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UNITED STATES BANKRUPTCY COURT

DISTRICT OF NEVADA

In re

AMERICAN WEST
DEVELOPMENT, INC., a Nevada
corporation,

Debtor.

Case No. BK-S-12-12349-MKN

Chapter 11

**OMNIBUS DECLARATION OF
ROBERT M. EVANS IN SUPPORT
OF FIRST DAY MOTIONS**

Hearing Date: OST PENDING

Hearing Time: OST PENDING

ROBERT M. EVANS, being duly sworn, hereby deposes and declares under penalty of perjury:

1. I am over the age of 18, am mentally competent, and if called upon to testify as to the statements made herein, could and would do so.

2. I am the President of American West Development, Inc. ("AWDI" or "Debtor"), debtor and debtor in possession in the above-captioned chapter 11 case (the "Chapter 11 Case"). I make this declaration in support of the motions filed by AWDI on the first day of the Chapter 11 Case (the "First Day Motions"). I make the following statements based upon my personal knowledge, and the business records of AWDI.

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3. On March 1, 2012 (the “Petition Date”), Debtor¹ initiated the Chapter 11 Case by filing a voluntary petition for relief under chapter 11 of the Bankruptcy Code together with Schedules of Assets and Liabilities and its Statement of Financial Affairs.

I.

DESCRIPTION OF THE DEBTOR’S BUSINESS, HISTORY AND CAPITAL STRUCTURE

A. Overview and History of Debtor’s Business Operations

4. AWDI was founded on July 31, 1984. Initially, AWDI was known as CKC Corporation, but shortly after its formation (on December 13, 1984) its name was changed to AWDI. The initial shareholders of AWDI were Lawrence Canarelli, E.A. Collins, M.M. Collins, and Frank Kocvara. By July 1, 1994, Lawrence Canarelli had become the sole shareholder of AWDI, and on October 6, 2003, Lawrence Canarelli transferred all of his interest in AWDI to the Canarelli Family Trust, of which he is currently the sole trustee.

5. In January and February of 2012, AWDI and certain affiliated companies consummated a series of transactions to reorganize and recapitalize the company. In the initial series of transactions, Development Management, Inc. (“DMI”) and several housing entity affiliates were merged with and into AWDI with AWDI remaining as the surviving company following the mergers.

6. The mergers were effectuated in three phases. In the “phase 1” merger transaction DMI was merged into AWDI. In the “phase 2” merger transaction, several housing entities whose housing inventory had been fully liquidated were merged into AWDI. In the “phase 3” merger transaction, several inactive housing entities that were in the process of winding up affairs following dissolution were revived and merged into AWDI.

7. All of the merged companies were under identical or common ownership with AWDI. The mergers were effected on a “stock-for-stock” basis with the share consideration offered to the target companies’ shareholders determined by the relative valuations of AWDI and each such target company.

¹ Prior to the Petition Date, the following former affiliates of Debtor merged with Debtor: Castlebay 1, Inc., Development Management, Inc., Fairmont 1, Inc., Glen Eagles 3, Inc., Heritage 1, Inc., Inverness 5, Inc., Kensington 1, Inc., Kingsbridge 1, Inc., Promontory Estates, LLC, Promontory Point 4, Inc., Silverado Springs 1, Inc., Silverado Springs 2, Inc., Tradition, Inc., and Windsor 1, Inc.

8. Following the consummation of the mergers, AWDI was recapitalized in accordance with the terms of a capital contribution agreement pursuant to which the shareholders of AWDI received additional shares of common stock in consideration of certain advances made by the shareholders to AWDI, or to third parties on its behalf, in repayment of certain debts previously incurred by AWDI.

9. Attached hereto as **Exhibit "A"** is a chart identifying the ownership structure of Debtor.

10. In 2003, AWDI became the licensed contractor for certain non-debtor parties.² AWDI continues to serve as the licensed contractor and homebuilder entity for certain non-debtor parties.³

11. AWDI built homes and developed lots, which were sold through respective affiliated non-debtor home seller entities.⁴ Debtor received design-build and marketing/administrative services fee income associated with this activity of \$12,785,563, \$20,434,500 and \$11,192,544 for the years ended December 31, 2009, 2010 and 2011, respectively. In addition, Debtor, through certain entities that merged into Debtor, closed home sales of 75, 97, and 3 for the years ended December 31, 2009, 2010 and 2011, respectively. The revenues associated with these sales totaled \$42,858,242, \$39,725,420 and \$1,011,875 for the years ended December 31, 2009, 2010 and 2011, respectively. Also, Debtor, through certain entities that merged into Debtor, received income from land sales of \$5,852,000 and \$3,494,850 for the years ended December 31, 2009 and 2010, respectively.

12. In its capacity as general contractor, AWDI acts as construction manager and performs certain work to develop raw land into a series of lots (after obtaining the required zoning and/or entitlements) for land owners. AWDI typically operates as the general contractor for this development

² Prior to 2003, American West Homes, Inc. was the licensed general contractor, land owner and construction manager for various non-debtor land owning and home selling entities.

³ Currently, Debtor is the contractor and homebuilder for the following non-debtor affiliates: Woodbridge 1, Inc., Silverado Summit LLC, Silverado Springs 3, LLC, Silverado Springs 2, LLC, Reserve 1, LLC, Newcastle 1, LLC, Lexington 1, LLC, Kingsbridge 2, LLC, Kensington 2, Inc., Inverness 2010, LLC, Fairmont 2, LLC, Carmel Hills LLC, and Brookside I, LLC.

⁴ Following is a list of the non-debtor affiliates for which Debtor built homes that were sold in 2011: Fairmont 2, LLC, Kensington 2, Inc., Kingsbridge 1, Inc. (now merged with Debtor), Kingsbridge 2, LLC, Lexington 1, LLC, Newcastle 1, LLC, Reserve 1, LLC, Silver Springs 2, LLC, Silver Springs 3, LLC, Windsor 1, Inc. (now merged with Debtor), and Woodbridge 1, Inc.

work, which includes obtaining permits, paving, grading, excavation, engineering, installation of utilities, and building pads. AWDI subcontracts with licensed subcontractors to perform all of this required work. Once the lots are developed, the landowner sells the lots to a newly-organized home seller entity that is specifically dedicated to the particular housing development/subdivision. The home seller entities pay for the lots in full and assume the landowner's liability for the lot development expense owed to AWDI upon transfer of the lots to the home seller entities.

13. The home seller entities also hire AWDI as a general contractor to construct the actual homes pursuant to various Design-Build Agreements. AWDI subcontracts with licensed subcontractors to perform all of the required work to construct a home, including procuring all materials. The agreements with subcontractors typically provide for a fixed price for work performed and materials supplied. Debtor does not manufacture any of the materials or other items used in the construction of the homes.

14. AWDI provides management services for certain of its affiliates, which generally includes marketing and sales management for the sale of the homes built by AWDI and owned by the home seller entities. Pursuant to its Marketing and Administrative Services Agreements with certain non-debtor affiliates,⁵ AWDI also provides administrative and marketing and sales support services for the sale of the homes built by AWDI and owned by the home seller entities,⁶ including, but not limited to the maintenance of sales offices and model homes, advertising, accounting services, and architectural services. AWDI also employs foremen who supervise its subcontractors and janitorial staff who provide cleaning services in connection with closings. In addition, AWDI hires the real estate brokers who in turn hire the real estate agents to market and sell the individual homes for the home seller entities.

15. Only at the closing of a home sale is AWDI paid for all of the development work

⁵ Debtor is a party to Marketing and Administrative Services Agreements with the following non-debtor affiliates: Woodbridge 1, Inc., Silverado Summit LLC, Silverado Springs 3, LLC, Silverado Springs 2, LLC, Reserve 1, LLC, Newcastle 1, LLC, Lexington 1, LLC, Kingsbridge 2, LLC, Kensington 2, Inc., Inverness 2010, LLC, Fairmont 2, LLC, Carmel Hills LLC, and Brookside I, LLC.

