

AMENDMENT NO. 7

CONTRACT FOR CONSULTING SERVICES FOR GROUND LEASE PORTFOLIO, PHASE II

This Amendment No. 7 is made and entered into this ___ day of _____, 20___, by and between CLARK COUNTY, NEVADA (“COUNTY”), and THE JABARRETT COMPANY, LLC, a Nevada limited liability company (“CONSULTANT”), for consulting services needed by the COUNTY as specifically described in the Scope of Work herein by reference (the “PROJECT”).

WITNESSETH:

WHEREAS, the parties entered into a Contract for Consulting Services for Ground Lease Portfolio, Phase II dated May 6, 2014 (“CONTRACT”).

WHEREAS, the CONTRACT was amended by Amendment No. 1 dated June 16, 2015 (Amendment 1); and further amended by Amendment No. 2 dated November 7, 2017; and further amended by Amendment No. 3 dated January 4, 2021; and further amended by Amendment No. 4 dated January 4, 2022; and further amended by Amendment No. 5 dated December 20, 2022; and further amended by Amendment No. 6 dated January 2, 2024.

WHEREAS, the parties desire to amend the CONTRACT to adjust the budget allowances for each task identified as Task I in the Scope of Work to account for the amounts spent to date for each, and/or to provide additional funding for the period January 1, 2025 through December 31, 2025.

WHEREAS, the parties desire to amend the CONTRACT to (a) increase the budget allowance for Task I from Five Hundred Sixty-Seven Thousand One Hundred Dollars (\$567,100) to Six Hundred Two Thousand Nine Hundred Forty-Four Dollars (\$602,944), and (b) increase the overall, not-to-exceed budget allowance from Seven Hundred Fifty-Eight Thousand Seven Hundred Eight-Two Dollars (\$758,782) to Seven Hundred Ninety-Four Thousand Six Hundred Twenty-Six Dollars (\$794,626).

WHEREAS, the parties desire to extend the contract expiration to December 31, 2025.

NOW, THEREFORE, COUNTY and CONSULTANT agree as follows:

1. The overall budget allowance of not-to-exceed Seven Hundred Fifty-Eight Thousand Seven Hundred Eighty-Two Dollars (\$758,782) is hereby increased to Seven Hundred Ninety-Four Thousand Six Hundred Twenty-Six Dollars (\$794,626).

2. The Amended Scope of Work attached to the CONTRACT per Amendment 6 is hereby deleted in its entirety and replaced with the Seventh Amended Scope of Work (**Exhibits A, A-1 and A-2, collectively Exhibit A**) attached hereto and incorporated herein by reference. All references in the CONTRACT to the "Scope of Work" shall be deemed to be in reference to the Seventh Amended Scope of Work.

3. Section V: COMPENSATION AND TERMS OF PAYMENT, subsection A is hereby deleted in its entirety and replaced with the following:

A. "COUNTY agrees to pay CONSULTANT for the performance of the Assessment Phase services described in the Scope of Work (**Exhibit A**), including all printing, travel, lodging, meals and miscellaneous out-of-pocket expenses, for the not-to-exceed amount of Six Hundred Two Thousand Nine Hundred Forty-Four Dollars (\$602,944) for Task I as described in **Exhibit A**, for the not-to-exceed amount of Forty Thousand Five Hundred Dollars (\$40,500) for Task II as described in **Exhibit A**, for the not-to-exceed amount of One Hundred Thirty-Six Thousand Nine Hundred Thirty-Two Dollars (\$136,932) for Task III as described in **Exhibit A**, and for the not-to-exceed amount of Fourteen Thousand Two Hundred Fifty Dollars (\$14,250) for Task IV as described in **Exhibit A**. The COUNTY's obligation to pay CONSULTANT cannot exceed the not-to-exceed amounts. It is expressly understood that the entire work defined in **Exhibit A** must be completed by the CONSULTANT and it shall be the CONSULTANT's responsibility to ensure that tasks are properly budgeted so the entire PROJECT is completed for the said overall not-to-exceed amount. The COUNTY may reallocate funds from one task to another, as long as it does not increase the overall budget allowance of the CONTRACT."

