

Item # 24

**Carson City
Agenda Report**

Date Submitted: May 11, 2010

Agenda Date Requested: May 20, 2010
Time Requested: 30 minutes

To: Redevelopment Authority
From: City Manager

Subject Title: Action to approve the Development Coordination Agreement for the Carson City Center Project by and between The Carson City Redevelopment Authority, The Hop and Mae Adams Foundation and P3 Development Inc. to recommend to the Board of Supervisors adoption of a resolution authorizing the expenditure of \$75,000 from the Revolving Fund for the Redevelopment Authority for the Authority's portion of the agreement. (Larry Werner)

Staff Summary: The Development Coordination Agreement (DCA) is the first step in preparation of the analysis to define the specifics of the project formerly known as the Carson Nugget Economic Development Project. The DCA identifies the desired project elements, evaluates potential sources of funding and determines the components of a possible final project. The DCA defines the roles and responsibilities of the parties in preparing the analysis, the time for completing the project (90 days after approval of the agreement), the project deliverables and the costs. The total cost for the DCA is \$166,365 with \$75,000 from the Hop and Mae Adams Foundation, \$75,000 from the Carson City Redevelopment Authority and \$16,365 from the Carson City Library Gift Fund. Upon completion of the DCA and acceptance by the Authority and the Board of Supervisors, the preparation of Development Disposition Agreement(s) (DDA) will begin.

Type of Action Requested: (check one)

- Resolution Ordinance
 Formal Action/Motion Other (Specify)

Does This Action Require A Business Impact Statement: Yes No

Recommended Authority Action: I move to approve the Development Coordination Agreement for the Carson City Center Project by and between The Carson City Redevelopment Authority, The Hop and Mae Adams Foundation and P3 Development Inc. and to recommend to the Board of Supervisors adoption of a resolution authorizing the expenditure of \$75,000 from the Revolving Fund for the Redevelopment Authority for the Authority's portion of the agreement.

Explanation for Recommended Authority Action: Determination of the specific size and nature of the project is necessary before specific details can be identified for the DDA. Completion of the DDA will involve city and library staff, the Hop and Mae Adams Foundation, the Citizens Advisory Committee, and the community. This recommended action is necessary to get to the next phase.

Applicable Statue, Code, Policy, Rule or Regulation: NRS 279.382-279.685

Fiscal Impact: \$75,000 from Redevelopment Funds

Explanation of Impact: Because this is a public/private Agreement, the only source of funding available for the public portion of the Agreement is through the Redevelopment Authority.

Funding Source: Redevelopment Authority

Alternatives: There are several alternatives available to the Authority ranging from not approving the DCA to modifying the terms and conditions.

Supporting Material: Proposed Development Coordination Agreement (DCA)

Prepared By: Lawrence A. Werner, P.E., P.L.S.

Reviewed By: _____ Date: _____
(Department Head)
_____ Date: 5/11/10
(City Manager)
Melanie Ruskotta Date: 5-11-10
(District Attorney)
Julia Shoultz Date: 5/11/10
(Finance Director)

Board Action Taken:

Motion: _____ 1) _____ Aye/Nay
2) _____

(Vote Recorded By)

**DEVELOPMENT COORDINATION AGREEMENT
FOR
THE CARSON CITY CENTER PROJECT**

AMONG

THE CARSON CITY REDEVELOPMENT AUTHORITY

THE HOP AND MAE ADAMS FOUNDATION

AND

P3 DEVELOPMENT INC.

Dated as of _____, 2010

**DEVELOPMENT COORDINATION AGREEMENT FOR
THE CARSON CITY CENTER PROJECT**

This Development Coordination Agreement (this "DCA"), dated for convenience as of _____, 2010, is entered into by and among the Carson City Redevelopment Authority (hereinafter referred to as "Carson City"), the Hop and Mae Adams Foundation (the "Foundation") and P3 Development Inc., a Nevada corporation ("P3").

RECITALS

WHEREAS, over the past three years, Carson City has experienced unusually high rates of unemployment, declining population and declining school enrollment; and,

WHEREAS, although the majority of Carson City's payroll comes from government jobs, manufacturing jobs, trade and health services jobs, much of Carson City's government employees and health care workers do not live in Carson City; and,

WHEREAS, Carson City has experienced an unusually high reduction in sales tax revenues for fiscal years 2007-2009 and an unusually high percentage of Carson City's commercial space is vacant; and

WHEREAS, Carson City desires to create a sustainable economic engine that creates new jobs, energizes its historic downtown with a definable town center and hub for the community, diversifies the economic base through new industries, educates and trains its citizens for primary jobs, and which builds, attracts and creates new companies; and

WHEREAS, the mission of the Foundation is to support the youth of Carson City through educational opportunities that lead to jobs and to combat community deterioration and juvenile delinquency in Carson City; and

WHEREAS, the Foundation owns or controls certain real property contiguous to the Carson Nugget Casino which has served as surface parking for the Carson Nugget Casino (the "Property"); and,

WHEREAS, the Foundation desires to contribute the Property in order to support a development project as hereinafter defined that will create new jobs and economic opportunities and that will realize the goals of Carson City and the Foundation; and,

WHEREAS, P3 has represented to Carson City and the Foundation that it has the knowledge, experience and skill necessary to analyze, program and develop the project, on the terms and conditions set forth in this DCA, and has been selected by Carson City and the Foundation for such purposes; and

WHEREAS, each of the parties to this DCA desire to work together as a Public-Private Partnership to realize the goals of Carson City and the Foundation, and to enter this DCA and such future agreements as necessary to develop the Property.

ARTICLE 1 INTRODUCTORY PROVISIONS

Section 1.1 Term of DCA. The term of this DCA (the "Term") shall become effective upon the full execution of the DCA, and, unless earlier terminated pursuant to a specific provision of this DCA, shall expire on the date of completion of all obligations of the parties under this DCA (other than those continuing obligations specified in the following sentence). Expiration of the Term or earlier termination shall not affect the rights or liabilities of the parties under Sections 2.4, 2.5, 4.2, 4.3, 5.6, 6.4, 8.2, 8.3, 8.6, 8.8 through 8.10, 8.14, 8.17, 8.18, 8.23, and 8.25 through 8.27, which shall survive and continue in effect following expiration of the Term or other termination of this DCA as specified in such sections.

Section 1.2 Purpose of DCA. The purpose of this DCA is to set forth the relationship and responsibilities of the parties with respect to the planning, design, financing, and development of the Carson Nugget Economic Development Project, as such project is more fully described in Section 1.3.

Section 1.3 Carson Nugget Economic Development Project.

(a) Recitals Incorporated. The above Recitals are hereby incorporated as part of the agreement of the parties to this DCA and represent the need for action and the goals of the parties with respect to the project as defined in this Section 1.3.

(b) In General. The downtown area of Carson City has been the subject of long-term community-wide planning. Carson City's design goals focus on fostering economic growth through a unique mixed-use development, located in the heart of downtown. The Carson Nugget Economic Development Project (the "Project") is intended to help meet these goals.

(c) Project Site. The Project will consist of up to six (6) contiguous acres owned or controlled by the Foundation, and two (2) additional acres in partnership with the Carson City and the state of Nevada (the "State"). The project Site is bounded by Stewart Street, East Robinson Street, East Musser Street, and North Carson Street.