⁶ Prior to its merger into AWDI, DMI had performed these functions since its formation in 2002.

performed for the landowners during the lot development phase, the construction work performed for the home seller entities during the home construction phase, and its marketing and administrative services. The home seller entities reimburse AWDI for its costs in performing the lot development work (which obligation the home seller entities assume from the land owners when they build the lots). Pursuant to the Design-Build Agreements, the home seller entities pay AWDI a flat fee of \$22,000 per home and reimburse AWDI for its costs in performing the construction work for such home. Pursuant to the Marketing and Administrative Services Agreements, the home seller entities pay AWDI a flat fee of \$44,000 per home.

B. Financial Information

16. Debtor's book asset value was \$83,934,952, as of January 31, 2012. The book asset value consists of the following assets: (1) \$685,909 - cash and cash equivalents; (2) \$414,177 - fixed and other assets; (3) \$64,772,251 - work in process; (4) \$13,185,410 - prepaid expenses; (5) \$2,815,771 - refundable deposits; and (6) \$2,061,433 - capitalized model costs. Upon the merger date of January 19, 2012, Debtor recorded an impairment reserve of \$28,542,000. The book asset value less the impairment reserve was \$55,392,951. Debtor's total liabilities were \$187,958,335.25, as of January 31, 2012. The total liabilities consist of the following: (1) \$177,506,450.25— Term Loan; and (2) \$10,451,885 – amount drawn from AWHV revolving line of credit.

17. On August 16, 2007, the American West Group Borrowers⁷ and Lawrence D. Canarelli and Heidi Canarelli, in their individual capacity, Lawrence D. Canarelli as Trustee of the Trust, Lawrence D. and Heidi Canarelli as Trustees of Children's Trusts (these trusts, together with the American West Group Borrowers, shall be referred to as the "Borrowers") entered into a Credit Agreement with certain Lenders (as defined in the Credit Agreement). The maturity date under the Credit Agreement occurred on October 6, 2009 and certain other events of defaults were asserted by the Lenders. A Forbearance Agreement was entered into by the parties on October 7, 2009, pursuant to which the Lenders agreed not to enforce their rights and remedies in the event of a default for a period of time.

⁷ The American West Group Borrowers include AWDI.

18. On December 31, 2009, the Borrowers and Lenders⁸ amended, restated and replaced the Credit Agreement with a Term Loan Credit Agreement (the "Term Loan") to refinance the amounts outstanding under the Credit Agreement and extend the time for repayment of such amounts. The total outstanding debt under the Term Loan is approximately \$177,506,450.25, along with interest, fees and charges accrued and accruing thereon and chargeable with respect thereto. The interest rate under the Term Loan is Floating (30-day LIBOR + 3.25%). The borrowings under the Credit Agreement had an initial maturity date of October 6, 2011, with the potential for two additional one-year extensions at the Borrowers' option, subject to certain conditions. The Borrowers exercised their option for the first one-year extension through October 6, 2012.

19. As security for borrowings under the Term Loan, the Borrowers granted the Lenders a security interest in all of their personal property as well as certain real property (the encumbered real property collateral is owned by non-debtors; Debtor does not own any real property).

20. AWH Ventures, Inc., a Nevada corporation ("AWHV"), is a non-debtor party that provides the internal treasury function for Debtor and non-debtor affiliated parties. In this capacity, AWHV has advanced funds to Debtor as well as to other affiliated companies. All monies advanced by AWHV are funded in the form of intercompany indebtedness and are documented by fully executed promissory notes that reference a sum certain, accrue interest and have a stated maturity date.

21. There is currently a revolving line of credit pursuant to which AWHV advances money to Debtor and funds operations as required. The revolving line of credit matures on June 30, 2015. As of January 31, 2012, the outstanding balance owed by AWDI to AWHV under this line of credit was \$10,451,885.

22. In the ordinary course of business, AWDI is required to post bonds (the "Surety Bonds") as collateral to secure certain of its performance obligations under various contracts, principally in

⁸ The lead banks are California Bank and Trust, as Administrative Agent and Lead Arranger, and Wells Fargo Bank, National Association, as Syndication Agent. The original lender group, as of December 31, 2009, was California Bank and Trust, Key Bank National Association, Wachovia Bank, N.C., JP Morgan Chase Bank, N.A., Bank of America, N.A., Comerica Bank, U.S. Bank National Association, and Wells Fargo Bank, National Association.

1 connection with infrastructure improvements that AWDI is obligated to complete for various local
 2 government units as a condition for obtaining permits and other approvals necessary for the
 3 development of various residential projects. Fees are paid over time based upon how long it takes to
 4 complete the bonded improvements. The bonds are released following the agency's review and
 5 approval (usually conducted by an engineer) of the improvements. Following this approval, the agency
 6 will maintain the particular utility (e.g., storm drain).

7 23. Each bond is treated differently based on the secured improvements. AWDI does not
 8 accrue these fees, since they are paid when due. As of the Petition Date, the aggregate face amount of
 9 Debtor's bond obligations totaled approximately \$19,703,950.

10 **C. Events Leading to the Commencement of the Chapter 11 Case.**

11 **Downturn in the Housing Market**

12 24. The homebuilding industry in the United States has, for quite some time, been
 13 experiencing a significant and sustained decrease in demand for new homes and an oversupply of new
 14 and existing homes available for sale. The negative impact of these demand and supply trends has been
 15 worsened by recent difficulties in the mortgage and the overall credit markets. Similar to the impact on
 16 all of its competitors, those difficulties have harmed Debtor's business by further increasing the supply
 17 of housing inventory, negatively impacting pricing conditions, decreasing the demand for homes and
 18 dampening customer confidence. Because the homebuilding industry is highly competitive and
 19 fragmented, home prices are extremely sensitive to adverse market conditions and there is a limited
 20 universe of homebuyers.

21 25. Debtor seeks breathing room to formulate a reorganization strategy that will allow
 22 Debtor to continue as a going concern for the benefit of all parties in interest.

23 **Contingent Liabilities and Pending Litigation**

24 26. The American West brand has a strong and well-deserved reputation in the industry for
 25 the quality and workmanship embodied in its residential home construction product. However, as is
 26 normal for the industry, Debtor deals with contingent liabilities arising from the construction of homes.

27 27. Bennett Litigation: This case is against Debtor and one of Debtor's dissolved affiliates,
 28 AWH, however only AWH is the proper defendant. The case is primarily being handled by insurance

1 defense counsel. The case was filed prior to the wind-down of AWH. The case is currently on appeal
 2 with the Nevada Supreme Court. Certain plaintiffs settled early in the case by accepting offers of
 3 judgment. The remaining plaintiffs' claims were dismissed and fees were awarded to defendants
 4 because they did not accept offers of judgment. Only four homeowners remain and defense counsel has
 5 worked to perfect issues on appeal relating to the statute of repose and the tolling provisions related
 6 thereto. One of the plaintiffs has also lost their home to foreclosure; the attorney for that plaintiff tried
 7 to substitute the lender but the court rejected that attempt and that issue is on appeal as well. The trial
 8 judge issued a favorable albeit confusing opinion that is the subject of the appeal. The argument for the
 9 appeal is being scheduled.

10 28. Backman Litigation: This 45 house construction defect case is being defended by
 11 insurance counsel. Debtor and AWH are both named defendants, but AWH is the only proper
 12 defendant. There is currently a settlement with the plaintiffs that does not have to be funded until April
 13 2012 although an initial installment payment was made in December 2011. It is anticipated that the
 14 case will be globally resolved by April or May 2012.

15 29. Carillo Litigation: This case should fall completely within WRAP coverage. There are
 16 fourteen plaintiffs in this case. Debtor only received a Chapter 40 Notice⁹ and was authorized to send
 17 Chapter 40 Notices to all of the implicated trades on behalf of Debtor, only.