4. Section VII: MISCELLANEOUS PROVISIONS, subsection J is hereby deleted in its entirety and replaced with the following:

J. "COUNTY agrees to retain CONSULTANT for the period commencing on approval of this Contract by the Board of Commissioners of Clark County through December 31, 2025; and COUNTY reserves the option to extend the contract term for up to an additional three (3) months, subject to the provisions of Sections V and VII herein. During this period, CONSULTANT agrees to provide services as required by COUNTY within the Scope of this CONTRACT."

Except as expressly amended in this Amendment No. 7, the terms and conditions of the CONTRACT shall remain in full force and effect.

[Signature page to follow]

IN WITNESS WHEREOF, the parties have caused this Amendment No. 7 to be executed the day and year first above written.

COUNTY:

CLARK COUNTY, NEVADA

Shauna Bradley
Director of Real Property Management

CONSULTANT:

THE JABARRETT COMPANY, LLC

James A. Barrett
President

APPROVED AS TO FORM:

STEVEN B. WOLFSON



Nichole Kazimirovicz
Deputy District Attorney

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EXHIBIT A

SEVENTH AMENDED SCOPE OF WORK

Background: Clark County, through its Department of Aviation (DOA), is the Owner of almost 2000 acres of strategically located real property subject to a variety of lease option and lease agreements. These agreements provide for the Lessee/Developer to use the land for 50 years and to pay for the use of the land in connection with an approved development plan. The land payment is generally based on a participation formula; calling for payment of the land lease as a percentage of the amount remaining after expenses and other outlays are paid for. Each of the agreements have common terms and conditions covering length, reporting requirements, developer investment, payments to the County for use of the land, *etc.*, and all of the agreements are for commercial uses; there are no residential uses permitted. However, each agreement does contain unique provisions given the particular location or type of development and in some cases there have been amendments since the original execution. The original purpose for entering into these agreements was to enable the DOA to achieve a financial return on the investment it had made in the real property; which original investment was for the purpose of controlling the destiny of Harry Reid International Airport (Airport) physical development and mitigating noise impact issues. Once each property was deemed not necessary for the physical growth of Airport the property was offered for lease subject to a wide range of restrictions benefitting Airport. The program was initiated in the late 1990's.

Objective: Clark County desires to determine the value of the portfolio of the DOA real property subject to the lease options and lease agreements listed below (Lease Option(s) and Lease Agreement(s), and collectively “the Portfolio”) for the purpose of exploring various approaches to enhance and monetize its investment in the Portfolio. An additional objective is to consider means to reduce or eliminate the time and expense associated with managing the Portfolio.

Process to Achieve Objective: In order to achieve the objective, a precise progression of work is required. To enable fact-based decisions to be made regarding the unique and significant assets in the Portfolio, the following process is required:

Task I Support on DOA Leases Assessment Phase: CONSULTANT shall provide support on the Lease Option and Lease Agreements as follows:

For the reporting periods January 1, 2025 to December 31, 2025

I. Review of Monthly Company Reports

A. Timeliness and Accuracy

1. Assure timely reporting by Company.
2. Recompute Net Revenue to assure math accuracy and lease agreement compliance.
3. Recompute allocation of monthly Net Revenue to Company for Equity return if applicable, and rent to County for accuracy and lease agreement compliance.
4. Confirm Company reporting format complies with RPM standard.
5. Compare opening balances of Reserves and Equity to previous month, review current month entries for accuracy and correct reporting by Company. This includes, if applicable, the recomputation of interest accrued on Equity and correct treatment of payments to Company relative to Equity and accrued interest.

B. Analysis

1. Compare monthly actual results to approved budgets, and year to date.
2. Compare monthly Reserve and Equity transactions to budget, and year to date.
3. Compare monthly Capital Expenditures to budget, and year to date.
4. Inquire of Company, in writing regarding material differences between budget and actual.
5. Review Rent Roll supplied by Company for changes each month.
6. For leases commenced but for which operations have not commenced review the status of development progress and additions to Equity, if applicable.