(d) Elements of the Project. The parties contemplate that the Project will consist of approximately 350,000 square feet of buildings and may include some or all of the following major public and private elements (the "Desired Elements"):

(1) Knowledge and Discovery Library. A Carson City operated, business-focused, high technology library (the "Library") comprising approximately 50,000 square feet.

(2) Business and Technology Incubator. A business and technology incubator (the "Business Incubator") comprising approximately 15,000 square feet. This element may be attached to or contained within the Library.

(3) Central Outdoor Plaza. A public plaza (the "Public Plaza") designed to encourage and accommodate outdoor, public events comprising approximately 30,000 square feet.

(4) Public Transit Hub. A hub for public transit (the "Public Transit Hub") designed to accommodate passengers for pick-up and drop-off:

(5) Digital Media Lab. Approximately 15,000 square feet designed to encourage and house new media technology to be leased to users under appropriate lease agreements (the "Digital Media Lab").

(6) Parking Structure. A shared parking structure or garage (the "Parking Structure") consisting of approximately 500 vehicle spaces depending upon need. The Parking Structure is intended to serve the parking needs of the Project Site and the Carson Nugget and will be operated by Carson City and the Foundation pursuant to a joint use agreement.

(7) Office Space. Sufficient Class A or B office space (the "Office Space") to serve the state capital pursuant to appropriate lease agreement(s). It is anticipated that the Office Space may consist of two (2) buildings comprising approximately 175,000 square feet.

(8) Retail Space. Approximately 50,000 square feet of retail space to be leased to users under appropriate lease agreements (the "Retail Space"). It is anticipated that the Retail Space may be contained largely on the ground floors of the Office Space.

(9) Evening Entertainment Venue. A first-class evening entertainment venue appropriate to the site and consistent with the downtown plan (the "Evening Entertainment Venue"). The Evening Entertainment Venue may be reserved for a future phase of the Project, and the specific use, size and location is to be determined.

(10) Residential Space. Condominiums or townhomes appropriate to the site and consistent with the downtown plan (the "Residential Space"). The Residential Space may be reserved for a future phase of the Project and the specific type(s), size(s) and locations are to be determined.

(11) Other Public Improvements. Carson City owned or operated public improvements and infrastructure consisting of landscaping, lighting, sidewalks, public access roads, utility systems, sewers and the like (the "Public Improvements").

(12) Other Improvements. A potential hotel and/or conference center.

Section 1.4 Ongoing Process. The parties to this DCA acknowledge and agree that the Desired Elements set forth in Section 1.3 represent the goals for the scope of the Project that the Project as envisioned is still evolving and that full Project programming will be the responsibility of P3 as more fully described in Article 2 of this DCA. The final Project elements, the specific uses, the sizes, and the operators may change or be modified by joint agreement by Carson City and the Foundation, in consultation with P3, to suit final funding and revenue projections.

ARTICLE 2 DEVELOPMENT PROGRAMMING

Section 2.1 Cooperation of the Parties. This Article sets forth the services to be provided by P3 and the obligations of Carson City and the Foundation pursuant to this DCA. The parties acknowledge and agree that a high level of cooperation and communication will be required to successfully complete the Project and realize the goals of the parties. Each party agrees to use its best, good faith efforts to advance the Project, consistent with each parties' internal rules and regulations and all applicable laws. The parties further acknowledge and agree that modifications to these services may be necessary and agree to cooperate to amend this DCA or enter other agreements as necessary to successfully complete the Project.

Section 2.2 Program Analysis. P3 shall perform an analysis of the Project and the Desired Elements to determine the feasibility of the Desired Elements and a development program acceptable to the parties (the "Development Program"). P3 shall employ such architects, engineers, consultants and contractors necessary to perform the services set forth in this Section 2.2. P3's Specific duties pursuant to this DCA shall include, but not be limited to:

(a) Master Plan.

(1) P3 shall develop a Concept Site Plan that will generally describe the layout of the Project Site and the approximate location of the Desired Elements and the final Project elements.

(2) P3 shall communicate with the other parties to this DCA to confirm the proposed sizes and uses of the structures to be built pursuant to the Project as defined in Section 1.3.

(3) P3 shall define the public spaces and the location of the Public Transit Hub.

(4) P3 shall prepare a massing diagram to determine the approximate height of the Project buildings.

(5) P3 shall prepare renderings and electronic images of the Project Site as envisioned for presentation to the parties.

(b) Infrastructure Analysis.

- (1) P3 shall analyze curbs, gutters and sidewalks for the Project Site.
- (2) P3 shall determine the location of utilities and Project demands for necessary utilities.

(c) Parking.

- (1) P3 shall prepare a forecast of parking requirements for the Project Site and users based on projected uses.
- (2) P3 shall allocate parking spaces to accommodate the Project Site and the anticipated uses of the Desired Elements and the final Project elements.
- (3) P3 shall analyze whether and how parking revenues can be generated from the Project Site.
- (4) P3 shall determine the optimal size of the Project Parking Structure, and whether the Parking Structure should be above ground or underground.

(d) Real Estate Issues.

- (1) P3 shall determine the required or recommended term and costs of site leases serving the Project Site.
- (2) P3 shall perform a retail analysis and a housing analysis and make recommendations to the parties to this DCA regarding amount, type and timing of retail and residential uses.
- (3) P3 shall analyze possible relocation and/or abandonment of existing streets to accommodate the Desired Elements and the final Project elements.

(e) Financing Analysis.

- (1) P3 shall forecast the cost of the public and private improvements that make up the Project as defined in Section 1.3 and the cost of the Desired Elements and other individual elements of the Project.
- (2) P3 shall examine and make recommendations to the parties to this DCA concerning phasing of the Project and priorities for each element of the Project.
- (3) P3 shall prepare cost estimates to finance and build the Project, which estimates shall include the cost of the Desired Elements and such other improvements necessary for the Project scope.

(f) Development Plan

- (1) P3 shall prepare a sample Master Schedule for the Project from commencement to final completion of all approved Project elements.
- (2) P3 shall propose potential phasing options for construction of the Project.

(g) Public Outreach

- (1) P3 shall work closely with Carson City staff to anticipate and resolve development issues and to obtain input regarding Desired Elements, final Project elements, and design and financing options.
- (2) P3 shall report to the Board of Supervisors regarding its activities and findings at such times deemed necessary or advisable by Carson City.
- (3) P3 shall conduct working sessions with the Planning Commission, Citizens' Advisory Committee and other relevant bodies as required by Carson City.
- (4) P3 shall work closely with other Project stakeholders concerning the Desired Elements, the final Project elements, and design and financing of the Project.

Section 2.3 Program Approval. Upon completion of the services set forth in Section 2.2, P3 shall present its final Development Program and recommendations to Carson City and the Foundation for their approval. Carson City and the Foundation shall approve or disapprove of the Development Program proposed by P3 within sixty (60) days of submission by P3. If each party approves the Development Program presented by P3, or as modified by the parties, the parties shall enter into the Future Agreements set forth in Article 5 for development and construction of the Project.

