereafter.

13. LIMITED ENGLISH PROFICIENCY (LEP)

Executive order 12166 enacted August 11, 2000, mandates the federal government reduce language barriers to limited English proficiency (LEP) persons with regard to accessing federal benefits.

Recipients of HUD assistance including state and local governments, public housing authority assisted housing providers, profit and non-profit organizations and other entities receiving funds directly or indirectly from HUD are subject to executive order 12166 and title vi provisions as a condition of receiving federal funds.

Failure to ensure limited English persons (LEP) access to HUD benefits may violate title vi civil rights protections based upon national origin.

G. DRUG-FREE WORKPLACE

As a Subrecipient of CDBG funds, and in connection with public services offered, the SUBRECIPIENT agrees that it shall comply with the provisions of the Drug-Free Workplace Act of 1988, 45 CFR Part 76, Subpart F, which requires that SUBRECIPIENT shall maintain a facility free from the illegal use, possession, or distribution of drugs or alcohol by its beneficiaries.

H. EXPIRATION OR REVOCATION OF AGREEMENT

Upon the expiration or revocation of this Agreement, SUBRECIPIENT shall transfer to CITY any CDBG funds on hand at the time of expiration or revocation and any accounts receivable attributable to the use of CDBG funds.

I. ANTI-LOBBYING

Section 319 of Public Law 101-121, of the Department of the Interior Appropriations Act, prohibits SUBRECIPIENT from using appropriated Federal funds for lobbying the Executive or Legislative Branches of the Federal Government in connection with a specific contract, grant, or loan, and requires that no Federal appropriated funds have been paid or will be paid, by or on behalf of SUBRECIPIENT to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

J. AMERICANS WITH DISABILITIES ACT

SUBRECIPIENT agrees to comply fully with any and all provisions of the Americans with Disabilities Act (hereinafter referred to as "ADA") as applicable to the SUBRECIPIENT and the activities to be performed by SUBRECIPIENT under the scope of this Agreement. If employing more than fifteen (15) employees, SUBRECIPIENT agrees to comply fully with Title I of the "ADA" as set forth at 28 CFR Part 130. If providing "public accommodations" as defined by the Act in Section 301(7)(A)-(L), SUBRECIPIENT agrees to comply fully with Title III of the "ADA" as set forth at 28 CFR Part 36. If providing public transportation, SUBRECIPIENT agrees to comply fully with the federal regulations as set forth at 49 CFR Parts 37 and 38.

IV. FINANCIAL MANAGEMENT

A. AUDIT REQUIREMENTS

This Agreement is subject to other requirements of United State's Office of Management and Budget (OMB) Circular No. A-110 "Grants and Agreements with Institutions of Higher Education, Hospitals, and other Non-Profit Organizations" and its relevant attachments "A" through "O"; and Circular A-122, entitled "Cost Principles for Non-Profit Organizations."

This Agreement is also subject to an OMB A-133 Audit pursuant to the Single Audit Act. Effective December 31, 2003, the Office of Management and Budget requires that grant recipients who expend \$500,000 or more during a one year period in federal funds aggregate, conduct an A-133 audit.

In order to ensure Program compliance to the greatest extent feasible, the Neighborhood Services Department has established a policy, effective July 1, 1997, which requires a Subrecipient receiving annual federal funding of \$50,000 or more for two consecutive years to submit an audited financial statement. Such Subrecipient must submit the audited financial statement no later than six (6) months after the conclusion of the second program year of federal funding.

Please Note: Beginning July 1, 2005, the City will implement the following audit policy: Any agency that expends between \$200,000 - \$499,999 in federal funds will be required to have a CPA Audited Financial Statement. The funds expended may be from one or multiple federal sources. If allowable by program regulations, the City may only pay for the portion of the audit, which represents the percentage of City federal funds in the program budget. This policy will replace the policy above placed in effect on July 1, 1997.

All Subrecipients who fall under the requirements of OMB A-133 Auditing rules must submit a full and complete copy of such audits to the Neighborhood Services Department. It is the responsibility of the SUBRECIPIENT to ensure that audits are completed in a proper and timely manner. Failure to submit copies of the A-133 Audit will render the SUBRECIPIENT as non-

compliant. This means that no funds may be drawn until the City of Las Vegas Neighborhood Services Department has received and reviewed the copy of the audit. Please refer to the Public Services Program Subrecipient Manual as provided for further guidance on this matter.

B. RIGHT TO REVIEW AND AUDIT

The SUBRECIPIENT agrees to maintain financial records pertaining to all matters relative to this Agreement in accordance with standard accounting principles and procedures and to retain all records and supporting documentation applicable to this Agreement for a period of three years, except those records subject to audit findings shall be retained for three years after such findings have been resolved. In the event the SUBRECIPIENT goes out of existence, the SUBRECIPIENT shall turn over to the City all of its records relating to this Agreement to be retained by the City for the required period of time.

The SUBRECIPIENT agrees to permit the City or the City's designated representatives to inspect and audit its records and books relative to this Contract at any time during normal business hours and under reasonable circumstances and to copy therefrom any information that the City desires concerning SUBRECIPIENT'S operation hereunder. The SUBRECIPIENT further understands and agrees that said inspection and audit would be exercised upon written notice. If the SUBRECIPIENT or its records or books are not located within Clark County Nevada, in the event of an inspection and audit, SUBRECIPIENT agrees to deliver the records or books or have the records or books delivered to the City or the City's designated representatives at an address within the City of Las Vegas as designated by the City. If the City or the City's designated representatives find that the records delivered by the SUBRECIPIENT are incomplete, the SUBRECIPIENT agrees to pay the City or the City's representatives' costs to travel (including travel, lodging, meals, and other related expenses) to the Contractor's offices to inspect and audit, as deemed necessary, all records of this project relating to finances, as well as other records including performance records that may be required by relevant directives of funding sources of the City.

C. DOCUMENTATION OF COSTS

All costs shall be recorded by budget line-items and be supported by properly executed payrolls, time records, invoices, contracts, or vouchers, or other official documentation evidencing in proper detail the nature and propriety of the charge. All checks, payrolls, invoices, contracts, and vouchers, orders or other accounting documents pertaining in whole or in part to the Agreements, shall be thoroughly identified and readily accessible.

D. FINANCIAL RECORDKEEPING

Financial records pertaining to all invoices, materials, payrolls, personnel records, and other data concerning matters related to this Agreement may be requested from SUBRECIPIENT by duly authorized CITY representatives, CITY-contracted independent auditors, HUD and/or the Comptroller of the United States, or any combination thereof.

E. RECORDS

Program records shall be maintained in accordance with HUD and CITY requirements with respect to all matters covered by this Agreement. Such records shall be maintained for a period of four years after the term of this Agreement expires (effectively a five year retention period).

F. PROGRAM BUDGET

Invoice expenditures eligible for payment by the CITY will be in accordance with the Project budget delineated in Exhibit "B" and subject to any conditions imposed in the Scope of Services, to include monthly or quarterly reports and narratives when seeking reimbursement from the City for Project costs. SUBRECIPIENT shall not make any changes in the Project budget unless permission is obtained in writing from the CITY.

G. METHOD OF PAYMENT

The CITY shall reimburse valid invoices for approved Project budget expenditures identified in Exhibit "B" of this Agreement. Before paying such expenses, the CITY will review invoice expenditures to determine their consistency with the approved eligible expenditures, the scope of services, pursuant to this Agreement. The CITY reserves the right to refuse reimbursement for expenses, which are CDBG-ineligible or which are not within the scope of this Agreement. Monthly and quarterly reimbursement requests shall include reports and narratives as detailed in "Scope of Services" section of this Agreement.