C. Reporting

1. Deliver to RPM monthly a written report on the findings of the work performed under A and B above; to be delivered by the last day of the month following receipt of Company reports.

2. Deliver monthly, a Summary Financial Report of the DOA Lease Portfolio setting forth results for the month and year to date compared to budget and other important information.

II. Other

- A. Review Annual Statements to be submitted by Company to RPM and deliver written report regarding agreement with monthly reports and any other relevant observations noted from review of the Annual Statements.
- B. Assist RPM in tracking Lease option exercises and amendments, if any.
- C. Provide to RPM monthly workbooks in an electronic format with instructions on how to use utilize the workbooks, including the monthly review process.
- D. Upon request, review and analyze any proposed changes to the Companies' financing or lease agreements for financial impact to the COUNTY.

The work product submitted will be in an electronic format, along with suggested procedures and training to County staff for maintenance of a continuing, timely summary of the Portfolio and a reliable comprehensive reporting system.

In addition, professional recommendations will be provided to the County for its consideration to enhance and/or monetize its investment in the Portfolio. If requested by the County, CONSULTANT shall make its recommendations in writing and in one or more briefings and presentations to the Board of County Commissioners during a regularly-scheduled meeting.

List of Lease Option and Lease Agreements: The following Lease Options and Lease Agreements shall be reviewed and evaluated:

Lease Option Agreements (affecting real property for which no lease has yet been executed):

Beltway Business Park, L.L.C. **Clark County sold its leased fee interest in these leases in 2021**

Blue Valley III, LLC

Rainbow Beltway, LLC

Lease Agreements:

Beltway Business Park, L.L.C. (including all Lease Agreements executed by affiliates) **Clark County sold its leased fee interest in these leases in 2021**

Blue Valley III, LLC (including all Lease Agreements executed by affiliates)

Rainbow Beltway, LLC (including all Lease Agreements executed by affiliates)

EJM Spencer Helm Property, LLC

Majestic Runway Partners V, LLC

Sunset Business Park Syndication Group, LLC

The Strip, LLC (assignee of Turnberry/Centra Crossroads, LLC)

Cohen et al. (assignee of VRE Las Vegas, L.L.C)

Pacifica Blue Diamond II, LLC and Pacifica Blue Diamond IV, LLC

CONSULTANT shall provide the following deliverables to the County:

1. A monthly written report on the findings of the work performed under Task I A and B above; to be delivered by the last day of the month following receipt of Lease Option and Lease Agreement reports.
2. A monthly Summary Financial Report for the DOA Lease Portfolio setting forth the results for the month and the year-to-date compared to budget and other important information.
3. A written report regarding agreement with monthly reports and other relevant observations noted for review of the Annual Statements.

Task II – Report Formatting of Durango Warm Springs, LLC Financial Information: The CONSULTANT agrees to reformat and reconcile the financial reports for Durango Warm Springs LLC (DWS) based on the financial data and audits performed on the Lease to match the County’s standard format consistent with the financial reporting on the other leases to assist in monetizing the Property. This task is to be completed within one hundred twenty (120) calendar days of effective date of this contract. **COMPLETED**

Task III – Monetization Program: The CONSULTANT agrees to assist RPM as project advisor, or manager, throughout the entire Monetization Program process, from initial steps to

successful closing of sales.

- A. Initial Steps/County and Lessees of the Lease Option and Lease Agreements (COMPANY) Agreement Review. The CONSULTANT shall analyze each agreement to determine the terms and conditions, and status of accounts which would most likely restrict a higher valuation in the appraisal and sales process and submit these findings to the COUNTY for review and approval. After approval of the analysis, the CONSULTANT and COUNTY will meet with each Company to discuss these findings any lease amendment they may propose. The listing of the initial steps recommended are as follows: **COMPLETED**
1. Discuss with selected Companies modification of terms and conditions in the interest of both parties.
 2. Discuss with selected Companies terms and conditions of their equity balances, in the interest of accelerating rent payments
 3. Discuss with selected Companies holding lease options the likelihood and timing of exercising the options.
 4. Discuss with selected Companies their interest in a combined effort to sell their development along with the County land.
 5. Consider converting the participatory provisions to traditional ground leases, with fixed payments having annual increases.
 6. Continue dialogue with Companies regarding current operations, long term planning and future development.
 7. Consider sale of the reversionary interest at expiration of the lease and retain the future rent payments.
- B. Formalization of Sale and Independent Appraisal Process. The CONSULTANT shall determine the criteria for selection of appraisers and the instructions for performing such appraisals, income streams, potential income stream, capital contribution credit, reversionary interest evaluation; meeting with the appraisers to assure an understanding of the scope of the assignment; recommend the number and grouping of Lease Options and Leases Agreements to be sold at a specific sale; and assist RPM in reviewing the appraisal reports. **COMPLETED**
- C. Development Marketing Process. The CONSULTANT shall develop and propose the best methods of offering the Lease Options and Leases Agreements

