



Office of the  
CITY CLERK

September 25, 2012

Mr. Bill Erwin  
AED Investments, LLC  
1252 E. Edgemont Ave.  
Phoenix, AZ 85006

Reference: Approval of an Exclusive Negotiating Agreement A-3950

Dear Mr. Erwin:

On September 24, 2012, the Sparks City Council voted to approve an Exclusive Negotiating Agreement (A-3950) between the City of Sparks, the Redevelopment Agency of the City of Sparks and AED Investments, LLC for the redevelopment of a 10.2 acre parcel owned by the Redevelopment Agency located on Marina Gateway Drive between East Prater Way and Lincoln Way and having Assessor's Parcel Number 037-020-50.

This agreement was also approved by the Sparks Redevelopment Agency (SRA A-228).

If you have any questions or concerns, please contact Armando Ornelas, City Planner, at [aornelas@cityofsparks.us](mailto:aornelas@cityofsparks.us).

Sincerely,

A handwritten signature in cursive script that reads "Linda K. Patterson".

Linda K. Patterson  
City Clerk and  
Clerk of the City Council

tmg

Copy:

**Armando Ornelas**  
A-3950/A-SRA A-228  
CC A.I. 6.3/SRA A.I. 6

Draft revised 9/9/2012

## EXCLUSIVE NEGOTIATING AGREEMENT

### Art 1. Parties and Definitions.

This Agreement is by and between:

“Agency”      The Redevelopment Agency of the City of Sparks, Nevada  
                         an agency created under the Community Redevelopment Law  
                         431 Prater Way  
                         Sparks, Nevada 89432-0857

“Developer”    AED Investments, LLC  
                         1252 E. Edgemont Avenue  
                         Phoenix, AZ 85006

“City”            City of Sparks, Nevada, a municipal corporation  
                         431 Prater Way  
                         Sparks, Nevada 89432-0857

As used in this Agreement, the following words have the following meanings.

**Property**      is real property owned by the Redevelopment Agency of the City of Sparks situated along the east side of Marina Gateway Drive just south of East Prater Way in Sparks, Nevada. Legally, it is Parcel A as depicted in Parcel Map 4081, recorded as Document 2918146, Official Records of Washoe County. The Assessor’s Parcel Number is 037-020-50.

**Exclusive Matters**    are defined in paragraph 3.01.A .

**Marina Area**    is that portion of Redevelopment Area 2 as stipulated in the Redevelopment Plan for Sparks Redevelopment Area 2.

**Project**        means the development and management of a series of facilities which provide specialized services to the elderly; these residential facilities may provide respiratory, memory, behavioral, orthopedic, transitory, or other skilled care. The Developer’s preliminary estimates are that development costs will total \$51-62 million and that a minimum of 150 jobs, primarily full-time jobs, would be created.

**Redevelopment Plan**    means the Sparks Redevelopment Area 2 Plan, adopted June 28, 1999 by the City of Sparks, Nevada, by Ordinance 2030.

## Art 2. Recitals

A. In 2004, Agency acquired a 10.2 acre parcel of land (the Property) in the Marina Area of Redevelopment Area 2.

B. In August of 2012, the Agency solicited letters of interest from parties with the ability to initiate development of the Property within two years with high quality, high assessed value uses that will also create a substantial number of new jobs. The Developer was the sole respondent to the Agency's solicitation.

C. Developer desires to prepare a proposal for the Project and, if approved by the Agency, to enter into an agreement to build and own it. Developer is hesitant, however, to expend time and funds to prepare plans and budgets, solicit financing and prospective tenants unless Developer has an exclusive negotiating agreement with Agency.

D. Agency desires to grant an exclusive negotiating agreement to Developer.

NOW THEREFORE, in exchange for the mutual covenants, burdens and benefits expressed herein, the parties agree as follows.