18 30. AAA Nevada Fire and Casualty Insurance Litigation: This is a subrogation case with a
 19 claim for \$600,000 to \$700,000. Debtor has not received a Chapter 40 Notice on the claim. Debtor
 20 argued that the insurance company can have no greater rights than the homeowner and that since no

21 ⁹ By way of background, a "Chapter 40 Notice" is the required notice that a homeowner must
 22 submit to a contractor (or a contractor to another contractor or subcontractor) prior to commencing
 23 litigation for construction defects. It is part of the pre-litigation process required under Chapter 40 of
 24 the Nevada Revised Statutes, which was enacted in an effort to reduce the number of construction
 25 defect lawsuits being filed. If someone brings a lawsuit for construction defect and did not properly
 26 notify the contractor with a proper Chapter 40 notice prior to filing suit, then the case is subject to
 27 dismissal.

28 The key statute relating to notice for a single-family homeowner claim for construction defect is
 NRS 40.645, which requires that the claimant send a notice to the contractor which specifies "in
 reasonable detail the defects or any damages or injuries" etc. Once a Chapter 40 Notice is sent, if the
 contractor does not remedy the alleged defect, then the claimant may file a lawsuit.

Chapter 40 Notice was sent, the case should be dismissed. The trial judge rejected the argument and the petition for rehearing. The plaintiffs have done little to prosecute the case.

31. Birzneck Litigation: This is a single family home construction defect case. Debtor contended in the Chapter 40 Notice process that there were no defects and rejected the claims. Plaintiff has not prosecuted the case since the answer was filed. Debtor recently filed a Motion to Sever Claims.

32. Ivy Litigation: This case involves the price promise commitment offered by Debtor. However, none of the homeowners in this litigation qualify for the price promise, pursuant to its terms. An answer has been filed but no formal discovery has been completed.

33. Collins Litigation: This is a construction defect case with 49 plaintiffs and the complaint was recently amended to include Debtor as a defendant with the answer due by March 15.

34. Juarez Litigation: This is a personal injury lawsuit against Debtor and one of its employees and is being defended by insurance counsel.

35. Stacy Litigation: This is a construction defect case, involving 67 homes, which were all built by AWH. As a result, Debtor was dismissed without prejudice.

36. Colford Litigation: This is a construction defect case, involving 53 homes, which were all built by AWH. As a result, Debtor was dismissed without prejudice.

II.

FIRST DAY MOTIONS

Motion for Interim and Final Order Pursuant to 11 U.S.C. §§ 361, 362 and 363 and Fed. R. Bankr. P. 4001(b) and 4001(d): (I) Authorizing Debtor to Use Cash Collateral and Provide Adequate Protection Pursuant to Agreement With Pre-Petition Lenders; (II) Granting Related Relief; and (III) Scheduling Final Hearing (the “Motion for Use of Cash Collateral”)

37. In order to provide funding and liquidity for the ongoing operation of Debtor’s business and to fund the expenses of the Chapter 11 Case, Debtor has negotiated an agreement with the Lenders regarding the use of cash collateral (the “Cash Collateral Agreement”), a copy of which is attached hereto as **Exhibit “B.”**¹⁰ Debtor is seeking to use cash collateral pursuant to a Cash Budget, a copy of

¹⁰ Capitalized terms used, but not defined, herein shall have the meaning ascribed to such terms in the Cash Collateral Agreement.

1 which (pertaining to the first 13-week period following the Petition Date) is attached to the Cash
2 Collateral Agreement as **Exhibit “A”** thereto (the “Initial Cash Budget”).

3 38. Debtor faces a continuous need to compensate its various subcontractors for work in
4 developing lots and constructing homes for sale, yet Debtor is not paid by its affiliated home seller
5 entities for its services until the closing of each sale. Prior to the Petition Date, Debtor relied on
6 advances from its affiliate, AWHV (funded with borrowings from the Lenders under the Credit
7 Agreement and advances from affiliated entities), to provide the liquidity necessary to bridge the gaps
8 between outlaying expenses for development/construction and receiving payment for these services at
9 home sale closings.

10 39. Now that Debtor has commenced its Chapter 11 Case, Debtor requires the consent of the
11 Lenders or approval of the Court to use fee income that is paid to satisfy Debtor’s accounts receivable
12 since they are the Lenders’ cash collateral. Debtor does not have any other source of cash to fund its
13 operations that is not the Lenders’ cash collateral. If Debtor was unable to use the Lenders’ cash
14 collateral, Debtor would not have any ability to satisfy the expenses of its day-to-day operations, much
15 less the additional expenses of its Chapter 11 Case.

16 40. Although Debtor negotiated postpetition financing in order to provide additional
17 postpetition liquidity, Debtor still primarily needs to rely on the use of cash collateral to maintain its
18 operations and remain current on expenses. See Initial Cash Budget. As set forth in the Initial Cash
19 Budget, Debtor projects that it will need to use more than \$10,800,000 of cash collateral (exclusive of
20 its existing cash as of the Petition Date and any postpetition financing borrowings) during the first
21 thirteen (13) weeks following the Petition Date in order to meet its operating expenses and make
22 interest-only adequate protection payments to the Lenders. The Initial Cash Budget is based on
23 Debtor’s internally prepared projections of home sales and development expenses—if actual home sales
24 and/or development expenses do not match projections, then Debtor’s need to use cash collateral and/or
25 borrow under the DIP Financing may differ from the amounts set forth in the Initial Cash Budget. In
26 addition, Debtor estimates that it will incur approximately \$1,521,000 in expenses associated with the
27 Chapter 11 Case during this same period. Thus, Debtor has an urgent and immediate need to use cash
28 collateral. With this necessity in mind, Debtor negotiated the Cash Collateral Agreement with the

1 Lenders.

2 41. Debtor is seeking authorization to use cash collateral pending a final hearing on the
3 Motion for Use of Cash Collateral in order to avoid immediate and irreparable harm to the estate. In
4 order to keep Debtor's business operational, Debtor must be able to pay its subcontractors for work
5 performed in the construction of homes (sales of which are Debtor's only material source of revenue),
6 satisfy other ongoing working capital needs and expenses of operation, including, without limitation,
7 employee payroll expenses, and fund the costs of administering Debtor's estate, including without
8 limitation, fees assessed by the Office of the United States Trustee and the Clerk of Court and fees and
9 expenses of estate professionals. Ensuring uninterrupted payment to Debtor's subcontractors is
10 particularly crucial because in this difficult real estate environment, many of Debtor's subcontractors
11 may not be able to make payroll without weekly payment from Debtor.

12 42. As indicated by the Initial Cash Budget, Debtor projects that it will need to use more
13 than \$4,500,000 in cash collateral (exclusive of existing cash as of the Petition Date) during the first
14 five (5) weeks after the Petition Date in order to fund its ongoing operational expenses. Accordingly,
15 timely approval of the proposed use of cash collateral is critical to preserving the going concern value
16 of Debtor's estate from the outset of the Chapter 11 Case

17 **Motion for Order Pursuant to 11 U.S.C. § 364 and Fed. R. Bankr. P. 4001(c): (I) Authorizing**
18 **Debtor to Obtain Postpetition Financing; and (II) Granting Related Relief**

19 43. Debtor seeks authorization to obtain DIP Financing from AWHV on a non-priming
20 secured and superpriority basis pursuant to a Debtor-In-Possession Revolving Credit Agreement (the
21 "DIP Agreement") in order to provide funding and liquidity for the ongoing operation of Debtor's
22 business and to fund the expenses of the Chapter 11 Case. A copy of the DIP Agreement is attached
23 hereto as **Exhibit "C."** Debtor is seeking to use the DIP Financing pursuant to the Initial Cash Budget.

24 44. Debtor faces a continuous need to compensate its various subcontractors for work in
25 developing lots and constructing homes for sale, yet Debtor is not paid by its affiliated home seller
26 entities for its services until the closing of each sale. Prior to the Petition Date, AWDI relied on
27 advances from AWHV (funded with borrowings from the Lenders under the Term Loan and advances
28 from affiliated entities) to provide the liquidity necessary to bridge the gaps between outlaying expenses

1 for development/construction and receiving payment for these services at home sale closings. With the
2 added expenses associated with its Chapter 11 Case, Debtor requires additional financing in order
3 maintain its operations and remain current on expenses. Operationally, Debtor requires DIP Financing
4 to ensure uninterrupted payment of expenses for the operation of its business, including payroll,
5 marketing, leasing services, utilities and all other operational needs. The bulk of Debtor's expenses are
6 related to payments to subcontractors for vertical and horizontal construction. Debtor also needs to pay
7 expenses associated with regulatory licenses and fees.