Section 2.4 Program Modification. In the event the Development Program is not approved by Carson City and the Foundation within the period of time set forth in Section 2.3, the disapproving party(s) shall notify P3 within ten (10) days following such disapproval of the specific reasons for disapproval and the changes or modifications needed to make the Development Program acceptable, if any. P3 shall have ninety (90) days within which to consult with the disapproving party(s) and to submit a modified Development Program acceptable to the parties, and the Term of this DCA shall be extended for such period. If the disapproving party(s) believe, in it or their reasonable discretion, that the parties are making progress toward an acceptable Development Program, P3 shall be entitled to such additional time as deemed reasonable by the parties to this DCA and the Term of this DCA shall be extended accordingly.

Section 2.5 Exclusive Right to Negotiate. During the entire Term of this DCA, P3 shall have the exclusive right to negotiate the terms and conditions of any DDA(s) or other

development or construction agreements for the Project. Carson City and Foundation agree, during the Term of this DCA, to refrain from consideration of proposals from other developers for the Property, the Desired Elements or the Project. City further agrees to not solicit or entertain proposals from others during the Term of the DCA. Carson City and Foundation may provide information regarding the Property and the Project to any person or entity requesting information, but shall not provide any information or details concerning the P3's evolving concept for the Property or the Project beyond what is made public by the parties.

Section 2.6 Carson City's Obligations. Carson City shall provide P3 with information regarding Carson City's requirements for the Project, including information regarding Carson City's objectives, schedule, constraints, criteria and funding and cash flow projections. Carson City will work cooperatively with P3 and P3's consultants in good faith to assist P3 in completing the Development Program in a timely manner.

Section 2.7 The Foundation's Obligations. The Foundation shall provide P3 with information regarding the Foundation's requirements for the Project, including information regarding the Foundation's objectives, schedule, constraints, criteria and funding and cash flow projections. The Foundation will work cooperatively with P3 and P3's consultants in good faith to assist P3 in completing the Development Program in a timely manner. The Foundation will provide such access to the Property and such information concerning the Property to P3 as reasonably required to complete the Development Program in a timely manner. The Foundation will take all reasonable and necessary steps to acquire all Project Property and to obtain lease commitments from the State for the Office Space.

Section 2.8 Appointment of Project Managers. Each of the parties will appoint a Project Manager who will be such parties' primary point of contact with respect to the obligations set forth in this DCA for development of the Project. Such Project Manager(s) shall have the authority to obtain all necessary information, access and documentation owned or controlled by the respective parties and will be authorized to make routine decisions on behalf of the parties with respect to each party's' activities pursuant to this DCA.

ARTICLE 3 COMPENSATION TO P3

Section 3.1 P3's services under this DCA will be invoiced to Carson City by the 30th of each month and shall be payable within thirty (30) days of approval, such approval not to be unreasonably withheld or delayed. All amounts paid to P3 under this DCA will be included in the overall Project budget, and shall be credited against the guaranteed maximum cost.

Section 3.2 P3's invoices will be based upon the actual cost necessary for the scope of work performed in accordance with this DCA. An estimate of the hours required to perform each work task with the associated billable rates and customary reimbursable costs are attached to this DCA as Exhibit "A". Additionally hourly rates for additional services, if required are provided as Exhibit "B". P3 shall be solely responsible for payment for any architectural services provided by the architects and the services provided by other required consultants to the extent necessary to complete P3's Development Program as provided in Section 2.2 of this DCA. Each invoice shall provide the following details: The work completed or the percentage of each task completed; the

total current charges for the invoiced services and the running total for all work performed. Carson City shall notify P3 within fifteen (15) days following its receipt of the invoices of any questions or concerns Carson City has regarding the appropriateness of the charges or information included in or omitted from the invoices. The notification shall be in writing and shall explain, in detail, Carson City's concerns. Carson City may withhold payment for the invoice until P3 provides such additional information or explanation as necessary, in Carson City's reasonable opinion, to resolve the issue or question. Carson City shall not act unreasonably or with undue delay in working with P3 to resolve such matters.

Section 3.3 The total cost of P3's services for the Development Program provided in Section 2.2 of this DCA is **not to exceed \$166,365.00**. P3 warrants that the aforementioned sum does not include any of its overhead or profit. Any subsequent increase beyond the aforementioned amount shall be subject to the approval of Carson City in writing.

ARTICLE 4 TERM

Section 4.1 P3 shall begin the performance of the Development Programming set forth in Article 2 immediately upon receipt of a fully executed copy of this DCA. P3 shall use its best efforts to complete the Development Program provided by Section 2.2 within ninety (90) days from the date this DCA is executed by all the parties hereto. Attached hereto as Exhibit "C" is a list of important meeting dates and program milestones to be performed by the parties. The parties shall use their best efforts to comply with Exhibit "C" milestones in order for P3 to complete Development Programming within the ninety (90) day period. Time shall be considered of the essence, and P3 shall work without undue delay, but shall not be held liable for delays caused by the failure of any other party to this DCA, or its or their staffs or agents to provide information in a timely manner or by failure to act on any items necessary to allow P3 to complete the work in an appropriate time frame.

Section 4.2 In the event P3 is unable to complete the Development Program within the period set forth in Section 4.1, the parties agree to extend the Term for an additional ninety (90) day period so long as the parties agree that P3 is making substantial progress and/or that the need for an extension was caused by factors beyond P3's control.

Section 4.3 In the event the parties desire to add additional services pursuant to this DCA, the parties will confer to determine whether the time set forth in Section 4.1 shall be extended to accommodate such additional services.

ARTICLE 5 FUTURE AGREEMENTS

Section 5.1 Development Disposition Agreement(s). Upon approval of the Development Program as provided in Section 2.3, the parties shall enter into Development Disposition Agreement(s) ("DDA") for final design, financing and construction of the Project. The parties anticipate that multiple DDA's may be necessary to define the public and private

portions of the project. The parties further anticipate that the Project will be delivered through a lease/leaseback method and the DDA shall set forth all of the necessary terms and conditions for Project delivery.

ARTICLE 6 TERMINATION

Section 6.1 Termination by P3. This DCA may be terminated by P3 upon fourteen (14) days written notice to Carson City and the Foundation in the event of an uncured substantial failure of performance by Carson City or the Foundation, unless Carson City or the Foundation, as the case may be, has acted to commence cure efforts in any case where a reasonable cure cannot be concluded within the 14 day notice period.

Section 6.2 Termination by Carson City. This DCA may be terminated at any time without cause by Carson City upon fourteen (14) days written notice to P3 and the Foundation. In the event of such a termination by Carson City, Carson City shall pay P3 for all undisputed services performed and expenses incurred pursuant to this DCA, supported by documentary evidence, including, but not limited to, payroll records, invoices from third parties retained by P3 pursuant to this DCA, and expense reports up until the date of notice of termination plus any sums due P3 for approved extra services, up to the maximum contract amount. In ascertaining the services actually rendered hereunder up to the date of termination of this DCA, consideration shall be given to both completed work and work in process.

Section 6.3 Termination by Foundation. This DCA may be terminated by the Foundation upon fourteen (14) days written notice to Carson City and P3 in the event of an uncured substantial failure of performance by Carson City or P3, unless Carson City or P3, as the case may be, has acted to commence cure efforts in any case where a reasonable cure cannot be concluded within the 14 day notice period.