H. UNEXPENDED FUNDS

CDBG funds must be spent in a timely manner. To ensure compliance with this requirement, fifty percent (50%) of the CDBG grant award provided by this agreement must be spent by December 31st of the fiscal year the funds are awarded. The City's fiscal year is from July 1st – June 30th. Completed Request for Funds for the first six months must be received and processed by Neighborhood Services no later than January 31st of the fiscal year the funds are awarded. Client reporting forms for the first six months must have also been received prior to January 31st in order for any Request For Funds to be processed. In the event that NEIGHBORHOOD SERVICES staff anticipates the total amount of funds allocated for this Agreement will not be expended in the time and manner prescribed in this Agreement, the City reserves the right to reprogram the funds to another CDBG eligible project/program.

I. ACCOUNTING METHODS

Expenditures charged to CITY fiscal year 2004-2005 CDBG funds will be accounted separately from all other revenue sources. These records shall be maintained by SUBRECIPIENT.

J. REAL PROPERTY, NON-EXPENDABLE PERSONAL PROPERTY, DEPRECIATION SCHEDULES, AND DISPOSITION OF PROPERTY

In accordance with the United States Office of Management and Budget (OMB) Circulars A-87, Cost Principles of State and Local Governments, and A-110, Grants and Agreements with Institutions of Higher Education, Hospitals, and other Nonprofit Organizations, the following shall apply:

- 1) Non-expendable personal property will be defined as any property either tangible or intangible other than real property as defined herein which has a unit acquisition cost of \$500 or more and a useful life of more than one year.
- 2) Real property will be defined as land, including land improvements, structures and appurtenances thereto, but excluding movable machinery and equipment.
- 3) Non-expendable personal property shall be depreciated on a 5-year, straight-line schedule, as is the accounting standard used for the City of Las Vegas in its financial management. SUBRECIPIENT will be required to maintain property records for and report to the City during the 5-year depreciation period. If the property is disposed of prior to the 5-year depreciation period, the CITY shall provide the SUBRECIPIENT with disposition instructions upon request. If the property is disposed of for cash during this period, it constitutes Program Income which must be reported in accordance with the Section III C. & D., Program Income, portion of this Agreement. Examples of non-expendable personal property are vehicles and computer equipment. If said property is a vehicle, the City shall be named as a lien-holder on the title.
- 4) When non-expendable personal property has been fully depreciated in accordance with the CITY'S 5-year straight-line schedule, and the property is disposed of for cash, the SUBRECIPIENT may retain such funds provided that SUBRECIPIENT notifies the CITY in writing and that SUBRECIPIENT uses such funds for the exclusive benefit of the Program.
- 5) Pursuant to 24 CFR Part 570.503, the SUBRECIPIENT must transfer upon expiration of the term of this Agreement any CDBG funds on hand at the time of expiration and any accounts receivable attributable to the use of CDBG funds provided pursuant to this

Agreement. In addition, any real property as described above either acquired or improved in whole or in part, in excess of \$25,000, shall be used to meet one of the national objectives pursuant to Part 570.208 until five (5) years after expiration of this Agreement, or for such longer period of time as deemed appropriate by the CITY. If not used as such, SUBRECIPIENT must dispose of such real property in a manner that results in the reimbursement of CDBG funds for the amount of the current fair market value of the property less any portion of the value attributable to expenditures of non-CDBG funds for acquisition of or improvement to the property. This reversion of assets will not be required after such period of time deemed appropriate by the CITY.

V. MODIFICATION OR TERMINATION OF AGREEMENT

A. AMENDMENT OR REVISION REQUIRED BY HUD

SUBRECIPIENT and the CITY hereby agree to amend or otherwise revise this Agreement should such modification be required by HUD and/or any applicable federal statutes or regulations.

B. TERMINATION PROCEDURES

SUBRECIPIENT and the CITY hereby agree that this Agreement pursuant to 24 CFR Part 570.509 is subject to federal enforcement procedures identified in 24 CFR Part 85.43. Remedies for noncompliance with any of the covenants, agreements or stipulations of this Agreement shall include:

1. the temporary withholding of cash payments pending correction of the deficiency by the CITY or SUBRECIPIENT or more severe action by the U.S. Department of Housing and Urban Development, as the awarding federal agency,
2. the disallowance (that is, denying both the use of funds and matching credit for) all or part of the cost of the activity or action not in compliance,
3. the whole or partial suspension or termination of the current award for the Program,
4. the withholding of further awards for the Program, or
5. the adoption of other remedies that may be legally available.

As Recipient, the CITY reserves the right to set the terms and conditions for suspension or termination, provided that such conditions are consistent with 24 CFR Part 85.43 and are appropriate for the noncompliance being addressed. Any notice of termination for noncompliance shall be given no less than ten (10) days before the effective date of such termination and sent to SUBRECIPIENT at 2039 E. Lake Mead N. Las Vegas, NV 89030.

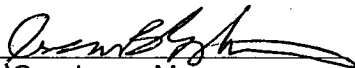
C. PROVISIONS REQUIRED BY LAW DEEMED INSERTED

Each and every provision of law and clause required by law to be inserted in this Agreement will be deemed to be inserted herein, and this Agreement shall be read and enforced as though it were included herein and if through mistake or otherwise any such provisions not inserted, or is not correctly inserted, then upon the application of either party this Agreement shall forthwith be physically amended to make such insertion.

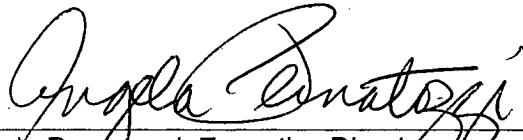
IN WITNESS WHEREOF, the parties hereto have entered this Agreement the day and year first above written.

CITY OF LAS VEGAS

Classroom on Wheels



Oscar B. Goodman, Mayor



Angela Perratozzi, Executive Director

Attest:



Barbara Jo Ronemus, City Clerk

Council Action

March 17, 2004

APPROVED AS TO FORM:



7/15/04

EXHIBIT "A"
Scope of Services
Childcare/Pre-School

Principal Tasks

The Subrecipient will be responsible for providing day care/safekey/preschool and related services to eligible children over the period of July 1st to June 30th. The Subrecipient will administer all tasks in the provision of the aforementioned public services in compliance with all applicable federal, state, and local rules and regulations governing these funds, and in a manner satisfactory to the City.

Changes in the scope of services, budget, or method of compensation contained in the Agreement, unless otherwise noted, may only be made through a written amendment to the Agreement, executed by the Subrecipient and City

The major tasks which the Subrecipient will perform in connection with the provision of the eligible day care services include, but are not limited to, the following:

- 1). Maintain facilities at all times in conformance with all applicable codes, licensing, and other requirements for the operation of a day care center, pre-school program or safekey program. This will include all requirements for lead-based paint testing and abatement, as necessary. The facilities must also be handicapped accessible, and organized into separate areas appropriate for each of the age groupings being served.
- 2). Conduct outreach through flyers, public service announcements, networking with local agencies, scheduling of open houses and other means to inform the low- and moderate-income community of the availability of the fully-subsidized day care slots available, and to ensure sufficient demand to maintain enrollment. All descriptions of the program will emphasize that the center is handicapped-accessible. (When possible, flyers should be translated in Spanish)
- 3). Accept applications and perform eligibility determinations. CDBG funds should be used for the families from 50% - 80% of median income, as they will not qualify for other forms of childcare assistance, which are available for poverty level clients. City CDBG funds may only be utilized by children from families in the City of Las Vegas with incomes that meet the above mentioned income criteria. Upon meeting the income eligibility criteria, enrollment in the subsidized day care slots may be approved.
- 4). Families should be provided the option of enrolling their children in either part-time or full-time day care slots, provided that children from eligible low-moderate income families occupy 50% of the "full time equivalent" slots available at the day care center provided through CDBG funding.
- 5). Ensure that the staffing, background and qualifications of the Subrecipient's employees and/or volunteers providing the on-site day care and any related services are appropriate for the enrolled child population at the center and meet at least the minimum standards established by the pertinent licensing bodies.
- 6). Per the United States Department of Agriculture Standards, provide two nutritionally balanced snacks and a warm lunch every day for participating children.
- 7). As part of the day care services, provide a range of structured social, educational, and cultural enrichment activities appropriate to the age groups being served.
- 8). Maintain program and financial records documenting the eligibility, attendance, provision of services, and Subrecipient expenses relative to the children receiving day care services as a result of assistance provided through the CDBG program.

