

OFFICIAL RECORD

Requested By:

STEWART TITLE OF DOUGLAS

COUNTY

Douglas County - NV

Werner Christen - Recorder

Page: 1 Of 8 Fee: 21.00

BK-1006 PG- 8929 RPTT: 0.00



RECORDING REQUESTED BY)
AND WHEN RECORDED RETURN TO:)
)
Bank of America, National Association)
6140 Stoneridge Mall Road, Suite 200)
Home Builder Division Unit #8940)
Pleasanton, CA 94588-3232)
Attention: Ms. Raechel A. Koh)
Loan No.: 5188022 and 5196017)

AGREEMENT CONCERNING LEASE

THIS AGREEMENT CONCERNING LEASE (this "Agreement") is entered into this 21st day of June 2006 by and between Montaheno Investments, LLC, a Nevada limited liability company, Toyon Investments, LLC, a Nevada limited liability company ("Landlords"), and Genoa Developer Associates, LLC, a Nevada limited liability company ("Tenant").

RECITALS

A. Landlords and Tenant entered into a Lease Agreement (the "Lease") dated as of June 1, 2006 with respect to certain real property located in the City of Genoa, Douglas County, Nevada and more particularly described on Exhibit "A" attached hereto and incorporated herein by this reference.

B. Landlords and Tenant now desire to enter into this Agreement to protect and benefit the interests of Bank of America, National Association, a national banking association (the "Bank"), in consideration of agreements entered into by Bank from which Landlords and Tenant derived substantial benefits.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereto agree as follows:

1. Certain Definitions.

(a) "Leasehold Estate" shall mean Tenant's leasehold interest in the Premises pursuant to the Lease, as it may be modified and amended from time to time.

(b) All capitalized terms used but not defined herein shall have the meanings ascribed in the Lease.

2. Consent to Assignment on Encumbrance. Landlords hereby consents to Tenant's assigning its rights under the Lease to Bank or encumbering the Leasehold Estate in favor of Bank; provided, however, that Landlords and Tenant hereby agree and acknowledge that this Agreement does not constitute a mortgage, deed of trust or other lien on the Leasehold Estate.

3. Defaults by Tenant Under Lease: Bank's Right to Cure. Landlords shall give Tenant and Bank written notice of any and all defaults by Tenant under the Lease and of Landlord's intent to pursue any remedy for any default by Tenant or to take any action to pursue such remedies. Each such notice shall describe the default, the actions and procedures necessary to cure such default, the remedies Landlords intends to pursue and the date on which Landlords shall take such action. Within sixty (60) days after receipt of such notice, if Tenant has not cured a default, Bank may (a) cure the default or, if cure cannot be completed within sixty (60) days, commence such cure, (b) upon giving written notice to Landlord and Tenant of its exercise of its option to do so, immediately succeed to all the right, title and interest of Tenant under the Lease (in which case Bank shall have the right to succeed to Tenant's interests under the Lease, and Landlord shall recognize such Bank as a substituted tenant) or (c) allow the Lease to terminate.

4. No Waiver by Bank of Right to Cure. Bank's failure or refusal to perform any act required of Tenant under the Lease shall not affect the rights of Bank to cure any default by Tenant under the Lease or to perform any other act required of Tenant under the Lease.



5. Entry by Bank. Should Bank exercise its right to cure any default of Tenant under the Lease, Bank shall have the right to enter and possess the Premises and assume all of Tenant's rights, title and interests in and to the Leasehold Estate for purposes of operating a model home complex and marketing homes in the Arrow Creek master planned community developed by Tenant. Landlords and Tenant shall permit and not interfere with such entry and possession by Bank. Bank shall not incur any liability whatsoever to Landlords resulting from any of the circumstances described in this Section. The parties agree that there exists no adequate legal remedy for a breach of this Section 5 and that specific performance or a mandatory injunction shall be available to Bank as a remedy for any such breach.

6. Bank's Right to Enter into New Lease. Should Landlords terminate the Lease for any reason, Landlords shall give Bank written notice thereof concurrently with such termination. Bank shall have the right, at its option and upon service to Landlords of a written notice of the exercise of such option within thirty (30) days after receipt from Landlords of written notice of such termination, to enter into a new lease of the Property with Landlords in the name of Bank or its nominee, as lessee, upon the same terms and conditions as set forth in the Lease, for the unexpired term of the Lease, and Landlords shall execute such new lease, provided that Bank or its nominee, as lessee, shall: (a) within such thirty (30) day period, (i) cure any monetary default of Tenant up to the date of termination of the Lease and (ii) make all payments of rent that would have been due from Tenant up to the date of the commencement of such new lease had the Lease not been terminated; (b) within such thirty (30) day period, commence the cure of any nonmonetary default of Tenant and thereafter cure such nonmonetary default to the extent the same may be cured by reasonable efforts; (c) observe and perform all of the covenants, terms and conditions contained herein and in the Lease on the part of Tenant to be observed and performed; and (d) execute such new lease and remain liable as lessee of the Leased Premises thereunder for performance of all of the covenants, terms and conditions of Tenant to be kept and performed by the lessee under such new lease until the Lease shall have been sold and assigned to a bona fide purchaser who shall have expressly and in writing assumed and agreed to perform all of the covenants, terms and conditions of such new lease to be performed by the lessee thereunder.



