

OFFICIAL RECORD

Requested By:  
CITY OF RENO

Douglas County - NV  
Werner Christen - Recorder

Page: 1 Of 5 Fee: 0.00  
BK-0707 PG- 1577 RPTT: 0.00



Assessor's Parcel Number: \_\_\_\_\_

Recording Requested By: James Graham

Name: \_\_\_\_\_

Address: 1E1st

City/State/Zip Reno, NV 89502

Real Property Transfer Tax: \$ \_\_\_\_\_

(Title of Document)

Promissory Note Secured by:  
Security Agreement.

This page added to provide additional information required by NRS 111.312 Sections 1-2. (Additional recording fee applies)

*This cover page must be typed or legibly hand printed.*

**PROMISSORY NOTE SECURED BY:  
SECURITY AGREEMENT**

\$50,000.00

May 25, 2007  
Reno, Nevada

**FOR VALUE RECEIVED, Resort Concepts, Inc d/b/a Wild River Grille** (referred to hereinafter as "Borrower"), promises to pay to the Redevelopment Agency of the City of Reno, a municipal corporation, and its successors and assigns ("Agency") whose address is One East First Street, Reno, Nevada 89505, or at such other place(s) as the Agency may from time to time designate in writing, the **funds loaned to the Borrower by Agency to be used for working capital for Wild River Grille located at 17 South Virginia Street, Reno, Nevada, the principal sum of FIFTY THOUSAND DOLLARS AND NO CENTS (\$50,000.00)**, or so much thereof as may be advanced by Agency to the Borrower, together with interest thereon, as set forth below.

This Note is made in connection with the Loan Agreement executed between the Borrower and the Agency dated as of the same date as this Note and is subject to the terms and conditions set forth in the Loan Agreement.

1. **BORROWER'S OBLIGATION.** This promissory note (the "Note") evidences the Borrower's obligation to pay Agency the principal amount of **FIFTY THOUSAND DOLLARS AND NO CENTS (\$50,000.00)** (the "Loan") for funds loaned to finance working capital requirements associated with the business called Wild River Grille a tenant of an existing real property located at 17 South Virginia Street, Reno, Nevada 89505.

2. **INTEREST.** The Note shall bear interest at the rate of 4% per annum.

a. **Public Benefit.** The Agency has charged a below market interest rate to Borrower in exchange for Borrower's promise to meet certain Public Benefit objectives of the Agency as set forth in the Loan Agreement. Should the Borrower fail to meet the Public Benefit objectives, including the submission of the proper verification documentation within the period of time prescribed in the Loan Agreement, Borrower agrees that the Agency may increase the interest rate specified in Section 2 above to 15% per annum. The interest charged pursuant to this Section 2.a. shall be applied to the principal amount outstanding from the date of disbursement until paid. Such interest rate increase shall be retroactive to the date of the Note. Borrower must accomplish the Public Benefit objective. The Redevelopment Agency may provide an extension to the Borrower up to one year from the date of written notice by the Redevelopment Agency that the Borrower has failed to accomplish the Public Benefit objective. If the Borrower continues to fail to accomplish the Public Benefit objective by the end of the one year extension, the remaining loan balance and associated costs must be recalled by the Redevelopment Agency and repaid by the Borrower.

b. **Contingent Interest.** If Borrower sells or refinances the Project at any time during the period beginning with the Closing of the Loan and continuing through the Term of the Loan (as defined in the Loan Agreement), then upon such sale or refinance Borrower shall pay to the Agency the outstanding principle and accrued interest due thereon.

3. **AMOUNT AND TIME OF PAYMENT.** Unless sooner due pursuant to this Note, the outstanding principal of the Loan and all accrued interest thereon shall be due and payable on the earliest of: (a) six (6) years; (b) the date that the Property is sold or refinanced; or (c) an Event of Default by Borrower which has not been cured as provided for in this Loan Agreement.

4. **PAYMENTS.** Borrower shall make a payment of the principal amount thereof and the interest thereon in seventy two (72) equal monthly installments, each installment including principal and interest, and with a final payment in the seventy second (72nd) month of the Loan of the final remaining principal and interest balance then due. Payments in the sum of **SEVEN HUNDRED EIGHTY TWO DOLLARS AND TWENTY SIX CENTS (\$782.26) per month shall commence on July 1, 2007.**

5. **COLLATERAL.** As part of the security for Borrower's obligations under this Note, Borrower has executed the Security Agreement granting the Agency a security interest in Business assets and personal real property.

6. **PREPAYMENTS.** Borrower may, from time to time, prepay principal outstanding under the Note, in whole or part, provided however that such prepayment shall also include all interest, fees, late charges, and other accrued but unpaid amounts owed at the time.

7. **LATE CHARGE.** If the Agency has not received the full amount of any monthly payment by the end of the tenth (10<sup>th</sup>) calendar day after the date it is due, Borrower will pay a late charge to the Agency in the amount of ten percent (10%) of the overdue payment.

8. **PLACE AND MANNER OF PAYMENT.** All amounts due and payable under this Note are payable at the office of the Agency at the address set forth above, or at such other place as Agency may designate to the Borrower in writing from time to time, in any coin or currency of the United States which on the respective dates of payment thereof shall be legal tender for the payment of public and private debts.