Section 6.4 Ownership of Records. It is mutually agreed that all materials prepared by P3 under this DCA shall become the property of Carson City, and P3 shall have no property right therein whatsoever. P3 hereby assigns to Carson City any copyrights associated with the materials prepared pursuant to the DCA. Immediately upon termination and upon written request, Carson City shall be entitled to, and P3 shall deliver, all data, drawings, specifications, reports, estimates, summaries and such other materials and commissions as may have been prepared or accumulated to date by P3 in performing this DCA which is not P3's privileged information, (the "Termination Material") as defined by law, or P3's personnel information. In the event Carson City or the Foundation uses the Termination Material for an unrelated project over which P3 has no control, Carson City and the Foundation agree that its or their use of the Termination Material, in that instance, shall be at Carson City's and the Foundations own risk and Carson City and the Foundation agree to indemnify P3 for any damages it incurs related to such use. Notwithstanding the above, Carson City and the Foundation acknowledge that the Termination Material shall only be delivered, and the relevant copyrights assigned, to Carson City and/or the Foundation subsequent to such party paying P3 for the services delivered hereunder pursuant to the payment procedure described in Article 3.

ARTICLE 7
INSURANCE

Section 7.1 P3's Obligation. P3 shall purchase and maintain insurance with an insurer or insurers, qualified to do business in the State of Nevada, and that are reasonably acceptable to Carson City and Foundation. Said insurance shall protect P3, Carson City and Foundation from claims which may arise out of or result from P3's actions or inactions relating to the Project and the services provided by this DCA, whether such actions or inactions are committed by P3 or by P3's consultants or sub-consultants.

Section 7.2 Nature of Coverage. The aforementioned insurance shall include coverage for:

- (a) Statutory workers' compensation and employers' liability.
- (b) Commercial general and auto liability insurance with limits of not less than TWO MILLION DOLLARS (\$2,000,000.00) combined single limit, bodily injury and property damage liability per occurrence, including:

- (1) owned, non-owned and hired vehicles;
- (2) blanket contractual;
- (3) broad form property damage;
- (4) products/completed operations; and
- (5) personal injury.

Section 7.3 Consultants and Sub-consultants. P3's consultants and sub-consultants shall be required to carry professional liability insurance, including contractual liability, if available for the services provided by the consultant or sub-consultant, with limits of ONE MILLION DOLLARS (\$1,000,000.00). Such insurance shall be maintained until completion of the Project and renewed for a period of at least two (2) years after completion of the Project. In the event that P3 hires consultants or sub-consultants or assigns any portion of its duties, P3 shall require any such consultant, sub-consultant or assignee, to purchase and maintain insurance coverage as provided in this subparagraph. Failure to maintain professional liability insurance is a material breach of this DCA and grounds for immediate termination.

Section 7.4 Carson City as Additional Insured. Each policy of insurance required above shall name Carson City and Foundation and their trustees, officers, employees and agents as additional insureds; shall state that, with respect to the operations of P3 hereunder, such policy is primary and any insurance carried by Carson City and Foundation is excess and non-contributory with such primary insurance; shall state that not less than thirty (30) days' written notice shall be given to Carson City and Foundation prior to cancellation; and shall waive all rights of subrogation. P3 shall notify Carson City and Foundation in the event of material change in, or failure to renew, each policy. Prior to commencing work under this DCA, P3 shall deliver to Carson City and Foundation certificates of insurance as evidence of compliance with the requirements herein. In the event P3 fails to secure or maintain any policy of insurance

required hereby excepting professional liability, Carson City and/or Foundation may, in their sole discretion, secure such policy of insurance in the name of and for the account of P3, and in such event P3 shall reimburse Carson City and/or Foundation upon demand for the cost thereof.

ARTICLE 8
GENERAL PROVISIONS

Section 8.1 Notices. Any notice or communication required to be given under this DCA by a party shall be in writing, and may be given either personally, by facsimile transmission, by nationally recognized overnight courier such (such as Federal Express) or by registered or certified mail, return receipt requested. If delivered by registered or certified mail, a notice shall be deemed to have been received on the date of actual receipt by the addressees designated below as a party to whom notices are to be sent as evidenced by the return receipt. If delivered personally, by facsimile transmission or by overnight courier, a notice shall be deemed to have been received when delivered to the party to whom it is addressed, as evidenced by the records of the courier service, or if sent by facsimile, when a confirmation of receipt is generated by the sending facsimile machine. A party may at any time, by giving ten (10) days written notice to the other party pursuant to this Section 8.1, designate any other addresses in substitution of the address to which such notice or communication shall be given.

Notices shall be given to the parties at their address set forth below:

Carson City: Carson City Redevelopment Authority
201 North Carson Street
Carson City, NV 89701
Attention: Joe McCarthy, Director

P3 Development: P3 Development Inc.
1860 Howe Avenue, Suite 440
Sacramento, CA 95825
Attention: Rick Oshinski, CEO

The Foundation: The Hop and Mae Adams Foundation
507 N. Carson Street
Carson City, NV 89701
Attention: Mr. Steve Neighbors

If failure to respond to a specified notice, request, demand or other communication within a specified period would result in a deemed approval, a conclusive presumption, a prohibition against further action or protest, or other adverse result under this DCA, the notice, request, demand or other communication shall state clearly and unambiguously on the first page, with reference to the applicable provisions of this DCA, that failure to respond in a timely manner could have a specified adverse result. No party shall evade or refuse delivery of any notice.

Section 8.2 Books and Records; Carson City Audit. P3 shall maintain full and complete books, records, accounts and other documents regarding its obligations under and compliance with this DCA. Such books, records, accounts and other documents shall be maintained in an orderly and professional manner, and shall be retained by P3 for not less than five (5) years following expiration of the Term or earlier termination of this DCA. Carson City shall have the right at all reasonable times during the Term and for a period of five (5) years after the expiration of the Term or earlier termination of this DCA to examine, audit, inspect, review, extract information from, and copy all books, records, accounts and other documents required to be maintained by P3 pursuant to this Section 8.2.

P3 shall also have the right at all reasonable times to inspect and copy the books, records, accounts and all other documentation of Carson City and Foundation pertaining to their obligations under the compliance with this DCA. Such books, records, accounts and other documentation shall be maintained in an orderly and professional manner, and shall be retained by Carson City or Foundation, as applicable, for not less as five (5) years following expiration of the Term or earlier termination of this DCA.

Section 8.3 Indemnification.

(a) P3. P3 shall indemnify, defend (with counsel reasonably acceptable to Carson City), and hold Carson City, Foundation and their respective employees, officers, agents, board members, consultants, contractors, subcontractors, and attorneys harmless from and against all suits, actions, claims, causes of action, attorneys fees and other costs, demands, judgments and liens which arise out of or in connection with performance by P3 or under this DCA. P3 shall have no obligation to indemnify Carson City, Foundation, or their respective employees, officers, agents, board members, consultants, contractors, subcontractors, and attorneys for any acts, omissions or negligence of any contractors, consultants and subcontractors (other than P3 and the P3 subcontractors) who perform any work on any portion of the Project for Carson City or Foundation.

