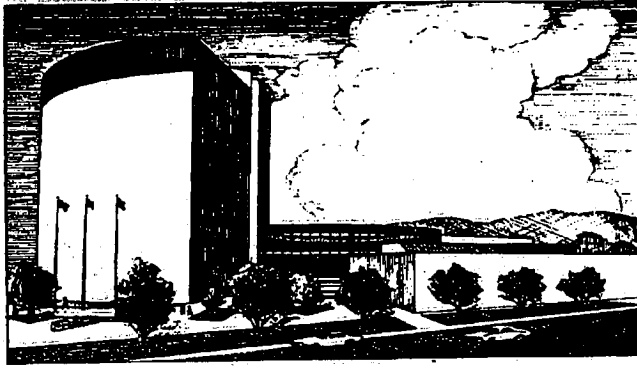




MINUTES

City of Las Vegas

CITY COUNCIL

COUNCIL CHAMBERS • 400 STEWART AVENUE • 229-6011 (VOICE) • 386-9108 (TDD)

CITY COUNCIL

Meeting of

FEBRUARY 16, 2005

INVOCATION PLEDGE OF ALLEGIANCE

CITY COUNCIL

MAYOR OSCAR B. GOODMAN

COUNCILMAN GARY REESE
MAYOR PRO-TEM

COUNCILMAN LARRY BROWN

COUNCILMAN LAWRENCE WEEKLY

COUNCILMAN MICHAEL MACK

COUNCILMAN STEVE WOLFSON

COUNCILWOMAN LOIS TARKANIAN

PRESENT

ABSENT

EXCUSED

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DOUG SELBY, CITY MANAGER

BRAD JERBIC, CITY ATTORNEY

(Arrived at 9:34 AM)

BRYAN SCOTT, DEPUTY CITY ATTORNEY (PM session)

TOM GREEN, DEPUTY CITY ATTORNEY

BARBARA JO RONEMUS, CITY CLERK

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APPROVED BY REFERENCE: May 4, 2005

ATTEST:

CITY CLERK

MAYOR

**THIS MEETING
CONTAINS SOME
PAGE(S) THAT ARE
ILLEGIBLE/POOR
QUALITY**

CITY COUNCIL AGENDA

COUNCIL CHAMBERS • 400 STEWART AVENUE • PHONE 229-6011

CITY OF LAS VEGAS INTERNET ADDRESS: <http://www.lasvegasnevada.gov>

OSCAR B. GOODMAN, MAYOR (At-Large) • COUNCILMAN GARY REESE, MAYOR PRO TEM (Ward 3)

COUNCIL MEMBERS: LARRY BROWN (Ward 4), LAWRENCE WEEKLY (Ward 5),

MICHAEL MACK (Ward 6), STEVE WOLFSON (Ward 2), LOIS TARKANIAN (Ward 1)

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

FEBRUARY 16, 2005

Morning Session begins at 9:00 a.m.

Afternoon Session begins at 1:00 p.m.

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

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

DUPLICATE AUDIO TAPES MAY BE AVAILABLE AT A COST OF \$3.00 PER TAPE AND DUPLICATE VIDEO TAPES MAY BE AVAILABLE AT A COST OF \$5.00 PER TAPE THROUGH THE CITY CLERK'S OFFICE.

NOTE: CELLULAR PHONES ARE TO BE TURNED OFF DURING THE COUNCIL MEETING.

CEREMONIAL MATTERS

- CALL TO ORDER
- ANNOUNCEMENT RE: COMPLIANCE WITH OPEN MEETING LAW
- INVOCATION - CHARLOTTE LEAS, CHAPLAIN, BUNKERS MORTUARY
- PLEDGE OF ALLEGIANCE
- RECOGNITION OF CHINESE NEW YEAR
- RECOGNITION OF THE EMPLOYEE OF THE MONTH
- RECOGNITION OF THE KOREAN DELEGATION FROM HAN KUK UNIVERSITY
- RECOGNITION OF THE PALO VERDE HIGH SCHOOL STATE FOOTBALL CHAMPIONS
- RECOGNITION OF THE LAS VEGAS ACADEMY THEATRE PROGRAM

BUSINESS ITEMS - MORNING

1. Any items from the morning session that the Council, staff and/or the applicant wish to be stricken or held in abeyance to a future meeting may be brought forward and acted upon at this time
2. Approval of the Final Minutes by reference of the regular City Council Meeting of December 1, 2004

CONSENT AGENDA

MATTERS LISTED ON THE CONSENT AGENDA ARE CONSIDERED TO BE ROUTINE AND HAVE BEEN RECOMMENDED FOR APPROVAL BY THE SUBMITTING DEPARTMENTS. ALL ITEMS ON THE CONSENT AGENDA MAY BE APPROVED IN A SINGLE MOTION. HOWEVER, IF A COUNCIL MEMBER SO REQUESTS, ANY CONSENT ITEM MAY BE MOVED TO THE DISCUSSION PORTION OF THE AGENDA AND OTHER ACTION, INCLUDING POSTPONEMENT OR DENIAL OF THE ITEM, MAY TAKE PLACE.

ADMINISTRATIVE - CONSENT

3. Approval to direct staff to request withdrawal of bill draft request (BDR) 604 - Collective Bargaining, by the Legislative Counsel Bureau - All Wards

ADMINISTRATIVE SERVICES - CONSENT

4. Approval of the ratification of Tuesday James in a Council support position as the Senior Executive Assistant to the Ward 1 office – Ward 1 (Tarkanian)

FINANCE & BUSINESS SERVICES - CONSENT

5. Approval of Service and Material Checks/Payroll Checks/Wire Transfers/Other Checks and Investments
6. Approval of a report by the Finance Director of the January 25, 2005 sale of properties subject to the lien of a delinquent assessment in Special Improvement Districts 404, 707, and 808 - Wards 2 and 4 (Wolfson and Brown)
7. Approval of a Special Event License for Three Angry Wives Pub, Location: Parking Lot at Three Angry Wives Pub, 8820 West Charleston Boulevard, Suite 105, Date: March 17, 2005, Type: Special Event General, Event: St. Patrick's Day Party, Responsible Person in Charge: Erin O'Hayer - Ward 2 (Wolfson)
8. Approval of a new Martial Arts Instruction Business License subject to the provisions of the planning and fire codes, Bu K. Park, dba Unified Tae Kwon Do, 6454 Sky Pointe Drive, Bu K. Park, 100% - Ward 6 (Mack)
9. Approval of award of Agreement No. 040246 for Phase I Offendertrak Corrections Management System software, installation and technical support - Department of Detention and Enforcement - Award recommended to: MOTOROLA, INC. (\$439,700 – Multipurpose Special Revenue Fund and General Fund)
10. Approval of award of Bid No. 04.15341.43-LED, Downtown Post Office Soft Demolition and the construction conflicts and contingency reserve set by Finance and Business Services – Department of Public Works – Award recommended to: ROCHE CONSTRUCTORS, INC. (\$265,300 – Parks and Leisure Activities Capital Projects Fund) – Ward 5 (Weekly)
11. Approval of award of Agreement No. 050537 for Artwork Fabrication and Installation Services – Department of Leisure Services – Award recommended to: SAXE - PATTERSON, INC. (\$95,000 – General Fund and Public Arts Special Revenue Fund) - Ward 3 (Reese)
12. Approval of award of Contract No. 050183, Firefighter Physicals - Department of Fire and Rescue - Award recommended to: LIFESIGNS MANAGEMENT, INC. (\$76,000 - General Fund)
13. Approval of the rejection of bid and award of Bid No. 050119-GL, Annual Requirements Contract for Signs - Department of Field Operations, Parks and Open Spaces - Award recommended to: ROCAL, INC. (Estimated annual amount of \$58,500 - General Fund)
14. Approval of award of Contract No. 050052, Citizen's Recreation Assessment Survey Services - Department of Leisure Services - Award recommended to: MOORE, IACOFANO, GOLTSMAN, INC. (\$27,975 - General Fund)

FINANCE & BUSINESS SERVICES - CONSENT

15. Preapproval of purchase order for printing services for 2005 Municipal Primary and General Election - Office of the City Clerk - Award recommended to: NEVADA COLOR LITHO (amount not to exceed \$138,000 - General Fund)

LEISURE SERVICES - CONSENT

16. Approval of City of Las Vegas Arts Commission Municipal Arts Plan (MAP) for FY 2005-2006 - All Wards

NEIGHBORHOOD SERVICES - CONSENT

17. Approval of an Agreement for Quality Enhancement Programs and Services between the Economic Opportunity Board Community Action Partnership - Childcare Assistance Division (EOB-CCAD) and the City of Las Vegas in the amount of \$140,000 for the Child Care Improvement Grant (CCIG) - All Wards
18. Approval of the First Amendment to the Educational and Vocational Opportunities Leading to Valuable Experiences (EVOLVE) Program Agreement to reduce the scope of work and budget for two Department of Labor (DOL) earmark EVOLVE program partners - All Wards
19. Approval of the list of resident junior high and high school students to be nominated by the city of Las Vegas for the Nevada League of Cities and Municipalities Youth Award Program - All Wards

PUBLIC WORKS - CONSENT

20. Approval of First Supplemental Interlocal Contract LAS22A03 - Decatur/Elkhorn/Rainbow for Flood Control Improvements between the City of Las Vegas and the Clark County Regional Flood Control District (CCRFCDD) to increase predesign funding (\$51,000 - Clark County Regional Flood Control District) - Ward 6 (Mack)
21. Approval of Third Supplemental Interlocal Contract LAS10K99 - CAM 10 Detention Basin (Ann Road Detention Basin Facilities) between the City of Las Vegas and the Clark County Regional Flood Control District (CCRFCDD) to increase design funding (\$94,000 - Clark County Regional Flood Control District) - County (near Ward 6 - Mack)
22. Approval of Interlocal Contract LAS10X05 - Ann Road Detention Basin Facilities (CAM 10 Detention Basin) between the City of Las Vegas and the Clark County Regional Flood Control District (CCRFCDD) to provide funding for construction and construction management (\$8,935,515 - Clark County Regional Flood Control District) - County (near Ward 6 - Mack)
23. Approval of Interlocal Contract 486 - 2004-2005 Traffic Capacity and Safety Improvement Projects between Clark County, the Cities of Las Vegas, North Las Vegas and Henderson and the Regional Transportation Commission of Southern Nevada (RTC) to provide funding for design and construction of traffic improvements (\$2,250,000 - Regional Transportation Commission of Southern Nevada) - All Wards
24. Approval of an Interlocal Agreement between the City of Las Vegas and the Nevada Department of Transportation (NDOT) for the I-515 Sound Wall Project - Las Vegas Boulevard to Charleston Boulevard (Engineering Agreement 73205) (\$20,000,000 - Regional Transportation Commission of Southern Nevada [RTC]) - Wards 1, 3 and 5 (Tarkanian, Reese and Weekly)
25. Approval of an Engineering Design Services Agreement between the City of Las Vegas and Parsons for engineering design services for the City Parkway and D Street Connector Study (\$88,000 - Regional Transportation Commission of Southern Nevada [RTC]) - Ward 5 (Weekly)

PUBLIC WORKS - CONSENT

26. Approval of an Interlocal Agreement between the City of Las Vegas and the State of Nevada acting through its Department of Transportation (NDOT) for the construction of storm drain facilities within the US95 widening project from I-15 to Rainbow Boulevard (\$5,875,282 - Clark County Regional Flood Control District [CCRFGD]) - Wards 1 and 5 (Tarkanian and Weekly)
27. Approval of a Sewer Connection and Interlocal Contract with Clark County Water Reclamation District - RK Development on behalf of David J. Panzer and Lois Panzer, owners (northwest corner of Durango Drive and Fisher Avenue, APN 125-32-603-007) - County (near Ward 6 - Mack)
28. Approval of an Encroachment Request from Flamingo SEC Partners, LLC, owner (northwest corner of Decatur Boulevard and Charleston Boulevard) - Ward 1 (Tarkanian)
29. Approval of an Encroachment Request from Integrity Engineering on behalf of Durango & Elkhorn, LLC, owner (southwest corner of Durango Drive and Elkhorn Road) - Ward 6 (Mack)
30. Approval of an Encroachment Request from Wright Engineers on behalf of MB Holdings, LLC, owner (Horse Drive between Bradley Road and Unicorn Street) - Ward 6 (Mack)
1. Approval of a Sewer Connection and Interlocal Contract with Clark County Water Reclamation District - Taney Engineering on behalf of Butler Estates, LLC - owner (Butler Street and Alexander Road, APN 138-04-404-026 and 138-04-404-027) - County (near Ward 4 - Brown)
32. Approval of an Encroachment Request from D. R. Horton, Incorporated, owner (Horse Drive between Fort Apache Road and US95) - Ward 6 (Mack)
33. Approval of an Encroachment Request from Integrity Engineering on behalf of Arlt Family Trust, owner (southwest corner of Martin L. King Boulevard and Wheeler Peak Drive) - Ward 5 (Weekly)
34. Approval of an Encroachment Request from Integrity Engineering on behalf of PRMD, LLC, owner (Las Vegas Boulevard between Gass Avenue and Hoover Avenue) - Ward 5 (Weekly)
35. Approval of an Encroachment Request from Ebenezer Church of God in Christ, owner (northeast corner of Bartlett Avenue and Concord Street) - Ward 5 (Weekly)
36. Approval of a Sewer Connection and Interlocal Contract with Clark County Water Reclamation District - Walker Engineering on behalf of Kevin and Stange, LLC, owner (northeast corner of Kevin Way and Stange Avenue, APN 138-05-203-002) - County (near Ward 4 - Brown)
37. Approval of a Sewer Connection and Interlocal Contract with Clark County Water Reclamation District - Aztec Engineering on behalf of PHD Assets, LLC, owner (northwest corner of Maverick Street and Rome Avenue, APN 125-32-601-010) - County (near Ward 6 - Mack)
38. Approval of a Sewer Connection and Interlocal Contract with Clark County Water Reclamation District - Aztec Engineering on behalf of Howard Agster, Senior, and Arlene Agster, owners (northeast corner of Rome Avenue and Mustang Street, APN 125-23-702-005) - County (near Ward 6 - Mack)
39. Approval of a Rule 9 Line Extension Agreement with Nevada Power Company (NPC) for the installation of NPC facilities to provide power for streetlight and traffic signal services for the Durango Drive Phase 4, Special Improvement District 1503 project (Durango Drive - Tropical Parkway to I-215) (\$9,891 - Regional Transportation Commission [RTC]) - Ward 6 (Mack)
40. Approval of a Professional Services Agreement with Hill Clark and Associates Landscape Architects for the design services of Ed Fountain Park Phase II located at Vegas Drive and Decatur Boulevard (\$209,000 - Capital Improvements Project Fund [CIP]) - Ward 5 (Weekly)

PUBLIC WORKS - CONSENT

41. Approval of an Interlocal Agreement between the City of Las Vegas, the City of Henderson, Clark County, Clark County Regional Flood Control District, Clark County Water Reclamation District and the Southern Nevada Water Authority to establish funding allocations and the budget for the Las Vegas Wash activities in fiscal year 2005/2006 (\$275,756 - Enterprise Fund) - All Wards

RESOLUTIONS - CONSENT

42. R-13-2005 - Approval of a Resolution Concerning the Use, Allocation and Distribution of Funds Generated from the Possible Enactment of a Sales and Use Tax Increase in Response to the Public Safety Advisory Question Approved in Connection with the Clark County General Election on November 2, 2004
43. R-14-2005 - Approval of a Resolution of Intent Regarding the Annexation of Territory Generally Located North of Moccasin Road, Between the Buffalo Drive Alignment and Spin Ranch Road (ANX-3026); Acreage: 7,683 acres; Zoned: R-U (County zoning), U (City equivalent)
44. R-15-2005 - Approval of Resolution of Intent to Annex Territory Generally Located North of Iron Mountain Road, West of Hualapai Way (ANX-5528); Acreage: Approximately 538 acres; Zoned: R-U (County zoning), U (PCD) and U (PF) (City equivalents).
45. R-16-2005 - Approval of a resolution of intent to issue Economic Development Revenue Bonds not to exceed \$11,000,000 to finance and refinance the acquisition, construction and equipment of a project for Goodwill Industries of Southern Nevada, Inc., and fixing the time and place of the public hearing concerning such bonds
46. R-17-2005 - Approval of a Resolution Amending Schedule 25-II, 35 MPH Speed Limits, to change the speed limit on Grand Teton Drive between Jones Boulevard and Decatur Boulevard from 25 MPH to 35 MPH - Ward 6 (Mack)
47. R-18-2005 - Approval of a Resolution Amending Schedules 25-II, 35 MPH Speed Limits, and 25-IV, 45 MPH Speed Limits, to change the speed limit on Rainbow Boulevard between Rancho Drive and Ann Road from 35 MPH to 45 MPH - Ward 6 (Mack)
48. R-19-2005 - Approval of a Resolution Amending Schedules 25-II, 35 MPH Speed Limits, and 25-IV, 45 MPH Speed Limits, to change the speed limit on Durango Drive between Cheyenne Avenue and US 95 from 35 MPH to 45 MPH - Ward 6 (Mack)

REAL ESTATE COMMITTEE - CONSENT

49. Approval of an Agreement for the Purchase and Sale of Real Property whereby Operation Life Community Development Corporation sells approximately 0.15 acres of land for future housing development located in the vicinity of Van Buren Avenue and F Street known as APN 139-27-110-037 to Ruthe Realty and/or Assignees on behalf of the City of Las Vegas (City) (\$19,000 plus closing costs - General Fund) - Ward 5 (Weekly)
50. Approval of an Agreement for the Purchase and Sale of Real Property whereby Milan and Cindy Selakovic sell approximately 0.52 total acres of land for future housing development located in the vicinity of Jackson Avenue and H Street known as APNs 139-27-110-066 and 069 to Ruthe Realty and/or Assignees on behalf of the City of Las Vegas (City) (\$85,000 plus closing costs - General Fund) - Ward 5 (Weekly)
51. Approval of an Agreement for the Purchase and Sale of Real Property whereby George Fowler and/or nominee sells approximately 0.15 acres of land located at 501 E. McWilliams to Priority One Commercial and/or nominee on behalf of the City of Las Vegas (City) (\$350,000 plus closing costs - Southern Nevada Public Land Management Act [SNPLMA]) - Ward 5 (Weekly)

REAL ESTATE COMMITTEE - CONSENT

52. Approval of an Agreement for the Purchase and Sale of Real Property whereby the City of Las Vegas (City) sells approximately 0.63 acres of land located in the vicinity of Stewart Avenue and 7th Street known as APNs 139-34-512-031 through 033 to Las Vegas Police Protective Association Metro, Inc., (PPA) (\$1,200,000 revenue less closing costs - General Fund) - Ward 5 (Weekly)

DISCUSSION / ACTION ITEMS

ADMINISTRATIVE - DISCUSSION

53. Report and possible action concerning the status of 2005 legislative issues
54. ABEYANCE ITEM - Report and possible action on the 2005 Federal Action Plan

BUSINESS DEVELOPMENT - DISCUSSION

55. Report and possible action regarding a strategy to expedite the development of the Downtown Entertainment Overlay District, bounded by Las Vegas Boulevard, Ogden Avenue, Eighth Street and Carson Avenue - Ward 5 (Weekly)

CITY ATTORNEY - DISCUSSION

56. Discussion and possible action on Appeal of Work Card Denial: William Sproul, 5400 W. Cheyenne Dr. #1106, Las Vegas, Nevada 89108
57. Discussion and possible action on Appeal of Work Card Denial: Charles Cuong Wynkoop, 4428 Copley Circle, Las Vegas, Nevada 89120
58. Discussion and possible action on Appeal of Work Card Denial: Neise Aparecida Haut, 7001 W. Charleston Blvd., #2035, Las Vegas, Nevada 89117
59. Discussion and possible action on Appeal of Work Card Denial: John C. Teske, 1900 High Valley Ct. #104, Las Vegas, Nevada 89128
60. ABEYANCE ITEM - Discussion and possible action on Appeal of Work Card Denial: Tiffany Avice Johnson-Rorie, P.O. Box 669, Las Vegas, Nevada 89125
61. ABEYANCE ITEM - Discussion and possible action on Appeal of Work Card Denial: Laurnel C. Crocker, 2817 W. Sahara, Apt. #2, Las Vegas, Nevada 89102
62. Discussion and possible action on Appeal of Work Card Denial: Approved August 18, 2004 subject to six month review: John Terence Sylvain, 133 Sam Jonas Drive, Las Vegas, Nevada 89145
63. Discussion and possible action to rescind the City Council's vote regarding a Six-Month Review of a Tavern License, D. Westwood, Inc., dba Treasurers, 2801 Westwood Drive, Ali Davari, Director, President, Treasurer, 50 percent, Hassan Davari, Director, Secretary, 50 percent - Ward 1 (Tarkanian)
64. Discussion and possible action reconsidering the application of D. Westwood, Inc. to transfer a tavern liquor license at 2801 Westwood Drive, Las Vegas, Nevada - Ward 1 (Tarkanian)

FINANCE & BUSINESS SERVICES - DISCUSSION

65. Discussion and possible action on the Fiscal Year (FY) 2005-06 Las Vegas Metropolitan Police Department Funding Apportionment Plan
66. Discussion and possible action regarding Temporary Approval of a new Beer/Wine/Cooler On-sale License subject to the provisions of the planning and fire codes, Samuel M. Martinez, dba Camino Real Mexican Grill, 5000 West Charleston Boulevard, Suite D, Samuel M. Martinez, 100%, Armida R. Martinez, Principal (NOTE: Item to be heard in the afternoon session in conjunction with Item 110 - SUP-5664) Ward 1 (Tarkanian)

NEIGHBORHOOD SERVICES - DISCUSSION

67. Report regarding Federal and State funded programs administered by the Neighborhood Services Department on behalf of the city of Las Vegas - All Wards
68. Discussion and possible action on the Youth Neighborhood Association Partnership Program (YNAPP) Grant Review Board recommendations to allocate \$31,000 in General Funds for 31 youth initiated projects - All Wards

RESOLUTIONS - DISCUSSION

69. R-20-2005 - Discussion and possible action on a resolution to establish a City of Las Vegas Council Code of Conduct

BOARDS & COMMISSIONS - DISCUSSION

70. Discussion and possible action on appointments of Council members to the Criminal Justice Advisory Council, Nevada League of Cities, Real Estate Committee, Southern Nevada Regional Planning Coalition and the Yucca Mountain Nuclear Repository Committee

REAL ESTATE COMMITTEE - DISCUSSION

71. Discussion and possible action regarding an Exclusive Negotiation Agreement (ENA) with 601 Fremont, LLC, regarding negotiation of a Disposition and Development Agreement for the real property located at 601 Fremont Street, APN 139-34-611-018 (receipt of \$180,000 earnest money deposit) - Ward 5 (Weekly)
72. Discussion and possible action regarding an Exclusive Negotiating Agreement between the City of Las Vegas, the Las Vegas Redevelopment Agency and Alpha Omega Strategies, Inc., for certain properties located at and around 1501 North Decatur, APNs 138-25-503-006, 138-25-515-000 and 138-25-516-000 - Ward 1 (Tarkanian) [NOTE: This is a companion item to Redevelopment Agency Item 3]

RECOMMENDING COMMITTEE REPORT - DISCUSSION

BILLS ELIGIBLE FOR ADOPTION AT THIS MEETING

73. Bill No. 2005-1 - ABEYANCE ITEM - Annexation No. ANX-5329 - Property location: On the southeast corner of Jones Boulevard and Madre Mesa Drive; Petitioned by: S. F. Investments, LLC; Acreage: 2.42 acres; Zoned: R-E (County zoning), U (R) (City equivalent). Sponsored by: Councilman Lawrence Weekly
74. Bill No. 2005-6 - Annexation No. ANX-5100 - Property location: On the east side of U. S. 95, south of Lone Mountain Road; Petitioned by: R. Paramahansa Trust, et al.; Acreage: 12.66 acres; Zoned: R-E (County zoning), U (O) and R-E (City equivalents). Sponsored by: Councilman Michael Mack

RECOMMENDING COMMITTEE REPORT - DISCUSSION

BILLS ELIGIBLE FOR ADOPTION AT THIS MEETING

75. Bill No. 2005-7 - Annexation No. ANX-5514 – Property location: On the northeast corner of Alexander Road and Grand Canyon Drive; Petitioned by: Maple Development, LLC, et al.; Acreage: 4.96 acres; Zoned: R-E (County zoning), U (RNP) and U (R) (City equivalents). Sponsored by: Councilman Larry Brown
76. Bill No. 2005-8 - Annexation No. ANX-5586 – Property location: On the northeast corner of Ann Road and Balsam Street; Petitioned by: Regal Village, LLC; Acreage: 6.85 acres; Zoned: R-E (ROI to C-1) (County zoning), U (R) (ROI to C-1) (City equivalent). Sponsored by: Councilman Michael Mack

NEW BILLS - DISCUSSION

THERE IS NO PUBLIC COMMENT ON THESE ITEMS. NEW BILLS ARE READ INTO THE RECORD AND REFERRED TO RECOMMENDING COMMITTEE FOR A SEPARATE HEARING TO RECEIVE PUBLIC TESTIMONY BEFORE ACTION BY THE COUNCIL AT A LATER MEETING. EXCEPTION: EMERGENCY BILLS OR THOSE ITEMS TO BE STRICKEN OR TABLED.

77. Bill No. 2005-9 - Eliminates the inclusion of street rights-of-way and open space in the acreage used to determine allowable units per acre in residential subdivisions. Proposed by: Margo Wheeler, Director of Planning and Development
78. Bill No. 2005-10 - Eliminates redevelopment area status as a determinant of development standards relating to residential adjacency and certain setback requirements. Sponsored by: Councilman Lawrence Weekly
79. Bill No. 2005-11 - Clarifies the rules that apply to the remodeling, alteration, expansion or reuse of parking-impaired developments. Proposed by: Margo Wheeler, Director of Planning and Development

1:00 P.M. - AFTERNOON SESSION

BUSINESS ITEMS - AFTERNOON

80. Any items from the afternoon session that the Council, staff and/or the applicant wish to be stricken or held in abeyance to a future meeting may be brought forward and acted upon at this time

HEARINGS - DISCUSSION

81. Public hearing to consider the report of expenses to recover costs for abatement of dangerous building located at 205 Jackson Avenue. PROPERTY OWNER: ERIK RIVERA - Ward 5 (Weekly)
82. Public hearing to consider the report of expenses to recover costs for abatement of dangerous building located at 1912 Holmes Street. PROPERTY OWNER: MARY B. LARRY - Ward 5 (Weekly)
83. Public hearing to consider the report of expenses to recover costs for abatement of dangerous building/demolition located at 510 W. McWilliams Avenue. PROPERTY OWNERS: LAND ACQUISITIONS, LLC - Ward 5 (Weekly)
84. Public hearing to consider the report of expenses to recover costs for abatement of zoning/nuisance located at 519 W. Van Buren Avenue. PROPERTY OWNERS: LAND ACQUISITIONS, LLC - Ward 5 (Weekly)
85. Hearing to consider the appeal regarding the Nuisance/Litter Abatement Notice and Order to Comply regarding 2800 Walnut Avenue. PROPERTY OWNERS: CITY OF LAS VEGAS HOUSING AUTHORITY - Ward 3 (Reese)

HEARINGS - DISCUSSION

86. Public hearing on local improvement district for Special Improvement District No. 1501 - Downtown Street Rehabilitation Phase III (\$58,767.02 - Capital Projects Fund/Special Assessments) - Ward 5 (Weekly)

PLANNING & DEVELOPMENT

The items listed below, where appropriate, have been reviewed by the various City departments relative to requirements for storm drainage and flood control, connection to sanitary sewer, traffic circulation, and building and fire regulations. Their comments and/or recommendations and requirements have been incorporated into the action.

PLANNING & DEVELOPMENT - DISCUSSION

87. ROC-5934 - PUBLIC HEARING - APPLICANT/OWNER: RICHMOND AMERICAN HOMES - Request for a Review of Condition Number 2 of an approved Review of Condition (ROC-5520) TO ALLOW 3 FOOT FRONT YARD SETBACKS TO THE HOUSE WHERE A MINIMUM 5 FOOT SETBACK IS REQUIRED AND TO ALLOW SETBACKS OF 6 FEET 6 INCHES OR LESS, OR 18 FEET OR GREATER TO THE FRONT OF THE GARAGE WHERE 5 FEET OR LESS OR 18 FEET OR GREATER FROM THE FRONT OF THE GARAGE IS REQUIRED for a 261 lot single family development on 21.5 acres adjacent to the south side of Gowan Road, approximately 700 feet east of Cliff Shadows Parkway (APN 137-12-311-001 through 145; and 137-12-313-001 through 115), PD (Planned Development) Zone, Ward 4 (Brown). Staff recommends APPROVAL
88. ROC-5940 - PUBLIC HEARING - APPLICANT/OWNER: CHARLESTON FESTIVAL, LLC - Request for a Review of Condition Number 17 of an approved Site Development Plan Review (SDR-3790) TO ALLOW DELIVERY HOURS BETWEEN 5:30 A.M. AND 10 P.M. WHERE THE HOURS WERE RESTRICTED TO 8:00 A.M. TO 8:00 P.M. for an approved 94,978 square foot retail center on 9.74 acres adjacent to the north side of Charleston Boulevard, approximately 375 feet east of Torrey Pines Drive (APN 138-358-01-002 and 138-358-03-001), C-1 (Limited Commercial) Zone, Ward 1 (Tarkanian). Staff recommends APPROVAL
89. SDR-5611 - PUBLIC HEARING - APPLICANT: CLARK COUNTY SCHOOL DISTRICT - OWNER: USA - Request for a Site Development Plan Review FOR AN ELEMENTARY SCHOOL on 10.0 acres adjacent to the southwest corner of Campbell Road and Severence Lane (APN 125-17-401-002), T-C (Town Center) Zone [PF-TC (Public Facilities – Town Center) Special Land Use Designation], Ward 6 (Mack). The Planning Commission (7-0 vote) and staff recommend APPROVAL
90. SDR-5660 - PUBLIC HEARING - APPLICANT: JMA ARCHITECTURE STUDIO - OWNER: CHARLESTON/CASINO CENTER, LLC - Request for a Site Development Plan Review FOR A 20-STORY MIXED-USE DEVELOPMENT TO INCLUDE 98 RESIDENTIAL UNITS AND 5,300 SQUARE FEET OF COMMERCIAL SPACE AND A WAIVER OF THE DOWNTOWN CENTENNIAL PLAN STREETScape REQUIREMENTS on 0.76 acres adjacent to the northeast corner of Charleston Boulevard and Casino Center Boulevard (APN 139-34-410-047), C-2 (General Commercial) Zone, Ward 1 (Tarkanian). The Planning Commission (6-0-1 vote) and staff recommend APPROVAL
91. SDR-5678 - PUBLIC HEARING - APPLICANT/OWNER: ESCAPE PROPERTIES, LLC - Request for a Site Development Plan Review FOR A 1,600 SQUARE-FOOT OFFICE BUILDING AND WAIVERS OF FOUNDATION AND PERIMETER LANDSCAPE REQUIREMENTS on 0.15 acres at 520 South Jones Boulevard (APN 138-36-310-006), R-1 (Single-Family Residential) Zone under Resolution of Intent to P-R (Professional Office and Parking) Zone, Ward 1 (Tarkanian). The Planning Commission (7-0 vote) and staff recommend APPROVAL
92. SDR-5709 - PUBLIC HEARING - APPLICANT/OWNER: CITY OF LAS VEGAS - Request for a Site Development Plan Review FOR A PUBLIC PARK on 4.0 acres adjacent to the northeast corner of Elkhorn Road and Fort Apache Road (APN 125-17-401-008 and a portion of 125-17-401-007), T-C (Town Center) Zone [PF-TC (Public Facilities – Town Center) Special Land Use Designation], Ward 6 (Mack). The Planning Commission (7-0 vote) and staff recommend APPROVAL

PLANNING & DEVELOPMENT - DISCUSSION

93. SDR-5780 - PUBLIC HEARING - APPLICANT: CHARTER SCHOOL DEVELOPMENT FOUNDATION - OWNER: CITY OF LAS VEGAS - Request for a Site Development Plan Review FOR PROPOSED ADDITIONS OF 78,181 SQUARE FEET TO EXISTING ELEMENTARY AND MIDDLE SCHOOL BUILDINGS FOR A PROPOSED HIGH SCHOOL on 9.38 acres adjacent to the southwest corner of Lake Mead Boulevard and "J" Street (APN 139-21-701-003, 139-21-702-001, 002, 003, 004 and 005), C-V (Civic) Zone, Ward 5 (Weekly). The Planning Commission (6-0-1 vote) and staff recommend APPROVAL
94. VAR-5557 - PUBLIC HEARING - APPLICANT: ROGER ANDERSON - OWNER: SYUFY ENTERPRISES, A CALIFORNIA LIMITED PARTNERSHIP - Request for a Variance TO ALLOW 179 PARKING SPACES WHERE A MINIMUM OF 234 PARKING SPACES IS REQUIRED on 3.8 acres adjacent to the south side of Charleston Boulevard, approximately 500 feet east of Wilshire Street (APN 163-01-502-005, 006, 007 and 008), C-1 (Limited Commercial) Zone, Ward 1 (Tarkanian). The Planning Commission (5-2 vote) and staff recommend DENIAL. (NOTE: Due to site plan changes, Variance requested is now 174 instead of 229.)
95. SDR-5556 - PUBLIC HEARING - APPLICANT: ROGER ANDERSON - OWNER: SYUFY ENTERPRISES, A CALIFORNIA LIMITED PARTNERSHIP - Request for a Site Development Plan Review FOR A PROPOSED 42,160 SQUARE-FOOT RETAIL CENTER, WAIVER OF THE COMMERCIAL DEVELOPMENT STANDARDS FOR A 15-FOOT FRONT YARD SETBACK WHERE 20 FEET IS REQUIRED, AND FOR A WAIVER OF THE REQUIRED FOUNDATION LANDSCAPING AND SCREEN WALL REQUIREMENTS on 3.8 acres south of Charleston Boulevard, approximately 500 feet east of Wilshire Street (APN 163-01-502-005, 006, 007 and 008), C-1 (Limited Commercial) Zone, Ward 1 (Tarkanian). The Planning Commission (5-2 vote) and staff recommend DENIAL
96. VAR-5699 - PUBLIC HEARING - APPLICANT: BRUCE I. FAMILIAN - OWNER: FARM & ALEXANDER PROPERTIES, LLC - Request for a Variance TO ALLOW 91 PARKING SPACES WHERE 100 SPACES ARE THE MINIMUM REQUIRED FOR A PROPOSED MEDICAL OFFICE BUILDING WITHIN AN EXISTING COMMERCIAL CENTER on 4.92 acres at the southwest corner of Alexander Road and Dalecrest Drive (APN 138-10-516-006), C-1 (Limited Commercial) Zone, Ward 4 (Brown). Staff recommends DENIAL. The Planning Commission (7-0 vote) recommends APPROVAL
97. SDR-5697 - PUBLIC HEARING - APPLICANT: BRUCE I. FAMILIAN - OWNER: FARM & ALEXANDER PROPERTIES, LLC - Request for a Site Development Plan Review FOR A 4,750 SQUARE-FOOT MEDICAL OFFICE BUILDING WITH WAIVERS OF PARKING LOT LANDSCAPING on 4.92 acres adjacent to the southwest corner of Alexander Road and Dalecrest Drive (APN 138-10-516-006), C-1 (Limited Commercial) Zone, Ward 4 (Brown). The Planning Commission (7-0 vote) and staff recommend APPROVAL
8. RQR-5969 - PUBLIC HEARING - APPLICANT: NAMEER KALANDOS - OWNER: DAVID KOHANBASH - Request for a Required Six-Month Review of an approved Special Use Permit (SUP-3961) WHICH ALLOWED A LIQUOR ESTABLISHMENT (OFF-PREMISES CONSUMPTION) IN CONJUNCTION WITH A PROPOSED CONVENIENCE STORE at 5000 West Charleston Boulevard, Suite 7 (APN 138-36-804-002), C-1 (Limited Commercial) Zone, Ward 1 (Tarkanian). Staff recommends APPROVAL
99. RQR-5787 - ABEYANCE ITEM - PUBLIC HEARING - APPLICANT/OWNER: C & C INVESTMENT CO. - Request for a Required One-Year Review of an approved Special Use Permit (SUP-3385) WHICH ALLOWED 40 PERCENT OF THE LOT AREA CONTAINING THE PRINCIPAL USE TO BE USED FOR OUTSIDE STORAGE on property located at 3505 East Charleston Boulevard (APN 140-31-401-033, 042 and a portion of 043), R-1 (Single-Family Residential), R-2 (Medium-Low Density Residential) and C-1 (Limited Commercial) Zones under Resolution of Intent to C-M (Commercial/Industrial), Ward 3 (Reese). Staff recommends APPROVAL
100. SUP-2848 - ABEYANCE ITEM - PUBLIC HEARING - REAGAN NATIONAL ADVERTISING ON BEHALF OF C O G III, LIMITED - Appeal filed by Singer & Brown from the Denial by the Planning Commission on a request for a Special Use Permit for a proposed off-premise advertising (billboard) SIGN on a portion of 3.03 acres located at 1110 South Rainbow Boulevard (APN 163-02-101-002), C-1 (Limited Commercial) Zone, Ward 1 (Tarkanian). The Planning Commission (6-0 vote) and staff recommend DENIAL

PLANNING & DEVELOPMENT - DISCUSSION

101. SUP-3394 - ABEYANCE ITEM - PUBLIC HEARING - LAS VEGAS BILLBOARDS ON BEHALF OF WEST SAHARA ASSOCIATES, LIMITED PARTNERSHIP - Appeal filed by LAS Consulting, Inc. from the Denial by the Planning Commission of a request for a Special Use Permit FOR A PROPOSED 40-FOOT TALL, 14-FOOT BY 48-FOOT OFF-PREMISE ADVERTISING (BILLBOARD) SIGN adjacent to the northeast corner of Torrey Pines Drive and Sahara Avenue (APN: 163-02-816-001), C-1 (Limited Commercial) Zone, Ward 1 (Tarkanian). The Planning Commission (6-0 vote) recommends DENIAL. Staff recommends APPROVAL
102. SUP-4532 - ABEYANCE ITEM - PUBLIC HEARING - APPLICANT: LAS VEGAS BILLBOARDS - OWNER: SAHARA MOHAWK, LIMITED LIABILITY COMPANY - Appeal filed by the applicant from the Denial by the Planning Commission of a request for a Special Use Permit FOR A PROPOSED 40-FOOT TALL, 14-FOOT BY 48-FOOT OFF-PREMISE (BILLBOARD) SIGN at 5320 West Sahara Avenue (APN 163-01-804-005), C-1 (Limited Commercial) Zone, Ward 1 (Tarkanian). The Planning Commission (7-0 vote) and staff recommend DENIAL
103. SUP-5564 - ABEYANCE ITEM - PUBLIC HEARING - APPLICANT: PEP BOYS - OWNER: WACHOVIA DEVELOPMENT CORPORATION - Request for a Special Use Permit FOR A PROPOSED CAR WASH (SELF-SERVICE) AND WAIVER TO ALLOW BAY OPENINGS AND VACUUM BAYS TO FACE THE PUBLIC RIGHT-OF-WAY at 4141 Rancho Drive (APN 138-02-814-003), C-1 (Limited Commercial) Zone, Ward 6 (Mack). The Planning Commission (5-0 vote) and staff recommend APPROVAL
104. SDR-5562 - ABEYANCE ITEM - PUBLIC HEARING - APPLICANT: PEP BOYS - OWNER: WACHOVIA DEVELOPMENT CORPORATION - Request for a Site Development Plan Review FOR A PROPOSED CAR WASH (SELF SERVICE) on 1.86 acres at 4141 Rancho Drive (APN 138-02-814-003), C-1 (Limited Commercial) Zone, Ward 6 (Mack). The Planning Commission (5-0 vote) and staff recommend APPROVAL
105. SUP-5627 - PUBLIC HEARING - APPLICANT: CHEK LINE ENTERPRISES, INC. - OWNER: DECATUR CROSSING CENTER, LLC. - Request for a Special Use Permit FOR A PROPOSED AUTO TITLE LOAN AND A WAIVER OF THE 200-FOOT DISTANCE SEPARATION REQUIREMENT FROM A RESIDENTIAL USE at 282 South Decatur (APN 138-36-516-004), C-1 (Limited Commercial) Zone [SC (Service Commercial) General Plan Designation], Ward 1 (Tarkanian). Staff recommends DENIAL. The Planning Commission (6-1 vote) recommends APPROVAL
106. SUP-5650 - PUBLIC HEARING - APPLICANT: THOMAS GOULAS - OWNER: CRAIG MARKETPLACE, LLC - Request for a Special Use Permit FOR A PROPOSED RESTAURANT SERVICE BAR at 7121 West Craig Road, Suite 101 (APN 138-03-715-004), C-1 (Limited Commercial) Zone [SC (Service Commercial) General Plan Designation], Ward 6 (Mack). The Planning Commission (7-0 vote) and staff recommend APPROVAL
07. SUP-5659 - PUBLIC HEARING - APPLICANT: ZDZISLAW PELKA - OWNERS: MASAO ISHIHAMA AND ASAKO ISHIHAMA REVOCABLE TRUST - Request for a Special Use Permit FOR A PROPOSED LIQUOR ESTABLISHMENT (OFF-SALE) at 5900 West Charleston Boulevard, Suite 4 (APN 138-36-406-006), C-1 (Limited Commercial) Zone [PROPOSED: SC (Service Commercial) General Plan Designation], Ward 1 (Tarkanian). The Planning Commission (6-0 vote) and staff recommend APPROVAL
108. SUP-5663 - PUBLIC HEARING - APPLICANT: CLUB RENAISSANCE PARTNERS, LLC - OWNERS: CLUB RENAISSANCE PARTNERS, LLC, ET AL - Request for a Special Use Permit TO ALLOW A PROPOSED MIXED-USE COMMERCIAL AND RESIDENTIAL DEVELOPMENT adjacent to the southeast corner of Casino Center Boulevard and Bonneville Avenue (APN 139-34-311-058 through 065), C-2 (General Commercial) Zone and R-4 (High Density Residential) Zone under Resolution of Intent to C-2 (General Commercial), Ward 1 (Tarkanian). The Planning Commission (7-0 vote) and staff recommend APPROVAL
109. SDR-5662 - PUBLIC HEARING - APPLICANT: CLUB RENAISSANCE PARTNERS, LLC - OWNER: CLUB RENAISSANCE PARTNERS, LLC, ET AL - Request for a Site Development Plan Review TO ALLOW A 60-STORY MIXED-USE DEVELOPMENT TO INCLUDE 950 RESIDENTIAL UNITS AND 91,000 SQUARE FEET OF COMMERCIAL SPACE AND WAIVERS OF THE CENTENNIAL PLAN BUILDING STEP-BACK AND BUILD-TO REQUIREMENTS on 1.28 acres adjacent to the southeast corner of Casino Center Boulevard and Bonneville Avenue (APN 139-34-311-058 through 065) C-2 (General Commercial) Zone and R-4 (High Density Residential) Zone under Resolution of Intent to C-2 (General Commercial) Zone, Ward 1 (Tarkanian). The Planning Commission (7-0 vote) and staff recommend APPROVAL

PLANNING & DEVELOPMENT - DISCUSSION

110. SUP-5664 - PUBLIC HEARING - APPLICANT: SAMUEL M MARTINEZ - OWNER: THE CHARLESTON CENTER, LLC - Request for a Special Use Permit for a PROPOSED LIQUOR ESTABLISHMENT (RESTAURANT SERVICE BAR) in conjunction with an existing restaurant at 5000 W Charleston Boulevard, Unit D (APN 138-36-804-003), C-1 (General Commercial) Zone, Ward 1 (Tarkanian). (Note: To be heard in conjunction with Morning Session Item 66) The Planning Commission (7-0 vote) and staff recommend APPROVAL
111. SUP-5666 - PUBLIC HEARING - APPLICANT: OMID TABATABAI, DVM - OWNER: DELIA FRANCO - Request for a Special Use Permit FOR A PROPOSED ANIMAL CLINIC at 701 East Charleston Avenue (APN 139-34-410-237), C-1 (Limited Commercial) Zone [C (Downtown - Commercial) General Plan Designation], Ward 5 (Weekly). The Planning Commission (7-0 vote) and staff recommend APPROVAL
112. SUP-5687 - PUBLIC HEARING - APPLICANT/OWNER: KMW, LLC - Request for a Special Use Permit FOR A PROPOSED ANIMAL HOSPITAL WITHOUT OUTSIDE PENS approximately 200 feet north of the intersection of Buffalo Drive and Gowan Road (APN 138-10-201-026), U (Undeveloped) Zone [O (Office) General Plan Designation] under Resolution of Intent to O (Office) Zone, Ward 4 (Brown). The Planning Commission (6-0-1 vote) and staff recommend APPROVAL
113. SDR-5685 - PUBLIC HEARING - APPLICANT/OWNER: KMW, LLC - Request for a Site Development Plan Review FOR A 9,150 SQUARE-FOOT ANIMAL HOSPITAL WITHOUT OUTSIDE PENS AND WAIVERS OF THE LANDSCAPE BUFFER WIDTH AND BUILDING PLACEMENT STANDARDS on 0.91 acres approximately 200 feet north of the intersection of Buffalo Drive and Gowan Road (APN 138-10-201-026), U (Undeveloped) Zone [O (Office) General Plan Designation] under Resolution of Intent to O (Office) Zone, Ward 4 (Brown). The Planning Commission (6-0-1 vote) and staff recommend APPROVAL
114. SUP-5688 - PUBLIC HEARING - OWNER: A.J. GILBERT - APPLICANT: EDWARD KAKOSIAN - Request for a Special Use Permit FOR A PROPOSED MOTOR VEHICLE SALES (USED) USE AND A WAIVER FROM THE MINIMUM SITE AREA REQUIREMENT TO ALLOW TWO PARCELS TO BE USED TO MEET THE REQUIREMENT at 2201 Industrial Road (APN 162-04-803-008 and 009), C-M (Commercial/Industrial) Zone, Ward 1 (Tarkanian). The Planning Commission (7-0 vote) and staff recommend APPROVAL
115. SUP-5718 - PUBLIC HEARING - APPLICANT: MONTECITO COMPANIES - OWNER: MONTECITO PADS, LLC - Request for a Special Use Permit FOR A PROPOSED FINANCIAL INSTITUTION, GENERAL WITH DRIVE-THROUGH on Pad P of the Montecito Marketplace Development adjacent to the southeast corner of Durango Drive and Elkhorn Road (APN 125-20-510-005), T-C (Town Center) Zone [UC-TC (Urban Center – Town Center) Special Land Use Designation], Ward 6 (Mack). The Planning Commission (6-0-1 vote) and staff recommend APPROVAL
116. SUP-5720 - PUBLIC HEARING - APPLICANT: MONTECITO COMPANIES - OWNER: MONTECITO PADS, LLC - Request for a Special Use Permit FOR A PROPOSED RESTAURANT WITH DRIVE-THROUGH on Pad HH of the Montecito Marketplace Development adjacent to the northwest corner of Durango Drive and Dorrell Lane (APN 125-20-101-017), T-C (Town Center) Zone [UC-TC (Urban Center – Town Center) Special Land Use Designation], Ward 6 (Mack). The Planning Commission (6-0-1 vote) and staff recommend APPROVAL
117. SUP-5722 - PUBLIC HEARING - APPLICANT: MONTECITO COMPANIES - OWNER: MONTECITO PADS, LLC - Request for a Special Use Permit FOR A PROPOSED GAMING USE IN CONJUNCTION WITH A TAVERN on Pad GG of the Montecito Marketplace Development adjacent to the northwest corner of Durango Drive and Dorrell Lane (APN 125-20-101-017), T-C (Town Center) Zone [UC-TC (Urban Center – Town Center) Special Land Use Designation], Ward 6 (Mack). The Planning Commission (6-0-1 vote) and staff recommend APPROVAL
118. SUP-5723 - PUBLIC HEARING - APPLICANT: MONTECITO COMPANIES - OWNER: MONTECITO PADS, LLC - Request for a Special Use Permit FOR A PROPOSED LIQUOR ESTABLISHMENT (TAVERN) on Pad GG of the Montecito Marketplace Development adjacent to the northwest corner of Durango Drive and Dorrell Lane (APN 125-20-101-017), T-C (Town Center) Zone [UC-TC (Urban Center – Town Center) Special Land Use Designation], Ward 6 (Mack). The Planning Commission (6-0-1 vote) and staff recommend APPROVAL

PLANNING & DEVELOPMENT - DISCUSSION

119. SDR-5731 - PUBLIC HEARING - APPLICANT: MONTECITO COMPANIES - OWNER: MONTECITO PADS, LLC AND MTC 118, INC. - Request for a Site Development Plan Review FOR A 380,000 SQUARE-FOOT COMMERCIAL DEVELOPMENT on 45.6 acres adjacent to the southeast corner of Durango Drive and Elkhorn Road and the northwest corner of Durango Drive and Dorrell Lane (APN 125-20-101-017, 125-20-510-004 and 005) T-C (Town Center) Zone [UC-TC (Urban Center – Town Center) Special Land Use Designation], Ward 6 (Mack). The Planning Commission (6-0-1 vote) and staff recommend APPROVAL
120. ZON-5485 - PUBLIC HEARING - APPLICANT: GREGORY L. WILDE - OWNER: GEORGE GILL - Request for a Rezoning FROM: R-1 (SINGLE-FAMILY RESIDENTIAL) TO: P-R (PROFESSIONAL OFFICE AND PARKING) on 0.17 acres at 228 South Jones Boulevard (APN 138-36-112-016), Ward 1 (Tarkanian). The Planning Commission (7-0 vote) and staff recommend APPROVAL
121. SDR-5486 - PUBLIC HEARING - APPLICANT: GREGORY L. WILDE - OWNER: GEORGE GILL - Request for a Site Development Plan Review FOR A 1500 SQUARE-FOOT OFFICE BUILDING WITH WAIVERS OF THE LANDSCAPE STANDARDS on 0.17 acres at 228 South Jones Boulevard (APN 138-36-112-016), Ward 1 (Tarkanian). The Planning Commission (7-0 vote) and staff recommend APPROVAL
122. ZON-5702 - PUBLIC HEARING - APPLICANT: TANEY ENGINEERING - OWNER: ISOLA SALVO LLC, ET AL - Request for a Rezoning FROM: U (UNDEVELOPED) [TC (TOWN CENTER) GENERAL PLAN DESIGNATION] [MLA-TC (MEDIUM-LOW ATTACHED – TOWN CENTER) SPECIAL LAND USE DESIGNATION] TO: T-C (TOWN CENTER) on 4.12 acres adjacent to the southwest corner of Chieftain Street and Bath Drive (APN 125-19-701-009 and 010), Ward 6 (Mack). The Planning Commission (7-0 vote) and staff recommend APPROVAL
123. VAC-5707 - PUBLIC HEARING - APPLICANT: TANEY ENGINEERING - OWNER: ISOLA SALVO LLC, ET AL - Petition to Vacate the west half of Chieftain Street between Rome Boulevard and Bath Drive, and the north side of Rome Boulevard west of Chieftain Street, Ward 6 (Mack). The Planning Commission (7-0 vote) and staff recommend APPROVAL
124. VAR-5705 - PUBLIC HEARING - APPLICANT: TANEY ENGINEERING - OWNER: ISOLA SALVO LLC, ET AL - Request for a Variance TO ALLOW 25,923 SQUARE FEET OF OPEN SPACE WHERE 43,133 SQUARE FEET IS THE MINIMUM REQUIRED FOR A PROPOSED SINGLE-FAMILY DEVELOPMENT on 4.12 acres adjacent to the southwest corner of Chieftain Street and Bath Drive (APN 125-19-701-009 and 010), U (Undeveloped) [TC (Town Center) General Plan Designation] [MLA-TC (Medium-Low Attached – Town Center) Special Land Use Designation], Ward 6 (Mack). Staff recommends DENIAL. The Planning Commission (7-0 vote) recommends APPROVAL
25. SUP-5870 - PUBLIC HEARING - APPLICANT: TANEY ENGINEERING - OWNER: GENE SQUITIERI - Request for a Special Use Permit FOR A PROPOSED GATED SUBDIVISION WITH PRIVATE STREETS WITHIN TOWN CENTER adjacent to the southwest corner of Bath Drive and Chieftain Street (APN 125-19-701-009 and 10), Ward 6 (Mack). Staff recommends DENIAL. The Planning Commission (7-0 vote) recommends APPROVAL
126. SDR-5704 - PUBLIC HEARING - APPLICANT: TANEY ENGINEERING - OWNER: ISOLA SALVO LLC, ET AL - Request for a Site Development Plan Review FOR A 60-LOT SINGLE-FAMILY DEVELOPMENT on 4.12 acres adjacent to the southwest corner of Chieftain Street and Bath Drive (APN 125-19-701-009 and 010), U (Undeveloped) [TC (Town Center) General Plan Designation] [MLA-TC (Medium-Low Attached – Town Center) Special Land Use Designation] [PROPOSED: T-C (Town Center) Zone], Ward 6, (Mack). Staff recommends DENIAL. The Planning Commission (7-0 vote) recommends APPROVAL
127. ZON-5726 - PUBLIC HEARING - APPLICANT/OWNER: GABRIEL MANRIQUEZ - Request for a Rezoning FROM: R-1 (SINGLE FAMILY RESIDENTIAL) TO: P-R (PROFESSIONAL OFFICE AND PARKING) on 0.17 acres at 717 South 8th Street (APN 139-34-810-040), Ward 5 (Weekly). The Planning Commission (7-0 vote) recommends APPROVAL
128. VAR-5730 - PUBLIC HEARING - APPLICANT/OWNER: GABRIEL MANRIQUEZ - Request for a Variance TO ALLOW A 48-FOOT LOT WIDTH WHERE 60 FEET IS THE MINIMUM REQUIRED LOT WIDTH FOR A PROPOSED PROFESSIONAL OFFICE DEVELOPMENT on 0.17 acres at 717 South 8th Street (APN 139-34-810-040), R-1 (Single Family Residential) Zone [PROPOSED: P-R (Professional Office and Parking) Zone], Ward 5 (Weekly). The Planning Commission (7-0 vote) and staff recommend APPROVAL

PLANNING & DEVELOPMENT - DISCUSSION

129. SDR-5727 - PUBLIC HEARING - APPLICANT/OWNER: GABRIEL MANRIQUEZ - Request for a Site Development Plan Review FOR A 1,495 SQUARE-FOOT OFFICE BUILDING AND WAIVERS OF LANDSCAPE AND BUFFER REQUIREMENTS on 0.17 acres at 717 South 8th Street (APN 139-34-810-040), R-1 (Single Family Residential) Zone [PROPOSED: P-R (Professional Office and Parking) Zone], Ward 5 (Weekly). The Planning Commission (7-0 vote) and staff recommend APPROVAL
130. GPA-5082 - ABEYANCE ITEM - PUBLIC HEARING - APPLICANT: NESHAMINY CONSULTING, INC. - OWNER: BON BON, LLC - Request to Amend a portion of the Southeast Sector Plan of the General Plan FROM: L (LOW DENSITY RESIDENTIAL) TO: SC (SERVICE COMMERCIAL) on 1.58 acres and TO: MLA (MEDIUM-LOW ATTACHED DENSITY RESIDENTIAL) on 4.4 acres south of Bonanza Road and east of Pecos Road (APN 140-31-121-003), Ward 3 (Reese). The Planning Commission (7-0 vote) and staff recommend APPROVAL
131. VAC-5101 - ABEYANCE ITEM - PUBLIC HEARING - APPLICANT: NESHAMINY CONSULTING, INC. - OWNER: BON BON, LLC - Petition to Vacate a portion of a 10-foot wide public drainage easement and ingress/egress easements generally located south of Bonanza Road, east of Pecos Road, Ward 3 (Reese). The Planning Commission (7-0 vote) and staff recommend APPROVAL
132. VAR-5099 - PUBLIC HEARING - APPLICANT/OWNER: BON BON, LLC - Request for a Variance TO ALLOW AN R-PD (RESIDENTIAL PLANNED DEVELOPMENT) ZONING DISTRICT ON 4.40 ACRES WHERE 5.00 ACRES IS THE MINIMUM REQUIRED adjacent to the east side of Pecos Road approximately 290 feet south of Bonanza Road (APN 140-31-121-003), C-1 (Limited Commercial) Zone [PROPOSED: R-PD9 (Residential Planned Development - 9 Units per Acre)], Ward 3 (Reese). The Planning Commission (7-0 vote) and staff recommend APPROVAL
133. ZON-5092 - PUBLIC HEARING - APPLICANT/OWNER: BON BON, LLC - Request for a Rezoning FROM: C-1 (LIMITED COMMERCIAL) TO: R-PD9 (RESIDENTIAL PLANNED DEVELOPMENT - 9 UNITS PER ACRE) on 4.40 acres adjacent to the east side of Pecos Road approximately 290 feet south of Bonanza Road (APN 140-31-121-003), Ward 3 (Reese). The Planning Commission (7-0 vote) recommends DENIAL. Staff recommends APPROVAL
134. VAR-5300 - PUBLIC HEARING - APPLICANT/OWNER: BON BON, LLC - Request for a Variance TO ALLOW ZERO ACRES OF OPEN SPACE WHERE 0.68 ACRES IS THE MINIMUM REQUIRED in conjunction with a proposed 41-lot single-family residential development on 4.40 acres adjacent to the east side of Pecos Road approximately 290 feet south of Bonanza Road (APN a portion of 140-31-121-003), C-1 (Limited Commercial) Zone [PROPOSED: R-PD9 (Residential Planned Development - 9 Units per Acre)], Ward 3 (Reese). The Planning Commission (4-3 vote) recommends DENIAL. Staff recommends APPROVAL
35. WVR-5299 - PUBLIC HEARING - APPLICANT/OWNER: BON BON, LLC - Request for a Waiver of Title 18.12.130 TO ALLOW A PUBLIC STREET TO TERMINATE WITHOUT A CIRCULAR CUL-DE-SAC OR EMERGENCY ACCESS GATE WHERE ONE IS REQUIRED FOR STREETS TERMINATING OTHER THAN AT AN INTERSECTION WITH ANOTHER PUBLIC STREET in conjunction with a proposed 41-lot single-family residential development on 4.40 acres adjacent to the east side of Pecos Road approximately 290 feet south of Bonanza Road (APN a portion of 140-31-121-003), C-1 (Limited Commercial) Zone [PROPOSED: R-PD9 (Residential Planned Development - 9 Units per Acre)], Ward 3 (Reese). The Planning Commission (7-0 vote) and staff recommend DENIAL
136. SDR-5098 - PUBLIC HEARING - APPLICANT/OWNER: BON BON, LLC - Request for a Site Development Plan Review FOR A PROPOSED 41-LOT SINGLE-FAMILY RESIDENTIAL DEVELOPMENT on 4.40 acres adjacent to the east side of Pecos Road approximately 290 feet south of Bonanza Road (APN 140-31-121-003), C-1 (Limited Commercial) Zone [PROPOSED: R-PD9 (Residential Planned Development - 9 Units per Acre)], Ward 3 (Reese). The Planning Commission (7-0 vote) and staff recommend DENIAL
137. SUP-5096 - PUBLIC HEARING - APPLICANT/OWNER: BON BON, LLC - Request for a Special Use Permit FOR A SUPPER CLUB adjacent to the south of Bonanza Road approximately 290 feet east of Pecos Road (APN 140-31-121-003), C-1 (Limited Commercial) Zone, Ward 3 (Reese). The Planning Commission (7-0 vote) and staff recommend APPROVAL
138. SDR-5093 - PUBLIC HEARING - APPLICANT/OWNER: BON BON, LLC - Request for a Site Development Plan Review FOR A SUPPERCLUB on 1.58 acres south of Bonanza Road approximately 290 feet east of Pecos Road (APN 140-31-121-003), C-1 (Limited Commercial) Zone, Ward 3 (Reese). The Planning Commission (7-0 vote) and staff recommend APPROVAL

PLANNING & DEVELOPMENT - DISCUSSION

139. GPA-5714 - PUBLIC HEARING - APPLICANT: FLETCHER JONES MANAGEMENT CO. - OWNER: JOHN LEE AND ONG PARTNERS, LLC - Request to Amend a portion of the Southwest Sector Plan of the General Plan FROM: SC (SERVICE COMMERCIAL) TO: GC (GENERAL COMMERCIAL) on 3.50 acres adjacent to the northwest corner of Sahara Avenue and Pioneer Way (APN a portion of 163-03-402-017), Ward 1 (Tarkanian). The Planning Commission (5-2 vote) and staff recommend DENIAL
140. ZON-5716 - PUBLIC HEARING - APPLICANT: FLETCHER JONES MANAGEMENT CO. - OWNER: JOHN LEE AND ONG PARTNERS, L.L.C. - Request for a Rezoning FROM: U (UNDEVELOPED) [SC (SERVICE COMMERCIAL) GENERAL PLAN DESIGNATION] UNDER RESOLUTION OF INTENT TO C-1 (LIMITED COMMERCIAL) TO: C-2 (GENERAL COMMERCIAL) AND FROM: U (UNDEVELOPED) [O (OFFICE) GENERAL PLAN DESIGNATION] UNDER RESOLUTION OF INTENT TO O (OFFICE) TO: P-R (PROFESSIONAL OFFICES AND PARKING) on 4.86 acres adjacent to the northwest corner of Sahara Avenue and Pioneer Way (APN 163-03-402-017), Ward 1 (Tarkanian). The Planning Commission (5-2 vote) and staff recommend DENIAL
141. SUP-5719 - PUBLIC HEARING - APPLICANT: FLETCHER JONES MANAGEMENT COMPANY - OWNER: JOHN LEE AND ONG PARTNERS, LLC - Request for a Special Use Permit FOR A PROPOSED MOTOR VEHICLE SALES (USED) AND FOR A PROPOSED AUTO DEALER INVENTORY STORAGE USE adjacent to the northwest corner of Sahara Avenue and Pioneer Way (APN 163-03-402-017), U (Undeveloped) Zone [O (Office) General Plan Designation] under Resolution of Intent to O (Office) and U (Undeveloped) Zone [SC (Service Commercial) General Plan Designation] under Resolution of Intent to C-1 (Limited Commercial) Zone, Ward 1 (Tarkanian). The Planning Commission (5-2 vote) and staff recommend DENIAL
142. SDR-5717 - PUBLIC HEARING - APPLICANT: FLETCHER JONES MANAGEMENT CO. - OWNER: JOHN LEE AND ONG PARTNERS, LLC - Request for a Site Development Plan Review FOR A PROPOSED 2,020 SQUARE—FOOT AUTO DEALERSHIP on 4.86 acres adjacent to the northwest corner of Sahara Avenue and Pioneer Way (APN 163-03-402-017), U (Undeveloped) Zone [O (Office) General Plan Designation] under Resolution of Intent to O (Office) and U (Undeveloped) Zone [SC (Service Commercial) General Plan Designation] under Resolution of Intent to C-1 (Limited Commercial) Zone [PROPOSED: C-2 (General Commercial) Zone and P-R (Professional Office and Parking)], Ward 1 (Tarkanian). The Planning Commission (5-2 vote) and staff recommend DENIAL

SET DATE

143. SET DATE ON ANY APPEALS FILED OR REQUIRED PUBLIC HEARINGS FROM THE CITY PLANNING COMMISSION MEETINGS, CENTENNIAL HILLS ARCHITECTURAL REVIEW COMMITTEE AND DANGEROUS BUILDING OR NUISANCE/LITTER ABATEMENTS

CITIZENS PARTICIPATION

PUBLIC COMMENT DURING THIS PORTION OF THE AGENDA MUST BE LIMITED TO MATTERS WITHIN THE JURISDICTION OF THE CITY COUNCIL. NO SUBJECT MAY BE ACTED UPON BY THE CITY COUNCIL UNLESS THAT SUBJECT IS ON THE AGENDA AND IS SCHEDULED FOR ACTION. IF YOU WISH TO BE HEARD, COME TO THE PODIUM AND GIVE YOUR NAME FOR THE RECORD. THE AMOUNT OF DISCUSSION ON ANY SINGLE SUBJECT, AS WELL AS THE AMOUNT OF TIME ANY SINGLE SPEAKER IS ALLOWED, MAY BE LIMITED

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

City Clerk's Bulletin Board, City Hall Plaza, 2nd Floor Skybridge
Court Clerk's Office Bulletin Board, City Hall Plaza
Las Vegas Library, 833 Las Vegas Boulevard North
Clark County Government Center, 500 S. Grand Central Parkway
Grant Sawyer Building, 555 E. Washington Avenue

AFFIDAVIT OF MAILING

(Mailing required under the provisions of NRS Chapter 241)

STATE OF NEVADA)

) ss

COUNTY OF CLARK)

Paula Clark, an employee of the City of Las Vegas, Nevada being first duly sworn, deposes and says that on the **10th** day of **February, 2005**, a copy of NOTICE, the attached of which is a true and correct copy of the Notice – re: **City of Las Vegas, City Council Meeting** to be held on the **16th day of February, 2005**, was deposited in the United States Mail, Postage prepaid, First Class Mail, to each person and/or organization whose name appears on the list maintained in the Office of the City Clerk.

Paula Clark

SIGNATURE

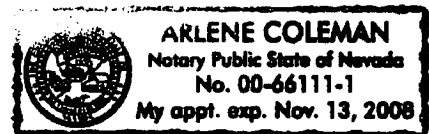
City Clerk
DEPARTMENT

Subscribed and sworn to before me this

10TH day of February, 2005

Arlene Coleman

NOTARY PUBLIC in and for said County and State



AFFIDAVIT OF ELECTRONIC MAILING (email)

(Mailing required under the provisions of NRS Chapter 241)

STATE OF NEVADA)

) ss

COUNTY OF CLARK)

Paula Clark, an employee of the City of Las Vegas, Nevada being first duly sworn, deposes and says that on the **10th** day of **February, 2005**, a copy of NOTICE, the attached of which is a true and correct copy of the Notice – re: **City of Las Vegas, City Council Meeting** to be held on the **16th day of February, 2005**, was electronically mailed (emailed) to each person and/or organization whose name appears on the list maintained in the Office of the City Clerk.

Paula Clark

SIGNATURE

City Clerk

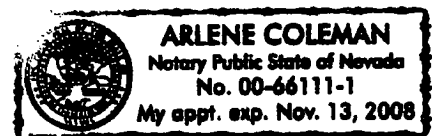
DEPARTMENT

Subscribed and sworn to before me this

10th day of February, 2005

Arlene Coleman

NOTARY PUBLIC in and for said County and State



CITY COUNCIL AGENDA
CITY COUNCIL MEETING OF: FEBRUARY 16, 2005

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

- CALL TO ORDER

MINUTES:

PRESENT: MAYOR GOODMAN and COUNCILMEMBERS REESE, BROWN, WEEKLY, MACK, WOLFSON, and TARKANIAN

Also Present: CITY MANAGER DOUG SELBY, DEPUTY CITY MANAGER STEVE HOUCHENS, DEPUTY CITY MANAGER BETSY FRETWELL, CITY ATTORNEY BRAD JERBIC (arrived at 9:34 a.m.), DEPUTY CITY ATTORNEY TOM GREEN, DEPUTY CITY ATTORNEY BRYAN SCOTT (P.M. Session), and CITY CLERK BARBARA JO RONEMUS

- ANNOUNCEMENT RE: COMPLIANCE WITH OPEN MEETING LAW

MINUTES:

ANNOUNCEMENT MADE - Meeting noticed and posted at the following locations:

City Clerk's Bulletin Board, City Hall Plaza, 2nd Floor Skybridge

Court Clerk's Office Bulletin Board, City Hall Plaza

Las Vegas Library, 833 Las Vegas Boulevard North

Clark County Government Center, 500 S. Grand Central Parkway

Grant Sawyer Building, 555 E. Washington Avenue

(9:05)

1-1

- INVOCATION - CHARLOTTE LEAS, CHAPLAIN, BUNKERS MORTUARY

MINUTES:

CHARLOTTE LEAS, Chaplain, Bunkers Mortuary, gave the invocation.

(9:05- 9:06)

1-20

- PLEDGE OF ALLEGIANCE

MINUTES:

MAYOR GOODMAN led the audience in the Pledge.

(9:06 - 9:08)

1-59

AGENDA SUMMARY PAGE
CITY COUNCIL MEETING OF: FEBRUARY 16, 2005

DEPARTMENT: COMMUNICATIONS

DIRECTOR: DAVID RIGGLEMAN

☐ **CONSENT** ☐ **DISCUSSION**

SUBJECT:

CEREMONIAL

RECOGNITION OF CHINESE NEW YEAR

BACKUP DOCUMENTATION:

1. Submitted at meeting: copy of Proclamation issued to Lohan Dance School proclaiming 2/16/2005 as Chinese New Year 2005
2. Submitted at meeting: copy of Proclamation issued to Summerlin Lions Club proclaiming 2/16/2005 as Chinese New Year 2005

MOTION:

None required. A presentation was made.

MINUTES:

MAYOR GOODMAN called forward ESTHER LOUIE, Events Chair of the Summerlin Lions Club to assist him in recognizing and celebrating the Chinese New Year. MAYOR GOODMAN announced that, according to the Chinese calendar, this is year 4703, which is the year of the rooster and is filled with honesty and practicality. He noted that it is important to celebrate what makes residents of this community different, but Americans just the same.

MS. LOUIE welcomed DAN LOUIE, past President, and JANET KNAPIC, President, of the Summerlin Lions Club. MS. LOUIE said the Summerlin Lions Club members volunteer a lot of their time and do a lot of fundraising for the community and for international projects. She invited everyone to attend an event that would be held at the Gold Coast 3/5/2005 to honor WIN SONG, SU FONG CHONG, UNLV History Department professor, and JAMES CHUNG, who started China Town Plaza. She indicated that the Lohan Lion Dance Team from the Lohan School of Shaolin, under the direction of SIFU STEVEN BAUGH, was present and would help celebrate the Chinese New Year by sweeping through the Council Chambers to clear evil spirits and bring prosperity.

After the dancers finished their performance, MAYOR GOODMAN issued a Proclamation to the Lohan Lion Dance Team and to the Summerlin Lions Club declaring February 16, 2005, as Chinese New Year 2005.

(9:08 - 9:15)

1-84

CEREMONIAL BACKUP

RECOGNITION OF CHINESE NEW
YEAR

From the office of the Mayor **Proclamation**

- Whereas;** February ninth celebrates Chinese New Year 2005, Year of the Rooster; and
- Whereas;** the contributions of the Lohan School of Shaolin have been significant in promoting ancient Chinese teachings, richly enhancing the cultural diversity of the Las Vegas community; and
- Whereas;** the success of the Lohan Lion Dance Team and their willingness to share their skill, artistry and traditions has brought pride and recognition; and
- Whereas;** the school's commitment to further understanding of Chinese martial art forms as a means of developing honor, discipline and respect in our youth; and
- Whereas;** the Lohan School of Shaolin celebrates the grand opening of their new school in the year of our city's Centennial; now
- Therefore;** I, THE MAYOR OF THE CITY OF LAS VEGAS, COUNTY OF CLARK, STATE OF NEVADA, HEREBY PROUDLY PROCLAIM FEBRUARY 16, 2005:

Chinese New Year 2005

IN THE CITY OF LAS VEGAS AND ASK ALL CITIZENS TO ACKNOWLEDGE THE LOHAN SCHOOL OF SHAOLIN AND THEIR MISSION TO PROMOTE CULTURAL DIVERSITY.



In Witness Whereof:
**BY THE POWERS GRANTED TO ME,
I HAVE HEREUNTO SET MY HAND
AND CAUSED THE SEAL OF THE
CITY OF LAS VEGAS TO BE AFFIXED
THIS 16TH DAY OF FEBRUARY, 2005.**


**HONORABLE OSCAR B. GOODMAN
MAYOR, CITY OF LAS VEGAS**

From the office of the Mayor **Proclamation**

Whereas; February ninth celebrates Chinese New Year 2005, Year of the Rooster; and

Whereas; the contributions of the Summerlin Lions Club have made significant contributions in our community; and

Whereas; the Summerlin Lions Club actively promotes Chinese traditions and the arts, greatly enhancing the cultural diversity of our city; and

Whereas; the Summerlin Lions Club recognizes the achievements of its community leaders with their Annual Chinese New Year Celebration; and

Whereas; the Summerlin Lions Club celebrates heritage, tradition and family as our city celebrates its Centennial; now

Therefore; I, THE MAYOR OF THE CITY OF LAS VEGAS, COUNTY OF CLARK, STATE OF NEVADA, HEREBY PROUDLY PROCLAIM FEBRUARY 16, 2005:

Chinese New Year 2005

IN THE CITY OF LAS VEGAS AND ASK ALL CITIZENS TO ACKNOWLEDGE THE SUMMERLIN LIONS CLUB AND THEIR MISSION TO PROMOTE CULTURAL DIVERSITY.



In Witness Whereof:
**BY THE POWERS GRANTED TO ME,
I HAVE HEREUNTO SET MY HAND
AND CAUSED THE SEAL OF THE
CITY OF LAS VEGAS TO BE AFFIXED
THIS 16TH DAY OF FEBRUARY, 2005.**


**HONORABLE OSCAR B. GOODMAN
MAYOR, CITY OF LAS VEGAS**

AGENDA SUMMARY PAGE
CITY COUNCIL MEETING OF: FEBRUARY 16, 2005

DEPARTMENT: COMMUNICATIONS

DIRECTOR: DAVID RIGGLEMAN

☐ **CONSENT** ☐ **DISCUSSION**

SUBJECT:

CEREMONIAL

RECOGNITION OF THE EMPLOYEE OF THE MONTH

BACKUP DOCUMENTATION:

Submitted at meeting: copy of face of Employee of the Month plaque for Doug Johnson

MOTION:

None required. A presentation was made.

MINUTES:

CHIEF DAVID WASHINGTON and DEPUTY CHIEF GREG GAMMON, of Las Vegas Fire and Rescue, joined MAYOR GOODMAN to recognize BATTALION CHIEF DOUG JOHNSON as February's Employee of the Month. CHIEF JOHNSON has overseen the Adopt-A-Bike program for three years. More than 750 gently used bikes have been refurbished and delivered to non-profit organizations and underprivileged children during the holiday season. This program has been successful because of the team effort, but CHIEF JOHNSON led the charge and, because of his hard work, hundreds of children have had a brighter holiday season.

CHIEF WASHINGTON and CHIEF GAMMON commented that CHIEF JOHNSON is certainly deserving of this recognition. He is a fine individual and one of many exemplary employees of Las Vegas Fire and Rescue. Because he has such a big heart, he devotes time to a lot of charitable projects.

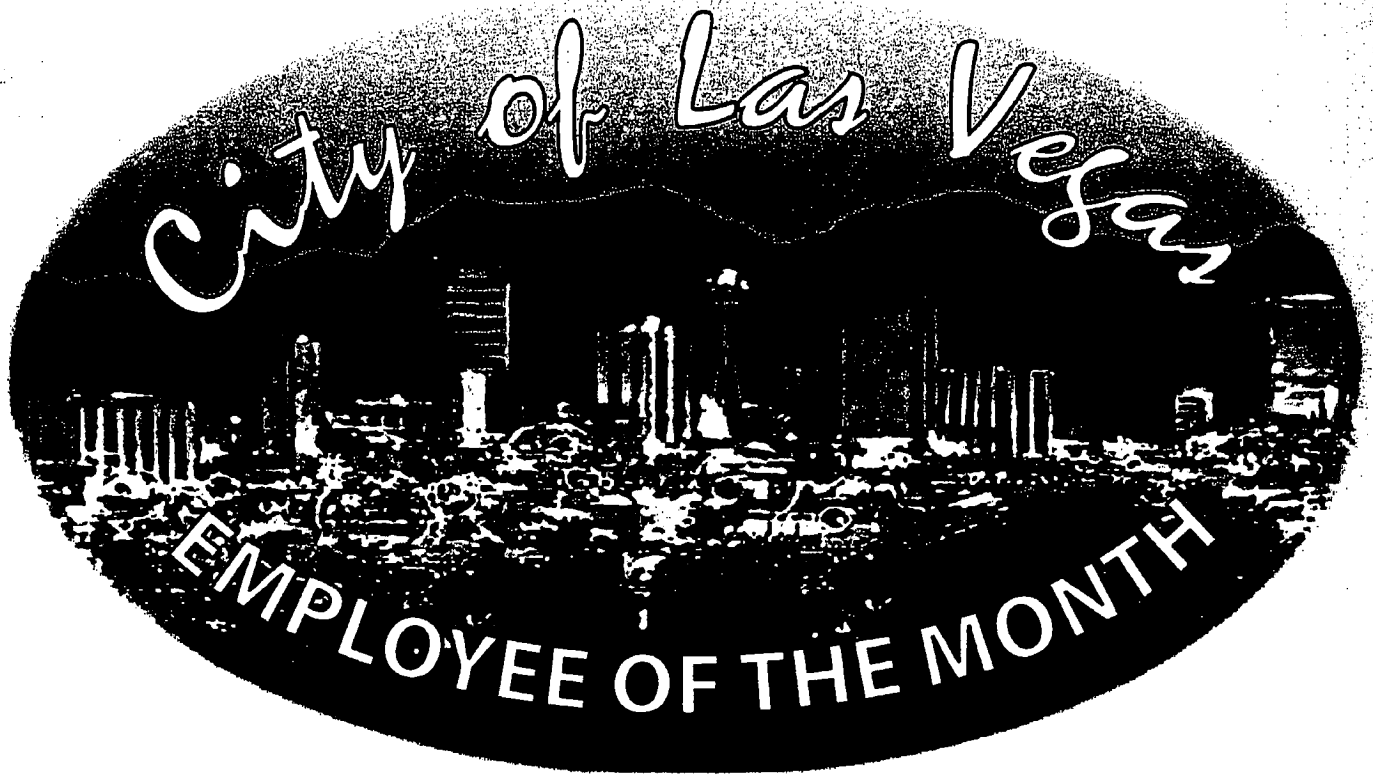
CHIEF JOHNSON thanked CHIEFS WASHINGTON and GAMMON for their kind words. He accepted the plaque on behalf of all the firefighters that participate in the program every year, because they are the ones that do all the work; he just makes all the telephone calls and organizes the details. He also gave thanks to SuperPawn shops and McGhee's for their contributions, as well as the Las Vegas Firefighters Benefit Association who sponsors the firefighters.

(9:15 - 9:19)

1-311

CEREMONIAL BACKUP

RECOGNITION OF THE EMPLOYEE OF THE MONTH



Doug Johnson

February 2005

HAS EXHIBITED OUTSTANDING PERFORMANCE THROUGH
PRODUCTIVITY, LEADERSHIP, INITIATIVE, OR ASSISTANCE TO
THEIR FELLOW EMPLOYEES AND THE CITIZENS OF LAS VEGAS



A handwritten signature in black ink, reading "Oscar Goodman".

MAYOR

A handwritten signature in black ink, reading "Douglas Selby".

CITY MANAGER

A handwritten signature in black ink, reading "Elizabeth Fretwell".

DEPUTY CITY MANAGER

AGENDA SUMMARY PAGE
CITY COUNCIL MEETING OF: FEBRUARY 16, 2005

DEPARTMENT: COMMUNICATIONS

DIRECTOR: DAVID RIGGLEMAN

☐ **CONSENT** ☐ **DISCUSSION**

SUBJECT:

CEREMONIAL

RECOGNITION OF THE KOREAN DELEGATION FROM HAN KUK UNIVERSITY

BACKUP DOCUMENTATION:

Submitted at meeting: copies of Certificate of Recognition for Ms. Mi Jin Yoon, Ms. Bo Ra Kim, Ms. Han Na Pyo, Ms. Min Hee Kim, Ms. Yoon Jung Kim, and Mr. Hyung Sub Jun

MOTION:

None required. A presentation was made.

MINUTES:

COUNCILMAN WOLFSON called forward STEVEN KWON and KEVIN PARK to assist him in recognizing distinguished students from the Han Kuk University in South Korea. MR. KWON is a graduate from Han Kuk University and President of "Foreign Studies Alumni Association of South and North America." The Association coordinated the student's visit. MR. PARK is the President of the Han Kuk Alumni Association.

COUNCILMAN WOLFSON then mentioned that, as part of being recognized for their great achievements, these students were invited to tour universities in America. The students are also traveling to Los Angeles and San Francisco. The students came forward as COUNCILMAN WOLFSON called their name. Each received a Certificate of Recognition and gifts from the entire City Council. MESSRS. KWON and PARK expressed their appreciation to the Council.

(9:19 - 9:22)

1-431

CEREMONIAL BACKUP

RECOGNITION OF THE KOREAN
DELEGATION FROM HAN KUK
UNIVERSITY

The City of Las Vegas Mayor and City Council

Certificate of Recognition

Proudly presented on February 16, 2005 to

Ms. Mi Jin Yoon

*To commemorate your visit to Las Vegas, Nevada USA
And in honor of your great achievements*

Mayor Oscar B. Goodman

Mayor Pro Tem Gary Reese

Councilman Larry Brown

Councilman Lawrence Weekly

Councilman Michael Mack

Councilman Steve Wolfson

Councilwoman Lois Tarkanian



We Did It Our Way!

The City of Las Vegas Mayor and City Council

Certificate of Recognition

Proudly presented on February 16, 2005 to

Ms. Bo Ra Kim

*To commemorate your visit to Las Vegas, Nevada USA
And in honor of your great achievements*

Mayor Oscar B. Goodman

Mayor Pro Tem Gary Reese

Councilman Larry Brown

Councilman Lawrence Weekly

Councilman Michael Mack

Councilman Steve Wolfson

Councilwoman Lois Tarkanian



We Did It Our Way!

The City of Las Vegas Mayor and City Council

Certificate of Recognition

Proudly presented on February 16, 2005 to

Ms Han Na Pyo

*To commemorate your visit to Las Vegas, Nevada USA
And in honor of your great achievements*

Mayor Oscar B. Goodman

Mayor Pro Tem Gary Reese

Councilman Larry Brown

Councilman Lawrence Weekly

Councilman Michael Mack

Councilman Steve Wolfson

Councilwoman Lois Tarkanian



We Did It Our Way!

The City of Las Vegas Mayor and City Council

Certificate of Recognition

Proudly presented on February 16, 2005 to

Ms. Min Hee Kim

*To commemorate your visit to Las Vegas, Nevada USA
And in honor of your great achievements*

Mayor Oscar B. Goodman

Mayor Pro Tem Gary Reese

Councilman Larry Brown

Councilman Lawrence Weekly

Councilman Michael Mack

Councilman Steve Wolfson

Councilwoman Lois Tarkanian



We Did It Our Way!

The City of Las Vegas Mayor and City Council

Certificate of Recognition

Proudly presented on February 16, 2005 to

Ms. Yoon Jung Kim

*To commemorate your visit to Las Vegas, Nevada USA
And in honor of your great achievements*

Mayor Oscar B. Goodman

Mayor Pro Tem Gary Reese

Councilman Larry Brown

Councilman Lawrence Weekly

Councilman Michael Mack

Councilman Steve Wolfson

Councilwoman Lois Tarkanian



We Did It Our Way!

The City of Las Vegas Mayor and City Council

Certificate of Recognition

Proudly presented on February 16, 2005 to

Mr. Hyung Sub Jun

*To commemorate your visit to Las Vegas, Nevada USA
And in honor of your great achievements*

Mayor Oscar B. Goodman

Mayor Pro Tem Gary Reese

Councilman Larry Brown

Councilman Lawrence Weekly

Councilman Michael Mack

Councilman Steve Wolfson

Councilwoman Lois Tarkanian



We Did It Our Way!

AGENDA SUMMARY PAGE
CITY COUNCIL MEETING OF: FEBRUARY 16, 2005

DEPARTMENT: COMMUNICATIONS

DIRECTOR: DAVID RIGGLEMAN

☐ **CONSENT** ☐ **DISCUSSION**

SUBJECT:

CEREMONIAL

RECOGNITION OF THE PALO VERDE HIGH SCHOOL STATE FOOTBALL CHAMPIONS

MOTION:

None required. A presentation was made.

MINUTES:

NOTE: Videotape was shown but not submitted.

COUNCILMAN WOLFSON welcomed the Palo Verde High School (Varsity) Football team. As DARWIN ROST, Head Coach, and team members JURRELL HARRISON and MARC EVANS came forward, videotape was shown of the team in action during the 2004 Championship game.

COUNCILMAN WOLFSON mentioned that MR. HARRISON is a senior and was the team's starting quarterback. He is also UNLV'S top recruit for this fall. MR. EVANS is also a senior and was the team's starting running back.

COACH ROST thanked the Council for recognizing the team. He also thanked the Summerlin community for all its support. He mentioned that USA Today ranked the team seventh. This team has scored more than any other team in Nevada history. He gave the Council members a gift as a token of appreciation. At the request of COUNCILMAN WOLFSON, the team stood in recognition and presented MR. HARRISON with an encased football autographed by the Council members. MR. HARRISON thanked the Council.

(9:22 - 9:26)

1-540

AGENDA SUMMARY PAGE
CITY COUNCIL MEETING OF: FEBRUARY 16, 2005

DEPARTMENT: COMMUNICATIONS

DIRECTOR: DAVID RIGGLEMAN

☐ **CONSENT** ☐ **DISCUSSION**

SUBJECT:

CEREMONIAL

RECOGNITION OF THE LAS VEGAS ACADEMY THEATRE PROGRAM

BACKUP DOCUMENTATION:

Submitted at meeting: copy of Proclamation proclaiming 2/16/2005 Las Vegas Academy Theatre Recognition Day

MOTION:

None required. A presentation was made.

MINUTES:

Before making this presentation, COUNCILMAN MACK gave thanks to the Clark County Commission for approving a very important step toward the arts of Las Vegas.

COUNCILMAN MACK then called forward Las Vegas Academy Theatre students EMILY BOULAND and STEPHANIE CONLIN, as well as NANCY WEAKLY, Musical Director. MS. BOULAND gave a preview of the Las Vegas Academy Theatre's presentation of "Beauty and the Beast." After the performance, MS. CONLIN gave details about the Academy's special "Tea with Bell" program so that children could meet their favorite characters.

COUNCILMAN MACK presented MS. WEAKLEY with a Proclamation declaring February 16, 2005, as Las Vegas Academy Theatre Recognition Day. He mentioned that the Academy has successfully provided students with the opportunity to pursue the study of theatre while remaining focused and committed to excellence in academics. MS. WEAKLEY thanked the Council and invited everyone, including the Council members, to take time to see the performance. COUNCILMAN MACK gave the telephone number (799-7857) to call for information on how to obtain tickets.

(9:26 - 9:34)

1-665

CEREMONIAL BACKUP

RECOGNITION OF THE LAS VEGAS ACADEMY THEATRE PROGRAM

City of Las Vegas

Proclamation

- Whereas;** The Las Vegas Academy Theatre Company began educating local students in theatre performing arts over ten years ago; and
- Whereas;** The mission of the Las Vegas Academy Theatre Department is to provide the nurturing environment and the opportunities to pursue individual and collective goals in the study, understanding and achievement in the development of skills in theatre, musical theatre and technical theatre; and
- Whereas;** Every student in the theatre program is focused and committed to excelling in academics and their craft; and
- Whereas;** The Las Vegas Academy Theatre Department 2004-2005 season includes productions of "Musical Comedy Murders", "Beauty and the Beast", "Proverb", "Native Son" and "Ragtime"; and
- Therefore;** WE, THE MAYOR AND CITY COUNCIL OF THE CITY OF LAS VEGAS, COUNTY OF CLARK, STATE OF NEVADA, ARE PLEASED TO PROCLAIM FEBRUARY 16, 2005 TO BE:

LAS VEGAS ACADEMY THEATRE RECOGNITION DAY

IN THE CITY OF LAS VEGAS AND ASK ALL CITIZENS TO HONOR AND
RECOGNIZE THE LAS VEGAS ACADEMY THEATRE'S COMMITMENT AND
DEDICATION TO THEATRE EDUCATION


Mayor Oscar B. Goodman


Mayor Pro Tem Gary Reese


Councilman Larry Brown


Councilman Lawrence Weekly


Councilman Michael Mack


Councilman Steve Wolfson


Councilwoman Lois Tarkanian



AGENDA SUMMARY PAGE
CITY COUNCIL MEETING OF: FEBRUARY 16, 2005

DEPARTMENT: CITY CLERK

DIRECTOR: BARBARA JO RONE MUS

☐ **CONSENT** ☐ **DISCUSSION**

SUBJECT:

BUSINESS ITEMS:

Any items from the morning session that the Council, staff and/or the applicant wish to be stricken or held in abeyance to a future meeting may be brought forward and acted upon at this time

MOTION:

REESE - Motion to bring forward and STRIKE Items 39, 57, 58, and 59 and Hold in ABEYANCE Item 60 to 3/2/2005 - UNANIMOUS

NOTE: COUNCILMAN REESE disclosed for Item 39 that although his daughter works for Nevada Power, he does not believe action on this matter would influence her job. He has previously voted on matters concerning Nevada Power.

MINUTES:

There was no discussion.

(9:34 - 9:36)

1-967

AGENDA SUMMARY PAGE
CITY COUNCIL MEETING OF: FEBRUARY 16, 2005

DEPARTMENT: CITY CLERK

DIRECTOR: BARBARA JO RONEMUS

☐ **CONSENT** ☐ **DISCUSSION**

SUBJECT:

BUSINESS ITEMS:

Approval of the Final Minutes by reference of the regular City Council Meeting of December 1, 2004

MOTION:

REESE - APPROVED by Reference - UNANIMOUS

MINUTES:

There was no discussion.

(9:36)

1-1012

AGENDA SUMMARY PAGE
CITY COUNCIL MEETING OF: FEBRUARY 16, 2005

DEPARTMENT: ADMINISTRATIVE

DIRECTOR: ELIZABETH FRETWELL

☒ **CONSENT** ☐ **DISCUSSION**

SUBJECT:

ADMINISTRATIVE:

Approval to direct staff to request withdrawal of bill draft request (BDR) 604 - Collective Bargaining, by the Legislative Counsel Bureau - All Wards

Fiscal Impact:

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

PURPOSE/BACKGROUND:

At the August 18, 2004 City Council meeting, the Council directed staff to submit three bill draft requests (BDRs) to the Legislative Counsel Bureau pursuant to regulations set forth in the Nevada Revised Statutes. This item directs staff to request withdrawal of BDR 604 from consideration by the Nevada Legislature by the Legislative Counsel Bureau.

RECOMMENDATION:

It is recommended that the City Council direct staff to request withdrawal of BDR 604 by the Legislative Counsel Bureau.

BACKUP DOCUMENTATION:

None

MOTION:

REESE - APPROVED Items 3-38 and 40-52 - UNANIMOUS

Item 39: STRICKEN under separate action (see individual item)

NOTE: COUNCILMAN MACK disclosed that his brother Steven Mack owns property near the location involved in Item 40. However, he would be voting, as his brother has not spoken to him about it, and COUNCILMAN MACK did not believe his brother's interest will be impacted.

MINUTES:

COUNCILMAN WOLFSON reported that the Real Estate Committee met, and he recommended approval of the Real Estate items on the consent agenda.

There was no related discussion.

(9:36 - 9:38)

1-1020

AGENDA SUMMARY PAGE
CITY COUNCIL MEETING OF: FEBRUARY 16, 2005

DEPARTMENT: ADMINISTRATIVE SERVICES

DIRECTOR: CHRISTOPHER KNIGHT

☒ **CONSENT** ☐ **DISCUSSION**

SUBJECT:

Approval of the ratification of Tuesday James in a Council support position as the Senior Executive Assistant to the Ward 1 office - Ward 1 (Tarkanian)

Fiscal Impact:

☐ No Impact	Amount:	\$82,325.00
☒ Budget Funds Available	Dept./Division:	Mayor/Council
☐ Augmentation Required	Funding Source:	General Fund

PURPOSE/BACKGROUND:

Pursuant to Section 3.020 of the City Charter, all Council positions are subject to ratification by the City Council. Positions in the Council offices require consistency, an established good rapport with constituents and other City staff, and the utmost in confidentiality. It is important for Council members to be able to establish and maintain a close working relationship with their staff in order to efficiently and effectively represent their Ward so that they can focus on the issues they were elected to address.

RECOMMENDATION:

The City Manager recommends that the City Council ratify the appointment of Tuesday James to Councilwoman Tarkanian's Office.

BACKUP DOCUMENTATION:

None

MOTION:

REESE - APPROVED Items 3-38 and 40-52 - UNANIMOUS

Item 39: STRICKEN under separate action (see individual item)

MINUTES:

There was no related discussion.

(9:36 - 9:38)

1-1020

AGENDA SUMMARY PAGE
CITY COUNCIL MEETING OF: FEBRUARY 16, 2005

DEPARTMENT: FINANCE & BUSINESS SERVICES

DIRECTOR: MARK R. VINCENT

☒ **CONSENT** ☐ **DISCUSSION**

SUBJECT:

Approval of Service and Material Checks/Payroll Checks/Wire Transfers/Other Checks and Investments

Fiscal Impact:

☐ No Impact	Amount:	\$43,745,863.52
☒ Budget Funds Available	Dept./Division:	Accounting Operations
☐ Augmentation Required	Funding Source:	All Funds

PURPOSE/BACKGROUND:

In compliance with the City's Municipal Code, Chapter 4.12, this is an informational item that provides the dollar amount of disbursements processed by the Finance and Business Services Department.

RECOMMENDATION:

BACKUP DOCUMENTATION:

Summary of cash expenditures for the period 01/16/05 - 01/31/05

Total Services and Materials Checks: \$13,243,825.38

Total Payroll Checks: \$5,582,231.36

Total AP Wire Transfers: \$24,919,806.78

MOTION:

REESE - APPROVED Items 3-38 and 40-52 - UNANIMOUS

Item 39: STRICKEN under separate action (see individual item)

MINUTES:

There was no related discussion.

(9:36 - 9:38)

1-1020

City of Las Vegas

Summary of Cash Expenditures

For period of 1/16/05-1/31/05

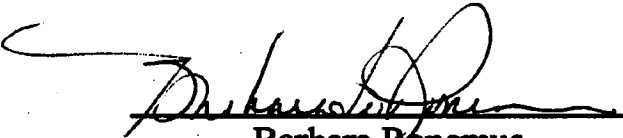
Total Services & Materials Checks :	\$13,243,825.38
Total Payroll Checks:	\$5,582,231.36
Total AP Wire Transfers:	\$24,919,806.78

Grand Total:	\$43,745,863.52
--------------	-----------------

I hereby certify that I have reviewed the above amounts and approved them for payment as being in compliance with all applicable laws to the best of my knowledge and belief.

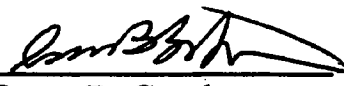


Mark R Vincent
Director of Finance



Barbara Ronemus
City Clerk

On FEBRUARY 16, 2005, the City Council approved the above cash expenditures.



Oscar B. Goodman
Mayor

AGENDA SUMMARY PAGE
CITY COUNCIL MEETING OF: FEBRUARY 16, 2005

DEPARTMENT: FINANCE & BUSINESS SERVICES

DIRECTOR: MARK R. VINCENT

☒ **CONSENT** ☐ **DISCUSSION**

SUBJECT:

Approval of a report by the Finance Director of the January 25, 2005 sale of properties subject to the lien of a delinquent assessment in Special Improvement Districts 404, 707, and 808 - Wards 2 and 4 (Wolfson and Brown)

Fiscal Impact:

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

PURPOSE/BACKGROUND:

NRS 271.565 states that within 15 days after the completion of the sale of all property described in the assessment roll upon which a delinquent assessment or installment is unpaid, the municipal treasurer shall prepare a statement of his actions concerning the sale showing all the property sold by him, to whom sold, and the sums paid for each tract. Such report shall be presented to the governing body at its regular meeting next following the preparation of the statement.

RECOMMENDATION:

Report only, no action required.

BACKUP DOCUMENTATION:

Report of Sale Memorandum from Mark R. Vincent, Finance Director, dated January 26, 2005

MOTION:

REESE - APPROVED Items 3-38 and 40-52 - UNANIMOUS

Item 39: STRICKEN under separate action (see individual item)

MINUTES:

There was no related discussion.

(9:36 - 9:38)

1-1020

Memorandum**Finance and Business Services**

To: Mayor Oscar B. Goodman
 Mayor Pro Tem Gary Reese
 Councilman Larry Brown
 Councilman Steve Wolfson
 Councilman Lawrence Weekly
 Councilman Michael Mack
 Councilwoman Janet Moncrief

From: Mark R. Vincent, Finance Director – Finance and Business Services

Cc: Doug Selby, City Manager
 Steve Houchens, Deputy City Manager
 Betsy Fretwell, Deputy City Manager
 Brad Jerbic, City Attorney
 Roni Ronemus, City Clerk

Date: January 26, 2005

Re: Report of Sale on Delinquent Parcels in SID Districts 404, 707, and 808

Nevada Revised Statute 271.565 requires the Municipal Treasurer to notify the City Council within 15 days after the completion of the sale of property of delinquent assessments. The Treasurer shall prepare a statement of his actions concerning the sale showing all the property sold by him, to whom sold, and the sums paid for each tract. Such report shall be presented to the governing body at its regular meeting next following the preparation of the statement.

On November 3, 2004, the City Council approved the delinquency list and foreclosure notices were mailed to delinquent property owners for Special Improvement Districts 404, 707, and 808. On January 5, 2005 the first of three weekly publications of the Notice of Sale occurred. Of the 82 parcels publicized, 75 either paid their assessment current or paid it off in full prior to the January 25, 2005 sale; and certificates on 7 parcels were sold.

Pursuant to this statute and the resolution as adopted by the regular City Council, the following Report of Sale has been prepared. Certificates on the following were sold on January 25, 2005:

Parcel #	Certificate Buyer	Address	Amount
138-30-317-049	JOANNA THORNOCK OR STEVE THORNOCK	3960 E. WYOMING AVE LAS VEGAS, NV 89104	\$1,206.82
138-21-816-040	DENNIS & SHIRLEY FISCHER	6029 COCKTAIL DR LAS VEGAS, NV 89130	\$706.28
137-25-521-062	JOANNA THORNOCK OR STEVE THORNOCK	3960 E. WYOMING AVE LAS VEGAS, NV 89104	\$1,222.28
138-30-615-039	MALLIKA & ASHOK ISRANI	374 LAS CANZAS ST LAS VEGAS, NV 89138	\$1,779.12
138-30-618-024	DAVID & SUSAN HUBBARD	5433 TRUCKEE CT LAS VEGAS, NV 89122	\$2,078.71
137-25-115-009	MONIQUE FRANKLIN OR JAMES E BELL & YVETTE D BELL	9105 SAFEPORT CT LAS VEGAS, NV 89117	\$4,780.04
137-26-614-024	MALLIKA & ASHOK ISRANI	374 LAS CANZAS ST LAS VEGAS, NV 89138	\$7,594.42

The sale took place in the City Hall Council Chamber.
 MRV:IDF:KBD

AGENDA SUMMARY PAGE
CITY COUNCIL MEETING OF: FEBRUARY 16, 2005

DEPARTMENT: FINANCE & BUSINESS SERVICES

DIRECTOR: MARK R. VINCENT

☒ **CONSENT** ☐ **DISCUSSION**

SUBJECT:

Approval of a Special Event License for Three Angry Wives Pub, Location: Parking Lot at Three Angry Wives Pub, 8820 West Charleston Boulevard, Suite 105, Date: March 17, 2005, Type: Special Event General, Event: St. Patrick's Day Party, Responsible Person in Charge: Erin O'Hayer - Ward 2 (Wolfson)

Fiscal Impact:

☒ **No Impact**

Amount:

☐ **Budget Funds Available**

Dept./Division:

☐ **Augmentation Required**

Funding Source:

PURPOSE/BACKGROUND:

Approval of a Special Event License.

RECOMMENDATION:

Recommend approval.

BACKUP DOCUMENTATION:

None

MOTION:

REESE - APPROVED Items 3-38 and 40-52 - UNANIMOUS

Item 39: STRICKEN under separate action (see individual item)

MINUTES:

There was no related discussion.

(9:36 - 9:38)

1-1020

AGENDA SUMMARY PAGE
CITY COUNCIL MEETING OF: FEBRUARY 16, 2005

DEPARTMENT: FINANCE & BUSINESS SERVICES

DIRECTOR: MARK R. VINCENT

☒ **CONSENT** ☐ **DISCUSSION**

SUBJECT:

Approval of a new Martial Arts Instruction Business License subject to the provisions of the planning and fire codes, Bu K. Park, dba Unified Tae Kwon Do, 6454 Sky Pointe Drive, Bu K. Park, 100% - Ward 6 (Mack)

Fiscal Impact:

☒

No Impact

Amount:

☐

Budget Funds Available

Dept./Division:

☐

Augmentation Required

Funding Source:

PURPOSE/BACKGROUND:

Approval of a new Martial Arts Instruction Business License.

RECOMMENDATION:

Recommend approval subject to the provisions of the planning and fire codes.

BACKUP DOCUMENTATION:

Map

MOTION:

REESE - APPROVED Items 3-38 and 40-52 - UNANIMOUS

Item 39: STRICKEN under separate action (see individual item)

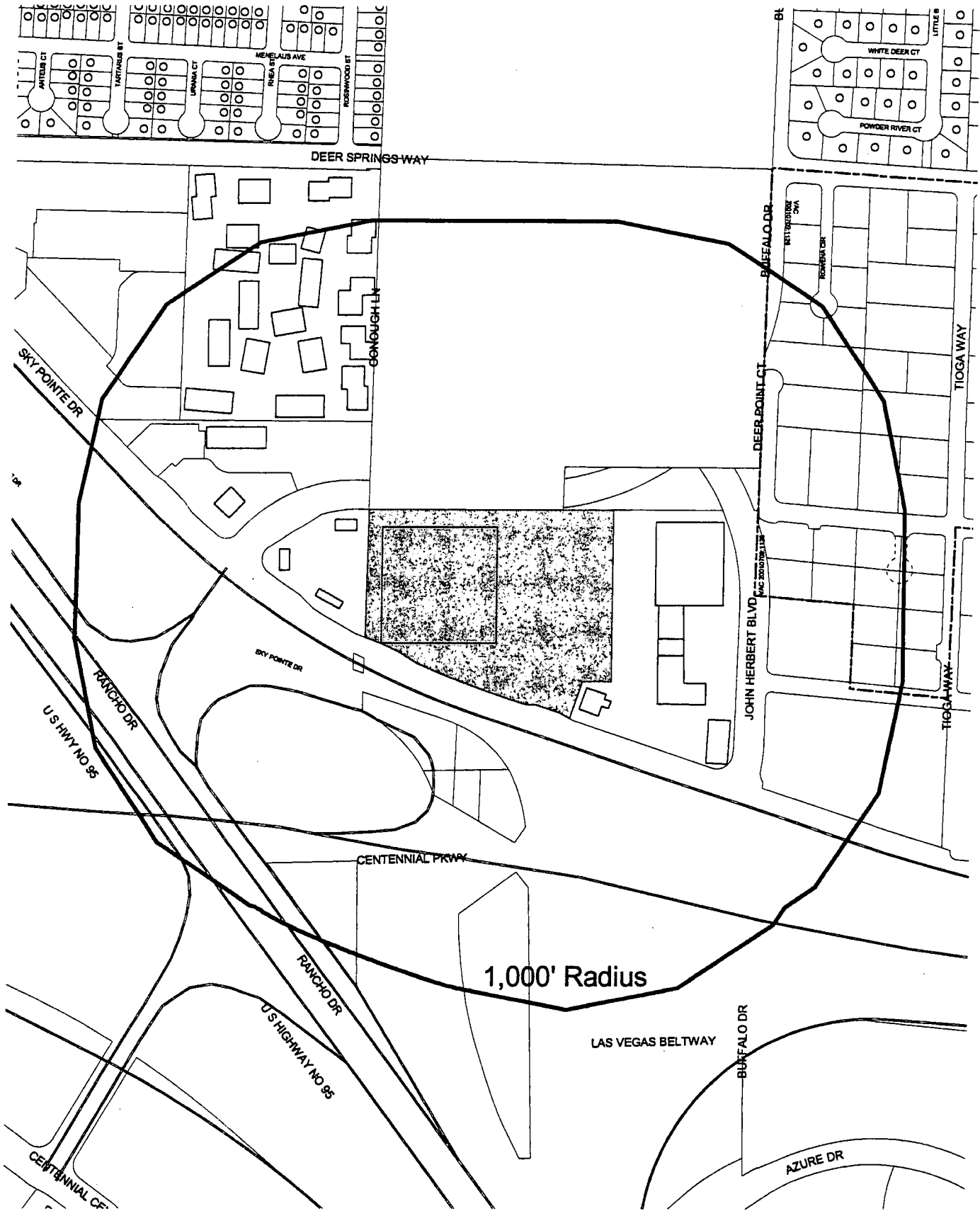
MINUTES:

There was no related discussion.

(9:36 - 9:38)

1-1020

UNIFIED TAE KWON DO



0 200 400 Feet



AGENDA SUMMARY PAGE
CITY COUNCIL MEETING OF: FEBRUARY 16, 2005**DEPARTMENT: FINANCE & BUSINESS SERVICES****DIRECTOR: MARK R. VINCENT**☒ **CONSENT** ☐ **DISCUSSION****SUBJECT:**

Approval of award of Agreement No. 040246 for Phase I Offendertrak Corrections Management System software, installation and technical support - Department of Detention and Enforcement - Award recommended to: MOTOROLA, INC. (\$439,700 - Multipurpose Special Revenue Fund and General Fund)

Fiscal Impact:

☐ No Impact	Amount:	\$439,700.00
☒ Budget Funds Available	Dept./Division:	Detention and Enforcement
☐ Augmentation Required	Funding Source:	Multipurpose Special Revenue Fund/General Fund

PURPOSE/BACKGROUND:

After extensive market research by Information Technologies and Detention and Enforcement, it was determined that Motorola, Inc. provided the best software solution to maintain full audit trails of all changes to Detention and Enforcement offender and user records. The Cities of Henderson and North Las Vegas will be utilizing the same software solution for gathering and sharing of criminal data in the Las Vegas Valley. This agreement provides for the Phase I acquisition of the core Offendertrak software system, installation and technical support. \$98,948 is funded by a Department of Justice Grant. The balance of \$340,752 is funded through the detention and enforcement general fund appropriation. This item is exempt from competitive bidding pursuant to NRS 332.115.1(b), Professional Services and NRS 332.115.1(h), Software for computers.

PCC: D. Kaplan

POC: Pamela Bennett – (303) 994-1884

RECOMMENDATION:

That the City Council approve Agreement No. 040246 for the acquisition of Phase I Offendertrak Corrections Management System software, installation and technical support in the amount of \$439,700 from the award date through January 31, 2006. Authority to execute the agreement is given to the Purchasing Manager per R-88-2004.

BACKUP DOCUMENTATION:

Certificate-Disclosure of Ownership/Principals

MOTION:**REESE - APPROVED Items 3-38 and 40-52 - UNANIMOUS****Item 39: STRICKEN under separate action (see individual item)****MINUTES:**

There was no related discussion.

(9:36 - 9:38)

1-1020

CERTIFICATE DISCLOSURE OF OWNERSHIP/PRINCIPALS

1. Definitions

"City" means the City of Las Vegas.

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

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

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

2. Policy

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

3. Instructions

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

4. Incorporation

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

Block 1 Contracting Entity
Motorola
Name
Contracts and Compliance CGISS
Address
6000 Spine Rd., Boulder, CO 80301
Telephone 303-527-4000
EIN or DUNS

Block 2 Description
Subject Matter of Contract/Agreement
Software, Installation and Technical Support Services
RFP#

Block 3	Type of Business
☐ Individual	☐ Partnership
☐ Limited Liability Company	☒ Corporation
	☐ Trust
	☐ Other.

CERTIFICATE – DISCLOSURE OF OWNERSHIP/PRINCIPALS (CONTINUED)

Block 4 Disclosure of Ownership and Principals

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

	FULL NAME/TITLE	BUSINESS ADDRESS	BUSINESS PHONE
1.	N/A		
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			

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

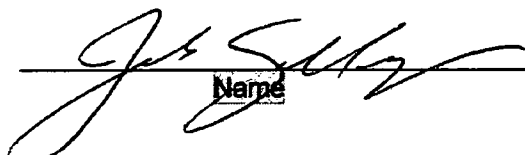
Block 5 DISCLOSURE OF OWNERSHIP AND PRINCIPALS – ALTERNATE

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

Name of Attached Document: Form 10-K

Date of Attached Document: December 31, 2003 Number of Pages: 274

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



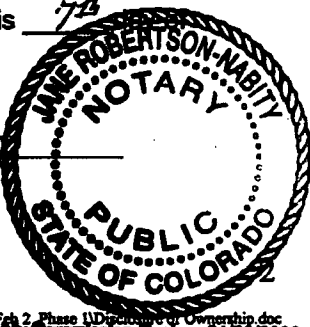
Name

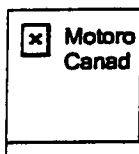
Date

Subscribed and sworn to before me this 7th

January, 2005

Jane Robertson-Nabity
Notary Public





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10-K

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MOTOROLA INC filed this 10-K on

03/12/2004

[Entire document](#)[<<<Previous Page](#) | [Next Page>>>](#)[Table of Contents](#)

**UNITED STATES
SECURITIES AND EXCHANGE
COMMISSION**
Washington, D.C. 20549

FORM 10-K

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

For the fiscal year ended December 31, 2003

or

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

For the transition period from to

Commission File number 1-7221

MOTOROLA, INC.

(Exact name of registrant as specified in its charter)

DELAWARE
(State of Incorporation)

36-1115800
(L.R.S. Employer Identification No.)

1303 East Algonquin Road, Schaumburg, Illinois 60196
(Address of principal executive offices)

(847) 576-5000
(Registrant's telephone number)

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of Each Class</u>	<u>Name of Each Exchange on Which Registered</u>
Common Stock, \$3 Par Value per Share	New York Stock Exchange Chicago Stock Exchange
Rights to Purchase Junior Participating Preferred Stock, Series B	New York Stock Exchange Chicago Stock Exchange
Liquid Yield Option Notes due 2009	New York Stock Exchange
Liquid Yield Option Notes due 2013	New York Stock Exchange
6.68% Trust Originated Preferred Securities (issued by Motorola Capital Trust I and guaranteed by Motorola, Inc.)	New York Stock Exchange
7.00% Equity Security Units	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:
None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐.

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Act). Yes ☒ No ☐.

The aggregate market value of voting and non-voting common equity held by non-affiliates of the registrant as of June 27, 2003 was approximately \$21.8 billion (based on closing sale price of \$9.38 per share as reported for the New York Stock Exchange-Composite Transactions).

The number of shares of the registrant's Common Stock, \$3 par value per share, outstanding as of January 31, 2004 was 2,340,651,138.

DOCUMENTS INCORPORATED BY REFERENCE

<u>Document</u>	<u>Location in Form 10-K</u>
Portions of Registrant's Proxy Statement for 2004 Annual Meeting of Stockholders	Part III

Table of Contents
Table of Contents

	<u>Page</u>
PART I	1
Item 1. Business	1
<i>General</i>	<i>1</i>
<i>Business Segments</i>	<i>1</i>
Personal Communications Segment	1
Semiconductor Products Segment	5
Global Telecom Solutions Segment	8
Commercial, Government and Industrial Solutions Segment	11
Integrated Electronic Systems Segment	14
Broadband Communications Segment	16
Other Products Segment	20
<i>Other Information</i>	<i>20</i>
Financial Information About Segments	20
Customers	20
Backlog	20
Research and Development	20
Patents and Trademarks	21
Environmental Quality	21
Employees	21
Financial Information About Foreign and Domestic Operations and Export Sales	21
<i>Available Information</i>	<i>21</i>
Item 2. Properties	22
Item 3. Legal Proceedings	22
Item 4. Submission of Matters to a Vote of Security Holders	28
Executive Officers of the Registrant	28
PART II	30
Item 5. Market for Registrant's Common Equity and Related Stockholder Matters	30
Item 6. Selected Financial Data	31
Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations	32
<i>Business Risk Factors</i>	<i>76</i>
Item 7A. Quantitative and Qualitative Disclosures About Market Risk	85
Item 8. Financial Statements and Supplementary Data	89
Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure	132
Item 9A. Controls and Procedures	132
PART III	133
Item 10. Directors and Executive Officers of the Registrant	133
Item 11. Executive Compensation	133
Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters	133
Item 13. Certain Relationships and Related Transactions	133
Item 14. Principal Accountant Fees and Services	134
PART IV	135
Item 15. Exhibits, Financial Statement Schedules And Reports on Form 8-K	135
15(a)(1) Financial Statements	135
15(a)(2) Financial Statement Schedules	135
15(a)(3) Exhibits	135
15(b) Reports on Form 8-K	135
15(c) Exhibits	135

Table of Contents**PART I**

1

Throughout this 10-K report we "incorporate by reference" certain information in parts of other documents filed with the Securities and Exchange Commission (the "SEC"). The SEC allows us to disclose important information by referring to it in that manner. Please refer to such information.

We are making forward-looking statements in this report. Beginning on page 76 we discuss some of the business risks and factors that could cause actual results to differ materially from those stated in the forward-looking statements.

"Motorola" (which may be referred to as the "Company", "we", "us" or "our") means Motorola, Inc. or Motorola, Inc. and its subsidiaries, or one of our segments, as the context requires. "Motorola" is a registered trademark of Motorola, Inc.

Item 1: Business**General**

Motorola, Inc. is a global leader in wireless, broadband and automotive communications technologies and embedded electronic products.

- **Wireless**

Handsets: We are one of the world's leading providers of wireless handsets, which transmit and receive voice, text, images and other forms of information and communication.

Wireless Networks: We also develop, manufacture and market public and enterprise wireless infrastructure communications systems, including hardware and software.

Mission-Critical Information Systems: In addition, we are a leading provider of customized, mission-critical radio communications and information systems.

- **Broadband**

We are a global leader in developing and deploying end-to-end digital broadband entertainment, communication and information systems for the home and for the office. Motorola broadband technology enables network operators and retailers to deliver products and services that connect consumers to what they want, when they want it.

- **Automotive**

We are the world's market leader in embedded telematics systems that enable automated roadside assistance, navigation and advanced safety features for automobiles. Motorola also provides integrated electronics for the powertrain, chassis, sensors and interior controls.

- **Semiconductor**

We also are a leading producer of embedded processing and connectivity products for the automotive, networking and wireless communications industries.

Motorola is a corporation organized under the laws of the State of Delaware as the successor to an Illinois corporation organized in 1928. Motorola's principal executive offices are located at 1303 East Algonquin Road, Schaumburg, Illinois 60196.

Business Segments

Motorola reports seven segments as described below.

Personal Communications Segment

The Personal Communications segment ("PCS" or the "segment") designs, manufactures, sells and services wireless subscriber equipment. In 2003, PCS net sales represented 41% of the Company's consolidated net sales.

Table of Contents

2

Principal Products and Services

Our wireless subscriber products include wireless handsets and personal 2-way radios, with related software and accessory products. We market our products worldwide to carriers and consumers through direct sales, distributors, dealers, retailers, and, in certain markets, through licensees.

Our Industry

We believe that total industry shipments of wireless handsets increased in 2003 by approximately 20% compared to 2002. Demand from new subscribers was strong in emerging markets, including India, China, Latin America and Eastern Europe. Replacement sales in highly penetrated markets were also strong due to generally improved economic conditions and compelling new phone designs and attractive features, such as cameras, large color displays, expanded software applications, messaging functionality, advanced gaming features, and an increased opportunity for personalization.

Despite these market improvements, we believe our estimated market share declined, primarily due to increased competition in Asia and delays in shipments of certain new products, which was primarily caused by supply constraints for a key component. However, we did begin shipping many of our new products in the second half of 2003, including a CDMA push-to-talk handset and 3G UMTS handsets. The industry forecasters predict that the wireless handset industry will continue to grow over the next several years as the transition to next-generation data-rich services, such as point-to-point video and higher speed data, continues.

Our Strategy

PCS is focused on profitable and sustainable growth through close partnerships with our carrier customers, technology leadership and improving cost competitiveness. We are investing in the development of industry-leading GSM, CDMA, iDEN®, and 3G UMTS products, with an emphasis on winning greater share of the market through compelling designs, more feature-rich phones, including phones with large color displays and cameras, and on-time delivery of products to our customers.

We are focused on enhanced partnerships with our customers by aligning with their business strategies and objectives. A core component of our "customer partnership" strategy is the expansion of opportunities for customers to increase Average Revenue per User (ARPU). By utilizing customizable platforms, we can enable our customers to go to market with handsets that feature differentiated user interfaces, such as consumer personalization, to help them build consumer loyalty. These platforms also generate revenue opportunities for our customers by supporting data productivity applications, gaming, music and other entertainment offerings and customized content.

During 2003, we continued to build on our technology leadership with the introduction of a CDMA push-to-talk handset and the delivery of 3G UMTS handsets. In addition, in 2003 we introduced our first handset with Windows Mobile™ operating systems from Microsoft. These advanced handsets feature Microsoft Pocket Outlook, Pocket Internet Explorer, Windows Media Player and other software applications familiar to users of Microsoft's traditional computer software. We have also introduced products that use Bluetooth® technology to support advanced wireless functions, including wireless headsets. For handsets using iDEN technology, we introduced products directed towards the prepaid market and high-end, Limited Edition products.

As part of our efforts to improve our brand, we are developing youth-driven brand partnerships that will support a consumer-centric design philosophy and further reinforce the brand strength

generated by our *MOTO* marketing activities. Additionally, PCS has played a key role in reinvigorating the Motorola brand among consumers worldwide, which we expect will help fuel demand for new products and experiences during 2004 and beyond.

The success of our strategy is evidenced by our continued market leadership in North America and China. In Latin America, net sales increased very significantly for the full year 2003 compared to the full year 2002 and the segment is the overall market leader in Latin America. In the Europe, Middle East and Africa (EMEA) region, customer acceptance of our recently-launched products resulted in increased customer demand in the fourth quarter of 2003.

Table of Contents

3

Customers

The PCS "customer partnership" strategy continues to focus on strengthening relationships with our top customers. PCS has several customers, worldwide, the loss of which could have a negative impact on our results. In 2003, purchases of iDEN products by Nextel Communications, Inc. and its affiliates (collectively, "Nextel") comprised approximately 18% of our segment's net sales. In China, we sell our products to many distributors and retailers. These distributors and retailers in turn primarily sell our products for use on mobile systems operated by China Mobile and China Unicom, the two largest wireless operators in China. In 2003, approximately 9% of our wireless handsets sales were to the China market and were primarily used on these systems. The largest of our other customers (inclusive of related affiliates) are AT&T Wireless, Cingular, South Korea Telecom, Telcel Mexico, T-Mobile, Verizon and Vodafone. Many of our customers, and more than half of our net sales, are outside the United States.

Nextel is our largest customer and we have been their exclusive supplier of iDEN handsets and core network infrastructure equipment for over ten years. Nextel uses Motorola's proprietary iDEN technology to support its nationwide wireless service business. Our agreements with Nextel have been non-exclusive. We are currently negotiating new agreements with Nextel for our products. Nextel is currently purchasing products from us under interim agreements, purchase orders and special development contracts. We cannot be assured at this time of the terms of new agreements with Nextel or Nextel's continued exclusive long-term use of iDEN technology in its wireless business as it considers next-generation technology options.

Motorola has a contract with Nextel for the development of infrastructure software and wireless handsets that use a new 6:1 vocoder. The use of this new vocoder solution is expected to allow Nextel to increase capacity on its current system. Motorola has delivered 6:1 infrastructure software and initial subscriber units to Nextel. Nextel has announced that the performance and functionality of the 6:1 handsets has met or exceeded Nextel's expectations in many respects. However, they have also indicated that in some operating conditions the voice quality while operating in 6:1 mode has not met their expectations. The Company continues to work closely with Nextel to optimize the 6:1 solution.

Competition

Although we believe our market share declined in 2003, we also believe we retained the second-largest worldwide market share of wireless handsets. The segment experiences intense competition in worldwide markets from numerous global competitors, including some of the world's largest companies. The segment's primary competitors are European and Asian manufacturers. Currently, its strongest competitors include Nokia, Samsung, Siemens, Sony-Ericsson and LG.

In Asia, particularly in China, we face intense competition from new and existing handset manufacturers. In 2003, as a result of this competition, our product portfolio and supply constraints, we believe the segment's market share declined in China. However, we believe we maintained the top market position in China. To address the challenging market environment in China, we have continued to introduce several compelling new products with many attractive features that cover a wide range of tiers and market segments.

We believe the ability to differentiate our products and provide additional value to our customers will be increasingly realized, primarily through the addition of new features to enhance our products. Consumer experiences will be shaped by the user interface and software applications that can be delivered on handsets at point of purchase and beyond. The segment utilizes Java™ technology to better leverage the largest wireless developer community in the world. The segment has also selected the Microsoft Windows Mobile™ operating system for its

new MPx product line.

General competitive factors in the market for our products include: time-to-market; brand awareness; technology offered; price; product performance, features, design, quality, delivery and warranty; the quality and availability of service; company image and relationship with key customers.

Payment Terms

The segment offers industry standard payment terms and generally does not grant extended payment terms.

Table of Contents

4

Regulatory Matters

Radio frequencies are required to provide wireless services. The allocation of frequencies is regulated in the U.S. and other countries throughout the world and limited spectrum space is allocated to wireless services. The growth of the wireless and personal communications industry may be affected if adequate frequencies are not allocated or, alternatively, if new technologies are not developed to better utilize the frequencies currently allocated for such use. Industry growth may also be affected by the cost of the new licenses required to use frequencies and the related frequency relocation costs.

Recent policy changes in the U.S. may encourage deregulation of frequency allocation, allowing new wireless communications technologies to be developed. Such policy changes may spread to other countries, and the reduced barriers to entry for the development of new technologies may introduce new competition for both Motorola and our customers.

Backlog

The segment's backlog was \$2.2 billion at December 31, 2003 and \$1.1 billion at December 31, 2002. The 2003 backlog is believed to be generally firm and 100% of that amount is expected to be recognized as revenue in 2004. The forward-looking estimates of the firmness of such orders is subject to future events which may cause the amount recognized to change. Backlog increased primarily as a result of demand for new products that were introduced in the second half of 2003, including handsets with integrated cameras. Backlog was also impacted by the component supply constraints which resulted in the segment's inability to meet the demand for certain new products in the fourth quarter.

Intellectual Property Matters

Patent protection is extremely important to the segment's operations. The segment has an extensive portfolio of patents relating to its products, technologies and manufacturing processes. The segment licenses certain of its patents to third parties and generates revenue from these licenses. Motorola is also licensed to use certain patents owned by others. The protection of these licenses is also important to the segment's operations. Reference is made to the material under the heading "Other Information" for information relating to patents and trademarks and research and development activities with respect to this segment.

Inventory, Raw Materials, Right of Return and Seasonality

PCS's practice is to carry reasonable amounts of inventory in distribution centers in order to meet customer delivery requirements in a manner consistent with industry standards. At the end of 2003, the segment had a higher inventory balance than at the end of 2002. We increased inventory in part because we anticipated higher first quarter 2004 sales compared to the first quarter of 2003. We also made certain strategic purchases of critical components. In addition, due to supply constraints of a key component in the fourth quarter of 2003, impacted products could not be produced and shipped contributing to a higher work-in-process inventory balance at the end of 2003.

Where economically and technically feasible, materials used in the segment's operations are generally second-sourced to ensure a continuity of supply. Occasionally, shortages or extended delivery periods occur for various component parts, the effects of which are generally short in duration. In the fourth quarter of 2003, the segment experienced supply shortages impacting certain products. These shortages are improving in the first quarter of 2004.

Energy necessary for the segment's manufacturing facilities consists of electricity, natural gas and gasoline, all of which are currently in generally adequate supply. The segment's facilities

contain automation and, therefore, require a reliable source of electrical power. Labor is generally available in reasonable proximity to the segment's manufacturing facilities. Difficulties in obtaining any of the aforementioned items could affect the segment's results.

The segment permits returns under certain circumstances, generally pursuant to warranties which we consider to be competitive with current industry practices.

The segment typically experiences increased sales in the fourth calendar quarter and lower sales in the first calendar quarter of each year. Sales of wireless handsets, two-way radios and related products increase during the

Table of Contents

5

year-end holiday season. During the fourth quarter of 2003, the segment did not experience its usual seasonal increase in sales as it was unable to meet demand for shipments of certain products, due to supply constraints for a key component. Correspondingly, for the first quarter of 2004, the segment expects higher sales than typical in a first quarter due to fulfillment of year-end 2003 backlog and strong demand for new products.

Our Facilities/Manufacturing

Our headquarters are located in Libertyville, Illinois. Our major facilities are located in Libertyville, Illinois; Plantation, Florida; Flensburg, Germany; Tianjin, China; Singapore; Chihuahua, Mexico; and Jaguariuna, Brazil. We also maintain interests in two Korean cellular handset design and manufacturing firms; and joint ventures in Hangzhou and Shanghai, China. Additional engineering, software development and administration offices are located in San Diego, California; South Plainfield, New Jersey; Champaign, Illinois; Ft. Worth, Texas; Boynton Beach, Florida; Basingstoke, England; Tokyo, Japan; Toulouse, France; Beijing, China; and Seoul, Korea. We also share a facility in Penang, Malaysia with the Commercial, Government and Industrial Solutions Segment. During 2003, we sold our Chihuahua, Mexico manufacturing facility to Foxconn International Holdings Group, and we are contracting with Foxconn for the manufacture of certain products. In addition, certain manufacturing will be ceased in Flensburg, Germany during the first quarter of 2004 and as part of a segment-wide research and development engineering optimization effort, our Boynton Beach, Florida facility is planned to be vacated by the end of 2004.

We also use several electronics manufacturing suppliers (EMS) and original design-manufacturers (ODM) to enhance our ability to lower our costs and deliver products that meet consumer demands in the rapidly-changing technological environment. These third parties operate in non-Motorola facilities.

In 2003, nearly three-fourths of our handsets were manufactured in Asia, including products manufactured for us by third parties. We expect this trend to continue in 2004. Our largest manufacturing facilities are located in China, Singapore, Brazil, Germany, Malaysia and Korea. Each of these facilities serves multiple countries and regions of the world. In 2003, approximately 20% of our handsets were manufactured by third parties, who primarily manufacture in Asia. In 2004, this percentage is expected to increase to approximately 30%.

Semiconductor Products Segment

The Semiconductor Products segment ("SPS" or the "segment") provides embedded processing and connectivity products to large, high-growth markets. It focuses on designing, producing and selling products to the automotive, networking and wireless communications industries. In 2003, SPS net sales represented 18% of the Company's consolidated net sales.

Principal Products and Services

The segment designs, develops, manufactures and markets a broad range of semiconductor products that are based on its core capabilities in embedded processing. Embedded processors, in their simplest forms, provide the basic intelligence for electronic devices. Examples of the segment's embedded processors include microcontrollers, digital signal processors and communications processors. In addition, the segment offers a broad portfolio of devices that complement its families of embedded processors, including sensors, radio frequency semiconductors, power management and other analog and mixed-signal integrated circuits. Through its embedded processors and complementary products it is also able to offer customers complex combinations of semiconductors and software, which are referred to as "platform-level products."

The segment uses these products to serve each of its main businesses. In the networking market, the segment provides products for use in wireless infrastructure, enterprise switching and routing, network access and aggregation and pervasive computing applications. In the wireless market, wireless and mobile products focus on wireless handsets, personal digital assistants, global positioning systems, mobile gaming devices and machine-to-machine communication applications. In the automotive and standard products markets, SPS products include MCUs (microcontrollers), DSPs (digital signal processors), embedded MPUs (microprocessors), sensors and analog integrated circuits for use in automotive, consumer, and industrial applications.

The segment markets its products to original equipment manufacturers, to original design manufacturers and to contract manufacturers through a global network of sales offices and operations. The sales teams are augmented by a network of distributors, who extend the reach of products and services around the world.

Table of Contents

6

Our Industry

The semiconductor industry comprises a broad range of markets and products. Cumulatively, the markets within the overall semiconductor industry in which the segment participates grew at a slower rate, in 2003, than the overall industry. The market where the segment has the highest percentage of its sales is the automotive market, which traditionally has lower, but steadier, growth than the semiconductor industry as a whole. In 2003, the automotive market had single digit growth and the segment followed this trend for its automotive business. The networking market continued to have low growth rates as the market slowly recovered from the 2001 downturn, with continued lower capital spending levels by customers. The wireless communications market grew at a faster rate than the overall semiconductor industry in 2003; however, the segment's largest customer in this market, Motorola's Personal Communications segment, experienced delays in shipments of several new products.

The strength of the semiconductor industry during 2003 was reflected in a general increase in average selling price (ASP) for 2003, although the rate of increase slowed in the fourth quarter. During 2003, the segment's increase in ASP followed the industry pattern.

Our Strategy

While the segment intends to continue to focus on delivering products based on its core competencies in embedded processing and connectivity across its three target industries, the segment also plans to expand its presence in related large and high-growth markets where it can apply the broad technology and embedded processing capabilities that it has developed for its target industries. For example, it is applying its networking capabilities into areas such as passive optical networking and wireless local area network (WLAN). It is also applying its wireless expertise into handheld gaming, toys and machine-to-machine communications networks. However, even with these new applications, the segment has not been as successful as it hoped at attracting new customers in the wireless handset industry. The segment is also extending its automotive expertise in embedded control, power management and sensors into underrepresented markets such as appliances, robotics, computer peripherals and toys.

The segment continues to follow the business strategy it introduced in 2000 in response to the semiconductor industry downturn and the changes in the industry. The strategy is aimed at improving the financial results of the segment and is based on three activities/goals: (1) improving asset efficiency, by reducing the segment's internal manufacturing capacity to focus on leading-edge specialty process technologies and reduce future capital requirements, while establishing relationships to strategically outsource the manufacturing of the segment's products utilizing standard process technologies; (2) engaging in partnering and licensing activities to offset a portion of research and development spending and to facilitate a return on the segment's extensive collection of intellectual property, and (3) focusing on timely delivery of higher-value proprietary products.

In October of 2003, the Company announced that it intends to move its semiconductor operations into a separate, publicly-traded company. In December of 2003, a registration statement was filed with the U.S. Securities and Exchange Commission ("SEC") relating to a proposed initial public offering ("IPO") of stock of Freescale Semiconductor, Inc., the name given to the new entity that would be comprised of Motorola's Semiconductor operations. The registration statement is currently being reviewed by the SEC, and accordingly, there is no way to know when, or if, such an IPO may occur.

Customers

The segment sells its products worldwide to Original Equipment Manufacturers (OEMs) and a network of industrial distributors through its own sales force, agents and distributors. The

segment generally targets as customers the leaders in the market segments in which its products are used, as well as the companies that we believe will be future leaders in these segments. As these customers represent a significant share of the market opportunity, we believe that this approach provides us with the ability to best leverage our investments in research and development and to continually develop products that address market needs.

Products manufactured by the segment and supplied to other operating units of Motorola collectively constitute the segment's largest end customer at 23% of 2003 revenue (2002, 26%; 2001, 23%). The segment's largest customer within Motorola is the wireless handset business, PCS. No other customer accounted for 10% or more of the segment's revenue in 2003. The segment's top ten external end customers in 2003 were: Apple, Bosch, BMW,

Table of Contents

7

Continental Teves, Daimler Chrysler, Delphi, Hewlett Packard, Qualcomm, Siemens and Visteon. For products sold through the distribution channel, distributors Arrow, Avnet and Future accounted for more than 50% of our net sales to distributors. The volume of purchases by these end customers has affected, and could continue to affect, segment results.

Competition

The segment experiences intense competition from numerous competitors ranging from large companies offering a full range of products to small companies specializing in certain segments of the market, although few companies compete with the segment in all of its product areas. The competitive environment also is changing as a result of increased alliances between competitors, and it is expected that the environment will continue to evolve through alliances, strategic acquisitions or other agreements among our competitors. The top five competitors in the semiconductor industry comprised 36% of the total market in 2003, based on estimates published by the Semiconductor Industry Association and Gartner Dataquest. At 17%, Intel's share was almost three times the size of its nearest competitor, due to its major penetration in the desktop PC market. Intel is also a competitor in the wireless market. The next four largest semiconductor suppliers had market shares ranging from 4% to 6%. In 2003, based on net sales, the segment had an estimated 2.8% share of the overall semiconductor market. However, the segment's shares of its targeted sub-markets are much higher both in percentages and relative positions.

Important factors in competition include: price; technology offered; product features, quality, availability and warranty; the quality and availability of service; time-to-market; and company image. The ability to develop new products to meet customer requirements and to meet customer delivery schedules are also critical factors. New products represent the most important opportunity to overcome the pricing pressures inherent in the industry.

Payment Terms

Generally, the segment does not provide extended payment terms.

Backlog

The segment's backlog was \$1.2 billion at December 31, 2003 and \$1.1 billion at December 31, 2002. Orders may be and are placed by customers for delivery up to as much as 12 months in the future, but for purposes of calculating backlog, only the next 13 weeks requirements are reported. An order is removed from the backlog only when the product is shipped, the order is cancelled or the order is rescheduled beyond the 13-week delivery window used for backlog reporting. In the semiconductor industry, backlog quantities and shipment schedules under outstanding purchase orders are frequently revised to reflect changes in customer needs. Therefore, the segment believes that most of its order backlog is cancelable. For these reasons, the amount of backlog as of any particular date may not be an accurate indicator of future results. However, the segment expects most of its backlog at December 31, 2003 to be recognized as revenue in 2004 because the history of the segment indicates that a relatively small amount of backlog is cancelled or rescheduled once it falls within the 13-week delivery period.

Intellectual Property Matters

Patent protection is very important to the segment's operations and has become even more important under the segment's new business model discussed above. We intend to continue to license more of our intellectual property to third parties. The segment has a broad portfolio of patents and licenses, covering manufacturing processes, packaging technology, software systems and electrical circuit design. The patent portfolio evolves over time as older patents

expire and new patents are obtained. There are no patents the segment regards as critical to its business that expire in the next 12 months. In addition, Motorola is licensed to use certain patents owned by others and the segment benefits from those licenses. The protection of these licenses is also important to our operations.

Inventory, Raw Materials, Right of Return and Seasonality

A majority of the segment's products are built-to-order for our customers. The segment can have sizeable amounts of inventory on hand from time to time. The level of inventory reflects the long manufacturing process that is a feature of the semiconductor industry.

Table of Contents

8

The primary raw materials used by the segment are raw silicon and piece parts, which are largely sourced from the U.S., Japan and Singapore. The segment is not currently experiencing any shortages in obtaining raw materials. We purchase a substantial portion of certain supplies from Taiwan and contract with companies to test and assemble certain products in Taiwan. With respect to these and other supplies, the segment is constantly evaluating additional sources of supply to minimize the risk of obtaining materials from only a few sources.

Electricity, oil and natural gas are used extensively in the segment's operations. All of these energy sources are available in adequate quantities for current needs. Electricity and oil are the primary energy sources for the segment's foreign operations, and, presently, there are no shortages of these sources. Labor is generally available in reasonable proximity to the segment's manufacturing facilities. Difficulties in obtaining any of the aforementioned items could affect the segment's results.

The segment previously permitted distribution customers to return products under an allowance program that limits the period for return and the quantity that can be returned. This program now provides the distributors a defined allowance for product obsolescence without the requirement to physically return the product. The cost of the new program is expected to be very comparable with the previous program, but with lower program administration costs. OEM and distribution customers can return products under warranty for a period of up to 3 years after purchase except unpackaged die and probed wafers, which have a warranty period of only 90 days.

The segment as a whole does not have seasonal patterns for sales. However, at a business group level within the segment, there are some seasonal patterns. Transportation and Standard Products Group sales are typically weak during the third quarter when automakers shut down to retool for new model-year vehicles, while strong consumer sales in the fourth quarter drive higher sales for the Wireless and Mobile Systems Group. In addition, the segment's results are affected by the cyclical nature of the semiconductor industry.

Our Facilities/Manufacturing

The segment's headquarters are located in Austin, Texas. The major manufacturing facilities are located in or around Austin, Texas; Phoenix, Arizona; Tianjin, China; Toulouse, France; East Kilbride, Scotland; Sendai, Japan and Kuala Lumpur, Malaysia. In addition to its manufacturing locations, the segment has research and development centers in several countries in Asia, Europe and the Americas, and a network of sales offices around the world. Certain facilities in Texas and Scotland closed in 2003 as previously announced. In addition, on January 16, 2004, the segment sold a wafer fabrication facility in Tianjin, China. The segment has wafer manufacturing evenly distributed across the United States, Europe and Asia, however the majority of its products are packaged in Asia, primarily in Malaysia, Taiwan and China. The segment outsourced approximately 15% of wafer manufacturing in 2003, primarily to one outsourcer located in Taiwan. Additionally, approximately 50% of product packaging was outsourced in 2003, primarily with one outsourcer that utilized its facilities in Taiwan and Korea.

Global Telecom Solutions Segment

The Global Telecom Solutions segment ("GTSS" or the "segment") designs, manufactures, sells, installs and services wireless infrastructure communication systems, including hardware and software. In 2003, GTSS net sales represented 16% of the Company's consolidated net sales.

Principal Products and Services

GTSS provides end-to-end wireless networks, including radio base stations, base site controllers, associated software and services, mobility soft switching, application platforms and third-party switching for CDMA, GSM, iDEN® and UMTS technologies. The 2003 acquisition of Winphoria Networks, Inc. now enables GTSS to provide a Motorola-branded soft switch product. The addition of soft switch technology will enable the segment to provide less expensive, yet more versatile, switching alternatives to operators. GTSS products are marketed to wireless service providers worldwide through a direct sales force, licensees and agents.

Our Industry

Overall, wireless infrastructure industry sales were down in 2003 compared to 2002. Operators spent less on new equipment because of the difficult economic environment, pressure to reduce costs, and declines in average revenue per user (ARPU). In addition, technology enhancements have greatly improved network capacity without necessitating corresponding increases in spending by the operators.

Table of Contents

9

The industry's migration to 3G systems, which are high-capacity wireless networks designed to provide enhanced data services, improved Internet access and increased voice capacity, is currently focused primarily on two technologies—CDMA2000 1X and UMTS. GTSS is a supplier for both of these technologies. While CDMA2000 1X has been extensively commercialized, service providers only began to commercialize their 3G UMTS investments in 2003. We expect service providers to continue to use GPRS (General Packet Radio Service), which is a 2.5G technology, to grow their data subscriber base and to build their business case for these next-generation systems. The industry continues to expect broader implementation of 3G UMTS over the next several years as operators transition to next-generation systems to expand voice capacity and to support new data services. In North America and other global markets, operators are now also giving serious consideration to the deployment of EDGE technology, which is a GSM derivative. EDGE provides data bandwidths higher than GPRS in the existing GSM spectrum assignments. In addition, some CDMA markets have begun to deploy CDMA2000 1X-DO technology. CDMA2000 1X-DO also provides increased data bandwidth compared to CDMA2000 1X. GTSS has added products that utilize both EDGE and CDMA2000 1X-DO technologies to its product portfolio.

Our Strategy

We are executing on a strategy to enhance our position as an end-to-end supplier in wireless infrastructure. GTSS continues to invest in key radio access technologies: CDMA2000 1X, CDMA2000 1X-DO, iDEN, GSM, GPRS, EDGE and UMTS. In 2003, Motorola purchased Winphoria Networks, Inc., a leading soft switch vendor, which positions GTSS as a leader in the evolution to next-generation IP networks. We began our first commercial deployments of the Motorola Soft Switch (MSS) in 2003. The market for wireless soft switch is still developing but network operators in emerging markets, as well as some service providers in mature markets, are considering the use of this new technology. As with all new technologies, there are risks, including performance and market acceptance. GTSS has also introduced a Global Applications Management Architecture (GAMA) platform, which enables operators to rapidly deploy new revenue-generating features using software applications.

Our network products are further enhanced by a portfolio of services which reduce operator capital expenditure requirements, increase network capacity and improve system quality. These quality improvements benefit operators through increased customer satisfaction, greater usage and lower churn, all of which can have a positive impact on operator revenue. GTSS has also established a market presence in emerging markets, many of which have had higher growth rates than those in mature markets.

We also continue to build on our industry-leading position in push-to-talk over cellular (PoC) technology. We have executed agreements to launch our PoC product application on both GPRS and CDMA 1X networks. We have executed an agreement with Nextel Communications, Inc. to upgrade Nextel's existing iDEN network to WiDEN™ technology. WiDEN will enable Nextel to deliver cost-effective, high-speed wireless data service to its customers, similar to GPRS and CDMA2000 1X. The additions of these offerings are an important step in our ongoing strategy to further enhance our product portfolio.

Customers

Due to the nature of the segment's business, the agreements it enters into are primarily long-term contracts with major operators that require sizeable investments by its customers. In 2003, five customers represented approximately 55% of the segment's net sales (China Mobile; China Unicom; KDDI, a service provider in Japan; Nextel Communications, Inc. and its affiliates; and Verizon). The loss of any of the segment's large customers, in particular these customers, could have a material adverse effect on the segment's business. Further, because contracts are long-term, the loss of a major customer would impact revenue over several quarters.

Nextel is our largest customer and we have been their exclusive supplier of iDEN core network infrastructure equipment for over ten years. Nextel uses Motorola's proprietary iDEN technology to support its nationwide wireless service business. GTSS's contracts with Nextel have been non-exclusive. At the end of December 2003, the terms of our primary supply agreement with Nextel expired. We are currently negotiating new supply agreements with Nextel relating to products, software licensing and software support. Nextel is currently purchasing products from us under interim agreements, purchase orders and special development contracts, substantially on the same terms as contained in the expired agreement. On an interim basis, we have continued to provide software support in 2004, but we do not intend to recognize revenue for this software support until we have a contract with Nextel. We cannot be assured at this time of the terms of a supply contract renewal or Nextel's continued exclusive long-term use of iDEN technology in its wireless business as it considers next-generation technology options.

Table of Contents

10

Motorola has a contract with Nextel for the development of infrastructure software and wireless handsets that use a new 6:1 vocoder. The use of this new vocoder solution is expected to allow Nextel to increase capacity on its current system. Motorola has delivered 6:1 infrastructure software and initial subscriber units to Nextel. Nextel has announced that the performance and functionality of the 6:1 handsets has met or exceeded Nextel's expectations in many respects. However, they have also indicated that in some operating conditions the voice quality while operating in 6:1 mode has not met their expectations. The Company continues to work closely with Nextel to optimize the 6:1 solution.

Competition

We experience intense competition in worldwide markets from numerous competitors, ranging in size from some of the world's largest companies to small, specialized firms. Major competitors include Ericsson, Nokia, Siemens, Lucent, Nortel, Alcatel, NEC, and Samsung. Ericsson has maintained its market leadership position and Nokia has solidified a number two market share position. Four other vendors, including GTSS, vie for number three in total market share.

We have experienced significant competition in the market for our products and services, especially as the industry transitions to 3G technology. GTSS is a supplier of 3G equipment for both CDMA 1X and UMTS technologies although we have a stronger position in CDMA 1X.

Competitive factors in the market for the segment's products include: technology offered; price; payment terms; availability of vendor financing; product and system performance, product features, quality, delivery, availability and warranty; the quality and availability of service; company image; relationship with key customers; and time-to-market. Price is a major area of competition and often impacts margins for initial system bids, particularly in emerging markets. Time-to-market has also been an important competitive factor, especially for new systems and technologies.

Payment Terms

GTSS contracts for large system installations typically have implementation milestones, such as delivery, installation and system acceptance. Generally, these milestones can take anywhere from 30 days to 180 days to complete. Customer payments are typically tied to the completion of these milestones. Once a milestone is reached, payment terms are generally 30 days to 60 days. As required for competitive reasons, we may provide or arrange for extended payment terms or long-term financing in connection with equipment purchases. In limited situations, financing may include providing additional working capital. We directly provided long-term financing of approximately: \$16 million to two customers in 2003; \$47 million to four customers in 2002; and \$156 million to seven customers in 2001.

Regulatory Matters

Radio frequencies are required to provide wireless services. The allocation of frequencies is regulated in the U.S. and other countries throughout the world, and limited spectrum space is allocated to wireless services. The growth of the wireless and personal communications industry may be affected if adequate frequencies are not allocated or, alternatively, if new technologies are not developed to better utilize the frequencies currently allocated for such use. Industry growth may also be affected by the cost of the new licenses required to use frequencies and the related frequency relocation costs.

Recent policy changes in the U.S. may encourage deregulation of frequency allocation, allowing new wireless communications technologies to be developed. Such policy changes may spread to other countries, and the reduced barriers to entry for the development of new

technologies may introduce new competition for both Motorola and our customers.

Backlog

The segment's backlog was \$1.6 billion at December 31, 2003 and \$1.2 billion at December 31, 2002. The 2003 order backlog is believed to be generally firm and 100% of that amount is expected to be recognized as revenue during 2004. The forward-looking estimates of the firmness of such orders is subject to future events that may cause the amount recognized to change.

Table of Contents

11

Intellectual Property Matters

Patent protection is extremely important to the segment's operations. The segment has an extensive portfolio of patents relating to its products, systems, technologies, and manufacturing processes. Motorola is also licensed to use certain patents owned by others. The protection of these licenses is also important to the segment's operations. Reference is made to the material under the heading "Other Information" for information relating to patents and trademarks and research and development activities with respect to this segment.

Inventory, Raw Materials, Right of Return and Seasonality

The segment's practice is to carry sufficient inventory to respond to customers' needs. In 2003, the segment reduced its inventory by 16% compared to 2002 levels. The reduction in inventory is in part due to reduced sales volume and continued improvement in our inventory management processes.

Materials used in the segment's operations are second-sourced where feasible to ensure a continuity of supply. Occasional shortages in purchased components do occur; however, these shortages have not had a large impact on our business.

Energy necessary for the segment's manufacturing facilities consists of electricity, natural gas and gasoline, all of which are currently in generally adequate supply. The segment's facilities are highly automated and, therefore, require a reliable source of electrical power. Labor is generally available in reasonable proximity to the segment's manufacturing facilities. Difficulties in obtaining any of the aforementioned items could affect the segment's results.

Generally, our contracts do not include a right of return other than for standard warranty provisions. For new product introductions, we may enter into milestone contracts wherein if we do not achieve the milestones, the product could be returned. Our business does not have seasonal patterns for sales.

Our Facilities/Manufacturing

Our headquarters are located in Arlington Heights, Illinois. Major design centers include Arlington Heights and Schaumburg, Illinois; Chandler, Arizona; Fort Worth, Texas; Cork, Ireland, and Swindon, U.K. We operate manufacturing facilities in Schaumburg, Illinois; Fort Worth, Texas; Hangzhou and Tianjin, China; Swindon, U.K., and Jaguariuna, Brazil. A majority of our manufacturing is conducted in China either in facilities we operate or in facilities operated by firms to which we outsource our manufacturing.

Commercial, Government and Industrial Solutions Segment

The Commercial, Government and Industrial Solutions segment ("CGISS" or the "segment") provides customized, mission-critical integrated communications and information systems. In 2003, CGISS net sales represented 15% of the Company's consolidated net sales.

Principal Products and Services

We design, manufacture, sell, install and service analog and digital two-way radio, voice and data communications products and systems to a wide range of public-safety, government, utility, transportation and other worldwide markets. In addition, the segment participates in the expanding market for integrated information management, mobile and biometric applications and services. These applications and services provide our customers with tools such as computer-aided dispatch, field based reporting, records management and fingerprint matching capabilities.

Our products are sold directly through our own distribution force or through independent authorized distributors and dealers, commercial mobile radio service operators and independent commission sales representatives. Our distribution organization provides system engineering and installation and other technical and systems management services to meet the customer's particular needs. The customer may choose to install and maintain the equipment with its own employees, or may obtain installation, service and parts from a network of our authorized service stations (most of whom are also authorized dealers) or from other non-Motorola service stations.

Table of Contents

12

Our Industry

Significant events since 2001 have heightened the need for safety and security products and systems worldwide. Public-safety, government and enterprise organizations are seeking a wide range of detection and prevention capabilities; interoperable communications and information sharing across many users; and integrated voice, data and video capabilities. We have been a leader in providing mission-critical communications and information products and systems for more than 65 years, and our business is well positioned to continue to benefit from increased spending for safety and security products and systems.

Government budget deficits at the national, state and local levels continue to be a spending factor for public-safety agencies. In 2004, we expect continued prioritization of limited government funds towards funding of safety and security. However, recent U.S. federal government budget proposals have indicated potential funding reductions to state and local agencies in areas where our products and systems are purchased. We do not expect these reductions to have a material impact on our business in 2004.

The scope and size of systems requested by some of our customers are increasing. Some customers want large systems, including countrywide and statewide systems. These larger systems, or "mega-systems", are more complex and include a wide range of capabilities. Mega-system projects will impact how contracts are bid, which companies compete for bids and how companies partner on projects. During the last two years, we have been awarded several mega-system projects, including state-wide projects in Illinois and Arkansas, as well as projects in Hong Kong and the United Kingdom. The scope of these and related projects vary, however, they are: (i) generally longer term arrangements, up to 10 years, (ii) cover a wider geography and larger user group, and (iii) include the sale of infrastructure, systems integration, subscriber products and/or managed services. In 2004, we expect the trend towards larger systems to continue.

Our Strategy

Key elements in our strategy include: (i) the renewed pursuit of integrated voice, data and broadband over wireless systems at the local, state and national government levels globally; (ii) continued migration from analog to digital radio systems; (iii) leveraging our ASTRO 25 and DIMETRA network offerings in providing Project 25 and TETRA standards-based voice and data networking systems around the world; and (iv) the accelerated implementation of interoperable communications and information systems, especially related to global homeland security. We are working with national governments throughout the world to design and sell countrywide radio network systems that are shared by police, fire, emergency services, and in some cases military agencies. We are also providing essential integrated software applications. These applications, which have been the result of internal development and acquisitions, enhance our customer's business processes, enabling them to fulfill their missions in public safety, criminal justice and public service. Our product lines include computer-aided dispatch, records management systems, criminal and civil automated fingerprint identification systems, mobile data applications and devices, corrections management systems, and customer service request systems, as well as other related products.

Customers

The principal customers for two-way radio products and systems include public-safety agencies, such as police, fire, emergency management services and military; petroleum companies; gas, electric and water utilities; courier companies; telephone companies; diverse industrial companies; transportation companies, such as railroads, airlines, taxicab operations and trucking firms; institutions, such as schools and hospitals; and companies in construction, manufacturing and service businesses. Our products are also sold and leased to various local, state, provincial, and national agencies for many uses, including homeland security. Net sales to

customers in North America accounted for 66% of the segment's net sales in 2003.

We have a large number of customers worldwide. The combined net sales from our top 10 customers worldwide represent about 16% of 2003 segment net sales. A loss or reduction in purchasing levels by a single customer or a few customers could, but is not likely to, have a material adverse effect on our results.

Competition

We are a leading worldwide supplier of two-way radio communications products, services and systems. We are the only provider delivering communications and information systems compliant with both existing industry digital standards, TETRA and Project 25. We experience widespread, intense competition from numerous competitors

Table of Contents

13

ranging from some of the world's largest diversified companies to foreign, state-owned telecommunications companies to many small, specialized firms. Many competitors have their principal manufacturing operations located outside the U.S., which may serve to reduce their manufacturing costs and enhance their brand recognition in their locale. Major competitors include: M/A-Com (Tyco), Nokia, Kenwood, E.F. Johnson, Siemens, EADS Telecommunications and large system integrators.

We may also act as subcontractor to large integrators based on a number of competitive factors and customer requirements. As demand for fully integrated voice, data and broadband over wireless systems at the local, state and national government levels continues, we may face additional competition from the public carriers.

Competitive factors for our products and systems include: price; technology offered and standards compliance; features, performance, quality, availability, delivery and product support; and the support, quality and availability of services and systems engineering, with no one factor being dominant. An additional factor is the availability of vendor financing, as customers continue to look to equipment vendors as an additional source of financing.

Payment Terms

Payment terms vary worldwide. Generally, contract payment terms range from net 30 to 60 days. As required for competitive reasons, we may provide or arrange for long-term financing in connection with equipment purchases. Financing may cover all or a portion of the purchase price. We provide limited leasing of equipment, with lease terms from 1 to 10 years.

Regulatory Matters

Users of two-way radio communications are regulated by a variety of governmental and other regulatory agencies throughout the world. In the U.S., users of two-way radios are licensed by the FCC, which has broad authority to make rules and regulations and prescribe restrictions and conditions to carry out the provisions of the Communications Act of 1934. Regulatory agencies in other countries have similar types of authority. Consequently, the business and results of this segment could be affected by the rules and regulations adopted by the FCC or regulatory agencies in other countries from time to time. Motorola has developed products using trunking and data communications technologies to enhance spectral efficiencies. The growth and results of the two-way radio communications industry may be affected by the regulations of the FCC or other regulatory agencies relating to access to allocated frequencies for land mobile communications users, especially in urban areas where such frequencies are heavily used.

Recent policy changes in the U.S. may encourage deregulation of frequency allocation, allowing new wireless communications technologies to be developed. Such policy changes may spread to other countries, and the reduced barriers to entry for the development of new technologies may introduce new competition for both Motorola and our customers.

