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No. 05-CV-0046

Dept. No. 2

THE NINTH JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA
IN AND FOR THE COUNTY OF DOUGLAS
THE HONORABLE DISTRICT COURT JUDGE MICHAEL GIBBONS

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INDIAN HILLS GENERAL IMPROVEMENT DISTRICT,
A political Subdivison
Of the State of Nevada

Plaintiff,
-vs-

COUNTY OF DOUGLAS, et al,
Defendant.

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TRANSCRIPT OF PROCEEDINGS

March 9, 2005

1 APPEARANCES:

2 For the Plaintiff:

3 SCOTT BROOKE
4 Attorney at Law
5 CASSANDRA JONES,
6 Attorney at Law

7 For the Defense:

8 BRAD JOHNSTON
9 Attorney at Law
10 5441 Kietzeke Lane
11 Reno, Nevada

12 SCOTT DOYLE,
13 District Attorney

14 THOMAS PERKINS,
15 Deputy District Attorney

16 REPORTED BY:

17 JOAN WILDER, CSR 41
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1 THE COURT: State your name for the record
2 and spell it.

3 THE WITNESS: Jay Timon. T I M O N.

4 THE COURT: What is your occupation?

5 THE WITNESS: Developer with AIG Baker.

6 THE COURT: Where are you based?

7 THE WITNESS: In Birmingham.

8 THE COURT: Did you come from Alabama for
9 this hearing, too.

10 THE WITNESS: Yes.

11 THE COURT: Thanks for being here. Mr.
12 Johnston is going to ask the questions but I just wanted
13 to just focus this. I think you heard the discussion
14 so far today. The Court is interested in whether there
15 are any contracts to purchase land here in Douglas
16 County that is part of this redevelopment district and
17 whether there's been economic development costs incurred
18 and on going costs and that is the primary focus.

19 MR. JOHNSTON: Do you want me to get right
20 to those issues or do some background?

21 THE COURT: Just a brief background because
22 again this is not a discovery proceeding. I don't want
23 to make this a deposition.

24 MR. JOHNSTON: I want to make sure I was
25 clear on the Court's instructions.

1 DIRECT EXAMINATION

2 BY MR. JOHNSTON:

3 Q. Mr. Timon, are you involved with the proposed
4 development in northern Douglas County on the east side
5 of US 395

6 A. Yes.

7 Q. Is that the property that is the subject matter
8 of this lawsuit?

9 A. Yes.

10 Q. Can you tell me how you are involved in this
11 proposed development?

12 A. I am the developer on the project. I deal with
13 landowners, any entitlement issues, any governmental
14 issues as well as tenant negotiations.

15 Q. Could you tell me where AIG Baker is? I believe
16 you said you deal with landowners. Where are you in the
17 process of dealing with the landowners?

18 A. We have at least one parcel under contract, yes.

19 Q. Can you tell me which parcel that is?

20 A. The largest portion is a portion of the Carson
21 Auto Mall property.

22 Q. Do you recall how many acres that parcel is?

23 A. I believe it is around -- that part of it is
24 about 95 acres.

25 Q. This proposed project, how many acres in total

1 do you envision it entailing?

2 A. I believe it's a little over 102 acres.

3 Q. So you are under contract for roughly 95 percent
4 of the overall property, proposed ground for the
5 development?

6 A. Yes.

7 Q. What about your dealings with the other
8 landowners? Could you take me through where AIG Baker
9 stands with those landowners?

10 A. We are under contract to purchase Mr. Metcalf's
11 property. We are also under contract with the Capurro
12 and McGowan and then Professor Winterberg as well as the
13 Hunsingers.

14 Q. You are under contract with five additional
15 property owners?

16 A. That's 4.

17 Q. So you have 5 existing contracts --

18 A. That's correct.

19 Q. -- to purchase the property?

20 A. That's correct.

21 Q. What is the status of these contracts right now?

22 A. Well, they are in effect depending upon which
23 contract. There are on going -- you know, we have got
24 on going expenses with respect to paying option money to
25 have that land under control.