9. **APPLICATION OF PAYMENTS.** All payments made hereon shall be applied, first, to the payment of all interest accrued to the date of such payment, then to the payment of late charges, if any, and the balance, if any, shall be applied to the payment of principal. All payments made hereon shall be made in lawful money of the United States of America, in funds immediately available to Agency on or before the date of which such payment is due. All payments of principal and interest on the Note shall be made without notice, demand, counterclaim set off, deduction or defense and without abatement, suspension, deferment, diminution, or reduction. Whenever any payment hereon is stated to be due on a day which is a Saturday, Sunday or legal holiday in the State of Nevada, such payment shall be due on the next regular business day, and such extension of time shall be included in the computation of interest then due.

10. **DEFAULT AND ACCELERATION.** This Note is secured by a Security Agreement. All covenants, conditions and agreements contained in the Security Agreement and the Loan Agreement are hereby made a part of this Note. Borrower agrees that the unpaid balance of the then principal amount of this Note, shall, at the option of Agency, become immediately due and payable upon any Event of Default as defined in the Loan Agreement which has not been cured pursuant to that Loan Agreement, including without limitation the failure of Borrower to make any payment when due. Upon any Event of Default and the expiration of any applicable notice and cure periods, Agency may exercise any other right or remedy permitted under the Loan Documents.

11. **NO OFFSET.** Borrower hereby waives any rights of offset it now has or may hereafter have against Agency, its successors and assigns, and agrees to make the payments called for herein in accordance with the terms of this Note.

12. **NO USURY.** It is the intent of Borrower and Agency in the execution of this Note and all other Loan Documents to contract in strict compliance with usury laws, if any, applicable to and governing the indebtedness secured hereby. In furtherance of such intent and agreement, Borrower and Agency stipulated and agree that none of the terms and provisions contained in the Loan Documents shall ever be construed to create contract for the use, forbearance or detention of money requiring payment of interest at a rate in excess of the maximum rate permitted to be charged by law; and the Borrower or any guarantor, endorser or other party now or hereafter becoming for the payment of such indebtedness shall never be required to pay interest thereon at a rate in excess of the maximum interest that may be lawfully charged under such laws. If Agency shall collect monies which are deemed to constitute interest which would otherwise increase the effective interest rate on such indebtedness to a rate in excess of the rate permitted to be charged by such laws, any such sums shall be returned to Borrower. The provisions of this section shall control over all other instruments executed in connection herewith which may be in apparent conflict.

13. **ASSIGNMENT.** Agency may assign this Note at any time in Agency's sole discretion.

14. **WAIVERS.** Presentment, notice of dishonor, and protest are waived by all makers, sureties, guarantors, and endorsers of this Note, if any.

15. **CONSENTS AND APPROVALS.** Any consent or approval of Agency required under this Note shall not be unreasonably withheld or delayed.

16. **NOTICES.** Any approval, notice, direction, consent request or other action by the Agency or the Borrower shall be in writing and shall be communicated to the other party at the address of that party as set forth in the Loan Agreement. Such notices shall be communicated and shall be effective as set forth in the Loan Agreement.

17. **BINDING UPON SUCCESSORS.** All provisions of this Note shall be binding upon and inure to the benefit of the successors-in-interest, transferees, and assigns of the Borrower and Agency.

18. **GOVERNING LAW.** This Note shall be interpreted under and governed by the laws of the State of Nevada, except for those provisions relating to choice of law and those provisions preempted by federal law.

19. **SEVERABILITY.** Every provision of this Note is intended to be severable. If any provision of this Note shall be held invalid, illegal, or unenforceable by a court of competent jurisdiction, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired.

20. **TIME.** Time is of the essence in this Note.

21. **ATTORNEY'S FEES AND COSTS.** If any action is instituted on the Note, the Borrower promises to pay such sum as the court may fix, including but not limited to attorney fees, court costs, filing fees.

22. **WAIVER.** Any waiver by Agency of any obligation in this Note must be in writing. No waiver shall be implied from any failure of Agency to take, or any delay or failure by Agency to take action on any breach or default by the Borrower or to pursue any remedy allowed under this Note or applicable law. Any extension of time granted to the Borrower to perform any obligation under this Note shall not operate as a waiver or release from any of its obligations under this Note.

23. **AMENDMENTS AND MODIFICATIONS.** Any amendments or modifications to this Note must be in writing, and shall be made only if executed by both the Borrower and Agency.

24. **NOTE CONTROLS.** In the event that any provisions of this Note and the Loan Agreement conflict, the terms of this Note shall control.

25. **CAPITALIZED TERMS.** All capitalized terms not defined herein shall have the meaning set forth in the Loan Agreement.

**BORROWER:**

By: Charles A. Shapiro  
Charles A. Shapiro, Principal  
Resort Concepts, Inc. d/b/a Wild River Grille

By: Douglas A. Holter  
Douglas A. Holter, Principal  
Resort Concepts, Inc. d/b/a Wild River Grille