Backlog

The segment's backlog was \$1.7 billion at both December 31, 2003 and December 31, 2002. The 2003 backlog amount is believed to be generally firm, and approximately 80% of that amount is expected to be recognized as revenue during 2004. This forward-looking estimate of the firmness of such orders is subject to future events that may cause the amount recognized to change.

Intellectual Property Matters

Patent protection is very important to the segment's business. We actively participate in the

development of open standards for interoperable, mission critical digital two-way radio systems. We have published our technology and licensed patents to signatories of the industry's two primary memorandum of understanding defined by the Telecommunications Industry Association (TIA) Project 25 and European Telecommunications Standards Institute (ETSI), Terrestrial Trunked Radio (TETRA). Royalties associated with these licenses are not expected to be material to the segment's financial results. Reference is made to the material under the heading "Other Information" for information relating to patents and trademarks, and research and development activities with respect to this segment.

Table of Contents

14

Inventory, Raw Materials, Right of Return and Seasonality

The segment provides custom products based on assembling basic units into a large variety of models or combinations. This requires the stocking of inventories and large varieties of piece parts and replacement parts, as well as a variety of basic level assemblies in order to meet short delivery requirements. Relatively short delivery requirements and historical trends determine the amounts of inventory to be stocked. To the extent suppliers' product life cycles are shorter than the segment's, stocking of lifetime buy inventories is required. In addition, replacement parts are stocked for delivery on customer demand within a short delivery cycle, including radios that have been canceled (from the published book) within the last 10 years.

Availability of the materials and components required by the segment is relatively dependable, but normal fluctuations in market demand and supply could cause temporary, selective shortages and affect results. Direct sourcing of materials and components from foreign suppliers is becoming more extensive. We operate certain offshore subassembly plants, the loss of one or more of which could constrain our production capabilities and affect results.

Natural gas, electricity and, to a lesser extent, oil are the primary sources of energy for the segment's operations. Current supplies of these forms of energy are generally considered to be adequate for this segment's U.S. and foreign operations. Labor is generally available in reasonable proximity to the segment's manufacturing facilities. However, difficulties in obtaining any of these items could affect the segment's results.

Generally, we do not permit customers to return products. We typically have stronger sales in the fourth quarter of the year because of government and commercial spending patterns, as well as the timing of new product releases.

Our Facilities/Manufacturing

Our headquarters are located in Schaumburg, Illinois, and our major manufacturing and distribution facilities are located in Elgin and Schaumburg, Illinois; Tianjin, China; Penang, Malaysia; Berlin and Taunusstein, Germany; and Arad, Israel. The majority of our products are manufactured in Schaumburg, Illinois and Penang, Malaysia.

Integrated Electronic Systems Segment

The Integrated Electronic Systems segment ("IESS" or the "segment") designs, manufactures and sells: (i) automotive and industrial electronics systems, (ii) telematics systems that enable automated roadside assistance, navigation and advanced safety features for automobiles, (iii) portable energy storage products and systems, and (iv) embedded computing systems. In 2003, IESS net sales represented 8% of the Company's consolidated net sales.

Principal Products and Services

The Automotive Communications and Electronic Systems Group ("ACES") consists of three businesses: the Powertrain Chassis and Systems Group ("PCSG"), the Interior Electronics Division ("IED"), and the Telematics Communications Group ("TCG"). PCSG and IED use application and engineering expertise to design and sell custom electronic systems for original equipment manufacturers ("OEMs"), which may include foreign and domestic automobile manufacturers, heavy vehicle manufacturers, farm equipment manufacturers and industrial customers, as well as first-tier suppliers to such manufacturers. TCG provides automotive customers with embedded telematics control units, integrated wireless handsets, navigation and driver safety products and systems controls for automotive vehicles.

The Energy Systems Group ("ESG") delivers complete portable energy storage products and

systems for many of today's leading brand-name wireless handsets, notebook computers, hand-held computers, and other portable electronic products. A significant portion of this group's sales are to other businesses within Motorola, including the wireless handset business, PCS, and the public safety and enterprise communications business, CGISS.

The Motorola Computer Group ("MCG") specializes in standards-based embedded computing systems that are integrated by OEMs into a wide variety of products in the telecommunications, industrial automation, defense and aerospace industries.

The segment markets its products through a direct sales force, channel distributors and strategic distribution partners.

Our Industry

The segment participates in three industries. We provide: (i) products and systems used in automotive vehicles, (ii) portable energy systems, such as batteries used in wireless devices, and (iii) embedded computing systems. Demand for our products is linked to various factors, including consumer demand for cars and wireless devices and industrial demand for embedded computing systems.

Table of Contents

15

In 2003, both net sales and orders were up for ACES due to new launches of electronic controls and telematics products. ESG experienced a substantial decrease in both net sales and orders, primarily due to reductions in the price of batteries for wireless handsets. MCG net sales and orders increased due to increased demand for commercial, off-the-shelf embedded computing systems.

Our Strategy

Our primary strategy is to accelerate growth by increasing share in existing markets and by expanding into related market segments. ACES continues to grow as automotive OEMs expand the electronic content in their vehicle's powertrain, chassis, sensor, interior electronics and telematics systems. Going forward, the growth in the global automotive electronics market is expected to outpace the growth rate of global vehicle production. The segment is well positioned to take advantage of this growth.

We expect MCG to grow by leading the move to higher utilization of standards-based embedded computing systems. These products enable OEMs in telecommunications, industrial automation, defense and aerospace industries to acquire commercial off-the-shelf computing systems instead of creating these systems with in-house engineering resources. This change enables OEMs to provide more cost-effective computing systems and to focus their own research and development on applications that add value to and differentiate the computing system.

ESG is expected to grow as the volume of portable devices in the mobile computing and portable communications market increases.

Customers

In 2003, 63% of the segment's net sales were to four customers: 18% to Motorola, 17% to General Motors, 15% to Ford and 13% to Daimler Chrysler. Our largest customer within Motorola is the wireless handset business, PCS. The loss of a significant portion of any of these customers' business could have a material adverse effect upon the segment.

Competition

Demand for the products of ACES is linked to automobile sales in the U.S. and other countries and the level of electronic content per vehicle. Demand for ESG products is strongly linked to the sales of other Motorola businesses, particularly the sales of our wireless handset business, the group's largest customer. Demand for MCG products is linked to sales of telecommunications, manufacturing, and other infrastructure systems in the U.S. and other countries. The segment experiences competition from numerous global competitors, including automobile manufacturers' affiliated electronic control suppliers.

ACES is the leader for embedded telematics systems and products, as well as a leader for pressure sensor products; key competitors include Delphi and Visteon. ESG is one of the largest providers of portable energy storage products and systems; key competitors include Sony, Panasonic, and Sanyo. MCG is a leader in VME technology (the industry's first widely-adopted embedded computing standard) and the top CompactPCI Systems supplier; key competitors include Force, Radisys and Kontron.

Competitive factors in the sale of the segment's products include: price; product quality, performance and delivery; supply integrity; quality reputation; responsiveness; and design and manufacturing technology.

Payment Terms

Generally, contract payment terms range from 30 to 60 days.

Backlog

The segment's backlog was \$347 million at December 31, 2003 and \$308 million at December 31, 2002. For purposes of calculating backlog, the next 8 weeks' requirements are reported, representing primarily the segment's ACES business. The 2003 backlog is believed to be generally firm and approximately 100% of that amount is expected to be recognized as revenue during 2004. This forward-looking estimate of the firmness of such orders is subject to future events that may cause the amount recognized to change.

Table of Contents

16

Intellectual Property Matters

Patent protection is important to the segment's business. Reference is made to the material under the heading "Other Information" for information relating to patents and trademarks and research and development activities with respect to this segment.

Inventory, Raw Materials, Right of Return and Seasonality

The segment does not carry significant amounts of inventory.

All materials used by our operations are readily available at this time. We use electricity and gas in our operations, which are currently adequate in supply. Labor is generally available in reasonable proximity to the segment's manufacturing facilities. However, difficulties in obtaining any of the aforementioned items could affect our results.

In certain circumstances, we permit customers to return products. We believe that the return policies in all businesses conform to standard industry practices. Our business has not experienced significant seasonal buying patterns.

Our Facilities/Manufacturing

Our headquarters are located in Deer Park, Illinois. We also have major facilities located in Tempe, Arizona; Lawrenceville, Georgia; Farmington Hills, Michigan; Elma, New York; Seguin, Texas; Nogales, Mexico; Tianjin, China; Angers, France, and Penang, Malaysia. Most of our ACES products are manufactured in our Seguin, Texas facility. We manufacture all of our ESG products in Asia, primarily in two of our facilities in China and Malaysia. The manufacture of MCG products has been transferred, or is in the process of being transferred, to contract manufacturers and our facility in Nogales, Mexico.

Broadband Communications Segment

The Broadband Communications segment ("BCS" or the "segment") designs, manufactures and sells: a wide variety of broadband products for the cable television industry; high speed data products; hybrid fiber coaxial network transmission systems used by cable television operators; and digital satellite television systems for programmers. In 2003, BCS net sales represented 6% of the Company's consolidated net sales.

Principal Products and Services

The segment is a leading provider of end-to-end networks used in the cable television industry for the delivery of video, voice and data services over hybrid fiber coaxial networks. These broadband networks include products to transport programming by broadcasters, products used at the cable operator's headend (central office) and products used at its outside transmission plant. We also sell a suite of interactive digital set-top terminals for the customer's home that enable advanced interactive entertainment and informational services, including video-on-demand, digital video recording (DVR), Internet access, e-mail, e-commerce, chat rooms, impulse pay-per view, decoding and processing of high definition television (HDTV) to be transmitted over networks using our technology and other IP services. Our interactive digital set-top terminals also deliver advanced interactive services focused on the digital video broadcast-compliant (DVB-compliant) markets around the world. We also provide digital system control equipment, encoders, access control equipment and a wide range of digital satellite receivers. Our digital business accounted for approximately 65% of our revenue in 2003 and is expected to account for a substantial portion of our revenues for the foreseeable future.

Our Surfboard® family of cable modems delivers high-speed Internet access to subscribers over cable networks. These Surfboard® products also include wireless networking devices with high-speed Internet access for a complete home, small office or small-to-medium enterprise communications system.

To complete the end-to-end broadband network system, we design and manufacture a diverse family of broadband infrastructure access applications for broadband services including video, voice, and data

Table of Contents

17

communications. These products include cable modem termination systems, headend products, amplifiers, taps, passives and optoelectronics.

Our products are marketed primarily to cable television operators, satellite television programmers, and other communications providers worldwide and are sold primarily by our sales personnel who are skilled in the technology of these systems. We have also expanded our traditional distribution channels by selling direct to consumers in a variety of retail markets. Through retail, we market and sell cable modems, home networking products and advanced digital set-top terminals.

Our Industry

Demand for our products depends primarily on: (i) capital spending by providers of cable services for constructing, rebuilding or upgrading their communications systems, and (ii) the marketing of advanced communications services by those providers. The amount of spending by these providers, and therefore a majority of our sales and profitability, are affected by a variety of factors, including: (i) general economic conditions; (ii) the continuing trend of consolidation within the cable industry; (iii) the financial condition of cable television system operators and alternative communications providers, including their access to financing; (iv) the rate of digital penetration; (v) technological developments; (vi) standardization efforts that impact the deployment of new equipment; and (vii) new legislation and regulations affecting the equipment sold by the segment. In 2003, our customers significantly reduced their capital spending for the second consecutive year, primarily due to difficult economic conditions and in an effort to improve their cash flows. Additionally, the debt ratings of several of the largest cable operators have also been downgraded, in part due to significant debt levels. These conditions have impacted, and may continue to impact, our customer's ability to make new capital expenditures or raise additional capital in the near term to fund capital expenditures.

Our Strategy

We continue to focus on our strategy to innovate and enhance our end-to-end network portfolio. We are focused on accelerating the rate of digital penetration in North America through the introduction of an enhanced suite of digital set-top terminals, including more cost-effective products designed to increase the number of set-tops per household, as well as higher-end products for premium service, including HDTV and DVR applications. We also continue to focus on opportunities outside of North America, including the development of digital video products designed to be compliant with technology required in these regions. However, international growth has been slow.

We also are focused on enhancing and expanding our infrastructure offerings, including next-generation products in the CMTS and fiber optic network markets. Sales of our CMTS products increased in 2003 and are expected to continue to increase in 2004 as cable operators build out their networks to accommodate enhanced data and voice applications. We also will continue to expand our portfolio of data products beyond the traditional cable modem business. We are focused on providing home networking products, including wireless networking devices with high-speed Internet access for a complete home, small office or small-to-medium enterprise communications system.

Customers

We are dependent upon a small number of customers for a significant amount of our sales. The vast majority of our sales are in the U.S.—where a small number of large cable television multiple system operators (MSOs) own a large portion of the cable systems and account for a significant portion of the total capital spending in the industry. Comcast Corporation accounted for approximately 40% of the segment's net sales in 2003. The loss of business in the future

from Comcast or any of the other major MSOs could have a material adverse effect on the segment's business.

Competition

The businesses in which we operate are highly competitive. We compete worldwide in the market for digital set-top terminals for cable and satellite networks. Based on 2003 annual sales, we believe we are the leading

Table of Contents

18

provider of digital cable set-top terminals in North America. Our digital cable set-top terminals compete with products from a number of different companies, including: (i) those that develop and sell substitute products that are distributed by direct broadcast satellite (DBS) service providers through retail channels, (ii) those that develop, manufacture and sell products of their own design, and (iii) those that license technology from us or other competitors. In North America, our largest competitor is Scientific Atlanta. Other competitors in North America include C-COR, Harmonic, Arris and Cisco. Outside of North America, where we have a smaller market position, we compete with many equipment suppliers, including several consumer electronics companies.

The traditional competitive environment in the North American cable market continues to change for several reasons. First, based on our customers' requirements, we have begun and will continue to license certain of our technology to certain competitors. In 2004, we expect to license our technology to more licensees, which may result in increased competition for digital set-top terminals in our markets. Second, per OpenCable specifications, we anticipate that digital televisions will be available in 2004 that will not require a digital set-top box for one-way broadcast digital services.

Historically, reception of digital television programming from the cable broadband network required a set-top terminal with certain security technology compatible with the network. This security technology has limited the availability of set-top terminals to those manufactured by a few cable network manufacturers, including Motorola. The FCC has enacted regulations requiring separation of security functionality from set-top terminals by January 1, 2006. To meet this requirement, we have developed security modules for sale to cable operators for use with our own and third party set-top terminals. As a step towards this implementation, in 2002, the cable industry and consumer electronic manufacturers agreed upon a uni-directional security interface which allows third-party devices to access broadcast programming (not pay-per view or video on demand) with a security device. The first such devices became available in the fourth quarter of 2003. A full two-way security interface specification is expected to be completed by the end of 2004, and compliant devices are likely in 2006. These changes are expected to increase competition and encourage the sale of set-top terminals to consumers in the retail market. Traditionally, cable service providers have leased the set-top terminal to their customers.

The FCC also has mandated that digital tuners be incorporated into television sets by 2006. As a result of these actions, television manufacturers may integrate technology that is available in our set-top terminals into their products in the future and bypass the need for a set-top terminal for certain applications.

All of these changes could impact the strength of our competitive position and our sales and profitability. Most of our sales and profits arise from the sale of our set-top terminals.

We also compete worldwide in the market for broadband data products. We believe that we are the leading provider of cable modems worldwide, competing with a number of consumer electronic companies and various original design manufacturers worldwide.

The rapid technological changes occurring in each of the markets in which we compete are expected to lead to the entry of many new competitors.

Competitive factors for our products and systems include: technology offered, product and system performance, features, quality, delivery, availability and price. We believe that we enjoy a strong competitive position because of our large installed cable television equipment base, strong relationships with major communication system operators worldwide, technological leadership and new product development capabilities.

Payment Terms

Extended payment terms are provided to customers from time to time on a case-by-case basis. Such extended terms are isolated in nature and historically have not related to a significant portion of our revenues.

Regulatory Matters

Many of our products are subject to regulation by the FCC or other communications regulatory agencies. In addition, our customers and their networks, into which our products are incorporated, are subject to government

Table of Contents

19

regulation. Government regulatory policies affecting either the willingness or the ability of cable operators to offer certain services, or the terms on which the companies offer the services and conduct their business, may affect the segment's results. Regulatory actions also have impacted competition, as discussed above.

Backlog

The segment's backlog was \$288 million at December 31, 2003 and \$324 million at December 31, 2002. The reduction in backlog and related orders primarily reflects a shorter cycle time required for customer fulfillment. The 2003 order backlog is believed to be generally firm and 100% of that amount is expected to be recognized as revenue in 2004. The forward-looking estimates of the firmness of such orders is subject to future events, which may cause the amount recognized to change.

Intellectual Property Matters

We seek to build upon our core enabling technologies such as digital compression, encryption and conditional access systems, in order to lead the worldwide growth in the market for broadband communications networks. Our policy is to protect our proprietary position by, among other methods, filing U.S. and foreign patent applications to protect technology and improvements that we consider important to the development of our business. We also rely on our proprietary knowledge and ongoing technological innovation to develop and maintain our competitive position, and will periodically seek to include our proprietary technologies in certain patent pools that support the implementation of standards. We are a founder of MPEG LA, the patent licensing authority established to foster broad deployment of MPEG-2 compliant systems. We have also licensed our digital conditional access technology, DigiCipher® II, to other equipment suppliers. We also enter into other license agreements, both as licensor and licensee, covering certain products and processes with various companies. These license agreements require the payment of certain royalties that are not expected to be material to the segment's financial results.

Inventory, Raw Materials, Right of Return and Seasonality

Substantially all of our products are manufactured at our facilities in Taiwan and Mexico. Inventory levels are managed in line with existing business conditions.

We source our raw materials primarily from large multinational corporations that supply the electronics and telecommunications industries. In general, we have access to several sources of supply for each component in our major products; however, we have some components that are currently available only from a couple of sources. We have inventory controls and other policies intended to minimize the effect of any interruption in the supply of components. We currently source certain parts from Broadcom Corporation and Texas Instruments Corporation for our digital set-top terminals and cable modems. Any material disruption in supply from Broadcom or Texas Instruments for certain products would have a material adverse impact on our operations.

Electricity is the primary source of energy required for our manufacturing operations. These operations do not have significant risk relating to the availability of this energy source; however, possible shortages in the supply of electricity would affect the segment's operations. Labor is generally available in reasonable proximity to the segment's manufacturing facilities.

Generally, we do not permit customers to return products. We have not experienced seasonal buying patterns for our products recently. However, as our retail cable modem and digital set-top terminal sales increase, we may have increased sales during the holiday season at the end of each year.

Our Facilities/Manufacturing

Our headquarters are located in Horsham, Pennsylvania. We also have research and development and administrative offices in San Diego and San Jose, California; Marlboro, Massachusetts; and Lawrenceville, Georgia. We have several sales offices throughout North America, Europe, Latin America and Asia, and we operate manufacturing facilities in Taipei, Taiwan; Nogales, Mexico; and Nuremberg, Germany. Substantially all of our manufacturing is in Taiwan and Mexico.

Table of Contents

20

Other Products Segment

The Other Products segment includes: (i) Next Level Communications, Inc., which became a wholly-owned subsidiary of Motorola in April 2003, (ii) various corporate programs representing developmental businesses and research and development projects, which are not included in any major segment, (iii) Motorola Credit Corporation (MCC), Motorola's wholly-owned finance subsidiary, and (iv) Motorola's holdings in cellular operating companies outside the U.S.

Other Information

Financial Information About Segments. The response to this section of Item 1 incorporates by reference Note 10, "Information by Segment and Geographic Region," of Part II, Item 8: Financial Statements and Supplementary Data of this document.

Customers. Motorola sells approximately 10.3% of its products and services to Nextel Communications, Inc. and its affiliates. In addition to Nextel, Motorola has several other large customers, the loss of one or more of these customers would have a material adverse effect on Motorola. Based on 2003 annual sales, in addition to Nextel, other large Motorola customers include Verizon, China Mobile and China Unicom.

Approximately 2.2% of Motorola's net sales in 2003 were to various branches and agencies, including the armed services, of the U.S. Government. All contracts with the U.S. Government are subject to cancellation at the convenience of the Government.

Government contractors, including Motorola, are routinely subjected to numerous audits and investigations, which may be either civil or criminal in nature. The consequences of these audits and investigations may include administrative action to suspend business dealings with the contractor and to exclude it from receiving new business. In addition, Motorola, like other contractors, reviews aspects of its government contracting operations, and, where appropriate, takes corrective actions and makes voluntary disclosures to the U.S. Government. These audits and investigations could adversely affect Motorola's ability to obtain new business from the U.S. Government.

Backlog. Motorola's aggregate backlog position, including the backlog relating to other Motorola segments, as of the end of the last two fiscal years was approximately as follows:

December 31, 2003	\$7.4 billion
December 31, 2002	\$5.8 billion

Except as previously discussed in this Item 1, the orders supporting the 2003 backlog amounts shown in the foregoing table are believed to be generally firm, and approximately 96% of orders on hand at December 31, 2003 are expected to be shipped or earned, with respect to contracts accounted for under percentage-of-completion of accounting, during 2004. However, this is a forward-looking estimate of the amount expected to be shipped, and future events may cause the percentage actually shipped to change.

Generally, Motorola recognizes revenue for product sales when title transfers, the risks and rewards of ownership have been transferred to the customer, the fee is fixed and determinable, and collection of the related receivable is probable, which is generally at the time of shipment. Accruals are established, with related reduction to revenue for allowances for discounts and for price protection, returns and incentive programs for distributors related to these sales based on actual historical exposure at the time the related reserves are recognized. For long-term contracts, Motorola uses the percentage-of-completion method to recognize revenues and costs based on the percentage of costs incurred to date compared to the total estimated contract costs.

For contracts involving new unproven technologies, revenues and profits or parts thereof are deferred until technological feasibility is established, customer acceptance is obtained and other contract-specific terms have been completed. Provisions for losses are recognized during the period in which the loss first becomes apparent. Revenue for services is recognized ratably over the contract term or as services are performed. Revenue related to licensing agreements is recognized over the licensing period or at the time the Company has fulfilled its obligation and the fee is fixed and determinable.

Research and Development. Motorola's business segments participate in very competitive industries with constant changes in technology. Throughout its history, Motorola has relied, and continues to rely, primarily on its

Table of Contents

21

research and development programs for the development of new products, and on its production engineering capabilities for the improvement of existing products. Technical data and product application ideas are exchanged among Motorola's business segments on a regular basis. Management believes, looking forward, that Motorola's commitment to research and development programs, both to improve existing products and services and to develop new products and services, together with its utilization of state-of-the-art technology, should allow each of its segments to remain competitive.

Research and development (R&D) expenditures relating to new product development or product improvement, other than customer-sponsored contracts, were approximately \$3.8 billion in 2003, \$3.7 billion in 2002 and \$4.3 billion in 2001. R&D expenditures increased 1% in 2003 as compared to 2002, after declining 13% in 2002 as compared to 2001. In addition, research funded under customer-sponsored contracts amounted to approximately \$290 million in 2003, \$263 million in 2002 and \$269 million in 2001. Motorola continues to believe that a strong commitment to research and development is required to drive long-term growth. Approximately 23,500 professional employees were engaged in such research activities (including customer sponsored contracts) during 2003.

Patents and Trademarks. Motorola seeks to obtain patents and trademarks to protect our proprietary position whenever possible and practical.

As of December 31, 2003, Motorola owned approximately 12,287 utility and design patents in the U.S. and 14,868 patents in foreign countries. These foreign patents are mostly counterparts of Motorola's U.S. patents, but a number result from research conducted outside the U.S. and are originally filed in the country of origin. During 2003, Motorola was granted 735 U.S. utility and design patents. Many of the patents owned by Motorola are used in its operations or licensed for use by others, and Motorola is licensed to use certain patents owned by others. Royalty and licensing fees income recorded by Motorola was \$635 million, \$600 million and \$613 million for the years ended December 31, 2003, 2002 and 2001, respectively.

Environmental Quality. Motorola's operations are from time to time the subject of investigations, conferences, discussions and negotiations with various federal, state and local environmental agencies with respect to the discharge or cleanup of hazardous waste and compliance by those operations with environmental laws and regulations. The remainder of the response to this section of Item 1 incorporates by reference the information contained under the captions "Environmental" and "Other" in Note 9, "Commitments and Contingencies" of Part II, Item 8: Financial Statements and Supplementary Data of this document.

Employees. At December 31, 2003, there were approximately 88,000 employees of Motorola and its subsidiaries, as compared to approximately 97,000 employees at December 31, 2002, a 9.3% decline.

Financial Information About Foreign and Domestic Operations and Export Sales. Domestic export sales to third parties were \$2.0 billion, \$1.4 billion and \$2.2 billion for the years ended December 31, 2003, 2002 and 2001, respectively. Domestic export sales to affiliates and subsidiaries, which are eliminated in consolidation, were \$5.3 billion, \$4.7 billion and \$4.9 billion for the years ended December 31, 2003, 2002 and 2001, respectively.

The remainder of the response to this section of Item 1 incorporates by reference Note 9, "Commitments and Contingencies" of Part II, Item 8: Financial Statements and Supplementary Data of this document and the "Results of Operations—2003 Compared to 2002" and "Results of Operations—2002 Compared to 2001" sections of Part II, Item 7: Management's Discussion and Analysis of Financial Condition and Results of Operations of this document.

Available Information

We make available free of charge through our website, www.motorola.com/investor, our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, proxy statements, Exchange Act reports and all amendments to those reports as soon as reasonably practicable after such material is electronically filed with the Securities and Exchange Commission. Also available free of charge on our website are the following corporate governance documents:

- Motorola, Inc. Board Governance Guidelines
- Motorola, Inc. Director Independence Guidelines

Table of Contents

22

- Principles of Conduct for Members of the Motorola, Inc. Board of Directors
- Motorola Code of Business Conduct, which is applicable to all Motorola employees, including the principal executive officer, the principal financial officer and the controller (principal accounting officer)
- Audit and Legal Committee Charter
- Compensation and Leadership Committee Charter
- Governance and Nominating Committee Charter

All of our reports and corporate governance documents may also be obtained without charge by contacting Investor Relations, Motorola, Inc., Corporate Offices, 1303 East Algonquin Road, Schaumburg, Illinois 60196, E-mail: investors@motorola.com, phone: 1-800-262-8509. Our Internet website and the information contained therein or incorporated therein are not intended to be incorporated into this Annual Report on Form 10-K.

Item 2: Properties

Motorola's principal executive offices are located at 1303 East Algonquin Road, Schaumburg, Illinois 60196. Motorola also operates manufacturing facilities and sales offices in the U.S. and many other countries. (See "Item 1: Business" for information regarding the location of the principal manufacturing facilities for each of Motorola's business segments.) Motorola owns 69 facilities (manufacturing, sales, service and office), 40 of which are located in North America and 29 of which are located in other countries. Motorola leases 333 facilities, 135 of which are located in North America and 198 of which are located in other countries.

As part of Motorola's overall strategy to reduce operating costs and improve the financial performance of the corporation, a number of businesses and facilities have either been sold or are currently for sale. During 2003, facilities in Sendai, Japan; Penang, Malaysia; Irvine, California; Lawrenceville, Georgia and Chihuahua, Mexico were sold. In January of 2004, facilities in Tianjin, China and South Queensferry, Scotland were sold. Facilities (or portions thereof) in Mesa, Arizona; Tempe, Arizona; Harvard, Illinois; Northbrook, Illinois; Austin, Texas; Swindon, U.K., and Sendai, Japan are currently up for sale.

Motorola generally considers the productive capacity of the plants operated by each of its business segments adequate and sufficient for the requirements of each business group. The extent of utilization of such manufacturing facilities varies from plant to plant and from time to time during the year.

A substantial portion of Motorola's products are manufactured in Asia, primarily China, either in our own facilities or the facilities of others who manufacture and assemble products for Motorola. If manufacturing in the region was disrupted, Motorola's overall productive capacity could be significantly reduced.

Item 3: Legal Proceedings

Personal Injury Cases

Cases relating to Wireless Telephone Usage

Motorola has been a defendant in several cases arising out of its manufacture and sale of wireless telephones. *Jerald P. Busse, et al. v. Motorola, Inc. et al.*, filed October 26, 1995 in the Circuit Court of Cook County, Illinois, Chancery Division, is a class action alleging that defendants have failed to adequately warn consumers of the alleged dangers of cellular telephones and challenging ongoing safety studies as invasions of privacy. On October 9, 2002, the Circuit Court entered summary judgment in defendants' favor. Plaintiffs have appealed the judgment. *Kane, et al., v. Motorola, Inc., et al.*, filed December 13, 1993 in the Circuit Court of

Cook County, Illinois, alleges that plaintiffs' brain cancer was caused or aggravated by a prototype communication device. On May 11, 2000, the Court entered summary judgment in Motorola's favor holding that there was no evidence to support plaintiffs' theory of causation. On September 26, 2002, the Illinois Appellate Court affirmed the entry of summary judgment for Motorola and denied plaintiffs' appeal. Plaintiffs have sought leave to appeal the decision to the Illinois Supreme Court. On June 6, 2003, the Illinois Supreme court denied the petition for leave to appeal. All avenues of appeal have now been exhausted. *Medica et al., v. Motorola, Inc., et al.*, filed September 7, 1999 in the District Court of Clark County, Nevada, alleges that use of a cellular phone caused a malignant brain tumor. *Newman et al., v. Motorola, Inc., et al.*, filed August 1, 2000, in the Circuit Court for Baltimore City, Maryland and subsequently removed to the U.S. District Court, alleges that use of a cellular phone caused a malignant brain tumor. On September 30, 2002, the district court in *Newman* ruled that plaintiffs' expert testimony did not meet the standards

Table of Contents

23

of admissibility in the federal courts. With no admissible expert evidence to establish causation, the court subsequently entered summary judgment for defendants. Plaintiffs appealed the judgment. On October 22, 2003, the U.S. Court of Appeals for the Fourth Circuit affirmed the lower court's decision.

During 2001, the Judicial Panel on Multidistrict Litigation ruled that five cases, *Naquin, et al. v. Nokia Mobile Phones, et al.*, *Pinney and Colonell v. Nokia, Inc., et al.*, *Gillian et al. v. Nokia, Inc., et al.*, *Farina v. Nokia, Inc., et al.*, and *Gimpelson v. Nokia Inc, et al.*, which allege that the failure to incorporate a remote headset into cellular phones rendered the phones defective and that cellular phones cause undisclosed injury to cells and other health risks, be transferred to the United States District Court for the District of Maryland for coordinated or consolidated pretrial proceedings in the matter called *In re Wireless Telephone Radio Frequency Emissions Products Liability Litigation* (the "MDL Proceeding"). On March 5, 2003, the MDL Court dismissed with prejudice the five cases consolidated during 2001. In doing so, the Court stated that the subject matter is preempted and not appropriate for litigation, but is entrusted by Congress to federal agencies. On April 2, 2003, plaintiffs appealed the dismissal as well as the court's jurisdictional ruling. During 2002, the MDL panel transferred and consolidated seven additional cases, *Horn v. Motorola, Inc., et al.*, *Murray v. Motorola, Inc., et al.*, *Agro et al. v. Motorola, Inc., et al.*, *Cochran et al. v. Audiovox Corporation, et al.*, *Schofield et al. v. Matsushita Electric Corporation of America, et al.*, each of which alleges that use of a cellular phone caused a malignant brain tumor, *Dahlgren v. Motorola, Inc., et al.*, which alleges that defendants manufactured and sold cell phones that increase the risk of adverse cellular reaction and or cellular dysfunction and failed to disclose biological effects, and *Brower v. Motorola, Inc., et al.*, which contains allegations similar to *Horn* and *Dahlgren*, with the MDL Proceeding. On November 18, 2003, the MDL Court entered an order dismissing *Horn* without prejudice.

Cases relating to Two-Way Radio Usage

On January 23, 2004, Motorola was added as a co-defendant with New York City in *Virgilio et al. v. Motorola et al.*, filed in the United States District Court for the Southern District of New York. The suit was originally filed in December 2003 (against New York City alone) on behalf of twelve New York City firefighters who died in the attack on the World Trade Center on September 11, 2001.

The amended complaint alleges that the twelve firefighters died because the Motorola two-way radios they were using were defective and did not receive evacuation orders and because the City of New York and Motorola committed wrongful acts in connection with a bid process that was designed to provide new radios to the New York City Fire Department. Plaintiffs have asserted claims for wrongful death due to a defect in product design, wrongful death for failure to warn, wrongful death due to fraudulent misrepresentations and deceitful conduct, wrongful death due to negligent misrepresentations, and concerted action against both Motorola and the City of New York. Plaintiffs seek compensatory and punitive damages against Motorola in excess of \$5 billion.

On March 10, 2004, the court, to which all September 11 litigation has been assigned, granted Motorola's and the other defendants' motion to dismiss the complaint on the grounds that all of the *Virgilio* plaintiffs have filed claims with the September 11th Victims' Compensation Fund, that Congress intended the Fund to be their remedy, and they have therefore waived their right to bring the lawsuit.

Iridium-Related Cases**Class Action Securities Lawsuits**

Motorola has been named as one of several defendants in putative class action securities

lawsuits pending in the District of Columbia arising out of alleged misrepresentations or omissions regarding the Iridium satellite communications business. The plaintiffs seek an unspecified amount of damages. On March 15, 2001, the federal court judge consolidated the various securities cases under *Freeland v. Iridium World Communications, Inc., et al.*, originally filed on April 22, 1999. Motorola moved to dismiss the plaintiffs' complaint on July 15, 2002, and that motion has not yet been decided.

Bankruptcy Court Lawsuit

Motorola has been sued by the Official Committee of the Unsecured Creditors of Iridium in the Bankruptcy Court for the Southern District of New York on July 19, 2001. *In re Iridium Operating LLC, et al. v. Motorola*

Table of Contents

24

asserts claims for breach of contract, warranty, fiduciary duty, and fraudulent transfer and preferences, and seeks in excess of \$4 billion in damages.

Iridium India Lawsuits

Motorola and certain of its current and former officers and directors were named as defendants in a private criminal complaint filed by Iridium India Telecom Ltd. ("Iridium India") in October 2001 in the Court of the Extra Judicial Magistrate, First Class, Khadki, Pune, India. Iridium India is the purchaser of certain rights from Iridium LLC ("Iridium") to set up, develop and operate a gateway for the Iridium system in South Asia. The *Iridium India Telecom Ltd. v. Motorola, Inc. et al.* complaint alleges that the defendants conspired to, and did, commit the criminal offense of "cheating" by fraudulently inducing Iridium India to purchase gateway equipment from Motorola, acquire Iridium stock, and invest in developing a market for Iridium services in India. Under the Indian penal code, "cheating" is punishable by imprisonment for up to 7 years and a fine of any amount. The court may also require the defendants to compensate the victim for its losses suffered as a result of the offense, which the complaint estimates at about \$100 million. In August 2003, the Bombay High Court granted Motorola's petition to dismiss the criminal action as to Motorola and the individual defendants. Iridium India has petitioned the Indian Supreme Court to exercise its discretion to review that dismissal, and that petition is pending.

In September 2002, Iridium India also filed a civil suit in the Bombay High Court against Motorola and Iridium. The suit alleges fraud, intentional misrepresentation and negligent misrepresentation by Motorola and Iridium in inducing Iridium India to purchase gateway equipment from Motorola, acquire Iridium stock, and invest in developing a market for Iridium services in India. Iridium India claims in excess of \$200 million in damages and interest. In conjunction with the filing of the civil suit, Iridium India moved for interim relief and obtained, without notice to Motorola, an order prohibiting Motorola from removing assets from India. In August 2003, Motorola obtained dismissal of Iridium India's motions for interim relief in the civil suit, but Iridium India appealed that dismissal to the appellate division of the Bombay High Court. An order prohibiting removal of certain assets from India remains in effect pending disposition of that appeal.

Shareholder Derivative Case

M&C Partners III v. Galvin, et al., filed January 10, 2002, in the Circuit Court of Cook County, Illinois, is a shareholder derivative suit filed derivatively on behalf of Motorola against fifteen current and former members of the Motorola Board of Directors and Motorola as a nominal defendant. The lawsuit alleges that the Motorola directors breached their fiduciary duty to the Company and/or committed gross mismanagement of Motorola's business and assets by allowing Motorola to engage in improper practices with respect to Iridium. The suit seeks an unspecified amount of damages. In October 2003, the court dismissed plaintiff's amended complaint in its entirety without prejudice.

An unfavorable outcome in one or more of the Iridium-related cases still pending could have a material adverse effect on Motorola's consolidated financial position, liquidity or results of operations.

Telsim-Related Cases

Motorola is owed approximately \$2 billion under loans to Telsim Mobil Telekomunikasyon Hizmetleri A.S. ("Telsim"), a wireless telephone operator in Turkey. Telsim defaulted on the payment of these loans in April 2001. The Company fully reserved the carrying value of the Telsim loans in the second quarter of 2002. The Company is involved in the following legal proceedings related to Telsim. The Uzan family controls Telsim.

U.S. Case

On January 28, 2002, Motorola Credit Corporation ("MCC"), a wholly-owned subsidiary of Motorola, initiated a civil action with Nokia Corporation ("Nokia"), *Motorola Credit Corporation and Nokia Corporation v. Kemal Uzan, et al.*, against several members of the Uzan family, as well as one of their employees and controlled companies, alleging that the defendants engaged in a pattern of racketeering activity and violated various state and federal laws. The suit alleged 13 separate counts of wrongdoing, including (i) three counts alleging violations of

Table of Contents

25

Illinois fraud and conspiracy laws; (ii) three federal statutory counts alleging computer hacking; (iii) one count alleging violations of the Illinois Trade Secrets Act; (iv) one count seeking imposition of an equitable lien and constructive trust; (v) one count seeking declaratory relief; and (vi) four counts of criminal activity in violation of the Racketeer Influenced and Corrupt Organizations Act, commonly known as "RICO". The suit was filed in the United States District Court for the Southern District of New York (the "U.S. District Court"). The U.S. District Court issued its final ruling on July 31, 2003 as described below.

Upon filing the action, MCC and Nokia were able to attach various Uzan-owned real estate in New York. Subsequently, this attachment order was expanded to include a number of bank accounts, including those owned indirectly by the Uzans. On May 9, 2002, the U.S. District Court entered a preliminary injunction confirming the prejudgment relief previously granted. These attachments remain in place.

The U.S. District Court tried the case without a jury to conclusion on February 19, 2003. Subsequent to the trial of the case, and before a final ruling had been issued, the U.S. Court of Appeals for the Second Circuit ("the Appellate Court") issued an opinion on March 7, 2003 regarding a series of appeals filed by the Uzans from the U.S. District Court's earlier rulings. In its opinion, the Appellate Court remanded the case back to the U.S. District Court on the grounds that the RICO claims were premature and not yet ripe for adjudication, but concluded that the claims might become timely at some future point. The Appellate Court directed that the RICO claims be dismissed without prejudice to their being later reinstated. The Appellate Court, however, upheld the May 2002 Preliminary Injunction, finding that it was sufficiently supported by the fraud claims under Illinois law, and did not rule on the merits of the Uzans' claim that this matter may only be resolved through arbitration in Switzerland. A discussion of the arbitration in Switzerland can be found in the section below entitled "Foreign Proceedings."

In accordance with the mandate from the Appellate Court, on April 3, 2003, the U.S. District Court dismissed the RICO claims without prejudice. On July 8, 2003, MCC filed a motion seeking to have its RICO claims reinstated on the grounds that pursuing further actions against Telsim would be "futile."

On July 31, 2003, the U.S. District Court entered a judgment in favor of MCC for \$4.26 billion. The U.S. District Court declined to reinstate the RICO claims, but held that the court had jurisdiction to decide the merits of the Illinois fraud claims. MCC's fraud claims under Illinois common law fraud and civil conspiracy were sufficient to support a full judgment on behalf of MCC in the amount of \$2.13 billion in compensatory damages. The U.S. District Court also awarded \$2.13 billion in punitive damages. In addition, the preliminary injunction was converted into a permanent injunction, essentially unaltered in scope, and the U.S. District Court also ordered the Uzans arrested and imprisoned if they are found within 100 miles of the court's jurisdiction for being in contempt of court.

On August 8, 2003, the U.S. District Court denied the Uzans' request for a stay of execution of the judgment pending appeal. To stay execution, the Uzans were required to post a bond of \$1 billion by August 15, 2003. The Uzans did not post the bond and instead appealed the U.S. District Court decision to the Appellate Court. On August 18, 2003, the Appellate Court assigned the appeal to a three-judge panel and ruled that the statutory stay (which was to expire on August 18) would remain in place until the panel ruled.

On August 18, 2003, Motorola and Nokia requested that the Appellate Court dismiss the Uzans' appeal, based on the Uzans' repeated failures to comply with court orders and their fugitive status. This motion was assigned to the same panel hearing the Uzans' stay application.

On September 27, 2003, the Appellate Court granted MCC's and Nokia's motion, in part, dismissed the individual Uzans' appeals and denied any stay of execution on the judgment against the individual Uzans. In addition, the Appellate Court vacated the judgment against the

three corporate defendants and remanded certain questions to the U.S. District Court to decide in connection with the proceedings against the corporate defendants. The stay of execution was kept in place as against the corporate defendants.

On October 3, 2003, the Uzans filed a motion seeking rehearing by the motions panel and/or the entire Appellate Court and sought another stay of execution as against all of the defendants pending that determination. On February 6, 2004, the motions panel of the Appellate Court denied the Individual Defendants' motion for reconsideration and stay of execution and issued a mandate. On February 18, 2004, the Individual Defendants filed with the Appellate Court a "Petition for Rehearing En Banc to Review the Panel's Order Directing that the Mandate Issue 'Forthwith.' " The motions panel of the Appellate Court, on February 19, 2004, on its own motion, sent a letter to the U.S. District Court purporting to withdraw the mandate it had issued on February 6, 2004.

Table of Contents

26

The Company continues its recovery efforts and following the denial of the Uzans' motion for a stay by the Appellate Court, MCC has begun liquidating Uzan assets in the United States, the United Kingdom and France. However, the Company continues to believe that the litigation, collection and/or settlement processes will be very lengthy in light of the Uzans' decision to violate various courts' orders, including orders holding them in contempt of court. In addition, the Turkish government has asserted control over Telsim and certain other interests of the Uzans and this may make Motorola's collection efforts more difficult.

Foreign Proceedings

In 2002, the United Kingdom's High Court of Justice, Queen's Bench Division (the "UK Court"), on motion of MCC, entered a worldwide freezing injunction against Cem Uzan, Hakan Uzan, Kemal Uzan and Aysegul Akay, freezing each of their assets up to a value of \$200 million. The Uzans were ultimately held in contempt of court and ordered to be incarcerated for failing to make a full disclosure concerning their worldwide assets. On June 12, 2003, the UK Court of Appeal affirmed the lower court's decision against Cem Uzan and Aysegul Akay, but concluded that MCC was not able to enforce the freezing order against Hakan Uzan and Kemal Uzan because they had no assets in England and Wales. Consequently, the lower court's rulings as to Hakan Uzan and Kemal Uzan were reversed. MCC has appealed this aspect of the Court of Appeal's decision. The Court of Appeal agreed to stay its Orders in relation to Hakan Uzan and Kemal Uzan, so that the Worldwide Freezing Orders remain effective against them and their worldwide assets, pending MCC's appeal to the House of Lords. As a result of the Court of Appeal's decision, the UK assets of Cem Uzan and Aysegul Akay, which total approximately \$12.7 million, remain frozen and MCC has commenced the execution process in satisfaction of the New York judgment. In December 2003, the House of Lords issued a final judgment, declining to hear an appeal from the Court of Appeal's decision, thus keeping the Court of Appeals' decision in place.

Motorola has also filed attachment proceedings in several other foreign jurisdictions resulting in the preliminary seizure of assets owned by the Uzans and various entities within their control.

On February 5, 2002, Telsim initiated arbitration against MCC in Switzerland at the Zurich Chamber of Commerce. In Telsim's request for arbitration, Telsim acknowledged its debt, but has alleged that the disruption in the Turkish economy during 2001 should excuse Telsim's failure to make payments on the MCC loans as required under the agreements between the parties. Telsim seeks a ruling excusing its failure to adhere to the original payment schedule and establishing a new schedule for repayment of Telsim's debt to MCC. Telsim has failed to comply with its proposed new schedule, missing the first three payments totaling approximately \$85 million. In August 2003, MCC moved the arbitration panel for a partial award, seeking a judgment for the \$85 million. Telsim opposed the motion. On January 26, 2004, the arbitral tribunal granted MCC's request and entered a Partial Final Award in favor of MCC and against Telsim in the amount of \$85 million. MCC will seek to enforce this award against Telsim in Turkey. MCC has requested a second partial award of \$40 million from the arbitration panel to account for a loan payment that would have been due at year-end 2003 even under Telsim's proposed loan repayment schedule. The arbitration panel has not yet ruled on this request. On June 7, 2002, Rumeli Telfon ("Rumeli") initiated arbitration against MCC in the Zurich Chamber of Commerce seeking a ruling requiring that MCC consent to Rumeli's request to place the Diluted Stock into an escrow account in Switzerland. Both of these arbitrations are proceeding.

On June 19, 2002, Telsim initiated arbitration against Motorola, Ltd. and Motorola Komunikasyon Ticaret ve Servis Ltd. Sti., both wholly-owned subsidiaries of Motorola, before the International Chamber of Commerce in Zurich, Switzerland, initially seeking approximately 179 million pounds (approximately US\$281 million) as damages for the defendants' alleged sale of defective products to Telsim. Telsim increased the amount of its claim to approximately 300 million pounds (approximately US\$479 million). Motorola has denied the claims and has

filed a counterclaim. Hearings were held in January 2004 and further hearings are scheduled for mid-March 2004 and June 2004.

Class Action Securities Lawsuits

A purported class action lawsuit, *Barry Family LP v. Carl F. Koenemann*, was filed against the former chief financial officer of Motorola, Inc. on December 24, 2002 in the United States District Court for the Southern District of New York, alleging breach of fiduciary duty and violations of Section 10(b) of the Securities Exchange Act of 1934 and SEC Rule 10b-5. Thereafter, 18 additional putative class action complaints were filed in various federal courts against the Company, its former chief financial officer and various other individuals. The above complaints were all essentially identical and alleged that the price of Motorola's stock was artificially inflated by a failure to disclose vendor financing to Telsim Mobil Telekomunikasyon Hizmetleri A.S. (Telsim), in connection with the sale of telecommunications equipment by Motorola. In each of the complaints, plaintiffs proposed a class period of February 3, 2000 through May 14, 2001, and sought an unspecified amount of damages.

Table of Contents

27

All of the above identified cases have been consolidated before the United States District Court for the Northern District of Illinois (the "Illinois District Court"). A lead plaintiff has been selected by the Illinois District Court and on October 10, 2003, the plaintiffs filed an amended consolidated complaint. Motorola filed its motion to dismiss the consolidated complaint on November 5, 2003. The court has scheduled a status conference with all of the parties on March 24, 2004, at which time the court may rule on the motion to dismiss or otherwise indicate when a ruling may be forthcoming.

In addition, a purported class action, *Howell v. Motorola, Inc., et al.*, was filed against Motorola and various of its officers and employees in the Illinois District Court alleging breach of fiduciary duty and violations of the Employment Retirement Income Security Act ("ERISA"). The complaint alleged that the defendants had improperly permitted participants in Motorola's 401(k) Profit Sharing Plan (the "Plan") to purchase or hold shares of common stock of Motorola because the price of Motorola's stock was artificially inflated by a failure to disclose vendor financing to Telsim in connection with the sale of telecommunications equipment by Motorola. The plaintiff sought to represent a class of participants in the Plan for whose individual accounts the Plan purchased or held shares of common stock of Motorola from May 16, 2000 to the present, and sought an unspecified amount of damages. On October 3, 2003, plaintiff filed an amended complaint asserting three claims for breach of fiduciary duties under ERISA against 24 defendants grouped into five categories. The amended complaint alleges the defendants violated ERISA by: (1) continuing to offer Motorola stock as an investment option under the Plan, even though it had become an imprudent investment due to Motorola's dealings with Telsim and other third parties; (2) negligently making misrepresentations and negligently failing to disclose material information necessary for Participants to make informed decisions concerning their participation in the Plan; and (3) failing to appoint fiduciaries with the knowledge and expertise necessary to manage Plan assets, failing to monitor those fiduciaries properly, and failing to provide sufficient information to Participants and other Plan fiduciaries. On December 9, 2003, all but one of the defendants filed their motion to dismiss. No date has been set by the Court for a ruling on the motion to dismiss.

Charter Communications Class Action Securities Litigation

On August 5, 2002, Stoneridge Investment Partners LLC filed a purported class action in the United States District Court for the Eastern District of Missouri against Charter Communications, Inc. ("Charter") and certain of its officers, alleging violations of Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5. This complaint did not name Motorola as a defendant, but asserted that Charter and the other named defendants had violated the securities laws in connection with, *inter alia*, a transaction with Motorola. In August 2003, the plaintiff amended its complaint to add Motorola, Inc. as a defendant. The amended complaint alleges that Motorola participated in a "scheme" with Charter in connection with this transaction to artificially inflate Charter's earnings. On October 2, 2003, Motorola filed a motion to dismiss the amended complaint. No date has been set by the court for a ruling on the motion to dismiss.

In re Adelphia Communications Corp. Securities and Derivative Litigation

On December 22, 2003, Motorola was named as a defendant in two cases relating to the *In re Adelphia Communications Corp. Securities and Derivative Litigation* (the "Adelphia MDL"). The Adelphia MDL consists of at least eleven individual cases and one purported class action that were filed in or have been transferred to the United States District Court for the Southern District of New York. First, Motorola was named as a defendant in the Second Amended Complaint in the individual case of *W.R. Huff Asset Management Co. L.L.C. v. Deloitte & Touche, et al.* This case was originally filed by W.R. Huff Asset Management Co. L.L.C. on June 7, 2002, in the United States District Court for the Western District of New York and was subsequently transferred to the Southern District of New York as related to the Adelphia MDL. Several other individual and corporate defendants are also named in the amended complaint.

along with Motorola.

As to Motorola, the complaint alleges a claim arising under Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder, and seeks recovery of the consideration paid by plaintiff for Adelphia debt securities, compensatory damages, costs and expenses of litigation and other relief. Motorola has recently been served with this complaint, the case is in its early stages, and fact discovery has not yet begun. Motorola filed a motion to dismiss this complaint on March 8, 2004 and Motorola is vigorously defending the litigation.

Also on December 22, 2003, Motorola was named as a defendant in *Stocke v. John J. Rigas, et al.* This case was originally filed in Pennsylvania and was subsequently transferred to the Southern District of New York as

Table of Contents

28

related to the Adelphia MDL. Several other individual and corporate defendants are also named in the amended complaint along with Motorola. As to Motorola, the complaint alleges a federal law claim arising under Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder and a state law claim of aiding and abetting fraud relating to Adelphia securities. The complaint seeks return of the consideration paid by plaintiff for Adelphia securities, punitive damages, pre-judgment and post-judgment interest, costs and expenses of litigation and other relief. Motorola has recently received this complaint, and fact discovery has not yet begun. Motorola plans to file a motion to dismiss this complaint and Motorola is vigorously defending the litigation.

Motorola is a defendant in various other suits, claims and investigations that arise in the normal course of business. In the opinion of management, and other than discussed above with respect to the Iridium cases, the ultimate disposition of the Company's pending legal proceedings will not have a material adverse effect on the consolidated financial position, liquidity or results of operations.

Item 4: Submission of Matters to a Vote of Security Holders

Not applicable.

Executive Officers of the Registrant

Following are the persons who were the executive officers of Motorola as of February 29, 2004, their ages as of January 1, 2004, their current titles and positions they have held during the last five years:

Edward J. Zander; age 56; Chairman and Chief Executive Officer since January 2004. Prior to joining Motorola, Mr. Zander was a managing director of Silver Lake Partners from July 2003 to December 2003. Prior to holding that position, Mr. Zander was President and COO of Sun Microsystems, Inc. from January 1998 until June 2002.

Scott A. Anderson; age 50; Executive Vice President, President and Chief Executive Officer, Semiconductor Products Sector ("SPS") since July 2003; Senior Vice President and General Manager, Transportation Systems Group, SPS from November 2000 to July 2003; Corporate Vice President and General Manager, Transportation Systems Group, SPS from February 1999 to November 2000; Corporate Vice President and Director, SPS Transition Management Organization from September 1998 to February 1999.

Robert L. Barnett; age 63; Executive Vice President since January 2003; Executive Vice President, President and Chief Executive Officer, Commercial, Government and Industrial Solutions Sector from July 1998 to January 2003.

Gregory Q. Brown; age 43; Executive Vice President, President and Chief Executive Officer, Commercial, Government and Industrial Solutions Sector since January 2003; Chairman of the Board and Chief Executive Officer of Micromuse, Inc. from February 1999 to December 2002; President, Ameritech Custom Business Services from September 1996 to February 1999.

Dennis J. Carey; age 57; Executive Vice President, President and Chief Executive Officer, Integrated Electronic Systems Sector since November 2002; Executive Vice President, Business Development, Strategy and Corporate Operations of The Home Depot, Inc. from May 2001 to March 2002; Executive Vice President and Chief Financial Officer of The Home Depot, Inc. from May 1998 to May 2001.

Eugene A. Delaney; age 47; Executive Vice President and President, Global Relations and Resources Organization since July 2002; Senior Vice President and President, Global Relations

and Resources Organization from February 2002 to July 2002; Senior Vice President and General Manager, Global Customer Solutions Operations Asia/Pacific from October 2001 to February 2002; Senior Vice President and General Manager, Telecom Carrier Solutions Group, Global Telecom Solutions Sector from August 2000 to October 2001; Senior Vice President and General Manager, Global Telecom Solutions Group, Communications Enterprise from April 1999 to August 2000; Senior Vice President and General Manager, Network Solutions Sector from May 1998 to April 1999.

David W. Devonshire; age 58; Executive Vice President and Chief Financial Officer since April 2002; Executive Vice President and Chief Financial Officer of Ingersoll-Rand Company from January 2000 to January 2002; Senior Vice President and Chief Financial Officer of Ingersoll-Rand Company from January 1998 to January 2000.

Table of Contents

29

Glenn A. Gienko; age 51; Executive Vice President and Motorola Director of Human Resources since May 1996.

A. Peter Lawson; age 57; Executive Vice President, General Counsel and Secretary since May 1998.

Thomas J. Lynch; age 49; Executive Vice President, President and Chief Executive Officer, Personal Communications Sector ("PCS") since August 2002; Executive Vice President and President, Integrated Electronic Systems Sector from January 2001 to August 2002; Senior Vice President and General Manager, Satellite & Broadcast Network Systems, Broadband Communications Sector from February 2000 to January 2001; Senior Vice President and General Manager, Satellite & Broadcast Network Systems, General Instrument Corporation from May 1998 to February 2000.

Daniel M. Moloney; age 44; Executive Vice President, President and Chief Executive Officer, Broadband Communications Sector ("BCS") since June 2002; Senior Vice President and General Manager, IP Systems Group, BCS from February 2000 to June 2002; Senior Vice President and General Manager, Advanced Networks and Telecom Business Unit, General Instrument Corporation from July 1998 to January 2000.

Adrian R. Nemcek; age 56; Executive Vice President, President and Chief Executive Officer, Global Telecom Solutions Sector ("GTSS") since August 2002; Senior Vice President and President, GTSS from September 2001 to August 2002; Senior Vice President and General Manager, Office of Strategy, GTSS from August 2000 to September 2001; Senior Vice President and General Manager, Customer Solutions Group, Network Solutions Sector from January 1999 to August 2000; Corporate Vice President and General Manager, EMEA Group, Cellular Infrastructure Group from March 1998 to January 1999.

Leif G. Soderberg; age 49; Senior Vice President and Director, Global Strategy and Corporate Development since November 2002; Senior Vice President and Director, Corporate Strategy from April 2002 to November 2002; Senior Vice President and General Manager, Strategy, Corporate Development and Industry Relations, Personal Communications Sector from September 2000 to April 2002; Senior Vice President and General Manager, Systems Solutions Group, Commercial, Government and Industrial Solutions Sector from December 1998 to September 2000.

Padmasree Warrior; age 43; Senior Vice President and Chief Technology Officer since January 2003; Corporate Vice President and General Manager, Energy Systems Group, Integrated Electronic Systems Sector from April 2002 to January 2003; Corporate Vice President and General Manager, Thoughtbeam, Inc., a wholly-owned subsidiary of Motorola, Inc., from October 2001 to April 2002; Corporate Vice President, Chief Technology Officer and Director, DigitalDNA Laboratories, Semiconductor Products Sector ("SPS") from December 2000 to October 2001; Vice President, Chief Technology Officer and Director, DigitalDNA Laboratories, SPS from July 2000 to December 2000; Vice President and Assistant Director, DigitalDNA Laboratories, SPS from August 1999 to July 2000; Vice President and Director, HiPerMOS and RFLDMOS Device Center of Excellence, SPS from February 1999 to August 1999; Director, HiPerMOS and RFLDMOS Device Center of Excellence, SPS from June 1997 to February 1999.

Mike S. Zafirovski; age 50; President and Chief Operating Officer since July 2002; Executive Vice President and President, Personal Communications Sector from June 2000 to July 2002. Prior to joining Motorola, Mr. Zafirovski was at the General Electric Company for more than 24 years in several senior positions, including President and Chief Executive Officer of GE Lighting, General Electric Company from July 1999 to May 2000; President of GE Lighting, Europe, Middle East and Africa, General Electric Company from April 1996 to June 1999.

The above executive officers will serve as executive officers of Motorola until the regular meeting of the Board of Directors in May 2004 or until their respective successors shall have been elected. There is no family relationship between any of the executive officers listed above.

Table of Contents

30

PART II**Item 5: Market for Registrant's Common Equity and Related Stockholder Matters**

Motorola's common stock is listed on the New York, Chicago and Tokyo Stock Exchanges. The number of stockholders of record of Motorola common stock on January 31, 2004 was 96,856.

The remainder of the response to this Item incorporates by reference Note 15, "Quarterly and Other Financial Data (unaudited)" of the Notes to Consolidated Financial Statements appearing on page 131 under "Item 8: Financial Statements and Supplementary Data".

Table of Contents

FIVE YEAR FINANCIAL SUMMARY 31

Item 6: Selected Financial Data

Motorola, Inc. and Subsidiaries
Five Year Financial Summary

	<i>Years Ended December 31</i>				
<i>(Dollars in millions, except as noted)</i>	<i>2003</i>	<i>2002</i>	<i>2001</i>	<i>2000</i>	<i>1999</i>
Operating Results					
Net sales	\$ 27,058	\$ 27,279	\$ 30,486	\$ 38,136	\$ 33,693
Costs of sales	18,101	18,307	23,121	25,612	22,413
Gross Margin	8,957	8,972	7,365	12,524	11,280
Selling, general and administrative expenses	4,073	4,472	4,919	6,049	6,187
Research and development expenditures	3,771	3,716	4,275	4,467	3,683
Reorganization of businesses	86	1,764	1,858	596	(226)
Other charges (income)	(57)	833	2,116	517	1,406
Operating earnings (loss)	1,084	(1,813)	(5,803)	895	230
Other income (expense):					
Interest expense, net	(295)	(356)	(413)	(171)	(51)
Gains on sales of investments and businesses, net	643	96	1,931	1,570	1,180
Other	(139)	(1,373)	(1,226)	(63)	(76)
Total other income (expense)	209	(1,633)	292	1,336	1,053
Earnings (loss) before income taxes	1,293	(3,446)	(5,511)	2,231	1,283
Income tax expense (benefit)	400	(961)	(1,574)	913	392
Net earnings (loss)	\$ 893	\$ (2,485)	\$ (3,937)	\$ 1,318	\$ 891
Per Share Data (in dollars)					
Diluted earnings (loss) per common share	\$ 0.38	\$ (1.09)	\$ (1.78)	\$ 0.58	\$ 0.41
Diluted weighted average common shares outstanding (in millions)	2,351.2	2,282.3	2,213.3	2,256.6	2,202.0
Dividends declared(1)	\$ 0.16	\$ 0.16	\$ 0.16	\$ 0.16	\$ 0.16
Balance Sheet					
Total assets	\$ 32,098	\$ 31,152	\$ 33,398	\$ 42,343	\$ 40,489
Long-term debt and redeemable preferred securities	7,161	7,674	8,857	4,778	3,573
Total debt and redeemable preferred securities	8,057	9,303	9,727	11,169	6,077
Total stockholders' equity	12,689	11,239	13,691	18,612	18,693

Other Data

Capital expenditures	\$ 655	\$ 607	\$ 1,321	\$ 4,131	\$ 2,856
% of sales	2.4%	2.2%	4.3%	10.8%	8.5%
Research and development expenditures	\$ 3,771	\$ 3,716	\$ 4,275	\$ 4,467	\$ 3,683
% of sales	13.9%	13.6%	14.0%	11.7%	10.9%
Year-end employment (in thousands)	88	97	111	147	128

(1) Dividends declared in 1999 were on Motorola shares outstanding prior to the General Instrument merger.

Table of Contents**32 MANAGEMENT'S DISCUSSION AND ANALYSIS**
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**Item 7: Management's Discussion and Analysis of Financial Condition and Results of Operations**

The following is a discussion and analysis of our financial position and results of operations for each of the three years in the period ended December 31, 2003. This commentary should be read in conjunction with our consolidated financial statements and the notes thereto which appear beginning on page 89 under "Item 8: Financial Statements and Supplementary Data".

Executive Overview**What businesses are we in?**

Motorola reports seven segments as described below.

The **Personal Communications segment (PCS)** designs, manufactures, sells and services wireless subscriber equipment, including wireless handsets and personal two-way radios, with related software and accessory products. The segment's net sales in 2003 were \$11.0 billion, representing 41% of the Company's consolidated net sales.

The **Semiconductor Products segment (SPS)** designs, develops, manufactures and sells a broad range of semiconductor products that are based on its core capabilities in embedded processing, including microcontrollers, digital signal processors and communications processors. In addition, the segment offers a broad portfolio of devices that complement its families of embedded processors, including sensors, radio frequency semiconductors, power management and other analog and mixed-signal integrated circuits. Through its embedded processors and complementary products, the segment is also able to offer customers complex combinations of semiconductors and software, which are referred to as "platform-level products". The segment's net sales in 2003 were \$4.9 billion, representing 18% of the Company's consolidated net sales. In October of 2003, the Company announced that it intends to move its semiconductor operations into a separate, publicly-traded company.

The **Global Telecom Solutions segment (GTSS)** designs, manufactures, sells, installs and services wireless infrastructure communication systems, including hardware and software. The segment provides end-to-end wireless networks, including radio base stations, base site controllers, associated software and services, mobility soft switching, application platforms and third-party switching for CDMA, GSM, iDEN® and UMTS technologies. The segment's net sales in 2003 were \$4.4 billion, representing 16% of the Company's consolidated net sales.

The **Commercial, Government and Industrial Solutions segment (CGISS)** designs, manufactures, sells, installs and services analog and digital two-way radio, voice and data communications products and systems to a wide range of public-safety, government, utility, transportation and other worldwide markets. In addition, the segment participates in the expanding market for integrated information management, mobile and biometric applications and services. The segment's net sales in 2003 were \$4.1 billion, representing 15% of the Company's consolidated net sales.

The **Integrated Electronic Systems segment (IESS)** designs, manufactures and sells: (i) automotive and industrial electronics systems, (ii) telematics systems that enable automated roadside assistance, navigation and advanced safety features for automobiles, (iii) portable energy storage products and systems, and (iv) embedded computing systems. The segment's net sales in 2003 were \$2.3 billion, representing 8% of the Company's consolidated net sales.

The **Broadband Communications segment (BCS)** designs, manufactures and sells a wide

variety of broadband products, including: (i) digital systems and set-top terminals for cable television networks, (ii) high speed data products, including cable modems and cable modem termination systems (CMTS), as well as Internet Protocol (IP) based telephony products, (iii) hybrid fiber coaxial network transmission systems used by cable television operators, (iv) digital satellite television systems, (v) direct-to-home (DTH) satellite networks and private networks for business

Note: When discussing the net sales for each of our seven segments, we express the segment's net sales as a percentage of the Company's consolidated net sales. Because certain of our segments sell products to other Motorola businesses, \$1.8 billion of intracompany sales were eliminated as part of the consolidation process in 2003. As a result, the percentages of consolidated net sales for each of our business segments sum to greater than 100% of the Company's consolidated net sales.

Table of Contents**MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

33

communications, and (vi) digital broadcast products for the cable and broadcast industries. The segment's net sales in 2003 were \$1.7 billion, representing 6% of the Company's consolidated net sales.

The **Other Products** segment includes: (i) Next Level Communications, Inc., which became a wholly-owned subsidiary of the Company in April 2003, (ii) various corporate programs representing developmental businesses and research and development projects, which are not included in any major segment, (iii) Motorola Credit Corporation (MCC), the Company's wholly-owned finance subsidiary, and (iv) the Company's holdings in cellular operating companies outside the U.S. The segment's net sales in 2003 were \$435 million, representing 2% of the Company's consolidated net sales.

What were our key 2003 financial results?

- Our net sales were \$27.1 billion in 2003, down 1% from \$27.3 billion in 2002.
- We generated operating earnings of \$1.1 billion in 2003, compared to incurring an operating loss of \$1.8 billion in 2002.
- We had positive operating cash flow of \$2.8 billion in 2003 and have now generated positive operating cash flow for 12 straight quarters.
- We reduced our total debt by \$1.2 billion in 2003, from \$9.3 billion to \$8.1 billion, and reduced our net debt by \$2.7 billion, from \$2.7 billion to \$41 million.
- We had net reorganization of business charges of \$124 million in 2003, compared to net reorganization of business charges of \$1.8 billion in 2002. The net \$124 million charge in 2003 included \$353 million of new charges and \$229 million of reversals of accruals no longer needed. The \$229 million of reversals constitute 18% of the Company's \$1.3 billion in earnings before income tax in 2003.

What we focused on in 2003?

During 2003, we focused on three key objectives.

First, we committed ourselves to continued earnings and balance sheet improvement. We significantly improved operating performance in 2003, with operating earnings of \$1.1 billion, compared to an operating loss of \$1.8 billion in 2002. We also continued to strengthen our balance sheet in 2003, as evidenced by our \$2.8 billion in positive operating cash flow and \$1.2 billion reduction in total debt. We also reduced our net debt to \$41 million at the end of 2003. This is our lowest level of net debt in over 20 years.

We were also committed to a return to sales growth in 2003. Although net sales for the full year 2003 were less than full year 2002 net sales, we did achieve net sales growth of 4.4% in the second half of 2003 compared to the second half of 2002.

The final key objective was to accelerate our pace for addressing opportunities and fixing strategic issues. Some of the highlights in this area included: (i) product portfolio enhancements, primarily GTSS's acquisition of Winphoria Networks, Inc., a company specializing in soft switch technology, and (ii) the decision to separate our semiconductor operations into a separate, publicly-traded company.

In addition, we implemented the following initiatives to bring renewed focus to operational efficiency.

First, we set an objective to reduce the cost of poor quality (COPQ) through objectives such as

improving software quality, reducing warranty repair and reducing inventory excess and obsolescence and scrap.

We also focused on reducing the cost of purchased materials and services through an improved procurement process which includes: (i) aggressive cross-sector leverage, (ii) overall reductions in purchase and usage spending, (iii) utilizing low-cost sourcing centers, and (iv) integrating a fully digitalized negotiation and procurement process.

Finally, the Company is focused on improving the new product introduction process and engineering effectiveness throughout our business.

Table of Contents**34 MANAGEMENT'S DISCUSSION AND ANALYSIS**
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**What challenges and opportunities did our businesses face in 2003?**

2003 was a critical year for our businesses and the industries in which we participate. We returned to profitability in 2003 after sustaining large losses in 2001 and 2002. After two very difficult years, growth returned to the telecommunications and semiconductor industries. Yet, despite the return to growth in these key industries, we did not meet all of the goals we established for ourselves. Below is a list of the most significant items impacting our 2003 performance in management's view.

- In CGISS: Our public safety and enterprise communications business performed very well in 2003, as evidenced by a 10% increase in net sales and improved earnings compared to 2002. We believe that this business is well positioned to take advantage of increased spending for communications equipment in the public safety markets. Nonetheless, the business did face challenges in 2003, as new competitors entered the public safety communications field, primarily due to the increased demand for statewide and nationwide systems. In addition, slower economic growth over the past several years has contributed to state and local budget deficits. Although 2003 was marked by increased Federal spending on homeland security, continued delays in some homeland security funding to state and local agencies have impacted overall industry spending. The business is also building relationships with international organizations, such as Interpol and the United Nations, in order to meet the public safety demands of international customers. In 2003, international public safety sales increased compared to 2002.
- In IESS: Our automotive, embedded computing and energy systems business had a 3% increase in net sales and vastly improved earnings in 2003, as compared to 2002. These improvements were primarily driven by the Automotive Communications and Electronic Systems Group, as the content of electronics systems and controls in automobiles continued to increase in 2003 and the business benefited from the success of several new electronics controls products, and in the Motorola Computer Group, where the business saw increased demand for commercial off-the-shelf embedded computing applications. On the other hand, the Energy Systems Group was negatively impacted by lower than expected sales of batteries to our wireless handset business, which is the largest customer of this business group.
- In GTSS: Our wireless networks business' net sales declined by 4% in 2003 as wireless network operators continued to reduce capital spending in 2003, particularly in mature markets. Although net sales declined, our wireless network business increased profitability in 2003, primarily due to benefits from prior and ongoing cost-reduction efforts. The business was successful in generating business in emerging markets, where, in connection with the award of new licenses, many operators have increased spending on cellular infrastructure equipment and services. However, competition to win awards to supply equipment for next-generation 3G UMTS equipment remains intense and the business has not been as successful at winning those awards as our competitors.
- In PCS: Our wireless handset business experienced a 2% decline in net sales and a decline in market share in 2003. Although we believe the wireless handset market experienced an upswing in 2003, with an approximately 20% increase in units shipped by the total industry compared to 2002, this business unit's shipments grew by only 7%. The business experienced increased competition in Asia, particularly in China, from new and existing handset manufacturers. This resulted in a decline in average selling price and a reduced market share in China, although we believe the business retained its leading market share position in China. Results were also impacted by delays in shipments of certain new products, which were primarily caused by supply constraints for a key component. As a result, the wireless handset business was not able to meet its demand for handsets in the second half of 2003, particularly handsets with integrated

cameras.

- **In SPS:** Our semiconductor business began to improve in 2003 as the overall industry began to recover from the worst recession in its history during 2001 and 2002. Although our semiconductor business still incurred an operating loss in 2003, it improved operating results for the full year and returned to profitability in the fourth quarter of 2003. Net sales in the semiconductor business, which declined 3%, were also directly affected by the delays in the introduction of new products by our wireless handset business, as sales to our wireless handset business, the semiconductor business' largest customer, decreased 16%. Also, the business has not been as successful as it hoped in attracting new outside customers in the handset industry to purchase its chipsets.
- **In BCS:** Our broadband business' net sales declined by 16% in 2003, as cable operators continued to reduce their capital spending, resulting in lower purchases from BCS of digital set-top terminals, as well as a reduction in purchases of network transmissions systems and equipment. Although net sales declined, the business returned to profitability in 2003 due to a decline in reorganization of business and other charges.

Table of Contents

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

35

Focusing on 2004

In looking ahead to 2004, first and foremost, we are focused on increasing profitable sales and growing market share. We remain cautiously optimistic about the economic recovery for information technology products, especially in the areas of communications and related industries. We are excited about the range of our new product offerings this year in our wireless handset, network infrastructure, broadband communications, semiconductor, automotive, and government and public safety businesses. Our unique advantage is providing compelling communication products for the mobile user, connecting the auto, the home and the enterprise, including the public safety market. Seamless mobility is our unique core competency and one which will continue to differentiate Motorola from our competitors over the next several years.

For 2004 we also are focused on the following specific programs:

- **Improved Execution.** We have various programs in place to accelerate our timely delivery of products with higher levels of quality that will result in increased levels of customer delight.
- **Improved Cost Structure.** We will continue to focus on programs and operational efficiencies that drive down our fixed and discretionary costs.
- **Improved Customer Focus.** We are implementing new company-wide programs to further embrace our customers on both a strategic and tactical basis. We believe our customers, together with our employees, are the Company's most important assets and must be treated as such every day.
- **Increased Brand Recognition.** We are investing in the Motorola corporate brand as well as broadening our efforts for our consumer handset and broadband products. We believe this is critical to establish Motorola as the preeminent supplier of communications technology products and devices for the connected world.
- **Increased Investment in Our Long-term Technology Portfolio.** We are continuing to identify and resource our core competencies and disruptive technologies to ensure that we can continue to lead in our markets over the next decade.

We face challenges, including many of those that we faced in 2003. We are in extremely competitive businesses and face new and established competitors regularly. However, we believe our strategy, when properly executed, will result in future improvement of our operating results, including higher sales and earnings.

Results of Operations

Years Ended December 31

*(Dollars in millions,
except per share
amounts)*

	2003	% of sales	2002	% of sales	2001	% of sales
Net sales	\$27,058		\$27,279		\$ 30,486	
Costs of sales	18,101	66.9%	18,307	67.1%	23,121	75.8%
Gross margin	8,957	33.1%	8,972	32.9%	7,365	24.2%
Selling, general and administrative expenses	4,073	15.1%	4,472	16.4%	4,919	16.1%
Research and development						

expenditures	3,771	13.9%	3,716	13.6%	4,275	14.0%
Reorganization of businesses	86	0.3%	1,764	6.5%	1,858	6.1%
Other charges (income)	(57)	(0.2)%	833	3.1%	2,116	6.9%
Operating earnings (loss)	1,084	4.0%	(1,813)	(6.6)%	(5,803)	(19.0)%
Other income (expense):						
Interest expense, net	(295)	(1.1)%	(356)	(1.3)%	(413)	(1.4)%
Gains on net sales of investments and businesses, net	643	2.4%	96	0.4%	1,931	6.3%
Other	(139)	(0.5)%	(1,373)	(5.0)%	(1,226)	(4.0)%
Earnings (loss) before income taxes	1,293	4.8%	(3,446)	(12.6)%	(5,511)	(18.1)%
Income tax expense (benefit)	400	1.5%	(961)	(3.5)%	(1,574)	(5.2)%
Net earnings (loss)	\$ 893	3.3%	\$ (2,485)	(9.1)%	\$ (3,937)	(12.9)%
Earnings (loss) per diluted common share	\$ 0.38		\$ (1.09)		\$ (1.78)	

Table of Contents
36 MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Geographic market sales measured by the locale of the end customer as a percent of total net sales for 2003, 2002 and 2001 are as follows:

Geographic Market Sales by Locale of End Customer

	2003	2002	2001
United States	50%	45%	44%
Europe	14%	14%	14%
China	10%	14%	13%
Asia, excluding China and Japan	10%	11%	8%
Latin America	8%	7%	9%
Japan	3%	3%	5%
Other Markets	5%	6%	7%
	<u>100%</u>	<u>100%</u>	<u>100%</u>

Results of Operations—2003 Compared to 2002

Net Sales

Net sales were \$27.1 billion in 2003, down 1% from \$27.3 billion in 2002. The overall decline in net sales was primarily related to: (i) a \$342 million decrease in net sales by BCS, reflecting continuing reductions in capital spending by cable service providers, (ii) a \$196 million decrease in net sales by PCS, primarily due to: (a) increased competition in Asia, (b) an estimated loss in market share resulting from delays in the introduction of new products, driven by supply constraints for a key component, and (c) the discontinued sale of paging products during 2002, (iii) a \$194 million decrease in net sales by GTSS, reflecting continuing reductions in capital spending by cellular operators, specifically in mature markets, and (iv) a \$136 million decrease in net sales by SPS, reflecting decreased sales by the segment in the networking and wireless markets, primarily driven by a reduction in sales to other Motorola businesses. These decreases were partially offset by: (i) a \$382 million increase in net sales by CGISS, reflecting increased customer spending due to homeland security initiatives in the government market, as well as an increase in sales due to the conflict in the Middle East and the pending reconstruction of public safety systems in Iraq, and (ii) a \$76 million increase in net sales by IESS, primarily due to the success of several new products in the automotive market and increased demand from industrial automation, medical and telecommunications customers.

Gross margin

Gross margin was \$9.0 billion, or 33.1% of net sales, in 2003, compared to \$9.0 billion, or 32.9% of net sales, in 2002. Four of the Company's six major segments had a higher gross margin in 2003 and three of the six major segments had higher gross margin as a percentage of net sales. The improvement in gross margin as a percentage of net sales reflects: (i) an increase in SPS, primarily due to a reduction in labor costs, reflecting benefits from previous cost-reduction efforts, and a decline in depreciation costs resulting from the closures of manufacturing facilities, partially offset by the segment's decrease in net sales, (ii) an increase in CGISS, primarily from the increase in net sales and a favorable product mix, as well as continued benefits from prior cost-reduction actions, and (iii) an increase in GTSS, primarily due to benefits from prior cost-reduction actions and a decline in reorganization of business charges reflected in costs of sales. These improvements in gross margin percentage were partially offset by declines in BCS and PCS, primarily due to the decline in net sales in these two segments.

The 2003 gross margin included reorganization of business charges of \$38 million, which were included in Costs of Sales and primarily related to direct labor employee severance costs. The 2002 gross margin included reorganization of business charges of \$56 million, which were included in Costs of Sales and primarily related to direct labor employee severance costs.

Selling, general and administrative expenses

Selling, general and administrative (SG&A) expenses declined 9% to \$4.1 billion, or 15.1% of net sales, in 2003, compared to \$4.5 billion, or 16.4% of net sales, in 2002. Four of the Company's six major segments had lower SG&A expenses in 2003 than in 2002. The decrease in SG&A expenses was primarily driven by: (i) decreased general and administrative spending by PCS, reflecting benefits from prior and ongoing cost-reduction efforts, (ii) decreased selling and sales support costs by GTSS, reflecting benefits from prior cost-reduction efforts, partially

Table of Contents**MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

37

offset by an increase in employee incentive program costs, and (iii) decreased general and administrative spending by IESS and BCS, reflecting benefits from prior cost-reduction actions. These benefits were partially offset by increased SG&A expenditures in: (i) SPS, primarily due to a reduction in grant income compared to 2002 levels, as well as an increase in employee incentive program costs, and (ii) CGISS, primarily due to an increase in employee incentive program costs.

Research and development expenditures

Research and development (R&D) expenditures increased slightly to \$3.8 billion, or 13.9% of net sales, in 2003, compared to \$3.7 billion, or 13.6% of net sales, in 2002. Four of the Company's six major segments had increased R&D expenditures in 2003. The increase in R&D expenditures was primarily due to increased expenditures by: (i) PCS, reflecting an increase in developmental engineering expenditures due to the high volume of new product offerings, (ii) IESS, reflecting a reduction in customer funding of R&D, and (iii) SPS, reflecting a reduction in customer subsidized non-recurring engineering charges related to development of next generation wireless products. These increased expenditures were partially offset by a decrease in R&D expenditures by GTSS, reflecting benefits from prior restructuring actions. The Company believes that its decision to maintain R&D expenditures near the 2002 level is providing an immediate payback in terms of the sales growth and even stronger order growth it experienced in the second half of 2003.

Reorganization of businesses

Net reorganization of businesses charges in 2003 were \$124 million, including \$86 million reflected in the consolidated statements of operations under Reorganization of Businesses and \$38 million included in Costs of Sales. The 2003 net charges of \$124 million included reorganization of businesses charges of \$353 million, offset by reversals of accruals no longer needed of \$229 million. The \$229 million of reversals constitute 18% of the Company's \$1.3 billion in earnings before income taxes in 2003. Net reorganization of businesses charges in 2002 were \$1.8 billion, including \$1.76 billion reflected under Reorganization of Businesses and \$56 million included in Costs of Sales. The 2002 net charges of \$1.8 billion included reorganization of business charges of \$2.1 billion, offset by reversals of accruals no longer needed of \$314 million. Reorganization of businesses charges include costs associated with workforce reductions, product line discontinuations, business exits, and consolidation of manufacturing and administrative operations. These charges are discussed in further detail in the "Reorganization of Businesses Programs" section below.

Other charges

The Company recorded net income of \$57 million in Other Charges (Income) in 2003, compared to net charges of \$833 million in 2002. The net income of \$57 million in 2003 primarily consists of: (i) \$69 million in income from the reversal of accruals no longer needed due to a settlement with the Company's insurer on items related to previous environmental claims, (ii) \$59 million in income due to the reassessment of remaining reserve requirements as a result of a litigation settlement agreement with The Chase Manhattan Bank regarding Iridium, a discontinued program to launch a low-orbit satellite communications system, and (iii) \$41 million in income from the sale of Iridium-related assets that were previously written down. These items were partially offset by: (i) a \$73 million impairment charge relating to goodwill associated with the infrastructure business of BCS, and (ii) \$32 million of in-process research and development charges related to the acquisition of Winphoria Networks, Inc. by GTSS.

The net charge of \$833 million in 2002 was primarily comprised of: (i) a \$526 million charge for potentially uncollectible finance receivables to fully reserve a loan to Telsim, a wireless service provider in Turkey, who is currently in default on a \$2.0 billion loan from the Company,

(ii) a \$325 million intangible asset impairment charge relating to an intellectual property license that enables the Company to provide national authorization services for digital set-top terminals, (iii) \$80 million for potential repayments of incentives related to impaired facilities, and (iv) \$12 million for acquired in-process research and development charges, primarily related to the acquisition of Synchronous, Inc. by BCS. These items were partially offset by: (i) \$63 million of income from the reduction of accruals, primarily related to termination settlements relating to Iridium, and (ii) \$24 million of income from the reduction of accruals no longer needed due to the settlement with the Company's insurer on items related to previous environmental claims.

Table of Contents

38 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Net interest expense

Net interest expense was \$295 million in 2003, compared to \$356 million in 2002. Net interest expense in 2003 included interest expense of \$647 million, partially offset by interest income of \$352 million. Net interest expense in 2002 included interest expense of \$668 million, partially offset by interest income of \$312 million. The decrease in net interest expense in 2003 compared to 2002 reflects: (i) a \$1.2 billion reduction in overall debt levels during the year, (ii) benefits derived from fixed-to-floating interest rate swaps due to lower interest rates, (iii) lower rates of interest paid for commercial paper and other short-term borrowings due to the low general interest rate environment, and (iv) an increase in interest income due to higher average cash balances.

Gains on sales of investments and businesses

Gains on sales of investments and businesses were \$643 million in 2003, compared to \$96 million in 2002. The 2003 net gains primarily related to: (i) a \$255 million gain on the sale of 25 million shares of common stock in Nextel Communications, Inc., (ii) a \$97 million gain on the sale of the Company's remaining interests in ON Semiconductor, (iii) an \$80 million gain on the sale of the Company's shares in Symbian Limited, (iv) a \$65 million gain on the sale of the Company's shares in UAB Omnitel of Lithuania, and (v) a \$61 million gain on the sale of the Company's shares in Nextel Partners, Inc.

The 2002 net gains primarily related to: (i) the sale of equity securities of other companies held for investment purposes, (ii) the sale of the CodeLink™ bioarray business, and (iii) the reduction of accruals after the settlement of contingencies associated with the prior sales of certain businesses.

Other

Charges classified as Other, as presented in Other Income (Expense), were \$139 million in 2003, compared to \$1.4 billion in 2002. These charges or income include: (i) foreign currency transaction gains (losses), (ii) equity in net earnings (losses) of affiliated companies, and (iii) investment impairment charges.

The \$139 million of charges classified as Other in 2003 primarily related to: (i) \$96 million of investment impairment charges, \$29 million of which is related to the Company's debt security holdings in Callahan Associates International L.L.C., a European cable operator, and (ii) \$73 million of foreign currency losses, partially offset by \$33 million of equity in earnings of affiliated companies.

The \$1.4 billion of charges classified as Other in 2002 primarily related to \$1.3 billion of investment impairment charges. These impairment charges were primarily comprised of: (i) a \$464 million writedown in the value of the Company's investment in Nextel Communications, Inc., (ii) a \$321 million writedown of the Company's debt security holdings and associated warrants in Callahan Associates International L.L.C, which was based on the results of an independent third-party valuation, (iii) a \$95 million charge to write the value of the Company's investment in an Argentine cellular operating company to zero, and (iv) a \$73 million writedown of the Company's investment in Telus Corporation. Other charges included: (i) \$98 million of debt redemption charges paid in 2002 that related to the \$825 million of Puttable Reset Securities (PURS) that were redeemed in February 2003, and (ii) \$35 million of foreign currency losses.

Effective tax rate

The effective tax rate was 31% in 2003, representing a \$400 million net tax expense, compared to a 28% effective tax rate, representing a \$961 million net tax benefit, in 2002. The 2003 effective tax rate reflects a \$61 million benefit from the reversal of previously-accrued income taxes. The tax reversal relates to a reassessment of the Company's income tax requirements given the settlement of certain previously-pending income tax audits. The tax rate for 2003, excluding the tax reversal and a \$32 million charge for in-process research and development charges related to the acquisition of Winphoria Networks, Inc., was 35%. This adjusted effective tax rate of 35% for 2003 is greater than the 2002 rate of 28% due to a change in the mix of earnings and losses in certain tax jurisdictions and the Company's inability to recognize tax benefits on certain losses in 2002.

Earnings/(Loss)

The Company had earnings before income taxes of \$1.3 billion in 2003, compared to a loss before income taxes of \$3.4 billion in 2002. After taxes, the Company had earnings of \$893 million, or \$0.38 per diluted share, in 2003, compared to a net loss of \$2.5 billion, or (\$1.09) per share, in 2002.

Table of Contents**MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

39

The \$4.7 billion improvement in earnings before income taxes is primarily attributed to: (i) a \$1.7 billion decrease in overall reorganization of business charges, including a \$18 million decrease in reorganization of businesses costs recognized in Costs of Sales and a \$1.68 billion decrease in costs recognized in Reorganization of Businesses, (ii) a \$1.2 billion decrease in investment impairment charges, (iii) an \$890 million decrease in Other Charges, primarily due to charges that occurred in 2002 that did not occur in 2003, which primarily consisted of a \$526 million charge related to potentially uncollectible finance receivables from Telsim and a \$325 million intangible asset impairment charge relating to a license to certain intellectual property, (iv) a \$547 million increase in gains on sales of investments and businesses, primarily due to a \$255 million gain from the sale of 25 million shares of common stock in Nextel Communications Inc. and gains from the sale of equity securities of other companies held for investment purposes, and (v) a \$399 million decline in SG&A expenditures, primarily due to the benefits from prior restructuring actions. These items were partially offset by the 1% decline in net sales.

Results of Operations—2002 Compared to 2001*Net Sales*

Net sales were \$27.3 billion in 2002, down 11% from \$30.5 billion in 2001. The overall decline in net sales was primarily related to reduced customer capital spending in the industries served by: (i) GTSS, where segment net sales decreased by \$1.9 billion, (ii) BCS, where segment net sales decreased by \$798 million, and (iii) CGISS, where segment net sales decreased by \$573 million. All segments reported lower net sales in 2002 than 2001, except for PCS, which had a 4% increase.

In 2001, the Company sold its Integrated Information Systems Group, the Company's defense and government electronics business, and the Multiservice Networks Division, a provider of end-to-end managed network systems. These businesses were previously included in CGISS and the Other Products segments, respectively. Businesses sold accounted for \$553 million of net sales in 2001.

Gross margin

Gross margin increased to \$9.0 billion, or 32.9% of net sales, in 2002, compared to \$7.4 billion, or 24.2% of net sales, in 2001. The majority of the improvement was due to: (i) a decrease in reorganization of businesses charges included in costs of sales, (ii) reductions in fixed manufacturing costs, and (iii) lower material costs resulting from improved supply-chain efficiencies.

The 2002 gross margin included reorganization of businesses charges of \$56 million, which were included in Costs of Sales and primarily related to direct labor employee severance costs. The 2001 gross margin included reorganization of businesses charges of \$1.0 billion, which were included in Costs of Sales and primarily related to \$520 million for product portfolio simplification write-offs and \$443 million for direct labor employee severance costs. Additionally, businesses sold accounted for \$166 million of gross margin in 2001.

Selling, general and administrative expenses

Selling, general and administrative (SG&A) expenses were \$4.5 billion, or 16.4% of net sales, in 2002, compared to \$4.9 billion, or 16.1% of net sales, in 2001. The decrease in SG&A expenses in 2002 was primarily related to benefits from the Company's cost-reduction activities. Additionally, businesses sold accounted for \$107 million of SG&A expenditures in 2001.

Research and development expenditures

Research and development (R&D) expenditures declined 13% to \$3.7 billion, or 13.6% of net sales, in 2002, compared to \$4.3 billion, or 14.0% of net sales, in 2001. The decrease in R&D expenses in 2002 was primarily related to a reduction in spending on low-priority programs as the Company continued to execute on its cost-reduction initiatives. Additionally, businesses sold accounted for \$30 million of R&D expenditures in 2001.

Table of Contents

40	<u>MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS</u>
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Reorganization of businesses

Total reorganization of businesses charges in 2002 were \$1.8 billion, including \$1.76 billion reflected in the consolidated statements of operations under Reorganization of Businesses and \$56 million included in Costs of Sales. Total reorganization of businesses charges in 2001 were \$2.9 billion, including \$1.9 billion reflected under Reorganization of Businesses and \$1.0 billion included in Costs of Sales. Reorganization of businesses charges include costs associated with workforce reductions, product line discontinuations, business exits, and consolidation of manufacturing and administrative operations. These charges are discussed in further detail in the "Reorganization of Businesses Programs" section below.

Other charges

Charges classified as Other Charges were \$833 million in 2002, compared to \$2.1 billion in 2001. The net charge of \$833 million in 2002 was primarily comprised of: (i) a \$526 million charge for potentially uncollectible finance receivables to fully reserve a loan to Telsim, (ii) a \$325 million intangible asset impairment charge relating to an intellectual property license that enables the Company to provide national authorization services for digital set-top terminals, (iii) \$80 million for potential repayments of incentives related to impaired facilities, and (iv) \$12 million for acquired in-process research and development charges, primarily related to the acquisition of Synchronous, Inc. by BCS. These items were partially offset by: (i) \$63 million of income from the reduction of accruals, primarily related to termination settlements relating to Iridium and (ii) \$24 million of income from the reduction of accruals no longer needed due to the settlement with the Company's insurer on items related to previous environmental claims.

The net charge of \$2.1 billion in 2001 was primarily comprised of: (i) a \$1.5 billion charge for potentially uncollectible finance receivables, of which \$1.4 billion related to the \$2.0 billion loan to Telsim, (ii) a \$398 million charge related to litigation and arbitration settlements, of which \$365 million related to the Company's guarantee of a credit agreement for Iridium LLC, (iii) a \$116 million charge for goodwill and intangible asset impairments, primarily related to the Internet Software and Content Group, a business included in the Other Products segment, (iv) a \$45 million charge for contract terminations, and (v) \$40 million for in-process research and development charges relating to the acquisitions of Blue Wave Systems, Inc., included in IEES, and RiverDelta Networks, Inc., included in BCS.

Net interest expense

Net interest expense was \$356 million in 2002, compared to \$413 million in 2001. Net interest expense in 2002 included interest expense of \$668 million, partially offset by interest income of \$312 million. Net interest expense in 2001 included interest expense of \$786 million, partially offset by interest income of \$373 million. The decrease in net interest expense in 2002 compared to 2001 reflects: (i) a \$424 million reduction in overall debt levels during the year, (ii) benefits derived from fixed-to-floating interest rate swaps due to lower interest rates, and (iii) lower rates of interest paid for commercial paper and other short-term borrowings due to the low general interest rate environment, partially offset by: (i) higher interest rates on long-term debt issued in the fourth quarter of 2001, (ii) lower interest income on cash balances due to the low general interest rate environment, and (iii) a reduction in interest income earned due to a higher percentage of impaired long-term customer finance receivables.

Gains on sales of investments and businesses

Gains on sales of investments and businesses were \$96 million in 2002, compared to \$1.9 billion in 2001. The 2002 net gains primarily related to: (i) the sale of equity securities of other companies held for investment purposes, (ii) the sale of the CodeLink™ bioarray business, and

(iii) the reduction of accruals after the settlement of contingencies associated with the prior sales of certain businesses. The 2001 net gains primarily resulted from: (i) the sale of investments in several cellular operating companies outside the U.S., (ii) the sale of the Integrated Information Systems Group, and (iii) the sale of equity securities of other companies held for investment purposes.

Other

Charges classified as Other, as presented in Other Income (Expense), were \$1.4 billion in 2002, compared to \$1.2 billion in 2001. The \$1.4 billion of charges classified as Other in 2002 primarily related to \$1.3 billion of

Table of Contents**MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

41

investment impairment charges. These impairment charges were primarily comprised of: (i) a \$464 million writedown in the value of the Company's investment in Nextel Communications, Inc., (ii) a \$321 million writedown of the Company's debt security holdings and associated warrants in Callahan Associates International L.L.C., which was based on the results of an independent third-party valuation, (iii) a \$95 million charge to write the value of the Company's investment in an Argentine cellular operating company to zero, and (iv) a \$73 million writedown of the Company's investment in Telus Corporation. Other charges included: (i) \$98 million of debt redemption charges paid in 2002 that related to the \$825 million of Puttable Reset Securities (PURS) that were redeemed in February 2003, and (ii) \$35 million of foreign currency losses.

The \$1.2 billion of charges classified as Other in 2001 primarily related to \$1.2 billion of investment impairment charges. These impairment charges were primarily comprised of: (i) \$640 million of impairments of the Company's investments in United Pan-Europe Communications n.v., Open TV Corporation and other investments in cable operating companies and related cable software companies, (ii) a \$111 million writedown of the Company's investment in Telus Corporation, and (iii) a \$100 million writedown of the Company's investment in Teledesic Corporation.

Effective tax rate

The effective tax rate was 28% in 2002, representing a \$961 million net tax benefit, compared to a 29% effective tax rate in 2001, representing a \$1.6 billion net tax benefit. The 2002 effective tax rate is less than the U.S. statutory tax rate of 35% due primarily to: (i) the mix of earnings and losses by region and foreign tax rate differentials, and (ii) losses incurred in countries where, due to loss positions, the Company was unable to realize associated tax benefits.

Loss

The Company incurred a loss before income taxes of \$3.4 billion in 2002, compared to a loss before income taxes of \$5.5 billion in 2001. After taxes, the Company incurred a net loss of \$2.5 billion, or (\$1.09) per diluted share, in 2002, compared to a net loss of \$3.9 billion, or (\$1.78) per diluted share, in 2001.

The \$2.1 billion decline in the loss before income taxes in 2002 was primarily attributed to: (i) a \$1.6 billion improvement in gross margin, including a \$1.0 billion decrease in reorganization of businesses charges included in Costs of Sales, despite a \$3.2 billion decrease in net sales, (ii) a \$1.3 billion decrease in Other Charges, (iii) a \$559 million decline in R&D expenditures, and (iv) a \$447 million decline in SG&A expenditures. These decreases were partially offset by a \$1.8 billion decrease in gains on sales of investments and businesses. Also, businesses sold in 2001 accounted for \$23 million of earnings before income taxes in 2001.

Reorganization of Business Programs

During 2003, the Company implemented cost-reduction plans by consolidating manufacturing and administrative operations and reducing its workforce. The Company realized cost-saving benefits associated with these cost-reduction plans of approximately \$100 million in 2003, representing \$20 million of savings in Costs of Sales, \$50 million of savings in Research and Development Expenditures and \$30 million of savings in Selling, General and Administrative Expenses. Beyond 2003, the Company expects these 2003 reorganization of businesses programs to provide annualized cost savings of approximately \$300 million, representing \$90 million of savings in Costs of Sales, \$85 million of savings in Research and Development Expenditures and \$125 million of savings in Selling, General and Administrative Expenses.

The Company records provisions for employee separation costs and exit costs when they are probable and estimable based on estimates prepared at the time the restructuring plans were approved by management. Employee separation costs consist primarily of ongoing termination benefits, principally severance payments. Exit costs primarily consist of future minimum lease payments on vacated facilities and facility closure costs. At each reporting date, the Company evaluates its accruals for exit costs and employee separation costs to ensure that the accruals are still appropriate. In certain circumstances, accruals are no longer required because of efficiencies in carrying out the plans or because employees previously identified for separation resigned from the Company and did not receive severance or were redeployed due to circumstances not foreseen when the original plans were initiated. The Company reverses accruals to income when it is determined they are no longer required.

- Investor Relations Overview
- Financial Information
 - Annual Financial Reports
 - Quarterly Financial Reports
 - >SEC Filings
 - Financial History

- [Press Releases](#)
- [Presentations and Webcasts](#)
- [Corporate Overview, Management and Governance](#)
- [Stock Trading Information](#)
- [Shareholder Information](#)
- [Brokerage Firm Equity Research Analysts](#)
- [Calendar Information Requests](#)
- [Mail Alert](#)

Table of Contents

42 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

For the Year Ended December 31, 2003

For the year ended December 31, 2003, the Company recorded net reorganization of businesses charges of \$124 million, of which \$38 million was included in Costs of Sales and \$86 million was recorded under Reorganization of Businesses in the Company's consolidated statements of operations. The net aggregate \$124 million charge is comprised of the following:

	<i>Exit Costs</i>	<i>Employee Separations</i>	<i>Asset Writedowns</i>	<i>Total</i>
Discontinuation of product lines	\$ (1)	\$ —	\$ (8)	\$ (9)
Business exits	(3)	—	—	(3)
Manufacturing & administrative consolidations	(11)	112	35	136
	\$ (15)	\$ 112	\$ 27	\$ 124

Discontinuation of product lines

During 2003, the Semiconductor Products segment reversed \$9 million of previously-established reserves which are no longer needed, primarily relating to anticipated facility decommissioning costs.

Business Exits

During 2003, the Other Products segment reversed exit cost accruals of \$3 million.

Manufacturing and Administrative Consolidations

The Company's actions to consolidate manufacturing operations and to implement strategic initiatives to streamline its global organization resulted in additional charges of \$353 million (\$136 million net of reversals) for the year ended December 31, 2003. These charges consisted primarily of: (i) \$141 million in the Semiconductor Products segment, primarily for segment-wide employee separation costs, impairment of an Austin, Texas manufacturing site and impairment of equipment classified as held-for-sale, (ii) \$85 million in the Personal Communications segment, primarily related to the planned exit of certain manufacturing activities in Flensburg, Germany and the planned closure of an engineering center in Boynton Beach, Florida, (iii) \$50 million in the Commercial, Government and Industrial Solutions segment for segment-wide employee separation costs, and (iv) \$39 million in General Corporate, primarily for the impairment of assets classified as held-for-sale and employee separation costs. The \$353 million of charges were partially offset by reversals of \$217 million of previous accruals no longer needed, consisting primarily of: (i) \$144 million relating to unused accruals of previously-expected employee separation costs across all segments, (ii) \$51 million for assets that were previously classified as held-for-sale that the Company now intends to use, as well as for reserves previously established to cover decommissioning costs which are no longer needed due to the sale of a facility by the Semiconductor Products segment, and (iii) \$22 million for exit cost accruals no longer needed across all segments.

Reorganization of Businesses Charges—by Segment

The following table displays the net charges incurred by segment for the year ended December 31, 2003:

<i>Segment</i>	<i>Exit Costs</i>	<i>Employee Separations</i>	<i>Asset Writedowns</i>	<i>Total</i>
Personal Communications	\$ 6	\$ 43	\$ 2	\$ 51
Semiconductor Products	(6)	74	17	85
Global Telecom Solutions	(3)	(30)	(6)	(39)
Commercial, Government and Industrial Solutions	(3)	35	—	32
Integrated Electronic Systems	(1)	—	—	(1)
Broadband Communications	1	(4)	(4)	(7)
Other Products	(3)	7	—	4
	<u>(9)</u>	<u>125</u>	<u>9</u>	<u>125</u>
General Corporate	(6)	(13)	18	(1)
	<u>\$ (15)</u>	<u>\$ 112</u>	<u>\$ 27</u>	<u>\$ 124</u>

Table of Contents

MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

43

Reorganization of Businesses Accruals

The following table displays a rollforward of the accruals established for exit costs from January 1, 2003 to December 31, 2003:

<i>Exit Costs</i>	<i>Accruals at January 1, 2003</i>	<i>2003 Additional Charges</i>	<i>2003 Adjustments</i>	<i>2003 Amount Used</i>	<i>Accruals at December 31, 2003</i>
Discontinuation of product lines	\$ 6	\$ —	\$ (1)	\$ (5)	\$ —
Business exits	82	—	(3)	(14)	65
Manufacturing & administrative consolidations	129	11	(22)	(40)	78
	\$ 217	\$ 11	\$ (26)	\$ (59)	\$ 143

The 2003 additional charges of \$11 million are primarily related to the planned exit of certain manufacturing activities in Germany by the Personal Communications segment. The adjustments of \$26 million represent exit cost accruals across all segments which were no longer needed. The 2003 amount used of \$59 million reflects cash payments of \$54 million and non-cash utilization of \$5 million. The remaining accrual of \$143 million, which is included in Accrued Liabilities in the Company's consolidated balance sheets, represents future cash payments, primarily for lease termination obligations, which will extend over several years.

The following table displays a rollforward of the accruals established for employee separation costs from January 1, 2003 to December 31, 2003:

<i>Employee Separation Costs</i>	<i>Accruals at January 1, 2003</i>	<i>2003 Additional Charges</i>	<i>2003 Adjustments</i>	<i>2003 Amount Used</i>	<i>Accruals at December 31, 2003</i>
Manufacturing & administrative consolidations	\$ 419	\$ 256	\$ (144)	\$ (382)	\$ 149

At January 1, 2003, the Company had an accrual of \$419 million for employee separation costs, representing the severance costs for approximately 7,200 employees, of which 3,000 were direct employees and 4,200 were indirect employees. The additional charges of \$256 million represent the severance costs for approximately 4,700 employees, of which 1,800 are direct employees and 2,900 are indirect employees. The accrual is for various levels of employees. The adjustments of \$144 million represent the severance costs for approximately 1,700 employees previously identified for separation who resigned from the Company and did not receive severance or were redeployed due to circumstances not foreseen when the original plans were approved. Direct employees are primarily non-supervisory production employees and indirect employees are primarily non-production employees and production managers.

During 2003, approximately 7,900 employees, of which 3,300 were direct employees and 4,600 were indirect employees, were separated from the Company. The 2003 amount used of \$382 million reflects \$376 million of cash payments to these separated employees and \$6 million of non-cash utilization. The remaining accrual of \$149 million, which is included in Accrued Liabilities in the Company's consolidated balance sheets, is expected to be paid to approximately 2,300 separated employees in 2004.

For the Year Ended December 31, 2002

For the year ended December 31, 2002, the Company recorded net reorganization of businesses charges of \$1.8 billion, of which \$56 million was included in Costs of Sales and \$1.8 billion was recorded under Reorganization of Businesses in the Company's consolidated statements of operations. The aggregate \$1.8 billion charge was comprised of the following:

	<i>Exit Costs</i>	<i>Employee Separations</i>	<i>Asset Writedowns</i>	<i>Total</i>
Discontinuation of product lines	\$ (23)	\$ —	\$ —	\$ (23)
Business exits	27	(2)	—	25
Manufacturing & administrative consolidations	75	363	1,380	1,818
	\$ 79	\$ 361	\$ 1,380	\$1,820

Table of Contents

44 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Discontinuation of product lines

During 2002, the Company reversed \$23 million of accruals no longer needed. This reversal primarily consisted of \$14 million by the Commercial, Government and Industrial Solutions segment and \$5 million by the Global Telecom Solutions segment related to customer and vendor liabilities arising from product cancellations that were negotiated and settled for less than the amounts originally claimed.

Business Exits

During 2002, the Company incurred a net charge of \$25 million relating to business exits. The \$27 million net charge for exit costs consisted primarily of: (i) a \$55 million charge in the Global Telecom Solutions segment for exit costs relating to a lease cancellation fee, (ii) \$19 million of reversals into income in the Other Products segment for exit cost accruals, mainly related to the exit of the Multiservice Networks Division, and (iii) a \$12 million reversal in the Commercial, Government and Industrial Solutions segment related to the completion of exit activities for its smartcard business.

Manufacturing and Administrative Consolidations

The Company's actions to consolidate manufacturing operations and to implement strategic initiatives to streamline its global organization resulted in additional charges of \$2.1 billion (\$1.8 billion net of reversals) for the year ended December 31, 2002. These charges consisted primarily of: (i) \$1.2 billion in the Semiconductor Products segment for consolidation activities focused primarily on manufacturing facilities in Arizona, China, and Scotland, (ii) \$275 million in the Personal Communications segment, primarily related to the shut-down of an engineering and distribution center in Illinois, (iii) \$169 million in the Global Telecom Solutions segment, primarily related to segment-wide employee separation costs; and (iv) \$416 million for employee separation, fixed asset impairments and lease cancellation fees across all other segments. The \$2.1 billion charge was partially offset by reversals of previous accruals of \$260 million, consisting primarily of: (i) \$139 million relating to unused accruals of previously expected employee separation costs across all segments, (ii) \$98 million, primarily for assets which the Company intends to use that were previously classified as held-for-sale, and (iii) \$23 million for exit cost accruals no longer required across all segments.

Reorganization of Businesses Charges—by Segment

The following table displays the net charges incurred by segment for the year ended December 31, 2002:

<i>Segment</i>	<i>Exit Costs</i>	<i>Employee Separations</i>	<i>Asset Writedowns</i>	<i>Total</i>
Personal Communications	\$ (5)	\$ 70	\$ 119	\$ 184
Semiconductor Products	—	2	1,145	1,147
Global Telecom Solutions	56	128	25	209
Commercial, Government and Industrial Solutions	(16)	58	3	45
Broadband Communications	4	37	9	50
Integrated Electronic Systems	24	20	23	67
Other Products	(8)	19	7	18
	55	334	1,331	1,720
General Corporate	24	27	49	100

\$ 79 \$ 361 \$ 1,380 \$1,820

Reorganization of Businesses Accruals

The following table displays a rollforward of the accruals established for exit costs from January 1, 2002 to December 31, 2002:

<i>Exit Costs</i>	<i>Accruals at January 1, 2002</i>	<i>2002 Additional Charges</i>	<i>2002 Adjustments</i>	<i>2002 Amount Used</i>	<i>Accruals at December 31, 2002</i>
Discontinuation of product lines	\$ 54	\$ —	\$ (23)	\$ (25)	6
Business exits	108	58	(31)	(53)	82
Manufacturing & administrative consolidations	141	98	(23)	(87)	129
	\$ 303	\$ 156	\$ (77)	\$ (165)	217

Table of Contents

MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

45

The 2002 net charges of \$79 million represent \$156 million of additional charges and \$77 million of reversals into income. The 2002 amount used of \$165 million reflects cash payments of \$162 million and non-cash utilization of \$3 million. The remaining accrual of \$217 million is included in Accrued Liabilities in the Company's consolidated balance sheets. In 2003, the Company utilized \$59 million of the accrual and reversed \$25 million. The remaining \$133 million represents future cash payments, primarily for lease termination obligations, which will extend over several years.

The following table displays a rollforward of the accruals established for employee separation costs from January 1, 2002 to December 31, 2002:

<i>Employee Separation Costs</i>	<i>Accruals at January 1, 2002</i>	<i>2002 Additional Charges</i>	<i>2002 Adjustments</i>	<i>2002 Amount Used</i>	<i>Accruals at December 31, 2002</i>
Business exits	\$ 7	\$ —	\$ (2)	\$ (5)	\$ —
Manufacturing & administrative consolidations	605	502	(139)	(549)	419
	\$ 612	\$ 502	(141)	\$ (554)	\$ 419

At January 1, 2002, the Company had an accrual of \$612 million for employee separation costs, representing the severance costs for approximately 12,500 employees, of which 7,700 were direct employees and 4,800 were indirect employees. The 2002 net charges of \$361 million represent additional charges of \$502 million and reversals into income of \$141 million. The additional charges of \$502 million represent the severance costs for approximately 9,700 employees, of which 3,100 are direct employees and 6,600 are indirect employees. The accrual is for various levels of employees. The reversals into income of \$141 million represent the severance costs for approximately 1,800 employees previously identified for separation who resigned from the Company and did not receive severance or were redeployed due to circumstances not foreseen when the original plans were approved. Direct employees are primarily non-supervisory production employees and indirect employees are primarily non-production employees and production managers.

During 2002, approximately 13,200 employees, of which 6,400 were direct employees and 6,800 were indirect employees, were separated from the Company. The 2002 amount used of \$554 million reflects \$534 million of cash payments to these separated employees and \$20 million of non-cash utilization. The remaining accrual of \$419 million is included in Accrued Liabilities in the Company's consolidated balance sheets. In 2003, the Company utilized \$274 million of the accrual, reversed \$137 million and expects \$8 million in future cash payments to be paid to separated employees during the first quarter of 2004.

For the Year Ended December 31, 2001

For the year ended December 31, 2001, the Company recorded net reorganization of businesses charges of \$2.9 billion, of which \$1.0 billion was included in Costs of Sales and \$1.9 billion was recorded under Reorganization of Businesses in the Company's consolidated statements of operations. The aggregate \$2.9 billion charge was comprised of the following:

	<i>Exit Costs</i>	<i>Employee Separations</i>	<i>Inventory Writedowns</i>	<i>Asset Writedowns</i>	<i>Total</i>
Discontinuation of product lines	\$ 44	\$ —	\$ 449	\$ 92	\$ 585

Business exits	151	—	30	25	206
Manufacturing & administrative consolidations	196	1,118	41	730	2,085
	\$ 391	\$ 1,118	\$ 520	\$ 847	\$ 2,876

Discontinuation of Product Lines

During 2001, the Company's plan to discontinue certain product lines resulted in net charges of \$585 million. This charge consisted primarily of \$427 million in the Personal Communications segment, principally for an additional writedown of the value of inventory relating to the discontinuation of analog and first-generation digital wireless telephones necessitated due to the accelerated erosion of average selling prices for these products in early

Table of Contents

46 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

2001 and the discontinuation of two-way messaging and one-way paging products. The remaining charges consisted primarily of: (i) \$68 million in the Broadband Communications segment, principally for the discontinuation of analog set-top box products; (ii) \$23 million in the Semiconductor Products segment, principally for the discontinuance of certain wafer manufacturing technologies; and (iii) \$37 million in the Commercial, Government and Industrial Solutions segment, principally for the discontinuation of a product line intended to serve shared public trunked radio customers. These charges included exit costs for vendor and customer liabilities arising from product cancellations. Some of these contractual obligations may extend over several years.

Business Exits

During 2001, the Company incurred a net charge of \$206 million relating to business exits. This charge consisted of: (i) \$90 million in the Global Telecom Solutions segment relating to an operating joint venture in Japan; (ii) \$39 million for the exit of the smartcard business in the Commercial, Government and Industrial Solutions segment; and (iii) \$77 million in the Other Products segment to cease the development and sale of voice recognition systems and Wireless Application Protocol servers, as well as the exit of the Multiservice Networks Division. The exit costs included customer and supplier termination costs and lease payment and cancellation costs. Some of these contractual obligations may extend over several years.

Manufacturing and Administrative Consolidations

The Company's actions to consolidate manufacturing operations and implement strategic initiatives to streamline its global organization resulted in a net charge of \$2.1 billion for the year ended December 31, 2001. The charge consisted primarily of \$542 million in the Personal Communications segment and \$818 million in the Semiconductor Products segment for severance costs, asset impairments and lease cancellation fees. Some of the lease obligations, which are included in exit costs, may extend over several years. The consolidation activities were focused primarily on: (i) the shut-down of manufacturing operations in Scotland, Illinois and Florida in the Personal Communications segment, (ii) the consolidation of portions of the Semiconductor Products segment's manufacturing operations in various locations, including Texas, Arizona, Hong Kong, and Japan, and (iii) the reduction of non-manufacturing workforce across all segments.

Reorganization of Businesses Charges—by Segment

The following table displays the net charges incurred by segment for the year ended December 31, 2001:

Segment	Exit Costs	Employee Separations	Inventory Writedowns	Asset Writedowns	Total
Personal Communications	\$ 97	\$ 208	\$ 409	\$ 255	\$ 969
Semiconductor Products	12	386	—	443	841
Global Telecom Solutions	123	155	25	42	345
Commercial, Government and Industrial Solutions	45	97	22	36	200
Broadband Communications	19	53	51	23	146
Integrated Electronic Systems	18	103	1	19	141
Other Products	69	34	12	27	142
	383	1,036	520	845	2,784
General Corporate	8	82	—	2	92

\$ 391 \$ 1,118 \$ 520 \$ 847 \$2,876

Reorganization of Businesses Accruals

The following table displays a rollforward of the accruals established for exit costs from January 1, 2001 to December 31, 2001:

<i>Exit Costs</i>	<i>Accruals at January 1, 2001</i>	<i>2001 Additional Charges</i>	<i>2001 Adjustments</i>	<i>2001 Amount Used</i>	<i>Accruals at December 31, 2001</i>
Discontinuation of product lines	\$ 55	\$ 45	\$ (1)	\$ (45)	54
Business exits	32	157	(6)	(75)	108
Manufacturing & administrative consolidations	61	204	(8)	(116)	141
	\$ 148	\$ 406	\$ (15)	\$ (236)	303

Table of Contents

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

47

The 2001 amount used of \$236 million reflects cash payments of \$153 million and non-cash utilization of \$83 million. The accrual at December 31, 2001 was \$303 million, and was included in Accrued Liabilities in the Company's consolidated balance sheets. In 2002 and 2003, the Company utilized \$182 million of the accrual, reversed \$83 million and expects \$38 million in future cash payments primarily for outstanding lease termination obligations, which will extend over several years.

The following table displays a rollforward of the accruals established for employee separation costs from January 1, 2001 to December 31, 2001:

<i>Employee Separation Costs</i>	<i>Accruals at January 1, 2001</i>	<i>2001 Additional Charges</i>	<i>2001 Adjustments</i>	<i>2001 Amount Used</i>	<i>Accruals at December 31, 2001</i>
Business exits	\$ 27	\$ 10	\$ (10)	\$ (20)	7
Manufacturing & administrative consolidations	88	1,120	(2)	(601)	605
	\$ 115	\$ 1,130	\$ (12)	\$ (621)	612

At January 1, 2001, the Company had an accrual of \$115 million for employee separation costs, representing the severance costs for approximately 3,300 employees, of which 1,900 were direct employees and 1,400 were indirect employees. The 2001 net charges of \$1.1 billion represent additional charges of \$1.1 billion and reversals into income of \$12 million. The additional charges of \$1.1 billion represent the severance costs for approximately an additional 38,700 employees, of which 25,300 are direct employees and 13,400 are indirect employees. The accrual is for various levels of employees. Direct employees are primarily non-supervisory production employees and indirect employees are primarily non-production employees and production managers.

During 2001, approximately 29,500 employees, of which 19,800 were direct employees and 9,700 were indirect employees, were separated from the Company. The 2001 amount used of \$621 million reflects cash payments to these separated employees. The accrual at December 31, 2001 was \$612 million and was included in Accrued Liabilities in the Company's consolidated balance sheets. In 2002 and 2003, the Company utilized \$464 million of the accrual and reversed \$148 million.

Liquidity and Capital Resources

As highlighted in the Consolidated Statements of Cash Flows, the Company's liquidity and available capital resources are impacted by four key components: (i) current cash and cash equivalents, (ii) operating activities, (iii) investing activities, and (iv) financing activities. Each of these components is discussed below.

Cash and Cash Equivalents

During 2003, the Company's cash and cash equivalents (which are highly-liquid investments with an original maturity of three months or less) increased by \$1.4 billion. At December 31, 2003, cash and cash equivalents aggregated \$7.9 billion, compared to \$6.5 billion at December 31, 2002. At December 31, 2003, \$3.9 billion of this amount was held in the U.S. and \$4.0 billion was held by the Company or its subsidiaries in other countries. Repatriation of some of the funds in other countries could be subject to delay and could have potential adverse tax consequences.

Operating Activities

The Company has now generated positive cash flow from operations for 12 consecutive quarters. The cash provided by operating activities in 2003 was \$2.8 billion, compared to \$1.3 billion in 2002 and \$2.0 billion in 2001. The primary contributors to cash flow from operations in 2003 were: (i) net earnings (adjusted for non-cash items) of \$2.1 billion, (ii) a net increase of \$374 million in accounts payable and accrued liabilities, primarily attributed to employee compensation and incentive plans liabilities and customer incentive and warranty reserves, (iii) a decrease in other net operating assets of \$307 million, primarily due to the collection of notes receivables, and (iv) a \$77 million decrease in inventory. These positive contributors to operating cash flow were partially offset by a net increase of \$54 million in accounts receivable.

Table of Contents

48 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Accounts Receivable: The Company's net accounts receivable were \$4.4 billion at both December 31, 2003 and December 31, 2002. Although the net accounts receivable balance remained flat, the Company's days sales outstanding (DSO), excluding net long-term finance receivables, improved to 49.8 days at December 31, 2003, compared to 51.9 days at December 31, 2002. The decline in DSO reflects the improvement in receivables management across the Company. Other factors in the reduction of DSO include: (i) an increase in downpayments and early payments, specifically in the fourth quarter of 2003, as compared to the fourth quarter of 2002, in the Semiconductor Products segment (SPS), and (ii) the reduction in payment holdback time by customers of the Global Telecom Solutions segment (GTSS). These contributors to the decline in DSO were partially offset by strong sales late in the fourth quarter of 2003, compared to sales late in the fourth quarter of 2002 specifically in the Commercial, Government and Industrial Solutions segment (CGISS),

Inventory: The Company's net inventory was \$2.8 billion at December 31, 2003, compared to \$2.9 billion at December 31, 2002. The Company's inventory turns declined to 6.3 at December 31, 2003, compared to 6.6 at December 31, 2002. Inventory levels decreased in four of the Company's six major segments. In SPS, inventory levels were down primarily due to the sale of end-of-life inventories created in 2002 due to factory consolidations. In GTSS and CGISS, reductions in inventory were primarily due to inventory management improvements, including increased outsourcing of certain manufacturing functions, improved inventory control systems and incremental supplier hubbing. These decreases in inventory were partially offset by an increase in inventory in the Personal Communications segment (PCS). The increase in inventory in PCS was caused primarily by the supply constraints of a key component in the fourth quarter of 2003, which prevented impacted products from being produced and shipped. Inventory management continues to be an area of focus as the Company balances the need to maintain strategic inventory levels to ensure competitive delivery performance to its customers with the risk of inventory obsolescence due to rapidly changing technology and customer spending requirements.

Reorganization of Businesses: The Company has implemented substantial reorganization of businesses plans. Cash payments for exit costs and employee separations in connection with these plans were \$430 million in 2003, as compared to \$696 million in 2002. Of the \$292 million reorganization of businesses accrual at December 31, 2003, \$149 million relates to employee separation costs and is expected to be paid in 2004. The remaining \$143 million in accruals relate to exit costs, primarily for lease termination obligations, and will result in future cash payments that will extend over several years.

Pension Plan Contributions: The Company contributed \$200 million to its regular U.S. pension plan during 2003. By comparison, from August 2000 through December 2002, \$4 million of required contributions were made to the regular U.S. pension plan. The Company expects to make a cash contribution of between \$150 million to \$250 million to this plan during 2004. Retirement-related benefits are further discussed below in the "Significant Accounting Policies—Retirement-Related Benefits" section.

Investing Activities

The most significant components of the Company's investing activities are: (i) capital expenditures, (ii) strategic acquisitions of, or investments in, other companies, and (iii) proceeds from dispositions of investments and businesses.

Net cash used for investing activities was \$23 million in 2003, as compared to net cash used of \$439 million in 2002 and net cash provided from investing activities of \$2.5 billion in 2001. The \$416 million decrease in net cash used for investing activities in 2003 compared to 2002 was due to: (i) a \$720 million increase in proceeds from the sale of investments and businesses, and (ii) a \$57 million increase in proceeds from the sale of property, plant and equipment,

partially offset by: (i) a \$208 million increase in spending on acquisitions and new investments, (ii) a \$105 million increase in purchases of short-term investments, and (iii) a \$48 million increase in capital expenditures.

Capital Expenditures: Capital expenditures were \$655 million in 2003, compared to \$607 million in 2002 and \$1.3 billion in 2001. Capital expenditures were down in four of the Company's six major business segments in 2003 compared to 2002. Capital expenditures in SPS, which continues to comprise the largest portion of the Company's capital expenditures, increased 41% to \$310 million in 2003, compared to \$220 million in 2002. The increase in SPS is primarily related to the segment's investment in a joint alliance with Philips and ST Microelectronics to develop advanced CMOS (Complementary Metal Oxide Semiconductor) process technology. The Company's emphasis in making capital expenditures is to focus on strategic investment driven by customer demand and new design capability.

Strategic Acquisitions and Investments: The Company used cash for acquisitions and new investment activities of \$302 million in 2003, compared to cash used of \$94 million in 2002 and \$512 million in 2001.

Table of Contents**MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

49

The largest components of the 2003 expenditures were: (i) \$179 million for the acquisition of Winphoria Networks, Inc., a core infrastructure provider of next-generation, packet-based mobile switching centers for wireless networks, by GTSS, and (ii) \$32 million to acquire the remaining shares of Next Level Communications. The largest components of the 2002 expenditures related to: (i) the acquisition of 4thpass Inc. by PCS, and (ii) the acquisition of certain network assets from Scana Communications, Inc. by CGISS.

Sales of Investments and Businesses: The Company received \$816 million in proceeds from the sales of investments and businesses in 2003, compared to proceeds of \$96 million in 2002 and \$4.1 billion in 2001. The \$816 million of proceeds in 2003 were primarily: (i) \$335 million from the sale of 25 million shares of Nextel Communications, Inc. (Nextel) that were held by the Company for investment purposes, (ii) \$148 million from the sale of the Company's remaining interests in ON Semiconductor, (iii) \$117 million from the sale of the Company's shares in UAB Omnitel of Lithuania, (iv) \$94 million from the sale of the Company's shares in Symbian Limited, and (v) \$73 million from the sale of the Company's shares in Nextel Partners, Inc. The 2002 proceeds were generated primarily from the sale of equity securities of other companies held in the Company's investment portfolio and from the sale of the Company's CodeLink™ bioarray business.

Short-Term Investments: At December 31, 2003, the Company had \$139 million in short-term investments (which are highly-liquid fixed-income investments with an original maturity greater than three months but less than one year), compared to \$59 million of short-term investments at December 31, 2002.

Available-For-Sale Securities: In addition to available cash and cash equivalents and short-term investments, the Company views its available-for-sale securities as an additional source of liquidity. The majority of these securities represent investments in technology companies and, accordingly, the fair market values of these securities are subject to substantial price volatility. In addition, the realizable value of these securities is subject to market and other conditions. At December 31, 2003, the Company's available-for-sale securities portfolio had an approximate fair market value of \$2.9 billion, which represented a cost basis of \$500 million and a net unrealized gain of \$2.4 billion. At December 31, 2002, the Company's available-for-sale securities portfolio had an approximate fair market value of \$1.6 billion, which represented a cost basis of \$615 million and a net unrealized gain of \$953 million.

Nextel Communications, Inc. Investment: In March 2003, the Company sold 25 million of its 108.2 million shares of common stock of Nextel Communications, Inc. ("Nextel") to a single investment bank for resale into the open market. The Company received approximately \$335 million in gross proceeds from the block sale and recognized a gain of approximately \$255 million.

In March 2003, the Company also entered into three agreements with multiple investment banks to hedge up to 25 million of its remaining 83.2 million shares of Nextel common stock. The three agreements are to be settled over periods of three, four and five years, respectively. Under these agreements, the Company received no initial proceeds, but has retained the right to receive, at any time during the contract periods, the present value of the aggregate contract "floor" price. Pursuant to these agreements, and exclusive of any present value discount, the Company is entitled to receive aggregate proceeds of approximately \$333 million. The precise number of shares of Nextel common stock that the Company will deliver to satisfy the contracts is dependent upon the price of Nextel common stock on the various settlement dates. The maximum aggregate number of shares the Company would be required to deliver under these agreements is 25 million and the minimum number of shares is 18.5 million. Alternatively, the Company has the exclusive option to settle the contracts in cash. The Company will retain all voting rights associated with the up to 25 million hedged Nextel shares. Pursuant to customary market practice, the covered shares are pledged to secure the hedge contracts. As a result of the

increase in the price of Nextel common stock since March 2003, the Company has recorded a \$310 million liability in Other Liabilities in the consolidated balance sheet to reflect the fair value of the Nextel hedge.

Financing Activities

The most significant components of the Company's financing activities are: (i) net proceeds from (or repayment of) commercial paper and short-term borrowings, (ii) net proceeds from (or repayment of) long-term debt securities, (iii) the payment of dividends, and (iv) proceeds from the issuances of stock due to the exercise of stock warrants and employee stock options and purchases under the employee stock purchase plan.

Net cash used for financing activities was \$1.5 billion in 2003, as compared to \$484 million in 2002 and \$1.8 billion in 2001. Cash used for financing activities in 2003 was primarily used: (i) to repay \$1.3 billion of total debt

Table of Contents

50 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

(including commercial paper), primarily through the redemption of all of the Company's \$825 million of Puttable Reset Securities (PURS) and the retirement of \$98 million of Liquid Yield Option Notes (LYONs), and (ii) to pay dividends of \$372 million, partially offset by proceeds of \$159 million from the issuance of common stock in connection with the Company's employee stock purchase plan and employee stock option plan.

Short-term Debt: At December 31, 2003, the Company's outstanding short-term debt was \$896 million, compared to \$1.6 billion of outstanding short-term debt at December 31, 2002. The decrease in short-term debt during 2003 primarily reflects: (i) the retirement on February 3, 2003 of the \$825 million of PURS due February 1, 2011, (ii) the retirement of \$98 million of LYONs due 2013, and (iii) a \$191 million reduction in outstanding commercial paper, partially offset by the reclassification of \$500 million of 6.75% debentures due June 2004 from long-term debt to current maturities. At December 31, 2003, the Company had \$304 million of outstanding commercial paper, compared to \$495 million outstanding at December 31, 2002. The Company currently expects its outstanding commercial paper balances to average \$300 million throughout 2004.

Long-term Debt: At December 31, 2003, the Company had outstanding long-term debt of \$6.7 billion, compared to \$7.2 billion of outstanding long-term debt at December 31, 2002. This reduction in long-term debt consists primarily of the reclassification to current maturities of \$500 million of 6.75% debentures due June 2004.

Put of 2013 LYONs: On September 30, 2003, the Company announced the conclusion of its offer to purchase its Liquid Yield Option™ Notes due September 27, 2013 (Zero Coupon-Subordinated) (the "2013 LYONs"). Pursuant to the indenture under which the 2013 LYONs were issued in September 1993, the holders' option to surrender the 2013 LYONs for repurchase that began on August 29, 2003 expired on September 29, 2003. LYONs with an aggregate principal amount at maturity of approximately \$98 million were validly tendered and repurchased by Motorola. This left an aggregate principal amount at maturity of approximately \$4 million of LYONs outstanding. The purchase price for the 2013 LYONs was \$799.52 per \$1,000 principal amount at maturity. Accordingly, the aggregate purchase price for all of the 2013 LYONs that were validly tendered was approximately \$78 million. Motorola paid the purchase price with available cash.

In December 2002, the Company entered into an agreement with Goldman, Sachs & Co. ("Goldman") to repurchase all of the Company's \$825 million of Puttable Reset Securities (PURS) due February 1, 2011 from Goldman. At that time, the Company paid Goldman \$106 million to terminate Goldman's annual remarketing rights associated with the PURS. This charge was included in Other within Other Income (Expense) in the Company's consolidated statements of operations. In February 2003, the Company purchased the \$825 million of PURS from Goldman with cash on hand.

Redemptions and Repurchases of Outstanding Securities: On February 26, 2004, the Company announced that Motorola Capital Trust I, its wholly-owned subsidiary, has called for redemption of all outstanding 6.68% Trust Originated Preferred Securities (the "TOPRS") and that the Company has called for redemption of all outstanding: (i) Liquid Yield Option Notes due September 7, 2009 (Zero Coupon-Subordinated) (the "2009 LYONs") and (ii) 2013 LYONs. Redemption of all three securities is set for March 26, 2004. Based on face principal amount, there are currently \$500 million of TOPRS outstanding, approximately \$27 million of 2009 LYONs outstanding and approximately \$4 million of 2013 LYONs outstanding.

Given the Company's cash position, it may from time to time seek to opportunistically retire certain of its outstanding debt through open market cash purchases, privately-negotiated transactions or otherwise. Such repurchases, if any, will depend on prevailing market conditions, the Company's liquidity requirements, contractual restrictions and other factors.

Equity Security Units: During the fourth quarter of 2001, the Company sold \$1.2 billion of 7.00% Equity Security Units (the "MEUs"). On November 16, 2004, the holders of the MEUs are obligated to pay the Company \$1.2 billion to purchase shares of the Company's common stock. Pursuant to the terms of the MEUs, the price paid per share by the holders of the MEUs is based on the applicable market value of the Company's common stock at the purchase date, but the effective purchase price per share will not be any lower than \$17.28 per share nor any higher than \$21.08 per share. The gross proceeds to the Company in connection with this purchase will be \$1.2 billion and the total number of shares of the Company's common stock sold to the holders of the MEUs will be between 56.9 million and 69.4 million shares.

Debt Ratings: Three independent credit rating agencies, Standard & Poor's ("S&P"), Moody's Investor Services ("Moody's") and Fitch Investors Service ("Fitch"), assign ratings to the Company's short-term and long-term debt. On October 10, 2003, Moodys downgraded the Company's senior unsecured non-credit enhanced long-term debt to "Baa3" from "Baa2" with a "negative" outlook and downgraded the Company's commercial paper

Table of Contents

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

51

rating to "P-3" from "P-2". On June 23, 2003, S&P affirmed its credit rating for the Company's senior unsecured non-credit enhanced long-term debt of "BBB", but revised its outlook to "negative" from "stable", and explicitly affirmed the Company's commercial paper rating of "A-2". On June 3, 2003, Fitch affirmed its credit rating for the Company's senior unsecured non-credit enhanced long-term debt of "BBB" with a "stable" outlook and the Company's commercial paper rating of "F-2".

Potential Impact from Future Downgrades in Credit Ratings: The Company continues to have access to the commercial paper and long-term debt markets. However, the Company generally has had to pay a higher interest rate to borrow money than it would have if its credit ratings were higher. The Company has greatly reduced the amount of its commercial paper outstanding in comparison to historical levels and maintained commercial paper balances of between \$300 million and \$500 million during 2002 and 2003. This reflects the fact that the market for commercial paper rated "A-2 / P-3 / F-2" is much smaller than that for commercial paper rated "A-1 / P-1 / F-1" and commercial paper or other short-term borrowings may be of limited availability to participants in the "A-2 / P-3 / F-2" market from time-to-time or for extended periods.

The Company's debt ratings are considered "investment grade." If the Company's senior long-term debt were rated lower than "BBB-" by S&P or Fitch or "Baa3" by Moody's (which would be a decline of one level from current Moody's ratings), the Company's long-term debt would no longer be considered "investment grade". If this were to occur, the terms on which the Company could borrow money would become more onerous. In addition, if these debt ratings were to be lower than "BBB-" by S&P or "Baa3" by Moody's (which would be a decline of one level from current Moody's ratings), the Company and its domestic subsidiaries would be obligated to provide the lenders in the Company's domestic revolving credit facilities with a pledge of, and security interest in, domestic inventories and receivables. The Company would also have to pay higher fees related to these facilities. The Company has never borrowed under its domestic revolving credit facilities.

As further described under "Customer Financing Arrangements" below, for many years the Company has utilized a receivables program to sell a broadly-diversified group of short-term receivables, through Motorola Receivables Corporation ("MRC"), to third parties. The obligations of the third parties to continue to purchase receivables under the MRC short-term receivables program could be terminated if the Company's long-term debt was rated lower than "BB+" by S&P or "Ba1" by Moody's (which would be a decline of two levels from the current Moody's rating). If the MRC short-term receivables program were terminated, the Company would no longer be able to sell its short-term receivables in this manner, but it would not have to repurchase previously-sold receivables.

Contractual Obligations, Guarantees, and Other Purchase Commitments

Contractual Obligations

Summarized in the table below are the Company's obligations and commitments to make future payments under debt obligations (assuming earliest possible exercise of put rights by holders) and minimum lease payment obligations, net of minimum sublease income, as of December 31, 2003.

(in millions)	<i>Payments Due by Period</i>						
	<i>Total</i>	<i>2004</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>	<i>2008</i>	<i>Thereafter</i>
Debt Obligations	\$7,659	\$ 896	\$405	\$1,403	\$1,503	\$528	\$ 2,924
Leases	912	181	140	103	85	72	331

Total Contractual Cash Obligations	\$8,571	\$1,077	\$545	\$1,506	\$1,588	\$600	\$ 3,255
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Debt Obligations: The Company's ratio of net debt to net debt plus equity was 0.3% at December 31, 2003, compared to 19.6% at December 31, 2002. The decrease in this ratio is due to: (i) a \$1.5 billion increase in cash and cash equivalents and short-term investments, (ii) a \$1.2 billion decrease in total debt levels, and (iii) a \$1.5 billion increase in stockholders' equity.

The ratio is calculated as Net Debt divided by Net Debt plus Stockholders' Equity. Net Debt is equal to notes payable and current portion of long-term debt plus long-term debt plus TOPrS minus cash and cash equivalents minus short-term investments. The ratios presented above of 0.3% and 19.6% as of December 31, 2003 and 2002, respectively, have been presented on a comparative basis and include the classification of \$486 million and \$485 million, respectively, of TOPrS in debt.

Table of Contents

52 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The Company's management uses the ratio of net debt to net debt plus equity as one measure of the strength of the Company's balance sheet. This ratio is only one of many possible measures, and investors should analyze the Company's financial position and results of operations in their entirety to reach their own conclusions about the Company's overall financial strength. In addition, the ratio of net debt to net debt plus equity is measured at a specific point in time. Since certain of its components, in particular the Company's cash balances, are subject to daily change, investors should recognize that this ratio is subject to volatility.

The Company expects that from time to time outstanding commercial paper balances may be replaced with short or long-term borrowings. Although the Company believes that it can continue to access the capital markets in 2004 on acceptable terms and conditions, its flexibility with regard to long-term financing activity could be limited by: (i) the Company's current levels of outstanding long-term debt, and (ii) the Company's credit ratings. In addition, many of the factors that affect the Company's ability to access the capital markets, such as the liquidity of the overall capital markets and the current state of the economy, in particular the telecommunications industry, are outside of the Company's control. There can be no assurances that the Company will continue to have access to the capital markets on favorable terms.

At December 31, 2003, the Company's total domestic and non-U.S. credit facilities totaled \$3.8 billion, of which \$116 million was considered utilized. These facilities are principally comprised of: (i) a \$700 million one-year revolving domestic credit facility (maturing in May 2004) which is not utilized, (ii) a \$900 million three-year revolving domestic credit facility (maturing in May 2005) which is not utilized, and (iii) \$2.2 billion of non-U.S. credit facilities (of which \$116 million was considered utilized at December 31, 2003). Unused availability under the existing credit facilities, together with available cash and cash equivalents and other sources of liquidity, are generally available to support outstanding commercial paper, which was \$304 million at December 31, 2003. In order to borrow funds under the domestic revolving credit facilities, the Company must be in compliance with various conditions, covenants and representations contained in the agreements. Important terms of the revolving domestic credit agreements include a springing contingent lien and covenants relating to net interest coverage and total debt-to-equity capitalization ratios. In the case of the contingent springing lien, if the Company's corporate credit ratings were to be lower than "BBB-" by S&P or "Baa3" by Moody's (which would be a decline of one level from the current Moody's rating of "Baa3"), the Company and its domestic subsidiaries would be obligated to provide the lenders in the Company's domestic revolving credit facilities with a pledge of, and security interest in, domestic inventories and receivables. The Company was in compliance with the terms of the credit agreements at December 31, 2003. The Company has never borrowed under its domestic revolving credit facilities.

Lease Obligations: The Company owns most of its major facilities, but does lease certain office, factory and warehouse space, land, and information technology and other equipment under principally non-cancelable operating leases. Rental expense, net of sublease income, was \$282 million in 2003, \$294 million in 2002 and \$417 million in 2001.

Commitments Under Other Long-Term Agreements: The Company has entered into certain agreements to purchase components, supplies and materials from suppliers. Most of the agreements extend for periods of one to three years, however, generally these contracts can be terminated by either the Company or the supplier with 60 to 90 days notice. If the Company were to terminate these agreements, it would generally be liable for forecasted purchases between the termination notification date and the termination date of the agreements. The Company's liability would only arise in the event it terminates the agreements for reasons other than cause.

The Company has entered other agreements for the purchase of inventory, license of software, and two promotional agreements which are firm commitments and are not cancelable. The

longest of these agreements extends through 2007. Total payments expected to be made under these agreements total \$347 million.

In 2003, the Company has also entered into outsourcing contracts for certain corporate functions, such as benefit administration and information technology related services. These contracts generally extend for 10 years and are expected to expire in 2013. The total payments under these contracts are approximately \$3 billion over 10 years; however, these contracts can be terminated. Termination would result in a penalty substantially less than the annual contract payments. The Company would also be required to find another source for these services, including the possibility of performing them in-house.

As is customary in bidding for and completing network infrastructure projects and pursuant to a practice the Company has followed for many years, the Company has a number of performance/bid bonds and standby letters of

Table of Contents**MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

53

credit outstanding, primarily relating to projects of CGISS and GTSS. These instruments normally have maturities of up to three years and are standard in the industry as a way to give customers a convenient mechanism to seek resolution if a contractor does not satisfy performance requirements under a contract. A customer can draw on the instrument only if the Company does not fulfill all terms of a project contract. If such an occasion occurred, the Company would be obligated to reimburse the financial institution that issued the bond or letter of credit for the amounts paid. The Company is not generally required to post any cash in connection with the issuance of these bonds or letters of credit. In its long history, it has been extraordinarily uncommon for the Company to have a performance/bid bond or standby letter of credit drawn upon. At December 31, 2003, outstanding performance/bid bonds and standby letters of credit totaled approximately \$1.3 billion, compared to \$1.4 billion at the end of 2002.

Adequate Internal and External Funding Resources: The Company believes that it has adequate internal and external resources available to fund expected working capital and capital expenditure requirements for the next twelve months as supported by the level of cash and cash equivalents in the U.S., the ability to repatriate cash and cash equivalents from foreign jurisdictions, the ability to borrow under existing or future credit facilities, the ability to issue commercial paper, access to the short-term and long-term debt markets, and proceeds from sales of available-for-sale securities and other investments.

Customer Financing Commitments and Guarantees

Outstanding Commitments: Although the Company has greatly reduced the level of long-term financing it provides to customers over the past few years, certain purchasers of the Company's infrastructure equipment continue to request that suppliers provide financing in connection with equipment purchases. Financing may include all or a portion of the purchase price of the equipment and working capital. The Company had outstanding commitments to extend credit to third parties totaling \$149 million at December 31, 2003, as compared to \$175 million at December 31, 2002. During 2003, the Company made loans to customers of \$32 million, as compared to loans to customers of \$47 million during 2002.

Guarantees of Third-Party Debt: In addition to providing direct financing to certain equipment customers, the Company also assists customers in obtaining financing directly from banks and other sources to fund equipment purchases. The amount of loans from third parties for which the Company has committed to provide financial guarantees totaled \$10 million at December 31, 2003, as compared to \$50 million at December 31, 2002. Customer borrowings outstanding under these third-party loan arrangements were \$10 million at December 31, 2003, as compared to \$50 million at December 31, 2002. During 2003, the Company was required to make payments of \$28 million in satisfaction of its guarantees of third-party debt, as compared to payments of \$50 million during 2002.

The Company evaluates its contingent obligations under these financial guarantees by assessing the customer's financial status, account activity and credit risk, as well as the current economic conditions and historical experience. The \$10 million of guarantees discussed above is to one customer and expires in 2005. Management's best estimate of probable losses of unrecoverable amounts, should these guarantees be called, was \$1 million at December 31, 2003, as compared to \$25 million at December 31, 2002.

Customer Financing Arrangements

Outstanding Finance Receivables: During the "telecom boom" that peaked in late 2000, numerous wireless equipment makers, including the Company, made loans to customers, some of which were very large. The Company had net finance receivables of \$301 million at December 31, 2003, compared to \$467 million at December 31, 2002 (net of allowances for losses of \$2.1 billion at December 31, 2003 and \$2.3 billion at December 31, 2002). These

finance receivables are generally interest bearing, with rates ranging from 4% to 12%. Interest income on impaired finance receivables is recognized only when payments are received. Total interest income recognized on finance receivables was \$18 million in 2003, compared to \$28 million in 2002 and \$131 million in 2001.

Telsim Loan: At both December 31, 2003 and 2002, the Company had \$2.0 billion of gross receivables from one customer, Telsim, in Turkey (the "Telsim Loan"). As a result of difficulties in collecting the amounts due from Telsim, the Company has previously recorded charges that reduce the net receivable from Telsim to zero and, at both December 31, 2003 and 2002, the net receivable from Telsim was zero. In July of 2003 the United States District Court entered a judgement of \$4.26 billion against Telsim in favor of Motorola relating to the Telsim Loan. Although the Company continues to vigorously pursue its recovery efforts, it believes the litigation and collection process will be very lengthy in light of the Uzans' (the family which controls Telsim) repeated decisions to violate court orders.

Table of Contents

54	MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
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Sales of Receivables and Loans: From time to time, the Company sells short-term receivables and long-term loans to third parties in transactions that qualify as "true-sales". Certain of these receivables are sold through a separate legal entity, Motorola Receivables Corporation ("MRC"). MRC is a special purpose entity and the financial results for MRC are fully consolidated in the Company's financial statements. This receivables funding program is administered through multi-seller commercial paper conduits. Under FASB Interpretation No. 46, "Consolidation of Variable Interest Entities" (revised), the Company is not required to consolidate those entities.

As of December 31, 2002, the MRC short-term receivables program provided for up to \$400 million of short-term receivables to be outstanding with third parties at any time. In February 2003, the MRC short-term receivables program was amended and the level of allowable outstanding short-term receivables was increased to \$425 million. A total of \$835 million of receivables were sold through the MRC short-term program in 2003, as compared to \$1.0 billion in 2002 and \$1.6 billion in 2001. There were approximately \$170 million of short-term receivables outstanding under the MRC short-term receivables program at December 31, 2003, as compared to \$240 million at December 31, 2002. Under the MRC short-term receivables program, 90% of the value of the receivables sold is covered by credit insurance obtained from independent insurance companies. The credit exposure on the remaining 10% is covered by a retained interest in the sold receivables.

In addition to the MRC short-term receivables program, the Company also sells other short-term receivables directly to third parties. Total short-term receivables sold by the Company (including those sold directly to third parties and those sold through the MRC short-term receivables program) were \$2.7 billion in 2003, compared to \$2.9 billion in 2002 and \$4.6 billion in 2001. There were \$771 million of short-term receivables outstanding (under both the MRC program and pursuant to direct sales to third parties) at December 31, 2003, as compared to \$802 million at December 31, 2002. The Company's total credit exposure to outstanding short-term receivables that have been sold was \$25 million and \$40 million at December 31, 2003 and 2002, respectively, with reserves of \$13 million and \$19 million recorded for potential losses on this exposure at December 31, 2003 and 2002, respectively.

Prior to 2002, the Company had sold a limited number of long-term receivables to an independent third party through Motorola Funding Corporation ("MFC"). In connection with the sale of long-term receivables, the Company retained obligations for the servicing, administering and collection of receivables sold. In May 2003, the Company voluntarily terminated the program for the sale of long-term receivables through MFC. In light of the significant decrease in long-term financing provided by the Company to customers in recent years, no long-term receivables were sold through this program in 2002 or 2003 and the benefits from maintaining the program no longer exceeded the costs. To effect this termination, the Company purchased all outstanding long-term receivables previously sold to, and held by, the independent third party and terminated the credit insurance related to these long-term receivables.

Other Contingencies

Potential Contractual Damage Claims in Excess of Underlying Contract Value: In certain circumstances, our businesses may enter into contracts with customers pursuant to which the damages that could be claimed by the other party for failed performance might exceed the revenue the Company receives from the contract. Contracts with these sorts of uncapped damage provisions are fairly rare. Although it has not previously happened to the Company, there is a possibility that a damage claim by a counterparty to one of these contracts could result in expenses to the Company that are far in excess of the revenue received from the counterparty in connection with the contract.

Legal Matters: The Company has several lawsuits filed against it relating to the Iridium program, as further described under "Item 3: Legal Proceedings" in the Company's Annual Report on Form 10-K for the year ended December 31, 2003. The Company has not reserved for any potential liability that may arise as a result of litigation related to the Iridium program. While the still pending cases are in very preliminary stages and the outcomes are not predictable, an unfavorable outcome of one or more of these cases could have a material adverse effect on the Company's consolidated financial position, liquidity or results of operations.

The Company is a defendant in various other lawsuits, including environmental and product-related suits, and is subject to various claims which arise in the normal course of business. In the opinion of management, and other than discussed above with respect to the still pending Iridium cases, the ultimate disposition of these matters will not have a material adverse effect on the Company's consolidated financial position, liquidity or results of operations.

Segment Information

The following commentary should be read in conjunction with the financial results of each reporting segment as detailed in Note 10, "Information by Segment and Geographic Region", of the Company's consolidated financial statements.

Orders, net sales, and operating results for the Company's major operations for 2003, 2002 and 2001 are presented below. Order information as of any particular date may not be an accurate indicator of future results, as orders are subject to revision or cancellation to reflect changes in customer needs. Beginning in 2004, the Company will no longer be reporting order information for its major operating segments. Changes in business process cycle time have reduced the usefulness of order reporting as an indicator of the next quarter's net sales.

Personal Communications Segment

The Personal Communications segment (PCS) designs, manufactures, sells and services wireless subscriber equipment, including wireless handsets and personal two-way radios, with related software and accessory products. In both 2003 and 2002, PCS's net sales represented 41% of the Company's consolidated net sales, compared to 35% in 2001.

	Years Ended December 31			Percent Change	
	2003	2002	2001	2003 — 2002	2002 — 2001
<i>(Dollars in millions)</i>					
Orders	\$12,060	\$10,035	\$11,201	20%	(10)%
Segment net sales	10,978	11,174	10,768	(2)%	4%
Operating earnings (loss)	479	503	(1,585)	(5)%	***

*** Percent change not meaningful

Segment Results—2003 Compared to 2002

In 2003, the segment's net sales decreased 2% to \$11.0 billion, compared to \$11.2 billion in 2002. Orders increased 20% to \$12.1 billion, compared to \$10.0 billion in 2002. The segment's backlog was \$2.2 billion at December 31, 2003, compared to \$1.1 billion at December 31, 2002.

The 2% decrease in net sales in 2003 reflects the interaction of a number of factors. In the fourth quarter of 2003, traditionally the segment's highest sales quarter, the segment was unable to meet demand for shipments of certain products, primarily those featuring integrated cameras, due to supply constraints for a key component. This had an adverse effect on fourth quarter net sales, which were down 3% from the fourth quarter of 2002. As further discussed below, the segment's net sales in Asia decreased 42% in 2003, due to ongoing intense competition in that region, particularly in China, and the impact of Severe Acute Respiratory Syndrome (SARS) during the first half of the year. Also, in 2002, the segment discontinued sales of paging products. The 2002 results included \$176 million of net sales of paging products, while 2003 did not include paging product sales.

The 20% increase in orders in 2003 was primarily driven by the demand for new products that were introduced during the second half of 2003. Orders in the second half of 2003 increased 53% compared to orders in the second half of 2002. Although supply constraints for a key component limited the segment's ability to capitalize on this demand in the fourth quarter of 2003, the growth in orders was very encouraging. Backlog at the end of 2003 was \$2.2 billion,

compared to \$1.1 billion at the end of 2002. Backlog increased primarily as a result of demand for new products that were introduced in the second half of 2003, including handsets with integrated cameras. Backlog was also impacted by the component supply constraints, which resulted in the segment's inability to meet the demand for certain new products in the fourth quarter.

For the full year 2003, the segment believes total industry unit shipments (also referred to as industry "sell-in") increased approximately 20% compared to 2002. This growth was higher than expected by most industry analysts. Unfortunately, the growth in unit shipments in the segment lagged behind the unit growth in the overall industry, as unit shipments for the segment grew by only 7% in 2003 compared to 2002. Correspondingly, the segment's market share is estimated to have declined in 2003. Nonetheless, the segment believes it continues to have the second-largest worldwide market share of wireless handsets.

Table of Contents

56 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The 7% increase in unit shipments by the segment was offset by a decrease in the segment's average selling price (ASP), which declined 8% on an annual basis in 2003. For comparison, the decline in ASP for the segment was 5% in 2002 and 12% in 2001. The overall decline in ASP in 2003 was caused primarily by: (i) a shift in product mix, particularly during the first-half of the year, toward lower-priced handsets, (ii) the intense competition from new and existing handset manufacturers in the Asian market, and (iii) unusually high sales of end-of-life products in the third quarter of 2003, reflecting the segment's aggressive steps to sell aging inventory. During the second half of 2003, the segment introduced several feature-rich, higher-tier products, with features including cameras, large color displays, expanded software applications, messaging functionality, advanced gaming features and an increased opportunity for personalization. These products began to ship in volume during the fourth quarter of 2003 and, as a result, there was a sequential increase in ASP from the third quarter to the fourth quarter in 2003.

On a geographic basis, for 2003 compared to 2002, net sales were up 23% in the Americas, down 42% in Asia and down 2% in the Europe, Middle East and Africa (EMEA) region. In the Americas, net sales were up due to continuing demand for the segment's diverse new product offerings. In Asia, net sales were down due to a decrease in unit shipments and declining ASP, reflecting the ongoing intense competition from existing competitors and aggressive new entrants in the Asian handset market, particularly in China, the world's largest handset market. As a result of this competition, their product portfolio and supply constraints, the segment believes its market share declined in China. Despite this estimated decline in market share, the segment believes it remained the market share leader in China throughout 2003. The segment also experienced a decrease in net sales in Asia during the first half of 2003 due to anxiety over the SARS epidemic. In EMEA, net sales were relatively flat and were adversely impacted by the fourth quarter supply constraints, but demand is strong for the segment's new product offerings.

The segment's primary technologies are GSM, CDMA, TDMA, and iDEN®. On a technology basis, for 2003 compared to 2002, net sales were up 20% in iDEN, up 13% in TDMA, down 11% in GSM and down 9% in CDMA. In addition, the segment began shipping third-generation (3G) Universal Mobile Telecommunications Systems (UMTS) handsets to customers in 2003.

A few customers represent a significant portion of the segment's net sales. During 2003, purchases of iDEN products by Nextel Communications, Inc. and its affiliates comprised approximately 18% of the segment's net sales. In addition, approximately 9% of the segment's net sales are to the China market and are primarily used on mobile systems operated by China Mobile and China Unicom, the two largest wireless operators in China. In addition, in 2003, although the U.S. market continued to be the segment's largest market, sales into non-U.S. markets represented more than half of the segment's total revenue.

The segment's operating earnings in 2003 were \$479 million, compared to operating earnings of \$503 million in 2002. The 5% decline in operating earnings was primarily related to: (i) a decline in gross margin, and (ii) an increase in research and development (R&D) expenditures, partially offset by: (i) a decrease in reorganization of business and other charges, and (ii) a decrease in SG&A expenditures. The decline in gross margin primarily reflects the \$196 million decline in net sales, which was driven by the 8% decline in ASP and the loss of sales from the exited paging business. These negative influences were partially offset by a decrease in certain manufacturing costs due to benefits from prior and ongoing cost-reduction actions and supply-chain efficiencies. The increase in R&D expenditures reflects an increase in developmental engineering expenditures due to the number of new product offerings by the segment. The segment's industry typically experiences short life cycles for new products and, therefore, it is vital to the segment's success that new, compelling products are constantly introduced. Accordingly, a strong commitment to R&D is required to fuel long-term growth. The decrease in SG&A expenditures reflects a decline in overall administrative and general spending, which

was driven by benefits from prior and ongoing cost-reduction efforts, as well as the absence of charges that occurred in 2002 related to the discontinuance of paging products.

For the full year 2003, the segment recorded net charges of \$51 million related to reorganization of business and other charges. These charges primarily consisted of: (i) \$43 million in net charges related to employee severance, mainly related to the planned exit of certain manufacturing activities in Flensburg, Germany, engineering site optimizations, and segment-wide employee severance programs, partially offset by reversals of accruals no longer needed, primarily related to the exit of the Harvard, Illinois facility, and (ii) \$7 million in exit costs related to the planned exit of certain manufacturing activities in Flensburg, Germany.

For the full year 2002, the segment recorded net charges of \$301 million related to reorganization of business and other charges. These charges primarily consisted of: (i) a \$119 million net charge for fixed asset impairments,

primarily relating to implementation of a plan to close an engineering and distribution center in Harvard, Illinois, (ii) a \$125 million charge for the segment's share of a potentially uncollectible finance receivable from Telsim, and (iii) a \$70 million net charge related to segment-wide employee severance costs.