(b) Carson City and Foundation. Carson City (solely with respect to its own acts or omissions) and Foundation (solely with respect to its own acts or omissions) shall indemnify, defend (with counsel reasonably acceptable to P3), and hold P3 and its employees, officers directors, members, shareholders, agents, board members, consultants, contractors, subcontractors, and attorneys harmless against all suits, action, claims, causes of action, attorneys fees and other costs, demands, judgments and liens which arise out of or in connection with Foundation's and Carson City's performance of their respective obligations under this DCA and the acts or omissions of Carson City's and Foundation's respective consultants, contractors and subcontractors (other than P3 and the P3 subcontractors).

(c) Other Provisions. Each party's indemnification obligation under this Section 8.3 shall be interpreted broadly to apply to any legal or administrative proceeding, arbitration, or enforcement action. A party's indemnification obligation under this Section 8.3 shall not extend to any claim arising solely from the failure by another party seeking the benefits of such indemnification to perform its respective obligations under this DCA. The provisions of this Section 8.3 shall survive expiration of the Term or any earlier termination of this DCA.

Section 8.4 Insurance. P3 shall comply with the insurance requirements set forth in Article 7. To the extent Carson City and/or Foundation procures a commercial general liability insurance policy or owner's protective professional liability insurance policy with respect to the Project, Carson City and/or Foundation shall use diligent good faith efforts to have such policy or policies endorsed to name P3 and its employees, officers, directors, members, shareholders, agents, board members, and consultants as additional insureds thereon so long as such endorsement is reasonably available in the applicable insurance market and does not materially increase the premium payable by Carson City and/or Foundation with respect to such insurance. In addition, Carson City and Foundation shall use diligent good faith efforts to cause each Project contract it enters into to require the contracting party to name P3 and its employees, officers, directors, members, shareholders, agents, board members, and consultants as additional insureds on all commercial general liability insurance policies required to be maintained pursuant to the applicable Project contract.

Section 8.5 Nondiscrimination. In performing its obligations under this DCA, P3 shall not, because of the race, religion, creed, color, national origin, ancestry, sexual orientation, physical disability, mental disability, medical condition, marital status, or sex of any person (or on any other basis prohibited by federal or Nevada law), refuse to hire or employ the person, or refuse to select the person for a training program leading to employment, or bar or discharge the person from employment or from a training program leading to employment, or discriminate against the person in compensation or in terms, conditions or privileges of employment.

Section 8.6 Assignments and Transfers; Binding Effect. Upon the Effective Date, this DCA shall be binding upon and inure to the benefit of the heirs, administrators, executors, successors, and assigns of each of the parties; provided however, that any transfers of P3's interest in this DCA shall be permitted and effective only as provided in Section 8.24. Any reference in this DCA to a specifically named party shall be deemed to apply to any successor, heir, administrator, executor, or assign of such party who has acquired an interest in compliance with the terms of this DCA.

Section 8.7 Compliance With Applicable Laws. The parties shall comply with all applicable laws in performance of their respective obligations under this DCA. The parties acknowledge and agree that state prevailing wages shall be paid in connection with all construction work undertaken with respect to the Carson Nugget Economic Development Project.

Section 8.8 Non-Liability of Individuals. No member, official, employee, agent or attorney of Carson City or Foundation shall be personally liable to any other party, or any other successor in interest in the case of any Carson City or Foundation event of default under this DCA, or for any amount which may become due to any other party or other successor under this DCA, or for any other obligation under the terms of this DCA. No member, officer, employee, agent, shareholder or attorney of P3 shall be personally liable to any other party, or any successor in interest in the case of any P3 event of default under this DCA, or for any amount which may be due to any other party or other successor under this DCA, or for any obligation under the terms of this DCA.

Section 8.9 Nevada Law Applies. This DCA shall be interpreted under and pursuant to the laws of the State of Nevada.

Section 8.10 Legal Action.

(a) Dispute Resolution. Prior to filing any legal action by one party against another party, the parties shall use the following dispute resolution procedure regarding any claims, disputes, or other matters in question among the parties arising out of or relating to this DCA or a breach hereof (a "Dispute"):

(1) First, upon dated and written notice (the "Request") by a party to the other parties, the Carson City Project Manager, the Carson City Manager, the Foundation Project Manager, the P3 Project Manager, and the Chief Executive Officer of P3 shall personally meet and confer and attempt to arrive at a resolution of the Dispute.

(2) If the parties are unable to resolve a Dispute pursuant to paragraph (1) within thirty (30) days after the delivery of the Request, the parties shall submit the dispute to confidential mediation through a retired judge affiliated with JAMS, through a retired judge acting as a mediator acceptable to both parties, and other mediation method acceptable to the parties. If the parties cannot agree on a mediator by fifteen (15) days after the end of the thirty (30) day negotiation period described in paragraph (1), JAMS or the alternative mediation service shall choose a mediator who has not already been rejected by one of the parties. The costs of the mediation shall be borne one-third by Carson City, one third by Foundation and one-third by P3. Each party shall bear the cost of its own counsel, consultants, and other costs and expenses of mediation. Each party shall consider in good faith the report or other recommendation provided by the mediator, if any, but no party shall be bound by any such report or recommendation. Only after completion of the dispute resolution process described in this subsection (1), may any party proceed to bring a legal action against another party in connection with this DCA.

(b) Attorneys' Fees. In the event any legal action is commenced to interpret or enforce the terms of this DCA or to collect damages as result of any Event of Default, the party prevailing in any such action shall be entitled to recover against the party not prevailing all reasonable attorneys' fees and costs uncured in such action (including any appeal of such action). The provisions of this subsection shall survive expiration of the Term or any earlier termination of this DCA.

(c) Third Party Litigation. In the event legal action is commenced by a third party or parties, the effect of which is to directly or indirectly challenge or compromise the enforceability, validity, or legality of this DCA and/or the power of Carson City, Foundation or P3, the parties shall cooperate and share in the defense of such action as appropriate to the nature of the claim. Upon commencement of any such action, Carson City, Foundation and P3 shall meet in good faith and seek to establish a mutually acceptable method of defending such action.

Section 8.11 No Joint Venture. Nothing in this DCA is intended to or does establish the parties as partners, co-venturers, or principal and agent with one another, and the parties hereby expressly renounce any such relationship. In the performance of this DCA, P3 is acting and shall

act in an independent contractor and not as an officer, employee, or agent of Carson City or Foundation.

Section 8.12 Waivers. A party may at its discretion waive in writing any of the terms and conditions of this DCA that are to its benefit, without completing an amendment to this DCA. Any waiver of any default under this DCA must be in writing by the non-defaulting party or parties, and shall only pertain to the specific default described therein. No waiver of any default or breach shall be implied from any omission by a non-defaulting party to take action on account of such default if such default persists or is repeated, and no express waiver shall effect any default other than the default specified in the waiver, and such waiver shall be operative only for the time and to the extent therein stated. Waivers of any covenant, term, or condition contained in this DCA shall not be construed as a waiver of any subsequent breach of the same covenant, term, or condition. The consent or approval shall not be deemed to waive or render unnecessary the consent or approval to or of any subsequent similar act. The exercise of any right, power, or remedy shall in no event constitute a cure or waiver of any default under this DCA, nor shall it invalidate any act done pursuant to notice of default, or prejudice the exercising party in the exercise of any right, power, or remedy, hereunder.

Section 8.13 Foundation and Carson City Actions.