EXHIBIT "B"
CITY OF LAS VEGAS

NEIGHBORHOOD SERVICES DEPARTMENT

REQUEST FOR RELEASE OF FUNDS

This form must be used to request reimbursement from the City of Las Vegas Neighborhood Development Division for Community Development Block Grant (CDBG) funds expended for the 2004/2005 Fiscal Year. Failure to properly submit this form, along with back-up documentation such as: copies of canceled checks, invoices, purchase orders, and an accounts payable printout, or check register, will result in a non-pay status for the request. Do not alter this form.

Request #	Amount of Request	Period Covered	
		From	To

Agency: Classroom on Wheels #1	Phone: 8707201
Project: Classroom on Wheels	FAX: 8707209
Contact Person: Angela Pernatozzi	e-mail

Account Title	Budgeted Amount	Request Amount	Previous Drawdowns	Remaining Funds
Wages & Benefits	\$34,500.00			
Operating Costs				
Travel & Transportation				
Food (client)				
Employment Training				
Direct Client Services				
Machinery & Equipment				
TOTAL	\$34,500.00			

Signature

Date

EXHIBIT "C"

MONTHLY REPORTS

Clients Served & Program Goals Met This Month

Neighborhood Services Department
Neighborhood Development Division
400 Stewart, 2nd Floor
Las Vegas, NV 89101

RE: Project: _____
Represents Month _____

HUD has created new race categories. In addition, HUD requires that the Hispanic ethnicity be counted either for every race sub category as applicable or as simply Hispanic.

*Hispanic must be counted for each category as appropriate and totaled in column C. Example: White column may have 25 clients, 4 of which are also Hispanic. The White column would have 25 and the Hispanic column would have 4, the total clients would still be 25, do not add the two columns together. There may be other categories that also have Hispanic clients. Therefore, column (C) would have the total Hispanic count for all mixed categories and a final total for mixed clients at the bottom of the column. The Hispanic total for clients claiming a straight Hispanic race and ethnicity must also be counted. This is a separate category and has its own row for monthly and year to date totals. The Year to Date Columns should reflect the numbers for each monthly column of clients served to date.

A	B	C	D	E
Race Category	Monthly Client Total	Monthly Hispanic Total*	Year To Date Client Total	Year to Date Hispanic Total
White				
Black/African American				
Asian				
American Indian/Alaskan				
Native Hawaiian/Other Pac. Islander				
American Indian Alaskan Native & White				
Asian & White				
Black & White				
American Indian/Alaskan Native & Black				
Other Multi Racial				
Asian/Pacific Islander				
Hispanic				
TOTAL All Categories				
Female				
Male				
Female Head of Household				

0-30% Extremely-Low	31-50% Very Low	51-80% Moderate	Total
			Monthly Total
			Year to Date Total

Activities/Objectives	This Month	Year To Date	Goal

AUGUST 2004 - PROGRAM ACCOMPLISHMENTS *(Sample)*

Activity 1. Youth Enrollment

- Distributed 2,000 program flyers to North, South and Central High
- Sponsored and Open House on August 15th to attract youth
- 65 youth attended Open House and 27 formally enrolled in program

Activity 2. Mentor Recruitment

- Contracted Clark County Adult Probation Department to explain program
- Received two you referrals fulfilling Community Service hours
- Interviewed two youths for Mentorship, received formal commitments

Activity 3. Case Management

- Request for assistance forms were available at Orientation
- Five families completed intake form requesting assistance
- Three families had follow up visits at the center for assistance

Activity 4. Tutoring Services

- Contacted UNLV & Community College to identify student tutor volunteers
- Three tutors were interviewed and attended Open House
- Tutoring classes held in Math, Science, English (schedule available)

Activity 5. Peer Support Meetings

- Identified meeting topics/agenda
- Recruited student facilitator and set schedule
- 11 attended first meeting, 9 in attendance second meeting

EXHIBIT "D"

CLIENT ELIGIBILITY HUD SECTION 8 GUIDELINES

In order for a project or program to be eligible to receive Community Development Block Grant (CDBG) funds, at least 51% of the participants or recipients must have income that is less than 80% of median income.

FAMILY SIZE	<u>INCOME NOT TO EXCEED</u>		
	EXTREMELY LOW INCOME (30%)	VERY LOW INCOME (50%)	LOW INCOME (80%)
1	\$11,850 or less	\$19,800	\$31,650
2	\$13,550 or less	\$22,600	\$36,150
3	\$15,250 or less	\$25,450	\$40,700
4	\$16,950 or less	\$28,250	\$45,200
5	\$18,300 or less	\$30,500	\$48,800
6	\$19,650 or less	\$32,750	\$52,450
7	\$21,000 or less	\$35,050	\$56,050
8	\$22,350 or less	\$37,300	\$59,650

Low and moderate income household means a household having an income equal to or less than the Section 8 low income limit (80%) established by HUD, adjusted for family size.

A very low income household means a household having an income equal to or less than the Section 8 very low income limit (50%) established by HUD, adjusted for family size.

An extremely low income household means a household whose income is 30 percent or less of the area median income, adjusted for family size.

Provided by the United States Department of Housing and Urban Development (HUD), effective April 2004.

COMMUNITY DEVELOPMENT BLOCK GRANT AGREEMENT
between the CITY OF LAS VEGAS and
Nevada Association of Latin Americans (NALA)

THIS AGREEMENT, made and entered into this 1st day of July 2004, by and between the CITY OF LAS VEGAS, a municipal corporation of the State of Nevada, hereinafter referred to as "CITY", and **Nevada Association of Latin Americans (NALA)**, a nonprofit corporation, duly organized under the laws of the State of Nevada, hereinafter referred to as "SUBRECIPIENT," whose primary mailing address at the date of execution is, 323 N Maryland Pkwy Las Vegas, 89101.

WITNESSETH

WHEREAS, the CITY has entered into a Grant Agreement with the U.S. Department of Housing and Urban Development (HUD) for participation in the Community Development Block Grant, hereinafter referred to as "CDBG," program under Title I of the Housing and Community Development Act of 1974, P.L. 93-383 as amended. For reference the Catalog of Federal Domestic Assistance number for HUD-CDBG grant programs is 14.218; and

WHEREAS, the CITY is responsible for planning, administering, implementing, and evaluating the CDBG program to ensure that it conforms to the HUD-approved Consolidated Plan for the City; and

WHEREAS, CITY as Grantee wishes to engage SUBRECIPIENT to assist the CITY in utilizing such funds by providing services to meet the CDBG Program's National Objectives (defined in 24 CFR Part 570.208), Public Service funds are used as follows:

1. To benefit low- and moderate-income persons,

NOW, THEREFORE, it is agreed between the parties hereto that;

I. SCOPE OF SERVICE

A. ACTIVITIES

SUBRECIPIENT will be responsible for administering a FY2004-2005 CDBG-funded Program known as **Child Care/ Pre-School Program** that provides activities eligible under the Community Development Block Grant Program as cited in the Scope of Services I.B.1, and specified in Scope of Service and/or Exhibit "A" Expanded Scope of Service, hereinafter referred to as "Program" or "Project." It is expressly agreed and understood that the total amount to be provided by the CITY under this Agreement shall not exceed **\$57,382.00** in CDBG funds, hereinafter "CDBG Funds" or "Funds" to be allocated in accordance with the Program Budget as detailed in Exhibit "B," attached. SUBRECIPIENT hereby agrees to utilize said CDBG Funds made available pursuant to this Agreement to supplement rather than supplant funds otherwise available.