1 Q. You say expenses. What kind of expenses are you
2 referring to?

3 A. Beyond the -- well, the primary one is, of
4 course, the option expense itself. To be able to
5 maintain control to allow us to extend our due
6 diligence. We have got to pay them money for it or have
7 paid them money.

8 Q. How much has AIG Baker expended to date on its
9 contracts with landowners?

10 A. The last number I saw was around \$275,000.

11 Q. That's already been expended?

12 A. That's correct.

13 Q. If these contracts have to be extended are there
14 any fees associated with extentions?

15 A. Yes. As I think was talked about earlier, it's
16 about \$87,000 and change per month.

17 Q. That's to extend the contracts that AIG Baker has
18 with the landowners?

19 A. Yes.

20 Q. You said you also deal with tenants?

21 A. Yes, sir.

22 Q. That would be the people who would occupy the
23 shopping center?

24 A. Yes, sir.

25 Q. Can you tell me what you have been involved in in

1 terms of tenants with respect to this planned
2 development?

3 A. Well, I met with them. Obviously, we have been
4 soliciting them. With respect -- you know, I will
5 mention that, you know, there's been some concern
6 brought up about this temporary restraining order and
7 what impact that has on our ability to deliver this
8 project.

9 Q. Was that a retailer who brought it up?

10 A. Yes. Absolutely. A broker for a retailer.

11 Q. Please let me finish my question.

12 A. I am sorry.

13 Q. It was a broker for a retailer that brought up
14 the TRO?

15 A. Yes.

16 Q. Did you make them aware of the temporary
17 restraining order?

18 A. No.

19 Q. Do you know if anyone else at AIG Baker made them
20 aware of the temporary restraining order?

21 A. No, sir.

22 Q. Do you know how they became aware?

23 A. I assume through public record or knowledge,
24 local newspapers.

25 Q. Does a temporary restraining order being in place

1 right now have any impact on your ability to deal with
2 potential retailers?

3 A. Absolutely.

4 Q. Can you tell us how?

5 A. Well, in a market like this, there are other
6 options. I mean there's property in Carson City which
7 is a very available and it's a very active municipality
8 who aggressively pursues retail. In addition, you
9 know, other property within Douglas County that they
10 could pursue. Yes, it has a huge impact.

11 Q. Is it fair to say that there is a risk that you
12 might lose potential retailers?

13 A. Absolutely.

14 Q. You talked about you work with local governments
15 with respect to entitlements. Would that include
16 development agreements?

17 A. Yes.

18 Q. Where is AIG Baker at present in with Douglas
19 County in terms of developing any development
20 agreements?

21 A. Well, we're dead in the water at the moment.

22 Q. You say you are dead in the water. Why is that?

23 A. Because of the temporary restraining order.

24 Q. When did you first -- when did you hope or intend
25 to have development agreements presented to the Douglas

1 County Commission?

2 A. March 17th.

3 Q. Is that going to happen now?

4 A. No, sir.

5 Q. Do you know why?

6 A. Because of this action, to my knowledge, yes.

7 Q. So it's fair to say your ability to negotiate
8 agreements with the County has been thwarted by the
9 temporary restraining order that has been issued in this
10 case?

11 A. Yes, sir.

12 Q. Would additional entitlements be considered,
13 submitting plans and that to the County for development?

14 A. Yes, sir.

15 Q. Where is AIG Baker at presently in terms of
16 submitting plans to Douglas County?

17 A. We have submitted some preliminary drawings to
18 them. Once again, and, of course, all these parts kind
19 of come together, you know, the inability to move
20 forward with tenants also kind of hamstrings us a bit on
21 being able to finalize our site plan. In addition to,
22 you know from a standpoint of internally, you know, the
23 importance of this redevelopment agreement or the money
24 associated with it, how much we want to continue to
25 spend pursuing that with knowing that without the money

1 this deal doesn't work.

2 Q. You say this deal doesn't work. Let me ask you
3 is the proposed project for this property economically
4 viable without redevelopment money?