## Art 3. Exclusive negotiations; duties; standards.

### §3.01 Exclusive negotiations between Agency and Developer.

#### 3.01.A. Negotiations of Exclusive Matters.

For the term of this Agreement, Agency and City agree to negotiate exclusively with Developer, except as approved by Developer, with respect to (hereafter "Exclusive Matters"):

- (i) the transfer or other disposition of the Property during the term of this Agreement;
- (ii) the submittal, review and approval of any plans, drawings, budgets and supporting documents for the Project;
- (iii) the terms and provisions of a Disposition and Development Agreement for the Property;
- (iv) the use, lease or occupancy of the Property without the prior consent of Developer except (a) regulatory, police or legislative actions relating to public safety, public welfare or land use (including zoning and zoning enforcement); however, Developer's consent is required to rezone the Property during the term of this Agreement.

- (v) uses in connection with special events; and
- (vi) temporary uses.

**§3.02 Specific Duties and limitations.**

**¶3.02.A No solicitations to relocate.** Developer shall not (i) initiate negotiations with or (ii) offer any incentives to any local business to relocate from any location in any Sparks Redevelopment Area to the Property without the consent of Agency.

**§3.03 Standards**

**¶3.03.A Submittals by Developer.**

(i) Within four months of the approval of this Agreement by the Agency Board of Directors and City Council, Developer agrees to deliver all of the items listed in Attachment A in sufficient detail for Agency to make an informed decision.

(ii) If a submittal is inconsistent with the Project as described in this Agreement, the submittal shall point out that fact and explain why the Project should be changed.

**¶3.03.B Discretion of Agency.** The Agency Board is a public body and redevelopment decisions are a legislative function subject to public hearings and input, and Agency shall have sole and absolute discretion to approve or disapprove any matter submitted to it for any reason. If Agency disapproves a submittal or places conditions on it that are not acceptable to Developer, Developer's sole remedy is to terminate this Agreement, and Agency shall have no further liability to Developer other than as provided in §5.03 below.

**§3.04 Information to be provided by Agency and City.**

Within 30 days of the execution of this Agreement, the Agency and City shall provide the Developer access to, at no charge or cost to Developer:

(i) All currently available title reports, environmental reports, appraisals, and all other historical information, studies and documentation relating to the Property which are on file with the City's Community Services Department.

(ii) All other information requested by Developer in the possession of the Agency or City with respect to the Property or for the potential development of the Property, provided that the information is readily available.

**§3.05 Cooperation by Parties.**

¶3.05.A Developer agrees to negotiate, communicate and confer with Agency staff and with such consultants as may be retained by the Agency.

¶3.05.B Agency agrees (i) to negotiate with Developer on an exclusive and priority basis; and, (ii) that the City Planner for the Agency shall, at Developer's request, meet with the Developer and any private lender or equity investor in order to secure required approvals or funding for the Project.

**§3.06 Predevelopment expenses.**

¶3.06.A Each party shall pay all of its own expenses in the performance of this Agreement, except as provided in Section 3.04.

**§3.07 DDA and Other Agreements.**

**¶3.07.A DDA**

If Developer's proposal for the Project is approved, Developer and Agency staff shall use best efforts to negotiate a draft Disposition and Development Agreement (DDA) for presentation to the Agency Board and City Council. It is anticipated that the DDA will include the following terms:

(i) require Developer to diligently pursue tenants and financing for the Project and set forth milestones for obtaining financing, and provide that, for an initial "go – no go" period not to exceed six months, Developer may terminate the DDA without any liability if Developer cannot meet the milestones;

(ii) after the initial "go – no go" period provided for above, provide a definitive time schedule for development of the Project, and milestones for achieving Project goals, and remedies (which may include extension fees) for failure to achieve them;

(iii) provide objective standards for the selection of tenant(s);

(iv) delineate with specificity the commitments of each party and the preconditions for performance of such commitments;

(v) provide each party with a firm contractual basis concerning willingness and capability of the other party to meet its obligations;

(vi) set out the respective obligations of the parties regarding site preparation, installation of improvements, incurrence of debt, construction and opening of the Project;

(vii) include those matters required by law for redevelopment projects and public works projects, including the requirement, if applicable, that prevailing wages be paid to laborers on the Project.