B. PROGRAM DESCRIPTION

1. *Scope of Services to be provided. For full scope of services See Exhibit "A"*

Purpose of Services:

Provide low income children with child care.

Tasks to be Performed:

Program helps children between 2 and 6 years old to develop physically, intellectually, and socially, while offering nutritious breakfast, lunch, and afternoon snacks. Funding request is for salaries of 2 full time teachers.

Level of Service to be Provided and Measurable Goals for Grant Period:

Provide low cost child care to at least 45 children. Ensure that children are at appropriate levels to enter school, testing is done twice a year.

Changes in the Scope of Services as outlined herein must be in accordance with CDBG Program regulations, made by written amendment to this Agreement and approved and signed by both the Subrecipient and (1) by the Mayor (with City Council approval) if funding amounts over \$24,999 are involved or (2) by the Director of Neighborhood Services or the Director's designee if funding amounts of less than \$25,000 are involved. In addition, the Director of Neighborhood Services Department is authorized to sign amendments which revise the Agreement language without any funding impact. Any such changes must not jeopardize the CDBG Program funding to the City.

2. *The following are either opportunities which may enhance, or constraints which may limit the ability of SUBRECIPIENT to effectively implement said Program in the City of Las Vegas:*
None
3. The SUBRECIPIENT hereby appoints the following representative to attend *scheduled quarterly meetings of the non-profit organizations in partnership with the City of Las Vegas, Neighborhood Services Department*, Ms. Teresa De La Torre-Azeman or a designee chosen at the discretion of SUBRECIPIENT.

C. CLIENT DATA

SUBRECIPIENT will be required to collect for and provide to the CITY Program accomplishments and usage records beginning July 1st of the fiscal year or the date first written above, until June 30th of the fiscal year unless this Agreement is modified at the express consent of the CITY and SUBRECIPIENT. SUBRECIPIENT shall submit, no later than the 7th of the month, the Monthly Status Report, Exhibit "C", which shall provide program statistics and a narrative to demonstrate compliance with the national objective as stated above. Failure to submit said Report in a timely manner may delay reimbursement to SUBRECIPIENT for grant-eligible Program expense. Said report shall contain, but not be limited to, the following data:

1. Total unduplicated (new) clients served including: ethnic breakdown, number and percentage of low- and moderate-income clients served (see Exhibit "D" for current HUD Section 8 income guidelines), female heads-of-households served, and veterans served.
2. Overall number of clients served within the City of Las Vegas corporate limits, delineated monthly by new clients and existing clients with a running total for the Program Year.
3. Statement of Program year goals cited in SUBRECIPIENT application and measurable accomplishments toward achieving said goals through reporting date of said Report.

Said Report shall be forwarded to the City of Las Vegas Neighborhood Services Department, ATTN: Neighborhood Development Division, 400 Stewart Avenue, Las Vegas, Nevada, 89101 no later than the 7th of the month following the reporting period. The forms may be e-mailed. CITY will monitor the performance of SUBRECIPIENT against goals and performance standards required herein. Substandard performance as determined by CITY will constitute non-compliance with this Agreement.

If action to correct such substandard performance is not taken by SUBRECIPIENT within a reasonable period of time as determined by the CITY, after being notified by CITY either (1) contract suspension procedures or (2) termination procedures will be initiated, as set forth in Section V.B. of this Agreement.

D. TIME OF PERFORMANCE

This Agreement provides for CDBG funding of SUBRECIPIENT program rendered in accordance with this Agreement from July 1, 2004 through June 30, 2005, inclusive. The CITY shall bear no liability to fund or provide payment for SUBRECIPIENT program services in the event that no CDBG Funds are received during fiscal year 2004-2005. Furthermore, the CITY shall be liable only for payment proportional to the extent that CDBG Funds are received by the CITY. SUBRECIPIENT program expenses incurred after July 1st of the fiscal year in which the funds were allocated, but prior to execution of this Agreement may be reimbursed upon approval of the CITY and contingent upon SUBRECIPIENT conformance with 24 CFR 570.200(h)(1)(i-vi).

II. CITY GENERAL CONDITIONS

A. COMPLIANCE WITH THE SUBRECIPIENT PROGRAM MANUAL AND OTHER APPLICABLE STATUTES AND REGULATIONS

SUBRECIPIENT agrees to abide with all Policies, Regulations and CDBG program criteria as specified in the Neighborhood Services Public Services Program Manual. SUBRECIPIENT shall obtain any and all Federal, State, and local permits and licenses required to execute the Project or Program as described in the Agreement's Scope of Services. SUBRECIPIENT further agrees to abide by all applicable Federal, State, and Local codes, regulations, statutes, ordinances, and laws.

B. IRS REGULATIONS:

SUBRECIPIENT agrees to comply with all applicable IRS regulations, specifically regarding employees, depositing of payroll taxes, filing of payroll tax returns, and issuance of W-2's at year-end. All persons working for a non-profit agency, whether full or part-time, are considered employees, pursuant to IRS Publication 15A. If a private contractor or instructor is hired, a W-9 must be completed if he/she is paid \$600 or more, and an IRS Form 1099 must be issued to that person at year-end, as well as filed with the IRS. 1099 instructions can be obtained on the IRS website.

C. SUBRECIPIENT RETAINS EXCLUSIVE RIGHT OF PERFORMING SERVICES

SUBRECIPIENT has requested financial support of the CITY to enable SUBRECIPIENT to provide the services contemplated herein. The CITY shall have no relationship whatsoever with the services contemplated herein except with the provision of financial support and the receipt of Reports as provided herein. In any and all events, the services contemplated herein shall be rendered at the time, in the manner and under circumstances determined solely and exclusively by SUBRECIPIENT, subject only to review by the City of Las Vegas, Neighborhood Services Department Director or other designee of the Neighborhood Services Director, to assure continuing eligibility for CDBG funding.

D. INDEMNIFICATION

SUBRECIPIENT agrees to protect, defend, indemnify and save harmless the CITY from and against any and all liability, damages, claims, suits, liens, and judgments of whatever nature, including but not limited to, claims for contribution and/or indemnification for injuries to or death of any person or persons, caused by, in connection with, or arising out of any activities undertaken pursuant to this Agreement. SUBRECIPIENT'S obligation to protect, defend, indemnify, and save harmless as set forth in this paragraph, shall include reasonable attorneys' fees incurred by the CITY in the defense and/or handling of said suits, demands, judgments, liens, claims and the like and reasonable attorneys' fees and reasonable investigation expenses incurred by the CITY in enforcing and/or obtaining compliance with the provisions of this paragraph.

E. THIRD PARTY CONTRACTS

SUBRECIPIENT shall provide reasonable advance notice to, and obtain express consent from the CITY prior to obtaining, through funds made available pursuant to this Agreement, professional services pursuant to a written contractual agreement with a third party, an example of said contractual agreement to be provided by the City. Such advance notice shall demonstrate the necessity of such services and shall provide for adequate remedy in the event that professional services are not rendered in a manner consistent with the terms of this Agreement.