7. No Agreement or Termination of Lease Without Bank's Approval. Without the prior written consent of Bank, Landlords and Tenant shall not (a) amend or modify any provision of the Lease or (b) whether pursuant to a taking or condemnation, destruction of the improvements situated on the Leased Premises or otherwise, terminate the Lease or surrender or accept a surrender of the Tenant's interest in the Property.

8. No Liability. Unless and until Bank enters into a new lease pursuant to Section 6 of this Agreement, Bank shall have no liability for the performance of any obligation of Tenant under the Lease.

9. Estoppel Certificate. Landlords and Tenant shall, as and when Bank requests, deliver to Bank, within ten (10) days of such request, an executed and acknowledged statement certifying as to whether the Lease is unmodified and in full force and effect, the rent or other charges due hereunder have been duly and fully paid, and Landlords or Tenant has violated any provision of the Lease, as of the date of such acknowledged statement.

10. Assignment and Subleasing. Tenant shall not assign, sublease, pledge or in any way transfer or contract to transfer its interests under the Lease to any third person without the prior written consent of Landlords and Bank.

11. Successors and Assigns. The covenants, conditions and agreements in this Agreement shall bind and inure to the benefit of Landlords and Tenant and, except as otherwise provided in this Agreement, their respective legal representatives, successors and permitted assigns.

12. Third Party Beneficiary. Bank is an intended third party beneficiary of the covenants and agreements contained herein.



IN WITNESS WHEREOF, the parties hereto have executed this Agreement this _____
_____ day of June 2006.

IN WITNESS WHEREOF, Landlords and Tenant have executed this Lease as of
the date first written above.

"LANDLORDS"

Montaheno Investment, LLC
a Nevada limited liability company



By: Chip L. Bowlby, Manager

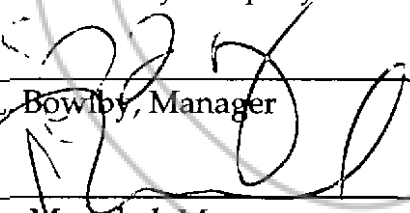
Toyon Investments, LLC
a Nevada limited liability company



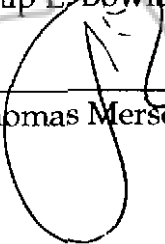
By: Thomas Merschel, Manager

"TENANT"

Genoa Developer Associates, LLC
a Nevada limited liability company

BY: 

Chip L. Bowlby, Manager

BY: 

Thomas Merschel, Manager

EXHIBIT "A"

Legal Description

The land referred to herein is situated in the State of Nevada, County of Douglas, described as follows:

Lot 14 and 15, inclusive, Block C; of the Final Subdivision Map, a Planned Unit Development, PD-0016/LDA 02-008 for CANYON CREEK MEADOWS, PHASE 1, filed in the office of the Douglas County Recorder on February 4, 2004 in Book 0204, at Page 4470, as Document No. 604356.

This document is recorded as an
ACCOMMODATION ONLY and without
liability for this consideration therefore, or
as to the validity or sufficiency of said
instrument, or for the effect of such
recording on the title of the property
involved.



ACKNOWLEDGMENT

State of ~~California~~ Nevada
County of Washoe

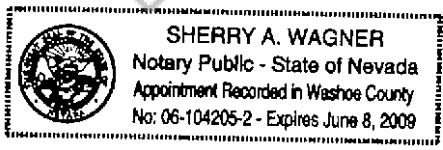
On 9/15/06 before me, Sherry A. Wagner, Notary
(here insert name and title of the officer)

personally appeared Chip L. Bowlby

personally known to me (or ~~proved to me on the basis of satisfactory evidence~~) to be
the person(s) whose name(s) is/are subscribed to the within instrument and
acknowledged to me that he/she/they executed the same in his/her/their authorized
capacity(ies), and that by his/her/their signature(s) on the instrument the person(s),
or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature Sherry A. Wagner



(Seal)

ACKNOWLEDGMENT

State of California
County of Monterey

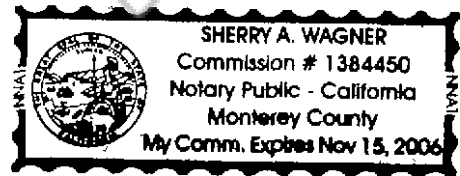
On 9/28/06 before me, Sherry A. Wagner, Notary,
(here insert name and title of the officer)

personally appeared Thomas J. Merschel

personally known to me (or proved to me on the basis of satisfactory evidence) to be
the person(s) whose name(s) (s) are subscribed to the within instrument and
acknowledged to me that he/she/they executed the same in his/her/their authorized
capacity(ies), and that by his/her/their signature(s) on the instrument the person(s),
or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature [Handwritten Signature]



(Seal)