(viii) define the Agency's right to terminate for breach of the DDA or for other specific reasons;

(ix) include warranties and representations;

(x) include provisions regarding rights and obligations of parties upon termination of the DDA, including an obligation of Developer to resell Property or property conveyed to Developer at a specified price or price range in the event of a default; and

(xi) provide for the possibility that the Project shall participate in associations or districts as may be agreed upon (e.g. common interest associations, maintenance districts, parking districts, improvement districts, special assessment districts) aimed at promoting, maintaining and operating the vibrancy of the Marina Area of Redevelopment Area 2.

#### Art. 4 Warranties and Representations.

##### §4.01 By Agency. Agency represents and warrants:

¶4.01.A That the Agency is duly created and validly existing as a corporate and body politic under the Community Redevelopment Law of Nevada (Nevada Revised Statutes Chapter 279).

¶4.01.B That Agency has the authority under the Community Redevelopment Law to enter into and carry out the provisions of this Agreement.

##### §4.02 By Developer. Developer warrants and represents:

¶4.02.A That Developer is duly and validly organized and existing in good standing as a limited liability company in the state of Arizona and has all requisite power and authority to enter into and perform its obligations under this Agreement; and that all necessary actions have been taken under Developer's operating agreement to authorize entering into this Agreement and bind Developer to it and all obligations to accomplish the purposes stated herein.

¶4.02.B That (i) entering into this Agreement does not violate any contract, court order, administrative order or other undertaking; (ii) that Developer has complete authority to enter into this Agreement without obtaining any court order or permission or agreement of another party; (iii) to the best of Developer's knowledge, there are no suits, other proceedings or investigations pending or threatened against Developer that Developer reasonably believes would prevent Developer from performing its duties and obligations hereunder or would have a material adverse effect on the financial condition of the Developer.

¶4.02.C That the principals of Developer are experienced real estate developers with the expertise to develop specialized residential care facilities for the elderly, and that a principal will at all times diligently pursue attainment of the Project.

¶4.02.D That as of the date hereof, and continuously throughout the term of this Agreement, that except as specifically disclosed to and approved in writing by the City Council or Agency Board of Directors, no employee, officer, member of the Agency or City, no consultant who is providing consulting to the Agency or City with respect to the Project, and no person related (within the second degree of consanguinity) to any such person: (i) now is or will be permitted to become a member of Developer; or (ii) now has or will be permitted to have any contractual relationship with Developer (except if jointly employed by Agency and Developer); or (iii) now has or ever will have any direct or indirect interest in this Agreement; or (iv) has been paid or given, and will not be paid or given any money or other consideration for obtaining this Agreement; or (v) now has or will be permitted to own or have any interest, direct or indirect, in the Project other than acquisition of a personal residence.

¶4.02.E That except as otherwise disclosed to Agency, neither Developer nor any person who will perform duties hereunder has been convicted of or had a civil judgment entered against him or her of fraud, misrepresentation, embezzlement, theft, obtaining money under false pretenses, violations of disclosure requirements required by federal or state securities laws, or violation of any law designed to protect the environment. This is a continuing warranty and representation throughout the term of this Agreement.

#### §4.03 Representations by persons who sign this document.

Each person who executes this Agreement warrants and represents to the other that he or she has taken all steps to obtain and does in fact have actual authority to execute this Agreement and bind his or her City, Agency or company, as applicable, to all of the provisions herein.

**Art 5 Term of Agreement; duties upon termination; default and remedies.**

**§5.01 Expiration.**

This Agreement expires on the earlier of: (i) the date that a DDA is approved and executed by both parties, or (ii) six months after approval of this Agreement by the Agency Board of Directors.

If, however, a DDA is being actively negotiated with Agency staff, the deadline will automatically be extended until the negotiations are suspended or until the Agency Board of Directors makes a final decision on the DDA.

**§5.02 Early termination**

¶5.02.A Developer may, in Developer's sole and absolute authority, terminate this Agreement at any time for any reason or no reason at all without any liability to Agency, except as provided in ¶ 5.03 below.

¶5.02.B Upon default of this Agreement, the non-defaulting party may terminate this Agreement and pursue available remedies, as provided below.