Segment Results—2002 Compared to 2001

In 2002, the segment's net sales increased 4% to \$11.2 billion, compared to \$10.8 billion in 2001. Orders declined 10% to \$10.0 billion, compared to \$11.2 billion in 2001. Orders declined primarily due to the segment's efforts to assist their customers in implementing an improved shorter-cycle ordering process which enabled the segment's customers to reduce inventory lead-times, inventory levels and order backlog. As a result, the segment's backlog decreased to \$1.1 billion at December 31, 2002, compared to \$2.2 billion at December 31, 2001.

The segment's unit shipments were 70.2 million in 2002, up 12% from 62.5 million units in 2001. The segment's ASP was down 5% on an annual basis in 2002, primarily due to a mix shift in units toward lower price handsets in Latin America and Asia. The decline in ASP is reflective of historical reductions in selling prices, although the reduction in 2002 was less than historical averages. The segment's decline in ASP was 12% in 2001.

In addition, the segment completed its plans to discontinue sales of paging products in 2002. Sales of paging products had been rapidly declining in recent years, and the segment concluded that these products no longer complemented its product portfolio. Net sales from paging products were \$176 million in 2002, compared to \$402 million in 2001.

On a geographic basis, for 2002 compared to 2001, net sales were up 15% in the Americas, down 1% in Asia and down 7% in EMEA.

On a technology basis, for 2002 compared to 2001, net sales were up 56% in TDMA, up 18% in CDMA, up 4% in iDEN and down 4% in GSM.

A few customers represented a significant portion of the segment's net sales in 2002. Purchases of iDEN products by Nextel Communications, Inc. and its affiliates comprised approximately 15% of the segment's net sales. In addition, approximately 19% of the segment's net sales were to the China market and are primarily used on mobile systems operated by China Mobile and China Unicom, the two largest wireless operators in China.

The segment's operating earnings in 2002 were \$503 million, compared to an operating loss of \$1.6 billion in 2001. The improvement in operating results was primarily related to: (i) a decrease in reorganization of business and other charges, (ii) a 4% increase in net sales, (iii) decreased manufacturing expenses due to benefits from cost-reduction activities and supply-chain efficiencies, and (iv) a decrease in R&D costs. These improvements in operating results were partially offset by an increase in SG&A costs.

During 2002, the segment continued executing on the major cost-reduction actions started in late 2000 to improve its cost structure and competitiveness. The segment introduced several new products based on its platform design strategy, which reduces manufacturing costs by: (i) reducing the number of parts used, (ii) increasing the commonality of both handset parts and software, (iii) lowering the number of unique handset designs, and (iv) improving the cycle time of product development through greater standardization of processes. The reduction in the number of products manufactured and parts complexity of each product also makes it easier for PCS to change its products to meet rapidly-evolving customer demand. The segment also utilized a substantially improved supply-chain process to increase the efficiency of manufacturing activities, thereby reducing costs.

For the full year 2002, the segment recorded net charges of \$301 million related to reorganization of business and other charges. These charges primarily consisted of: (i) a \$119 million net charge for fixed asset impairments, primarily relating to implementation of a plan to close an engineering and distribution center in Harvard, Illinois, (ii) a \$125 million charge for the segment's share of a potentially uncollectible finance receivable from Telsim, and (iii) a \$70 million net charge related to segment-wide employee severance costs.

For the full year 2001, the segment recorded net charges of \$1.3 billion related to reorganization of business and other charges. These charges primarily consisted of: (i) \$409 million in charges for product portfolio simplification write-offs, (ii) a \$285 million charge related to the segment's share of a potentially uncollectible

Table of Contents

58 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

finance receivable from Telsim, (iii) \$221 million in reorganization of business charges associated with the closure of a facility in Easter Inch, Scotland, (iv) \$55 million in net reorganization of business charges to exit manufacturing activities in Harvard, Illinois, (v) \$34 million in reorganization of business charges associated with the segment's plans to discontinue sales of paging products in 2002, and (vi) \$250 million in other net segment-wide reorganization of business charges resulting from a significant reduction in workforce and the consolidation of numerous facilities throughout the world.

Semiconductor Products Segment

The Semiconductor Products segment (SPS) designs, develops, manufactures and sells a broad range of semiconductor products that are based on its core capabilities in embedded processing, including microcontrollers, digital signal processors and communications processors. In addition, the segment offers a broad portfolio of devices that complement its families of embedded processors, including sensors, radio frequency semiconductors, power management and other analog and mixed-signal integrated circuits. Through its embedded processors and complementary products, the segment is also able to offer customers complex combinations of semiconductors and software, which are referred to as "platform-level products." In both 2003 and 2002, SPS's net sales represented 18% of the Company's consolidated net sales, compared to 17% in 2001.

(Dollars in millions)	Years Ended December 31			Percent Change	
	2003	2002	2001	2003 — 2002	2002 — 2001
Orders	\$4,971	\$ 5,224	\$ 4,416	(5)%	18%
Segment net sales	4,864	5,000	5,098	(3)%	(2)%
Operating loss	(297)	(1,515)	(1,911)	80%	21%

Segment Results—2003 Compared to 2002

In 2003, the segment's net sales decreased 3% to \$4.9 billion, compared to \$5.0 billion in 2002. Orders decreased 5% to \$5.0 billion, compared to \$5.2 billion in 2002. The segment's backlog was \$1.2 billion at December 31, 2003, compared to \$1.1 billion at December 31, 2002.

The 3% decline in net sales was primarily due to unit volume decreases of 11%, primarily in the networking and wireless markets. The segment's net sales were directly affected by the delays in the introduction of new handset products by Motorola's wireless handset business, PCS. Sales to PCS, the segment's largest customer, decreased 16% in 2003. This impacted the segment's ability to participate fully in the recovery of the wireless markets. The decrease in unit volume was partially offset by a 9% increase in ASP, driven primarily by a change in product mix, as there was an increase in sales of higher functionality, "platform-level" products.

The semiconductor industry experienced a recovery in late 2002, particularly when growth in industry shipments escalated in the fourth quarter of 2002. This growth slowed in the first half of 2003 due to economic uncertainty, primarily over concerns of the escalation of conflicts in the Middle East, as well as anxiety over the SARS epidemic. During the first half of 2003, the segment's net sales and orders were indicative of the industry conditions, as both net sales and orders declined compared to the first half of 2002. During the second half of 2003, as these concerns eased, semiconductor industry growth rates accelerated back to year-end 2002 levels. During the second half of 2003, the segment experienced growth in net sales and orders compared to the second half of 2002.

On an end-market basis, for 2003 compared to 2002, net sales were down 10% in the Wireless and Mobile Systems group, down 5% in the Networking and Computing Systems group, and up 3% in the Transportation and Standard Products group. Orders were down 14% in the Wireless and Mobile Systems group, down 5% in the Transportation and Standard Products group, and up 3% in the Networking and Computing Systems group.

On a geographic basis, for 2003 compared to 2002, net sales were down 21% in the Americas, up 11% in EMEA and up 8% in Asia. Orders were down 18% in the Americas, down 2% in EMEA and up 9% in Asia. While the semiconductor industry has been recovering from its worst ever recession there has been a shift in the regional makeup of the industries market demand. The main shift has been a transfer in demand from the Americas region to the Asia Pacific region. In 2000, the Americas region accounted for over 30% of the worldwide semiconductor market demand, compared to 25% in the Asia Pacific region. By the end of 2003, the Americas region accounted for less than 20% of the worldwide semiconductor market demand, while the Asia Pacific region accounted for almost

40%. The growth in Asia is attributed to the continuing shift of the global manufacturing base to lower cost countries, such as China, as well as the increase in the indigenous companies demand as they begin to produce their own electronics products.

Sales to other Motorola segments accounted for 23% of the segment's net sales in 2003, as compared to 26% in 2002 and 23% in 2001. The segment's largest customer within the Company is the wireless handset business, PCS. No other customers account for 10% of the segment's net sales.

The segment had an operating loss of \$297 million in 2003, compared to an operating loss of \$1.5 billion in 2002. The improvement in operating results was primarily due to: (i) a \$1.2 billion decrease in reorganization of business and other charges, and (ii) an increase in gross margin, primarily due to a reduction in labor and costs, reflecting benefits from prior cost-reduction actions, and a decline in depreciation costs resulting from the closures of manufacturing facilities, partially offset by the 3% decrease in net sales. These improvements in operating results were partially offset by: (i) an increase in SG&A expenditures, primarily due to a decline in grant income compared to 2002 levels, as well as an increase in employee incentive program costs, and (ii) an increase in R&D expenditures, primarily due to a reduction in customer-subsidized, non-recurring engineering charges related to development of next generation wireless products.

For the full year 2003, the segment recorded net charges of \$85 million related to reorganization of business and other charges. These charges primarily related to: (i) \$74 million in segment-wide employee severance costs, and (ii) \$17 million in fixed asset impairment charges, primarily related to a facility in Texas, partially offset by a reduction of accruals no longer needed relating to facility exit costs.

For the full year 2002, the segment recorded net charges of \$1.2 billion related to reorganization of business and other charges. These charges primarily consisted of: (i) \$1.1 billion of asset impairments related to facilities in Arizona, China and Scotland, as the segment continued to reduce its number of wafer fabrication facilities as part of its business strategy, and (ii) \$80 million for potential repayments of incentives related to impaired facilities.

Capital expenditures were \$310 million, or 6.4% of the segment's net sales, in 2003, compared to \$220 million, or 4.4% of net sales, in 2002. The increase is primarily related to the segment's investment in a joint alliance with Philips and ST Microelectronics to develop advanced CMOS (Complementary Metal Oxide Semiconductor) process technology. The segment's emphasis in making capital expenditures is to focus on strategic investment driven by customer demand and new design capability.

In 2003, the segment's manufacturing capacity utilization rate was 68%, compared to 66% in 2002. Although the utilization rate was nearly flat for the full-year 2003 as compared to 2002, the segment had a utilization rate of 74% in the fourth quarter of 2003, the highest it has been since the third quarter of 2002. The gross margin of the segment has been affected by the lower than optimum manufacturing capacity utilization rates, but as utilization rates are anticipated to increase, the segment expects a positive impact on gross margins.

The segment continues to implement a strategy aimed at achieving substantial improvements in future profitability and cash flow performance by: (i) improving asset efficiency, (ii) maximizing the return on R&D expenditures, and (iii) reducing the segment's historical ratio of capital expenditures to net sales. One focus of this business model has been to replace internal manufacturing capacity by outsourcing an increasing percentage of production of standard technologies and products to foundries and contract houses. At the beginning of 2003, the segment had 12 manufacturing facilities, 9 of which were wafer fabrication facilities. The segment closed a back-end manufacturing facility in Texas in the first quarter of 2003 and

closed a wafer fabrication facility in Scotland in the second quarter of 2003. In addition, on January 16, 2004, the segment sold a wafer fabrication facility in Tianjin, China. With the closure of this sale, the total number of manufacturing facilities was reduced to 9 facilities, 7 of which are wafer fabrication facilities. By comparison, the segment had 22 manufacturing facilities at the end of 2000.

Segment Results—2002 Compared to 2001

In 2002, the segment's net sales decreased 2% to \$5.0 billion, compared to \$5.1 billion in 2001. The decline in net sales was due to a 14% unit volume decrease in the networking and wireless markets, partially offset by a 3% increase in the automotive and standard products markets. Orders increased 18% to \$5.2 billion, compared to \$4.4 billion in 2001. The segment's backlog was \$1.1 billion at December 31, 2002, compared to \$0.9 billion at December 31, 2001.

Table of Contents

60 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The semiconductor industry, which traditionally has had volatile sales cycles, had its worst decline in history in 2001, when industry-wide sales were down more than 30% compared to 2000. Industry sales in 2002 were essentially flat with 2001. ASP for the semiconductor industry declined at a higher rate in 2002 than in 2001, primarily as a result of excess manufacturing capacity in the industry. The rate of industry ASP decline slowed towards the end of 2002 in connection with the apparent industry recovery.

The segment's net sales and order results were indicative of the broader conditions in the semiconductor industry. The segment's 18% increase in orders in 2002, compared to 2001, reflected the industry's apparent recovery in the later stages of 2002 as order activity exceeded sales activity. A portion of the segment's product portfolio involves non-proprietary products, which are subject to the intense pricing pressure that is seen in the semiconductor industry. ASP for these products declined during 2002 in line with industry ASP. Many of the segment's products involve proprietary technologies. ASP for these products declines at a much slower rate than those in the semiconductor industry as a whole.

On an end-market basis, for 2002 compared to 2001, net sales were up 4% in the Transportation and Standard Products group, up 5% in the Wireless and Mobile Systems group and down 12% in the Networking and Computing Systems group. Orders were up 18% in the Transportation and Standard Products group, up 14% in the Networking and Computing Systems group and up 38% in the Wireless and Mobile Systems group.

On a geographic basis, for 2002 compared to 2001, net sales were down 11% in the Americas, down 8% in EMEA and up 14% in Asia. Orders were up 12% in the Americas, up 18% in EMEA and up 27% in Asia. The segment's net sales and order pattern followed the industry trend in all regions. The growth in Asia was attributed to the fact that this region attracts a greater percentage of the electronics equipment manufacturing base.

Other businesses of the Company collectively constituted the segment's largest customer, representing 26% of 2002 segment revenue, as compared to 23% in 2001 and 26% in 2000. The segment's largest customer within the Company is the Personal Communications segment.

The segment's operating loss was \$1.5 billion in 2002, compared to an operating loss of \$1.9 billion in 2001. The improvement in operating results was primarily due to: (i) an increase in gross margin, primarily attributed to benefits from facility consolidation and cost-reduction actions and (ii) a decrease in SG&A costs. These improvements in operating results were partially offset by an increase in reorganization of business and other charges, primarily related to fixed asset impairments.

For the full year 2002, the segment recorded net charges of \$1.2 billion related to reorganization of business and other charges. These charges primarily consisted of: (i) \$1.1 billion of asset impairments related to facilities in Arizona, China and Scotland, as the segment continued to reduce its number of wafer fabrication facilities as part of its business strategy, and (ii) \$80 million for potential repayments of incentives related to impaired facilities.

For the full year 2001, the segment recorded net charges of \$902 million related to reorganization of business and other charges. These charges primarily consisted of: (i) \$443 million for fixed asset impairments, and (ii) \$386 million for segment-wide employee severance costs incurred in the closure of 8 factories.

Capital expenditures decreased 64% to \$220 million, or 4.4% of the segment's net sales, in 2002, compared to \$613 million, or 12.0% of the segment's net sales in 2001. The reduction in capital expenditures was part of the segment's strategy of improving future profitability and improving cash flow by reducing the segment's historical ratio of capital expenditures to net sales.

Another focus of the segment's overall strategy and cost-reduction activities has been to replace internal manufacturing capacity by outsourcing an increasing percentage of production to foundries and contract houses. At the end of 2002, SPS had reduced its total manufacturing facilities to 12, as compared to 22 manufacturing facilities at the end of 2000. Of the 12 manufacturing facilities at the end of 2002, 9 were wafer fabrication facilities, as compared to 16 wafer fabrication facilities at the end of 2000.

Proposed Transfer of Semiconductor Operations to Separate, Publicly-Traded Company. In October of 2003, the Company announced that it intends to move its semiconductor operations into a separate, publicly-traded company. In December 2003, a registration statement was filed with the Securities and Exchange Commission (SEC) relating to a proposed initial public offering (IPO) of stock of Freescale Semiconductor, Inc. (Freescale), the name

given to the new entity that would be comprised of the Company's semiconductor operations. The registration statement is currently being reviewed by the SEC and, accordingly, there is no way to know when, or if, such an IPO may occur. In connection with the proposed IPO, provided the underlying valuation of the stock exceeds its book value, the Company would realize a gain upon the sale of the stock. This gain would be reflected directly in stockholders' equity.

The Company would expect to include Freescale's results in the Company's consolidated financial statements for a period of time after the consummation of the proposed IPO. If the occurrence of the IPO becomes more likely than not, the Company will need to reevaluate the portion of its deferred tax assets that is related to its semiconductor operations. Based on currently-available information relating to the deferred tax assets and the currently proposed structure of the IPO, the Company estimates that if, and at such time as, the IPO becomes more likely than not, Freescale would be required to provide a sizeable valuation allowance covering the deferred tax assets related to the semiconductor operations. It is anticipated that the non-cash charge associated with this valuation allowance, if required, would be reflected in the Company's consolidated statements of operations and would be material to the Company's financial results. The completion of the IPO and the subsequent distribution of Freescale shares to Motorola stockholders is subject to many conditions, including final approval of the Motorola board of directors, suitable market conditions and regulatory and governmental approvals. Market conditions and other factors could result in, among other things, a delay to the IPO or pursuit of alternative transactions to effect the separation of SPS. If the IPO is not completed, the Company would not need to provide for the deferred tax asset valuation allowance as described above.

Global Telecom Solutions Segment

The Global Telecom Solutions segment (GTSS) designs, manufactures, sells, installs, and services wireless infrastructure communication systems, including hardware and software. GTSS provides end-to-end wireless networks, including radio base stations, base site controllers, associated software and services, mobility soft switching, application platforms and third-party switching for CDMA, GSM, iDEN®, and UMTS. In 2003, GTSS's net sales represented 16% of the Company's consolidated net sales, compared to 17% in 2002 and 21% in 2001.

	Years Ended December 31			Percent Change	
	2003	2002	2001	2003 — 2002	2002 — 2001
<i>(Dollars in millions)</i>					
Orders	\$4,806	\$4,384	\$ 6,303	10%	(30)%
Segment net sales	4,417	4,611	6,514	(4)%	(29)%
Operating earnings (loss)	247	(621)	(1,409)	***	56%

*** Percent change not meaningful

Segment Results—2003 Compared to 2002

In 2003, the segment's net sales decreased 4% to \$4.4 billion, compared to \$4.6 billion in 2002. Orders increased 10% to \$4.8 billion, compared to \$4.4 billion in 2002. The segment's backlog was \$1.6 billion at December 31, 2003, compared to \$1.2 billion at December 31, 2002.

The 4% decrease in net sales in 2003 was primarily due to the continued reduction in capital spending by cellular operators, primarily in mature markets. In U.S. dollars, this sales decline

was roughly in line with the overall spending decline in the wireless infrastructure industry. Operators spent less on new equipment because of pressure to reduce costs and declines in average revenue per user (ARPU). In addition, technology enhancements have greatly improved network capacity without necessitating corresponding increases in spending by the operators. However, unlike the case in mature markets, many existing operators in emerging markets have increased spending on wireless infrastructure and services during 2003. The segment has established a market presence in the emerging markets, many of which have higher growth rates than those of mature markets.

On a geographic basis, for 2003 compared to 2002, net sales were down 11% in Asia, down 3% in the Americas and up 16% in EMEA. Orders were up 7% in Asia, up 10% in the Americas and up 17% in EMEA. The 10% increase in orders for the year was driven by a very strong fourth quarter, when orders increased 67% compared to the fourth quarter of 2002. The overall increase in orders was primarily driven by the segment's contract with Nextel to upgrade their existing network to provide WiDEN technology, as well as increased orders in the Middle East and India.

Table of Contents

62 MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The nature of the segment's business is long-term contracts with major operators that require sizeable investments by its customers. In 2003, five customers—China Mobile Communications Corporation; China Unicom; KDDI, a service provider in Japan; Nextel Communications, Inc. (and its affiliates); and Verizon—represented approximately 55% of the segment's net sales. The loss of one of these major customers could have a significant impact on the segment's business and, because contracts are long-term, could impact revenue over several quarters.

The segment reported operating earnings of \$247 million in 2003, compared to an operating loss of \$621 million in 2002. The improvement in operating results was primarily related to: (i) a decrease in reorganization of business and other charges, (ii) a decrease in R&D expenditures, reflecting cost savings from prior cost-reduction actions, (iii) a decrease in SG&A expenditures, primarily selling and sales support costs, reflecting cost savings from prior cost-reduction actions, partially offset by an increase in employee incentive program costs, and (iv) an increase in gross margin, primarily due to benefits from prior cost-reduction actions and a reduction in reorganization of business charges included in costs of sales, partially offset by the 4% decline in net sales.

For the full year 2003, the segment recorded net income of \$13 million related to reorganization of business and other charges. The net income primarily consisted of: (i) a net reduction of \$39 million in accruals for reorganization of business costs that were no longer needed, and (ii) a \$6 million payment received relating to the outstanding loan with Telsim, partially offset by a \$32 million charge for in-process research and development related to the acquisition of Winphoria Networks, Inc.

For the full year 2002, the segment recorded net charges of \$610 million related to reorganization of business and other charges, which primarily consisted of: (i) a \$401 million charge for the segment's share of a potentially uncollectible finance receivable from Telsim, (ii) a \$128 million net charge for segment-wide employee severance costs, and (iii) a \$55 million charge for exit costs related to a lease cancellation.

In the second quarter of 2003 the Company acquired Winphoria Networks, Inc., a core infrastructure provider of next-generation, packet-based mobile switching centers for wireless networks. The addition of Winphoria's soft-switch technology will enable the segment to provide less expensive, yet more versatile, switching systems to operators as they migrate to technologies that will support integrated voice, data and video applications.

The segment also continues to build on its industry-leading position in push-to-talk over cellular (PoC) technology. The segment has executed agreements to launch its PoC product application on both General Packet Radio Service (GPRS) and CDMA1X networks. GTSS and Nextel Communications, Inc have executed an agreement to upgrade Nextel's existing iDEN network to WiDEN™ technology. WiDEN will enable Nextel to deliver cost-effective, high-speed wireless data service to its customers, similar to GPRS and CDMA2000 1X. The additions of these offerings are an important step in the segment's ongoing strategy to further enhance its product portfolio.

Segment Results—2002 Compared to 2001

In 2002, the segment's net sales decreased 29% to \$4.6 billion, compared to \$6.5 billion in 2001. Orders decreased 30% to \$4.4 billion, compared to \$6.3 billion in 2001. Net sales and orders were significantly lower in 2002 than in 2001 in each of the segment's technologies and in all regions of the world. The segment's backlog was \$1.2 billion at December 31, 2002, compared to \$1.5 billion at December 31, 2001.

The wireless infrastructure industry experienced its most challenging years during 2001 and

2002. Industry sales were down approximately 18% in 2002, compared to flat growth in 2001. Service providers spent less on new equipment because of the difficult economic environment, severe pressure to reduce costs, deteriorating voice ARPU, and, for many, higher debt burdens. The segment's decline in net sales and orders in 2002 was indicative of conditions in the segment's industry, but represented a greater decline than the overall industry due to the lower level of capital spending specific to the segment's customer base.

In 2002, three customers—Nextel Communications Inc. (and its affiliates), KDDI, a service provider in Japan, and China Unicom—represented approximately 43% of the segment's net sales.

The segment's operating loss in 2002 was \$621 million, compared to an operating loss of \$1.4 billion in 2001. The improvement in operating results was primarily related to: (i) a decrease in reorganization of business and other

charges, (ii) a decrease in SG&A expenses, and (iii) a decrease in R&D expenses. These improvements in operating results were partially offset by the 29% decrease in net sales.

For the full year 2002, the segment recorded net charges of \$610 million related to reorganization of business and other charges. These charges primarily consisted of: (i) a \$401 million charge for the segment's share of a potentially uncollectible finance receivable from Telsim, (ii) a \$128 million net charge for segment-wide employee severance costs, and (iii) a \$55 million charge for exit costs related to a lease cancellation.

For the full year 2001, the segment recorded net charges of \$1.4 billion related to reorganization of business and other charges. These charges primarily consisted of: (i) a \$1.1 billion charge for the segment's share of a potentially uncollectible finance receivable from Telsim, (ii) a \$155 million net charge for segment-wide employee severance costs, (iii) a \$123 million net charge for exit costs, and (iv) a \$42 million net charge for fixed asset impairments.

Commercial, Government and Industrial Solutions Segment

The Commercial, Government and Industrial Solutions segment (CGISS) designs, manufactures, sells, installs, and services analog and digital two-way radio, voice and data communications products and systems to a wide range of public-safety, government, utility, transportation and other worldwide markets. In addition, the segment participates in the expanding market for integrated information management, mobile and biometric applications and services. In 2003, CGISS's net sales represented 15% of the Company's consolidated net sales, compared to 14% in both 2002 and 2001.

	Years Ended December 31			Percent Change	
	2003	2002	2001	2003— 2002	2002— 2001
(Dollars in millions)					
Orders	\$4,146	\$3,809	\$4,485	9%	(15)%
Segment net sales	4,131	3,749	4,322	10%	(13)%
Operating earnings	562	313	52	80%	***

*** Percent change not meaningful

Segment Results—2003 Compared to 2002

In 2003, the segment's net sales increased 10% to \$4.1 billion, compared to \$3.7 billion in 2002. Orders increased 9% to \$4.1 billion, compared to \$3.8 billion in 2002. The segment's backlog was \$1.7 billion at both December 31, 2003 and December 31, 2002. The increase in net sales and orders is primarily due to the increase in spending by customers in the segment's government market, primarily due to homeland security initiatives. Net sales and orders were also increased by contracts relating to the conflict in the Middle East and the pending reconstruction of public safety systems in Iraq.

On a geographic basis, for 2003 compared to 2002, net sales increased 11% in the Americas, increased 11% in EMEA, and increased 1% in Asia. Orders increased 17% in Asia, increased 14% in EMEA, and increased 7% in the Americas. In 2003, \$2.7 billion, or 66% of the segment's net sales, were in North America (which is part of the Americas region referenced below), as compared to \$2.4 billion, or 65% of the segment's net sales, in 2002. Orders in North America were \$2.7 billion in 2003, as compared to \$2.6 billion in 2002.

The segment's operating earnings increased to \$562 million in 2003, compared to operating earnings of \$313 million in 2002. The increase in operating earnings was primarily related to:

(i) an increase in gross margin, primarily due: (a) to the 10% increase in net sales, (b) a favorable product mix, reflecting a higher proportion of sales of subscriber equipment and a lower proportion of sales of infrastructure equipment, and (c) continued benefits from prior cost-reduction actions, and (ii) a decrease in reorganization of business charges, partially offset by: (i) an increase in SG&A expenditures due to an increase in employee incentive program costs, and (ii) an increase in R&D expenditures. Although both SG&A and R&D expenditures increased, SG&A and R&D expenditures as a percent of net sales decreased compared to 2002.

For the full year 2003, the segment recorded net charges of \$29 million related to reorganization of business and other charges. These charges primarily consisted of \$50 million in segment-wide employee separation costs, partially offset by a net reduction of accruals no longer needed.

Table of Contents

64 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

For the full year 2002, the segment recorded net charges of \$43 million related to reorganization of business and other charges. These charges primarily consisted of \$58 million in segment-wide employee separation costs, partially offset by a net reduction of accruals no longer needed, primarily related to exit costs.

The scope and size of systems requested by some of the segment's customers are increasing. Some customers want large systems, including country-wide and statewide systems. These larger systems, or "mega-systems", are more complex and include a wide range of capabilities. Mega-system projects will impact how contracts are bid, which companies compete for bids and how companies partner on projects.

At the same time, the segment faces potential new challenges in dealing with a relatively new federal agency, the U.S. Department of Homeland Security, that is a consolidation of many smaller agencies. The majority of the funds designated in 2003 for homeland security initiatives were designated to federal agencies. Homeland security funding available to state and local agencies must be applied for through grant programs. It is anticipated that the U.S. Department of Homeland Security will consider additional funding for its first responders. While the segment anticipates this additional funding will flow down to the state and local agencies, the expected dollar amount or speed of the funding flow is hard to estimate. The segment and Motorola continue to monitor this situation closely.

The segment continues to focus on the key elements in its growth platform, which include: (i) the renewed pursuit of integrated voice, data and broadband wireless systems at the local, state and national government levels globally; (ii) continued migration from analog to digital radio systems; (iii) leveraging the segment's ASTRO 25 and DIMETRA network offerings in providing Project 25 and TETRA standards-based voice and data networking systems around the world, and (iv) the accelerated implementation of interoperable communications and information systems, especially related to global homeland security.

Segment Results—2002 Compared to 2001

In 2002, the segment's net sales decreased 13% to \$3.7 billion, compared to \$4.3 billion in 2001. Orders decreased 15% to \$3.8 billion, compared to \$4.5 billion in 2001. These decreases are primarily attributed to the sale of the Company's former Integrated Information Systems Group (IISG) in 2001. In addition, delays in federal, state and local government funding for new homeland security projects adversely impacted sales for the total industry and the segment.

During 2001, the Company sold IISG, its former defense and government electronics business, which was previously included in CGISS. Orders, net sales and operating earnings for IISG in 2001 were \$499 million, \$456 million and \$45 million, respectively. Excluding the full year 2001 IISG net sales and order results, 2002 net sales would have decreased 3% from \$3.9 billion and 2002 orders would have decreased 5% from \$4.0 billion. The segment's backlog was \$1.7 billion at both December 31, 2002 and 2001.

On a geographic basis, for 2002 compared to 2001, net sales were up 8% in EMEA and down 17% in both the Americas and Asia. Orders were down 3% in Asia, down 8% in EMEA and down 18% in the Americas. The majority of IISG's sales and orders were in the Americas. Excluding the impact of IISG, net sales and orders would have both been down 3% in the Americas. In 2002, \$2.4 billion, or 65% of the segment's net sales were in North America (which is part of the Americas region referenced below), as compared to \$3.0 billion, or 69% of the segment's net sales, in 2001. Orders in North America were \$2.6 billion in 2002, as compared to \$3.1 billion in 2001.

The segment's operating earnings increased to \$313 million in 2002, compared to operating earnings of \$52 million in 2001. The increase in operating earnings was primarily related to: (i)

a decrease in reorganization of business and other charges, (ii) a decrease in SG&A costs, and (iii) a decrease in R&D expenditures. These improvements in operating results were partially offset by the 13% decrease in net sales. Excluding the full year 2001 IISG operating results, operating earnings would have been \$7 million in 2001.

For the full year 2002, the segment recorded net charges of \$43 million related to reorganization of business and other charges. These charges primarily consisted of \$58 million in segment-wide employee separation costs, partially offset by a net reduction in accruals no longer needed, primarily related to exit costs.

For the full year 2001, the segment recorded net charges of \$297 million related to reorganization of business and other charges. These charges primarily consisted of: (i) a \$97 million net charge for segment-wide employee

severance costs, (ii) an \$88 million charge for a potentially uncollectible finance receivable, (iii) a \$45 million net charge for exit costs, and (iv) a \$36 million net charge for fixed asset impairments.

Integrated Electronic Systems Segment

The Integrated Electronic Systems segment (IESS) designs, manufactures and sells: (i) automotive and industrial electronics systems, (ii) telematics systems that enable automated roadside assistance, navigation and advanced safety features for automobiles, (iii) portable energy storage products and systems, and (iv) embedded computing systems. In both 2003 and 2002, IESS's net sales represented 8% of the Company's consolidated net sales, compared to 7% in 2001.

(Dollars in millions)	Years Ended December 31			Percent Change	
	2003	2002	2001	2003 — 2002	2002 — 2001
Orders	\$2,303	\$2,235	\$2,094	3%	7%
Segment net sales	2,265	2,189	2,239	3%	(2)%
Operating earnings (loss)	161	52	(171)	***	***

***Percent change not meaningful

Segment Results—2003 Compared to 2002

In 2003, the segment's net sales increased 3% to \$2.3 billion, compared to \$2.2 billion in 2002. Orders also increased 3% to \$2.3 billion, compared to \$2.2 billion in 2002. The segment's backlog was \$347 million at December 31, 2003, compared to \$308 million at December 31, 2002.

There are three primary business groups within the segment: (i) the Automotive Communications and Electronic Systems Group (ACES), which sells automotive and industrial electronics systems, including telematics, (ii) the Energy Systems Group (ESG), which sells portable energy storage products and systems, and (iii) the Motorola Computer Group (MCG), which sells embedded computing systems. In 2003, ACES, ESG and MCG represented 64%, 23% and 13% of the segment's net sales, respectively. In 2002, ACES, ESG, and MCG represented 60%, 28% and 12% of the segment's net sales, respectively.

In ACES, demand for their products is linked to automobile sales in the U.S. and other countries, as well as the level of electronic content per vehicle. In 2003 compared to 2002, ACES's net sales increased 9% and orders increased 10%, primarily due to the success of several new electronics controls and telematics products launched during the year.

In ESG, demand for their products is strongly linked to the sales of other Motorola businesses, particularly the sales of the wireless handset business, which is the group's largest customer. In 2003 compared to 2002, ESG's net sales decreased 15% and orders decreased 17%, primarily due to reductions in the price of batteries for wireless handsets.

In MCG, demand for their products is strongly linked to sales of telecommunications, manufacturing and other infrastructure systems in the U.S. and other countries. In 2003 compared to 2002, MCG's net sales increased 17% and orders increased 13%, reflecting increased demand for commercial off-the-shelf embedded computing applications.

A large part of the segment's business is dependent upon other Motorola businesses, primarily the wireless handset business, and three external automotive manufacturers—General Motors, Ford and Daimler Chrysler. Sales to other Motorola businesses accounted for 18% of the segment's net sales in 2003, as compared to 19% in 2002. The net sales to General Motors, Ford and Daimler Chrysler were 17%, 15% and 13% of the segment's 2003 net sales, respectively.

The segment reported operating earnings of \$161 million in 2003, compared to operating earnings of \$52 million in 2002. The improvement in operating results was primarily related to: (i) a decrease in SG&A expenditures, driven by a reduction in general and administrative expenses, reflecting benefits from prior cost-reduction actions, (ii) a reduction in reorganization of business and other charges, and (iii) an increase in gross

Table of Contents

66 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

margin, reflecting the 3% increase in net sales and a reduction in reorganization of business charges included in costs of sales. These improvements were partially offset by an increase in R&D expenditures, primarily due to a reduction in customer-funded R&D.

In 2003, the segment recorded net income of \$1 million related to reorganization of business and other charges. This income consisted of a net reversal of \$1 million in accruals for exit costs that were no longer needed.

In 2002, the segment recorded net charges of \$58 million related to reorganization of business and other charges. These charges primarily consisted of: (i) a \$24 million net charge for exit costs, (ii) a \$23 million net charge for fixed asset impairments, and (iii) a \$20 million net charge for segment-wide employee separation costs, partially offset by a reversal of accruals no longer needed.

Segment Results—2002 Compared to 2001

In 2002, the segment's net sales decreased 2% to \$2.19 billion, compared to \$2.24 billion in 2001. Orders increased 7% to \$2.2 billion, compared to \$2.1 billion in 2001. The segment's backlog was \$308 million at December 31, 2002, compared to \$261 million at December 31, 2001.

In 2002, ACES, ESG and MCG represented 60%, 28% and 12% of the segment's net sales, respectively. In 2001, ACES, ESG, and MCG represented 50%, 29% and 21% of the segment's net sales, respectively.

During 2002, 63% of the segment's net sales were to four customers—19% to other Motorola businesses, 16% to General Motors, 14% to Ford and 14% to Daimler Chrysler. In 2001, 52% of the segment's net sales were to these four customers—25% to other Motorola businesses, 10% to Ford, 9% to Daimler Chrysler and 8% to General Motors.

In 2002 compared to 2001, ACES' net sales were up 18% and orders were up 24%, primarily due to: (i) the success of several new products launched during the year, (ii) the addition of new features on existing products, and (iii) increased usage of ACES' products in automobile production. MCG's 2002 net sales decreased 45% and orders decreased 27%, due to the continuing downturn in the telecommunications equipment industry, its primary market. ESG's 2002 net sales decreased 5% and orders decreased 1%.

The segment reported operating earnings of \$52 million in 2002, compared to an operating loss of \$171 million in 2001. The improvement in operating results was primarily related to: (i) benefits from cost-reduction activities, reflected in lower manufacturing costs and lower SG&A costs, and (ii) a decrease in reorganization of business and other charges. These improvements were partially offset by the 2% decline in net sales.

In 2002, the segment continued implementing major cost-reduction actions intended to improve its cost structure, refocus its long-term strategies and improve competitiveness. In 2002, the segment recorded net charges of \$58 million related to reorganization of business and other charges. These charges primarily consisted of: (i) a \$24 million net charge for exit costs, (ii) a \$23 million net charge for fixed asset impairments, and (iii) a \$20 million net charge for segment-wide employee separation costs, partially offset by a reversal of accruals no longer needed.

In 2001, the segment recorded net charges of \$159 million related to reorganization of business and other charges. These charges primarily consisted of: (i) \$103 million in net charges for segment-wide employee separation costs, (ii) a \$20 million charge for in-process research and

development relating to the acquisition of Blue Wave Systems, Inc., (iii) \$19 million in net charges for fixed asset impairments, and (iv) \$18 million in net charges for exit costs.

Broadband Communications Segment

The Broadband Communications segment (BCS) designs, manufactures and sells a wide variety of broadband products, including: (i) digital systems and set-top terminals for cable television networks, (ii) high speed data products, including cable modems and cable modem termination systems (CMTS), as well as Internet Protocol (IP)-based telephony products, (iii) hybrid fiber coaxial network transmission systems used by cable television operators, (iv) digital satellite television systems, (v) direct-to-home (DTH) satellite networks and private networks for business

Table of Contents

communications, and (vi) digital broadcast products for the cable and broadcast industries. In 2003, BCS net sales represented 6% of the Company's consolidated net sales, compared to 8% in 2002 and 9% in 2001.

(Dollars in millions)	Years Ended December 31			Percent Change	
	2003	2002	2001	2003 — 2002	2002 — 2001
Orders	\$1,709	\$1,695	\$2,868	1%	(41)%
Segment net sales	1,745	2,087	2,885	(16)%	(28)%
Operating earnings (loss)	48	(150)	195	***	***

***Percent change not meaningful

Segment Results—2003 Compared to 2002

In 2003, the segment's net sales declined 16% to \$1.7 billion, compared to \$2.1 billion in 2002. Orders increased 1% to \$1.71 billion, compared to \$1.70 billion in 2002. The segment's backlog was \$288 million at December 31, 2003, compared to \$324 million at December 31, 2002.

Demand for the segment's products depends primarily on: (i) capital spending by providers of cable services for constructing, rebuilding or upgrading their communications systems, and (ii) the marketing of advanced communications services by those providers. The amount of capital spending by cable providers, and therefore a majority of the segment's net sales, are affected by a variety of factors, including: (i) general economic conditions, (ii) the continuing trend of consolidation in the cable industry, (iii) and the financial condition of cable television system operators and alternative communications providers, including their access to financing. In 2003, the segment's customers significantly reduced their capital spending for the second consecutive year, primarily in an effort to reduce cost structures and improve their cash flow. This is reflected in lower purchases of digital set-top terminals, as well as a reduction in purchases of network transmission systems and equipment. The industry also experienced a reduction in average selling prices (ASP) for cable modems.

On a geographic basis, \$1.5 billion, or 84%, of the segment's net sales were in North America in 2003, compared to \$1.8 billion, or 85%, in 2002. Orders in the North America region were \$1.4 billion in both 2003 and 2002. Of the \$342 million decline in net sales in 2003, \$300 million was in North America. The decline in North America, and other regions, was driven by the decline in sales of digital set-top box units.

In 2003, net sales of digital set-top boxes decreased to \$911 million, compared to \$1.3 billion in 2002. Digital set-top box unit shipments were 4.9 million in 2003, down 17% from 5.9 million units in 2002. ASP for BCS's digital set-top boxes declined approximately 15% in 2003. The decline in unit shipments and ASP are consistent with the overall decline in the set-top box industry, and the segment retained its leading market share in North America.

In 2003, net sales of cable modems increased to \$242 million, compared to \$235 million in 2002. Cable modem unit shipments were 5.0 million in 2003, up 43% from 3.5 million units in 2002. ASP for cable modems decreased approximately 28% in 2003, primarily due to increased competition in low-end cable modems. The segment retained its leading worldwide market share in cable modems.

The segment is dependent upon a small number of customers for a significant portion of its

sales. A small number of large cable television multiple system operators (MSOs) own a large portion of the cable systems and account for a significant portion of the total capital spending in the cable equipment industry. Net sales to the segment's largest customer, Comcast, accounted for 40% of consolidated net sales of the segment in 2003.

The segment reported operating earnings of \$48 million in 2003, compared to an operating loss of \$150 million in 2002. The improvement in operating results was primarily related to a decrease in reorganization of business and other charges, partially offset by the decrease in gross margin, reflecting the 16% decline in net sales.

For the full year 2003, the segment recorded net charges of \$67 million related to reorganization of business and other charges. These charges primarily consisted of: (i) a \$73 million charge for impairment of goodwill related to the infrastructure business, partially offset by a reduction in accruals no longer needed, primarily related to segment-wide employee severance costs.

Table of Contents

68 MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

For the full year 2002, the segment recorded net charges of \$369 million related to reorganization of business and other charges. These charges primarily consisted of: (i) a \$325 million intangible asset impairment charge relating to a license to certain intellectual property that enables the Company to provide national authorization services for digital set-top terminals, (ii) a \$37 million net charge for segment-wide employee separation costs, and (iii) an \$11 million charge for in-process research and development related to the acquisition of Synchronous, Inc., partially offset by the recognition of a pension curtailment gain of \$13 million related to the General Instrument pension plan.

Segment Results—2002 Compared to 2001

In 2002, the segment's net sales declined 28% to \$2.1 billion, compared to \$2.9 billion in 2001. Orders declined 41% to \$1.7 billion, compared to \$2.9 billion in 2001. The decline in net sales and orders is indicative of the difficult conditions in the segment's industry during 2002. In addition, the reduction in orders reflects a shorter cycle time required for customer fulfillment. The segment's backlog was \$324 million at December 31, 2002, compared to \$716 million at December 31, 2001.

In 2002, the difficult economic environment continued to impact cable service providers, who saw declines in net digital subscriber additions. The providers responded by reducing capital spending in order to lower their cost structure, improve cash flow and reduce their significant debt levels. This was reflected in lower purchases of digital set-top terminals, as well as a reduction in purchases of network transmission systems and equipment. The industry also experienced a reduction in ASP for cable modems.

On a geographic basis, \$1.8 billion, or 85%, of the segment's net sales were in North America in 2002, compared to \$2.3 billion, or 81%, in 2001. Orders in the North America region were \$1.4 billion in 2002, compared to \$2.3 billion in 2001. The \$798 million decline in segment net sales in 2002 was primarily related to the decline in sales in North America of digital set-top box units.

In 2002, net sales of digital set-top boxes decreased to \$1.3 billion, compared to \$1.6 billion in 2001. Digital set-top box unit shipments were 5.9 million in 2002, down 18% from 7.2 million units in 2001. The decline in unit shipments is consistent with the overall decline in the set-top box industry, and the segment retained its leading market share in North America in 2002.

In 2002, net sales of cable modems decreased to \$235 million, compared to \$365 million in 2001. Cable modem unit shipments were 3.5 million in 2002, up 9% from 3.2 million units in 2001. ASP for cable modems decreased approximately 40% in 2002, due to increased competition in low-end cable modems.

The segment is dependent upon a small number of customers for a significant portion of its sales. Consolidation of MSOs continued in 2002, with Comcast Corporation acquiring AT&T Broadband to form the largest MSO in North America. The segment's combined sales to Comcast and AT&T Broadband in 2002 represented approximately 40% of the segment's net sales.

The segment incurred an operating loss in 2002 of \$150 million, compared to operating earnings of \$195 million in 2001. The decline in operating results was primarily related to: (i) a \$325 million intangible asset impairment charge relating to a license to certain intellectual property that enables the segment to provide national authorization services for digital set-top terminals, (ii) the 28% decline in net sales, and (iii) an increase in warranty expenditures due to a product recall. These items were partially offset by: (i) manufacturing cost reductions, including supply-chain savings, resulting in a higher gross margin as a percent of net sales, (ii) a decrease in R&D and SG&A expenditures, and (iii) a decrease in other overhead costs resulting

from the segment's facility consolidations and other cost-containment actions.

For the full year 2002, the segment recorded net charges of \$369 million related to reorganization of business and other charges. These charges primarily consisted of: (i) a \$325 million intangible asset impairment charge relating to a license to certain intellectual property that enables the Company to provide national authorization services for digital set-top terminals, (ii) a \$37 million net charge for segment-wide employee separation costs, and (iii) an \$11 million charge for in-process research and development related to the acquisition of Synchronous, Inc., partially offset by the recognition of a pension curtailment gain of \$13 million related to the General Instrument pension plan.

For the full year 2001, the segment recorded net charges of \$239 million related to reorganization of business and other charges. These charges primarily consisted of: (i) a \$53 million net charge for segment-wide employee

separation costs, (ii) a \$51 million charge for product portfolio simplification write-offs, (iii) \$42 million in charges for exit costs and fixed asset impairments, (iv) a \$33 million litigation settlement charge, and (v) a \$20 million charge for in-process research and development related to the acquisition of RiverDelta Networks Inc.

Other

Other is comprised of the Other Products segment and general corporate items. The Other Products segment includes: (i) Next Level Communications, Inc., which became a wholly-owned subsidiary of the Company in April 2003, (ii) various corporate programs representing developmental businesses and research and development projects, which are not included in any major segment, (iii) Motorola Credit Corporation (MCC), the Company's wholly-owned finance subsidiary, and (iv) the Company's holdings in cellular operating companies outside the U.S.

	Years Ended December 31			Percent Change	
	2003	2002	2001	2003 — 2002	2002 — 2001
<i>(Dollars in millions)</i>					
Segment net sales	\$ 435	\$ 486	\$ 755	(10)%	(36)%
Operating loss	(97)	(419)	(1,210)	77%	65%

Segment Results—2003 Compared to 2002

In 2003, the segment's net sales decreased 10% to \$435 million, compared to \$486 million in 2002.

The segment incurred an operating loss of \$97 million in 2003, compared to an operating loss of \$419 million in 2002. The improvement in operating results was primarily related to a decrease in reorganization of business and other charges, and the benefits from cost-reduction activities.

For the full year 2003, the segment recorded net income of \$151 million related to reorganization of business and other charges. This net income primarily consisted of: (i) income of \$100 million for Iridium vendor termination settlements and the related reversal of accruals no longer needed, and (ii) income of \$69 million from the reversal of accruals no longer needed due to a settlement with the Company's insurer on items related to previous environmental claims.

For the full year 2002, the segment recorded net charges of \$34 million related to reorganization of business and other charges. These net charges primarily consisted of: (i) \$56 million in net charges for fixed asset impairments, (ii) \$46 million in net charges for segment-wide employee separation costs, and (iii) \$16 million in net charges for exit costs, partially offset by: (i) income of \$63 million for Iridium vendor termination settlements and the related reduction of accruals no longer needed, and (ii) income of \$24 million for the reduction of accruals no longer needed due to the settlement with the Company's insurer on items related to previous environmental claims.

In April 2003, Motorola announced that it had completed its cash tender offer of \$1.18 per share for all remaining outstanding shares of common stock of Next Level Communications, Inc. (Next Level), a leading provider of high speed data, video and voice broadband systems over existing phone lines. Motorola acquired the remaining ownership of Next Level through a short-

form merger and Next Level is now a wholly-owned subsidiary of Motorola. The total purchase price to Motorola to acquire the approximately 26% of Next Level that it did not own at the initiation of the tender offer was approximately \$35 million.

Segment Results—2002 Compared to 2001

In 2002, the segment's net sales decreased 36% to \$486 million, compared to \$755 million in 2001. The decrease in net sales is primarily attributed to the sale of several cellular operating companies outside the U.S. and the sale of the Company's former Multiservice Networks Division (MND) in 2001.

The Company sold MND, a provider of end-to-end managed network systems, which was included in the Other Products segment, in 2001. Net sales and the operating loss for MND in 2001 were approximately \$97 million and \$16 million, respectively.

The segment incurred an operating loss of \$419 million in 2002, compared to an operating loss of \$1.2 billion in 2001. The decrease in the operating loss was primarily related to a decrease in reorganization of business and other charges, and the benefits from cost-reduction activities.

Table of Contents

70	<u>MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS</u>
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For the full year 2002, the segment recorded net charges of \$34 million related to reorganization of business and other charges. These net charges primarily consist of: (i) \$56 million in net charges for fixed asset impairments, (ii) \$46 million in net charges for segment-wide employee separation costs, and (iii) \$16 million in net charges for exit costs, partially offset by: (i) income of \$63 million for Iridium vendor termination settlements and the related reduction of accruals no longer needed, and (ii) income of \$24 million for the reduction of accruals no longer needed due to the settlement with the Company's insurer on items related to previous environmental claims.

For the full year 2001, the segment recorded net charges of \$804 million related to reorganization of business and other charges. These charges primarily related to: (i) a \$365 million charge related to an unfavorable court ruling in litigation involving the Company's guarantee of a credit agreement for Iridium LLC, (ii) \$116 million in net charges for segment-wide employee separation costs, (iii) an \$81 million charge for goodwill impairments, primarily related to the Internet Software and Content Group, (iv) a \$77 million charge for segment-wide exit costs, (v) a \$50 million charge relating to potentially uncollectible finance receivables, and (vi) a \$29 million net charge for fixed asset impairments.

Significant Accounting Policies

Management's Discussion and Analysis of Financial Condition and Results of Operations discusses the Company's consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period.

Management bases its estimates and judgments on historical experience, current economic and industry conditions and on various other factors that are believed to be reasonable under the circumstances. This forms the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. Management believes the following critical accounting policies require significant judgment and estimates:

- Valuation of investments and long-lived assets
- Restructuring activities
- Allowance for losses on finance receivables
- Retirement-related benefits
- Long-term contract accounting
- Deferred tax asset valuation
- Inventory valuation reserves

Valuation of Investments and Long-Lived Assets

The Company assesses the impairment of investments and long-lived assets, which includes identifiable intangible assets, goodwill and property, plant and equipment, whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Factors

considered important which could trigger an impairment review include: (i) underperformance relative to expected historical or projected future operating results; (ii) changes in the manner of use of the assets or the strategy for our overall business; (iii) negative industry or economic trends; (iv) declines in stock price of an investment for a sustained period; and (v) our market capitalization relative to net book value.

When the Company determines that the carrying value of intangible assets, goodwill and long-lived assets may not be recoverable, an impairment charge is recorded. Impairment is generally measured based on a projected discounted cash flow method using a discount rate determined by our management to be commensurate with the risk inherent in our current business model or prevailing market rates of investment securities, if available.

Table of Contents

At December 31, 2003 and 2002, the net book values of these assets were as follows (in millions):

<i>December 31</i>	<i>2003</i>	<i>2002</i>
Property, plant and equipment	\$ 5,164	\$6,104
Investments	3,335	2,053
Intangible assets	184	232
Goodwill	1,416	1,375
	<u>\$10,099</u>	<u>\$9,764</u>

Beginning in late 2000 and continuing through 2003, as a result of the Company initiative to consolidate manufacturing and administration operations and exit businesses, impairment reviews were performed. Based upon these reviews, management determined that various long-lived and intangible assets had been impaired. The Company recorded fixed asset impairment charges of \$27 million in 2003 and \$1.4 billion in 2002. The 2003 charges primarily related to certain equipment that was deemed to be impaired, primarily in the Semiconductor Products segment, and for information technology equipment in General Corporate. The 2002 charges primarily related to the impairment of specific manufacturing facilities in the Semiconductor Products segment.

As a result of the downturn of the worldwide economic environment and capital markets, the Company recorded impairment charges related to its investment portfolio of \$96 million and \$1.3 billion in 2003 and 2002, respectively. These impairment charges represent other-than-temporary declines in the value of the Company's investment portfolio. The \$96 million impairment charge in 2003 is primarily comprised of a \$29 million charge to write down to zero the Company's debt security holding in a European cable operator and other cost-based investment writedowns. The \$1.3 billion impairment charge in 2002 was primarily comprised of charges to write down the value of the Company's investment in Nextel Communications, Inc. and its investments in several cable operating companies. Additionally, the available-for-sale securities portfolio reflected a net pre-tax unrealized gain position of \$2.4 billion at December 31, 2003, compared to a net pre-tax unrealized gain position of \$953 million at December 31, 2002.

The Company adopted Statement of Financial Accounting Standards ("SFAS") No. 142, "Goodwill and Other Intangible Assets," on January 1, 2002. As a result, the Company has ceased amortizing goodwill. On October 1, 2003, the date of the annual impairment review, the Company determined that the impairment of \$73 million of goodwill relating to the infrastructure reporting unit of the Broadband Communications segment was appropriate. There were no goodwill impairments in 2002.

The Company cannot predict the occurrence of future impairment-triggering events nor the impact such events might have on these reported asset values. Such events may include strategic decisions made in response to the economic conditions relative to product lines or operations and the impact of the economic environment on our customer base.

Restructuring Activities

Beginning in 2000 and through 2002, the Company announced plans to reduce its workforce, discontinue product lines, exit businesses and consolidate manufacturing operations. The Company initiated these plans in an effort to reduce costs and simplify its product portfolio. Net restructuring charges under these plans have been approximately \$6.3 billion during the period from 2000 through 2003, covering employee separation costs and exit costs based on estimates

prepared at the time the restructuring plans were approved by management. Exit costs primarily consist of future minimum lease payments on vacated facilities and facility closure costs. Employee separation costs consist primarily of severance payments to terminated employees.

At each reporting date, the Company evaluates its accruals for exit costs and employee separations to ensure that the accruals are still appropriate. In certain circumstances, accruals are no longer required because of efficiencies in carrying out the plans or because employees previously identified for separation resigned from the Company and did not receive severance or were redeployed due to circumstances not foreseen when the original plans were initiated. The Company reverses accruals to income when it is determined they are no longer required.

Allowance for Losses on Finance Receivables

The Company has historically provided financing to certain customers in connection with sizeable purchases of the Company's infrastructure equipment. Financing provided has included all or a portion of the equipment purchase price, as well as working capital for certain purchasers.

Table of Contents

72 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Gross financing receivables were \$2.4 billion at December 31, 2003 and \$2.7 billion at December 31, 2002, with an allowance for losses on these receivables of \$2.1 billion and \$2.3 billion, respectively. Of the receivables at December 31, 2003, \$2.2 billion (\$133 million, net of allowance for losses of \$2.1 billion) were considered impaired based on management's determination that the Company will be unable to collect all amounts due according to the contractual terms of the relevant agreement. By comparison, impaired receivables at December 31, 2002 were \$2.5 billion (\$286 million, net of allowance for losses of \$2.2 billion).

At December 31, 2003 and 2002, the Company had \$2.0 billion of gross receivables from one customer, Telsim. As a result of difficulties in collecting the amounts due from Telsim, the Company has previously recorded charges reducing the net receivable from Telsim to zero.

Management periodically reviews customer account activity in order to assess the adequacy of the allowances provided for potential losses. Factors considered include economic conditions, collateral values and each customer's payment history and credit worthiness. Adjustments, if any, are made to reserve balances following the completion of these reviews to reflect management's best estimate of potential losses. The resulting net finance receivable balance is intended to represent the estimated realizable value as determined based on: (i) the fair value of the underlying collateral, if the receivable is collateralized, or (ii) the present value of expected future cash flows discounted at the effective interest rate implicit in the underlying receivable.

Retirement-Related Benefits

The Company accounts for its pension benefits and its postretirement health care benefits using actuarial models required by SFAS No. 87, "Employers' Accounting for Pensions" and SFAS No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions", respectively. These models use an attribution approach that generally spreads individual events over the service lives of the employees in the plan. Examples of "events" are plan amendments and changes in actuarial assumptions such as discount rate, expected long-term rate of return on plan assets, and rate of compensation increases. The principle underlying the required attribution approach is that employees render service over their service lives on a relatively consistent basis and, therefore, the income statement effects of pension benefits or postretirement health care benefits are earned in, and should be expensed in, the same pattern.

There are various assumptions used in calculating the net periodic benefit expense and related benefit obligations. One of these assumptions is the expected long-term rate of return on plan assets. The required use of expected long-term rate of return on plan assets may result in recognized pension income that is greater or less than the actual returns of those plan assets in any given year. Over time, however, the expected long-term returns are designed to approximate the actual long-term returns and therefore result in a pattern of income and expense recognition that more closely matches the pattern of the services provided by the employees. Differences between actual and expected returns are recognized in the net periodic pension calculation over five years.

The Company uses long-term historical actual return experience with consideration of the expected investment mix of the plans' assets, as well as future estimates of long-term investment returns to develop its expected rate of return assumption used in calculating the net periodic pension cost and the net retirement healthcare expense. The Company's investment return assumption for the Regular Pension Plan and Postretirement Health Care Benefits Plan was 8.50% in both 2003 and 2002. The investment return assumption for the Officers' Pension Plan was 6.00% in both 2003 and 2002.

A second key assumption is the discount rate. The discount rate assumptions used for pension benefits and postretirement health care benefits accounting reflects, at December 31 of each year, the prevailing market rates for high-quality, fixed-income debt instruments that, if the

obligation was settled at the measurement date, would provide the necessary future cash flows to pay the benefit obligation when due. The Company's discount rate for obligations was 6.50% in 2003, compared to 6.75% in 2002.

A final set of assumptions involves the cost drivers of the underlying benefits. The rate of compensation increase is a key assumption used in the actuarial model for pension accounting and is determined by the Company based upon its long-term plans for such increases. In both 2003 and 2002, the Company's rate for future compensation increase was 4.00% for non-officer employees and 3.00% for officers. For retiree medical plan accounting, the Company reviews external data and its own historical trends for health care costs to determine the

health care cost trend rates. Based on this review, the health care cost trend rate used to determine the December 31, 2003 accumulated postretirement benefit obligation was 11% for 2004 with a declining trend rate of 1% each year until it reaches 5% by 2010, with a flat 5% rate for 2010 and beyond.

Negative financial market returns during 2000-2002 have resulted in a decline in the fair-market value of plan assets. This, when combined with declining discount rate assumptions in the last several years, has resulted in a decline in the funded status of the Company's domestic and certain non-U.S. plans. Consequently, the Company's accumulated benefit obligation for various plans exceeded the fair-market value of the plan assets for these plans at December 31, 2003. As required by SFAS No. 87, the Company recorded a non-cash, after-tax, net charge of \$182 million to equity relating to the Regular Pension Plan, the Officers' Pension Plan, and certain non-U.S. subsidiaries retirement programs in the fourth quarter of 2003. This charge was included in Non-Owner Changes to Equity in the consolidated balance sheets, and did not impact the Company's pension expense, earnings or cash contribution requirements in 2003.

For the Regular Pension Plan, the Company currently estimates 2004 expenses will be approximately \$170 million, as compared to an actual expense of \$137 million in 2003 and \$72 million in 2002. The increase in the 2004 Regular Pension Plan expense compared to 2003 is due to the change in discount rate and recognition of prior losses. In 2003, the Regular Pension Plan expense increased compared to 2002, primarily due to an expected decline in the return on plan assets which have been affected by the negative financial market returns during the period of 2000 to 2002. A cash contribution of \$200 million was made to the Regular Pension Plan in 2003. The Company expects to make a cash contribution of between \$150 million and \$250 million to this plan during 2004.

For the Postretirement Health Care Benefits Plan, the Company currently estimates 2004 expenses will be approximately \$50 million, as compared to an actual expense of \$43 million in 2003 and \$38 million in 2002. The increase in the 2004 Postretirement Health Care Benefits Plan expense compared to 2003 is due to the change in discount rate and recognition of prior losses. The Company has partially funded its accumulated benefit obligation of \$757 million with Plan assets valued at \$218 million at December 31, 2003. No cash contributions were required in 2003, 2002 or 2001, nor is there a contribution planned for 2004.

The impact on the future financial results of the Company in relation to retirement-related benefits is dependent on economic conditions, employee demographics, interest rates and investment performance. The Company's measurement date of its plan assets and obligations is December 31. Thus, during the fourth quarter of each year, management reviews and, if necessary, adjusts the assumptions associated with its benefit plans.

Long-Term Contract Accounting

The Company applies the percentage-of-completion methodology as stated in Statement of Position 81-1 "Accounting for Performance of Construction-Type and Certain Production-Type Contracts" to recognize revenues on various long-term contracts involving proven technologies. These contracts primarily involve the design, engineering, manufacturing, and installation of wireless infrastructure communication systems by GTSS and two-way radio voice and data systems by CGISS. These systems are designed to meet specific customer specifications and typically require an extended period of time to construct.

The Company executes contracts with customers that describe the equipment and system specifications to be delivered, including the consideration to be received. Revenue is recognized as work progresses on each contract and is based on the percentage of costs incurred to date compared to the total estimated contract costs. Estimates of total contract costs and progress toward completion of each contract are prepared using estimates and judgments based on

historical experience and on other factors believed to be relevant under the circumstances. Management regularly assesses normal, recurring business risks and uncertainties inherent in these customer contracts and considers the impact, if any, of these uncertainties in the preparation of contract estimates. These uncertainties may include system performance and implementation delays resulting from events both within and outside the control of the Company. Losses on individual contracts, if any, are recognized during the period in which the loss first becomes evident.

Changes in these estimates could negatively impact the Company's operating results. In addition, unforeseen conditions could arise over the contract term that may have a significant impact on the operating results. It is reasonably likely that different operating results would be reported if the Company used other acceptable revenue recognition methodologies, such as the completed-contract method, or applied different assumptions.

Table of Contents

74	<u>MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS</u>
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Deferred Tax Asset Valuation

The Company recognizes deferred tax assets and liabilities based on the differences between the financial statement carrying amounts and the tax bases of assets and liabilities. The Company regularly reviews its deferred tax assets for recoverability and establishes a valuation allowance based on historical taxable income, projected future taxable income, the expected timing of the reversals of existing temporary differences and the implementation of tax-planning strategies. If the Company is unable to generate sufficient future taxable income in certain tax jurisdictions, or if there is a material change in the actual effective tax rates or time period within which the underlying temporary differences become taxable or deductible, the Company could be required to increase its valuation allowance against its deferred tax assets resulting in an increase in its effective tax rate and an adverse impact on operating results.

At December 31, 2003 and 2002, the Company's deferred tax assets related to U.S. tax carryforwards were \$1.1 billion and \$756 million, respectively. The tax carryforwards are comprised of net operating loss carryforwards, foreign tax credit and other tax credit carryovers. A majority of the net operating losses and other tax credits can be carried forward for 20 years. The foreign tax credits can be carried forward for five years with a portion expiring, if unused, in 2006. During 2003 the Company recorded a \$41 million valuation allowance against certain state net operating loss carryforwards that had carryforward periods of seven years or less and are scheduled to expire in 2004 through 2010.

The deferred tax asset for U.S. tax carryforwards, with the exception of the state net operating loss carryforwards scheduled to expire in 2004 through 2010, is determined to be realizable based on management's estimates of future taxable income and the implementation of certain tax-planning strategies. As a result, no additional valuation allowance has been provided. Should the Company fail to generate enough taxable income in future years, a portion of the tax carryforwards could expire unused, which would cause an increase in the Company's effective tax rate. In addition, certain non-U.S. subsidiaries, primarily in Germany, Japan and the UK, have generated tax loss carryforwards resulting in gross deferred tax assets of \$725 million at December 31, 2003. Due to the uncertainty in these countries as to the realizability of these amounts, management has provided a valuation allowance of \$632 million at December 31, 2003, resulting in net non-U.S. subsidiary deferred tax assets of \$93 million. The increase in the non-U.S. subsidiaries gross deferred tax assets for tax carryforwards and the offsetting valuation allowances were predominately the result of currency fluctuations.

In October of 2003, the Company announced that it intends to move its semiconductor operations into a separate, publicly-traded company. In December 2003, a registration statement was filed with the Securities and Exchange Commission (SEC) relating to a proposed initial public offering (IPO) of stock of Freescale Semiconductor, Inc. (Freescale), the name given to the new entity that would be comprised of the Company's semiconductor operations. The registration statement is currently being reviewed by the SEC and, accordingly, there is no way to know when, or if, such an IPO may occur. In connection with the proposed IPO, provided the underlying valuation of the stock exceeds its book value, the Company would realize a gain upon the sale of the stock. This gain would be reflected directly in stockholders' equity.

The Company would expect to include Freescale's results in the Company's consolidated financial statements for a period of time after the consummation of the proposed IPO. If the occurrence of the IPO becomes more likely than not, the Company will need to reevaluate the portion of its deferred tax assets that is related to its semiconductor operations. Based on currently-available information relating to the deferred tax assets and the currently proposed structure of the IPO, the Company estimates that if, and at such time as, the IPO becomes more likely than not, Freescale would be required to provide a sizeable valuation allowance covering the deferred tax assets related to the semiconductor operations. It is anticipated that the non-cash charge associated with this valuation allowance, if required, would be reflected in the

Company's consolidated statements of operations and would be material to the Company's financial results. The completion of the IPO and the subsequent distribution of Freescale shares to Motorola stockholders is subject to many conditions, including final approval of the Motorola board of directors, suitable market conditions and regulatory and governmental approvals. Market conditions and other factors could result in, among other things, a delay to the IPO or pursuit of alternative transactions to effect the separation of SPS. If the IPO is not completed, the Company would not need to provide for the deferred tax asset valuation allowance as described above.

Inventory Valuation Reserves

The Company records valuation reserves on its inventory for estimated obsolescence or unmarketability. The amount of the reserve is equal to the difference between the cost of the inventory and the estimated market value based upon assumptions about future demand and market conditions. On a quarterly basis, management in each segment performs an analysis of the underlying inventory to identify reserves needed for excess and obsolescence and for the remaining inventory assesses the net realizable value. Management uses its best judgment to estimate appropriate reserves based on this analysis.

Net Inventories consisted of the following:

<i>December 31</i>	<i>2003</i>	<i>2002</i>
Finished goods	\$1,069	\$ 1,131
Work-in-process and production materials	2,459	2,742
	<u>3,528</u>	<u>3,873</u>
Less inventory reserves	(736)	(1,004)
	<u>\$2,792</u>	<u>\$ 2,869</u>

The Company balances the need to maintain strategic inventory levels to ensure competitive delivery performance to its customers with the risk of inventory obsolescence due to rapidly changing technology and customer requirements. As indicated above, the Company's inventory reserves represented 21% and 26% of the gross inventory balance at December 31, 2003 and 2002, respectively. These reserve levels are maintained by the Company to provide for unique circumstances facing our businesses. The Company has inventory reserves for pending cancellations of product lines due to technology changes, long-life cycle products, lifetime buys at the end of supplier production runs, business exits, and a shift of production to outsourcing.

The decline in the reserve balance in 2003 compared to 2002 primarily relates to scrapping of excess and obsolete inventory with the appropriate reduction in the related gross inventory balance. If actual future demand or market conditions are less favorable than those projected by management, additional inventory writedowns may be required. Likewise, as with other reserves based on management's judgment, if the reserve is no longer needed, amounts are reversed into income. There were no significant reversals into income of this type in 2003.

Recent Accounting Pronouncements

In May 2003, the FASB issued Statement No. 150, "Accounting for Certain Financial Instruments with Characteristics of Both Liabilities and Equity". Statement 150 requires that certain financial instruments with characteristics of both liabilities and equity be classified as a liability. In November 2003, the FASB deferred application of certain provisions of Statement 150 through FASB Staff Position (FSP) 150-3 which eliminates the disclosure requirements for certain mandatorily redeemable instruments and prohibits early adoption for instruments within the scope of the deferrals established by FSP 150-3. As a result of FSP 150-3, the Company does not expect the adoption of this statement will have a material impact on the Company's financial position, results of operations or cash flows.

In January 2003, the FASB issued Interpretation No. 46, "Consolidation of Variable Interest Entities (FIN 46)," and in December 2003, issued a revision to FIN 46. FIN 46 is an effort to expand upon and strengthen existing accounting guidance as to when a company should consolidate the financial results of another entity. Interpretation 46 requires "variable interest

entities" as defined to be consolidated by a company if that company is subject to a majority of expected losses of the entity or is entitled to receive a majority of expected residual returns of the entity, or both. The company that is required to consolidate a variable interest entity is referred to as the entity's primary beneficiary. The interpretation also requires certain disclosures about variable interest entities that a company is not required to consolidate, but in which it has a significant variable interest.

The consolidation and disclosure requirements apply immediately to variable interest entities created after January 31, 2003. For all created prior to February 1, 2003, FIN 46 is effective as of March 31, 2004, except for entities that are considered Special Purpose Entities, to which the provisions apply as of December 31, 2003.

The Company is not the primary beneficiary of any variable interest entities created after February 1, 2003, nor does the Company expect the final adoption of this statement to have a material impact on its results of operations.

Table of Contents

Reclassifications of 2002 and 2001 financial information in 2003

As described in a Form 8-K filed on April 8, 2003, the Company made changes in the presentation format of its financial statements in order to align more closely with the financial statement presentation of other technology companies. In doing so, the Company reclassified royalty income and certain expenses between statement lines in its Consolidated Statement of Operations. The statement lines that were adjusted include Net Sales, Costs of Sales, Selling General and Administrative (SG&A) expenses and Research and Development (R&D) expenditures. As a result, reclassifications have been made to the 2002 and 2001 financial information. These reclassifications did not change the Company's operating earnings (loss), net earnings (loss) or earnings (loss) per share for these periods.

Business Risk Factors

Except for historical matters, the matters discussed in this Form 10-K are forward-looking statements that involve risks and uncertainties. Forward-looking statements include, but are not limited to, statements under the following headings: (1) "Personal Communications Segment," about industry growth with the transition to 3G technologies, the impact of the segment's strategy, the impact from the loss of key customers, the timing and impact of new product introductions, the allocation and regulation of frequencies, component shortages, the availability of supplies and labor, the seasonality of the business and the location of product manufacturing; (2) "Semiconductor Products Segment," about the impact of the segment's business strategy, plans to move the Company's semiconductor operations into a separate, publicly-traded company, plans to license intellectual property, impact from the loss of key customers, and the availability of supplies and labor; (3) "Global Telecom Solutions Segment," about the significance of the addition of soft switch technology, the timing and volume of the build-out of next-generation infrastructure systems, the impact from the loss of key customers, vendor financing, the allocation and regulation of frequencies and the availability of supplies and labor; (4) "Commercial, Government and Industrial Solutions Segment," about the impact of mega-systems, including on our competitive position, the impact of the U.S. Homeland Security Department and government budget levels, the segment's growth platform, the impact from the loss of key customers, allocation and regulation of frequencies, and the availability of supplies and labor; (5) "Integrated Electronic Systems Segment," about the impact from the loss of key customers, the impact of the segment's strategy, and the availability of supplies and labor; (6) "Broadband Communications Segment," about future sales of CMTS products, the availability of digital televisions that will not require a digital set-top box, the impact from the loss of key customers, the impact of competitive changes, the impact of regulatory matters, and the availability of supplies and labor; (7) "Other Information," about the impact from the loss of key customers, competitiveness through research and development and utilization of technology; (8) "Legal Proceedings," about the ultimate disposition of pending legal matters; (9) "Management's Discussion and Analysis", about: (a) the success of our business strategy in producing improved operating results, (b) future payments, charges, use of accruals and expected cost-saving benefits associated with our reorganization of businesses programs, (c) the Company's ability and cost to repatriate funds, (d) future cash contributions to pension plans or retiree health benefit plans, (e) outstanding commercial paper balances, (f) redemptions and repurchases of outstanding securities, (g) the Company's ability and cost to access the capital markets, (h) the adequacy of reserves relating to long-term finance receivables and other contingencies, (i) expected payments pursuant to commitments under long-term agreements, (j) the outcome of ongoing and future legal proceedings, including without limitation, those relating to Iridium and Telsim, (k) the outcome of the Company's plans to transfer its semiconductor operations into a separate, publicly-traded company, including without limitation any gains that would be realized and any valuation allowances that may be triggered, (l) the impact to GTSS from adding soft-switch technology, (m) the impact on CGISS of the trend towards mega-systems, and (n) the impact of recent accounting pronouncements on the Company; and (10) "Quantitative and Qualitative Disclosures about Market Risk", about: (a) the impact of foreign currency exchange risks, (b) future hedging activity and expectations of

the Company, and (c) the ability of counterparties to financial instruments to perform their obligations.

We wish to caution the reader that the following important business risks and factors, and those business risks and factors described elsewhere in this report or our other Securities and Exchange Commission filings, could cause our actual results to differ materially from those stated in the forward-looking statements.

Our future operating results depend on our ability to purchase a sufficient amount of materials, parts and components to meet the demands of our customers.

Our ability to meet customer demands depends, in part, on our ability to obtain timely and adequate delivery of materials, parts and components from our suppliers and internal manufacturing capacity. We have experienced

Table of Contents

shortages in the past, including shortages in 2003 of a key component for wireless handsets, that have adversely affected our operations. Although we work closely with our suppliers to avoid these types of shortages, there can be no assurances that we will not encounter these problems in the future. A reduction or interruption in supplies, or a significant increase in the price of one or more supplies, could have a material adverse effect on our businesses.

Our businesses have and continue to purchase a large portion of the semiconductors used in their products from our internal semiconductor business, SPS. We are currently in the process of separating this business into a new company and we anticipate that at some point in the near future Motorola will have no ownership in this new, separate company. The change in this relationship from internal supplier to external supplier may negatively impact this important supplier relationship and could have a material adverse effect on the semiconductor business or the Motorola businesses to which it provides products.

The demand for our products depends in large part on the continued growth of the industries in which we participate. A market decline in any one of these industries could have an adverse effect on our business.

Our business was very negatively impacted by the economic recession and the "dot.com" and telecom bust that began in the latter part of 2000. We incurred sizeable net losses in 2001 and 2002. The rate at which the portions of telecommunications industry and the semiconductor industry in which we participate improve is critical to our ability to improve our overall financial performance.

Our customers and our manufacturing facilities are located throughout the world, and as a result, we face risks that other companies that are not global may not face.

Our customers are located throughout the world and more than half of our net sales are outside of the U.S. In addition, we have many manufacturing, administrative and sales facilities outside the U.S., more than half of our products are manufactured outside the U.S. and, approximately 55% of our employees are employed outside the U.S.

As with all companies that have sizeable sales and operations outside the U.S., we are exposed to risks that could negatively impact sales and/or profitability, including but not limited to: (1) tariffs and trade barriers; (2) regulations related to customs and import/export matters; (3) longer payment cycles; (4) tax issues, such as tax law changes and that the tax laws can vary from country to country and as compared to the U.S.; (5) currency fluctuations; (6) challenges in collecting accounts receivable; (7) cultural and language differences; and (8) employment regulations.

Many of our products that are manufactured outside of the U.S. are manufactured in Asia. In particular, we have sizeable operations in China, including manufacturing operations, and 10% of our net sales are made in China. The legal system in China is still developing and is subject to change. Accordingly, our operations and orders for products in China could be adversely impacted by changes to or interpretation of Chinese law. Further, if manufacturing in the region is disrupted, our overall capacity could be significantly reduced and sales and/or profitability could be negatively impacted.

If the quality of our products does not meet our customers' expectations, then our sales and operating earnings, and ultimately our reputation, could be adversely affected.

Occasionally, some of the products we sell have quality issues resulting from the design or manufacture of the product, or from the software used in the product. Often these issues are identified prior to the shipment of the products and may cause delays in shipping products to

customers, or even the cancellation of orders by customers. Sometimes, we discover quality issues in the products after they have been shipped to our distributors or end-user customers, requiring us to resolve such issues in a timely manner that is least disruptive to our customers. Such pre-shipment and post-shipment quality issues can have legal and financial ramifications, including: delays in the recognition of revenue, loss of revenue and/or future orders, customer-imposed penalties on Motorola for failure to meet contractual shipment deadlines, increased costs associated with repairing or replacing products, and a negative impact on our goodwill and brand name reputation.

In some cases, if the quality issue affects the product's safety or regulatory compliance, then such a "defective" product may need to be recalled. Depending on the nature of the defect and the number of products in the field, a

Table of Contents

78 MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

recall can incur substantial recall costs, in addition to the costs associated with the potential loss of future orders, and the damage to the Company's goodwill or brand/reputation. In addition, the Company may be required, under certain customer contracts, to pay damages for failed performance that might exceed the revenue that the Company receives from the contracts. Recalls involving regulatory agencies can also result in fines and additional costs. Finally, recalls can result in third-party litigation, including class action litigation by persons alleging common harm resulting from the purchase of the products.

We operate in highly competitive markets and our financial results will be affected if we are not able to compete effectively.

The markets for our products are highly competitive with respect to, among other factors: pricing, product and service quality, and the time to introduce new products and services. We are constantly exposed to the risk that our competitors may implement new technologies before we do, or may offer lower prices, additional products or services or other incentives that we cannot or will not match or do not offer. We can give no assurances that we will be able to compete successfully against existing or future competitors.

The uncertainty of current economic and political conditions make budgeting and forecasting difficult and may reduce demand for our products.

Current conditions in the domestic and global economies are extremely uncertain. The terrorist attacks in 2001, the U.S. involvement in Iraq and other global conflicts, including in the Middle East, have created many economic and political uncertainties that have severely impacted the global economy. As a result, it is difficult to estimate the level of growth for the economy as a whole. It is even more difficult to estimate growth in various parts of the economy, including the markets in which we participate. Because all components of our budgeting and forecasting are dependent upon estimates of growth in the markets we serve and demand for our products, the prevailing economic uncertainties render estimates of future income and expenditures even more difficult than usual to make.

The future direction of the overall domestic and global economies will have a significant impact on our overall performance. The potential for future terrorist attacks, increased global conflicts and the escalation of existing conflicts has created worldwide uncertainties that have negatively impacted, and may continue to negatively impact, demand for our products.

We have taken, and continue to take, cost reduction actions. Our ability to complete these actions and the impact of such actions on our business may be limited by a variety of factors. The cost reduction actions, in turn, may expose us to additional production risk and have an adverse effect on our sales and profitability.

Since the second half of 2000, we have been reducing costs and simplifying our product portfolios in all of our businesses. We have discontinued product lines, exited businesses, consolidated manufacturing operations and reduced our employee population.

The impact of these cost-reduction actions on our sales and profitability may be influenced by factors including but not limited to: (1) our ability to successfully complete these ongoing efforts; (2) our ability to generate the level of cost savings we expect and/or that are necessary to enable us to effectively compete; (3) our ability to retain or recruit key employees; (4) the appropriateness of the size of our manufacturing capacity, including capacity from third parties; and (5) the performance of other parties under outsourcing arrangements on which we rely for the manufacture of certain products, parts and components.

An important cost-reduction action has been to reduce the number of our facilities, including manufacturing facilities. All of our businesses have exited certain facilities and/or consolidated

facilities so that our products are manufactured in fewer facilities. While we have business continuity and risk management plans in place in case capacity is significantly reduced or eliminated at a given facility, the reduced number of alternative facilities could cause the period of any manufacturing disruptions to be longer. As a result, we could have difficulties fulfilling our orders and our sales and profits could decline.

Another cost-reduction action has been to develop outsourcing arrangements for the design and/or manufacture of certain products, parts and components. If these third parties fail to deliver quality products, parts and components on time and at reasonable prices, we could have difficulties fulfilling our orders and our sales and profits could decline.

We may not continue to have access to the capital markets to obtain long-term and short-term financing on acceptable terms and conditions, particularly if our credit ratings are further downgraded.

From time to time we access the long-term and short-term capital markets to obtain financing. Although we believe that we can continue to access the capital markets in 2004 on acceptable terms and conditions, our flexibility with regard to long-term financing activity could be limited by the Company's current levels of outstanding debt and our credit ratings. In addition, many of the factors that affect our ability to access the capital markets, such as the liquidity of the overall capital markets and the current state of the economy, including the telecommunications and semiconductor industries, are outside of our control. There can be no assurances that we will continue to have access to the capital markets on terms acceptable to the Company.

Our credit ratings have been downgraded several times over the last three years, most recently by Moody's Investor Service ("Moody's") on October 10, 2003. While we still maintain an investment grade credit rating, if our rating by Moody's were to decline one level from the current rating, we would no longer be considered investment grade. As a result, our financial flexibility would be reduced and our cost of borrowing would increase. Some of the factors that impact our credit ratings, including the overall economic health of the telecommunications and semiconductor industries, are outside of our control. There can be no assurances that our current credit ratings will continue.

Our commercial paper is rated "A-2/P-3/F-2". Given the much smaller size of the market for commercial paper rated "A-2/P-3/F2" and the number of large commercial paper issuers in this market, commercial paper or other short-term borrowings may be unavailable or of limited availability to participants in this market. Although we continue to issue commercial paper, we have greatly reduced it as a funding source. There can be no assurances that we will continue to have access to the commercial paper markets on terms acceptable to the Company.

We may not be able to borrow funds under our credit facilities if we are not able to meet the conditions to borrowing in those facilities or renew on acceptable terms our one-year facility that expires in May 2004.

We view our existing one-year and three-year revolving domestic credit facilities as sources of available liquidity. These facilities contain various conditions, covenants and representations with which we must be in compliance in order to borrow funds. We have never borrowed under these facilities. If we wish to borrow under these facilities in the future, there can be no assurance that we will be in compliance with these conditions, covenants and representations. By its terms, the one-year credit facility expires in May 2004. We anticipate renewing the facility on terms at least as favorable as the existing facility, but there can be no assurances of renewal or the terms on which we renew.

We have valuable deferred tax assets that we may not be able to use under certain circumstances.

If the Company is unable to generate sufficient future taxable income in certain jurisdictions, or if there is a significant change in the actual effective tax rates or the time period within which the underlying temporary differences become taxable or deductible, the Company could be required to increase its valuation allowance against its deferred tax assets resulting in an increase in its effective tax rate and an adverse impact on future operating results.

The Company may be required to take a non-cash charge related to the reevaluation of the deferred tax assets of our semiconductor business in connection with the proposed move of its semiconductor operations into a separate, publicly-traded company. This charge, which would be required if the initial public offering of stock of the new entity comprised of the Company's

semiconductor operations becomes more likely than not, would be reflected in the Company's consolidated statements of operations and would be material to the Company's financial results.

Our success depends in part on our timely introduction of new products and technologies and our results can be impacted by our significant investments in new products and technologies.

The markets for our products are characterized by rapidly changing technologies, frequent new product introductions, short product life cycles and evolving industry standards. Our success depends, in substantial part, on the timely and successful introduction of new products and upgrades of current products to comply with emerging industry standards and to address competing technological and product developments carried out by our

Table of Contents

80 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

competitors. The development of new, technologically-advanced products is a complex and uncertain process requiring high levels of innovation, as well as the accurate anticipation of technological and market trends. Products may contain defects or errors that are detected only after deployment. If our products are not competitive or do not work properly, our business will suffer.

Our results are subject to risks related to our significant investment in developing and introducing new products, such as: (1) advanced digital wireless handsets; (2) CDMA 1X, UMTS and other technologies for 3G wireless networks; (3) products for transmission of telephony and high-speed data over hybrid fiber coaxial cable systems; (4) integrated digital radios; (5) integrated public safety systems, and (6) advanced semiconductor products. These risks include: (i) difficulties and delays in the development, production, testing and marketing of products; (ii) customer acceptance of products; (iii) the development of industry standards; (iv) the significant amount of resources we must devote to the development of new technology; and (v) the ability to differentiate our products and compete with other companies in the same markets.

Our success, in part, will be affected by the ability of our wireless businesses to continue our transition to newer digital technologies, particularly 3G technology, and successfully compete in that business and gain market share. We face intense competition in these markets from both established companies and new entrants. Product life cycles can be short and new products are expensive to develop and bring to market.

We may continue to make strategic acquisitions of other companies or businesses and these acquisitions introduce significant risks and uncertainties, including risks related to integrating the acquired businesses and achieving benefits from the acquisitions.

In order to position ourselves to take advantage of growth opportunities, we have made, and may continue to make, strategic acquisitions that involve significant risks and uncertainties. These risks and uncertainties include: (1) the difficulty in integrating newly-acquired businesses and operations in an efficient and effective manner; (2) the challenges in achieving strategic objectives, cost savings and other benefits from acquisitions; (3) the risk that our markets do not evolve as anticipated and that the technologies acquired do not prove to be those needed to be successful in those markets; (4) the potential loss of key employees of the acquired businesses; (5) the risk of diverting the attention of senior management from our operations; (6) the risks of entering new markets in which we have limited experience; (7) difficulties in expanding information technology systems and other business processes to accommodate the acquired businesses; and (8) future impairments of goodwill of an acquired business.

Many acquisition candidates in the industries in which we participate carry higher relative valuations than we do. This is particularly evident in software and services businesses. Acquiring a business that has a higher valuation than Motorola is dilutive to our earnings, especially when the acquired business has little or no revenue. In addition, we may not pursue opportunities that are highly dilutive to earnings and have, in the past, foregone such acquisitions.

Key employees of acquired businesses may receive substantial value in connection with a transaction in the form of change-in-control agreements, acceleration of stock options and the lifting of restrictions on other equity-based compensation rights. To retain such employees and integrate the acquired business, we may offer additional, sometimes costly, retention incentives.

Our success is dependent, in part, upon our ability to form successful strategic alliances. If these arrangements do not develop as expected, our business may be adversely impacted.

We currently partner with industry leaders to meet customer product and service requirements

and to develop innovative advances in design and technology. Our partnerships allow us to supplement internal manufacturing capacity and share the cost of developing next-generation technologies. If such arrangements do not develop as expected, for example, because the technologies provided by our partners are not protected or infringe on third parties' intellectual property rights, or the technology or other contributions by our partners do not meet quality or safety standards, our business could be adversely impacted.

We face many competitive challenges in the semiconductor market that may continue to impact the performance of our semiconductor business.

Our success is dependent, in part, on the ability of our semiconductor business to compete in the highly competitive semiconductor market. Factors that could adversely affect our ability to compete include: (1)

Table of Contents

production inefficiencies and higher costs related to underutilized facilities; (2) shortage of manufacturing capacity for some products; (3) competitive factors, such as rival chip architectures, mix of products, acceptance of new products and price pressures; (4) risk of inventory obsolescence due to shifts in market demand; (5) renewed growth of embedded technologies and systems and our ability to compete in that market; and (6) the effect of orders from our equipment businesses.

If we fail to increase our semiconductor foundry and contract house manufacturing capacity and partnerships we may be unable to meet our customers' demand for products.

The success of our semiconductor business may be dependent on its ability to increase utilization of foundry and contract house manufacturing capacity and partner with other manufacturers to share costs of funding major capital projects, including research and development. These efforts may impact our capital expenditures, production costs and ability to satisfy delivery requirements.

As a supplier to the automotive industry, we face certain risks due to the nature of the automotive business.

As a supplier of powertrain chassis and telematics communication products, our sales of these products and our profitability could be negatively impacted by changes in the operations, products, business models, part-sourcing requirements, financial condition, market share or consumer financing and rebate programs of our automotive customers. In addition, demand for our automotive products is linked to consumer demand for automobiles, which may be adversely impacted by the continuing uncertain economic environment.

The value of our investments in the securities of various companies fluctuates and it may be difficult for us to realize the value of these investments.

We hold a portfolio of investments in various companies. Since the majority of these securities represent investments in technology companies, the fair market values of these securities are subject to significant price volatility. In addition, the realizable value of these securities is subject to market and other conditions.

We also have invested in numerous privately-held companies, many of which can still be considered in startup or developmental stages. These investments are inherently risky as the market for the technologies or products they have under development are typically in the early stages and may never materialize. We could lose all or substantially all of our investments in these companies, and in some cases have.

It may be difficult for us to recruit and retain the types of highly-skilled employees that are necessary to remain competitive.

Competition for key technical personnel in high-technology industries is intense. We believe that our future success depends in large part on our continued ability to hire, assimilate and retain qualified engineers and other highly-skilled personnel needed to compete and develop successful new products. We may not be as successful as our competitors at recruiting, assimilating and retaining these highly-skilled personnel, especially because of our recent employee reductions.

The unfavorable outcome of litigation pending against or future litigation could materially impact the Company.

Our financial results could be materially adversely impacted by unfavorable outcomes to any

pending or future litigation, including without limitation any relating to the Iridium project or Telsim. See "Item 3—Legal Proceedings." There can be no assurances as to the favorable outcome of any litigation.

Our business will be harmed if we are found to have infringed intellectual property rights of third parties, or if our intellectual property protection is inadequate to protect our proprietary rights.

Because our products are comprised of complex technology, we are involved in litigation regarding patent and other intellectual property rights. Third parties have asserted, and in the future may assert, claims against us alleging

Table of Contents

82	<u>MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS</u>
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that we have infringed their intellectual property rights. If we do not succeed in any such litigation, we could be required to expend significant resources to pay damages, develop non-infringing intellectual property or to obtain licenses to the intellectual property that is the subject of such litigation. However, we cannot be certain that any such licenses, if available at all, will be available to us on commercially reasonable terms. Also, defending these claims may be expensive and divert the time and efforts of our management and other employees.

Our patent and other intellectual property rights are important competitive tools and may generate income under license agreements. We regard our intellectual property rights as proprietary and attempt to protect them with patents, copyrights, trademarks, trade secret laws, confidentiality agreements and other methods. We also generally restrict access to and distribution of our proprietary information. Despite these precautions, it may be possible for a third party to obtain and use our proprietary information or develop similar technology independently. In addition, effective patent, copyright, trademark and trade secret protection may be unavailable or limited in certain foreign countries. Unauthorized use of our intellectual property rights by third parties and the cost of any litigation necessary to enforce our intellectual property rights could have an adverse impact on our business.

We are subject to a wide range of environmental, health and safety laws.

Our operations are subject to a wide range of environmental, health and safety laws, including laws relating to the use, disposal, clean up of, and human exposure to hazardous substances. In the United States, these laws often require parties to fund remedial action regardless of fault. Factors such as the discovery of additional contaminants, the extent of remediation and compliance expenses, and the imposition of additional cleanup obligations at Superfund and other sites could cause our capital expenditures and other expenses relating to remediation activities to exceed the amount reflected in our environmental reserve and adversely affect our results of operations and cash flows. Compliance with existing or future environmental, health and safety laws could subject us to future liabilities, cause the suspension of production, restrict our ability to expand facilities or require us to acquire costly pollution control equipment or incur other significant expenses, including the expense of modifying manufacturing processes. In addition, restrictions on the use of certain materials in our facilities or products in the future could have a negative impact on our operations.

We may provide financing and financial guarantees to our customers, some of which may be for significant amounts.

The competitive environment in which we operate may require us to provide long-term customer financing to our customers in order to win a contract. Customer financing arrangements may include all or a portion of the purchase price for our products and services, as well as working capital. In some circumstances, these loans can be very large. We may also assist customers in obtaining financing from banks and other sources and may also provide financial guarantees on behalf of our customers. Our success, particularly in our infrastructure businesses, may be dependent, in part, upon our ability to provide customer financing on competitive terms.

When we lend our customers money in connection with the sale of our equipment, we are at risk of not being repaid.

While we have generally been able to place a portion of our customer financings with third-party lenders, a portion of these financings are supported directly by us. There can be higher risks of default associated with some of these financings, particularly when provided to start-up operations such as local network providers, customers in developing countries, or customers in specific financing-intensive areas of the industry (such as 3G wireless operators). At the end of 2003, we had reserves of \$2.1 billion relating to our finance receivables, primarily due to

customer defaults. Should additional customers fail to meet their obligations on new or existing loans, losses could be incurred and such losses could negatively impact our financial results.

Our large system contracts for infrastructure equipment and the resulting reliance on large customers may negatively impact our business.

We are exposed to risks due to large system contracts for infrastructure equipment and the resulting reliance on large customers. These include: (1) the technological risks of such contracts, especially when the contracts involve new technology, and (2) the financial risks to us under these contracts, including the estimates inherent in projecting

costs associated with large contracts and the related impact on operating results. We are also facing increasing competition from traditional system integrators and the defense industry as system contracts become larger and more complicated. Political developments can impact the nature and timing of these large contracts.

We are planning to separate our semiconductor business from the Company and may not be successful at completing the separation.

If we do not complete the proposed transfer of our semiconductor operations into a separate, publicly-traded company, we will not receive the anticipated proceeds from the offering and we will have incurred substantial costs associated with the proposed separation.

It is important that we are able to obtain many different types of insurance, and if we are not able to obtain insurance we are forced to retain the risk.

The Company has many types of insurance coverage. Since the terrorist attacks on September 11, 2001, the cost of insurance has increased, deductibles have increased, and in some cases, certain types or levels of insurance have not been available. Motorola also self insures for some risks and obligations. As insurance becomes more expensive or unavailable, we may have to self insure for more matters. If there are large losses related to self-insured matters, our financial performance will be negatively impacted.

Government regulation of radio frequencies may limit the growth of the wireless communications industry or reduce barriers to entry for new competitors.

Radio frequencies are required to provide wireless services. The allocation of frequencies is regulated in the United States and other countries throughout the world and limited spectrum space is allocated to wireless services. The growth of the wireless communications industry may be affected if adequate frequencies are not allocated or, alternatively, if new technologies are not developed to better utilize the frequencies currently allocated for such use. In addition, industry growth has been and may continue to be affected by the cost of new licenses required to use frequencies and the related frequency relocation costs.

Alternatively, recent policy changes in the U.S. may encourage deregulation of frequency allocation, allowing new wireless communications technologies to be developed. Such policy changes may spread to other countries, and the reduced barriers to entry for the development of new technologies may introduce new competition for both the Company and our customers.

Changes in government policies and laws or economic conditions may adversely affect our financial results.

Our results may be affected by changes in trade, monetary and fiscal policies, laws and regulations, or other activities of U.S. and non-U.S. governments, agencies and similar organizations. Our results may also be affected by social and economic conditions, which impact our operations, including in emerging markets in Asia and Latin America and in markets subject to ongoing political hostilities and war, including the Middle East.

In addition, there are currently few laws or regulations that apply directly to access to, or commerce on, the Internet. We could be adversely affected by any such regulation in any country where we operate. The adoption of such measures could decrease demand for our products and at the same time increase the cost of selling such products.

The growth of our Broadband Communications segment is dependent, in part, on renewed growth in the cable industry.

The cable industry is a major customer of our Broadband Communications segment. Primarily due to the economic recession that began in 2001 and in an effort to improve their cash flow and lower their cost structure, cable operators significantly reduced their capital spending beginning in 2001 and continuing through 2003. The ability of that segment to grow is dependent, in part, on growth in the cable industry and that industry's ability to compete with other entertainment providers.

Table of Contents

84 MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Consolidations in the telecommunications and cable industries may adversely impact our business.

The telecommunications and cable industries have experienced significant consolidation and this trend is expected to continue. We and one or more of our competitors may each supply products to the companies that have merged or will merge. This consolidation could result in delays in purchasing decisions by the merged companies and/or Motorola playing a lesser role in the supply of communications products to the merged companies.

Because of continuing consolidation within the cable industry worldwide, a small number of operators own a majority of cable television systems and account for a significant portion of the capital spending made by cable television system operators. Last year, net sales to the Broadband Communications segment's largest customer, Comcast, which merged with AT&T Broadband in 2002, represented approximately 40% of the Broadband Communications segment's total net sales. Fewer significant customers will increase our reliance on large customers and may negatively impact our bargaining position and profit margins. The loss of, or a lesser role with, a significant customer due to industry consolidation may negatively impact our business.

Regulatory changes impacting our cable products may adversely impact our business.

Currently, reception of digital television programming from the cable broadband network requires a set-top terminal with certain technology. This security technology has limited the availability of set-top terminals to those manufactured by a few cable network manufacturers, including Motorola. The FCC enacted regulations requiring separation of security functionality from set-top terminals to increase competition and encourage the sale of set-top terminals in the retail market. Traditionally, cable service providers sold or leased the set-top terminal to their customer. As the retail market develops for set-top terminals, sales of our set-top terminals may be negatively impacted.

The FCC has mandated that digital tuners to enable access to cable networks be incorporated into television sets by 2006. As a result, future sales of set-top terminals may be negatively impacted.

We rely on complex information technology systems and networks to operate our business. Any significant system or network disruption could have a material adverse impact on our operations, sales and operating results.

We rely on the efficient and uninterrupted operation of complex information technology systems and networks. All information technology systems are potentially vulnerable to damage or interruption from a variety of sources, including but not limited to computer viruses, security breach, energy blackouts, natural disasters, terrorism, war and telecommunication failures. There also may be system or network disruptions if new or upgraded business management systems are defective or are not installed properly. We have implemented various measures to manage our risks related to system and network disruptions, but a system failure or security breach could negatively impact our operations and financial results. In addition, we may incur additional costs to remedy the damages caused by these disruptions or security breaches.

Our share price has been and may continue to be volatile.

Our share price has been volatile due, in part, to generally volatile securities markets, and the volatility in the telecommunications and technology companies' securities markets in particular. Factors other than our financial results that may affect our share price include, but are not limited to, market expectations of our performance, capital spending plans of our customers, and the level perceived growth of the industries in which we participate.

We rely on third-party distributors and retailers to sell certain of our products.

In addition to our own distribution force, we offer our products through a variety of third-party distributors and retailers. Certain of our distributors market products that compete with the Company's products. The loss, termination or failure of one or more of our distributors to effectively promote our products could affect the Company's ability to bring its products to market. Changes in the financial or business condition of these distributors and retailers could also subject the Company to losses.

We outsource the manufacturing of many of our components and products, and if third-party manufacturers' lack sufficient quality control or if there are significant changes in the financial or business condition of such third-party manufacturers, it may have a material adverse effect on our business.

We manufacture many of the components used in our products, but also increasingly depend on outsourced manufacturing, primarily by manufacturers located outside of the United States. Our increasing dependence on third

party manufacturers for outsourced components subjects us to the risk of supplier failure and customer dissatisfaction with the quality or performance of our products containing such purchased components. Quality or performance failures by our third-party manufacturers or changes in their financial or business condition could disrupt our ability to supply quality products to our customers and thereby have a material adverse effect on our business.

In addition, the trend of consolidation is also present amongst outsource manufacturers in the electronic component industry. The consolidation of our third-party manufacturers for outsourced components may increase our cost of component parts.

The level of returns on pension and retirement plan assets could affect our earnings in future periods.

The funding obligations for our pension plans are impacted by the performance of the financial markets, particularly the equity markets, and interest rates. Funding obligations are determined under ERISA and are measured each year based on the value of assets and liabilities on a specific date. If the financial markets do not provide the long-term returns that are expected under the ERISA funding calculation, the likelihood of our being required to make contributions will increase. The equity markets can be, and recently have been, very volatile, and therefore our estimate of future contribution requirements can change dramatically in relatively short periods of time. Similarly, changes in interest rates can impact our contribution requirements. In a low interest rate environment, the likelihood of required contributions in the future increases.

Compliance with changing regulation of corporate governance and public disclosure may result in additional expenses.

Complying with changing laws, regulations and standards relating to corporate governance and public disclosure, including the Sarbanes-Oxley Act of 2002, new SEC regulations and changes to the New York Stock Exchange rules, will require us to expend significant resources. We are committed to maintaining the highest standards of corporate governance and public disclosure. As a result, we will continue to invest necessary resources to comply with evolving laws, regulations and standards, and this investment may result in increased general and administrative expenses and a diversion of management time and attention from revenue-generating activities.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Foreign Currency Risk

As a multinational company, the Company's transactions are denominated in a variety of currencies. The Company uses financial instruments to hedge, and therefore attempts to reduce its overall exposure to the effects of currency fluctuations on cash flows. The Company's policy is not to speculate in financial instruments for profit on the exchange rate price fluctuation, trade in currencies for which there are no underlying exposures, or enter into trades for any currency to intentionally increase the underlying exposure. Instruments used as hedges must be effective at reducing the risk associated with the exposure being hedged and must be designated as a hedge at the inception of the contract. Accordingly, changes in market values of hedge instruments must be highly correlated with changes in market values of underlying hedged items both at inception of the hedge and over the life of the hedge contract.

The Company's strategy in foreign exchange exposure issues is to offset the gains or losses of the financial instruments against losses or gains on the underlying operational cash flows or investments based on the operating business units' assessment of risk. Almost all of the Company's non-functional currency receivables and payables, which are denominated in major currencies that can be traded on open markets, are hedged. The Company uses forward

Page 17 of 27
contracts and options to hedge these currency exposures. In addition, the Company hedges some firmly committed transactions and some forecasted transactions. The Company expects that it may hedge investments in foreign subsidiaries in the future. A portion of the Company's exposure is from currencies that are not traded in liquid markets, such as those in Latin America, and these are addressed, to the extent reasonably possible, through managing net asset positions, product pricing, and component sourcing.

At December 31, 2003 and 2002, the Company had net outstanding foreign exchange contracts totaling \$2.7 billion and \$2.1 billion, respectively. Management believes that these financial instruments should not subject the Company to undue risk due to foreign exchange movements because gains and losses on these contracts should

Table of Contents

86

offset losses and gains on the assets, liabilities and transactions being hedged. The following table shows, in millions of U.S. dollars, the five largest net foreign exchange hedge positions as of December 31, 2003 compared to their respective positions at December 31, 2002:

<i>Buy (Sell)</i>	<i>December 31</i>	
	<i>2003</i>	<i>2002</i>
Euro	\$(1,114)	\$ (90)
Chinese Renminbi	(341)	(702)
British Pound	(205)	(323)
Canadian Dollar	187	251
Brazilian Real	(172)	(100)

The Company is exposed to credit-related losses if counterparties to financial instruments fail to perform their obligations. However, it does not expect any counterparties, which presently have high credit ratings, to fail to meet their obligations.

Foreign exchange financial instruments that are subject to the effects of currency fluctuations, which may affect reported earnings include derivative financial instruments and other financial instruments, which are not denominated in the currency of the legal entity holding the instrument. Derivative financial instruments consist primarily of forward contracts. Other financial instruments, which are not denominated in the currency of the legal entity holding the instrument, consist primarily of cash, short-term investments, long-term finance receivables, equity investments, and notes as well as accounts payable and receivable. Accounts payable and receivable are reflected at fair value in the financial statements. The fair value of the remainder of the foreign exchange financial instruments would hypothetically decrease by \$159 million as of December 31, 2003 if the U.S. dollar were to appreciate against all other currencies by 10% of current levels. This hypothetical amount is suggestive of the effect on future cash flows under the following conditions: (i) all current payables and receivables that are hedged were not realized, (ii) all hedged commitments and anticipated transactions were not realized or canceled, and (iii) hedges of these amounts were not canceled or offset. The Company does not expect that any of these conditions will be realized. The Company expects that gains and losses on the derivative financial instruments should offset gains and losses on the assets, liabilities and future transactions being hedged. If the hedged transactions were included in the sensitivity analysis, the hypothetical change in fair value would be immaterial. The foreign exchange financial instruments are held for purposes other than trading.

Fair Value Hedges

The Company recorded charges (income) of \$(3) million and \$2 million for the years ended December 31, 2003 and 2002, respectively, representing the ineffective portions of changes in the fair value of fair value hedge positions. These amounts are included in Other within Other Income (Expense) in the Company's consolidated statements of operations. The Company did not have any amount excluded from the measure of effectiveness and had no fair value hedges discontinued for the years ended December 31, 2003 and 2002.

Cash Flow Hedges

The Company recorded income of \$1.5 million and \$0.1 million for the years ended December 31, 2003 and 2002, respectively, representing the ineffective portions of changes in the fair value of cash flow hedge positions. These amounts are included in Other within Other Income (Expense) in the Company's consolidated statements of operations. The Company did not have any amount excluded from the measure of effectiveness and had no cash flow hedges

discontinued for the years ended December 31, 2003 and 2002.

During the years ended December 31, 2003 and 2002 on a pre-tax basis, income of \$1 million and \$10 million, respectively, was reclassified from equity to earnings and is included in Other within Other Income (Expense) in the Company's consolidated statements of operations. If exchange rates do not change from year-end, the Company estimates that \$2 million of pre-tax net derivative losses included in Non-Owner Changes to Equity within Stockholders' Equity would be reclassified into earnings within the next twelve months and will be reclassified in the same period that the hedged item affects earnings. The actual amounts that will be reclassified into earnings over the next twelve months will vary from this amount as a result of changes in market conditions.

At December 31, 2003, the maximum term of derivative instruments that hedge forecasted transactions, except those related to payment of variable interest on existing financial instruments, was three years. However, on average, the duration of the Company's derivative instruments that hedge forecasted transactions was seven months.

Net Investment in Foreign Operations Hedge

At December 31, 2003 and 2002, the Company did not have any hedges of foreign currency exposure of net investments in foreign operations. However, the Company expects that it may hedge investments in foreign subsidiaries in the future.

Investments Hedge

In March 2003, the Company entered into three agreements to hedge up to 25 million shares of Nextel Communications, Inc. (Nextel) common stock. Under these agreements, the Company received no initial proceeds, but has retained the right to receive, at any time during the contract periods, the present value of the aggregate contract "floor" price. The three agreements are to be settled over periods of three, four and five years, respectively. Pursuant to these agreements and exclusive of any present value discount, the Company is entitled to receive aggregate proceeds of approximately \$333 million. The precise number of shares of Nextel common stock that the Company would deliver to satisfy the contracts is dependent upon the price of Nextel common stock on the various settlement dates. The maximum aggregate number of shares the Company would be required to deliver under these agreements is 25 million and the minimum number of shares is 18.5 million. Alternatively, the Company has the exclusive option to settle the contracts in cash. The Company will retain all voting rights associated with the up to 25 million hedged Nextel shares. Pursuant to customary market practice, the covered shares are pledged to secure the hedge contracts. As a result of the increase in the price of Nextel common stock since March 2003, the Company has recorded a \$310 million liability in Other Liabilities in the consolidated balance sheet to reflect the fair value of the Nextel hedge.

Fair Value of Financial Instruments

The Company's financial instruments include cash equivalents, short-term investments, accounts receivable, long-term finance receivables, accounts payable, accrued liabilities, notes payable, long-term debt, foreign currency contracts and other financing commitments.

Using available market information, the Company determined that the fair value of long-term debt at December 31, 2003 was \$7.7 billion compared to a carrying value of \$7.2 billion. Since considerable judgment is required in interpreting market information, the fair value of the long-term debt is not necessarily indicative of the amount which could be realized in a current market exchange.

The fair values of the other financial instruments were not materially different from their carrying or contract values at December 31, 2003.

Equity Price Market Risk

The value of the available-for-sale securities would change by \$293 million as of year-end 2003 if the price of the stock in each of the publicly-traded companies were to change by 10%. These equity securities are held for purposes other than trading.

Interest Rate Risk

At December 31, 2003, the Company's short-term debt of \$328 million consisted primarily of \$304 million of commercial paper, priced at short-term interest rates. The Company had \$7.2

Page 170 of 277
billion of long-term debt including current maturities, which is primarily priced at long-term, fixed interest rates. To change the characteristics of a portion of these interest rate payments, the Company has entered into a number of interest rate swaps.

In order to manage the mix of fixed and floating rates in its debt portfolio, the Company has entered into interest rate swaps to change the characteristics of interest rate payments from fixed-rate payments to short-term

Table of Contents

88

LIBOR-based variable rate payments. The following table displays which interest rate swaps have been entered into at December 31, 2003:

<i>Date Executed</i>	<i>Principal Amount Hedged (in millions)</i>	<i>Underlying Debt Instrument</i>
September, 2003	\$ 725	7.625% debentures due 2010
September, 2003	600	8.0% notes due 2011
May, 2003	200	6.5% notes due 2008
May, 2003	325	5.8% debentures due 2008
May, 2003	475	7.625% debentures due 2010
March, 2002	1,400	6.75 debentures due 2006
March, 2002	300	7.6% notes due 2007
	\$ 4,025	

In addition, in June 1999, the Company's finance subsidiary entered into interest rate swaps to change the characteristics of interest rate payments on all \$500 million of its 6.75% Guaranteed Bonds due 2004 from fixed-rate payments to short-term LIBOR-based variable rate payments in order to match the funding with its underlying assets.

The short-term LIBOR-based variable rate payments on each of the above interest rate swaps was 3.8% for the three months ended December 31, 2003. The fair value of all interest rate swaps at December 31, 2003 and 2002 was approximately \$150 million and \$212 million, respectively. The fair value of the interest rate swaps would hypothetically decrease by \$51 million if LIBOR rates were to increase by 10% of current levels. Except for these interest rate swaps the Company had no outstanding commodity derivatives, currency swaps or options relating to debt instruments at December 31, 2003 and 2002.

The Company designates its interest rate hedge arrangements as hedges for the underlying debt. Interest expense on the debt is adjusted to include the payments made or received under such hedge agreements.

The Company is exposed to credit loss in the event of nonperformance by the counter-parties to its swap contracts. The Company minimizes its credit risk on these transactions by only dealing with leading, credit-worthy financial institutions having long-term debt ratings of "A" or better and, therefore, does not anticipate nonperformance. In addition, the contracts are distributed among several financial institutions, thus minimizing credit risk concentration.

Environmental Matters

A discussion of the Company's environmental matters is detailed in Note 9 to the Consolidated Financial Statements.

® Reg. U.S. Patent & Trademark Office.

"MOTOROLA" and "Stylized M Logo" are registered trademarks of Motorola, Inc. throughout the world. Motorola has adopted, registered, or is seeking registration of the "INTELLIGENCE EVERYWHERE" trademark in all major markets to designate its products and services across all businesses of the Company. These marks are valuable corporate assets. Certain other trademarks and service marks of Motorola are registered in relevant markets. Motorola's

increasing focus on marketing products directly to consumers is reflected in an increasing emphasis on brand equity creation and protection. The DIGITAL DNA™ brand remains a strong and highly visible presence in Motorola's semiconductor branding strategy. JAVA is a registered trademark of Sun Microsystems, Inc. in the U.S. and other countries. All other products or service names are the property of their respective owners.

Item 8: Financial Statements and Supplementary Data**MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS**

Management is responsible for the preparation, integrity and objectivity of the consolidated financial statements and other financial information presented in this report. The accompanying consolidated financial statements were prepared in accordance with accounting principles generally accepted in the United States of America, applying certain estimates and judgments as required.

Motorola's internal controls are designed to provide reasonable assurance as to the integrity and reliability of the financial statements and to adequately safeguard, verify and maintain accountability of assets. Such controls are based on established written policies and procedures, are implemented by trained, skilled personnel with an appropriate segregation of duties and are monitored through a comprehensive internal audit program. These policies and procedures prescribe that the Company and all its employees are to maintain the highest ethical standards and that its business practices throughout the world are to be conducted in a manner which is above reproach.

KPMG LLP, independent auditors, are retained to audit Motorola's financial statements. Their accompanying report is based on audits conducted in accordance with auditing standards generally accepted in the United States of America, which include the consideration of the Company's internal controls to establish a basis for reliance thereon in determining the nature, timing and extent of audit tests to be applied.

The Board of Directors exercises its responsibility for these financial statements through its Audit and Legal Committee, which consists entirely of independent non-management Board members. The Audit and Legal Committee meets periodically with the independent auditors and with the Company's internal auditors, both privately and with management present, to review accounting, auditing, internal control and financial reporting matters.

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Edward J. Zander
Chairman of the Board
and Chief Executive Officer

A rectangular box containing a stylized 'x' followed by the word 'LOGO'.

David W. Devonshire
Executive Vice President
and Chief Financial Officer

Table of Contents

90 CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

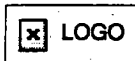
The Board of Directors and Stockholders
Motorola, Inc.:

We have audited the accompanying consolidated balance sheets of Motorola, Inc. and Subsidiaries as of December 31, 2003 and 2002, and the related consolidated statements of operations, stockholders' equity and cash flows for each of the years in the three-year period ended December 31, 2003. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Motorola, Inc. and Subsidiaries as of December 31, 2003 and 2002, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2003, in conformity with accounting principles generally accepted in the United States of America.

As discussed in Notes 1 and 8 to the consolidated financial statements, the Company adopted the provisions of Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets" on January 1, 2002.



Chicago, Illinois
January 20, 2004

Table of Contents

92 CONSOLIDATED FINANCIAL STATEMENTS

Motorola, Inc. and Subsidiaries Consolidated Balance Sheets

	<i>December 31</i>	
<i>(In millions, except per share amounts)</i>	<i>2003</i>	<i>2002</i>
ASSETS		
<i>Current assets</i>		
Cash and cash equivalents	\$ 7,877	\$ 6,507
Short-term investments	139	59
Accounts receivable, net	4,436	4,437
Inventories, net	2,792	2,869
Deferred income taxes	1,678	2,358
Other current assets	985	904
Total current assets	17,907	17,134
Property, plant and equipment, net	5,164	6,104
Investments	3,335	2,053
Deferred income taxes	3,349	3,112
Other assets	2,343	2,749
Total assets	\$32,098	\$31,152
LIABILITIES AND STOCKHOLDERS' EQUITY		
<i>Current liabilities</i>		
Notes payable and current portion of long-term debt	\$ 896	\$ 1,629
Accounts payable	2,789	2,268
Accrued liabilities	5,748	5,913
Total current liabilities	9,433	9,810
Long-term debt	6,675	7,189
Other liabilities	2,815	2,429
Company-obligated mandatorily redeemable preferred securities of subsidiary trust holding solely company-guaranteed debentures	486	485
<i>Stockholders' equity</i>		
Preferred stock, \$100 par value		
Authorized shares: 0.5 (none issued)	—	—
Common stock, \$3 par value		
Authorized shares: 2003 and 2002—4,200.0		
Issued and outstanding: 2003—2,338.7; 2002—2,315.3	7,017	6,947
Additional paid-in capital	2,362	2,233
Retained earnings	3,103	2,582
Non-owner changes to equity	207	(523)
Total stockholders' equity	12,689	11,239
Total liabilities and stockholders' equity	\$32,098	\$31,152

See accompanying notes to consolidated financial statements.

Motorola, Inc. and Subsidiaries
Consolidated Statements of Operations

	<i>Years Ended December 31</i>		
<i>(In millions, except per share amounts)</i>	<i>2003</i>	<i>2002</i>	<i>2001</i>
Net sales	\$ 27,058	\$ 27,279	\$ 30,486
Costs of sales	18,101	18,307	23,121
Gross margin	8,957	8,972	7,365
Selling, general and administrative expenses	4,073	4,472	4,919
Research and development expenditures	3,771	3,716	4,275
Reorganization of businesses	86	1,764	1,858
Other charges (income)	(57)	833	2,116
Operating earnings (loss)	1,084	(1,813)	(5,803)
Other income (expense):			
Interest expense, net	(295)	(356)	(413)
Gains on sales of investments and businesses, net	643	96	1,931
Other	(139)	(1,373)	(1,226)
Total other income (expense)	209	(1,633)	292
Earnings (loss) before income taxes	1,293	(3,446)	(5,511)
Income tax expense (benefit)	400	(961)	(1,574)
Net earnings (loss)	\$ 893	\$ (2,485)	\$ (3,937)
Earnings (loss) per common share:			
Basic	\$ 0.38	\$ (1.09)	\$ (1.78)
Diluted	\$ 0.38	\$ (1.09)	\$ (1.78)
Weighted average common shares outstanding:			
Basic	2,321.9	2,282.3	2,213.3
Diluted	2,351.2	2,282.3	2,213.3
Dividends paid per share	\$ 0.16	\$ 0.16	\$ 0.16

See accompanying notes to consolidated financial statements.

Motorola, Inc. and Subsidiaries
Consolidated Statements of Stockholders' Equity

Non-Owner Changes To Equity

(In millions, except per share amounts)	Common Stock and Additional Paid-In Capital	Fair Value Adjustment To Available For Sale Securities, Net of Tax	Foreign Currency Translation Adjustments, Net of Tax	Other Items, Net of Tax	Retained Earnings	Comprehensive Earnings (Loss)
Balances at January 1, 2001	\$ 7,762	\$ 1,536	\$(339)	\$(74)	\$ 9,727	
Net loss					(3,937)	(3,937)
Net unrealized losses on securities (net of tax effect of \$739)		(1,193)				(1,193)
Foreign currency translation adjustments (net of tax effect of \$30)			(173)			(173)
Minimum pension liability adjustment (net of tax effect of \$18)				30		30
Issuance of common stock and stock options exercised	753					
Equity security units issuance cost	(44)					
Net loss on derivative instruments (net of tax effect of \$0.6)				(1)		(1)
Dividends						

declared
(\$0.16 per
share)

(356)

Balances at
December
31, 2001

8,471

343

(512)

(45)

5,434 \$

(5,274)

Net loss

(2,485) \$

(2,485)

Net

unrealized
gains on
securities
(net of tax
effect of
\$152)

245

245

Foreign

currency
translation
adjustments
(net of tax
effect of
\$11)

94

94

Minimum

pension
liability
adjustment
(net of tax
effect of
\$299)

(647)

(647)

Issuance of
common
stock and
stock
options
exercised

709

Net loss on
derivative
instruments
(net of tax
effect of
\$0.5)

(1)

(1)

Dividends
declared
(\$0.16 per
share)

(367)

Balances at
December
31, 2002

9,180

588

(418)

(693)

2,582 \$

(2,794)

Net earnings

893 \$

893

Net

unrealized
gains on
securities
(net of tax
effect of
\$565)

911

911

Foreign

currency
translation
adjustments

Table of Contents

94 CONSOLIDATED FINANCIAL STATEMENTS

Motorola, Inc. and Subsidiaries
Consolidated Statements of Cash Flows

(In millions)	Years Ended December 31		
	2003	2002	2001
OPERATING			
Net earnings (loss)	\$ 893	\$(2,485)	\$(3,937)
Adjustments to reconcile net earnings (loss) to net cash provided by operating activities:			
Depreciation and amortization	1,667	2,108	2,552
Charges for reorganization of businesses and other charges	48	2,627	4,786
Gains on sales of investments and businesses	(643)	(96)	(1,931)
Deferred income taxes	1	(1,570)	(2,273)
Investment impairments and other	107	1,391	1,252
Change in assets and liabilities, net of effects of acquisitions and dispositions:			
Accounts receivable	(54)	155	2,445
Inventories	77	(102)	1,838
Other current assets	(6)	39	249
Accounts payable and accrued liabilities	374	(980)	(3,030)
Other assets and liabilities	307	252	25
Net cash provided by operating activities	2,771	1,339	1,976
INVESTING			
Acquisitions and investments, net	(302)	(94)	(512)
Proceeds from sale of investments and businesses	816	96	4,063
Capital expenditures	(655)	(607)	(1,321)
Proceeds from sale of property, plant and equipment	200	143	14
Sales (purchases) of short-term investments	(82)	23	233
Net cash provided by (used for) investing activities	(23)	(439)	2,477
FINANCING			
Repayment of commercial paper and short-term borrowings	(337)	(180)	(5,688)
Net proceeds from issuance of debt	—	64	4,167
Repayment of debt	(913)	(299)	(305)
Issuance of common stock	159	401	362
Debt redemption payment	(3)	(106)	—
Payment of dividends	(372)	(364)	(356)
Net cash used for financing activities	(1,466)	(484)	(1,820)
Effect of exchange rate changes on cash and cash equivalents	88	9	148
Net increase in cash and cash equivalents	1,370	425	2,781
Cash and cash equivalents, beginning of year	6,507	6,082	3,301
Cash and cash equivalents, end of year	\$ 7,877	\$ 6,507	\$ 6,082

Cash Flow Information

(net of tax effect of \$15)			201			201
Minimum pension liability adjustment (net of tax effect of \$28)				(182)		(182)
Issuance of common stock and stock options exercised	199					
Net loss on derivative instruments (net of tax effect of \$112)				(200)		(200)
Dividends declared (\$0.16 per share)					(372)	
Balances at December 31, 2003	\$ 9,379	\$ 1,499	\$ (217)	\$ (1,075)	\$ 3,103	\$ 1,623

See accompanying notes to consolidated financial statements.

Table of Contents

MOTOROLA INC. AND SUBSIDIARIES
(Dollars in millions, except as noted)

NOTES TO
CONSOLIDATED FINANCIAL STATEMENTS 95

1. Summary of Significant Accounting Policies

Principles of Consolidation: The consolidated financial statements include the accounts of the Company and all majority-owned subsidiaries. The Company's investments in non-controlled entities in which it has the ability to exercise significant influence over operating and financial policies are accounted for by the equity method. The Company's investments in other entities are accounted for using the cost method.

Cash Equivalents: The Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Revenue Recognition: The Company recognizes revenue for product sales when title transfers, the risks and rewards of ownership have been transferred to the customer, the fee is fixed and determinable, and collection of the related receivable is probable which is generally at the time of shipment. Accruals are established, with the related reduction to revenue, for allowances for discounts and price protection, product returns and incentive programs for distributors related to these sales based on actual historical exposure at the time the related revenues are recognized. For long-term contracts, the Company uses the percentage-of-completion method to recognize revenues and costs based on the percentage of costs incurred to date compared to the total estimated contract costs. For contracts involving new unproven technologies, revenues and profits or parts thereof are deferred until technological feasibility is established, customer acceptance is obtained and other contract-specific terms have been completed. Provisions for losses are recognized during the period in which the loss first becomes apparent. Revenue for services is recognized ratably over the contract term or as services are being performed. Revenue related to licensing agreements is recognized over the licensing period or at the time the Company has fulfilled its obligations and the fee to be received is fixed and determinable.

Inventories: Inventories are valued at the lower of average cost (which approximates computation on a first-in, first-out basis) or market (net realizable value or replacement cost).

Property, Plant and Equipment: Property, plant and equipment are stated at cost less accumulated depreciation. Depreciation is recorded using declining-balance and straight-line methods, based on the estimated useful lives of the assets (buildings and building equipment, 5-40 years; machinery and equipment, 2-12 years), and commences once the assets are ready for their intended use.

Goodwill and Intangible Assets: SFAS No. 142, "Goodwill and Other Intangible Assets" adopted January 1, 2002, requires that goodwill no longer be amortized, but instead be tested for impairment at least annually. Goodwill related to acquisitions prior to July 1, 2001 continued to be amortized through December 31, 2001. Goodwill related to acquisitions subsequent to June 30, 2001 was not amortized. Intangible assets continue to be amortized over their respective estimated useful lives ranging from 2 to 13 years. The Company has no intangible assets with indefinite useful lives. The Company tests goodwill for impairment annually as of October 1st.

Impairment of Long-Lived Assets: Long-lived assets held and used by the Company and intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of assets may not be recoverable. The Company evaluates recoverability of assets to be held and used by comparing the carrying amount of an asset to future net undiscounted cash flows to be generated by the assets. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets calculated using a discounted future cash flows analysis. Assets held for sale, if any, are reported at the lower of the carrying amount

CASH PAID DURING THE YEAR FOR:

Interest, net

\$ 379 \$ 569 \$ 844

Income taxes, net of refunds

460 83 676

See accompanying notes to consolidated financial statements.

Table of Contents

96 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MOTOROLA INC. AND SUBSIDIARIES
(Dollars in millions, except as noted)

Deferred Income Taxes: Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. In assessing the realizability of the deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. A valuation allowance is recorded for the portion of the deferred tax assets that are not expected to be realized based on the level of historical taxable income, projections for future taxable income over the periods in which the temporary differences are deductible and allowable tax planning strategies.

Finance Receivables: Finance receivables include trade receivables where contractual terms of the note agreement are greater than one year. Finance receivables are considered impaired when management determines it is probable that the Company will be unable to collect all amounts due according to the contractual terms of the note agreement, including principal and interest. Impaired finance receivables are valued based on the present value of expected future cash flows, discounted at the receivable's effective rate of interest, or the fair value of the collateral if the receivable is collateral dependent. Interest income and late fees on impaired finance receivables are recognized only when payments are received. Previously impaired finance receivables are no longer considered impaired and are reclassified to performing when they have performed under a work out or restructuring for four consecutive quarters.

Fair Values of Financial Instruments: The fair values of financial instruments are determined based on quoted market prices and market interest rates as of the end of the reporting period. The Company's financial instruments include cash and cash equivalents, short-term investments, accounts receivable, long-term finance receivables, accounts payable, accrued liabilities, notes payable, long-term debt, foreign currency contracts and other financing commitments. The fair values of these financial instruments were, with the exception of long-term debt as disclosed in Note 4, not materially different from their carrying or contract values at December 31, 2003 and 2002.

Foreign Currency Translation: Many of the Company's non-U.S. operations use the respective local currencies as the functional currency. Those non-U.S. operations which do not use the local currency as the functional currency use the U.S. dollar. The effects of translating the financial position and results of operations of local currency functional operations into U.S. dollars are included in a separate component of Stockholders' Equity.

Foreign Currency Transactions: The effects of remeasuring the non-functional currency assets or liabilities into the functional currency, as well as gains and losses on hedges of existing assets, or liabilities are marked-to-market and the result is included within Other Income (Expense) in the consolidated statements of operations. Gains and losses on financial instruments that hedge firm future commitments are deferred until such time as the underlying transactions are recognized or recorded immediately when the transaction is no longer expected to occur. Gains or losses on financial instruments that do not qualify as hedges under SFAS 133 are recognized immediately as income or expense.

Stock Compensation Costs: The Company measures compensation cost for stock options and restricted stock using the intrinsic value-based method. Compensation cost, if any, is recorded based on the excess of the quoted market price at grant date over the amount an employee must pay to acquire the stock. The Company has evaluated the pro forma effects of using the fair value-based method of accounting and as such, net earnings (loss), basic earnings (loss) per common share and diluted earnings (loss) per common share would have been as follows:

Years Ended December 31

2003 2002 2001

or fair value less cost to sell.

Investments: Investments include, principally, available-for-sale equity securities at fair value, held-to-maturity debt securities at amortized cost, securities that are restricted for more than one year or not publicly traded at cost, and equity method investments. For the available-for-sale equity securities, any unrealized holding gains and losses, net of deferred taxes, are excluded from operating results and are recognized as a separate component of Stockholders' Equity until realized. The fair values of the securities are determined based on prevailing market prices. The Company assesses declines in the value of individual investments to determine whether such decline is other-than-temporary and thus the investment is impaired. This assessment is made by considering available evidence including changes in general market conditions, specific industry and individual company data, the length of time and the extent to which the market value has been less than cost, the financial condition and near-term prospects of the individual company, and the Company's intent and ability to hold the investment.

Table of Contents

MOTOROLA INC. AND SUBSIDIARIES
(Dollars in millions, except as noted)

NOTES TO
CONSOLIDATED FINANCIAL STATEMENTS 97

The weighted-average fair value of options granted was \$3.21, \$5.04, and \$7.18 for 2003, 2002 and 2001, respectively. The fair value of each option is estimated at the date of grant using a modified Black-Scholes option pricing model, with the following weighted-average assumptions for 2003, 2002 and 2001, respectively: dividend yields of 1.8%, 1.3% and 1.0%; expected volatility of 46.6%, 45.1% and 45.9%; risk-free interest rate of 2.6%, 3.8% and 4.5%; and expected lives of 5 years for each grant.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications: Certain amounts in prior years' financial statements and related notes have been reclassified to conform to the 2003 presentation.

Recent Accounting Pronouncements: In May 2003, the FASB issued Statement No. 150, "Accounting for Certain Financial Instruments with Characteristics of Both Liabilities and Equity". Statement 150 requires that certain financial instruments with characteristics of both liabilities and equity be classified as a liability. In November 2003, the FASB deferred application of certain provisions of Statement 150 through FASB Staff Position (FSP) 150-3 which eliminates the disclosure requirements for certain mandatorily redeemable instruments and prohibits early adoption for instruments within the scope of the deferrals established by FSP 150-3. As a result of FSP 150-3, the Company does not expect the adoption of this statement will have a material impact on the Company's financial position, results of operations or cash flows.

In January 2003, the FASB issued Interpretation No. 46, "Consolidation of Variable Interest Entities (FIN 46)," and in December 2003, issued a revision to FIN 46. FIN 46 is an effort to expand upon and strengthen existing accounting guidance as to when a company should consolidate the financial results of another entity. Interpretation 46 requires "variable interest entities" as defined to be consolidated by a company if that company is subject to a majority of expected losses of the entity or is entitled to receive a majority of expected residual returns of the entity, or both. The company that is required to consolidate a variable interest entity is referred to as the entity's primary beneficiary. The interpretation also requires certain disclosures about variable interest entities that a company is not required to consolidate, but in which it has a significant variable interest.

The consolidation and disclosure requirements apply immediately to variable interest entities created after January 31, 2003. For all variable interest entities created prior to February 1, 2003, FIN 46 is effective for periods ending after March 15, 2004, except for entities that are considered Special Purpose Entities, to which the provisions apply as of December 31, 2003.

The Company is not the primary beneficiary of any variable interest entities created after February 1, 2003, nor does the Company expect the final adoption of this statement to have a material impact on its financial position or results of operations.

2. Other Financial Data

Statement of Operations Information

Other Charges

Other charges (income) included in operating earnings (loss) consist of the following:

Net earnings (loss):			
Net earnings (loss) as reported	\$ 893	\$(2,485)	\$(3,937)
Add: Stock-based employee compensation expense included in reported net earnings (loss), net of related tax effects	27	28	33
Deduct: Stock-based employee compensation expense determined under fair value-based method for all awards, net of related tax effects	(249)	(319)	(373)
Pro forma	<u>\$ 671</u>	<u>\$(2,776)</u>	<u>\$(4,277)</u>
Basic earnings (loss) per common share:			
As reported	\$.38	\$ (1.09)	\$ (1.78)
Pro forma	\$.29	\$ (1.22)	\$ (1.93)
Diluted earnings (loss) per common share:			
As reported	\$.38	\$ (1.09)	\$ (1.78)
Pro forma	\$.29	\$ (1.22)	\$ (1.93)

Table of Contents

98 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MOTOROLA INC. AND SUBSIDIARIES
(Dollars in millions, except as noted)

Other Income (Expense)

The following table displays the amounts comprising Interest Expense, net, and Other included in Other Income (Expense) in the Company's consolidated statements of operations:

<i>Years Ended December 31</i>	<i>2003</i>	<i>2002</i>	<i>2001</i>
Interest expense, net:			
Interest expense	<u>\$ (647)</u>	<u>\$ (668)</u>	<u>\$ (786)</u>
Interest income	<u>352</u>	<u>312</u>	<u>373</u>
	<u>\$ (295)</u>	<u>\$ (356)</u>	<u>\$ (413)</u>
Other:			
Investment impairments	<u>\$ (96)</u>	<u>\$ (1,253)</u>	<u>\$ (1,212)</u>
Foreign currency gains (losses)	<u>(73)</u>	<u>(35)</u>	<u>14</u>
Debt redemption charges, net	<u>(3)</u>	<u>(98)</u>	<u>—</u>
Other	<u>33</u>	<u>13</u>	<u>(28)</u>
	<u>\$ (139)</u>	<u>\$ (1,373)</u>	<u>\$ (1,226)</u>

Earnings (Loss) Per Common Share

The following table presents the computation of the basic and diluted earnings (loss) per common share:

<i>Years ended December 31</i>	<i>2003</i>	<i>2002</i>	<i>2001</i>
Basic earnings (loss) per common share:			
Net earnings (loss)	<u>\$ 893</u>	<u>\$ (2,485)</u>	<u>\$ (3,937)</u>
Weighted average common shares outstanding	<u>2,321.9</u>	<u>2,282.3</u>	<u>2,213.3</u>
Per share amount	<u>\$ 0.38</u>	<u>\$ (1.09)</u>	<u>\$ (1.78)</u>
Diluted earnings (loss) per common share:			
Net earnings (loss)	<u>\$ 893</u>	<u>\$ (2,485)</u>	<u>\$ (3,937)</u>
Add: Interest on zero coupon notes, net	<u>—</u>	<u>—</u>	<u>—</u>
Net earnings (loss), as adjusted	<u>\$ 893</u>	<u>\$ (2,485)</u>	<u>\$ (3,937)</u>
Weighted average common shares outstanding	<u>2,321.9</u>	<u>2,282.3</u>	<u>2,213.3</u>
Add effect of dilutive securities:			
Stock options/restricted stock	<u>26.7</u>	<u>—</u>	<u>—</u>
Zero coupon notes due 2013	<u>2.6</u>	<u>—</u>	<u>—</u>
Diluted weighted average common shares outstanding	<u>2,351.2</u>	<u>2,282.3</u>	<u>2,213.3</u>
Per share amount	<u>\$ 0.38</u>	<u>\$ (1.09)</u>	<u>\$ (1.78)</u>

In the computation of diluted earnings per common share for the year ended December 31, 2003, the assumed conversions of the zero coupon notes due 2009, equity security units and 200.9 million stock options with exercise prices greater than the average market price of the underlying common stock were excluded because their inclusions would have been antidilutive. In the computation of diluted loss per common share for the years ended December 31, 2002

Years Ended December 31

2003

2002

2001

Other charges (income):

Goodwill and intangible asset impairments

\$ 73 **\$ 325** **\$ 116**

Potentially uncollectible finance receivables

— **526** **1,501**

Iridium settlements

(100) **(63)** **365**

In-process research and development charges

32 **12** **40**

Other

(62) **33** **94**

\$ (57) **\$ 833** **\$2,116**

Table of Contents

MOTOROLA INC. AND SUBSIDIARIES
(Dollars in millions, except as noted)

NOTES TO
CONSOLIDATED FINANCIAL STATEMENTS 99

Inventories

Inventories, net, consist of the following:

<i>December 31</i>	<i>2003</i>	<i>2002</i>
Finished goods	\$1,069	\$ 1,131
Work-in-process and production materials	2,459	2,742
	<u>3,528</u>	<u>3,873</u>
Less inventory reserves	(736)	(1,004)
	<u>\$2,792</u>	<u>\$ 2,869</u>

Property, Plant, and Equipment

Property, plant and equipment, net, consists of the following:

<i>December 31</i>	<i>2003</i>	<i>2002</i>
Land	\$ 301	\$ 328
Building	4,865	5,035
Machinery and equipment	13,513	15,069
	<u>18,679</u>	<u>20,432</u>
Less accumulated depreciation	(13,515)	(14,328)
Property, plant and equipment, net	<u>\$ 5,164</u>	<u>\$ 6,104</u>

For the years ended December 31, 2003, 2002 and 2001 the Company recorded impairment charges of \$27 million, \$1.4 billion, and \$847 million, respectively. For the year ended December 31, 2003, the impairment charges related primarily to certain equipment deemed to be impaired, primarily in the Semiconductor Products segment and for information technology equipment in General Corporate. For the year ended December 31, 2002, the impairment charges primarily related to the impairment of specific manufacturing facilities by the Semiconductor Products segment which were located in Arizona, China and Scotland, based on decisions made by senior management to change the strategic use for these facilities to improve asset efficiency. Additionally, the Personal Communications segment impaired its North American distribution center located in Harvard, Illinois based on the decision made by senior management to close the facility and relocate all operations to Fort Worth, Texas. For the year ended December 31, 2001, the impairment charges primarily related to the consolidation of manufacturing operations in the Semiconductor Products segment in Texas, Arizona, Hong Kong and Japan. Additionally, the Personal Communications Segment shut down manufacturing operations in Scotland, Illinois and Florida.

Depreciation expense for the years ended December 31, 2003, 2002 and 2001 was \$1.5 billion, \$2.0 billion and \$2.4 billion, respectively. The decreasing trend in depreciation expense for the years ended December 31, 2003 and 2002 reflects the decline in historical capital expenditures and assets becoming fully depreciated.

Investments

Investments consist of the following:

and 2001, the assumed conversions of the zero coupon notes due 2009 and 2013, all stock options, restricted stock, warrants, and equity security units were excluded because their inclusion would have been antidilutive.

Balance Sheet Information

Accounts Receivable

Accounts receivable, net, consists of the following:

<i>December 31</i>	<i>2003</i>	<i>2002</i>
Accounts receivable	\$4,664	\$4,675
Less allowance for doubtful accounts	(228)	(238)
	<u>\$4,436</u>	<u>\$4,437</u>

Table of Contents

100 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MOTOROLA INC. AND SUBSIDIARIES
(Dollars in millions, except as noted)

The Company recorded investment impairment charges of \$96 million, \$1.3 billion and \$1.2 billion for the years ended December 31, 2003, 2002 and 2001, respectively. These impairment charges represent other-than-temporary declines in the value of the Company's investment portfolio. The \$96 million of impairment charges in 2003 is primarily comprised of a \$29 million charge to write down to zero the Company's debt security holdings in a European cable operator and other cost-based investment write-downs. The \$1.3 billion of impairment charges in 2002, is primarily comprised of: (i) a \$464 million writedown in the value of the Company's investment in Nextel Communications, Inc.; (ii) a \$73 million writedown of the Company's investment in Telus Corporation; (iii) a \$321 million writedown of the Company's debt security holdings and associated warrants in Callahan Associates International L.L.C., which were based on the results of an independent third-party valuation; and (iv) a \$95 million charge to write the value of the Company's investment in an Argentine cellular operating company to zero. The \$1.2 billion in 2001 is primarily comprised of: (i) \$640 million of impairments of the Company's investments in United Pan-Europe Communications n.v., Open TV Corporation and other investments in cable operating companies and related cable software companies; (ii) a \$111 million writedown of the Company's investment in Telus Corporation; and (iii) a \$100 million writedown of the Company's investment in Teledesic Corporation. Investment impairment charges are included in Other within Other Income (Expense) in the Company's consolidated statements of operations.

Gains on sales of investments and businesses, consists of the following:

<i>Years Ended December 31</i>	<i>2003</i>	<i>2002</i>	<i>2001</i>
Gains on sales of investments	\$ 621	\$ 28	\$ 103
Gains on sales of businesses	22	68	1,828
	<u>\$ 643</u>	<u>\$ 96</u>	<u>\$1,931</u>

For the year ended December 31, 2003, the \$643 million gain on sales of investments and businesses is primarily comprised of: (i) a \$255 million gain on the sale of 25 million shares of common stock in Nextel Communications, Inc., (ii) a \$97 million gain on sale of the Company's remaining interests in ON Semiconductor, (iii) an \$80 million gain on the sale of the Company's shares in Symbian Limited, (iv) a \$65 million gain on the sale of the Company's shares in UAB Omnitel of Lithuania, and (v) a \$61 million gain on the sale of the Company's shares in Nextel Partners.

For the year ended December 31, 2001, the \$1.8 billion gain on the sales of businesses is primarily comprised of: (i) a \$526 million gain on the sale of the Company's Integrated Information Systems Group; (ii) \$725 million in gains from the sale of the Company's investments in certain cellular operating companies in Israel, Hong Kong, Egypt, Korea, Pakistan, Jordan and Brazil; and (iii) a \$556 million gain on the sale of the Company's investments in certain cellular operating companies in Mexico to Telefonica Moviles of Madrid (Telefonica) in exchange for approximately 123 million shares of Telefonica stock valued at approximately Euros 1.9 billion (US\$ 1.6 billion). The Company entered into transactions designed to hedge all currency and stock price risk associated with its holdings in Telefonica as it disposed of these shares. These transactions represented economic hedges, which did not qualify as hedges for accounting purposes under SFAS 133 and, accordingly, market fluctuations were reflected in the Company's consolidated statements of operations. For the year ended December 31, 2001, the Company recorded a total cost of the monetization of the Telefonica shares of \$131 million which is reflected in the gain on sale.

Other Assets

December 31

2003 2002

Available-for-sale securities:

Cost basis	\$ 500	\$ 615
Gross unrealized gains	2,438	974
Gross unrealized losses	(8)	(21)

Fair value

2,930	1,568
-------	-------

Held-to-maturity debt securities, at cost

—	29
---	----

Other securities, at cost

254	231
-----	-----

Equity method investments

151	225
-----	-----

\$3,335	\$2,053
---------	---------

- *10.30 Description of Future Compensation Arrangements between Motorola, Inc. and Gregory Q. Brown, Executive Vice President, President and Chief Executive Officer, Commercial, Government and Industrial Solutions Sector, as of December 2002.
- *12 Statement regarding Computation of Ratio of Earnings to Fixed Charges.
- *21 Subsidiaries of Motorola.

Table of Contents

141

<u>Exhibit No.</u>	<u>Exhibit</u>
23	Consent of KPMG LLP. See page 136 of the Annual Report on Form 10-K of which this Exhibit Index is a part.
*31.1	Certification of Edward J. Zander pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
*31.2	Certification of David W. Devonshire pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
*32.1	Certification of Edward J. Zander pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
*32.2	Certification of David W. Devonshire pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

* Filed herewith

<<Previous Page | Next Page>>

TOP ^

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(incorporated by reference to Exhibit 10.32 to Motorola's Quarterly Report on Form 10-Q for the fiscal quarter ended March 29, 2003 (File No. 1-7221)).

- 10.14 Form of Restricted Stock Unit Award (Tax Deferred-Cliff Vesting) relating to the Motorola Omnibus Incentive Plan of 2003, the Motorola Omnibus Incentive Plan of 2002, the Motorola Omnibus Incentive Plan of 2000 and the Motorola Compensation/Acquisition Plan of 2000 (incorporated by reference to Exhibit 10.33 to Motorola's Quarterly Report on Form 10-Q for the fiscal quarter ended March 29, 2003 (File No. 1-7221)).
- 10.15 Motorola Non-Employee Directors Stock Plan, as amended and restated on May 6, 2003 (incorporated by reference to Exhibit 10.20 to Motorola's Quarterly Report on Form 10-Q for the fiscal quarter ended March 29, 2003 (File No. 1-7221)).

Table of Contents

140

<u>Exhibit No.</u>	<u>Exhibit</u>
10.16	Form of Deferred Stock Units Agreement relating to the Motorola Non-Employee Directors Stock Plan (incorporated by reference to Exhibit 10.31 to Motorola's Quarterly Report on Form 10-Q for the fiscal quarter ended March 29, 2003 (File No. 1-7221)).
10.17	Motorola Incentive Plan of 2002 (incorporated by reference to Exhibit 10.1 to Motorola's Quarterly Report on Form 10-Q for the fiscal quarter ended June 29, 2002 (File No. 1-7221)).
10.18	Motorola Mid-Range Incentive Plan (MRIP) of 2003 (incorporated by reference to Exhibit 10.30 to Motorola's Quarterly Report on Form 10-Q for the fiscal quarter ended March 29, 2003 (File No. 1-7221)).
10.19	Motorola Elected Officers Supplementary Retirement Plan, as amended through May 1, 2000 (incorporated by reference to Exhibit 10.7 to Motorola's Annual Report on Form 10-K for the fiscal year ended December 31, 2000 (File No. 1-7221)).
10.20	Motorola Management Deferred Compensation Plan, as amended through November 5, 2002 (incorporated by reference to Exhibit 10.16 to Motorola's Annual Report on Form 10-K for the fiscal year ended December 31, 2002 (File No. 1-7221)).
*10.21	Motorola, Inc. Senior Officer Change in Control Severance Plan, adopted May 9, 2001.
*10.22	Accidental death and dismemberment insurance for officers.
*10.23	Description of insurance program for Elected Officers of Motorola, Inc.
10.24	Arrangement for directors' fees and retirement plan for non-employee directors (description incorporated by reference from pages 7 and 8 of Motorola's Proxy Statement for the 2004 annual meeting of stockholders).
*10.25	Insurance covering non-employee directors and their spouses (including a description incorporated by reference to page 8 of Motorola's Proxy Statement for the 2004 annual meeting of stockholders).
10.26	Retirement Agreement between Motorola, Inc. and Christopher B. Galvin dated September 19, 2003 (incorporated by reference to Exhibit 10.1 to Motorola's Quarterly Report on Form 10-Q for the fiscal quarter ended September 27, 2003 (File No. 1-7221)).
*10.27	Employment Agreement between Motorola, Inc. and Edward J. Zander dated as of December 15, 2003.
10.28	Description of Future Compensation Arrangements between Motorola, Inc. and Mike Zafirovski, President and Chief Operating Officer of the Company, as of July 2002 (incorporated by reference to Exhibit 10.1 to Motorola's Quarterly Report on Form 10-Q for the fiscal quarter ended September 28, 2002 (File No. 1-7221)).
10.29	Description of Future Compensation Arrangements between Motorola, Inc. and David Devonshire, Executive Vice President and Chief Financial Officer of the Company, as of March 2002 (incorporated by reference to Exhibit 10.2 to

- 10.1 Motorola Omnibus Incentive Plan of 2003, as amended through May 6, 2003 (incorporated by reference to Exhibit 10.29 to Motorola's Quarterly Report on Form 10-Q for the fiscal quarter ended March 29, 2003 (File No. 1-7221)).
- 10.2 Motorola Omnibus Incentive Plan of 2002, as amended through May 5, 2003 (incorporated by reference to Exhibit 10.1 to Motorola's Quarterly Report on Form 10-Q for the fiscal quarter ended March 29, 2003 (File No. 1-7221)).
- 10.3 Motorola Omnibus Incentive Plan of 2000, as amended through May 5, 2003 (incorporated by reference to Exhibit 10.8 to Motorola's Quarterly Report on Form 10-Q for the fiscal quarter ended March 29, 2003 (File No. 1-7221)).
- 10.4 Motorola Compensation/Acquisition Plan of 2000, as amended through May 5, 2003 (incorporated by reference to Exhibit 10.9 to Motorola's Quarterly Report on Form 10-Q for the fiscal quarter ended March 29, 2003 (File No. 1-7221)).

Table of Contents

139

<i>Exhibit No.</i>	<i>Exhibit</i>
10.5	Motorola Amended and Restated Incentive Plan of 1998, as amended through May 5, 2003 (incorporated by reference to Exhibit 10.7 to Motorola's Quarterly Report on Form 10-Q for the fiscal quarter ended March 29, 2003 (File No. 1-7221)).
10.6	Share Option Plan of 1996, as amended through May 7, 1997 (incorporated by reference to Exhibit 10.6 to Motorola's Annual Report on Form 10-K for the fiscal year ended December 31, 2002 (File No. 1-7221)).
10.7	Share Option Plan of 1991, as amended through August 7, 1995 (incorporated by reference to Exhibit 10.4 to Motorola's Annual Report on Form 10-K for the fiscal year ended December 31, 2002 (File No. 1-7221)).
10.8	Resolutions Amending Sections 7 and 9(b) of the Share Option Plan of 1991, effective August 15, 1996 (incorporated by reference to Exhibit 10.5 to Motorola's Annual Report on Form 10-K for the fiscal year ended December 31, 2002 (File No. 1-7221)).
10.9	Form of Motorola, Inc. Award Document—Terms and Conditions Related to Non-Employee Director Nonqualified Stock Options relating to the Motorola Omnibus Incentive Plan of 2002 and the Motorola Omnibus Incentive Plan of 2000 (incorporated by reference to Exhibit 10.2 to Motorola's Quarterly Report on Form 10-Q for the fiscal quarter ended March 30, 2002 (File No. 1-7221)).
10.10	Form of Motorola, Inc. Award Document—Terms and Conditions Related to Employee Nonqualified Stock Options, relating to the Motorola Omnibus Incentive Plan of 2003, the Motorola Omnibus Incentive Plan of 2002, the Motorola Omnibus Incentive Plan of 2000, the Motorola Amended and Restated Incentive Plan of 1998, and the Motorola Compensation/Acquisition Plan of 2000, as amended through May 5, 2003 (incorporated by reference to Exhibit 10.11 to Motorola's Quarterly Report on Form 10-Q for the fiscal quarter ended March 29, 2003 (File No. 1-7221)).
10.11	Form of Motorola, Inc. Restricted Stock Agreement, relating to the Motorola Omnibus Incentive Plan of 2003, the Motorola Omnibus Incentive Plan of 2002, the Motorola Omnibus Incentive Plan of 2000 and the Motorola Compensation/Acquisition Plan of 2000, as amended through May 5, 2003 (incorporated by reference to Exhibit 10.12 to Motorola's Quarterly Report on Form 10-Q for the fiscal quarter ended March 29, 2003 (File No. 1-7221)).
10.12	Form of Motorola, Inc. Restricted Stock Unit Agreement, relating to the Motorola Omnibus Incentive Plan of 2003, the Motorola Omnibus Incentive Plan of 2002, the Motorola Omnibus Incentive Plan of 2000 and the Motorola Compensation/Acquisition Plan of 2000, as amended through May 5, 2003 (incorporated by reference to Exhibit 10.13 to Motorola's Quarterly Report on Form 10-Q for the fiscal quarter ended March 29, 2003 (File No. 1-7221)).
10.13	Form of Restricted Stock Unit Award (Tax Deferred-Periodic Vesting) relating to the Motorola Omnibus Incentive Plan of 2003, the Motorola Omnibus Incentive Plan of 2002, the Motorola Omnibus Incentive Plan of 2000 and the Motorola Compensation/Acquisition Plan of 2000

/s/ SAMUEL C. SCOTT III	Director	March 12, 2004
Samuel C. Scott III		
/s/ DOUGLAS A. WARNER III	Director	March 12, 2004
Douglas A. Warner III		
/s/ B. KENNETH WEST	Director	March 12, 2004
B. Kenneth West		
/s/ JOHN A. WHITE	Director	March 12, 2004
Dr. John A. White		
/s/ MIKE S. ZAFIROVSKI	Director	March 12, 2004
Mike S. Zafirovski		

Table of Contents

138

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Exhibit</u>
3.1	Restated Certificate of Incorporation of Motorola, Inc., as amended through May 3, 2000 (incorporated by reference to Exhibit 3(i)(b) to Motorola's Quarterly Report on Form 10-Q for the fiscal quarter ended April 1, 2000) (File No. 1-7221)).
3.2	Certificate of Designations, Preferences and Rights of Junior Participating Preferred Stock, Series B (incorporated by reference to Exhibit 3.3 to Motorola's Registration Statement on Form S-3 dated January 20, 1999 (Registration No. 333-70827)).
3.3	By-Laws of Motorola, Inc., as amended through November 8, 2001 (incorporated by reference to Exhibit 3.3 to Motorola's Annual Report on Form 10-K for the fiscal year ended December 31, 2001 (File No. 1-7221)).
4.1	Amended and Restated Rights Agreement effective as of February 5, 2004 between Motorola, Inc. and Mellon Investor Services LLC, as Rights Agent (incorporated by reference to Exhibit 1.1 to Amendment No. 3 to Motorola's Registration Statement on Form 8-A/A dated February 5, 2004 (File No. 1-7221)).
4.2(a)	Senior Indenture, dated as of May 1, 1995, between Harris Trust and Savings Bank and Motorola, Inc. (incorporated by reference to Exhibit 4(d) of the Registrant's Registration Statement on Form S-3 dated September 25, 1995 (Registration No. 33-62911)).
4.2(b)	Instrument of Resignation, Appointment and Acceptance, dated as of January 22, 2001, among Motorola, Inc., Bank One Trust Company, N.A. and BNY Midwest Trust Company (as successor in interest to Harris Trust and Savings Bank) (incorporated by reference to Exhibit 4.2(b) to Motorola's Annual Report on Form 10-K for the fiscal year ended December 31, 2000 (File No. 1-7221)).
	Certain instruments defining the rights of holders of long-term debt of Motorola and of all its subsidiaries for which consolidated or unconsolidated financial statements are required to be filed are being omitted pursuant to paragraph (4)(iii)(A) of Item 601 of Regulation S-K. Motorola agrees to furnish a copy of any such instrument to the Commission upon request.
4.3	Purchase Contract Agreement, dated as of October 31, 2001, between Motorola, Inc. and First Union Trust Company, National Association, as Purchase Contract Agent (incorporated by reference to Exhibit 99 of Motorola's Quarterly Report on Form 10-Q for the period ending September 30, 2001 (File No. 1-7221)), as supplemented by Supplemental Agreement No. 1, dated as of December 21, 2001, to Purchase Contract Agreement dated as of October 31, 2001, between Motorola, Inc. and First Union Trust Company, National Association, as Purchase Contract Agent (incorporated by reference to Exhibit 4.15B of Motorola's Registration Statement on Form S-3 dated December 26, 2001 (File No. 333-75940)).

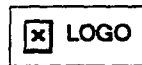
Table of Contents

136

CONSENT OF INDEPENDENT AUDITORS

The Board of Directors
Motorola, Inc.:

We consent to incorporation by reference in the registration statements on Form S-8 (Nos. 33-59285, 333-51847, 333-65941, 333-88735, 333-36308, 333-37114, 333-53120, 333-60560, 333-60612, 333-60976, 333-87724, 333-87728, 333-87730, 333-104259 and 333-105107) and on Form S-3 (Nos. 333-75940, 333-76637 and 333-36320) of Motorola, Inc. of our report dated January 20, 2004 with respect to the consolidated balance sheets of Motorola, Inc. and Subsidiaries as of December 31, 2003 and 2002, and the related consolidated statements of operations, stockholders' equity and cash flows for each of the years in the three-year period ended December 31, 2003, which report appears in the annual report on Form 10-K of Motorola, Inc. for the year ended December 31, 2003. Our report on the consolidated financial statements refers to the adoption of the provisions of Statement of Financial Accounting Standards No. 142 "Goodwill and Other Intangible Assets" on January 1, 2002.



Chicago, Illinois
March 12, 2004

Table of Contents

137

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, Motorola, Inc. has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

MOTOROLA, INC.

By:

/s/ EDWARD J. ZANDER

Edward J. Zander
Chairman of the Board and
Chief Executive Officer

March 12, 2004

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of Motorola, Inc. and in the capacities and on the dates indicated.