F. ON-SITE MONITORING

Projects and Programs funded under this Agreement will be subject to on-site monitoring by duly authorized CITY representatives, CITY-contracted independent auditors, HUD and/or the Comptroller of the United States, or any combination thereof. Said representatives will be announced, at a minimum, 24 hours in advance of such visits, which shall occur during normal operating hours. The representatives shall be granted access to any and all records pertaining to said Program. Representatives may, on occasion, interview Program recipients who volunteer to be interviewed.

G. ACCESS TO RECORDS

At any time during normal business hours, SUBRECIPIENT'S records, with respect to matters covered by this Agreement shall be made available for audit, examination, and review by CITY representatives, CITY-contracted independent auditors, HUD and/or the Comptroller of the United States, or any combination thereof. Such records shall be made available at a location convenient to the CITY.

H. INSURANCE

If SUBRECIPIENT uses a vehicle in providing its services, it shall carry or provide a Comprehensive Automobile Liability Insurance covering bodily injury and property damage, with a minimum comprehensive single limit liability of \$1,000,000.

The CITY shall be named as an additional insured in all policies of insurance obtained for the Program including, but not limited to, comprehensive general liability, bodily injury and property damage policies in an amount not less than \$1,000,000 for any person, and \$5,000,000 per occurrence and \$1,000,000 property damage. The CITY shall be furnished evidence that the foregoing insurance coverage(s) are in effect, and the CITY shall be notified at least thirty (30) days prior to the cancellation or material change of any such coverage.

I. LIMIT ON ASSIGNMENT OF INTEREST

SUBRECIPIENT may not assign any part of its rights in this Agreement without consent of CITY. Any such assignment of rights without consent of CITY shall result in the forfeiture of all compensation, or any part thereof, as determined by CITY.

III. FEDERAL GENERAL CONDITIONS

A. RELIGIOUS ACTIVITIES 24 CFR 570.200(j)

As a general rule, in accordance with First Amendment Church/State Principles, CDBG assistance may not be used for religious activities or provided to primarily religious entities for any activities, including secular activities, except as cited at 24 CFR 570.200(J)(1)(2)(3).

B. POLITICAL ACTIVITIES 24 CFR 570.207

SUBRECIPIENT will comply with this section, which prohibits the use of CDBG funds to finance the use of facilities or equipment for political purposes or to engage in other partisan political activities, such as candidate forums, voter transportation, or voter registration.

HATCH ACT CHAPTER 15, TITLE 5, U.S. CODE

SUBRECIPIENT further agrees that none of the personnel employed in the administration of the within defined Project shall be in any way or to any extent, engaged in the conduct of political activities in contravention of Chapter 15, Title 5, U.S. Code.

C. PROGRAM INCOME 24 CFR 570.500

SUBRECIPIENT agrees that program income, as defined in 24 CFR 570.500, includes, but is not limited to, the following:

1. Proceeds from the disposition by sale or long-term lease of real property purchased or improved with CDBG funds;
2. Proceeds from the disposition of equipment purchased with CDBG funds;
3. Gross income from the use or rental of real or personal property acquired by SUBRECIPIENT with CDBG funds, less costs incidental to generation of the income;
4. Gross income from the use or rental of real property, owned by SUBRECIPIENT, that was constructed or improved with CDBG funds, less costs incidental to generation of the income;
5. Payments of principal and interest on loans made using CDBG funds, except as provided in 24 CFR 570.500(a)(3); and
6. Interest earned on program income pending its disposition.

D. DISPOSITION OF PROGRAM INCOME 24 CFR 570.504

Program income shall be recorded separately and returned to the CITY for disposition. Upon approval by the CITY, income from the Project may be retained by SUBRECIPIENT provided that written notification is given to the Neighborhood Services Director and that the income is to be used for the exclusive benefit of the Program. Such income will be subject to guidelines for use of such income in accordance with HUD regulations.

E. APPLICABILITY OF UNIFORM ADMINISTRATIVE REQUIREMENTS 24 CFR 570.502

SUBRECIPIENT shall comply with the requirements and standards of OMB Circular A-122, "Cost Principles for Non-profit Organizations," or OMB Circular No. A-21, "Cost Principles for Educational Institutions," as applicable, and OMB Circular A-133, "Audits of Institutions of Higher Education and Other Non-profit Institutions."

F. OTHER PROGRAM REQUIREMENTS 24 CFR SUBPART K

SUBRECIPIENT shall carry out its activities in compliance with all Federal laws and regulations as described in 24 CFR 570.600-570.612, except that SUBRECIPIENT will not assume the CITY'S environmental responsibilities described at 24 CFR 570.604, nor the CITY'S responsibility for initiating the review process under the provisions of 24 CFR Part 58.

1. GENERAL--24 CFR 570.600

SUBRECIPIENT agrees to comply with such laws and Program requirements as are applicable to grants made under section 106 of Title I of the Housing and Community Development Act of 1974.

2. TITLE VI OF THE CIVIL RIGHTS ACT OF 1964--24 CFR 570.601 FAIR HOUSING ACT--24 CFR 570.601 EXECUTIVE ORDER 11063--24 CFR 570.601

This Agreement is subject to the requirements of Title VI of the Civil Rights Act of 1964, P.L. 88-352; the Fair Housing Act; and Executive Order 11063, as amended by Executive Order 12259; and HUD regulations at 24 CFR Part 1, providing for non-discrimination on the grounds of race, color, creed, sex, familial status, disability, or national origin under any activity receiving Federal funds and also obligating SUBRECIPIENT to use Federally-funded property for the purpose for which the Federal funds were awarded.

3. SECTION 109 OF THE ACT--24 CFR 570.602 AGE DISCRIMINATION ACT of 1975--24 CFR 570.602(c) SECTION 504 OF THE REHABILITATION ACT OF 1973 24 CFR 570.602(c)

This Agreement is subject to Section 109 of the Housing and Community Development Act of 1974, The Age Discrimination Act of 1975, and Section 504 of the Rehabilitation Act of 1973, which requires that no person in the United States shall, on the grounds of age, race, color, national origin, disability, or sex, be excluded from participation in, be denied the benefits of, or be subject to discrimination under any program or activity funded in whole or in part with Community Development Block Grant funds.

4. LABOR STANDARDS & DAVIS BACON ACT 24 CFR 570.603

Section 110(a) of the Act contains labor standards that apply to non-volunteer labor financed in whole or in part with assistance provided under the Act. The Contract Work Hours and Safety Standards Act also applies. Contractors or subcontractors on construction work shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended.

5. ENVIRONMENTAL STANDARDS 24 CFR 570.604

This Agreement is subject to the National Environmental Policy Act of 1969, as detailed in implementing regulations 24 CFR Part 58.

6. NATIONAL FLOOD INSURANCE PROGRAM 24 CFR 570.605

This Agreement is subject to the Flood Disaster Protection Act of 1973, and the regulations in 44 CFR Parts 59 through 79.

7. DISPLACEMENT, RELOCATION, ACQUISITION, AND REPLACEMENT OF HOUSING 24 CFR 570.606

SUBRECIPIENT shall assure that they have taken all reasonable steps to minimize the displacement of persons (families, individuals, businesses, non-profit organizations, and farms) as a result of activities pursuant to Part 570.606. Relocation of displaced persons shall be provided in conformance with the Uniform Relocation Assistance and Real Property Acquisition Act of 1970.

8. EMPLOYMENT AND CONTRACTING OPPORTUNITIES 24 CFR 570.607

SUBRECIPIENT shall comply with Executive Order 11246, as amended by Executive Order 12086, which provides for Equal Employment Opportunity, and Section 3 of the Housing and Urban Development Act of 1968, with implementing regulations at 24 CFR Part 135. Section 3 requires that employment and other economic development

opportunities arising in connection with housing rehabilitation, housing construction, or other public construction projects shall, to the greatest extent feasible, and consistent with existing Federal, State, and local laws and regulations, be given to low- and very low-income persons.