8 45. As set forth in the Initial Cash Budget, Debtor will need to borrow \$260,000 from
9 AWHV by May 25, 2012 in order to meet its operating expenses, make interest-only adequate
10 protection payments to the Lenders and fund expenses for the administration of the Chapter 11 Case.
11 The Initial Cash Budget includes projected DIP Financing draws for any week in which Debtor's
12 projected revenue and expenses would cause its total cash balance to drop below one million dollars
13 (\$1,000,000). The Initial Cash Budget revenues are based on Debtor's internally-prepared projections
14 of home sales—if actual home sales do not meet projections, then Debtor will need to increase
15 borrowings under the DIP Financing above the amounts set forth in the Initial Cash Budget. Therefore,
16 in order to ensure that Debtor will have sufficient liquidity to withstand fluctuations in the home buying
17 market, and to fund the costs of administering the Chapter 11 Case, Debtor believes that it may require
18 up to ten million dollars (\$10,000,000) in DIP Financing. With these funding requirements in mind,
19 Debtor negotiated the DIP Agreement with AWHV, which provides for up to ten million dollars
20 (\$10,000,000) in DIP Financing borrowings on a revolving basis.

21 46. Debtor reviewed several proposals for \$10,000,000 in DIP Financing and ran a
22 competitive process to obtain the most attractive pricing and terms possible.

23 47. Debtor selected AWHV, which had the most favorable and competitive terms regarding
24 the DIP Financing. Debtor determined that the proposed DIP Financing is the best financing option
25 available under the circumstances.

26 48. Prior to the Petition Date, Debtor surveyed various sources of prospective post-petition
27 financing from unrelated third parties. Throughout July and August 2011, Debtor approached 3 private
28 parties. Additionally, the pricing of each of the alternate proposals was no more favorable than that

1 offered by AWHV. Therefore, Debtor had few options when it came to locating a cost-effective source
2 of funding for its Chapter 11 Case

3 49. Fortunately, AWHV is willing to provide the DIP Financing on eminently reasonable
4 terms under the circumstances. Although AWHV was not willing to provide the DIP Financing on an
5 unsecured administrative claim basis, AWHV did not demand a priming lien and instead is willing to
6 accept a first priority lien on Avoidance Actions and a junior lien on previously encumbered assets.
7 The interest rate and other terms of the DIP Financing are favorable in today's market. And perhaps
8 most importantly, AWHV has agreed to convert the full balance of the DIP Financing (up to ten million
9 dollars (\$10,000,000) including all unpaid principal and accrued interest) to equity in the reorganized
10 Debtor pursuant to Debtor's plan.¹¹ Debtor canvassed the market and was not able to find any other
11 readily available funding source willing to provide credit to Debtor on an unsecured administrative
12 expense claim basis, much less on terms as favorable as the DIP Financing.

13 50. This commitment should allow Debtor to meet all of their administrative obligations
14 during the initial stage of these Chapter 11 cases. AWHV was very competitive in nature with respect
15 to the pricing, fees, and structure

16 51. The DIP Agreement and the proposed final order approving the DIP Financing reflect
17 the give and take that result from complex financing negotiations.

18 52. The interest rate of fifteen percent (15%) is reflective of the competitive rates available
19 in the market for financing secured by assets like the Avoidance Actions that are not readily convertible
20 to cash. Debtor spoke with a number of sophisticated lenders who quoted interest rates in excess of
21 15% plus additional up-front commitment fees.

22 **Debtor's Emergency Motion for Order Pursuant to 11 U.S.C. §§ 363, 1107 and 1108 (I)**
23 **Authorizing Continued Use of Cash Management System, Bank Accounts and Business Forms;**
24 **and (II) Granting Related Relief (the "Cash Management Procedures Motion")**

25 ¹¹ Even under an alternative plan, AWHV has committed to convert three million dollars
26 (\$3,000,000) of the Postpetition Financing (or the full amount of Postpetition Financing if less than
27 three million dollars (\$3,000,000) is outstanding) to equity in the reorganized Debtor pursuant to any
28 plan (other than Debtor's plan) that (i) provides for any remaining balance of the Loans to be paid in
full to AWHV, and (ii) is otherwise reasonably acceptable to AWHV.

53. Debtor implemented a cash management system to facilitate the timely and efficient collection, management and disbursement of funds used in AWDI's business. Postpetition, Debtor proposes to retain its current cash management system and its prepetition bank accounts ("Cash Management System").

54. As of the Petition Date, AWDI maintains two active bank accounts (the "Bank Accounts") at U.S. Bank National Association, N.A. ("U.S. Bank").

a. AWDI Operating Account (Account No. 153700355255). The AWDI Operating Account is funded principally from cost reimbursement and fee income from Debtor's non-debtor affiliate home selling entities. The AWDI Operating Account also receives funds from non-debtor affiliate, AWHV. Management fees are approximately \$1.1 to \$1.3 million per month, and miscellaneous income of \$80,000 is also realized. Debtor's non-debtor affiliate home selling entities reimburse construction costs, incurred on their behalf, of approximately \$3 million per month.

Disbursements through the AWDI Operating Account average approximately \$4.2 to \$4.3 million monthly. In the ordinary course of business, AWDI uses the funds from the AWDI Operating Account to pay for costs and expenses related to homebuilding, including payments to subcontractors, and non-payroll operating costs. AWDI also uses the AWDI Operating Account to make payments with respect to, among other things, employee benefits and other overhead expenses. Additionally, funds from the AWDI Operating Account are used to pay the leases for the use of model homes, which are owned by non-debtor affiliates. Funds from the AWDI Operating Account are transferred to the AWDI Payroll Account.

b. AWDI Payroll Account (Account No. 153790801879). The AWDI Payroll Account is used exclusively for payroll. Funds are transferred from the AWDI Operating Account directly to the AWDI Payroll Account one to two days before payroll is deducted by the payroll agent.

55. Non-debtor affiliate AWHV has historically transferred funds to or for the benefit of Debtor, and maintained intercompany balances reflecting such transfers and reimbursements.

56. The Cash Management System enables Debtor to (a) better forecast and report its cash position, (b) monitor collection and disbursement of funds, (c) guard against check and bank fraud by reducing the number of accounts that require monitoring, and (d) maintain control over the

administration of Debtor's various U.S. Bank accounts, all of which facilitates effective collection, disbursement and movement of cash. The most important benefit of maintaining Debtor's current Cash Management System is to avoid disruption of Debtor's ability to meet its obligations.

Motion to Approve Settlement with Bank Group as Set Forth in Restructuring, Lock-Up and Settlement Letter Agreement Pursuant to Fed. R. Bankr. P. 9019 (the "Motion to Approve Lock-Up Agreement")

57. Debtor seeks an order approving the settlement (the "Settlement") set forth in that certain Restructuring, Lock-Up And Settlement Letter Agreement (the "Lock-Up Agreement"), by and between Debtor, California Bank & Trust ("CB&T") and the other lenders signatory to the Term Loan. A true and correct copy of the Lock-Up Agreement is attached hereto as **Exhibit "D."**

58. Prior to the Petition Date, Debtor and the Lenders (or the "Bank Group") entered into the Term Loan, by and between Debtor, as borrower, certain other of Debtor's non-debtor affiliates, as co-borrowers¹² and/or guarantors¹³ and the Bank Group. A true and correct copy of the Term Loan is attached hereto as **Exhibit "E."**

59. As Debtor's only secured creditors and the holders, collectively, of the largest claims as of the Petition Date, the Bank Group is a key constituency in this Chapter 11 Case. Debtor has had a constructive lending relationship with the Bank Group over the years, which has motivated Debtor's efforts to continue that constructive relationship through and after the conclusion of its current