<i>Signature</i>	<i>Title</i>	<i>Date</i>
/s/ EDWARD J. ZANDER Edward J. Zander	Chairman of the Board and Chief Executive Officer (Principal Executive Officer)	March 12, 2004
/s/ DAVID W. DEVONSHIRE David W. Devonshire	Executive Vice President and Chief Financial Officer (Principal Financial Officer)	March 12, 2004
/s/ STEVEN J. STROBEL Steven J. Strobel	Senior Vice President and Corporate Controller (Principal Accounting Officer)	March 12, 2004
/s/ H. LAURANCE FULLER H. Laurance Fuller	Director	March 12, 2004
/s/ JUDY C. LEWENT Judy C. Lewent	Director	March 12, 2004
/s/ WALTER E. MASSEY Dr. Walter E. Massey	Director	March 12, 2004
/s/ NICHOLAS NEGROPONTE Nicholas Negroponte	Director	March 12, 2004
/s/ INDRA K. NOOYI Indra K. Nooyi	Director	March 12, 2004
/s/ JOHN E. PEPPER, JR. John E. Pepper, Jr.	Director	March 12, 2004

Devonshire
Description of Future Compensation Arrangements between Motorola, Inc. and Gregory Q.
Brown

(b) Reports on Form 8-K.

Motorola filed Current Reports on Form 8-K on December 16, 2003 and December 18, 2003 and furnished a Current Report on Form 8-K on January 20, 2004.

(c) Exhibits:

See Item 14(a)3 above.

Table of Contents

135

PART IV

Item 15: Exhibits, Financial Statement Schedules and Reports on Form 8-K**(a) 1. Financial Statements**

See Part II, Item 8 hereof.

2. Financial Statement Schedule and Independent Auditors' Report

All schedules omitted are inapplicable or the information required is shown in the Consolidated Financial Statements or notes thereto.

3. Exhibits

Exhibits required to be attached by Item 601 of Regulation S-K are listed in the Exhibit Index attached hereto, which is incorporated herein by this reference. Following is a list of management contracts and compensatory plans and arrangements required to be filed as exhibits to this form by Item 14(c) hereof:

Motorola Omnibus Incentive Plan of 2003
 Motorola Omnibus Incentive Plan of 2002
 Motorola Omnibus Incentive Plan of 2000
 Motorola Compensation/Acquisition Plan of 2000
 Motorola Amended and Restated Incentive Plan of 1998
 Share Option Plan of 1996
 Share Option Plan of 1991
 Form of Motorola, Inc. Award Document—Terms and Conditions Related to Non-Employee Director Nonqualified Stock Options
 Form of Motorola, Inc. Award Document—Terms and Conditions Related to Employee Nonqualified Stock Options
 Form of Motorola, Inc. Restricted Stock Agreement
 Form of Motorola, Inc. Restricted Stock Unit Agreement
 Form of Restricted Stock Unit Award (Tax-Deferred-Periodic Vesting)
 Form of Restricted Stock Unit Award (Tax-Deferred-Cliff Vesting)
 Motorola Non-Employee Directors Stock Plan
 Form of Deferred Stock Units Agreement relating to the Motorola Non-Employee Directors Stock Plan
 Motorola Incentive Plan of 2002
 Motorola Mid-Range Incentive Plan (MRIP) of 2003
 Motorola Elected Officers Supplementary Retirement Plan
 Motorola Management Deferred Compensation Plan
 Motorola, Inc. Senior Officer Change in Control Severance Plan
 Accidental Death and Dismemberment Insurance for officers
 Description of insurance program for Elected Officers of Motorola, Inc.
 Arrangement for directors' fees and retirement plan for non-employee directors
 Insurance covering non-employee directors and their spouses
 Retirement Agreement between Motorola, Inc. and Christopher B. Galvin dated September 19, 2003
 Employment Agreement between Motorola, Inc. and Edward J. Zander dated as of December 15, 2003
 Description of Future Compensation Arrangements between Motorola, Inc. and Mike Zafirovski
 Description of Future Compensation Arrangements between Motorola, Inc. and David

Item 13: Certain Relationships and Related Transactions

The response to this Item incorporates by reference the relevant information under the caption "Director Compensation and Related Transactions" beginning on page 7 of Motorola's Proxy Statement for the 2004 annual meeting of stockholders.

Table of Contents

134

Item 14: Principal Accountant Fees and Services

The response to this Item incorporates by reference the information under the caption “Other Matters—Independent Public-Accountants” beginning on page 30 and “Other Matters—Audit and Legal Committee Pre-Approvals Policies” beginning on page 31, of Motorola’s Proxy Statement for the 2004 annual meeting of stockholders.

Table of Contents

133

PART III

Item 10: Directors and Executive Officers of the Registrant

The response to this Item required by Item 401 of Regulation S-K, with respect to directors, incorporates by reference the information under the caption "Nominees" beginning on page 3 of Motorola's Proxy Statement for the 2004 annual meeting of stockholders and, with respect to executive officers, is contained in Part I hereof under the caption "Executive Officers of the Registrant" and, with respect to the audit committee, incorporates by reference the information under the caption "Committees of the Board of Directors—Audit and Legal Committee" beginning on page 6 and "Report of Audit and Legal Committee" beginning on page 27 of Motorola's Proxy Statement for the 2004 annual meeting of stockholders.

The response to this Item required by Item 405 of Regulation S-K incorporates by reference the information under the caption "Section 16(a) Beneficial Ownership Reporting Compliance" on page 31 of Motorola's Proxy Statement for the 2004 annual meeting of stockholders.

The response to this Item incorporates by reference the information under the caption "Other Matters—Procedures for Recommending Director Candidates to the Governance and Nominating Committee" beginning on page 32 of Motorola's Proxy Statement for the 2004 annual meeting of stockholders.

Motorola has adopted a code of ethics, the Motorola Code of Business Conduct (the "Code"), that applies to all employees, including Motorola's principal executive officer, principal financial officer and controller (principal accounting officer). The Code is posted on Motorola's internet website, www.motorola.com/investor, and is available free of charge, upon request to Investor Relations, Motorola, Inc., Corporate Offices, 1303 East Algonquin Road, Schaumburg, Illinois 60196, E-mail: investors@motorola.com, phone: 1-800-262-8509. Any amendment to, or waiver from, the Code will be posted on our internet website within five business days following the date of the amendment or waiver. Motorola's Code of Business Conduct applies to all Motorola employees worldwide, without exception, and describes employee responsibilities to the various stakeholders involved in our business. The Code goes beyond the legal minimums by implementing the values we share as employees of Motorola—our key beliefs—uncompromising integrity and constant respect for people. The Code places special responsibility on managers and prohibits retaliation for reporting issues.

Item 11: Executive Compensation

The response to this Item incorporates by reference the information under the caption "Director Compensation and Related Transactions" beginning on page 7 of Motorola's Proxy Statement for the 2004 annual meeting of stockholders and under the captions "Summary Compensation Table," "Stock Option Grants in 2003," "Aggregated Option Exercises in 2003 and 2003 Year-End Option Values," "Long-Term Incentive Plans—Awards in 2003," "Retirement Plans," and "Employment Contracts, Termination of Employment and Change in Control Arrangements" beginning on page 15 of Motorola's Proxy Statement for the 2004 annual meeting of stockholders.

Item 12: Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The response to this Item incorporates by reference the information under the captions "Equity Compensation Plan Information" and "Ownership of Securities" beginning on page 11 of Motorola's Proxy Statement for the 2004 annual meeting of stockholders.

Table of Contents

132

Item 9: Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A: Controls and Procedures

(a) *Evaluation of disclosure controls and procedures.* Under the supervision and with the participation of our senior management, including our chief executive officer and chief financial officer, we conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended, as of the end of the period covered by this annual report (the "Evaluation Date"). Based on this evaluation, our chief executive officer and chief financial officer concluded as of the Evaluation Date that our disclosure controls and procedures were effective such that the information relating to Motorola, including our consolidated subsidiaries, required to be disclosed in our Securities and Exchange Commission ("SEC") reports (i) is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and (ii) is accumulated and communicated to Motorola's management, including our chief executive officer and chief financial officer, as appropriate to allow timely decisions regarding required disclosure.

(b) *Changes in internal control over financial reporting.* There have been no changes in our internal control over financial reporting that occurred during the quarter ended December 31, 2003 that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

(1) Reversal into income

Table of Contents

MOTOROLA INC. AND SUBSIDIARIES
(Dollars in millions, except as noted)

NOTES TO
CONSOLIDATED FINANCIAL STATEMENTS 131

15. Quarterly and Other Financial Data (unaudited)

	2003				2002			
	1st	2nd	3rd	4th	1st	2nd	3rd	4th
Operating Results								
Net sales	\$6,043	\$6,163	\$6,829	\$8,023	\$6,181	\$ 6,869	\$6,532	\$7,697
Gross margin	1,976	2,008	2,322	2,651	1,853	2,240	2,320	2,559
Operating earnings (loss)	130	171	263	520	(362)	(2,239)	341	447
Net earnings (loss)	169	119	116	489	(449)	(2,321)	111	174
Per Share Data (in dollars)								
Basic earnings (loss) per common share	\$ 0.07	\$ 0.05	\$ 0.05	\$ 0.21	\$ (0.20)	\$ (1.02)	\$ 0.05	\$ 0.08
Diluted earnings (loss) per common share	0.07	0.05	0.05	0.20	(0.20)	(1.02)	0.05	0.08
Dividends declared	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04
Dividends paid	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04
Stock prices								
High	10.08	9.90	12.70	14.40	16.24	17.12	16.05	12.25
Low	7.71	7.76	8.68	11.81	10.50	13.15	9.92	7.30

The following table summarizes the proceeds on sales, the net assets sold, and resulting gain recognized for the significant dispositions noted above:

<i>Year Ended December 31</i>	<i>2001</i>
Tangible net assets	\$ 657
Goodwill and other intangibles	572
Gain on sale of business	1,082
	<u>\$2,311</u>
Consideration:	
Cash	\$ 839
Stock	1,472
	<u>\$2,311</u>

Table of Contents

130 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MOTOROLA INC. AND SUBSIDIARIES
(Dollars in millions, except as noted)

Integrated Information Systems Group

In September 2001, the Commercial, Government and Industrial Solutions Segment completed the sale of its Integrated Information Systems Group (IISG), for \$825 million in cash resulting in a pre-tax gain of approximately \$526 million. IISG, based in Scottsdale, Arizona, provides defense and government customers with technologies, products and systems for secure communication, information assurance, situational awareness and integrated communication systems.

Mexico Cellular Operating Companies

In June 2001, the Company completed the sale of its investment in four cellular operating companies in northern Mexico to Telefonica Moviles of Madrid (Telefonica). The Company received approximately 123 million shares of Telefonica stock, valued at approximately Euros 1.9 billion (US\$ 1.6 billion) and approximately \$10 million in cash. Subsequently, the Company incurred a total cost of the monetization of the Telefonica shares of \$131 million. The Company recorded a pre-tax gain of approximately \$556 million on the sale of these properties which is net of the monetization cost.

14. Valuation and Qualifying Accounts

The following table presents the valuation and qualifying account activity for the years ended December 31, 2003, 2002 and 2001:

	Balance at January 1	Charged to expense	Used	Adjustments (1)	Balance at December 31
2003					
Reorganization of Businesses	\$ 636	\$ 267	\$(441)	\$(170)	292
Allowance for Doubtful					
Accounts	238	62	(22)	(50)	228
Allowance for Losses on Finance					
Receivables	2,251	33	(160)	(29)	2,095
Warranty Reserves	322	333	(178)	(111)	366
Customer Reserves	539	844	(722)	(77)	584
2002					
Reorganization of Businesses	915	658	(719)	(218)	636
Allowance for Doubtful					
Accounts	222	83	(67)	—	238
Allowance for Losses on Finance					
Receivables	1,647	642	(38)	—	2,251
Warranty Reserves	313	324	(315)	—	322
Customer Reserves	400	737	(598)	—	539
2001					
Reorganization of Businesses	263	1,536	(857)	(27)	915
Allowance for Doubtful					
Accounts	243	141	(162)	—	222
Allowance for Losses on Finance					
Receivables	239	1,501	(93)	—	1,647
Warranty Reserves	368	253	(308)	—	313
Customer Reserves	262	534	(396)	—	400

RiverDelta Networks, Inc.

In October 2001, the Broadband Communications segment completed the acquisition of RiverDelta Networks, Inc. (RiverDelta). RiverDelta provides next-generation, carrier-class broadband routing, switching, cable modem termination system (CMTS), and service management applications. Motorola acquired all of RiverDelta's outstanding capital stock in exchange for approximately 17.6 million shares of Motorola's common stock. The total purchase price was \$293 million.

The acquisition was accounted for using the purchase method of accounting. Such amounts were initially recorded based on estimates pending the resolution of certain matters known as of the date of acquisition, which were resolved in 2002. The Company recorded \$215 million in goodwill, as adjusted, to reflect the finalization of

Table of Contents

MOTOROLA INC. AND SUBSIDIARIES
(Dollars in millions, except as noted)

NOTES TO
CONSOLIDATED FINANCIAL STATEMENTS 129

the underlying valuations, \$20 million for acquired in-process research and development costs and \$38 million in other intangibles consisting principally of completed technology. At the acquisition date, a total of 3 projects were in process. Two projects were 75% complete, and one was 35% complete. The average risk adjusted rate used to value all three projects was 20%. Revenues from one of the projects began in late 2002 with one of the remaining projects expected to generate revenues beginning in 2004 and one in 2005. The acquired in-process research and development costs have been included in Other Charges in the Company's consolidated statements of operations for the year ended December 31, 2001. Goodwill and other intangibles are included in Other Assets in the Company's consolidated balance sheets. Other intangibles are being amortized over periods ranging from 3 to 10 years on a straight-line basis.

Blue Wave Systems, Inc.

In July 2001, the Integrated Electronic Systems segment acquired Blue Wave Systems, Inc. (Blue Wave). Blue Wave is a leading supplier of high-channel Digital Signal Processing subsystems used in telecommunication infrastructure equipment, such as voice over packet gateways, digital wireless communications and intelligent peripherals. Approximately 7.0 million shares of the Company's common stock were exchanged for Blue Wave's outstanding shares, representing a total purchase price of \$114 million.

The acquisition was accounted for under the purchase method of accounting. The Company recorded approximately \$58 million in goodwill, \$20 million for acquired in-process research and development costs and \$22 million in other intangibles consisting principally of completed technology and customer contracts. At the acquisition date, a total of 5 projects were in process ranging from 22% to 33% complete. The average risk adjusted rate used to value all three projects was 21%. Three of these projects began generating revenues in 2002 while the remaining two projects were terminated during 2003. The acquired in-process research and development costs have been included in Other Charges in the Company's consolidated statements of operations. Goodwill and other intangibles are included in Other Assets in the Company's consolidated balance sheets. Other intangibles will be amortized over periods ranging from 2 to 5 years on a straight-line basis.

Tohoku Semiconductor Corporation

In the first quarter of 2001, the Company increased its investment in Tohoku Semiconductor Corporation from 50% to 100% for approximately \$40 million in cash and the assumption of \$345 million of debt. This acquisition did not result in the Company recording any goodwill or other intangibles.

Dispositions

The following is a summary of the significant dispositions:

	<i>Quarter Disposed</i>	<i>Consideration</i>	<i>Form of Consideration</i>
2001 Dispositions			
Integrated Information Systems Group	Q3	\$ 825	Cash
Mexico Cellular Operating Companies	Q2	\$ 1,472	Common Stock
		\$ 10	Cash

Cash	\$ 214	\$ —	\$ 40
Stock	—	270	407
Assumed Debt	—	—	345
	<u>\$ 214</u>	<u>\$ 270</u>	<u>\$ 792</u>

Winphoria

In May 2003, the Company acquired Winphoria Networks, Inc. ("Winphoria"), a core infrastructure provider of next-generation, packet-based mobile switching centers for wireless networks, for approximately \$179 million in cash.

The Company recorded approximately \$93 million in goodwill, none of which is expected to be deductible for tax purposes, a \$32 million charge for acquired in-process research and development, and \$54 million in

Table of Contents

128 NOTES TO
CONSOLIDATED FINANCIAL STATEMENTS

MOTOROLA INC. AND SUBSIDIARIES
(Dollars in millions, except as noted)

intangibles. The acquired in-process research and development will have no alternative future uses if the products are not feasible. At the date of the acquisition, a total of eight projects were in process, ranging from 29% to 82% complete. The average risk adjusted rate used to value these projects ranged from 25% to 28%. In 2003, one of the eight projects generated revenue, five others will begin generating revenue in 2004 and the remaining two are expected to begin generating revenue in 2005. The allocation of value to in-process research and development was determined using expected future cash flows discounted at average risk adjusted rates reflecting both technological and market risk as well as the time value of money. These research and development costs were written off at the date of acquisition and have been included in Other Charges in the Company's consolidated statements of operations. Goodwill and intangible assets are included in Other Assets in the Company's consolidated balance sheets. The intangible assets will be amortized over periods ranging from 3 to 5 years on a straight-line basis.

The results of operations of Winphoria have been included in the Global Telecom Solutions segment in the Company's consolidated financial statements subsequent to the date of acquisition. The pro forma effects of this acquisition on the Company's financial statements were not significant.

Next Level Communications, Inc.

In April 2003, Motorola completed its cash tender offer of \$1.18 per share for all remaining outstanding shares of common stock of Next Level Communications, Inc. ("Next Level"), a leading provider of high speed data, video and voice broadband systems over existing phone lines. Motorola acquired the remaining ownership of Next Level through a short-form merger and Next Level is now a wholly-owned subsidiary of Motorola. The total purchase price for Motorola to acquire approximately 26% of Next Level that it did not own at the initiation of the tender offer, excluding Next Level's transaction costs, was \$35 million. The Company recorded \$24 million in goodwill, none of which is expected to be deductible for tax purposes, and \$10 million in intangibles. Goodwill and intangible assets are included in Other Assets in the Company's consolidated balance sheets. The intangible assets will be amortized over periods ranging from 2 to 13 years on a straight-line basis. Prior to the completion of the cash tender offer, due to the Company's controlling ownership interest in Next Level and Next Level's cumulative net deficit equity position, the Company included in its consolidated results 100% of Next Level's operating losses.

Synchronous, Inc.

In January 2002, the Broadband Communications segment acquired Synchronous, Inc. (Synchronous), a leading provider of fiber optic systems for video, data and voice transmission. Approximately 16.2 million shares of the Company's common stock were exchanged for Synchronous' outstanding shares. The total purchase price was \$270 million, which includes transaction costs.

The acquisition was accounted for using the purchase method of accounting. The Company recorded \$194 million in goodwill, an \$11 million charge for acquired in-process research and development and \$60 million in other intangibles. At the date of acquisition, a total of four projects were in process, ranging from 30% to 75% complete. The average risk adjusted rate used to value these projects was 40%. Two projects began generating revenues in 2002 and one in 2003 with the remaining project expected to begin generating revenue in the first half of 2004. The acquired in-process research and development is included in Other Charges in the Company's consolidated statements of operations for the year ended December 31, 2002. Goodwill and other intangible assets are included in Other Assets in the Company's consolidated balance sheets. Other intangibles are being amortized over periods ranging from 7 to 10 years on a straight-line basis.

balance sheets. In 2002 and 2003, the Company utilized \$464 million of the accrual and reversed \$148 million.

13. Acquisitions and Dispositions of Businesses

Acquisitions

The Company accounts for acquisitions using purchase accounting with the results of operations for each acquiree included in the Company's consolidated financial statements for the period subsequent to the date of acquisition. The pro forma effects of these acquisitions on the Company's consolidated financial statements were not significant individually nor in the aggregate.

The allocation of value to in-process research and development was determined using expected future cash flows discounted at average risk adjusted rates reflecting both technological and market risk as well as the time value of money. Historical pricing, margins and expense levels, where applicable, were used in the valuation of the in-process products. The in-process research and development acquired will have no alternative future uses if the products are not feasible.

Table of Contents

MOTOROLA INC. AND SUBSIDIARIES
(Dollars in millions, except as noted)

NOTES TO
CONSOLIDATED FINANCIAL STATEMENTS 127

The developmental products for the companies acquired have varying degrees of timing, technology, costs-to-complete and market risks throughout final development. If the products fail to become viable, the Company will unlikely be able to realize any value from the sale of incomplete technology to another party or through internal re-use. The risks of market acceptance for the products under development and potential reductions in projected sales volumes and related profits in the event of delayed market availability for any of the products exist. Efforts to complete all developmental products continue and there are no known delays to forecasted plans.

The following is a summary of the significant acquisitions:

	<i>Quarter Acquired</i>	<i>Consideration</i>	<i>Form of Consideration</i>	<i>In-Process Research and Development Charge</i>
2003 Acquisitions				
Winphoria Networks, Inc.	Q2	\$ 179	Cash	\$ 32
Next Level Communications, Inc.	Q2	\$ 35	Cash	—
2002 Acquisitions				
Synchronous, Inc.	Q1	\$ 270	Common stock (16.2 million shares) Assumed Stock Options	\$ 11
2001 Acquisitions				
RiverDelta Networks, Inc.	Q4	\$ 293	Common Stock (17.6 million shares) Assumed Stock Options	\$ 20
Blue Wave Systems, Inc.	Q3	\$ 114	Common Stock (7.0 million shares) Assumed Stock Options	\$ 20
Tohoku Semiconductor Corporation (increase investment to 100%)	Q1	\$ 40 \$ 345	Cash Assumed Debt	—

The following table summarizes net tangible and intangible assets acquired and the consideration provided for the acquisitions identified above:

<i>Years Ended December 31</i>	<i>2003</i>	<i>2002</i>	<i>2001</i>
Tangible net assets	\$ —	\$ 4	\$ 378
Goodwill	118	194	314
Other intangibles	64	61	60
In-process research and development	32	11	40
	<u>\$ 214</u>	<u>\$ 270</u>	<u>\$ 792</u>

Consideration:

Integrated Electronic Systems	18	103	1	19	141
Other Products	69	34	12	27	142
	383	1,036	520	845	2,784
General Corporate	8	82	—	2	92
	\$ 391	\$ 1,118	\$ 520	\$ 847	\$2,876

Table of Contents

126 NOTES TO
CONSOLIDATED FINANCIAL STATEMENTSMOTOROLA INC. AND SUBSIDIARIES
(Dollars in millions, except as noted)*Reorganization of Businesses Accruals*

The following table displays a rollforward of the accruals established for exit costs from January 1, 2001 to December 31, 2001:

<i>Exit Costs</i>	<i>Accruals at January 1, 2001</i>	<i>2001 Additional Charges</i>	<i>2001 Adjustments</i>	<i>2001 Amount Used</i>	<i>Accruals at December 31, 2001</i>
Discontinuation of product lines	\$ 55	\$ 45	\$ (1)	\$ (45)	54
Business exits	32	157	(6)	(75)	108
Manufacturing & administrative consolidations	61	204	(8)	(116)	141
	\$ 148	\$ 406	\$ (15)	\$ (236)	303

The 2001 amount used of \$236 million reflects cash payments of \$153 million and non-cash utilization of \$83 million. The accrual at December 31, 2001 was \$303 million, and was included in Accrued Liabilities in the Company's consolidated balance sheets. In 2002 and 2003, the Company utilized \$182 million of the accrual, reversed \$83 million and expects \$38 million in future cash payments primarily for outstanding lease termination obligations, which will extend over several years.

The following table displays a rollforward of the accruals established for employee separation costs from January 1, 2001 to December 31, 2001:

<i>Employee Separation Costs</i>	<i>Accruals at January 1, 2001</i>	<i>2001 Additional Charges</i>	<i>2001 Adjustments</i>	<i>2001 Amount Used</i>	<i>Accruals at December 31, 2001</i>
Business exits	\$ 27	\$ 10	\$ (10)	\$ (20)	7
Manufacturing & administrative consolidations	88	1,120	(2)	(601)	605
	\$ 115	\$ 1,130	\$ (12)	\$ (621)	612

At January 1, 2001, the Company had an accrual of \$115 million for employee separation costs, representing the severance costs for approximately 3,300 employees, of which 1,900 were direct employees and 1,400 were indirect employees. The 2001 net charges of \$1.1 billion represent additional charges of \$1.1 billion and reversals into income of \$12 million. The additional charges of \$1.1 billion represent the severance costs for approximately an additional 38,700 employees, of which 25,300 are direct employees and 13,400 are indirect employees. The accrual is for various levels of employees. Direct employees are primarily non-supervisory production employees and indirect employees are primarily non-production employees and production managers.

During 2001, approximately 29,500 employees, of which 19,800 were direct employees and 9,700 were indirect employees, were separated from the Company. The 2001 amount used of \$621 million reflects cash payments to these separated employees. The accrual at December 31, 2001 was \$612 million and was included in Accrued Liabilities in the Company's consolidated

During 2002, approximately 13,200 employees, of which 6,400 were direct employees and 6,800 were indirect employees, were separated from the Company. The 2002 amount used of \$554 million reflects \$534 million of cash payments to these separated employees and \$20 million of non-cash utilization. The remaining accrual of \$419 million is included in Accrued Liabilities in the Company's consolidated balance sheets. In 2003, the Company utilized \$274 million of the accrual, reversed \$137 million and expects \$8 million in future cash payments to be paid to separated employees during the first quarter of 2004.

For the Year Ended December 31, 2001

For the year ended December 31, 2001, the Company recorded net reorganization of businesses charges of \$2.9 billion, of which \$1.0 billion was included in Costs of Sales and \$1.9 billion was recorded under Reorganization of Businesses in the Company's consolidated statements of operations. The aggregate \$2.9 billion charge is comprised of the following:

	<i>Exit Costs</i>	<i>Employee Separations</i>	<i>Inventory Writedowns</i>	<i>Asset Writedowns</i>	<i>Total</i>
Discontinuation of product lines	\$ 44	\$ —	\$ 449	\$ 92	\$ 585
Business exits	151	—	30	25	206
Manufacturing & administrative consolidations	196	1,118	41	730	2,085
	\$ 391	\$ 1,118	\$ 520	\$ 847	\$2,876

Table of Contents

MOTOROLA INC. AND SUBSIDIARIES
(Dollars in millions, except as noted)

NOTES TO
CONSOLIDATED FINANCIAL STATEMENTS 125

Discontinuation of Product Lines

During 2001, the Company's plan to discontinue certain product lines resulted in net charges of \$585 million. This charge consisted primarily of \$427 million in the Personal Communications segment, principally for an additional writedown of the value of inventory relating to the discontinuation of analog and first-generation digital wireless telephones necessitated due to the accelerated erosion of average selling prices for these products in early 2001 and the discontinuation of two-way messaging and one-way paging products. The remaining charges consisted primarily of: (i) \$68 million in the Broadband Communications segment, principally for the discontinuation of analog set-top box products; (ii) \$23 million in the Semiconductor Products segment, principally for the discontinuance of certain wafer manufacturing technologies; and (iii) \$37 million in the Commercial, Government and Industrial Solutions segment, principally for the discontinuation of a product line intended to serve shared public trunked radio customers. These charges included exit costs for vendor and customer liabilities arising from product cancellations. Some of these contractual obligations may extend over several years.

Business Exits

During 2001, the Company incurred a net charge of \$206 million relating to business exits. This charge consisted of: (i) \$90 million in the Global Telecom Solutions segment relating to an operating joint venture in Japan; (ii) \$39 million for the exit of the smartcard business in the Commercial, Government and Industrial Solutions segment; and (iii) \$77 million in the Other Products segment to cease the development and sale of voice recognition systems and Wireless Application Protocol servers, as well as the exit of the Multiservice Networks Division. The exit costs included customer and supplier termination costs and lease payment and cancellation costs. Some of these contractual obligations may extend over several years.

Manufacturing and Administrative Consolidations

The Company's actions to consolidate manufacturing operations and implement strategic initiatives to streamline its global organization resulted in a net charge of \$2.1 billion for the year ended December 31, 2001. The charge consisted primarily of \$542 million in the Personal Communications segment and \$818 million in the Semiconductor Products segment for severance costs, asset impairments and lease cancellation fees. Some of the lease obligations, which are included in exit costs, may extend over several years. The consolidation activities were focused primarily on: (i) the shut-down of manufacturing operations in Scotland, Illinois and Florida in the Personal Communications segment, (ii) the consolidation of portions of the Semiconductor Products segment's manufacturing operations in various locations, including Texas, Arizona, Hong Kong, and Japan, and (iii) the reduction of non-manufacturing workforce across all segments.

Reorganization of Businesses Charges—by Segment

The following table displays the net charges incurred by segment for the year ended December 31, 2001:

Segment	Exit Costs	Employee Separations	Inventory Writedowns	Asset Writedowns	Total
Personal Communications	\$ 97	\$ 208	\$ 409	\$ 255	\$ 969
Semiconductor Products	12	386	—	443	841
Global Telecom Solutions	123	155	25	42	345
Commercial, Government and Industrial Solutions	45	97	22	36	200
Broadband Communications	19	53	51	23	146

Reorganization of Businesses Charges—by Segment

The following table displays the net charges incurred by segment for the year ended December 31, 2002:

<i>Segment</i>	<i>Exit Costs</i>	<i>Employee Separations</i>	<i>Asset Writedowns</i>	<i>Total</i>
Personal Communications	\$ (5)	\$ 70	\$ 119	\$ 184
Semiconductor Products	—	2	1,145	1,147
Global Telecom Solutions	56	128	25	209
Commercial, Government and Industrial Solutions	(16)	58	3	45
Broadband Communications	4	37	9	50
Integrated Electronic Systems	24	20	23	67
Other Products	(8)	19	7	18
	55	334	1,331	1,720
General Corporate	24	27	49	100
	\$ 79	\$ 361	\$ 1,380	\$1,820

Table of Contents

124 NOTES TO
CONSOLIDATED FINANCIAL STATEMENTS

MOTOROLA INC. AND SUBSIDIARIES
(Dollars in millions, except as noted)

Reorganization of Businesses Accruals

The following table displays a rollforward of the accruals established for exit costs from January 1, 2002 to December 31, 2002:

<i>Exit Costs</i>	<i>Accruals at January 1, 2002</i>	<i>2002 Additional Charges</i>	<i>2002 Adjustments</i>	<i>2002 Amount Used</i>	<i>Accruals at December 31, 2002</i>
Discontinuation of product lines	\$ 54	\$ —	\$ (23)	\$ (25)	6
Business exits	108	58	(31)	(53)	82
Manufacturing & administrative consolidations	141	98	(23)	(87)	129
	\$ 303	\$ 156	\$ (77)	\$ (165)	217

The 2002 net charges of \$79 million represent \$156 million of additional charges and \$77 million of reversals into income. The 2002 amount used of \$165 million reflects cash payments of \$162 million and non-cash utilization of \$3 million. The remaining accrual of \$217 million is included in Accrued Liabilities in the Company's consolidated balance sheets. In 2003, the Company utilized \$59 million of the accrual and reversed \$25 million. The remaining \$133 million represents future cash payments, primarily for lease termination obligations, which will extend over several years.

The following table displays a rollforward of the accruals established for employee separation costs from January 1, 2002 to December 31, 2002:

<i>Employee Separation Costs</i>	<i>Accruals at January 1, 2002</i>	<i>2002 Additional Charges</i>	<i>2002 Adjustments</i>	<i>2002 Amount Used</i>	<i>Accruals at December 31, 2002</i>
Business exits	\$ 7	\$ —	\$ (2)	\$ (5)	—
Manufacturing & administrative consolidations	605	502	(139)	(549)	419
	\$ 612	\$ 502	\$ (141)	\$ (554)	419

At January 1, 2002, the Company had an accrual of \$612 million for employee separation costs, representing the severance costs for approximately 12,500 employees, of which 7,700 were direct employees and 4,800 were indirect employees. The 2002 net charges of \$361 million represent additional charges of \$502 million and reversals into income of \$141 million. The additional charges of \$502 million represent the severance costs for approximately 9,700 employees, of which 3,100 are direct employees and 6,600 are indirect employees. The accrual is for various levels of employees. The reversals into income of \$141 million represent the severance costs for approximately 1,800 employees previously identified for separation who resigned from the Company and did not receive severance or were redeployed due to circumstances not foreseen when the original plans were approved. Direct employees are primarily non-supervisory production employees and indirect employees are primarily non-production employees and production managers.

<i>Employee Separation Costs</i>	<i>at January 1, 2003</i>	<i>2003 Additional Charges</i>	<i>2003 Adjustments</i>	<i>2003 Amount Used</i>	<i>Accruals at December 31, 2003</i>
Manufacturing & administrative consolidations	\$ 419	\$ 256	\$(144)	\$(382)	149

At January 1, 2003, the Company had an accrual of \$419 million for employee separation costs, representing the severance costs for approximately 7,200 employees, of which 3,000 were direct employees and 4,200 were indirect employees. The additional charges of \$256 million represent the severance costs for approximately 4,700 employees, of which 1,800 are direct employees and 2,900 are indirect employees. The accrual is for various levels of employees. The adjustments of \$144 million represent the severance costs for approximately 1,700 employees previously identified for separation who resigned from the Company and did not receive severance or were redeployed due to circumstances not foreseen when the original plans were approved. Direct employees are primarily non-supervisory production employees and indirect employees are primarily non-production employees and production managers.

During 2003, approximately 7,900 employees, of which 3,300 were direct employees and 4,600 were indirect employees, were separated from the Company. The 2003 amount used of \$382 million reflects \$376 million of cash

Table of Contents

MOTOROLA INC. AND SUBSIDIARIES
(Dollars in millions, except as noted)

NOTES TO
CONSOLIDATED FINANCIAL STATEMENTS 123

payments to these separated employees and \$6 million of non-cash utilization. The remaining accrual of \$149 million, which is included in Accrued Liabilities in the Company's consolidated balance sheets, is expected to be paid to approximately 2,300 separated employees in 2004.

For the Year Ended December 31, 2002

For the year ended December 31, 2002, the Company recorded net reorganization of businesses charges of \$1.8 billion, of which \$56 million was included in Costs of Sales and \$1.8 billion was recorded under Reorganization of Businesses in the Company's consolidated statements of operations. The aggregate \$1.8 billion charge is comprised of the following:

	<i>Exit Costs</i>	<i>Employee Separations</i>	<i>Asset Writedowns</i>	<i>Total</i>
Discontinuation of product lines	\$ (23)	\$ —	\$ —	\$ (23)
Business exits	27	(2)	—	25
Manufacturing & administrative consolidations	75	363	1,380	1,818
	\$ 79	\$ 361	\$ 1,380	\$ 1,820

Discontinuation of product lines

During 2002, the Company reversed \$23 million of accruals. This reversal primarily consisted of \$14 million by the Commercial, Government and Industrial Solutions segment and \$5 million by the Global Telecom Solutions segment related to customer and vendor liabilities arising from product cancellations that were negotiated and settled for less than the amounts originally claimed.

Business Exits

During 2002, the Company incurred a net charge of \$25 million relating to business exits. The \$27 million net charge for exit costs consisted primarily of: (i) a \$55 million charge in the Global Telecom Solutions segment for exit costs relating to a lease cancellation fee, (ii) \$19 million of reversals into income in the Other Products segment for exit cost accruals, mainly related to the exit of the Multiservice Networks Division, and (iii) a \$12 million reversal in the Commercial, Government and Industrial Solutions segment related to the completion of exit activities for its smartcard business.

Manufacturing and Administrative Consolidations

The Company's actions to consolidate manufacturing operations and to implement strategic initiatives to streamline its global organization resulted in additional charges of \$2.1 billion (\$1.8 billion net of reversals) for the year ended December 31, 2002. These charges consisted primarily of: (i) \$1.2 billion in the Semiconductor Products segment for consolidation activities focused primarily on manufacturing facilities in Arizona, China, and Scotland, (ii) \$275 million in the Personal Communications segment, primarily related to the shut-down of an engineering and distribution center in Illinois, (iii) \$169 million in the Global Telecom Solutions segment, primarily related to segment-wide employee separation costs; and (iv) \$416 million for employee separation, fixed asset impairments and lease cancellation fees across all other segments. The \$2.1 billion charge was partially offset by reversals of previous accruals of \$260 million, consisting primarily of: (i) \$139 million relating to unused accruals of previously expected employee separation costs across all segments, (ii) \$98 million, primarily for assets which the Company intends to use that were previously classified as held-for-sale, and (iii) \$23 million for exit cost accruals no longer required across all segments.

Company intends to use that were previously classified as held-for-sale, as well as for reserves previously established to cover decommissioning costs which are no longer needed due to the sale of the facility in the Semiconductor Products segment, and (iii) \$22 million for exit cost accruals no longer required across all segments.

Table of Contents

122 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MOTOROLA INC. AND SUBSIDIARIES
(Dollars in millions, except as noted)

Reorganization of Businesses Charges—by Segment

The following table displays the net charges incurred by segment for the year ended December 31, 2003:

Segment	Exit Costs	Employee Separations	Asset Writedowns	Total
Personal Communications	\$ 6	\$ 43	\$ 2	\$ 51
Semiconductor Products	(6)	74	17	85
Global Telecom Solutions	(3)	(30)	(6)	(39)
Commercial, Government and Industrial Solutions	(3)	35	—	32
Integrated Electronic Systems	(1)	—	—	(1)
Broadband Communications	1	(4)	(4)	(7)
Other Products	(3)	7	—	4
	(9)	125	9	125
General Corporate	(6)	(13)	18	(1)
	<u>\$ (15)</u>	<u>\$ 112</u>	<u>\$ 27</u>	<u>\$ 124</u>

Reorganization of Businesses Accruals

The following table displays a rollforward of the accruals established for exit costs from January 1, 2003 to December 31, 2003:

Exit Costs	Accruals at January 1, 2003	2003 Additional Charges	2003 Adjustments	2003 Amount Used	Accruals at December 31, 2003
Discontinuation of product lines	\$ 6	\$ —	\$ (1)	\$ (5)	—
Business exits	82	—	(3)	(14)	65
Manufacturing & administrative consolidations	129	11	(22)	(40)	78
	<u>\$ 217</u>	<u>\$ 11</u>	<u>\$ (26)</u>	<u>\$ (59)</u>	<u>143</u>

The 2003 additional charges of \$11 million are primarily related to the planned exit of certain manufacturing activities in Germany by the Personal Communications segment. The adjustments of \$26 million represent exit cost accruals across all segments which were no longer needed. The 2003 amount used of \$59 million reflects cash payments of \$54 million and non-cash utilization of \$5 million. The remaining accrual of \$143 million, which is included in Accrued Liabilities in the Company's consolidated balance sheets, represents future cash payments, primarily for lease termination obligations, which will extend over several years.

The following table displays a rollforward of the accruals established for employee separation costs from January 1, 2003 to December 31, 2003:

Accruals

\$ 27,058 \$ 27,279 \$ 30,486 \$32,098 \$31,152 \$33,398 \$5,164 \$6,104 \$8,913

* As measured by the location of the revenue-producing operations.

11. Stockholder Rights Plan

The terms of the Preferred Share Purchase Rights Agreement attach certain rights to existing shares of common stock, \$3 par value, of the Company at the rate of one right for each share of common stock.

Each right entitles a shareholder to buy, under certain circumstances, one thirty-thousandth of a share of preferred stock for \$66.66. The rights generally will be exercisable only if a person or group acquires 10 percent or more of the Company's common stock or begins a tender or exchange offer for 10 percent or more of the Company's common stock. If a person acquires beneficial ownership of 10% or more of the Company's common stock, all holders of rights other than the acquiring person, will be entitled to purchase the Company's common stock (or, in certain cases, common equivalent shares) at a 50% discount. The Company may redeem the new rights at a price of \$0.0033 per right. The rights will expire on November 20, 2008.

12. Reorganization of Businesses

In an effort to reduce costs, the Company has implemented plans to reduce its workforce, discontinue product lines, exit businesses and consolidate manufacturing and administrative operations. The Company records

Table of Contents

MOTOROLA INC. AND SUBSIDIARIES
(Dollars in millions, except as noted)

NOTES TO 121
CONSOLIDATED FINANCIAL STATEMENTS

provisions for employee separation costs and exit costs when they are probable and estimable based on estimates prepared at the time the restructuring plans were approved by management. Employee separation costs consist primarily of ongoing termination benefits, principally severance payments. Exit costs primarily consist of future minimum lease payments on vacated facilities and facility closure costs. At each reporting date, the Company evaluates its accruals for exit costs and employee separation costs to ensure that the accruals are still appropriate. In certain circumstances, accruals are no longer required because of efficiencies in carrying out the plans or because employees previously identified for separation resigned from the Company and did not receive severance or were redeployed due to circumstances not foreseen when the original plans were initiated. The Company reverses accruals to income when it is determined they are no longer required.

For the Year Ended December 31, 2003

For the year ended December 31, 2003, the Company recorded net reorganization of businesses charges of \$124 million, of which \$38 million was included in Costs of Sales and \$86 million was recorded under Reorganization of Businesses in the Company's consolidated statements of operations. The aggregate \$124 million charge is comprised of the following:

	Exit Costs	Employee Separations	Asset Writedowns	Total
Discontinuation of product lines	\$ (1)	\$ —	\$ (8)	\$ (9)
Business exits	(3)	—	—	(3)
Manufacturing & administrative consolidations	(11)	112	35	136
	\$ (15)	\$ 112	\$ 27	\$ 124

Discontinuation of product lines

During 2003, the Semiconductor Products segment reversed \$9 million of previously established reserves which are no longer needed, primarily relating to anticipated facility decommissioning costs.

Business Exits

During 2003, the Other Products segment reversed exit cost accruals of \$3 million.

Manufacturing and Administrative Consolidations

The Company's actions to consolidate manufacturing operations and to implement strategic initiatives to streamline its global organization resulted in additional charges of \$353 million (\$136 million net of reversals) for the year ended December 31, 2003. These charges consisted primarily of: (i) \$141 million in the Semiconductor Products segment, primarily for segment-wide employee separation costs, impairment of an Austin, Texas manufacturing site and impairment of equipment classified as held-for-sale, (ii) \$85 million in the Personal Communications segment primarily related to the exit of certain manufacturing activities in Flensburg, Germany and the planned closure of an engineering center in Boynton Beach, Florida, (iii) \$50 million in the Commercial, Government and Industrial Solutions segment for segment wide employee separation costs, and (iv) \$39 million in General Corporate, primarily for the impairment of assets classified as held-for-sale and employee separation costs. The \$353 million of charges were partially offset by reversals of previous accruals of \$217 million, consisting primarily of: (i) \$144 million relating to unused accruals of previously expected employee separation costs across all segments, (ii) \$51 million, primarily for assets which the

Global Telecom Solutions Segment	4,417	4,611	6,514	247	(621)	(1,409)
Commercial, Government and Industrial Solutions Segment	4,131	3,749	4,322	562	313	52
Integrated Electronic Systems Segment	2,265	2,189	2,239	161	52	(171)
Broadband Communications Segment	1,745	2,087	2,885	48	(150)	195
Other Products Segment	435	486	755	(130)	(280)	(516)
Adjustments and Eliminations	(1,777)	(2,017)	(2,095)	(19)	24	236
	<u>\$27,058</u>	<u>\$27,279</u>	<u>\$30,486</u>	<u>1,051</u>	<u>(1,674)</u>	<u>(5,109)</u>
General Corporate				33	(139)	(694)
Operating earnings (loss)				<u>1,084</u>	<u>(1,813)</u>	<u>(5,803)</u>
Total other income (expense)				<u>209</u>	<u>(1,633)</u>	<u>292</u>
Earnings (loss) before income taxes				<u>\$1,293</u>	<u>\$(3,446)</u>	<u>\$(5,511)</u>

Table of Contents

120 NOTES TO
CONSOLIDATED FINANCIAL STATEMENTSMOTOROLA INC. AND SUBSIDIARIES
(Dollars in millions, except as noted)

General Corporate Operating Earnings (Loss) consists of expenses which are not identifiable with segment activity. Such items primarily consist of legal expenses, restructuring costs related to corporate employees and facilities, and Iridium-related costs (recoveries).

	<i>Assets</i>			<i>Capital Expenditures</i>			<i>Depreciation Expense</i>		
<i>Years Ended December 31</i>	<i>2003</i>	<i>2002</i>	<i>2001</i>	<i>2003</i>	<i>2002</i>	<i>2001</i>	<i>2003</i>	<i>2002</i>	<i>2001</i>
Personal Communications Segment	\$ 3,783	\$ 3,746	\$ 4,612	\$ 74	\$ 101	\$ 113	\$ 159	\$ 203	\$ 290
Semiconductor Products Segment	4,695	5,702	7,546	310	220	613	852	1,088	1,220
Global Telecom Solutions Segment	2,878	3,617	4,475	67	84	234	155	218	267
Commercial, Government and Industrial Solutions Segment	1,938	1,961	2,071	76	83	105	96	115	185
Integrated Electronic Systems Segment	1,102	1,031	1,131	44	55	68	74	75	84
Broadband Communications Segment	2,251	2,383	3,398	23	20	57	66	77	86
Other Products Segment	714	539	1,824	—	—	4	9	21	38
Adjustments and Eliminations	(124)	(138)	(190)	—	—	—	—	—	—
	17,237	18,841	24,867	594	563	1,194	1,411	1,797	2,170
General Corporate	14,861	12,311	8,531	61	44	127	104	194	187
	\$32,098	\$31,152	\$33,398	\$ 655	\$ 607	\$1,321	\$1,515	\$1,991	\$2,357

General corporate assets include primarily cash and cash equivalents, marketable securities, property, plant and equipment, cost-based investments, deferred income taxes and the administrative headquarters of the Company.

Geographic area information

	<i>Net Sales*</i>			<i>Assets</i>			<i>Property, Plant, and Equipment</i>		
<i>Years ended December 31</i>	<i>2003</i>	<i>2002</i>	<i>2001</i>	<i>2003</i>	<i>2002</i>	<i>2001</i>	<i>2003</i>	<i>2002</i>	<i>2001</i>
United States	\$ 20,456	\$ 20,052	\$ 22,078	\$22,244	\$22,082	\$24,375	\$2,749	\$3,417	\$5,625
China	3,873	4,721	4,266	3,177	3,012	3,529	666	789	1,324
Other nations	14,110	13,448	14,814	9,441	8,107	10,006	1,769	1,937	2,198
Adjustments and Eliminations	(11,381)	(10,942)	(10,672)	(2,764)	(2,049)	(4,512)	(20)	(39)	(234)

services wireless infrastructure communication systems, including hardware and software. The segment provides end-to-end wireless networks, including radio base stations, base site controllers, associated software and services, mobility soft switching, application platforms and third-party switching for CDMA, GSM, iDEN®, and UMTS technologies.

- The Commercial, Government and Industrial Solutions segment (CGISS) designs, manufactures, sells, installs and services analog and digital two-way radio, voice and data communications products and systems to a wide range of public-safety, government, utility, transportation and other worldwide markets. In addition, the segment participates in the expanding market for integrated information management, mobile and biometric applications and services.

Table of Contents

MOTOROLA INC. AND SUBSIDIARIES
(Dollars in millions, except as noted)

NOTES TO
CONSOLIDATED FINANCIAL STATEMENTS 119

- The Integrated Electronic Systems segment (IESS) designs, manufactures and sells: (i) automotive and industrial electronics systems, (ii) telematics systems that enable automated roadside assistance, navigation and advanced safety features for automobiles, (iii) portable energy storage products and systems, and (iv) embedded computing systems.
- The Broadband Communications segment (BCS) designs, manufactures and sells a wide variety of broadband products, including: (i) digital systems and set-top terminals for cable television networks, (ii) high speed data products, including cable modems and cable modem termination systems (CMTS), as well as Internet Protocol (IP)-based telephony products, (iii) hybrid fiber coaxial network transmission systems used by cable television operators, (iv) digital satellite television systems, (v) direct-to-home (DTH) satellite networks and private networks for business communications, and (vi) digital broadcast products for the cable and broadcast industries.
- The Other Products segment includes: (i) Next Level Communications, Inc., which became a wholly-owned subsidiary of the Company in April 2003, (ii) various corporate programs representing developmental businesses and research and development projects, which are not included in any major segment, (iii) Motorola Credit Corporation (MCC), the Company's wholly-owned finance subsidiary, and (iv) the Company's holdings in cellular operating companies outside the U.S.

Segment operating results are measured based on operating earnings (loss) adjusted, if necessary, for certain segment-specific items and corporate allocations. Intersegment and intergeographic sales are accounted for on an arm's-length pricing basis. Intersegment sales included in adjustments and eliminations were \$1.8 billion, \$2.0 billion, and \$2.1 billion for the years ended December 31, 2003, 2002 and 2001, respectively. These sales were primarily from the Semiconductor Products segment and the Integrated Electronic Systems segment to the Personal Communications segment. Intersegment sales from the Semiconductor Products segment were \$1.0 billion, \$1.1 billion and \$1.1 billion for the years ended December 31, 2003, 2002 and 2001, respectively. For these same periods, intersegment sales from the Integrated Electronic Systems segment were \$0.4 billion, \$0.4 billion and \$0.6 billion, respectively. Net sales by geographic region are measured by the location of the revenue-producing operations.

Domestic export sales to third parties were \$2.0 billion, \$1.4 billion and \$2.2 billion for the years ended December 31, 2003, 2002 and 2001, respectively. Domestic export sales to affiliates and subsidiaries, which are eliminated in consolidation, were \$5.3 billion, \$4.7 billion and \$4.9 billion for the years ended December 31, 2003, 2002 and 2001, respectively.

Identifiable assets (excluding intersegment receivables) are the Company's assets that are identified with classes of similar products or operations in each geographic region.

For the year ended December 31, 2003, approximately 10.3% of net sales were to Nextel Communications, Inc. and its affiliates. For the years ended December 31, 2002 and 2001 no single customer or group under common control represented 10% or more of the Company's consolidated net sales.

Segment information

Years Ended December 31	Net Sales			Operating Earnings (Loss)		
	2003	2002	2001	2003	2002	2001
Personal Communications Segment	\$10,978	\$11,174	\$10,768	\$ 479	\$ 503	\$(1,585)
Semiconductor Products Segment	4,864	5,000	5,098	(297)	(1,515)	(1,911)

Iridium Program: Motorola has been named as one of several defendants in putative class action securities lawsuits pending in the District of Columbia arising out of alleged misrepresentations or omissions regarding the Iridium satellite communications business. The plaintiffs seek an unspecified amount of damages. On March 15, 2001, the federal district court judge consolidated the various securities cases under *Freeland v. Iridium World Communications, Inc., et al.*, originally filed on April 22, 1999. Motorola moved to dismiss the plaintiffs' complaint on July 15, 2002, and that motion has not yet been decided.

Motorola has been sued by the Official Committee of the Unsecured Creditors of Iridium in the Bankruptcy Court for the Southern District of New York on July 19, 2001. *In re Iridium Operating LLC, et al. v. Motorola* asserts claims for breach of contract, warranty, fiduciary duty, and fraudulent transfer and preferences, and seeks in excess of \$4 billion in damages.

Table of Contents

118 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MOTOROLA INC. AND SUBSIDIARIES
(Dollars in millions, except as noted)

The Company has not reserved for any potential liability that may arise as a result of litigation related to the Iridium program. While the still pending cases are in very preliminary stages and the outcomes are not predictable, an unfavorable outcome of one or more of these cases could have a material adverse effect on the Company's consolidated financial position, liquidity or results of operations.

Other: The Company is a defendant in various other lawsuits, including environmental and product-related suits, and is subject to various claims which arise in the normal course of business. In the opinion of management, and other than discussed above with respect to the still pending Iridium cases, the ultimate disposition of these matters will not have a material adverse effect on the Company's consolidated financial position, liquidity or results of operations.

Other

The Company is also a party to a variety of agreements pursuant to which it is obligated to indemnify the other party with respect to certain matters. Some of these obligations arise as a result of divestitures of the Company's assets or businesses and require the Company to hold the other party harmless against losses arising from adverse tax outcomes. The total amount of indemnification under these types of provisions is \$105 million and the company has accrued \$47 million as of December 31, 2003 for certain claims that have been asserted under these provisions.

In addition, the Company may provide indemnifications for losses that result from the breach of general warranties contained in certain commercial, intellectual property and divestiture agreements. Historically the Company has not made significant payments under these agreements, nor have there been significant claims asserted against the Company as of December 31, 2003.

In all cases, payment by the Company is conditioned on the other party making a claim pursuant to the procedures specified in the particular contract, which procedures typically allow the Company to challenge the other party's claims. Further, the Company's obligations under these agreements are generally limited in terms of duration, typically not more than 24 months and or amounts not in excess of the contract value, and in some instances, the Company may have recourse against third parties for certain payments made by the Company.

10. Information by Segment and Geographic Region

The Company's reportable segments have been determined based on the nature of the products offered to customers and are comprised of the following:

- The Personal Communications segment (PCS) designs, manufactures, sells and services wireless subscriber equipment, including wireless handsets and personal two-way radios, with related software and accessory products.
- The Semiconductor Products segment (SPS) designs, develops, manufactures and sells a broad range of semiconductor products that are based on its core capabilities in embedded processing, including microcontrollers, digital signal processors and communications processors. In addition, the segment offers a broad portfolio of devices that complement its families of embedded processors, including sensors, radio frequency semiconductors, power management and other analog and mixed-signal integrated circuits. Through its embedded processors and complementary products, the segment is also able to offer customers complex combinations of semiconductors and software, which are referred to as "platform-level products".
- The Global Telecom Solutions segment (GTSS) designs, manufactures, sells, installs and

Solutions	110	13	—	123
Integrated Electronic Systems	63	—	—	63
Broadband Communications	675	194	(33)	836
Other Products	124	—	—	124
	<u>\$ 1,184</u>	<u>\$ 224</u>	<u>\$ (33)</u>	<u>\$ 1,375</u>

In May 2003, the Company acquired Winphoria Networks, Inc. ("Winphoria"), a core infrastructure provider of next-generation, packet-based mobile switching centers for wireless networks, for approximately \$179 million in cash. The results of operations of Winphoria have been included in the Global Telecom Solutions segment in the Company's consolidated financial statements subsequent to the date of acquisition. As a result of the acquisition, the Company recorded approximately \$93 million in goodwill and \$54 million in intangible assets.

Table of Contents

MOTOROLA INC. AND SUBSIDIARIES
(Dollars in millions, except as noted)

NOTES TO
CONSOLIDATED FINANCIAL STATEMENTS 117

In April 2003, Motorola completed its cash tender offer of \$1.18 per share for all remaining outstanding shares of common stock of Next Level Communications, Inc. ("Next Level"), a leading provider of high speed data, video and voice broadband products over existing phone lines. The total purchase price for Motorola to acquire the approximately 26% of Next Level that it did not own at the initiation of the tender offer, excluding Next Level's transaction costs, was \$35 million. The Company recorded \$24 million in goodwill and \$10 million in intangible assets.

The goodwill impairment test is performed at the reporting unit level and is a two-step analysis. First, the fair value (FV) of the reporting unit is compared to its book value. If the FV of the reporting unit is less than its book value, the Company performs a hypothetical purchase price allocation based on the reporting unit's fair value to determine the fair value of the reporting unit's goodwill. Fair value is determined with the help of independent appraisal firms using a combination of present value techniques and quoted market prices of comparable businesses. As of October 1, 2003 the Company determined that goodwill at the infrastructure reporting unit of the Broadband Communications segment was impaired by \$73 million. No impairment charges were required for the year ended December 31, 2002.

9. Commitments and Contingencies

Leases

The Company owns most of its major facilities, but does lease certain office, factory and warehouse space, land, and information technology and other equipment under principally non-cancelable operating leases. Rental expense, net of sublease income for the years ended December 31, 2003, 2002 and 2001 was \$282 million, \$294 million and \$417 million, respectively. At December 31, 2003, future minimum lease obligations, net of minimum sublease rentals, for the next five years and beyond are as follows: 2004—\$181 million; 2005—\$140 million; 2006—\$103 million; 2007—\$85 million; 2008—\$72 million; beyond—\$331 million.

Environmental

Under the Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended (CERCLA, or Superfund) and equivalent state law, the Company has been designated as a potentially responsible party by the United States Environmental Protection Agency with respect to certain waste sites with which the Company may have had direct or indirect involvement. Such designations are made regardless of the extent of the Company's involvement. These claims are in various stages of administrative or judicial proceedings. They include demands for recovery of past governmental costs and for future investigations or remedial actions. The remedial efforts include environmental cleanup costs and communication programs. In many cases, the dollar amounts of the claims have not been specified and have been asserted against a number of other entities for the same cost recovery or other relief as was asserted against the Company. The Company accrues costs associated with environmental matters when they become probable and reasonably estimable. Due to the uncertain nature, the actual costs that will be incurred will differ from the amounts accrued, perhaps significantly. Accruals at December 31, 2003 and 2002 were \$70 million and \$76 million, respectively, with related charges (income) of \$(2) million, \$1 million and \$3 million for the years ended December 31, 2003, 2002 and 2001, respectively. These amounts represent only the Company's share of costs incurred in environmental cleanup sites without considering recovery of costs from any insurer, since in most cases potentially responsible parties other than the Company may exist and be held responsible.

Legal

Reported	\$ 893	\$(2,485)	\$(3,937)
Goodwill amortization	—	—	125
Adjusted	\$ 893	\$(2,485)	\$(3,812)
Basic earnings (loss) per common share:			
Reported	\$0.38	\$ (1.09)	\$ (1.78)
Goodwill amortization	—	—	0.06
Adjusted	\$0.38	\$ (1.09)	\$ (1.72)
Diluted earnings (loss) per common share:			
Reported	\$0.38	\$ (1.09)	\$ (1.78)
Goodwill amortization	—	—	0.06
Adjusted	\$0.38	\$ (1.09)	\$ (1.72)

Table of Contents

116 NOTES TO
CONSOLIDATED FINANCIAL STATEMENTSMOTOROLA INC. AND SUBSIDIARIES
(Dollars in millions, except as noted)

Amortized intangible assets, excluding goodwill were comprised of the following:

	2003		2002	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
<i>December 31</i>				
Intangible assets:				
Licensed technology	\$ 102	\$ 101	\$ 102	\$ 42
Completed technology	378	217	333	175
Other intangibles	43	21	28	14
	<u>\$ 523</u>	<u>\$ 339</u>	<u>\$ 463</u>	<u>\$ 231</u>

During the year ended December 31, 2002 the Company recorded an intangible asset impairment charge of \$325 million relating to a license to certain intellectual property that enables the Company to provide national authorization services for digital set-top terminals. Historically the Company has amortized this intangible asset based on an expected revenue stream. In the second quarter of 2002, it was determined that the future revenue stream would decline significantly due to a drop in the number of new subscribers utilizing the services provided under the license caused primarily by the expected consolidations of cable operators, specifically the acquisition of AT&T Broadband Corporation by Comcast Corporation.

Excluding goodwill, amortization expense on intangible assets was \$108 million, \$69 million and \$40 million for the years ended December 31, 2003, 2002 and 2001, respectively. Future amortization expense is estimated to be as follows: 2004—\$43 million; 2005—\$35 million; 2006—\$26 million; 2007—\$23 million; and 2008—\$15 million.

The following tables display a rollforward of the carrying amount of goodwill from January 1, 2002 to December 31, 2003, by business segment:

Segment	January 1, 2003	Acquired	Adjustments	December 31, 2003
Personal Communications	\$ 23	\$ —	\$ (6)	\$ 17
Semiconductor Products	202	—	—	202
Global Telecom Solutions	4	93	—	97
Commercial, Government and Industrial Solutions	123	—	—	123
Integrated Electronic Systems	63	8	—	71
Broadband Communications	836	—	(78)	758
Other Products	124	24	—	148
	<u>\$ 1,375</u>	<u>\$ 125</u>	<u>\$ (84)</u>	<u>\$ 1,416</u>

Segment	January 1, 2002	Acquired	Adjustments	December 31, 2002
Personal Communications	\$ 6	\$ 17	\$ —	\$ 23
Semiconductor Products	202	—	—	202
Global Telecom Solutions	4	—	—	4
Commercial, Government and Industrial				

An analysis of impaired finance receivables included in total finance receivables is as follows:

<i>December 31</i>	<i>2003</i>	<i>2002</i>
Impaired finance receivables:		
Requiring allowance for losses	\$2,083	\$2,225
Expected to be fully recoverable	125	275
	2,208	2,500
Less allowance for losses on impaired finance receivables	2,075	2,214
Impaired finance receivables, net	\$ 133	\$ 286

Interest income on impaired finance receivables is recognized as cash is collected and totaled \$5 million, \$19 million, and \$3 million for the years ended December 31, 2003, 2002 and 2001, respectively.

Table of Contents

MOTOROLA INC. AND SUBSIDIARIES
(Dollars in millions, except as noted)

NOTES TO
CONSOLIDATED FINANCIAL STATEMENTS 115

At December 31, 2003 and 2002, the Company had \$2.0 billion of gross receivables from one customer, Telsim, in Turkey (the "Telsim Loan"). As a result of difficulties in collecting the amounts due from Telsim, the Company has previously recorded charges reducing the net receivable from Telsim to zero and at December 31, 2003 and December 31, 2002, the net receivable from Telsim was zero. In July of 2003 the United States District Court entered a judgment of \$4.26 billion against Telsim in favor of Motorola relating to the Telsim Loan. Although the Company continues to vigorously pursue its recovery efforts, it believes the litigation and collection process will be very lengthy in light of the Uzans' (the family which controls Telsim) repeated decisions to violate court orders.

The Company sells short-term receivables through the Motorola Receivables Corporation ("MRC") short-term receivables program, which provides for up to \$425 million of short-term receivables to be outstanding with third parties at any time, as well as selling short-term receivables directly to third parties. Total short-term receivables sold by the Company (including those sold directly to third parties and those sold through the MRC short-term receivables program) were \$2.7 billion, \$2.9 billion and \$4.6 billion for the years ended December 31, 2003, 2002 and 2001, respectively. There were \$771 million and \$802 million of short-term receivables outstanding under these arrangements at December 31, 2003 and 2002, respectively (including \$170 million and \$240 million, respectively, under the MRC program). The Company's total credit exposure to outstanding short-term receivables that have been sold was \$25 million and \$40 million at December 31, 2003 and 2002, respectively, with reserves of \$13 million and \$19 million recorded for potential losses on this exposure at December 31, 2003 and 2002, respectively.

Certain purchasers of the Company's infrastructure equipment continue to require suppliers to provide financing in connection with equipment purchases. Financing may include all or a portion of the purchase price of the equipment as well as working capital. The Company had outstanding commitments to extend credit to third-parties totaling \$149 million and \$175 million at December 31, 2003 and 2002, respectively.

In addition to providing direct financing to certain equipment customers the Company also assists customers in obtaining financing directly from banks and other sources to fund equipment purchases. The amount of loans from third parties for which the Company has committed to provide financial guarantees totaled \$10 million and \$50 million at December 31, 2003 and 2002, respectively, with payments of \$28 million and \$50 million made by the Company for the years ended December 31, 2003 and 2002, respectively. At December 31, 2003 this financial guarantee is to one customer and is scheduled to expire in 2005. Customer borrowings outstanding under these third party loan arrangements were \$10 million and \$50 million at December 31, 2003 and 2002, respectively. Accrued liabilities of \$1 million and \$25 million at December 31, 2003 and 2002, respectively, have been recorded to reflect management's best estimate of probable losses of unrecoverable amounts, should these guarantees be called.

8. Goodwill and Other Intangible Assets

SFAS No. 142, "Goodwill and Other Intangible Assets" effective January 1, 2002, requires that goodwill no longer be amortized, but instead be tested for impairment at least annually. Goodwill related to acquisitions prior to July 1, 2001 continued to be amortized through December 31, 2001. Goodwill related to acquisitions subsequent to June 30, 2001 was not amortized. Adjusting for the impact of the discontinuance of the amortization of goodwill, net earnings (loss) and per share amounts would have been as follows:

<i>Years Ended December 31</i>	<i>2003</i>	<i>2002</i>	<i>2001</i>
Net earnings (loss):			

sale or other transfer by the employee. Upon the occurrence of a change in control, the restrictions on all shares of restricted stock and restricted stock units outstanding on the date on which the change in control occurs will lapse.

Total restricted stock and restricted stock units issued and outstanding at December 31, 2003 and 2002 were 6.6 million and 5.4 million, respectively. At December 31, 2003 and 2002, the amount of related deferred compensation reflected in Stockholders' Equity in the consolidated balance sheets was \$50 million and \$76 million, respectively. Net additions (reductions) to deferred compensation for the years ended December 31, 2003 and 2002 were \$10 million and \$(12) million, respectively. An aggregate of approximately 2.5 million, 1.7 million, and 2.3 million shares of restricted stock and restricted stock units were granted in 2003, 2002 and 2001, respectively. The amortization of deferred compensation for the years ended December 31, 2003, 2002, and 2001 was \$36 million, \$32 million and \$47 million, respectively.

Stock Appreciation Rights

Stock appreciation rights (SARs) are granted in place of stock options in order to comply with the laws and regulations of foreign jurisdictions. SARs enable the recipients to receive cash in an amount equal to the excess of the fair market value of the underlying common stock on the date the SARs are exercised over the fair market value of the underlying common stock on the date the SARs were granted. The majority of the SARs have a contractual life of 10 years. Total SARs outstanding were 0.8 million and 1.1 million at December 31, 2003 and 2002, respectively.

Table of Contents

114 NOTES TO
CONSOLIDATED FINANCIAL STATEMENTS

MOTOROLA INC. AND SUBSIDIARIES
(Dollars in millions, except as noted)

Other Benefits

Defined Contribution Plans: The Company and certain subsidiaries have various defined contribution plans, in which all eligible employees participate. The Company generally makes two types of contributions to these plans, matching contributions and profit sharing contributions.

In the U.S., the profit sharing and savings plan is a contributory plan. Matching contributions are based upon the amount of the employees' contributions and do not depend on the Company's profits. Profit sharing contributions are generally based upon pre-tax earnings, as defined, with an adjustment for the aggregate matching contribution. Effective in 2002, the Company decreased its matching contribution from 4.5% to 3% on the first 6% of employee contributions.

Company contributions to all plans for the years ended December 31, 2003, 2002 and 2001 were \$89 million, \$100 million and \$151 million, respectively.

Motorola Incentive Plan: In 2002, the Performance Excellence Equals Rewards program and the Incentive Pay Plans were replaced by the Motorola Incentive Plan (MIP). MIP provides eligible employees with an annual payment, calculated as a percentage of an employee's eligible earnings, in the year after the close of the current calendar year if specified business goals are met. The provision for awards under these incentive plans for the years ended December 31, 2003, 2002 and 2001 were \$495 million, \$288 million and \$217 million, respectively.

Mid-Range Incentive Plan: In 2003, the Long Range Incentive Program was replaced by the Mid-Range Incentive Plan (MRIP). MRIP rewards participating elected officers for the Company's achievement of outstanding mid-range performance, based on two performance objectives measured over two-year cycles. The provision for MRIP for the year ended December 31, 2003 was \$6.6 million. Prior to 2003, the Company's Long Range Incentive Program of 1994 rewarded participating elected officers for the Company's achievement of outstanding long-range performance, based on four performance objectives measured over four-year cycles. There was no provision for the years ended December 31, 2002 and 2001.

7. Financing Arrangements

Finance receivables consist of the following:

<i>December 31</i>	<i>2003</i>	<i>2002</i>
Gross finance receivables	\$ 2,396	\$ 2,718
Less allowance for losses	(2,095)	(2,251)
	301	467
Less current portion	(92)	(86)
Long-term finance receivables	\$ 209	\$ 381

Current finance receivables are included in Accounts Receivable and long-term finance receivables are included in Other Assets in the Company's consolidated balance sheets. Interest income recognized on finance receivables for the years ended December 31, 2003, 2002, and 2001 was \$18 million, \$28 million, and \$131 million, respectively.

Stock Options

Under the Company's stock option plans, options to acquire shares of common stock have been made available for grant to certain employees, non-employee directors and to existing option holders in connection with the merging of option plans following an acquisition. Each option granted has an exercise price of 100% of the market value of the common stock on the date of grant. The majority of the options have a contractual life of 10 years and vest and become exercisable at 25% increments over four years.

Table of Contents

MOTOROLA INC. AND SUBSIDIARIES
(Dollars in millions, except as noted)

NOTES TO
CONSOLIDATED FINANCIAL STATEMENTS 113

Upon the occurrence of a change in control, each stock option outstanding on the date on which the change in control occurs will immediately become exercisable in full.

Stock options activity was as follows (in thousands, except exercise price and employee data):

	2003		2002		2001	
<i>Years Ended December 31</i>	<i>Shares subject to options</i>	<i>Wtd. avg. exercise price</i>	<i>Shares subject to options</i>	<i>Wtd. avg. exercise price</i>	<i>Shares subject to options</i>	<i>Wtd. avg. exercise price</i>
Options outstanding at January 1	286,536	\$ 20	217,073	\$ 24	154,892	\$ 27
Options granted	76,769	8	100,066	13	82,489	18
Options exercised	(1,412)	8	(8,402)	9	(5,728)	7
Options terminated, cancelled or expired	(56,051)	21	(22,201)	25	(14,580)	28
Options outstanding at December 31	305,842	17	286,536	20	217,073	24
Options exercisable at December 31	135,612	23	141,551	23	96,729	21
Approx. number of employees granted options	41,900		44,600		43,100	

The following table summarizes information about stock options outstanding and exercisable at December 31, 2003 (in thousands, except exercise price):

<i>Exercise price range</i>	<i>Options Outstanding</i>			<i>Options Exercisable</i>	
	<i>No. of options</i>	<i>Wtd. avg. exercise price</i>	<i>Wtd. avg. contractual life (in yrs.)</i>	<i>No. of options</i>	<i>Wtd. avg. exercise price</i>
Under \$7	578	\$ 4	6	568	\$ 4
\$ 7-\$13	111,441	9	8	8,970	10
\$14-\$20	138,625	16	7	79,766	17
\$21-\$27	12,757	22	4	12,485	22
\$28-\$34	3,870	31	6	3,221	31
\$35-\$41	2,681	38	6	2,105	38
\$42-\$48	35,592	44	11	28,249	44
\$49-\$55	268	52	8	223	52
\$56-\$63	30	58	6	25	58
	305,842			135,612	

Restricted Stock and Restricted Stock Unit Grants

Restricted stock and restricted stock unit grants (restricted stock) consist of shares or the rights to shares of the Company's common stock which are awarded to employees. The grants are restricted such that they are subject to substantial risk of forfeiture and to restrictions on their

expected rate of return on plan assets assumption. To achieve this, the plan retains professional investment managers that invest plan assets in equity and fixed income securities and cash. The Company has the following target mixes for these asset classes, which are readjusted at least quarterly, when an asset class weighting deviates from the target mix, with the goal of achieving the required return at a reasonable risk level as follows:

<i>Asset Category</i>	<i>Target Mix</i>
Equity securities	75%
Fixed income securities	24%
Cash and other investments	1%

Table of Contents

112 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MOTOROLA INC. AND SUBSIDIARIES
(Dollars in millions, except as noted)

The weighted-average asset allocation for plan assets at December 31, 2003 and 2002 by asset categories were as follows:

Asset Category	December 31	
	2003	2002
Equity securities	77%	76%
Fixed income securities	22	23
Cash and other investments	1	1
Cash and other investments	100%	100%

Within the equity securities asset class, the investment policy provides for investments in a broad range of publicly-traded securities including both domestic and international stocks. Within the fixed income securities asset class, the investment policy provides for investments in a broad range of publicly-traded debt securities ranging from US Treasury issues, corporate debt securities, mortgages and asset-backed issues, as well as international debt securities. In the cash asset class, investments may be in cash and cash equivalents.

The health care trend rate used to determine the December 31, 2003 accumulated postretirement benefit obligation is 11.0% for 2004. Beyond 2004 the trend rate is graded down 1.0% per year until it reaches 5.0% by 2010 and then remains flat. The health care trend rate used to determine the December 31, 2002 accumulated postretirement benefit obligation was 12.0% for 2003 with the trend rate graded down per year until reaching 5.0% by 2010 and then remaining flat.

Changing the health care trend rate by one percentage point would change the accumulated postretirement benefit obligation and the net retiree health care expense as follows:

	1% Point Increase	1% Point Decrease
Effect on:		
Accumulated postretirement benefit obligation	\$ 39	\$ (48)
Net retiree health care expense	3	(4)

The Company has no significant postretirement health care benefit plans outside the United States.

Stock Compensation Plans

Employee Stock Purchase Plan

The employee stock purchase plan allows eligible participants to purchase shares of the Company's common stock through payroll deductions of up to 10% of compensation on an after-tax basis. The price an employee pays per share is 85% of the lower of the fair market value of the Company's stock on the close of the first trading day or last trading day of the purchase period. The plan has two purchase periods, the first one from October 1 through March 31 and the second one from April 1 through September 30. For the years ended December 31, 2003, 2002 and 2001, employees purchased 20.5 million, 16.1 million and 16.0 million shares, respectively, at prices ranging from \$7.02 to \$7.10, \$8.65 to \$12.07 and \$12.12 to \$12.50, respectively.

<i>Asset Category</i>	<i>2003</i>	<i>2002</i>
Equity securities	76%	74%
Fixed income securities	23	25
Cash and other investments	1	1
	<u>100%</u>	<u>100%</u>

Within the equity securities asset class, the investment policy provides for investments in a broad range of publicly-traded securities including both domestic and international stocks. Within the fixed income securities asset class, the investment policy provides for investments in a broad range of publicly-traded debt securities ranging from US Treasury issues, corporate debt securities, mortgages and asset-backed issues, as well as international debt securities. In the cash asset class, investments may be in cash and cash equivalents.

The Company expects to make a cash contribution of between \$150 million and \$250 million to the regular U.S. pension plan during 2004.

Postretirement Health Care Benefits

Certain health care benefits are available to eligible domestic employees meeting certain age and service requirements upon termination of employment. For eligible employees hired prior to January 1, 2002, the Company offsets a portion of the postretirement medical costs to the retired participant.

Table of Contents

MOTOROLA INC. AND SUBSIDIARIES
(Dollars in millions, except as noted)

NOTES TO
CONSOLIDATED FINANCIAL STATEMENTS 111

The assumptions used were as follows:

<i>December 31</i>	<i>2003</i>	<i>2002</i>
Discount rate for obligations	6.50%	6.75%
Investment return assumptions	8.50%	8.50%

Net retiree health care expenses were as follows:

<i>Years ended December 31</i>	<i>2003</i>	<i>2002</i>	<i>2001</i>
Service cost	\$ 12	\$ 14	\$ 13
Interest cost	48	48	43
Expected return on plan assets	(25)	(30)	(31)
Amortization of:			
Unrecognized net loss	11	7	6
Unrecognized prior service cost	(3)	(1)	(4)
	<u>\$ 43</u>	<u>\$ 38</u>	<u>\$ 27</u>

The funded status of the plan is as follows. Plan assets are comprised primarily of equity securities, bonds and cash equivalents.

<i>December 31</i>	<i>2003</i>	<i>2002</i>
Change in benefit obligation:		
Benefit obligation at January 1	\$ 771	\$ 605
Service cost	12	14
Interest cost	48	48
Plan amendments	(14)	28
Divestitures	—	—
Actuarial (gain) loss	(13)	122
Benefit payments	(41)	(42)
Other payments	(6)	(4)
Benefit obligation at December 31	<u>\$ 757</u>	<u>\$ 771</u>
Change in plan assets:		
Fair value at January 1	\$ 218	\$ 303
Return on plan assets	45	(43)
Divestitures	(4)	—
Benefit payments	(41)	(42)
Fair value at December 31	<u>\$ 218</u>	<u>\$ 218</u>
Funded status of the plan	<u>\$(539)</u>	<u>\$(553)</u>
Unrecognized net loss	335	378
Unrecognized prior service cost	(14)	(4)
Accrued retiree health care cost	<u>\$(218)</u>	<u>\$(179)</u>

The Company has adopted an investment policy for plan assets designed to meet or exceed the

years. The benefit obligation and related assets under all plans have been measured as of December 31, 2003. Benefits under all U.S. pension plans are valued based upon the projected unit credit cost method.

Weighted average actuarial assumptions used to determine costs for the plans were as follows:

<i>December 31</i>	<i>2003</i>	<i>2002</i>
Discount rate for obligations	6.75%	7.25%
Investment return assumption (regular)	8.50%	8.50%
Investment return assumption (officers)	6.00%	6.00%

Weighted average actuarial assumptions used to determine benefit obligations for the plans were as follows:

<i>December 31</i>	<i>2003</i>	<i>2002</i>
Discount rate for obligations	6.50%	6.75%
Future compensation increase rate (regular)	4.00%	4.00%
Future compensation increase rate (officers)	3.00%	3.00%

Table of Contents

110 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MOTOROLA INC. AND SUBSIDIARIES
(Dollars in millions, except as noted)

Discount rates are established based on prevailing market rates for high-quality fixed-income instruments that, if the pension benefit obligation was settled at the measurement date, would provide the necessary future cash flows to pay the benefit obligation when due. At December 31, 2003, the investment portfolio was predominantly equity investments. The Company uses long-term historical actual return experience with consideration to the expected investment mix of the plans' assets, and future estimates of long-term investment returns to develop its expected rate of return assumption used in calculating the net periodic pension cost.

Negative financial market returns during 2000 through 2002 resulted in a decline in the fair-market value of plan assets. This, when combined with declining discount rate assumptions in the last several years, has resulted in a decline in the plans' funded status. Consequently, the Company's accumulated benefits obligation exceeded the fair-market value of the plan assets for various plans including the Regular Pension Plan, the Officers' Pension Plan and certain non-U.S. plans.

The accumulated benefit obligations for the plans were as follows:

	2003			2002		
	Regular	Officers and MSPP	Non U.S.	Regular	Officers and MSPP	Non U.S.
December 31						
Accumulated benefit obligation	\$ 3,775	\$ 186	\$1,209	\$ 3,304	\$ 194	\$811

As required, after-tax charges (income) of \$182 million, \$647 million and \$(30) million for the years ended December 31, 2003, 2002 and 2001, respectively, were recorded to reflect the net change in the Company's additional minimum pension liability associated with these plans. This charge (income) was included in Non-Owner Changes to Equity in the consolidated balance sheets.

Amounts charged to earnings for all non U.S. pension plans were \$89 million, \$70 million and \$109 million for the years ended December 31, 2003, 2002 and 2001, respectively.

The Company has adopted an investment policy for U.S. pension plan assets designed to meet or exceed the expected rate of return on plan assets assumption. To achieve this, the pension plans retain professional investment managers that invest plan assets in equity and fixed income securities and cash. The Company has the following target mixes for these asset classes, which are readjusted at least quarterly, when an asset class weighting deviates from the target mix, with the goal of achieving the required return at a reasonable risk level as follows:

Asset Category	Target Mix
Equity securities	75%
Fixed income securities	24%
Cash and other investments	1%

The weighted-average asset allocation for the Regular Pension Plan at December 31, 2003 and 2002 by asset categories was as follows:

December 31,

Table of Contents

108 **NOTES TO
CONSOLIDATED FINANCIAL STATEMENTS**
MOTOROLA INC. AND SUBSIDIARIES
(Dollars in millions, except as noted)

6. Employee Benefit and Incentive Plans
Pension Benefits

The Company's noncontributory pension plan (the Regular Pension Plan) covers most U.S. employees who become eligible after one year of service. The benefit formula is dependent upon employee earnings and years of service.

The Company has a noncontributory supplemental retirement benefit plan (the Officers' Plan) for its elected officers. The Officers' Plan contains provisions for funding the participants' expected retirement benefits when the participants meet the minimum age and years of service requirements. Elected officers who were not yet vested in the Officers' Plan as of December 31, 1999 had the option to remain in the Officers' Plan or elect to have their benefit bought out in restricted stock units. Effective December 31, 1999 no new elected officers were eligible to participate in the Officers' Plan.

The Company has an additional noncontributory supplemental retirement benefit plan (the Motorola Supplemental Pension Plan—MSPP), which provides supplemental benefits in excess of the limitations imposed by the Internal Revenue Code on the Regular Pension Plan. All newly elected officers are participants in MSPP. Elected officers covered under the Officers' Plan or who participated in the restricted stock buy-out are not eligible to participate in MSPP.

The net U.S. periodic pension cost for the regular pension plan, officers' plan, and MSPP was as follows:

Regular Pension Plan

<i>Years Ended December 31</i>	<i>2003</i>	<i>2002</i>	<i>2001</i>
Service cost	\$ 173	\$ 165	\$ 189
Interest cost	252	231	238
Expected return on plan assets	(281)	(303)	(301)
Amortization of unrecognized prior service cost	(7)	(8)	(9)
Settlement/Curtailment (gain)/loss	—	(13)	12
Net periodic pension cost	\$ 137	\$ 72	\$ 129

Officers' Plan and MSPP

<i>Years Ended December 31</i>	<i>2003</i>	<i>2002</i>	<i>2001</i>
Service cost	\$ 16	\$ 21	\$ 39
Interest cost	13	15	23
Expected return on plan assets	(4)	(5)	(6)
Amortization of:			
Unrecognized net loss	5	5	12
Unrecognized prior service cost	1	2	3
Settlement/Curtailment loss	16	44	12
Net periodic pension cost	\$ 47	\$ 82	\$ 83

Table of Contents

MOTOROLA INC. AND SUBSIDIARIES
(Dollars in millions, except as noted)

NOTES TO
CONSOLIDATED FINANCIAL STATEMENTS 109

The status of the Company's plans is as follows:

	2003			2002		
	Regular	Officers and MSPP	Non U.S.	Regular	Officers and MSPP	Non U.S.
Change in benefit obligation:						
Benefit obligation at January 1	\$ 3,725	\$ 232	\$ 953	\$ 3,293	\$ 286	\$ 842
Service cost	173	16	59	165	21	53
Interest cost	252	13	57	231	15	48
Plan amendments	11	1	(1)	—	3	—
Divestitures	—	—	—	(31)	(1)	—
Settlement/Curtailment	—	1	—	—	11	(1)
Actuarial (gain) loss	234	42	149	260	18	30
Foreign exchange valuation adjustment	—	—	117	—	—	—
Tax payments	—	(21)	—	—	(34)	—
Benefit payments	(221)	(76)	(30)	(193)	(87)	(19)
Benefit obligation at December 31	\$ 4,174	\$ 208	\$ 1,304	\$ 3,725	\$ 232	\$ 953
Change in plan assets:						
Fair value at January 1	\$ 2,303	\$ 135	\$ 596	\$ 2,957	\$ 174	\$ 611
Return on plan assets	516	10	73	(430)	15	(64)
Company tax contributions	—	18	—	—	30	—
Company contributions	200	30	52	—	38	62
Divestitures	—	—	—	(31)	(1)	—
Foreign exchange valuation adjustment	—	—	69	—	—	—
Tax payments	—	(21)	—	—	(34)	—
Benefit payments	(221)	(76)	(30)	(193)	(87)	(19)
Other payments	—	—	(17)	—	—	6
Fair value at December 31	\$ 2,798	\$ 96	\$ 743	\$ 2,303	\$ 135	\$ 596
Funded status of the plan	\$ (1,375)	\$ (112)	\$ (561)	\$ (1,422)	\$ (97)	\$ (357)
Unrecognized net (gain) loss	1,284	118	452	1,287	101	301
Unrecognized prior service cost	(59)	2	1	(79)	2	(8)
Prepaid (accrued) pension cost	\$ (150)	\$ 8	\$ (108)	\$ (214)	\$ 6	\$ (64)
Components of prepaid (accrued) pension cost:						
Intangible asset	\$ —	\$ 6	\$ —	\$ —	\$ 7	\$ —
Accrued benefit liability	(977)	(94)	(413)	(1,001)	(64)	(229)
Deferred income taxes	317	37	1	301	24	—
Non-owner changes to equity	510	59	304	486	39	165
	\$ (150)	\$ 8	\$ (108)	\$ (214)	\$ 6	\$ (64)

The Company uses a five-year, market-related asset value method of amortizing asset-related gains and losses. Prior service costs are being amortized over periods ranging from 9 to 15

deferred tax asset at the net amount that is more likely than not to be realized.

In 2003, the Internal Revenue Service (IRS) examined and settled the federal income tax returns for the Company through 1995. In connection with the settlement of the Company's income tax audits, a \$61 million benefit was recorded in 2003. The IRS is currently performing the field level examination of the 1996 through 2000 tax returns. The IRS has proposed certain adjustments to the Company's income and tax credits for the years 1996 through 2000 that would result in additional tax. The Company disagrees with most of the proposed adjustments and, if needed, will contest them at the Appeals level of the IRS. In the opinion of the Company's management, the final disposition of these matters, and proposed adjustments from other tax authorities, will not have a material adverse effect on the consolidated financial position, liquidity or results of operations of the Company.

Table of Contents

MOTOROLA INC. AND SUBSIDIARIES
(Dollars in millions, except as noted)

NOTES TO
CONSOLIDATED FINANCIAL STATEMENTS 107

Differences between income tax expense (benefit) computed at the U.S. federal statutory tax rate of 35% and income tax expense (benefit) are as follows:

<i>Years Ended December 31</i>	<i>2003</i>	<i>2002</i>	<i>2001</i>
Income tax expense (benefit) at statutory rate	\$ 453	\$(1,206)	\$(1,929)
Taxes on non-U.S. earnings	(30)	320	368
State income taxes	28	(117)	(162)
Research credits	(60)	(25)	(21)
Foreign export sales	(16)	(18)	(15)
Non-deductible acquisition charges	11	4	85
Other	14	81	100
	<u>\$ 400</u>	<u>\$ (961)</u>	<u>\$(1,574)</u>

Significant components of deferred tax assets (liabilities) are as follows:

<i>December 31</i>	<i>2003</i>	<i>2002</i>
Inventory	\$ 442	\$ 662
Employee benefits	744	732
Capitalized items	1,904	1,859
Tax basis differences on investments	552	553
Depreciation tax basis differences on fixed assets	132	(187)
Undistributed non-U.S. earnings	(345)	(91)
Tax carryforwards	1,115	819
Cost-based investment mark-to-market	(901)	(337)
Business reorganization	98	244
Long-term financing reserves	897	703
Other	389	513
	<u>\$5,027</u>	<u>\$5,470</u>

Gross deferred tax assets were \$9.9 billion and \$9.4 billion at December 31, 2003 and 2002, respectively. Gross deferred tax liabilities were \$4.9 billion and \$3.9 billion at December 31, 2003 and 2002, respectively. The Company has U.S. tax carryforwards of \$1.1 billion and \$756 million at December 31, 2003 and 2002, respectively. These carryforwards are comprised of \$515 million of net operating loss carryforwards, \$266 million of foreign tax credit carryovers and \$282 million of minimum tax and general business credit carryovers. A majority of the net operating losses and general business credits can be carried forward for 20 years and minimum tax credits can be carried forward indefinitely. The foreign tax credits may be carried forward for five years, of which \$115 million must be utilized by 2006 and \$151 million by 2008. During 2003 the Company recorded a \$41 million valuation allowance against certain state net operating loss carryforwards with carryforward periods of seven years or less that are scheduled to expire in 2004 through 2010. The Company feels that the deferred tax assets for the remaining U.S. tax carryforwards is considered more likely than not to be realizable by management based on estimates of future taxable income and the implementation of tax-planning strategies. At December 31, 2003 and 2002 certain of the Company's non-U.S. subsidiaries had net deferred tax assets from tax loss carryforwards of \$93 million and \$63 million, respectively, net of valuation allowances of \$632 million and \$512 million, respectively. The increase in the non-U.S. subsidiaries valuation allowances were predominately the result of currency fluctuations. The Company has recorded valuation allowances against a portion of the non-U.S. subsidiaries tax carryforwards to reflect the

Deferred tax charges (benefits) that were recorded within Non-Owner Changes to Equity in the consolidated balance sheets resulted primarily from fair value adjustments to available for sale securities, losses on derivative instruments and minimum pension liability adjustments. The adjustments were \$440 million, \$(135) million and \$(751) million for the years ended December 31, 2003, 2002 and 2001, respectively. Except for certain earnings that the Company intends to reinvest indefinitely, provisions have been made for the estimated U.S. federal income taxes applicable to undistributed earnings of non-U.S. subsidiaries. Undistributed earnings that the Company intends to reinvest indefinitely, and for which no U.S. Federal income taxes has been provided, aggregate \$6.1 billion, \$7.6 billion and \$7.1 billion at December 31, 2003, 2002 and 2001, respectively. The portion of earnings not reinvested indefinitely may be distributed substantially free of additional U.S. federal income taxes given the U.S. federal tax provisions accrued on undistributed earnings and the utilization of available foreign tax credits.

Table of Contents

contract "floor" price. The three agreements are to be settled over periods of three, four and five years, respectively. Pursuant to these agreements and exclusive of any present value discount, the Company is entitled to receive aggregate proceeds of approximately \$333 million. The precise number of shares of Nextel common stock that the Company would deliver to satisfy the contracts is dependent upon the price of Nextel common stock on the various settlement dates. The maximum aggregate number of shares the Company would be required to deliver under these agreements is 25 million and the minimum number of shares is 18.5 million. Alternatively, the Company has the exclusive option to settle the contracts in cash. The Company will retain all voting rights associated with the up to 25 million hedged Nextel shares. Pursuant to customary market practice, the covered shares are pledged to secure the hedge contracts. As a result of the increase in the price of Nextel common stock since March 2003, the Company has recorded a \$310 million liability in Other Liabilities in the consolidated balance sheet to reflect the fair value of the Nextel hedge.

Fair Value of Financial Instruments

The Company's financial instruments include cash equivalents, short-term investments, accounts receivable, long-term finance receivables, accounts payable, accrued liabilities, notes payable, long-term debt, foreign currency contracts and other financing commitments.

Using available market information, the Company determined that the fair value of long-term debt at December 31, 2003 was \$7.7 billion compared to a carrying value of \$7.2 billion. Since considerable judgment is required in interpreting market information, the fair value of the long-term debt is not necessarily indicative of the amount which could be realized in a current market exchange.

The fair values of the other financial instruments were not materially different from their carrying or contract values at December 31, 2003.

5. Income Taxes

Components of earnings (loss) before income taxes are as follows:

<i>Years Ended December 31</i>	<i>2003</i>	<i>2002</i>	<i>2001</i>
United States	\$ 686	\$(3,734)	\$(6,893)
Other nations	607	288	1,382
	<u>\$1,293</u>	<u>\$(3,446)</u>	<u>\$(5,511)</u>

Components of income tax expense (benefit) are as follows:

<i>Years Ended December 31</i>	<i>2003</i>	<i>2002</i>	<i>2001</i>
United States	\$ 91	\$ 206	\$ —
Other nations	288	395	699
States (U.S.)	14	8	—
	<u>393</u>	<u>609</u>	<u>699</u>
Deferred	7	(1,570)	(2,273)
	<u>\$ 400</u>	<u>\$ (961)</u>	<u>\$(1,574)</u>

At December 31, 2003 and 2002, the Company did not have any hedges of foreign currency exposure of net investments in foreign operations. However, the Company expects that it may hedge investments in foreign subsidiaries in the future.

Investments Hedge

In March 2003, the Company entered into three agreements to hedge up to 25 million shares of Nextel Communications, Inc. (Nextel) common stock. Under these agreements, the Company received no initial proceeds, but has retained the right to receive, at any time during the contract periods, the present value of the aggregate

Table of Contents

MOTOROLA INC. AND SUBSIDIARIES
(Dollars in millions, except as noted)

NOTES TO
CONSOLIDATED FINANCIAL STATEMENTS 105

The Company is exposed to credit loss in the event of nonperformance by the counterparties to its swap contracts. The Company minimizes its credit risk on these transactions by only dealing with leading, credit-worthy financial institutions having long-term debt ratings of "A" or better and, therefore, does not anticipate nonperformance. In addition, the contracts are distributed among several financial institutions, thus minimizing credit risk concentration.

Stockholders' Equity

Derivative instruments activity, net of tax, included in Non-Owner Changes to Equity within Stockholders' Equity for the years ended December 31, 2003 and 2002 is as follows:

	2003	2002
Balance at January 1	\$ (2)	\$ (1)
Increase (decrease) in fair value	(199)	6
Reclassifications to earnings	(1)	(7)
Balance at December 31	<u>\$(202)</u>	<u>\$ (2)</u>

Fair Value Hedges

The Company recorded charges (income) of \$(3) million and \$2 million for the years ended December 31, 2003 and 2002, respectively, representing the ineffective portions of changes in the fair value of fair value hedge positions. These amounts are included in Other within Other Income (Expense) in the Company's consolidated statements of operations. The Company did not have any amount excluded from the measure of effectiveness and had no fair value hedges discontinued for the years ended December 31, 2003 and 2002.

Cash Flow Hedges

The Company recorded income of \$1.5 million and \$0.1 million for the years ended December 31, 2003 and 2002, respectively, representing the ineffective portions of changes in the fair value of cash flow hedge positions. These amounts are included in Other within Other Income (Expense) in the Company's consolidated statements of operations. The Company did not have any amount excluded from the measure of effectiveness and had no cash flow hedges discontinued for the years ended December 31, 2003 and 2002.

During the years ended December 31, 2003 and 2002 on a pre-tax basis, income of \$1 million and \$10 million, respectively, was reclassified from equity to earnings and is included in Other within Other Income (Expense) in the Company's consolidated statements of operations. If exchange rates do not change from year-end, the Company estimates that \$2 million of pre-tax net derivative losses included in Non-Owner Changes to Equity within Stockholders' Equity would be reclassified into earnings within the next twelve months and will be reclassified in the same period that the hedged item affects earnings. The actual amounts that will be reclassified into earnings over the next twelve months will vary from this amount as a result of changes in market conditions.

At December 31, 2003, the maximum term of derivative instruments that hedge forecasted transactions, except those related to payment of variable interest on existing financial instruments, was three years. However, on average, the duration of the Company's derivative instruments that hedge forecasted transactions was seven months.

Net Investment in Foreign Operations Hedge

billion, respectively. The principal amount of outstanding interest rate hedges at December 31, 2003 was \$4.5 billion.

The short-term LIBOR-based variable rate payments on each of the above interest rate swaps was 3.8% for the three months ended December 31, 2003. The fair value of all interest rate swaps at December 31, 2003 and 2002 was approximately \$150 million and \$212 million, respectively. The fair value of the interest rate swaps would hypothetically decrease by \$51 million if LIBOR rates were to increase by 10% of current levels. Except for these interest rate swaps the Company had no outstanding commodity derivatives, currency swaps or options relating to debt instruments at December 31, 2003 and 2002.

The Company designates its interest rate hedge arrangements as hedges for the underlying debt. Interest expense on the debt is adjusted to include the payments made or received under such hedge agreements.

Table of Contents

the exchange rate price fluctuation, trade in currencies for which there are no underlying exposures, or enter into trades for any currency to intentionally increase the underlying exposure. Instruments used as hedges must be effective at reducing the risk associated with the exposure being hedged and must be designated as a hedge at the inception of the contract. Accordingly, changes in market values of hedge instruments must be highly correlated with changes in market values of underlying hedged items both at inception of the hedge and over the life of the hedge contract.

The Company's strategy in foreign exchange exposure issues is to offset the gains or losses of the financial instruments against losses or gains on the underlying operational cash flows or investments based on the operating business units' assessment of risk. Almost all of the Company's non-functional currency receivables and payables, which are denominated in major currencies that can be traded on open markets, are hedged. The Company uses forward contracts and options to hedge these currency exposures. In addition, the Company hedges some firmly committed transactions and some forecasted transactions. The Company expects that it may hedge investments in foreign subsidiaries in the future. A portion of the Company's exposure is from currencies that are not traded in liquid markets, such as those in Latin America, and these are addressed, to the extent reasonably possible, through managing net asset positions, product pricing, and component sourcing.

At December 31, 2003 and 2002, the Company had net outstanding foreign exchange contracts totaling \$2.7 billion and \$2.1 billion, respectively. Management believes that these financial instruments should not subject the Company to undue risk due to foreign exchange movements because gains and losses on these contracts should offset losses and gains on the assets, liabilities and transactions being hedged. The following table shows, in millions of U.S. dollars, the five largest net foreign exchange hedge positions as of December 31, 2003 compared to their respective positions at December 31, 2002:

<i>Buy (Sell)</i>	<i>December 31</i>	
	<i>2003</i>	<i>2002</i>
Euro	\$(1,114)	\$ (90)
Chinese Renminbi	(341)	(702)
British Pound	(205)	(323)
Canadian Dollar	187	251
Brazilian Real	(172)	(100)

The Company is exposed to credit-related losses if counterparties to financial instruments fail to perform their obligations. However, it does not expect any counterparties, which presently have high credit ratings, to fail to meet their obligations.

Interest Rate Risk

At December 31, 2003, the Company's short-term debt of \$328 million consisted primarily of \$304 million of commercial paper, priced at short-term interest rates. The Company had \$7.2 billion of long-term debt including current maturities, which is primarily priced at long-term, fixed interest rates. To change the characteristics of a portion of these interest rate payments, the Company has entered into a number of interest rate swaps.

In order to manage the mix of fixed and floating rates in its debt portfolio, the Company has entered into interest rate swaps to change the characteristics of interest rate payments from fixed-rate payments to short-term LIBOR-based variable rate payments. The principal amounts for interest rate swaps that were entered into in 2003 and 2002 were \$2.3 billion and \$1.7

conditions. At December 31, 2003, the Company's total domestic and non-U.S. credit facilities totaled \$3.8 billion, of which \$116 million was considered utilized.

LYONs is a trademark of Merrill Lynch & Co., Inc.

SM "Trust Originated Preferred Securities" and "TOPrS" are service marks of Merrill Lynch & Co., Inc.

SM "Puttable Reset Securities PURS" is a service mark of Goldman, Sachs & Co.

4. Risk Management

Derivative Financial Instruments

Foreign Currency Risk

As a multinational company, the Company's transactions are denominated in a variety of currencies. The Company uses financial instruments to hedge, and therefore attempts to reduce its overall exposure to the effects of currency fluctuations on cash flows. The Company's policy is not to speculate in financial instruments for profit on

Table of Contents

MOTOROLA INC. AND SUBSIDIARIES
(Dollars in millions, except as noted)

NOTES TO
CONSOLIDATED FINANCIAL STATEMENTS 103

reliance on Rule 144A under the Securities Act of 1933, as amended (the "Securities Act"), and outside of the United States in reliance on Regulation S under the Securities Act. The net proceeds to the Company from the sale of the Unregistered Notes were \$593 million. The Company used the proceeds to reduce short-term indebtedness and for general corporate purposes. There were no additional proceeds received as a result of the exchange of the Registered Notes for the Unregistered Notes.

In October 2001, the Company sold \$1.05 billion of 7.00% Equity Security Units (the "Units"). The Units consist of: (i) purchase contracts under which (a) the holder will purchase shares of common stock of the Company, \$3 par value per share, on November 16, 2004, and (b) the Company will pay contract adjustment payments at the annual rate of .50% of the \$50 per Unit face amount, and (ii) 6.50% Senior Notes due November 16, 2007 that pay interest at the annual rate of 6.50% of the \$50 per Unit face amount until November 16, 2004, by which date the Notes will be remarketed and repriced to their final maturity. If the remarketing is not successfully completed, the pledged Notes will be retained in satisfaction of the holders' obligations to purchase shares of common stock under the purchase contract. The Units were sold pursuant to the Company's existing \$2 billion "universal" shelf registration statement. In November 2001, the Company sold an additional \$150 million of the Units (the "green shoe Units") to the underwriters pursuant to their exercise of an over-allotment option. The net proceeds to the Company from the sale of the Units, including the green shoe Units, of \$1.16 billion, was used to reduce short-term indebtedness and for general corporate purposes.

In February 1999, Motorola Capital Trust I, a Delaware statutory business trust and wholly owned subsidiary of the Company (the "Trust"), sold Trust Originated Preferred SecuritiesSM ("TOPrS") to the public at an aggregate offering price of \$500 million. The Trust used the proceeds from this sale, together with the proceeds from its sale of common stock to the Company, to buy a series of 6.68% Deferrable Interest Junior Subordinated Debentures due March 31, 2039 ("Subordinated Debentures") from the Company with the same payment terms as the TOPrS. The sole assets of the Trust are the Subordinated Debentures. The TOPrS are shown as Company-Obligated Mandatorily Redeemable Preferred Securities of Subsidiary Trust Holding Solely Company-Guaranteed Debentures in the Company's consolidated balance sheets. The Company's obligations relating to the TOPrS include obligations to make payments on the Subordinated Debentures and obligations under the related Indenture, Trust Guarantee and Declaration of Trust. Taken together, these obligations represent a full and unconditional guarantee of amounts due under the TOPrS.

Aggregate requirements for long-term debt maturities (assuming earliest put date) during the next five years are as follows: 2004-\$568 million; 2005-\$405 million; 2006-\$1.4 billion; 2007-\$1.5 billion; 2008-\$528 million.

In May 2003, the Company completed the renewal of its 364-day revolving credit facility. The Company has a \$700 million 364-day facility expiring in May 2004 and a \$900 million three-year facility expiring in May 2005. At December 31, 2003, commitment fees assessed against the daily average amounts unused ranged from 17.5 to 20 basis points. Important terms of the credit agreements include a springing contingent lien and covenants related to net interest coverage and total debt-to-book capitalization ratios. Under the current facilities, if the Company's corporate credit ratings were to be lower than "BBB-" by S&P or "Baa3" by Moody's (which would be a decline of one level from the current Moody's rating), the Company and its domestic subsidiaries would be obligated to provide the lenders in the Company's domestic revolving credit facilities with a pledge of, and security interest in, domestic inventories and receivables. The Company's current corporate credit ratings are "BBB" with a "negative" outlook by S&P, "Baa3" with a "negative" outlook by Moody's, and "BBB" with a "stable" outlook by Fitch. The Company has never borrowed under its domestic revolving credit facilities. The Company also has \$2.2 billion of non-U.S. credit facilities with interest rates on borrowings varying from country to country depending upon local market

validly tendered was approximately \$78 million. Motorola paid the purchase price with available cash.

In December 2002, the Company entered into an agreement with Goldman, Sachs & Co. ("Goldman") to repurchase all of the Company's \$825 million of Puttable Reset Securities (PURS)sm due February 1, 2011 from Goldman. At that time, the Company paid Goldman \$106 million to terminate Goldman's annual remarketing rights associated with the PURS. This charge was included in Other within Other Income (Expense) in the Company's consolidated statements of operations. In February 2003, the Company purchased the \$825 million of PURS from Goldman with cash on hand.

In January 2002, the Company completed the exchange of \$600 million of registered 8.00% Notes due November 1, 2011 (the "Registered Notes") for \$600 million of unregistered 8.00% Notes due November 1, 2011 (the "Unregistered Notes"). The Company originally sold the Unregistered Notes on October 31, 2001. The initial purchasers of the Unregistered Notes offered them inside the United States to qualified institutional buyers in

Table of Contents

102 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MOTOROLA INC. AND SUBSIDIARIES
(Dollars in millions, except as noted)

3. Debt and Credit Facilities

Long-term debt

<i>December 31</i>	<i>2003</i>	<i>2002</i>
Puttable Reset Securities due 2011	\$ —	\$ 825
6.75% debentures due 2004	500	499
6.5% debentures due 2025 (puttable in 2005)	398	398
6.75% debentures due 2006	1,399	1,399
7.6% notes due 2007	300	300
6.5% senior notes due 2007 (debt portion of Equity Security Units)	1,200	1,200
6.5% notes due 2008	200	200
5.8% debentures due 2008	324	324
7.625% debentures due 2010	1,192	1,191
8.0% notes due 2011	598	598
7.5% debentures due 2025	398	398
6.5% debentures due 2028	405	405
5.22% debentures due 2097	192	191
Other long-term debt	137	286
	<u>7,243</u>	<u>8,214</u>
Less: current maturities	(568)	(1,025)
Long-term debt	<u>\$6,675</u>	<u>\$ 7,189</u>

Short-term debt

<i>December 31</i>	<i>2003</i>	<i>2002</i>
Notes to banks	\$ 24	\$ 109
Commercial paper	304	495
	<u>328</u>	<u>604</u>
Add: Current maturities	568	1,025
Notes payable and current portion of long-term debt	<u>\$ 896</u>	<u>\$1,629</u>

Weighted average interest rates on short-term borrowings

Commercial paper	1.3%	2.1%
Other short-term debt	4.8%	5.6%

In September 2003, the Company announced the conclusion of its offer to purchase its Liquid Yield Option™ Notes due September 27, 2013 (Zero Coupon-Subordinated) (the "2013 LYONs"). Pursuant to the indenture under which the 2013 LYONs were issued in September 1993, the holders' option to surrender the 2013 LYONs for repurchase that began on August 29, 2003 expired on September 29, 2003. 2013 LYONs with an aggregate principal amount at maturity of approximately \$98 million were validly tendered and repurchased by Motorola. This leaves an aggregate principal amount at maturity of approximately \$4 million of 2013 LYONs outstanding. The purchase price for the LYONs was \$799.52 per \$1,000 principal amount at maturity. Accordingly, the aggregate purchase price for all of the LYONs that were

Table of Contents

MOTOROLA INC. AND SUBSIDIARIES
(Dollars in millions, except as noted)

NOTES TO
CONSOLIDATED FINANCIAL STATEMENTS 101

Accrued Liabilities

Accrued Liabilities consists of the following:

<i>December 31</i>	<i>2003</i>	<i>2002</i>
Compensation	\$1,154	\$1,022
Customer reserves	584	539
Customer downpayments	387	377
Warranty reserves	366	322
Tax liabilities	357	418
Exit costs and employee separation accruals	292	636
Deferred revenue	286	205
Billings in excess of costs and earnings on uncompleted contracts	273	207
Other	2,049	2,187
	<u>\$5,748</u>	<u>\$5,913</u>

Other Liabilities

Other Liabilities consists of the following:

<i>December 31</i>	<i>2003</i>	<i>2002</i>
Defined benefit plans	\$1,484	\$1,294
Nextel hedge	310	—
Postretirement health care plan	218	179
Other	803	956
	<u>\$2,815</u>	<u>\$2,429</u>

Stockholders' Equity Information

Warrants

For the years ended December 31, 2002 and 2001, proceeds from the exercise of stock warrants were \$167 million (20 million shares) and \$127 million (15 million shares), respectively. As of December 31, 2003 and 2002, all previously outstanding stock warrants had been exercised.

Comprehensive Earnings (Loss)

The net unrealized gains (losses) on securities included in Comprehensive Earnings (Loss) are comprised of the following:

<i>Years Ended December 31</i>	<i>2003</i>	<i>2002</i>	<i>2001</i>
Gross unrealized gains (losses) on securities, net of tax	\$1,179	\$(143)	\$(1,624)
Less: Realized gains (losses), net of tax	268	(388)	(431)
Net unrealized gains (losses) on securities, net of tax	<u>\$ 911</u>	<u>\$ 245</u>	<u>\$(1,193)</u>

Other Assets consists of the following:

<i>December 31</i>	<i>2003</i>	<i>2002</i>
Long-term finance receivables, net of allowance of \$2,095 and \$2,251	\$ 209	\$ 381
Goodwill	1,416	1,375
Intangible assets, net of accumulated amortization of \$339 and \$231	184	232
Interest rate swaps	150	212
Notes receivable	52	231
Other	332	318
	<u>\$2,343</u>	<u>\$2,749</u>

AGENDA SUMMARY PAGE
CITY COUNCIL MEETING OF: FEBRUARY 16, 2005

DEPARTMENT: FINANCE & BUSINESS SERVICES

DIRECTOR: MARK R. VINCENT

☒ **CONSENT** ☐ **DISCUSSION**

SUBJECT:

Approval of award of Bid No. 04.15341.43-LED, Downtown Post Office Soft Demolition and the construction conflicts and contingency reserve set by Finance and Business Services - Department of Public Works - Award recommended to: ROCHE CONSTRUCTORS, INC. (\$265,300 - Parks and Leisure Activities Capital Projects Fund) - Ward 5 (Weekly)

Fiscal Impact:

☐ No Impact	Amount:	\$265,300.00
☒ Budget Funds Available	Dept./Division:	Public Works
☐ Augmentation Required	Funding Source:	Parks and Leisure Activities CPF

PURPOSE/BACKGROUND:

This project includes the soft demolition of the former US Post Office located at 301 Stewart Avenue to facilitate interim use of the facility for City functions. The work includes the removal of non-historic partitions, counters and other features that impede public use. Also included is the award of the three additive alternate items which provide for the removal and salvage of existing door and ironwork; removal of an existing wall, including patching and repair of adjacent walls, disconnection and capping of any utilities left exposed by the wall removal; and the removal, protection and storage of all fixed furniture to a designated area, and carpet patching in certain areas.

PCC: L. E. Davis

POC: Thomas J. Roche - (702) 252-3611

RECOMMENDATION:

That the City Council approve the award of Bid No. 04.15341.43-LED, Downtown Post Office Soft Demolition to Roche Constructors, Inc. in the amount of \$265,300 and approve a construction conflicts and contingency reserve of \$26,530. Authority to execute the contract is given to the Purchasing Manager per R-88-2004.

BACKUP DOCUMENTATION:

Bid Abstract

MOTION:

REESE - APPROVED Items 3-38 and 40-52 - UNANIMOUS

Item 39: STRICKEN under separate action (see individual item)

MINUTES:

There was no related discussion.

(9:36 - 9:38)

1-1020

		Roche Constructors, Inc
ITEM NUMBER	ITEM DESCRIPTION	BASE BID
	To Remove Non-Historic partitions, counters and other features that impede public use as specified in terms, conditions, specifications and drawings of bid # 04.15341.43-LED	\$241,700.00
	ADDITIVE ALTERNATES	
Alternate Three:	Existing Door and Ironwork to be removed and salvaged	\$5,000.00
	Base Bid plus Additive Alternate Three	\$246,700.00
Alternate Two:	Remove entire existing wall, disconnect and cap any utilities left exposed from removal of wall. Patch and repair adjacent walls as directed.	\$12,600.00
	Base Bid plus Additive Alternate Two	\$242,960.00
Alternate One:	Remove all fixed furniture, protect and store furniture in area designated by Owner, use existing carpet tiles from room #3 to patch.	\$8,000.00
	Base Bid plus Additive Alternate One	\$247,700.00
	TOTAL BASE BID PLUS ALTERNATES THREE, TWO AND ONE	\$285,300.00

Award Base Bid Only: _____ **Award Base Bid plus Additive Alternate 3:** _____
Award Base Bid plus Additive Alternate 3 & 2: _____ **Award Base Bid plus Additive Alternate 3, 2 & 1:** _____

<i>[Signature]</i>	<i>1-31-05</i>
Purchasing & Contracts Representative	Date
<i>[Signature]</i>	<i>1-31-05</i>
Department/Division Signature	Date

AGENDA SUMMARY PAGE
CITY COUNCIL MEETING OF: FEBRUARY 16, 2005

DEPARTMENT: FINANCE & BUSINESS SERVICES

DIRECTOR: MARK R. VINCENT

☒ **CONSENT** ☐ **DISCUSSION**

SUBJECT:

Approval of award of Agreement No. 050537 for Artwork Fabrication and Installation Services - Department of Leisure Services - Award recommended to: SAXE - PATTERSON, INC. (\$95,000 - General Fund and Public Arts Special Revenue Fund) - Ward 3 (Reese)

Fiscal Impact:

☐ No Impact	Amount:	\$95,000.00
☒ Budget Funds Available	Dept./Division:	Leisure Services/Cultural
☐ Augmentation Required	Funding Source:	General Fund /Public Arts SRF

PURPOSE/BACKGROUND:

On January 5, 2005, the City Council approved the expenditure of funds for the fabrication and installation of a public art sculpture for the East Las Vegas Community/Senior Center. The artists of Saxe-Patterson, Inc. have worked closely with the East Las Vegas Sculpture Committee on the sculpture design and were selected on a competitive basis by the Department of Leisure Services. \$80,000 is funded through the Las Vegas Arts Commission (LVAC) and another \$15,000 was donated to the LVAC Arts Fund for a total of \$95,000.

PCC: D. Kaplan

POC: Cynthia Patterson - (505) 758-9513

RECOMMENDATION:

That City Council approve the award of Agreement No. 050537 to Saxe-Patterson, Inc. in the amount of \$95,000 for artwork fabrication and installation. Authority to execute the Agreement is given to the Purchasing Manager per R-88-2004.

BACKUP DOCUMENTATION:

Certificate - Disclosure of Ownership/Principals

MOTION:

REESE - APPROVED Items 3-38 and 40-52 - UNANIMOUS

Item 39: STRICKEN under separate action (see individual item)

MINUTES:

There was no related discussion.

(9:36 - 9:38)

1-1020

CERTIFICATE DISCLOSURE OF OWNERSHIP/PRINCIPALS

1. Definitions

"City" means the City of Las Vegas.

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

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

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

2. Policy

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

3. Instructions

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

4. Incorporation

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

Block 1 Contracting Entity
Name: <u>Saxe-Patterson, Inc.</u>
Address: <u>PO Box 18</u> <u>Las Vegas, NV 89101</u>
Telephone: <u>702-761-0813</u>
EIN/DTUNE: <u>35-0274071</u>

Block 2 Description
Subject Matter of Contract/Agreement
<u>Artwork Fabrication and Installation Services</u>
RFP#

Block 4 Type of Business
☐ Individual ☐ Partnership ☐ Limited Liability Company ☒ Corporation ☐ Trust ☐ Other

CERTIFICATE - DISCLOSURE OF OWNERSHIP/PRINCIPALS (CONTINUED)

Block 4 Disclosure of Ownership and Principals

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

	FULL NAME/TITLE	BUSINESS ADDRESS	BUSINESS PHONE
1.	HARRY A. SAXE/President	PO Box 15 - Taos NM 87571	505.755.0519
2.	Cynthia A. Patterson/V.P.	PO Box 15 - Taos NM 87571	505.755.0519
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			

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

Block 5 DISCLOSURE OF OWNERSHIP AND PRINCIPALS - ALTERNATE

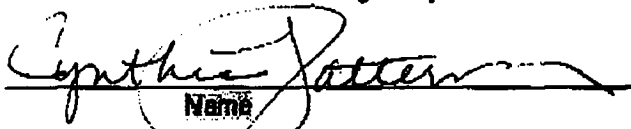
If the Contracting Entity, or its principals or partners, are required to provide disclosure (of persons or entities holding an ownership interest) under federal law (such as disclosure required by the Securities and Exchange Commission or the Employee Retirement Income Act), a copy of such disclosure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

Number of Documents: _____

Number of Pages: _____

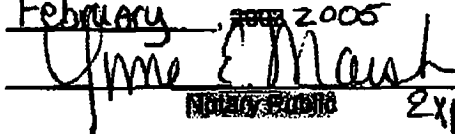
Number of Pages: _____

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


 Name
 2.2.2005
 Date

Subscribed and sworn to before me this 2nd day of

February, 2005


 John E. Marsh
 Exp 11-27-08

AGENDA SUMMARY PAGE
CITY COUNCIL MEETING OF: FEBRUARY 16, 2005

DEPARTMENT: FINANCE & BUSINESS SERVICES

DIRECTOR: MARK R. VINCENT

☒ **CONSENT** ☐ **DISCUSSION**

SUBJECT:

Approval of award of Contract No. 050183, Firefighter Physicals - Department of Fire and Rescue - Award recommended to: LIFESIGNS MANAGEMENT, INC. (\$76,000 - General Fund)

Fiscal Impact:

☐ No Impact	Amount:	\$76,000.00
☒ Budget Funds Available	Dept./Division:	Fire and Rescue
☐ Augmentation Required	Funding Source:	General Fund

PURPOSE/BACKGROUND:

The contract provides for required firefighter physicals to be accomplished until Fire and Rescue's new physician is hired. This item is exempt from competitive bidding pursuant to NRS 332.115.1(b), professional services.

PCC: C. White

POC: Kimberly Meinen - (702) 254-7200

RECOMMENDATION:

That the City Council approve award of Contract No. 050183 for firefighter physicals to Lifesigns Management, Inc. in the amount of \$76,000. Authority to execute contract is given to the Purchasing Manager per R-88-2004.

BACKUP DOCUMENTATION:

None

MOTION:

REESE - APPROVED Items 3-38 and 40-52 - UNANIMOUS

Item 39: STRICKEN under separate action (see individual item)

MINUTES:

There was no related discussion.

(9:36 - 9:38)

1-1020

AGENDA SUMMARY PAGE
CITY COUNCIL MEETING OF: FEBRUARY 16, 2005

DEPARTMENT: FINANCE & BUSINESS SERVICES

DIRECTOR: MARK R. VINCENT

☒ **CONSENT** ☐ **DISCUSSION**

SUBJECT:

Approval of the rejection of bid and award of Bid No. 050119-GL, Annual Requirements Contract for Signs - Department of Field Operations, Parks and Open Spaces - Award recommended to: ROCAL, INC. (Estimated annual amount of \$58,500 - General Fund)

Fiscal Impact:

☐ No Impact	Amount:	\$58,500.00
☒ Budget Funds Available	Dept./Division:	Field Operations, Parks
☐ Augmentation Required	Funding Source:	General Fund

PURPOSE/BACKGROUND:

This request provides for an annual requirements contract for Signs at designated City of Las Vegas locations. Staff recommends rejection of a non-responsive bid from the apparent low bidder for failure to comply with delivery time and delivery method specified in the bid document.

PCC: G. Leaf

POC: Mary Beth Lightle - (740) 998-2073

RECOMMENDATION:

That the City Council approve the rejection of bid and award of Bid No. 050119-GL, Annual Requirements Contract for Signs to Rocal, Inc. from date of award through December 31, 2005 with four (4) one-year options to renew in the estimated annual amount of \$58,500.

BACKUP DOCUMENTATION:

None

MOTION:

REESE - APPROVED Items 3-38 and 40-52 - UNANIMOUS

Item 39: STRICKEN under separate action (see individual item)

MINUTES:

There was no related discussion.

(9:36 - 9:38)

1-1020

AGENDA SUMMARY PAGE
CITY COUNCIL MEETING OF: FEBRUARY 16, 2005

DEPARTMENT: FINANCE & BUSINESS SERVICES

DIRECTOR: MARK R. VINCENT

☒ **CONSENT** ☐ **DISCUSSION**

SUBJECT:

Approval of award of Contract No. 050052, Citizen's Recreation Assessment Survey Services - Department of Leisure Services - Award recommended to: MOORE, IACOFANO, GOLTSMAN, INC. (\$27,975 - General Fund)

Fiscal Impact:

☐ No Impact	Amount:	\$27,975.00
☒ Budget Funds Available	Dept./Division:	Leisure Services
☐ Augmentation Required	Funding Source:	General Fund

PURPOSE/BACKGROUND:

To provide recreation assessment survey services to measure public opinion, preferences, recreation participation and other information from an accurate sampling of City residents. This requirement is exempt from competitive bidding process pursuant to NRS 332.115.1(b), professional services.

PCC: C. White

POC: Jerry Draggoo - (503) 297-1005

RECOMMENDATION:

That the City Council approve award of Contract No. 050052 for citizen's recreation assessment survey services to Moore, Iacofano, Goltsman, Inc. from date of award to June 30, 2005 for \$27,975. Authority to execute the Contract is given to the Purchasing Manager per R-88-2004.

BACKUP DOCUMENTATION:

Certificate - Disclosure of Ownership/Principals

MOTION:

REESE - APPROVED Items 3-38 and 40-52 - UNANIMOUS

Item 39: STRICKEN under separate action (see individual item)

MINUTES:

There was no related discussion.

(9:36 - 9:38)

1-1020

CERTIFICATE OF DISCLOSURE OF OWNERSHIP/PRINCIPALS

1. Definitions

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

1. Policy

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

2. Instructions

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

3. Incorporation

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Block 1 Contracting Entity
Name
Address
Telephone
EIN or DUNS

Block 2 Description
Subject Matter of Contract/Agreement
Citizen's Recreation Assessment Survey Services Contract# 050052-CW

Block 3	Type of Business
☐ Individual ☐ Partnership ☐ Limited Liability Company ☒ Corporation ☐ Trust ☐ Other:	

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

Block 4 Disclosure of Ownership and Principals

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

	FULL NAME/TITLE	BUSINESS ADDRESS	BUSINESS PHONE
1.	Susan Goffman	800 Hearst Ave, Berkeley	510-845-7549
2.	Daniel Iacofano	CA 94710	
3.	Pat McLaughlin	↓	
4.	Sally McIntyre		
5.	Carie DeFuerter		
6.	Carolyn Verhagen		
7.			
8.			
9.			
10.			

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

Block 5 DISCLOSURE OF OWNERSHIP AND PRINCIPALS – ALTERNATE

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

Name of Attached Document: _____

Date of Attached Document: _____ Number of Pages: _____

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

Susan Goffman
 Name
2/2/05
 Date

Subscribed and sworn to before me this ____ day of

_____, 2005

 Notary Public

see attached

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of

Alameda

SS.

On February 2, 2005

Date

before me,

Mi-Yung Lisa Rhee, Notary Public

Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared

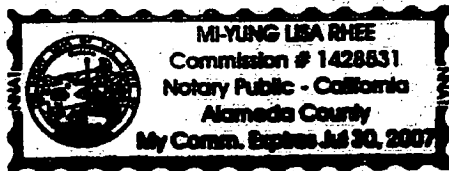
Susan M. Gottsman

Name(s) of Signer(s)

☒ personally known to me

☐ proved to me on the basis of satisfactory evidence

to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.

Mi-Yung Lisa Rhee
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: CONTRACT, CITY OF LAS VEGAS

Document Date: JANUARY 24, 2005 Number of Pages: 12

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer

Signer's Name: Susan M. Gottsman

☐ Individual

☒ Corporate Officer — Title(s): President

☐ Partner — ☐ Limited ☐ General

☐ Attorney-in-Fact

☐ Trustee

☐ Guardian or Conservator

☐ Other: _____

Signer Is Representing: MOORE JACOBANO GOTTSMAN, INC.

RIGHT THUMBPRINT
OF SIGNER
Top of thumb here

AGENDA SUMMARY PAGE
CITY COUNCIL MEETING OF: FEBRUARY 16, 2005

DEPARTMENT: FINANCE & BUSINESS SERVICES

DIRECTOR: MARK R. VINCENT

☒ **CONSENT** ☐ **DISCUSSION**

SUBJECT:

Preapproval of purchase order for printing services for 2005 Municipal Primary and General Election - Office of the City Clerk - Award recommended to: NEVADA COLOR LITHO (amount not to exceed \$138,000 - General Fund)

Fiscal Impact:

☐ No Impact	Amount:	\$138,000.00
☒ Budget Funds Available	Dept./Division:	City Clerk/Elections
☐ Augmentation Required	Funding Source:	General Fund

PURPOSE/BACKGROUND:

This request is in anticipation of election-related printing expenses including addressing and labeling of sample ballots. Increase in expenses from 2003 is attributable to introduction of Optical Scan Ballots and bilingual requirements. In accordance with NRS 293.443(2), election expense, competitive bidding is not required.

PCC: D. Dixon

POC: Jay Nickels - (702) 643-2110

RECOMMENDATION:

That the City Council preapprove the purchase order for printing services by Nevada Color Litho in an amount not to exceed \$138,000 for the 2005 Las Vegas Municipal Primary and General Elections.

BACKUP DOCUMENTATION:

None

MOTION:

REESE - APPROVED Items 3-38 and 40-52 - UNANIMOUS

Item 39: STRICKEN under separate action (see individual item)

MINUTES:

There was no related discussion.

(9:36 - 9:38)

1-1020

AGENDA SUMMARY PAGE
CITY COUNCIL MEETING OF: FEBRUARY 16, 2005

DEPARTMENT: LEISURE SERVICES

DIRECTOR: BARBARA JACKSON

☒ **CONSENT** ☐ **DISCUSSION**

SUBJECT:

Approval of City of Las Vegas Arts Commission Municipal Arts Plan (MAP) for FY 2005-2006 - All Wards

Fiscal Impact:

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

PURPOSE/BACKGROUND:

The City of Las Vegas Arts Commission is the advisory body to the City Council in the acquisition, commission or purchase of works of art by the City. As required under the new Percent for the Arts Program, an annual Municipal Arts Plan will be presented to the City Council for approval each February. The plan will include any new and ongoing projects in conjunction with Capital Improvement Projects (CIP) funded through the Municipal Arts Fund, the Arts Fund and the General Fund with budgets \$25,000 and over.

RECOMMENDATION:

Staff recommends approval of the City of Las Vegas Arts Commission Municipal Arts Plan for FY 2006.

BACKUP DOCUMENTATION:

1. Municipal Arts Plan
2. Ordinance - Percent for the Arts

MOTION:

REESE - APPROVED Items 3-38 and 40-52 - UNANIMOUS

Item 39: STRICKEN under separate action (see individual item)

MINUTES:

There was no related discussion.

(9:36 - 9:38)

1-1020

**Fiscal Year 2005-2006 Annual Projects Plan
(Projects \$25,000 and over)**

1. Proposed works of art for Capital Improvement Projects:	Arts Fund (AF)	Municipal Arts Fund (MAF)	General Fund (GF)
No new proposed works of art for Capital Improvement projects were selected by the Arts Commission. The current balance of \$17,000, with the projected revenue of \$10,000 in February 05 and \$60,000 in June 05, for a total of \$87,000, which will pool for future projects. The Arts Commission will be focusing on the completion of on-going projects from the FY 05 Municipal Arts Plan, previously approved by City Council February 18, 2004.	0		
2. Proposed works of art for sites and locations not in conjunction with capital improvement projects (FY 2005-06):			
a. Centennial Mural on Lewis Street \$25,000	25,000		
3. Progress reports on the completion plan regarding the design, selection, acquisition, fabrication and installation of uncompleted works of art previously approved by the City Council:			
a. Centennial Hills Community Center Public Art projects. \$52,000 Design completed January 05. Fabrication and installation to be completed during construction phase of building in late summer 2006.		52,000.0	
b. East Las Vegas Community Center Outdoor Public Sculpture. \$95,000 Fabrication and installation completed by June 2005.	15,000		80,000
4. Requested funds from the Arts Fund and Municipal Arts Fund, respectively, for proposed and ongoing works of art projects.			
Arts Fund Total (requests for FY 06)	40,000		
Municipal Arts Fund Total (requests for FY 06)		52,000	
General Fund Total (FY 05 and 06)			80,000

BILL NO. 2003-102

ORDINANCE NO. 5654

AN ORDINANCE TO ESTABLISH THE PERCENT FOR THE ARTS PROGRAM AND TO PROVIDE FOR OTHER RELATED MATTERS.

Sponsored by: Mayor Oscar B. Goodman

Summary: Appropriates a percentage of the annual capital improvements budget for securing, installing and maintaining works of art at City capital improvement projects

**THE CITY COUNCIL OF THE CITY OF LAS VEGAS DOES HEREBY ORDAIN
AS FOLLOWS:**

SECTION 1: Title 2, Chapter 24, of the Municipal Code of the City of Las Vegas, Nevada, 1983 Edition, is hereby amended by adding thereto a new section, designated as Section 2.34.015, to read as follows:

2.34.015: As used in this Chapter, unless the context otherwise requires, the words and terms defined in this Section have the meanings ascribed to them herein as follows:

"Administrative cost" means all costs associated with the operations of the Art Commission, including those costs incurred in connection with artistic programs and projects and the selection, acquisition, installation and exhibition of, and publicity about, City-owned works of art.

"Arts Fund" means the fund designated in Subsection (A) of Section 2.34.130.

"Capital improvements" means any City capital project including, but not limited to, those paid for wholly or in part by the City to construct, remodel, renovate, or repair any building, park, street, sidewalk, parking facility or utility or any portion thereof within the limits of the City boundaries.

"Municipal Arts Fund" means the fund described in Section 2.34.180.

"Municipal Arts Plan" means an annual plan approved by the City Council for works of art and other artistic programs and projects in the City.

"Percent for the Arts" means a program whereby a percentage of the City's annual capital improvements budget is appropriated by the City Council to the Municipal Arts Fund.

"Works of art" means:

1 Two or three dimensional art that may be integrated into the structure of a public works
2 project, building, landscape, other fixture or element, in any material or media or combination thereof;

3 Two or three dimensional art of any material or media or combination thereof;

4 Enhancements to public works projects, buildings, landscapes or any standardized
5 fixtures and elements that are designed by an artist or by a design team which includes an artist
6 member; and

7 New genres including video, electronic and digital art, holography, video and
8 additional technologically based forms as they evolve.

9 For the purposes of this Section the term "works of art" does not mean:

10 Commercially mass produced objects of standard designs, except where these elements
11 are integral parts of an original artwork;

12 Reproductions, by mechanical or other means, of original works of art, except in cases
13 of film, video, photography, printmaking or other media arts;

14 Directional elements such as supergraphics, signage or color coding, except where
15 these elements are integral parts of an artwork;

16 Decorative, ornamental or functional elements which are not designed by an artist; and

17 Landscape architecture and landscape gardening, except where these elements are
18 designed by an artist or are an integral part of an artwork, or are both designed by an artist and an
19 integral part of an artwork.

20 SECTION 2: Title 2, Chapter 34, Section 120, of the Municipal Code of the City of
21 Las Vegas, Nevada, 1983 Edition, is hereby amended to read as follows:

22 2.34.120: [(A)] The purpose of the Arts Commission shall be to serve as an advisory body to
23 the City Council as follows:

24 [(1)] (A) Make recommendations with respect to [a master plan for the growth and
25 development of the arts in the City.] the Municipal Arts Plan, with annual updating of such
26 recommendations;

27 [(2)] (B) Advise with respect to all matters concerning the arts, including suggested
28 legislation and the allocation of funds in support of the arts;

- 1 [(3)] (C) Propose methods to encourage private initiative in the fields of art;
- 2 [(4)] (D) Develop plans and proposals for submission to the City for the purpose of
3 encouraging the City Council to seek State, Federal and private funds for the support of the arts;
- 4 [(5)] (E) Make recommendations to the City Council with respect to the establishment
5 of and appropriations to the Arts Fund for artistic programs and projects and the granting of funds
6 therefrom;
- 7 [(6)] (F) Encourage the highest possible standards in the development and presentation
8 of artistic programs;
- 9 [(7)] (G) Encourage an awareness of the value of the arts to the quality of life in the City
10 and its residents and visitors;
- 11 [(8)] (H) Serve as liaison between the arts community, the general public and the City
12 Council with respect to matters concerning the arts;
- 13 [(9)] (I) Strengthen, support and collaborate with new and existing cultural
14 organizations, projects and programs;
- 15 [(10)] (J) Consult with, support and advise arts organizations, individuals, local colleges,
16 universities, libraries and the Clark County School District with respect to the coordination and
17 development of the arts in the City and the arts in education;
- 18 [(11)] (K) Review and make recommendations with respect to the acquisition, commission
19 or purchase by the City of works of art to be placed on public property or in public works, with the
20 exception of works of art given to or purchased by museums, and to make recommendations with
21 respect to the removal, relocation, upkeep, conservation and alteration of existing works of art in the
22 possession of the City; and
- 23 [(12)] (L) Engage in such other activities or projects relative to the arts as may be
24 authorized by the City Council.
- 25 [(B) For the purpose of this Section, the term "works of art" means all forms of original
26 creation of visual art, including without limitation all paintings, murals, sculpture, inscriptions, stained
27 glass, statues, bas reliefs, monuments, fountains, arches, artistic embellishments or other structures
28 intended for artistic comment or commemoration.]

1 SECTION 3: Title 2, Chapter 34, Section 130, of the Municipal Code of the City of
2 Las Vegas, Nevada, 1983 Edition, is hereby amended to read as follows:

3 **2.34.130:** (A) A special account shall be established for the purpose of receiving private,
4 local, State and Federal funds obtained by the City for artistic purposes consistent with the function
5 of the Arts Commission. The fund shall be known as the Arts Fund.

6 (B) [All funds received by the City for the Arts Commission and all funds
7 appropriated by the City to the Arts Commission shall be deposited in the Arts Fund, with the
8 exception of the Arts Commission's operational funds and budgetary appropriations made by the city
9 to its departments for artistic services.] All funds received by the City or the Arts Commission for
10 artistic programs and projects and works of art, and all funds appropriated by the City Council to the
11 Arts Commission shall be deposited in the Arts Fund, with the exception of:

12 (1) The Arts Commission's operational funds;

13 (2) The budgetary appropriations made by the City to its departments for
14 artistic services; and

15 (3) Percent for the Arts funds.

16 (C) All funds deposited in the Arts Fund shall be used exclusively for the purpose
17 or function for which they are appropriated, specified or donated. In the event that funds deposited
18 in the Arts Fund are unspecified, the Arts Commission shall make recommendations to the City
19 Council with respect to the use of these funds for purposes consistent with the function of the Arts
20 Commission.

21 SECTION 4: LVMC Sections 2.34.140 and 2.34.150 are hereby repealed.

22 SECTION 5: Title 2, Chapter 34, of the Municipal Code of the City of Las Vegas,
23 1983 Edition, is hereby amended by adding thereto a new section, designated as Section 140, to read
24 as follows:

25 **2.34.140:** (A) There is hereby established a program for funding works of art in conjunction
26 with City capital improvement projects, to be known as "Percent for the Arts."

27 (B) Under the Percent for the Arts program the City Council shall appropriate not
28 less than one percent of the City's annual capital improvements budget to the Municipal Arts Fund.

1 (C) For the purposes of this Section, "capital improvements budget" means only
2 those funds budgeted for transfer to capital project funds from the general fund and proceeds from the
3 sale of bonds whose debt service is paid solely from general fund revenues.

4 (D) In addition to the annual Percent for the Arts appropriations, the City Council
5 may make additional annual appropriations to the Municipal Arts Fund which shall be subject to the
6 same terms and conditions applying to expenditure of Percent for the Arts funds.

7 SECTION 6: Title 2, Chapter 34, of the Municipal Code of the City of Las Vegas,
8 Nevada, 1983 Edition, is hereby amended by adding thereto a new section, designated as Section 150,
9 to read as follows:

10 2.34.150: (A) Only those works of art approved by the City Council for capital improvement
11 projects as part of the Municipal Arts Plan shall be eligible to receive expenditures from Percent for
12 the Arts funds.

13 (B) For the purposes of this Chapter the following are permissible works of art
14 expenditures:

15 (1) Artists' design services, development of design concepts and models
16 and the selection, acquisition, installation, fabrication and exhibition of works of art;

17 (2) Identification plaques and labels;

18 (3) Water works, electrical and mechanical devices and equipment which
19 are an integral part of the works of art;

20 (4) Frames, mat and single pedestals necessary for the proper presentation
21 of the works of art;

22 (5) Walls, bases, pools or other architectural or landscaping elements on
23 or in which the works of art are placed or affixed and which, in the opinion of the Arts Commission,
24 are an integral part of and contribute to the aesthetic and structural support of the works of art;

25 (6) Architectural or landscaping elements which themselves constitute some
26 works of art;

27 (7) Ongoing operating expenses or maintenance of works of art,
28 architectural elements on or in which the works of art are placed, or sites where works of art are

1 located; or

2 (8) Any other expenditures as approved by the City Council in the
3 Municipal Arts Plan.

4 SECTION 7: Title 2, Chapter 34, of the Municipal Code of the City of Las Vegas,
5 Nevada, 1983 Edition, is hereby amended by adding thereto a new section, designated as Section 160,
6 to read as follows:

7 2.34.160: Works of art at capital improvements projects may be placed on public display, integral
8 or attached to a public building or structure, detached within or outside a public building or structure,
9 or as a part of the landscape or a public park, square or other outdoor public site or lands.

10 SECTION 8: Title 2, Chapter 34, of the Municipal Code of the City of Las Vegas,
11 Nevada, 1983 Edition, is hereby amended by adding thereto a new section, designated as Section 170,
12 to read as follows:

13 2.34.170: (A) A Municipal Arts Plan for the next fiscal year shall be submitted by the Arts
14 Commission not later than February each year for City Council approval, which plan shall include
15 any:

16 (1) Proposed works of art for capital improvements projects;

17 (2) Proposed works of art for sites and locations not in conjunction with
18 capital improvements projects;

19 (3) Progress reports and completion plan regarding the design, selection,
20 acquisition, fabrication and installation of uncompleted works of art previously approved by the City
21 Council; and

22 (4) Requested funding from the Arts Fund and Municipal Arts Fund,
23 respectively, for proposed and ongoing works of art projects.

24 (B) The Municipal Arts Plan shall be submitted to the City Council in conjunction
25 with the City's capital project plan for the next fiscal year.

26 SECTION 9: Title 2, Chapter 34, of the Municipal Code of the City of Las Vegas,
27 Nevada, 1983 Edition, is hereby amended by adding thereto a new section, designated as Section 180,
28 to read as follows:

1 **2.34.180:** (A) A special account shall be established for the purpose of receiving funds
2 appropriated by the City Council pursuant to the Percent for the Arts program. The fund shall be
3 known as the Municipal Arts Fund.

4 (B) All funds deposited to the Municipal Arts Funds shall be used exclusively for
5 the purpose or function for which they are appropriated.

6 (C) Except as otherwise provided in this Section, funds remaining in the Municipal
7 Arts Fund at the end of each fiscal year shall carry over in such fund for the next fiscal year.

8 (D) Funds in excess of one million dollars remaining in the Municipal Arts Fund
9 at the end of each fiscal year that are not committed to works of art approved in the Municipal Arts
10 Plan for that year or previous years shall revert to the City general fund.

11 **SECTION 10:** Title 2, Chapter 34, of the Municipal Code of the City of Las Vegas,
12 1983 Edition, is hereby amended by adding thereto a new section, designated as Section 190, to read
13 as follows:

14 **2.34.190:** In the event of the repeal of this Chapter and the dissolution of the Arts Commission
15 all funds remaining in the Arts Fund and Municipal Arts Fund shall revert to the City and be used for
16 artistic purposes except as follows:

17 (A) All remaining Percent for the Arts funds shall revert to the City general fund
18 to be used in the discretion of the City Council.

19 (B) Any restricted gift or donations shall be used for the purpose specified in the
20 restriction or returned to the donor.

21 **SECTION 11:** If any section, subsection, subdivision, paragraph, sentence, clause or
22 phrase in this ordinance or any part thereof is for any reason held to be unconstitutional or invalid or
23 ineffective by any court of competent jurisdiction, such decision shall not affect the validity or
24 effectiveness of the remaining portions of this ordinance or any part thereof. The City Council of the
25 City of Las Vegas hereby declares that it would have passed each section, subsection, subdivision,
26 paragraph, sentence, clause or phrase thereof irrespective of the fact that any one or more sections,
27 subsections, subdivisions, paragraphs, sentences, clauses or phrases be declared unconstitutional,
28 invalid or ineffective.

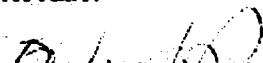
1 SECTION 12: All ordinances or parts of ordinances or sections, subsections, phrases,
2 sentences, clauses or paragraphs contained in the Municipal Code of the City of Las Vegas, Nevada,
3 1983 Edition, in conflict herewith are hereby repealed.

4 PASSED, ADOPTED and APPROVED this 17 day of December, 2003.

5 APPROVED:

6
7 By 
8 OSCAR B. GOODMAN, Mayor

9 ATTEST:

10 
11 BARBARA J. RONEMUS, City Clerk

12 APPROVED AS TO FORM:

13  11-6-03
14 Date

AFFID DISTRICT COURT
Clark County, Nevada
AFFIDAVIT OF PUBLICATION
STATE OF NEVADA
COUNTY OF CLARK

VS.

Dorota Stark, being her duly sworn, deponent and says:

That she is the Legal Clerk for the Las Vegas Review-Journal and is the legal
Sun daily newspaper regularly issued, published and circulated in the City of
Las Vegas, County of Clark, State of Nevada and that the advertisement is true
copy attached for.

IN CITY CLERK
1288844

27764111

was continuously published in said Las Vegas Review-Journal and the Las Vegas Sun on 1
and 2 copies of said newspaper issued from 12/01/2001 to 12/30/2001 on
the following days: DEC. 1, 2001

Signed:

Dorota Stark

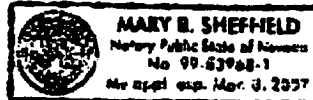
SUBSCRIBED AND SWORN BEFORE ME this 1st

5

day of December 2001

Natary Public

Mary B. Sheffield



BILL NO. 2003-102

AN ORDINANCE TO ESTABLISH THE PERCENT FOR THE ARTS PROGRAM AND TO PROVIDE FOR CITY-ARTS RELATED MATTERS.

Sponsored by Mayor G. Gary S. Goodman
Summary: Appropriates a percentage of the annual City of Las Vegas budget to securing, protecting and enhancing works of art at City Capital improvement projects.

At the City Council meeting of November 19, 2001, Bill No. 2003-102 was read by title and referred to a select members committee.

COPIES OF THE COMPLETE ORDINANCE ARE AVAILABLE FOR PUBLIC INFORMATION IN THE OFFICE OF THE CITY CLERK, 1ST FLOOR, 800 STEWART AVENUE, LAS VEGAS, NEVADA. PUB. November 1, 2003
LV Review-Journal

RECEIVED
CLERK OF DISTRICT COURT
CLARK COUNTY, NEVADA
NOV 20 2001

1 The above and foregoing ordinance was first proposed and read by title to the City Council on the
2 19th day of November, 2003, and referred to a committee for recommendation; thereafter the
3 committee reported favorably on said ordinance on the 17th day of December, 2003, which was a
4 regular meeting of said Council; that at said regular meeting, the proposed ordinance was read by
5 title to the City Council as first read and adopted by the following vote:

6 VOTING "AYE": Mayor Goodman, Councilmembers Reese, L. B. McDonald, Weekly, and
Moncrief

7 VOTING "NAY": Councilmembers Brown and Mack

8 EXCUSED: None

9 ABSTAINED: None

10 APPROVED:

11 
12 OSCAR B. GOODMAN, Mayor

13 ATTEST:

14 
15 BARBARA JO RONEMUS, City Clerk

AGENDA SUMMARY PAGE
CITY COUNCIL MEETING OF: FEBRUARY 16, 2005

DEPARTMENT: NEIGHBORHOOD SERVICES

DIRECTOR: ORLANDO SANCHEZ

☒ **CONSENT** ☐ **DISCUSSION**

SUBJECT:

Approval of an Agreement for Quality Enhancement Programs and Services between the Economic Opportunity Board Community Action Partnership - Childcare Assistance Division (EOB-CCAD) and the City of Las Vegas in the amount of \$140,000 for the Child Care Improvement Grant (CCIG) - All Wards

Fiscal Impact:

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

PURPOSE/BACKGROUND:

CCIG Funding can be used for staff services and support of the CLV Child Care Licensing Division to provide childcare mini-grants up to \$5,000 to licensed childcare providers to ensure providers meet codes and regulations, early childhood literacy, and childcare training in a variety of topics including health and safety. Furthermore, the program is being expanded to incorporate the Parents As Learning Support (PALS) component designed to make families active participants in turning their schools into nurturing environments to grow and learn beyond school hours. Due to outstanding performance, the City has been awarded an additional \$140,000.

RECOMMENDATION:

Staff recommends approval.

BACKUP DOCUMENTATION:

Agreement for Quality Enhancement Programs and Services

MOTION:

REESE - APPROVED Items 3-38 and 40-52 - UNANIMOUS

Item 39: STRICKEN under separate action (see individual item)

MINUTES:

There was no related discussion.

(9:36 - 9:38)

1-1020

CHILD CARE IMPROVEMENT GRANT AGREEMENT

between the City of Las Vegas and Mott FCH

THIS AGREEMENT ("Agreement") is made and entered into this 20th day of **May, 2005** by and between the CITY OF LAS VEGAS, a municipal corporation of the State of Nevada, hereinafter referred to as "CITY", and **Lola Mott**, doing business as **Mott FCH**, a Nevada sole proprietorship, hereinafter referred to as "SUBRECIPIENT", whose primary mailing address at the date of execution is **5608 W. Bartlett Avenue, Las Vegas, NV 89108**.

WITNESSETH

WHEREAS, the CITY has allocated funds for the Child Care Improvement Grant, hereinafter referred to as "CCIG"; and

WHEREAS, the CITY is responsible for planning, administering, implementing, and evaluating the CCIG program to ensure that it conforms to the CCIG Program Guidelines, Child Care Licensing Compliance Guidelines and the Las Vegas City Council goals; and

WHEREAS, CITY as Grantor wishes to engage "SUBRECIPIENT" to assist the CITY in utilizing such funds by providing services to meet the CCIG Program's objectives, as follows:

- to improve existing child care facilities serving the target area; and
- to support projects creating child care for additional children and/or to enhance the quality of current child care.

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

I. SCOPE OF SERVICE

A. ACTIVITIES

"SUBRECIPIENT" will be responsible for administering **FY 2004-2005** CCIG-funded activities eligible under the Child Care Improvement Grant as cited in the Scope of Services I.B.1, hereinafter referred to as "Project". It is expressly agreed and understood that the total amount to be provided by the CITY under this Agreement shall not exceed **\$600.00** CCIG funds to be allocated in accordance with the Child Care Improvement Grant Application as detailed in Exhibit "A," attached. "SUBRECIPIENT" hereby agrees to utilize said CCIG 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 as stated by the "SUBRECIPIENT" in the Child Care Improvement Grant application Exhibit "A" and in addition to the following:

Purpose of Services:

The purpose of this funding is to the facility by purchasing baby/video monitor(s) enabling the provider to see and hear the children at all times, while napping and playing.

Tasks to be Performed:

- Purchase Baby/Video Monitor(s)
- Obtain (3) quotes or bids for all proposed expenditures over \$500 (Bids for construction must be from licensed and bonded contractors).
- Submit reimbursement requests monthly along with a monthly progress report.

Measurable Goals for Grant period:

- Obtain approval of proposed plans for changes to Clark County Health District and all departments as required by municipal codes.
- Obtain proper Planning, Building and Safety, and/or Fire Code permits.
- Complete project within thirty days (30) of approval.

"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 "SUBRECIPIENT" hereby appoints the following representative to attend any meetings of the neighborhood organization in partnership with the City of Las Vegas, Neighborhood Services Department: **Lola Mott** or a designee chosen at the discretion of "SUBRECIPIENT".

C. PROGRAM REPORTING

"SUBRECIPIENT" will be required to collect for and provide to the CITY Program accomplishments and usage records beginning **May 20, 2005**, or the date first written above, until **May 31, 2005**, unless this Agreement is modified at the express consent of the CITY and "SUBRECIPIENT." "SUBRECIPIENT" shall submit at the end of each month on a monthly basis, and on occasion upon written request of the CITY, a Monthly Project Report and a Request for Release of Funds, which are attached as Exhibits "B" and "C". Failure to submit said reports with the request for reimbursement may delay reimbursement to "SUBRECIPIENT" for grant-eligible project expense. Records and reports shall contain, but not be limited to, the following data:

- 1) Statement of Project goals cited in "SUBRECIPIENT" application and measurable accomplishments toward achieving said goals through reporting date of said report.

- 2) Written narrative and description of services shall be included in each monthly report.
- 3) The "SUBRECIPIENT" shall provide a copy of all written report developed for the Project to the CITY. These may be included with the Monthly Project Progress Report or under separate cover. Materials that help document the progress of the Project include: event flyers, photographs, video footage, construction timelines, job descriptions, contractor contracts, and design drawings.
- 4) The "SUBRECIPIENT" shall provide a final, brief, written report with the final invoice that summarizes the Project's successes and lessons learned. An outline of the Final Report is included in Exhibit "D". **Final reports are due on or before May 31, 2005.**
- 5) These reports will be forwarded to the City of Las Vegas Neighborhood Services Department, ATTN: CCIG Program Coordinator. 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.
- 6) 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 CCIG funding of "SUBRECIPIENT" program rendered in accordance with this Agreement from **May 20, 2005**, or the date first written above, through **May 31, 2005**. Furthermore, the CITY shall be liable only for payment proportional to the extent that CCIG grant award funds are appropriated and allocated by the CITY. "SUBRECIPIENT" program expenses incurred after **May 31, 2005**, and prior to execution of this Agreement will not be reimbursed. All final draw down requests and reports should be submitted with substantiating documentation by **May 31, 2005**. **Any draw down requests dated after May 31, 2005 will not be reimbursed.** Grant awards may be reduced or revoked if no attempts in reaching the projected tasks/measurable goals have been initiated within 30 days of the initial signed agreement.

E. AMENDMENTS

Funds provided in categories as specified in this Agreement must be used for the purposes for which they were approved, and may not be transferred between categories without the written approval of the Director, or his designee, of the City's Neighborhood Services Department. **Only one (1) modification to the proposed agreement will be allowed during the grant cycle.** Any changes to this Agreement, must be approved in writing by the Neighborhood Services Department, including the following changes:

1. Proposals to change the type or scope of services or activities from those for which funding was provided, prior to implementation of changes using the Budget Modification Form as detailed in Exhibit "E";

2. Proposals to temporarily or permanently cease the operations of "SUBRECIPIENT";
3. Any significant changes to the "SUBRECIPIENT" such as, principal office bearers, contact persons, change of address of "SUBRECIPIENT";
4. The City shall have the right to other information pertaining to this grant, as requested by the Neighborhood Services Department.

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 in Section I. 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 CCIG 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 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.

D. 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.

E. ON-SITE MONITORING

Projects and programs funded under this Agreement will be subject to on-site monitoring by duly authorized CITY representatives. Programs that are funded must agree to state and/or city monitoring of programs and financial reports. Said representatives will be announced, at a minimum, 24 hours in advance of such visits. The representatives may request, and be granted access to records. Representatives on occasion may interview Program volunteers and participants who volunteer to be interviewed.

F. 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. "SUBRECIPIENT" agrees to retain all books, records and other documents relevant to this Agreement, and persons duly authorized by the City shall have full access to and the right to examine and copy any said materials during this said period.

G. AUDIT ADJUSTMENTS

If an audit discloses unallowable costs, "SUBRECIPIENT" shall promptly reimburse the City such unallowable costs. If such audit discloses unpaid allowable costs, the City shall pay "SUBRECIPIENT" such costs as are properly allowable and subject to the limits provided for herein.

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 \$1,000,000.00.

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. 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 the normal business hours and under reasonable circumstances and to copy there from any information that the City desires concerning SUBRECIPIENTS' 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' cost to travel (including travel, lodging, meals and other related expenses) to the SUBRECIPIENTS' 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 the 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.

III. OTHER GENERAL CONDITIONS

A. POLITICAL ACTIVITIES

"SUBRECIPIENT" will comply with this section, which prohibits the use of CCIG 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.

IV. FINANCIAL MANAGEMENT

A. REIMBURSEMENT

The CITY shall reimburse the "SUBRECIPIENT" only for expenses paid or incurred as outlined in Exhibit "A", provided the expenditures are made after the Project's start date and before the completion date as indicated in Section I.D. Disbursement of grant funding is through reimbursement process only. A *Request for Release of Funds* form, as detailed in Exhibit "C", must be used to request reimbursement from the City of Las Vegas, Neighborhood Services Department for Child Care Improvement Grant funds expended for the **2004/2005** Fiscal Year. "SUBRECIPIENT" should allow thirty days for the reimbursement process. Supporting documentation must be submitted for all expenditures.

B. DOCUMENTATION OF COSTS

A *Request for Release of Funds* form shall be submitted by the "SUBRECIPIENT" with supporting documentation to the CITY. All costs submitted to CITY for reimbursement or vendor payment shall be recorded by budget line-items and be supported by properly executed time records, invoices, contracts, or vouchers, or other official documentation evidencing in proper detail the nature and propriety of the charge. All 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. Failure to properly submit this form, along with back-up documentation such as: invoices, purchase orders, and accounts payable printout, or check register, will result in a non-pay status for the request. **All backup documentation submitted must be in original form; copies or faxes will not be accepted.**

C. FINANCIAL RECORDKEEPING

Financial records pertaining to all invoices, materials, payrolls, personnel records, and other data concerning matters related to or arguably related to this Agreement may be requested from "SUBRECIPIENT" by duly authorized CITY representatives.

D. RECORDS

Program records shall be maintained in accordance with 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 (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 "A" and subject to any conditions imposed in the Scope of Services, to include monthly 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, identified in Section 1(E) Amendments, of this agreement.

F. METHOD OF PAYMENT

The CITY shall reimburse valid invoices for approved Project Budget expenditures identified in Exhibit "A" 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 CCIG ineligible or which are not within the scope of this Agreement. 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 that portion for other Projects/programs operating under the CITY's CCIG Program.

H. ACCOUNTING METHODS

Expenditures charged to CITY fiscal year 2004-2005 CCIG funds will be accounted for in a ledger separate from all other revenue sources. "SUBRECIPIENT" shall maintain these records.

I. NON-EXPENDABLE PERSONAL PROPERTY, DEPRECIATION SCHEDULES, AND DISPOSITION OF PROPERTY

- 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 \$1000 or more and a useful life of more than one year.
- 2) Organization purchasing or receiving non-expendable personal property as part of their project will give CITY rights to the non-expendable personal property for three years from the date of purchase. Should the organization be dissolved or should the non-expendable personal property not be used in accordance with the grant

agreement, CITY will have the right to reappropriate the non-expendable personal property. 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.

V. MODIFICATION OR TERMINATION OF AGREEMENT

A. AMENDMENT OR REVISION REQUIRED BY CITY

"SUBRECIPIENT" and the CITY hereby agree to amend or otherwise revise this Agreement should CITY 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. Such notice shall be given no less than ten (10) days before the effective date of such termination and sent to "SUBRECIPIENT" at 5608 W. Bartlett Avenue, Las Vegas, NV 89108.

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. 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.

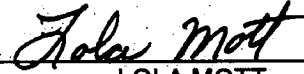
IN WITNESS WHEREOF, the parties hereto have entered this Agreement the day and year first above written.