**§5.03 Duties upon termination.**

When this Agreement expires or is terminated, the parties agree as follows (and this provision survives the termination of this Agreement):

¶5.03.A Developer shall return to Agency all property of the Agency or City (including a copy of materials jointly owned and not previously distributed to Agency) in the possession of Developer or any of Developer's agents or contractors, and all materials furnished to Developer.

¶5.03.B Agency shall return to Developer all materials submitted to Agency and all property of Developer (including a copy of materials jointly owned and not previously distributed to Developer) in the possession of Agency or City or any of their agents or contractors.

**§5.04 Default, remedies**

¶5.04.A Excuse due to force majeure.

(1) Except as provided elsewhere herein, if a "force majeure" makes performance of an obligation or cure of a breach or default impossible, such performance or



cure is excused for the duration of the force majeure provided that the obligated party (i) within a reasonable time after the commencement of the force majeure notifies the other party of the nature of the force majeure, when it commenced, why it makes performance or cure impossible, and the expected duration (if known), and (ii) agrees to and does in fact diligently pursue remediation of the effects of the force majeure, and (iii) agrees to notify the other party immediately when it becomes possible to commence efforts to cure the default.

(2) A "force majeure" is defined as (i) without the fault of and beyond the reasonable control of the obligated party, a war; insurrection; riot; flood; earthquake; fire; casualty; act of God; act of a public enemy; failure of power system or public infrastructure, quarantine restriction or other effect of epidemic or disease; freight embargo; weather-caused delay; lack of transportation attributable to any of these; (ii) labor strikes, boycotts or picketing (unless the labor action is taken because of a violation of the prevailing wage provisions in this Agreement, if any); (iii) a lawsuit challenging the validity or approval of this Agreement if an order is entered prohibiting performance by the obligated party, and so long as the obligated party defends such lawsuit with reasonable diligence; (iv) provided, however, that if the breach or default is the failure to pay money, the force majeure must actually prevent access to or payment from a bank account or payment mechanism, such as during a banking holiday, moratorium, or sabotage of wire or automated transfer systems. A force majeure does not include economic or market conditions, or the financial condition of a party even if they are influenced by any of the foregoing.

(3) A force majeure is deemed to cease for purposes of this Agreement and a party is deemed to be in breach of an obligation or cure when it becomes possible for the obligated party to commence to perform the obligation or cure.

#### ¶5.04.B. Default.

Subject to ¶5.04.A, a default occurs when (i) any representation of a material fact expressed herein was false at the time it was made, or, if a continuing representation, becomes false as a result of a subsequent event or occurrence; (ii) any warranty made herein is breached at the time made or, if a continuing warranty, is breached as a result of a subsequent event or occurrence; (iii) any party repudiates, breaches or fails to perform any covenant, material term or provision in this Agreement; (iv) an event required to occur does not occur by the time required (unless in the case of a required submittal by Developer hereunder, Developer notifies the Agency prior to the deadline for the submittal that Developer elects not to proceed with the submittal and is terminating the Agreement); or (v) an event described in this Agreement as a default or which gives rise to a right of termination occurs.

#### ¶5.04.C. Notice and opportunity to cure.

Upon a default, the non-defaulting party shall give notice and an opportunity to

cure the default for a period of ten business days from the date that the notice is deemed received.

**¶5.04.D. Remedies.**

(1) In the event of a default by City or Agency which is not cured within the time provided in ¶5.04.C, Developer may, in addition to any other remedy stated in this Agreement: (i) suspend any counter-performance due hereunder; (ii) terminate this Agreement; and/or (iii) file an action in the Second Judicial District Court for the State of Nevada for damages.

(2) In the event of a default by Developer which is not cured within the time provided in ¶5.04.C, City or Agency may suspend any counter-performance due hereunder and terminate this Agreement.

(3) All remedies stated in this Agreement are cumulative with each other and with any remedy afforded in law or equity. The election of any remedy does not constitute a waiver of any other remedy.

**¶5.04.E. Waivers.**

Any forbearance, inaction, or failure to promptly pursue any remedy (whether intentional or negligent) shall not be deemed a waiver of any default or remedy. Waivers must be expressed in writing signed by the waiving party, and a waiver of a default is limited to the specific default identified in the written waiver and does not constitute a course of dealing or implication that similar defaults will be waived in the future.