for sale or other monetization. The CONSULTANT shall present the recommendations and alternatives to RPM representatives. **COMPLETED**

D. Monetization Process. The CONSULTANT shall support RPM staff throughout the entire monetization process including, but not limited to, the following:

1. Provide the service of formally coordinating for and timely reporting of progress to RPM the multi-tasking required with the nine (9) companies, with multiple agreements in all the work areas of the Monetization Process, from initial steps to closings. This is anticipated to include the CONSULTANT providing monthly status reports attending meetings with RPM, the LESSEEs and other parties, as needed. **COMPLETED**
2. Develop with RPM the detail working program, including specific tasks, key decision points and projected timelines, for the Monetization Process, to be labeled the Monetization Master Plan ("MMP"). This work will identify specific assignments to be performed by the CONSULTANT under the working program and identifying deliverables. **COMPLETED**
3. Provide the services as called for in the adopted MMP.
4. Review the financial results and status of the Portfolio, based on the filings of the monthly reports with RPM by the Companies and render comments thereon to RPM monthly.
5. Additional Services as described in **Exhibit A-1**.

Task IV – Support on Nevada Links, LLC Lease: If requested by the County, the CONSULTANT shall provide support on the Nevada Links, LLC Lease, as follows:

For the reporting periods October 1, 2013 to April 30, 2015

I. Review of Monthly Company Reports COMPLETED

A. Compliance and Accuracy

1. Compilation and conversion of the Company's financial statements to comply with RPM standard.
2. Recompute Net Revenue to assure math accuracy and lease agreement compliance.

3. Recompute allocation of monthly Net Revenue to Company for Equity return if applicable, and rent to County for accuracy and lease agreement compliance.
4. Compare opening balances of Reserves and Equity to previous month, review current month entries for accuracy and correct reporting by Company. This includes, if applicable, the recomputation of interest accrued on Equity and correct treatment of payments to Company relative to Equity and accrued interest.

B. Analysis

1. Compare monthly actual results to approved budgets, and year to date.
2. Compare monthly Reserve and Equity transactions to budget, and year to date.
3. Compare monthly Capital Expenditures to budget, and year to date.
4. Inquire of Company, in writing regarding material differences between budget and actual.
5. Review Rent Roll supplied by Company for changes each month.
6. For leases commenced but for which operations have not commenced review the status of development progress and additions to Equity, if applicable.

C. Reporting

1. Deliver to RPM monthly a written report on the findings of the work performed under A and B above; to be delivered by the last day of the month following receipt of Company reports.
2. Deliver monthly, a Summary Financial Report of the DOA Lease Portfolio setting forth results for the month and year to date compared to budget and other important information.

II. Other

- A. Review 2014 Annual Statement to be submitted by Company to RPM (April 2015) and deliver written report regarding agreement with monthly reports and any other relevant observations noted from review of the Annual Statements.
- B. Assist RPM in tracking Lease option exercises and amendments, if any.

- C. Provide to RPM monthly workbooks in an electronic format with instructions on how to use utilize the workbooks, including the monthly review process.
- D. When needed, provide supporting documentation or attend meetings with RPM or COUNTY to communicate results of CONSULTANT'S analysis and findings.

The work product submitted will be in an electronic format, along with suggested procedures and training to County staff for maintenance of a continuing, timely summary of the Portfolio and a reliable comprehensive reporting system.