CITY OF LAS VEGAS
NEIGHBORHOOD SERVICES DEPARTMENT

MOTT FCH

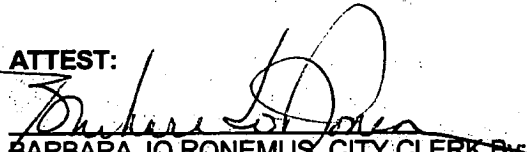


ORLANDO SANCHEZ, DIRECTOR



LOLA MOTT

ATTEST:



BARBARA JO RONEMUS, CITY CLERK By:

COUNCIL ACTION: N/A

APPROVED AS TO FORM: J. Lombardo

5/16/05
Date

CHILD CARE IMPROVEMENT GRANT

APPLICATION SUMMARY FORM

Full Legal Name of Applicant: Lola Mott

Address: 5608 W. Bartlett Ave.

City/State/Zip: Las Vegas, NV 89108

Phone Number: 702-648-7024

Fax Number: 702-646-1059

Federal Employer Identification Number (FEIN): Social

Security Number: 571-58-4478

Health Permit

Expiration

Date:06/30/05

Number:09118-HGX-01

Expiration

Date:03/31/06

Current Child Care

License

Number(s)NO8-

00011-9-009741

FACILITY INFORMATION

Name of Facility Lola Mott	Site Contact Person Lola Mott
Facility Address 5608 W. Bartlett Ave. LV NV 89108	Mailing Address 5608 W. Bartlett Ave. LV NV 89108
Type of Facility Family Home	No. of Children Licensed For 6
No. of Infants 2	No. of Toddlers 4

USE OF FUNDS

(Check All That Apply)

AMOUNT OF REQUEST

Facility Rehab	\$
✓ Equipment	\$ 600.00
Furniture	\$
TOTAL	\$ 600.00

CCIGAppFY04-2005
Rev03/05

2005 MAY 13 10:41
 NEIGHBORHOOD SERVICES
 DEPARTMENT

2005 MAY 13 10:41
 NEIGHBORHOOD SERVICES
 DEPARTMENT

PROJECT SUMMARY

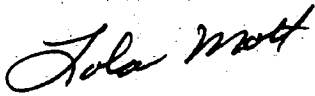
The monitor is for keeping an eye on the children while they are sleeping at all times.

This monitor has four cameras and one monitor. I can view four rooms at one time on one monitor. This way the kids don't have to disturb each other in one room. I can sleep them in individual rooms.

This item will be put into place as soon as the grant is approved.

1 Monitor with 4 cameras \$600.00

Lola Mott

A handwritten signature in cursive script that reads "Lola Mott".

BUDGET

FAMILY CARE HOME

1 monitor with 4 cameras

\$600.00

Total Budget

\$600.00

SAMSUNG

14" CCTV SYSTEM INTERNET READY

- * 14" Dual Quad Color Monitor
- * Built in Internet Web Server
- * View your business on the web
- * 4 Cameras with 60" Cables
- 1 Year Parts and Labor

MODEL# SSC14WEB



03/24/05 SD

May 7, 2005

Sam's Club

163391 A
(05-09)

\$599⁸⁸

725523



FOCUS #FO5154QC
15" FLAT COLOR MONITOR
W/ 4 CAMERAS

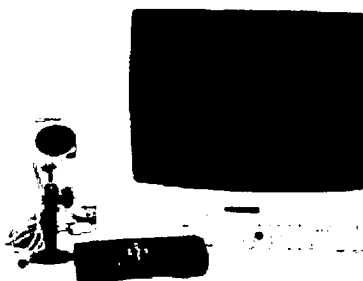
- Flat Color Monitor
- 2 Indoor Cameras
- 1 Dome Camera
- 1 Outdoor Camera
- Cables & Mounting
- Brackets Included
- Four Camera Display
- 1 Year Parts and Labor

Costco Wholesale
222 S. Martin L King Blvd
Las Vegas, NV 89106

599.99

4/02/05

Radio Shack



Lorex™ 14" Color Quad Observation System with PIR Camera

\$899.99

Catalog #: 980-1566

RSU #: 99801566

Brand: Lorex

Model: SG14Q5041-A

FREE SHIPPING 

Availability	On-line: In-stock	In Stores: Special Order
	Phone: In-stock 1-800-THE-SHACK (1-800-843-7422)	

(Pricing and availability may vary outside the contiguous 48 United States.)

Whether you are expanding an existing surveillance system or establishing a new one, Lorex provides you with a complete system featuring a 14-inch real-time color-quad monitor plus a passive infrared (PIR) motion-sensor camera, a remote control and connecting cable.

May we also suggest...



Color Quad Observation System with Pan/Tilt Dome Camera

980-1470

\$999.99

PRODUCT FEATURES:

- Expandable system—enables you to view four camera locations simultaneously
- Each camera position has 2-way audio capability
- PIR motion-sensor camera alerts user of observed motion
- On-screen readouts of date, time and camera identification
- Four camera inputs (4 DIN/4BNC/4 RCA audio)
- Selectable audio in quad mode
- Sequential and selectable picture-in-picture monitoring
- 2X zoom camera
- Weather-resistant against dust and light rain

MONITOR SPECIFICATIONS:

- 14" (diagonal measure) picture tube
- 380 lines (center) of horizontal resolution
- System has 525 lines, 60 fields per second
- 30 fields-per-second quad speed
- Multi-voltage (110-220 volts) power source
- 65 watts power consumption
- Monitor dimensions: 14-1/8x15x13 1/4"
- Weight: 25 pounds
- Metal cabinet color: white
- 4 alarm inputs; 1 output

CAMERA SPECIFICATIONS:

- 1/4" CCD color image sensor
- 510x492 picture element
- 330 TV lines of resolution
- 3.6mm wide angle lens
- Minimum illumination: 0.5 lux
- Monitor powers camera via cable
- Dimensions: 2 1/4x2 1/2x3-1/3" (WDH)
- Weight: 12 ounces
- White ABS camera housing

SECTION E: ADDITIONAL FUNDING

Please include all types of funding received for any past childcare projects including, but not limited to the city of Las Vegas, Clark County, North Las Vegas and/or the State of Nevada. Additionally, give a brief description as to what the money was used for. Failure to disclose all prior funding may result in disqualification.

Source of Outside Revenue	FY 01-02	Purpose of Funding	FY 02-03	Purpose of Funding	FY 03-04	Purpose of Funding
City			03-03	Improvement Hant-flooding		
County						
State						
Federal						
Fundraising						
Donations						
Other (explain) ..						
Total Revenue ...						

****This Section Intentionally Left Blank****

CERTIFICATE BY APPLICANT

Please initial on line after each statement; please sign and date below.

1. I hereby certify that to the best of my knowledge, all information contained in this application is complete and accurate. J.m.
2. I understand that the grant will be subjected to a conditional grant agreement. J.m.
3. I understand that any direct receipt of the grant has to be declared as income for tax purposes and I will receive tax form 1099(G) from the city of Las Vegas at year-end, which will state the amount to be reported on my tax return. J.m.
4. I understand that the activities outlined in my grant application must commence no later than thirty-days (30) following the approval date of the grant to avoid cancellation or suspension of funding. J.m.
5. I understand that vendors performing a service can be paid directly, but only upon completion of a Vendor Agreement and successful and satisfactory completion of the project. J.m.
6. I understand that all requests for reimbursement must be made on a monthly basis and a monthly report must accompany the request. J.m.
7. I understand that revisions and amendments can be made at the discretion of the city of Las Vegas Representative. J.m.
8. I understand that I am responsible for any taxation of any purchases. J.m.
9. I understand that should I move from my home where facility rehabilitation such as flooring, ac unit, or shade cover/patio was installed, or close my family/group daycare within two (2) years of receiving grant funds, I may be denied future funding for up to three (3) years J.m.
10. I agree to commit the project implementation in keeping with the application content and budget and to adhere to all assurances, certifications, terms, conditions, and other requirements contained in this application. J.m.

Jola mott
Signature

5/11/05
Date

Please submit your complete application and required documents to:

Cynthia Manabat, Program Coordinator
City of Las Vegas
Neighborhood Services Department
400 Stewart Avenue, 2nd Floor
Las Vegas, Nevada 89101
(702) 229-1027

BUSINESS LICENSE

City of Las Vegas • Las Vegas, Nevada

IN ACCORDANCE WITH THE PROVISIONS OF THE LAS VEGAS MUNICIPAL CODE, AS AMENDED, LICENSE IS HEREBY GRANTED TO OPERATE THE BUSINESS REFERENCED BELOW.

CHILDCARE LICENSE

LICENSE #: N08-00011-9-009741

DATE ISSUED: 03/29/05

DATE EXPIRES: 03/31/06

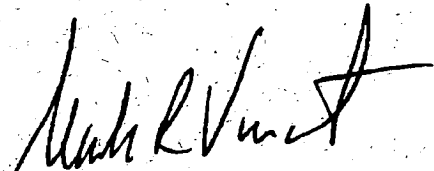
TYPE OF LICENSE: FAMILY C/C HOME
6 DAYS 3 NIGHTS
6 CHILD

BUSINESS LOCATION: 5608 W BARTLETT AV

ISSUE TO:

MOTT LOLA
5608 W BARTLETT AV
LAS VEGAS NV 89108-3216

PRINCIPAL(S)
MOTT, LOLA, OWNER


Director, Department of Finance and Business Services

Post in a conspicuous place.

CITY OF LAS VEGAS
CHILD CARE INSPECTION REPORT

FACILITY Alfa Matt
ADDRESS 5108 W. Pallett

DATE 4/14/05

COMMENTS:

- Follow-up inspection:
- | | |
|--|--|
| (1) Sleeping arrangements - mat, bed or cot for each child? Children can be seen & heard at all times while napping? | (1) Sheets will be stored in storage bags & labeled |
| (2) Storage of nappies: better box moved to a better location? | (2) Storage of nappies: have kit which includes disinfectant |
| (3) Storage of linens: should be stored in separate containers and not on beds in playroom | (3) Children's linens: should be labeled with name |
| (4) Children's files: | (4) Children's files |
| (a) Andrew - needs parent's consent for emergency medical care | (a) faxed 4/25/05 |
| (b) Dorian - not set of vaccines due | (b) faxed 4/25/05 |
| (c) Gavin - needs parent's consent for emergency medical care | (c) pending |

Comments - house has been kept well but some latrine area noted that the double latrine has nowhere to place toilet paper for the use of latrine. Please make arrangement for daily and disinfecting house. Will recommend action. Also noted that the North West Services Center.

Follow up by Mr. M. M. #4 C by Tuesday 4/19/05.
Fax #85-6642 / Attention: (Name)

I hereby acknowledge receipt of this report and corrective action will be taken on items noted, and I will notify the Department of Finance & Business Services of any changes or corrections made.

[Signature] Department of Finance & Business Services Representative
Alfa Matt Signature of Licensee/Responsible Party

City of Las Vegas - Child Care Inspection Form

Facility: Sola Mott Date: 4/11/05
 Address: 5608 W. Parlett Time: 2:20 p.m.
 Type of Service: NOR Family Home
 License Limit: Days 6 Nights 3 B & A ✓
 Hours of Operations: 10:00 a.m. - 5:00 p.m.
 Days of Service: Monday - Friday
 License: Posted Yes Expires 3/31/06 Telephone Working/Listed: 648-7024 (Yes)
 Health Permit: Posted Yes Expires 6/30/05 Emergency Numbers Posted: Yes
 Staff to Child Ratios in Compliance: Yes ✓ No Total Children: 6 Total Staff: 1

Children's Records

Number Reviewed 10 files
 Children's Records in Compliance 1 needs updated
immunization 2 need emergency medical consent
Written Policy Statement
 Content Complete
 Distribution to parents

Prescription Medications

Properly Labeled N/A
 Properly Stored in refrigerator
 Written Records Maintained discussed
 Administered By Sola
 Isolation Area family room

First Aid

Location Playroom
 Adequate Supplies Yes
 Chart Yes
 Accident/Injury Reports None
 Communicable Diseases None

Nutrition

Meals/Snacks Provided breakfast, lunch, pm snack
 Nutrition Needs Met food for kids
 Menu Posted Exempt

Attendance

Staff N/A
 Children Sign in/out

Transportation/Field Trips

Is Transportation Provided N/A
 Type/Number of Vehicles Used
 Are Drivers Licenses on File
 Auto Insurance
 Child Restraint Laws followed
 Transportation Permission on File
 Field Trip Permission Slips on File

Facility/Program

Indoor Play/Classrooms Playroom
 Materials/Equipment toys, books, TV

Furniture Durable/Safe Yes
 Furniture Clean/Sanitary Yes
 Program Standards Meet Children's Basic Needs
maintaining environment
 Staff Involvement/Interaction good
 Discipline Methods time-out

Type of Floor Surface hardwood floor
 Floor Surface Clean/Safe Yes
 Clothing Storage bags
 Storage Area/Hooks Labeled Yes

Napping

Number of Cots Mats
 Number of Cribs Playpens
 Number of Port-a-cribs 3 Beds 2 (port-a-cribs)
 Properly Sanitized Yes
 Sleeping Devices Labeled NO
 Sleeping Devices Sanitary Yes
 Sleeping Devices in Good Condition Yes
 Linens Properly Stored in bag + 11 bags
 Linen Laundered at least twice a week
 Can Children be Seen & Heard Yes

Bathrooms/Diaper Changing

Disposable Towels Available Yes
 Liquid Soap Available Yes
 Toilet Tissue Available Yes
 Children Hand Washing
 Staff Hand Washing
 Bathroom Accessible from Outside Yes (key)
 Diaper Changing Table in hallway
 Diaper Pail Available in outside (backyard)
 Diaper/Feeding Logs Discussed
 Diaper Table on Proper Surface Yes
 Diaper Table Sanitized Yes
 Bottles/Sipping Cups Labeled Yes
 Bathroom Clean/Sanitary Yes

Health & Life Safety

Swimming Pool/Spa fenced N/A
Swimming Pool/Spa Properly Maintained N/A
Monthly Fire Drills Recorded 3/17/05
Emergency Preparedness Drills Recorded Discussed
Plan of Evacuation Posted Yes
Smoke Detectors in Napping Areas Yes
Sprinkler Systems Installed N/A
Fire Extinguisher Mounted Hall Closet
Fire Extinguisher Date of Service 3/9/05
Electrical Outlets Protected Yes
Cleaning Supplies Properly Stored Laundry Room
Cleaning Equipment Properly Stored Laundry Room

Outdoor Play Area

Properly Fenced Wrought Iron
Free From Hazards Yes

Adequate Shade into cover, mature trees
Type of Playground Surface(s) grass

Materials/Equipment Self-Saw, Riding Toys
Push Toys, Climbing Equipment w/Slide
Slide, Sprinkler table, etc.

Sufficient Materials/Equipment 48.2

Cleanliness/Serviceability of Materials/Equipment
Clean & in good condition

Drinking Water Available *Yes*

Equipment Age Appropriate Yes

[illegible]

I hereby acknowledge receipt of this report and corrective action will be taken on items noted, and I will notify the Department of Finance & Business Services of any changes or corrections made.

Grand Limónes Kraft

Edw. Mott

Facility: Lila Mott

Page 3 of 3

Address: 5608 W. Portlett

Date: 11/11/05

* FAMILY HOME - No more than 4 children under 2 years of age, no more than 2 children under 1 year of age.

* GROUP HOME - No more than 8 children under 3 years of age, no more than 4 children under 1 year of age.

REMINDER: 15 HOURS OF RECOGNIZED TRAINING IS REQUIRED BY THE END OF THE CALENDAR YEAR!

Staff	Work Card Number	Work Card Expiration	Health Card Expiration	TB Certificate	Symptoms	First Aid	CPR Date	Abuse & Neglect
Jula	338012	4/11/07	11/13/06	✓	✓	✓	8/05	✓
Robert (Spouse/Father)	825019	4/10/08	8/1/05	✓	N/A	✓		✓

Children Names	DOB/Age	Registration	Immunizations	Physical
Wangale Heaton	4/4/04 (1 yr)	✓	✓	✓
Mirich, Pierce	5/5/04 (1 mos)	✓	Needs next set of vaccines	✓
Phelps, Sabrina	12/20/01 (3 yrs/3 mos)	✓	✓	✓
Schulz, Amanda	2/11/04 (1 yr/2 mos)	✓ (EC)	✓	✓
Phelps, Brandon	4/8/03 (2 yrs)	✓	✓	✓
Ida, Gavin	9/10/04 (1 mos)	✓ (EC)	✓	✓

Comments - Playroom is clean & a safe place for children to sleep & play. Jula maintains all kids in an organized manner. Discussed developing emergency procedures rules and quality basis and maintaining log for anything, feeding & sleeping for children under one.

Observation Action: (1) more mats, cots, cribs needed so that all children may nap. Six children present today and there were only 2 cots & 2 port-a-cots. (2) Strong odor of cat in home. Jula might consider a litter box and if the house is place with PM; (3) Urine smell in the room in bathroom. Urine which is located in the playroom (1) children's files, records given to Jula.

Other Children/Adults Living in the Home: N/A. Complete & sign emergency medical consent, (b) needs parents to complete & sign emergency medical consent. Follow up inspection by fax for items listed above.

I hereby acknowledge receipt of this report and corrective action will be taken on items noted, and I will notify the Department of Finance & Business Services of any changes or corrections made.

Grace Springer-Kraft
Department of Finance & Business Services Representative

Jula Mott
Signature of Licensee/Responsible Party



CLARK COUNTY HEALTH DISTRICT
LAS VEGAS, NEVADA

HEALTH PERMIT

THIS CERTIFIES THAT THE ESTABLISHMENT LOCATED AT THE ADDRESS SHOWN BELOW AND OWNED AND/OR OPERATED BY ENTITY INDICATED HAS BEEN FOUND TO BE OPERATING IN CONFORMITY WITH THE HEALTH LAWS AND REGULATIONS PROMULGATED BY THE NEVADA STATE BOARD OF HEALTH AND THE CLARK COUNTY DISTRICT BOARD OF HEALTH. THIS CERTIFICATE GRANTS THE APPLICANT APPROVAL TO OPERATE THE TYPE OF ESTABLISHMENT INDICATED, BUT IS REVOCABLE AT ANY TIME BY THE CLARK COUNTY HEALTH DISTRICT OFFICER FOR FAILURE ON PART OF THE PERMITTEE TO MEET STATE AND DISTRICT HEALTH LAWS AND REGULATIONS.

▼ OWNED AND/OR OPERATED BY ▼

MOTT, LOLA B

PERMITTEE ►
ADDRESS ►

MOTT FCH
MOTT FCH
5605 W BARTLETT AVE
LAS VEGAS NV 89108

PERMIT IS NOT
TRANSFERABLE

PERMIT NUMBER ►	09118-HGX-01
FEE PAID ►	82.00
AREA ►	LAS VEGAS

DATE GRANTED	DATE EXPIRED
07/01/04	06/30/05

▼ TYPE OF ESTABLISHMENT ▼

CHILD CARE

DONALD S. KWALICK, MD, MPH
CHIEF HEALTH OFFICER

ADINA OMBADYKOW

ENVIRONMENTAL HEALTH SPECIALIST

POST IN A CONSPICUOUS PLACE

CLARK COUNTY HEALTH DISTRICT
625 SHADOW LANE • LAS VEGAS, NEVADA
Telephone 383-1251 (Direct) • 385-1291 (24 hours)

GENERAL NOTICE AND REPORT OF INSPECTION

SAN	CONTROL NO.	ESTABLISHMENT	ADDRESS
62	09118	MOTT FCH	5608 W BARTLETT AVE
DIST	HGX-01	MOTT FCH	LAS VEGAS NV 89108
14	MOTT, LOLA B	PERSON INTERVIEWED	TELEPHONE
CITY		X LOLA MOTT	648-7024
01	8351-121	6	Special Notes: 35 31 51
PREVIOUS ACTION	SAN C	ACTION	DATE
	62	SD	04/27/04
CURRENT ACTION	SAN C	ACTION	DATE
	62	SD	1-27-05
		STATUS	
		A	
		SPECIAL DATE	
		TIME IN	12:10P
		TIME OUT	12:40P
		FUTURE ACTION	
		ACTION	
		DATE	

Based on an inspection this day, the items marked below identify the violation in operation or facilities which must be corrected by the next routine inspection or such shorter period of time as may be specified in writing by the health authority. Failure to comply with this notice may result in immediate suspension of your permit.

ITEM		OUTDOOR PLAY AREA	
1		ADEQUATE ENCLOSURE	
2	X	FREE OF HAZARDS	
3		SAFE PLAY EQUIPMENT	
4		ADDRESS VISIBLE	
		INTERIOR OF BUILDING	
5		CLEAN, UNCLUTTERED	
6	X	FREE OF HAZARDS, GOOD REPAIR	
7		VENTILATION/HEATING/COOLING	
8		WATER FROM APPROVED SOURCE	
9		TELEPHONE/EMERGENCY NUMBERS POSTED	
10		MAPPING EQUIPMENT - SAFE, SANITARY	
11		ADEQUATE DIAPER CHANGING AREA	
12		SEPARATION OF PERSONAL ITEMS	
		HEALTH/SAFETY/SUPPLIES	
13		CURRENT CHILD CARE HEALTH CARD - OK	
14		NO SICK CHILDREN	
15		FIRST AID KIT AND INSTRUCTIONS - OK	
16		SURFACES CLEANED/SANITIZED	
17		RESTROOM STOCKED	
18		SUPERVISED HANDWASHING	
19		SAFE STORAGE OF HAZARDOUS ITEMS	
		PETS	
20	X	CURRENT IMMUNIZATION RECORDS - <i>Julie "Grove" - 5-11-05</i>	
21		PROPER ENCLOSURES AND MAINTENANCE	
22		RESTRICTIONS MAINTAINED	
		FOOD SERVICES	
23		SAFE FOOD PRACTICES	
24		REFRIGERATOR THERMOMETER, TEMP. <i>37°F OK</i>	
25		AREA/EQUIPMENT CLEAN, SANITARY	

*unused washer/
② Tools/patch cement/unused
metal table rack/etc. in
outdoor play area →
Remove ALL hazardous items
or make inaccessible to
children.*

*Relines Exp.
"Grove" - 5-11-05
Canine "Brandy" - 5-12-07 } OK*

ITEM #	CORRECTION:
⑥	<i>Toothbrushes/Toothpaste, etc. in medicine cabinet (restroom) → latch cabinet OR make all hazardous items inaccessible to children</i>
	<i>Plunger in restroom → Remove / make inaccessible to children (Note: removed during inspection)</i>
	<i>Sump cooler (in children's play room) → Repair/replace in disrepair</i>

ACKNOWLEDGED BY *J. D. Mott*

EHS *William L. L.*

REVIEWED BY

BUSINESS LICENSE

City of Las Vegas • Las Vegas, Nevada

IN ACCORDANCE WITH THE PROVISIONS OF THE LAS VEGAS MUNICIPAL CODE, AS AMENDED, LICENSE IS HEREBY GRANTED TO OPERATE THE BUSINESS REFERENCED BELOW.

CHILDCARE LICENSE

LICENSE #: N08-00011-9-009741

DATE ISSUED: 04/27/04

DATE EXPIRES: 03/31/05

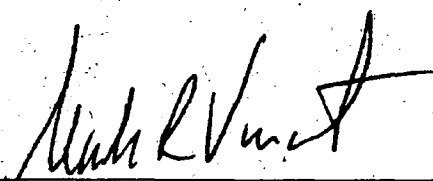
TYPE OF LICENSE: FAMILY C/C HOME
6 DAYS 3 NIGHTS
6 CHILD

BUSINESS LOCATION: 5608 W BARTLETT AV

ISSUE TO:

MOTT LOLA
5608 W BARTLETT AV
LAS VEGAS NV 89108-3216

PRINCIPAL(S)
MOTT, LOLA, OWNER



Director, Department of Finance and Business Services

Post in a conspicuous place.

Label (See instructions.)	For the year Jan 1 - Dec 31, 2004, or other tax year beginning , 2004, ending , 20		OMB No. 1545-0074	
	Your first name	MI	Last name	Your social security number
	ROBERT	S	MOTT	236-64-0133
	If a joint return, spouse's first name	MI	Last name	Spouse's social security number
Use the IRS label. Otherwise, please print or type.	LOLA		MOTT	571-58-4478
	Home address (number and street). If you have a P.O. box, see instructions.		Apartment no.	▲ Important! ▲ You must enter your social security number(s) above.
	5608 W. Bartlett Ave.			
	City, town or post office. If you have a foreign address, see instructions.		State ZIP code	
Presidential Election Campaign (See instructions.)	Las Vegas		NV 89108	

Note: Checking 'Yes' will not change your tax or reduce your refund.
Do you, or your spouse if filing a joint return, want \$3 to go to this fund? ☒ **You Yes** ☐ **No** ☒ **Spouse Yes** ☐ **No**

Filing Status

1 ☐ Single	4 ☐ Head of household (with qualifying person). (See instructions.) If the qualifying person is a child but not your dependent, enter this child's name here .
2 ☒ Married filing jointly (even if only one had income)	
3 ☐ Married filing separately. Enter spouse's SSN above & full name here .	5 ☐ Qualifying widow(er) with dependent child (see instructions)

Exemptions

6a ☒ **Yourself.** If someone can claim you as a dependent, **do not** check box 6a

b ☒ **Spouse**

(1) First name		Last name		(2) Dependent's social security number	(3) Dependent's relationship to you	(4) ☒ if qualifying child for child tax credit (see instrs)
						☐
						☐
						☐
						☐

Boxes checked on 6a and 6b 2

No. of children on 6c who:

- ☐ lived with you
- ☐ did not live with you due to divorce or separation (see instrs)

Dependents on 6c not entered above

Add numbers on lines above 2

Income

7 Wages, salaries, tips, etc. Attach Form(s) W-2	7	
8a Taxable interest. Attach Schedule B if required	8a	
b Tax-exempt interest. Do not include on line 8a	8b	
9a Ordinary dividends. Attach Schedule B if required	9a	
b Qualfd divs (see instrs)	9b	
10 Taxable refunds, credits, or offsets of state and local income taxes (see instructions)	10	
11 Alimony received	11	
12 Business income or (loss). Attach Schedule C or C-EZ	12	426.
13 Capital gain or (loss). Att Sch D if reqd. If not reqd, ck here	13	
14 Other gains or (losses). Attach Form 4797	14	
15a IRA distributions	15a	
b Taxable amount (see instrs)	15b	
16a Pensions and annuities	16a	
b Taxable amount (see instrs)	16b	
17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E	17	6,802.
18 Farm income or (loss). Attach Schedule F	18	
19 Unemployment compensation	19	
20a Social security benefits	20a	
b Taxable amount (see instrs)	20b	
21 Other income	21	
22 Add the amounts in the far right column for lines 7 through 21. This is your total income	22	7,228.

Adjusted Gross Income

23 Educator expenses (see instructions)	23	
24 Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ	24	
25 IRA deduction (see instructions)	25	
26 Student loan interest deduction (see instructions)	26	
27 Tuition and fees deduction (see instructions)	27	
28 Health savings account deduction. Attach Form 8889	28	
29 Moving expenses. Attach Form 3903	29	
30 One-half of self-employment tax. Attach Schedule SE	30	
31 Self-employed health insurance deduction (see instrs)	31	
32 Self-employed SEP, SIMPLE, and qualified plans	32	
33 Penalty on early withdrawal of savings	33	
34a Alimony paid b Recipient's SSN	34a	
35 Add lines 23 through 34a	35	
36 Subtract line 35 from line 22. This is your adjusted gross income	36	7,228.

Tax and Credits

Standard Deduction for —

• People who checked any box on line 38a or 38b or who can be claimed as a dependent, see instructions.

• All others:

Single or Married filing separately, \$4,850

Married filing jointly or Qualifying widow(er), \$9,700

Head of household, \$7,150

37	Amount from line 36 (adjusted gross income)	37	7,228.
38a	Check if: ☐ You were born before January 2, 1940, ☐ Blind. ☐ Spouse was born before January 2, 1940, ☐ Blind. Total boxes checked 38a		
b	If your spouse itemizes on a separate return, or you were a dual-status alien, see instructions and check here 38b		
39	Itemized deductions (from Schedule A) or your standard deduction (see left margin)	39	16,468.
40	Subtract line 39 from line 37	40	-9,240.
41	If line 37 is \$107,025 or less, multiply \$3,100 by the total number of exemptions claimed on line 6d. If line 37 is over \$107,025, see the worksheet in the instructions	41	6,200.
42	Taxable income. Subtract line 41 from line 40. If line 41 is more than line 40, enter -0-	42	0.
43	Tax (see instrs). Check if any tax is from: a ☐ Form(s) 8814 b ☐ Form 4972	43	0.
44	Alternative minimum tax (see instructions). Attach Form 6251	44	
45	Add lines 43 and 44	45	0.
46	Foreign tax credit. Attach Form 1116 if required	46	
47	Credit for child and dependent care expenses. Attach Form 2441	47	
48	Credit for the elderly or the disabled. Attach Schedule R	48	
49	Education credits. Attach Form 8863	49	
50	Retirement savings contributions credit. Attach Form 8880	50	
51	Child tax credit (see instructions)	51	
52	Adoption credit. Attach Form 8839	52	
53	Credits from: a ☐ Form 8396 b ☐ Form 8859	53	
54	Other credits. Check applicable box(es): a ☐ Form 3800 b ☐ Form 8801 c ☐ Specify	54	
55	Add lines 46 through 54. These are your total credits	55	
56	Subtract line 55 from line 45. If line 55 is more than line 45, enter -0-	56	0.
57	Self-employment tax. Attach Schedule SE	57	
58	Social security and Medicare tax on tip income not reported to employer. Attach Form 4137	58	
59	Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required	59	
60	Advance earned income credit payments from Form(s) W-2	60	
61	Household employment taxes. Attach Schedule H	61	
62	Add lines 56-61. This is your total tax	62	0.

Other Taxes

Payments

If you have a qualifying child, attach Schedule EIC.

63	Federal income tax withheld from Forms W-2 and 1099	63	
64	2004 estimated tax payments and amount applied from 2003 return	64	
65a	Earned income credit (EIC)	65a	
b	Nontaxable combat pay election 65b		
66	Excess social security and tier 1 RRTA tax withheld (see instructions)	66	
67	Additional child tax credit. Attach Form 8812	67	
68	Amount paid with request for extension to file (see instructions)	68	
69	Other prmts from: a ☐ Form 2439 b ☐ Form 4136 c ☐ Form 8885	69	
70	Add lines 63, 64, 65a, and 66 through 69. These are your total payments	70	

Refund

At deposit? See instructions and fill in 72b, 72c, and 72d.

71	If line 70 is more than line 62, subtract line 62 from line 70. This is the amount you overpaid	71	
72a	Amount of line 71 you want refunded to you	72a	
b	Routing number	c Type: ☐ Checking ☐ Savings	
d	Account number		
73	Amount of line 71 you want applied to your 2005 estimated tax	73	

Amount You Owe

74	Amount you owe. Subtract line 70 from line 62. For details on how to pay, see instructions	74	0.
75	Estimated tax penalty (see instructions)	75	

Third Party Designee

Do you want to allow another person to discuss this return with the IRS (see instructions)? ☐ Yes. Complete the following. ☒ No

Designee's name	Phone no.	Personal identification number (PIN)
-----------------	-----------	--------------------------------------

Sign Here

Joint return? See instructions.

Keep a copy for your records.

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Your signature	Date	Your occupation	Daytime phone number
Spouse's signature. If a joint return, both must sign.	Date	Spouse's occupation	

Paid Preparer's Use Only

Preparer's signature	The Tax Factory 6845A West Charleston Blvd. Las Vegas, NV 89117 (702) 966-3630 or 876-8255	Date	Check if self-employed ☐	Preparer's SSN or PTIN
Firm's name (or yours if self-employee address, and ZIP code)		EIN		Phone no.



Mail or Deliver To: Purchasing & Contracts Division
400 Stewart Avenue, Las Vegas, NV 89101
(702) 229-6231

ALL INFORMATION SHOULD BE TYPED OR PRINTED. INCOMPLETE FORMS WILL NOT BE PROCESSED.

SECTION A: PRIMARY BUSINESS INFORMATION ■ INITIAL APPLICATION ■ REVISION

Full Legal Business Name (no abbreviations): Lola Mott

Purchase order to be sent to: Remittance check to be sent to:

Address: 5608 W. BARTLETT AVE Address: 5608 W. BARTLETT AVE.
City L.V. State NV Zip 89108 City L.V. State NV Zip 89108
Contact Name LOLA MOTT Contact Name LOLA MOTT
Phone Number (702) 648-7024 Phone Number: (702) 648-7024
Fax Number (702) 646-1059 Fax Number: (702) 646-1059
E-mail: L.MOTT32399@AOL.COM E-mail: L.MOTT32399@AOL.COM.

SECTION B: CONTRACTOR INFORMATION / PUBLIC WORKS (CONSTRUCTION ONLY)

STATE OF NEVADA CONTRACTORS INFORMATION

License Classification(s):

SECTION C: MINORITY, WOMAN, OR DISABLED PERSON OWNED BUSINESS INFORMATION

This business qualifies by virtue of 51% or more ownership and active management by one of the following (Check all that are applicable.):

- | | | |
|---|---|---|
| ☐ Hispanic American | ☐ Native American | ☐ Disabled (Non-Veteran) |
| ☐ Asian / Pacific American | ☐ Woman - Owned | ☐ Small Business |
| ☐ Black / African American | ☐ Disabled Veteran | |

SECTION D: BUSINESS OWNERSHIP (REQUIRED INFORMATION)

☐ Corporation or LLC
☐ Partnership or LLP
☒ Sole Proprietor
Fed Tax ID#: _____
or
SSN#: 571-58-4477

1. I certify that the information supplied (including all pages attached) is correct and that neither the applicant nor any person or concern associated with the applicant as a principal or officer, so far as is known, is now debarred or otherwise declared ineligible by any government agency from bidding for furnishing materials, supplies services, or construction to or for any government agency.
2. I acknowledge, that it is this firm's responsibility to update this data when changes occur and failure to do so may result in non-receipt of information from the City.

Signature Lola Mott Title OWNER Date 5/11/05
Print or Type Name LOLA MOTT

PLEASE ENCLOSE A COMPLETED W-9 WITH YOUR APPLICATION

For Internal Use Only

Supplier Type: ☐ Commodity ☐ Service ☐ Construction ☐ Employee ☐ Refund
☐ PO Site ☐ Pay Site ☐ RFQ Only Site

Supplier# _____ Date Entered _____ By _____

Request for Taxpayer Identification Number and Certification

Give form to the
requester. Do not
send to the IRS.

Print or type
See Specific Instructions on page 2.

Name (as shown on your income tax return)

Lola Mott

Business name, if different from above

Check appropriate box: ☒ Individual/
Sole proprietor

☐ Corporation

☐ Partnership

☐ Other ▶

☐ Exempt from backup
withholding

Address (number, street, and apt. or suite no.)

5608 W. Bartlett Ave.

Requester's name and address (optional)

City, state, and ZIP code

Las Vegas, NV 89108

List account number(s) here (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on Line 1 to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I Instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Social security number
5 7 1 5 8 4 4 7 8

or

Employer identification number

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. person (including a U.S. resident alien).

Certification Instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. (See the instructions on page 4.)

Sign
Here

Signature of
U.S. person ▶

Lola Mott

Date ▶

5/11/09

Purpose of Form

A person who is required to file an information return with the IRS, must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

U.S. person. Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee.

Note. If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

For federal tax purposes you are considered a person if you are:

- An individual who is a citizen or resident of the United States,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States, or

- Any estate (other than a foreign estate) or trust. See Regulations sections 301.7701-6(a) and 7(a) for additional information.

Foreign person. If you are a foreign person, do not use Form W-9. Instead, use the appropriate Form W-8 (see Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

Nonresident alien who becomes a resident alien.

Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the recipient has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.

Monthly Progress Report

Child Care Improvement Grant

FY 04-2005



Reporting Month:	
Date of Report:	
Provider Name:	
Person Preparing Report:	
Phone Number:	
Fax Number:	

Please describe your project accomplishments for this month. Identify which project goals (as described in your contract) your organization has addressed and be sure to include any trouble spots or areas of concern.

If you have not completed your project, please describe what is remaining and the approximate time of completion.



**CITY OF LAS VEGAS
CHILD CARE IMPROVEMENT GRANT
LINE ITEM BUDGET & BUDGET NARRATIVE FORM**

(Must be submitted with Exhibit B when submitting reimbursement requests)

Provider Name: _____ **Date:** _____

Funding Period: _____ **to** _____
Mnth/Year Mnth/Year

BUDGET FOR DIRECT COSTS OF CHILD CARE PROGRAMS

Category (Rehab, Equip, Furn)	Description of Expenditures	Allowable Amount	Reimbursement Amount

****This space left blank intentionally****

**CITY OF LAS VEGAS
NEIGHBORHOOD SERVICES DEPARTMENT
REQUEST FOR RELEAS OF FUNDS**

This form must be used to request reimbursement from the city of Las Vegas Neighborhood Services Department, for Child Care Improvement Grant funds expended for the **2004/2005** Fiscal Year. Failure to properly submit this form, along with the necessary back-up documentation such as: copies of cancelled checks, invoices, purchase orders, and an accounts payable print out or check register will result in a non-pay status for the request. **Do not alter this form.**

Request #	Amount of Request	Period Cover
	\$	From _____ To _____

Provider Name:	Phone:
Business Address:	FAX:
Contact Person:	Email:

Funding Category	Budgeted Amount	Previous Drawdowns	Request Amount	Remaining Funds
Facility Rehab				
Equipment				
Furniture				
TOTAL				

Signature

Date

Child Care Improvement Grant

FY 04-2005



Reporting Period:	Start:	End:	Amount of Grant:
Provider Name:			
Date of Report:			
Contact Person:			
Phone Number:			

Please write your Final Report in the space provided below. Attach additional sheets if needed.

[illegible]

BUDGET MODIFICATION AND REVISION REQUEST

(One Time Only Request)

GRANT: CCIG FY 04-2005

DATE: _____

FUNDING CATEGORY	DESCRIPTION	BUDGET	EXPENSES	BALANCE	ADJUSTMENT REQUESTED	ENDING BALANCE

JUSTIFICATION: _____

SIGNED: _____ TITLE: _____ DATE: _____
(AGENCY)

DENIED

NEIGHBORHOOD SERVICES DEPT: _____ DATE: _____

CHILD CARE IMPROVEMENT GRANT AGREEMENT
between the City of Las Vegas and Seton Academy West

THIS AGREEMENT ("Agreement") is made and entered into this 19th day of May, 2005 by and between the CITY OF LAS VEGAS, a municipal corporation of the State of Nevada, hereinafter referred to as "CITY", and **Seton Academy West**, hereinafter referred to as "SUBRECIPIENT", whose primary mailing address at the date of execution is **3801 North Campbell Road, Las Vegas, NV 89129**.

WITNESSETH

WHEREAS, the CITY has allocated funds for the Child Care Improvement Grant, hereinafter referred to as "CCIG"; and

WHEREAS, the CITY is responsible for planning, administering, implementing, and evaluating the CCIG program to ensure that it conforms to the CCIG Program Guidelines, Child Care Licensing Compliance Guidelines and the Las Vegas City Council goals; and

WHEREAS, CITY as Grantor wishes to engage "SUBRECIPIENT" to assist the CITY in utilizing such funds by providing services to meet the CCIG Program's objectives, as follows:

- to improve existing child care facilities serving the target area; and
- to support projects creating child care for additional children and/or to enhance the quality of current child care.

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

I. SCOPE OF SERVICE

A. ACTIVITIES

"SUBRECIPIENT" will be responsible for administering FY 2004-2005 CCIG-funded activities eligible under the Child Care Improvement Grant as cited in the Scope of Services I.B.1, hereinafter referred to as "Project". It is expressly agreed and understood that the total amount to be provided by the CITY under this Agreement shall not exceed **\$5000.00** in CCIG funds to be allocated in accordance with the Child Care Improvement Grant Application as detailed in Exhibit "A," attached. "SUBRECIPIENT" hereby agrees to utilize said CCIG 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 as stated by the "SUBRECIPIENT" in the Child Care Improvement Grant application Exhibit "A" and in addition to the following:

Purpose of Services:

The purpose of this funding is to improve the facilities by providing safe, age appropriate playground equipment so that the children can play.

Tasks to be Performed:

- Purchase age appropriate playground equipment
- Obtain (3) quotes or bids for all proposed expenditures over \$500 (Bids for construction must be from licensed and bonded contractors).
- Submit reimbursement requests monthly along with a monthly progress report

Measurable Goals for Grant period:

- Obtain approval of proposed plans for changes to Clark County Health District and all departments as required by municipal codes.
- Obtain proper Planning, Building and Safety, and/or Fire Code permits

"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 "SUBRECIPIENT" hereby appoints the following representative to attend any meetings of the neighborhood organization in partnership with the City of Las Vegas, Neighborhood Services Department: **Rita Abramson** or a designee chosen at the discretion of "SUBRECIPIENT".

C. PROGRAM REPORTING

"SUBRECIPIENT" will be required to collect for and provide to the CITY Program accomplishments and usage records beginning May 16, 2005 or the date first written above, until June 17, 2005, unless this Agreement is modified at the express consent of the CITY and "SUBRECIPIENT." "SUBRECIPIENT" shall submit at the end of each month on a monthly basis, and on occasion upon written request of the CITY, a Monthly Project Report and a Request for Release of Funds, which are attached as Exhibits "B" and "C". Failure to submit said reports with the request for reimbursement may delay reimbursement to "SUBRECIPIENT" for grant-eligible project expense. Records and reports shall contain, but not be limited to, the following data:

- 1) Statement of Project goals cited in "SUBRECIPIENT" application and measurable accomplishments toward achieving said goals through reporting date of said report.
- 2) Written narrative and description of services shall be included in each monthly report.
- 3) The "SUBRECIPIENT" shall provide a copy of all written report developed for the Project to the CITY. These may be included with the Monthly Project Progress Report or under separate cover. Materials that help document the progress of the Project include: event flyers, photographs, video footage, construction timelines, job descriptions, contractor contracts, and design drawings.
- 4) The "SUBRECIPIENT" shall provide a final, brief, written report with the final invoice that summarizes the Project's successes and lessons learned. An outline of the Final Report is included in Exhibit "D". **Final reports are due on or before June 17, 2005.**
- 5) These reports will be forwarded to the City of Las Vegas Neighborhood Services Department, ATTN: CCIG Program Coordinator. 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 CCIG funding of "SUBRECIPIENT" program rendered in accordance with this Agreement from May 16, 2005, or the date first written above, through June 17, 2005. Furthermore, the CITY shall be liable only for payment proportional to the extent that CCIG grant award funds are appropriated and allocated by the CITY. "SUBRECIPIENT" program expenses incurred after June 17, 2005, and prior to execution of this Agreement will not be reimbursed. All final draw down request and reports should be submitted with substantiating documentation by June 17, 2005. **Any draw down requests received after June 17, 2005 will not be reimbursed.** Grant awards may be reduced or revoked if no attempts in reaching the projected tasks/measurable goals have been initiated within 30 days of the initial signed agreement.

E. AMENDMENTS

Funds provided in categories as specified in this Agreement must be used for the purposes for which they were approved, and may not be transferred between categories without the written approval of the Director, or his designee, of the City's Neighborhood Services Department. **Only one (1) modification to the proposed agreement will be allowed during the grant cycle.** Any changes to this Agreement, must be approved in writing by the Neighborhood Services Department, including the following changes:

1. Proposals to change the type or scope of services or activities from those for which funding was provided, prior to implementation of changes using the Budget Modification Form as detailed in Exhibit "E";
2. Proposals to temporarily or permanently cease the operations of "SUBRECIPIENT";
3. Any significant changes to the "SUBRECIPIENT" such as, principal office bearers, contact persons, change of address of "SUBRECIPIENT";
4. The City shall have the right to other information pertaining to this grant, as requested by the Neighborhood Services Department.

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 in Section I. 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 CCIG 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 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.

D. 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.

E. ON-SITE MONITORING

Projects and programs funded under this Agreement will be subject to on-site monitoring by duly authorized CITY representatives. Programs that are funded must agree to state and/or city monitoring of programs and financial reports. Said representatives will be announced, at a minimum, 24 hours in advance of such visits. The representatives may request, and be granted access to records. Representatives may, on occasion, interview Program volunteers and participants who volunteer to be interviewed.

B. F. 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. "SUBRECIPIENT" agrees to retain all books, records and other documents relevant to this Agreement, and persons duly authorized by the City shall have full access to and the right to examine and copy any said materials during this said period.

G. AUDIT ADJUSTMENTS

If an audit discloses unallowable costs, "SUBRECIPIENT" shall promptly reimburse the City such unallowable costs. If such audit discloses unpaid allowable costs, the City shall pay "SUBRECIPIENT" such costs as are properly allowable and subject to the limits provided for herein.

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 \$1,000,000.00.

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. 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 the normal business hours and under reasonable circumstances and to copy there from any information that the City desires concerning SUBRECIPIENTS' 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' cost to travel (including travel, lodging, meals and other related expenses) to the SUBRECIPIENTS' 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 the 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.

III. OTHER GENERAL CONDITIONS

A. POLITICAL ACTIVITIES

"SUBRECIPIENT" will comply with this section, which prohibits the use of CCIG 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.

IV. FINANCIAL MANAGEMENT

A. REIMBURSEMENT

The CITY shall reimburse the "SUBRECIPIENT" only for expenses paid or incurred as outlined in Exhibit "A", provided the expenditures are made after the Project's start date and before the completion date as indicated in Section I.D. Disbursement of grant funding is through reimbursement process only. A Request for Release of Funds form, as detailed in Exhibit "C", must be used to request reimbursement from the City of Las Vegas, Neighborhood Services Department for Child Care Improvement Grant funds expended for the 2004/2005 Fiscal Year. "SUBRECIPIENT" should allow thirty days for the reimbursement process. Supporting documentation must be submitted for all expenditures.

C. DOCUMENTATION OF COSTS

A Request for Release of Funds form shall be submitted by the "SUBRECIPIENT" with supporting documentation to the CITY. All costs submitted to CITY for reimbursement or vendor payment shall be recorded by budget line-items and be supported by properly executed time records, invoices, contracts, or vouchers, or other official documentation evidencing in proper detail the nature and propriety of the charge. All 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. Failure to properly submit this form, along with back-up documentation such as: invoices, purchase orders, and accounts payable printout, or check register, will result in a non-pay status for the request. **All backup documentation submitted must be in original form; copies or faxes will not be accepted.**

C. FINANCIAL RECORDKEEPING

Financial records pertaining to all invoices, materials, payrolls, personnel records, and other data concerning matters related to or arguably related to this Agreement may be requested from "SUBRECIPIENT" by duly authorized CITY representatives.

D. RECORDS

Program records shall be maintained in accordance with 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 (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 "A" and subject to any conditions imposed in the Scope of Services, to include monthly 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, identified in Section 1(E) Amendments, of this agreement.

F. METHOD OF PAYMENT

The CITY shall reimburse valid invoices for approved Project Budget expenditures identified in Exhibit "A" 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 CCIG ineligible or which are not within the scope of this Agreement. 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 that portion for other Projects/programs operating under the CITY's CCIG Program.

H. ACCOUNTING METHODS

Expenditures charged to CITY fiscal year 2004/2005 CCIG funds will be accounted for in a ledger separate from all other revenue sources. "SUBRECIPIENT" shall maintain these records.

I. NON-EXPENDABLE PERSONAL PROPERTY, DEPRECIATION SCHEDULES, AND DISPOSITION OF PROPERTY

- 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 \$1000 or more and a useful life of more than one year.
- 2) Organization purchasing or receiving non-expendable personal property as part of their project will give CITY rights to the non-expendable personal property for three years from the date of purchase. Should the organization be dissolved or should the non-expendable personal property not be used in accordance with the grant

agreement, CITY will have the right to reappropriate the non-expendable personal property. 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.

V. MODIFICATION OR TERMINATION OF AGREEMENT

A. AMENDMENT OR REVISION REQUIRED BY CITY

"SUBRECIPIENT" and the CITY hereby agree to amend or otherwise revise this Agreement should such modification be required by CITY and/or any applicable federal statutes or regulations.

B. TERMINATION

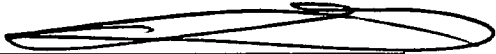
If "SUBRECIPIENT" fails to fulfill in a timely and proper manner its obligation under this Agreement or shall violate any of the covenants, agreements or stipulations of this Agreement, the CITY shall thereupon have the right to suspend or terminate this Agreement and specify the effective date thereof. Such notice shall be given no less than ten (10) days before the effective date of such termination and sent to "SUBRECIPIENT" at 3801 North Campbell Road, Las Vegas, NV 89129.

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.

IN WITNESS WHEREOF, the parties hereto have entered this Agreement the day and year first above written.

CITY OF LAS VEGAS
NEIGHBORHOOD SERVICES DEPARTMENT


ORLANDO SANCHEZ, DIRECTOR

SETON ACADEMY WEST


RITA ABRAMSON

ATTEST:


BARBARA JO RONEMUS, CITY CLERK By:

COUNCIL ACTION: N/A

APPROVED AS TO FORM: J. Pincheus

5/16/05
Date

Exhibit A

Child Care Improvement Grant Application

APPLICATION SUMMARY FORM

Full Legal Name of Applicant: SETON ACADEMY WEST
 Address: 3801 N CAMPBELL ROAD
 City/State/Zip: LAS VEGAS NV 89129
 Phone Number: (702) 233-2069 Fax Number: (702) 233-3861
 Federal Employer Identification Number (FEIN): 88-0470980
 Social Security Number: N/A
 Health Permit Number: 08788 H6H 01 Expiration Date: 6/30/08
 Current Child Care License Number(s) N15000429018165 Expiration Date: 5/31/05

FACILITY INFORMATION

Name of Facility <u>SETON Academy West</u>	Site Contact Person <u>RYA ABRAMSON</u>
Facility Address <u>3801 N CAMPBELL ROAD</u>	Mailing Address <u>LAS VEGAS, NV 89129</u>
Type of Facility <u>Pre-School</u>	No. of Children Licensed For <u>197</u>
No. of Infants <u>6</u>	No. of Toddlers <u>50</u>

USE OF FUNDS

(Check All That Apply)

AMOUNT OF REQUEST

☐ Facility Rehab	\$ _____
☒ Equipment	\$ _____
☐ Furniture	\$ <u>5,000.00</u>
TOTAL	\$ <u>5,000.00</u>

RECEIVED
 MAY 11 P 3 34
 2005
 NEIGHBORHOOD SERVICES
 DEPARTMENT

CHILD CARE IMPROVEMENT GRANT

MAY, 2005

**Seton Academy West
3801 N. Campbell Road
Las Vegas, NV 89129
702-233-2069**

SECTION B:

HOW WILL THE GRANT IMPROVE THE QUALITY OF CHILDCARE?

Seton Academy West was built in 2001 to provide a preschool in the Northwest area of the City of Las Vegas. Seton Academy founded in 1963 is proud of the reputation it has earned in the field of early childhood education in the Las Vegas area as the premier preschool in Las Vegas to meet the needs of children and their families in Las Vegas. Seton Academy provides an environment which will aid the development of the young child socially, physically, emotionally, and intellectually.

Seton Academy West was constructed in the spring of 2001 to include nine classrooms, a multi-purpose room, playgrounds, and kitchen facilities. Upon opening our facility several pieces of playground equipment were installed. They are now beyond repair and we are looking to install a tree house slide and additional climbers to replace the older equipment with the funds received from the Child Care Improvement Grant.

Playground equipment is essential for children to encourage socialization and improve their physical and gross motor skills. Slides and climbers stimulate play and offer challenges to the children. The structures also should be versatile and allow opportunities to rearrange elements for imaginative play and engage all children.

Proper playground equipment is essential for the education and well being of a pre-school child.

SECTION C: PROPOSED TIMELINE

Following the approval of the funds from the City of Las Vegas, the vendor will be contacted to order and install the playground equipment. The vendor has assured Seton Academy that the equipment on the playground should be in place within two to three weeks from the initial order.

Like most preschool facilities, our resources are limited and we are grateful for the availability of these improvement funds.

Seton Academy wishes to thank the City of Las Vegas for providing funds through the Childcare Improvement Grant for preschools and centers in Las Vegas. Seton Academy is hopeful that you will issue funds to our preschool for the improvements listed within this application.

SECTION D: LINE ITEM BUDGET AND BUDGET NARRATIVE FORMS

EQUIPMENT:

Playground equipment	\$5,792.00
Tree Climber with roof	<u>2,575.00</u>
Installation	\$8,367.00

Seton Academy West utilized Tiberti for the tire swing in 2003 and would prefer to utilize them for this project as well.

Please find three estimates for the mega structure for the playground in this grant proposal.

1. Tiberti Company

Tree climber with roof \$5,792.00

Installation 2,575.00

Total \$8,367.00

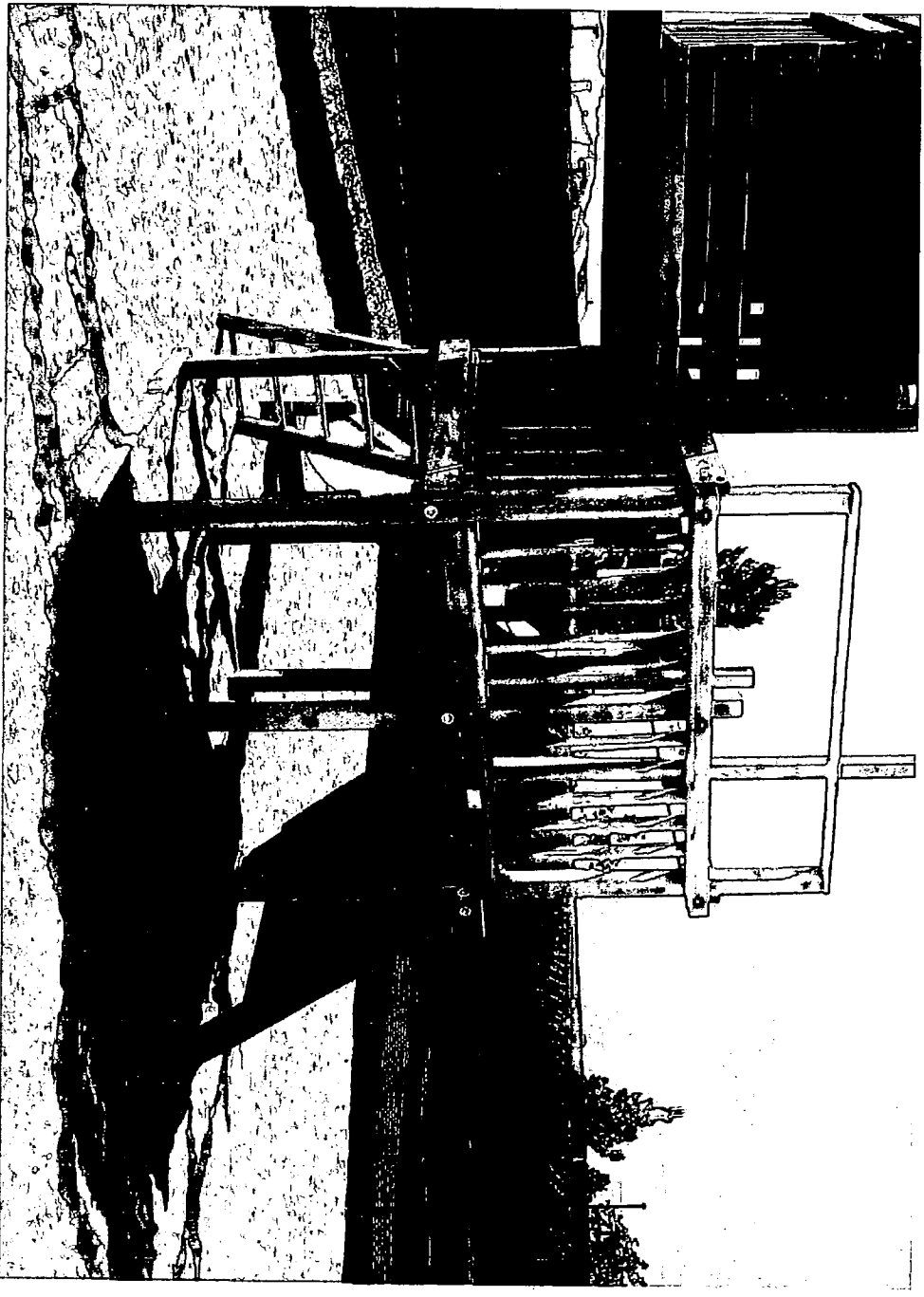
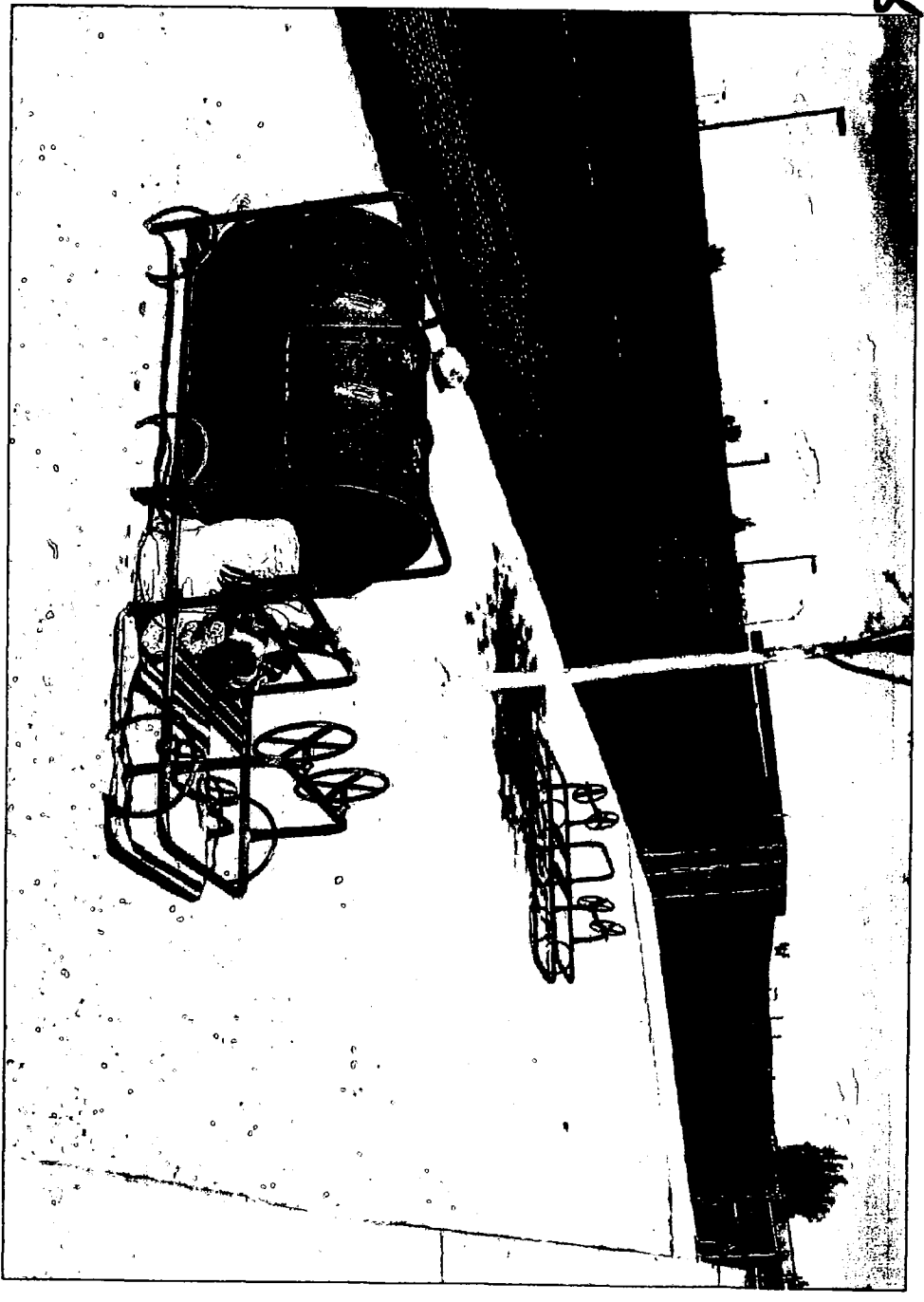
2. Early Childhood Manufacturers

Fun Center w/installation \$8, 541.28

3. Constructive Playthings

Mega Fun Center w/installation \$10,395.00

6/1/8



Seton Academy West Climber to be replaced.



CALL: 1-800-896-9951 Mon - Fri 6AM to 5PM PST

FAX: 1-800-896-9952

ONLINE: www.ECMDstore.com

File 30440

P.O. Box 60000

San Francisco, CA

94160

Date

Quote

5/2/05

BILL TO: (PLEASE PRINT)

If this area is blank, fill in your information. If printed name and address are not correct, make necessary corrections

SHIP TO: (PLEASE PRINT)

☐ SAME AS BILL TO

KEY CODE: NF1012

CUST# 0012711404

School Name

SETON ACADEMY WEST

Your Name

ANGELA BERLINER

Address

3801 N CAMPBELL RD

City, State, Zip

LAS VEGAS NV 89129-7078

Phone ()

Fax ()

e-mail

Total Licensed Capacity

School Name

Your Name

Address

City, State, Zip

Phone ()

Fax ()

e-mail

Item #	Qty	Item Description	Page #	Price Each	Total Price
1 902 818	1	Fun Center			3962.00
2 200 103	1	Types of Steel			2579.28
3					
4					
5					
6					
7					
8		Labor to install			2000.00
9					
10					

PAYMENT METHOD



Card #

Exp

Cardholder Name (print)

Signature

☐ Check Enclosed☐ PO

#

#

Special Instructions

Duplicate or a previously submitted order? yes ☐ no ☐Are you a new customer? yes ☐ no ☐

SHIPPING, TAX and ORDER TOTAL

Product Total

Applicable Sales Tax for Product Total for
AZ, CA, FL, GA, MA, MI,
MN, NC, NJ, OH, PA, TX
or provide a copy of Tax Exempt Certificate with your first order

Add 15% of Product Total for Shipping

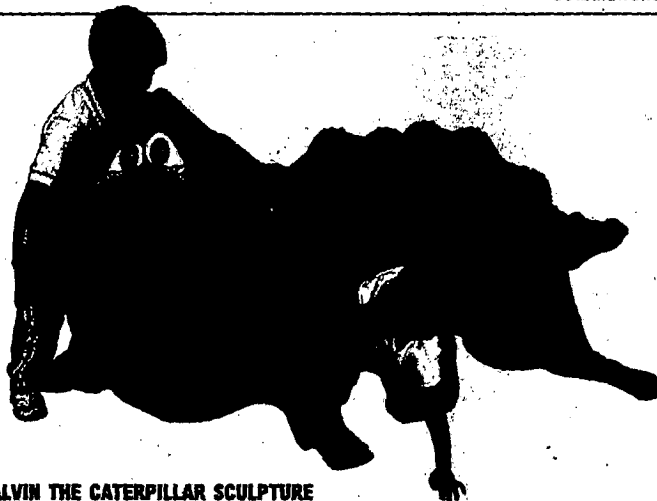
\$9.00 minimum if your order includes at least one item with a symbol
\$15.00 minimum if your order does not include items with a symbol
See page 303 for more information

Grand Total

8541 28

If submitting a PO please note the Key Code (pink box) from the back of the catalog here (and on your PO).

Active Play Outdoor Play

**CALVIN THE CATERPILLAR SCULPTURE**

Comes with curriculum specifically designed for Calvin. Use the curriculum to teach kids while they're having fun. Surface or In Ground option. This information must be specified when ordered. Surface option is anchor bolted to solid surface. In Ground option is for grass or soiled surface and has legs that go into the ground for mounting. Size: 85" x 48". Weight 150 lbs. For children ages 2 - 12. **(SHIPS IN 21 DAYS)**

#200171 - Grass Green (Shown)

Your Price **\$698.60**

#200172 - Purple

Your Price **\$698.60**

#200173 - Deep Red

Your Price **\$698.60****HARRY THE HIPPO SCULPTURE**

For children 2 to 12. Comes with curriculum. Children can learn while they're having fun. Surface or In Ground option. This information must be specified when ordered. Surface option is anchor bolted to solid surface. In Ground option is for grass or soiled surface and has legs that go into the ground for mounting. Size: 85" x 48". Weight 150 lbs. For children ages 2 - 12. **(SHIPS IN 21 DAYS)**

#200177 - Berry Blue (Shown)

Your Price

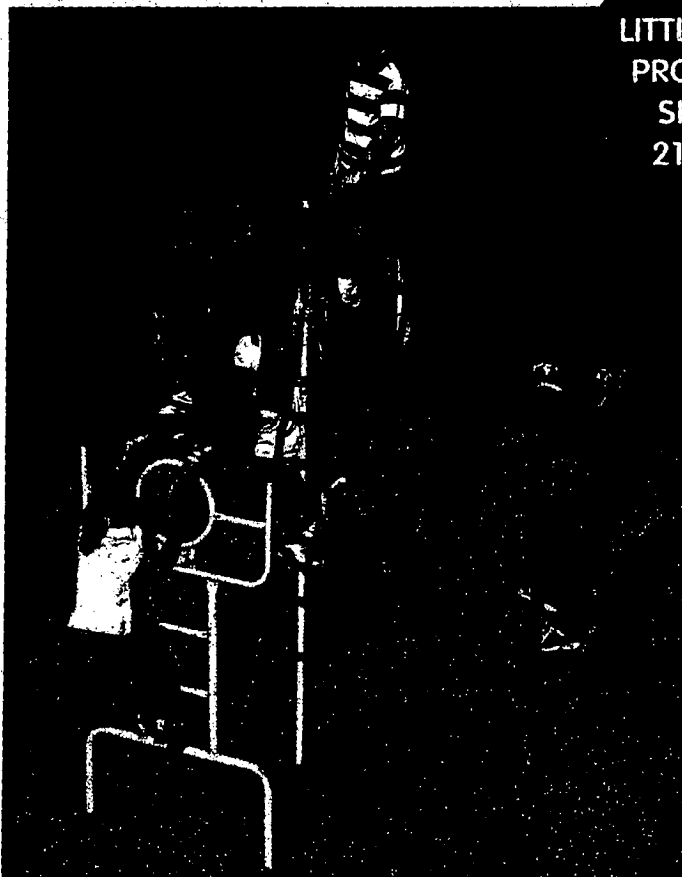
#200176 - Purple

Your Price

#200175 - Deep Red

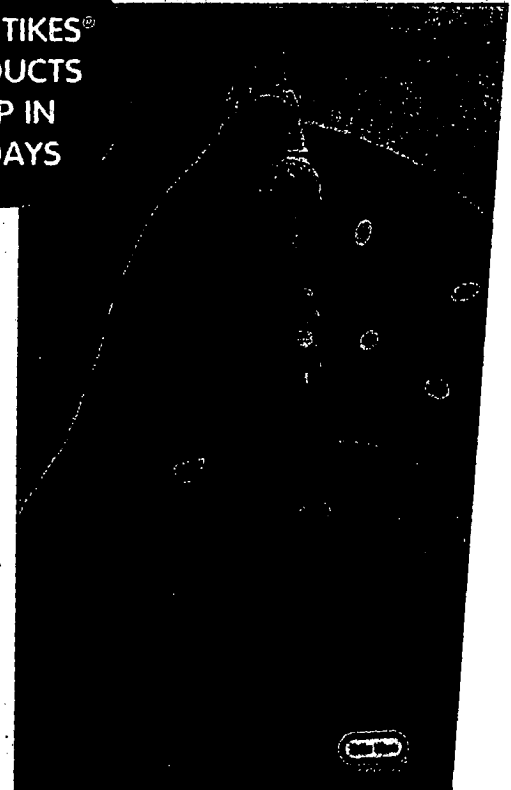
Your Price

ALL
LITTLE TIKES®
PRODUCTS
SHIP IN
21 DAYS

**FOUR TIKES OF STEEL**

Size: 11' x 8'. Minimum use zone: 23' x 20'. Weight 272 lbs. For ages 5 - 12. Priced to fit any budget. Unique design. Installation required. **(SHIPS IN 21 DAYS)**

#200103

Your Price **\$2,579.28****INFINITY CLIMBER**

Truly revolutionary design and shape. Unique shaped h... a challenging and rewarding experience. Surface or In Ground option must be specified when ordered. Surface option is for grass or soiled surface and has legs that go into the ground for mounting. For ages 5 - 12. Minimum use zone: 23' x 20'. **(SHIPS IN 21 DAYS)**

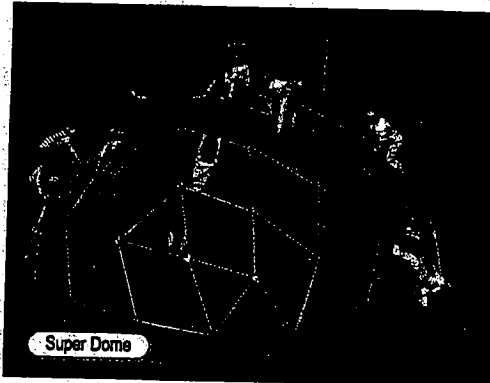
#200178

LITTLE
Tikes
Devel
opers
is ma
or out
in min
visors
explor
with p
83" wk
#884

Outdoor Play Active Play



Gao Dome



Super Dome

DOMES (SHIP IN 14 DAYS)

TYPE	WEIGHT	RETAIL	YOUR PRICE
1" Galvanized Pipe	125 lbs	\$589.82	\$521.96
1" Galvanized Pipe	97 lbs	\$500.96	\$443.32
1 1/2" Galvanized Pipe	400 lbs	\$1,316.13	\$1,164.72

ACTIVE PRODUCTS

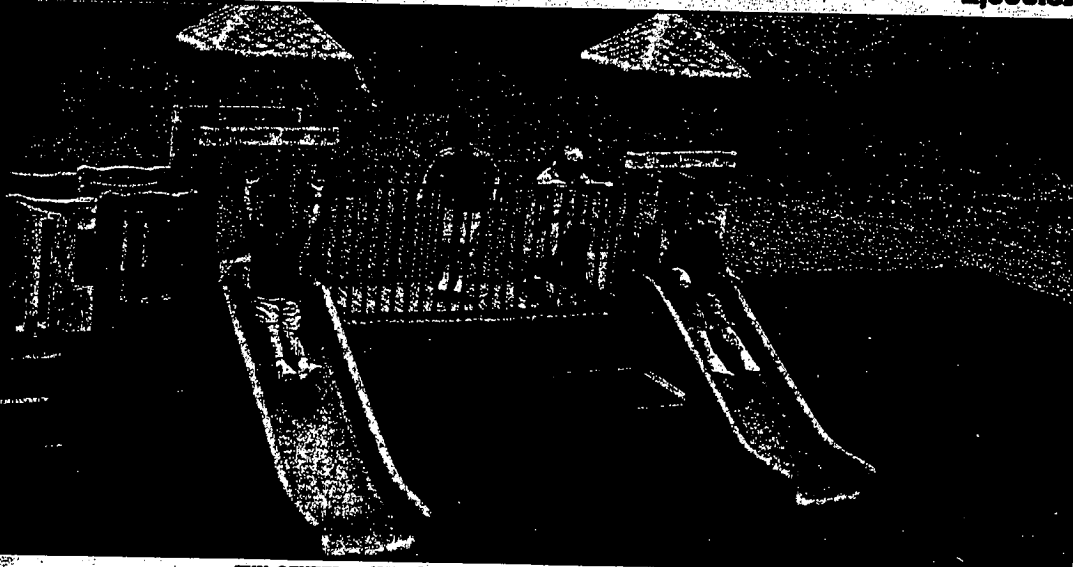
CENTERS

designed to meet the needs of younger child care centers indoor or outdoor. remain vivid and instruction ships together. Fun Centers are molded plastic and activity of



FUN CENTER 5 (SHIPS IN 14 DAYS)

SIZE	DESCRIPTION	WEIGHT	RETAIL	YOUR PRICE
15' L x 8' H	Use Zone 24' x 27'	750 lbs	\$3,379.06	\$2,990.32



FUN CENTER 6 (SHIPS IN 14 DAYS)

SIZE	DESCRIPTION	WEIGHT	RETAIL	YOUR PRICE
15' L x 8' H	Use Zone 31' x 27'	1052 lbs.	\$4,477.06	\$3,962.00

PHONE: 1-800-896-9951 FAX: 1-800-896-9952

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20-
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Dstor

the
Tiberti
FENCE CO.

THE TIBERTI COMPANY
4975 ROGERS STREET
LAS VEGAS, NEVADA 89118
(702) 382-7070

FACSIMILE TRANSMISSION
COVER SHEET

DATE: 5-4-05

PLEASE DELIVER THE FOLLOWING PAGES TO:

NAME: ANGELA/MARY

FIRM: SETON ACADEMY WEST

FAX#: 233-3861

FROM: JOYCE

REGARDING: PLAYGROUND

TOTAL # OF PAGES INCLUDING COVER SHEET:

COMMENTS: TWO PLAY OPTIONS, ONE WITH AND ONE WITHOUT SQUARE PEAKED

ROOF.. ALSO NOTE THAT I HAVE IT AT A 56" HIGH DECK GIVING

SLIDES A 10' BEDWAY. THE 64" HEIGHT REQUIRED MORE ROOM.

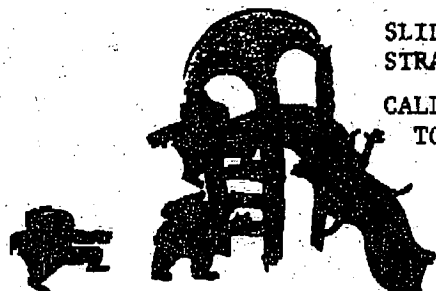
THE TSUNAMI SLIDE COULD NOT BE USED AT THIS HEIGHT SO I USED

A CURVED CHUTE SLIDE WHICH IS MUCH FUN FOR KIDS. IF THE CURVED
IF YOU HAVE ANY QUESTIONS REGARDING THE FAX, OR DID NOT RECEIVE ALL OF

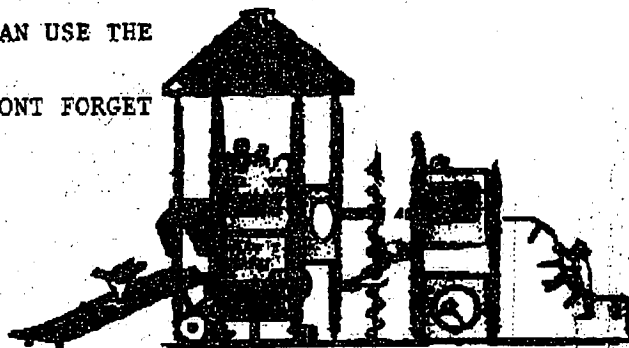
THE PAGES, CALL 702-382-7070 AND ASK FOR: JOYCE

SLIDE IS NOT GOOD FOR YOU WE CAN USE THE
STRAIGHT CHUTE.

CALL ME WITH QUESTIONS ETC. DONT FORGET
TO CHOOSE COLORS



RESILIENT SURFACING



Since 1950
CHAIN LINK FENCE • PLAYGROUND EQUIPMENT • DOCK BUMPERS • GUARDRAIL

4975 ROGERS STREET, LAS VEGAS, NEVADA 89118

(702) 382-7070

FAX (702) 220-7070

TRANSMISSION VERIFICATION REPORT

TIME : 04/28/2005 09:00

DATE, TIME	04/28 09:00
FAX NO./NAME	3632313
DURATION	00:00:00
PAGE(S)	00
RESULT	BUSY
MODE	STANDARD

BUSY: BUSY/NO RESPONSE

Quality**Service**

4975 Rogers Street • Las Vegas, NV 89118 • Phone: 702-382-7070 • Fax: 702-220-7070
email: fence@tiberti.com • web: tiberti.com • Nevada State Contractors License #4632E

Since 1959

Improvement or Drilling Proposal

Chain Link Fence • Playground Equipment • Ornamental Iron • Rental Fence • Electronic Gate Systems

CUSTOMER: **SETON ACADEMY WEST**DATE: **5-4-05**ATTN: **ANGELA**

PH#:

ADDRESS:

PH#:

FAX#:

JOB:

JOB#:

FABRIC HEIGHT

STYLE

TYPE OF FABRIC

GAUGE

MESH

SELVAGE T ☐ B ☐

FOOTING TYPE

BARBED WIRE

STRANDS

OUT ☐ IN ☐ UP ☐

POST SPACING

TERMINAL POSTS

LINE POSTS

GATE POSTS

TOP RAIL

MIDDLE

BOTTOM

SLATS

OPTION II

PLAN NO 33-27077-2 SAME AS OPTION I
WITH ADDITON OF ROOF

\$5,792.00

TREE CLIMBER

1,570.00

STRAIGHT WIGGLE WALL CLIMBER

1,168.00

MATERIAL \$ 8,530.00

S/H 856.26

TAX 704.00

TOTAL \$10,090.26

LABOR TO INSTALL

\$ 2,575.00

SIGN & RETURN TO EXPEDITE

ADDITIONAL CHARGES: Prevailing Wage Rates. This Proposal does not include state or federal prevailing wage rates unless specifically stated. Proposed contract prices shall be increased by any additional direct or indirect costs to TIBERTI of paying prevailing wage rates. **Trip Charges.** At time of installation or drilling, CUSTOMER or authorized supervising personnel must be on job site to direct exact location of improvements or drilling, disclose exact location of all underground utilities and have job site ready. If attempts to install or drill result in more than one trip to job site because of absence of CUSTOMER or authorized directing personnel, job site conditions or request for delay by personnel on job site, a \$150 Trip Charge shall result for each such additional trip. **Building Permit Assistance:** See Paragraph 1, page 2 (back of original document).

CUSTOMER ASSUMES FULL RESPONSIBILITY FOR LOCATING AND MARKING ALL UNDERGROUND UTILITIES AT OR NEAR JOB SITE AND MAKING TIBERTI CREWS AWARE OF THEIR EXACT PHYSICAL LOCATION PRIOR TO ANY INSTALLATION OR DRILLING. See Paragraph 2, page 2 (back of original document).

Payment Terms: **ONE HALF W/ORDER, BALANCE ON COMPLETION**

Unpaid balances shall bear interest at 1.5% for each full or partial 30-day period after payment due date. Payment shall not be subject to retention withholding, and no retention shall be withheld from any payment.

THIS PROPOSAL INCLUDES AND IS SUBJECT TO THE TERMS AND CONDITIONS ON PAGE 2 (BACK SIDE OF ORIGINAL DOCUMENT). THOSE TERMS AND CONDITIONS ARE INCORPORATED INTO THIS PROPOSAL BY REFERENCE. THIS PROPOSAL SHALL NOT BE BINDING ON EITHER CUSTOMER OR THE TIBERTI COMPANY ("TIBERTI" IN THIS DOCUMENT) UNLESS AND UNTIL SIGNED BY BOTH PARTIES BELOW OR INCORPORATED INTO A SEPARATE CONTRACT OR SUBCONTRACT SIGNED BY BOTH PARTIES. WHEN SIGNED BELOW, THIS PROPOSAL WILL BE A BINDING LEGAL CONTRACT BETWEEN CUSTOMER AND TIBERTI. IF NOT FULLY UNDERSTOOD, CUSTOMER SHOULD SEEK ADVICE OF LEGAL COUNSEL BEFORE SIGNING. THIS PROPOSAL SHALL AUTOMATICALLY EXPIRE AND SHALL BE DEEMED WITHDRAWN BY TIBERTI AFTER 30 DAYS UNLESS RECONFIRMED IN WRITING BY TIBERTI AT TIME OF ACCEPTANCE OR FOLLOWING ACCEPTANCE BY CUSTOMER.

THE TIBERTI COMPANY

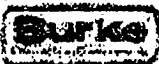
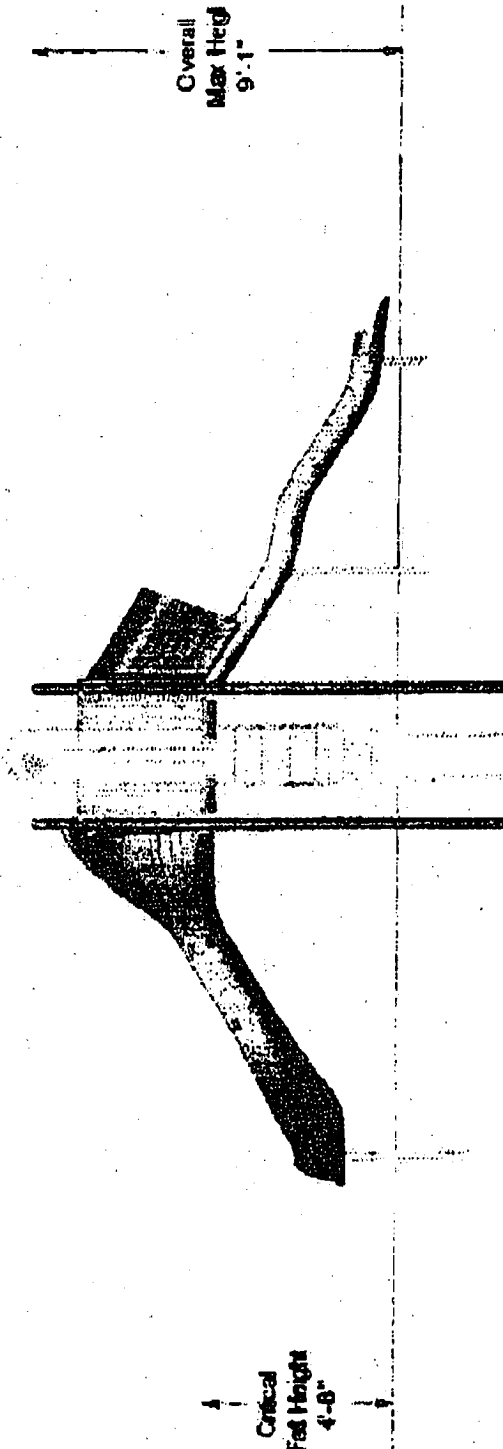
CUSTOMER NAME:

By **JOYCE STEIN**

By

Authorized Signator

Authorized Signator



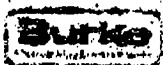
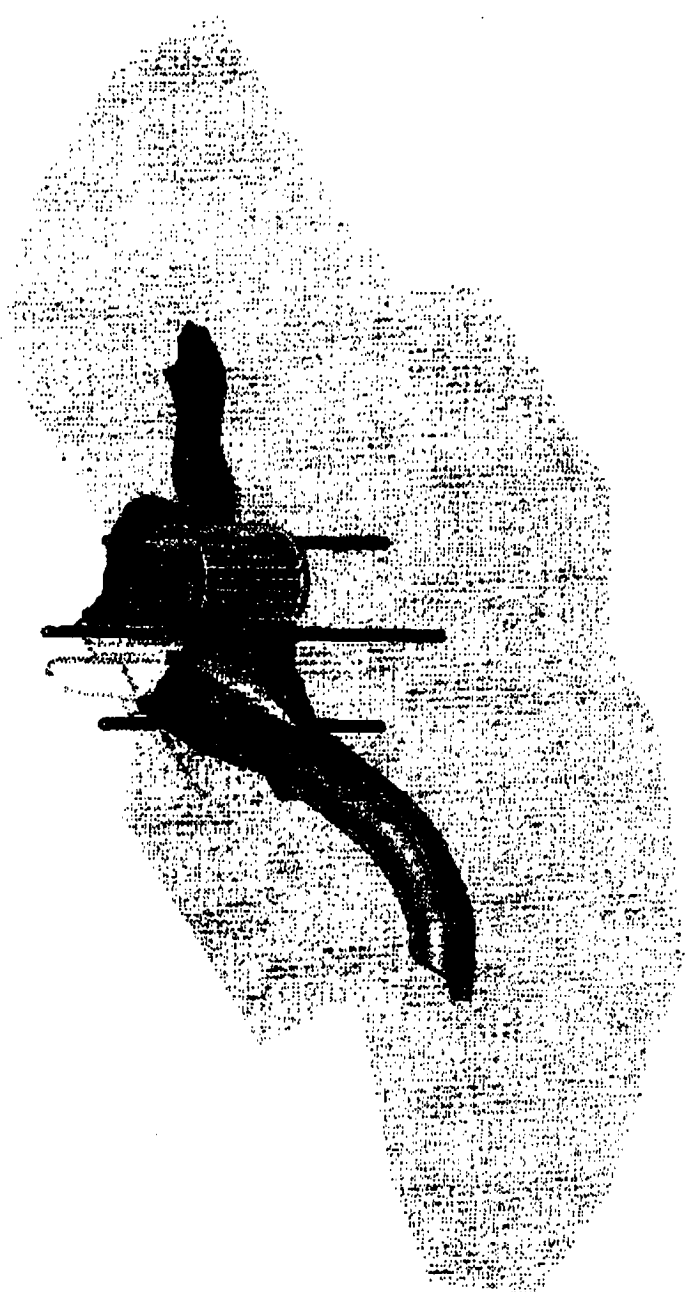
May 03, 2005

SERIES: S3000
ELEVATION PLAN
DRAWN BY: Mike Ferrick

Seton Academy West
Las Vegas, NV

The Tiberti Company
33-27077-2

BCI Burke Company LLC PO Box 540 Ford & Lee, Wisconsin 54938-0540 Telephone 920-921-9220



May 03, 2005

SERIES: S3000

Sabin Academy West

The Tiberti Company

ISOMETRIC PLAN

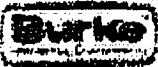
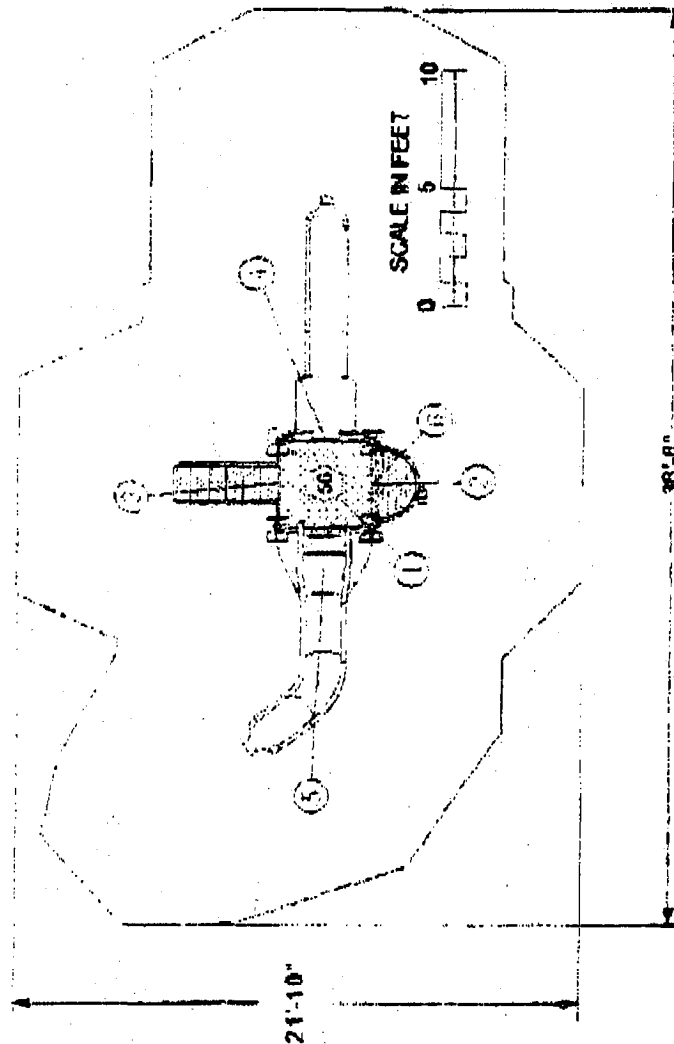
33-27077-2

DRAWN BY: Mike Fenrick

Las Vegas, NV

ICI Burke Company, LLC PO Box 549 Fond du Lac, Wisconsin 54938-0549 Telephone 920-621-9220

ITEM	COMP	DESCRIPTION
1	221-9139	4" SQUARE PLATING SW
2	221-9146	BOLT
3	221-9151	1000795 TIEBAY 54
4	420-0882	WAVE SHOCK ASST 36 PL/4MM
5	420-0154	16 CHUTE SHOCK 4050
6	404-9110	3015 TYPE ASSEMBLY



May 03, 2005

SERIFS: 33000

COMPONENT PLAN

DRAWN BY: Mike Fenrick

Saton Academy West

Las Vegas, NV

The Tiberti Company

33-27077-2

901 Burke Company, LLC PO Box 549 Fond du Lac, Wisconsin 54936-0549 Telephone 920-921-9220

Quote

Shop Online:
www.cptoy.com
E-MAIL: ustoy@ustoyco.com

SEE INSIDE BACK CATALOG COVER FOR TERMS AND INFORMATION



Active Play

MEGA FUN CENTER

With three Lightning Slides, three Fantasy Play Walls, two Play Telescopes, two Ship's Steering Wheels and lots of under-deck play space, there's plenty of activities to keep up to 41 children (ages 2 to 5 years) happy. Features sturdy, galvanized steel construction, polyethylene slides, safe vinyl-coated, steel stairs, pipe wall barriers and recycled plastic deck planks. Surface mounting makes it usable for indoor as well as outdoor use and eliminates expensive installation. Size: 13' x 21'. Use zone: 27' x 33'. 10 Year Warranty on steel and 5 Year Warranty on plastic. For permanent installation, order the Anchor/Bolt Kit listed below.

PW-5110 1391 lbs. \$7,995.00*†
 PW-5100 w/Accessible Stairs (as pictured)
 1472 lbs. \$8,395.00*†
 PD-5130DS Anchor/Bolt Kit \$85.00*

The Mega Fun Center meets current CPSC and ASTM safety compliances. The addition of accessible stairs meets ADA requirements.

NOTE: We recommend that all equipment be installed on a soft, resilient material in case of accidental falls. See page 31 for Surfacing.



SPRING MATES

These animated replicas of nature's creatures are designed for a lifetime of entertainment. Built for safety and durability, each animal is cast in aluminum and finished in brightly colored, baked-on polyester, powder-coated finish. The coil spring is made from 3/4" special alloy steel fastened to tension relieving pipe with provisions for fitting into concrete.

PW-0515 Seahorse 71 lbs. \$525.00*†
 PW-0568 Colt 73 lbs. \$525.00*†
 PW-0523 Duck 66 lbs. \$525.00*†

New!

SUPER SATELLITE CLIMBER

This challenging climber, with fireman's pole fun, will be an exciting addition for your playground. Made of galvanized-steel tubing with powder-coated paint, it will hold up to 12 children (ages 5-12 yrs.) 16' Diam. x 9' H. Use Zone: 28' Diam. Permanent installation kit included for installation in concrete footings.

PW-892 257 lbs. \$995.00*†

Order Online Anytime:
www.cptoy.com

*These Items F.O.B. factory.

Allow 4 to 6 weeks for delivery.

† Denotes truck shipment.

Order Online: www.cptoy.com

BUSINESS LICENSE

City of Las Vegas • Las Vegas, Nevada

IN ACCORDANCE WITH THE PROVISIONS OF THE LAS VEGAS MUNICIPAL CODE, AS AMENDED, LICENSE IS HEREBY GRANTED TO OPERATE THE BUSINESS REFERENCED BELOW.

CHILDCARE LICENSE

LICENSE #: N15-00042-9-013165

DATE ISSUED: 02/10/05

DATE EXPIRES: 05/31/05

TYPE OF LICENSE: CENTER/PRESCHOOL
195 CHILDREN DAYS/19 B & A
195 CHILD

BUSINESS LOCATION: 3801 N CAMPBELL RD

ISSUE TO:

SETON ACADEMY WEST
3801 N CAMPBELL RD
LAS VEGAS NV 89129

PRINCIPAL(S)

HAYES, MARY JANE OWNER
HAYES, MARY JANE SUPERVISOR
ABRAMSON, RITA COORDINATOR


Director, Department of Finance and Business Services

Post in a conspicuous place.



City of Las Vegas - Child Care Inspection Form

Facility: Seton Academy West Date: 5-2-05
 Address: 3801 N. Campbell Time: 9:16 AM
 Type of Service: _____
 License Limit: Days 195 Nights 0 B & A 19
 Hours of Operations: 7:00 AM - 6:00 PM
 Days of Service: Monday - Friday
 License: Posted ✓ Expires 5-30-05 Telephone Working/Listed: 233-2069/yes
 Health Permit: Posted ✓ Expires 6-30-05 Emergency Numbers Posted: front desk
 Staff to Child Ratios in Compliance: Yes ✓ No _____ Total Children: 156 Total Staff: 19

Children's Records

* Number Reviewed 8 files
 Children's Records in Compliance 50 files

Written Policy Statement

Content complete - handbook
 Distribution yes

Prescription Medications

Properly Labeled yes
 Properly Stored kitchen refrigerator, drop of eye
 Written Records Maintained yes
 Administered By Jane
 Isolation Area Mary's office

First Aid

* Location first aid cabinet
 Adequate Supplies yes - replace supplies
 Chart yes
 Accident/Injury Reports copy to parent on file
 Communicable Diseases none

Nutrition

Meals/Snacks Provided lunches (home)
 Nutrition Needs Met 2 snack provided
 * Menu Posted snacks needed

Attendance

Staff computer
 * Children computer (parent) classroom

Transportation/Field Trips

Is Transportation Provided 2 vans, 12 passengers
 Type/Number of Vehicles Used yes
 Are Drivers Licenses on File 4 drivers
 Auto Insurance Harley Harmon
 Child Restraint Laws followed yes
 Transportation Permission on File yes
 Field Trip Permission Slips on File yes

Facility/Program

Indoor Play/Classrooms 10 classroom, plus multi-
 Materials/Equipment age-appropriate
 Adequate Materials/Toys yes

Furniture Durable/Safe yes
 Furniture Clean/Sanitary yes
 Program Standards Meet Children's Basic Needs preschool curriculum
 Staff Involvement/ Interaction very good
 Discipline Methods 4 directions

Type of Floor Surface tile / carpet
 Floor Surface Clean/Safe yes
 Clothing Storage cubbies & hooks
 Storage Area/Hooks Labeled yes

Napping

Number of Cots 3 Mats 45 mats
 Number of Cribs 0 Playpens 0
 Number of Port-a-cribs 0 Beds 0
 Properly Sanitized yes daily
 Sleeping Devices Labeled yes - child - name
 Sleeping Devices Sanitary yes
 Sleeping Devices in Good Condition yes
 Linens Properly Stored between mats
 Linen Laundered weekly by school
 Can Children be Seen & Heard yes

Bathrooms/Diaper Changing

Disposable Towels Available yes
 Liquid Soap Available yes
 Toilet Tissue Available yes
 Children Hand Washing yes - observed many
 Staff Hand Washing yes
 Bathroom Accessible from Outside yes
 Diaper Changing Table in 14
 Diaper Pail Available changed pail outside room
 Diaper/Feeding Logs N/A
 Diaper Table on Proper Surface yes - uncluttered
 Diaper Table Sanitized after each use
 Bottles/Sipping Cups Labeled N/A
 Bathroom Clean/Sanitary yes

x Rita Chama

Health & Life Safety

Swimming Pool/Spa fenced N/A
 Swimming Pool/Spa Properly Maintained N/A
 Monthly Fire Drills Recorded 4-30-05
 * Emergency Preparedness Drills Recorded 1-28-05
 Plan of Evacuation Posted yes - each room
 Smoke Detectors in Napping Areas yes
 Sprinkler Systems Installed yes
 Fire Extinguisher Mounted yes
 Fire Extinguisher Date of Service 5-14-05
 * Electrical Outlets Protected OK - few covered during
 * Cleaning Supplies Properly Stored vacuums in closet
 Cleaning Equipment Properly Stored janitor locked closet
 Adequate Shade 3 structures
 Type of Playground Surface(s) grass, pea gravel, concrete
 Materials/Equipment springer tire swing, climbing trip, sand play chamber, garden, slide
 Sufficient Materials/Equipment yes
 Cleanliness/Serviceability of Materials/Equipment good
Outdoor Play Area
 Properly Fenced chain w/verex
 * Free From Hazards replace metal equipment & wood climber
 Drinking Water Available yes
 Equipment Age Appropriate yes

ROOM/AGE GROUP	NUMBER OF CHILDREN	NUMBER OF STAFF	IN RATIO
Rm 1 / 2's	20	3	Yes
2 / 2's	24	3	
3 / 3's	15	2	
4 / 3's	18	2	
5 / Pre-K	16	2	
6 / Pre-K	15	2	
7 / Pre-K	20	2	
8 / Pre-K	12	1	
9 / 4's	16	2	
10 / Kinder - not counted in ratio			
TOTAL	156	19	
Excellent child/staff ratios observed in all rooms. Staff working on Mother's Day gifts, spring projects. Two classes celebrating birthdays			

I hereby acknowledge receipt of this report and corrective action will be taken on items noted, and I will notify the Department of Finance & Business Services of any changes or corrections made.

Kileen J. Cobb
 Department of Finance & Business Services Representative

Rita Ahrens
 Signature of Licensee/Responsible Party

City of Las Vegas - Child Care Inspection Form

Facility: Sotox Academy West
 Address: 3801 W. Campbell

Page 3 of 7
 Date: 5-2-05

REMINDER: 15 HOURS OF RECOGNIZED TRAINING IS REQUIRED BY THE END OF THE CALENDAR YEAR!

	Staff	Work Card Number	Work Card Expiration	Health Card Expiration	TB Certificate	Symptoms	First Aid	CPR Date <i>update</i>	Abuse & Neglect
CO-DIRECTOR	RITA ABRAMSON-C	1860242	5-17-07	5-16-06	✓	✓	✓	10-8-06	2-16-05
CO-DIRECTOR	LICENSEE: MARY JANE - C/P	069044	7-17-07	8-30-06	✓		✓	10-8-06	2-16-05
	SUSAN ALLARD	2517765	8-7-08	8-12-05	✓	✓	✓	10-8-06	2-16-05
	VANCI ANDRADE	2027218	5-3-09	4-28-06	✓	✓	✓	6-2-06	2-16-05
	PAOLA BORDER S	2507510	4-10-08	5-8-05	✓	✓	✓	6-2-06	2-16-05
	DOREEN BROWNWOOD	1865574	8-28-07	8-25-06	✓	✓	✓	10-8-06	2-16-05
	BERTA CHERRY	1322958	3-17-09	8-23-06	✓	✓	✓	10-15-04	
	KEIKO ELSOM	2514587	9-11-08	9-12-05	✓	✓	✓	6-2-06	2-16-05
	MARY STETTS	1601857	7-21-08	9-3-06	✓	✓	✓	4-2-06	2-16-05
	MELISSA GUTIERREZ	2530201	8-4-09	8-3-06	✓			1-2007	2-16-05
	LINDA KOSIRA	821163	7-1-07	7-1-05	✓	✓	✓	10-8-06	2-16-05
	ANNE KUHN HOFFER	2542152	10-8-09	10-8-06	✓		✓	3-3-07	2-16-05
	JUNE KNESEL	1288883	9-29-08	1-17-07	✓	✓	✓	10-8-06	2-16-05
	MICHELLE LOUCKS	1791766	5-8-06	1-14-09	✓	✓	✓	10-8-06	2-16-05
not employed	JANET LOVELACE	1548901	8-25-08	8-25-05	✓	✓	✓	6-2-06	
	ROSSETTA MAGLIARDI	1009096	9-18-06	9-17-05	✓	✓	✓	10-8-06	2-16-05
	MICHELLE MCGINN	839234	8-27-08	8-25-05	✓	✓	✓	1-2007	2-16-05
	AMY MCKENZIE	1364060	7-18-08	11-23-06	✓	✓	✓	4-3-04	2-16-05
not employed	CAROL NAVE S	2529470	7-27-09	7-27-06	✓	✓	✓	10-8-06	2-16-05
	MICHELLE PRICE	2531913	9-2-09	9-2-06	✓		✓	10-8-06	
	CHARLEY VAEGER	2546109	1-14-10	3-21-09	✓				2-16-05
	ELLEN SPATAFORE	886078	8-30-07	8-30-06	✓	✓	✓	10-8-06	

I hereby acknowledge receipt of this report and corrective action will be taken on items noted, and I will notify the Department of Finance & Business Services of any changes or corrections made.

Colleen Jacob
 Department of Finance & Business Services Representative

Rita Abramson
 Signature of Licensee/Responsible Party

Facility: Ston Academy West
Address: 3801 N. Campbell

Page 4 of 7
Date: 5-2-05

Staff	Work Card Number	Work Card Expiration	Health Card Expiration	TB Certificate	Symptoms	First Aid	CPR Date	Abuse & Neglect
Director:								
Licensee:								
MARY THOMPSON	2531000	9-21-09	9-10-06	✓	✓	✓	10-8-06	2-16-05
LINDA THORNE	1275980	3-27-07	8-18-06	✓	✓	✓	4-9-05	2-16-05
CARLEEN WINDOLPH	226128	2-6-07	3-25-07	✓	✓	✓	1-20-07	2-16-05
LORRAINE YAEGER	1488612	9-6-07	3-19-07	✓	✓	✓	6-2-06	2-16-05
TONYA HENNINGTON	1622888	8-3-09	3-1-07	✓	○	○	○	○
DANIELLE B								
CARLIE BROWNWOOD	2545770	1-14-10	1-3-07	✓	○	✓	6-2-06	2-16-05
CHERYL MURONE	1865414	8-26-07	2-23-07	N/A	—	—	—	—

corrections made.



Department of Finance & Business Services Representative

Rita Ahrens
Signature of Licensee/Responsible Party

CITY OF LAS VEGAS
CHILD CARE INSPECTION REPORTFACILITY Seton Academy West
ADDRESS 3801 N. CampbellDATE 5-2-05

COMMENTS:

Children's files:

	DOB	Reg	Immun	Physical
Alec Davidovic	10-20-03 (3)	✓	✓	✓
Trevor de Blanco	5-28-99 (5)	✓ (Sign)	✓	X NO signature
<i>not attending brother Joseph de Blanco with separate reg</i>				
Miles Archler	2-14-01 (4)	✓	✓	✓
Mia Arminguey	12-12-01 (3)	✓	✓	✓
Camille de Koo	8-17-00 (4)	✓	✓	✓
Naya del Maestro	6-18-00 (4)	✓	✓	✓
Riley Nevich	10-5-02 (2)	✓	✓	X
Olivera Rynabunsky	11-30-00 (4)	✓ (Sign)	✓	✓

Center appears to be running well.
Excellent ratios in all rooms. Rooms
kept clean, organized. Outdoor play
yard safe for children.

Things to do/correct:

① Update staff files:

- Berta C - needs to renew CPR, take Abuse & Neglect
- Melissa G - needs signs of illness & First Aid
- Anne K - needs signs of illness
- Janet L - needs Abuse & Neglect
- AMALIA - needs to renew CPR
Amy M

I hereby acknowledge receipt of this report and corrective action will be taken on items noted, and I will notify the Department of Finance & Business Services of any changes or corrections made.

Glenn Jacob
Department of Finance & Business Services Representative

Rita Abrahamson
Signature of Licensee/Responsible Party

CITY OF LAS VEGAS
CHILD CARE INSPECTION REPORTFACILITY Seton Academy West
ADDRESS 3801 W. CampbellDATE 5-2-05

COMMENTS:

- f) Charles Y - needs sign of illness, First Aid CPR
- g) Ellen S - needs Abuse & Neglect
- h) Linda T - needs to renew CPR
- i) Tonya H - needs sign of illness, First Aid CPR, Abuse & Neglect
- j) Carlee B - sign of illness
- ② Update Children's files:
- a) Trevor de Blance - sign back of registration, needed physical signed by brother Joseph attends which child needs from Reg. card
- b) Riley R - needs physical
- c) Oliver S - sign registration
- ③ Several rooms did not have accurate attendance sheet when we entered rooms. Remind all staff they must maintain accurate attendance for accountability of each child in their care throughout the day.
- ④ Observed 2 fire unprotected outlets - covered immediately. Remind staff to keep protected
- ⑤ Rm 2 - replace broken lock on low cabinet where cleaners are stored
- ⑥ Several bottles of sanitizers not labeled. Required
- ⑦ Bottles of soap observed in (2) rooms in unlocked cabinet. Must be locked or made inaccessible

I hereby acknowledge receipt of this report and corrective action will be taken on items noted, and I will notify the Department of Finance & Business Services of any changes or corrections made.

Eileen O'Neil
Department of Finance & Business Services Representative

Rita Alvarez
Signature of Licensee/Responsible Party

CITY OF LAS VEGAS
CHILD CARE INSPECTION REPORTFACILITY Siton Academy WestDATE 5-2-05ADDRESS 3801 N. Campbell

COMMENTS:

- 8) Snack menu needs to be posted
 9) Reminder disaster drill have to be held quarterly
 10) Replace expired Symp of Specs
 11) Outdoors:
 a) Replace wooden climber - dried wood potential for splinters
 b) Replace all metal equipment
 c) Repair broken tire of fire truck

will
 apply
 for
 grant
 money

Follow-up visit
 in 2 wks

Rita Abramson, co-director, is an asset to the school very knowledgeable and liked by all.

I hereby acknowledge receipt of this report and corrective action will be taken on items noted, and I will notify the Department of Finance & Business Services of any changes or corrections made.

Gillespie
 Department of Finance & Business Services Representative

Rita Abramson
 Signature of Licensee/Responsible Party



CLARK COUNTY HEALTH DISTRICT
LAS VEGAS, NEVADA

HEALTH PERMIT

THIS CERTIFIES THAT THE ESTABLISHMENT LOCATED AT THE ADDRESS SHOWN BELOW AND OWNED AND/OR OPERATED BY ENTITY INDICATED HAS BEEN FOUND TO BE OPERATING IN CONFORMITY WITH THE HEALTH LAWS AND REGULATIONS PROMULGATED BY THE NEVADA STATE BOARD OF HEALTH AND THE CLARK COUNTY DISTRICT BOARD OF HEALTH. THIS CERTIFICATE GRANTS THE APPLICANT APPROVAL TO OPERATE THE TYPE OF ESTABLISHMENT INDICATED, BUT IS REVOCABLE AT ANY TIME BY THE CLARK COUNTY HEALTH DISTRICT OFFICER FOR FAILURE ON PART OF THE PERMITTEE TO MEET STATE AND DISTRICT HEALTH LAWS AND REGULATIONS.

▼ OWNED AND/OR OPERATED BY ▼

HAYES, MARY JANE

PERMITTEE ►
ADDRESS ►

SETON ACADEMY WEST
SETON ACADEMY WEST
3801 N CAMPBELL RD
LAS VEGAS NV 89129-7078

PERMIT IS NOT
TRANSFERABLE

PERMIT NUMBER ►	08788-HGH-01
FEE PAID ►	245.00
AREA ►	LAS VEGAS

DATE GRANTED	DATE EXPIRED
07/01/04	06/30/05

▼ TYPE OF ESTABLISHMENT ▼

NURSERY

DONALD S. KWALICK, MD, MPH
CHIEF HEALTH OFFICER

KEITH ZUPNIK

ENVIRONMENTAL HEALTH SPECIALIST

POST IN A CONSPICUOUS PLACE

GENERAL NOTICE AND REPORT OF INSPECTION

CLARK COUNTY HEALTH DISTRICT
625 SHADOW LANE • LAS VEGAS, NEVADA
Telephone 383-1251 (Direct) • 385-1291 (24 hours)

(PG 1 OF 2)

SAN 02	CONTROL NO. 08788	ESTABLISHMENT SETON ACADEMY WEST	ADDRESS 3801 N CAMPBELL RD
DIST 28	HQM-01	SETON ACADEMY WEST	LAS VEGAS NV 89129-7078
CITY 01	HAYES, MARY JANE ANGELA BERLINER		PERSON INTERVIEWED RITA ABRAMSON
TYPE AND CATEGORY 8351-122		CAPACITY 160	SPECIAL NOTES: 25-23-5C
PREVIOUS ACTION	SAN C 02	ACTION 5D	DATE 12/07/04
CURRENT ACTION	SAN C 02	ACTION 5D	DATE 4-5-05
			STATUS A
			SPECIAL DATE
			TIME IN 2:10p
			TIME OUT 4:00p
			FUTURE ACTION

Based on an inspection this day, the items marked below identify the violation in operation or facilities which must be corrected by the next routine inspection or such shorter period of time as may be specified in writing by the health authority. Failure to comply with this notice may result in immediate suspension of your permit.

ITEM	2.0 OUTDOOR PLAY AREA	ITEM	7.0 HEALTH AND PERSONNEL
21	ADEQUATE ENCLOSURE	71	HEALTH RECORDS - PERSONNEL
22	SAFE PLAY EQUIPMENT	72	HEALTH RECORDS - CHILDREN
23	ADEQUATE SURFACING	73	NO SICK CHILDREN
24	FREE OF HAZARDS	74	FIRST AID KIT AND INSTRUCTIONS
		75	PROPER HANDLING OF MEDICATIONS
		76	INFECTION CONTROL MEASURES PRACTICED
		77	HANDWASHING/TOILETING SUPPLIES
		78	TOILETING/HANDWASHING SUPERVISE
		79	ADEQUATE STAFFING
	3.0 FACILITY DESIGN		8.0 PETS/ANIMAL CARE
	ADDRESS VISIBLE		RESTRICTIONS MAINTAINED
	ROOM FINISHES CLEAN/GOOD REPAIR		IMMUNIZATION RECORDS CURRENT
	ADEQUATE VENTILATION/HEATING/COOLING		PROPER ENCLOSURES/SUPERVISION
	ADEQUATE LIGHTING		PARASITES CONTROLLED
	ADEQUATE STORAGE SPACE FOR BELONGINGS		PROPER FECES DISPOSAL
	WORKING TELEPHONE/EMERGENCY NUMBERS		PROHIBITED FROM KITCHEN/DINING AREA
	FREE OF HAZARDS		
	4.0 FURNISHINGS/EQUIPMENT		9.0 FOOD SERVICES
	KITCHEN EQUIPMENT		SCOPE OF USE: From Home
	ACTIVITY/DINING AREA FURNISHING		BARRIER TO KITCHEN ACCESS
	NAPPING/SLEEPING EQUIPMENT		POTENTIALLY HAZARDOUS FOOD 40 Deg F
	TOILETING AREAS		OR BELOW OR 140 Deg F OR ABOVE
	HANDWASHING FACILITIES		SUITABLE THERMOMETER/PROPERLY LOCATE
			SAFE FOOD STORAGE AND PREP.
	5.0 WATER, SEWER, AND TRASH		WHOLESALE, APPROVED SOURCE
	SAFE/ADEQUATE WATER SUPPLIES		PROTECTED FROM CONTAMINATION
	PLUMBING PROPERLY INSTALLED		PROPER THAWING METHOD
	PROPER TRASH DISPOSAL		PROPER ROTATION/STORAGE
			PROPER COOLING/HEATING PROC.
	6.0 PEST CONTROL & CHEMICAL STORAGE		HANDLING OF FOOD MINIMIZED
	PRESENCE MINIMIZED/HARBORAGE PREV.		TABLEWARE ADEQUATE, SANITIZED
	OUTER OPENINGS PROTECTED		KITCHENWARE ADEQUATE CLEAN, SANITIZED
	SAFE CHEMICAL STORAGE/PROPER ID		DINING AREA CLEAN AND SANITARY
	SAFE STORAGE - OTHER HAZARDS		SAFE PROCEDURES W/BABY FOODS/BOTTLES

Hot Water Handman
- 1060P

Refrigerator - 390P
Freezer - 50P

ITEM #	CORRECTION:
	See Attach PG 2 of 2
ACKNOWLEDGED BY	REVIEWED BY
R. Abramson 4/5/05	

08788
HGH -01

CLARK COUNTY HEALTH DISTRICT

ENVIRONMENTAL HEALTH

625 Shadow Lane Las Vegas, Nevada 89106

SUPPLEMENTARY REPORT

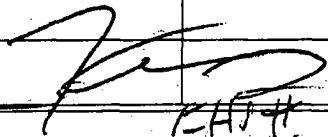
Establishment: SETON ACADEMY - WASH
Address: 3801 N. CAMPBELL RD.
Person Contacted: LV NV 89129

Date: 4-5-05
Page 2 of 2

THE ITEMS NOTED BELOW REFER TO DEFECTS MARKED ON INSPECTION SHEET

ITEM	DEFECT	CORRECTION	CORRECTION DATE
(21)	Chain Link Fence → MAKE NON-CLIMBABLE by 1-1-08		
(22)	S-HOOKS on Swing Set NOT Closed .04" or less → provide - METAL TOYS - Little Tikes Playset will have A Survey by DAN PAULSEN EHS II to evaluate for CPSC Compliance - LOOSE steering wheels on Firetruck → tighten		
(32)	Several Water Stained Ceilings & Lf → REPLACE, Repair Leaks		
(33)	Dirt & exhaust & A/C VENTS → Clean, Maintain		
(44)	Air Supplier stored in restrooms → Remove, Store properly - Personal items e.g. clothes clothes, DAW etc stored in restrooms → Store properly (AS directed)		
(52)	1 Outdoor Fountain & 1 Outdoor Toilet Not Adequately Cautioned → Caution - Hallway Fountain Not Cautioned to wall → Caution		
(64)	Brooms, Dustpan, Plunger stored in children restrooms → Store inaccessible to children		
(74)	No Thorough Bandage in 1st Aid Kit → provide A&P		

X Rita Abraham 4/5/05

 4-5-05
EHS II

BUSINESS LICENSE

City of Las Vegas • Las Vegas, Nevada

IN ACCORDANCE WITH THE PROVISIONS OF THE LAS VEGAS MUNICIPAL CODE, AS AMENDED, LICENSE IS HEREBY GRANTED TO OPERATE THE BUSINESS REFERENCED BELOW.

CHILDCARE LICENSE

LICENSE #: N15-00042-9-018165

DATE ISSUED: 09/30/04

DATE EXPIRES: 05/31/05

TYPE OF LICENSE: CENTER/PRESCHOOL
195 CHILDREN DAYS/19 B & A
195 CHILD

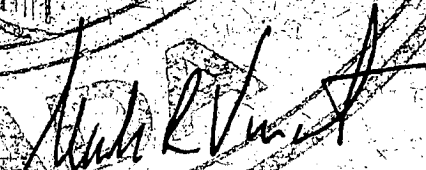
BUSINESS LOCATION: 3801 N CAMPBELL RD

ISSUE TO:

SETON ACADEMY WEST
3801 N CAMPBELL RD
LAS VEGAS NV 89129

PRINCIPAL(S)

HAYES, MARY JANE - OWNER
HAYES, MARY JANE - CEN/PRE DI


Director, Department of Finance and Business Services

Post in a conspicuous place.



Keith Zupnik, M.D.
Environmental Health Specialist

Environmental Health Division
625 Shadow Lane ~ P.O. Box 3902 ~ Las Vegas, NV 89127
(702) 383-1251 ~ Fax (702) 383-1445
zupnik@cchd.org

CLARK COUNTY HEALTH DISTRICT
5 SHADOW LANE • LAS VEGAS, NEVADA
Phone 383-1251 (Direct) • 385-1291 (24 hours)

PG /

		ADDRESS 3801 N CAMPBELL RD LAS VEGAS NV 89129-7078	
PERSON INTERVIEWED RITA ABRAMSON		TELEPHONE	
Notes: 5C			

ACTION	54	6*	11/18/04				SCHEDULED ACTION	ACTION	5D	DATE	11/18/04	
	BAN C	ACTION	DATE	STATUS	SPECIAL DATE	TIME IN	TIME OUT	TRF		MILES		
CURRENT ACTION	02	5D	12-7-04	A		1:40P	4:00P					
								FUTURE ACTION		DATE		

Based on an inspection this day, the items marked below identify the violation in operation or facilities which must be corrected by the next routine inspection or such shorter period of time as may be specified in writing by the health authority. Failure to comply with this notice may result in immediate suspension of your permit.

[illegible]

Hot Water Handwar 1060K

(94) Kitchen Refrigerator
At 45°F - no thermometer
No temperature log
→ provide, ARTIST 45°F
or below

~~CORRECTION:~~

(See Attached p. 2)

79) I/A's mit Mission: Sterile Ganze PABs, Bandage Sisters
Roller Flexible Querc or All Bandage, Tri-Angula-Bandage
→ physische A/A

ACKNOWLEDGED BY

EHS

REVIEWED BY

CLARK COUNTY HEALTH DISTRICT

ENVIRONMENTAL HEALTH

625 Shadow Lane Las Vegas, Nevada 89106

SUPPLEMENTARY REPORT

Establishment:

Address:

Person Contacted:

SETON ACADEMY West

3801 N. CAMPBELL RD

LAS VEGAS, NV.

89129-7076

Date:

12-7-04

Page

2

of

THE ITEMS NOTED BELOW REFER TO DEFECTS MARKED ON INSPECTION SHEET

ITEM	DEFECT	CORRECTION	CORRECTION DATE
(21)	SEGMENTS OF CLIMBABLE Chairs LIFT FLOOR + MAKE NOB. CLIMBABLE		
(22)	LARGE TIRE NOT CPSC APPROVED PLAY EQUIPMENT + REMOVE METAL WOOD "FIRETRUCK" - WOOD WORK, COATING WORK + RECOAT ? CPSC APPROVED		
	Various pieces of METAL PLAY EQUIPMENT NOT CPSC SAFE → REMOVE		
	Little TIKES PLASTIC PLAY EQUIPMENT NOT (SAFELY) per CPSC Guidelines → PROVIDE		
	"S" Hook on Window NOT CLOSER 04" OR LESS + PROVIDE		
	CALL DAN PAULSEN EHS II CCHD Planning Dept to evaluate playground equipment		
(33)	Swivel A/C Vents dirty + Clean, MAINTAIN ALL VENTS		
(34)	Clothes stored in Restroom + remove		
	School Supply Store in Restroom + remove		
	only toileting items to be stored in Restroom		
(65)	Chemicals stored improperly + Store properly (AI document) - Inaccessible or locked from children		
(67)	Plunger, Broom etc. stored in child's Restroom + Store All Potentially Hazardous items inaccessible to children		
(71)	No on-call (A-105) TB Contacted for employees: (1) JUAN FLECH (2) KEITH ELSOM (3) CAROL NARVES (4) MARY THOMPSON → PROVIDE		
	Reed Abraham 12/7/04	Reed Abraham 12-7-04	

CERTIFICATE BY APPLICANT

Please initial on line after each statement; please sign and date below.

1. I hereby certify that to the best of my knowledge, all information contained in this application is complete and accurate. RA
2. I understand that the grant will be subjected to a conditional grant agreement. RA
3. I understand that any direct receipt of the grant has to be declared as income for tax purposes and I will receive tax form 1099(G) from the city of Las Vegas at year-end, which will state the amount to be reported on my tax return. RA
4. I understand that the activities outlined in my grant application must commence no later than thirty-days (30) following the approval date of the grant to avoid cancellation or suspension of funding. RA
5. I understand that vendors performing a service can be paid directly, but only upon completion of a Vendor Agreement and successful and satisfactory completion of the project. RA
6. I understand that all requests for reimbursement must be made on a monthly basis and a monthly report must accompany the request. RA
7. I understand that revisions and amendments can be made at the discretion of the city of Las Vegas Representative. RA
8. I understand that I am responsible for any taxation of any purchases. RA
9. I understand that should I move from my home where facility rehabilitation such as flooring, ac unit, or shade cover/patio was installed, or close my family/group daycare within two (2) years of receiving grant funds, I may be denied future funding for up to three (3) years. RA
10. I agree to commit the project implementation in keeping with the application content and budget and to adhere to all assurances, certifications, terms, conditions, and other requirements contained in this application. RA

Rita Abraham
Signature

5/4/05
Date

Please submit your complete application and required documents to:

Cynthia Manabat, Program Coordinator
City of Las Vegas
Neighborhood Services Department
400 Stewart Avenue, 2nd Floor
Las Vegas, Nevada 89101
(702) 229-1027

CLIENT 123

RSG ACCOUNTING & CONSULTING, INC.
8170 W SAHARA AVE, STE. 202
LAS VEGAS, NV 89117
(702) 796-0052

April 7, 2004

SETON ACADEMY WEST, LLC
8170 SAHARA AVENUE STE 202
LAS VEGAS, NV 89117

Dear Client:

Enclosed is your 2003 Federal Return of Partnership Income. The original should be signed at the bottom of page one. No tax is payable with the filing of this return. Mail the Federal return on or before April 15, 2004 to:

INTERNAL REVENUE SERVICE
OGDEN, UT 84201-0011

You must distribute a copy of the 2003 Schedule K-1 to each member, if applicable. Be sure to give each member a copy of the Partner's Instructions for Schedule K-1.

Please call if you have any questions.

Sincerely,

RUSSELL GARRETT

Form **1065**Department of the Treasury
Internal Revenue Service**U.S. Return of Partnership Income**
For calendar year 2003, or tax year beginning _____, 2003, and
ending _____, 20____
▶ See separate instructions.

OMB No.1545-0099

2003**A** Principal business activity

SCHOOL

B Principal product or service

SERVICE

C Business code number

611000

Use the
IRS
label.
Other-
wise,
print
or type.SETON ACADEMY WEST, LLC
8170 SAHARA AVENUE STE 202
LAS VEGAS, NV 89117**D** Employer identification
number

88-0470980

E Date business started

6/30/2001

F Total assets (see instrs)

\$ 194,932.

G Check applicable boxes: (1) ☐ Initial return (2) ☐ Final return (3) ☐ Name change (4) ☐ Address change (5) ☐ Amended return**H** Check accounting method: (1) ☒ Cash (2) ☐ Accrual (3) ☐ Other (specify) _____ ▶**I** Number of Schedules K-1. Attach one for each person who was a partner at any time during the tax year. _____ ▶ **2****Caution:** Include **only** trade or business income and expenses on lines 1a through 22 below. See the instructions for more information.

I N C O M E	1 a Gross receipts or sales	1 a	964,525.	
	b Less returns and allowances	1 b	732.	1 c 963,793.
	2 Cost of goods sold (Schedule A, line 8)	2		
	3 Gross profit. Subtract line 2 from line 1c	3		963,793.
	4 Ordinary income (loss) from other partnerships, estates, and trusts (attach schedule)	4		
	5 Net farm profit (loss) (attach Schedule F (Form 1040))	5		
	6 Net gain (loss) from Form 4797, Part II, line 18	6		
	7 Other income (loss) (attach schedule)	7		
8 Total income (loss). Combine lines 3 through 7	8		963,793.	
S E E I N S T R U C T I O N S F O R D E D U C T I O N S	9 Salaries and wages (other than to partners) (less employment credits)	9		440,276.
	10 Guaranteed payments to partners	10		
	11 Repairs and maintenance	11		24,864.
	12 Bad debts	12		
	13 Rent	13		181,459.
	14 Taxes and licenses	14		75,673.
	15 Interest	15		1,990.
	16 a Depreciation (if required, attach Form 4562)	16 a	16,619.	
	b Less depreciation reported on Schedule A and elsewhere on return	16 b		16 c 16,619.
	17 Depletion (Do not deduct oil and gas depletion.)	17		
	18 Retirement plans, etc	18		
	19 Employee benefit programs	19		
	20 Other deductions (attach schedule)		See Statement 1	20 116,875.
21 Total deductions. Add the amounts shown in the far right column for lines 9 through 20	21		857,756.	
22 Ordinary income (loss) from trade or business activities. Subtract line 21 from line 8	22		106,037.	

**Sign
Here**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than general partner or limited liability company member) is based on all information of which preparer has any knowledge.

▶ Mary Jane Hayes
Signature of general partner or limited liability company member▶ 4-12-03
DateMay the IRS discuss this return
with the preparer shown below
(see instrs)? ☒ Yes ☐ No**Paid
Preparer's
Use Only**Preparer's
signature RUSSELL GARRETT

Date

Check if self-
employed ☐

Preparer's SSN or PTIN

518-02-8949

Firm's name
(or yours if
self-employed),
address, and
ZIP code
▶ RSG ACCOUNTING & CONSULTING, INC.
8170 W SAHARA AVE, STE. 202
Las Vegas, NV 89117EIN ▶ 33-1002544Phone no. (702) 796-0052

Schedule A Cost of Goods Sold (see instructions)

1	Inventory at beginning of year	1	
2	Purchases less cost of items withdrawn for personal use	2	
3	Cost of labor	3	
4	Additional section 263A costs (attach schedule)	4	
5	Other costs (attach schedule)	5	
6	Total. Add lines 1 through 5.	6	
7	Inventory at end of year	7	
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2.	8	

9a Check all methods used for valuing closing inventory:

(i) ☐ Cost as described in Regulations section 1.471-3

(ii) ☐ Lower of cost or market as described in Regulations section 1.471-4

(iii) ☐ Other (specify method used and attach explanation)

b Check this box if there was a writedown of 'subnormal' goods as described in Regulations section 1.471-2(c)

c Check this box if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970)

d Do the rules of section 263A (for property produced or acquired for resale) apply to the partnership? ☐ Yes ☐ No

e Was there any change in determining quantities, cost, or valuations between opening and closing inventory? ☐ Yes ☐ No

If 'Yes', attach explanation

Schedule B Other Information

1	What type of entity is filing this return? Check the applicable box:	Yes	No
a	☐ Domestic general partnership		
c	☒ Domestic limited liability company		
e	☐ Foreign partnership		
b	☐ Domestic limited partnership		
d	☐ Domestic limited liability partnership		
f	☐ Other		
2	Are any partners in this partnership also partnerships?		X
3	During the partnership's tax year, did the partnership own any interest in another partnership or in any foreign entity that was disregarded as an entity separate from its owner under Regulations sections 301.7701-2 and 301.7701-3? If yes, see instructions for required attachment.		X
4	Is this partnership subject to the consolidated audit procedures of sections 6221 through 6233? If 'Yes,' see Designation of Tax Matters Partner below.		X
5	Does this partnership meet all three of the following requirements?		
a	The partnership's total receipts for the tax year were less than \$250,000;		
b	The partnership's total assets at the end of the tax year were less than \$600,000; and		
c	Schedules K-1 are filed with the return and furnished to the partners on or before the due date (including extensions) for the partnership return.		
	If 'Yes,' the partnership is not required to complete Schedules L, M-1, and M-2; Item F on page 1 of Form 1065; or Item J on Schedule K-1.		X
6	Does this partnership have any foreign partners? If 'Yes,' the partnership may have to file Forms 8804, 8805 and 8813. See instructions.		X
7	Is this partnership a publicly traded partnership as defined in section 469(k)(2)?		X
8	Has this partnership filed, or is it required to file, Form 8264 , Application for Registration of a Tax Shelter?		X
9	At any time during calendar year 2003, did the partnership have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? See the instructions for exceptions and filing requirements for Form TD F 90-22.1. If 'Yes,' enter the name of the foreign country.		X
10	During the tax year, did the partnership receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If 'Yes,' the partnership may have to file Form 3520. See instructions.		X
11	Was there a distribution of property or a transfer (e.g., by sale or death) of a partnership interest during the tax year? If 'Yes,' you may elect to adjust the basis of the partnership's assets under section 754 by attaching the statement described in the instructions under Elections Made By the Partnership		X
12	Enter the number of Forms 8865 , Return of U.S. Persons With Respect to Certain Foreign Partnerships, attached to this return.	0	

Designation of Tax Matters Partner (see instructions)

Enter below the general partner designated as the tax matters partner (TMP) for the tax year of this return:

Name of designated TMP ► DRAGO SURVIVORS TRUST

Identifying number of TMP ► 297-24-3689

Address of designated TMP ► 2612 ASHBY
LAS VEGAS, NV 89102

Schedule K Partners' Shares of Income, Credits, Deductions, etc

(a) Distributive share items		(b) Total amount	
Income (Loss)	1 Ordinary income (loss) from trade or business activities (page 1, line 22)	1	106,037.
	2 Net income (loss) from rental real estate activities (attach Form 8825)	2	
	3a Gross income from other rental activities	3a	
	3b Expenses from other rental activities (attach sch)	3b	
	3c Net income (loss) from other rental activities. Subtract line 3b from line 3a	3c	
	4 Portfolio income (loss) (attach Schedule D (Form 1065) for lines 4d and 4e)		
	4a Interest income	4a	181.
	4b Dividends: (1) Qualified dividends. (2) Total ordinary dividends	4b (2)	
	4c Royalty income	4c	
	4d Net short-term capital gain (loss): (1) post-May 5, 2003 (2) Entire year	4d (2)	
	4e Net long-term capital gain (loss): (1) post-May 5, 2003 (2) Entire year	4e (2)	
	4f Other portfolio income (loss) (attach schedule)	4f	
5 Guaranteed payments to partners	5		
6a Net section 1231 gain (loss) (post-May 5, 2003) (attach Form 4797)	6a		
6b Net section 1231 gain (loss) (entire year) (attach Form 4797)	6b		
7 Other income (loss)	7		
Deductions	8 Charitable contributions (attach schedule)	8	1,360.
	9 Section 179 expense deduction (attach Form 4562)	9	
	10 Deductions related to portfolio income (itemize)	10	
	11 Other deductions	11	
Credits	12a Low-income housing credit: (1) From partnerships to which section 42(j)(5) applies	12a (1)	
	(2) Other than on line 12a(1)	12a (2)	
	12b Qualified rehabilitation expenditures related to rental real estate activities (attach Form 3468)	12b	
	12c Credits (other than credits shown on lines 12a and 12b) related to rental real estate activities	12c	
	12d Credits related to other rental activities	12d	
13 Other credits	13		
Investment Interest	14a Interest expense on investment debts	14a	
	14b (1) Investment income included on lines 4a, 4b(2), 4c, and 4f above	14b (1)	181.
	(2) Investment expenses included on line 10 above	14b (2)	
Self-Employment	15a Net earnings (loss) from self-employment	15a	
	15b Gross farming or fishing income	15b	
	15c Gross nonfarm income	15c	
Adjustments and Tax Preference Items	16a Depreciation adjustment on property placed in service after 1986	16a	1,417.
	16b Adjusted gain or loss	16b	
	16c Depletion (other than oil and gas)	16c	
	16d (1) Gross income from oil, gas, and geothermal properties	16d (1)	
	(2) Deductions allocable to oil, gas, and geothermal properties	16d (2)	
	16e Other adjmnts & tax pref items	16e	
Foreign Taxes	17a Name of foreign country or U.S. possession		
	17b Gross income from all sources	17b	
	17c Gross income sourced at partner level	17c	
	17d Foreign gross income sourced at partnership level:		
	(1) Passive (2) Listed categories (attach sch) (3) General limitation	17d (3)	
	17e Deductions allocated and apportioned at partner level:		
	(1) Interest expense (2) Other	17e (2)	
	17f Deductions allocated and apportioned at partnership level to foreign source income:		
	(1) Passive (2) Listed categories (attach sch) (3) General limitation	17f (3)	
17g Total foreign taxes (check one): ☐ Paid ☐ Accrued	17g		
17h Reduction in taxes available for credit (attach schedule)	17h		
Other	18 Section 59(e)(2) expenditures: a Type b Amount	18b	
	19 Tax-exempt interest income	19	
	20 Other tax-exempt income	20	
	21 Nondeductible expenses	21	3,599.
	22 Distributions of money (cash and marketable securities)	22	36,000.
	23 Distributions of property other than money	23	
	24 Other items and amounts required to be reported separately to partners (attach schedule)		

Analysis of Net Income (Loss)

1 Net income (loss). Combine Schedule K, lines 1 through 7 in column (b). From the result, subtract the sum of Schedule K, lines 8 through 11, 14a, 17g, and 18b.						1	104,858.
2 Analysis by partner type:	(i) Corporate	(ii) Individual (active)	(iii) Individual (passive)	(iv) Partnership	(v) Exempt organization	(vi) Nominee/Other	
a General partners							
b Limited partners							104,858.

Note: Schedules L, M-1 and M-2 are not required if Question 5 of Schedule B is answered 'Yes.'

Schedule L Balance Sheets per Books		Beginning of tax year		End of tax year	
Assets		(a)	(b)	(c)	(d)
1 Cash			45,663.		142,555.
2a Trade notes and accounts receivable					
b Less allowance for bad debts					
3 Inventories					
4 U.S. government obligations					
5 Tax-exempt securities					
6 Other current assets (attach schedule)					
7 Mortgage and real estate loans					
8 Other investments (attach schedule)					
9a Buildings and other depreciable assets		88,300.		91,667.	
b Less accumulated depreciation		37,633.	50,667.	54,252.	37,415.
10a Depletable assets					
b Less accumulated depletion					
11 Land (net of any amortization)					
12a Intangible assets (amortizable only)		16,181.		16,181.	
b Less accumulated amortization		1,618.	14,563.	2,697.	13,484.
13 Other assets (attach schedule) See St. 3.			1,478.		1,478.
14 Total assets			112,371.		194,932.
Liabilities and Capital					
15 Accounts payable					
16 Mortgages, notes, bonds payable in less than 1 year					
17 Other current liabilities (attach sch.) See St. 4.					29,303.
18 All nonrecourse loans					
19 Mortgages, notes, bonds payable in 1 year or more					
20 Other liabilities (attach schedule) See St. 5.			96,664.		84,663.
21 Partners' capital accounts			15,707.		80,966.
22 Total liabilities and capital			112,371.		194,932.

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return

1 Net income (loss) per books	101,259.	6 Income recorded on books this year not included on Schedule K, lines 1 through 7 (itemize):	
2 Income included on Schedule K, lines 1 through 4, 6b, and 7, not recorded on books this year (itemize):		a Tax-exempt interest	\$
3 Guaranteed pmts (other than health insurance)		7 Deductions included on Schedule K, lines 1 through 11, 14a, 17g, and 18b, not charged against book income this year (itemize):	
4 Expenses recorded on books this year not included on Schedule K, lines 1 through 11, 14a, 17g, and 18b (itemize):		a Depreciation	\$
a Depreciation	\$	8 Add lines 6 and 7	
b Travel and entertainment	\$ 1,609.	9 Income (loss) (Analysis of Net Income (Loss), line 1). Subtract line 8 from line 5.	104,858.
Statement 6	1,990.		
5 Add lines 1 through 4	104,858.		

Schedule M-2 Analysis of Partners' Capital Accounts

1 Balance at beginning of year	15,707.	6 Distributions: a Cash	36,000.
2 Capital contributed: a Cash		b Property	
b Property		7 Other decreases (itemize):	
3 Net income (loss) per books	101,259.	8 Add lines 6 and 7	36,000.
4 Other increases (itemize):		9 Balance at end of year. Subtract line 8 from line 5.	80,966.
5 Add lines 1 through 4	116,966.		

Schedule K-1
(Form 1065)

Partner's Share of Income, Credits, Deductions, etc

OMB No. 1545-0099

2003

Department of the Treasury
Internal Revenue Service

For calendar year 2003 or tax year

beginning , 2003, and ending , 20

Partner's identifying number ▶ 297-24-3689

Partnership's identifying number ▶ 88-0470980

Partner's name, address, and ZIP code

DRAGO SURVIVORS TRUST
MARY JANE HAYES
2612 ASHBY
LAS VEGAS, NV 89102

Partnership's name, address, and ZIP code

SETON ACADEMY WEST, LLC
8170 SAHARA AVENUE STE 202
LAS VEGAS, NV 89117

A This partner is a ☐ general partner ☐ limited partner
☒ limited liability company member

B What type of entity is this partner? ▶ **Fiduciary**

C Is this partner a ☒ domestic or a ☐ foreign partner?

D Enter partner's % of: (i) Before change or termination (ii) End of year

Profit sharing	----- %	-----	100 %
Loss sharing	----- %	-----	100 %
Ownership of capital	----- %	-----	99 %

E IRS Center where partnership filed return: **Ogden, UT**

F Partner's share of liabilities (see instructions):

Nonrecourse \$ -----
Qualified nonrecourse financing \$ -----
Other \$ -----

G Tax shelter registration number ▶ -----

H Check here if this partnership is a publicly traded partnership as defined in section 469(k)(2) ☐

I Check applicable boxes: (1) ☐ Final K-1 (2) ☐ Amended K-1

J Analysis of partner's capital account:

(a) Capital account at beginning of year	(b) Capital contributed during year	(c) Partner's share of lines 3, 4, and 7, Form 1065, Schedule M-2	(d) Withdrawals and distributions	(e) Capital account at end of year (combine columns (a) through (d))
-12,343.		101,259.	(36,000.)	52,916.

(a) Distributive share item		(b) Amount	(c) 1040 filers enter the amount in column (b) on:
Income (Loss)	1 Ordinary income (loss) from trade or business activities	1 106,037.	See Partner's Instructions for Schedule K-1 (Form 1065).
	2 Net income (loss) from rental real estate activities	2	
	3 Net income (loss) from other rental activities	3	
	4 Portfolio income (loss):		
	a Interest income	4a 181.	Form 1040, line 8a
	b (1) Qualified dividends	4b(1)	Form 1040, line 9b
	(2) Total ordinary dividends	4b(2)	Form 1040, line 9a
	c Royalty income	4c	Schedule E, Part I, line 4
	d (1) Net short-term capital gain (loss) (post-May 5, 2003)	4d(1)	Schedule D, line 5, column (g)
	(2) Net short-term capital gain (loss) (entire year)	4d(2)	Schedule D, line 5, column (f)
	e (1) Net long-term capital gain (loss) (post-May 5, 2003)	4e(1)	Schedule D, line 12, column (g)
	(2) Net long-term capital gain (loss) (entire year)	4e(2)	Schedule D, line 12, column (f)
	f Other portfolio income (loss) (attach schedule)	4f	
Deductions	5 Guaranteed payments to partner	5	See Partner's Instructions for Schedule K-1 (Form 1065).
	6a Net section 1231 gain (loss) (post-May 5, 2003)	6a	
	b Net section 1231 gain (loss) (entire year)	6b	
	7 Other income (loss) (attach schedule)	7	
	8 Charitable contributions (see instructions) (attach schedule) See Line 25	8 1,360.	Schedule A, line 15 or 16
Credits	9 Section 179 expense deduction	9	See Partner's Instructions for Schedule K-1 (Form 1065).
	10 Deductions related to portfolio income (attach schedule)	10	
	11 Other deductions (attach schedule)	11	
	12a Low-income housing credit:		
	(1) From section 42(j)(5) partnerships	12a(1)	Form 8586, line 5
	(2) Other than on line 12a(1)	12a(2)	
	b Qualified rehabilitation expenditures related to rental real estate activities	12b	See Partner's Instructions for Schedule K-1 (Form 1065).
	c Credits (other than credits shown on lines 12a and 12b) related to rental real estate activities	12c	
	d Credits related to other rental activities	12d	
	13 Other credits	13	

BAA For Paperwork Reduction Act Notice, see Instructions for Form 1065.

Schedule K-1 (Form 1065) 2003

PTPA0312L 10/21/03

(a) Distributive share item		(b) Amount	(c) 1040 filers enter the amount in column (b) on:
Investment Interest	14a Interest expense on investment debts	14a	Form 4952, line 1
	b (1) Investment income included on lines 4a, 4b(2), 4c, and 4f	14b(1) 181.	See Partner's Instructions for Schedule K-1 (Form 1065).
	(2) Investment expenses included on line 10	14b(2)	
Self-employment	15a Net earnings (loss) from self-employment	15a	Schedule SE, Section A or B
	b Gross farming or fishing income	15b	See Partner's Instructions for Schedule K-1 (Form 1065).
	c Gross nonfarm income	15c	
Adjustments and Tax Preference Items	16a Depreciation adjustment on property placed in service after 1986	16a 1,417.	See Partner's Instructions for Schedule K-1 (Form 1065) and Instructions for Form 6251.
	b Adjusted gain or loss	16b	
	c Depletion (other than oil and gas)	16c	
	d (1) Gross income from oil, gas, and geothermal properties	16d(1)	
	(2) Deductions allocable to oil, gas, and geothermal properties	16d(2)	
	e Other adjustments and tax preference items (attach sch)	16e	
Foreign Taxes	17a Name of foreign country or U.S. possession	17a	Form 1116, Part I
	b Gross income from all sources	17b	
	c Gross income sourced at partner level	17c	
	d Foreign gross income sourced at partnership level:		
	(1) Passive	17d(1)	
	(2) Listed categories (attach schedule)	17d(2)	
	(3) General limitation	17d(3)	
	e Deductions allocated and apportioned at partner level:		
	(1) Interest expense	17e(1)	
	(2) Other	17e(2)	
	f Deductions allocated and apportioned at partnership level to foreign source income:		
(1) Passive	17f(1)	Form 1116, Part II	
(2) Listed categories (attach schedule)	17f(2)		
(3) General limitation	17f(3)		
g Total foreign taxes (check one): ☐ Paid ☐ Accrued	17g	Form 1116, line 12.	
h Reduction in taxes available for credit (attach schedule)	17h		
Other	18a Section 59(e)(2) expenditures: a Type	18a	See Partner's Instructions for Schedule K-1 (Form 1065).
	b Amount	18b	
	19 Tax-exempt interest income	19	Form 1040, line 8b
	20 Other tax-exempt income	20	
	21 Nondeductible expenses	21 3,599.	See Partner's Instructions for Schedule K-1 (Form 1065).
	22 Distributions of money (cash and marketable securities)	22 36,000.	
	23 Distributions of property other than money	23	
	24 Recapture of low-income housing credit:		Form 8611, line 8
a From section 42(j)(5) partnerships	24a		
b Other than on line 24a	24b		
Supplemental Information	25 Supplemental information required to be reported separately to each partner (attach additional schedules if more space is needed):		
	Line 8 Charitable Contributions Cash Contributions - 50% Limitation Total \$ 1,360. Total \$ 1,360.		

Schedule K-1
(Form 1065)

Partner's Share of Income, Credits, Deductions, etc

OMB No. 1545-0099

2003

Department of the Treasury
Internal Revenue Service

For calendar year 2003 or tax year

beginning

, 2003, and ending

, 20

Partner's identifying number ▶ 88-0095012

Partnership's identifying number ▶ 88-0470980

Partner's name, address, and ZIP code

SETON ACADEMY, INC
1592 EAST HACIENDA
LAS VEGAS, NV 89119

Partnership's name, address, and ZIP code

SETON ACADEMY WEST, LLC
8170 SAHARA AVENUE STE 202
LAS VEGAS, NV 89117

A This partner is a ☐ general partner ☐ limited partner
☒ limited liability company member

B What type of entity is this partner? ▶ Corporation

C Is this partner a ☒ domestic or a ☐ foreign partner?

D Enter partner's % of:

	(i) Before change or termination	(ii) End of year
Profit sharing	----- %	----- %
Loss sharing	----- %	----- %
Ownership of capital	----- %	1 %

E IRS Center where partnership filed return: Ogden, UT

F Partner's share of liabilities (see instructions):

Nonrecourse	----- \$
Qualified nonrecourse financing	----- \$
Other	----- \$

G Tax shelter registration number ▶

H Check here if this partnership is a publicly traded partnership as defined in section 469(k)(2) ☐

I Check applicable boxes: (1) ☐ Final K-1 (2) ☐ Amended K-1

J Analysis of partner's capital account:

(a) Capital account at beginning of year	(b) Capital contributed during year	(c) Partner's share of lines 3, 4, and 7, Form 1065, Schedule M-2	(d) Withdrawals and distributions	(e) Capital account at end of year (combine columns (a) through (d))
28,050.				28,050.

(a) Distributive share item		(b) Amount	(c) 1040 filers enter the amount in column (b) on:
Income (Loss)	1 Ordinary income (loss) from trade or business activities	1	See Partner's Instructions for Schedule K-1 (Form 1065).
	2 Net income (loss) from rental real estate activities	2	
	3 Net income (loss) from other rental activities	3	
	4 Portfolio income (loss):		
	a Interest income	4a	Form 1040, line 8a
	b (1) Qualified dividends	4b(1)	Form 1040, line 9b
	(2) Total ordinary dividends	4b(2)	Form 1040, line 9a
	c Royalty income	4c	Schedule E, Part I, line 4
	d (1) Net short-term capital gain (loss) (post-May 5, 2003)	4d(1)	Schedule D, line 5, column (g)
	(2) Net short-term capital gain (loss) (entire year)	4d(2)	Schedule D, line 5, column (f)
	e (1) Net long-term capital gain (loss) (post-May 5, 2003)	4e(1)	Schedule D, line 12, column (g)
	(2) Net long-term capital gain (loss) (entire year)	4e(2)	Schedule D, line 12, column (f)
	f Other portfolio income (loss) (attach schedule)	4f	
Deductions	5 Guaranteed payments to partner	5	See Partner's Instructions for Schedule K-1 (Form 1065).
	6a Net section 1231 gain (loss) (post-May 5, 2003)	6a	
	b Net section 1231 gain (loss) (entire year)	6b	
	7 Other income (loss) (attach schedule)	7	
	8 Charitable contributions (see instructions) (attach schedule)	8	Schedule A, line 15 or 16
Credits	9 Section 179 expense deduction	9	See Partner's Instructions for Schedule K-1 (Form 1065).
	10 Deductions related to portfolio income (attach schedule)	10	
	11 Other deductions (attach schedule)	11	
	12a Low-income housing credit:		
	(1) From section 42(j)(5) partnerships	12a(1)	Form 8586, line 5
	(2) Other than on line 12a(1)	12a(2)	
	b Qualified rehabilitation expenditures related to rental real estate activities	12b	See Partner's Instructions for Schedule K-1 (Form 1065).
	c Credits (other than credits shown on lines 12a and 12b) related to rental real estate activities	12c	
	d Credits related to other rental activities	12d	
	13 Other credits	13	

BAA For Paperwork Reduction Act Notice, see Instructions for Form 1065.

Schedule K-1 (Form 1065) 2003

PTPA0312L 10/21/03

Form **4562**Department of the Treasury
Internal Revenue Service**Depreciation and Amortization**
(Including Information on Listed Property)▶ See separate instructions.
▶ Attach to your tax return.

OMB No. 1545-0172

2003

67

Name(s) shown on return

SETON ACADEMY WEST, LLC

Identifying number

88-0470980

Business or activity to which this form relates

Form 1065

Part I Election To Expense Certain Property Under Section 179

Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount. See instructions for a higher limit for certain businesses	1	\$100,000.
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation	3	\$400,000.
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2002 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instrs)	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2004. Add lines 9 and 10, less line 12	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	1,388.
15	Property subject to section 168(f)(1) election (see instructions)	15	
16	Other depreciation (including ACRS) (see instructions)	16	

Part III MACRS Depreciation (Do not include listed property.) (See instructions)**Section A**

17	MACRS deductions for assets placed in service in tax years beginning before 2003	17	8,407.
18	If you are electing under section 168(i)(4) to group any assets placed in service during the tax year into one or more general asset accounts, check here ☐		

Section B - Assets Placed in Service During 2003 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property		1,036.	5	HY	200DB	207.
c 7-year property		943.	7	HY	200DB	135.
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property			27.5 yrs	MM	S/L	
i Nonresidential real property			27.5 yrs	MM	S/L	
			39 yrs	MM	S/L	

Section C - Assets Placed in Service During 2003 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs		S/L	
c 40-year			40 yrs	MM	S/L	

Part IV Summary (see instructions)

21	Listed property. Enter amount from line 28	21	6,482.
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instructions	22	16,619.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

Part V**Listed Property** (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)**Note:** For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete **only** 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.**Section A – Depreciation and Other Information (Caution: See instructions for limits for passenger automobiles.)****24a** Do you have evidence to support the business/investment use claimed? ☒ **Yes** ☐ **No** **24b** If 'Yes,' is the evidence written? ☒ **Yes** ☐ **No**

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/Convention	(h) Depreciation deduction	(i) Elected section 179 cost
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see instructions) 25								

26 Property used more than 50% in a qualified business use (see instructions):

COMPUTERS	6/30/01	100.0	5,606.	5,606.	5.0	200DB HY	1,076.	
COMPUTERS	11/01/01	100.0	3,408.	3,408.	5.0	200DB HY	654.	
PHONE SYSTEM	5/31/01	100.0	4,767.	4,767.	5.0	200DB HY	915.	

27 Property used 50% or less in a qualified business use (see instructions):

28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1 **28** 6,482.**29** Add amounts in column (i), line 26. Enter here and on line 7, page 1 **29** 0.**Section B – Information on Use of Vehicles**

Complete this section for vehicles used by a sole proprietor, partner, or other 'more than 5% owner,' or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle 1	(b) Vehicle 2	(c) Vehicle 3	(d) Vehicle 4	(e) Vehicle 5	(f) Vehicle 6
30 Total business/investment miles driven during the year (do not include commuting miles – see instructions)						
31 Total commuting miles driven during the year.						
32 Total other personal (noncommuting) miles driven.						
33 Total miles driven during the year. Add lines 30 through 32.						
	Yes	No	Yes	No	Yes	No
34 Was the vehicle available for personal use during off-duty hours?						
35 Was the vehicle used primarily by a more than 5% owner or related person?						
36 Is another vehicle available for personal use?						

Section C – Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons (see instructions).

	Yes	No
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? (see instructions)		

Note: If your answer to 37, 38, 39, 40, or 41 is 'Yes,' do not complete Section B for the covered vehicles.**Part VI Amortization**

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2003 tax year (see instructions):					
43 Amortization of costs that began before your 2003 tax year:				43	
44 Total. Add amounts in column (f). See instructions for where to report				44	

Part V Listed Property (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete **only** 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A – Depreciation and Other Information (Caution: See instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed? ☐ **Yes** ☐ **No** **24b** If 'Yes,' is the evidence written? ☐ **Yes** ☐ **No**

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/Convention	(h) Depreciation deduction	(i) Elected section 179 cost
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see instructions) 25								
26 Property used more than 50% in a qualified business use (see instructions):								
REFRIGERATOR	4/30/01	100.0	3,218.	3,218.	5.0	200DB HY	618.	
WASHER/DRYER	5/31/01	100.0	918.	918.	5.0	200DB HY	176.	
STOVE	5/31/01	100.0	486.	486.	5.0	200DB HY	93.	

27 Property used 50% or less in a qualified business use (see instructions):

28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1 28								
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1 29								

Section B – Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other 'more than 5% owner,' or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle 1	(b) Vehicle 2	(c) Vehicle 3	(d) Vehicle 4	(e) Vehicle 5	(f) Vehicle 6
30 Total business/investment miles driven during the year (do not include commuting miles – see instructions)						
31 Total commuting miles driven during the year						
32 Total other personal (noncommuting) miles driven						
33 Total miles driven during the year. Add lines 30 through 32						
	Yes	No	Yes	No	Yes	No
34 Was the vehicle available for personal use during off-duty hours?						
35 Was the vehicle used primarily by a more than 5% owner or related person?						
36 Is another vehicle available for personal use?						

Section C – Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons (see instructions).

	Yes	No
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? (see instructions)		

Note: If your answer to 37, 38, 39, 40, or 41 is 'Yes,' do not complete Section B for the covered vehicles.

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2003 tax year (see instructions):					
43 Amortization of costs that began before your 2003 tax year					43
44 Total. Add amounts in column (f). See instructions for where to report					44

Part V Listed Property (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)**Note:** For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete **only** 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.**Section A – Depreciation and Other Information (Caution: See instructions for limits for passenger automobiles.)****24a** Do you have evidence to support the business/investment use claimed? ☐ **Yes** ☐ **No** **24b** If "Yes," is the evidence written? ☐ **Yes** ☐ **No**

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/Convention	(h) Depreciation deduction	(i) Elected section 179 cost
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see instructions)						25		

26 Property used more than 50% in a qualified business use (see instructions):

VAN	8/31/01	100.0	15,865.	15,865.	5.0	200DB HY	2,950.	

27 Property used 50% or less in a qualified business use (see instructions):

28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1

28

29 Add amounts in column (i), line 26. Enter here and on line 7, page 1

29

Section B – Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

Part 1. Vehicle Use													
		(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
30	Total business/investment miles driven during the year (do not include commuting miles – see instructions)												
31	Total commuting miles driven during the year												
32	Total other personal (noncommuting) miles driven												
33	Total miles driven during the year. Add lines 30 through 32												
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
34	Was the vehicle available for personal use during off-duty hours?												
35	Was the vehicle used primarily by a more than 5% owner or related person?												
36	Is another vehicle available for personal use?												

Section C – Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons (see instructions).

	Yes	No
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? (see instructions)		

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.**Part VI Amortization**

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2003 tax year (see instructions):					
43 Amortization of costs that began before your 2003 tax year				43	
44 Total. Add amounts in column (f). See instructions for where to report				44	

**Application for Additional Extension of Time to File
U.S. Return for a Partnership, REMIC, or for Certain Trusts**

► **File a separate application for each return.**

OMB No. 1545-1057

Type or print. File the original and one copy by the due date for filing the return for which an extension is requested. See instructions.	Name SETON ACADEMY WEST, LLC	Employer identification number 88-0470980
	Number, street, and room or suite number. (If a P.O. box, see instructions.) 8170 SAHARA AVENUE STE 202	
	City or town, state, and ZIP code. If a foreign address, enter city, province or state, and country. Follow the country's practice for entering the postal code. LAS VEGAS, NV 89117	

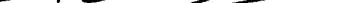
- 1 I request an additional extension of time until 10/15, 2004, to file (check only one):
☐ Form 1041 ☐ Form 1041-N ☐ Form 1041-QFT ☒ Form 1065 ☐ Form 1065-B ☐ Form 1066
- 2 If the entity does not have an office or place of business in the United States, check this box ☐
- 3a For calendar year 20 03, or other tax year beginning _____, 20____, and ending _____, 20____
- b If this tax year is for less than 12 months, check reason: ☐ Initial return ☐ Final return ☐ Change in accounting period
- 4 Explain why the entity needs an extension. All entities filing this form must give an adequate explanation.