**Art 6. Relationship of parties; indemnifications; insurance**

**§6.01 Relationship of parties.**

Neither party is the agent of the other and neither party may make representations, undertakings or agreements which are binding on the other. Nothing in this Agreement or the performance thereof shall be construed as creating or implying a joint venture, partnership or other arrangement which imposes an agency or fiduciary relationship.

**§6.02 Indemnifications**

**¶6.02.A. By Developer** To the fullest extent permitted by law, Developer shall indemnify, hold harmless and defend the indemnified parties from and against all liability arising out of the administration of this Agreement and caused in whole or in part by an act or omission of Developer or a related party. "Indemnified parties" includes the other parties to

this Agreement and their related parties. For purposes of this ¶6.02.A., ¶6.02.B. and ¶6.02.C, "Arising out of the administration of this Agreement" means the performance of any task, responsibility or right contemplated under this Agreement including negotiations with property owners, any travel and any site visits.

**¶6.02.B. By City** To the fullest extent provided by law, and subject to the conditions, limitations and immunities contained in NRS 41.0305 through NRS 41.039, as amended from time to time, City shall indemnify, hold harmless and defend the indemnified parties from and against all liability arising out of the administration of this Agreement and caused in whole or in part by an act or omission of the City or a related party. "Indemnified parties" includes Developer and its related parties. "Arising out of the administration of this Agreement" does not include any legislative or administrative acts of discretion by City or a related party in connection with the exercise of police powers or regulatory powers over land use planning.

**¶6.02.C. By Agency** To the fullest extent provided by law, and subject to the conditions, limitations and immunities contained in NRS 41.0305 through NRS 41.039, as amended from time to time, Agency shall indemnify, hold harmless and defend the indemnified parties from and against all liability arising out of the administration of this Agreement and caused in whole or in part by an act or omission of the Agency or a related party. "Indemnified parties" includes Developer and its related parties. "Arising out of the administration of this Agreement" does not include any legislative or administrative acts of discretion by Agency or a related party in connection with the exercise of police powers or regulatory powers over land use planning.

**¶6.02.D. Definitions** "Liability" means all third party claims, actions, damages, losses, judgments, injuries, costs and expenses, including but not limited to attorneys' fees and costs, including those related to bodily injury, sickness, disease or death or to injury to or destruction of tangible property (including the loss of use resulting therefrom) and other economic damages. "An act or omission" includes any act, negligence, or omission and any act which is in breach of this Agreement. A "related party" includes all officers, employees, agents, contractors and subcontractors of the party who are acting within the scope of their assigned and lawful duties, as well as anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable.

**¶6.02.E. Limitations and Conditions** The current laws of Nevada limiting liability due to comparative or contributory negligence shall apply. The obligations of each indemnifying party hereunder 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 in this section. The indemnification shall not be diminished or limited in any way to the total limits of insurance required in this contract or otherwise available to the indemnifying party. If the liability is asserted by an employee of an indemnifying party, the

indemnification herein is not limited to damages, compensation or benefits payable by or for the indemnifying party under worker's compensation acts, disability benefit acts or other employee benefit acts. Each indemnifying party shall be permitted to participate, if it chooses, in the defense of any action claiming liability, even if the indemnified party is indemnified hereunder. Either party may set off any of its rights under this subsection against any consideration it provides under this Agreement. The obligations to indemnify and save harmless herein survive the expiration or termination of this Agreement with respect to any act or omission which occurred before expiration or early termination.

**§6.03 Insurance.**

**¶6.03.A Industrial Insurance.**

It is understood and agreed that there shall be no worker's compensation or industrial insurance coverage provided by City or Agency for Developer or any related party as that term is defined in §6.02.D. Developer shall provide all industrial insurance required by Nevada law, and, if requested, shall provide a certificate issued by an insurer in accordance with NRS 616B.627 and with a certificate of an insurer showing coverage pursuant to NRS 617.210.

**¶ 6.03.B Other Insurance.**

Developer shall insure itself with general liability and automobile insurance consistent with sound management practices in the industry and as may be required by law. If requested, Developer shall provide certificates of insurance.