5 A. Absolutely not. 100 per cent.

6 Q. Can you tell me why?

7 A. It just doesn't work from a standpoint of, you
8 know, there are shopping centers that are built that are
9 successful and others that are not. We try to build
10 successful ones. We are just not going to take the
11 economic risk unless we feel that it's worth while.
12 Without that it's simply an internal analysis. It
13 doesn't work.

14 Q. You mentioned earlier the amount of money that
15 has been expended on landowner contracts?

16 A. Yes, sir.

17 Q. I think was \$275,000?

18 A. Yes, sir.

19 Q. You talked about fees to extend contracts as a
20 result of the temporary restraining order, \$87,000 I
21 believe you said and some change a month?

22 A. That's correct.

23 Q. What about additional out of pocket expenses?
24 Has AIG Baker incurred additional out of pocket expenses
25 moving forward with this project?

1 A. To date you mean?

2 Q. Yes. To date?

3 A. To date my understanding is that we have spent
4 somewhere in excess of \$600,000 for engineers,
5 surveying, environmental, etc, traffic.

6 Q. This is all related to the property on the east
7 side of 395?

8 A. Yes, sir.

9 Q. These are out of pocket expenses, hard money
10 actually spent to date?

11 A. That's correct.

12 Q. What about time and effort on the part of AIG
13 employees such as yourself? Can you just describe for
14 me what AIG Baker has done internally?

15 A. We have I would say the time that I have come out
16 here in addition we have two other -- we have an in
17 house planning person and a gentleman by the name of
18 John Abernathy that actually provided an affidavit for
19 you that was also involved and typically works with me
20 on this and some other projects as well. Both of them
21 have traveled out here relatively frequently as we move
22 through this process.

23 Q. Can you estimate the amount of time that you and
24 Mr. Abernathy and the planning person have devoted?

25 A. A lot. I haven't put the pencil to the paper to

1 figure out what that is. I guess it could be estimated
2 but it's been pretty considerable.

3 Q. Could you give us an estimate?

4 A. Time wise?

5 Q. Time is fine.

6 A. Let's see, we started this project -- I mean as
7 a percentage of my time probably 25 per cent of my time.
8 Probably 25 per cent of everyone of those guys time.

9 Q. Since when; 25 per cent of the time? Do you
10 know when it began?

11 A. Well, it would be early last year.

12 Q. Early 2004?

13 A. Yes.

14 Q. Can you estimate a value of that time in terms of
15 dollars?

16 A. I would have to think about it. The other thing
17 I'll mention, I would have to think about it a little
18 bit, you know, the other things, of course, is travel.
19 You know, we spend thousands of dollars every month on
20 travel.

21 Q. Is there anyone at AIG Baker working on this?

22 A. Sure. We have some senior management people
23 that traveled out here. Milton Smith, who is our
24 President. Ron Carlson, who is our Executive Vice
25 President, has also traveled out here and done time as

1 well and Ernie Moss, who is our chief legal counsel.

2 Q. How about the due diligence effort does AIG Baker
3 undertake any due diligence effort in pursuing this
4 project?

5 A. Yes. David Beardon, who is the project planner,
6 has met with the utility people, the County.

7 Q. From all of this time, the planner, yourself,
8 Mr. Abernathy, Mr. Moss' trips out here, Mr. Smith's
9 trips out here that is all in addition to the \$600,000
10 plus hard costs out of pocket expenses that AIG Baker
11 has incurred?

12 A. Yes.

13 Q. It's in addition to the \$275,000 that has been
14 paid for landowner contracts, right?

15 A. Yes, sir. If I were to venture a guess, I would
16 say we probably have a million dollars in in house.

17 Q. A million in house in addition to the hard out of
18 pocket expenses?

19 A. Yes.

20 Q. Roughly \$1.9 million total into this project?

21 A. Yes, sir.

22 Q. Does the temporary restraining order pose a risk
23 for this project?

24 A. Absolutely every single day.

25 Q. Can you tell me how?

1 A. Well, as we kind of talked about particularly
2 about the tenants. If I had to pick one particular one
3 particular issue with the nature of business, you know,
4 things can change in a day. I'll give you an example.
5 The Sears K Mart situation where, you know, you could
6 have potentially a deal today and a merger, or some
7 other event may take place and all of a sudden -- and
8 you see them all over the country where deals that look
9 like they were slam dunk fall apart as a result of, you
10 know, one event that occurred. 9-11 is another one.
11 We had plenty of deals that died, not us but other
12 ones. So a single day can make a huge difference in
13 the viability of a project.