(a) Foundation's Actions. Except as otherwise provided in this DCA, whenever this DCA calls for or permits Foundation approval, consent, election, or waiver, the written approval, consent, election, or waiver of the Foundation's Project Manager or the Project Manager's designee shall constitute the approval, consent, election, or waiver of Foundation, without further authorization required from Foundation Board; provided, however, that the Project Manager may seek such authorization when the Project Manager deems it appropriate. Except as otherwise provided in this DCA, Foundation Board hereby authorizes Foundation Project Manager or the Project Manager's designee to deliver such approvals, consents, and elections as are required or permitted by this DCA, and to waive requirements or conditions under this DCA, on behalf of Foundation.

(b) Carson City Actions. Except as otherwise provided in this DCA, whenever this DCA calls for or permits a Carson City approval, consent, election, or waiver, the written approval, consent, election, or waiver of Carson City's Project Manager, the Carson City Manager or the Carson City Manager's designee shall constitute the approval, consent, election, or waiver of Carson City, without further authorization required from the Carson City Board of Supervisors; provided, however, that Carson City's Project Manager or the Carson City Manager may seek such authorization when Carson City's Project Manager or the Carson City Manager deems it appropriate. Except as otherwise provided in this DCA, the Carson City Board of Supervisors hereby authorizes Carson City's Project Manager, the Carson City Manager or the Carson City Manager's designee to deliver such approvals, consents, and elections as are required or permitted by this DCA, and to waive requirements or conditions under this DCA, on behalf of Carson City.

Section 8.14 No Third Parties Beneficiaries. No person or entity other than Carson City, Foundation, P3, and their permitted successors and assigns shall have any right of action under this DCA.

Section 8.15 Entire Agreement; Amendments. This DCA constitutes the entire understanding and agreement of the parties with respect to the matters set forth herein, and supersedes any prior written or oral statement and understandings. The parties may amend this DCA only by means of a writing signed by the parties expressly stating its intention to amend this DCA; provided, however, the parties may enter into Operating Memoranda without formal amendment of this DCA for the purposes, in the manner, and with the effect set forth in Section 8.20.

Section 8.16 Time of the Essence. Time is of the essence in the performance of all duties and obligations under this DCA.

Section 8.17 Interpretation. Each reference in this agreement to this DCA, or any other agreement, plan, or document shall refer to the named agreement, plan or document as such agreement, plan or document may be amended from time to time. Statutory references include any amendments to or renumbering of the referenced statutes.

As used in this DCA, the singular shall include the plural; the masculine gender shall include the feminine; "shall" is mandatory; "may" is permissive.

Any titles of the articles, sections or subsections of this DCA are inserted for convenience of reference only and shall be disregarded in the interpretation of any of the DCA's terms and provisions.

This DCA has been reviewed and revised by legal counsel for each party and no presumption or rule that ambiguities shall be construed against the drafting party shall apply to the interpretation or enforcement of this DCA. Each party has consulted with counsel and determined that this DCA accurately and completely reflects the agreement of the parties.

Section 8.18 Excused Delay. In addition to specific provisions of this DCA, performance by a party shall not be deemed to be in default (and the times for performance under this DCA shall be extended as provided below) where delays or defaults are due to: war; insurrection; acts of terrorism; epidemics; strikes; lock-outs; riots; floods; earthquakes; fires; quarantine restrictions; freight embargoes; energy shortages; energy rationing; discovery of previously unknown Hazardous Materials or archaeological or historical resources; court order preventing action; pending litigation that presents a material financial risk to a party if it proceeds with action under this DCA while the outcome of such litigation is pending; delays in processing approvals caused by any governmental entity; or any other similar causes beyond the control or without the fault of the party claiming an extension of time to perform (other than lack of funds of a party or inability of a party to finance the performance of its duties under this DCA, which lack or inability shall not be the basis for an excused delay). An extension of time for any cause will be deemed granted if notice by the party claiming such extension is given in writing to the other parties and such extension of time is not rejected in writing by another party within fifteen (15) days of receipt of the notice. A party shall use commercially reasonable efforts and act in good faith to bring to the attention of the other parties any claim for an extension of time under this Section 8.18 promptly after it becomes aware of the basis for such claim. Any extension of time granted pursuant to this Section 8.18 shall continue only for the period during which the applicable condition continues to cause delay of performance.

Section 8.19 Counterparts. This DCA may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement.

Section 8.20 Operating Memoranda. The parties acknowledge that the provisions of this DCA require a close degree of cooperation and coordination, and that new information and future events may demonstrate that changes are appropriate with respect to the details of performance of the parties under this DCA. The parties desire, therefore, to retain reasonable flexibility with respect to the details of performance for those items covered in general terms under this DCA. If and when, from time to time during the term of this DCA, the parties find that refinements or adjustments regarding details of performance are necessary or appropriate, they may effectuate such refinements or adjustments through Operating Memoranda approved by the parties, which, after execution, shall be attached to this DCA as addenda and become a part hereof. This DCA describes some, but not all, of the circumstances in which the preparation and execution of Operating Memoranda may be appropriate.

Operating Memorandum may be executed by those parties to this DCA that are affected by the terms of such Operating Memorandum and need not be executed by any party that is not affected by the terms of such Operating Memorandum. Operating Memoranda may be executed on Foundation's behalf by the Foundation Project Manager and on Carson City's behalf by the Carson City Manager or Carson City's Project Manager. Except as expressly set forth in the following paragraph, Operating Memoranda shall not require prior notice or hearing, or other action of the Carson City Board of Supervisors. Any significant modification to the terms of performance under this DCA shall be processed as an amendment of this DCA and must be approved by the Carson City Board of Supervisors.

Section 8.21 Severability. If any term, provision, covenant or condition of this DCA or the application of any provision of this DCA to a particular situation is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions of this DCA, or the application of this DCA to other situations, shall continue in full force and effect, unless the rights and obligations of the parties have been materially altered or abridged by such invalidation, voiding, or unenforceability.

Section 8.22 Other Necessary Acts. Each party shall execute and deliver to the other parties all further instruments and documents as may be reasonably necessary to carry out this DCA in order to provide and secure to the parties the full and complete enjoyment of their rights hereunder.

Section 8.23 Additional Terms Related to P3 Services.

(a) Coordination of P3 Services; Reports. P3 shall coordinate performance of the P3 Services with the Carson City Project Manager and the Foundation Project Manager. P3 shall advise and inform the Project Managers of the work in progress for the P3 services in sufficient detail so as to assist the Project Managers in making all necessary decisions regarding the P3 Services and the Project in a timely and efficient manner, and in making presentations and in holding meetings for the exchange of information. Upon reasonable notice, as from time to time requested by Carson City, P3 shall provide oral or written progress reports on matters related

to the provision of the P3 services and the status of the Carson Nugget Economic Development Project.

(b) Change in P3 Development Manager.