ALL THE INFORMATION NECESSARY TO COMPLETE THIS RETURN IS NOT AVAILABLE AT THIS TIME

- 5 Has the entity filed Form 8736 to request an extension of time to file for this tax year? ☒ Yes ☐ No
If you checked 'No,' we will grant an extension only for undue hardship. Fully explain the hardship on line 4.

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete; and that I am authorized to prepare this form.

Signature  Title CPTA Date 7-15-01

File original and one copy. The IRS will show below whether or not your application is approved and will return the copy.

Notice to Applicant – To Be Completed by the IRS.

- ☐ We **have** approved this application. Please attach this form to the entity's return.
- ☐ We **have not** approved this application.
However, we have granted a 10-day grace period to _____. This grace period is considered a valid extension of time for elections otherwise required to be made on a timely return. Please attach this form to the entity's return.
- ☐ We **have not** approved this application. After considering the reasons stated on line 4 above, we cannot grant this request for an extension of time to file. We are not granting a 10-day grace period.
- ☐ We cannot consider this application because it was filed after the due date of the return for which an extension was requested.
- ☐ Other:

By: _____ Date: _____

If you want a copy of this form to be returned to an address other than that shown above, please enter the address to which the copy should be sent.

Type or Print	Name	RSG ACCOUNTING & CONSULTING, INC.
	Number, street, and room or suite number (If a P.O. box, see instructions.)	8170 W SAHARA AVE, STE. 202
	City or town, state, and ZIP code. If a foreign address, enter city, province or state, and country. Follow the country's practice for entering the postal code.	Las Vegas, NV, 89117

Form **8736**

(Rev October 2003)

Department of the Treasury
Internal Revenue Service**Application for Automatic Extension of Time to File
U.S. Return for a Partnership, REMIC,
or for Certain Trusts**► **File a separate application for each return.**

OMB No. 1545-1054

**Type
or print.**

Name

Employer identification number

SETON ACADEMY WEST, LLC**88-0470980**File by the due
date for filing
the return for
which an
extension is
requested. See
instructions.

Number, street, and room or suite no. If a P.O. box, see instructions.

8170 SAHARA AVENUE STE 202

City or town, state and ZIP code. If a foreign address, enter city, province or state, and country. Follow the country's practice for entering the postal code.

LAS VEGAS, NV 89117**1** I request an automatic **3-month** extension of time to file (check only one):☐ Form 1041☐ Form 1041-N☐ Form 1041-QFT☒ Form 1065☐ Form 1065-B☐ Form 1066**2** If the entity does not have an office or place of business in the United States, check this box. ► ☐**3a** For calendar year 2003, or other tax year beginning _____, and ending _____**b** If this tax year is for less than 12 months, check reason:☐ Initial return☐ Final return☐ Change in accounting period**4** If this extension is requested for Form 1041, 1041-N, 1041-QFT, 1065-B, or 1066, enter the following amounts:**a** Tentative total tax from Form 1041, 1041-N, 1041-QFT, 1065-B, or 1066 (see instructions)..... \$ N/A**b** Refundable credits and estimated tax payments, including any prior year overpayment allowed as a credit,
from Form 1041, 1041-N, 1041-QFT, or 1065-B (see instructions). REMICs, enter -0-..... \$ N/A**c Balance due.** Subtract line 4b from line 4a. If zero or less, enter -0-. Enclose payment, if any, with
Form 8736 (see instructions)..... ► \$ N/A**Caution:** Interest will be charged on any tax not paid by the regular due date of Forms 1041, 1041-N, 1041-QFT, 1065-B, and 1066 from the due date until the tax is paid.**BAA For Paperwork Reduction Act Notice, see separate instructions.**Form **8736** (Rev 10-2003)

2003

Federal Statements

Page 1

Client 123

SETON ACADEMY WEST, LLC

88-0470980

4/06/04

12:34PM

Statement 1
Form 1065, Line 20
Other Deductions

Accounting.....	\$	9,135.
Advertising.....		413.
Amortization.....		1,079.
Auto and Truck Expense.....		4,253.
Bank Charges.....		564.
CONTINUING EDUCATION.....		3,215.
Dues and Subscriptions.....		1,526.
Insurance.....		19,469.
Meals and Entertainment.....		1,609.
Office Expense.....		11,295.
Outside Services.....		1,361.
Security.....		831.
Supplies.....		36,336.
Telephone.....		3,620.
Travel.....		895.
Utilities.....		21,274.
Total	\$	116,875.

Statement 2
Form 1065, Schedule K, Line 8
Charitable Contributions

Cash Contributions - 50% Limitation.....	\$	1,360.
Total	\$	1,360.

Statement 3
Form 1065, Schedule L, Line 13
Other Assets

	<u>Beginning</u>	<u>Ending</u>
REFUNDABLE DEPOSITS.....	\$ 1,478.	\$ 1,478.
Total	\$ 1,478.	\$ 1,478.

Statement 4
Form 1065, Schedule L, Line 17
Other Current Liabilities

	<u>Beginning</u>	<u>Ending</u>
PAYROLL TAXES PAYABLE.....	\$ 0.	\$ 29,303.
Total	\$ 0.	\$ 29,303.

2003

Federal Statements

Page 2

Client 123

SETON ACADEMY WEST, LLC

88-0470980

4/06/04

12:34PM

Statement 5
Form 1065, Schedule L, Line 20
Other Liabilities

	<u>Beginning</u>	<u>Ending</u>
DUE TO SAW LTD.....	\$ 96,663.	\$ 84,663.
Rounding.....	1.	0.
Total	<u>\$ 96,664.</u>	<u>\$ 84,663.</u>

Statement 6
Form 1065, Schedule M-1, Line 4
Expenses on Books Not on Schedule K

IRS PENALTIES.....	Total	\$ 1,990.
		<u>\$ 1,990.</u>

12/31/03

2003 Federal Depreciation Schedule

Page 1

Client 123

SETON ACADEMY WEST, LLC

88-0470980

4/06/04

12:34PM

No.	Description	Date Acquired	Date Sold	Cost/ Basis	Bus. Pct.	Cur 179 Bonus	Special Depr. Allow.	Prior 179/ Bonus/ Sp. Depr.	Prior Dec. Bal. Depr.	Salvage /Basis Reductn	Depr. Basis	Prior Depr.	Method	Life	Rate	Current Depr.	
Form 1065																	
Auto / Transport Equipment																	
14	VAN	8/31/01		15,865							15,865	7,960	200DB HY	5	.19200	2,950	
Total Auto / Transport Equipment				15,865		0	0	0	0	0	15,865	7,960					2,950
Furniture and Fixtures																	
1	OFFICE FURNITURE	5/01/01		8,099							8,099	3,140	200DB HY	7	.17490	1,417	
2	SIGN	5/01/01		3,307							3,307	1,283	200DB HY	7	.17490	578	
3	SCHOOL FURNITURE	8/31/01		15,260							15,260	5,918	200DB HY	7	.17490	2,669	
4	SUN PORTS	9/30/01		2,079							2,079	806	200DB HY	7	.17490	364	
10	CANVAS SHADE	4/30/01		2,079							2,079	806	200DB HY	7	.17490	364	
13	TUFF SHED	7/31/01		3,542							3,542	1,373	200DB HY	7	.17490	619	
15	FENCING	7/31/02		2,254				676			1,578	39	S/L MQ	15	.06670	105	
16	SUNSHIELD AWNING	10/31/02		7,230				2,169			5,061	42	S/L MQ	15	.06670	338	
17	COMPUTER	12/31/02		1,883				565			1,318	66	200DB MQ	5	.38000	501	
18	WINDOW TREATMENTS	9/30/03		1,887			944				943		200DB HY	7	.14290	135	
19	COMPUTER	3/31/03		1,480			444				1,036		200DB HY	5	.20000	207	
Total Furniture and Fixtures				49,100		0	1,388	3,410	0	0	44,302	13,473					7,297
Machinery and Equipment																	
5	PLAYGROUND EQUIPMENT	5/31/01		8,300							8,300	3,219	200DB HY	7	.17490	1,452	
6	COMPUTERS	6/30/01		5,606							5,606	2,915	200DB HY	5	.19200	1,076	
7	COMPUTERS	11/01/01		3,408							3,408	1,773	200DB HY	5	.19200	654	
8	PHONE SYSTEM	5/31/01		4,767							4,767	2,478	200DB HY	5	.19200	915	



City of Las Vegas

SUPPLIER PROFILE

Mail or Deliver To: Purchasing & Contracts Division
400 Stewart Avenue, Las Vegas, NV 89101
(702) 229-6231

ALL INFORMATION SHOULD BE TYPED OR PRINTED. INCOMPLETE FORMS WILL NOT BE PROCESSED.

SECTION A: PRIMARY BUSINESS INFORMATION

☐ INITIAL APPLICATION

☐ REVISION

Full Legal Business Name (no abbreviations): TIBERTI FENCE CO.

Purchase order to be sent to:

Remittance check to be sent to:

Address: 4975 ROGERS ST.

Address: 4975 ROGERS ST

City LAS VEGAS State NV Zip 89118

City LAS VEGAS State NV Zip 89118

Contact Name Joyce Stein

Contact Name Joyce Stein

Phone Number (702) 382-7070

Phone Number: (702) 382-7070

Fax Number (702) 220-7070

Fax Number: (702) 220-7070

E-mail: fence@tiberti.com

E-mail: fence@tiberti.com

SECTION B: CONTRACTOR INFORMATION / PUBLIC WORKS (CONSTRUCTION ONLY)

STATE OF NEVADA CONTRACTORS INFORMATION

License Classification(s): # 4632 F

SECTION C: MINORITY, WOMAN, OR DISABLED PERSON OWNED BUSINESS INFORMATION

This business qualifies by virtue of 51% or more ownership and active management by one of the following (Check all that are applicable.):

- ☐ Hispanic American
☐ Asian / Pacific American
☐ Black / African American

- ☐ Native American
☐ Woman - Owned
☐ Disabled Veteran

- ☐ Disabled (Non-Veteran)
☐ Small Business

SECTION D: BUSINESS OWNERSHIP (REQUIRED INFORMATION)

- ☐ Corporation or LLC
☒ Partnership or LLP
☐ Sole Proprietor

Fed Tax ID#: 88-0057479
or
SSN#: _____

- I certify that the information supplied (including all pages attached) is correct and that neither the applicant nor any person or concern associated with the applicant as a principal or officer, so far as is known, is now debarred or otherwise declared ineligible by any government agency from bidding for furnishing materials, supplies services, or construction to or for any government agency.
- I acknowledge, that it is this firm's responsibility to update this data when changes occur and failure to do so may result in non-receipt of information from the City.

Signature Joyce Stein Title Playground Consultant Date 5/4/05

Print or Type Name Joyce Stein

PLEASE ENCLOSE A COMPLETED W-9 WITH YOUR APPLICATION

For Internal Use Only

Supplier Type: ☐ Commodity ☐ Service ☐ Construction ☐ Employee ☐ Refund
☐ PO Site ☐ Pay Site ☐ RFQ Only Site

Supplier# _____ Date Entered _____ By _____

Request for Taxpayer Identification Number and Certification

Give form to the
requester. Do not
send to the IRS.

Print or type
See Specific Instructions on page 2.

Name Seton Academy West	
Business name, if different from above	
Check appropriate box: ☐ Individual/ Sole proprietor ☐ Corporation ☐ Partnership ☐ Other LLC ☐ Exempt from backup withholding	
Address (number, street, and apt. or suite no.) 3801 N. Campbell Rd.	Requester's name and address (optional)
City, state, and ZIP code Las Vegas, NV 89129	
List account number(s) here (optional)	

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note: If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Social security number								
or								
Employer identification number								
88-041710191810								

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. person (including a U.S. resident alien).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. (See the instructions on page 4.)

Sign
Here

Signature of
U.S. person

Mary Jane Hayes

Date **5/8/05**

Purpose of Form

A person who is required to file an information return with the IRS, must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

U.S. person. Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee.

Note: If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Foreign person. If you are a foreign person, use the appropriate Form W-8 (see Pub. 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

Nonresident alien who becomes a resident alien.

Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the recipient has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Monthly Progress Report

Child Care Improvement Grant

FY 04-2005



Reporting Month:	
Date of Report:	
Provider Name:	
Person Preparing Report:	
Phone Number:	
Fax Number:	

Please describe your project accomplishments for this month. Identify which project goals (as described in your contract) your organization has addressed and be sure to include any trouble spots or areas of concern.

If you have not completed your project, please describe what is remaining and the approximate time of completion.

be submitted with Exhibit B when submitting reimbursement requests)

Funding Period: _____ to _____
Mnth/Year Mnth/Year

[illegible]

Rev03/2005

CITY OF LAS VEGAS
NEIGHBORHOOD SERVICES DEPARTMENT
REQUEST FOR RELEAS OF FUNDS

This form must be used to request reimbursement from the city of Las Vegas Neighborhood Services Department, for Child Care Improvement Grant funds expended for the **2004/2005** Fiscal Year. Failure to properly submit this form, along with the necessary back-up documentation such as: copies of cancelled checks, invoices, purchase orders, and an accounts payable print out or check register will result in a non-pay status for the request. **Do not alter this form.**

Request #	Amount of Request	Period Cover
	\$	From _____ To _____

Provider Name:	Phone:
Business Address:	FAX:
Contact Person:	Email:

Funding Category	Budgeted Amount	Previous Drawdowns	Request Amount	Remaining Funds
Facility Rehab				
Equipment				
Furniture				
TOTAL				

Signature

Date

Child Care Improvement Grant

FY 04-2005



Reporting Period:	Start:	End:	Amount of Grant:
Provider Name :			
Date of Report:			
Contact Person:			
Phone Number:			

Please write your Final Report in the space provided below. Attach additional sheets if needed.

[illegible]

BUDGET MODIFICATION AND REVISION REQUEST

(One Time Only Request)

GRANT: CCIG FY 04-2005

DATE: _____

JUSTIFICATION: _____

FOR OFFICE USE ONLY:

DENIED

NEIGHBORHOOD SERVICES DEPT: _____ **DATE:** _____

CHILD CARE IMPROVEMENT GRANT AGREEMENT
between the City of Las Vegas and Charleston Heights Daycare

THIS AGREEMENT ("Agreement") is made and entered into this 13th day of May, 2005 by and between the CITY OF LAS VEGAS, a municipal corporation of the State of Nevada, hereinafter referred to as "CITY", and **Charleston Heights Daycare**, hereinafter referred to as "SUBRECIPIENT", whose primary mailing address at the date of execution is **1665 Lindell Road, Las Vegas, NV 89146**.

WITNESSETH

WHEREAS, the CITY has allocated funds for the Child Care Improvement Grant, hereinafter referred to as "CCIG"; and

WHEREAS, the CITY is responsible for planning, administering, implementing, and evaluating the CCIG program to ensure that it conforms to the CCIG Program Guidelines, Child Care Licensing Compliance Guidelines and the Las Vegas City Council goals; and

WHEREAS, CITY as Grantor wishes to engage "SUBRECIPIENT" to assist the CITY in utilizing such funds by providing services to meet the CCIG Program's objectives, as follows:

- to improve existing child care facilities serving the target area; and
- to support projects creating child care for additional children and/or to enhance the quality of current child care.

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

I. SCOPE OF SERVICE

A. ACTIVITIES

"SUBRECIPIENT" will be responsible for administering FY 2004-2005 CCIG-funded activities eligible under the Child Care Improvement Grant as cited in the Scope of Services I.B.1, hereinafter referred to as "Project". It is expressly agreed and understood that the total amount to be provided by the CITY under this Agreement shall not exceed **\$5000.00** in CCIG funds to be allocated in accordance with the Child Care Improvement Grant Application as detailed in Exhibit "A," attached. "SUBRECIPIENT" hereby agrees to utilize said CCIG 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 as stated by the "SUBRECIPIENT" in the Child Care Improvement Grant application Exhibit "A" and in addition to the following:

Purpose of Services:

The purpose of this funding is to improve the facilities by providing safe, age appropriate playground equipment so that the children can play.

Tasks to be Performed:

- Purchase age appropriate playground equipment
- Obtain (3) quotes or bids for all proposed expenditures over \$500 (Bids for construction must be from licensed and bonded contractors).
- Submit reimbursement requests monthly along with a monthly progress report

Measurable Goals for Grant period:

- Obtain approval of proposed plans for changes to Clark County Health District and all departments as required by municipal codes.
- Obtain proper Planning, Building and Safety, and/or Fire Code permits

"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 "SUBRECIPIENT" hereby appoints the following representative to attend any meetings of the neighborhood organization in partnership with the City of Las Vegas, Neighborhood Services Department: **Gwen Mefford** or a designee chosen at the discretion of "SUBRECIPIENT".

C. PROGRAM REPORTING

"SUBRECIPIENT" will be required to collect for and provide to the CITY Program accomplishments and usage records beginning May 16, 2005 or the date first written above, until June 23, 2005, unless this Agreement is modified at the express consent of the CITY and "SUBRECIPIENT." "SUBRECIPIENT" shall submit at the end of each month on a monthly basis, and on occasion upon written request of the CITY, a Monthly Project Report and a Request for Release of Funds, which are attached as Exhibits "B" and "C". Failure to submit said reports with the request for reimbursement may delay reimbursement to "SUBRECIPIENT" for grant-eligible project expense. Records and reports shall contain, but not be limited to, the following data:

- 1) Statement of Project goals cited in "SUBRECIPIENT" application and measurable accomplishments toward achieving said goals through reporting date of said report.
- 2) Written narrative and description of services shall be included in each monthly report.
- 3) The "SUBRECIPIENT" shall provide a copy of all written report developed for the Project to the CITY. These may be included with the Monthly Project Progress Report or under separate cover. Materials that help document the progress of the Project include: event flyers, photographs, video footage, construction timelines, job descriptions, contractor contracts, and design drawings.
- 4) The "SUBRECIPIENT" shall provide a final, brief, written report with the final invoice that summarizes the Project's successes and lessons learned. An outline of the Final Report is included in Exhibit "D". **Final reports are due on or before June 23, 2005.**
- 5) These reports will be forwarded to the City of Las Vegas Neighborhood Services Department, ATTN: CCIG Program Coordinator. 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 CCIG funding of "SUBRECIPIENT" program rendered in accordance with this Agreement from May 16, 2005, or the date first written above, through June 23, 2005. Furthermore, the CITY shall be liable only for payment proportional to the extent that CCIG grant award funds are appropriated and allocated by the CITY. "SUBRECIPIENT" program expenses incurred after June 23, 2005, and prior to execution of this Agreement will not be reimbursed. All final draw down request and reports should be submitted with substantiating documentation by June 23, 2005. **Any draw down requests received after June 23, 2005 will not be reimbursed.** Grant awards may be reduced or revoked if no attempts in reaching the projected tasks/measurable goals have been initiated within 30 days of the initial signed agreement.

E. AMENDMENTS

Funds provided in categories as specified in this Agreement must be used for the purposes for which they were approved, and may not be transferred between categories without the written approval of the Director, or his designee, of the City's Neighborhood Services Department. **Only one (1) modification to the proposed agreement will be allowed during the grant cycle.** Any changes to this Agreement, must be approved in writing by the Neighborhood Services Department, including the following changes:

1. Proposals to change the type or scope of services or activities from those for which funding was provided, prior to implementation of changes using the Budget Modification Form as detailed in Exhibit "E";
2. Proposals to temporarily or permanently cease the operations of "SUBRECIPIENT";
3. Any significant changes to the "SUBRECIPIENT" such as, principal office bearers, contact persons, change of address of "SUBRECIPIENT";
4. The City shall have the right to other information pertaining to this grant, as requested by the Neighborhood Services Department.

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 in Section I. 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 CCIG 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 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.

D. 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.

E. ON-SITE MONITORING

Projects and programs funded under this Agreement will be subject to on-site monitoring by duly authorized CITY representatives. Programs that are funded must agree to state and/or city monitoring of programs and financial reports. Said representatives will be announced, at a minimum, 24 hours in advance of such visits. The representatives may request, and be granted access to records. Representatives may, on occasion, interview Program volunteers and participants who volunteer to be interviewed.

F. 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. "SUBRECIPIENT" agrees to retain all books, records and other documents relevant to this Agreement, and persons duly authorized by the City shall have full access to and the right to examine and copy any said materials during this said period.

G. AUDIT ADJUSTMENTS

If an audit discloses unallowable costs, "SUBRECIPIENT" shall promptly reimburse the City such unallowable costs. If such audit discloses unpaid allowable costs, the City shall pay "SUBRECIPIENT" such costs as are properly allowable and subject to the limits provided for herein.

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 \$1,000,000.00.

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. 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 the normal business hours and under reasonable circumstances and to copy there from any information that the City desires concerning SUBRECIPIENTS' 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' cost to travel (including travel, lodging, meals and other related expenses) to the SUBRECIPIENTS' 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 the 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.

III. OTHER GENERAL CONDITIONS

A. POLITICAL ACTIVITIES

"SUBRECIPIENT" will comply with this section, which prohibits the use of CCIG 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.

IV. FINANCIAL MANAGEMENT

A. REIMBURSEMENT

The CITY shall reimburse the "SUBRECIPIENT" only for expenses paid or incurred as outlined in Exhibit "A", provided the expenditures are made after the Project's start date and before the completion date as indicated in Section I.D. Disbursement of grant funding is through reimbursement process only. A Request for Release of Funds form, as detailed in Exhibit "C", must be used to request reimbursement from the City of Las Vegas, Neighborhood Services Department for Child Care Improvement Grant funds expended for the 2004/2005 Fiscal Year. "SUBRECIPIENT" should allow thirty days for the reimbursement process. Supporting documentation must be submitted for all expenditures.

B. DOCUMENTATION OF COSTS

A Request for Release of Funds form shall be submitted by the "SUBRECIPIENT" with supporting documentation to the CITY. All costs submitted to CITY for reimbursement or vendor payment shall be recorded by budget line-items and be supported by properly executed time records, invoices, contracts, or vouchers, or other official documentation evidencing in proper detail the nature and propriety of the charge. All 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. Failure to properly submit this form, along with back-up documentation such as: invoices, purchase orders, and accounts payable printout, or check register, will result in a non-pay status for the request. **All backup documentation submitted must be in original form; copies or faxes will not be accepted.**

C. FINANCIAL RECORDKEEPING

Financial records pertaining to all invoices, materials, payrolls, personnel records, and other data concerning matters related to or arguably related to this Agreement may be requested from "SUBRECIPIENT" by duly authorized CITY representatives.

D. RECORDS

Program records shall be maintained in accordance with 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 (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 "A" and subject to any conditions imposed in the Scope of Services, to include monthly 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, identified in Section 1(E) Amendments, of this agreement.

F. METHOD OF PAYMENT

The CITY shall reimburse valid invoices for approved Project Budget expenditures identified in Exhibit "A" 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 CCIG ineligible or which are not within the scope of this Agreement. 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 that portion for other Projects/programs operating under the CITY's CCIG Program.

H. ACCOUNTING METHODS

Expenditures charged to CITY fiscal year 2004/2005 CCIG funds will be accounted for in a ledger separate from all other revenue sources. "SUBRECIPIENT" shall maintain these records.

I. NON-EXPENDABLE PERSONAL PROPERTY, DEPRECIATION SCHEDULES, AND DISPOSITION OF PROPERTY

- 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 \$1000 or more and a useful life of more than one year.
- 2) Organization purchasing or receiving non-expendable personal property as part of their project will give CITY rights to the non-expendable personal property for three years from the date of purchase. Should the organization be dissolved or should the non-expendable personal property not be used in accordance with the grant

agreement, CITY will have the right to reappropriate the non-expendable personal property. 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.

V. MODIFICATION OR TERMINATION OF AGREEMENT

A. AMENDMENT OR REVISION REQUIRED BY CITY

"SUBRECIPIENT" and the CITY hereby agree to amend or otherwise revise this Agreement should such modification be required by CITY and/or any applicable federal statutes or regulations.

B. TERMINATION

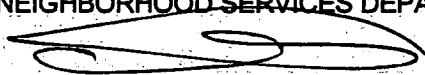
If "SUBRECIPIENT" fails to fulfill in a timely and proper manner its obligation under this Agreement or shall violate any of the covenants, agreements or stipulations of this Agreement, the CITY shall thereupon have the right to suspend or terminate this Agreement and specify the effective date thereof. Such notice shall be given no less than ten (10) days before the effective date of such termination and sent to "SUBRECIPIENT" at 1665 Lindell Road, Las Vegas, NV 89146.

C. PROVISIONS REQUIRED BY LAW DEEMED INSERTED

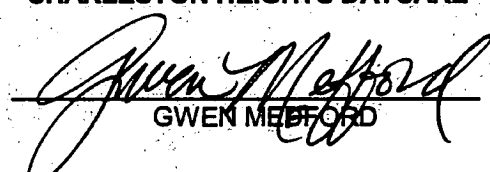
Each and every provision of law and clause required by law to be inserted in this Agreement will be deemed to be inserted herein, and this Agreement shall be read and enforced as though it were included herein and if through mistake or otherwise any such provisions not inserted, or is not correctly inserted, 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
NEIGHBORHOOD SERVICES DEPARTMENT


ORLANDO SANCHEZ, DIRECTOR

CHARLESTON HEIGHTS DAYCARE


GWEN MEDFORD

ATTEST:


BARBARA JO RONEMUS, CITY CLERK By:

ATTEST:

COUNCIL ACTION: N/A

APPROVED AS TO FORM


J. Pontre

5/5/05
Date

Child Care Improvement Grant Application

APPLICATION SUMMARY FORM

Full Legal Name of Applicant: Apostolic Church dba Charleston Heights Daycare
 Address: 11665 Lindell Rd
 City/State/Zip: Las Vegas, NV 89146
 Phone Number: 702 878-1626 Fax Number: 702 870-1993
 Federal Employer Identification Number (FEIN): 88-0203448
 Social Security Number: 530-54-9681 - Gwen Mefford, Director
 Health Permit Number: 06553-36A-01 Expiration Date: 6/30/05
 Current Child Care
 License Number(s) N10-00041-9-017 Expiration Date: 5/31/05
462

FACILITY INFORMATION

Name of Facility <u>Charleston Heights Day Care</u>	Site Contact Person <u>Gwen Mefford, Director</u>
Facility Address <u>11665 Lindell Rd Las Vegas, NV 89146</u>	Mailing Address <u>11665 Lindell Rd LV, NV 89146</u>
Type of Facility <u>Center - Daycare</u>	No. of Children Licensed For <u>43 days - 4 before/after</u>
No. of Infants <u>none</u>	No. of Toddlers <u>4</u>

USE OF FUNDS

(Check All That Apply)

AMOUNT OF REQUEST

☐ Facility Rehab\$ —☒ Equipment\$ 5,000—☐ Furniture\$ —

TOTAL

\$ 5,000—

MAY - 9 P 1:57

NEIGHBORHOOD SERVICES
DEPARTMENT

Charleston Heights Day Care
Director: Gwen Mefford
878-6261 (499-9975 cell)

SECTION B: HOW WILL THE GRANT IMPROVE CHILDCARE QUALITY

1. Describe the problem or need the grant will help address.

When City Licensing inspected our Center last month, we were told to remove a concrete climber considered not safe for children, and replace with age-appropriate outdoor equipment. We have needed newer, safer playground equipment for some time. We had applied for last year's grant to refurbish the surface areas and replace playground equipment, but funds ran out and we were denied the grant. We had already started working on the ground refurbishing before we were told that the grant had been denied, so we completed that portion of the project at our expense. We have phased out our real grass and sprinkler system for water conservation and economical reasons. We have replaced this area with bark and artificial turf. This has left us with needs concerning safe and age appropriate play equipment for our children.

2. What are the benefits of the proposed project?

- a. One of the important benefits would be a more thorough compliance with the City Licensing and Health Departments. New regulations compliance is difficult because they require additional funds to install.
- b. Another important benefit would be a more environmentally safe playground, with age-appropriate play equipment.
- c. At this age, the children need to be engaging and developing their large or gross-motor skills daily.

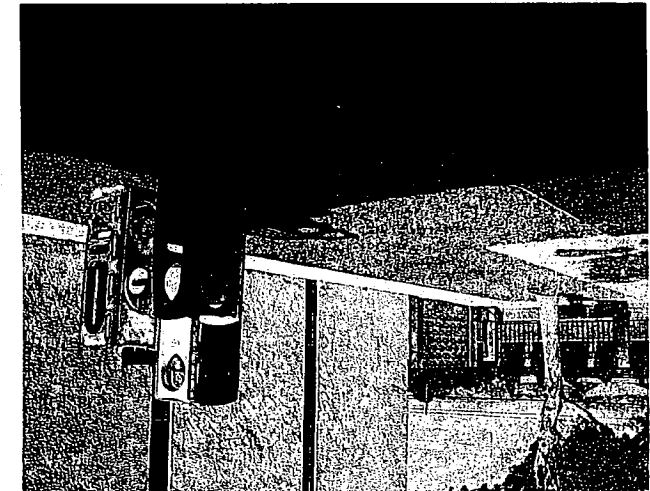
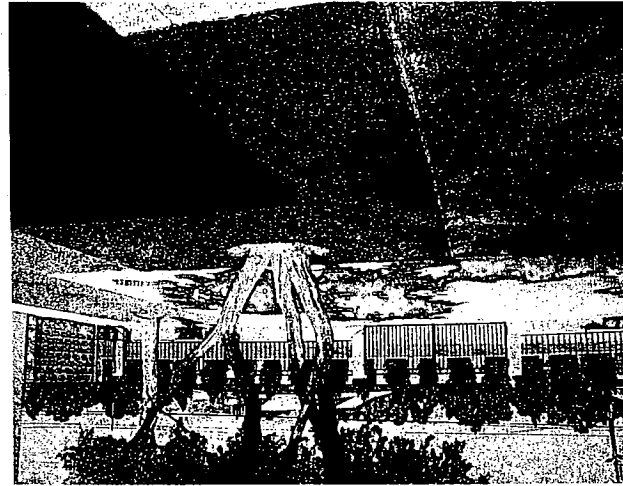
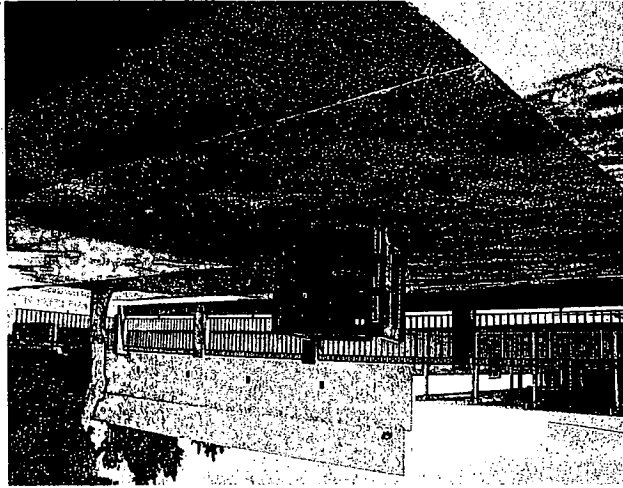
Section B: How Will the Grant Improve The Quality of the Day Care?

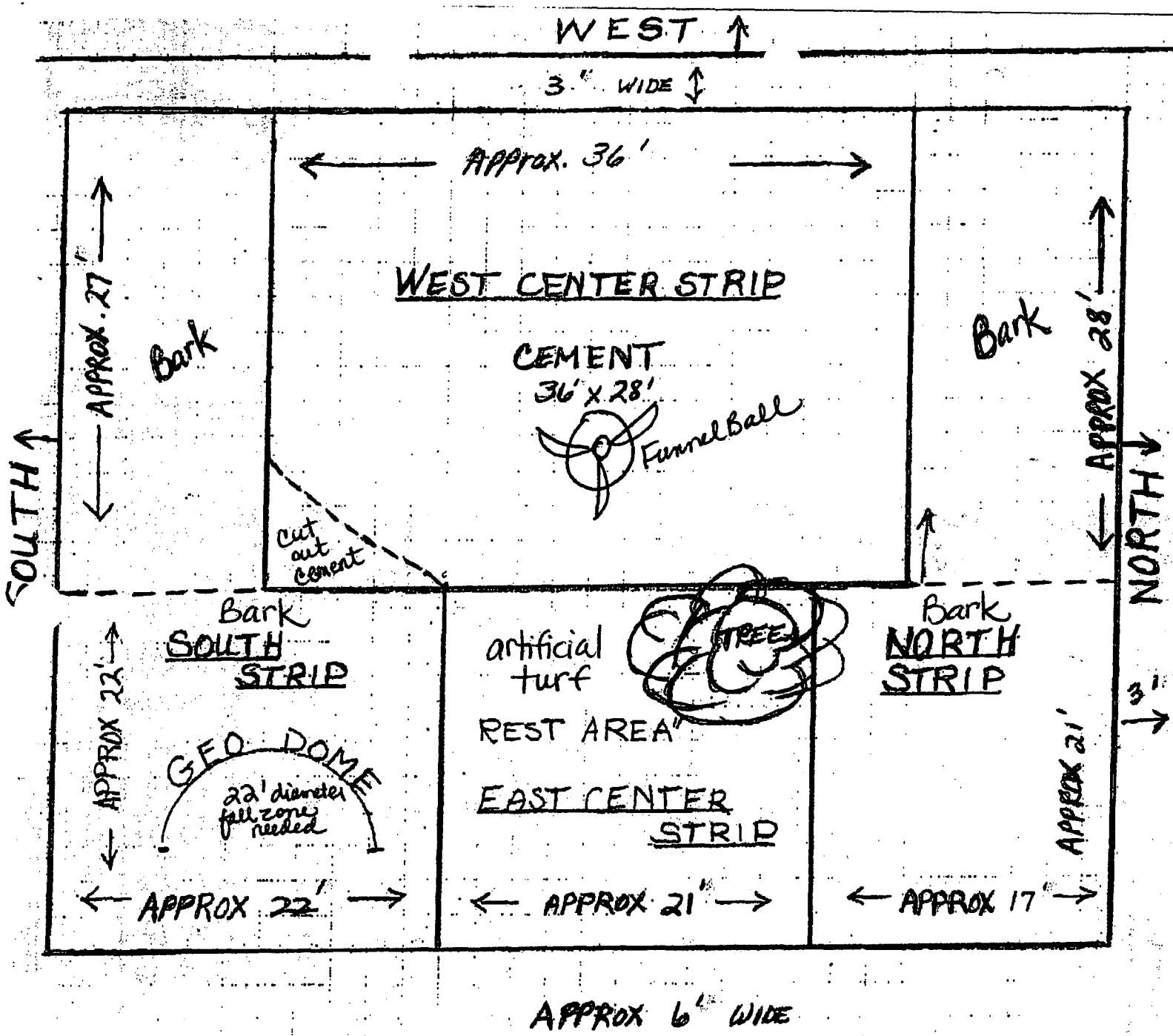
- d. The Playground is a valuable learning center with rules to learn and follow.
- e. Well-Being: Benefits of a clean, environmentally safe playground are subtle - an eagerness and joy at going outside. Self confidence is built as some children find themselves excelling outside.
- f. Release of classroom boredom, high energy. The bored become enlivened and the high-energy child becomes engaged on the playground in a healthy manner. Stressed caregivers will relax too.

3. Describe how the project plan will improve the health and safety of child care.

The project plan is to obtain newer and safer permanent climbing equipment in our refurbished ground areas. The present playground equipment is old and deemed unsafe by City Licensing in last months routine inspection. They have asked us to remove our old equipment and replace with safe, age-appropriate play equipment. (See latest inspection report)

- A. Four new permanent type pieces of climbing equipment: 1 Space Pod, 1 Funnel Ball, 1 Teeter Spring, and 3 Sand Diggers are powder-coated (health), and professionally installed (safety). They are correctly sized and permanently anchored with correct fall areas established. (safety).
- B. This equipment will address the improvement of children's growth-motor skills, coordination, and opportunity for proper exercise.
- C. In general, more well-being will result from added interest and appeal. Outside time will increase and be used in healthy exercise, running and climbing in the fresh air and sunshine .





(SLIDE and SANDBOX AREA)

(FORT AREA)

(702) 499-9975
(702) 878-6261

CHARLESTON HGTS. DAYCARE

Charleston Heights Day Care
Gwen Mefford, Director

SECTION C: PROPOSED TIMELINE

Phase I: 4 weeks

Play Equipment ordered, delivery of materials: 4 weeks
(per Jay-Lee Development)

Phase II: 4-5 days

Installation of play equipment: 4-5 days

TOTAL TIME NEEDED: 45 Days Estimated completion date: June 15, 2005

**Charleston Heights Day Care
Director: Gwen Mefford**

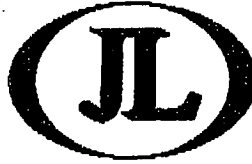
SECTION D: LINE ITEM BUDGET AND BUDGET NARRATIVE

Playground Equipment:

1 Space Pod, powder-coated, in-ground mounted	\$1,350
Freight (Space Pod)	200
1 Funnel Ball w/post, in-ground mounted	460
1 Teeter Spring	480
3 Sand Diggers @ \$350 each	1,050
Freight (Teeter Spring & Sand Diggers)	450
Installation of above items	<u>1,000</u>
Tax exempt organization (see letter)	TOTAL: \$5,000

Financial Justification:

This overall renovation includes all the steps required to provide an exceptional improvement to the playground at the best pricing available. This renovation also satisfies City Licensing and the Health Department at their last inspection and recommendations to remove old broken play equipment and replace with new age-appropriate play equipment.

**JAYLEE DEVELOPMENT, LLC
& PARK AVENUE****PROPOSAL & CONTRACT****LICENSE NUMBERS 49832 & 52954
LIMITS OF \$500,000 & \$25,000****PROPOSAL SUBMITTED TO: Charleston Heights Day Care****PHONE: (702) 878-8261****FAX: (702) 870-1993****DATE: May 5, 2005****ATTN: Gwen****DESCRIPTION: Misc. Ammenities****WE HERBY SUBMIT THE FOLLOWING PROPOSAL:****To Provide:**

(1) Space Pod	
900007110, powder coated, inground mounted	\$1,350.00
Freight	\$ 200.00
(1) Funnel Ball with Post, inground mounted	\$ 480.00
(1) Teeter Spring	\$ 480.00
(3) Sand Diggers @ \$350 each	\$1,050.00
Freight	\$ 450.00
Installation	\$1,000.00

Tax exempt organization**Please allow 4-5 weeks for delivery of materials****FOR THE SUM OF:****FIVE THOUSAND AND NO/100 DOLLARS (\$5,000.00)****PAYMENT TO BE MADE AS FOLLOWS:****30 DAY NET UPON COMPLETION OF INSTALLATION**

PLEASE NOTE: This bid is based upon installation of equipment on a level surface provided by customer. No leveling or prep work of surface areas is included in this bid unless specifically noted. Preparation of sub grade to a level surface is an extra and will be billed at time and material. Finished height of all equipment is based upon manufacturers' recommendations. Safety zone requirements shall be provided at time of contract - it is the customers' responsibility to maintain this perimeter. JayLee and Park Avenue are not responsible for customers' choice of safety surfacing.

All material is guaranteed to be as specified. All work to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from above specifications involving extra costs will be executed upon written orders, and will become an extra charge over and above this proposal. All agreements contingent upon accidents or delays beyond our control. This proposal is valid for 30 days from date above.

AUTHORIZED SIGNATURE:**DATE: 5-3-05**

ACCEPTANCE OF PROPOSAL: The above prices, specifications and conditions are satisfactory and are hereby accepted. JayLee and Park Avenue are hereby authorized to proceed with the above specified work. Payment will be made as outlined above.

AUTHORIZED SIGNATURE:**DATE:**



Enriching Childhood Through Play.

Date: 5/9/2005 Revised

Quote No.: 257712502

GAMETIME

c/o Great Western Park & Playground

P.O. Box 97

Wellsville, UT 84339

Phone: (435)245-5055

Toll Free: (800)453-2735

Facsimile: (435)245-5057

Contact: Brandon Larsen

E-mail: Brandon Larsen

Quotation

Charleston Heights Day Care
Attn: Gwen
1665 Lindell Rd.
Las Vegas, NV 89146

Ship to Zip: 89146
Telephone: (702)878-6261
Facsimile: (702)870-1993

QTY	ITEM	DESCRIPTION	Ext Weight	Price	Ext Price
1	18294	Little Foot Slide, F/S	319	1,973.00	\$1,973.00
		(Accent: _____) (Basic: _____) (Deck:Pvc: _____)			
		(Roto Plastic: _____) (Tube: _____)			
1	655	Dome Climber	192	690.00	\$690.00
2	6199	Backhoe Digger	56	452.00	\$904.00
		(Basic: _____)			
Total weight:			567	Sub-total:	\$3,567.00
				Discount:	(\$535.05)
				Installation:	\$1,700.00
				Freight:	\$430.32
				Total:	\$5,162.27

This quotation is subject to policies in the current GameTime Park and Playground Catalog and the following terms and conditions. Our quotation is based on shipment of all items at one time to a single destination, unless noted, and changes are subject to price adjustment. Purchases in excess of \$1,000.00 to be supported by your written purchase order made out to GameTime, c/o Great Western Park & Playground. Kindly issue one order for the equipment and a separate order for surfacing and/or equipment installation services.

Pricing: f.o.b. factory, firm for 30 days from date of quotation.

Payment terms: payment in full, net 30 days subject to approval by GameTime Credit Manager. A 1.5% per month finance charge will be imposed on all past due accounts. Equipment shall be invoiced separately from other services and shall be payable in advance of those services and project completion. Retainage not accepted.

Shipment: order shall ship within 30-45 days after GameTime's receipt and acceptance of your purchase order, color selections, approved submittals, and receipt of deposit, if required.

Freight charges: Prepaid and added at time of invoicing.

Taxes: State and local taxes, if applicable, will be added at time of invoicing unless a tax exempt certificate is provided at the time of order entry.

Receipt of goods: Customer shall receive, unload and inspect goods upon arrival, noting any discrepancies on the Delivery Receipt prior to written acceptance of the shipment.

Exclusions: unless specifically included, this quotation excludes all site work and landscaping; removal of existing equipment; acceptance of equipment and off-loading; storage of goods prior to installation; equipment assembly and installation; safety surfacing; borders and drainage provisions.

Installation: shall be by a Certified GameTime Installer. Customer shall be responsible for scheduling coordination and site preparation. Site should be level and permit installation equipment access. Purchaser shall be responsible for unknown conditions such as buried utilities, tree stumps, bedrock or any concealed materials or conditions that may result in additional labor or material costs.

To order: Please complete the acceptance portion of this quotation and provide color selections, purchase order copy and other key information requested. Acceptance of this proposal indicates your agreement to the terms and conditions stated herein.

**T-K Enterprises of Nevada Inc.**

7750 Isley Ave.
Las Vegas, NV 89147

EstimateNumber: **E192**Date: **May 09, 2005****Bill To:**

Gwen Mefford
Apostolic Church DBA
Charleston Heights Day Care
1665 Lindell Road
Las Vegas, NV 89146

Ship To:

Gwen Mefford
Apostolic Church DBA
Charleston Heights Day Care
1665 Lindell Road
Las Vegas, NV 89146

Terms

Payment in Full

Customer NAME

Gwen Mefford

PHONE

878-6261

FAX

870-1993

CONTACT PERSON

Gwen Mefford

Item #	Description	Quantity	Price Each	Tax	Amount
3-Station	3-station climbing maze	1.00	915.00		915.00
Freestanding	Free Standing Double Dip Slid, Deck Height = 48"	1.00	3,185.00		3,185.00
	Freight		700.00		700.00

(see separate bid for installation) \$ 1,800.00

No Installation

Colors same as in the book

Tax Exempt Number is. _____

Please Sign & Date the
Order _____

PLEASE FAX SIGNED ORDER TO:

253-6216 T-K ENTERPRISES OF NV

7750 ISLEY AVE

LAS VEGAS, NV. 89147

THANK YOUR FOR YOUR ORDER

Sub-Total \$4,800.00

State Tax 7.50% on 0.00 0.00

Total \$4,800.00

Install 1,800.00

6,600.00

Evans Recreation Installations Inc.

5610 Winchester Ct.
Las Vegas, Nv 89110
NV Lic 45382, limit 50,000.00

Estimate

Date	Estimate #
5/5/2005	3029

Name / Address
Charleston Heights Daycare Sahara/ Lindell

			project
			<i>PLAYGROUND</i>
Description	Qty	Rate	Total
Install custom Miracle play structure and Geodesic dome climber	1	1,800.00	1,800.00
Quote is for installation only, unless otherwise noted. Equipment to be provided by others.		0.00	
Quote based on normal digging conditions and normal work hours. Caliche, rock, hard rock digging, and/or overtime/weekend demanded hours will incur additional charges.		0.00	
Quote based on current labor and material costs. 1.5% increase to billing for projects beyond 120 days to cover rising expenses		0.00	
Owner is responsible for ensuring all underground utilities and irrigation lines are clearly marked prior to work beginning. Evans Recreation Installations is not responsible for damage to unmarked underground items.		0.00	
Quote valid for 90 days.			
Total			\$1,800.00

Phone #	Fax #
702-271-8170	702-459-9149

SECTION E: ADDITIONAL FUNDING

Please include all types of funding received for any past childcare projects including, but not limited to the city of Las Vegas, Clark County, North Las Vegas and/or the State of Nevada. Additionally, give a brief description as to what the money was used for. Failure to disclose all prior funding may result in disqualification.

Source of Outside Revenue	FY 01-02	Purpose of Funding	FY 02-03	Purpose of Funding	FY 03-04	Purpose of Funding
City	0	—	\$5,000	Outdoor shade cover/indoor tile	0	—
County	0	—	0	—	0	—
State	0	—	0	—	0	—
Federal	0	—	0	—	0	—
Fundraising	0	—	0	—	\$536	Prestige Fund Raiser Reading Curriculum materials
Donations	0	—	0	—	0	—
Other (explain) ..	0	—	0	—	0	—
Total Revenue ...	0	—	\$5,000	total	\$536	total

****This Section Intentionally Left Blank****

BUSINESS LICENSE

City of Las Vegas • Las Vegas, Nevada

IN ACCORDANCE WITH THE PROVISIONS OF THE LAS VEGAS MUNICIPAL CODE, AS AMENDED, LICENSE IS HEREBY GRANTED TO OPERATE THE BUSINESS REFERENCED BELOW.

CHILDCARE LICENSE

LICENSE #: N10-00041-9-017462

DATE ISSUED: 05/28/04

DATE EXPIRES: 05/31/05

TYPE OF LICENSE: CENTER
43 DAYS 4 B & A
43 CHILD

BUSINESS LOCATION: 1665 LINDELL RD

ISSUE TO:

CHARLESTON HEIGHTS DAYCARE
1665 LINDELL RD
LAS VEGAS NV 89146

PRINCIPAL(S)
STOLTZFUS, STEPHEN S. PASTOR
MEFFORD, GWEN, CENT DIR


Director, Department of Finance and Business Services

Post in a conspicuous place.



City of Las Vegas - Child Care Inspection Form

Facility: Charleston Heights Daycare

Date: 4-12-05

Address: 1665 Rendeel

Time: 10:05 AM

Type of Service: N10 - Center

License Limit: Days 43 Nights 0 B & A 4

Hours of Operations: 6:30 AM - 6:00 PM

Days of Service: Monday - Friday

License: Posted ✓ Expires 5-31-05 Telephone Working/Listed: 878-6261 / yes

Health Permit: Posted ✓ Expires 6-30-05 Emergency Numbers Posted: yes

Staff to Child Ratios in Compliance: Yes ✓ No Total Children: 16 Total Staff: 3

Children's Records

Number Reviewed 10 files

Children's Records in Compliance 3 files

Written Policy Statement

Content complete

Distribution to parent

Prescription Medications

Properly Labeled yes

Properly Stored refrigerator on top

Written Records Maintained yes - clipboard

Administered By him

Isolation Area Director's office

First Aid

Location high classroom shelf

Adequate Supplies yes - replace syring

Chart needed

Accident/Injury Reports yes

Communicable Diseases yes

Nutrition

Meals/Snacks Provided meal (breakfast) 2 snack

Nutrition Needs Met lunches from home

Menu Posted not updated

Attendance

Staff time card

Children sign-in/out by parent

Transportation/Field Trips

Is Transportation Provided N/A

Type/Number of Vehicles Used

Are Drivers Licenses on File

Auto Insurance

Child Restraint Laws followed

Transportation Permission on File to & from Harco

Field Trip Permission Slips on File yes (week)

Facility/Program

Indoor Play/Classrooms 3 rooms 2 in use

Materials/Equipment age-appropriate

Adequate Materials/Toys yes

Furniture Durable/Safe yes

Furniture Clean/Sanitary yes

Program Standards Meet Children's Basic Needs Frontline Phonics (45) Comprehensive

Staff Involvement/ Interaction good curricula

Discipline Methods time out

Type of Floor Surface carpet tile

Floor Surface Clean/Safe yes carpet will be

Clothing Storage cubbies hooks

Storage Area/Hooks Labeled yes 4/05

Napping

Number of Cots 0 Mats 40

Number of Cribs 0 Playpens 0

Number of Port-a-cribs 0 Beds 0

Properly Sanitized yes - weekly

Sleeping Devices Labeled yes - name

Sleeping Devices Sanitary yes

Sleeping Devices in Good Condition yes

Linens Properly Stored cubbies

Linen Laundered weekly by parent

Can Children be Seen & Heard yes

Bathrooms/Diaper Changing

Disposable Towels Available yes

Liquid Soap Available yes

Toilet Tissue Available yes

Children Hand Washing yes

Staff Hand Washing yes

Bathroom Accessible from Outside

Diaper Changing Table yes

Diaper Pail Available yes

Diaper/Feeding Logs N/A required for 12 mos

Diaper Table on Proper Surface plastic & springs

Diaper Table Sanitized after each use

Bottles/Sipping Cups Labeled N/A

Bathroom Clean/Sanitary yes - toilet flushed

Billen Jacobs

X [Signature]

CITY OF LAS VEGAS
CHILD CARE INSPECTION REPORT

FACILITY Charleston Heights Daycare
ADDRESS 1665 Seabell

DATE 4-12-05

COMMENTS:

Children's files:

	Reg	Shots	Physical
✓ Sierra Beaudry	(sign)	✓	✓
✓ OK Sabrina Espin	✓	✓	✓
J.T. Fehner	✓	(X)	(X)
W/D. Stacie Flores	✓	✓	(X)
✓ Sophia Free	✓	✓	(X)
✓ OK Omar Frank	✓	✓	✓

Center appears to be running. Director arrived around 11:15 AM - had a doctor's appt. for daughter, having a baby. Children were happy, playing in centers, on computer.

Things to do/correct:

- ① Update children's
 - ✓ A) Sierra B - sign reg. card
 - B) J.T. F - shots & physical
 - W/D C) Stacie Flores - physical
 - * D) Sophia Free - physical

- ② Update first aid supplies:
 - ✓ A) Replace Syrup of Ipecac - expired
 - ✓ B) Check / reference guide needed

- ✓ ③ Snack menu must be posted
- ✓ ④ Remind parents to use first and last name of their child when signing in

I hereby acknowledge receipt of this report and corrective action will be taken on items noted, and I will notify the Department of Finance & Business Services of any changes or corrections made.

Queen Debra
Department of Finance & Business Services Representative

Queen Mafford
Signature of Licensee/Responsible Party

* fax by 4/26 382-1de42

CITY OF LAS VEGAS
CHILD CARE INSPECTION REPORT

FACILITY Harleston Heights Daycare
ADDRESS 1065 Lindell

DATE 4-12-05

COMMENTS:

- ✓ (5) March fire drill missing. Remember to hold drills on a regular basis
- (6) Review holding emergency procedures quarterly
- (7) Outdoor:
 - ✓ Ed a) Water fountain broken, leaking. Repair
 - ✓ Ed b) Canopy on left missing part - blown down from wind. Replace
 - (pending grant) Culvert on concrete, not safe for children. Remove culvert with age-appropriate outdoor equipment
- ✓ (8) Reminder Jasmine, teacher who will 18 yrs on 4-25-05, cannot be left alone with the children until she turns 18 yrs. She must work as an assistant in the classroom.

Follow-up required
in 2 weeks

I hereby acknowledge receipt of this report and corrective action will be taken on items noted, and I will notify the Department of Finance & Business Services of any changes or corrections made.

Elisea Jacob
Department of Finance & Business Services Representative

Quinn Mott
Signature of Licensee/Responsible Party

BUSINESS LICENSE

City of Las Vegas • Las Vegas, Nevada

IN ACCORDANCE WITH THE PROVISIONS OF THE LAS VEGAS MUNICIPAL CODE, AS AMENDED, LICENSE IS HEREBY GRANTED TO OPERATE THE BUSINESS REFERENCED BELOW:

CHILDCARE LICENSE

LICENSE #: N10-00041-9-017462

DATE ISSUED: 05/21/03

DATE EXPIRES: 05/31/04

TYPE OF LICENSE: CENTER
43 DAYS 4 B & A

BUSINESS LOCATION: 1665 LINDELL RD

ISSUE TO:

CHARLESTON HEIGHTS DAYCARE
1665/1675 LINDELL RD
LAS VEGAS NV 89146

PRINCIPAL(S)
STOLTZFUS, STEPHEN C. PASTOR
MEFFORD, GWEN, CENT DIR


Director, Department of Finance and Business Services

Post in a conspicuous place.





CLARK COUNTY HEALTH DISTRICT
LAS VEGAS, NEVADA

HEALTH PERMIT

THIS CERTIFIES THAT THE ESTABLISHMENT LOCATED AT THE ADDRESS SHOWN BELOW AND OWNED AND/OR OPERATED BY ENTITY INDICATED HAS BEEN FOUND TO BE OPERATING IN CONFORMITY WITH THE HEALTH LAWS AND REGULATIONS PROMULGATED BY THE NEVADA STATE BOARD OF HEALTH AND THE CLARK COUNTY DISTRICT BOARD OF HEALTH. THIS CERTIFICATE GRANTS THE APPLICANT APPROVAL TO OPERATE THE TYPE OF ESTABLISHMENT INDICATED, BUT IS REVOCABLE AT ANY TIME BY THE CLARK COUNTY HEALTH DISTRICT OFFICER FOR FAILURE ON PART OF THE PERMITTEE TO MEET STATE AND DISTRICT HEALTH LAWS AND REGULATIONS.

▼ OWNED AND/OR OPERATED BY ▼

MEFFORD, DALLAS

PERMITTEE ►

ADDRESS ►

APOSTOLIC CHURCH
CHARLESTON HEIGHTS DAYCARE
1665 S LINDELL RD
LAS VEGAS NV 89146

PERMIT IS NOT
TRANSFERABLE

PERMIT NUMBER ►	04553-304-01
FEE PAID ►	245.00
AREA ►	LAS VEGAS

DATE GRANTED	DATE EXPIRED
07/01/04	06/30/05

▼ TYPE OF ESTABLISHMENT ▼

NURSERY

DONALD S. KWALICK, MD, MPH
CHIEF HEALTH OFFICER

KEITH ZUPNIK

ENVIRONMENTAL HEALTH SPECIALIST

POST IN A CONSPICUOUS PLACE

CLARK COUNTY HEALTH DISTRICT

ENVIRONMENTAL HEALTH

625 Shadow Lane Las Vegas, Nevada 89106

SUPPLEMENTARY REPORT

06553
36A-01

Establishment:
Address:
Person Contacted:

APOSTOLIC CHURCH / CHARLTON HALL - DAYTON
1665 S. LINCOLN RD
LINCOLN, NV 89506

Date: 5-5-05
Page 2 of 2

THE ITEMS NOTED BELOW REFER TO DEFECTS MARKED ON INSPECTION SHEET

ITEM	DEFECT	CORRECTION	CORRECTION DATE
(22)	Slide in disrepair → Repair or Remove NOTE: Slide Platform is too HIGH to use Sand AS SURFACE MATERIAL "SEWER PIPE" used for play - NOT CPIC APPROVED → remove		
(1)	ANY REMODELING: Submit PLANS to PAULINE EHLER CCHD Planning Dept Phone 383-1250		
	NO BACKFLOW PREVENTION DEVICE ON OUTDOOR HOSE B-B → provide		
(23)	SAND IS COMPACTED → Replace & Distribute Surface Material on Diced COMPACTED Areas		
(24)	HOLE IS OUTDOOR - WALLS & PATCH		
(32)	Area Carpet Worn / Disrepair - Patched & TAPE → REPLACE - CARPETING IS WORN / Torn / Patched & TAPE & REPLACE Area with NO BACKBOARDS & provide		
(33)	2 Air Exhaust VENTS ARE BROKEN & REPLACE (1: MAIN RM RESTROOM (2: ZYLO RM RESTROOM - Air Exhaust VENTS ARE DIRTY → Clean, Maintain		
(52)	Several HANDRAIL STOPS - TOILET BAY - INSUFFICIENT CATCH → Catch		
(69)	Plumbing in Restroom → Remove ✓ PUMP METHOD 5/5/05		

PAULINE EHLER 5-5-05



KENNY C. GUINN
Governor

DAVID P. PURSELL
Executive Director

February 1, 2002

STATE OF NEVADA
DEPARTMENT OF TAXATION

1550 E. College Parkway
Suite 115
Carson City, Nevada 89706-7937

Phone: (775) 687-4820 • Fax: (775) 687-5981

In-State Toll Free: 800-992-0900

Web Site: <http://tax.state.nv.us>

LAS VEGAS OFFICE

Grant Sawyer Office Building
Suite 1300
555 E. Washington Avenue
Las Vegas, Nevada 89101
Phone: (702) 486-2300
Fax: (702) 486-2373

RENO OFFICE

4800 Kietzke Lane
Building C, Suite 263
Reno, Nevada 89502
Phone: (775) 888-1295
Fax: (775) 888-1303

ACCOUNT NO.: RCE-004-158

EXPIRES : February 01, 2007

APOSTOLIC CHURCH OF LAS VEGAS
1665/1675 LINDELL ROAD
LAS VEGAS NV 89102

Pursuant to NRS 372.326 and related statutes, APOSTOLIC CHURCH OF LAS VEGAS has been granted sales/use tax exempt status. Direct purchases of tangible personal property made by APOSTOLIC CHURCH OF LAS VEGAS are exempt from sales/use tax. Fraudulent use of this exemption letter is a violation of Nevada law.

Vendors selling tangible personal property to APOSTOLIC CHURCH OF LAS VEGAS are authorized to sell to them tax exempt. The vendor shall account for the exempt sale on its sales/use tax return under exemptions. For audit purposes, a vendor must have a copy of this letter in order to document the transaction was tax exempt.

This letter only applies to Nevada sales/use tax and does not provide exemption from any other tax.

This exemption applies only to the above named organization and is not extended to individuals, or contractors or lessors to or for such organizations.

Any vendor having questions concerning the use of this sales/use tax exemption letter may contact the Department at one of the district offices listed above.

If, upon further or future review by the Department, it is determined the above named organization does not meet or no longer meets the criteria outlined in NRS 372.343, this letter of exemption will be revoked.

Sincerely,

Richard Reed, Tax Administrator I
Compliance Division, Carson City District

CERTIFICATE OF BUSINESS: FICTITIOUS FIRM NAME

THE UNDERSIGNED do hereby certify that Apostolic Church
conducting a child care business at 1665 Lindell Road
Las Vegas, Nevada, under the fictitious firm
name of Charleston Heights Daycare and that said firm is composed of
the following persons whose names and addresses as follows.

to-wit:

Dallas Ray Mefford, 1675 Lindell Road, Las Vegas, Nevada
Steve Steltzhus, 416 Falcon, Las Vegas, Nevada
David Hinds, 2201 La Sombra, Las Vegas, Nevada
Dewey Duplissey, 216 Sedran, Las Vegas, Nevada

WITNESS our hand this 6th day of April 19 88

Dallas Mefford
David Hinds
Dewey A. Duplissey

STATE OF NEVADA)
COUNTY OF CLARK) SS

On this 6th day of April A.D., 19 88, before me
JAN A. LAREAU a Notary Public in and for the said County
and State, residing therein, duly commissioned and sworn, personally appeared
DALLAS MEFFORD, DAVID J. HINDS, and DEWEY A. DUPLISSEY
known (or proved) to me to be the persons described in and who executed the foregoing
instrument, who acknowledged to me that THEY executed the same free
and voluntarily and for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal
the day and year in this Certificate first above written.

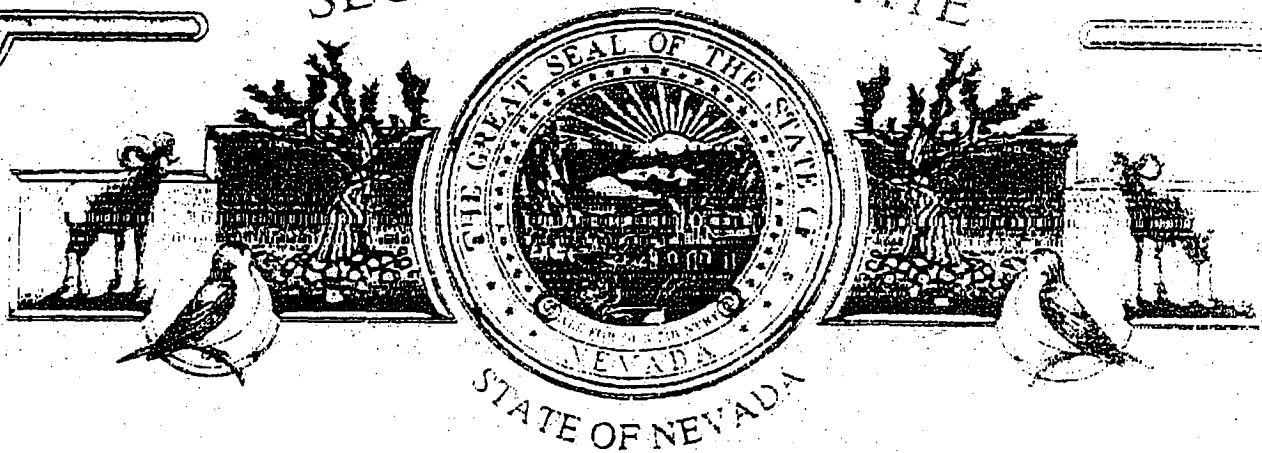
JAN A. LAREAU
Notary Public in and for said County &
State

My Commission Expires

APRIL 30, 1989



JAN A. LAREAU
Notary Public - State of Nevada
COUNTY OF CLARK
My Appointment Expires
April 30, 1989.



CORPORATE CHARTER

I, DEAN HELLER, the duly elected and qualified Nevada Secretary of State, do hereby certify that APOSTOLIC CHURCH OF LAS VEGAS, INC. did on JUNE 2, 1999, file in this office the original Articles of Incorporation; that said Articles are now on file and of record in the office of the Secretary of State of the State of Nevada; and further, that said Articles contain all the provisions required by the law of said State of Nevada.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Great Seal of State, at my office, in Las Vegas, Nevada, on JUNE 2, 1999.



Dean Heller

Secretary of State

By

Angela J. [Signature]

Certification Clerk

FILED #

C13536-99

JUN 02 1999

IN THE OFFICE OF
J. S. HILL
DEAN HILLER SECRETARY OF STATE

ARTICLES OF INCORPORATION
OF
APOSTOLIC CHURCH OF LAS VEGAS, INC.
A NON-PROFIT CORPORATION

The undersigned natural persons acting as incorporator of a non-profit corporation under provisions of Chapter 82, Sections 86.011, et seq. of the Nevada Revised Statutes adopt the following Articles of Incorporation:

FIRST: The name of the corporation is

APOSTOLIC CHURCH OF LAS VEGAS, INC. (the "Corporation").

SECOND: The address and location of the principal office of the Corporation is 1665 Lindell Road, the City of Las Vegas, County of Clark, State of Nevada, 89146. Branch offices may hereinafter be established at such other place or places, either within or without the State of Nevada as may be determined from time to time by the Trustees.

THIRD: The purposes of the Corporation are to specifically engage in, conduct and carry on activities related to education, religious, charitable and eleemosynary activities and purposes and, further to engage in any other lawful conduct not prohibited to a non-profit Corporation engaging in any such activities by applicable laws and regulations of the State of Nevada. The Corporation is a Nevada non-profit corporation pursuant to Nevada Revised Statutes 82.011, et seq. of Chapter 82 of the Nevada Revised Statutes.

FOURTH: The Corporation is to have perpetual existence. The death, insanity, bankruptcy, retirement, resignation, expulsion or withdrawal of any Member of the Corporation shall not cause its dissolution.

FIFTH:

The names and residential addresses of the original incorporators of

the Corporation are:

Dallas R. Mefford
7400 Shallow Glenn Court
Las Vegas, Nevada 89129

Steve Stoltzfus
416 Falcon Lane
Las Vegas, Nevada 89107

SIXTH:

Members of the Corporation's governing board shall be styled "Trustee," and the number thereof shall not be less than two (2) nor more than ten (10) as the Trustees shall from time-to-time determine. Each member Trustee shall serve a one (1) year term and are to be chosen by majority vote of the church membership. The names and residential addresses of the seven (7) original Trustees are:

President/Chairman

Dallas R. Mefford
7400 Shallow Glenn Court
Las Vegas, Nevada 89129

Secretary/Treasurer

Steve Stoltzfus
416 Falcon Lane
Las Vegas, NV 89107

Trustee

Harold E. M. Carothers
5433 Rebecca Road
Las Vegas, NV 89130

Trustee

Daniel R. Lareau
6431 Tina Lane
Las Vegas, NV 89130

Trustee

Ronald Snider *LOLLAR*
269 Solcito
Las Vegas, NV 89110

Trustee

Clifford Snider
2001 Ramrod, Bldg. 28 #2825
Las Vegas, NV 89107

SEVENTH:

1. Only the Trustees shall have the power and authority to make and alter, or amend, by-laws, to fix the amount in cash or otherwise, to be reserved as working capital, and the financial institution in which said working capital is to be retained, and to authorize and cause to be executed the mortgages and liens upon the property of the Corporation, as well as all other rights and power conferred by Nevada Revised Statutes Chapter 82.
2. The Trustees shall, from time to time determine, and to what extent, and at which times and places, and under what conditions and regulations, the accounts and books of this Corporation, or any form of them, shall be open to the inspection of the members, and those members shall have the right to inspect any account, book or document of this Corporation as conferred by the statutes of Nevada, or as may be authorized by the Trustees or by resolution of the members.
3. No sale, conveyance, transfer, exchange or other disposition of all or substantially all of the property and assets of this Corporation shall be made unless approved by the written consent of the Trustees, and shall then be done only in such a manner so as to comply with Nevada Revised Statutes Chapter 82.
4. The Trustees shall have the power to hold their meetings, and keep the books, documents and papers of the Corporation within or without the State of Nevada, and at such place as may time to time be designated by the by-laws or by resolution of the Trustees.

5. The Corporation shall indemnify each present and future Officer, Trustee, or Committee Member, of the Corporation and each person who serves at the request of the Corporation as an Officer or Director, or Trustee of any other corporation, whether or not such person is also a Officer or Trustee of the Corporation, against all cost, expenses and liabilities, including the amounts of judgments, amounts paid in compromise settlements and amounts paid for services of counsel and other related expenses, which may be incurred by or imposed on him in connection with any claim, action, suit, proceeding, investigation or inquiry hereafter made, instituted or threatened in which he may be involved as a party or otherwise by reason of any past or future action taken or authorized and approved by him or any omission to act as such Officer or Director, at the time of the incurring or imposition of such costs, expenses or liabilities, except such costs, expenses or liabilities shall relate to matters to which he shall in such action, suit or proceeding, be finally adjudged to be liable by reason of his negligence or willful misconduct toward the Corporation or such other corporation in the performance of his duties as such Officer or Trustee. As to whether or not a Trustee or Officer was liable by reason of his intentional or willful misconduct, fraud or knowing violation of the law toward the Corporation or such other corporation in the performance of his duties as such Officer or Trustee, in the absence of such final adjudication of the existence of such liability, the Trustees and each Officer and Trustee may conclusively rely upon an opinion of legal counsel selected by or in the manner designated by the majority consent of the Trustees. The foregoing right of indemnification shall not be exclusive of other rights to which any Officer or Trustee may be entitled by a matter of law or otherwise, and shall inure to the benefit of the heirs, executors, administrators and assigns of each Officer or Trustee.

The foregoing rights pertain only to those acts, actions, conduct and activities undertaken by any Officer or Trustee in good faith and with a view toward the interests of the Corporation, and only if it is proven by clear and convincing evidence that such Officer or Trustee has not so acted, then the foregoing shall not apply.

EIGHTH: Elections of Trustees need not be by written ballot unless otherwise provided in the Bylaws of the Corporation.

NINTH: The initial Resident Agent of the Corporation in the State of Nevada is:

JAMS CORPORATE SERVICES, INC.
Park Sahara Office Center
1830 East Sahara Avenue
Suite 113
Las Vegas, Nevada 89104

The Certificate of Acceptance of Appointment by the above-named Resident Agent is attached hereto

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IN WITNESS WHEREOF, the undersigned has hereunto set his hand and executed these
Articles of Incorporation this 28 day of January, 1999.

Steve Stolte

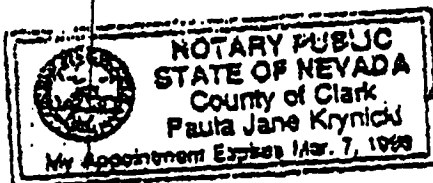
STATE OF NEVADA)

COUNTY OF CLARK)

ss.

On this 28th day of January, 1999, personally appeared before the undersigned
a Notary Public in and for the County of Clark, State of Nevada, Stephen Stolte, known
by me to be the persons described herein and who executed the foregoing instrument in my
presence, freely and voluntarily and for the uses and purposes mentioned therein.

IN WITNESS THEREOF, I have hereunto set my hand and affixed my official seal the
day and year in this certificate first above written.



Paula Jane Krynicki
NOTARY PUBLIC in and for said
County and State

IN WITNESS WHEREOF, the undersigned has hereunto set hand and executed these
Articles of Incorporation this 12 day of March, 1999.

Dallas R. Mefford

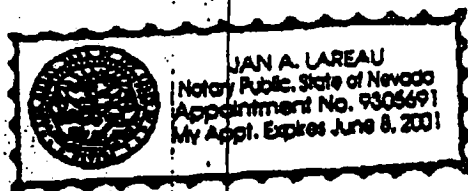
STATE OF NEVADA)

COUNTY OF CLARK)

ss.

On this 12 day of MARCH, 1999, personally appeared before the undersigned,
a Notary Public in and for the County of Clark, State of Nevada, DALLAS R. MEFFORD, known
by me to be the persons described herein and who executed the foregoing instrument in my
presence, freely and voluntarily and for the uses and purposes mentioned therein.

IN WITNESS THEREOF, I have hereunto set my hand and affixed my official seal the
day and year in this certificate first above written.



Jan A. Lareau
NOTARY PUBLIC in and for said
County and State

CERTIFICATE BY APPLICANT

Please initial on line after each statement; please sign and date below.

1. I hereby certify that to the best of my knowledge, all information contained in this application is complete and accurate. GM
2. I understand that the grant will be subjected to a conditional grant agreement. GM
3. I understand that any direct receipt of the grant has to be declared as income for tax purposes and I will receive tax form 1099(G) from the city of Las Vegas at year-end, which will state the amount to be reported on my tax return. GM
4. I understand that the activities outlined in my grant application must commence no later than thirty-days (30) following the approval date of the grant to avoid cancellation or suspension of funding. GM
5. I understand that vendors performing a service can be paid directly, but only upon completion of a Vendor Agreement and successful and satisfactory completion of the project. GM
6. I understand that all requests for reimbursement must be made on a monthly basis and a monthly report must accompany the request. GM
7. I understand that revisions and amendments can be made at the discretion of the city of Las Vegas Representative. GM
8. I understand that I am responsible for any taxation of any purchases. GM
9. I understand that should I move from my home where facility rehabilitation such as flooring, ac unit, or shade cover/patio was installed, or close my family/group daycare within two (2) years of receiving grant funds, I may be denied future funding for up to three (3) years. GM
10. I agree to commit the project implementation in keeping with the application content and budget and to adhere to all assurances, certifications, terms, conditions, and other requirements contained in this application. GM


Signature

4/29/05
Date

Please submit your complete application and required documents to:

Cynthia Manabat, Program Coordinator
City of Las Vegas
Neighborhood Services Department
400 Stewart Avenue, 2nd Floor
Las Vegas, Nevada 89101
(702) 229-1027



Mail or Deliver To: Purchasing & Contracts Division
400 Stewart Avenue, Las Vegas, NV 89101
(702) 229-6231

ALL INFORMATION SHOULD BE TYPED OR PRINTED. INCOMPLETE FORMS WILL NOT BE PROCESSED.

SECTION A: PRIMARY BUSINESS INFORMATION ■ INITIAL APPLICATION ■ REVISION

Full Legal Business Name (no abbreviations): Jay Lee Development, LLC + Park Avenue

Purchase order to be sent to: _____ Remittance check to be sent to: _____

Address: 3995 W. Quail Ave Ste C Address: Same
City W State NV Zip 89118 City _____ State _____ Zip _____
Contact Name Kristi Beber Contact Name _____
Phone Number (702) 396 2111 Phone Number: () _____
Fax Number (702) 396 6070 Fax Number: () _____
E-mail: Kristi @ jaylee. biz E-mail: _____

SECTION B: CONTRACTOR INFORMATION / PUBLIC WORKS (CONSTRUCTION ONLY)

STATE OF NEVADA CONTRACTORS INFORMATION

License Classification(s): B-2 and C-25

SECTION C: MINORITY, WOMAN, OR DISABLED PERSON OWNED BUSINESS INFORMATION

This business qualifies by virtue of 51% or more ownership and active management by one of the following (Check all that are applicable.):

- | | | |
|---|---|---|
| ☐ Hispanic American | ☐ Native American | ☐ Disabled (Non-Veteran) |
| ☐ Asian / Pacific American | ☒ Woman - Owned | ☐ Small Business |
| ☐ Black / African American | ☐ Disabled Veteran | |

SECTION D: BUSINESS OWNERSHIP (REQUIRED INFORMATION)

- ☒ Corporation or LLC
☐ Partnership or LLP
☐ Sole Proprietor

Fed Tax ID#: 880462904
or
SSN#: _____

- I certify that the information supplied (including all pages attached) is correct and that neither the applicant nor any person or concern associated with the applicant as a principal or officer, so far as is known, is now debarred or otherwise declared ineligible by any government agency from bidding for furnishing materials, supplies services, or construction to or for any government agency.
- I acknowledge, that it is this firm's responsibility to update this data when changes occur and failure to do so may result in non-receipt of information from the City.

Signature Kristi Beber Title President Date 5-2-05
Print or Type Name Kristina Beber

PLEASE ENCLOSE A COMPLETED W-9 WITH YOUR APPLICATION

For Internal Use Only

Supplier Type: ☐ Commodity ☐ Service ☐ Construction ☐ Employee ☐ Refund
☐ PO Site ☐ Pay Site ☐ RFQ Only Site

Supplier# _____ Date Entered _____ By _____

Request for Taxpayer Identification Number and Certification

Give form to the
requester. Do not
send to the IRS.

Print or type
See Specific Instructions on page 2

Name Apostolic Church dba Charleston Heights Day Care	
Business name, if different from above same	
Check appropriate box: ☐ Individual/ Sole proprietor ☒ Corporation ☐ Partnership ☐ Other non-profit ☐ Exempt from backup withholding	
Address (number, street, and apt. or suite no.) 11665 Lindell Rd.	Requester's name and address (optional)
City, state, and ZIP code Las Vegas, NV 89146	
List account number(s) here (optional)	

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see How to get a TIN on page 3.

Social security number								

or

Note: If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Employer identification number										
8	8	1	9	2	0	3	1	4	1	8

Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
- I am a U.S. person (including a U.S. resident alien).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. (See the instructions on page 4.)

Sign
Here

Signature of
U.S. person

Arven Mefford

Date

5/5/05

Purpose of Form

A person who is required to file an information return with the IRS, must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

U.S. person. Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

- Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
- Certify that you are not subject to backup withholding, or
- Claim exemption from backup withholding if you are a U.S. exempt payee.

Note: If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Foreign person. If you are a foreign person, use the appropriate Form W-8 (see Pub. 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

Nonresident alien who becomes a resident alien.

Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the recipient has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement that specifies the following five items:

- The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
- The treaty article addressing the income.
- The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
- The type and amount of income that qualifies for the exemption from tax.
- Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Monthly Progress Report

Child Care Improvement Grant

FY 04-2005



Reporting Month:	
Date of Report:	
Provider Name:	
Person Preparing Report:	
Phone Number:	
Fax Number:	

Please describe your project accomplishments for this month. Identify which project goals (as described in your contract) your organization has addressed and be sure to include any trouble spots or areas of concern.

If you have not completed your project, please describe what is remaining and the approximate time of completion.



**CITY OF LAS VEGAS
CHILD CARE IMPROVEMENT GRANT
LINE ITEM BUDGET & BUDGET NARRATIVE FORM**

(To be submitted with Exhibit B when submitting reimbursement requests)

Provider Name: _____ **Date:** _____

Funding Period: _____ **to** _____
Mnth/Year Mnth/Year

BUDGET FOR DIRECT COSTS OF CHILD CARE PROGRAMS

Category (Rehab, Equip, Furn)	Description of Expenditures	Allowable Amount	Reimbursement Amount

****This space left blank intentionally****

**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 Services Department, for Child Care Improvement Grant funds expended for the **2004/2005** Fiscal Year. Failure to properly submit this form, along with the necessary back-up documentation such as: copies of cancelled checks, invoices, purchase orders, and an accounts payable print out or check register will result in a non-pay status for the request. **Do not alter this form.**

Request #	Amount of Request	Period Cover
	\$	From _____ To _____

Provider Name:	Phone:
Business Address:	FAX:
Contact Person:	Email:

Funding Category	Budgeted Amount	Previous Drawdowns	Request Amount	Remaining Funds
Facility Rehab				
Equipment				
Furniture				
TOTAL				

Signature

Date

Child Care Improvement Grant

FY 04-2005



Reporting Period:	Start:	End:	Amount of Grant:
Provider Name:			
Date of Report:			
Contact Person:			
Phone Number:			

Please write your Final Report in the space provided below. Attach additional sheets if needed.

[illegible]

BUDGET MODIFICATION AND REVISION REQUEST

(One Time Only Request)

DATE: _____

Rev03/2005

CHILD CARE IMPROVEMENT GRANT AGREEMENT between the City of Las Vegas and Lopez FCH

THIS AGREEMENT ("Agreement") is made and entered into this 9th day of May, 2005 by and between the CITY OF LAS VEGAS, a municipal corporation of the State of Nevada, hereinafter referred to as "CITY", and Gloria Lopez, doing business as Lopez FCH, a Nevada sole proprietorship, hereinafter referred to as "SUBRECIPIENT", whose primary mailing address at the date of execution is 4025 Lighthouse Avenue, Las Vegas, NV 89110.

WITNESSETH

WHEREAS, the CITY has allocated funds for the Child Care Improvement Grant, hereinafter referred to as "CCIG"; and

WHEREAS, the CITY is responsible for planning, administering, implementing, and evaluating the CCIG program to ensure that it conforms to the CCIG Program Guidelines, Child Care Licensing Compliance Guidelines and the Las Vegas City Council goals; and

WHEREAS, CITY as Grantor wishes to engage "SUBRECIPIENT" to assist the CITY in utilizing such funds by providing services to meet the CCIG Program's objectives, as follows:

- to improve existing child care facilities serving the target area; and
- to support projects creating child care for additional children and/or to enhance the quality of current child care.

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

I. SCOPE OF SERVICE

A. ACTIVITIES

"SUBRECIPIENT" will be responsible for administering FY 2004-2005 CCIG-funded activities eligible under the Child Care Improvement Grant as cited in the Scope of Services I.B.1, hereinafter referred to as "Project". It is expressly agreed and understood that the total amount to be provided by the CITY under this Agreement shall not exceed **\$450.00** CCIG funds to be allocated in accordance with the Child Care Improvement Grant Application as detailed in Exhibit "A," attached. "SUBRECIPIENT" hereby agrees to utilize said CCIG 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 as stated by the "SUBRECIPIENT" in the Child Care Improvement Grant application Exhibit "A" and in addition to the following:

Purpose of Services:

The purpose of this funding is to the facility by purchasing baby/video monitors to enable provider to see and hear the children while napping and playing.

Tasks to be Performed:

- Purchase Baby/Video Monitors
- Obtain (3) quotes or bids for all proposed expenditures over \$500 (Bids for construction must be from licensed and bonded contractors).
- Submit reimbursement requests monthly along with a monthly progress report.

Measurable Goals for Grant period:

- Obtain approval of proposed plans for changes to Clark County Health District and all departments as required by municipal codes.
- Obtain proper Planning, Building and Safety, and/or Fire Code permits.
- Complete project within thirty days (30) of approval.

"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 "SUBRECIPIENT" hereby appoints the following representative to attend any meetings of the neighborhood organization in partnership with the City of Las Vegas, Neighborhood Services Department: **Gloria Lopez** or a designee chosen at the discretion of "SUBRECIPIENT".

C. PROGRAM REPORTING

"SUBRECIPIENT" will be required to collect for and provide to the CITY Program accomplishments and usage records beginning **May 12, 2005**, or the date first written above, until **May 31, 2005**, unless this Agreement is modified at the express consent of the CITY and "SUBRECIPIENT." "SUBRECIPIENT" shall submit at the end of each month on a monthly basis, and on occasion upon written request of the CITY, a Monthly Project Report and a Request for Release of Funds, which are attached as Exhibits "B" and "C". Failure to submit said reports with the request for reimbursement may delay reimbursement to "SUBRECIPIENT" for grant-eligible project expense. Records and reports shall contain, but not be limited to, the following data:

- 1) Statement of Project goals cited in "SUBRECIPIENT" application and measurable accomplishments toward achieving said goals through reporting date of said report.

- 2) Written narrative and description of services shall be included in each monthly report.
- 3) The "SUBRECIPIENT" shall provide a copy of all written report developed for the Project to the CITY. These may be included with the Monthly Project Progress Report or under separate cover. Materials that help document the progress of the Project include: event flyers, photographs, video footage, construction timelines, job descriptions, contractor contracts, and design drawings.
- 4) The "SUBRECIPIENT" shall provide a final, brief, written report with the final invoice that summarizes the Project's successes and lessons learned. An outline of the Final Report is included in Exhibit "D". **Final reports are due on or before May 31, 2005.**
- 5) These reports will be forwarded to the City of Las Vegas Neighborhood Services Department, ATTN: CCIG Program Coordinator. 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.
- 6) 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 CCIG funding of "SUBRECIPIENT" program rendered in accordance with this Agreement from **May 12, 2005**, or the date first written above, through **May 31, 2005**. Furthermore, the CITY shall be liable only for payment proportional to the extent that CCIG grant award funds are appropriated and allocated by the CITY. "SUBRECIPIENT" program expenses incurred after **May 31, 2005**, and prior to execution of this Agreement will not be reimbursed. All final draw down requests and reports should be submitted with substantiating documentation by **May 31, 2005**. **Any draw down requests dated after May 31, 2005 will not be reimbursed.** Grant awards may be reduced or revoked if no attempts in reaching the projected tasks/measurable goals have been initiated within 30 days of the initial signed agreement.

E. AMENDMENTS

Funds provided in categories as specified in this Agreement must be used for the purposes for which they were approved, and may not be transferred between categories without the written approval of the Director, or his designee, of the City's Neighborhood Services Department. **Only one (1) modification to the proposed agreement will be allowed during the grant cycle.** Any changes to this Agreement, must be approved in writing by the Neighborhood Services Department, including the following changes:

1. Proposals to change the type or scope of services or activities from those for which funding was provided, prior to implementation of changes using the Budget Modification Form as detailed in Exhibit "E";

2. Proposals to temporarily or permanently cease the operations of "SUBRECIPIENT";
3. Any significant changes to the "SUBRECIPIENT" such as, principal office bearers, contact persons, change of address of "SUBRECIPIENT";
4. The City shall have the right to other information pertaining to this grant, as requested by the Neighborhood Services Department.

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 in Section I. 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 CCIG 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 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.

D. 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.

E. ON-SITE MONITORING

Projects and programs funded under this Agreement will be subject to on-site monitoring by duly authorized CITY representatives. Programs that are funded must agree to state and/or city monitoring of programs and financial reports. Said representatives will be announced, at a minimum, 24 hours in advance of such visits. The representatives may request, and be granted access to records. Representatives on occasion may interview Program volunteers and participants who volunteer to be interviewed.

F. 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. "SUBRECIPIENT" agrees to retain all books, records and other documents relevant to this Agreement, and persons duly authorized by the City shall have full access to and the right to examine and copy any said materials during this said period.

G. AUDIT ADJUSTMENTS

If an audit discloses unallowable costs, "SUBRECIPIENT" shall promptly reimburse the City such unallowable costs. If such audit discloses unpaid allowable costs, the City shall pay "SUBRECIPIENT" such costs as are properly allowable and subject to the limits provided for herein.

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 \$1,000,000.00.

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. 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 the normal business hours and under reasonable circumstances and to copy there from any information that the City desires concerning SUBRECIPIENTS' 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' cost to travel (including travel, lodging, meals and other related expenses) to the SUBRECIPIENTS' 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 the 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.

III. OTHER GENERAL CONDITIONS

A. POLITICAL ACTIVITIES

"SUBRECIPIENT" will comply with this section, which prohibits the use of CCIG 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.

IV. FINANCIAL MANAGEMENT

A. REIMBURSEMENT

The CITY shall reimburse the "SUBRECIPIENT" only for expenses paid or incurred as outlined in Exhibit "A", provided the expenditures are made after the Project's start date and before the completion date as indicated in Section I.D. Disbursement of grant funding is through reimbursement process only. A *Request for Release of Funds* form, as detailed in Exhibit "C", must be used to request reimbursement from the City of Las Vegas, Neighborhood Services Department for Child Care Improvement Grant funds expended for the **2004/2005** Fiscal Year. "SUBRECIPIENT" should allow thirty days for the reimbursement process. Supporting documentation must be submitted for all expenditures.

B. DOCUMENTATION OF COSTS

A *Request for Release of Funds* form shall be submitted by the "SUBRECIPIENT" with supporting documentation to the CITY. All costs submitted to CITY for reimbursement or vendor payment shall be recorded by budget line-items and be supported by properly executed time records, invoices, contracts, or vouchers, or other official documentation evidencing in proper detail the nature and propriety of the charge. All 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. Failure to properly submit this form, along with back-up documentation such as: invoices, purchase orders, and accounts payable printout, or check register, will result in a non-pay status for the request. **All backup documentation submitted must be in original form; copies or faxes will not be accepted.**

C. FINANCIAL RECORDKEEPING

Financial records pertaining to all invoices, materials, payrolls, personnel records, and other data concerning matters related to or arguably related to this Agreement may be requested from "SUBRECIPIENT" by duly authorized CITY representatives.

D. RECORDS

Program records shall be maintained in accordance with 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 (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 "A" and subject to any conditions imposed in the Scope of Services, to include monthly 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, identified in Section 1(E) Amendments, of this agreement.

F. METHOD OF PAYMENT

The CITY shall reimburse valid invoices for approved Project Budget expenditures identified in Exhibit "A" 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 CCIG ineligible or which are not within the scope of this Agreement. 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 that portion for other Projects/programs operating under the CITY's CCIG Program.

H. ACCOUNTING METHODS

Expenditures charged to CITY fiscal year **2004-2005** CCIG funds will be accounted for in a ledger separate from all other revenue sources. "SUBRECIPIENT" shall maintain these records.

I. NON-EXPENDABLE PERSONAL PROPERTY, DEPRECIATION SCHEDULES, AND DISPOSITION OF PROPERTY

- 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 \$1000 or more and a useful life of more than one year.
- 2) Organization purchasing or receiving non-expendable personal property as part of their project will give CITY rights to the non-expendable personal property for three years from the date of purchase. Should the organization be dissolved or should the non-expendable personal property not be used in accordance with the grant

agreement, CITY will have the right to reappropriate the non-expendable personal property. 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.

V. MODIFICATION OR TERMINATION OF AGREEMENT

A. AMENDMENT OR REVISION REQUIRED BY CITY

"SUBRECIPIENT" and the CITY hereby agree to amend or otherwise revise this Agreement should CITY and/or any applicable federal statutes or regulations require such modification.

B. TERMINATION

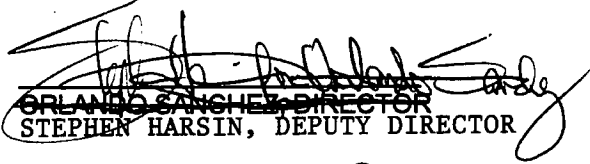
If "SUBRECIPIENT" fails to fulfill in a timely and proper manner its obligation under this Agreement or shall violate any of the covenants, agreements or stipulations of this Agreement, the CITY shall thereupon have the right to suspend or terminate this Agreement and specify the effective date thereof. Such notice shall be given no less than ten (10) days before the effective date of such termination and sent to "SUBRECIPIENT" at 4025 Lighthouse Avenue, Las Vegas, NV 89110.

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. 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
NEIGHBORHOOD SERVICES DEPARTMENT


~~ORLANDO SANCHEZ, DIRECTOR~~
STEPHEN HARSIN, DEPUTY DIRECTOR

ATTEST:


BARBARA JO RONEMUS, CITY CLERK By:

COUNCIL ACTION: N/A

APPROVED AS TO FORM: L. Pansicelli

LOPEZ FCH


GLORIA LOPEZ

ATTEST:

5/5/05
Date

CHILD CARE IMPROVEMENT GRANT

APPLICATION SUMMARY FORM

Full Legal Name of Applicant: Gloria Rodriguez Lopez
 Address: 4025 LightHouse Ave.
 City/State/Zip: Las Vegas NV. 89110
 Phone Number: (702) 438-8616 Fax Number: (702) 438-8616
 Federal Employer Identification Number (FEIN): 75-3187668
 Social Security Number: 602-52-8208
 Health Permit Number: 20832-H35-01 Expiration Date: 06/30/05
 Current Child Care
 License Number(s) N08-00369-9-018240 Expiration Date: 11/30/05

FACILITY INFORMATION

Name of Facility <u>Gloria R. Lopez Child Care Home</u>	Site Contact Person <u>Gloria R. Lopez</u>
Facility Address <u>4025 LightHouse Ave.</u>	Mailing Address <u>4025 LightHouse Ave.</u>
Type of Facility <u>Family Child Care Home</u>	No. of Children Licensed For <u>5 children</u>
No. of Infants <u>0 infants</u>	No. of Toddlers <u>1-5 toddlers</u>

USE OF FUNDS

(Check All That Apply)

AMOUNT OF REQUEST

☐ Facility Rehab

\$ _____

☒ Equipment

\$ 450.00

☐ Furniture

\$ _____

TOTAL

\$ 450.00

Section B:

The grant will help me to improve the quality of the child care, because if I put video monitors on the nap room and out side play area I can supervised them more efficiently.

I need to put video baby monitors on the nap room and outside play area but I'm taking care of two children, so I don't earn enough money to buy them.

The benefits of the proposed project are that the children can be supervised all the time.

The project plans will improve the health and safety of childcare. Children could be watched all the time although some of them stay in one place and others stay in another place.

Section C:

The timeline for completing the project is as soon as I have the money.

Section D

Budget**Equipment:**

3 Wireless Video Baby Monitor

\$ 150.00 each

Subtotal: \$ 450.00

Total Budget: \$450.00

BUSINESS LICENSE

City of Las Vegas • Las Vegas, Nevada

IN ACCORDANCE WITH THE PROVISIONS OF THE LAS VEGAS MUNICIPAL CODE, AS AMENDED, LICENSE IS HEREBY GRANTED TO OPERATE THE BUSINESS REFERENCED BELOW.

CHILDCARE LICENSE

LICENSE #: N08-00369-9-018240

DATE ISSUED: 11/12/04

DATE EXPIRES: 11/30/05

TYPE OF LICENSE: FAMILY CHILDCARE HOM
5 CHILDREN DAYS
5 CHILD

BUSINESS LOCATION: 4025 LIGHTHOUSE AV

ISSUE TO:

LOPEZ GLORIA R
4025 LIGHTHOUSE AV
LAS VEGAS NV 89110

PRINCIPAL(S)
LOPEZ, GLORIA R, OWNER


Director, Department of Finance and Business Services

Post in a conspicuous place.





CLARK COUNTY HEALTH DISTRICT
LAS VEGAS, NEVADA

HEALTH PERMIT

THIS CERTIFIES THAT THE ESTABLISHMENT LOCATED AT THE ADDRESS SHOWN BELOW AND OWNED AND/OR OPERATED BY ENTITY INDICATED HAS BEEN FOUND TO BE OPERATING IN CONFORMITY WITH THE HEALTH LAWS AND REGULATIONS PROMULGATED BY THE NEVADA STATE BOARD OF HEALTH AND THE CLARK COUNTY DISTRICT BOARD OF HEALTH. THIS CERTIFICATE GRANTS THE APPLICANT APPROVAL TO OPERATE THE TYPE OF ESTABLISHMENT INDICATED, BUT IS REVOCABLE AT ANY TIME BY THE CLARK COUNTY HEALTH DISTRICT OFFICER FOR FAILURE ON PART OF THE PERMITTEE TO MEET STATE AND DISTRICT HEALTH LAWS AND REGULATIONS.

▼ OWNED AND/OR OPERATED BY ▼

LOPEZ, GLORIA R

PERMITTEE ►
ADDRESS ►

LOPEZ FCH
LOPEZ FCH
4025 LIGHTHOUSE AVE
LAS VEGAS NV 89110

PERMIT IS NOT
TRANSFERABLE

PERMIT NUMBER ►	20832-H35-01
FEE PAID ►	82.00
AREA ►	LAS VEGAS

DATE GRANTED	DATE EXPIRED
07/01/04	06/30/05

▼ TYPE OF ESTABLISHMENT ▼

CHILD CARE

DONALD S. KWALICK, MD, MPH
CHIEF HEALTH OFFICER

ADINA OMBADYKOW

ENVIRONMENTAL HEALTH SPECIALIST

POST IN A CONSPICUOUS PLACE

BUSINESS LICENSE

City of Las Vegas • Las Vegas, Nevada

IN ACCORDANCE WITH THE PROVISIONS OF THE LAS VEGAS MUNICIPAL CODE, AS AMENDED, LICENSE IS HEREBY GRANTED TO OPERATE THE BUSINESS REFERENCED BELOW:

CHILDCARE LICENSE

LICENSE #: N08-00369-9-018240

DATE ISSUED: 11/12/03

DATE EXPIRES: 11/30/04

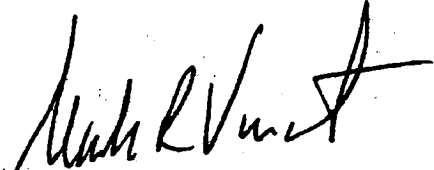
TYPE OF LICENSE: FAMILY CHILDCARE HOM
5 CHILDREN DAYS

BUSINESS LOCATION: 4025 LIGHTHOUSE AV

ISSUE TO:

LOPEZ GLORIA R
4025 LIGHTHOUSE AV
LAS VEGAS NV 89110

PRINCIPAL(S)
LOPEZ, GLORIA R, OWNER


Director, Department of Finance and Business Services

Post in a conspicuous place.



City of Las Vegas - Child Care Inspection Form

Facility: Alma Super Date: 1-31-05
Address: 4500 W. Sahara Ave. Time: 2:45 PM
Type of Service: Family Home
License Limit: Days 5 Nights 0 B & A 0
Hours of Operations: 6:00 - 6:00
Days of Service: Monday - Friday
License: Posted 1 Expires 11-30-05 Telephone Working/Listed: 438-5616/yes
Health Permit: Posted ✓ Expires 6-30-05 Emergency Numbers Posted: yes
Staff to Child Ratios in Compliance: Yes ✓ No _____ Total Children: 1 Total Staff: 1

Children's Records

Number Reviewed 1 file
Children's Records in Compliance ✓

Written Policy Statement

Content complete
Distribution to parent

Prescription Medications

Properly Labeled yes
Properly Stored in locked cabinet
Written Records Maintained (initials)
Administered By Parent
Isolation Area in hall when alone

First Aid

Location in hall 4000
Adequate Supplies ✓
Chart _____
Accident/Injury Reports yes
Communicable Diseases none

Nutrition

Meals/Snacks Provided Food for Alma
Nutrition Needs Met breakfast lunch snack
Menu Posted N/A - I.H. 4000 pk

Attendance

Staff N/A
Children sign - Alma paid by parent

Transportation/Field Trips

Is Transportation Provided N/A
Type/Number of Vehicles Used _____
Are Drivers Licenses on File _____
Auto Insurance _____
Child Restraint Laws followed _____
Transportation Permission on File ✓
Trip Permission Slips on File _____

Facility/Program

Indoor Play/Classrooms family room - 4000
Materials/Equipment appropriate
Adequate Materials/Toys yes

Furniture Durable/Safe yes
Furniture Clean/Sanitary yes
Program Standards Meet Children's Basic Needs yes
Staff Involvement/ Interaction yes
Discipline Methods time out
Type of Floor Surface tile
Floor Surface Clean/Safe yes
Clothing Storage in hall - parent
Storage Area/Hooks Labeled _____

Napping

Number of Cots N/A Mats 5
Number of Cribs 4000 Playpens N/A
Number of Port-a-cribs N/A Beds N/A
Properly Sanitized yes
Sleeping Devices Labeled yes
Sleeping Devices Sanitary yes
Sleeping Devices in Good Condition yes
Linens Properly Stored yes
Linen Laundered laundry on 4000
Can Children be Seen & Heard yes

Bathrooms/Diaper Changing

Disposable Towels Available yes
Liquid Soap Available yes
Toilet Tissue Available yes
Children Hand Washing yes
Staff Hand Washing yes
Bathroom Accessible from Outside yes - 4000
Diaper Changing Table in hall - 4000
Diaper Pail Available diaper pail outside
Diaper/Feeding Logs N/A
Diaper Table on Proper Surface yes - 4000
Diaper Table Sanitized yes - 4000
Bottles/Sipping Cups Labeled N/A
Bathroom Clean/Sanitary yes

CITY OF LAS VEGAS
CHILD CARE INSPECTION REPORT

FACILITY Theresa Carlson

DATE 7-15-05

ADDRESS 4025 Northridge

COMMENTS:

Follow-up

(1) Wash in - check hot (1) Disc
water #3 pump, pet #3

(2) Children will be seen (2) Children will
and heard at anytime be seen
in kitchen room

(3) Children will be seen (3) Children will
and heard at anytime be seen
in kitchen room

(4) Children will be seen (4) Children will
and heard at anytime be seen
in kitchen room

(5) Children will be seen (5) Children will
and heard at anytime be seen
in kitchen room

Inspection complete

I hereby acknowledge receipt of this report and corrective action will be taken on items noted, and I will notify the Department of Finance & Business Services of any changes or corrections made.

Glenn Scott
Department of Finance & Business Services Representative

Theresa Carlson
Signature of Licensee/Responsible Party

NEIGHBORHOOD SERVICES
DEPARTMENT

2005 MAY -3 P 3:47

207 4

Adequate Shade NO SHADE

Type of Playground Surface(s) GRAVEL

Materials/Equipment SLIDING, SWING, CLIMB, PUSH, PULL

Sufficient Materials/Equipment YES

Cleanliness/Serviceability of Materials/Equipment GOOD

Drinking Water Available yes
Equipment Age Appropriate yes

Properly Fenced with wall
Free From Hazards yes

[illegible]

Department of Finance & Business Services Representative

Signature of Licensee/Responsible Party

City of Las Vegas Child Care Licensure Action Form

Facility: Glenn Lopez

Page 3 of 4

Address: 4025 Highland Ave

Date: 1-31-05

* FAMILY HOME - No more than 4 children under 2 years of age, no more than 2 children under 1 year of age.

* GROUP HOME - No more than 8 children under 3 years of age, no more than 4 children under 1 year of age.

REMINDER: 15 HOURS OF RECOGNIZED TRAINING IS REQUIRED BY THE END OF THE CALENDAR YEAR!

Staff	Work Card Number	Work Card Expiration	Health Card Expiration	TB Certificate	Symptoms	First Aid	CPR Date	Abuse & Neglect
GLORIA	1798162	10-1-07	10-10-06	✓	✓	✓	9/04	✓
ANTONIO LOPEZ	1867428	11-3-7	4-28-06	✓			10/04	✓

Children Names	DOB/Age	Registration	Immunizations	Physical
MASON WALKER	3-26-03 (22mos)	✓	DPT#3, MMR, Hib	✓

Other Children/Adults Living in the Home

None - Wife
Anthony Lopez

I hereby acknowledge receipt of this report and corrective action will be taken on items noted, and I will notify the Department of Finance & Business Services of any changes or corrections made.

Debra Jacob
Department of Finance & Business Services Representative

Glenn Lopez
Signature of Licensee/Responsible Party

CITY OF LAS VEGAS
CHILD CARE INSPECTION REPORTFACILITY Elona Taper
ADDRESS 4025 Light HouseDATE 1-31-05

COMMENTS:

Elona Taper for child taking her home
was found to be clean organized and
safe for young children

Things to do:

(1) Kiberte certificate from FHM. Ask also
if unable to locate, will need to make
less - located at end of inspection

(2) Mason W - needs current shots DPT #3, MMR,
polio #3

(3) Children must be seen and heard at
naptime. Currently sleeping 1 child
in crib in bedroom. Kiberte provide
monitor for bedroom as child must
sleep out in living area

(4) Plastic cover needed on diaper pail
that has indentation. Kiberte is
considering purchasing a new diaper table

Follow-up via FAX 383-6642
ATTN: Kiberte
Due in 3 wk

(5) Written medical release required for
all medication administered

I hereby acknowledge receipt of this report and corrective action will be taken on items noted and I will notify the Department of
Finance & Business Services of any changes or corrections made.

Kiberte Taper
Department of Finance & Business Services Representative

Elona Taper
Signature of Licensee/Responsible Party

GENERAL NOTICE AND REPORT OF INSPECTION

Telephone 383-1251 (Direct) • 385-1291 (24 hours)

SAN 62	CONTROL NO. 20832 H35-01	ESTABLISHMENT LOPEZ FCH LOPEZ FCH	ADDRESS 4025 LIGHTHOUSE AVE LAS VEGAS NV 89110	
DIST 04	LOPEZ, GLORIA R GLORIA LOPEZ		PERSON INTERVIEWED X A L. Antonio Lopez (spouse)	TELEPHONE 438-8616
TYPE AND CATEGORY 8351-121		CAPACITY 5	SPECIAL NOTES: (37-35-7B)	
PREVIOUS ACTION	SAN C 62	ACTION SD	DATE 12/21/04	STATUS A
CURRENT ACTION	SAN C 62	ACTION SD	DATE 2-14-05	STATUS A
SCHEDULED ACTION		ACTION SD		DATE 01/03/05
SPECIAL DATE		TIME IN 3:40P	TIME OUT 4:05P	
FUTURE ACTION		ACTION		DATE

Based on an inspection this day, the items marked below identify the violation in operation or facilities which must be corrected by the next routine inspection or such shorter period of time as may be specified in writing by the health authority. Failure to comply with this notice may result in immediate suspension of your permit.

ITEM	DESCRIPTION	STATUS	DATE	TIME IN	TIME OUT	REMARKS
1	OUTDOOR PLAY AREA					
2	ADEQUATE ENCLOSURE					
3	FREE OF HAZARDS					
4	SAFE PLAY EQUIPMENT					
5	ADDRESS VISIBLE					
6	INTERIOR OF BUILDING					
7	CLEAN, UNCLUTTERED					
8	FREE OF HAZARDS, GOOD REPAIR					
9	VENTILATION/HEATING/COOLING					
10	WATER FROM APPROVED SOURCE					
11	TELEPHONE/EMERGENCY NUMBERS POSTED					
12	MAPPING EQUIPMENT - SAFE, SANITARY					
13	ADEQUATE DIAPER CHANGING AREA					
14	SEPARATION OF PERSONAL ITEMS					
15	HEALTH/SAFETY/SUPPLIES					
16	CURRENT CHILD CARE HEALTH CARD - OK					
17	NO SICK CHILDREN					
18	FIRST AID KIT AND INSTRUCTIONS - OK					
19	SURFACES CLEANED/SANITIZED					
20	RESTROOM STOCKED					
21	SUPERVISED HANDWASHING					
22	SAFE STORAGE OF HAZARDOUS ITEMS					
23	PETS					
24	CURRENT IMMUNIZATION RECORDS					
25	PROPER ENCLOSURES AND MAINTENANCE					
26	RESTRICTIONS MAINTAINED					
27	FOOD SERVICES					
28	SAFE FOOD PRACTICES					
29	REFRIGERATOR THERMOMETER, TEMP. 38°F OK					
30	AREA/EQUIPMENT CLEAN, SANITARY					

ITEM #	CORRECTION:
⑥	No over door lock → provide
③	Plastic cover on swing chairs in disrepair → Repair/Replace

ACKNOWLEDGED BY

EHS

REVIEWED BY

SECTION E: ADDITIONAL FUNDING

Please include all types of funding received for any past childcare projects including, but not limited to the city of Las Vegas, Clark County, North Las Vegas and/or the State of Nevada. Additionally, give a brief description as to what the money was used for. Failure to disclose all prior funding may result in disqualification.

Source of Outside Revenue	FY 01-02	Purpose of Funding	FY 02-03	Purpose of Funding	FY 03-04	Purpose of Funding
City		N/A		N/A		N/A
County						
State						
Federal						
Fundraising						
Donations						
Other (explain) ..						
Total Revenue ...						

****This Section Intentionally Left Blank****

SCHEDULE C
(Form 1040)

Department of the Treasury
Internal Revenue Service

Profit or Loss From Business

(Sole Proprietorship)

► Partnerships, joint ventures, etc., must file Form 1065 or 1065-B.
► Attach to Form 1040 or 1041.

OMB No. 1545-0074

2004
Attachment
Sequence No. **09**

Name of proprietor GLORIA LOPEZ		Social security number (SSN) 602-52-8208
A Principal business or profession, including product or service BABYSISTER		B Enter code from instructions ► 624410
C Business name. If no separate business name, leave blank. GLORIA R LOPEZ CHILD CARE HOME		D Employer ID number (EIN), if any
E Business address (including suite or room no.) ► 4025 LIGHTHOUSE AVE City, town or post office, state, and ZIP code LAS VEGAS NV 89110-0000		
F Accounting method: (1) ☒ Cash (2) ☐ Accrual (3) ☐ Other (specify) ►		
G Did you "materially participate" in the operation of this business during 2004? If "No," see instructions for limit on losses ☒ Yes ☐ No		
H If you started or acquired this business during 2004, check here ☐		

Part I Income	
1 Gross receipts or sales. Caution. If this income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked, see instructions and check here.	1 4624
2 Returns and allowances.	2
3 Subtract line 2 from line 1	3 4624
4 Cost of goods sold (from line 42 on page 2)	4
5 Gross profit. Subtract line 4 from line 3	5 4624
6 Other income, including Federal and state gasoline or fuel tax credit or refund	6
7 Gross income. Add lines 5 and 6	7 4624

Part II Expenses. Enter expenses for business use of your home only on line 30.	
8 Advertising	8
9 Car and truck expenses (see instructions)	9
10 Commissions and fees	10
11 Contract labor (see instructions)	11
12 Depletion	12
13 Depreciation and section 179 expense deduction (not included in Part III)	13
14 Employee benefit programs (other than on line 19).	14
15 Insurance (other than health)	15 173
16 Interest:	
a Mortgage (paid to banks, etc.).	16a
b Other	16b
17 Legal and professional services	17
18 Office expense	18
19 Pension and profit-sharing plans	19
20 Rent or lease:	
a Vehicles, machinery, and equipment	20a
b Other business property	20b
21 Repairs and maintenance	21
22 Supplies (not included in Part III). SEE SIM 01	22 315
23 Taxes and licenses	23 25
24 Travel, meals, and entertainment:	
a Travel	24a
b Meals and entertainment	1020
c Enter nondeductible amount included on Line 24b	510
d Subtract line 24c from line 24b	24d 510
25 Utilities	25
26 Wages (less employment credits)	26
27 Other expenses (from line 48 on page 2)	27 296
28 Total expenses before expenses for business use of home. Add lines 8 through 27 in columns.	28 1319
29 Tentative profit (loss). Subtract line 28 from line 7	29 3305
30 Expenses for business use of your home. Attach Form 8829	30
31 Net profit or (loss). Subtract line 30 from line 29.	
• If a profit, enter on Form 1040, line 12, and also on Schedule SE, line 2 (statutory employees, see instructions). Estates and trusts, enter on Form 1041, line 3.	31 3305
• If a loss, you must go to line 32	

32 If you have a loss, check the box that describes your investment in this activity.	
• If you checked 32a, enter the loss on Form 1040, line 12, and also on Schedule SE, line 2 (statutory employees, see instructions). Estates and trusts, enter on Form 1041, line 3.	32a ☐ All investment is at risk.
• If you checked 32b, you must attach Form 6198.	32b ☐ Some investment is not at risk.

Part III Cost of Goods Sold

33 Method(s) used to value closing inventory: **a** ☐ Cost **b** ☐ Lower of cost or market **c** ☐ Other (attach explanation)

34 Was there any change in determining quantities, costs, or valuations between opening and closing inventory? If "Yes," attach explanation ☐ Yes ☐ No

35 Inventory at beginning of year. If different from last year's closing inventory, attach explanation	35	
36 Purchases less cost of items withdrawn for personal use	36	
37 Cost of labor. Do not include any amounts paid to yourself	37	
38 Materials and supplies	38	
39 Other costs	39	
40 Add lines 35 through 39	40	
41 Inventory at end of year.	41	
42 Cost of goods sold. Subtract line 41 from line 40. Enter the result here and on page 1, line 4	42	

Part IV Information on Your Vehicle. Complete this part **only** if you are claiming car or truck expenses on line 9 and are not required to file Form 4562 for this business. See the instructions for line 13 to find out if you must file Form 4562.

43 When did you place your vehicle in service for business purposes? (month, day, year) ► _____

44 Of the total number of miles you drove your vehicle during 2004, enter the number of miles you used your vehicle for:

a Business _____ **b** Commuting _____ **c** Other _____

45 Do you (or your spouse) have another vehicle available for personal use? ☐ Yes ☐ No

46 Was your vehicle available for personal use during off-duty hours? ☐ Yes ☐ No

47a Do you have evidence to support your deduction? ☐ Yes ☐ No

b If "Yes," is the evidence written? ☐ Yes ☐ No

Part V Other Expenses. List below business expenses not included on lines 8-26 or line 30.

HEALTH DEPARTMENT	60
CLASS FEE	90
FIRE EXTINGUISHER	24
CLARK COUNTY HEALTH DIST	82
POLICE RECORD	40
48 Total other expenses. Enter here and on page 1, line 27	48 296

CERTIFICATE BY APPLICANT

Please initial on line after each statement; please sign and date below.

1. I hereby certify that to the best of my knowledge, all information contained in this application is complete and accurate. GL
2. I understand that the grant will be subjected to a conditional grant agreement. GL
3. I understand that any direct receipt of the grant has to be declared as income for tax purposes and I will receive tax form 1099(G) from the city of Las Vegas at year-end, which will state the amount to be reported on my tax return. GL
4. I understand that the activities outlined in my grant application must commence no later than thirty-days (30) following the approval date of the grant to avoid cancellation or suspension of funding. GL
5. I understand that vendors performing a service can be paid directly, but only upon completion of a Vendor Agreement and successful and satisfactory completion of the project. GL
6. I understand that all requests for reimbursement must be made on a monthly basis and a monthly report must accompany the request. GL
7. I understand that revisions and amendments can be made at the discretion of the city of Las Vegas Representative. GL
8. I understand that I am responsible for any taxation of any purchases. GL
9. I understand that should I move from my home where facility rehabilitation such as flooring, ac unit, or shade cover/patio was installed, or close my family/group daycare within two (2) years of receiving grant funds, I may be denied future funding for up to three (3) years. GL
10. I agree to commit the project implementation in keeping with the application content and budget and to adhere to all assurances, certifications, terms, conditions, and other requirements contained in this application. GL

Gloria B. Lopez
Signature

05-02-05
Date

Please submit your complete application and required documents to:

Cynthia Manabat, Program Coordinator
City of Las Vegas
Neighborhood Services Department
400 Stewart Avenue, 2nd Floor
Las Vegas, Nevada 89101
(702) 229-1027



Mail or Deliver To: Purchasing & Contracts Division
400 Stewart Avenue, Las Vegas, NV 89101
(702) 229-6231

ALL INFORMATION SHOULD BE TYPED OR PRINTED. INCOMPLETE FORMS WILL NOT BE PROCESSED.

SECTION A: PRIMARY BUSINESS INFORMATION ■ INITIAL APPLICATION ■ REVISION

Full Legal Business Name (no abbreviations): Gloria R. Lopez Child Care Home

Purchase order to be sent to:

Remittance check to be sent to:

Address: 4025 Lighthouse Ave.

Address: 4025 Lighthouse Ave

City Las Vegas **State** NV **Zip** 89110

City Las Vegas **State** NV **Zip** 89110

Contact Name Gloria R. Lopez

Contact Name Gloria R. Lopez

Phone Number (702) 438-8616

Phone Number: (702) 438-8616

Fax Number (702) 438-8616

Fax Number: (702) 438-8616

E-mail: None

E-mail: N/A

SECTION B: CONTRACTOR INFORMATION / PUBLIC WORKS (CONSTRUCTION ONLY)

STATE OF NEVADA CONTRACTORS INFORMATION

License Classification(s): _____

SECTION C: MINORITY, WOMAN, OR DISABLED PERSON OWNED BUSINESS INFORMATION

This business qualifies by virtue of 51% or more ownership and active management by one of the following (Check all that are applicable.):

- ☒ Hispanic American
☐ Asian / Pacific American
☐ Black / African American

- ☐ Native American
☐ Woman - Owned
☐ Disabled Veteran

- ☐ Disabled (Non-Veteran)
☐ Small Business

SECTION D: BUSINESS OWNERSHIP (REQUIRED INFORMATION)

- ☐ Corporation or LLC
☐ Partnership or LLP
☒ Sole Proprietor

Fed Tax ID#: 75-3187668

or

SSN#: 602-52-8208

1. I certify that the information supplied (including all pages attached) is correct and that neither the applicant nor any person or concern associated with the applicant as a principal or officer, so far as is known, is now debarred or otherwise declared ineligible by any government agency from bidding for furnishing materials, supplies services, or construction to or for any government agency.
2. I acknowledge, that it is this firm's responsibility to update this data when changes occur and failure to do so may result in non-receipt of information from the City.

Signature Gloria R. Lopez **Title** N/A **Date** 05-02-05

Print or Type Name Gloria R. Lopez

PLEASE ENCLOSE A COMPLETED W-9 WITH YOUR APPLICATION

For Internal Use Only

Supplier Type: ☐ Commodity ☐ Service ☐ Construction ☐ Employee ☐ Refund
☐ PO Site ☐ Pay Site ☐ RFQ Only Site

Supplier# _____ **Date Entered** _____ **By** _____

Request for Taxpayer Identification Number and Certification

Give form to the
requester. Do not
send to the IRS.

Print or type
See Specific Instructions on page 2.

Name Gloria R. Lopez Child Care Home	
Business name, if different from above	
Check appropriate box: ☒ Individual/ Sole proprietor ☐ Corporation ☐ Partnership ☐ Other ▶	☐ Exempt from backup withholding
Address (number, street, and apt. or suite no.) 4025 Lighthouse Ave.	Requester's name and address (optional)
City, state, and ZIP code Las Vegas, NV. 89110	
List account number(s) here (optional)	

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I Instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see **How to get a TIN** on page 3.

Note: If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Social security number
610 215 240 2018

or

Employer identification number
| | | | | | | |

Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
- I am a U.S. person (including a U.S. resident alien).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. (See the instructions on page 4.)

Sign
Here

Signature of
U.S. person ▶

Gloria R. Lopez

Date ▶ **05-02-05**

Purpose of Form

A person who is required to file an information return with the IRS, must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

U.S. person. Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

- Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
- Certify that you are not subject to backup withholding, or
- Claim exemption from backup withholding if you are a U.S. exempt payee.

Note: If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Foreign person. If you are a foreign person, use the appropriate Form W-8 (see Pub. 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

Nonresident alien who becomes a resident alien.

Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the recipient has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement that specifies the following five items:

- The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
- The treaty article addressing the income.
- The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
- The type and amount of income that qualifies for the exemption from tax.
- Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Monthly Progress Report

Child Care Improvement Grant

FY 04-2005



Reporting Month:	
Date of Report:	
Provider Name:	
Person Preparing Report:	
Phone Number:	
Fax Number:	

Please describe your project accomplishments for this month. Identify which project goals (as described in your contract) your organization has addressed and be sure to include any trouble spots or areas of concern.

If you have not completed your project, please describe what is remaining and the approximate time of completion.

Must be submitted with Exhibit B when submitting reimbursement requests)

****This space left blank intentionally****

**CITY OF LAS VEGAS
NEIGHBORHOOD SERVICES DEPARTMENT
REQUEST FOR RELEAS OF FUNDS**

This form must be used to request reimbursement from the city of Las Vegas Neighborhood Services Department, for Child Care Improvement Grant funds expended for the **2004/2005** Fiscal Year. Failure to properly submit this form, along with the necessary back-up documentation such as: copies of cancelled checks, invoices, purchase orders, and an accounts payable print out or check register will result in a non-pay status for the request. **Do not alter this form.**

Request #	Amount of Request	Period Cover
	\$	From _____ To _____

Provider Name:	Phone:
Business Address:	FAX:
Contact Person:	Email:

Funding Category	Budgeted Amount	Previous Drawdowns	Request Amount	Remaining Funds
Facility Rehab				
Equipment				
Furniture				
TOTAL				

Signature

Date

Child Care Improvement Grant

FY 04-2005



Reporting Period:	Start:	End:	Amount of Grant:
Provider Name:			
Date of Report:			
Contact Person:			
Phone Number:			

Please write your Final Report in the space provided below. Attach additional sheets if needed.

[illegible]

BUDGET MODIFICATION AND REVISION REQUEST

(One Time Only Request)

GRANT: CCIG FY 04-2005

DATE: _____

JUSTIFICATION: _____

SIGNED: _____ **TITLE:** _____ **DATE:** _____

(AGENCY)

DENIED

NEIGHBORHOOD SERVICES DEPT: _____ **DATE:** _____

**CHILD CARE IMPROVEMENT GRANT AGREEMENT
between the City of Las Vegas and Robinson FCH**

THIS AGREEMENT ("Agreement") is made and entered into this 24th day of May, 2005 by and between the CITY OF LAS VEGAS, a municipal corporation of the State of Nevada, hereinafter referred to as "CITY", and Janice Robinson, doing business as Robinson FCH, a Nevada sole proprietorship, hereinafter referred to as "SUBRECIPIENT", whose primary mailing address at the date of execution is 6612 Pickford Lane, Las Vegas, NV 89107.

WITNESSETH

WHEREAS, the CITY has allocated funds for the Child Care Improvement Grant, hereinafter referred to as "CCIG"; and

WHEREAS, the CITY is responsible for planning, administering, implementing, and evaluating the CCIG program to ensure that it conforms to the CCIG Program Guidelines, Child Care Licensing Compliance Guidelines and the Las Vegas City Council goals; and

WHEREAS, CITY as Grantor wishes to engage "SUBRECIPIENT" to assist the CITY in utilizing such funds by providing services to meet the CCIG Program's objectives, as follows:

- to improve existing child care facilities serving the target area; and
- to support projects creating child care for additional children and/or to enhance the quality of current child care.

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

I. SCOPE OF SERVICE

A. ACTIVITIES

"SUBRECIPIENT" will be responsible for administering FY 2004-2005 CCIG-funded activities eligible under the Child Care Improvement Grant as cited in the Scope of Services I.B.1, hereinafter referred to as "Project". It is expressly agreed and understood that the total amount to be provided by the CITY under this Agreement shall not exceed \$462.00 CCIG funds to be allocated in accordance with the Child Care Improvement Grant Application as detailed in Exhibit "A," attached. "SUBRECIPIENT" hereby agrees to utilize said CCIG 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 as stated by the "SUBRECIPIENT" in the Child Care Improvement Grant application Exhibit "A" and in addition to the following:

Purpose of Services:

The purpose of this funding is to the facility by purchasing baby/video monitor(s) to enable provider to see and hear the children at all times while napping and playing.

Tasks to be Performed:

- Purchase Baby/Video Monitor(s)
- Obtain (3) quotes or bids for all proposed expenditures over \$500 (Bids for construction must be from licensed and bonded contractors).
- Submit reimbursement requests monthly along with a monthly progress report.

Measurable Goals for Grant period:

- Obtain approval of proposed plans for changes to Clark County Health District and all departments as required by municipal codes.
- Obtain proper Planning, Building and Safety, and/or Fire Code permits.
- Complete project within thirty days (30) of approval.

"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 "SUBRECIPIENT" hereby appoints the following representative to attend any meetings of the neighborhood organization in partnership with the City of Las Vegas, Neighborhood Services Department: **Janice Robinson** or a designee chosen at the discretion of "SUBRECIPIENT".

C. PROGRAM REPORTING

"SUBRECIPIENT" will be required to collect for and provide to the CITY Program accomplishments and usage records beginning **May 16, 2005**, or the date first written above, until **May 31, 2005**, unless this Agreement is modified at the express consent of the CITY and "SUBRECIPIENT." "SUBRECIPIENT" shall submit at the end of each month on a monthly basis, and on occasion upon written request of the CITY, a Monthly Project Report and a Request for Release of Funds, which are attached as Exhibits "B" and "C". Failure to submit said reports with the request for reimbursement may delay reimbursement to "SUBRECIPIENT" for grant-eligible project expense. Records and reports shall contain, but not be limited to, the following data:

- 1) Statement of Project goals cited in "SUBRECIPIENT" application and measurable accomplishments toward achieving said goals through reporting date of said report.

- 2) Written narrative and description of services shall be included in each monthly report.
- 3) The "SUBRECIPIENT" shall provide a copy of all written report developed for the Project to the CITY. These may be included with the Monthly Project Progress Report or under separate cover. Materials that help document the progress of the Project include: event flyers, photographs, video footage, construction timelines, job descriptions, contractor contracts, and design drawings.
- 4) The "SUBRECIPIENT" shall provide a final, brief, written report with the final invoice that summarizes the Project's successes and lessons learned. An outline of the Final Report is included in Exhibit "D". **Final reports are due on or before May 31, 2005.**
- 5) These reports will be forwarded to the City of Las Vegas Neighborhood Services Department, ATTN: CCIG Program Coordinator. 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.
- 6) 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 CCIG funding of "SUBRECIPIENT" program rendered in accordance with this Agreement from **May 16, 2005**, or the date first written above, through **May 31, 2005**. Furthermore, the CITY shall be liable only for payment proportional to the extent that CCIG grant award funds are appropriated and allocated by the CITY. "SUBRECIPIENT" program expenses incurred after **May 31, 2005**, and prior to execution of this Agreement will not be reimbursed. All final draw down requests and reports should be submitted with substantiating documentation by **May 31, 2005**. **Any draw down requests dated after May 31, 2005 will not be reimbursed.** Grant awards may be reduced or revoked if no attempts in reaching the projected tasks/measurable goals have been initiated within 30 days of the initial signed agreement.

E. AMENDMENTS

Funds provided in categories as specified in this Agreement must be used for the purposes for which they were approved, and may not be transferred between categories without the written approval of the Director, or his designee, of the City's Neighborhood Services Department. **Only one (1) modification to the proposed agreement will be allowed during the grant cycle.** Any changes to this Agreement, must be approved in writing by the Neighborhood Services Department, including the following changes:

1. Proposals to change the type or scope of services or activities from those for which funding was provided, prior to implementation of changes using the Budget Modification Form as detailed in Exhibit "E";

2. Proposals to temporarily or permanently cease the operations of "SUBRECIPIENT";
3. Any significant changes to the "SUBRECIPIENT" such as, principal office bearers, contact persons, change of address of "SUBRECIPIENT";
4. The City shall have the right to other information pertaining to this grant, as requested by the Neighborhood Services Department.

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 in Section I. 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 CCIG 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 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.

D. 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.

E. ON-SITE MONITORING

Projects and programs funded under this Agreement will be subject to on-site monitoring by duly authorized CITY representatives. Programs that are funded must agree to state and/or city monitoring of programs and financial reports. Said representatives will be announced, at a minimum, 24 hours in advance of such visits. The representatives may request, and be granted access to records. Representatives on occasion may interview Program volunteers and participants who volunteer to be interviewed.

F. 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. "SUBRECIPIENT" agrees to retain all books, records and other documents relevant to this Agreement, and persons duly authorized by the City shall have full access to and the right to examine and copy any said materials during this said period.

G. AUDIT ADJUSTMENTS

If an audit discloses unallowable costs, "SUBRECIPIENT" shall promptly reimburse the City such unallowable costs. If such audit discloses unpaid allowable costs, the City shall pay "SUBRECIPIENT" such costs as are properly allowable and subject to the limits provided for herein.

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 \$1,000,000.00.

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. 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 the normal business hours and under reasonable circumstances and to copy there from any information that the City desires concerning SUBRECIPIENTS' 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' cost to travel (including travel, lodging, meals and other related expenses) to the SUBRECIPIENTS' 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 the 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.

III. OTHER GENERAL CONDITIONS

A. POLITICAL ACTIVITIES

"SUBRECIPIENT" will comply with this section, which prohibits the use of CCIG 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.

IV. FINANCIAL MANAGEMENT

A. REIMBURSEMENT

The CITY shall reimburse the "SUBRECIPIENT" only for expenses paid or incurred as outlined in Exhibit "A", provided the expenditures are made after the Project's start date and before the completion date as indicated in Section I.D. Disbursement of grant funding is through reimbursement process only. A *Request for Release of Funds* form, as detailed in Exhibit "C", must be used to request reimbursement from the City of Las Vegas, Neighborhood Services Department for Child Care Improvement Grant funds expended for the 2004/2005 Fiscal Year. "SUBRECIPIENT" should allow thirty days for the reimbursement process. Supporting documentation must be submitted for all expenditures.

B. DOCUMENTATION OF COSTS

A *Request for Release of Funds* form shall be submitted by the "SUBRECIPIENT" with supporting documentation to the CITY. All costs submitted to CITY for reimbursement or vendor payment shall be recorded by budget line-items and be supported by properly executed time records, invoices, contracts, or vouchers, or other official documentation evidencing in proper detail the nature and propriety of the charge. All 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. Failure to properly submit this form, along with back-up documentation such as: invoices, purchase orders, and accounts payable printout, or check register, will result in a non-pay status for the request. All backup documentation submitted must be in original form; copies or faxes will not be accepted.

C. FINANCIAL RECORDKEEPING

Financial records pertaining to all invoices, materials, payrolls, personnel records, and other data concerning matters related to or arguably related to this Agreement may be requested from "SUBRECIPIENT" by duly authorized CITY representatives.

D. RECORDS

Program records shall be maintained in accordance with 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 (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 "A" and subject to any conditions imposed in the Scope of Services, to include monthly 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, identified in Section 1(E) Amendments, of this agreement.

F. METHOD OF PAYMENT

The CITY shall reimburse valid invoices for approved Project Budget expenditures identified in Exhibit "A" 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 CCIG ineligible or which are not within the scope of this Agreement. 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 that portion for other Projects/programs operating under the CITY's CCIG Program.

H. ACCOUNTING METHODS

Expenditures charged to CITY fiscal year 2004-2005 CCIG funds will be accounted for in a ledger separate from all other revenue sources. "SUBRECIPIENT" shall maintain these records.

I. NON-EXPENDABLE PERSONAL PROPERTY, DEPRECIATION SCHEDULES, AND DISPOSITION OF PROPERTY

- 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 \$1000 or more and a useful life of more than one year.
- 2) Organization purchasing or receiving non-expendable personal property as part of their project will give CITY rights to the non-expendable personal property for three years from the date of purchase. Should the organization be dissolved or should the non-expendable personal property not be used in accordance with the grant

agreement, CITY will have the right to reappropriate the non-expendable personal property. 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.

V. MODIFICATION OR TERMINATION OF AGREEMENT

A. AMENDMENT OR REVISION REQUIRED BY CITY

"SUBRECIPIENT" and the CITY hereby agree to amend or otherwise revise this Agreement should CITY and/or any applicable federal statutes or regulations require such modification.

B. TERMINATION

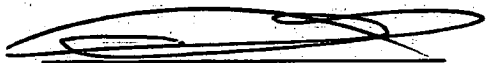
If "SUBRECIPIENT" fails to fulfill in a timely and proper manner its obligation under this Agreement or shall violate any of the covenants, agreements or stipulations of this Agreement, the CITY shall thereupon have the right to suspend or terminate this Agreement and specify the effective date thereof. Such notice shall be given no less than ten (10) days before the effective date of such termination and sent to "SUBRECIPIENT" at 6612 Pickford Lane, Las Vegas, NV 89107.

C. PROVISIONS REQUIRED BY LAW DEEMED INSERTED

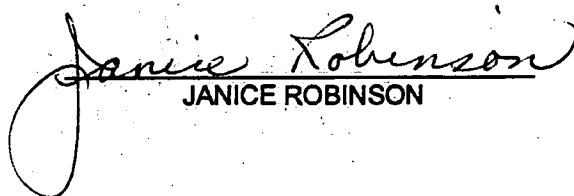
Each and every provision of law and clause required by law to be inserted in this Agreement will be deemed to be inserted herein. This Agreement shall be read and enforced as though it were included herein and if through mistake or otherwise any such provisions not inserted, or is not correctly inserted, 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.

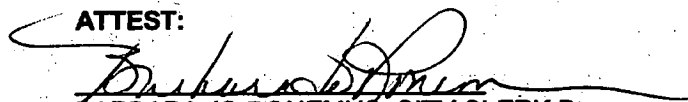
CITY OF LAS VEGAS
NEIGHBORHOOD SERVICES DEPARTMENT


ORLANDO SANCHEZ, DIRECTOR

ROBINSON FCH


JANICE ROBINSON

ATTEST:


BARBARA JO RONEMUS, CITY CLERK By:

COUNCIL ACTION: N/A

APPROVED AS TO FORM:



5/16/05
Date

CHILD CARE IMPROVEMENT GRANT

APPLICATION SUMMARY FORM

Full Legal Name of Applicant: JANICE W. ROBINSON
 Address: 6612 Pickford Lane
 City/State/Zip: Las Vegas, Nevada 89107
 Phone Number: (702) 878-2699 Fax Number: () n/a
 Federal Employer Identification Number (FEIN): n/a
 Social Security Number: 528-50-9265
 Health Permit Number: 13839-HG9-01 Expiration Date: 06/30/05
 Current Child Care
 License Number(s) N0880017329-011091 Expiration Date: 01/31/06

FACILITY INFORMATION

Name of Facility JANICE ROBINSON DAYCARE	Site Contact Person Janice W. Robinson
Facility Address 6612 Pickford Lane	Mailing Address 6612 Pickford Lane
Type of Facility In Home Daycare	No. of Children Licensed For 6
No. of Infants 1	No. of Toddlers 5

USE OF FUNDS

(Check All That Apply)

AMOUNT OF REQUEST

☐ Facility Rehab	\$ _____
☒ Equipment	\$ <u>462.21</u>
☐ Furniture	\$ _____
TOTAL	\$ <u>462.21</u>

2005 MAY 11 P 4:56
 NEIGHBORHOOD SERVICES
 DEPARTMENT

BUSINESS LICENSE

City of Las Vegas • Las Vegas, Nevada

IN ACCORDANCE WITH THE PROVISIONS OF THE LAS VEGAS MUNICIPAL CODE, AS AMENDED, LICENSE IS HEREBY GRANTED TO OPERATE THE BUSINESS REFERENCED BELOW

CHILDCARE LICENSE

LICENSE # - NOR001590101 - DATE ISSUED - 01/17/05

DATE EXPIRES - 01/31/06

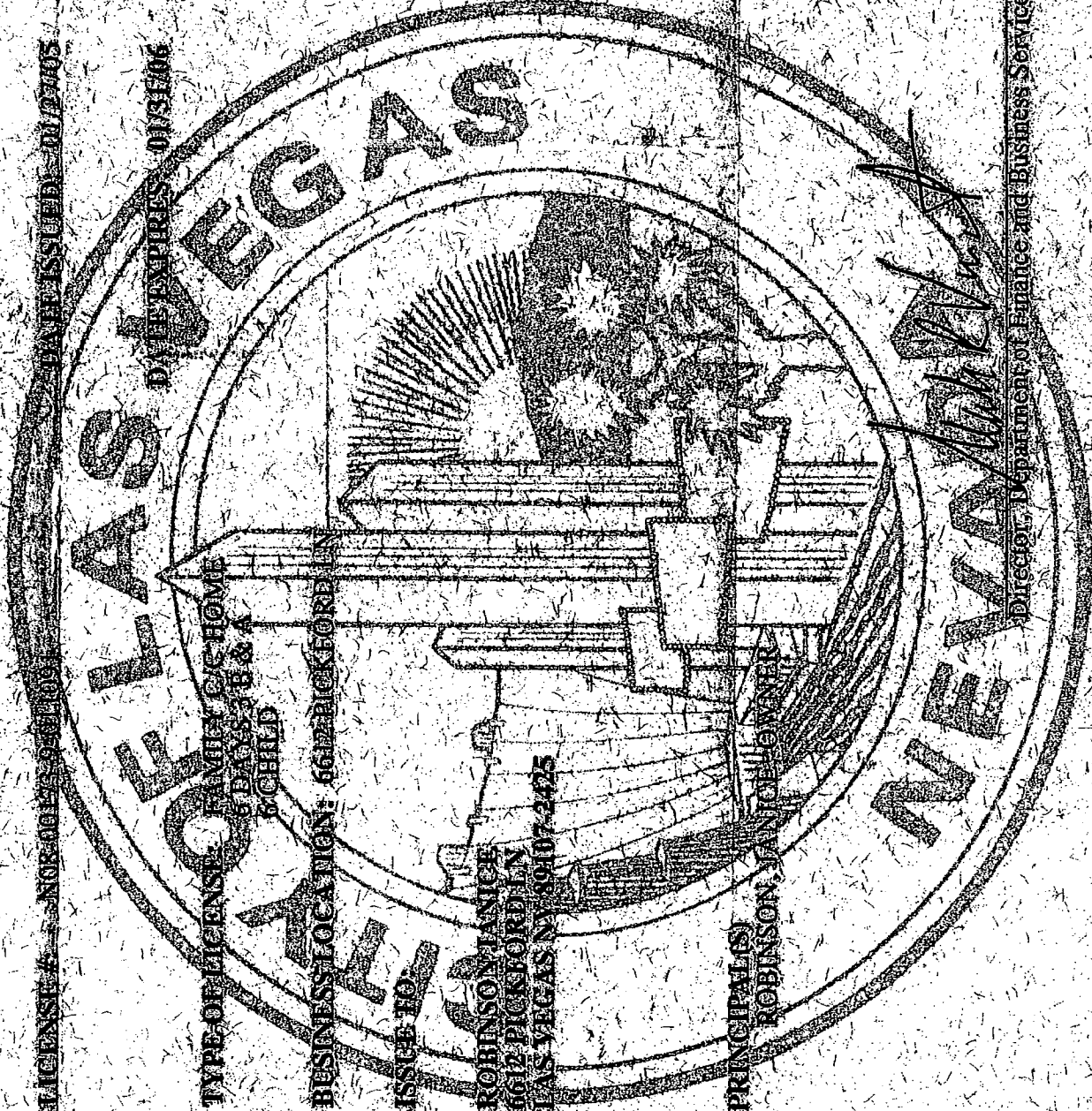
TYPE OF LICENSE - FAMILY OC HOME
6 DAYS A WEEK
5 CHILD

BUSINESS LOCATION: 6626 RICKFORD LN

ISSUE TO:

ROBINSON JANICE
6612 PICKFORD LN
LAS VEGAS NV 89107-2425

PRINCIPALS
ROBINSON JANICE OWNER



Director, Department of Finance and Business Services

Post in a conspicuous place

City of Las Vegas - Child Care Inspection Form

Facility: Jamie Robinson Date: 4/29/05
 Address: 10612 Pickford Lane Time: 12:00 p.m.
 Type of Service: _____
 License Limit: Days 10 Nights 1 B & A 3
 Hours of Operations: 7:30 a.m. - 5:30 p.m.
 Days of Service: Monday - Friday
 License: Posted Yes Expires 1/31/06 Telephone Working/Listed: 878-21099 (Yes)
 Health Permit: Posted Yes Expires 10/30/05 Emergency Numbers Posted: Posted by phone
 Staff to Child Ratios in Compliance: Yes ✓ No _____ Total Children: 6 Total Staff: 1

Children's Records

Number Reviewed 6 files
 Children's Records in Compliance 1 requires immunization

Written Policy Statement

Content Complete (New)
 Distribution to Parents

Prescription Medications

Properly Labeled N/A
 Properly Stored Kitchen cabinet - refrigerator
 Written Records Maintained Yes, when given
 Administered By Jamie
 Isolation Area Isolation room

First Aid

Location Hall closet
 *Adequate Supplies Yes (band-aids needed, eye wash expired)
 Chart Yes
 Accident/Injury Reports None
 Communicable Diseases None

Nutrition

Meals/Snacks Provided breakfast, lunch, & snacks
 Nutrition Needs Met Yes
 Menu Posted Exempt

Attendance

Staff N/A
 Children Sign in / Out

Transportation/Field Trips

Is Transportation Provided N/A
 Type/Number of Vehicles Used _____
 Are Drivers Licenses on File _____
 Auto Insurance _____
 Child Restraint Laws followed _____
 Transportation Permission on File ✓
 Field Trip Permission Slips on File Yes

Facility/Program

Indoor Play/Classrooms Formal room / playroom
 Materials/Equipment toys & other furniture dress-up, etc

Furniture Durable/Safe Yes
 Furniture Clean/Sanitary Yes
 Program Standards Meet Children's Basic Needs Yes
maintaining environment
 Staff Involvement/Interaction Very much involved
 Discipline Methods Time-out

Type of Floor Surface Hardwood / tile
 Floor Surface Clean/Safe Yes
 Clothing Storage hook racks for children in changing
 Storage Area/Hooks Labeled No

Napping

Number of Cots _____ Mats 5
 Number of Cribs _____ Playpens _____
 Number of Port-a-cribs 3 Beds _____
 Properly Sanitized Yes
 Sleeping Devices Labeled No, but sanitized daily
 Sleeping Devices Sanitary Yes
 Sleeping Devices in Good Condition Yes

* Linens Properly Stored No, should be stored separately
 Linen Laundered once a week
 * Can Children be Seen & Heard No, sleeping in dining room and family room

Bathrooms/Diaper Changing

Disposable Towels Available Yes
 Liquid Soap Available Yes
 Toile Tissue Available Yes
 Children Hand Washing Yes
 Staff Hand Washing _____
 Bathroom Accessible from Outside Yes
 Diaper Changing Table Yes (handicap)
 Diaper Pail Available Yes
 Diaper/Feeding Logs Reviewed
 Diaper Table on Proper Surface Yes
 Diaper Table Sanitized Yes
 Bottles/Sipping Cups Labeled _____
 Bathroom Clean/Sanitary Yes

ISSUE TO

ROBINSON JANICE
6612 PICKFORD LN
LAS VEGAS NV 89107-2425

PRINCIPAL(S)

ROBINSON JANICE OWNER

Director, Department of Finance and Business Services

Post in a conspicuous place.



CLARK COUNTY HEALTH DISTRICT
LAS VEGAS, NEVADA

HEALTH PERMIT

THIS CERTIFIES THAT THE ESTABLISHMENT LOCATED AT THE ADDRESS SHOWN BELOW AND OWNED AND/OR OPERATED BY ENTITY INDICATED HAS BEEN FOUND TO BE OPERATING IN CONFORMITY WITH THE HEALTH LAWS AND REGULATIONS PROMULGATED BY THE NEVADA STATE BOARD OF HEALTH AND THE CLARK COUNTY DISTRICT BOARD OF HEALTH. THIS CERTIFICATE GRANTS THE APPLICANT APPROVAL TO OPERATE THE TYPE OF ESTABLISHMENT INDICATED, BUT IS REVOCABLE AT ANY TIME BY THE CLARK COUNTY HEALTH DISTRICT OFFICER FOR FAILURE ON PART OF THE PERMITTEE TO MEET STATE AND DISTRICT HEALTH LAWS AND REGULATIONS

OWNED AND/OR OPERATED BY

ROBINSON, JANICE W.

PERMITTEE ▶

ADDRESS ▶

ROBINSON FCH
ROBINSON FCH
6612 PICKFORD LN
LAS VEGAS NV 89107

PERMIT IS NOT
TRANSFERABLE

PERMIT NUMBER ▶	13839-HG9-01
FEE PAID ▶	82.00
AREA ▶	LAS VEGAS

DATE GRANTED	DATE EXPIRED
07/01/04	06/30/05

TYPE OF ESTABLISHMENT

CHILD CARE

DONALD S. KWALICK, MD, MPH
CHIEF HEALTH OFFICER

ADINA OMBADYKOW

ENVIRONMENTAL HEALTH SPECIALIST

POST IN A CONSPICUOUS PLACE

CLARK COUNTY HEALTH DISTRICT
625 SHADOW LANE • LAS VEGAS, NEVADA
Telephone 383-1291 (Direct) • 385-1291 (24 hours)

GENERAL NOTICE AND REPORT OF INSPECTION

SAN 62	CONTRACT NO. 13839	ESTABLISHMENT ROBINSON FCH	ADDRESS 6612 PICKFORD LN
DIST 37	1488-01	ROBINSON FCH	LAS VEGAS NV 89107
CITY 01	ROBINSON, JANICE W. JANICE	PERSON INTERVIEWED Janice W. Robinson	TELEPHONE 878-2698
TIME AND DATE OF INSPECTION 8351-121		CLASSIFICATION 6	SPECIAL NOTES: 35-35 50
PREVIOUS ACTION	DATE 62	ACTION 5Z	DATE 03/22/05
CURRENT ACTION	DATE 62	ACTION SD	DATE 5-05-05
TIME IN 2:10P		TIME OUT 2:48	

Based on an inspection this day, the items marked below identify the violation in operation or facilities which must be corrected by the next routine inspection or such shorter period of time as may be specified in writing by the health authority. Failure to comply with this notice may result in immediate suspension of your permit.

ITEM	DESCRIPTION
1	OUTDOOR PLAY AREA
2	ADEQUATE ENCLOSURE
3	FREE OF HAZARDS
4	SAFE PLAY EQUIPMENT
5	ADDRESS VISIBLE
6	INTERIOR OF BUILDING
7	CLEAN, UNCLUTTERED
8	FREE OF HAZARDS, GOOD REPAIR
9	VENTILATION/HEATING/COOLING
10	WATER FROM APPROVED SOURCE
11	TELEPHONE/EMERGENCY NUMBERS POSTED
12	MAPPING EQUIPMENT - SAFE, SANITARY
13	ADEQUATE DIAPER CHANGING AREA
14	SEPARATION OF PERSONAL ITEMS
15	HEALTH/SAFETY/SUPPLIES
16	CURRENT CHILD CARE HEALTH CARD - OK
17	NO SICK CHILDREN
18	FIRST AID KIT AND INSTRUCTIONS
19	SURFACES CLEANED/SANITIZED
20	RESTROOM STOCKED
21	SUPERVISED HANDWASHING
22	SAFE STORAGE OF HAZARDOUS ITEMS
23	PETS
24	CURRENT IMMUNIZATION RECORDS
25	PROPER ENCLOSURES AND MAINTENANCE
26	RESTRICTIONS MAINTAINED
27	FOOD SERVICES
28	SAFE FOOD PRACTICES
29	REFRIGERATOR THERMOMETER TEMP. 40°F - OK
30	AREA/EQUIPMENT CLEAN, SANITARY

ITEM #	CORRECTION:
2	Tool stand in outdoor play area → remove hazardous items or make inaccessible to children
ACKNOWLEDGED BY: Janice W. Robinson	
EHS: [Signature]	
REVIEWED BY:	

SECTION A: PERMITS AND LICENSES

1. Please submit a copy of your most recent Business License and Health Permit
2. Please submit a copy of last years Business License
3. Please submit a copy of your most recent Health and Licensing Report

SECTION B: HOW WILL THE GRANT IMPROVE THE QUALITY OF CHILDCARE?

1. Describe the problem or need the grant will help address. (*Attach Pictures*)
2. What are the benefits of the proposed project?
3. Describe how the project plans will improve the health and safety of child care.

SECTION C: PROPOSED TIMELINE

1. What is the tentative timeline for implementing and completing the proposed project?

SECTION D: LINE ITEM BUDGET AND BUDGET NARRATIVE

1. List the items requested for improvement and a brief financial justification.
2. Please use whole dollar amount for the total budget (i.e. \$4,558.59 = \$4,559.00)

SECTION B:

1. Children must be monitored and heard while napping.
2. Children will be seen and heard in case of any problems that may occur.
3. Any child that might have a problem will be attended to more quickly and efficiently.
****This Section Intentionally Left Blank****

SECTION C:

1. ASAP

SECTION D:

1. 1 monitor W/Camera for video and audio function. It would cause a strain on our financial budget without funding.
2. \$462.21=\$462.00

SECTION E: ADDITIONAL FUNDING

Please include all types of funding received for any past childcare projects including, but not limited to the city of Las Vegas, Clark County, North Las Vegas and/or the State of Nevada. Additionally, give a brief description as to what the money was used for. Failure to disclose all prior funding may result in disqualification.

No prior funding.

Source of Outside Revenue	FY 01-02	Purpose of Funding	FY 02-03	Purpose of Funding	FY 03-04	Purpose of Funding
City						
County						
State						
Federal						
Fundraising						
Donations						
Other (explain) ..						
Total Revenue ...						

****This Section Intentionally Left Blank****

CERTIFICATE BY APPLICANT

Please initial on line after each statement; please sign and date below.

1. I hereby certify that to the best of my knowledge, all information contained in this application is complete and accurate. *JK*
2. I understand that the grant will be subjected to a conditional grant agreement. *JK*
3. I understand that any direct receipt of the grant has to be declared as income for tax purposes and I will receive tax form 1099(G) from the city of Las Vegas at year-end, which will state the amount to be reported on my tax return. *JK*
4. I understand that the activities outlined in my grant application must commence no later than thirty-days (30) following the approval date of the grant to avoid cancellation or suspension of funding. *JK*
5. I understand that vendors performing a service can be paid directly, but only upon completion of a Vendor Agreement and successful and satisfactory completion of the project. *JK*
6. I understand that all requests for reimbursement must be made on a monthly basis and a monthly report must accompany the request. *JK*
7. I understand that revisions and amendments can be made at the discretion of the city of Las Vegas Representative. *JK*
8. I understand that I am responsible for any taxation of any purchases. *JK*
9. I understand that should I move from my home where facility rehabilitation such as flooring, ac unit, or shade cover/patio was installed, or close my family/group daycare within two (2) years of receiving grant funds, I may be denied future funding for up to three (3) years. *JK*
10. I agree to commit the project implementation in keeping with the application content and budget and to adhere to all assurances, certifications, terms, conditions, and other requirements contained in this application. *JK*

Janice W. Robinson
Signature

05/10/05

Date

Please submit your complete application and required documents to:

Cynthia Manabat, Program Coordinator
City of Las Vegas
Neighborhood Services Department
400 Stewart Avenue, 2nd Floor
Las Vegas, Nevada 89101
(702) 229-1027

Form 1040

Department of the Treasury — Internal Revenue Service

U.S. Individual Income Tax Return 2004

(99) IRS Use Only — Do not write or staple in this space.

Label
(See instructions.)Use the
IRS label.
Otherwise,
please print
or type.Presidential
Election
Campaign
(See instructions.)

For the year Jan 1 - Dec 31, 2004, or other tax year beginning , 2004, ending , 20

OMB No. 1545-0074

Your first name MI Last name

Don A. Robinson

Your social security number

528-52-0736

If a joint return, spouse's first name MI Last name

Janice W. Robinson

Spouse's social security number

528-50-9265

Home address (number and street). If you have a P.O. box, see instructions.

Apartment no.

6612 Pickford Lane

City, town or post office. If you have a foreign address, see instructions.

State ZIP code

Las Vegas, NV 89107

▲ Important! ▲
You must enter your social
security number(s) above.

► Note: Checking 'Yes' will not change your tax or reduce your refund.
Do you, or your spouse if filing a joint return, want \$3 to go to this fund?.....

You ☐ Yes ☒ No Spouse ☐ Yes ☒ No

Filing Status

- 1 ☐ Single
- 2 ☒ Married filing jointly (even if only one had income)
- 3 ☐ Married filing separately. Enter spouse's SSN above & full name here. ►

4 ☐ Head of household (with qualifying person). (See instructions.) If the qualifying person is a child but not your dependent, enter this child's name here. ►

5 ☐ Qualifying widow(er) with dependent child (see instructions)

Exemptions

- 6a ☒ Yourself. If someone can claim you as a dependent, do not check box 6a
- b ☒ Spouse

Boxes checked on 6a and 6b... 2

c Dependents:

(1) First name Last name

Lorin Robinson

(2) Dependent's
social security
number

530-51-5074

(3) Dependent's
relationship
to you

Son

(4) ☒ If
qualifying
child for child
tax credit
(see instrs)

No. of children
on 6c who:

• lived
with you 1

• did not
live with you
due to divorce
or separation
(see instrs) ...

Dependents
on 6c not
entered above.

Add numbers
on lines
above 3

d Total number of exemptions claimed

Income

- 7 Wages, salaries, tips, etc. Attach Form(s) W-2 7 10,941.
- 8a Taxable interest. Attach Schedule B if required 8a 56.
- b Tax-exempt interest. Do not include on line 8a. 8b
- 9a Ordinary dividends. Attach Schedule B if required 9a 173.
- b Qualified dividends (see instrs) 9b 173.
- 10 Taxable refunds, credits, or offsets of state and local income taxes (see instructions) 10
- 11 Alimony received 11
- 12 Business income or (loss). Attach Schedule C or C-EZ 12 6,977.
- 13 Capital gain or (loss). Att Sch D if reqd. If not reqd, ck here. 13
- 14 Other gains or (losses). Attach Form 4797 14
- 15a IRA distributions 15a b Taxable amount (see instrs) 15b
- 16a Pensions and annuities 16a b Taxable amount (see instrs) 16b
- 17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E 17
- 18 Farm income or (loss). Attach Schedule F 18
- 19 Unemployment compensation 19
- 20a Social security benefits 20a 27,056. b Taxable amount (see instrs) 20b 1,125.
- 21 Other income See Statement 1 21 3,300.
- 22 Add the amounts in the far right column for lines 7 through 21. This is your total income. 22 22,572.

Adjusted
Gross
Income

- 23 Educator expenses (see instructions) 23
- 24 Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ 24
- 25 IRA deduction (see instructions) 25
- 26 Student loan interest deduction (see instructions) 26
- 27 Tuition and fees deduction (see instructions) 27
- 28 Health savings account deduction. Attach Form 8889 28
- 29 Moving expenses. Attach Form 3903 29
- 30 One-half of self-employment tax. Attach Schedule SE 30 726.
- 31 Self-employed health insurance deduction (see instrs) 31
- 32 Self-employed SEP, SIMPLE, and qualified plans 32
- 33 Penalty on early withdrawal of savings 33
- 34a Alimony paid b Recipient's SSN. 34a
- 35 Add lines 23 through 34a 35 726.
- 36 Subtract line 35 from line 22. This is your adjusted gross income. 36 21,846.

Attach Form(s)
W-2 here. Also
attach Forms
W-2G and 1099-R
if tax was withheld.

If you did not
get a W-2,
see instructions.

Enclose, but do
not attach, any
payment. Also,
please use
Form 1040-V.



Mail or Deliver To: Purchasing & Contracts Division
400 Stewart Avenue, Las Vegas, NV 89101
(702) 229-6231

ALL INFORMATION SHOULD BE TYPED OR PRINTED. INCOMPLETE FORMS WILL NOT BE PROCESSED.

SECTION A: PRIMARY BUSINESS INFORMATION INITIAL APPLICATION REVISION

Full Legal Business Name (no abbreviations): JANICE ROBINSON DAYCARE

Purchase order to be sent to: Remittance check to be sent to:

Address: 6612 Pickford Lane	Address: 6612 Pickford Lane
City Las Vegas State Nv. Zip 89107	City Las Vegas State Nv. Zip 89107
Contact Name Janice Robinson	Contact Name Janice Robinson
Phone Number (702) 878-2699	Phone Number: (702) 878-2699
Fax Number () N/A	Fax Number: () N/A
E-mail: N/A	E-mail: N/A

SECTION B: CONTRACTOR INFORMATION / PUBLIC WORKS (CONSTRUCTION ONLY)

STATE OF NEVADA CONTRACTORS INFORMATION

License Classification(s):

SECTION C: MINORITY, WOMAN, OR DISABLED PERSON OWNED BUSINESS INFORMATION

This business qualifies by virtue of 51% or more ownership and active management by one of the following (Check all that are applicable.):

- | | | |
|---|---|--|
| ☐ Hispanic American | ☐ Native American | ☐ Disabled (Non-Veteran) |
| ☐ Asian / Pacific American | ☒ Woman - Owned | ☒ Small Business |
| ☐ Black / African American | ☐ Disabled Veteran | |

SECTION D: BUSINESS OWNERSHIP (REQUIRED INFORMATION)

☐ Corporation or LLC	Fed Tax ID#: _____
☐ Partnership or LLP	or
☒ Sole Proprietor	SSN#: 528-50-9265

- I certify that the information supplied (including all pages attached) is correct and that neither the applicant nor any person or concern associated with the applicant as a principal or officer, so far as is known, is now debarred or otherwise declared ineligible by any government agency from bidding for furnishing materials, supplies services, or construction to or for any government agency.
- I acknowledge, that it is this firm's responsibility to update this data when changes occur and failure to do so may result in non-receipt of information from the City.