14 Q. What about closing escrow on the purchases of the
15 property? Does the TRO impact your time frame?

16 A. Absolutely.

17 Q. Can you tell us how?

18 A. In the sense that it prevents -- once again, it
19 prevents us from moving forward on all those areas on
20 entitlements, on tenants and on negotiating with the
21 County. All that is, again, we are all in a holding
22 pattern until it's resolved. In the meantime our meter
23 is running.

24 Q. Is there a deadline that AIG Baker has to close
25 on these contracts?

1 A. Currently August, 2005.

2 Q. With the temporary restraining order in place or
3 preliminary injunction in place, do you think you can
4 meet that deadline?

5 A. No, sir.

6 Q. If you don't meet the dead line of August 05 to
7 close on AIG Baker's purchase of the property, what is
8 going to happen?

9 A. Well, there are a number of potential scenarios.
10 We could potentially go back and attempt to renegotiate
11 or negotiate some additional extentions. Some may
12 agree, some may not. I'm sure there would be money,
13 either additional monies with respect to the option
14 period or increases in purchase prices.

15 Q. So is it fair to say that if AIG Baker doesn't
16 close in August of 05 you are going to have to spend
17 more money on the property?

18 A. Absolutely.

19 MR. JOHNSTON: I don't have anything
20 further.

21 THE COURT: Let me ask you specifically.
22 Today is March 9. The hearing on the preliminary
23 injunction is set for three weeks from today. Can you
24 point to anything that is going to happen in the next
25 three weeks, other than the County Commission will not

1 be discussing the development agreement, that you will
2 suffer detriment? Anything specific?

3 THE WITNESS: Sure.

4 THE COURT: You told us the general
5 principles of what all those things are. Is there
6 anything that is going to happen in the next three
7 weeks?

8 THE WITNESS: I could tell you next week I
9 will be in Monterey, California meeting at the
10 International Long Center. I have appointments with
11 these tenants. They are going to be asking about this.
12 If this TRO is still in existence, I am not going to be
13 able to go to them and say, hey, it's resolved and we
14 are able to move forward and we can make the financial
15 commitment and time commitment to deliver. Do they
16 then go ahead and say, okay, we'll stick it out or, you
17 know, we are going to move onto this other site. Yes,
18 this is the potential.

19 THE COURT: I am sure you are still going
20 to try to be as persuasive as you can with these tenants
21 and let them know that this happened when you weren't
22 even a part of this case and didn't have a chance to
23 present your position?

24 THE WITNESS: Yes, sir.

25 THE COURT: And the Court is trying to move

1 ahead expeditiously with it?

2 THE WITNESS: Yes, sir.

3 THE COURT: It's going to make it more
4 difficult to sell because there is litigation. Nobody
5 likes to get involved in litigation. Nobody has said
6 specifically forget it, we're not going to do this
7 because we have got to accomplish something within the
8 next three weeks?

9 THE WITNESS: No. I know they are actively
10 looking at other sites because of this where before they
11 were more or less focused on our project. I can't
12 predict. I am hopeful like you that we can overcome it
13 if it comes that far.

14 THE COURT: Of course, if a preliminary
15 injunction is granted, then it's a different story
16 because that is in effect a trial of the case. That
17 would be a major change. A temporary restraining order
18 is a much more fluid subject to modification, or being
19 resolved, so that's why I am focusing on the three
20 weeks.

21 All right. Miss Jones or Mr. Brooke, do you
22 want to ask a few questions? It's not a discovery
23 hearing.

24 MR. BROOKE: I understand.

25 CROSS EXAMINATION

1 BY MR. BROOKE:

2 Q. Mr. Timon, I am Scott Brooke. I am counsel to
3 Indian Hills General Improvement District. Do you
4 understand that the property we are talking about is in
5 the redevelopment area amendment is partially within the
6 district?