9. LEAD-BASED PAINT 24 CFR 570.608

This Agreement is subject to the regulations at 24 CFR Part 35, prohibiting the use of lead-based paint in residential structures constructed or rehabilitated with assistance provided pursuant to Part 570.608; notification of hazards of lead-based paint poisoning; and elimination of lead-based paint hazards.

10. USE OF DEBARRED, SUSPENDED, OR INELIGIBLE CONTRACTORS OR SUBRECIPIENTS 24 CFR 570.609

This Agreement is subject to the requirements set forth in 24 CFR Part 5, in which is incorporated 24 CFR Part 24, which provides for the listing of debarred and suspended participants, participants declared ineligible, and participants who have voluntarily excluded themselves from participation in covered transactions pursuant to Part 24.

11. UNIFORM ADMINISTRATIVE REQUIREMENTS AND COST PRINCIPLES 24 CFR 570.610

SUBRECIPIENT shall comply with the policies, guidelines, and requirements of 24 CFR Part 85 and OMB Circulars A-87, A-110, A-122, A-133, and A-128, as applicable, as they relate to the acceptance and use of Federal funds pursuant to Part 570.610. The applicable sections of 24 CFR Parts 84 and 85 are set forth at Part 570.502.

12. CONFLICT OF INTEREST 24 CFR 570.611

This Agreement is subject to the general rule that no person who is an employee, agent, consultant, officer, or elected official or appointed official of the CITY as Recipient, or of any designated public agencies, or of SUBRECIPIENT who exercise or have exercised any functions or responsibilities with respect to CDBG activities assisted pursuant to Part 570.611, or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from a CDBG-assisted activity, or have a financial interest in any contract, subcontract, or Agreement with respect to a CDBG-assisted activity, or with respect to the proceeds of the CDBG-assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one year thereafter.

13. LIMITED ENGLISH PROFICIENCY (LEP)

Executive order 12166 enacted August 11, 2000, mandates the federal government reduce language barriers to limited English proficiency (LEP) persons with regard to accessing federal benefits.

Recipients of HUD assistance including state and local governments, public housing authority assisted housing providers, profit and non-profit organizations and other entities receiving funds directly or indirectly from HUD are subject to executive order 12166 and title vi provisions as a condition of receiving federal funds.

Failure to ensure limited English persons (LEP) access to HUD benefits may violate title vi civil rights protections based upon national origin.

G. DRUG-FREE WORKPLACE

As a Subrecipient of CDBG funds, and in connection with public services offered, the SUBRECIPIENT agrees that it shall comply with the provisions of the Drug-Free Workplace Act of 1988, 45 CFR Part 76, Subpart F, which requires that SUBRECIPIENT shall maintain a facility free from the illegal use, possession, or distribution of drugs or alcohol by its beneficiaries.

H. EXPIRATION OR REVOCATION OF AGREEMENT

Upon the expiration or revocation of this Agreement, SUBRECIPIENT shall transfer to CITY any CDBG funds on hand at the time of expiration or revocation and any accounts receivable attributable to the use of CDBG funds.

I. ANTI-LOBBYING

Section 319 of Public Law 101-121, of the Department of the Interior Appropriations Act, prohibits SUBRECIPIENT from using appropriated Federal funds for lobbying the Executive or Legislative Branches of the Federal Government in connection with a specific contract, grant, or loan, and requires that no Federal appropriated funds have been paid or will be paid, by or on behalf of SUBRECIPIENT to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

J. AMERICANS WITH DISABILITIES ACT

SUBRECIPIENT agrees to comply fully with any and all provisions of the Americans with Disabilities Act (hereinafter referred to as "ADA") as applicable to the SUBRECIPIENT and the activities to be performed by SUBRECIPIENT under the scope of this Agreement. If employing more than fifteen (15) employees, SUBRECIPIENT agrees to comply fully with Title I of the "ADA" as set forth at 28 CFR Part 130. If providing "public accommodations" as defined by the Act in Section 301(7)(A)-(L), SUBRECIPIENT agrees to comply fully with Title III of the "ADA" as set forth at 28 CFR Part 36. If providing public transportation, SUBRECIPIENT agrees to comply fully with the federal regulations as set forth at 49 CFR Parts 37 and 38.

IV. FINANCIAL MANAGEMENT

A. AUDIT REQUIREMENTS

This Agreement is subject to other requirements of United State's Office of Management and Budget (OMB) Circular No. A-110 "Grants and Agreements with Institutions of Higher Education, Hospitals, and other Non-Profit Organizations" and its relevant attachments "A" through "O"; and Circular A-122, entitled "Cost Principles for Non-Profit Organizations."

This Agreement is also subject to an OMB A-133 Audit pursuant to the Single Audit Act. Effective December 31, 2003, the Office of Management and Budget requires that grant recipients who expend \$500,000 or more during a one year period in federal funds aggregate, conduct an A-133 audit.

In order to ensure Program compliance to the greatest extent feasible, the Neighborhood Services Department has established a policy, effective July 1, 1997, which requires a Subrecipient receiving annual federal funding of \$50,000 or more for two consecutive years to submit an audited financial statement. Such Subrecipient must submit the audited financial statement no later than six (6) months after the conclusion of the second program year of federal funding.

Please Note: Beginning July 1, 2005, the City will implement the following audit policy: Any agency that expends between \$200,000 - \$499,999 in federal funds will be required to have a CPA Audited Financial Statement. The funds expended may be from one or multiple federal sources. If allowable by program regulations, the City may only pay for the portion of the audit, which represents the percentage of City federal funds in the program budget. This policy will replace the policy above placed in effect on July 1, 1997.

All Subrecipients who fall under the requirements of OMB A-133 Auditing rules must submit a full and complete copy of such audits to the Neighborhood Services Department. It is the responsibility of the SUBRECIPIENT to ensure that audits are completed in a proper and timely manner. Failure to submit copies of the A-133 Audit will render the SUBRECIPIENT as non-

compliant. This means that no funds may be drawn until the City of Las Vegas Neighborhood Services Department has received and reviewed the copy of the audit. Please refer to the Public Services Program Subrecipient Manual as provided for further guidance on this matter.

B. RIGHT TO REVIEW AND AUDIT

The SUBRECIPIENT agrees to maintain financial records pertaining to all matters relative to this Agreement in accordance with standard accounting principles and procedures and to retain all records and supporting documentation applicable to this Agreement for a period of three years, except those records subject to audit findings shall be retained for three years after such findings have been resolved. In the event the SUBRECIPIENT goes out of existence, the SUBRECIPIENT shall turn over to the City all of its records relating to this Agreement to be retained by the City for the required period of time.

The SUBRECIPIENT agrees to permit the City or the City's designated representatives to inspect and audit its records and books relative to this Contract at any time during normal business hours and under reasonable circumstances and to copy therefrom any information that the City desires concerning SUBRECIPIENT'S operation hereunder. The SUBRECIPIENT further understands and agrees that said inspection and audit would be exercised upon written notice. If the SUBRECIPIENT or its records or books are not located within Clark County Nevada, in the event of an inspection and audit, SUBRECIPIENT agrees to deliver the records or books or have the records or books delivered to the City or the City's designated representatives at an address within the City of Las Vegas as designated by the City. If the City or the City's designated representatives find that the records delivered by the SUBRECIPIENT are incomplete, the SUBRECIPIENT agrees to pay the City or the City's representatives' costs to travel (including travel, lodging, meals, and other related expenses) to the Contractor's offices to inspect and audit, as deemed necessary, all records of this project relating to finances, as well as other records including performance records that may be required by relevant directives of funding sources of the City.