¹² The non-debtor affiliates of Debtor that are co-borrowers under the Term Loan Agreement (collectively, the "Non-Debtor Co-Borrowers") include: Adaven Management, Inc.; AWH North, LLC; AWH North NLV 2009, LLC; AWH Ventures, Inc.; Canfam Holdings, LLC; CFT Lands, LLC; Colorado Companies, Inc.; Colorado Housing Investments, Inc.; Colorado Land Investments, Inc.; Colorado Land Investments 2, Inc.; Deferred Revenue, LLC; Fairmont 2, LLC; Gameday, LLC; Heritage 2, Inc.; Highlands Land Investment, Inc.; HLI, LLC; Indiana Investments, Inc.; Kensington 2, Inc.; Lawrence D. Canarelli and Heidi Canarelli, individually and as trustees of The Jeffrey Lawrence Graves Canarelli Irrevocable Trust, The Scott Lyle Graves Canarelli Irrevocable Trust, the Stacia Leigh Lemke Irrevocable Trust, the Alyssa Lawrence Graves Canarelli Irrevocable Trust; Lawrence D. Canarelli, as trustee of the Canarelli Family Trust; Lexington 1, LLC; LH Ventures, LLC; Model Renting 2008, LLC; Model Renting 2009, LLC; Model Renting Company, Inc.; Mountain West Associates, LLC; Newcastle 1, LLC, NLV Parcel 5.03, LLC; Parcel NLV 1.3, LLC; Parcel NLV 1.4, LLC; Parcel NLV 1.13, LLC; SJSA Ventures, LLC; and Woodbridge 1, Inc.

¹³ The non-debtor affiliates of Debtor that are guarantors under the Term Loan Agreement include: C&H Adams Land Investments, LLC; CS 2005 Investments, LLC; EH 2002, LLC; GVR King, LLC; GVR King Commercial, LLC; Green Valley Aurora, LLC; Green Valley East, LLC; HC Land Investments, LLC; Tower Road Farms, LLC; and Yampa-Telluride Land Investments, LLC.

1 reorganization process. Therefore, Debtor engaged the Bank Group in discussions regarding the terms
 2 of a potential plan of reorganization in advance of the Petition Date. Debtor's goal was to reach
 3 agreement with the Bank Group on the outline of a plan of reorganization, including the key economic
 4 points for the treatment of the Bank Group's secured claims.

5 60. After careful diligence review and arms' length, good faith negotiations, Debtor and the
 6 Bank Group entered into the Lock-Up Agreement, which (among other things) is based upon the terms
 7 of Debtor's proposed chapter 11 plan (the "Plan"). The Lock-Up Agreement sets forth the terms and
 8 conditions of the commitments that Debtor and the Bank Group have made regarding the Plan, the Plan
 9 confirmation process, and certain other aspects of the Chapter 11 Case. In particular, the Lock-Up
 10 Agreement sets forth the following terms of the Settlement regarding the allowance and treatment of the
 11 Bank Group's claims against Debtor's estate:

- 12 a. The members of the Bank Group shall have allowed secured claims in the Chapter
 13 11 Case in an aggregate amount of not more than \$49,635,000 (the "Claim Value"),
 14 which is equal to the net present value of the Receivable;
- 15 b. Consistent with the Plan, upon the effective date of the Plan and in full satisfaction
 16 of the Bank Group members' allowed secured claims against Debtor, each member
 17 of the Bank Group will be issued a promissory note secured by the Receivable
 18 (collectively, the "New Secured Notes"). Each member of the Bank Group shall
 19 receive a New Secured Note in a principal amount equal to the product of (x) the
 20 Claim Value, and (y) its Pro Rata Interest. The New Secured Notes shall:
 - 21 (i) have a maximum aggregate principal amount equal to the Claim Value;
 - 22 and
 - 23 (ii) be substantially in the form attached to the Lock-Up Agreement as
 24 Appendix 2 thereto;
- 25 c. Each member of the Bank Group shall have an allowed unsecured claim in the
 26 Chapter 11 Case, in the aggregate, in the deficiency amount of \$127,871,450.25;
- 27 d. Upon the effective date of the Plan, and without further action on the part of the
 28 Bank Group or otherwise:

1 (i) the members of the Bank Group shall be deemed to waive and shall
2 waive their respective rights against Debtor to receive any distribution on account of
3 their unsecured claims in the Chapter 11 Case, or any right to be paid interest by Debtor
4 during the pendency of the Chapter 11 Case beyond what they received as adequate
5 protection payments under Section 2.01(h) of the Lock-Up Agreement so long as the
6 general unsecured creditors, as a class, vote to accept the Plan;

7 (ii) the Term Loan Obligations shall be deemed fully discharged and
8 satisfied solely as to Debtor, and the Term Loan shall immediately terminate solely
9 with respect to Debtor; and

10 (iii) AWDI shall be deemed to be the sole owner of the Receivable, free and
11 clear of the Bank Group's interests under the Term Loan (but subject to the Bank
12 Group's interests under the New Secured Notes); and

13 e. all liens and security interests in property of Debtor's estate securing the Term
14 Loan Obligations shall automatically be deemed to be replaced by the New Secured
15 Notes and the documents and instruments in connection therewith without further
16 action (but without effect on the Bank Group's liens on the Receivable to secure the
17 New Secured Notes);

18 f. At the reasonable request of AWDI (and at the sole cost and expense of AWDI)
19 after the effective date of the Plan, the Administrative Agent on behalf of the Bank
20 Group will amend any UCC financing statement filings (to the extent naming
21 Debtor as "debtor") to conform to the collateral description provided in the
22 documents and instruments in connection with the New Secured Notes;

23 g. Monthly on or before the first day of each month and continuing during the
24 pendency of the Chapter 11 Case, Debtor shall make adequate protection payments
25 to the Administrative Agent for the benefit of the members of the Bank Group in an
26 amount equal to the highest non-default rate of interest applicable from time to time
27 to amounts outstanding under the Term Loan, multiplied by \$49,635,000; and

28 h. The members of the Bank Group shall waive any respective right to seek from

Debtor or the reorganized Debtor interest accruing under the Term Loan prior to the Plan effective date in excess of the non-default rate.

61. Debtor believes that negotiation of the Lock-Up Agreement was a key accomplishment in its efforts to reorganize because it will avoid the delay and expense of attempting to negotiate (or worse yet, litigate) with the Bank Group during the course of the Chapter 11 Case, and instead facilitate Debtor's timely and cost-effective emergence from chapter 11 protection.

Debtor's Motion for Order Authorizing Payment of Prepetition Critical Vendor Claims (the "Critical Vendors Motion")

62. Debtor is a licensed general contractor engaged in the construction and delivery of new homes. Initially, Debtor develops raw land, owned by a non-debtor affiliate, into a series of lots (after obtaining the required zoning and entitlements). As general contractor for the non-debtor affiliate landowner, Debtor subcontracts with licensed subcontractors to perform all work required to improve the land, including permitting, grading, engineering, installation of utilities, over-excavation, and building pads.

63. After completing the pre-construction work, including off-site improvements, Debtor is then hired in the capacity of general contractor to provide home construction services for a different non-debtor affiliate. Here, too, Debtor subcontracts with licensed subcontractors and material suppliers to perform all of the required work and provide all materials for the home construction. The agreements with subcontractors typically provide for a fixed price for work performed and materials supplied. Debtor does not manufacture any of the materials or other items used in the development of its residential communities. Only upon the closing of a home sale is Debtor paid through escrow for all of the construction completed to date, i.e., work performed during the lot development phase as well as work performed during the home construction phase.

64. In the ordinary course of its business, Debtor relies on third-party subcontractors and material suppliers (each, a "Critical Vendor," and collectively, the "Critical Vendors") to provide the various services and materials identified above, without whom Debtor could not sustain its operations. Debtor has established relationships with these Critical Vendors over the years and believes that these relationships ensure continued access to consistent labor and materials and otherwise provide

1 substantial savings and benefits. These Critical Vendors provide the myriad products and services that
2 are necessary at all stages of home construction and development. The products and services the
3 Critical Vendors provide include, among other things, engineering services, slab/foundation, flooring,
4 framing, drywall, plumbing, electrical, roofing, paving, HVAC, landscaping, and utility construction, to
5 name a few.