7 A. I don't know that.

8 Q. I will represent to you over half of the property
9 subject to this redevelopment amendment is within the
10 district.

11 A. Okay.

12 Q. The District provides utility services. Do you
13 understand the concept of tax increment financing?

14 A. Sure.

15 Q. That means that whatever increase in advalorem
16 tax in a redevelopment area is pledged to pay back to
17 the redevelopment agency, right?

18 A. I am not an expert on your local laws here.

19 Q. Let me ask about the agreement that you have
20 anticipated to present for hearing on the 17th of March.
21 Would I correctly assume that you have a final draft
22 that has been negotiated?

23 A. No, sir.

24 Q. Well, in order to have something presented at
25 hearing, there's about a 10-day lead time. It would

1 have had to have been in this week or last in order to
2 be presented?

3 A. That's correct, I guess.

4 Q. What is the status of that document?

5 A. As I mentioned earlier, it's at a standstill at
6 this point because once you filed the lawsuit we stopped
7 all negotiations.

8 Q. What was the status when the lawsuit was filed?

9 A. Discussion.

10 Q. You didn't have a deal?

11 A. No, sir.

12 Q. Do you have any understanding at all?

13 A. Do I have any understanding? No, sir.

14 Q. Did you have any understanding with the County?

15 A. No, sir.

16 Q. Do you know how much money you anticipated to
17 receive in redevelopment funds?

18 A. No.

19 Q. How much money is necessary in order to make this
20 project economically viable? How much did you ask the
21 County for and tell them that was necessary?

22 A. I don't know if I can discuss that.

23 Q. Why not?

24 A. I would have to let you know.

25 Q. Isn't that what we're talking about?

1 A. Yeah, but I told you we haven't finalized
2 anything.

3 Q. So?

4 A. The numbers are still fluid. What are the
5 costs. We are still working on that. What are their
6 expectations. If you want us to add a third lane, it's
7 going to cost more. If you don't want us to add a
8 third lane, the cost was less.

9 Q. When you said this was unviable without
10 redevelopment money you might not be correct? It might
11 be perfectly viable depending on what happens in the
12 future?

13 A. From our current assumptions, we don't see it
14 being viable.

15 Q. How much money do you need from the current
16 assumptions?

17 A. You know, I need to talk to my attorney.

18 Q. Does AIG Baker have the ability to close escrow
19 on the properties under contract at its discretion?

20 A. I am sorry?

21 Q. Can you close escrow tomorrow or on notice?

22 A. You mean financially able to?

23 Q. Yes. And under the terms of the contracts?

24 A. Certainly financially we would be able to wire
25 the money and, you know, at any time. I don't know

1 -- I think we're able to close pretty much any time,
2 yes.

3 Q. It's up to you whether you buy the properties or
4 not and when you buy them?

5 A. It's up to our, you know, senior management of
6 AIG Baker.

7 Q. You could demonstrate confidence in the project
8 and allay any fears in the tenants by buying the
9 property tomorrow and before that shopping center
10 construction, couldn't you?

11 A. Sure.

12 Q. You could keep working on the project so you are
13 not losing any time or not falling behind the curve in
14 terms of your redevelopment?

15 A. Yes. But we are not going to make a bad
16 investment. We are not going to buy a piece of real
17 estate you are going to lose money.

18 Q. You have a business decision not to move forward
19 because of the temporary restraining order?

20 A. We have a business decision in that as we
21 currently see it this project is not viable.

22 Q. Is there any site around here in this region that
23 is currently comparable or competing with you for
24 tenants?

25 A. There are other potential properties. I don't

1 know what their marketing efforts are.

2 Q. When you said that last week a tenant found out
3 about something and this is a real competitive market
4 and maybe they are looking somewhere else, where would
5 that be?

6 A. I can name a few. There is a closed K Mart at
7 the north end of Carson City. There is an abandoned
8 Wal Mart that even though it's not supposedly actively
9 being marketed is available that I am told. Mr. Serpa
10 owns some property along Jack's Valley Road, which could
11 be a viable site. That is three off the top of my
12 head.