**Art 7 General Terms.**

**§7.01 No Assignment; binding effect.**

No party may assign or delegate any obligations or rights under this Agreement without the consent of the other party which may be withheld in its sole discretion. This Agreement shall be binding on and inure to the benefit of any assignee of the parties.

**§7.02 No Third-Party Beneficiaries.**

None of the provisions of this Agreement is intended to make any person who is not a party to this Agreement a third party beneficiary hereunder or to authorize anyone who is not a party to this Agreement to maintain any suit pursuant to this Agreement for any reason, including, without limitation, any suit for personal injuries or property damage.

**§7.03 Further acts and assurances.**

Each party agrees to do such further acts and things and to execute and deliver to the other such additional certificates, documents and instruments as the other may reasonably require or deem advisable to carry into effect the purposes of this Agreement or to better assure and confirm unto the other party its rights, powers, and remedies hereunder.

**§7.04 Severability.**

¶7.04.A. Each term and provision of this Agreement shall be valid and shall be enforced to the extent permitted by law, taking into account permissible waivers or provisions which may be upon agreement of the parties. If any term or provision of this Agreement or the application thereof shall be deemed by a court of competent jurisdiction to be in violation of law or public policy, then it shall be deemed modified, ipso facto, to bring it within the limits of validity or enforceability, but if it cannot be so modified, then it shall be excised from this Agreement and the remainder of this Agreement, or the application of such term or provision to circumstances other than those to which it is invalid or unenforceable, shall not be affected.

¶7.04.B To prevent windfall or unintended consideration, if any term or provision of this Agreement is deemed invalid or unenforceable or enforceable only to a limited extent, the parties agree to negotiate in good faith to adjust any counter-performance, condition, or corresponding consideration.

**§7.05 Governing Law.**

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

**§7.06 Counterparts.**

This Agreement may be executed in one or more counterparts, each of which shall be regarded as an original and all of which shall constitute the same Agreement.

**§7.07 Notices and deliveries.**

Except as otherwise provided herein, all notices, demands, instructions, deliveries and other communications required or permitted to be given upon any party hereto shall be in writing and shall be delivered to the addresses indicated in Article 1 above or to any subsequent address given in writing to the delivering party, and shall be deemed delivered upon the earlier of:

(i) regardless of the method of delivery, when actually delivered to or received by the addressee, or

(ii) if delivered or sent by registered or certified mail, postage prepaid, three business days after delivery to the U.S. Post Office, as indicated on the receipt issued by the U.S. Post Office;

(iii) if sent by recognized overnight courier or delivery service (Federal Express, UPS Overnight) when actually delivered to the location specified above, as indicated on the receipt;

(iv) if sent by electronic mail (provided a copy is also sent by U.S. Mail), when actually recorded as sent by the sender's electronic records.

#### **§7.08 Attorney's fees.**

Each party shall bear its own attorney's fees regardless of the outcome of any proceeding brought to enforce or interpret this Agreement. Costs of the proceeding, however, may be awarded as deemed appropriate under the circumstances by the presiding judge.

#### **§7.09 Construction; time for performance; holidays; weekends.**

¶7.09.A Titles and headlines of this Agreement are intended for editorial convenience and are not to be construed as a part of this Agreement.

¶7.09.B The word "include" or "including" is not intended as a limitation and shall be construed to include the words "but not limited to."

¶7.09.C Any reference to the masculine genders includes, where appropriate in the context, the feminine gender. Any term in the singular includes, where appropriate in the context, the plural.

¶7.09.D The parties hereto were each advised by counsel in drafting and negotiating this Agreement, and all parties contributed to its contents. No presumptions against or in favor of either party are appropriate based on who drafted this Agreement or any provision herein. This Agreement shall be interpreted and enforced only to the extent permitted by law. If any provision of this Agreement is deemed to be invalid or unenforceable, such invalidity or unenforceability shall not affect the remaining provisions hereof that can be given effect without the invalid or unenforceable provision and the parties agree to replace such invalid or unenforceable provision with a valid provision which has, as nearly as possible, the same effect.