6 65. Debtor does not employ its own construction workers but rather hires the aforementioned
7 Critical Vendors to complete every aspect of its home building enterprise. In fact, Debtor's only
8 construction-related employees are its foremen, who oversee the subcontractors on Debtor's various
9 projects; its in-house architects, who work on design matters; and its janitors, who provide cleaning
10 services in connection with home sale closings. Without the essential relationships Debtor has
11 developed over the years with its Critical Vendors, and without the services and materials they provide,
12 Debtor has no home building operation.

13 66. The homebuilding industry in the United States is experiencing a significant and
14 sustained decrease in demand for new homes and an oversupply of new and existing homes available
15 for sale. This has led to widespread lay-offs in the construction industry, arguably, nowhere as strongly
16 felt as in Southern Nevada. But notwithstanding the availability of skilled construction laborers in Las
17 Vegas, and the potential to employ alternative subcontractors and material suppliers, Debtor's business
18 would significantly suffer if it did not continue its relationships with its current Critical Vendors.

19 67. Debtor has developed and continues to maintain longstanding relationships with
20 subcontractors and vendors who continue to meet Debtor's rigorous quality guidelines and cost
21 controls. More importantly, though, these subcontractors are so critical because they are liable for all
22 warranty work that may result from their labors. Homebuilding companies are typically exposed to
23 contingent liability stemming from potential construction defect allegations or warranty work. Debtor
24 has historically paid out very few construction defect claim largely because of the high quality work
25 performed by Debtor's Critical Vendors. If Debtor is forced to find new subcontractors and materials
26 providers for its projects mid-stream, those new vendors will not have the same history of providing
27 high quality materials and services within the strict cost controls Debtor demands. Of greater concern,
28 as to construction defect and warranty claims, Debtor would be in the difficult and non-cost effective

1 position of having to attempt to determine which subcontractor is liable for any construction defect
2 claim. This could well engender in the mind of home-buying customers a loss or at least a substantial
3 reduction of confidence in Debtor's ability to cause full satisfaction of all legitimate claims asserted,
4 thereby diminishing Debtor's stellar and hard won reputation of delivering the best quality product in
5 Southern Nevada and undoubtedly weakening the Debtor's business prospects.

6 68. The Critical Vendors with whom Debtor has built long term relationships give Debtor a
7 level of certainty that materials of a specified quality will be provided, and services of a consistent
8 quality will be rendered, in accordance with the various requirements and deadlines of Debtor's
9 projects. Accordingly, any disruption in the services or materials such vendors provide would have a
10 detrimental impact upon the quality of homes built by Debtor and impede the timely completion of
11 projects in accordance with customers' specifications. Such a disruption would lead to an immediate
12 erosion in customer confidence and have a devastating effect on Debtor's reputation, which could be
13 impossible to restore. Debtor owes certain of the aforementioned Critical Vendors amounts for
14 prepetition goods and services. Without the continued support of, and the goods and services to be
15 provided by, the Critical Vendors, Debtor may not be able to continue operating and constructing
16 homes without critically suffering from added expense and delay.

17 69. Despite the need for these essential goods and services, Debtor has historically sought to
18 bargain with its Critical Vendors to achieve the lowest price, the best service, the highest quality, and
19 the most favorable terms possible for each necessary product or service. Debtor has developed valuable
20 relationships with its Critical Vendors that have met its standards for price, service, quality, and
21 payment terms, and it hopes to maintain and improve upon these Critical Vendor relationships on a
22 postpetition basis and to continue to negotiate with such vendors to insure these standards going
23 forward. Many of these Critical Vendor relationships span over numerous years, resulting in an
24 institutional knowledge among Debtor's Critical Vendors that would be impossible to immediately
25 replace.

26 70. Debtor believes that certain of the Critical Vendors, despite the protections of
27 administrative priority status, may refuse to provide goods and services postpetition to Debtor if it does
28 not pay all or part of the Critical Vendor Claims.

Emergency Motion for an Order (i) Authorizing Debtor to Pay Prepetition Employee Salaries and Benefits; and (II) Authorizing and Directing Financial Institutions to Honor Checks Related to Such Obligations

71. Debtor employs approximately 71 full-time employees (the “Employees”) in the ordinary course of its business.

72. Among other things, Debtor’s Employees (a) manage and monitor construction of new homes, (b) participate in major design and building decisions, (c) coordinate the activities of subcontractors and suppliers, (d) review the work of subcontractors for quality and cost controls, (e) monitor compliance with zoning and building codes, (f) play a significant role in working with Debtor’s homebuyers on the construction process and instructing buyers on post-closing home maintenance, and (g) manage Debtor’s day to day business activities. Continued service by the Employees is essential to Debtor’s ongoing operations.

73. As of the Petition Date, Debtor owed its Employees various sums for salaries and bonuses. Debtor pays its Employees on a semimonthly payroll cycle on the 15th and the last day of each month. When payroll checks are paid to Debtor’s Employees, the Employees are paid current as of the date of the applicable pay day. The last payroll was made on February 29, 2012; the next scheduled payroll is March 15, 2012.

74. Each semimonthly payroll averages approximately \$296,000 in the aggregate. As of the Petition Date approximately \$28,300.10 in commissions accrued but which was not reflected in the previous payroll. No Employees are owed in excess of \$11,725.

75. Additionally, Debtor withholds from its Employees’ wages amounts for federal income, Social Security and Medicare taxes, and remits the same to the appropriate taxing authorities. To the extent Debtor has withheld amounts pertaining to said taxes, Debtor seeks authorization to continue to deduct these funds and pay them to such governmental entities in the ordinary course of business. Debtor also seeks authorization to continue withholding amounts from Employees’ paychecks for state and federal unemployment insurance, and to continue remitting such withholdings to the applicable state and federal taxing authorities.

76. In the ordinary course of its business, and as is customary for most large companies, Debtor has established various employee benefit plans and policies that provide certain Employees with

1 medical, vacation, employee savings, and other similar benefits (collectively, the “Employee Benefits”).
2 The Employee Benefits that cost Debtor are generally described below.

3 77. Health Insurance. An important element of the Employee Benefits is medical and
4 prescription drug insurance. Debtor maintains a medical plan for its eligible Employees (the “Health
5 Plan”) administered by Anthem HMO Nevada. This Employee Benefit is made available to those
6 Employees that meet the minimum employee eligibility requirements consisting of (1) working a
7 minimum of 30 hours per work week; and (2) having been employed by Debtor for the previous 180
8 days. The cost of the Health Plan is approximately \$360,000 per year and is paid monthly after the
9 second week of each current month. Pursuant to the Health Plan, Debtor pays the majority of the cost
10 for coverage of each enrolled Employee and any enrolled dependants. The Employee is responsible for
11 the remainder of the Health Plan cost and that amount is deducted from each enrolled Employee’s
12 paycheck. Debtor’s average monthly Health Plan expense is \$30,000.

13 78. Vacation. In addition to the Salary Obligations and the other Employee Benefits
14 identified above, certain of Debtor’s Employees accrue paid vacation time, based on length of service
15 (the “Vacation Accruals”). If an Employee does not use his or her entitled Vacation Accruals and is
16 subsequently terminated or resigns from employment with Debtor, he or she may be entitled to receive
17 payment for such accrual upon separation. Vacation eligibility is established on the date the Employee
18 completes six months of continuous service from the first date of hire. At that time, Employees become
19 eligible for five days of paid vacation; vacation time is only earned at six-month intervals and is not
20 prorated for termination purposes. Thereafter, every six months, Employees earn another five days of
21 paid vacation. Employees who have accumulated more than two weeks vacation cannot take more than
22 two consecutive weeks of vacation at any one time and can use no more than ten vacation days in any
23 six month period. Unused vacation can be rolled into subsequent years but will not accrue beyond 20
24 days. Upon termination of employment, Employees are paid for all earned, unused vacation at the rate
25 of pay under which it was accrued, up to the maximum of 20 days of accrued vacation. The amount of
26 Vacation Accruals that will have accrued but will remain unpaid prior to the Petition Date is estimated
27 to be \$60,000.