C. DOCUMENTATION OF COSTS

All costs shall be recorded by budget line-items and be supported by properly executed payrolls, time records, invoices, contracts, or vouchers, or other official documentation evidencing in proper detail the nature and propriety of the charge. All checks, payrolls, invoices, contracts, and vouchers, orders or other accounting documents pertaining in whole or in part to the Agreements, shall be thoroughly identified and readily accessible.

D. FINANCIAL RECORDKEEPING

Financial records pertaining to all invoices, materials, payrolls, personnel records, and other data concerning matters related to this Agreement may be requested from SUBRECIPIENT by duly authorized CITY representatives, CITY-contracted independent auditors, HUD and/or the Comptroller of the United States, or any combination thereof.

E. RECORDS

Program records shall be maintained in accordance with HUD and CITY requirements with respect to all matters covered by this Agreement. Such records shall be maintained for a period of four years after the term of this Agreement expires (effectively a five year retention period).

F. PROGRAM BUDGET

Invoice expenditures eligible for payment by the CITY will be in accordance with the Project budget delineated in Exhibit "B" and subject to any conditions imposed in the Scope of Services, to include monthly or quarterly reports and narratives when seeking reimbursement from the City for Project costs. SUBRECIPIENT shall not make any changes in the Project budget unless permission is obtained in writing from the CITY.

G. METHOD OF PAYMENT

The CITY shall reimburse valid invoices for approved Project budget expenditures identified in Exhibit "B" of this Agreement. Before paying such expenses, the CITY will review invoice expenditures to determine their consistency with the approved eligible expenditures, the scope of services, pursuant to this Agreement. The CITY reserves the right to refuse reimbursement for expenses, which are CDBG-ineligible or which are not within the scope of this Agreement. Monthly and quarterly reimbursement requests shall include reports and narratives as detailed in "Scope of Services" section of this Agreement.

H. UNEXPENDED FUNDS

CDBG funds must be spent in a timely manner. To ensure compliance with this requirement, fifty percent (50%) of the CDBG grant award provided by this agreement must be spent by December 31st of the fiscal year the funds are awarded. The City's fiscal year is from July 1st – June 30th. Completed Request for Funds for the first six months must be received and processed by Neighborhood Services no later than January 31st of the fiscal year the funds are awarded. Client reporting forms for the first six months must have also been received prior to January 31st in order for any Request For Funds to be processed. In the event that NEIGHBORHOOD SERVICES staff anticipates the total amount of funds allocated for this Agreement will not be expended in the time and manner prescribed in this Agreement, the City reserves the right to reprogram the funds to another CDBG eligible project/program.

I. ACCOUNTING METHODS

Expenditures charged to CITY fiscal year 2004-2005 CDBG funds will be accounted separately from all other revenue sources. These records shall be maintained by SUBRECIPIENT.

J. REAL PROPERTY, NON-EXPENDABLE PERSONAL PROPERTY, DEPRECIATION SCHEDULES, AND DISPOSITION OF PROPERTY

In accordance with the United States Office of Management and Budget (OMB) Circulars A-87, Cost Principles of State and Local Governments, and A-110, Grants and Agreements with Institutions of Higher Education, Hospitals, and other Nonprofit Organizations, the following shall apply:

- 1) Non-expendable personal property will be defined as any property either tangible or intangible other than real property as defined herein which has a unit acquisition cost of \$500 or more and a useful life of more than one year.
- 2) Real property will be defined as land, including land improvements, structures and appurtenances thereto, but excluding movable machinery and equipment.
- 3) Non-expendable personal property shall be depreciated on a 5-year, straight-line schedule, as is the accounting standard used for the City of Las Vegas in its financial management. SUBRECIPIENT will be required to maintain property records for and report to the City during the 5-year depreciation period. If the property is disposed of prior to the 5-year depreciation period, the CITY shall provide the SUBRECIPIENT with disposition instructions upon request. If the property is disposed of for cash during this period, it constitutes Program Income which must be reported in accordance with the Section III C. & D., Program Income, portion of this Agreement. Examples of non-expendable personal property are vehicles and computer equipment. If said property is a vehicle, the City shall be named as a lien-holder on the title.
- 4) When non-expendable personal property has been fully depreciated in accordance with the CITY'S 5-year straight-line schedule, and the property is disposed of for cash, the SUBRECIPIENT may retain such funds provided that SUBRECIPIENT notifies the CITY in writing and that SUBRECIPIENT uses such funds for the exclusive benefit of the Program.
- 5) Pursuant to 24 CFR Part 570.503, the SUBRECIPIENT must transfer upon expiration of the term of this Agreement any CDBG funds on hand at the time of expiration and any accounts receivable attributable to the use of CDBG funds provided pursuant to this

Agreement. In addition, any real property as described above either acquired or improved in whole or in part, in excess of \$25,000, shall be used to meet one of the national objectives pursuant to Part 570.208 until five (5) years after expiration of this Agreement, or for such longer period of time as deemed appropriate by the CITY. If not used as such, SUBRECIPIENT must dispose of such real property in a manner that results in the reimbursement of CDBG funds for the amount of the current fair market value of the property less any portion of the value attributable to expenditures of non-CDBG funds for acquisition of or improvement to the property. This reversion of assets will not be required after such period of time deemed appropriate by the CITY.

V. MODIFICATION OR TERMINATION OF AGREEMENT

A. AMENDMENT OR REVISION REQUIRED BY HUD

SUBRECIPIENT and the CITY hereby agree to amend or otherwise revise this Agreement should such modification be required by HUD and/or any applicable federal statutes or regulations.

B. TERMINATION PROCEDURES

SUBRECIPIENT and the CITY hereby agree that this Agreement pursuant to 24 CFR Part 570.509 is subject to federal enforcement procedures identified in 24 CFR Part 85.43. Remedies for noncompliance with any of the covenants, agreements or stipulations of this Agreement shall include:

1. the temporary withholding of cash payments pending correction of the deficiency by the CITY or SUBRECIPIENT or more severe action by the U.S. Department of Housing and Urban Development, as the awarding federal agency,
2. the disallowance (that is, denying both the use of funds and matching credit for) all or part of the cost of the activity or action not in compliance,
3. the whole or partial suspension or termination of the current award for the Program,
4. the withholding of further awards for the Program, or
5. the adoption of other remedies that may be legally available.

As Recipient, the CITY reserves the right to set the terms and conditions for suspension or termination, provided that such conditions are consistent with 24 CFR Part 85.43 and are appropriate for the noncompliance being addressed. Any notice of termination for noncompliance shall be given no less than ten (10) days before the effective date of such termination and sent to SUBRECIPIENT at 323 N Maryland Pkwy Las Vegas, NV 89101.

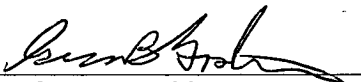
C. PROVISIONS REQUIRED BY LAW DEEMED INSERTED

Each and every provision of law and clause required by law to be inserted in this Agreement will be deemed to be inserted herein, and this Agreement shall be read and enforced as though it were included herein and if through mistake or otherwise any such provisions not inserted, or is not correctly inserted, then upon the application of either party this Agreement shall forthwith be physically amended to make such insertion.

IN WITNESS WHEREOF, the parties hereto have entered this Agreement the day and year first above written.

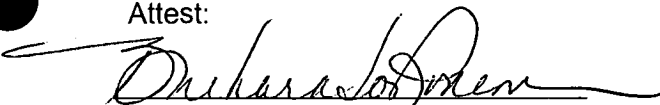
CITY OF LAS VEGAS

Nevada Association of Latin Americans (NALA)


Oscar B. Goodman, Mayor


Teresa De La Torre-Azeman, Executive Director

Attest:


Barbara Jo Ronemus, City Clerk

Council Action

March 17, 2004

APPROVED AS TO FORM:


4/15/04

EXHIBIT "A"
Scope of Services
Childcare/Pre-School

Principal Tasks

The Subrecipient will be responsible for providing day care/safekey/preschool and related services to eligible children over the period of July 1st to June 30th. The Subrecipient will administer all tasks in the provision of the aforementioned public services in compliance with all applicable federal, state, and local rules and regulations governing these funds, and in a manner satisfactory to the City.