Signature _____ Title Owner Date 05/10/05

Print or Type Name Janice W. Robinson

PLEASE ENCLOSE A COMPLETED W-9 WITH YOUR APPLICATION

For Internal Use Only

Supplier Type: ☐ Commodity ☐ Service ☐ Construction ☐ Employee ☐ Refund
☐ PO Site ☐ Pay Site ☐ RFQ Only Site

Supplier# _____ Date Entered _____ By _____

**Request for Taxpayer
Identification Number and Certification**

Give form to the
requester. Do not
send to the IRS.

Print or type
See Specific Instructions on page 2.

Name Janice W. Robinson	
Business name, if different from above JANICE ROBINSON DAYCARE	
Check appropriate box: ☒ Individual/ Sole proprietor ☐ Corporation ☐ Partnership ☐ Other ▶	☒ Exempt from backup withholding
Address (number, street, and apt. or suite no.) 6612 Pickford Lane	Requester's name and address (optional)
City, state, and ZIP code Las Vegas, Nevada 89107	
List account number(s) here (optional)	

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see How to get a TIN on page 3.

Note: If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Social security number								
5	1	2	8	5	0	4	9	1
2	6	1	5					
or								
Employer identification number								

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. person (including a U.S. resident alien).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. (See the instructions on page 4.)

Sign
Here

Signature of
U.S. person ▶

Date ▶ **05/10/05**

Purpose of Form

A person who is required to file an information return with the IRS, must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

U.S. person. Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee.

Note: If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Foreign person. If you are a foreign person, use the appropriate Form W-8 (see Pub. 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

Nonresident alien who becomes a resident alien.

Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the recipient has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Monthly Progress Report

Child Care Improvement Grant

FY 04-2005



Reporting Month:	
Date of Report:	
Provider Name:	
Person Preparing Report:	
Phone Number:	
Fax Number:	

Please describe your project accomplishments for this month. Identify which project goals (as described in your contract) your organization has addressed and be sure to include any trouble spots or areas of concern.

If you have not completed your project, please describe what is remaining and the approximate time of completion.



CITY OF LAS VEGAS
CHILD CARE IMPROVEMENT GRANT
LINE ITEM BUDGET & BUDGET NARRATIVE FORM

(To be submitted with Exhibit B when submitting reimbursement requests)

Provider Name: _____	Date: _____
Funding Period: _____ to _____ Mnth/Year Mnth/Year	

BUDGET FOR DIRECT COSTS OF CHILD CARE PROGRAMS

Category (Rehab, Equip, Furn)	Description of Expenditures	Allowable Amount	Reimbursement Amount

****This space left blank intentionally****

**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 Services Department, for Child Care Improvement Grant funds expended for the **2004/2005** Fiscal Year. Failure to properly submit this form, along with the necessary back-up documentation such as: copies of cancelled checks, invoices, purchase orders, and an accounts payable print out or check register will result in a non-pay status for the request. **Do not alter this form.**

Request #	Amount of Request	Period Cover
	\$	From _____ To _____

Provider Name:	Phone:
Business Address:	FAX:
Contact Person:	Email:

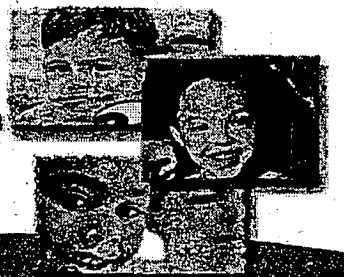
Funding Category	Budgeted Amount	Previous Drawdowns	Request Amount	Remaining Funds
Facility Rehab				
Equipment				
Furniture				
TOTAL				

Signature

Date

Child Care Improvement Grant

FY 04-2005



Reporting Period:	Start:	End:	Amount of Grant:
Provider Name:			
Date of Report:			
Contact Person:			
Phone Number:			

Please write your Final Report in the space provided below. Attach additional sheets if needed.

[illegible]



Child Care
Improvement Grant

CITY OF LAS VEGAS
NEIGHBORHOOD SERVICES DEPARTMENT
CHILD CARE IMPROVEMENT GRANT PROGRAM

BUDGET MODIFICATION AND REVISION REQUEST
(One Time Only Request)

PROVIDER NAME: _____

GRANT: CCIG FY 04-2005

PROJECT/ACTIVITY: _____

DATE: _____

FUNDING CATEGORY	DESCRIPTION	BUDGET	EXPENSES	BALANCE	ADJUSTMENT REQUESTED	ENDING BALANCE

JUSTIFICATION: _____

SIGNED: _____ (AGENCY) TITLE: _____ DATE: _____

FOR OFFICE USE ONLY:

APPROVED

DENIED

CCIG PROGRAM REPRESENTATIVE: _____ DATE: _____

NEIGHBORHOOD SERVICES DEPT: _____ DATE: _____

CHILD CARE IMPROVEMENT GRANT AGREEMENT
between the City of Las Vegas and Pentecostal Temple CDC

THIS AGREEMENT ("Agreement") is made and entered into this 25th day of May, 2005 by and between the CITY OF LAS VEGAS, a municipal corporation of the State of Nevada, hereinafter referred to as "CITY", and **Pentecostal Child CDC**, hereinafter referred to as "SUBRECIPIENT", whose primary mailing address at the date of execution is **614 Jefferson Avenue, Las Vegas, NV 89106**.

WITNESSETH

WHEREAS, the CITY has allocated funds for the Child Care Improvement Grant, hereinafter referred to as "CCIG"; and

WHEREAS, the CITY is responsible for planning, administering, implementing, and evaluating the CCIG program to ensure that it conforms to the CCIG Program Guidelines, Child Care Licensing Compliance Guidelines and the Las Vegas City Council goals; and

WHEREAS, CITY as Grantor wishes to engage "SUBRECIPIENT" to assist the CITY in utilizing such funds by providing services to meet the CCIG Program's objectives, as follows:

- to improve existing child care facilities serving the target area; and
- to support projects creating child care for additional children and/or to enhance the quality of current child care.

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

I. SCOPE OF SERVICE

A. ACTIVITIES

"SUBRECIPIENT" will be responsible for administering FY 2004-2005 CCIG-funded activities eligible under the Child Care Improvement Grant as cited in the Scope of Services I.B.1, hereinafter referred to as "Project". It is expressly agreed and understood that the total amount to be provided by the CITY under this Agreement shall not exceed **\$5000.00** in CCIG funds to be allocated in accordance with the Child Care Improvement Grant Application as detailed in Exhibit "A," attached. "SUBRECIPIENT" hereby agrees to utilize said CCIG 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 as stated by the "SUBRECIPIENT" in the Child Care Improvement Grant application Exhibit "A" and in addition to the following:

Purpose of Services:

The purpose of this funding is to improve the facilities by providing safe, age appropriate playground equipment so that the children can play.

Tasks to be Performed:

- Purchase age appropriate playground equipment
- Obtain (3) quotes or bids for all proposed expenditures over \$500 (Bids for construction must be from licensed and bonded contractors).
- Submit reimbursement requests monthly along with a monthly progress report

Measurable Goals for Grant period:

- Obtain approval of proposed plans for changes to Clark County Health District and all departments as required by municipal codes.
- Obtain proper Planning, Building and Safety, and/or Fire Code permits

"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 "SUBRECIPIENT" hereby appoints the following representative to attend any meetings of the neighborhood organization in partnership with the City of Las Vegas, Neighborhood Services Department: **Leon Smith** or a designee chosen at the discretion of "SUBRECIPIENT".

C. PROGRAM REPORTING

"SUBRECIPIENT" will be required to collect for and provide to the CITY Program accomplishments and usage records beginning May 25, 2005 or the date first written above, until **June 17, 2005**, unless this Agreement is modified at the express consent of the CITY and "SUBRECIPIENT." "SUBRECIPIENT" shall submit at the end of each month on a monthly basis, and on occasion upon written request of the CITY, a Monthly Project Report and a Request for Release of Funds, which are attached as Exhibits "B" and "C". Failure to submit said reports with the request for reimbursement may delay reimbursement to "SUBRECIPIENT" for grant-eligible project expense. Records and reports shall contain, but not be limited to, the following data:

- 1) Statement of Project goals cited in "SUBRECIPIENT" application and measurable accomplishments toward achieving said goals through reporting date of said report.
- 2) Written narrative and description of services shall be included in each monthly report.
- 3) The "SUBRECIPIENT" shall provide a copy of all written report developed for the Project to the CITY. These may be included with the Monthly Project Progress Report or under separate cover. Materials that help document the progress of the Project include: event flyers, photographs, video footage, construction timelines, job descriptions, contractor contracts, and design drawings.
- 4) The "SUBRECIPIENT" shall provide a final, brief, written report with the final invoice that summarizes the Project's successes and lessons learned. An outline of the Final Report is included in Exhibit "D". **Final reports are due on or before June 17, 2005.**
- 5) These reports will be forwarded to the City of Las Vegas Neighborhood Services Department, ATTN: CCIG Program Coordinator. 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 CCIG funding of "SUBRECIPIENT" program rendered in accordance with this Agreement from May 25, 2005, or the date first written above, through June 17, 2005. Furthermore, the CITY shall be liable only for payment proportional to the extent that CCIG grant award funds are appropriated and allocated by the CITY. "SUBRECIPIENT" program expenses incurred after June 17, 2005, and prior to execution of this Agreement will not be reimbursed. All final draw down request and reports should be submitted with substantiating documentation by June 17, 2005. **Any draw down requests received after June 17, 2005 will not be relmbursed.** Grant awards may be reduced or revoked if no attempts in reaching the projected tasks/measurable goals have been initiated within 30 days of the initial signed agreement.

E. AMENDMENTS

Funds provided in categories as specified in this Agreement must be used for the purposes for which they were approved, and may not be transferred between categories without the written approval of the Director, or his designee, of the City's Neighborhood Services Department. **Only one (1) modification to the proposed agreement will be allowed during the grant cycle.** Any changes to this Agreement, must be approved in writing by the Neighborhood Services Department, including the following changes:

1. Proposals to change the type or scope of services or activities from those for which funding was provided, prior to implementation of changes using the Budget Modification Form as detailed in Exhibit "E";
2. Proposals to temporarily or permanently cease the operations of "SUBRECIPIENT";
3. Any significant changes to the "SUBRECIPIENT" such as, principal office bearers, contact persons, change of address of "SUBRECIPIENT";
4. The City shall have the right to other information pertaining to this grant, as requested by the Neighborhood Services Department.

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 in Section I. 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 CCIG 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 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.

D. 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.

E. ON-SITE MONITORING

Projects and programs funded under this Agreement will be subject to on-site monitoring by duly authorized CITY representatives. Programs that are funded must agree to state and/or city monitoring of programs and financial reports. Said representatives will be announced, at a minimum, 24 hours in advance of such visits. The representatives may request, and be granted access to records. Representatives may, on occasion, interview Program volunteers and participants who volunteer to be interviewed.

F. 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. "SUBRECIPIENT" agrees to retain all books, records and other documents relevant to this Agreement, and persons duly authorized by the City shall have full access to and the right to examine and copy any said materials during this said period.

G. AUDIT ADJUSTMENTS

If an audit discloses unallowable costs, "SUBRECIPIENT" shall promptly reimburse the City such unallowable costs. If such audit discloses unpaid allowable costs, the City shall pay "SUBRECIPIENT" such costs as are properly allowable and subject to the limits provided for herein.

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 \$1,000,000.00.

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. 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 the normal business hours and under reasonable circumstances and to copy there from any information that the City desires concerning SUBRECIPIENTS' 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' cost to travel (including travel, lodging, meals and other related expenses) to the SUBRECIPIENTS' 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 the 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.

III. OTHER GENERAL CONDITIONS

A. POLITICAL ACTIVITIES

"SUBRECIPIENT" will comply with this section, which prohibits the use of CCIG 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.

IV. FINANCIAL MANAGEMENT

A. REIMBURSEMENT

The CITY shall reimburse the "SUBRECIPIENT" only for expenses paid or incurred as outlined in Exhibit "A", provided the expenditures are made after the Project's start date and before the completion date as indicated in Section I.D. Disbursement of grant funding is through reimbursement process only. A Request for Release of Funds form, as detailed in Exhibit "C", must be used to request reimbursement from the City of Las Vegas, Neighborhood Services Department for Child Care Improvement Grant funds expended for the 2004/2005 Fiscal Year. "SUBRECIPIENT" should allow thirty days for the reimbursement process. Supporting documentation must be submitted for all expenditures.

B. DOCUMENTATION OF COSTS

A Request for Release of Funds form shall be submitted by the "SUBRECIPIENT" with supporting documentation to the CITY. All costs submitted to CITY for reimbursement or vendor payment shall be recorded by budget line-items and be supported by properly executed time records, invoices, contracts, or vouchers, or other official documentation evidencing in proper detail the nature and propriety of the charge. All 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. Failure to properly submit this form, along with back-up documentation such as: invoices, purchase orders, and accounts payable printout, or check register, will result in a non-pay status for the request. **All backup documentation submitted must be in original form; copies or faxes will not be accepted.**

C. FINANCIAL RECORDKEEPING

Financial records pertaining to all invoices, materials, payrolls, personnel records, and other data concerning matters related to or arguably related to this Agreement may be requested from "SUBRECIPIENT" by duly authorized CITY representatives.

D. RECORDS

Program records shall be maintained in accordance with 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 (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 "A" and subject to any conditions imposed in the Scope of Services, to include monthly 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, identified in Section 1(E) Amendments, of this agreement.

F. METHOD OF PAYMENT

The CITY shall reimburse valid invoices for approved Project Budget expenditures identified in Exhibit "A" 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 CCIG ineligible or which are not within the scope of this Agreement. 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 that portion for other Projects/programs operating under the CITY's CCIG Program.

H. ACCOUNTING METHODS

Expenditures charged to CITY fiscal year 2004/2005 CCIG funds will be accounted for in a ledger separate from all other revenue sources. "SUBRECIPIENT" shall maintain these records.

I. NON-EXPENDABLE PERSONAL PROPERTY, DEPRECIATION SCHEDULES, AND DISPOSITION OF PROPERTY

- 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 \$1000 or more and a useful life of more than one year.
- 2) Organization purchasing or receiving non-expendable personal property as part of their project will give CITY rights to the non-expendable personal property for three years from the date of purchase. Should the organization be dissolved or should the non-expendable personal property not be used in accordance with the grant

agreement, CITY will have the right to reappropriate the non-expendable personal property. 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.

V. MODIFICATION OR TERMINATION OF AGREEMENT

A. AMENDMENT OR REVISION REQUIRED BY CITY

"SUBRECIPIENT" and the CITY hereby agree to amend or otherwise revise this Agreement should such modification be required by CITY and/or any applicable federal statutes or regulations.

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. Such notice shall be given no less than ten (10) days before the effective date of such termination and sent to "SUBRECIPIENT" at 614 Jefferson Avenue, Las Vegas, NV 89106.

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.

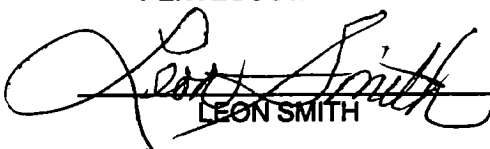
IN WITNESS WHEREOF, the parties hereto have entered this Agreement the day and year first above written.

CITY OF LAS VEGAS
NEIGHBORHOOD SERVICES DEPARTMENT



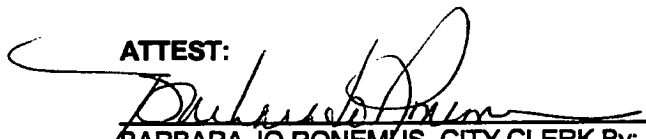
ORLANDO SANCHEZ, DIRECTOR

PENTECOSTAL TEMPLE CDC



LEON SMITH

ATTEST:



BARBARA JO RONEMUS, CITY CLERK By:

COUNCIL ACTION: N/A

APPROVED AS TO FORM: J. P. Bickel

5/23/05
Date

Child Care Improvement Grant Application

APPLICATION SUMMARY FORM

Full Legal Name of Applicant: Pentecostal Temple Child Development Center
 Address: 614 Jefferson Avenue
 City/State/Zip: Las Vegas, Nevada 89106
 Phone Number: (702) 646-1600 or 648-6856 Fax Number: ()
 Federal Employer Identification Number (FEIN): 88-0277341
 Social Security Number: _____
 Health Permit Number: 14425-2H/-01 Expiration Date: 06-30-05
14425-2H/-02 Expiration Date: 06-30-05
 Current Child Care
 License Number(s) N15-00049-9-018182 Expiration Date: 06-30-05

FACILITY INFORMATION

Name of Facility	Site Contact Person
Pentecostal Temple Child Development	Leon Smith
Facility Address	Mailing Address
Center 614 Jefferson Avenue	614 Jefferson Avenue
Type of Facility	No. of Children Licensed For
CENTER/PRESCHOOL	63 CHILDREN DAYS 6 B & A
No. of Infants	No. of Toddlers
	63 CHILD

USE OF FUNDS

(Check All That Apply)

AMOUNT OF REQUEST

☐ Facility Rehab	\$ <u>5,000.00</u>
☒ Equipment	\$ <u>5,000.00</u>
☐ Furniture	\$ _____
TOTAL	\$ <u>5,000.00</u>

Child Care Improvement Grant



☐ Family Home Daycare

☒ Center Based

Provider Name: Penetecostal Temple Child Development

Center Name: _____

Contact Person: Pastor Leon Smith

Telephone #: 646-1100 277-3434 cell

Limited funding is available for improvements to child care facilities through city of Las Vegas Neighborhood Services Department's Child Care Improvement Grant. Per your last inspection by the city of Las Vegas Child Care Licensing Division, you may be eligible for funding for the following improvements to bring your facility into compliance.

☐ Shade Cover

☐ Floor Replacement

☐ Fence Replacement

☐ Playground Resurfacing

☐ Changing Table

☒ Playground Equipment

☐ AC Unit

☐ Monitor

☐ Other _____

Recommendations: Playground only has one small play unit a few riding toys and balls.
More equipment & toys needed.

Cynthia Manabat
CLV Child Care Licensing Officer Signature

5/6/05
Date

Please contact Cynthia Manabat,
Child Care Improvement Grant Coordinator, at 229-1027 for more information.

GA 17378 - 4/05

NEIGHBORHOOD SERVICES
DEPARTMENT
MAY 19 4 15 PM 2005

BUSINESS LICENSE

City of Las Vegas • Las Vegas, Nevada

IN ACCORDANCE WITH THE PROVISIONS OF THE LAS VEGAS MUNICIPAL CODE, AS AMENDED, LICENSE IS HEREBY GRANTED TO OPERATE THE BUSINESS REFERENCED BELOW.

CHILDCARE LICENSE

LICENSE #: N15-00049-9-018182

DATE ISSUED: 06/24/04

DATE EXPIRES: 06/30/05

TYPE OF LICENSE: CENTER/PRESCHOOL
63 CHILDREN DAYS 6 B & A
63 CHILD

BUSINESS LOCATION: 614 JEFFERSON AV

ISSUE TO:

PENTECOSTAL TEMPLE CLD DEV CTR
614 JEFFERSON AV
LAS VEGAS NV 89106

PRINCIPAL(S)

SMITH, LEON, LICENSE HD
SMITH, LEON, C/P DIRECT


Director, Department of Finance and Business Services

Post in a conspicuous place.

City of Las Vegas - Child Care Inspection Form

Facility: Paramount Temple Child Development

Address: 614 Jefferson St.

COMMENTS/DISCREPANCIES:

Follow-up inspection:

(1) Room #1

- (a) swivel chair fixed in top of
- chair's play, refrigerator kitchen set
- (b) blanket under table w/ Kanner's
- materials located on top of play
- refrigerator

(1) Room #1

(a) No change

(b) No change

change
change
change

(2) Room #2

- (a) Remove computer, hints stored on top of
- play refrigerator

(2) Room #2

(a) moved, not now file
housing like have taken p

(3) Room #4

- (a) attendance log - matches actual # of
- children present?
- (b) blanket needed for play refrigerator

(3) Room #6

(a) matches

(b) fixed

(4) Room #7

(a) matches

(b) used for wrapping

(4) Room #7

- (a) attendance log - matches actual # of
- children present?
- (b) 14 cups in cubbies need to be stored
- in a more organized manner.

(5) cup in dispenser

(6) Windy & dry

(5) Room #1 - 1 cup needed in dispenser

(6) Blanket found on play ground need to be cleaned

I hereby acknowledge receipt of this report and corrective action will be taken on items noted, and I will notify the Department of Finance & Business Services of any changes or corrections made.

Signature of Finance & Business Services Representative

Signature of Licensee/Responsible Party

Inspection Complete

City of Las Vegas - Child Care Inspection Form

Facility: Pantheostal Female Child Development Date: 7/10/05
 Address: 614 Jefferson St. Time: 2:00 p.m.
 Type of Service: _____
 License Limit: Days 63 Nights / B & A 6
 Hours of Operations: 11:30 a.m. - 6:00 p.m.
 Days of Service: Monday - Friday
 License: Posted Yes Expires 6/30/05 Telephone Working/Listed: 646-1600
 Health Permit: Posted Yes Expires 6/30/05 Emergency Numbers Posted: Yes (in each classroom)
 Staff to Child Ratios in Compliance: Yes / No _____ Total Children: 49 Total Staff: 6

Children's Records

Number Reviewed 4 files
 Children's Records in Compliance Yes

Written Policy Statement

Content Complete
 Distribution To Parents

Prescription Medications

Properly Labeled N/A
 Properly Stored Lock box in Manager's office
 Written Records Maintained Yes when given
 Administered By Jinda & To Tonya
 Isolation Area Jinda's office

First Aid

Location Admin Asst's Office
 Adequate Supplies Yes
 Chart Yes
 Accident/Injury Reports None
 Communicable Diseases None

Nutrition

Meals/Snacks Provided Breakfast, lunch, snacks
 Nutrition Needs Met Yes
 Menu Posted Yes

Attendance

Staff Sign in/out
 Children Sign in/out

Transportation/Field Trips

Is Transportation Provided N/A
 Type/Number of Vehicles Used _____
 Are Drivers Licenses on File _____
 Auto Insurance _____
 Child Restraint Laws followed _____
 Transportation Permission on File _____
 Field Trip Permission Slips on File ✓

Facility/Program

Indoor Play/Classrooms 1, 2, 6, 7
 Materials/Equipment Computers, books, toys
 Adequate Materials/Toys Yes
Gracie Martinez-Kraft

Furniture Durable/Safe Yes
 Furniture Clean/Sanitary Yes
 Program Standards Meet Children's Basic Needs Learning and nurturing environment
 Staff Involvement/ Interaction Good (most of the children were sleeping during inspection)
 Discipline Methods Time-out

Type of Floor Surface tile
 Floor Surface Clean/Safe Yes
 Clothing Storage Outlets
 Storage Area/Hooks Labeled Labeled

Napping

Number of Cots / Mats 70
 Number of Cribs / Playpens /
 Number of Port-a-cribs / Beds /
 Properly Sanitized Yes (daily)
 Sleeping Devices Labeled No
 Sleeping Devices Sanitary Yes
 Sleeping Devices in Good Condition Yes
 Linens Properly Stored folded in cabinets
 Linen Laundered weekly
 Can Children be Seen & Heard Yes

Bathrooms/Diaper Changing

Disposable Towels Available Yes
 Liquid Soap Available Yes (except for back bathroom)
 Toilet Tissue Available Yes
 Children Hand Washing _____
 Staff Hand Washing _____
 Bathroom Accessible from Outside Yes
 Diaper Changing Table Yes in bathroom
 Diaper Pail Available Yes
 Diaper/Feeding Logs N/A
 Diaper Table on Proper Surface Yes
 Diaper Table Sanitized Yes
 Bottles/Sipping Cups Labeled N/A
 Bathroom Clean/Sanitary Yes

Swimming Pool/Spa fenced N/A
Swimming Pool/Spa Properly Maintained N/A
Monthly Fire Drills Recorded 4/25/05
Emergency Preparedness Drills Recorded 4/25/05
Plan of Evacuation Posted Yes
Smoke Detectors in Napping Areas Yes
Sprinkler Systems Installed Yes
Fire Extinguisher Mounted Yes
Fire Extinguisher Date of Service 7/21/04
Electrical Outlets Protected Yes
Cleaning Supplies Properly Stored Yes
Cleaning Equipment Properly Stored Yes

Properly Fenced Chain Link
Free From Hazards Yes

Adequate Shade LOW SHADE STRUCTURE
Type of Playground Surface(s) wood chips, grass,
peet gravel
Materials/Equipment continuous play, many
toys, balls

* Sufficient Materials/Equipment NO
Cleanliness/Serviceability of Materials/Equipment clean & in good condition

Drinking Water Available Yes
Equipment Age Appropriate Yes

[illegible]

I hereby acknowledge receipt of this report and corrective action will be taken on items noted, and I will notify the Department of Finance & Business Services of any changes or corrections made.

Department of Finance & Business Services Representative

Signature of Licensee/Responsible Party

Facility: Pinecrest Temple Child Development

Page 3 of 4

Address: 1614 Jefferson St.

Date: 5/10/05

REMINDER: 15 HOURS OF RECOGNIZED TRAINING IS REQUIRED BY THE END OF THE CALENDAR YEAR!

[illegible]

I hereby acknowledge receipt of this report and corrective action will be taken on items noted, and I will notify the Department of Finance & Business Services of any changes or corrections made.

Grace Limberg-Kraft
Department of Finance & Business Services Representative

Signature of Licensee/Responsible Party

City of Las Vegas - Child Care Inspection Form

Facility: P. Montessori Temple Child Development

Address: 614 Jefferson St.

COMMENTS/DISCREPANCIES:

Safe/clean environment provided for children. Staff & children's files kept in an organized manner.

Reminder: Staff has until 6/30/05 to complete Abuse & Neglect & CPR.

Corrective Action

(1) CLASS #1

- (a) Radio on top of play refrigerator; potential hazard. Remove
- (b) Containers of teacher supplies on top of play refrigerator; please remove.

(2) CLASS #2

- (a) Printer stored on top of play refrigerator; please find another location.

(3) CLASS #4

- (a) Attendance log didn't match actual # of children present. Discussed different system of keeping attendance w/ Pastor Smith.

- (b) Handle needed for play rug.

(4) CLASS #7

- (a) Attendance log didn't match actual # of children present

- (b) Blankets etc. need to be stored in a more organized manner; spelling over.

(5) Rear bathroom - was needed in dispenser

- (a) Playground - (a) in great need of more equipment. Write referral to Neighborhood Services for grant money.
- (b) Drinking fountain needs to be cleaned.

Follow-up inspection required in six weeks

I hereby acknowledge receipt of this report and corrective action will be taken on items noted, and I will notify the Department of Finance & Business Services of any changes or corrections made.

[Signature]
Department of Finance & Business Services Representative

[Signature]
Signature of Licensee/Responsible Party

POST
CONSPICUOUSLY

**CLARK COUNTY HEALTH DISTRICT
CLARK COUNTY, NEVADA**

MEMBERS

LAS VEGAS
NORTH LAS VEGAS
HENDERSON
BOULDER CITY
CLARK COUNTY
MESQUITE

GRADE

A

**FOOD
ESTABLISHMENT**

NOT TO BE REMOVED BY OTHER THAN HEALTH AUTHORITY

Enterprise Center Health Services
Name of Establishment

1111 W. Sahara Ave.
Address

8-1-78
Date Issued

DONALD S. KWALICK, MD, MPH
CHIEF HEALTH OFFICER

By Don Kwalick

Environmental Health Specialist
Environmental Health Division

625 SHADOW LANE • LAS VEGAS, NEVADA
Telephone 383-1251 (Direct) • 385-1291 (24 hours)

SAN 62	CONTROL NO. 14425		ESTABLISHMENT PENTECOSTAL TEMPLE CHILD DEVELOP		ADDRESS 614 JEFFERSON AVE			
	2H7-02		PENTECOSTAL TEMPLE CHILD DEVELOP		LAS VEGAS NV 89106			
JUST 75	PENTECOSTAL TEMPLE CHURCH, INC				PERSON INTERVIEWED <i>Leon Smith</i>	TELEPHONE 646-1600		
ITY 31	TYPE AND CATEGORY 6351-122		CAPACITY 74	Special Notes. 36-33-66				
EVIDENCE SECTION	SAN C	ACTION	DATE	STATUS	SCHEDULED ACTION	ACTION	DATE	
	24	5D	05/21/03	A		5D	11/21/03	
CURRENT SECTION	SAN C	ACTION	DATE	STATUS	SPECIAL DATE	TIME IN	TIME OUT	
	02	5D	4-22-04	A			11:00A	
						FUTURE ACTION	ACTION	DATE

Based on an inspection this day, the items marked below identify the violation in operation or facilities which must be corrected by the next routine inspection or such shorter period of time as may be specified in writing by the health authority. Failure to comply with this notice may result in immediate suspension of your permit.

ITEM	2.0 OUTDOOR PLAY AREA	ITEM	7.0 HEALTH AND PERSONNEL
21	ADEQUATE ENCLOSURE	71	HEALTH RECORDS - PERSONNEL
22	SAFE PLAY EQUIPMENT	72	HEALTH RECORDS - CHILDREN
23	ADEQUATE SURFACING	73	NO SICK CHILDREN
24	FREE OF HAZARDS	74	FIRST AID KIT AND INSTRUCTIONS
		75	PROPER HANDLING OF MEDICATIONS
3.0 FACILITY DESIGN		76	INFECTION CONTROL MEASURES PRACTICE
31	ADDRESS VISIBLE	77	HANDWASHING/TOILETING SUPPLIES
32	ROOM FINISHES CLEAN/GOOD REPAIR	78	TOILETING/HANDWASHING SUPERVISE
33	ADEQUATE VENTILATION/HEATING/COOLING	79	ADEQUATE STAFFING
34	ADEQUATE LIGHTING		
35	ADEQUATE STORAGE SPACE FOR BELONGINGS	8.0 PETS/ANIMAL CARE	
36	WORKING TELEPHONE/EMERGENCY NUMBERS		
37	FREE OF HAZARDS	81	RESTRICTIONS MAINTAINED
		82	IMMUNIZATION RECORDS CURRENT
4.0 FURNISHINGS/EQUIPMENT		83	PROPER ENCLOSURES/SUPERVISION
41	KITCHEN EQUIPMENT	84	PARASITES CONTROLLED
42	ACTIVITY/DINING AREA FURNISHING	85	PROPER FECES DISPOSAL
43	NAPPING/SLEEPING EQUIPMENT	86	PROHIBITED FROM KITCHEN/DINING AREA
44	TOILETING AREAS		
45	HANDWASHING FACILITIES	9.0 FOOD SERVICES	
			<i>See Kitchen</i>
5.0 WATER, SEWER, AND TRASH		91	SCOPE OF USE: <i>Inspecta Record</i>
		92	BARRIER TO KITCHEN ACCESS
		93	POTENTIALLY HAZARDOUS FOOD 40 Deg F
			OR BELOW OR 140 Deg F OR ABOVE
		94	SUITABLE THERMOMETER/PROPERLY LOCAT
		95	SAFE FOOD STORAGE AND PREP.
			— WHOLESOME, APPROVED SOURCE
			— PROTECTED FROM CONTAMINATION
			— PROPER THAWING METHOD
			— PROPER ROTATION/STORAGE
			— PROPER COOLING/HEATING PROC
			— HANDLING OF FOOD MINIMIZED
6.0 PEST CONTROL & CHEMICAL STORAGE		96	TABLEWARE ADEQUATE, SANITIZED
		97	KITCHENWARE ADEQUATE, CLEAN, SANITIZE
		98	DINING AREA CLEAN AND SANITARY
		99	SAFE PROCEDURES W/BABY FOODS/BOTTLE
			<i>Colleen K. John</i>

Hot Water Heating - 102°K

中国现代文学名著丛书

(See Attach PG 2 of 2)

Collegium K. & Chm

KNOWLEDGED BY

EHS

REVIEWED BY

14425

2H/-02

CLARK COUNTY HEALTH DISTRICT

ENVIRONMENTAL HEALTH

625 Shadow Lane Las Vegas, Nevada 89106

SUPPLEMENTARY REPORT

Establishment:

Pentecostal Temple Child Development

Address:

614 Jefferson Ave

Person Contacted:

LV NV 89106

Date:

4-22-04

Page

2 of 2

THE ITEMS NOTED BELOW REFER TO DEFECTS MARKED ON INSPECTION SHEET

ITEM	DEFECT	CORRECTION	CORRECTION DATE
(24)	SHARP protrusion on bottom of chair Link Fork	→	Make chair safe
(35)	Air exhaust vents in restroom are dirty & clogged	→	MAINTAIN
(37)	RM 1 → 1 electrical outlet is disrepair - loose	→	Repair
(43)	Several Sleep Mats are worn & replace		
(4)	Rocking chair in restroom & remove		
(51)	Hot water pressure - intermittent - evaluate	→	Correct
	(Req. 15 PSI pressure)		
	Hallway Drinking Fountains - Low pressure & Adjust		
(63)	Chemicals stored next to and over children's items		
	→ Store chemicals locked and away from Food, Children's items, play area		
	Sinks, Appliances etc		
(64)	Broom, Dustpan stored in Child Restroom	→	Remove

Leon Smith 4/29/04 Page 2 EHS# 4-22-04

FOOD ESTABLISHMENT INSPECTION FORM

EHS	PERMIT NO.	ESTABLISHMENT NAME	ADDRESS
14425	14425	PENTECOSTAL TEMPLE CHILD DEVELOPME	614 JEFFERSON
DIST	2H7-01	PENTECOSTAL TEMPLE CHILD DEVELOP	LAS VEGAS, NV 89106
05	PENTECOSTAL TEMPLE CHURCH, INC	PERSON INTERVIEWED	TELEPHONE NO.
	KITCHEN AREA	LEON SMITH	646-1600
CITY	TYPE AND CATEGORY	CAPACITY	HOURS
01	8351-152 0	1114 3	3-1 36-33-60
PREVIOUS ACTION	EHS	ACTN	DATE
24 SD	05/21/03	3	3 A A
TIME IN	TIME OUT	TR	MILES
11:00A M	11:25A M		
ACTN	DATE	ACTN	DATE
02 SD	4-22-07	2	1 A B

Based on an inspection this day, the items marked below identify the violation in operation or facilities which must be corrected by the next routine inspection or such shorter period of time as may be specified in writing by the Health Authority. Failure to comply with this notice may result in immediate suspension of your permit or downgrading of the establishment. An opportunity for an appeal will be provided if a written request for a hearing is filed with the Health Authority within the period of time established in this notice for the correction of violations.

Part I: Red Critical Items These items relate directly to the protection of the public from foodborne illness. These items are NOT NEGOTIABLE AND MUST BE CORRECTED. Repeated violations of any RED ITEM may lead to enforcement actions being initiated or permit suspension.

1. Foods obtained from approved sources. Properly identified.	6	8. Potentially hazardous salads or fillings made with prechilled ingredients.	3
2. Foods wholesome, not spoiled or adulterated.	6	9. Perishable foods at proper temperature.	2
3. Persons with boils, infected wounds, respiratory infections or other communicable disease properly restricted.	6	10. Suitable thermometers (stem, cooker, oven) provided, adequate and used.	3
4. Adequate hot and cold holding equipment present; properly designed, maintained, and operated.	4	11-1. Foods protected from cross-contamination by raw meats, poultry, fish, seafood, and raw eggs.	4
5. Hot potentially hazardous foods (PHFs) rapidly cooled by approved methods.	10	11-2. Foods protected from cross-contamination by foodhandlers.	4
Potentially hazardous food temperatures as required:		11-3. Foods protected from cross-contamination by chemicals.	4
Item 6-1 Temperature 38°F		11-4. Foods protected from cross-contamination by proper storage.	4
Item 6-2 Temperature 38°F		12. Food workers properly washing hands thoroughly after using toilet, coughing, eating, smoking, after handling raw animal products, and otherwise contaminating their hands. Adequate facilities.	6
6-1. All poultry, poultry stuffing, stuffed meats, stuffing containing meats, casseroles containing PHFs and reheats containing potentially hazardous food cooked to an internal temperature of 165°F.	6	13. Suitable handwashing facilities, clean accessible and in good repair, approved soap, disposable towels, and waste receptacles provided.	3
6-2. Ground, fabricated, and restructured meats cooked throughout to 155°F.	6	14. Kitchenware and food contact surfaces of equipment properly cleaned, sanitized, and air dried.	4
6-3. All pork or any food containing pork cooked to an internal temperature of 155°F or above.	6	15. Sewage disposed into public sewer or approved facility. No cross-connections. No back siphonage.	6
6-4. All PHFs, held at 40°F or colder, at 140°F or hotter, except during necessary preparation procedures.	6	16. Hot and cold running water as required. From approved source.	6
7. Potentially hazardous foods properly thawed.	2		

ITEM #	VIOLATION	CORRECTION / CORRECTION DATE
	NO CRITICAL VIOLATIONS OBSERVED	

Blue Items—Establishment Sanitation, Design and Maintenance These items relate to maintenance of food service operations and cleanliness. Violations of these items be corrected by the next regular inspection or a compliance schedule may be established by the Health Authority. Repeated violations may lead to enforcement actions.

17. Fruits and vegetables properly washed prior to serving.	2	30. Nonfood contact surfaces properly constructed and installed.	1
18. Foods stored off the floor.	1	31. Nonfood contact surfaces and cooking devices maintained and clean.	1
19. Required labels on food, containers of food. Required signs.	1	32. Toilet facilities for employees adequate, convenient, clean, and in good repair. Covered trash cans provided. Doors self-closing.	1
20. Health cards current on all foodhandlers.	1	33. Garbage storage and removal, adequate and kept clean. Garbage containers clean, pest proof, nonabsorbent, and covered. Wash area clean and maintained.	1
21. Acceptable hygienic practices; clean outer garments; proper hair restraints used.	1	34. Effective measures to control pests. Pest control devices maintained.	3
22. In-use utensils properly handled and stored.	1	35. Lighting and ventilation as required, ventilation hoods, and filters cleaned and maintained properly.	1
23. Facilities for washing and sanitizing equipment and utensils approved, adequate, properly constructed, maintained, operated.	1	36. Plumbing and fixtures properly sized, installed, and maintained. Properly drained.	1
24. Accurate thermometers, chemical test kits, and pressure gauges present and working.	1	37. Floors, walls, ceilings, properly constructed and installed. In good repair and clean.	1
25. Clean utensils, equipment, and single service items properly handled, stored and dispensed.	1	38. Living quarters completely separated from food service. No infant or child care allowed. Premises maintained free of litter, unnecessary equipment, or personal effects.	1
26. Single service items not reused.	3	39. Live animals only as specified, under current Regulations.	1
27. Clean wiping cloths, stored in an approved sanitizer, and restricted in use.	1	40. Compliance with Nevada Revised Statute 202.2491 regarding smoking.	1
28. Approved food contact surfaces smooth, easily cleanable, properly constructed and installed.	1		
29. All plastic used for food contact surfaces must be of approved food grade quality.	1		

ITEM #	VIOLATION	CORRECTION / CORRECTION DATE
350	1 Light burned out in Ventilation Hood - Replace Light Bulb	

ACCOMPLISHMENTS / COMMENTS

HEALTH AUTHORITY

ACKNOWLEDGED BY

TOTAL

REVIEWED BY

BUSINESS LICENSE

City of Las Vegas • Las Vegas, Nevada

IN ACCORDANCE WITH THE PROVISIONS OF THE LAS VEGAS MUNICIPAL CODE, AN AMENDMENT LICENSE IS HEREBY GRANTED TO OPERATE THE BUSINESS REFERENCED BELOW:

CHILDCARE LICENSE

LICENSE #: N15-00049-9-018182

DATE ISSUED: 06/24/03

TYPE OF LICENSE: CENTER/PRESCHOOL
63 CHILDREN DAYS 6 P & A

DATE EXPIRES: 06/30/04

BUSINESS LOCATION: 614 JEFFERSON AV

ISSUE TO:

PRINCIPAL(S) TEMPLE OLD DEV CTR
614 JEFFERSON AV
LAS VEGAS NV 89106

PRINCIPAL(S)
SMITH, LEON, LICENSE HD
SMITH, LEON, COP DIRECT



SECTION B: HOW WILL THE GRANT IMPROVE THE QUALITY OF CHILDCARE?

1. Describe the problem or need the grant will help address?

The grant will allow the purchase of additional playground equipment for children ages four and five years. The playground equipment that is used at the facility is designed for two and three year old children and will accommodate six to seven children at a time. The space according to the square footage of the playground will allow the installation of another playground equipment that will enhance the play period for children and will give children a more meaningful experienced during the release of twenty to thirty children on the playground.

2. What are the benefits of the proposed project?

The supporting recommendation of the City of Las Vegas Child Care Department has outlined the benefits of the playground equipment. A minimum of thirty children are released on the playground at any scheduled time. The existing playground equipment will accommodate only 7 children at a time and is designed for two and three years old children. For the physical development and social interaction of children ages four and five, this equipment is needed to enhance the curriculum, play of children and provide services and financial resource that is not available through the revenue of child care tuition.

3. Describe how the project plans will improve the health and safety of child care.

- a. Age appropriate children will benefit from playing together
- b. Prevent over crowding of children on the playground in a consecrated area.
- c. Allow four and five year old children a designate play area.
- d. The equipment will encourage children to spread out and better utilize space on the playground
- e. The staff can organize recreation scheduling to benefit the majority of the children and measure activities for the growth of children.

SECTION C: PROPOSED TIMELINE

1. What is the tentative timeline for implementing and completing the proposed project? _____

~~The tentative time line for implementing and completing the proposed project will be between June 30, 2005 and July 15, 2005. The dates provided are based on shipment of the playground equipment~~

SECTION D: LINE ITEM BUDGET AND BUDGET NARRATIVE

1. List the items requested for improvement and a brief financial justification.
2. Please use whole dollar amount for the total budget (i.e. \$4,558.59 = \$4,559.00)

Items Requested	Dollar Amount
Double climb and slide	8,479.00
Lift Gate Charge	50.00
Freight	1,271.00
Installation	500.00
Grand Total	10,300.00

****This Section Intentionally Left Blank****

SECTION E: Additional Funding

Source of Outside Revenue

Economic Opportunity Board From April 2003 to December 2003

Purpose of Funding --

Rent for use of facility at 614 Jefferson Avenue

total \$18,450.00

January 2004 through December 31, 2004

total \$28,800.00

Note: This information is provided to show funds related to the Center and not fund related to grants, loans or scholarships

Source of Outside Revenue

State of Nevada Office of the Controller -- CACFT

Purpose of Funding -- Nutrition feeding program for Children who are eligible.

Feeding of Breakfast, lunch and snack.

Total amount funded for the years ending December 2003 was 12,909.69

Total amount funded for the year ending December 2004 \$20,000.00

Total Revenue \$80,159.69

6/8/2004 4,810 FLOOR Replacement *over*

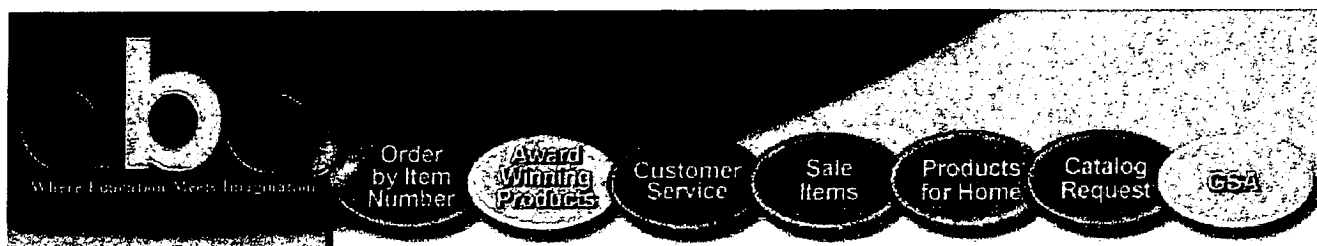
BUDGET

CENTER BASED

Equipment:

Double climb and slide	8479.00
Lift Gate Charge	50.00
Freight	1271.00
Installation	500.00
Total	10,300.00

Narrative: The grant provided by the City of Las Vegas will be in the amount of \$5000.00. Projects sponsored by the Pentecostal Temple Church will pay the remaining cost of 5,300.00. The latest date to have this project completed will be July 15, 2005

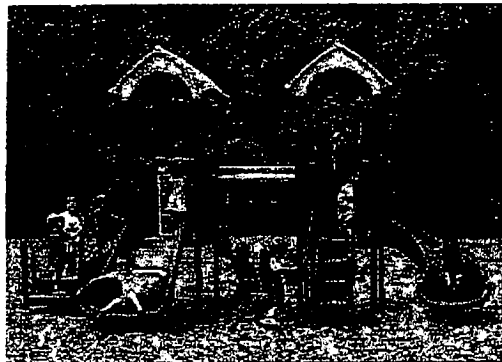

[Home](#)

Item Detail

Search:

Search by Category:

[Active Play](#)
[Arts & Crafts](#)
[Audio Visual](#)
[Block Play](#)
[Carpets](#)
[Children's Literature](#)
[Dramatic Play](#)
[Furniture](#)
[Games](#)
[Health](#)
[Infant/Toddler](#)
[LEGO®](#)
[Literacy](#)
[Manipulatives](#)
[Math](#)
[Mats & Cots](#)
[Music](#)
[Playground](#)
[Puzzles](#)
[Records/Cassettes/CDs](#)
[Sand & Water](#)
[Science](#)
[Social Studies](#)
[Supplies](#)
[Tables & Chairs](#)
[Teacher Resources](#)
[Woodworking](#)



Supersize Image Available
Item No#: 900725



* This item
Ships by Truck

***Julie's Cabana**
2 - 5 Years

This fully accessible activity center offers twin cabana roofs for sun protection. The Tic-Tac-Toe Panel encourages social play while the two slides provide hours of fun.

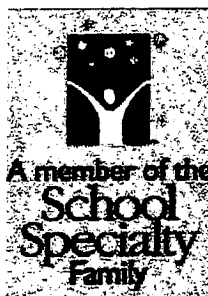
- 6 Play Events
- Beanstalk Climber
- Tic-Tac-Toe Panel
- Size: 17' x 10'
- Space Required: 32' x 25'
- Capacity: 21

Shipped from the manufacturer. May require a longer delivery time.

Regular
Price
\$8,477.00

In
Stock
Yes

Add



© ABC School Supply 2003

KAPLAN

EARLY LEARNING COMPANY

Expanding The Ways We Teach & Learn

QUOTE

Quote To:

Ship To:

Quote # AAAQ8461

Date 05/18/05

Pentecostal Temple CDC

Pentecostal Temple CDC

James Chapman

James Chapman

814 Jefferson Ave

814 Jefferson Ave

Las Vegas NV 89106

Las Vegas NV 89106

Phone (702) 646-1600

Phone (702) 646-1600

Fax (702) 647-5767

Fax (702) 647-5767

When preparing a proposal we always strive to put our best foot forward. In the event we come up short or aren't quite on target with your needs we respectfully ask that you give us the opportunity to make the necessary adjustments to earn your business. When comparing various proposals, be certain the specifications are equal. When a bid is substantially less (or more), there is usually a reason. We will be happy to review any other quotations you may have to be certain you get the most value for your dollars.

**Thank you for choosing Kaplan Early Learning Company...The Outdoor Classroom.
We look forward to serving all of your childcare needs!**

Qty	Item #	Description	Unit Wt	Unit Price	Ext. Price
NO INSTALL DIRECT SHIP					
1	72208	EXPLORERS PLUS P. 17 / 2005 Catalog 24'x33' Use Zone Ages 2-5 Years	1,318	\$8,495.00	\$8,495.00
This is NOT an invoice. Unless requested, taxes may not be included in the total. Tax rates vary and are supplied by the customer.				SubTotal	\$8,495.00
				Shipping	\$841.00
				Tax Amount	\$0.00
				Total	\$9,336.00

Gopher Sport Quotation No: 10450

Prepared For: Customer No: 4027743

PLAY WITH A PURPOSE
PO BOX 998
220 24TH AVE NW
CHATTANOOGA, TN 35860-0998

Pentecostal Temple Child
614 Jefferson Ave
Las Vegas , NV 89106

Phone: 1-888-330-1826
Fax: 1-888-331-5860

James Chapman

E-Mail: customerservice@gophersport.com

Customer Quote Date			F.O.B.	Salesperson	Terms	Rep
05/18/05			Shipping Pt	PWOP (95) - Mail Order	CA-Net 30 Days	BSS
Line	Qty	UOM	Item Number	Description	Price	Ext. Price
1	1	Ea	13-149	Double Climb And Slide	8,479.00	8,479.00
*** Line Notes ***						
Ph: (0) 000-0						
Lift Gate: No						
Residential Fee: No						

2	1	Ea	LIFT GATE	Lift Gate Charge	50.00	50.00
					Merchandise	8,529.00
					Freight	1,271.85
					Tax	0.00
					Grand Total	9,800.85



Enriching Childhood Through Play.

Date: 5/18/2005

Quote No.: 250013804

GAMETIME
 c/o Great Western
 PO Box 97
 Wellsville, UT 84339
 Phone: (435)245-5055
 Toll Free: (800)453-2735
 Facsimile: (435)245-5057
 E-mail: info@gwpark.com

GameTime Quotation

Leon Smith
 Pentecostal Temple
 Child Development Center
 89106

Ship to Zip: 89106
 Telephone: (702)846-1800
 Facsimile: (702)277-3434

QTY	ITEM	DESCRIPTION	Ext Weight	Price	Ext Price
1	20021	Walker 4	3,294	8,985.00	\$8,985.00
1	23030	In-Grd Pkg 20021	220	926.00	\$926.00
Total weight:			3,514	Sub-total:	\$9,911.00
				Discount:	(\$991.10)
				Installation:	\$4,459.85
				Freight:	\$2,513.15
				Tax:	\$668.99
				Total:	\$16,561.89

This quotation is subject to policies in the current GameTime Park and Playground Catalog and the following terms and conditions. Our quotation is based on shipment of all items at one time to a single destination, unless noted, and changes are subject to price adjustment. Purchases in excess of \$1,000.00 to be supported by your written purchase order made out to GameTime, c/o Great Western. Kindly issue one order for the equipment and a separate order for surfacing and/or equipment installation services.

Pricing: f.o.b. factory, firm for 30 days from date of quotation.

Payment terms: payment in full, net 30 days subject to approval by GameTime Credit Manager. A 1.5% per month finance charge will be imposed on all past due accounts. Equipment shall be invoiced separately from other services and shall be payable in advance of those services and project completion. Retainage not accepted.

Shipment: order shall ship within 30-45 days after GameTime's receipt and acceptance of your purchase order, color selections, approved submittals, and receipt of deposit, if required.

Freight charges: Prepaid and added at time of invoicing.

Notes: State and local taxes, if applicable, will be added at time of invoicing unless a tax exempt certificate is provided at the time of order entry.

Receipt of goods: Customer shall receive, unload and inspect goods upon arrival, noting any discrepancies on the Delivery Receipt prior to written acceptance of the shipment.

Exclusions: unless specifically included, this quotation excludes all site work and landscaping; removal of existing equipment; acceptance of equipment and off-loading; storage of goods prior to installation; equipment assembly and installation; safety surfacing; borders and drainage provisions.

To order: Please complete the acceptance portion of this quotation and provide color selections, purchase order copy and other key information requested. Acceptance of this proposal indicates your agreement to the terms and conditions stated herein.



WALKER THREE

Walker Three (On-Ground Mount)

#20020	Play System	Price: \$8,047
#23020	Surface Mount Package	Price: \$474
#23029	In-Ground Mount Package	Price: \$811

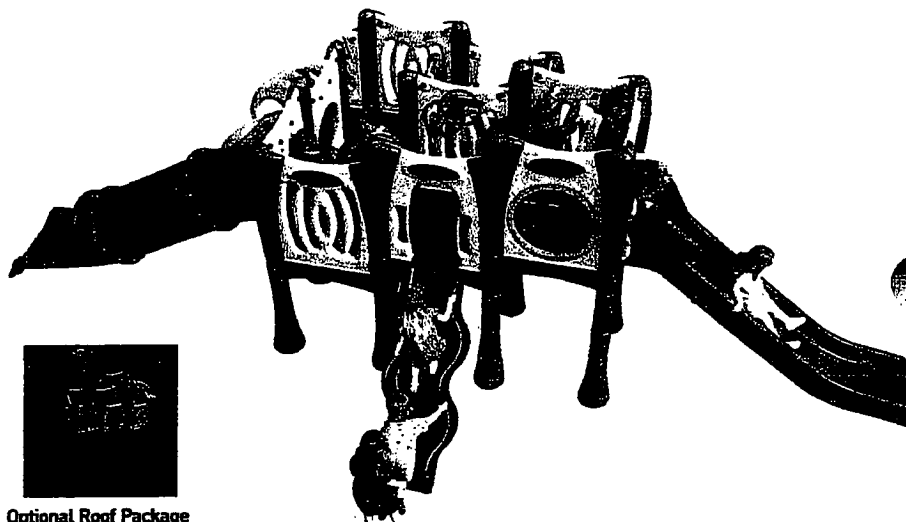
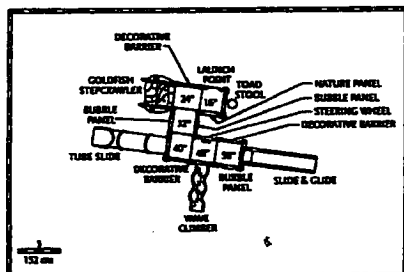
Minimum Use Zone: 28'1" x 44'2" (8.6m x 13.5m)

Child Capacity: 35-40

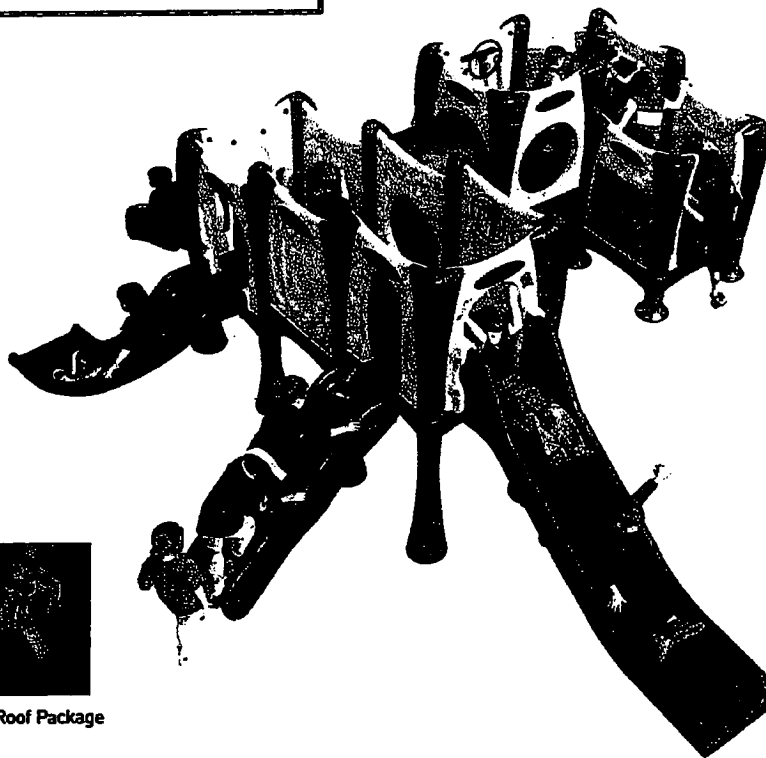
ADA: Elevated: 8 Accessible: 8 Ground: 3 Types: 2

Additional Needed: 1 Type Ground

Number of KidCurbs: 40



Optional Roof Package



Optional Roof Package

WALKER TWO

Walker Two (On-Ground Mount)

#20019 Play System	Price: \$7,199
#23019 Surface Mount Package	Price: \$524
#23028 In-Ground Mount Package	Price: \$767

Minimum Use Zone: 34'1" x 32'2" (10.4m x 9.8m)

Child Capacity: 35-40

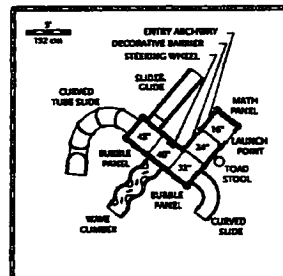
ADA: Elevated: 8 Accessible: 8 Ground: 1 Types: 1

Additional Needed: 2 Types Ground

Number of KidCurbs: 32



Optional Roof Package



WALKER FOUR

Walker Four (On-Ground Mount)

#20021	Play System	Price: \$8,985
#22021	Surface Mount Package	Price: \$601
#23030	In-Ground Mount Package	Price: \$926

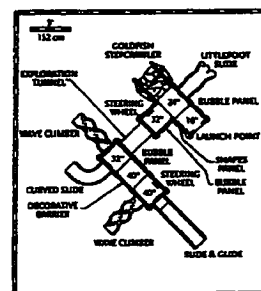
Minimum Use Zone: 36'11" x 31'0" (11.3m x 9.4m)

Child Capacity: 40-45

ADA: Elevated: 12 Accessible: 12 Ground: 2 Types: 1

Additional Needed: 2 Types Ground

Number of KidCurbs: 34



Date: 5/18/2005

Project:

Quote No.: 250013804

Ship Zip: 89108

Order information

Bill to: _____

Ship to: _____

Contact: _____

Contact: _____

Address: _____

Tel: _____ Fax: _____

Address: _____

Address: _____

City, State, Zip: _____

City, State, Zip _____

Sales Tax Exemption Certificate No: _____ (please provide copy of certificate)

Enter desired color palette name: _____ OR

Enter desired color: Uprights () Decks ()

Accents () Roofs/Tubes () Slides/Panels ()

Great Western

By: _____
Salesperson's signature**Acceptance of quotation:**

Accepted by: _____

P.O. No: _____

Signature: _____

Date: _____

Title: _____

Telephone: _____

Purchase amount: _____ **\$16,561.99**

Facsimile: _____

CERTIFICATE BY APPLICANT

Please initial on line after each statement; please sign and date below.

1. I hereby certify that to the best of my knowledge, all information contained in this application is complete and accurate. *LS*
2. I understand that the grant will be subjected to a conditional grant agreement. *LS*
3. I understand that any direct receipt of the grant has to be declared as income for tax purposes and I will receive tax form 1099(G) from the city of Las Vegas at year-end, which will state the amount to be reported on my tax return. *LS*
4. I understand that the activities outlined in my grant application must commence no later than thirty-days (30) following the approval date of the grant to avoid cancellation or suspension of funding. *LS*
5. I understand that vendors performing a service can be paid directly, but only upon completion of a Vendor Agreement and successful and satisfactory completion of the project. *LS*
6. I understand that all requests for reimbursement must be made on a monthly basis and a monthly report must accompany the request. *LS*
7. I understand that revisions and amendments can be made at the discretion of the city of Las Vegas Representative. *LS*
8. I understand that I am responsible for any taxation of any purchases. *LS*
9. I understand that should I move from my home where facility rehabilitation such as flooring, ac unit, or shade cover/patio was installed, or close my family/group daycare within two (2) years of receiving grant funds, I may be denied future funding for up to three (3) years. *LS*
10. I agree to commit the project implementation in keeping with the application content and budget and to adhere to all assurances, certifications, terms, conditions, and other requirements contained in this application. *LS*

Leona Smith
Signature

May 18, 2005
Date

Please submit your complete application and required documents to:

Cynthia Manabat, Program Coordinator
City of Las Vegas
Neighborhood Services Department
400 Stewart Avenue, 2nd Floor
Las Vegas, Nevada 89101
(702) 229-1027

PENTECOSTAL TEMPLE CHILD DEVELOPMENT CENTER
FINANCIAL REPORT
Year Ending December 31, 2004

I. INTRODUCTION

Pentecostal Temple Child Development will ensure that overall enrollment and class size are small enough to provide opportunities for effective interaction among children working in groups or working individually. Our classrooms are going to be organized in such a way that the teacher-pupil ration will be a maximum of 13 to 1 ratio for fur classes; 9 to 1 ratio for two classes. And 10 to 1 for the larger class room that holds 20 students with two teachers directed to assume the assignment of 10 students each.

The P.T. Child Development center is licensed for 63 children with approximately 6 to 8 students for before or after school care. The average weekly cost for each child will be \$75.00. A budget process with this amount in mind will give an indication of the total operational cost for the Child Development Center.

ACCOUNTS PAYABLE

January	18,775.40
February	20,655.19
March	18,157.35
April	19,846.44
May	16,372.35
June	21,441.90
July	14,672.67
August	15,647.79
September	16,094.14
October	16,388.57
November	21,882.24

Total Expenses	199,934.04
----------------	------------

Accounts Receivable

Carry Over January 1, 2004	9,310.80
January Deposits	21,171.73
February Deposits	15,873.09
March Deposits	19,285.45
April Deposits	22,700.00
May Deposits	15,869.80
June Deposits	16,136.10
July Deposits	17,550.53
August Deposits	11,476.90
September Deposits	23,912.67
October Deposits	23,932.54
November Deposits	14,146.00

Grand Total income	211,365.81
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Grand Total Expenditures	199,934.04
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Balance on Carried Forward	11,431.77
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CHILD DEVELOPMENT CENTER

Pentecostal Temple Child Development Center
614 Jefferson Avenue
Las Vegas, Nevada 89106
(702) 646-1600

Preschool	2 years - 3 years	
5 full days		\$85.00
MWF		\$75.00
TTh		\$68.00

Half Day Program (rates available)

Preschool	3 years - 4 years	
5 full days		\$85.00
MWF		\$75.00
TTh		\$68.00

Half Day Program (rates available)

Half Days

4 and 5 days	\$75.00
3 days	\$70.00
2 days	\$48.00

Before and After School

4 and 5 days	\$67.00
3 days	\$50.00
2 days	\$45.00

Before School only

4 and 5 days	\$50.00
3 days	\$45.00
2 days	\$40.00

After School only

4 and 5 days	\$57.00
3 days	\$47.00
2 days	\$42.00

Additional Fees:

* Registration fee \$25.00

* Payments are due on or before the first day of attendance each week. Late payments will be automatically charged \$15.00

*Late pick-up fee is \$5.00 per 15 minutes and \$1.00 per minute thereafter (per child).

*Returned check fee is \$25.00

Please read the Pentecostal Temple Child Development Center's handbook for information pertaining to policies and tuition conditions.

Leon Smith
530-28-6267
8520 Highland View Ave.
Las Vegas, Nevada 89145

Wages	withheld	soc. Sec	medicare	
4067.67	724.04	307.00	71.94	1/04
4067.67	724.04	307.00	71.94	2/04
4067.67	724.04	307.00	71.94	3/04
4004.34	696.73	266.86	62.41	4/04
4004.34	696.73	266.86	62.41	5/04
4004.34	696.73	266.86	62.41	6/04
2050.00	267.99	178.31	29.12	7/04
2050.00	267.99	178.31	29.12	8/04
2050.00	267.99	178.31	29.12	9/04
4000.00	1007.00	248.00	58.00	10/04
3915.00	669.51	242.73	56.76	11/04
5617.50	1621.00	369.52	86.42	12/04
Total				
43,898.00	8596.75	2821.67	636.49	

Tquisha Waller
1950 N. Simmons #1115
Las Vegas, Nevada 89106
551-33-3122

Wages	withheld	soc. Sec.	Medicare	
1000.00	123.00	62.00	14.50	9/3
800.00	93.00	49.60	11.60	9/17
975.00	117.00	60.45	14.14	10/1
1000.00	123.00	62.00	14.50	10/15
900.00	108.00	31.55	13.05	10/29
725.00	44.95	38.00	10.51	11/12
400.00	24.80	46.00	5.80	11/19
total				
5800.00	633.75	359.60	84.10	

Nasheta Davis
2508 Englestad Street
North Las Vegas, Nevada 89030
530-23-4930

Wage	withheld	soc. Sec	medicare	
192.00	0	11.90	2.78	7/9
504.00	30.00	31.24	7.30	7/23
448.00	22.00	27.78	6.50	8/6
424.00	20.00	26.28	6.14	8/20
total				
1568.00	72.00	97.22	22.74	

Brittany Brice

Wage	withheld	soc. Sec	medicare	
336.00	23.00	20.84	4.88	4/2
640.00	69.00	39.68	9.28	4/16
592.00	60.00	36.71	8.58	4/30
576.00	57.00	35.72	8.36	5/14
512.00	48.00	31.75	7.43	5/28
640.00	69.00	39.68	9.28	6/11
640.00	69.00	39.68	9.28	6/25
384.00	29.00	23.80	5.56	7/9
568.00	57.00	35.21	8.23	7/23
640.00	69.00	39.68	9.28	8/6
640.00	69.00	39.68	9.28	8/20
640.00	69.00	39.68	9.28	9/3
576.00	57.00	35.72	8.36	9/17
640.00	69.00	39.68	9.28	10/1
640.00	69.00	39.68	9.28	10/15
640.00	69.00	39.68	9.28	10/29
640.00	69.00	39.68	9.28	11/12
512.00	31.74	31.72	7.42	11/26
640.00	69.00	39.68	9.28	12/10
640.00	69.00	39.68	9.28	12/24
total				
11,736.00	1190.74	727.63	170.18	

Karen Smith
1492 N. Lamb Blvd Apt. 2026
Las Vegas, Nevada 89110
089-52-0838

Wages	withheld	soc sec.	Medicare	
272.00	21.04	16.87	3.95	1/9
680.00	14.00	42.16	9.86	1/23
680.00	14.00	42.16	9.86	2/6
680.00	14.00	42.16	9.86	2/20
340.00	21.08	19.02	4.93	2/27
total				
2652.00	84.12	164.43	38.46	

LaRonda Poydras
 5227 Fog Run Ct.
 North Las Vegas, Nevada 89031
 558-75-4951

Wages	withheld	soc sec.	medicare	
800.00	99.94	49.60	11.60	1/9
760.00	33.00	47.12	11.02	1/23
740.00	30.00	45.88	10.73	2/6
20.00	0	1.24	.29	2/6
800.00	39.00	49.60	11.60	2/20
800.00	39.00	49.60	11.60	3/5
800.00	39.00	49.60	11.60	3/19
640.00	19.00	39.68	17.28	4/2
700.00	25.00	43.40	10.15	4/16
720.00	27.00	44.64	10.44	4/30
800.00	39.00	49.60	11.60	5/14
800.00	39.00	49.60	11.60	5/28
800.00	39.00	49.60	11.60	6/11
800.00	39.00	49.60	11.60	6/25
720.00	27.00	44.64	10.44	7/9
170.00	0	10.54	10.47	9/3
800.00	39.00	49.60	11.60	9/17
total				
11,670.00	572.94	623.54	169.22	

Michelle Phillips
530-88-3026

Wages	withheld	soc. Sec	medicare	
760.00	26.00	47.12	11.02	1/9
680.00	26.00	42.16	9.86	1/23
680.00	26.00	42.16	9.86	2/6
680.00	26.00	42.16	9.86	2/20
680.00	26.00	42.16	9.86	3/5
680.00	26.00	42.16	9.86	3/19
680.00	26.00	42.16	9.86	4/2
680.00	26.00	42.16	9.86	4/16
680.00	26.00	42.16	9.86	4/30
680.00	26.00	42.16	9.86	5/14
680.00	26.00	42.16	9.86	5/28
680.00	26.00	42.16	9.86	6/11
680.00	26.00	42.16	9.86	6/25
408.00	0	25.29	5.91	7/9
680.00	26.00	42.16	9.86	7/23
680.00	26.00	42.16	9.86	8/6
710.00	28.00	44.02	10.30	8/20
760.00	34.00	47.12	11.02	9/3
760.00	34.00	47.12	11.02	9/17
760.00	34.00	47.12	11.02	10/1
760.00	34.00	47.12	11.02	10/14
760.00	34.00	47.12	11.02	10/29
760.00	34.00	47.12	11.02	11/12
760.00	34.00	47.12	11.02	11/26
760.00	34.00	47.12	11.02	12/10
760.00	34.00	47.12	11.02	12/24
total				
18238.00	724.00	1130.76	264.45	

Erika Gardner
 284 Ben Johnson Ct.
 Las Vegas, Nevada 89123

Wages	withheld	soc sec	medicare	
640.00	51.00	39.68	9.28	1/9
640.00	51.00	39.68	9.28	1/23
640.00	34.00	39.68	9.28	2/6
640.00	34.00	39.68	9.28	2/20
608.00	45.00	37.70	8.82	3/5
640.00	34.00	39.68	9.28	3/19
640.00	34.00	39.68	9.28	4/2
640.00	34.00	39.68	9.28	4/16
640.00	34.00	39.68	9.28	4/30
640.00	34.00	39.68	9.28	5/14
640.00	34.00	39.68	9.28	5/28
640.00	34.00	39.68	9.28	6/11
640.00	34.00	39.68	9.28	6/25
256.00	3.00	15.87	3.71	7/7
612.00	45.00	37.94	8.87	7/23
680.00	57.00	42.16	9.86	8/6
680.00	57.00	42.16	9.86	8/20
680.00	57.00	42.16	9.86	9/3
680.00	57.00	42.16	9.86	9/17
680.00	57.00	42.16	9.86	10/1
680.00	57.00	42.16	9.86	10/15
680.00	57.00	42.16	9.86	10/29
680.00	57.00	42.16	9.86	11/12
680.00	57.00	42.16	9.86	11/26
680.00	57.00	42.16	9.86	12/10
680.00	57.00	42.16	9.86	12/24
total				
16,636.00	1162.00	1031.43	241.22	

Leola Johnson
5661 White Dune Street
Las Vegas, Nevada 89113
426-98-9369

Wages	withheld	soc. Sec	medicare	
1000.00	87.00	62.00	14.50	1/9
1000.00	87.00	62.00	14.50	1/23
1000.00	87.00	62.00	14.50	2/6
1000.00	87.00	62.00	14.50	2/20
1000.00	87.00	62.00	14.50	3/5
1000.00	87.00	62.00	14.50	3/19
1000.00	87.00	62.00	14.50	4/2
900.00	55.80	71.00	13.05	4/16
900.00	55.80	71.00	13.05	4/30
1000.00	87.00	62.00	14.50	5/14
1000.00	87.00	62.00	14.50	5/28
1000.00	87.00	62.00	14.50	6/11
1000.00	87.00	62.00	14.50	6/25
1000.00	87.00	62.00	14.50	7/9
1000.00	87.00	62.00	14.50	7/23
800.00	57.00	29.20	11.60	8/4
1000.00	87.00	62.00	14.50	8/20
800.00	57.00	49.60	11.60	9/1
1040.00	108.00	64.48	15.08	9/17
1040.00	108.00	64.48	15.08	10/1
1040.00	108.00	64.48	15.08	10/15
1040.00	108.00	64.48	15.08	10/29
1040.00	108.00	64.48	15.08	11/12
1040.00	108.00	64.48	15.08	11/26
1040.00	108.00	64.48	15.08	12/10
1040.00	108.00	64.48	15.08	12/24
total				
25,720.00	2307.60	1594.64	372.94	

Catalina Quintela
 4801 East Sahara Ave #209
 Las Vegas, Nevada 89104

Wages	withheld	soc. Sec	medicare	
640.00	89.73	39.68	9.28	1/9
640.00	34.00	39.68	9.28	1/23
576.00	26.00	35.72	8.36	2/6
640.00	34.00	39.68	9.28	2/20
612.00	30.00	37.95	8.88	3/5
680.00	38.00	42.16	9.86	3/19
680.00	38.00	42.16	9.86	4/2
612.00	30.00	37.95	8.88	4/16
654.50	34.00	40.58	9.49	4/30
680.00	38.00	42.16	9.86	5/14
680.00	38.00	42.16	9.86	5/28
680.00	38.00	42.16	9.86	6/11
680.00	38.00	42.16	9.86	6/25
680.00	38.00	42.16	9.86	7/9
680.00	38.00	42.16	9.86	7/23
680.00	38.00	42.16	9.86	8/6
544.00	24.00	33.73	7.89	8/20
680.00	38.00	42.16	9.86	9/3
680.00	38.00	42.16	9.86	9/17
680.00	38.00	42.16	9.86	10/1
680.00	38.00	42.16	9.86	10/16
680.00	38.00	42.16	9.86	10/29
680.00	38.00	42.16	9.86	11/12
680.00	38.00	42.16	9.86	11/26
680.00	38.00	42.16	9.86	12/10
680.00	38.00	42.16	9.86	12/24
total				
17,158.50	985.73	1063.83.	248.80	

Sarah Patton
4640 Vegas Valley Dr. #2059
Las Vegas, Nevada 89121

Wages	withheld	soc. Sec	medicare	
680.00	96.79	42.16	9.86	1/9
680.00	38.00	42.16	9.86	1/23
680.00	38.00	42.16	9.86	2/6
680.00	38.00	42.16	9.86	2/20
680.00	38.00	42.16	9.86	3/5
680.00	38.00	42.16	9.86	3/19
680.00	38.00	42.16	9.86	4/2
680.00	38.00	42.16	9.86	4/16
680.00	38.00	42.16	9.86	4/30
680.00	38.00	42.16	9.86	5/14
680.00	38.00	42.16	9.86	5/28
680.00	38.00	42.16	9.86	6/11
680.00	38.00	42.16	9.86	6/25
408.00	10.00	25.29	5.91	7/9
680.00	38.00	42.16	9.86	8/20
740.00	44.00	45.88	10.73	9/3
800.00	50.00	49.60	11.60	9/17
800.00	50.00	49.60	11.60	10/1
800.00	50.00	49.60	11.60	10/15
800.00	50.00	49.60	11.60	10/29
800.00	50.00	49.60	11.60	11/12
800.00	50.00	49.60	11.60	11/26
800.00	50.00	49.60	11.60	12/10
800.00	50.00	49.60	11.60	12/24
total				
17,068.00	1044.79	1058.22	247.49	

LaTonya Dawson
2688 Rungsted Street
Las Vegas, Nevada 89142

Wages	withheld	soc sec	medicare	
1080.00	90.00	66.96	15.66	1/9
1080.00	90.00	66.96	15.66	1/23
1080.00	90.00	66.96	15.66	2/6
972.00	54.00	60.27	14.10	2/20
972.00	54.00	60.27	14.10	3/5
1080.00	90.00	66.96	15.66	3/19
810.00	38.00	50.22	11.75	4/2
810.00	38.00	50.22	11.75	4/16
1120.00	78.00	69.44	16.24	4/30
896.00	46.00	55.56	13.00	5/14
1120.00	78.00	69.44	16.24	5/28
1008.00	60.00	62.00	14.00	6/11
1120.00	78.00	69.44	16.24	6/25
1008.00	60.00	62.00	14.00	7/9
1008.00	60.00	62.00	14.00	7/23
1008.00	60.00	62.00	14.00	8/6
1008.00	60.00	62.00	14.00	8/20
560.00	39.00	35.93	10.46	12/10
1120.00	78.00	69.44	16.24	12/24
total				
18833.00	1241.00	1167.65	273.08	

Linda K. Chapman
3366 Fandanso Place
Las Vegas, Nevada 89146
414-84-3849

Wages	withheld	soc sec	medicare	
800.00	50.00	49.60	11.60	1/9
800.00	50.00	49.60	11.60	1/23
800.00	50.00	49.60	11.60	2/6
800.00	50.00	49.60	11.60	2/20
800.00	50.00	49.60	11.60	3/5
800.00	50.00	49.60	11.60	3/19
800.00	50.00	49.60	11.60	4/2
800.00	50.00	49.60	11.60	4/16
800.00	50.00	49.60	11.60	4/30
840.00	54.00	52.08	12.18	5/14
840.00	54.00	52.08	12.18	5/28
840.00	54.00	52.08	12.18	6/11
840.00	54.00	52.08	12.18	6/25
840.00	54.00	52.08	12.18	7/9
840.00	54.00	52.08	12.18	7/23
840.00	54.00	52.08	12.18	8/6
840.00	54.00	52.08	12.18	8/20
840.00	54.00	52.08	12.18	9/3
840.00	54.00	52.08	12.18	9/17
840.00	54.00	52.08	12.18	10/1
840.00	54.00	52.08	12.18	10/1
840.00	54.00	52.08	12.18	10/29
840.00	54.00	52.08	12.18	11/12
840.00	54.00	52.08	12.18	11/26
840.00	54.00	52.08	12.18	12/10
840.00	54.00	52.08	12.18	12/24
Total				
21,480.00	1368.00	1,331.76	311.46	

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date:

Employer Identification Number:
88-0277341

DLN:

17053002052031

Contact Person:

GREGORY WOO

ID# 95340

Contact Telephone Number:

(877) 829-5500

Accounting Period Ending:

December 31

Form 990 Required:

No

Amendment Applies:

Yes

PENTECOSTAL TEMPLE CHURCH OF GOD IN
CHRIST INC
1117 N F ST
LAS VEGAS, NV 89106

Dear Applicant:

Based on information supplied, and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from federal income tax under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3).

We have further determined that you are not a private foundation within the meaning of section 509(a) of the Code, because you are an organization described in sections 509(a)(1) and 170(b)(1)(A)(i).

If your sources of support, or your purposes, character, or method of operation change, please let us know so we can consider the effect of the change on your exempt status and foundation status. In the case of an amendment to your organizational document or bylaws, please send us a copy of the amended document or bylaws. Also, you should inform us of all changes in your name or address.

As of January 1, 1984, you are liable for taxes under the Federal Insurance Contributions Act (social security taxes) on remuneration of \$100 or more you pay to each of your employees during a calendar year. This does not apply, however, if you make or have made a timely election under section 3121(w) of the Code to be exempt from such tax. You are not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Since you are not a private foundation, you are not subject to the excise taxes under Chapter 42 of the Code. However, if you are involved in an excess benefit transaction, that transaction might be subject to the excise taxes of section 4958. Additionally, you are not automatically exempt from other federal excise taxes. If you have any questions about excise, employment, or other federal taxes, please contact your key district office.

Grantors and contributors may rely on this determination unless the Internal Revenue Service publishes notice to the contrary. However, if you lose your section 509(a)(1) status, a grantor or contributor may not rely

Letter 947 (DO/CG)

PERFECTED TEMPLE CHURCH OF GOD IN

on this determination if he or she was in part responsible for, or was aware of, the act or failure to act, or the substantial or material change on the part of the organization that resulted in your loss of such status, or if he or she acquired knowledge that the Internal Revenue Service had given notice that you would no longer be classified as a section 509(a)(1) organization.

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for federal estate and gift tax purposes if they meet the applicable provisions of Code sections 2055, 2106, and 2522.

Contribution deductions are allowable to donors only to the extent that their contributions are gifts, with no consideration received. Ticket purchases and similar payments in conjunction with fundraising events may not necessarily qualify as deductible contributions, depending on the circumstances. See Revenue Ruling 67-246, published in Cumulative Bulletin 1967-2, on page 14, which sets forth guidelines regarding the deductibility, as charitable contributions, of payments made by taxpayers for admission to or other participation in fundraising activities for charity.

In the heading of this letter we have indicated whether you must file Form 990, Return of Organization Exempt From Income Tax. If Yes is indicated, you are required to file Form 990 only if your gross receipts each year are normally more than \$25,000. However, if you receive a Form 990 package in the mail, please file the return even if you do not exceed the gross receipts test. If you are not required to file, simply attach the label provided, check the box in the heading to indicate that your annual gross receipts are normally \$25,000 or less, and sign the return.

If a return is required, it must be filed by the 15th day of the fifth month after the end of your annual accounting period. A penalty of \$20 a day is charged when a return is filed late, unless there is reasonable cause for the delay. However, the maximum penalty charged cannot exceed \$10,000 or 5 percent of your gross receipts for the year, whichever is less. For organizations with gross receipts exceeding \$1,000,000 in any year, the penalty is \$100 per day per return, unless there is reasonable cause for the delay. The maximum penalty for an organization with gross receipts exceeding \$1,000,000 shall not exceed \$50,000. This penalty may also be charged if a return is not complete, so be sure your return is complete before you file it.

You are required to make your annual information return, Form 990 or Form 990-EZ, available for public inspection for three years after the later of the due date of the return or the date the return is filed. You are also required to make available for public inspection your exemption application, any supporting documents, and your exemption letter. Copies of these documents are also required to be provided to any individual upon written or in person request without charge other than reasonable fees for copying and postage. You may fulfill this requirement by placing these documents on the Internet. Penalties may be imposed for failure to comply with these requirements. Additional information is available in Publication 557, Tax-Exempt Status for Your Organization, or you may call our toll free

Letter 947 (DO/CG)

PENTECOSTAL TEMPLE CHURCH FUND IN

number shown above.

You are not required to file federal income tax returns unless you are subject to the tax on unrelated business income under section 511 of the Code. If you are subject to this tax, you must file an income tax return on Form 990-T, Exempt Organization Business Income Tax Return. In this letter we are not determining whether any of your present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

You need an employer identification number even if you have no employees. If an employer identification number was not entered on your application, a number will be assigned to you and you will be advised of it. Please use that number on all returns you file and in all correspondence with the Internal Revenue Service.

In accordance with section 508(a) of the Code, the effective date of this determination letter is October 12, 1981.

This determination is based on evidence that your funds are dedicated to the purposes listed in section 501(c)(3) of the Code. To assure your continued exemption, you should keep records to show that funds are expended only for those purposes. If you distribute funds to other organizations, your records should show whether they are exempt under section 501(c)(3). In cases where the recipient organization is not exempt under section 501(c)(3), there should be evidence that the funds will remain dedicated to the required purposes and that they will be used for those purposes by the recipient.

If distributions are made to individuals, case histories regarding the recipients should be kept showing names, addresses, purposes of awards, manner of selection, relationship (if any) to members, officers, trustees or donors of funds to you, so that any and all distributions made to individuals can be substantiated upon request by the Internal Revenue Service. (Revenue Ruling 56-304, C.B. 1956-2, page 306.)

If we have indicated in the heading of this letter that an addendum applies, the enclosed addendum is an integral part of this letter.

Because this letter could help resolve any questions about your exempt status and foundation status, you should keep it in your permanent records.

Letter 947 (DO/CG)



Department of the Treasury
Internal Revenue Service

OGDEN, UT 84201

In reply refer to: 2916605064
Mar. 13, 1996 LTR 147C
88-0277341 0000 00 000

02680

PENTECOSTAL TEMPLE CHURCH OF GOD IN
% ELDER LEON SMITH
1117 NORTH F ST.
LAS VEGAS NV 89106

Employer Identification Number: 88-0277341
IRS Control Number:

Dear Taxpayer:

Thank you for the inquiry dated Jan. 30, 1996.

We have updated your account.

If you have any questions about this letter, please write us at the address shown on this letter. If you prefer, you may call the IRS telephone number listed in your local directory. An employee there can help you, but the office at the address shown on this letter is most familiar with your case.

Whenever you write, please include your telephone number, the hours you can be reached, and this letter. You also may want to keep a copy of this letter for your records.

Your telephone number () _____ Hours _____

We apologize for any inconvenience we may have caused you, and thank you for your cooperation.

Sincerely yours,

Barbara J. McCormick

Barbara J. McCormick
Chief, Accounts Service Section

Enclosure(s):
Copy of this letter



STATE OF NEVADA
DEPARTMENT OF TAXATION

1550 E. College Parkway
Suite 115
Carson City, Nevada 89706-7937

Phone: (775) 687-4820 • Fax: (775) 687-5981

In-State Toll Free: 800-992-0900

Web Site: <http://tax.state.nv.us>

KENNY C. GUINN
Governor

CHARLES E. CHINNOCK
Executive Director

LAS VEGAS OFFICE
Grant Sawyer Office Building
Suite 1300
555 E. Washington Avenue
Las Vegas, Nevada 89101
Phone: (702) 486-2300
Fax: (702) 486-2373

RENO OFFICE
4800 Kietzke Lane
Building O, Suite 283
Reno, Nevada 89502
Phone: (775) 688-1295
Fax: (775) 688-1303

December 31, 2002

Account Number: **RCE-001-480**

Exp date: **December 31, 2007**

PENTECOSTAL TEMPLE CHURCH OF GOD IN CHRIST, INC
1117 NORTH F STREET
LAS VEGAS NV 89106

Pursuant to NRS 372.326 and related statutes, PENTECOSTAL TEMPLE CHURCH OF GOD IN CHRIST, INC has been granted sales/use tax exempt status as a religious organization. Direct purchases of tangible personal property made by PENTECOSTAL TEMPLE CHURCH OF GOD IN CHRIST, INC are exempt from sales/use tax. Fraudulent use of this exemption letter is a violation of Nevada law.

Vendors selling tangible personal property to PENTECOSTAL TEMPLE CHURCH OF GOD IN CHRIST, INC are authorized to sell to them tax exempt. The vendor shall account for the exempt sale on its sales/use tax return under exemptions. For audit purposes, a vendor must have a copy of this letter in order to document the transaction was tax exempt.

This letter only applies to Nevada sales/use tax and does not provide exemption from any other tax.

This exemption applies only to the above named organization and is not extended to individuals, or contractors or lessors to or for such organizations.

Any vendor having questions concerning the use of this sales/use tax exemption letter may contact the Department at one of the district offices listed above.

If, upon further or future review by the Department, it is determined the above named organization does not meet or no longer meets the criteria outlined in NRS 372.343, this letter of exemption will be revoked.

Sincerely,

Deborah Sharp, Revenue Officer II
Compliance Division, Carson City District



Mail or Deliver To: Purchasing & Contracts Division
400 Stewart Avenue, Las Vegas, NV 89101
(702) 229-6231

ALL INFORMATION SHOULD BE TYPED OR PRINTED. INCOMPLETE FORMS WILL NOT BE PROCESSED.

SECTION A: PRIMARY BUSINESS INFORMATION ■ INITIAL APPLICATION ■ REVISION

Full Legal Business Name (no abbreviations): Pentecostal Temple Child Development Center

Purchase order to be sent to:

Remittance check to be sent to:

Address: 614 Jefferson Avenue

Address: 614 Jefferson

City LAS Vegas **State** NV **Zip** 89106

City LAS Vegas **State** NV **Zip** 89106

Contact Name Elder Leon Smith - Director

Contact Name Elder Leon Smith, Director

Phone Number (702) 646-1600

Phone Number: (702) 646-1600

Fax Number (702) 647-5767

Fax Number: (702) 647-5767

E-mail: _____

E-mail: _____

SECTION B: CONTRACTOR INFORMATION / PUBLIC WORKS (CONSTRUCTION ONLY)

STATE OF NEVADA CONTRACTORS INFORMATION

License Classification(s): _____

SECTION C: MINORITY, WOMAN, OR DISABLED PERSON OWNED BUSINESS INFORMATION

This business qualifies by virtue of 51% or more ownership and active management by one of the following (Check all that are applicable.):

- ☐ Hispanic American
☐ Asian / Pacific American
☐ Black / African American

- ☐ Native American
☐ Woman - Owned
☐ Disabled Veteran

- ☐ Disabled (Non-Veteran)
☐ Small Business

SECTION D: BUSINESS OWNERSHIP (REQUIRED INFORMATION)

- ☒ Corporation or LLC
☐ Partnership or LLP
☐ Sole Proprietor

Fed Tax ID#: 88-0277341
or
SSN#: _____

- I certify that the information supplied (including all pages attached) is correct and that neither the applicant nor any person or concern associated with the applicant as a principal or officer, so far as is known, is now debarred or otherwise declared ineligible by any government agency from bidding for furnishing materials, supplies services, or construction to or for any government agency.
- I acknowledge that it is this firm's responsibility to update this data when changes occur and failure to do so may result in non-receipt of information from the City.

Signature [Signature]
Print or Type Name LEON SMITH

Title Director/CEO **Date** 5-20-05

PLEASE ENCLOSE A COMPLETED W-9 WITH YOUR APPLICATION

For Internal Use Only

Supplier Type: ☐ Commodity ☐ Service ☐ Construction ☐ Employee ☐ Refund
☐ PO Site ☐ Pay Site ☐ RFQ Only Site

Supplier# _____ **Date Entered** _____ **By** _____

**Request for Taxpayer
Identification Number and Certification**

Give form to the
requester. Do not
send to the IRS.

Print or type
See Specific Instructions on page 2.

Name

Pentecostal Temple Child Development Center

Business name, if different from above

Check appropriate box: ☐ Individual/
Sole proprietor ☐ Corporation ☐ Partnership ☐ Other ▶

☐ Exempt from backup
withholding

Address (number, street, and apt. or suite no.)

614 Jefferson Ave.

City, state, and ZIP code

Las Vegas, Nevada 89106

List account number(s) here (optional)

Requester's name and address (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see How to get a TIN on page 3.

Note: If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Social security number

_____|_____|_____|_____|_____|_____|

or

Employer identification number

8|8|0|2|7|7|3|4|1

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. person (including a U.S. resident alien).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. (See the instructions on page 4.)

Sign
Here

Signature of
U.S. person ▶

Leon Smith

Date ▶

May 18, 2005

Purpose of Form

A person who is required to file an information return with the IRS, must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

U.S. person. Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee.

Note: If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Foreign person. If you are a foreign person, use the appropriate Form W-8 (see Pub. 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

Nonresident alien who becomes a resident alien.

Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the recipient has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

**CHILD CARE IMPROVEMENT GRANT AGREEMENT
between the City of Las Vegas and Holady FCH**

THIS AGREEMENT ("Agreement") is made and entered into this 27th day of May, 2005 by and between the CITY OF LAS VEGAS, a municipal corporation of the State of Nevada, hereinafter referred to as "CITY", and **Cris Tina Holady**, doing business as **Holady FCH**, a Nevada sole proprietorship, hereinafter referred to as "SUBRECIPIENT", whose primary mailing address at the date of execution is **1960 Saylor Way, Las Vegas, NV 89108**.

WITNESSETH

WHEREAS, the CITY has allocated funds for the Child Care Improvement Grant, hereinafter referred to as "CCIG"; and

WHEREAS, the CITY is responsible for planning, administering, implementing, and evaluating the CCIG program to ensure that it conforms to the CCIG Program Guidelines, Child Care Licensing Compliance Guidelines and the Las Vegas City Council goals; and

WHEREAS, CITY as Grantor wishes to engage "SUBRECIPIENT" to assist the CITY in utilizing such funds by providing services to meet the CCIG Program's objectives, as follows:

- to improve existing child care facilities serving the target area; and
- to support projects creating child care for additional children and/or to enhance the quality of current child care.

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

I. SCOPE OF SERVICE

A. ACTIVITIES

"SUBRECIPIENT" will be responsible for administering **FY 2004-2005** CCIG-funded activities eligible under the Child Care Improvement Grant as cited in the Scope of Services I.B.1, hereinafter referred to as "Project". It is expressly agreed and understood that the total amount to be provided by the CITY under this Agreement shall not exceed **\$150.00** CCIG funds to be allocated in accordance with the Child Care Improvement Grant Application as detailed in Exhibit "A," attached. "SUBRECIPIENT" hereby agrees to utilize said CCIG 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 as stated by the "SUBRECIPIENT" in the Child Care Improvement Grant application Exhibit "A" and in addition to the following:

Purpose of Services:

The purpose of this funding is to the facility by purchasing baby/video monitors to enable provider to see and hear the children while napping and playing.

Tasks to be Performed:

- Purchase Baby/Video Monitors
- Obtain (3) quotes or bids for all proposed expenditures over \$500 (Bids for construction must be from licensed and bonded contractors).
- Submit reimbursement requests monthly along with a monthly progress report.

Measurable Goals for Grant period:

- Obtain approval of proposed plans for changes to Clark County Health District and all departments as required by municipal codes.
- Obtain proper Planning, Building and Safety, and/or Fire Code permits.
- Complete project within thirty days (30) of approval.

"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 "SUBRECIPIENT" hereby appoints the following representative to attend any meetings of the neighborhood organization in partnership with the City of Las Vegas, Neighborhood Services Department: **Cris Tina Holady** or a designee chosen at the discretion of "SUBRECIPIENT".

C. PROGRAM REPORTING

"SUBRECIPIENT" will be required to collect for and provide to the CITY Program accomplishments and usage records beginning **May 27, 2005**, or the date first written above, until **June 15, 2005**, unless this Agreement is modified at the express consent of the CITY and "SUBRECIPIENT." "SUBRECIPIENT" shall submit at the end of each month on a monthly basis, and on occasion upon written request of the CITY, a Monthly Project Report and a Request for Release of Funds, which are attached as Exhibits "B" and "C". Failure to submit said reports with the request for reimbursement may delay reimbursement to "SUBRECIPIENT" for grant-eligible project expense. Records and reports shall contain, but not be limited to, the following data:

- 1) Statement of Project goals cited in "SUBRECIPIENT" application and measurable accomplishments toward achieving said goals through reporting date of said report.

- 2) Written narrative and description of services shall be included in each monthly report.
- 3) The "SUBRECIPIENT" shall provide a copy of all written report developed for the Project to the CITY. These may be included with the Monthly Project Progress Report or under separate cover. Materials that help document the progress of the Project include: event flyers, photographs, video footage, construction timelines, job descriptions, contractor contracts, and design drawings.
- 4) The "SUBRECIPIENT" shall provide a final, brief, written report with the final invoice that summarizes the Project's successes and lessons learned. An outline of the Final Report is included in Exhibit "D". **Final reports are due on or before June 15, 2005.**
- 5) These reports will be forwarded to the City of Las Vegas Neighborhood Services Department, ATTN: CCIG Program Coordinator. 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.
- 6) 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 CCIG funding of "SUBRECIPIENT" program rendered in accordance with this Agreement from **May 27, 2005**, or the date first written above, through **June 15, 2005**. Furthermore, the CITY shall be liable only for payment proportional to the extent that CCIG grant award funds are appropriated and allocated by the CITY. "SUBRECIPIENT" program expenses incurred after **June 15, 2005**, and prior to execution of this Agreement will not be reimbursed. All final draw down requests and reports should be submitted with substantiating documentation by **June 15, 2005**. **Any draw down requests dated after June 15, 2005 will not be reimbursed.** Grant awards may be reduced or revoked if no attempts in reaching the projected tasks/measurable goals have been initiated within 30 days of the initial signed agreement.

E. AMENDMENTS

Funds provided in categories as specified in this Agreement must be used for the purposes for which they were approved, and may not be transferred between categories without the written approval of the Director, or his designee, of the City's Neighborhood Services Department. **Only one (1) modification to the proposed agreement will be allowed during the grant cycle.** Any changes to this Agreement, must be approved in writing by the Neighborhood Services Department, including the following changes:

1. Proposals to change the type or scope of services or activities from those for which funding was provided, prior to implementation of changes using the Budget Modification Form as detailed in Exhibit "E";

2. Proposals to temporarily or permanently cease the operations of "SUBRECIPIENT";
3. Any significant changes to the "SUBRECIPIENT" such as, principal office bearers, contact persons, change of address of "SUBRECIPIENT";
4. The City shall have the right to other information pertaining to this grant, as requested by the Neighborhood Services Department.

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 in Section I. 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 CCIG 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 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.

D. 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.

E. ON-SITE MONITORING

Projects and programs funded under this Agreement will be subject to on-site monitoring by duly authorized CITY representatives. Programs that are funded must agree to state and/or city monitoring of programs and financial reports. Said representatives will be announced, at a minimum, 24 hours in advance of such visits. The representatives may request, and be granted access to records. Representatives on occasion may interview Program volunteers and participants who volunteer to be interviewed.

F. 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. "SUBRECIPIENT" agrees to retain all books, records and other documents relevant to this Agreement, and persons duly authorized by the City shall have full access to and the right to examine and copy any said materials during this said period.

G. AUDIT ADJUSTMENTS

If an audit discloses unallowable costs, "SUBRECIPIENT" shall promptly reimburse the City such unallowable costs. If such audit discloses unpaid allowable costs, the City shall pay "SUBRECIPIENT" such costs as are properly allowable and subject to the limits provided for herein.

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 \$1,000,000.00.

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. 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 the normal business hours and under reasonable circumstances and to copy there from any information that the City desires concerning SUBRECIPIENTS' 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' cost to travel (including travel, lodging, meals and other related expenses) to the SUBRECIPIENTS' 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 the 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.

III. OTHER GENERAL CONDITIONS

A. POLITICAL ACTIVITIES

"SUBRECIPIENT" will comply with this section, which prohibits the use of CCIG 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.

IV. FINANCIAL MANAGEMENT

A. REIMBURSEMENT

The CITY shall reimburse the "SUBRECIPIENT" only for expenses paid or incurred as outlined in Exhibit "A", provided the expenditures are made after the Project's start date and before the completion date as indicated in Section I.D. Disbursement of grant funding is through reimbursement process only. A *Request for Release of Funds* form, as detailed in Exhibit "C", must be used to request reimbursement from the City of Las Vegas, Neighborhood Services Department for Child Care Improvement Grant funds expended for the **2004/2005** Fiscal Year. "SUBRECIPIENT" should allow thirty days for the reimbursement process. Supporting documentation must be submitted for all expenditures.

B. DOCUMENTATION OF COSTS

A *Request for Release of Funds* form shall be submitted by the "SUBRECIPIENT" with supporting documentation to the CITY. All costs submitted to CITY for reimbursement or vendor payment shall be recorded by budget line-items and be supported by properly executed time records, invoices, contracts, or vouchers, or other official documentation evidencing in proper detail the nature and propriety of the charge. All 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. Failure to properly submit this form, along with back-up documentation such as: invoices, purchase orders, and accounts payable printout, or check register, will result in a non-pay status for the request. **All backup documentation submitted must be in original form; copies or faxes will not be accepted.**

C. FINANCIAL RECORDKEEPING

Financial records pertaining to all invoices, materials, payrolls, personnel records, and other data concerning matters related to or arguably related to this Agreement may be requested from "SUBRECIPIENT" by duly authorized CITY representatives.

D. RECORDS

Program records shall be maintained in accordance with 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 (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 "A" and subject to any conditions imposed in the Scope of Services, to include monthly 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, identified in Section 1(E) Amendments, of this agreement.

F. METHOD OF PAYMENT

The CITY shall reimburse valid invoices for approved Project Budget expenditures identified in Exhibit "A" 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 CCIG ineligible or which are not within the scope of this Agreement. 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 that portion for other Projects/programs operating under the CITY's CCIG Program.

H. ACCOUNTING METHODS

Expenditures charged to CITY fiscal year **2004-2005** CCIG funds will be accounted for in a ledger separate from all other revenue sources. "SUBRECIPIENT" shall maintain these records.

I. NON-EXPENDABLE PERSONAL PROPERTY, DEPRECIATION SCHEDULES, AND DISPOSITION OF PROPERTY

- 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 \$1000 or more and a useful life of more than one year.
- 2) Organization purchasing or receiving non-expendable personal property as part of their project will give CITY rights to the non-expendable personal property for three years from the date of purchase. Should the organization be dissolved or should the non-expendable personal property not be used in accordance with the grant

agreement, CITY will have the right to reappropriate the non-expendable personal property. 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.

V. MODIFICATION OR TERMINATION OF AGREEMENT

A. AMENDMENT OR REVISION REQUIRED BY CITY

"SUBRECIPIENT" and the CITY hereby agree to amend or otherwise revise this Agreement should CITY and/or any applicable federal statutes or regulations require such modification.

B. TERMINATION

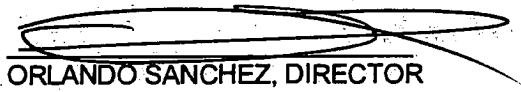
If "SUBRECIPIENT" fails to fulfill in a timely and proper manner its obligation under this Agreement or shall violate any of the covenants, agreements or stipulations of this Agreement, the CITY shall thereupon have the right to suspend or terminate this Agreement and specify the effective date thereof. Such notice shall be given no less than ten (10) days before the effective date of such termination and sent to "SUBRECIPIENT" at 1960 Saylor Way, Las Vegas, NV 89108.

C. PROVISIONS REQUIRED BY LAW DEEMED INSERTED

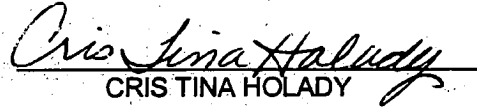
Each and every provision of law and clause required by law to be inserted in this Agreement will be deemed to be inserted herein. This Agreement shall be read and enforced as though it were included herein and if through mistake or otherwise any such provisions not inserted, or is not correctly inserted, 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
NEIGHBORHOOD SERVICES DEPARTMENT


ORLANDO SANCHEZ, DIRECTOR

HOLADY FCH


CRIS TINA HOLADY

ATTEST:


BARBARA JO RONEMUS, CITY CLERK By.

ATTEST:

COUNCIL ACTION: N/A

APPROVED AS TO FORM: 

5/23/05
Date

CHILD CARE IMPROVEMENT GRANT

APPLICATION SUMMARY FORM

Full Legal Name of Applicant: CRIS Tina Holady
 Address: 1960 SAYLOR WAY
 City/State/Zip: LAS VEGAS, NV 89108
 Phone Number: (702) 636-1100 Fax Number: ()
 Federal Employer Identification Number (FEIN): _____
 Social Security Number: 562-90-0500
 Health Permit Number: 22385-H64-01 Expiration Date: 6/30/05
 Current Child Care
 License Number(s) N08-00391-9-0182 Expiration Date: 3/31/06
68

FACILITY INFORMATION

Name of Facility <u>FHC Tina Holady</u>	Site Contact Person <u>Tina Holady</u>
Facility Address <u>1960 SAYLOR WAY</u>	Mailing Address <u>SAME</u>
Type of Facility <u>FAMILY HOME CARE</u>	No. of Children Licensed For <u>6</u>
No. of Infants <u>1</u>	No. of Toddlers <u>3</u>

USE OF FUNDS

(Check All That Apply)

AMOUNT OF REQUEST

- ☐ Facility Rehab
☒ Equipment
☐ Furniture

\$ 0
 \$ ~~165.00~~ 150.00
 \$ 0
 \$ ~~165.00~~ 150.00

TOTAL

2005 MAY 20 P 2:59

NEIGHBORHOOD SERVICES DEPARTMENT

BUSINESS LICENSE

City of Las Vegas • Las Vegas, Nevada

IN ACCORDANCE WITH THE PROVISIONS OF THE LAS VEGAS MUNICIPAL CODE, AS AMENDED, LICENSE IS HEREBY GRANTED TO OPERATE THE BUSINESS REFERENCED BELOW.

CHILDCARE LICENSE

LICENSE #: N08-00391-9-018268

DATE ISSUED: 03/24/05

DATE EXPIRES: 03/31/06

TYPE OF LICENSE: FAMILY CHILD CARE HO
6 CHILDREN DAYS
6 CHILD

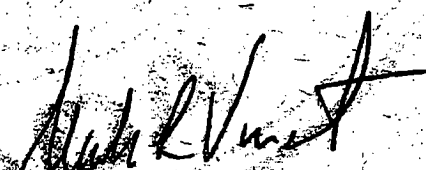
BUSINESS LOCATION: 1960 SAYLOR WY

ISSUE TO:

HOLADY CRIS "TINA"
1960 SAYLOR WY
LAS VEGAS NV 89108

PRINCIPAL(S)

HOLADY, CRIS T, OWNER


Director, Department of Finance and Business Services

Post in a conspicuous place.



City of Las Vegas - Child Care Inspection Form

Facility: Cris Holady Date: 5/11/05
 Address: 1960 Saylor Way Time: 12:05
 Type of Service: N08 Family Home
 License Limit: Days 6 Nights 0 B & A 0
 Hours of Operations: 6:00am - 6:30pm
 Days of Service: 7 DAYS (Prjns Mon-Fri.)
 License: Posted / Expires 3/31/06 Telephone Working/Listed: 636-1100/YES
 Health Permit: Posted / Expires 6/30/05 Emergency Numbers Posted: YES
 Staff to Child Ratios in Compliance: Yes / No / Total Children: 3 Total Staff: 1

Children's Records

Number Reviewed: 3 All Present
 Children's Records in Compliance: YES

Written Policy Statement

Content: Complete
 Distribution: Copy to parents

Prescription Medications

Properly Labeled: Name
 Properly Stored: High Kitchen Cab
 Written Records Maintained: YES
 Administered By: Licenses
 Isolation Area: Denning / Office / AASA

First Aid

Location: Hallway
 Adequate Supplies: YES
 Chart: Back St
 Incident/Injury Reports: NONE
 Communicable Diseases: NONE

Nutrition

Meals/Snacks Provided: Breakfast, Lunch, 2 Snacks
 Nutrition Needs Met: YES
 Menu Posted: Exempt

Attendance

Staff: N/A
 Children: Sayon In / Out Log

Transportation/Field Trips

Is Transportation Provided: Yes (weekends)
 Type/Number of Vehicles Used: Neighborhood
 Are Drivers Licenses on File: N/A
 Auto Insurance: Farmers
 Child Restraint Laws followed: Yes
 Transportation Permission on File: Yes
 Field Trip Permission Slips on File: Yes

Facility/Program

Indoor Play/Classrooms: Playroom / Barnyard Room
 Materials/Equipment: Books, Legos, etc.
 Adequate Materials/Toys: YES

Furniture Durable/Safe: YES
 Furniture Clean/Sanitary: YES
 Program Standards Meet Children's Basic Needs: YES
 Learning Environment: Stimulating
 Staff Involvement/Interaction: Good

Discipline Methods

Discipline Methods: Separation
 Type of Floor Surface: Tile
 Floor Surface Clean/Safe: YES
 Clothing Storage: Drawers
 Storage Area/Hooks Labeled: N/A

Napping

Number of Cots: 6 Mats: N/A
 Number of Cribs: 2 Bassinets Playpens: N/A
 Number of Port-a-cribs: N/A Beds: N/A
 Properly Sanitized: YES
 Sleeping Devices Labeled: No
 Sleeping Devices Sanitary: YES
 Sleeping Devices in Good Condition: YES
 Linens Properly Stored: Drawers
 Linen Laundered: Every other day
 Can Children be Seen & Heard: Not when I arrived

Bathrooms/Diaper Changing

Disposable Towels Available: YES
 Liquid Soap Available: YES
 Toilet Tissue Available: YES
 Children Hand Washing: Not during visit
 Staff Hand Washing: "
 Bathroom Accessible from Outside: Cannot be Locked
 Diaper Changing Table: YES
 Diaper Pail Available: Take to trash
 Diaper/Feeding Logs: Kept for all children in room
 Diaper Table on Proper Surface: YES
 Diaper Table Sanitized: YES
 Bottles/Sipping Cups Labeled: No - different colors
 Bathroom Clean/Sanitary: YES

Signature of Licensee/Responsible Party _____

City of Vegas - Child Care Inspection For

Facility: Cris Holiday

Page 3 of 3

Address: 1960 Saylor Wy * FAMILY HOME

Date: 5-11-05

* **FAMILY HOME** - No more than 4 children under 2 years of age, no more than 2 children under 1 year of age.

***GROUP HOME - No more than 8 children under 3 years of age, no more than 4 children under 1 year of age.**

REMINDER: 15 HOURS OF RECOGNIZED TRAINING IS REQUIRED BY THE END OF THE CALENDAR YEAR!

[illegible]

Children Names	DOB/Age	Registration	Immunizations	Physical
Lailany Delgadillo	7-24-03 (1y 9mo)	✓	✓	✓
Carlyann Precourt	6-28-01 (3y 10mo)	✓	✓	✓
EThan Butler	10-29-01 (6mo)	✓	✓	✓
* Children must be seen and heard during mapping Referral provided to Neighborhood Services as possible grant money. "No Followup Needed"				

Other Children/Adults Living in the Home

Lawrence Haladay Jr	2517046	(9-16-08)	25 yr
Timothy Haladay	1860017	(6-5-09)	24 yrs

Thereby acknowledge receipt of this report and corrective action will be taken on items noted, and I will notify the Department of Finance & Business Services of any changes or corrections made.


Department of Finance & Business Services Representative

Lina Haluday
Signature of Licensee/Responsible Party

06503-018-10-04



CLARK COUNTY HEALTH DISTRICT
LAS VEGAS, NEVADA

HEALTH PERMIT

THIS CERTIFIES THAT THE ESTABLISHMENT LOCATED AT THE ADDRESS SHOWN BELOW AND OWNED AND/OR OPERATED BY ENTITY INDICATED HAS BEEN FOUND TO BE OPERATING IN CONFORMITY WITH THE HEALTH LAWS AND REGULATIONS PROMULGATED BY THE NEVADA STATE BOARD OF HEALTH AND THE CLARK COUNTY DISTRICT BOARD OF HEALTH. THIS CERTIFICATE GRANTS THE APPLICANT APPROVAL TO OPERATE THE TYPE OF ESTABLISHMENT INDICATED, BUT IS REVOCABLE AT ANY TIME BY THE CLARK COUNTY HEALTH DISTRICT OFFICER FOR FAILURE ON PART OF THE PERMITTEE TO MEET STATE AND DISTRICT HEALTH LAWS AND REGULATIONS.

▼ OWNED AND/OR OPERATED BY ▼

HOLADY, CRIS T

PERMITTEE ►
ADDRESS ►

HOLADY FCH
HOLADY FCH
1960 SAYLOR WAY
LAS VEGAS NV 89102

PERMIT IS NOT
TRANSFERABLE

PERMIT NUMBER ►	22365-HGY-01
FEE PAID ►	82.00
AREA ►	LAS VEGAS

DATE GRANTED	DATE EXPIRED
07/01/04	06/30/05

▼ TYPE OF ESTABLISHMENT ▼

CHILD CARE

DONALD S. KWALICK, MD, MPH
CHIEF HEALTH OFFICER

ADINA OMBADYKOW

ENVIRONMENTAL HEALTH SPECIALIST

POST IN A CONSPICUOUS PLACE

GENERAL NOTICE AND REPORT OF INSPECTION

625 SHADOW LANE • LAS VEGAS, NEVADA
Telephone 383-1251 (Direct) • 385-1291 (24 hours)

SAN 62	CONTROL NO. 22385 HOLADY FCH	ESTABLISHMENT HOLADY FCH	ADDRESS 1960 SAYLOR WAY LAS VEGAS NV 89108														
DIST. 37	HOLADY, CRIS T CRIS HOLADY		PERSON INTERVIEWED <i>Lina Holady</i>														
CITY 01	TYPE AND CATEGORY 8351-121	CAPACITY 6	TELEPHONE 636-1100														
Special Notes: 35 33 5L																	
PREVIOUS ACTION	SAN C 62	ACTION 5D	DATE 06/08/04														
CURRENT ACTION	SAN C 62	ACTION 5D	DATE 12/08/04														
<table border="1"> <tr> <th>DATE</th> <th>STATUS</th> <th>SPECIAL DATE</th> <th>TIME IN</th> <th>TIME OUT</th> <th>TH</th> <th>MALES</th> </tr> <tr> <td>06/08/04</td> <td>A</td> <td></td> <td>3:35P</td> <td>4:00P</td> <td></td> <td></td> </tr> </table>				DATE	STATUS	SPECIAL DATE	TIME IN	TIME OUT	TH	MALES	06/08/04	A		3:35P	4:00P		
DATE	STATUS	SPECIAL DATE	TIME IN	TIME OUT	TH	MALES											
06/08/04	A		3:35P	4:00P													

Based on an inspection this day, the items marked below identify the violation in operation or facilities which must be corrected by the next routine inspection or such shorter period of time as may be specified in writing by the health authority. Failure to comply with this notice may result in immediate suspension of your permit.

ITEM	OUTDOOR PLAY AREA			
1	ADEQUATE ENCLOSURE			
2	FREE OF HAZARDS			
3	SAFE PLAY EQUIPMENT			
4	ADDRESS VISIBLE			
	INTERIOR OF BUILDING			
5	CLEAN UNCLUTTERED			
6	FREE OF HAZARDS, GOOD REPAIR			
7	VENTILATION/HEATING/COOLING			
8	WATER FROM APPROVED SOURCE	Hot water	107°F-OK	
9	TELEPHONE/EMERGENCY NUMBERS POSTED			
10	MAPPING EQUIPMENT - SAFE, SANITARY			
11	ADEQUATE DIAPER CHANGING AREA			
12	SEPARATION OF PERSONAL ITEMS			
	HEALTH/SAFETY/SUPPLIES			
13	CURRENT CHILD CARE HEALTH CARD - OK			
14	NO SICK CHILDREN			
15	FIRST AID KIT AND INSTRUCTIONS - OK			
16	SURFACES CLEANED/SANITIZED			
17	RESTROOM STOCKED			
18	SUPERVISED HANDWASHING			
19	SAFE STORAGE OF HAZARDOUS ITEMS			
	PETS			
20	CURRENT IMMUNIZATION RECORDS	Put 2" canine	6-06	
21	PROPER ENCLOSURES AND MAINTENANCE	"Tippy"	Febre '2-05	
22	RESTRICTIONS MAINTAINED			
	FOOD SERVICES			
23	SAFE FOOD PRACTICES			
24	REFRIGERATOR THERMOMETER, TEMP.	35°F-OK		
25	AREA/EQUIPMENT CLEAN, SANITARY			

ITEM #	CORRECTION:
①	Toilet seat repaired with duct tape → replace (as discussed)
②	Landscape tool outside play area → remove hazardous item
ACKNOWLEDGED BY	<i>Lina Holady</i>
EH	<i>Adrian Otero</i>
REVIEWED BY	

BUSINESS LICENSE

City of Las Vegas • Las Vegas, Nevada

IN ACCORDANCE WITH THE PROVISIONS OF THE LAS VEGAS MUNICIPAL CODE, AS AMENDED, LICENSE IS HEREBY GRANTED TO OPERATE THE BUSINESS REFERENCED BELOW.

CHILDCARE LICENSE

LICENSE #: N08-00391-9-018268

DATE ISSUED: 04/15/04

DATE EXPIRES: 03/31/05

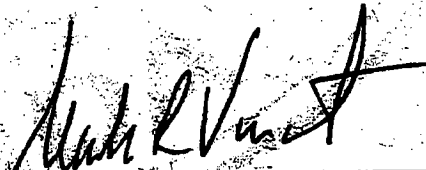
TYPE OF LICENSE: FAMILY-CHILD CARE HO
6 CHILDREN DAYS
6 CHILD

BUSINESS LOCATION: 1960 SAYLOR WY

ISSUE TO:

HOLADY CRIS "TINA"
1960 SAYLOR WY
LAS VEGAS NV 89108

PRINCIPAL(S)
HOLADY, CRIS T, OWNER


Director, Department of Finance and Business Services

Post in a conspicuous place.



SECTION B

How will the grant improve the quality of childcare?

1. Describe the problem or need the grant will help address.

I have one infant (6 months old) who is unable to get any sleep because of the other four toddlers I have. They make too much noise.

2. What are the benefits of the proposed project?

I would be able to move the infant into another room so that he would get proper rest.

3. Describe how the project plans will improve the health and safety of childcare.

I would be able to keep my eye on the infant and still give quality time and care to my other kids. Both the infant and the other kids will benefit.

SECTION C

1. What is the tentative timeline for implementing and completing the proposed project?

Once I have approval, I will go to the store and buy the baby see and hear monitor.

SECTION D

LINE ITEM BUDGET

FAMILY CARE HOME

Equipment

1 Baby Monitor	\$ 150.00
----------------	-----------

Total Budget	=	\$ 150.00
--------------	---	-----------

Briefly, the justification for the monitor is to help the infant get better rest and allow me to monitor him while I am interacting with the other children.

SECTION E: ADDITIONAL FUNDING

Please include all types of funding received for any past childcare projects including, but not limited to the city of Las Vegas, Clark County, North Las Vegas and/or the State of Nevada. Additionally, give a brief description as to what the money was used for. Failure to disclose all prior funding may result in disqualification.

Source of Outside Revenue	FY 01-02	Purpose of Funding	FY 02-03	Purpose of Funding	FY 03-04	Purpose of Funding
City						
County						
State						
Federal						
Fundraising						
Donations						
Other (explain) ..						
Total Revenue ...						

No prior funding

****This Section Intentionally Left Blank****

CERTIFICATE BY APPLICANT

Please initial on line after each statement; please sign and date below.

1. I hereby certify that to the best of my knowledge, all information contained in this application is complete and accurate. JA
2. I understand that the grant will be subjected to a conditional grant agreement. JA
3. I understand that any direct receipt of the grant has to be declared as income for tax purposes and I will receive tax form 1099(G) from the city of Las Vegas at year-end, which will state the amount to be reported on my tax return. JA
4. I understand that the activities outlined in my grant application must commence no later than thirty-days (30) following the approval date of the grant to avoid cancellation or suspension of funding. JA
5. I understand that vendors performing a service can be paid directly, but only upon completion of a Vendor Agreement and successful and satisfactory completion of the project. JA
6. I understand that all requests for reimbursement must be made on a monthly basis and a monthly report must accompany the request. JA
7. I understand that revisions and amendments can be made at the discretion of the city of Las Vegas Representative. JA
8. I understand that I am responsible for any taxation of any purchases. JA
9. I understand that should I move from my home where facility rehabilitation such as flooring, ac unit, or shade cover/patio was installed, or close my family/group daycare within two (2) years of receiving grant funds, I may be denied future funding for up to three (3) years. JA
10. I agree to commit the project implementation in keeping with the application content and budget and to adhere to all assurances, certifications, terms, conditions, and other requirements contained in this application. JA

Cristina Halucy
Signature

5/19/05
Date

Please submit your complete application and required documents to:

Cynthia Manabat, Program Coordinator
City of Las Vegas
Neighborhood Services Department
400 Stewart Avenue, 2nd Floor
Las Vegas, Nevada 89101
(702) 229-1027

Form
1040Department of the Treasury - Internal Revenue Service
U.S. Individual Income Tax Return

2004

(99) IRS Use Only - Do not write or staple in this space.

Label

Use the IRS
label.
Otherwise,
please print
or type.

For the year Jan. 1- Dec. 31, 2004, or other tax year beginning

2004, ending

20

OMB No. 1545-0074

LAWRENCE D HOLADY SR

CRIS T HOLADY

1960 N SAYLOR WAY

LAS VEGAS, NV 89108

Your social security number

518-58-7067

Spouse's social security number

562-90-0500

▲ Important! ▲
You must enter your SSN(s) above.Presidential
Election Campaign

Note. Checking "Yes" will not change your tax or reduce your refund.

Do you, or your spouse if filing a joint return, want \$3 to go to this fund? ☐ Yes ☒ No ☐ Yes ☒ No

Filing Status

1 ☐ Single2 ☒ Married filing jointly (even if only one had income)4 ☐ Head of household (with qualifying person). (See page 17.)Check only
one box.3 ☐ Married filing separately. Enter spouse's SSN above & full name below.

If the qualifying person is a child but not your dependent, enter this child's name here.

5 ☐ Qualifying widow(er) with dependent child (see page 17)

Exemptions

6a ☒ Yourself. If someone can claim you as a dependent, do not check box 6ab ☒ Spouse

Boxes checked on 6a and 6b

No. of children on 6c who:

● lived with you

● did not live with you due to divorce or separation

Dependents on 6c not entered above

Add numbers on lines above

2

2

If more than four dependents, see page 18.

d Total number of exemptions claimed

Income

7 Wages, salaries, tips, etc. Attach Form(s) W-2

7 31,466.

8a Taxable interest. Attach Schedule B if required

8a

b Tax-exempt interest. Do not include on line 8a

8b

9a Ordinary dividends. Attach Schedule B if required

9a

b Qualified dividends (see page 20)

9b

10 Taxable refunds, credits, or offsets of state and local income taxes (see page 20)

10

11 Alimony received

11

12 Business income or (loss). Attach Schedule C or C-EZ

12 458.

13 Capital gain/(loss). Attach Sch D. If not required check here

13

14 Other gains or (losses). Attach Form 4797

14

15a IRA distributions

15a

b Taxable amt

15b

16a Pensions and annuities

16a

b Taxable amt

16b

17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E

17

18 Farm income or (loss). Attach Schedule F

18

19 Unemployment compensation

19

20a Social security benefits

20a

b Taxable amt

20b

21 Other income. List type and amount (see page 24)

21

22 Add the amounts in the far right column for lines 7 through 21. This is your total income

22 31,924.

Adjusted
Gross
Income

23 Educator expenses (see page 26)

23

24 Certain business expenses for reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ

24

25 IRA deduction (see page 26)

25

26 Student loan interest deduction (see page 28)

26

27 Tuition and fees deduction (see page 29)

27

28 Health savings account deduction. Attach Form 8889

28

29 Moving expenses. Attach Form 3903

29

30 One-half of self-employment tax. Attach Schedule SE

30

33.

31 Self-employed health insurance deduction (see page 30)

31

32 Self-employed SEP, SIMPLE, and qualified plans

32

33 Penalty on early withdrawal of savings

33

34a Alimony paid b Recipient's SSN

34a

35 Add lines 23 through 34a

35 33.

36 Subtract line 35 from line 22. This is your adjusted gross income

36 31,891.

KBA For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see page 75.

Form 1040 (2004)

Tax and Credits**Standard Deduction for -**

• People who checked any box on line 38a or 38b or who can be claimed as a dependent, see page 31.

• All others:

Single or Married filing separately, \$4,850

Married filing jointly or Qualifying widow(er), \$8,700

Head of household, \$7,150

37	Amount from line 36 (adjusted gross income)	37	31,891.
38a	Check ☐ You were born before January 2, 1940, ☐ Blind. ☐ Spouse was born before January 2, 1940, ☐ Blind. Total boxes checked ☐ 38a		
b	If your spouse itemizes on a separate return or you were a dual-status alien, see pg 31 & check here ☐ 38b		
39	Itemized deductions (from Schedule A) or your standard deduction (see left margin)	39	19,854.
40	Subtract line 39 from line 37	40	12,037.
41	If line 37 is \$107,025 or less, multiply \$3,100 by the total number of exemptions claimed on line 6d. If line 37 is over \$107,025, see the worksheet on page 33	41	6,200.
42	Taxable income. Subtract line 41 from line 40. If line 41 is more than line 40, enter -0-	42	5,837.
43	Tax. Check if any tax is from: a ☐ Form(s) 8814 b ☐ Form 4972	43	583.
44	Alternative minimum tax (see page 35). Attach Form 6251	44	
45	Add lines 43 and 44	45	583.
46	Foreign tax credit. Attach Form 1116 if required	46	
47	Credit for child and dependent care expenses. Attach Form 2441	47	
48	Credit for the elderly or the disabled. Attach Schedule R	48	
49	Education credits. Attach Form 8863	49	
50	Retirement savings contributions credit. Attach Form 8880	50	
51	Child tax credit (see page 37)	51	
52	Adoption credit. Attach Form 8839	52	
53	Credits from: a ☐ Form 8396 b ☐ Form 8859	53	
54	Other credits. Check applicable box(es): a ☐ Form 3800 b ☐ Form 8801 c ☐ Specify	54	
55	Add lines 46 through 54. These are your total credits	55	
56	Subtract line 55 from line 45. If line 55 is more than line 45, enter -0-	56	583.

Other Taxes

57	Self-employment tax. Attach Schedule SE	57	65.
58	Social security and Medicare tax on tip income not reported to employer. Attach Form 4137	58	
59	Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required	59	
60	Advance earned income credit payments from Form(s) W-2	60	
61	Household employment taxes. Attach Schedule H	61	
62	Add lines 56 through 61. This is your total tax	62	648.

Payments

If you have a qualifying child, attach Schedule EIC.

63	Federal income tax withheld from Forms W-2 and 1099	63	4,390.
64	2004 estimated tax payments & amount applied from 2003 return	64	
65a	Earned income credit (EIC)	65a	
b	Nontaxable combat pay election ☐ 65b		
66	Excess social security and tier 1 RRTA tax withheld (see page 54)	66	
67	Additional child tax credit. Attach Form 8812	67	
68	Amount paid with request for extension to file (see page 54)	68	
69	Other payments from: a ☐ Form 2439 b ☐ Form 4138 c ☐ Form 8885	69	
70	Add lines 63, 64, 65a, & 66 through 69. These are your total payments	70	4,390.

Refund

Direct deposit? See page 54 and fill in 72b, 72c, and 72d.

71	If line 70 is more than line 62, subtract line 62 from line 70. This is the amount you overpaid	71	3,742.
72a	Amount of line 71 you want refunded to you	72a	3,742.
b	Routing number 071002053		
c	Type: ☒ Checking ☐ Savings		
d	Account number 10877980518587067		
73	Amount of line 71 you want applied to your 2005 estimated tax	73	

Amount You Owe

74	Amount you owe. Subtract line 70 from line 62. For details on how to pay, see page 55	74	
75	Estimated tax penalty (see page 55)	75	

Third Party Designee

Do you want to allow another person to discuss this return with the IRS (see page 56)? ☐ Yes. Complete the following. ☒ No

Designee's name _____ Phone no. _____ Personal ID number (PIN) _____

Sign Here

Joint return? See page 17. Keep a copy for your records.

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Your signature	Date	Your occupation	Daytime phone number
For Info Only-Do not file		DELIVERY TRUCK	
Spouse's signature. If a joint return, both must sign.	Date	Spouse's occupation	
For Info Only-Do not file		DAY CARE WORKER	

Paid Preparer's Use Only

Preparer's signature	Date	Check if self-employed ☐	Preparer's SSN or PTIN
	2/15/2005		P00154642
Firm's name (or yours if self-employed), address, and ZIP code	H AND R BLOCK LAS VEGAS, NV 89108		EN 61-0998031 Phone no. (702) 646-4720

**SCHEDULE A
(Form 1040)**

Department of the Treasury
Internal Revenue Service (89)

Schedule A - Itemized Deductions

▶ Attach to Form 1040. ▶ See instructions for Schedule A (Form 1040).

OMB No. 1545-0047

2004

Attachment
Sequence No. **07**

Name(s) shown on Form 1040

LAWRENCE D SR & CRIS T HOLADY

Your social security number

518-58-7067

**Medical
and
Dental
Expenses**

Caution. Do not include expenses reimbursed or paid by others.

1 Medical and dental expenses (see page A-2)

PERSCRIPTIONS

587.

INSURANCE

3,337.

2 Enter amount from Form 1040, line 37

2

31,891.

3 Multiply line 2 by 7.5% (.075)

3

2,392.

4 Subtract line 3 from line 1. If line 3 is more than line 1, enter -0-

4

1,532.

**Taxes You
Paid**

5 State and local (check only one box):

a ☐ Income taxes, or

b ☒ General sales taxes (see page A-2)

5

1,165.

6 Real estate taxes (see page A-3)

AMERIQUEST

1,148.

6

1,148.

7 Personal property taxes

7

25.

8 Other taxes. List type and amount ▶

8

9 Add lines 5 through 8

9

2,338.

**Interest
You Paid**

(See
page A-3.)

Note.
Personal
interest is
not
deductible.

10 Home mortgage interest and points reported to you on Form 1098

10

13,784.

11 Home mortgage interest not reported to you on Form 1098. If paid to the person from whom you bought the home, see page A-4 and show that person's name, identifying no., and address ▶

11

12 Points not reported to you on Form 1098. See page A-4 for special rules.

12

13 Investment interest. Attach Form 4952 if required. (See page A-4.)

13

14 Add lines 10 through 13

14

13,784.

**Gifts to
Charity**

If you made a
gift and got a
benefit for it,
see page A-4.

15 Gifts by cash or check. If you made any gift of \$250 or more, see page A-4.

15

16 Other than by cash or check. If any gift of \$250 or more, see page A-4. You must attach Form 8283 if over \$500

16

2,200.

17 Carryover from prior year

17

18 Add lines 15 through 17

18

2,200.

**Casualty and
Theft Losses**

19 Casualty or theft loss(es). Attach Form 4684. (See page A-5.)

19

**Job Expenses
and Most
Other
Miscellaneous
Deductions**

(See
page A-5.)

20 Unreimbursed employee expenses - job travel, union dues, job education, etc. Attach Form 2106 or 2106-EZ if required. (See page A-6.) ▶

20

21 Tax preparation fees

21

102.

22 Other expenses - investment, safe deposit box, etc. List type and amount ▶

22

23 Add lines 20 through 22

23

102.

24 Enter amount from Form 1040, line 37

24

31,891.

25 Multiply line 24 above by 2% (.02)

25

638.

26 Subtract line 25 from line 23. If line 25 is more than line 23, enter -0-

26

0.

**Other
Miscellaneous
Deductions**

27 Other - from list on page A-6. List type and amount ▶

27

**Total
Itemized
Deductions**

28 Is Form 1040, line 37, over \$142,700 (over \$71,350 if married filing separately)?

☒ No.

Your deduction is not limited. Add the amounts in the far right column for lines 4 through 27. Also, enter this amount on Form 1040, line 39.

28

19,854.

☐ Yes.

Your deduction may be limited. See page A-6 for the amount to enter.

SCHEDULE C
(Form 1040)

Department of the Treasury
Internal Revenue Service

Profit or Loss From Business

(Sole Proprietorship)

▶ Partnerships, joint ventures, etc., must file Form 1065 or 1065-B.
▶ Attach to Form 1040 or 1041. ▶ See instructions for Schedule C (Form 1040).

OMB No. 1545-0074

2004
Attachment
Sequence No. **09**

Name of proprietor

LAWRENCE D HOLADY SR

Social security number (SSN)

518-58-7067

A Principal business or profession, including product or service (see page C-2 of the instructions)

DAYCARE : DAYCARE

B Enter code from pages C-7, 8, & 9

▶ 624410

C Business name. If no separate business name, leave blank.

TINAS DAYCARE

D Employer ID number (EIN), if any

E Business address (including suite or room no.) ▶ **1960 N SAYLOR WAY**

City, town or post office, state, and ZIP code **LAS VEGAS, NV 89108**

F Accounting method: (1) ☒ Cash (2) ☐ Accrual (3) ☐ Other (specify) ▶

G Did you "materially participate" in the operation of this business during 2004? If "No," see page C-3 for limit on losses

☒ Yes ☐ No

H If you started or acquired this business during 2004, check here

☒

Part I Income

1 Gross receipts or sales. Caution. If this income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked, see page C-3 and check here

1 **3,674.**

Returns and allowances

2

Subtract line 2 from line 1

3 **3,674.**

4 Cost of goods sold (from line 42 on page 2)

4

5 Gross profit. Subtract line 4 from line 3

5 **3,674.**

6 Other income, including Federal and state gasoline or fuel tax credit or refund (see page C-3)

6

7 Gross income. Add lines 5 and 6

7 **3,674.**

Part II Expenses. Enter expenses for business use of your home only on line 30.

8 Advertising

8 **34.**

9 Car and truck expenses (see page C-3)

9

10 Commissions and fees

10

11 Contract labor (see page C-4)

11

12 Depletion

12

13 Depreciation and section 179 expense deduction (not included in Part III) (see page C-4)

13

14 Employee benefit programs (other than on line 19)

14

15 Insurance (other than health)

15 **550.**

16 Interest

16

a Mortgage (paid to banks, etc.)

16a

b Other

16b

17 Legal and professional services

17

18 Office expense

18 **83.**

19 Pension and profit-sharing plans

19

20 Rent or lease (see page C-5):

20

a Vehicles, machinery, and equipment

20a

b Other business property

20b

21 Repairs and maintenance

21

22 Supplies (not included in Part III)

22 **1,555.**

23 Taxes and licenses

23 **492.**

24 Travel, meals, and entertainment

24

a Travel

24a

b Meals and entertainment

24b

c Enter nondeductible amount included on line 24b (see page C-5)

24c

d Subtract line 24c from line 24b

24d

25 Utilities

25

26 Wages (less employment credits)

26

27 Other expenses (from line 48 on page 2)

27 **502.**

28 Total expenses before expenses for business use of home. Add lines 8 through 27 in columns

28 **3,216.**

29 Tentative profit (loss). Subtract line 28 from line 7.

29 **458.**

30 Expenses for business use of your home. Attach Form 8829

30

31 Net profit or (loss). Subtract line 30 from line 29.

31 **458.**

• If a profit, enter on Form 1040, line 12, and also on Schedule SE, line 2 (statutory employees, see page C-6). Estates and trusts, enter on Form 1041, line 3.

• If a loss, you must go to line 32.

32 If you have a loss, check the box that describes your investment in this activity (see page C-6).

• If you checked 32a, enter the loss on Form 1040, line 12, and also on Schedule SE, line 2 (statutory employees, see page C-6). Estates and trusts, enter on Form 1041, line 3.

• If you checked 32b, you must attach Form 6198.

32a ☐ All investment is at risk.

32b ☐ Some investment is not at risk.

Part III Cost of Goods Sold (see page C-6)

33	Method(s) used to value closing inventory:	a ☐ Cost	b ☐ Lower of cost or market	c ☐ Other (attach explanation)
34	Was there any change in determining quantities, costs, or valuations between opening and closing inventory? If "Yes," attach explanation ☐ Yes ☐ No			
35	Inventory at beginning of year. If different from last year's closing inventory, attach explanation	35		
36	Purchases less cost of items withdrawn for personal use	36		
37	Cost of labor. Do not include any amounts paid to yourself	37		
38	Materials and supplies	38		
39	Other costs	39		
40	Add lines 35 through 39	40		
	Inventory at end of year	41		
42	Cost of goods sold. Subtract line 41 from line 40. Enter the result here and on page 1, line 4	42		

Part IV Information on Your Vehicle. Complete this part only if you are claiming car or truck expenses on line 9 and are not required to file Form 4562 for this business. See the instructions for line 13 on page C-4 to find out if you must file Form 4562.

43 When did you place your vehicle in service for business purposes? (month, day, year) ▶ _____

44 Of the total number of miles you drove your vehicle during 2004, enter the number of miles you used your vehicle for:

a Business _____ b Commuting _____ c Other _____

45 Do you (or your spouse) have another vehicle available for personal use? ☐ Yes ☐ No

46 Was your vehicle available for personal use during off-duty hours? ☐ Yes ☐ No

Do you have evidence to support your deduction? ☐ Yes ☐ No

b If "Yes," is the evidence written? ☐ Yes ☐ No

Part V Other Expenses. List below business expenses not included on lines 8-26 or line 30.

TELEPHONE	48.
COTS	231.
PRINTER	138.
VIDEOS DISNEY	85.
48 Total other expenses. Enter here and on page 1, line 27	502.

SCHEDULE SE
(Form 1040)

Department of the Treasury
Internal Revenue Service

Self-Employment Tax

OMB No. 1545-0074

2004

Attachment
Sequence No. **17**

▶ **Attach to Form 1040.** ▶ **See instructions for Schedule SE (Form 1040).**

Name of person with self-employment income (as shown on Form 1040)

LAWRENCE D HOLADY SR

Social security number of person
with self-employment income ▶

518-58-7067

Who Must File Schedule SE

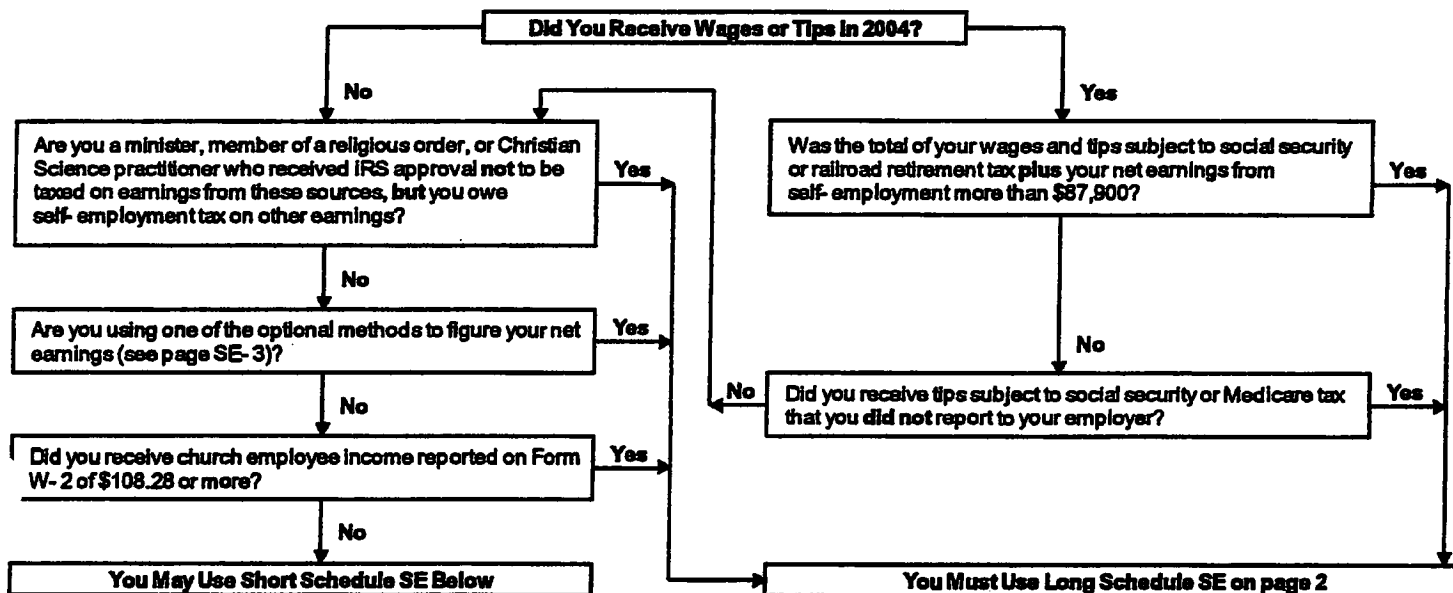
You must file Schedule SE if:

- You had net earnings from self-employment from other than church employee income (line 4 of Short Schedule SE or line 4c of Long Schedule SE) of \$400 or more or
- You had church employee income of \$108.28 or more. Income from services you performed as a minister or a member of a religious order is not church employee income (see page SE-1).

Note. Even if you had a loss or a small amount of income from self-employment, it may be to your benefit to file Schedule SE and use either "optional method" in Part II of Long Schedule SE (see page SE-3).

Exception. If your only self-employment income was from earnings as a minister, member of a religious order, or Christian Science practitioner and you filed Form 4361 and received IRS approval not to be taxed on those earnings, do not file Schedule SE. Instead, write "Exempt- Form 4361" on Form 1040, line 57.

May I Use Short Schedule SE or Must I Use Long Schedule SE?



Section A - Short Schedule SE. Caution. Read above to see if you can use Short Schedule SE.

1 Net farm profit or (loss) from Schedule F, line 36, and farm partnerships, Schedule K-1 (Form 1065), box 14, code A	1	0.
2 Net profit or (loss) from Schedule C, line 31; Schedule C-EZ, line 3; Schedule K-1 (Form 1065), box 14, code A (other than farming); and Schedule K-1 (Form 1065-B), box 9. Ministers and members of religious orders, see page SE-1 for amounts to report on this line. See page SE-2 for other income to report	2	458.
3 Combine lines 1 and 2	3	458.
4 Net earnings from self-employment. Multiply line 3 by 92.35% (.9235). If less than \$400, do not file this schedule; you do not owe self-employment tax ▶	4	423.
5 Self-employment tax. If the amount on line 4 is: • \$87,900 or less, multiply line 4 by 15.3% (.153). Enter the result here and on Form 1040, line 57. • More than \$87,900, multiply line 4 by 2.9% (.029). Then, add \$10,899.60 to the result. Enter the total here and on Form 1040, line 57.	5	65.
6 Deduction for one-half of self-employment tax. Multiply line 5 by 50% (.5). Enter the result here and on Form 1040, line 30	6	33.

KBA For Paperwork Reduction Act Notice, see Form 1040 Instructions.

Schedule SE (Form 1040) 2004

Noncash Charitable Contributions

▶ Attach to your tax return if you claimed a total deduction
of over \$500 for all contributed property.

▶ See separate instructions.

OMB No. 1545-0908

Attachment
Sequence No. **55**

Name(s) shown on your income tax return

LAWRENCE D SR & CRIS T HOLADY

Identifying number

518-58-7067

Note: Figure the amount of your contribution deduction before completing this form. See your tax return instructions.

Section A - List in this section only items (or groups of similar items) for which you claimed a deduction of \$5,000 or less.

Also, list certain publicly traded securities even if the deduction is over \$5,000 (see instructions).

Part I Information on Donated Property - If you need more space, attach a statement.

1	(a) Name and address of the donee organization	(b) Description of donated property (For a donated vehicle, enter the year, make, model, and mileage.)
A	NEVADA CHILD SEEKERS 2880 E FLAMINGO J	71 VW BEETLE
B	NEVADA CHILD SEEKERS 2880 E FLAMINGO J	1989 MERCURY SABLE
C		
D		
E		

Note: If the amount you claimed as a deduction for an item is \$500 or less, you do not have to complete columns (d), (e), and (f).

	(c) Date of the contribution	(d) Date acquired by donor (mo., yr.)	(e) How acquired by donor	(f) Donor's cost or adjusted basis	(g) Fair market value	(h) Method used to determine the fair market value
A	06/18/2004	01/01/1999	PURCHASED	1,100.	1,000.	PERSONAL RESALE VALU
B	06/18/2004	01/01/1992	PURCHASED	8,000.	1,200.	PERSONAL RESALE
C						
D						
E						

Part II Other Information - Complete line 2 if you gave less than an entire interest in property listed in Part I.
Complete line 3 if conditions were placed on a contribution listed in Part I.

2 If, during the year, you contributed less than the entire interest in the property, complete lines a through e.

a Enter the letter from Part I that identifies the property ▶ _____. If Part II applies to more than one property, attach a separate statement.

b Total amount claimed as a deduction for the property listed in Part I: (1) For this tax year ▶ _____
(2) For any prior tax years ▶ _____

c Name and address of each organization to which any such contribution was made in a prior year (complete only if different from the donee organization above):

Name of charitable organization (donee)

Address (number, street, and room or suite no.)

City or town, state, and ZIP code

d For tangible property, enter the place where the property is located or kept ▶ _____

e Name of any person, other than the donee organization, having actual possession of the property ▶ _____

3 If an agreement between the donor and donee places conditions on any contribution listed in Part I, answer questions a through c and attach the required statement (see instructions).

a Is there a restriction, either temporary or permanent, on the donee's right to use or dispose of the donated property?

b Did you give to anyone (other than the donee organization or another organization participating with the donee organization in cooperative fundraising) the right to the income from the donated property or to the possession of the property, including the right to vote donated securities, to acquire the property by purchase or otherwise, or to designate the person having such income, possession, or right to acquire?

c Is there a restriction limiting the donated property for a particular use?

Yes	No

Name: LAWERENCE D SR & CRIS T HOLADY

SSN: 518-58-7067

Schedule A

Line 16 - Gifts by Other Than Cash or Check
Description

Amount

FORM 8283

2,200

Total

2,200



Mail or Deliver To: Purchasing & Contracts Division
400 Stewart Avenue, Las Vegas, NV 89101
(702) 229-6231

ALL INFORMATION SHOULD BE TYPED OR PRINTED. INCOMPLETE FORMS WILL NOT BE PROCESSED.

SECTION A: PRIMARY BUSINESS INFORMATION ☒ **INITIAL APPLICATION** ☐ **REVISION**

Full Legal Business Name (no abbreviations): Family Home Care Tina Holady

Purchase order to be sent to:

Remittance check to be sent to:

Address: 1960 Saylor Way

Address: 1960 Saylor Way

City: Las Vegas **State:** NV **Zip:** 89108

City: Las Vegas **State:** NV **Zip:** 89108

Contact Name: Tina Holady

Contact Name: Tina Holady

Phone Number: (702) 636-1100

Phone Number: (702) 636-1100

Fax Number: () _____

Fax Number: () _____

E-mail: holady2tina@yahoo.com

E-mail: holady2tina@yahoo.com

SECTION B: CONTRACTOR INFORMATION / PUBLIC WORKS (CONSTRUCTION ONLY)

STATE OF NEVADA CONTRACTORS INFORMATION

License Classification(s): _____

SECTION C: MINORITY, WOMAN, OR DISABLED PERSON OWNED BUSINESS INFORMATION

This business qualifies by virtue of 51% or more ownership and active management by one of the following (Check all that are applicable.):

- ☐ Hispanic American
☐ Asian / Pacific American
☐ Black / African American

- ☐ Native American
☒ Woman - Owned
☐ Disabled Veteran

- ☐ Disabled (Non-Veteran)
☒ Small Business

SECTION D: BUSINESS OWNERSHIP (REQUIRED INFORMATION)

- ☐ Corporation or LLC
☐ Partnership or LLP
☒ Sole Proprietor

Fed Tax ID#: _____
or
SSN#: 562-900500

- I certify that the information supplied (including all pages attached) is correct and that neither the applicant nor any person or concern associated with the applicant as a principal or officer, so far as is known, is now debarred or otherwise declared ineligible by any government agency from bidding for furnishing materials, supplies services, or construction to or for any government agency.
- I acknowledge, that it is this firm's responsibility to update this data when changes occur and failure to do so may result in non-receipt of information from the City.

Signature: Cris Tina Holady **Title:** Owner **Date:** 5/19/05

Print or Type Name: CRIS Tina Holady

PLEASE ENCLOSE A COMPLETED W-9 WITH YOUR APPLICATION

For Internal Use Only

Supplier Type: ☐ Commodity ☐ Service ☐ Construction ☐ Employee ☐ Refund
☐ PO Site ☐ Pay Site ☐ RFQ Only Site

Supplier# _____ **Date Entered** _____ **By** _____

Request for Taxpayer Identification Number and Certification

Give form to the
requester. Do not
send to the IRS.

Print or type
See Specific instructions on page 2.

Name CRIS TINA HOLADY	
Business name, if different from above FHC Tina Holady	
Check appropriate box: ☒ Individual/ Sole proprietor ☐ Corporation ☐ Partnership ☐ Other ▶	☐ Exempt from backup withholding
Address (number, street, and apt. or suite no.) 1960 Saylor Way	Requester's name and address (optional)
City, state, and ZIP code LAS VEGAS NV 89108	
List account number(s) here (optional)	

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see How to get a TIN on page 3.

Note: If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Social security number
5161291001500

or

Employer identification number
| | | | | | | |

Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
- I am a U.S. person (including a U.S. resident alien).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. (See the instructions on page 4.)

Sign
Here

Signature of
U.S. person ▶

Cris Tina Holady

Date ▶

5/19/05

Purpose of Form

A person who is required to file an information return with the IRS, must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

U.S. person. Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

- Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
- Certify that you are not subject to backup withholding, or
- Claim exemption from backup withholding if you are a U.S. exempt payee.

Note: If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Foreign person. If you are a foreign person, use the appropriate Form W-8 (see Pub. 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

Nonresident alien who becomes a resident alien.

Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the recipient has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement that specifies the following five items:

- The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
- The treaty article addressing the income.
- The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
- The type and amount of income that qualifies for the exemption from tax.
- Sufficient facts to justify the exemption from tax under the terms of the treaty article.

NEIGHBORHOOD SERVICES
DEPARTMENT
2005 MAY 26 A 10:28

CHILD CARE IMPROVEMENT GRANT AGREEMENT
between the City of Las Vegas and Rustomji FCH

THIS AGREEMENT ("Agreement") is made and entered into this 27th day of May, 2005 by and between the CITY OF LAS VEGAS, a municipal corporation of the State of Nevada, hereinafter referred to as "CITY", and Roda Rustomji, doing business as Rustomji FCH, a Nevada sole proprietorship, hereinafter referred to as "SUBRECIPIENT", whose primary mailing address at the date of execution is 5616 Royal Castle Lane, Las Vegas, NV 89130.

WITNESSETH

WHEREAS, the CITY has allocated funds for the Child Care Improvement Grant, hereinafter referred to as "CCIG"; and

WHEREAS, the CITY is responsible for planning, administering, implementing, and evaluating the CCIG program to ensure that it conforms to the CCIG Program Guidelines, Child Care Licensing Compliance Guidelines and the Las Vegas City Council goals; and

WHEREAS, CITY as Grantor wishes to engage "SUBRECIPIENT" to assist the CITY in utilizing such funds by providing services to meet the CCIG Program's objectives, as follows:

- to improve existing child care facilities serving the target area; and
- to support projects creating child care for additional children and/or to enhance the quality of current child care.

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

I. SCOPE OF SERVICE

A. ACTIVITIES

"SUBRECIPIENT" will be responsible for administering FY 2004-2005 CCIG-funded activities eligible under the Child Care Improvement Grant as cited in the Scope of Services I.B.1, hereinafter referred to as "Project". It is expressly agreed and understood that the total amount to be provided by the CITY under this Agreement shall not exceed \$5000.00 CCIG funds to be allocated in accordance with the Child Care Improvement Grant Application as detailed in Exhibit "A," attached. "SUBRECIPIENT" hereby agrees to utilize said CCIG 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 as stated by the "SUBRECIPIENT" in the Child Care Improvement Grant application Exhibit "A" and in addition to the following:

Purpose of Services:

The purpose of this funding is to the facility by installing shade and playground resurfacing so that the children have enough shade to keep them cool in the summer months and to provide a safe play area .

Tasks to be Performed:

- Shade Installation by Licensed Contractor
- Play Area Resurfacing by Licensed Contractor
- Obtain (3) quotes or bids for all proposed expenditures over \$500 (Bids for construction must be from licensed and bonded contractors).
- Submit reimbursement requests monthly along with a monthly progress report.

Measurable Goals for Grant period:

- Obtain approval of proposed plans for changes to Clark County Health District and all departments as required by municipal codes.
- Obtain proper Planning, Building and Safety, and/or Fire Code permits.
- Complete project within thirty days (30) of approval.

"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 "SUBRECIPIENT" hereby appoints the following representative to attend any meetings of the neighborhood organization in partnership with the City of Las Vegas, Neighborhood Services Department: **Roda Rustomji** or a designee chosen at the discretion of "SUBRECIPIENT".

C. PROGRAM REPORTING

"SUBRECIPIENT" will be required to collect for and provide to the CITY Program accomplishments and usage records beginning **May 27, 2005**, or the date first written above, until **June 20, 2005**, unless this Agreement is modified at the express consent of the CITY and "SUBRECIPIENT." "SUBRECIPIENT" shall submit at the end of each month on a monthly basis, and on occasion upon written request of the CITY, a Monthly Project Report and a Request for Release of Funds, which are attached as Exhibits "B" and "C". Failure to submit said reports with the request for reimbursement may delay reimbursement to "SUBRECIPIENT" for grant-eligible project expense. Records and reports shall contain, but not be limited to, the following data:

- 1) Statement of Project goals cited in "SUBRECIPIENT" application and measurable accomplishments toward achieving said goals through reporting date of said report.
- 2) Written narrative and description of services shall be included in each monthly report.
- 3) The "SUBRECIPIENT" shall provide a copy of all written report developed for the Project to the CITY. These may be included with the Monthly Project Progress Report or under separate cover. Materials that help document the progress of the Project include: event flyers, photographs, video footage, construction timelines, job descriptions, contractor contracts, and design drawings.
- 4) The "SUBRECIPIENT" shall provide a final, brief, written report with the final invoice that summarizes the Project's successes and lessons learned. An outline of the Final Report is included in Exhibit "D". **Final reports are due on or before June 20, 2005.**
- 5) These reports will be forwarded to the City of Las Vegas Neighborhood Services Department, ATTN: CCIG Program Coordinator. 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.
- 6) 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 CCIG funding of "SUBRECIPIENT" program rendered in accordance with this Agreement from **May 27, 2005**, or the date first written above, through **June 20, 2005**. Furthermore, the CITY shall be liable only for payment proportional to the extent that CCIG grant award funds are appropriated and allocated by the CITY. "SUBRECIPIENT" program expenses incurred after **June 20, 2005**, and prior to execution of this Agreement will not be reimbursed. All final draw down requests and reports should be submitted with substantiating documentation by **June 20, 2005**. **Any draw down requests dated after June 20, 2005 will not be reimbursed.** Grant awards may be reduced or revoked if no attempts in reaching the projected tasks/measurable goals have been initiated within 30 days of the initial signed agreement.

E. AMENDMENTS

Funds provided in categories as specified in this Agreement must be used for the purposes for which they were approved, and may not be transferred between categories without the written approval of the Director, or his designee, of the City's Neighborhood Services Department. **Only one (1) modification to the proposed agreement will be allowed during the grant cycle.** Any changes to this Agreement, must be approved in writing by the Neighborhood Services Department, including the following changes:

1. Proposals to change the type or scope of services or activities from those for which funding was provided, prior to implementation of changes using the Budget Modification Form as detailed in Exhibit "E";
2. Proposals to temporarily or permanently cease the operations of "SUBRECIPIENT";
3. Any significant changes to the "SUBRECIPIENT" such as, principal office bearers, contact persons, change of address of "SUBRECIPIENT";
4. The City shall have the right to other information pertaining to this grant, as requested by the Neighborhood Services Department.

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 in Section I. 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 CCIG 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 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.

D. 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.

E. ON-SITE MONITORING

Projects and programs funded under this Agreement will be subject to on-site monitoring by duly authorized CITY representatives. Programs that are funded must agree to state and/or city monitoring of programs and financial reports. Said representatives will be announced, at a minimum, 24 hours in advance of such visits. The representatives may request, and be granted access to records. Representatives on occasion may interview Program volunteers and participants who volunteer to be interviewed.