28 79. Reimbursable Expenses. In the ordinary course of their employment, certain authorized

Employees may have used their own personal credit cards or expended their own personal funds on behalf of and for the benefit of Debtor (the “Reimbursable Business Expenses”). Employees rendered services and incurred Reimbursable Business Expenses in anticipation of receiving their standard compensation and reimbursements; however, as of the Petition Date, such obligations may remain unpaid and unreimbursed. Debtor cannot provide a definitive amount of Reimbursable Business Expenses as of the Petition Date, but based upon prior business practices, would estimate that amount does not exceed \$20,000. Debtor seeks authorization to pay such Reimbursable Business Expenses in the ordinary course of business. Also, Debtor provides company credit cards for two of its Employees and pays for the business expenses incurred thereon. Company credit card expenses average \$35,000 per month.

80. Debtor maintains the AWDI Payroll Account at U.S. Bank through which it provides various payroll services to its Employees, including services related to the providing of signed checks, direct deposit of Salary Obligations, and the withholdings of various sums from Employee paychecks for taxes, garnishments, and health care deductions, among other things. These payroll services are provided by Paychex, Inc.

Debtor’s Motion for an Order (1) Prohibiting Utility Providers From Altering, Refusing Or Discontinuing Service; (2) Authorizing Ordinary Course Payments to Utility Providers; (3) Deeming Utility Providers Adequately Assured of Future Performance; and (4) Establishing Procedures for Determining Requests for Additional Adequate Assurance (the “Utilities Motion”)

81. In the normal course of business, Debtor has relationships with various utilities for, among other things, electricity, natural gas, water, telecommunications, sewage, trash removal and other similar services from numerous companies or divisions thereof (the “Utility Providers”). Debtor intends to continue to use the Utility Providers that are set forth on **Exhibit A** to the Utilities Motion. Debtor estimates that its average monthly postpetition payments to the Utility Providers will aggregate approximately \$75,210.09.

82. Debtor has specifically included in its cash collateral budget amounts for payments to Utility Providers, including the payment of deposits consisting of sums equal to fifty percent (50%) of Debtor’s estimated monthly costs for utility services for each of the Utility Providers, based upon an average of Debtor’s monthly costs for the six (6) months immediately preceding the Petition Date. In

1 addition to the use of the Lenders' cash collateral, Debtor is seeking to obtain DIP financing as an
 2 additional form of payment and adequate protection to Utility Providers.

3 **Motion for Order Authorizing Debtor to Honor and Pay Prepetition Bond Obligations In the**
 4 **Ordinary Course of Its Business (the "Bond Obligations Motion")**

5 83. Debtor acts as the general contractor for the construction and delivery of new homes to
 6 the customers of its non-debtor home-seller affiliates for which Debtor is paid from the close of escrow
 7 on such home sales.

8 84. As general contractor, in the ordinary course of its business, Debtor is required to
 9 provide third parties with financial assurance in the form of the Surety Bonds to secure Debtor's
 10 payment or performance of certain obligations under various contracts with local government units (the
 11 "Bond Obligations"), principally in connection with infrastructure improvements, as a condition for
 12 obtaining permits and other approvals necessary for the development of residential projects. Each
 13 Surety Bond is treated differently based upon the improvements being secured by such bond.

14 85. Debtor incurs various Bond Obligations that are similar to tax assessments with fees paid
 15 over time in connection with the Surety Bonds based upon how long it takes to complete the bonded
 16 improvements, which typically requires a minimum of six months. As of the Petition Date, the
 17 aggregate face amount of the Bond Obligations totaled approximately \$19,703,950, as detailed in the
 18 list set forth on **Exhibit B** attached to the Bond Obligations Motion and incorporated herein by this
 19 reference.

20 86. The Surety Bonds are released once the respective government unit inspects and
 21 approves the improvements completed by AWDI. Subsequent to obtaining its approval and bond
 22 release, the local government unit will maintain the particular utility; e.g., a storm drain.

23 87. Failure to provide, maintain, timely renew or issue new bonds as needed in the ordinary
 24 course of business could jeopardize Debtor's ability to conduct or continue its operations.

25 88. The Bond Obligations are payable in installments totaling approximately \$9,000 per
 26 month. As of the Petition Date, Debtor was current on the amounts owing on the Bond Obligations for
 27 the period prior to the Petition Date. The Bond Obligations arguably constitute prepetition debt because
 28 the original issue dates of the bonds occurred prior to the Petition Date.

1 89. The Bond Obligations are long-term obligations, and Debtor is not seeking to pay them
2 earlier than necessary. Further, the Bond Obligations are reduced as Debtor completes construction and
3 delivers homes in a particular community and the obligations under the respective Surety Bonds are
4 released. Debtor seeks only to continue to make regular installment payments on account of the Bond
5 Obligations.

6 90. Continuing to honor its Bond Obligations in the ordinary course of its business,
7 including the payment of premiums and obtaining new Surety Bonds as necessary for Debtor's business
8 will minimize disruptions to Debtor's business and operations thereby maximizing value and benefits to
9 Debtor's estate and its creditors.

10 91. Due to the nature of Debtor's business and the extent of its operations, Debtor must be
11 permitted to continue to honor and pay its Bond Obligations on an ongoing basis in order to continue
12 the revenue-generating aspects of its operations. A lapse of any of the bonds without renewal could
13 cause Debtor to violate the applicable laws requiring it to maintain such bonds, and any interruption of
14 Debtor's ability to satisfy the Bond Obligations would have a devastating and adverse effect on
15 Debtor's operations, its enterprise value and its ability to successfully reorganize to the detriment of all
16 parties in interest.

17 **Motion to Honor and Maintain Home Builder's Limited Warranty Program (the "Home**
18 **Warranty Motion")**

19 92. AWDI acts as the developer and builder of certain single-family residential
20 community/projects owned by affiliated home selling entities. The American West brand has a strong
21 and well-deserved reputation in the industry for the quality and workmanship embodied in its residential
22 home construction product. AWDI historically has paid out very few construction defect claims
23 because of the high quality work performed by AWDI's subcontractors and their commitment to
24 warrant the quality of their work.

25 93. In order to reinforce the strength of the American West brand and enhance the
26 confidence of home purchasers that they will receive a high quality product, AWDI provides an
27 industry standard post-closing warranty to each home buyer. This warranty offers a mutual benefit—it
28 provides the home buyer with peace of mind regarding the home, and it enables AWDI to obtain

1 favorable insurance coverage for rare but potentially devastating instances of widespread construction
2 defect.

3 94. For several years prior to the Petition Date, AWDI has purchased insurance from the
4 Zurich NA Construction Division, which offers an insurance program combining broad general liability
5 coverage and comprehensive warranty protection for home builders and their clients. Zurich's Home
6 Builders Protective Program ("HBPP") is designed for home builders with project(s) or revenues in
7 excess of \$100 million who distinguish themselves by their quality assurance processes. Key to the
8 HBPP is its expanded coverage for construction defect claims for as long as the builder is exposed to
9 such claims under the applicable statutes of limitation. As one of the conditions for coverage under the
10 HBPP, AWDI contracts with a non-related third party provider, Professional Warranty Service
11 Corporation ("PWSC"), to participate in the Professional Warranty Program administered by PWSC.
12 Under the Professional Warranty Program, AWDI provides each home buyer with a Home Builder's
13 Limited Warranty (the "Limited Warranty") in the form developed by PWSC. A true and correct copy
14 of the Limited Warranty is attached to the Home Warranty Motion as **Exhibit "A."**

15 95. AWDI enrolls each homeowner under the HBPP and, after closing of a home, provides a
16 Limited Warranty and a Limited Warranty Coverage Validation Form (for execution by the
17 homeowner). The Limited Warranty is transferable to any subsequent owner of the home during the
18 10-year warranty period.