Changes in the scope of services, budget, or method of compensation contained in the Agreement, unless otherwise noted, may only be made through a written amendment to the Agreement, executed by the Subrecipient and City

The major tasks which the Subrecipient will perform in connection with the provision of the eligible day care services include, but are not limited to, the following:

- 1). Maintain facilities at all times in conformance with all applicable codes, licensing, and other requirements for the operation of a day care center, pre-school program or safekey program. This will include all requirements for lead-based paint testing and abatement, as necessary. The facilities must also be handicapped accessible, and organized into separate areas appropriate for each of the age groupings being served.
- 2). Conduct outreach through flyers, public service announcements, networking with local agencies, scheduling of open houses and other means to inform the low- and moderate-income community of the availability of the fully-subsidized day care slots available, and to ensure sufficient demand to maintain enrollment. All descriptions of the program will emphasize that the center is handicapped-accessible. (When possible, flyers should be translated in Spanish)
- 3). Accept applications and perform eligibility determinations. CDBG funds should be used for the families from 50% - 80% of median income, as they will not qualify for other forms of childcare assistance, which are available for poverty level clients. City CDBG funds may only be utilized by children from families in the City of Las Vegas with incomes that meet the above mentioned income criteria. Upon meeting the income eligibility criteria, enrollment in the subsidized day care slots may be approved.
- 4). Families should be provided the option of enrolling their children in either part-time or full-time day care slots, provided that children from eligible low-moderate income families occupy 50% of the "full time equivalent" slots available at the day care center provided through CDBG funding.
- 5). Ensure that the staffing, background and qualifications of the Subrecipient's employees and/or volunteers providing the on-site day care and any related services are appropriate for the enrolled child population at the center and meet at least the minimum standards established by the pertinent licensing bodies.
- 6). Per the United States Department of Agriculture Standards, provide two nutritionally balanced snacks and a warm lunch every day for participating children.
- 7). As part of the day care services, provide a range of structured social, educational, and cultural enrichment activities appropriate to the age groups being served.
- 8). Maintain program and financial records documenting the eligibility, attendance, provision of services, and Subrecipient expenses relative to the children receiving day care services as a result of assistance provided through the CDBG program.

EXHIBIT "B"
CITY OF LAS VEGAS

NEIGHBORHOOD SERVICES DEPARTMENT

REQUEST FOR RELEASE OF FUNDS

This form must be used to request reimbursement from the City of Las Vegas Neighborhood Development Division for Community Development Block Grant (CDBG) funds expended for the 2004/2005 Fiscal Year. Failure to properly submit this form, along with back-up documentation such as: copies of canceled checks, invoices, purchase orders, and an accounts payable printout, or check register, will result in a non-pay status for the request. Do not alter this form.

Request #	Amount of Request	Period Covered
		From To

Agency: Nevada Association of Latin Americans (NALA) #1	Phone: 3826252
Project: Child Care/ Pre-School Program	FAX: 3837021
Contact Person: Teresa De La Torre-Azeman	e-mail

Account Title	Budgeted Amount	Request Amount	Previous Drawdowns	Remaining Funds
Wages & Benefits	\$57,382.00			
Operating Costs				
Travel & Transportation				
Food (client)				
Employment Training				
Direct Client Services				
Machinery & Equipment				
TOTAL	\$57,382.00			

Signature

Date

EXHIBIT "C"
MONTHLY REPORTS
 Clients Served & Program Goals Met This Month

Neighborhood Services Department
 Neighborhood Development Division
 400 Stewart, 2nd Floor
 Las Vegas, NV 89101

RE: Project: _____
 Represents Month _____

HUD has created new race categories. In addition, HUD requires that the Hispanic ethnicity be counted either for every race sub category as applicable or as simply Hispanic.

*Hispanic must be counted for each category as appropriate and totaled in column C. Example: White column may have 25 clients, 4 of which are also Hispanic. The White column would have 25 and the Hispanic column would have 4, the total clients would still be 25, do not add the two columns together. There may be other categories that also have Hispanic clients. Therefore, column (C) would have the total Hispanic count for all mixed categories and a final total for mixed clients at the bottom of the column. The Hispanic total for clients claiming a straight Hispanic race and ethnicity must also be counted. This is a separate category and has its own row for monthly and year to date totals. The Year to Date Columns should reflect the numbers for each monthly column of clients served to date.

A	B	C	D	E
Race Category	Monthly Client Total	Monthly Hispanic Total*	Year To Date Client Total	Year to Date Hispanic Total
White				
Black/African American				
Asian				
American Indian/Alaskan				
Native Hawaiian/Other Pac. Islander				
American Indian Alaskan Native & White				
Asian & White				
Black & White				
American Indian/Alaskan Native & Black				
Other Multi Racial				
Asian/Pacific Islander				
Hispanic				
TOTAL All Categories				
Female				
Male				
Female Head of Household				

0-30% Extremely-Low	31-50% Very Low	51-80% Moderate	Total
			Monthly Total
			Year to Date Total

Activities/Objectives	This Month	Year To Date	Goal

AUGUST 2004 - PROGRAM ACCOMPLISHMENTS *(Sample)*

Activity 1. Youth Enrollment

- Distributed 2,000 program flyers to North, South and Central High
- Sponsored and Open House on August 15th to attract youth
- 65 youth attended Open House and 27 formally enrolled in program

Activity 2. Mentor Recruitment

- Contracted Clark County Adult Probation Department to explain program
- Received two youth referrals fulfilling Community Service hours
- Interviewed two youths for Mentorship, received formal commitments

Activity 3. Case Management

- Request for assistance forms were available at Orientation
- Five families completed intake form requesting assistance
- Three families had follow up visits at the center for assistance

Activity 4. Tutoring Services

- Contacted UNLV & Community College to identify student tutor volunteers
- Three tutors were interviewed and attended Open House
- Tutoring classes held in Math, Science, English (schedule available)

Activity 5. Peer Support Meetings

- Identified meeting topics/agenda
- Recruited student facilitator and set schedule
- 11 attended first meeting, 9 in attendance second meeting

EXHIBIT "D"

CLIENT ELIGIBILITY HUD SECTION 8 GUIDELINES

In order for a project or program to be eligible to receive Community Development Block Grant (CDBG) funds, at least 51% of the participants or recipients must have income that is less than 80% of median income.

INCOME NOT TO EXCEED

FAMILY SIZE	EXTREMELY LOW INCOME (30%)	VERY LOW INCOME (50%)	LOW INCOME (80%)
1	\$11,850 or less	\$19,800	\$31,650
2	\$13,550 or less	\$22,600	\$36,150
3	\$15,250 or less	\$25,450	\$40,700
4	\$16,950 or less	\$28,250	\$45,200
5	\$18,300 or less	\$30,500	\$48,800
6	\$19,650 or less	\$32,750	\$52,450
7	\$21,000 or less	\$35,050	\$56,050
8	\$22,350 or less	\$37,300	\$59,650

Low and moderate income household means a household having an income equal to or less than the Section 8 low income limit (80%) established by HUD, adjusted for family size.

A very low income household means a household having an income equal to or less than the Section 8 very low income limit (50%) established by HUD, adjusted for family size.

An extremely low income household means a household whose income is 30 percent or less of the area median income, adjusted for family size.

Provided by the United States Department of Housing and Urban Development (HUD), effective April 2004.