(1) Carson City Approval Right; Right to Terminate. It is agreed that Mike Courtney shall serve as the P3 Development Manager for the P3 with respect to the Project. P3 shall notify Carson City of any anticipated change in the P3 Development Manager as far in advance of the anticipated change as is reasonably possible, and shall submit the name and relevant professional information concerning the proposed replacement P3 Development Manager. Carson City shall have the right to approve or disapprove, in accordance with the applicable standard set forth in the following paragraph, the proposed replacement P3 Development Manager. Carson City shall approve or disapprove the proposed replacement P3 Development Manager within ten (10) days after receipt from P3 of the name and relevant professional information concerning the proposed replacement P3 Development Manager. If Carson City disapproves the first candidate submitted by P3, P3 shall, as soon as practicable, submit the name and relevant professional information concerning a second proposed P3 Development Manager. Carson City shall approve or disapprove the second proposed replacement P3 Development Manager within ten (10) days after receipt from P3 of the name and relevant professional information concerning the second proposed replacement P3 Development Manager. If Carson City disapproves the second proposed replacement P3 Development Manager, then Carson City may, at its election, terminate this DCA upon written notice to P3.

(2) Standard of Approval/Disapproval. If Mike Courtney is no longer employed by P3 at the time of the proposed change in the P3 Development Manager, Carson City shall have the right to approve or disapprove the proposed Replacement P3 Development Manager in its commercially reasonable discretion. If Mike Courtney continues to be employed by P3, at the time of the proposed change in the P3 Development Manager, Carson City shall have the right to approve or disapprove the proposed Replacement P3 Development Manager in its sole discretion. If Carson City disapproves any replacement, Carson City shall state in writing the specific reasons for such disapproval.

(c) Independent Entity. In performing the P3 Services, P3 and any P3 subconsultants and contractors are and shall act independent from Carson City and the Foundation and not as an employee of Carson City or the Foundation. P3 shall have control of P3's work (and the work of P3's subconsultants and contractors) and the manner in which such work is performed. P3 acknowledges and agrees that:

(1) Neither Carson City nor Foundation will withhold taxes of any kind from P3's compensation;

(2) Neither Carson City nor Foundation will secure workers' compensation or pay unemployment insurance to, for or on P3's behalf or on behalf of any P3 subconsultant or contractor;

(3) Neither Carson City nor Foundation will provide and neither P3 nor any P3 subconsultant or contractor is entitled to any of the usual and customary rights, benefits or privileges of Carson City or Foundation employees; and

(4) Neither Carson City nor Foundation will be liable, solely as the result of the contractual relationship established by this DCA, to any third parties, P3, or any person acting for or under P3, for any deaths, injuries or property damage determined to have been caused by P3's performance (or P3's subconsultants' or contractors' performance) pursuant to the Project or this DCA.

P3 expressly warrants that neither P3, any of P3's employees, any of the P3 subconsultants, contractors nor any other agents of P3 shall represent themselves to be employees of Carson City or Foundation.

(d) Materials. P3 shall furnish all labor and supervision, supplies, equipment, transportation, and services necessary to or used in the performance of P3's services pursuant to the Project or this DCA.

(e) Ownership and Use of Public Project Data. All public Project data shall (subject to the right of third party preparers of same) be the exclusive property of Carson City. The ownership of the private Project data shall be as set forth in the Future Agreements, as applicable.

Upon full payment therefor, public Project data shall be given to Carson City without warranty of any kind as to the accuracy, completeness or suitability for any particular purpose of same, and Carson City shall have the unrestricted right (subject to any superior rights of copyright holders) to use and disclose the public Project data in any manner and for any purpose. Copies of public Project data may be retained by P3, but P3 warrants that public Project data shall not be made available by P3 to any person or entity for use without the prior approval of Carson City, other than in connection with the construction of the Project. The foregoing warranty shall survive expiration of the Term or any earlier termination of this DCA for three (3) years.

(f) Confidentiality of Public Project Data. P3 shall keep the public Project data confidential and shall not disclose the public Project data or use the public Project data directly or indirectly other than in the course of performance of the P3 Services during the Term and for three (3) years following expiration or any earlier termination of this DCA. In addition, P3 shall keep confidential all information relating to the Project, whether written, oral, or visual, obtained by any means whatsoever in the course of P3's performance under this DCA for the same period of time. P3 shall not disclose any or all of the public Project data to any third party, nor use it for P3's own benefit or the benefit of others except for the purpose of this DCA.

(g) Changes and Extra P3 Services. Carson City may request in a change order (a "Change Order") that P3 perform extra services not covered by this DCA, and P3 shall perform any such extra services. Carson City shall pay for any extra P3 services as specified in the Change Order. Carson City shall not be liable for payment of extra P3 services nor shall P3 be obligated to perform extra services unless and until the Change Order is mutually agreed to and

signed by both parties. Any such Change Order shall constitute and be in the form of an Operating Memorandum to be executed in accordance with Section 8.20.

Section 8.24 Limitation On Assignment and Subcontracting.

(a) By P3. This DCA contemplates the personal services of P3 and P3's employees. In addition, the parties acknowledge that a substantial inducement to Carson City and Foundation for entering this DCA was and is the professional reputation and competence of P3 and P3's employees. P3 shall not assign its rights or delegate its duties under this DCA, or any interest in this DCA, or any portion of this DCA, without the prior written approval of Carson City, which approval Carson City may grant or withhold in its sole discretion, except that P3 may, without the prior approval of (but with written notice to) Carson City:

(1) assign its obligations to a related entity in which P3 or P3 Development has a majority interest; provided, however, that as a condition of effectiveness of such assignment, P3 shall cause its related entity to assume P3's obligations under this DCA by instrument reasonably acceptable to Carson City; and provided, further, however, that no such assignment shall relieve P3 from any of its obligations and responsibilities to Carson City and Foundation under this DCA; and

(2) assign any moneys due or to become due to P3 under this DCA.

Any attempted assignment or delegation in violation of this Section shall be void, and any assignee or delegate shall acquire no right or interest by reason of such attempted assignment or delegation.

P3 shall not authorize any proposed P3 subconsultant or contractor to perform any of the P3's services under this DCA or incur any cost in connection with the Project on Carson City's behalf unless and until P3 receives written approval from Carson City to proceed with the proposed P3 subconsultant or contractor agreement. Carson City must approve each proposed agreement, the scope of services for such proposed agreement, and the total cost for each proposed agreement. All service provided under the agreements specifically approved by Carson City shall be performed on behalf of Carson City and, upon payment for the P3 services pursuant to Article 3, all reports and documents provided under such agreement shall be owned by Carson City.

Nothing stated in this Section 8.24 shall prevent P3 from employing as many employees as P3 deems necessary for performance of this DCA.

(b) By Carson City and Foundation. Carson City and/or Foundation may assign their rights under this DCA, or lease some or all of the parcels upon which the Project will be constructed, to each other or to a public financing authority or another public entity in connection with the sale of Bonds to finance the Project; provided, however, that such assignment or lease shall not relieve Carson City and Foundation of any of their obligations and responsibilities to P3 under this DCA.

Section 8.25 Representations and Warranties of P3. P3 represents and warrants to Carson City and Foundation as follows:

(a) Organization. P3 is a duly organized, validly existing Nevada corporation and is in good standing under the laws of the State of Nevada and has the power and the authority to carry on its business as now being conducted.

(b) The Authority of P3. P3 has full power and authority to execute and deliver this DCA, to execute and deliver all other documents or instruments executed and delivered, or to be executed and delivered, pursuant to this DCA, and to perform and observe the terms and provisions of all of the above.