13 Q. Do you if know any of that is at the stage that
14 AIG is offering a property to a tenant by August?

15 A. One other one I failed to mention was a piece of
16 property up by the new Wal Mart along the new bypass.
17 I know that guy from what I understand is very
18 aggressively pursuing these tenants. I am sorry, repeat
19 your question.

20 Q. Are any of these properties in a position to be
21 signing deals, as I understand you are, by August?

22 A. I would think so, yes.

23 Q. Do you know? Do you have any idea?

24 A. Well, I haven't spoken -- I haven't inquired to
25 say, hey, I would like to lease that space but I know if

1 it's generally available if it's an existing space such
2 as the Wal Mart space or K Mart space, unless I am not
3 aware of any legal or other things that would prevent
4 them from signing those deals immediately and those
5 people being able to move into those spaces.

6 Q. Were you involved in the -- as I understand it
7 AIG Baker was involved in another shopping center on the
8 other side of 395?

9 A. Yes, sir.

10 Q. Were you involved in that transaction?

11 A. Yes, sir.

12 Q. Does AIG Baker still own that property?

13 A. Not in its entirety, no.

14 Q. Did AIG Baker receive redevelopment funds in
15 connection with the development of that property?

16 A. Yes, sir.

17 Q. Do you know how much profit AIG Baker made when
18 it sold that property?

19 A. I have no idea.

20 A. I know about what the purchase price was. I
21 don't get the accounting.

22 Q. Did you read the number report that it was in the
23 range of 15 to \$20 million profit?

24 A. No, I didn't see that.

25 Q. Do you have any reason to dispute that?

1 A. Other than I have no idea. I haven't seen any
2 type of internal accounting to it. I don't know where
3 they would come up with it other than perhaps somebody,
4 you know, coming up with an idea about it. I have no
5 idea.

6 Q. Do you know what the purchase price was?

7 A. On?

8 Q. On that property?

9 A. The sales price?

10 Q. Yes.

11 A. The sales price, as I recall, it was my
12 understanding it was somewhere around \$56 million.

13 Q. Okay. Just to clarify on the Court's questions
14 about what is coming up in the next three weeks that
15 would have any impact, is there anything critical --
16 understanding that, as I understand now, there actually
17 wasn't any development agreement to bring forth to the
18 County on the 17th because it's still in preliminary
19 negotiation stages. Is there anything else that is
20 current, other than your industry convention between now
21 and the 30th of March? Is there some reason you can't
22 just keeping working on the project?

23 A. You know, if I don't know who the tenant is
24 going to be that impacts the whole process. Again, as
25 you mentioned, you know, we are not able to move forward

1 with, you know, we are kind of at a standstill of
2 everything, all aspects of it. Why would we spend
3 money if we don't know whether -- we made the
4 determination that this is not an economically feasible
5 project without it. Why would we spend time than more
6 we absolutely have to? I don't mean to ask you a
7 question.

8 Q. No. I'm confused now. I thought you indicated
9 that you didn't know the level of economic feasibility?

10 A. That's correct. Because I don't know -- because
11 it's still in negotiation as to what the requirements
12 are, etc.

13 Q. You might be looking for \$50,000?

14 A. I am not going to speculate.

15 Q. Or \$5 million? Do you know the range? Okay.
16 Are you intending to and is it necessary for you to have
17 tenant commitments in order to close on the real
18 property purchased?

19 A. Absolutely.

20 Q. When in the normal course of events would you
21 have those commitments?

22 A. Starting when and at what point?

23 Q. June, July?

24 A. Had we not been interfered with, we would
25 probably be getting those commitments in June or July,

1 yes.

2 Q. So you have got from now until June or July to
3 work on that?

4 A. We are starting. You know, understand that we
5 were in the process and now we have stopped the process.

6 Q. Understood and by your choice. Okay. I think
7 I have no more questions on this subject for this
8 purpose, your Honor.