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EXHIBIT A-1

SEVENTH AMENDED SCOPE OF WORK

Task III - Monetization Program Work Description of Additional Services

Preparation for Sale of Ground Leases at Public Auction

Item 1 - Appraiser Proposal Review Process

Review information submitted by appraisers in response to SOQs and RFPs to confirm the appraisers' knowledge of the DCF approach and competent understanding of the work. This includes serving as an evaluator for the SOQ submittals and scoring the criteria of each respondent.

Item 2 - Review Submitted Appraisal Reports

Along with RPM, review the submitted appraisals for completeness, accuracy and compliance with the SOW; and verify the valuations provided by the appraisers were determined by the using the DCF methodology and the calculations are correct.

Item 3 - Develop and Implement Marketing Plan and Sales Process **COMPLETED**

Create detailed plan for marketing the properties, including "how, who, where and when." This also includes working closely with RPM and legal counsel to develop the sales process from initiation to auction, and to implement both systems along with RPM.

The Deliverables of Item 3, Develop and Implement Marketing Plan and Sales Process will include:

1. A presentation and discussion of the following:
 - a. Schedule for introducing and marketing the properties for auction.
 - b. A listing of the markets, sectors, regions and companies (the target market) to include in the invitation to participate.
 - c. The methods and techniques of how to contact and deliver message to the target market, including the identification or publications and/or website to advertise the sales
 - d. The methods and process to implement for logging and responding to inquiries after the dissemination of Offering Package during the marketing period.
 - e. Recommendations regarding the bidder pre-qualification process.
 - f. Other items as deemed appropriate in developing the Sales Process.
2. After reaching consensus with RPM, formalize the Marketing Plan and Sales Process in writing.
3. The Implementation will consist of JABarrett's operation of the Marketing Plan, and working with RPM to initiate each step of the Sales Process.

Item 4 – **INTENTIONALLY DELETED.**

Item 5 – **INTENTIONALLY DELETED.**

Item 6 – Due Diligence and Marketing Period Support

Along with RPM, answer questions or inquiries from potential bidders regarding the monthly financial reports and the valuation of the properties.

EXHIBIT A-2
SEVENTH AMENDED SCOPE OF WORK - COST ESTIMATE

Amendment No. 7 to Contract for Consulting Services for Ground Lease Portfolio, Phase II
The JABarrett Company Estimate to Maintain Monthly Support Services and Assist with Sales of Ground Leases

Task I - Continuation of Monthly Support Services

	Monthly Fee	Amount
Oct. - Dec. 2024 - monthly flat rate for up to 25 properties (@ \$110 each)	\$2,750	8,250
Year 2025 - monthly flat rate for up to 25 properties	\$2,750	33,000
Year 2025 - Additional review/analysis (\$158 per hr as needed)	\$500	6,000
		Task I Total: \$ 47,250

Task III - Monetization Process (excludes Cohen et al. fka VRE Las Vegas, LLC)

Work Description	Rate (\$158/hour)	Amount
Item 1. Appraiser Proposal Review Process		
Review information submitted by appraisers in response to SOQs/RFQs to confirm competent understanding of work and DCF method to be used. Serve as an evaluator for SOQ submittals and scoring the criteria of each respondent.	not to exceed 33 hrs.	\$ 5,000
Item 2. Review Submitted Appraisal Reports		
Be available to appraisers to answer questions regarding the financial reports. Verify the valuations provided by the appraisers were determined using the DCF methodology and calculations are correct.	not to exceed 33 hrs	\$ 5,000
Item 6. Review Submitted Appraisal Reports		
Be available for meetings to answer questions/inquiries made by potential bidders regarding the financial reports and the valuations of the properties.	not to exceed 33 hrs	\$ 5,000
		Task III Total: \$ 15,000

Adjustment to Existing Contract

Task I - Continue Monthly Support Services		\$ 47,250
Task III - Monetization Process		\$ 15,000
	Total:	\$ 62,250
Remaining amount of Contract Balance as of October 31, 2024 (reviews completed through September 2024)		\$ (26,406)
	Increase in Contract:	\$ 35,844