(c) The Authority of Persons Executing Documents. This DCA and all other documents or instruments executed and delivered, or to be executed and delivered by P3, pursuant to this DCA have been executed and delivered by persons who are duly authorized to execute and deliver the same for and on behalf of P3, and all actions required under P3's organizational documents and applicable governing law for the authorization, execution, delivery and performance of this DCA and all other documents or instruments executed and delivered, or to be executed and delivered, pursuant to this DCA, have been duly taken (to the extent such actions are required as of the date of execution and delivery of the above-named documents).

(d) Valid Binding Agreement. This DCA constitutes a legal, valid and binding obligation of P3 enforceable by and against P3 in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting the rights of creditors generally and general principles of equity.

(e) No Breach of Law or Agreement. Neither the execution nor delivery of this DCA by P3 or of any other documents or instruments executed and delivered, or to be executed or delivered by P3, pursuant to this DCA, nor the performance by P3 of any provision, condition, covenant or other term hereof or thereof, will conflict with or result in a breach of any statute, rule or regulation, or any judgment, decree or order of any court, board, commission or authority whatsoever binding on P3, or any provision of the organizational documents of P3, or will conflict with or constitute a breach of or default under any agreement to which P3 is a party.

(f) Pending Proceedings. P3 is not in default under any law or regulation or under any order of any court, board, commission or authority whatsoever, and there are no claims, actions, suits or proceedings pending or, to the knowledge of P3, threatened against or affecting P3 at law or in equity, before or by any court, board, commission or authority whatsoever which might, if determined adversely to P3, materially and adversely affect P3's ability to perform its obligations under this DCA.

Section 8.26 Representations and Warranties of Carson City. Carson City represents and warrants to P3 as follows:

(a) Due Organization and Existence. Carson City is a consolidated municipality, and has the power to enter into this DCA.

(b) No Conflict. Neither the execution and delivery of this DCA, nor the fulfillment of or compliance with the terms and conditions hereof, nor the consummation of the transactions contemplated hereby, conflicts with or results in a breach of the terms, conditions or

provisions of any restriction, agreement or instrument to which Carson City is now a party or by which Carson City is bound, or constitutes a default under any of the foregoing.

(c) Approvals. Except as previously obtained, no consent, approval, order or authorizations of, or registration declaration or filing is required in connection with the execution and delivery of this DCA by Carson City.

(d) Valid Binding Agreement. This DCA constitutes a legal, valid and binding obligation of Carson City enforceable by and against Carson City in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting the rights of creditors generally and general principles of equity.

Section 8.27 Representations and Warranties of Foundation. Foundation represents and warrants to P3 as follows:

(a) Due Organization and Existence. Foundation is duly organized and validly existing in the state of Nevada and has the power to enter into this DCA.

(b) No Conflict. Neither the execution and delivery of this DCA, nor the fulfillment of or compliance with the terms and conditions hereof, nor the consummation of the transactions contemplated hereby, conflicts with or results in a breach of the terms, conditions or provisions of any restriction, agreement or instrument to which Foundation is now a party or by which Foundation is bound, or constitutes a default under any of the foregoing.

(c) Approvals. Except as previously obtained, no consent, approval, order or authorizations of, or registration declaration or filing is required in connection with the execution and delivery of this DCA by Foundation.

(d) Valid Binding Agreement. This DCA constitutes a legal, valid and binding obligation of Foundation enforceable by and against Foundation in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting the rights of creditors generally and general principles of equity.

IN WITNESS WHEREOF, Carson City, Foundation and P3, through their authorized representatives, have executed this DCA as of the date first above written.

[Signatures on Following Page]

CARSON CITY REDEVELOPMENT AUTHORITY,

By: _____

Its: _____

THE HOP AND MAE ADAMS FOUNDATION,

By: _____

Its: _____

P3 DEVELOPMENT INC.
a Nevada corporation

By: _____

Its: _____

**EXHIBIT A
BILLABLE RATES**

EXHIBIT C
ADDITIONAL SERVICES

Exhibit "A"
Carson City Center Project
Development Program Estimate

Work Tasks

Master Plan	220 hrs	\$195.00	\$42,900.00
Meetings in Carson City	64 hrs	\$215.00	\$13,760.00
Development Management	100 hrs	\$215.00	\$21,500.00
Infrastructure Analysis	40 hrs	\$175.00	\$7,000.00
Phase 1 for Sites			N.I.C.
Parking Analysis	20 hrs	\$170.00	\$3,400.00
Real Estate Issues	40 hrs	\$180.00	\$7,200.00
Retail/Residential Analysis	40 hrs	\$180.00	\$7,200.00
Financial Analysis	60 hrs	\$215.00	\$12,900.00
Cost Estimate	60 hrs	\$185.00	\$11,100.00
Master Schedule/Phasing Plan	60 hrs	\$215.00	\$12,900.00
Report Preparation	50 hrs	\$75.00	\$3,750.00
Report Presentation	22 hrs	\$215.00	\$4,730.00
Land Appraisal			N.I.C.
Mileage	(14 trips at 250 miles ea.) 3500 miles	\$0.55	\$1,925.00
Hotels/Food	(14 nights @ \$150.00) 14 ea	\$150.00	\$2,100.00
Air Fare/Car Rental	1 ls		\$4,500.00
Renderings	1 ls		\$5,500.00
Graphics/Reproduction	1 ls		\$4,000.00
			\$166,365.00

Reimbursable

Mileage	\$0.55 per mile (IRS rate)
Hotels/Restaurants	At cost
Car Rental/Air Fare	At cost
Graphics/Reproduction	At cost

Exhibit "B"
Carson City Center Project
Hourly Rates for Added Services

P3 Development	Hourly Rate
Project Principal	\$215.00
Project Manager	\$200.00
Deputy Project Manager	\$175.00
Administrative Support	\$75.00
 ACMP Nevada Inc.	
President	\$241.00
Design Principal	\$262.00
Studio Principal	\$137.00
Project Manager	\$155.00
Senior Designer	\$141.00
Designer	\$92.00
Junior Designer	\$49.00
Senior Graphic Designer	\$117.00
Project Architect	\$150.00
Production Coordinator	\$100.00
Senior Planner	\$190.00
Planner	\$98.00
Job Captain	\$119.00
Designer	\$111.00
Specification Writer	\$124.00
 McCarthy Building Companies, Inc.	
Executive Oversight	\$225.00
Chief Estimator (Rod Riddle)	\$200.00
Project Director	\$175.00
Preconstruction Director	\$140.00
Project Estimator	\$115.00
Project Manager	\$135.00
Superintendent	\$140.00
Estimating Assistant	\$65.00
Chief Scheduler	\$110.00

Exhibit "C"
Carson City Center Project
Milestone Schedule Meeting Dates

Item	Proposed Date	Purpose
These are the proposed meeting dates required to meet the 90 day timeline for this agreement.		
Citizens Committee Briefing	5/10/2010	Project Methodology/Presentation
Board of Supervisors	5/20/2010	Approve DCA
Master Plan Kick Off Meeting	June 3rd or 4th	Scoping/Nugget Input
Planning Workshop & Open House	6/30/2010	Obtain Public Input
Library Board Presentation	7/29/2010	Commission Input/Presentation
Citizens Committee Briefing	8/9/2010	Follow-up presentation
BOS Presentation	8/19/2020	Approve DCA Results