¶7.09.E Time is of the essence with respect to all of the provisions herein. If a period

of time for performance is specified in terms of days, it means calendar days. If, however, a time period for performance expires on a weekend or a holiday recognized in NRS 236.015 then the time for performance is extended to 5 p.m. on the next business day for the City.

**§7.10 Authority to administer agreement.**

**¶7.10.A** Except as otherwise specifically provided herein, the Chief Administrative Officer of the Agency and the City Manager of the City has the authority to negotiate and execute any approvals, waivers, modifications, amendments, and acceptances of performance under this Agreement, EXCEPT the following, which must be approved by the Agency board and City Council:

- (i) All proposals or submittals by Developer as listed in Attachment A. The Chief Administrative Officer of the Agency may review submittals for compliance with the requirements set forth in this Agreement, and return them if they do not comply.
- (ii) Any agreement regarding any Exclusive Matter.
- (iii) Any extension of the overall expiration date indicated in ¶5.01. The Chief Administrative Officer of the Agency may extend period expiration dates within Attachment A.
- (iv) Any decision to terminate this Agreement or seek any remedies for defaults. The Chief Administrative Officer of the Agency and City Manager may give notice of default, and may approve any extension of the cure period.
- (v) Any term in the DDA or change to the mandatory DDA terms listed in §3.07.

**¶7.10.B** Bill Erwin and/or Bob Aitchison, on behalf of the Developer, shall have the authority to execute all approvals, waivers, modifications, amendments, and acceptances of performance under this Agreement.

**§7.11 Entire Agreement; modifications.**

**¶7.11.A** This Agreement, including the recitals and exhibits hereto, constitutes the entire agreement of the parties hereto. All statements, representations, promises, undertakings made by any party or any contractor, employee or agent of either party not expressly contained herein is hereby superceded by this Agreement.

**¶7.11.B** This Agreement may be modified by the parties hereto but only by a written instrument signed by the party to be bound.

IN WITNESS WHEREOF the parties have caused this Agreement to be executed on the dates indicated below.

Developer

AED Investments, LLC

By [Signature] Date 9/10/2012  
William S. Erwin

Its: Manager  
By [Signature] Date 9/10/2012  
A. Robert Aitchison  
Its: Manager

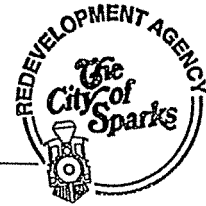
Agency

Redevelopment Agency of the City of Sparks, Nevada

By [Signature] Date 9-25-12  
Ron Smith, Chairman

Attest:

By [Signature] Date 9-25-12  
Linda Patterson, Agency Clerk



City

City of Sparks, Nevada

By [Signature] Date 09/24/12  
Geno Martini, Mayor

Attest:

By [Signature] Date 9/25/12  
Linda Patterson, City Clerk



Approved as to Form and Legality

By [Signature]  
Agency Attorney

By [Signature]  
City Attorney



## Attachment A

1. **Market Study.** A market analysis that tests the proposed concept for the Project, including an assessment of the likelihood of long-term success relative to competition (existing, planned and proposed) and income projections for the project.
2. **Plan.** A schematic plan showing the location, size and use of all improvements to be constructed on the Property, including:
  - a. The proposed building height, dimensions and square footage of all structures.
  - b. The type of tenant proposed in the Project.
  - c. Preliminary renderings showing the architectural style of the Project.
3. **Budget.** A proposed budget for the Project (reflecting any phasing), including the following elements:
  - a. Projected costs for the construction and development of the concept for the Project, including all anticipated hard and soft costs.
  - b. Projected operating revenues and expenses for the Project for three years following issuance of the first certificate of occupancy for the Project, together with information on operating revenues and expenses for various components (e.g. retail, housing, etc.) of the Project.
4. **Land Value Analysis.** A written analysis of land value Developer is willing to pay or written statement, with economic justification if asking for land contribution from the Agency and City.
5. **Financing.** A summary of likely financing sources for the Project.
6. **Completion of Project.** A schedule showing the expected timeline for the possible financing, development and leasing of the Project.