F. 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. "SUBRECIPIENT" agrees to retain all books, records and other documents relevant to this Agreement, and persons duly authorized by the City shall have full access to and the right to examine and copy any said materials during this said period.

G. AUDIT ADJUSTMENTS

If an audit discloses unallowable costs, "SUBRECIPIENT" shall promptly reimburse the City such unallowable costs. If such audit discloses unpaid allowable costs, the City shall pay "SUBRECIPIENT" such costs as are properly allowable and subject to the limits provided for herein.

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 \$1,000,000.00.

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. 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 the normal business hours and under reasonable circumstances and to copy there from any information that the City desires concerning SUBRECIPIENTS' 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' cost to travel (including travel, lodging, meals and other related expenses) to the SUBRECIPIENTS' 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 the 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.

III. OTHER GENERAL CONDITIONS

A. POLITICAL ACTIVITIES

"SUBRECIPIENT" will comply with this section, which prohibits the use of CCIG 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.

IV. FINANCIAL MANAGEMENT

A. REIMBURSEMENT

The CITY shall reimburse the "SUBRECIPIENT" only for expenses paid or incurred as outlined in Exhibit "A", provided the expenditures are made after the Project's start date and before the completion date as indicated in Section I.D. Disbursement of grant funding is through reimbursement process only. A *Request for Release of Funds* form, as detailed in Exhibit "C", must be used to request reimbursement from the City of Las Vegas, Neighborhood Services Department for Child Care Improvement Grant funds expended for the 2004/2005 Fiscal Year. "SUBRECIPIENT" should allow thirty days for the reimbursement process. Supporting documentation must be submitted for all expenditures.

B. DOCUMENTATION OF COSTS

A *Request for Release of Funds* form shall be submitted by the "SUBRECIPIENT" with supporting documentation to the CITY. All costs submitted to CITY for reimbursement or vendor payment shall be recorded by budget line-items and be supported by properly executed time records, invoices, contracts, or vouchers, or other official documentation evidencing in proper detail the nature and propriety of the charge. All 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. Failure to properly submit this form, along with back-up documentation such as: invoices, purchase orders, and accounts payable printout, or check register, will result in a non-pay status for the request. **All backup documentation submitted must be in original form; copies or faxes will not be accepted.**

C. FINANCIAL RECORDKEEPING

Financial records pertaining to all invoices, materials, payrolls, personnel records, and other data concerning matters related to or arguably related to this Agreement may be requested from "SUBRECIPIENT" by duly authorized CITY representatives.

D. RECORDS

Program records shall be maintained in accordance with 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 (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 "A" and subject to any conditions imposed in the Scope of Services, to include monthly 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, identified in Section 1(E) Amendments, of this agreement.

F. METHOD OF PAYMENT

The CITY shall reimburse valid invoices for approved Project Budget expenditures identified in Exhibit "A" 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 CCIG ineligible or which are not within the scope of this Agreement. 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 that portion for other Projects/programs operating under the CITY's CCIG Program.

H. ACCOUNTING METHODS

Expenditures charged to CITY fiscal year 2004-2005 CCIG funds will be accounted for in a ledger separate from all other revenue sources. "SUBRECIPIENT" shall maintain these records.

I. NON-EXPENDABLE PERSONAL PROPERTY, DEPRECIATION SCHEDULES, AND DISPOSITION OF PROPERTY

- 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 \$1000 or more and a useful life of more than one year.
- 2) Organization purchasing or receiving non-expendable personal property as part of their project will give CITY rights to the non-expendable personal property for three years from the date of purchase. Should the organization be dissolved or should the non-expendable personal property not be used in accordance with the grant

agreement, CITY will have the right to reappropriate the non-expendable personal property. 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.

V. MODIFICATION OR TERMINATION OF AGREEMENT

A. AMENDMENT OR REVISION REQUIRED BY CITY

"SUBRECIPIENT" and the CITY hereby agree to amend or otherwise revise this Agreement should CITY 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. Such notice shall be given no less than ten (10) days before the effective date of such termination and sent to "SUBRECIPIENT" at 5616 Royal Castle Lane, Las Vegas, NV 89130.

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. 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.

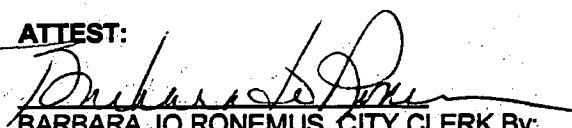
CITY OF LAS VEGAS
NEIGHBORHOOD SERVICES DEPARTMENT

RUSTOMJI FCH


ORLANDO SANCHEZ, DIRECTOR

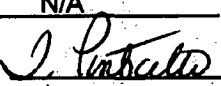

RODA RUSTOMJI

ATTEST:


BARBARA JO RONEMUS, CITY CLERK By:

COUNCIL ACTION: N/A

APPROVED AS TO FORM:



5/23/05
Date

Exhibit A

CHILD CARE IMPROVEMENT GRANT

NEIGHBORHOOD SERVICES
DEPARTMENT

APPLICATION SUMMARY FORM

Full Legal Name of Applicant: RODA RUSTOMJI 2005 MAY 19 A 11:33
 Address: 5616 ROYAL CASTLE LANE
 City/State/Zip: LAS VEGAS NV 89130
 Phone Number: (702) 645-6139 Fax Number: ()
 Federal Employer Identification Number (FEIN): _____
 Social Security Number: 357-58-2435
 Health Permit Number: 12946-648-01 Expiration Date: 06/30/05
 Current Child Care License Number(s): N08-06125 Expiration Date: 01/31/06
-9-012097

FACILITY INFORMATION

Name of Facility <u>RODA'S ROSEBUDS</u>	Site Contact Person
Facility Address <u>5616 ROYAL CASTLE LANE</u>	Mailing Address
Type of Facility <u>FAMILY HOME</u>	No. of Children Licensed For <u>24 HRS 7 DAYS</u> <u>SIX + 3 B/A SCHOOL</u>
No. of Infants	No. of Toddlers <u>SIX</u>

USE OF FUNDS

(Check All That Apply)

☒ Facility Rehab

☐ Equipment

☐ Furniture

AMOUNT OF REQUEST

\$ \$ 5000 =

\$ _____

\$ _____

TOTAL

\$ \$ 5000 =

BUSINESS LICENSE

City of Las Vegas • Las Vegas, Nevada

IN ACCORDANCE WITH THE PROVISIONS OF THE LAS VEGAS MUNICIPAL CODE, AS AMENDED, LICENSE IS HEREBY GRANTED TO OPERATE THE BUSINESS REFERENCED BELOW.

CHILDCARE LICENSE

LICENSE #: N08-00125-9-012097

DATE ISSUED: 01/25/05

DATE EXPIRES: 01/31/06

TYPE OF LICENSE: FAMILY C/C HOME
6 DAYS 5 NIGHTS 3 B & A
6 CHILD

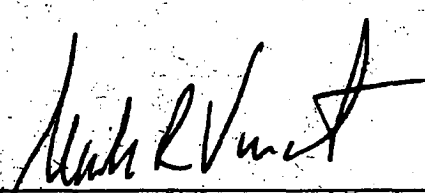
BUSINESS LOCATION: 5616 ROYAL CASTLE LN

ISSUE TO:

RUSTOMJI RODA
5616 ROYAL CASTLE LN
LAS VEGAS NV 89130-1146

PRINCIPAL(S)

RUSTOMJI, RODA D, OWNER


Director, Department of Finance and Business Services

Post in a conspicuous place.



City of Las Vegas - Child Care Inspection Form

Facility: Roda Rustonji
 Address: 5616 Royal Castle
 Type of Service: NOS - Family Home
 License Limit: Days 6 Nights 5 B & A 3
 Hours of Operations: 24 hours
 Days of Service: 7 days
 License: Posted ✓ Expires 1-31-06 Telephone Working/Listed: 645-6139/yes
 Health Permit: Posted ✓ Expires 6-30-05 Emergency Numbers Posted: yes - bedroom &
 Staff to Child Ratios in Compliance: Yes ✓ No Total Children: 2 Total Staff: 1 Kitchen

Date: 3-17-05
 Time: 12:00 PM

Children's Records

Number Reviewed: 2 files
 Children's Records in Compliance: 20 files

Written Policy Statement

Content: complete
 Distribution: to parents

Prescription Medications

Properly Labeled: yes - prescribed
 Properly Stored: yes - refrigerator
 Written Records Maintained: yes - administrative
 Administered By: Roda
 Isolation Area:

First Aid

Location: laundry room
 Adequate Supplies: yes
 Incident/Injury Reports: yes
 Communicable Diseases: none

Nutrition

Meals/Snacks Provided: breakfast, lunch, dinner
 Nutrition Needs Met: food for kids 2 meals
 Menu Posted: N/A

Attendance

Staff: N/A
 Children: sign-in sheet

Transportation/Field Trips

Transportation Provided: N/A
 Type/Number of Vehicles Used: Roda
 All Drivers Licenses on File: currently
 Auto Insurance: does not
 Child Reseam Laws followed: have
 Transportation Permission on File: ✓
 Field Trip Permission Slips on File: a car

Facility/Program

Indoor Play/Classrooms: living room (playroom)
 Materials/Equipment: age appropriate
 Adequate Materials/Toys: yes

Furniture Durable/Safe: yes
 Furniture Clean/Sanitary: yes
 Program Standards Meet Children's Basic Needs: educational & nurturing
 Staff Involvement/ Interaction: very good
 Discipline Methods: talk to child

Type of Floor Surface: carpet tile
 Floor Surface Clean/Safe: yes
 Clothing Storage: drawers
 Storage Area/Hooks Labeled: assigned to each

Napping

Number of Cots: 0 Mats: 6
 Number of Cribs: 0 Playpens: 2
 Number of Port-a-cribs: 0 Beds: 4 replacing
 Properly Sanitized: yes matting
 Sleeping Devices Labeled: yes labels
 Sleeping Devices Sanitary: yes
 Sleeping Devices in Good Condition: yes
 Linens Properly Stored: drawers
 Linen Laundered: daily
 Can Children be Seen & Heard: in hall outside room

Bathrooms/Diaper Changing

Disposable Towels Available: yes
 Liquid Soap Available: yes
 Toilet Tissue Available: yes
 Children Hand Washing: yes
 Staff Hand Washing: yes
 Bathroom Accessible from Outside: accompanied child
 Diaper Changing Table: yes - no babies there
 Diaper Pail Available: 0 N/A
 Diaper/Feeding Logs:
 Diaper Table on Proper Surface: ✓
 Diaper Table Sanitized: ✓
 Bottles/Sipping Cups Labeled: N/A
 Bathroom Clean/Sanitary: yes

CITY OF LAS VEGAS
CHILD CARE INSPECTION REPORT

FACILITY Roda Rustomy
ADDRESS 5016 Royal Castle

DATE 3-17-05

COMMENTS

[Handwritten notes in cursive script, mostly illegible due to heavy noise and bleed-through from the reverse side of the page. The text appears to be a detailed inspection report.]



CLARK COUNTY HEALTH DISTRICT
LAS VEGAS, NEVADA

HEALTH PERMIT

THIS CERTIFIES THAT THE ESTABLISHMENT LOCATED AT THE ADDRESS SHOWN BELOW AND OWNED AND/OR OPERATED BY ENTITY INDICATED HAS BEEN FOUND TO BE OPERATING IN CONFORMITY WITH THE HEALTH LAWS AND REGULATIONS PROMULGATED BY THE NEVADA STATE BOARD OF HEALTH AND THE CLARK COUNTY DISTRICT BOARD OF HEALTH. THIS CERTIFICATE GRANTS THE APPLICANT APPROVAL TO OPERATE THE TYPE OF ESTABLISHMENT INDICATED, BUT IS REVOCABLE AT ANY TIME BY THE CLARK COUNTY HEALTH DISTRICT OFFICER FOR FAILURE ON PART OF THE PERMITTEE TO MEET STATE AND DISTRICT HEALTH LAWS AND REGULATIONS.

▼ OWNED AND/OR OPERATED BY ▼

RUSTOMJI, RODA & DARAIUS

PERMITTEE ►

RUSTOMJI FCH

ADDRESS ►

RUSTOMJI FCH (RODA'S ROSEBUDS)
5616 ROYAL CASTLE
LAS VEGAS NV 89130

PERMIT IS NOT
TRANSFERABLE

PERMIT NUMBER ►	12944-GGB-01
FEE PAID ►	82 00
AREA ►	LAS VEGAS

DATE GRANTED	DATE EXPIRED
07/01/04	06/30/05

▼ TYPE OF ESTABLISHMENT ▼

CHILD CARE

DONALD S. KWALICK, MD, MPH
CHIEF HEALTH OFFICER

ADINA OMBADYKOW

ENVIRONMENTAL HEALTH SPECIALIST

POST IN A CONSPICUOUS PLACE

CLARK COUNTY HEALTH DISTRICT
625 SHADOW LANE • LAS VEGAS, NEVADA
Telephone 383-1251 (Direct) • 385-1291 (24 hours)

GENERAL NOTICE AND REPORT OF INSPECTION

SAN	CONTROL NO.	ESTABLISHMENT	ADDRESS
24	002246	RUSTOMJI FCH	5616 ROYAL CASTLE
DIST	008-01	RUSTOMJI FCH (RODA'S ROSEBUDS)	LAS VEGAS NV 89130
28	RUSTOMJI, RODA & DARAIUS	PERSON INTERVIEWED	TELEPHONE
CITY	RODA & DARAIUS		645-6139
01	TYPE AND CATEGORY	CAPACITY	Special Notes: 15-14-5H
	8351-121	6	REINSTATED 8/31/2000
PREVIOUS ACTION	SANIT	ACTION	DATE
	24	5D	02/01/02
CURRENT ACTION	SANIT	ACTION	DATE
	24	5D	02/01/02

Based on an inspection this day, the items marked below identify the violation in operation or facilities which must be corrected by the next routine inspection or such shorter period of time as may be specified in writing by the health authority. Failure to comply with this notice may result in immediate suspension of your permit.

ITEM	DESCRIPTION	REMARKS
1	OUTDOOR PLAY AREA	
2	ADEQUATE ENCLOSURE	
3	FREE OF HAZARDS	
4	SAFE PLAY EQUIPMENT	
5	ADDRESS VISIBLE	
6	INTERIOR OF BUILDING	
7	CLEAN, UNCLUTTERED	
8	FREE OF HAZARDS, GOOD REPAIR	
9	VENTILATION/HEATING/COOLING	
10	WATER FROM APPROVED SOURCE	
11	TELEPHONE/EMERGENCY NUMBERS POSTED	
12	MAPPING EQUIPMENT - SAFE, SANITARY	
13	ADEQUATE DIAPER CHANGING AREA	
14	SEPARATION OF PERSONAL ITEMS	
15	HEALTH/SAFETY/SUPPLIES	
16	CURRENT CHILD CARE HEALTH CARD	
17	NO SICK CHILDREN	
18	FIRST AID KIT AND INSTRUCTIONS	
19	SURFACES CLEANED/SANITIZED	
20	RESTROOM STOCKED	
21	SUPERVISED HANDWASHING	
22	SAFE STORAGE OF HAZARDOUS ITEMS	
23	PETS	
24	CURRENT IMMUNIZATION RECORDS	
25	PROPER ENCLOSURES AND MAINTENANCE	
26	RESTRICTIONS MAINTAINED	
27	FOOD SERVICES	
28	SAFE FOOD PRACTICES	
29	REFRIGERATOR THERMOMETER, TEMP.	
30	AREA/EQUIPMENT CLEAN, SANITARY	

Proposed gull
no cushion for sun
Clear up play area
no shade
Carpet not clean

TH	CORRECTION:
1	Remove proposed gull from outside play area
2	Proposed cushion for sun underneath play area
3	Clear up play area outside before kids go out to play
4	Proposed a minimum of 50 sq ft of shade
5	Clean Carpet in kids areas
6	REVIEWED BY
7	REVIEWED BY

GENERAL NOTICE AND REPORT OF INSPECTION

1	ESTABLISHMENT				ADDRESS			
4	RUSTOMJI FCH				5816 ROYAL CASTLE			
3	RUSTOMJI FCH (RODA'S ROSEBUDS)				LAS VEGAS NV 89130			
3	RUSTOMJI, RODA & DARAIUS				PERSON INTERVIEWED		TELEPHONE	
7	RODA & DARAIUS				RODA - D. RUSTOMJI		645-6139	
1	TYPE AND CATEGORY		CAPACITY		Special Notes:			
	8351-121		8		REINSTATED 8/31/2000 15-14-5H			
ACTION	SAN C	ACTION	DATE	STATUS	SCHEDULED ACTION		ACTION	DATE
	24	5D	10/08/02	A			5D	04/08/03
ACTION	SAN C	ACTION	DATE	STATUS	SPECIAL DATE	TIME IN	TIME OUT	MILES
	24	5D	10/08/02	A		1200	200	
ACTION					FUTURE ACTION		ACTION	DATE

ad on an inspection this day, the items marked below identify the violation in operation or facilities which must be corrected by the next routine inspection or such shorter period of time as may be specified in
to by the health authority. Failure to comply with this notice may result in immediate suspension of your permit.

	<u>OUTDOOR PLAY AREA</u> ADEQUATE ENCLOSURE FREE OF HAZARDS SAFE PLAY EQUIPMENT ADDRESS VISIBLE <u>INTERIOR OF BUILDING</u> CLEAN, UNCLUTTERED FREE OF HAZARDS, GOOD REPAIR VENTILATION/HEATING/COOLING WATER FROM APPROVED SOURCE TELEPHONE/EMERGENCY NUMBERS POSTED NAPPING EQUIPMENT - SAFE, SANITARY ADEQUATE DIAPER CHANGING AREA SEPARATION OF PERSONAL ITEMS <u>HEALTH/SAFETY/SUPPLIES</u> CURRENT CHILD CARE HEALTH CARD NO SICK CHILDREN FIRST AID KIT AND INSTRUCTIONS SURFACES CLEANED/SANITIZED RESTROOM STOCKED SUPERVISED HANDWASHING SAFE STORAGE OF HAZARDOUS ITEMS <u>PETS</u> CURRENT IMMUNIZATION RECORDS PROPER ENCLOSURES AND MAINTENANCE RESTRICTIONS MAINTAINED <u>FOOD SERVICES</u> SAFE FOOD PRACTICES REFRIGERATOR THERMOMETER, TEMP.: AREA/EQUIPMENT CLEAN, SANITARY	(2) WEEDS IN OUTDOOR PLAY AREA → Owner will provide New LAWN on a sustainable - Surface Material - Finish Gate around Bldg deck (8) Hot water 140°F too hot! Adjust 90°F - 120°F Maxim (6) Smoke Alarm Batteries are loose - Recharge + Replace
	Freeze - 80°F 43°F → Adjust to 40°F or below	
	CORRECTION:	
(19)	Unlabeled Medicine Cabinet & Hazardous items → Keep All Hazardous items locked or out of children's reach	
KNOWLEDGED BY	EHS	REVIEWED BY

CLARK COUNTY HEALTH DISTRICT
625 SHADOW LANE • LAS VEGAS, NEVADA
Telephone: 393-1234 (24 hours) • 393-1235 (24 hours)

GENERAL NOTICE AND REPORT OF INSPECTION

W	ESTABLISHMENT	ADDRESS
2	RUSTOMJI FCH	5616 ROYAL CASTLE
IT	RUSTOMJI FCH (RODA'S ROSEBUDS)	LAS VEGAS NV 89130
8	RUSTOMJI, RODA & DARAIUS	PERSON INTERVIEWED
Y	RODA & DARAIUS	X RODA RUSTOMJI
		TELEPHONE 645-6139
1	TYPE AND CATEGORY	CAPACITY
	8351-121	6
	Special Notes: REINSTATED 8/31/2000 15-14-5H	
2	SANITATION	SCHEDULED ACTION
	02 5D 10/28/03 A	04/28/04
3	SANITATION	SCHEDULED ACTION
	02 5D 9-11-04 A	
4	SANITATION	SCHEDULED ACTION
5	SANITATION	SCHEDULED ACTION
6	SANITATION	SCHEDULED ACTION
7	SANITATION	SCHEDULED ACTION
8	SANITATION	SCHEDULED ACTION
9	SANITATION	SCHEDULED ACTION
10	SANITATION	SCHEDULED ACTION
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17	SANITATION	SCHEDULED ACTION
18	SANITATION	SCHEDULED ACTION
19	SANITATION	SCHEDULED ACTION
20	SANITATION	SCHEDULED ACTION

On an inspection this day, the items marked below identify the violation in operation or facilities which must be corrected by the next routine inspection or such shorter period of time as may be specified in writing by the health authority. Failure to comply with this notice may result in immediate suspension of your permit.

1	OUTDOOR PLAY AREA	Swings and patches of grass → complete landscaping → 1/20 area
2	ADEQUATE ENCLOSURE	
3	FREE OF HAZARDS	
4	SAFE PLAY EQUIPMENT	Note: Operator gates off w/ child safe gate a portion of the outdoor play area during operation hours.
5	ADDRESS VISIBLE	→ No children in car at time of inspection.
6	INTERIOR OF BUILDING	
7	CLEAN, UNCLUTTERED	
8	FREE OF HAZARDS, GOOD REPAIR	
9	VENTILATION/HEATING/COOLING	
10	WATER FROM APPROVED SOURCE	Hot water 135° → Adjust 90° to 120° maximum.
11	TELEPHONE/EMERGENCY NUMBERS POSTED	
12	WAPPING EQUIPMENT - SAFE, SANITARY	
13	ADEQUATE DIAPER CHANGING AREA	
14	SEPARATION OF PERSONAL ITEMS	
15	HEALTH/SAFETY/SUPPLIES	
16	CURRENT CHILD CARE HEALTH CARD - OK	
17	NO SICK CHILDREN	
18	FIRST AID KIT AND INSTRUCTIONS	
19	SURFACES CLEANED/SANITIZED	
20	RESTROOM STOCKED	
21	SUPERVISED HANDWASHING	
22	SAFE STORAGE OF HAZARDOUS ITEMS	
23	PETS	
24	CURRENT IMMUNIZATION RECORDS	
25	PROPER ENCLOSURES AND MAINTENANCE	
26	RESTRICTIONS MAINTAINED	
27	FOOD SERVICES	
28	SAFE FOOD PRACTICES	
29	REFRIGERATOR THERMOMETER, TEMP.	40°F - OK
30	AREA/EQUIPMENT CLEAN, SANITARY	

EN	CORRECTION:
1	⑩ Nap mats torn and repaired w/ tape → Repair properly (As discussed)
2	⑪ No expiry of IFCAC in 1st Aid Kit → Provide
3	⑫ No shade structure → Provide a minimum 50 square feet of shade structure in outdoor play area (will apply for grant through City Licensing)
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KNOWLEDGED BY	DATE	REVIEWED BY
X R.D. Ruston	Adon Data	

GENERAL NOTICE AND REPORT OF INSPECTION

ed on an inspection this day, the items marked below identify the violation in operation or facilities which must be corrected by the next routine inspection or such shorter period of time as may be specified in
ing by the health authority. Failure to comply with this notice may result in immediate suspension of your permit.

EN #		CONNECTION:	
		③ Hot water 86°F → Adjust 90° to 120°F MAXIMUM NOTE: Adjusted by operator during inspection ② 2 vertical bars spacing 73.5 inches → Adjust	
ACKNOWLEDGED BY		EHS	
			
		REVIEWED BY	

BUSINESS LICENSE

City of Las Vegas • Las Vegas, Nevada

IN ACCORDANCE WITH THE PROVISIONS OF THE LAS VEGAS MUNICIPAL CODE, AS AMENDED, LICENSE IS HEREBY GRANTED TO OPERATE THE BUSINESS REFERENCED BELOW.

CHILDCARE LICENSE

LICENSE #: N08-00125-9-012097

DATE ISSUED: 01/27/04

DATE EXPIRES: 01/31/05

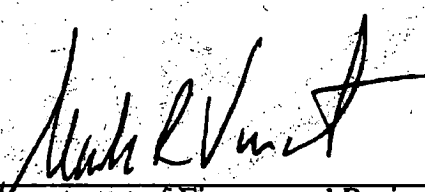
TYPE OF LICENSE: FAMILY C/C HOME
6 DAYS 5 NIGHTS 3 B & A
6 CHILD

BUSINESS LOCATION: 5616 ROYAL CASTLE LN

ISSUE TO:

RUSTOMJI RODA
5616 ROYAL CASTLE LN
LAS VEGAS NV 89130-1146

PRINCIPAL(S)
RUSTOMJI, RODA D, OWNER


Director, Department of Finance and Business Services

Post in a conspicuous place.



Section B: Photos are attached

1. Describe the problem or need the grant will help address.

There is no shaded play area outside for the children.

2. What are the benefits if the proposed project.

The benefits would allow the children to play, eat and have activities throughout the daytime hours. At the present time, they can not play, eat or do any outside activities after 9 a.m. in the morning due to the extreme heat.

3. Describe how the project plans will improve the health and safety of child care.

The project would improve the outside play area by giving the children a cooler place to play, eat and have daytime activities. With the area being shaded it gives less sunlight directly on the children thus being somewhat protected from the sun's harmful UV rays. There will also be less of a chance of sun stroke.

Section C:

1. What is the tentative timeline for implementing and completing the proposed project.

Once my grant is approved, the project will be completed in two (2) weeks.

Section D:

1. List the items for improvement and brief financial justification.

\$ 4000

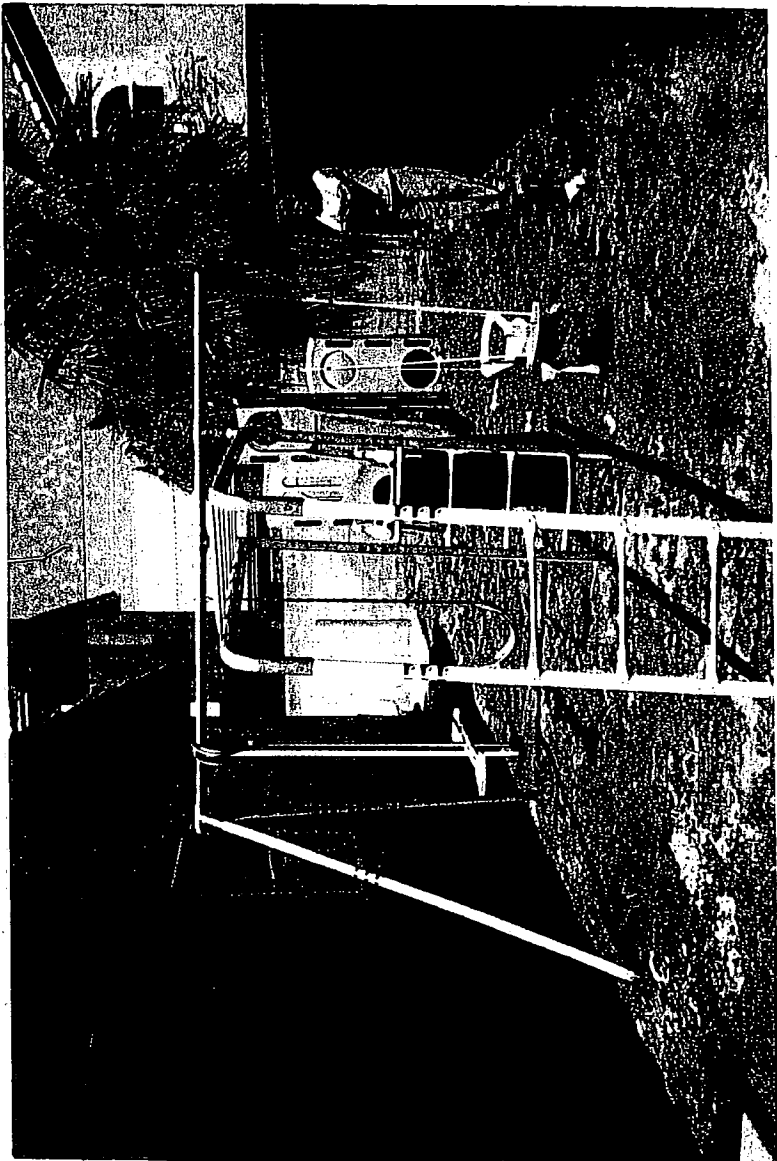
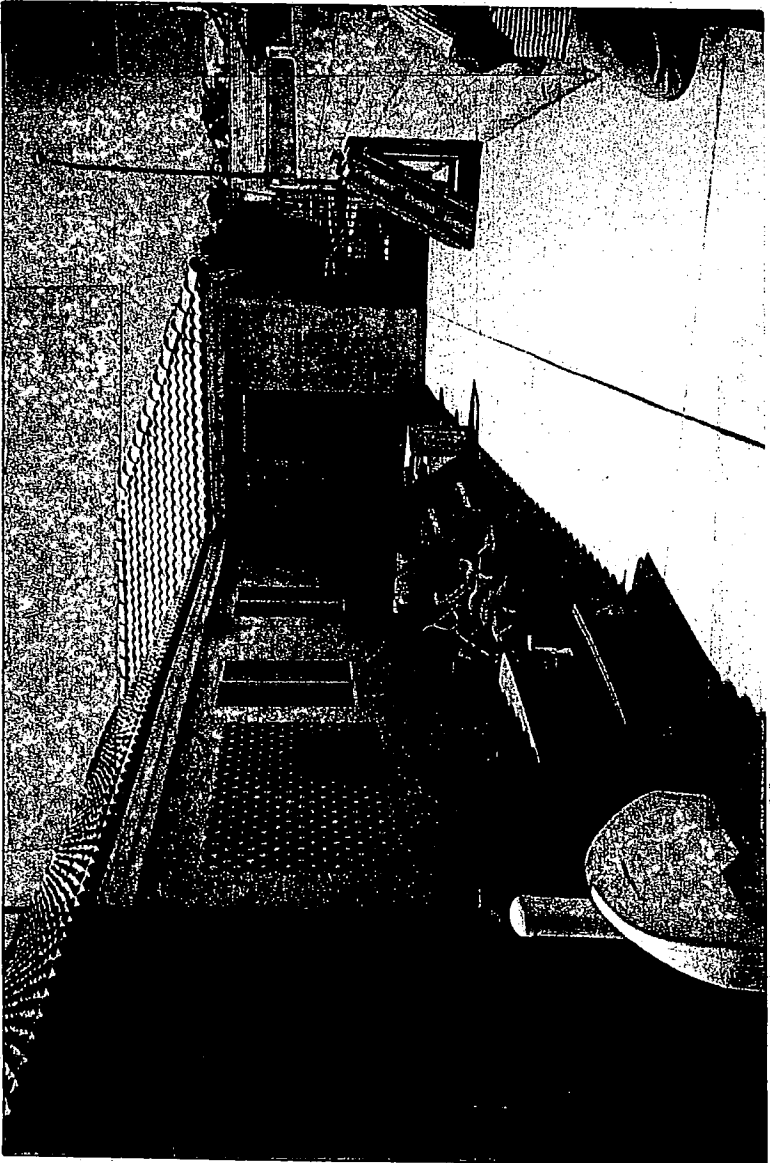
Shade cover for Patio – 41 ½ ft. x 11 ft - \$3700.00
Landscaping – 50 ft. x 14 ft. - \$1300.00

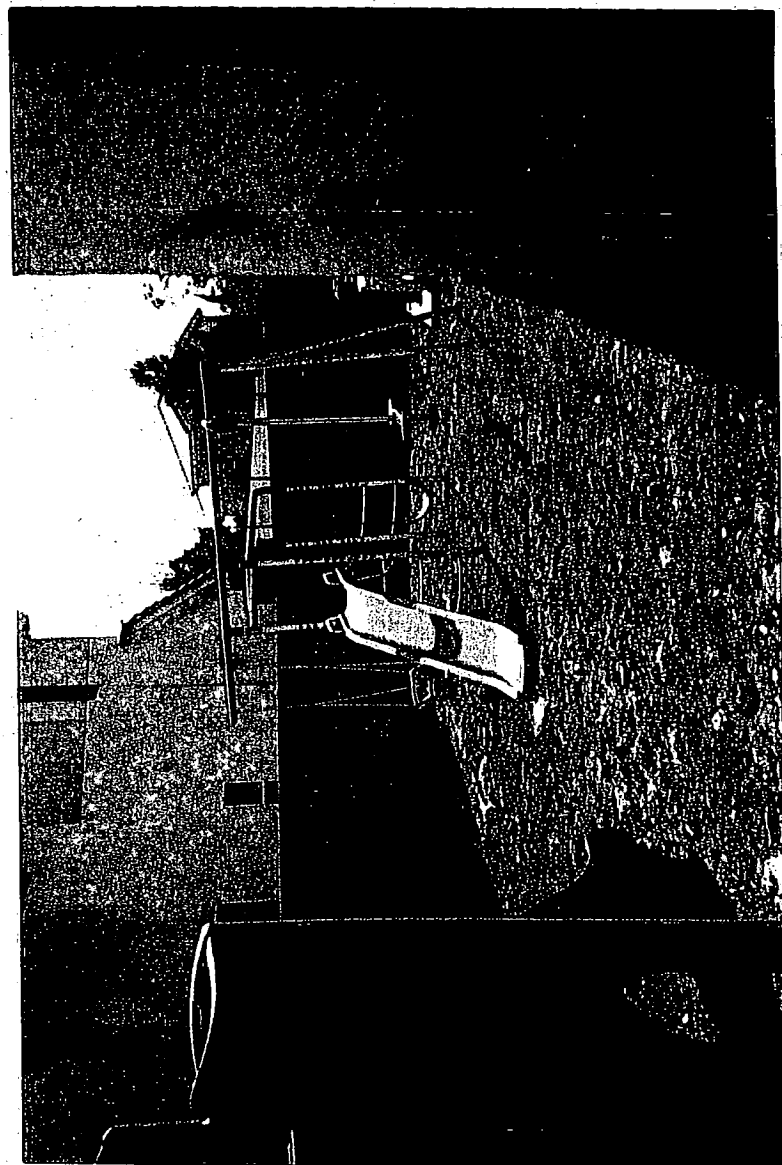
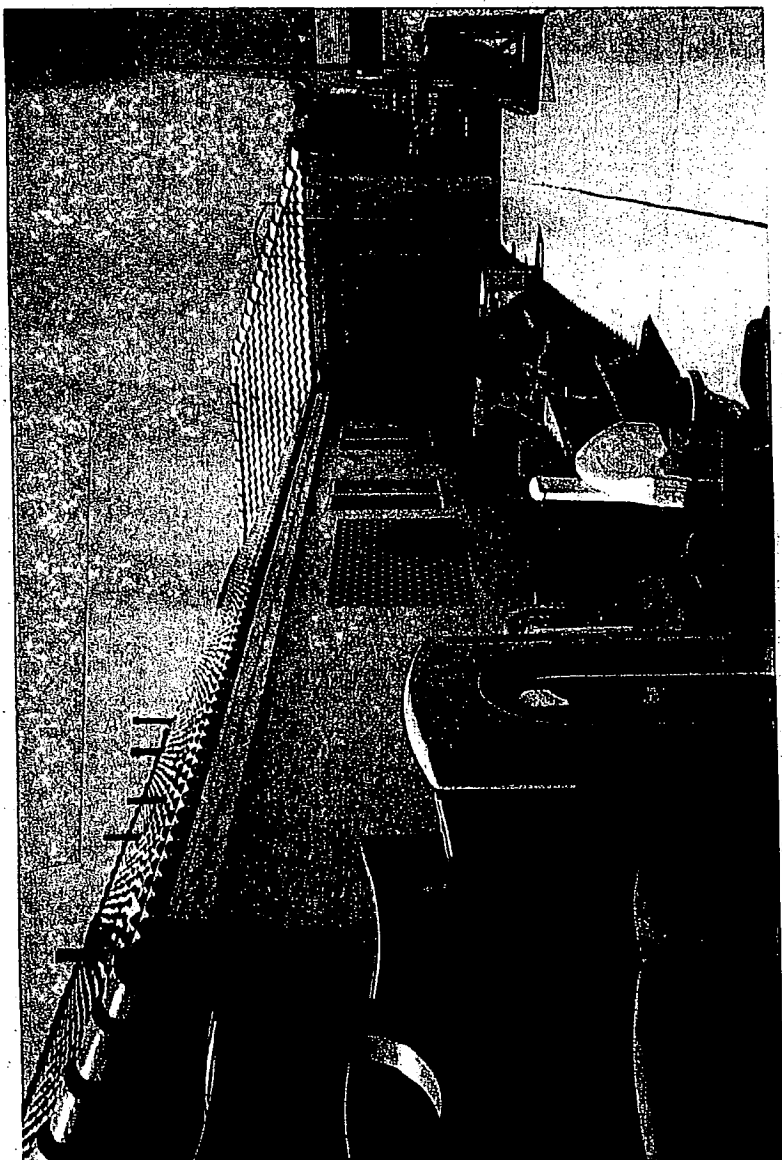
2. Please use the whole dollar amount.

\$5,000.00

Section E:

\$0.00





ADVANCED GARDENING SERVICE

4510 W. DIABLO DR. #111

LAS VEGAS, NV 89118

(702) 390-5813

LIC - 52281

BOND - \$25,000

PROPOSAL

PROPOSAL NO.

SHEET NO.

DATE

5-12-05

PROPOSAL SUBMITTED TO:

WORK TO BE PERFORMED AT:

NAME Rosa Ruston	ADDRESS 5616 Royal Castle Lane
ADDRESS 5616 Royal Castle Lane	CITY STATE Las Vegas, NV 89130
CITY STATE Las Vegas, NV 89130	DATE OF PLANS
PHONE NO. 702-645-1139	ARCHITECT M. K. A. S.

We hereby propose to furnish the materials and perform the labor necessary for the completion of

Install 8 tons "Pec Gravel"
Remove existing weeds
lay netting & spray with weed killer before laying rock

All material is guaranteed to be as specified, and the above work to be performed in accordance with the drawings and specifications submitted for above work and completed in a substantial workmanlike manner for the sum of:

One thousand two hundred dollar ^{00/100} Dollars (\$ 1200.00)

with payments to be as follows

Residential Construction Recovery Fund.

Payment may be available from the recovery fund if you are damaged financially by a project performed on your residence pursuant to a contract, including construction, remodeling, repair or other improvements, and the damage resulted from certain specified violations of Nevada law by a contractor licensed in this state. To obtain information relating to the Recovery Fund, you may contact the State Contractor's Board.

Respectfully submitted

Per

Note - This proposal may be withdrawn by us if not accepted within _____ days.

ACCEPTANCE OF PROPOSAL

The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payments will be made as outlined above.

SIGNATURE

SIGNATURE

DATE

Economy Landscaping

License #45475

Office: (702) 562-0037 • Fax: (702) 562-2435

Beeper: 389-0345 • Cell: 491-5280

Mañuel Ruiz / Owner

3807 Cinnamon Crest Place

Las Vegas, NV 89135



PROPOSAL and CONTRACT

Bid Limit: \$50,000.00

Date: 5-17, 2005
TO: RODA RUSTOMJI
5616 ROYAL CASTLE
LD, NV 89130
645-6139

Dear Sir:

_____ propose to furnish all materials and perform all labor necessary to complete the following:

INSTALL 500FT OF SOD
INSTALL 1 NEW SPRINKLER SYSTEM
INSTALL TOP SOIL UNDER SOD
INSTALL 2 1/2 TONS OF ROCK
INSTALL EDGING

All of the above work to be completed in a substantial and workmanlike manner according to standard practices for the sum of _____ Dollars (\$ 1,300.00)

Progress payments to be made _____

Any alteration or deviation from the above specifications involving extra cost of material or labor will be executed upon written orders for same, and will become an extra charge over the sum mentioned in this contract. All agreements must be made in writing.

NRS 625.520 Contractor to notify owner of rights related to account; written statement; administrative fine for noncompliance.

NAC 624.640 Bid or contract void if licensee exceeds scope of license or monetary limit; duties concerning licensees. (NRS 624.100)

Respectfully submitted,

By: **Economy Landscaping**

Signed: Mañuel Ruiz
Mañuel Ruiz

You, the buyer, may cancel this transaction at any time prior to midnight of the third business day after the date of transaction

ACCEPTANCE

You are hereby authorized to furnish all materials and labor required to complete the work mentioned in the above proposal, for which _____ agree to pay the amount in said proposal and according to terms thereof.

ACCEPTED _____ Date: _____, 20____

E-Z LANDSCAPING INC.

4949 IRENE AVE. LAS VEGAS, NV 89110

PHONE (702) 308-0508 LICENSE # 0056303 BID LIMIT \$100,000.

ADDENDUM # _____ CONTRACT # _____ PROPOSAL

Name (Owner) Roda Phone 645-6139 Date 5-17-05
Address 5616 Royal castle Ln. NV City Las Vegas Zip 89130

Contractor hereby proposes to furnish material and labor complete in accordance with the following specifications for the sum of: _____ Dollars: \$ _____ (total price)

Grade all back yard
500 sq New lawn
2 Ton of Golden Pine
140' of plastic edging
2 New irrigation valves for Grass
2 Ton of plant mix 2200.00

7 Ton of Golden Pine all back yard Rolled & packed
clean all back yard & grade 4 Ton of dirt.

Additional provisions to this agreement are contained on the reverse side hereof.

1700.00

Payment of the price shall be made as follows:

\$ _____ Initial deposit \$ _____ Start of _____

\$ _____ Start of job \$ _____ Start of _____

\$ _____ Final payment upon substantial completion of work.

All material is guaranteed to be as specified and all work to be completed in a workman like manner.

Contractor's Authorized Signature: _____

Note: This proposal may be withdrawn by Contractor if not accepted within 5 days.

Owner's acceptance of proposal. The contract price, specifications and conditions contained herein, including those contained on the reverse side hereof, are satisfactory to and hereby accepted and agreed to by the owner. Owner hereby authorizes Contractor to do the work as specified and agrees to make payments of any costs related to collections, including mechanics liens, court costs and attorney fees.

Buyer right to cancel: If this agreement was solicited at your residence or place of employment and you do not want the goods or services, you may cancel the agreement by mailing a written notice to the Contractor. The notice must say that you do not want the goods or service and must be mailed before midnight on the third business day after you sign the agreement.

Date: _____ Signature: _____

BEFORE SIGNING SEE NOTICE TO THE BUYER ON THE REVERSE SIDE

ADVANCED GARDENING SERVICE.com

4510 W. DIABLO DR. #111
LAS VEGAS, NV 89118
(702) 390-5813
LIC - 52281
BOND - \$25,000

PROPOSAL

PROPOSAL NO.

SHEET NO.

DATE

5-12-05

PROPOSAL SUBMITTED TO:

WORK TO BE PERFORMED AT:

NAME Rond Rustomji	ADDRESS 5616 Royal Castle Lane
ADDRESS 5616 Royal Castle Lane	CITY, STATE Las Vegas, NV. 89130
CITY, STATE Las Vegas, NV. 89130	DATE OF PLANS
PHONE NO. 82-645-6139	ARCHITECT None

We hereby propose to furnish the materials and perform the labor necessary for the completion of

Install 11x7 1/2 patio cover "Solid" Beige

All material is guaranteed to be as specified, and the above work to be performed in accordance with the drawings and specifications submitted for above work and completed in a substantial workmanlike manner for the sum of:

Four thousand dollars ^{25/100} Dollars (\$ 4000.00)

with payments to be as follows

Residential Construction Recovery Fund.

Payment may be available from the recovery fund if you are damaged financially by a project performed on your residence pursuant to a contract, including construction, remodeling, repair or other improvements, and the damage resulted from certain specified violations of Nevada law by a contractor licensed in this state. To obtain information relating to the Recovery Fund, you may contact the State Contractor's Board.

Respectfully submitted

Per

Note - This proposal may be withdrawn by us if not accepted within _____ days.

ACCEPTANCE OF PROPOSAL

The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payments will be made as outlined above.

SIGNATURE

SIGNATURE

DATE



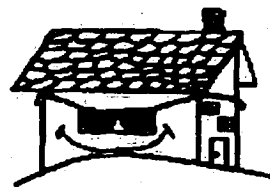
Locally Owned & Operated
Since Feb. 1991

BEAT THE HEAT SOLAR SCREENS & PATIO COVER

3320 Sunrise Ave. Suite 109
Las Vegas, NV 89101
Fax: (702) 437-7419
(702) 437-4077



NO 11536



LIC # B10-01434-2-054424

#58814

CONTRACT SUBMITTED RODA RUSTOMJI		PHONE 645-6139	DATE 5-12-05
STREET 5616 ROYAL CASTLE LN		JOB NAME	
CITY, STATE, AND ZIP CODE LV NV 89130		JOB LOCATION	
ARCHITECT	DATE OF PLANS	JOB PHONE	

We Propose hereby to furnish material and labor - complete in accordance with below specifications, for the sum of :

FOUR THOUSAND DOLLARS ~

Payment to be made as follows:

All material is guaranteed to be specified. All work to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from the above specifications below involving extra costs will be executed only upon written orders, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents, or delays beyond our control. Owner to carry fire, tornado and other necessary insurance. Our workers are fully covered by Workmen's Compensation Insurance.

Authorized
signature _____

Installation subject to Beat The Heat schedule unless otherwise stated

We hereby submit specifications and estimates for:

FURNISH + INSTALL A 40 FT X 11 1/2 FT AMERIMAX
PATIO COVER TO BACK OF HOUSE
SONORA BRIDGE / SOLID

Job Costs \$ 4,000

Terms _____

Deposit _____

Upon completion

For credit card use only

I authorize Beat The Heat to apply the charges listed above, to the following credit card.

Master Card	account number _____	exp. date _____
Visa Card	account number _____	exp. date _____
Discover Card	account number _____	exp. date _____
American Exp	account number _____	exp. date _____

Acceptance of Contract - I understand
That by signing this contract, I am authorizing,
Beat The Heat to perform all work outlined in this
contract. All balances are due, cash upon completion
Unless otherwise specified. Any balances over ten days
Late will be charged a \$35.00 late fee.

Signature _____

Signature _____

Signature _____

OK TO COME ON
PROPERTY : _____

THIS CONTRACT ALSO SERVES AS YOUR INVOICE



Patio Paradise

1201 South Jones Ste.104
Las Vegas, Nevada 89146

Showroom (702) 631-3222 Fax (702) 839-4050

PROPOSAL / WORK ORDER

DATE 5-11-05

CUSTOMER NAME RODIE RUSTON

ADDRESS 5616 ROYAL CASTLE

CITY, STATE, ZIP L.V. NV 89130

PHONE 645-6139 CELL _____

PATIO DESCRIPTION COMBO _____ LATTICE _____ SOLID X WIDTH 40' PROJECTION 11

Corbel



Scallop



Miter



If no cap option is initiated, a flat cap
will be installed on all ends.

CUSTOMER RESIDENCE

Installation Notes:

OPTIONS AND SPECS

RAFTER TAILS YES GUTTER & D.S. YES

BEAM SIZE 3x8 RAFTER SIZE 2x6

LATTICE SIZE NO PAN SIZE 6' x 12'

POST HGT. 8 COLOR SANDY BROWN SQ. FT. 400

By execution of this document, Buyer acknowledges that he or she is an authorized representative of the property named above and thereby binds such entity to the terms and conditions set forth herein. Please remit all payments upon job completion. Thank you for your business.

FOR THE SUM OF: \$ 4070.00

PERMIT FEE ☒ TAX: \$ INCL

TOTAL: \$ 4070.00

DEPOSIT: \$ 2035.00

BALANCE DUE: \$ 2035.00

ACCEPTED ☒

DATE 5-11-05

TERMS: 5% 15 Net 30 ☐ C.O.D. ☐ 50/50 ☒

Date All Work Completed _____ Tech _____

TERMS AND CONDITIONS: ALL ITEMS INSTALLED BY COMMERCIAL CARPORT REPAIR NV, LLC. #0051225. COMMERCIAL CARPORT REPAIR (CONTRACTOR) agrees to provide the labor and materials specified on this proposal set forth herein. BUYER agrees to pay the total amount shown on the proposal by the terms identified on this agreement. BUYER acknowledges that CONTRACTOR has and may exercise all lien rights against the property upon which the work is performed. To the greatest extent permitted by law, BUYER and/or OWNER hereby waive any and all objections to any defects in such lien documents. CONTRACTOR'S exercise or non-exercise of such lien rights will not alter or amend this Agreement or release any of the BUYER'S obligations hereunder. Buyer shall fully cooperate in allowing CONTRACTOR'S installation of the product by doing all of the following: a) clearing a sufficient work area of all obstructions and removable hazards. b) Obtain all appropriate building permits if not stated above or agreed upon by CONTRACTOR and BUYER. The estimated completion date shall be extended for as long as necessary due to any and all delays reasonably beyond CONTRACTOR'S control. CONTRACTOR will not be responsible for any alteration to landscaping or any underground utilities, water or electrical lines whatsoever. BUYER shall be deemed to have accepted the product and work performed upon final payment.

SECTION E: ADDITIONAL FUNDING

Please include all types of funding received for any past childcare projects including, but not limited to the city of Las Vegas, Clark County, North Las Vegas and/or the State of Nevada. Additionally, give a brief description as to what the money was used for. Failure to disclose all prior funding may result in disqualification.

Source of Outside Revenue	FY 01-02	Purpose of Funding	FY 02-03	Purpose of Funding	FY 03-04	Purpose of Funding
City						
County						
State						
Federal						
Fundraising						
Donations						
Other (explain) ..						
Total Revenue ...						

N/A

****This Section Intentionally Left Blank****

CERTIFICATE BY APPLICANT

Please initial on line after each statement; please sign and date below.

1. I hereby certify that to the best of my knowledge, all information contained in this application is complete and accurate. RDR
2. I understand that the grant will be subjected to a conditional grant agreement. RDR
3. I understand that any direct receipt of the grant has to be declared as income for tax purposes and I will receive tax form 1099(G) from the city of Las Vegas at year-end, which will state the amount to be reported on my tax return. RDR
4. I understand that the activities outlined in my grant application must commence no later than thirty-days (30) following the approval date of the grant to avoid cancellation or suspension of funding. RDR
5. I understand that vendors performing a service can be paid directly, but only upon completion of a Vendor Agreement and successful and satisfactory completion of the project. RDR
6. I understand that all requests for reimbursement must be made on a monthly basis and a monthly report must accompany the request. RDR
7. I understand that revisions and amendments can be made at the discretion of the city of Las Vegas Representative. RDR
8. I understand that I am responsible for any taxation of any purchases. RDR
9. I understand that should I move from my home where facility rehabilitation such as flooring, ac unit, or shade cover/patio was installed, or close my family/group daycare within two (2) years of receiving grant funds, I may be denied future funding for up to three (3) years. RDR
10. I agree to commit the project implementation in keeping with the application content and budget and to adhere to all assurances, certifications, terms, conditions, and other requirements contained in this application. RDR

RDR Rustonji
Signature

05/19/05
Date

Please submit your complete application and required documents to:

Cynthia Manabat, Program Coordinator
City of Las Vegas
Neighborhood Services Department
400 Stewart Avenue, 2nd Floor
Las Vegas, Nevada 89101
(702) 229-1027

Label
(See instructions.)

Use the IRS label.
Otherwise, please print or type.

Presidential Election Campaign
(See instructions.)

For the year Jan 1 - Dec 31, 2004, or other tax year beginning , 2004, ending , 20		OMB No. 1545-0074
Your first name MI Last name	Your social security number	
RODA D RUSTOMJI	357-58-2435	
If a joint return, spouse's first name MI Last name	Spouse's social security number	
Home address (number and street). If you have a P.O. box, see instructions. Apartment no.		▲ Important! ▲ You must enter your social security number(s) above.
5616 ROYAL CASTLE LANE		
City, town or post office. If you have a foreign address, see instructions. State ZIP code		
LAS VEGAS, NV 89130		

Note: Checking "Yes" will not change your tax or reduce your refund. Do you, or your spouse if filing a joint return, want \$3 to go to this fund? You ☐ Yes ☒ No Spouse ☐ Yes ☐ No

Filing Status

Check only one box.

- 1 ☒ **Single** 4 ☐ **Head of household** (with qualifying person). (See instructions.) If the qualifying person is a child but not your dependent, enter this child's name here ▶
- 2 ☐ **Married filing jointly** (even if only one had income)
- 3 ☐ **Married filing separately**. Enter spouse's SSN above & full name here ▶
- 5 ☐ **Qualifying widow(er) with dependent child** (see instructions)

Exemptions

If more than four dependents, see instructions.

6a ☒ Yourself . If someone can claim you as a dependent, do not check box 6a.				Boxes checked on 6a and 6b: 1
b ☐ Spouse				No. of children on 6c who:
c Dependents:				☒ lived with you. ☐ did not live with you due to divorce or separation (see instrs). ... Dependents on 6c not entered above. Add numbers on lines above 1
(1) First name	Last name	(2) Dependent's social security number	(3) Dependent's relationship to you	(4) ☒ If qualifying child for child tax credit (see instrs)
d Total number of exemptions claimed				1

Income

Attach Form(s) W-2 here. Also attach Forms W-2G and 1099-R if tax was withheld.

Did not attach instructions.

Enclose, but do not attach, any payment. Also, please use Form 1040-V.

7 Wages, salaries, tips, etc. Attach Form(s) W-2	7	
8a Taxable interest. Attach Schedule B if required	8a	
b Tax-exempt interest. Do not include on line 8a	8b	
9a Ordinary dividends. Attach Schedule B if required	9a	
b Qualif divs (see instrs)	9b	
10 Taxable refunds, credits, or offsets of state and local income taxes (see instructions)	10	
11 Alimony received	11	
12 Business income or (loss). Attach Schedule C or C-EZ	12	2,733.
13 Capital gain or (loss). Att Sch D if reqd. If not reqd, ck here. ▶ ☐	13	
14 Other gains or (losses). Attach Form 4797	14	
15a IRA distributions	15a	
b Taxable amount (see instrs)	15b	
16a Pensions and annuities	16a	
b Taxable amount (see instrs)	16b	
17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E	17	
18 Farm income or (loss). Attach Schedule F	18	
19 Unemployment compensation	19	
20a Social security benefits	20a	
b Taxable amount (see instrs)	20b	
21 Other income	21	
22 Add the amounts in the far right column for lines 7 through 21. This is your total income .	22	2,733.
23 Educator expenses (see instructions)	23	
24 Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ	24	
25 IRA deduction (see instructions)	25	
26 Student loan interest deduction (see instructions)	26	
27 Tuition and fees deduction (see instructions)	27	
28 Health savings account deduction. Attach Form 8889	28	
29 Moving expenses. Attach Form 3903	29	
30 One-half of self-employment tax. Attach Schedule SE	30	193.
31 Self-employed health insurance deduction (see instrs)	31	
32 Self-employed SEP, SIMPLE, and qualified plans	32	
33 Penalty on early withdrawal of savings	33	
34a Alimony paid b Recipient's SSN. ▶	34a	
35 Add lines 23 through 34a	35	193.
36 Subtract line 35 from line 22. This is your adjusted gross income	36	2,540.

Adjusted Gross Income

Tax and Credits**Standard Deduction for**

• People who checked any box on line 38a or 38b or who can be claimed as a dependent, see instructions.

• All others:

Single or Married filing separately, \$4,850

Married filing jointly or Qualifying widow(er), \$9,700

d of
ehold,
150

37 Amount from line 36 (adjusted gross income) 37 2,540.

38a Check ☐ You were born before January 2, 1940, ☐ Blind. Total boxes checked ☐ 38a ☐ Spouse was born before January 2, 1940, ☐ Blind. ☐ 38b

b If your spouse itemizes on a separate return, or you were a dual-status alien, see instructions and check here. ☐ 38b

39 Itemized deductions (from Schedule A) or your standard deduction (see left margin) 39 4,850.

40 Subtract line 39 from line 37. 40 -2,310.

41 If line 37 is \$107,025 or less, multiply \$3,100 by the total number of exemptions claimed on line 6d. If line 37 is over \$107,025, see the worksheet in the instructions. 41 3,100.

42 Taxable income. Subtract line 41 from line 40. 42 0.

43 Tax (see instrs). Check if any tax is from: a ☐ Form(s) 8814 b ☐ Form 4972. 43 0.

44 Alternative minimum tax (see instructions). Attach Form 6251. 44 0.

45 Add lines 43 and 44. 45 0.

46 Foreign tax credit. Attach Form 1116 if required. 46

47 Credit for child and dependent care expenses. Attach Form 2441. 47

48 Credit for the elderly or the disabled. Attach Schedule R. 48

49 Education credits. Attach Form 8863. 49

50 Retirement savings contributions credit. Attach Form 8880. 50

51 Child tax credit (see instructions). 51

52 Adoption credit. Attach Form 8839. 52

53 Credits from: a ☐ Form 8396 b ☐ Form 8859. 53

54 Other credits. Check applicable box(es): a ☐ Form 3800 b ☐ Form 8801 c ☐ Specify 54

55 Add lines 46 through 54. These are your total credits. 55

56 Subtract line 55 from line 45. If line 55 is more than line 45, enter -0-. 56 0.

57 Self-employment tax. Attach Schedule SE. 57 386.

58 Social security and Medicare tax on tip income not reported to employer. Attach Form 4137. 58

59 Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required. 59

60 Advance earned income credit payments from Form(s) W-2. 60

61 Household employment taxes. Attach Schedule H. 61

62 Add lines 56-61. This is your total tax. 62 386.

Other Taxes**Payments**

If you have a qualifying child, attach Schedule EIC.

63 Federal income tax withheld from Forms W-2 and 1099. 63

64 2004 estimated tax payments and amount applied from 2003 return. 64

65a Earned income credit (EIC). 65a 193.

b Nontaxable combat pay election. ☐ 65b

66 Excess social security and tier 1 RRTA tax withheld (see instructions). 66

67 Additional child tax credit. Attach Form 8812. 67

68 Amount paid with request for extension to file (see instructions). 68

69 Other prmts from: a ☐ Form 2439 b ☐ Form 4136 c ☐ Form 8885 69

70 Add lines 63, 64, 65a, and 66 through 69. These are your total payments. 70 193.

Refund

Direct deposit? See instructions and fill in 72b, 72c, and 72d.

71 If line 70 is more than line 62, subtract line 62 from line 70. This is the amount you overpaid. 71

72a Amount of line 71 you want refunded to you. 72a

b Routing number. c Type: ☐ Checking ☐ Savings

d Account number.

73 Amount of line 71 you want applied to your 2005 estimated tax. 73

Amount You Owe

74 Amount you owe. Subtract line 70 from line 62. For details on how to pay, see instructions. 74 193.

75 Estimated tax penalty (see instructions). 75

Third Party Designee

Do you want to allow another person to discuss this return with the IRS (see instructions)? ☒ Yes. Complete the following. ☐ No

Designee's name ☐ Preparer Phone no. ☐ Personal identification number (PIN)

Sign Here

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Your signature Date Your occupation Daytime phone number

Spouse's signature. If a joint return, both must sign. Date Spouse's occupation

Preparer's signature DON BOND, E.A. Date 4/12/05 Check if self-employed ☐ Preparer's SSN or PTIN P00142116

Firm's name (or yours if self-employed) Bond Bookkeeping & Tax EIN 88-0426370

address, and ZIP code 1414 S. Eastern Avenue Las Vegas, NV 89104 Phone no. (702) 471-6511

Paid Preparer's Use Only

SCHEDULE C
(Form 1040)

Profit or Loss From Business
(Sole Proprietorship)

OMB No. 1545-0074

2004
09

Department of the Treasury
Internal Revenue Service

► Partnerships, joint ventures, etc., must file Form 1065 or 1065-B.
► Attach to Form 1040 or 1041. ► See instructions for Schedule C (Form 1040).

Name of proprietor

RODA D RUSTOMJI

Social security number (SSN)

357-58-2435

A Principal business or profession, including product or service (see instructions)

CHILD CARE

B Enter code from instructions

► **624410**

C Business name. If no separate business name, leave blank.

D Employer ID number (EIN), if any

E Business address (including suite or room no.)
City, town or post office, state, and ZIP code

F Accounting method: (1) ☒ Cash (2) ☐ Accrual (3) ☐ Other (specify) ►

G Did you 'materially participate' in the operation of this business during 2004? If 'No,' see instructions for limit on losses. ... ☒ Yes ☐ No

H If you started or acquired this business during 2004, check here

Part I Income

1 Gross receipts or sales. Caution. If this income was reported to you on Form W-2 and the 'Statutory employee' box on that form was checked, see the instructions and check here.	☐	1	24,886.
2 Returns and allowances		2	
Subtract line 2 from line 1.		3	24,886.
Cost of goods sold (from line 42 on page 2).		4	
5 Gross profit. Subtract line 4 from line 3.		5	24,886.
6 Other income, including Federal and state gasoline or fuel tax credit or refund.		6	
7 Gross income. Add lines 5 and 6.		7	24,886.

Part II Expenses. Enter expenses for business use of your home only on line 30.

8 Advertising.	8		19 Pension and profit-sharing plans.	19	
9 Car and truck expenses (see instructions)	9	2,618.	20 Rent or lease (see instructions):		
10 Commissions and fees	10		a Vehicles, machinery, and equipment.	20a	
11 Contract labor (see instructions)	11		b Other business property.	20b	
12 Depletion	12		21 Repairs and maintenance	21	
13 Depreciation and section 179 expense deduction (not included in Part II) (see instructions)	13		22 Supplies (not included in Part III)	22	
14 Employee benefit programs (other than on line 19)	14		23 Taxes and licenses.	23	1,011.
15 Insurance (other than health)	15	205.	24 Travel, meals, and entertainment:		
16 Interest:			a Travel.	24a	
a Mortgage (paid to banks, etc.)	16a	4,279.	b Meals and entertainment.		
b Other	16b		c Enter nondeductible amount included on line 24b (see instrs) ..		
17 Legal & professional services ..	17		d Subtract line 24c from line 24b.	24d	
18 Office expense	18	735.	25 Utilities.	25	2,010.
28 Total expenses before expenses for business use of home. Add lines 8 through 27 in columns.			26 Wages (less employment credits)	26	
29 Tentative profit (loss). Subtract line 28 from line 7.			27 Other expenses (from line 48 on page 2).	27	11,295.
30 Expenses for business use of your home. Attach Form 8829.			28	28	22,153.
31 Net profit or (loss). Subtract line 30 from line 29.			29	29	2,733.
• If a profit, enter on Form 1040, line 12, and also on Schedule SE, line 2 (statutory employees, see instructions). Estates and trusts, enter on Form 1041, line 3. • If a loss, you must go to line 32.			30		
32 If you have a loss, check the box that describes your investment in this activity (see instructions).			31	31	2,733.
• If you checked 32a, enter the loss on Form 1040, line 12, and also on Schedule SE, line 2 (statutory employees, see instructions). Estates and trusts, enter on Form 1041, line 3. • If you checked 32b, you must attach Form 6198.					

32a ☐ All investment is at risk.

32b ☐ Some investment is not at risk.

Part III Cost of Goods Sold (see instructions)33 Method(s) used to value closing inventory: a ☒ Cost b ☐ Lower of cost or market c ☐ Other (attach explanation)

34 Was there any change in determining quantities, costs, or valuations between opening and closing inventory?

If 'Yes,' attach explanation

☐ Yes ☒ No

35 Inventory at beginning of year. If different from last year's closing inventory, attach explanation

35

36 Purchases less cost of items withdrawn for personal use

36

37 Cost of labor. Do not include any amounts paid to yourself

37

38 Materials and supplies

38

39 Other costs

39

40 Add lines 35 through 39

40

41 Inventory at end of year

41

Cost of goods sold. Subtract line 41 from line 40. Enter the result here and on page 1, line 4

42

Part IV Information on Your Vehicle. Complete this part only if you are claiming car or truck expenses on line 9 and are not required to file Form 4562 for this business. See the instructions for line 13 to find out if you must file Form 4562.43 When did you place your vehicle in service for business purposes? (month, day, year) 1/01/95

44 Of the total number of miles you drove your vehicle during 2004, enter the number of miles you used your vehicle for:

a Business

6,982

b Commuting

c Other

5,448

45 Do you (or your spouse) have another vehicle available for personal use?

☒ Yes ☐ No

46 Was your vehicle available for personal use during off-duty hours?

☐ Yes ☒ No

47a Do you have evidence to support your deduction?

☒ Yes ☐ No

If 'Yes,' is the evidence written?

☒ Yes ☐ No**Other Expenses.** List below business expenses not included on lines 8-26 or line 30.

See Statement 1

48 Total other expenses. Enter here and on page 1, line 27

48

11,295.

SCHEDULE SE
(Form 1040)**Self-Employment Tax**

OMB No. 1545-0074

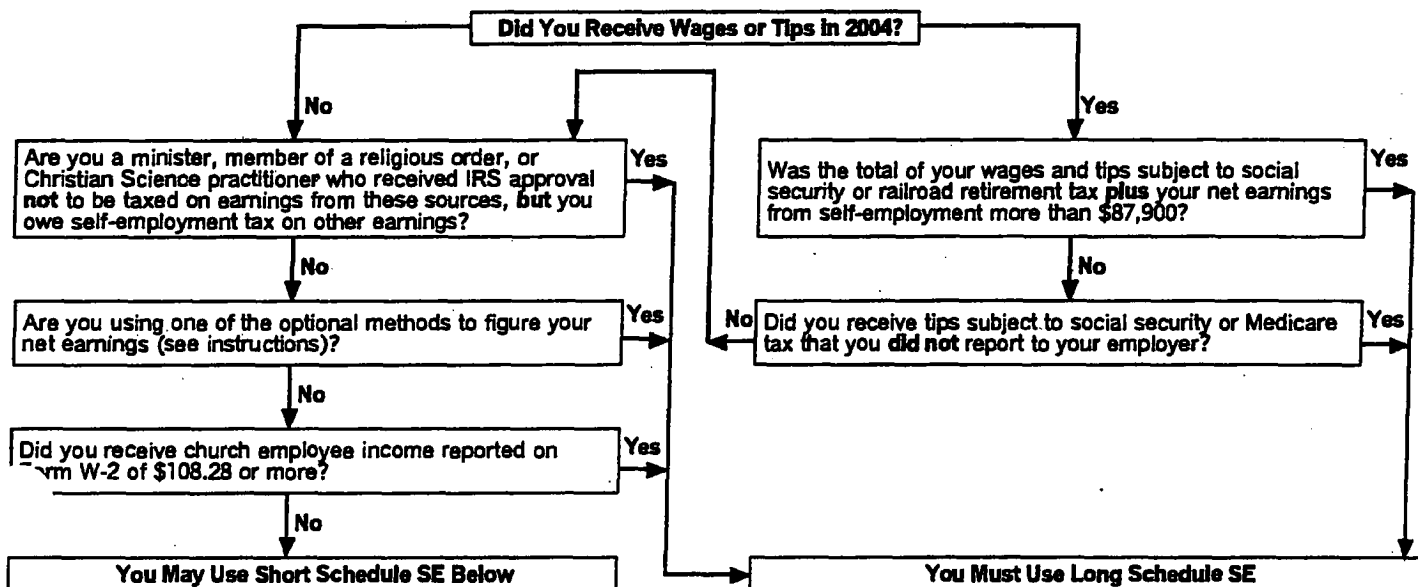
2004**17**Department of the Treasury
Internal Revenue Service▶ **Attach to Form 1040. ▶ See instructions for Schedule SE (Form 1040).**

Name of person with self-employment income (as shown on Form 1040)

RODA D RUSTOMJISocial security number of person
with self-employment income ▶**357-58-2435****Who Must File Schedule SE**

You must file Schedule SE if:

- You had net earnings from self-employment from **other than** church employee income (line 4 of Short Schedule SE or line 4c of Long Schedule SE) of \$400 or more **or**
- You had church employee income of \$108.28 or more. Income from services you performed as a minister or a member of a religious order **is not** church employee income (see instructions).

Note. Even if you had a loss or a small amount of income from self-employment, it may be to your benefit to file Schedule SE and use either 'optional method' in Part II of Long Schedule SE (see instructions).**Exception.** If your only self-employment income was from earnings as a minister, member of a religious order, or Christian Science practitioner and you filed Form 4361 and received IRS approval not to be taxed on those earnings, **do not** file Schedule SE. Instead, write 'Exempt - Form 4361' on Form 1040, line 57.**I Use Short Schedule SE or Must I Use Long Schedule SE?****Section A - Short Schedule SE. Caution.** Read above to see if you can use Short Schedule SE.

1	Net farm profit or (loss) from Schedule F, line 36, and farm partnerships, Schedule K-1 (Form 1065), box 14, code A	1	
2	Net profit or (loss) from Schedule C, line 31; Schedule C-EZ, line 3; Schedule K-1 (Form 1065), box 14, code A (other than farming); and Schedule K-1 (Form 1065-B), box 9. Ministers and members of religious orders, see instructions for amounts to report on this line. See instructions for other income to report	2	2,733.
3	Combine lines 1 and 2	3	2,733.
4	Net earnings from self-employment. Multiply line 3 by 92.35% (.9235). If less than \$400, do not file this schedule; you do not owe self-employment tax	4	2,524.
5	Self-employment tax. If the amount on line 4 is: • \$87,900 or less, multiply line 4 by 15.3% (.153). Enter the result here and on Form 1040, line 57. • More than \$87,900, multiply line 4 by 2.9% (.029). Then, add \$10,899.60 to the result. Enter the total here and on Form 1040, line 57.	5	386.
6	Deduction for one-half of self-employment tax. Multiply line 5 by 50% (.5). Enter the result here and on Form 1040, line 30	6	193.

BAA For Paperwork Reduction Act Notice, see Form 1040 Instructions.

Schedule SE (Form 1040) 2004

2004

Federal Statements

Page 1

Client Z244

RODA D RUSTOMJI

357-58-2435

4/12/05

09:56AM

Statement 1 - CHILD CARE
Schedule C, Part V
Other Expenses

Answering Service.....	\$	735.
CABLE.....		600.
CHILD CARE LIC.....		45.
GROCERIES.....		8,124.
HEALTH PERMIT.....		55.
Miscellaneous.....		45.
Postage.....		112.
RUGS.....		350.
Telephone.....		367.
TOYS & GAMES.....		862.
Total	\$	<u>11,295.</u>

**Request for Taxpayer
Identification Number and Certification**

Give form to the
requester. Do not
send to the IRS.

Print or type
See Specific Instructions on page 2.

Name RODA RUSTOMJI	
Business name, if different from above RODA'S ROSEBUDS	
Check appropriate box: ☒ Individual/ Sole proprietor ☐ Corporation ☐ Partnership ☐ Other ▶	
☐ Exempt from backup withholding	
Address (number, street, and apt. or suite no.) 5616 ROYAL CASTLE LANE	
City, state, and ZIP code LAS VEGAS NV 89130	
List account number(s) here (optional)	
Requester's name and address (optional)	

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see How to get a TIN on page 3.

Note: If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Social security number 357582435
or
Employer identification number

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. person (including a U.S. resident alien).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. (See the instructions on page 4.)

Sign
Here

Signature of
U.S. person ▶

R D Rustomji

Date ▶

05/19/05
[Signature]

Purpose of Form

A person who is required to file an information return with the IRS, must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

U.S. person. Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee.

Note: If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Foreign person. If you are a foreign person, use the appropriate Form W-8 (see Pub. 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

Nonresident alien who becomes a resident alien.

Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the recipient has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

AGENDA SUMMARY PAGE
CITY COUNCIL MEETING OF: FEBRUARY 16, 2005

DEPARTMENT: NEIGHBORHOOD SERVICES

DIRECTOR: ORLANDO SANCHEZ

☒ **CONSENT** ☐ **DISCUSSION**

SUBJECT:

Approval of the First Amendment to the Educational and Vocational Opportunities Leading to Valuable Experiences (EVOLVE) Program Agreement to reduce the scope of work and budget for two Department of Labor (DOL) earmark EVOLVE program partners - All Wards

Fiscal Impact:

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

PURPOSE/BACKGROUND:

The city of Las Vegas received approval, effective November 15, 2004, from the Department of Labor (DOL) to reduce the scope of work and budget for two EVOLVE partners, UNLV and CCSD. Although this change would result in a decrease in the number of students who will be served under the educational component, the overall success of the Accelerated Teaching Credential program resulted in the programs sustainment. Both UNLV and CCSD will continue to offer the Fast Track and Alternative Route to Licensure credential programs following the conclusion of the Earmark grant period on June 30, 2005.

RECOMMENDATION:

Staff recommends approval.

BACKUP DOCUMENTATION:

1. First Amendment To The Educational and Vocational Opportunities Leading To Valuable Experiences (EVOLVE) Program Agreement Between The City Of Las Vegas And Clark County School District
2. First Amendment To The Educational and Vocational Opportunities Leading To Valuable Experiences (EVOLVE) Program Agreement Between The City Of Las Vegas And Board Of Regents Of The University And Community College System Of Nevada, On Behalf Of The University Of Nevada, Las Vegas (UNLV)

MOTION:

REESE - APPROVED Items 3-38 and 40-52 - UNANIMOUS

Item 39: STRICKEN under separate action (see individual item)

MINUTES:

There was no related discussion.

(9:36 - 9:38)

1-1020

**FIRST AMENDMENT TO THE EDUCATIONAL AND VOCATIONAL
OPPORTUNITIES LEADING TO VALUABLE EXPERIENCES (EVOLVE) PROGRAM
AGREEMENT BETWEEN THE CITY OF LAS VEGAS AND CLARK COUNTY
SCHOOL DISTRICT**

THIS FIRST AMENDMENT, made and entered into this 16th 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 Clark County School District, a political subdivision in the State of Nevada, hereinafter referred to as "SUBRECIPIENT".

WITNESSETH

WHEREAS, the City and Subrecipient entered into the EVOLVE Agreement dated August 26, 2003 ("Agreement") for Subrecipient to provide certain evaluation services for the EVOLVE Program implemented by the other Subrecipients who had contracted with the City; and

WHEREAS, the expiration of the Agreement is June 30, 2004; and

WHEREAS, the City and the Subrecipient desire to extend the expiration date which will allow the Subrecipient to continue to perform the services required of the Agreement.

NOW, THEREFORE, the City and Subrecipient hereby agree to amend the Agreement as follows:

1. Article I, Section A., Activities, the paragraph shall be deleted and the following shall be inserted in its place:

Subrecipient will be responsible for administering a FY2002-2003 EARMARK-funded Program known as Alternative Route to Licensure Program that provides activities eligible under the EVOLVE Program as cited in the Scope of Services I.B.1, and specified in the approved Proposal Exhibit "A" and Scope of Services Amended Exhibit "B", attached hereto, 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 One Hundred Forty Six Thousand Three Hundred and Seventy and 00/100 Dollars (\$146,370.00) in EARMARK funds, hereinafter "EARMARK Funds" or "Funds" to be allocated in accordance with the Program Budget as detailed in Amended Exhibit "C," attached hereto. SUBRECIPIENT hereby agrees to utilize said EARMARK Funds made available pursuant to this Agreement to supplement rather than supplant funds otherwise available.

2. Article I, Section E., Time of Performance, first paragraph shall be deleted and the following shall be inserted in its place:

This Agreement provides for funding of Subrecipient's program rendered in accordance with this Agreement from July 1, 2003 until March 31, 2005. The Subrecipient agrees to

perform the services by the deadline set forth in the Amended Timeline, Amended Exhibit "H", attached hereto. The City shall bear no liability to fund or provide payment for Subrecipient program services in the event that no EARMARK Funds are received during the fiscal year 2002-2003. Furthermore, the City shall be liable only for payment proportional to the extent that EARMARK Funds are received by the City. Subrecipient program expenses incurred after April 1, 2005, but prior to execution of this Agreement may be reimbursed upon approval of the City and contingent upon Subrecipient conformance with 29 CFR Part 95.

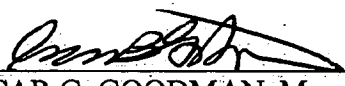
4. Exhibit "B", Scope of Services, attached to the Agreement is deleted and replaced with Amended Exhibit "B", Amended Scope of Services. Exhibit "C", Program Budget, attached to the Agreement is deleted and replaced with Amended Exhibit "C", Amended Program Budget.

5. Exhibit "H", Timeline, attached to the Agreement is deleted and replaced with the Amended Timeline, Amended Exhibit "H". 6. Except as hereinabove set forth, the Agreement shall remain valid and in full force and effect.

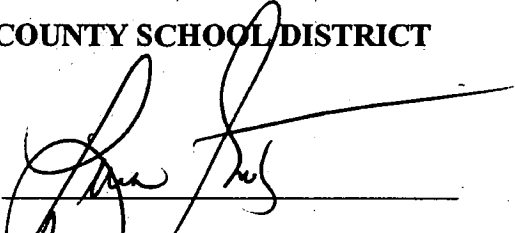
IN WITNESS WHEREOF, this First Amendment is executed on the date first above written.

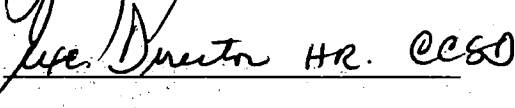
CITY OF LAS VEGAS

CLARK COUNTY SCHOOL DISTRICT

By: 

OSCAR G. GOODMAN, Mayor

By: 

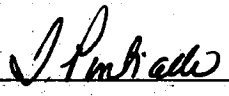
Its:  Life Director HR. CCSD

ATTEST:

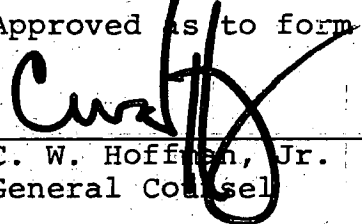
By: 

BARBARA JO RONEMUS, City Clerk

APPROVED AS TO FORM:

 9/23/04
Date

Approved as to form

 9/23/04
C. W. Hoffen, Jr. Date
General Counsel

AMENDED EXHIBIT "B"
CITY OF LAS VEGAS
AMENDED SCOPE OF SERVICES

Tasks to be Performed

1. Ensure 28 Applicants meet Minimum Qualifications as listed below:
 - a. Must have a Bachelor's degree from an accredited college/university with an overall grade point average of 2.75 or higher
 - b. Must be able to pass all portions (Reading, Writing, Math) of the Pre-Professional Skills Test (PPST). PPST is waived if applicant has a Master's Degree or submits certificate of passing the State of California CBEST Exam.
 - c. Must provide excellent references from three previous employers
2. Ensure WIA eligible applicants complete the application process as detailed below:
 - a. Sign all portions of the application including reference forms
 - b. Provide official transcripts with degree(s) posted from all colleges/universities attended
 - c. Contact your references to verify current mailing addresses, phone and fax numbers
 - d. Provide proof of passing all three portions of the Pre-Professional Skills Test (PPST) or provide your scheduled test date.
 - e. Provide proof of fingering printing and background checks.
3. Provide documentation to the City caseworker for inclusion in the participants file.
 - a. Including, but not limited to, application, proof of fingerprinting, background checks, and Pre-Professional Skill Test (PPST) results
 - b. Maintain a close working relationship with the caseworker to ensure the participants successful completion of the program.
4. Ensure that participants who receive alternative licensure comply with the Alternative Route to Licensure regulations, policies, and procedures, in order to be eligible to remain in the project and work towards standard teaching license.
 - a. The alternative license is valid for three years, after which the participant must apply for standard teaching license.
 - b. Must have a total of five satisfactory evaluations, including three successful evaluations within the first year to be conducted on December 1, February 1, and April 1.
 - c. Must complete twenty-one (21) credits in required educational work through the university with a grade of "B" or above within twelve months of being employed by CCSD.
 - d. Obtain and maintain all appropriate licensure
5. Collect data and demographical information on participants including, but not limited to the following:

- a. Date of Birth, Ethnicity
- b. Current field of employment
- c. Undergraduate degree earned
- d. Graduate degree earned (if applicable)
- e. Reason for wanted to become a teacher
- f. Teaching preference (elementary or secondary)
- g. Evaluation form completed by mentor teacher.

Level of Service to be Provided

1. Ensure 28 participants enrolled in the Alternative Route to Licensure project complete 120 hours of staff development classes, including 30 hours of classroom observation within 90 days, which are held on evenings and Saturdays, to learn the following:
 - a. Techniques for lesson planning
 - b. Classroom Management skills
 - c. Implementing state standards into curriculum
 - d. And other areas as identified by the Clark County School District or State of Nevada
2. Prepare participant for employment with Clark County School District
 - a. Notify City caseworker of participants who are ready to proceed with interview process, so that the participants can work with the Employment Services Specialist to improve job readiness skills.
 - b. Make participant file available to principals for review and possible selection.
 - c. Once recommended by a principal and approved for a contract by the Licensed Personnel Department, assist the student with securing an alternative license from the Nevada Department of Education.
3. Ensure that ARL participants continue to comply with project policies during employment with CCSD.
 - a. Ensure that participants complete 21 credits of education courses, as required by the Alternative Route to Licensure Project, within 12 months after placement in CCSD employment
4. The Alternative Routes to Licensure director will work with the external evaluator provided by the granting agency to conduct formative and summative evaluations of this project. The evaluator will assess the extent to which project objectives are met and submit performance reports.
 - a. Data on all program participants,
 - b. Increase in the number of certified special education teachers,
 - c. Number of students who successfully complete licensure requirements,
 - d. The grade point average of student, who are participating in the project and those who have successfully completed the licensure requirements,
 - e. Number of program graduates hired by the Clark County School District.

AMENDED EXHIBIT "C"
CITY OF LAS VEGAS
AMENDED PROGRAM BUDGET

Project A.2
CCSD Alternative Route to Licensure Project
REVISED AS OF 6/30/04

Educational Materials and supplies	
Fingerprinting Fees (28 students @ \$45 ea.)	1,260.00
PPST required Test Fee (28 Students @ \$140 ea.)	3,920.00
Special Education Classroom Supplies for new teachers upon employment (\$202.50/teacher)	5,670.00
Subtotal	\$10,850.00

Tuition Assistance	
SUMMER SESSION 1 - 28 Students x 6 credits x \$118.00	19,824.00
SUMMER SESSION 2 - 28 Students x 6 credits x \$118.00	19,824.00
FALL 2004 - 28 Students x 12 credits x \$123.50	41,496.00
SPRING 2005 - 28 Students x 12 credits x \$128.50	43,176.00
BOOK SCHOLARSHIPS - \$200/student/Fall 04/Spring 05' semesters	11,200.00
Subtotal	135,520.00

Total Budget	146,370.00
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Project A.2. CCSD- IN KIND SUPPORT

In Kind Contributions

Personnel	309,846.00
Director, Licensed Personnel (20%)	
Asst. Director, Electronic Personnel (3%)	
Licensure Liaison (30%)	
School Administrators (1%)	
Technology Specialist, Electronic (3%)	
Recruitment Analyst (80%)	
Personnel Assistant (100%)	
Benefits for personnel	66,590.00
Teacher Mentor (mentoring 2hrs per week; for 47 cohort teachers for 36 weeks @ \$20/hour	67,680.00
Printing	2,500.00
Advertising	2,500.00
Recruitment	3,500.00
Subtotal	\$452,616.00

AMENDED EXHIBIT "H"
AMENDED TIMELINE

Timeline for Special Education Alternative Routes to Licensure

March 2004

On March 1, 2004, candidates began 120 hours of staff development training. Topics to be covered in this training include classroom management techniques, lesson planning, integrating curriculum, and writing individual education plans for students with special needs. This training will be delivered Monday through Wednesday from 4:00 p.m. – 8:00 p.m. at Desert Pines High School. The staff development training also includes 30 hours of observation. During these observations, candidates were assigned a specific school and teacher to learn successful teaching strategies. The staff development training is provided by master teachers, currently working in Clark County, and is of no cost to the candidate or this grant. Staff development training will conclude on April 28, 2004.

May-June 2004

Candidates will take a minimum of 12 credits at University of Nevada Las Vegas. Specific courses will be determined by the University of Nevada Las Vegas and will meet all licensing requirements for the state of Nevada.

June 2004

Candidates will be subjected to an interview by a panel of school district administrators. If the candidate interviews successfully, they will be placed in a vacant position and begin teaching at the start of the school year in August 2004. If the candidate's interview is not successful, they will be eliminated from the program. We anticipate that this process will eliminate approximately 5%.

August 2004- March 2005

Candidates will complete an additional 21 credits in special education course work provided by University of Nevada Las Vegas. Each course will successfully address Nevada licensing requirements.

**FIRST AMENDMENT TO THE EDUCATIONAL AND VOCATIONAL
OPPORTUNITIES LEADING TO VALUABLE EXPERIENCES (EVOLVE) PROGRAM
AGREEMENT BETWEEN THE CITY OF LAS VEGAS AND BOARD OF REGENTS
OF THE UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA, ON
BEHALF OF THE UNIVERSITY OF NEVADA, LAS VEGAS (UNLV)**

THIS FIRST AMENDMENT, made and entered into this 16th day of Feb, 2004, by and between the CITY OF LAS VEGAS, a municipal corporation of the State of Nevada, hereinafter referred to as "CITY", and Board of Regents of the University and Community College System of Nevada, on behalf of the University of Nevada, Las Vegas, a political subdivision in the State of Nevada, hereinafter referred to as "SUBRECIPIENT".

WITNESSETH

WHEREAS, the City and Subrecipient entered into the EVOLVE Agreement dated August 26, 2003 ("Agreement") for Subrecipient to provide certain evaluation services for the EVOLVE Program implemented by the other Subrecipients who had contracted with the City; and

WHEREAS, the expiration of the Agreement is June 30, 2004; and

WHEREAS, the City and the Subrecipient desire to extend the expiration date which will allow the Subrecipient to continue to perform the services required of the Agreement.

NOW, THEREFORE, the City and Subrecipient hereby agree to amend the Agreement as follows:

1. Article I, Section A., Activities, the paragraph shall be deleted and the following shall be inserted in its place:

Subrecipient will be responsible for administering a FY2002-2003 EARMARK-funded Program known as "Professional Development Initial Licensure Program" or "Fast Track" that provides activities eligible under the EVOLVE Program as cited in the Scope of Services I.B.1, and specified in the approved Proposal Exhibit "A" and Scope of Services Amended Exhibit "B", attached hereto, 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 One Hundred Eighty Six Thousand Four Hundred and Sixty and 00/100 Dollars (\$186,460.00) in EARMARK funds, hereinafter "EARMARK Funds" or "Funds" to be allocated in accordance with the Program Budget as detailed in Amended Exhibit "C," attached hereto. SUBRECIPIENT hereby agrees to utilize said EARMARK Funds made available pursuant to this Agreement to supplement rather than supplant funds otherwise available.

2. Article I, Section E., Time of Performance, first paragraph shall be deleted and the following shall be inserted in its place:

This Agreement provides for funding of Subrecipient's program rendered in accordance with this Agreement from July 1, 2003 until March 31, 2005. The Subrecipient agrees to perform the services by the deadline set forth in the Amended Timeline, Amended Exhibit "H", attached hereto. The City shall bear no liability to fund or provide payment for Subrecipient program services in the event that no EARMARK Funds are received during the fiscal year 2002-2003. Furthermore, the City shall be liable only for payment proportional to the extent that EARMARK Funds are received by the City. Subrecipient program expenses incurred after April 1, 2005, but prior to execution of this Agreement may be reimbursed upon approval of the City and contingent upon Subrecipient conformance with 29 CFR Part 95.

3. Exhibit "B", Scope of Services, attached to the Agreement, is deleted and replaced with Amended Exhibit "B", Amended Scope of Services.
4. Exhibit "C", Program Budget, attached to the Agreement, is deleted and replaced with Amended Exhibit "C", Amended Program Budget.
5. Exhibit "H", Timeline, attached to the Agreement is deleted and replaced with the Timeline, Amended Exhibit "H".
6. Except as hereinabove set forth, the Agreement shall remain valid and in full force and effect.

IN WITNESS WHEREOF, this First Amendment is executed on the date first above written.

CITY OF LAS VEGAS

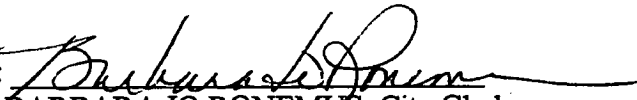
**BOARD OF REGENTS OF THE UCCSN ON
BEHALF OF UNIVERSITY OF NEVADA,
LAS VEGAS**

By: 
OSCAR G. GOODMAN, Mayor

By: 
Dr. William E. Schulze, Director
Office of Sponsored Programs

Its: _____

ATTEST:

By: 
BARBARA JO RONEMUS, City Clerk

APPROVED AS TO FORM:

 9/16/04
Date

AMENDED EXHIBIT "B"
CITY OF LAS VEGAS
AMENDED SCOPE OF SERVICES

Tasks to be Performed

1. Ensure Applicants meet Minimum Qualifications as listed below:
 - a. Must have a Bachelor's degree in a licensable teaching field(s) for secondary education with a grade point average (G.P.A.) of 2.75 or higher
 - b. Must be able to pass all portions (Reading, Writing, Math) of the Praxis I Pre-Professional Skills Test (PPST). PPST is waived if applicant has a Master's Degree or submits certificate of passing the State of California CBST Exam.
 - c. Passing scores on the Teacher Licensure Examinations (Nevada School Law, U.S. Constitution, Nevada Constitution) or passing grades in relevant course.
 - d. Documentation of immunization
 - e. Fingerprinting done in compliance with Clark County School District
2. Ensure WIA eligible applicants complete the application process as detailed below:
 - a. Submit official application plus forty dollar (\$40) fee and application to be submitted with official transcripts to UNLV Admissions and Records, Attn: Flora Jones, Special Programs Officer
 - b. Completed applications are forwarded to Dr. Cyndi Giorgis, Project Director for review
 - c. Provide proof of passing all three portions of the Pre-Professional Skills Test (PPST) or provide your scheduled test date.
 - d. Passing scores on the Teacher Licensure Examinations (Nevada School Law, U.S. Constitution, Nevada Constitution) or passing grades in relevant course.
 - e. Interview with Project Director and other Curriculum & Instruction faculty.
 - f. All immunization documentation received by Admissions Office.
 - g. Provide proof of fingering printing and background checks.
 - h. Final acceptance into Fast Track
3. Provide documentation to the City caseworker for inclusion in the participants file.
 - a. Including, but not limited to, application, proof of fingerprinting, background checks, and Pre-Professional Skill Test (PPST) results
 - b. Maintain a close working relationship with the caseworker to ensure the participants successful completion of the program.
4. Ensure that participants enrolled in Fast Track comply with regulations, policies, and procedures, in order to be eligible received an initial teaching license.
5. Collect data and demographical information on participants including, but not limited to the following:
 - a. Date of Birth, Ethnicity

- b. Current field of employment
- c. Undergraduate degree earned
- d. Graduate degree earned (if applicable)
- e. Reason for wanting to become a teacher
- f. Teaching preference (elementary or secondary)
- g. Evaluation form completed by mentor teacher and supervisor from practicum experience/student teaching experience.
- h. Teaching preference (elementary or secondary)
- i. Desire to teach English Language Learners
- j. Perceptions of teaching English Language Learners (this data will be gathered at the beginning of the program and at the conclusion of student teaching)
- k. Examples of lesson plans incorporating strategies for teaching English Language Learners

Services to be Provided

1. The Professional Development Initial Licensure Program at the University of Nevada Las Vegas will provide the following services:
 - a. Conduct recruitment through various means to provide information to potential students
 - b. Assist in the initial UNLV application process
 - c. Conduct an interview with potential students to determine if PDILP meets their needs
 - d. Disseminate and analyze Haberman interview to determine students' perceptions and attitudes in working with English Language Learners
 - e. Enroll 20 students within eighteen months who will be eligible to apply for an initial license to teach Elementary/Secondary Teaching English as a Second Language (TESL)/Bilingual Education or Secondary Math
 - f. Provide tuition and book assistance
 - g. Offer instruction on the university campus and at elementary or secondary schools
 - h. Provide ongoing advising and support to PDILP students
 - i. Cover the cost of student teaching fees
 - j. Successfully graduate 85% of PDILP students within the designated time frame
 - k. Increase the number of teachers in the Clark County School District who have a limited TESL endorsement or bilingual education licensure.
 - l. Successfully place 85% of participants in employment within 3 months of project completion

2. The Fast Track director will work with the external evaluator provided by the granting agency to conduct formative and summative evaluations of this project. The evaluator will assess the extent to which project objectives are met and submit performance reports.
 - a. Data on all program participants,
 - b. Increase in the number of certified elementary and secondary teachers,

- c. Number of students who successfully complete licensure requirements,
- d. The grade point average of student, who are participating in the project and those who have successfully completed the licensure requirements,
- e. Number of program graduates hired by the Clark County School District.

AMENDED EXHIBIT "C"
CITY OF LAS VEGAS
AMENDED PROGRAM BUDGET MODIFICATION

UNLV Fast Track Budget
REVISED AS OF 6/30/04

Personnel	
DRAWDOWN REQUEST #1 (5/28/04) (See attached spreadsheet)	68,541.24
Project Director (Summer & Fall)	6,680.00
Graduate Assistant (Summer)	5,320.00
Clinical Instructor (Summer)	27,358.76
Subtotal	107,900.00

Educational Materials and supplies	
TESL education materials	5,000.00
Bilingual educational materials	5,000.00
Student Teaching Fees (20 Students @ \$250 ea.)	5,000.00
PPST required Test Fee (20 Students @ \$140 ea)	2,800.00
Subtotal	17,800.00

Student Teaching Stipends	
20 Elementary/Secondary students (\$1,500 per student)	30,000.00
Subtotal	30,000.00

Tuition Assistance	
20 Elementary/Secondary students @ \$1,338 during Student Teaching semester only	26,760.00
20 Book Scholarships @ \$200	4,000.00
Subtotal	30,760.00

Total Budget	186,460.00
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Project A.1. UNLV – IN-KIND SUPPORT

Matching Funds	
a. Office space for Project Advisement and evaluation	12,000.00
b. Educational Technology Training for three semesters	75,000.00
c. Apple Computer and UNLV Computer Discount	32,600.00
d. Adjunct Instructors (2 ea. Semester @ \$2,300 ea. for 3 semesters)	13,800.00
e. University Overhead @ 40%	259,332.00
Subtotal	392,732.00

**AMENDED EXHIBIT “H”
AMENDED TIMELINE**

Timeline for Professional Development Initial Licensure Program

- | | | |
|---------------|---|--|
| May 2003 | - | Set up the Professional Development Initial Licensure Program (PDILP) Office
Recruit students for the PDILP through various marketing strategies in cooperation with the City of Las Vegas
Assist prospective students in application process
Advertise for two instructors for the PDILP, one to teach TESL and/or bilingual courses
Develop data collection and reporting for PDILP |
| August 2003 | - | Hiring of one graduate assistant to staff office full-time
Selection and hiring of instructors for fall 2003 semester
Enroll students in elementary or secondary PDILP
Enroll students in 15 credit hours (5 classes) including two TESL or bilingual courses and a practicum experience
Ongoing recruitment of prospective PDILP students
Ongoing data collection and reporting of PDILP |
| January 2004 | - | Enroll students in elementary or secondary PDILP
Enroll students in 15 credit hours (5 classes) including two TESL or bilingual courses and a practicum experience
Place fall 2004 secondary students in student teaching
Assist students in compiling application for employment in Clark County School District
Ongoing recruitment of prospective PDILP students
Ongoing data collection and report of PDILP |
| May 2004 | - | Place fall 2004 elementary students in student teaching
Assist students in compiling application for employment in CCSD
Ongoing recruitment of prospective PDILP students
Ongoing data collection and report of PDILP
Hire two graduate assistants to staff office during the summer
Reporting of students receiving teaching contracts with CCSD |
| August 2004 | - | Place spring 2004 secondary and fall 2003 elementary students in student teaching
Final data collection and reporting of PDILP
Hire one instructor for supervision of student teachers and instruction of student teaching seminar |
| December 2004 | - | Fall 2004 student teachers complete student teaching
Assist students in completing application for employment in Clark County School District and monitor progress in obtaining employment
Ongoing data collection and report of PDILP
Reporting of students receiving teaching contracts with CCSD |
| March 2005 | - | Final reporting of PDILP submitted to City of Las Vegas |



EOB Community Action Partnership
2500 W. Washington Ave.
Las Vegas, Nevada 89106
Phone: (702) 387-KIDS (5437)
Toll Free: (888) 387-0090
Fax: (702)636-0078

AGREEMENT FOR QUALITY ENHANCEMENT PROGRAMS AND SERVICES

This Agreement ("Agreement") entered into by the Economic Opportunity Board Community Action Partnership's Child Care Assistance Division ("EOB Community Action Partnership - CCAD") and City of Las Vegas ("Delegate Agency") for the purpose of providing Quality Enhancement Programs and Services, in compliance with the State of Nevada, Department of Human Resources Welfare Division Regulations, for compensation in the amount of \$140,000.00. This Agreement shall be effective for the period commencing January 1, 2005 to June 30, 2005, with the following stipulations, conditions, and requirements:

PERFORMANCE:

I. COMPLIANCE

- A. This Agreement shall not become effective until approved by the appropriate representatives or governing body of both EOB Community Action Partnership - CCAD and the Delegate Agency.
- B. IRS Tax Exemption Letter- Delegate Agency must have on file proof of IRS granting 501[c] 3 nonprofit status or other appropriate tax reporting documentation for public or private agencies.

II. ASSURANCES

- A. Autonomy of Parties- EOB Community Action Partnership - CCAD and the Delegate Agency are associated with each other only to the extent set forth in this Agreement, and in respect to the performance of services as defined in this Agreement. Each party shall remain autonomous from the other party, and subject only to the terms of this Agreement. Each party shall have the sole right to supervise, manage, operate, control and direct the performance of the details under this Agreement. Nothing contained in this document shall be construed to create a partnership, employer-employee relationship, or otherwise create liability for one party whatsoever with respect to indebtedness, liabilities, and obligation of the other.
- B. Severability- If any provision contained in this Agreement is held to be unenforceable by law, this Agreement shall be construed as if such provision did not exist, and the non-enforceability of such provision shall not be held to render any other provision of this Agreement unenforceable.

- C. **Keeping Good Records-** Delegate Agency assures EOB Community Action Partnership - CCAD that it shall maintain accurate work records on participant services, assistance and references, duties performed under this Agreement, and financial transactions as may be required.

Delegate Agency agrees that the relevant books, records (written, electronic, computer related or otherwise), including but not limited to relevant accounting procedures and practices of the Delegate Agency, financial statements and supporting documentation, and documentation related to the work product shall be subject, at any reasonable time, to inspection, examination, review, audit, and copying at any office location of the Delegate Agency where such records may be found, with or without notice by auditors from EOB Community Action Partnership or the State of Nevada, the Nevada Department of Administration, Budget Division, Nevada Attorney General's Office or its Fraud Control Units, the Nevada State Legislative auditor, any relevant Federal agency, including, but not limited to, the Comptroller General, the General Accounting Office and Office of the Inspector General.

- D. **Non-Political and Non-Religious Activities; Compliance with Laws-** Delegate Agency assures that funds will not be used for any political activity or any activities to provide voters and prospective voters with transportation to the polls or similar assistance in connection with any election or any voter registration activity. Delegate Agency agrees to comply with Title VI of the Civil Rights Act of 1964. Delegate Agency will not use funds from CCDF for religious or sectarian purposes. Delegate Agency also agrees to comply with all applicable laws, ordinances and codes of State and local governments.

- E.* Delegate Agency does agree to defend, indemnify, and hold harmless EOB Community Action Partnership - CCAD and the Nevada Department of Human Resources and the employees, officers and agents of EOB Community Action Partnership - CCAD and the Nevada Department of Human Resources from any liabilities, damages, losses, claims, actions or proceedings, including, without limitation, reasonable attorney fees, that are caused by the negligence, errors, omissions, recklessness or intentional misconduct of the Delegate Agency or the employees or agents of the Delegate Agency in the performance of this Contract. *Subject to NRS Chapter 41,

F. **Federal Conditions**

1. Delegate Agency agrees to comply with Fair Labor Standards Act of 1938, as amended, which establishes the basic minimum wage for all work and requires the payment of overtime at the rate of at least time and one half, as well as other provisions for employees paid under this agreement.

2. Delegate Agency agrees to comply with the Equal Employment Opportunity, Executive Order, which prohibits discrimination against any employee or applicant for employment because of race, color, religion, sex or national origin.
 3. Delegate Agency agrees to comply with the Pro-children Act of 1994, Public Law 103-227, Part C-Environment Tobacco Smoke, by not permitting smoking in any portion of any non-residence indoor facility or facility which is leased by the Delegate Agency which portion is also used routinely or regularly for the provision of health, daycare, education, or library services to children under 18 years of age.
- G. Confidentiality - Subject to the Delegate Agency's requirement to comply with NRS Chapter 239, Public Records, each party shall keep confidential all information, in whatever form, observed or received by that party to the extent that such information is confidential by law or as required in this Agreement.

III. SCOPE OF WORK

- A. Delegate Agency will provide staff services and support to its Child Care program.
- B. Delegate Agency will offer Childcare Improvement mini-grants to licensed child care providers. Delegate Agency will be responsible for ensuring these funds are utilized for the approved purpose and for determining the nature of the materials and/or resources the Child Care Improvement mini-grants may be used for.
- C. Delegate Agency will offer child care training programs that promote quality improvement in a variety of topics. Delegate Agency is responsible for determining the content and format of such training, and determining the cost, if any to the consumer. Additionally, the Delegate Agency will maintain records of attendees of such training.

IV. MONITORING AND REPORTING

- A. Delegate Agency agrees that it will keep and maintain current licenses, permits, notices and certifications which may be required by any City ordinance or state and Federal statutes and regulations that effect the provisions of work being carried out under this Agreement.
- B. Delegate Agency shall permit EOB Community Action Partnership - CCAD and/or the Nevada Department of Human Resources representatives to monitor program progress during the year. EOB Community Action Partnership - CCAD will monitor Delegate Agency records at least one time during the year. Delegate Agency will further allow access by any authorized EOB Community Action Partnership

EOB Community Action Partnership

official, State official or the Comptroller of the United States or any duly authorized representative to any documents related to the program during normal business hours.

- C. Delegate Agency will provide quarterly reports to EOB Community Action Partnership - CCAD regarding program status, services rendered and grants approved.

V. COMPENSATION

- A. EOB Community Action Partnership - CCAD agrees to compensate Delegate Agent an amount not to exceed \$140,000.00 for the grants, services and support provided by the Delegate Agency pursuant to this Agreement.
- B. Delegate Agency will be reimbursed by providing invoices, or other backup related to the services/grants provided, and the actual cost for compensation of the additional Licensing staff services and support. Delegate Agency shall provide a summary of the requested reimbursement, and attach all necessary back up documentation per request of funds.
- C. EOB Community Action Partnership - CCAD will reimburse Delegate Agency, by check, within 30 days of receiving the request for reimbursement.
- D. Reimbursements for expenditures related to this Agreement may not exceed \$140,000.00.

VI. TERMINATION

- A. This Agreement may be voluntarily terminated through a mutual decision by both parties, or unilaterally by either party at any time, with or without cause. All notices of termination required shall be provided in writing, and delivered by mail or in person to the other party not less than thirty (30) days prior to the effective date of the termination.
- B. The Delegate Agency shall be entitled to any reasonable and irrevocable expense incurred prior to the date of termination.
- C. If the Delegate Agency fails to fulfill its obligations in the performance of work specified under this Agreement, or violates any of the applicable laws or conditions, EOB Community Action Partnership - CCAD shall have the right to terminate this Agreement by giving no less than ten (10) days notice prior to the effective date of the termination. Upon such termination, Delegate Agency agrees to transfer to the EOB Community Action Partnership - CCAD any grant assets and applicable records, which are in its possession at the time of such termination.

I have read and understand the provisions contained within this agreement and agree to fulfill my obligations as stated.

**EOB COMMUNITY ACTION
PARTNERSHIP - CCAD**

CITY OF LAS VEGAS

By: Mary R. Twitty
Mary R. Twitty, Acting Executive
Director

By: Oscar B. Goodman
Oscar B. Goodman, Mayor

Attest:

Barbara Jo Ronemus
Barbara Jo Ronemus, City Clerk

Approved as to form:

J. P. Pinallo
Date 2/4/05

AGENDA SUMMARY PAGE
CITY COUNCIL MEETING OF: FEBRUARY 16, 2005

DEPARTMENT: NEIGHBORHOOD SERVICES

DIRECTOR: ORLANDO SANCHEZ

☒ **CONSENT** ☐ **DISCUSSION**

SUBJECT:

Approval of the list of resident junior high and high school students to be nominated by the city of Las Vegas for the Nevada League of Cities and Municipalities Youth Award Program - All Wards

Fiscal Impact:

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

PURPOSE/BACKGROUND:

Each year, the Nevada League of Cities and Municipalities offers academic scholarships that recognize youth participation in community service. These scholarships, known collectively as the Youth Award Program, encourage young people to become involved in benefiting their communities as well as people residing within their communities. In order to be considered for the scholarship program, the students must be formally nominated by the members municipality that they represent.

RECOMMENDATION:

The City Manager recommends approval of the list of applicants and recommends forwarding their applications to the Nevada League of Cities and Municipalities for further consideration.

BACKUP DOCUMENTATION:

List of Youth Award Program Applicants

MOTION:

REESE - APPROVED Items 3-38 and 40-52 - UNANIMOUS

Item 39: STRICKEN under separate action (see individual item)

MINUTES:

There was no related discussion.

(9:36 - 9:38)

1-1020

YOUTH AWARD APPLICANTS

<u>Applicant</u>	<u>School Attending</u>
Aaron Thomas Bame	Garside Junior High School
Rachael D'Souza	Clark High School
Ava Dunson	Clark High School
Jordan N. Lewis	Becker Middle School
Rica Macapinlac Ocampo	Bonanza High School
Apoorva Shenoy	Bonanza High School
Victoria Starrett	Advanced Technologies Academy
Alisha Winder	Bishop Gorman High School

AGENDA SUMMARY PAGE
CITY COUNCIL MEETING OF: FEBRUARY 16, 2005

DEPARTMENT: PUBLIC WORKS**DIRECTOR: RICHARD GOECKE**☒ **CONSENT** ☐ **DISCUSSION****SUBJECT:**

Approval of First Supplemental Interlocal Contract LAS22A03 - Decatur/Elkhorn/Rainbow for Flood Control Improvements between the City of Las Vegas and the Clark County Regional Flood Control District (CCRFC) to increase predesign funding (\$51,000 - Clark County Regional Flood Control District) - Ward 6 (Mack)

Fiscal Impact:

☐	No Impact	Amount:	\$51,000.00
☒	Budget Funds Available	Dept./Division:	Public Works/City Engineer
☐	Augmentation Required	Funding Source:	CCRFC

PURPOSE/BACKGROUND:

This First Supplemental Interlocal Contract will increase design funding. This increase is needed to allow for the survey of two proposed detention basins. The Clark County Regional Flood Control District approved this contract at their January 13, 2005 Board meeting. Total cost of this project shall not exceed \$350,000.

RECOMMENDATION:

Approval

BACKUP DOCUMENTATION:

First Supplemental Interlocal Contract LAS22A03

MOTION:**REESE - APPROVED Items 3-38 and 40-52 - UNANIMOUS****Item 39: STRICKEN under separate action (see individual item)****MINUTES:**

There was no related discussion.

(9:36 - 9:38)

1-1020

FIRST SUPPLEMENTAL INTERLOCAL CONTRACT

DECATUR/ELKHORN/RAINBOW SYSTEM

THIS FIRST SUPPLEMENTAL INTERLOCAL CONTRACT made and entered into as of the 13th day of January, 2005 by and between the Clark County Regional Flood Control District, hereinafter referred to as "DISTRICT" and the CITY OF LAS VEGAS, hereinafter referred to as "CITY".

WITNESSETH

WHEREAS, pursuant to Chapter 543 of the Nevada Revised Statutes, the DISTRICT may approve a project to design and construct flood control improvements; and

WHEREAS, the flood control improvements proposed herein are the same as those generally identified in the 2002 MPU as Structures No. LVMD 2324 thru LVMD 2599, LVDE 0000, LVMJ 0000, BRDB 0000, 0032 and TSDB 0000, 0011, 0012, hereinafter referred to as "PROJECT"; and

WHEREAS, the PROJECT is identified and shown on the attached Exhibit "A"; and

WHEREAS, the PROJECT has been approved by the DISTRICT on its annual Ten Year Construction Improvement Program; and

WHEREAS, the PROJECT has regional flood control significance and is located in the same hydrographic area as the Las Vegas Valley.

WHEREAS, the CITY desires to increase funding for predesign of the project.

NOW, THEREFORE, in consideration of the covenants, conditions, contracts, and promises of the parties hereto, the DISTRICT and the CITY agree to the following:

SECTION II – PROJECT COSTS shall be revised to read as follows:

The DISTRICT agrees to fund project costs within the limits specified below:

1. The predesign shall not exceed \$401,000.
2. The total cost of the contract shall not exceed \$401,000 which includes all of the items described in paragraph one above.

3. A written request must be made to the DISTRICT and approved by the Board to reallocate funds between phases of the project. No other approval by the Lead Entity is required.
4. A written request must be made to the DISTRICT and a Supplemental Interlocal Contract approved by the Board to increase the total cost of the contract noted above prior to payment of any additional funds.

SECTION III – GENERAL, Paragraphs 13, 14, 15 and 16 shall be amended to read as follows:

13. Up to the limits set forth in NRS Chapter 41, the CITY will indemnify and defend the DISTRICT against any and all claims and demands of whatsoever nature which arises out of allegations of negligence or misconduct of CITY officers, employees or agents, related to or under this Contract which results from injury to or death of any persons whomsoever, or against and from damage to or loss or destruction of property.
14. Any costs found to be improperly allocated to this PROJECT will be refunded by the CITY to the DISTRICT.
15. The items covered in SECTION II - PROJECT COSTS must be completed to the satisfaction of the DISTRICT prior to August 14, 2006. The DISTRICT may, at any time thereafter, grant extensions or terminate this Contract after thirty (30) days notice.

All other sections of the interlocal contract dated August 14, 2003 shall remain unchanged.

IN WITNESS WHEREOF, this First Supplemental Interlocal Contract is hereby executed as of the date first set forth above.

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Date of District Action:

January 13, 2005

ATTEST:

Carolyn Frazier

CAROLYN FRAZIER, Secretary to the Board

Approved as to Form:

BY:

Christopher Figgins
CHRISTOPHER FIGGINS
Chief Deputy District Attorney

REGIONAL FLOOD CONTROL DISTRICT

BY:

Lawrence L. Brown, III
LAWRENCE L. BROWN, III, Chairman

Date of Council Action:

2/16/2005

ATTEST:

Barbara Jo Ronemus
BARBARA JO RONEMUS, City Clerk

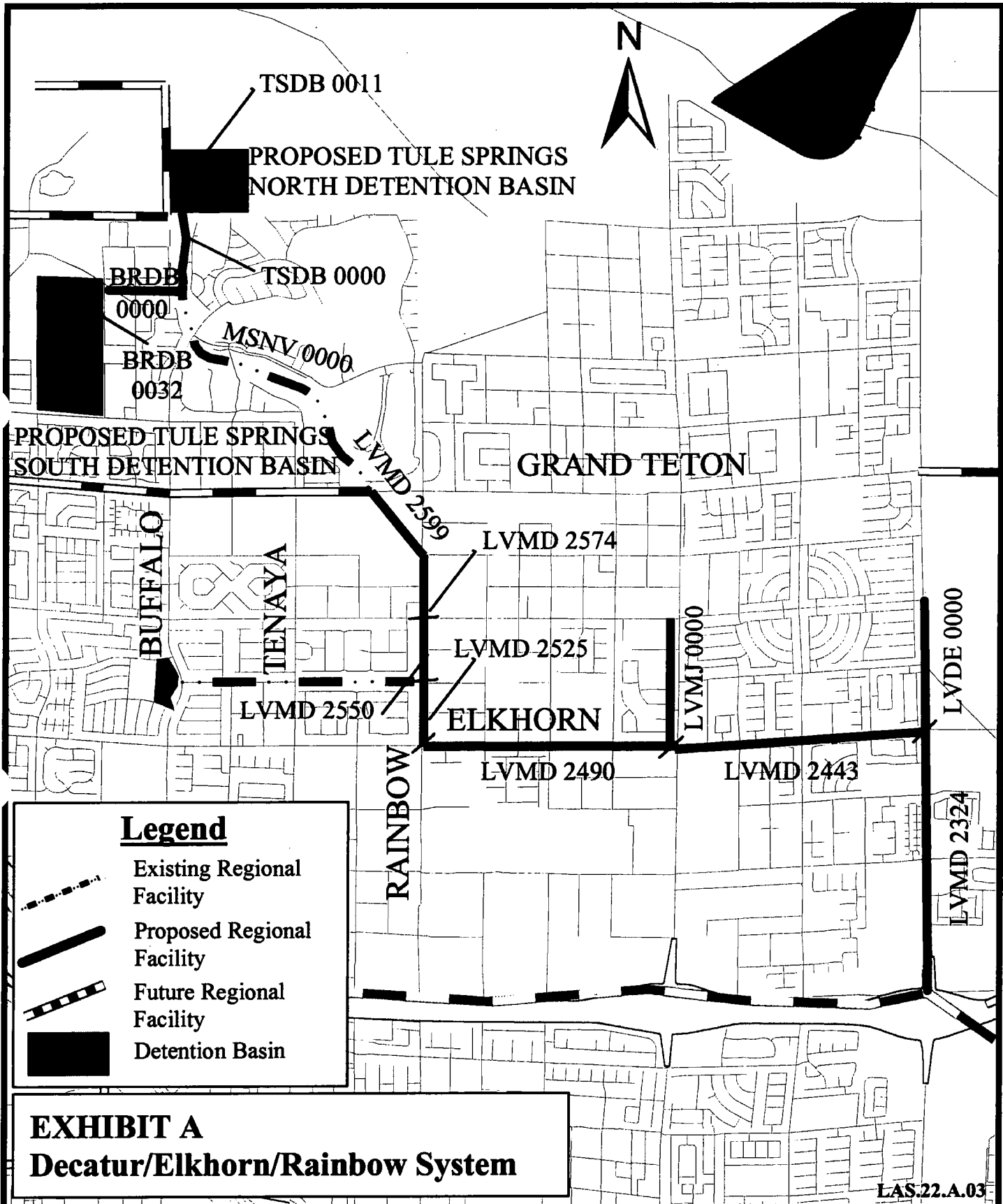
CITY OF LAS VEGAS

BY:

Oscar B. Goodman
OSCAR B. GOODMAN, Mayor

APPROVED AS TO FORM:

Thomas A. Green 1/21/05
Date



AGENDA SUMMARY PAGE
CITY COUNCIL MEETING OF: FEBRUARY 16, 2005

DEPARTMENT: PUBLIC WORKS

DIRECTOR: RICHARD GOECKE

☒ **CONSENT** ☐ **DISCUSSION**

SUBJECT:

Approval of Third Supplemental Interlocal Contract LAS10K99 - CAM 10 Detention Basin (Ann Road Detention Basin Facilities) between the City of Las Vegas and the Clark County Regional Flood Control District (CCRFCDD) to increase design funding (\$94,000 - Clark County Regional Flood Control District) - County (near Ward 6 - Mack)

Fiscal Impact:

☐ **No Impact**

Amount: \$94,000.00

☒ **Budget Funds Available**

Dept./Division: Public Works/City Engineer

☐ **Augmentation Required**

Funding Source: CCRFCDD

PURPOSE/BACKGROUND:

This Third Supplemental Interlocal Contract will increase engineering design funding. Additional funding is needed to complete the berm and outfall. The Clark County Regional Flood Control District approved this contract at their January 13, 2005 Board meeting. Total cost of this project shall not exceed \$724,000.

RECOMMENDATION:

Approval

BACKUP DOCUMENTATION:

Third Supplemental Interlocal Contract LAS10K99

MOTION:

REESE - APPROVED Items 3-38 and 40-52 - UNANIMOUS

Item 39: STRICKEN under separate action (see individual item)

MINUTES:

There was no related discussion.

(9:36 - 9:38)

1-1020

THIRD SUPPLEMENTAL INTERLOCAL CONTRACT

CAM 10 DETENTION BASIN (ANN ROAD DETENTION BASIN FACILITIES)

THIS THIRD SUPPLEMENTAL INTERLOCAL CONTRACT, made and entered into this 13th day of January 2005 by and between the Clark County Regional Flood Control District, hereinafter called the "DISTRICT" and the City of Las Vegas, a Municipal Corporation, hereinafter called the "CITY".

WITNESSETH

WHEREAS, pursuant to Chapter 543 of the Nevada Revised Statutes, the DISTRICT may approve a project to design and construct flood control improvements; and

WHEREAS, the project is a regional facility identified in the 1997 Master Plan Update of the Las Vegas Valley as GONO 0589 hereinafter referred to as the "PROJECT"; and

WHEREAS, the project is identified in the 2002 Master Plan Update as GOAN 0000 thru 0065; and

WHEREAS, the PROJECT is identified and shown on the attached Exhibit "A"; and

WHEREAS, the PROJECT has been approved by the DISTRICT on its Ten Year Construction Improvement Program; and

WHEREAS, the PROJECT has regional flood control significance and is located in the same hydrographic area as the Las Vegas Valley.

WHEREAS, an Interlocal Contract for the Cam 10 Detention Basin dated February 11, 1999 a Supplemental Interlocal Contract dated December 14, 2000 and a Second Supplemental Interlocal Contract dated August 14, 2003 were entered into between the DISTRICT and the CITY for the design of flood control improvements described in the DISTRICT Master Plan Update of the Las Vegas Valley; and

NOW, THEREFORE, in consideration of the covenants, conditions, contracts and promises of the parties hereto, the DISTRICT and the CITY agree to the following:

SECTION II – Project Costs is revised to read as follows:

SECTION II – PROJECT COSTS is revised to read as follows:

The DISTRICT agrees to fund PROJECT costs within the limits specified below:

1. The engineering design shall not exceed \$646,000
2. The environmental costs shall not exceed \$78,000.
3. The total cost of this contract shall not exceed \$724,000 which includes all items described in paragraphs one and two above.

4. A written request must be made to the DISTRICT and approved by the Board to reallocate funds between phases of the project. No other approval by the Lead Entity is required.
5. A written request must be made to the DISTRICT and a supplemental interlocal contract approved by the Board to increase the total cost of the contract noted above prior to payment of any additional funds.

SECTION III – GENERAL, Paragraph 13 is amended to read as follows:

13. Up to the limits set forth in NRS Chapter 41, the CITY will indemnify and defend the DISTRICT against and from any and all claims and demands of whatsoever nature which arises out of allegations of negligence or misconduct of CITY officers, employees or agents, related to or under this Contract which results from injury to or death of any persons whomsoever, or against and from damage to or loss or destruction of property.

All other terms of the Interlocal Contract dated February 11, 1999 and the Supplemental Interlocal Contracts dated December 14, 2000 and August 14, 2003 shall remain the same.

IN WITNESS WHEREOF, this THIRD SUPPLEMENTAL INTERLOCAL CONTRACT is hereby executed as of the date first set forth above.

Date of District Action:

January 13, 2005

REGIONAL FLOOD CONTROL DISTRICT

BY: Lawrence L. Brown III
LAWRENCE L. BROWN, III, Chairman

ATTEST:

Carolyn Frazier
CAROLYN FRAZIER, Secretary to the Board

Approved as to Form:

BY: Christopher Figgins
CHRISTOPHER FIGGINS
Chief Deputy District Attorney

Date of Council Action:

CITY OF LAS VEGAS

2/16/2005

BY: Oscar B. Goodman
OSCAR B. GOODMAN, Mayor

ATTEST:

Barbara Jo Ronemus
BARBARA JO RONEMUS, City Clerk

APPROVED AS TO FORM:
Sharon L. Han 1/21/05
Date

TOE A



LEGEND



Detention Basin



Proposed Regional Facility



Future Regional Facility



Existing Regional Facility

Existing
Kyle Canyon
Detention
Basin

GOAN

0065

GOAN

0000

GOAN
0061
(CAM 10
Detention
Basin)

FARM

DORRELL

CENTENNIAL

ANN

GRAND CANYON

EXHIBIT A

CAM 10 Detention Basin (Ann Road Detention Basin Facilities)

AGENDA SUMMARY PAGE
CITY COUNCIL MEETING OF: FEBRUARY 16, 2005

DEPARTMENT: PUBLIC WORKS

DIRECTOR: RICHARD GOECKE

☒ **CONSENT** ☐ **DISCUSSION**

SUBJECT:

Approval of Interlocal Contract LAS10X05 - Ann Road Detention Basin Facilities (CAM 10 Detention Basin) between the City of Las Vegas and the Clark County Regional Flood Control District (CCRFCD) to provide funding for construction and construction management (\$8,935,515 - Clark County Regional Flood Control District) - County (near Ward 6 - Mack)

Fiscal Impact:

☐ No Impact	Amount:	\$8,935,515.00
☒ Budget Funds Available	Dept./Division:	Public Works/City Engineer
☐ Augmentation Required	Funding Source:	CCRFCD

PURPOSE/BACKGROUND:

This Interlocal Contract will provide funding for construction and construction management of the Ann Road Detention Basin Facilities (CAM 10 Detention Basin). Basic improvements include construction of a 380 acre-foot detention basin, 5,600 linear feet of soil cement channel and an outfall structure in the Tropical Parkway alignment. The Clark County Regional Flood Control District approved this contract at their January 13, 2005 Board meeting. Total cost of this project shall not exceed \$8,935,515.

RECOMMENDATION:

Approval

BACKUP DOCUMENTATION:

Interlocal Contract LAS10X05

MOTION:

REESE - APPROVED Items 3-38 and 40-52 - UNANIMOUS

Item 39: STRICKEN under separate action (see individual item)

MINUTES:

There was no related discussion.

(9:36 - 9:38)

1-1020

INTERLOCAL CONTRACT

ANN ROAD DETENTION BASIN FACILITIES (CAM 10 DETENTION BASIN)

THIS INTERLOCAL CONTRACT made and entered into as of the 13th day of January, 2005 by and between the Clark County Regional Flood Control District, hereinafter referred to as "DISTRICT" and the CITY OF LAS VEGAS, hereinafter referred to as "CITY".

W I T N E S S E T H

WHEREAS, pursuant to Chapter 543 of the Nevada Revised Statutes, the DISTRICT may approve a project to design and construct flood control improvements; and

WHEREAS, the project is identified in the 1997 Master Plan Update of the Las Vegas Valley as GONO 0589 hereinafter referred to as the "PROJECT"; and

WHEREAS, the flood control improvements proposed herein are the same as those generally identified in the 2002 Master Plan Update as GOAN 0000 thru 0065 hereinafter referred to as PROJECT; and

WHEREAS, the PROJECT is identified and shown on the attached Exhibit "A"; and

WHEREAS, the PROJECT has been approved by the DISTRICT on its annual Ten Year Construction Program; and

WHEREAS, the PROJECT has regional flood control significance and is located in the same hydrographic area as the Las Vegas Valley.

NOW, THEREFORE, in consideration of the covenants, conditions, contracts, and promises of the parties hereto, the DISTRICT and the CITY agree to the following:

SECTION I - SCOPE OF THE PROJECT

THIS INTERLOCAL CONTRACT applies to construction management and construction associated with the Ann Road Detention Basin Facilities (CAM 10 Detention Basin). The proposed improvements include construction of a 380 acre-foot detention basin, 5,600 lf of soil cement channel and an outfall structure in the Tropical Parkway alignment. This system will provide protection to the rural northwest area which has been heavily impacted by past storm events. Design drawings and specifications are 99 percent complete and all necessary right-of-way have been acquired. The improvements shall be funded through DISTRICT funds as herein described. This project is further identified and shown on the attached Exhibit "A".

SECTION II - PROJECT COSTS

The DISTRICT agrees to fund project costs within the limits specified below:

1. Construction management at a cost not to exceed \$300,000.
2. Construction at a cost not to exceed \$8,635,515.
3. The total cost of the contract shall not exceed \$8,935,515 which includes all of the items described in the paragraphs above.
4. A written request must be made to the DISTRICT and approved by the Board to reallocate funds between phases of the project. No other approval by the Lead Entity is required.
5. A written request must be made to the DISTRICT and a Supplemental Interlocal Contract approved by the Board to increase the total cost of the contract noted above prior to payment of any additional funds.

SECTION III - GENERAL

1. The Clark County Regional Flood Control District shall be shown on the title sheet of both the plans and specifications as the funding agency.
2. The CITY will use its best efforts to award the bid for this PROJECT by April 15, 2005. Prior to submission of the first payment request, the Entity will submit to the District a construction schedule and cash flow projection. The CITY will take all reasonable steps possible to avoid delays in the construction of District funded projects. Project delays more than four months, as measured from the award date, may be subject to a formal review by both the Technical Advisory Committee and the District Board of Directors. At the review, the CITY will have an opportunity to present information relative to the delays, measures taken to avoid the delays and the likelihood of those delays continuing. The Board will make a determination, in view of the delays and limited available funding, whether project funding should continue. In the case that the Board chooses to discontinue funding, the Board may cancel any Interlocal Contract(s) associated with the project and discontinue funding for the remainder of the project. Funding already spent or appropriated by the CITY will not be required to be refunded to the District. Project funding can be reconsidered at any time when the CITY can demonstrate that the project can proceed on an acceptable schedule.

3. The CITY will comply with the Local Purchasing Act, Chapter 332 and Public Works Projects, Chapter 338, of the Nevada Revised Statutes.
4. The CITY, its employees and representatives shall at all times comply with all applicable laws, ordinances, statutes, rules and regulations in effect at the time work is performed on the PROJECT.
5. The CITY will require appropriate financial security for the construction of the PROJECT.
6. The CITY shall provide all impacted entities and the DISTRICT with the opportunity to provide the CITY with input relative to the following processes: scope of services development; consultant selection; design, construction and maintenance review; and monitoring of the effectiveness and impacts of facilities on flood flows.
7. Applicable portions of the current editions of the Policies and Procedures, the Hydrologic Criteria and Drainage Design Manual and the Uniform Regulations for the Control of Drainage adopted by the DISTRICT will apply in developing this PROJECT unless specifically superseded by this CONTRACT.
8. Purchases of right-of-way in excess of that actually needed for construction will not be allowed unless a comparison between the cost of excess acquisition and needed acquisition, including damages, indicates that benefits from such a transaction would result. Title to residual property will be vested in the name of the CITY. Revenues derived from the sale of these properties, less the cost of the sale of these properties, will be forwarded to the DISTRICT.
9. Administrative settlements and acceptance of counter offers involving right-of-way may only be made following a review and approval by the DISTRICT.
10. The DISTRICT will reimburse the CITY, or make payment directly to its contractor or its consultant, each month for project costs as outlined in SECTION II – PROJECT COSTS. Invoices must identify and allocate all costs to the categories noted below:
 - a. Right-of-Way acquisition including appraisals, title and escrow, negotiations, legal fees, recording fees, etc.
 - b. Pre-design Engineering (all work prior to design, excluding right-of-way)
 - c. Design Engineering
 - d. Construction Engineering
 - e. Construction (all work after award of construction contract)

- f. Environmental: Costs incurred by the Lead Entity for the preparation of environmental documentation applicable to the PROJECT and costs incurred for the implementation of mitigation measures provided in an environmental document (e.g., EIS or EA)
 - g. Other including landscaping, flood insurance rate map amendments or revisions, etc.
- 11. Accurate documentation of all work performed and payments made will be maintained by the CITY for a period of three (3) years in hard copy form after final PROJECT approval and payment. Following the three-year period, the CITY shall keep records for permanent storage in original form, in microfilm/fiche media or an electronic format.
- 12. The DISTRICT reserves the right to review and/or audit all records pertaining to all projects both during and after PROJECT completion.
- 13. Up to the limits set forth in NRS Chapter 41, the CITY will indemnify and defend the DISTRICT against and from any and all claims and demands of whatsoever nature which arises out of allegations of negligence or misconduct of CITY officers, employees or agents, related to or under this Contract which results from injury to or death of any persons whomsoever, or against and from damage to or loss or destruction of property.
- 14. Any costs found to be improperly allocated to this PROJECT will be refunded by the CITY to the DISTRICT.
- 15. The items covered in SECTION II - PROJECT COSTS must be completed to the satisfaction of the DISTRICT prior to December 31, 2006. The DISTRICT may, at any time thereafter, grant extensions or terminate this Contract after thirty (30) days notice.

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Date of District Action:

REGIONAL FLOOD CONTROL DISTRICT

January 13, 2005
ATTEST:

BY: Lawrence L. Brown III
LAWRENCE L. BROWN, III, Chairman

Carolyn Frazier
CAROLYN FRAZIER, Secretary to the Board

Approved as to Form:

BY: Christopher Figgins
CHRISTOPHER FIGGINS
Chief Deputy District Attorney

Date of Council Action:

CITY OF LAS VEGAS

2/16/2005
ATTEST:

BY: Oscar B. Goodman
OSCAR B. GOODMAN, Mayor

Barbara Jo Ronemus
BARBARA JO RONEMUS, City Clerk

APPROVED AS TO FORM:

Thomas R. Han 1/21/05
Date

LVMD3315

LVMD3316



GRIN

BA

CORP LIMIT

SHAUMBER

ROME

GOAN 0065

CENTENNIAL

GALILEO

AZ
ROCKETMAN
ALPINE RIDGE

GOAN0000

TROPICAL

GOAN0061

Proposed Ann Road
Detention Basin

Exhibit A
Ann Road Detention Basin and
Diversion Channel

AGENDA SUMMARY PAGE
CITY COUNCIL MEETING OF: FEBRUARY 16, 2005

DEPARTMENT: PUBLIC WORKS**DIRECTOR: RICHARD GOECKE**☒ **CONSENT** ☐ **DISCUSSION****SUBJECT:**

Approval of Interlocal Contract 486 - 2004-2005 Traffic Capacity and Safety Improvement Projects between Clark County, the Cities of Las Vegas, North Las Vegas and Henderson and the Regional Transportation Commission of Southern Nevada (RTC) to provide funding for design and construction of traffic improvements (\$2,250,000 - Regional Transportation Commission of Southern Nevada) - All Wards

Fiscal Impact:

☐	No Impact	Amount:	\$2,250,000.00
☒	Budget Funds Available	Dept./Division:	Public Works/City Engineer
☐	Augmentation Required	Funding Source:	RTC

PURPOSE/BACKGROUND:

Interlocal Contract 486 applies to design and construction of 2004-2005 Traffic Capacity and Safety Improvement Projects within the entities participating in this contract. The Regional Transportation Commission of Southern Nevada approved this contract at their October 14, 2004 Board meeting. Total cost of this project shall not exceed \$2,250,000.

RECOMMENDATION:

Approval

BACKUP DOCUMENTATION:

Interlocal Contract 486

MOTION:**REESE - APPROVED Items 3-38 and 40-52 - UNANIMOUS****Item 39: STRICKEN under separate action (see individual item)****MINUTES:**

There was no related discussion.

(9:36 - 9:38)

1-1020

INTERLOCAL CONTRACT
2004-2005 TRAFFIC CAPACITY AND SAFETY
IMPROVEMENT PROJECTS

This Interlocal Contract, made and entered into this 5th day of April, 2005, by and between the County of Clark, a Political Subdivision, the City of Las Vegas, a Municipal Corporation, the City of North Las Vegas, a Municipal Corporation, the City of Henderson, a Municipal Corporation, and the Regional Transportation Commission of Southern Nevada, organized pursuant to Chapter 373 of the Nevada Revised Statutes and Chapter 4.04 of the Clark County Code.

WHEREAS, pursuant to Chapter 373 of the Nevada Revised Statutes, projects thereunder to design, purchase right-of-way, perform construction inspection and construct traffic capacity and safety improvements have been approved by the Regional Transportation Commission.

WITNESSETH

NOW, THEREFORE, in consideration of the covenants, conditions, agreements, and promises of the parties; the Regional Transportation Commission of Southern Nevada authorizes the parties to proceed with the improvements as it is mutually understood and agreed, as follows:

SECTION I - SCOPE OF PROJECT

This Interlocal Contract applies to design and construction of traffic capacity and safety improvements within the entities participating in this contract.

SECTION II - PROJECT COSTS

The Regional Transportation Commission of Southern Nevada agrees to provide funding for project costs according to Section 6.1, Reimbursable Costs of the Policies and Procedures Manual of the Regional Transportation Commission, within the limits specified below:

1. The total cost for preliminary engineering, design, right-of way acquisition and right-of-way acquisition expenses, contract administration, surveying, inspection, testing, utility relocation, and construction shall not exceed \$2,250,000 which includes all of the above items.
2. An "Authorization to Proceed" is required for the following two phases of the project, which may be submitted concurrently:
 - (a) Preliminary engineering and design;
 - (b) Right-of-way acquisition, construction and construction engineering.

No funds shall be considered encumbered or allocated and no reimbursement shall be made for any portion of

the improvements until an "Authorization to Proceed" has been approved in accordance with Subsection 2.5 of the Policies and Procedures by the Regional Transportation Commission. The "Authorization to Proceed" shall state a specific amount within the total estimated cost of the improvements, and upon approval by the Regional Transportation Commission, only that amount shall be encumbered and allocated. The "Authorization to Proceed" shall also state the specific improvements to be constructed along with their location.

SECTION III - SPECIAL CONDITION

Each entity shall provide the Regional Transportation Commission (RTC) with a monthly status report in the format presently required by RTC indicating progress of project.

1. The title sheet of both the plans and the specifications shall show the Regional Transportation Commission of Southern Nevada as the funding agency.
2. Preliminary engineering and design shall be performed by the entity, or by a consultant employed by the entity.
3. The design, construction, and contract administration of the improvements shall comply with the requirements as set forth in the current "Policies and Procedures" of the Regional Transportation Commission of Southern Nevada.
4. Construction costs may be paid directly to the contractor based on estimates prepared by the entity.
5. Upon completion of the construction of the improvements, it shall be maintained by the responsible entity having jurisdiction and no funding is provided by this agreement for such maintenance.
6. The improvements must be completed to the satisfaction of the Regional Transportation Commission of Southern Nevada by July 1, 2007.
7. It is understood and agreed that the purpose of this contract is to fund the improvements as hereinabove set forth. It is further understood and agreed that the entity is responsible for the design and construction of the improvements and will hold the other parties to this contract and the Regional Transportation Commission harmless for any liability therefore except the funding provided by this contract.

Date of Commission Action:

REGIONAL TRANSPORTATION COMMISSION

10-14-04

BY:

B. L. Woodbury
BRUCE L. WOODBURY, Chairman

Attest:

Toni Michener
TONI MICHENER, Executive Assistant

Approved as to Form and Legality:

Zey Kaplan
ZEY KAPLAN, General Counsel

Date of Commission Action:

CLARK COUNTY BOARD OF COMMISSIONERS

4/5/05

BY:

Rory Reid
RORY REID, Chairman

Attest:

Shirley B. Parraguirre
SHIRLEY B. PARRAGUIRRE, County Clerk

Date of Council Action:

CITY OF LAS VEGAS

2/16/2005

BY:

Oscar B. Goodman
OSCAR B. GOODMAN, Mayor

APPROVED AS TO FORM:

Barbara Jo Ronemus 1/21/05
Date

Attest:

Barbara Jo Ronemus
BARBARA JO RONEMUS, City Clerk

Date of Council Action:

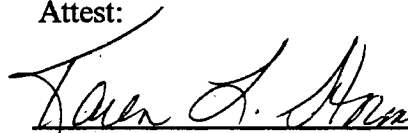
CITY OF NORTH LAS VEGAS

DEC 1 2004

BY:


MICHAEL L. MONTANDON, Mayor

Attest:

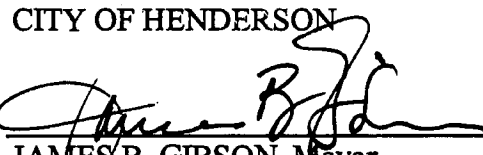

EILEEN M. SEVIGNY, City Clerk
Karen L. Storms

Date of Council Action:

CITY OF HENDERSON

11/4/05

BY:


JAMES B. GIBSON, Mayor

Attest:


MONICA M. SIMMONS, CMC, City Clerk

AGENDA SUMMARY PAGE
CITY COUNCIL MEETING OF: FEBRUARY 16, 2005

DEPARTMENT: PUBLIC WORKS

DIRECTOR: RICHARD GOECKE

☒ **CONSENT** ☐ **DISCUSSION**

SUBJECT:

Approval of an Interlocal Agreement between the City of Las Vegas and the Nevada Department of Transportation (NDOT) for the I-515 Sound Wall Project - Las Vegas Boulevard to Charleston Boulevard (Engineering Agreement 73205) (\$20,000,000 - Regional Transportation Commission of Southern Nevada [RTC]) - Wards 1, 3 and 5 (Tarkanian, Reese and Weekly)

Fiscal Impact:

☐ No Impact	Amount:	\$20,000,000.00
☒ Budget Funds Available	Dept./Division:	Public Works/City Engineer
☐ Augmentation Required	Funding Source:	RTC

PURPOSE/BACKGROUND:

This Interlocal Agreement with the State of Nevada Department of Transportation (NDOT) for the I-515 Sound Wall Project (Engineering Agreement 73205) applies to the design and construction of sound walls along both sides of I-515 freeway between the limits of Las Vegas Boulevard and Charleston Boulevard. Total cost of this project will not exceed \$20,000,000 and will be split 50/50 between NDOT and the City of Las Vegas.

RECOMMENDATION:

Approval

BACKUP DOCUMENTATION:

Interlocal Agreement

MOTION:

REESE - APPROVED Items 3-38 and 40-52 - UNANIMOUS

Item 39: STRICKEN under separate action (see individual item)

MINUTES:

There was no related discussion.

(9:36 - 9:38)

1-1020

INTERLOCAL AGREEMENT

This Agreement, made and entered into the 3rd day of May, 2005, by and between the STATE OF NEVADA, acting by and through its Department of Transportation, hereinafter called the DEPARTMENT, and CITY OF LAS VEGAS a municipal corporation of the State of Nevada, hereinafter called the CITY.

WITNESSETH:

WHEREAS, an Interlocal Agreement is defined as an agreement by public agencies to "obtain a service" from another public agency; and

WHEREAS, pursuant to the provisions contained in Chapter 408 of the Nevada Revised Statutes, the Director of the DEPARTMENT may enter into agreements necessary to carry out the provisions of the Chapter; and

WHEREAS, NRS 277.180 authorizes any one or more public agencies to contract with any one or more other public agencies to perform any governmental service, activity or undertaking which any of the public agencies entering into the agreement is authorized by law to perform and refers to such as an Interlocal Contract, hereinafter called an Agreement; and

WHEREAS, the purpose of this Agreement is to address the design and construction of, and payment for sound walls along both sides of I-515 freeway between the limits of Las Vegas Boulevard and Charleston Boulevard, hereinafter called the PROJECT, estimated to cost \$20,000,000.00; and

WHEREAS, the issues covered in this Agreement will be of benefit to the DEPARTMENT and the CITY and to the people of the State of Nevada by providing a means of establishing funding and construction for the described PROJECT; and

WHEREAS, the DEPARTMENT is willing and able to perform the services described herein; and

WHEREAS, the CITY has entered into an Interlocal Contract with the Regional Transportation Commission of Southern Nevada, hereinafter referred to as the "RTC", in which the RTC will provide funding for the CITY portion and finance the DEPARTMENT portion of the remaining costs of the PROJECT; and

Whereas, the CITY presently has \$10,000,000.00 for sound walls programmed through the RTC for construction over the next five years.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants herein contained, it is agreed as follows:

ARTICLE I - CITY AGREES:

1. Prior to the start of construction to submit a check to fund 100% (50% of which will be reimbursed by the DEPARTMENT) of the estimated construction costs of the PROJECT with CITY funds estimated to be Twenty Million Dollars (\$20,000,000.00). These funds will be deposited in an interest bearing account with the State Treasurer and all proceeds will be used to fund the construction. If the construction costs are greater than the total funds the costs will be split 50/50 with the DEPARTMENT.

2. To bill the DEPARTMENT upon construction completion of the PROJECT for the DEPARTMENT's 50% obligation of the actual PROJECT costs estimated to be Ten Million and 00/100 Dollars (\$10,000,000). The billing cycle will be once every year in the month of July. The billing cycle will continue until the DEPARTMENT's obligation is complete.

3. To observe, review, and inspect all work associated with the PROJECT during design and construction with the understanding that any and all items of concern are reported to the DEPARTMENT immediately for resolution.

4. To allow the DEPARTMENT and its contractor to occupy City of Las Vegas right-of-way needed in the design and construction of the project.

ARTICLE II - DEPARTMENT AGREES:

1. To fund all preliminary engineering costs incurred by the DEPARTMENT for the PROJECT.

2. To obtain an authorization to proceed from the CITY and bill the CITY prior to the start of construction for 100% of the PROJECT construction costs, based on the contractor's awarded contract amount, plus the DEPARTMENT's estimated construction engineering costs based on 5% of the awarded contract amount.

3. To reimburse the CITY within thirty (30) days after receipt of the CITY's invoice for the DEPARTMENT's 50% obligation of the PROJECT costs, estimated to be Ten Million and 00/100 Dollars (\$10,000,000.00). The DEPARTMENT will continuously program Two Million and 00/100 Dollars (\$2,000,000.00) per year, beginning fiscal year 2006/07 and continue until the total DEPARTMENT obligation is paid. If the construction costs are greater than Twenty Million and 00/100 (\$20,000,000.00), the incremental cost will be shared 50/50 between the CITY and the DEPARTMENT. If the construction costs are less than the total funds, the remainder will be reimbursed to the CITY.

4. To provide the CITY preliminary plans and specifications for review and comment, and to invite CITY to the specification review meeting to address said comments.

5. To provide the CITY with supporting documentation of the actual construction costs and engineering costs incurred by the DEPARTMENT.

6. To coordinate the construction phasing of the sound walls with the CITY to ensure funding is available.

ARTICLE III - IT IS MUTUALLY AGREED:

1. This Agreement shall not become effective until and unless approved by appropriate official action of the governing body of each party.

2. The term of this Agreement shall be from the date first written above through and including all construction activities and until the DEPARTMENT's 50% obligation has been satisfied.

3. The parties agree to allow each other to observe, to inspect project construction and to review applicable change orders in a timely manner which prevents project delay. It is the intention of the parties that this review does not constitute a joint exercise of powers pursuant to NRS 277.080 to 277.170.

4. This Agreement may be terminated by either party prior to the date set forth above, provided that a termination shall not be effective until thirty (30) days after a party has served written notice upon the other party. This Agreement may be terminated by mutual consent of both parties or unilaterally by either party without cause. The parties expressly agree that this Agreement shall be terminated immediately if for any reason local, federal and/or State Legislature funding ability to satisfy this Agreement is withdrawn, limited, or impaired.

5. All notices or other communications required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given if delivered personally in hand, by telephonic facsimile with simultaneous regular mail, or mailed certified mail, return receipt requested, postage prepaid on the date posted, and addressed to the other party at the address set forth below:

FOR DEPARTMENT: Jeffrey Fontaine, P.E., Director
Attn.: R. Scott Rawlins, P.E.
Nevada Department of Transportation
Project Management Division
1263 South Stewart Street
Carson City, NV 89712
Phone: (775) 888-7317
Fax: (775) 888-7322
E-mail: srawlins@dot.state.nv.us

FOR CITY: Dick Goeke, Director
Attn.: Charles Kajkowski, P.E.
Department of Public Works
City of Las Vegas
400 E. Stewart Ave.
Las Vegas, NV 89101
Phone: (702) 229-6731
Fax: (702) 382-8551
E-mail: ckajkowski@ci.las-vegas.nv.us

6. Each party agrees to keep and maintain under generally accepted accounting principles full, true and complete records and documents (written, electronic, computer related or otherwise) pertaining to this Agreement and present, at any reasonable time, such information for inspection, examination, review, audit and copying at any office where such records and documentation are maintained. Such records and documentation shall be retained for three (3) years after final payment is made.

7. Failure of either party to perform any obligation of this Agreement shall be deemed a breach. Except as otherwise provided for by law or this Agreement, the rights and remedies of the parties shall not be exclusive and are in addition to any other rights and remedies provided by law or equity, including but not limited to actual damages, and to a prevailing party's reasonable attorney's fees and costs.

8. The parties do not waive and intend to assert available NRS Chapter 41 liability limitations in all cases. Agreement liability of both parties shall not be subject to punitive damages. Actual damages for any State breach shall never exceed the amount of funds which have been

appropriated for payment under this Agreement, but not yet paid, for the fiscal year budget in existence at the time of the breach.

9. Neither party shall be deemed to be in violation of this Agreement if it is prevented from performing any of its obligations hereunder due to strikes, failure of public transportation, civil or military authority, act of public enemy, accidents, fires, explosions, or acts of God, including without limitations, earthquakes, floods, winds or storms. In such an event the intervening cause must not be through the fault of the party asserting such an excuse, and the excused party is obligated to promptly perform in accordance with the terms of the Agreement after the intervening cause ceases.

10. To the fullest extent of NRS Chapter 41 liability limitations, each party shall indemnify, hold harmless and defend, not excluding the other's right to participate, the other, from and against all liability, claims, actions, damages, losses, and expenses, including but not limited to reasonable attorney's fees and costs, arising out of any alleged negligent or willful acts or omissions of the party, its officers, employees and agents. Such obligation shall not be construed to negate, abridge, or otherwise reduce any other right or obligation of indemnity, which would otherwise exist as to any party or person, described herein. This indemnification obligation is conditioned upon service of written notice to the other party within 30 days of the indemnified party's notice of actual or pending claim or cause of action. The indemnifying party shall not be liable for reimbursement of any attorney's fees and costs incurred by the indemnified party due to said party exercising its right to participate with legal counsel.

11. The parties are associated with each other only for the purposes and to the extent set forth in this Agreement. Each party is and shall be a public agency separate and distinct from the other party and shall have the right to supervise, manage, operate, control and direct performance of the details incident to its duties under this Agreement. Nothing contained in this Agreement shall be deemed or construed to create a partnership or joint venture, to create relationships of an employer-employee or principal-agent, or to otherwise create any liability for one agency whatsoever with respect to the indebtedness, liabilities, and obligations of the other agency or any other party.

12. Failure to declare a breach or the actual waiver of any particular breach of the Agreement or its material or nonmaterial terms by either party shall not operate as a waiver by such party of any of its rights or remedies as to any other breach.

13. The illegality or invalidity of any provision or portion of this Agreement shall not affect the validity of the remainder of the Agreement and this Agreement shall be construed as if such provision did not exist. The unenforceability of such provision or provisions shall not be held to render any other provision or provisions of this Agreement unenforceable.

14. Neither party shall assign, transfer or delegate any rights, obligations or duties under this Agreement without the prior written consent of the other party.

15. All or any property presently owned by either party shall remain in such possession upon termination of this Agreement, and there shall be no transfer of property between the parties during the course of this Agreement.

16. Pursuant to NRS 239.010, information or documents may be open to public inspection and copying. The parties will have the duty to disclose unless a particular record is confidential by law or a common law balancing of interests.

17. Each party shall keep confidential all information, in whatever form, produced, prepared, observed or received by that party to the extent that such information is confidential by law or otherwise required by this Agreement.
18. The parties hereto represent and warrant that the person executing this Agreement on behalf of each party has full power and authority to enter into this Agreement and that the parties are authorized by law to perform the services set forth herein.
19. This Agreement and the rights and obligations of the parties hereto shall be governed by, and construed according to, the laws of the State of Nevada. The parties consent to the jurisdiction of the Nevada district courts for enforcement of this Agreement.
20. The total actual PROJECT costs shall be determined by adding together the total costs incurred by the DEPARTMENT for right of way acquisition, the relocation of utilities, construction engineering and construction costs.
21. The DEPARTMENT does not provide any warranty that the estimate is an accurate reflection of the final cost. The DEPARTMENT disclaims any such warranty. The final costs may vary widely depending on the Contractor's bid prices. The CITY shall be wary in it's reliance on the estimates set forth in the Agreement.
22. The DEPARTMENT will award the total contract in accordance with its rules and procedures under the Standard Specifications for Road and Bridge Construction to the lowest responsive and responsible bidder. The DEPARTMENT has the right to reject any and all bid proposals determined not to be in the best interest of the State.
23. Construction engineering costs will be the actual construction engineering costs incurred by the DEPARTMENT during the construction of the PROJECT.
24. Should this Agreement be terminated by the CITY prior to completion of the PROJECT, the CITY will reimburse the DEPARTMENT for all improvement costs incurred up to the point of Agreement termination, and all costs incurred by the DEPARTMENT because of the Agreement termination. The DEPARTMENT will reimburse the CITY for 50 percent of the improvement costs as funds become available as defined in Article II, paragraph 3.
25. The CITY agrees to pay their portion of the actual PROJECT costs whether they are greater than or less than the estimates shown herein.
26. The DEPARTMENT agrees to provide the CITY with as-built drawings of any phase of construction prior to final payment to the contractor.
27. Any alteration considered extra work shall be an amendment to the Agreement and the cost share shall be 50/50 between the CITY and the Department. Any amendments to this Agreement must be approved by both the CITY and the DEPARTMENT in writing. The amount and payment for extra work shall be specified in the amendment.
28. It is specifically agreed between the parties executing this Agreement that it is not intended by any of the provisions of any part of this Agreement to create in the public or any member thereof a third party beneficiary status hereunder, or to authorize anyone not a party to this Agreement to maintain a suit for personal injuries or property damage pursuant to the terms or provisions of this Agreement.
29. In connection with the performance of work under this Agreement, the parties agree not to discriminate against any employee or applicant for employment because of race, creed, color, national origin, sex, sexual orientation or age, including, without limitation, with regard to

employment, upgrading, demotion or transfer, recruitment or recruitment advertising layoff or termination, rates of pay or other forms of compensation, and selection for training, including, without limitation, apprenticeship. The parties further agree to insert this provision in all subcontracts hereunder, except subcontracts for standard commercial supplies or raw materials.

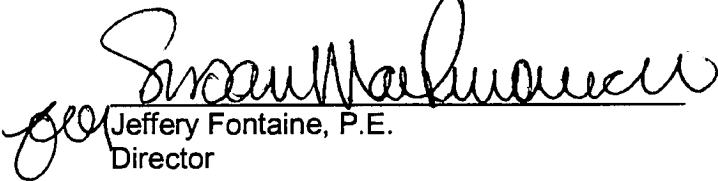
30. This Agreement constitutes the entire agreement of the parties and such is intended as a complete and exclusive statement of the promises, representations, negotiations, discussions, and other agreements that may have been made in connection with the subject matter hereof. Unless an integrated attachment to this Agreement specifically displays a mutual intent to amend a particular part of this Agreement, general conflicts in language between any such attachment and this Agreement shall be construed consistent with the terms of this Agreement. Unless otherwise expressly authorized by the terms of this Agreement, no modification or amendment to this Agreement shall be binding upon the parties unless the same is in writing and signed by the respective parties hereto and approved by the Attorney General.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first above written.

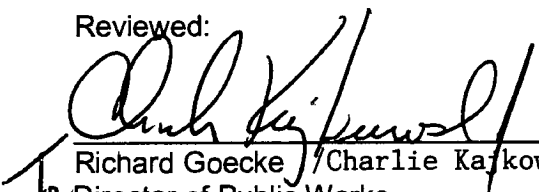
City of Las Vegas, Nevada

State of Nevada, acting by and through its
DEPARTMENT OF TRANSPORTATION

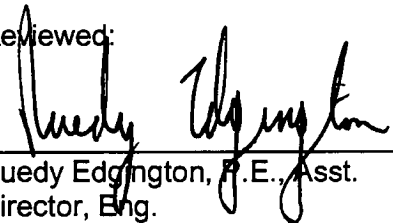

Oscar B. Goodman
Mayor


Jeffery Fontaine, P.E.
Director

Reviewed:


Richard Goecke / Charlie Karkowski
Director of Public Works

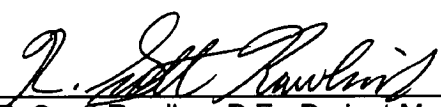
Reviewed:


Ruedy Edgington, P.E., Asst.
Director, Eng.

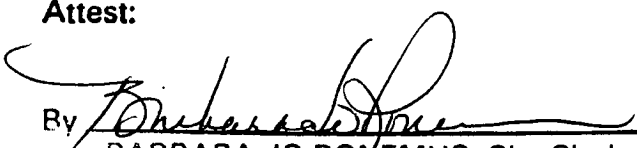
Approved as to Form:


Attorney

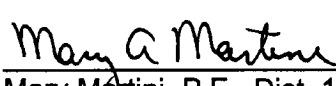
Recommended:


R. Scott Rawlins, P.E., Project Manager

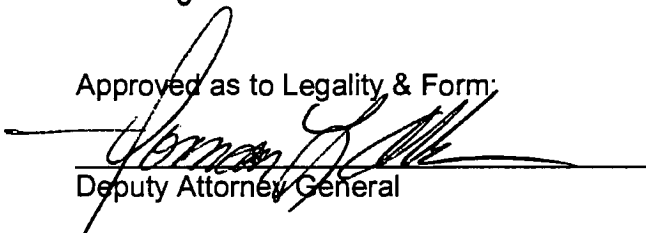
Attest:

By 
BARBARA JO RONEMUS, City Clerk

Recommended:


Mary Martini, P.E., Dist. 1 Engineer

Approved as to Legality & Form:


Deputy Attorney General