9 THE COURT: Thank you, Mr. Brooke. Mr.
10 Perkins or Mr. Doyle do you have any questions?

11 MR. PERKINS: Just a couple.

12 CROSS EXAMINATION

13

14 BY MR. PERKINS:

15 Q. Mr. Timon, the temporary restraining order was
16 entered February 16 of this year is that your
17 understanding? You knew about it?

18 A. I would have to rely on somebody else because I
19 can't recall the date.

20 Q. You knew it was about the middle of February?

21 A. Yes. I knew it was after the February 3rd
22 action of the County Commission.

23 Q. The negotiations between Douglas County and AIG
24 Baker concerning the terms of the improvement agreements
25 basically suspended?

1 A. That's correct.

2 Q. Once this order was entered, is that right?

3 A. Absolutely.

4 Q. So the terms of that agreement would be
5 negotiated at arms length, reduced to writing and put
6 into Board's packets but that hasn't been done because
7 of the TRO?

8 A. That is correct.

9 Q. That was not just a week or two ago but almost a
10 month ago?

11 A. That's correct.

12 MR. PERKINS: That's all.

13 THE COURT: You weren't actually stopped
14 from doing that but the County was stopped from doing it
15 so essentially if you tried to do it they would say we
16 can't do it because we have a restraining order?

17 THE WITNESS: Yes, sir.

18 THE COURT: You could still do whatever
19 preliminary steps you have to do to gather the
20 information to present to the County and to get it ready
21 to present?

22 THE WITNESS: Well, I mean it's kind of a
23 -- I mean it is a negotiation. They have some
24 flexibility with respect to, you know, there's other
25 parties like NDOT, what requirements they have and so

1 on. I mean we could prepare stuff but one sided
2 negotiation is difficult.

3 THE COURT: Can you or have you requested
4 to put it on the agenda for April?

5 THE WITNESS: I don't believe so. Not to
6 my knowledge. I can't speak absolutely affirmatively.
7 Do you know, Brad?

8 THE COURT: It may be the restraining order
9 stops.

10 MR. JOHNSTON: Can I address that issue?
11 I would just, you know, this maybe getting away from
12 testimony into argument. That's why you need the
13 dissolution of the TRO so AIG Baker and the County can
14 get together and finalize the development agreements and
15 get those out for consideration at the meeting in April.
16 We have lost the March 17th meeting. Even if the TRO
17 was dissolved today, we could not get a development
18 agreement finalized and on the agenda for the March 17th
19 meeting. That demonstrates the absolute harm by the
20 restraining order.

21 THE COURT: There is a possibility of
22 changing the important wording to allow something like
23 that because that is future and I don't know what is
24 going to happen on March 30th but if you are successful
25 or if you are successful before that and it would be

1 dismissed, then I would hate to have seen you not to be
2 able to use that window of opportunity in April. Maybe
3 there's away to come up with a rewording of the language
4 on that.

5 MR. JOHNSTON: We actually have a proposal
6 on that subject and may be putting the cart before the
7 horse. May I make a point about the temporary
8 restraining order?

9 THE COURT: Hold on. Are there any more
10 questions for Mr. Timon?

11 MR. PERKINS: Your Honor, I have something
12 to say about the agreement if you are interested in
13 knowing it. If not, I'll sit down.

14

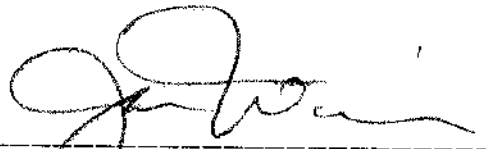
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STATE OF NEVADA
COUNTY OF DOUGLAS

Joan Wilder, Official Court Reporter of the Ninth Judicial District Court of the State of Nevada, in and for the County of Douglas, do hereby certify that I was present in Court during all the proceedings had.

I further certify that I am not of counsel or attorney any of the parties in the foregoing proceeding and captioned named, or in any way interested in the outcome of the cause named in said caption and the foregoing pages contain a full, true and correct transcription of my stenotype notes as taken, and a full, true and correct copy of all proceedings had.

In the witness whereof, I set my hand this day.



JOAN WILDER, CSR 41
Official Court Reporter