19 96. AWDI contracts with a non-debtor American West affiliate, Home Service Plus, Inc.
20 ("HSP"), to provide post-closing Limited Warranty service, maintenance and repair support in Years 1
21 and 2 to the individual home buyers pursuant to a Warranty Services Agreement. HSP has been
22 licensed as a general contractor since 2004. Pursuant to the Warranty Services Agreement, AWDI
23 agrees to pay HSP a one-time flat fee of \$1,500 per home at closing, regardless of the amount of work
24 that HSP might be required to perform and regardless of the size of the home or the lot on which it sits.
25 In return, HSP agrees to perform all services covered by the Limited Warranty during the first two years
26 after the closing. A true and correct copy of the form of Warranty Services Agreement entered into
27 between AWDI and HSP is attached to the Home Warranty Motion as **Exhibit "B."**

28 97. As the extent of Limited Warranty service requests is reduced as time passes following

the sale closing, AWDI generally performs any serviced required under the Limited Warranty beginning in the third year after the sale.

Motion for Future Claims Representative

98. Claims against Debtor arising out of allegations of construction defect in homes and developments built by Debtor are categorized as follows (collectively, the “Construction Defect Claims”): (i) claims currently in litigation; (ii) claims that have not yet been asserted in litigation but are known to the claimants; and (iii) contingent, unliquidated claims of persons who have not yet asserted claims because they do not yet have claims or have claims that are as yet unknown to them, but who would be members of a potential class of claimants against Debtor for claims asserted at some point in the future.

99. Individuals holding Construction Defect Claims in category (i) are included in the bankruptcy schedules and statements filed by Debtor on the Petition Date. See Docket No. 1. Individuals holding Construction Defect Claims in categories (ii) and (iii) (such claims collectively, the “Future Construction Defect Claims”) comprise, and shall be referred to herein as, the “Future Construction Defect Claimants” for whom Debtor seeks the appointment of a Future Claims Representative. To resolve potential construction defect exposure, Debtor submits that a Future Claims Representative should be appointed to represent the Future Construction Defect Claimants.

Motion for Order Pursuant to 11 U.S.C. §§ 105(a) and 331, Fed. R. Bankr. P. 2016 Authorizing and Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals (the Interim Compensation Procedures Motion)

100. Debtor is filing applications to retain certain professionals including, among others, Fox Rothschild LLP (“Fox Rothschild”), as counsel to Debtor; Province Advisors, LLC (“Province”), as financial advisors to Debtor; The Garden City Group (“GCG”), as claims and noticing agent, and the Law Office of Nathan A. Schultz, P.C. (the “Schultz Firm”), as conflicts counsel to Debtor. Debtor anticipates that, as the Chapter 11 Case progresses, it may need to retain other professionals in connection with its chapter 11 efforts. In addition, one or more statutory committees (each a “Committee” and collectively, the “Committees”) may be appointed in this case. If appointed, Debtor anticipates that any Committees will retain counsel, and possibly other professionals, to assist them in fulfilling their obligations in this case.

101. In order to streamline the professional compensation process and enable the Court and all other parties to monitor more effectively the professional fees incurred in this Chapter 11 Case, Debtor proposes establishing procedures (“Compensation Procedures”) for the compensation and reimbursement of court-appointed professionals (collectively, the “Professionals”) on a monthly basis, on terms comparable to the procedures established in other similar chapter 11 cases.

102. The implementation of the Compensation Procedures is validated by the size and complexity of this Chapter 11 Case, and Debtor’s limited staff and resources. Debtor must hire Professionals to help them satisfy the burdens of this case and navigate the reorganization process. The proposed Compensation Procedures streamline the professional compensation process for the Professionals and enables the Court and all other parties to effectively monitor the professional fees incurred in this Chapter 11 Case.

Application for Order Authorizing Retention and Employment of Fox Rothschild, LLP as Debtor’s Reorganization Counsel, Effective as of the Petition Date (the “Application to Employ Fox Rothschild”)

103. Debtor wishes to employ Fox Rothschild as its attorneys. Debtor selected Fox Rothschild because the Firm has considerable experience in reorganization matters and is qualified to represent Debtor in this Chapter 11 Case.

104. Fox Rothschild was retained by Debtor prior to the Petition Date. A copy of the retention agreement is attached to the Verified Statement of Brett A. Axelrod (the “Axelrod Verified Statement”), filed in support of the Application to Employ Fox Rothschild, as **Exhibit 1** thereto and is incorporated herein for all purposes by this reference. In the twelve (12) months prior to the Petition Date, Fox Rothschild provided Debtor with a variety of legal services, including significant services surrounding and relating to Debtor’s extensive efforts to reach a consensual restructuring agreement with its secured lenders and then in preparation for the Chapter 11 Case. According to Fox Rothschild’s books and records, Fox Rothschild received approximately \$2,651,422.01 in the twelve (12) months prior to the Petition Date. Additionally, Debtor provided Fox Rothschild with the filing fee of \$1,046.00 to file this Chapter 11 Case.

105. On February 1, 2012, Debtor provided Fox Rothschild with an advance payment of \$200,000.00 to establish a retainer to pay for legal services rendered or to be rendered in connection

1 with Debtor's restructuring efforts.

2 106. Debtor believes that the appointment of Fox Rothschild as Debtor's general bankruptcy
3 and reorganization counsel is in the best interest of Debtor and its estate.

4 107. Debtor has selected Fox Rothschild as its general bankruptcy and reorganization counsel
5 because of Fox Rothschild's extensive experience and knowledge in the field of debtors' and creditors'
6 rights and business reorganizations under chapter 11 of the Bankruptcy Code and familiarity with the
7 facts and circumstances surrounding this Chapter 11 Case. As such, Fox Rothschild is uniquely
8 qualified to represent Debtor's interests with respect to Debtor's business and financial affairs and the
9 potential legal issues that may arise in this Chapter 11 Case.

10 108. Accordingly, Debtor believes that Fox Rothschild is both well qualified and able to
11 represent its interests in this Chapter 11 Case in an efficient and timely manner and that such
12 representation is in the best interests of Debtor, its estate, and constituents.

13 109. Debtor seeks Court approval to retain Fox Rothschild at the expense of Debtor's estate to
14 provide the legal services described in the Application to Employ Fox Rothschild that will be required
15 to represent Debtor in this Chapter 11 Case.

16 110. In addition, Debtor understands that Fox Rothschild, from time to time, utilizes the
17 services of outside attorneys employed on a contract basis. Prior to the Petition Date, Fox Rothschild
18 utilized the services of Nathan A. Schultz of the Schultz Firm in connection with its representation of
19 Debtor. Debtor understands that Fox Rothschild anticipates continuing to utilize the services of the
20 Schultz Firm on the same contract basis in connection with its representation of Debtor in the Chapter
21 11 Case. Fox Rothschild bills Debtor for Mr. Schultz's time as legal services, not as an expense, at an
22 hourly rate (\$500) that is commensurate with the rates of Fox Rothschild attorneys of similar seniority
23 and experience. Debtor is also seeking to employ the Schultz Firm directly as conflicts counsel
24 pursuant to a separate application (which contains all of the requisite disclosures on behalf of Mr.
25 Schultz and the Schultz Firm). Mr. Schultz will separately track and bill time and expenses incurred in
26 his contract capacity and in his capacity as conflicts counsel, subject to approval by this Court.

27 **Application for Order Authorizing Employment of The Garden City Group, Inc. as Claims**
28 **and Noticing Agent (the "Application to Employ GCG")**

111. By the Application to Employ GCG, Debtor requests authorization to employ GCG as its claims and noticing agent.

112. Prior to the Petition Date, Debtor and GCG entered into a Bankruptcy Administration Agreement (such agreement together with all amendments, modifications, renewals thereof and all documents ancillary thereto or otherwise entered into in connection therewith, are collectively referred to herein as the “Engagement Agreement”), a copy of which is attached to the Declaration of Angela Ferrante filed in support of the Application to Employ GCG as **Exhibit “1”** thereto and is incorporated herein by this reference.

113. Debtor believes that engaging GCG as its claims and noticing agent will expedite the service of Bankruptcy Rule 2002 notices, streamline the claims administration process, and permit Debtor to focus on its reorganization efforts.

114. Subject to Court approval, GCG has agreed to provide Debtor with noticing and claims processing services in relation to this Chapter 11 Case.

115. The scope of GCG’s services may be expanded from time to time, provided that GCG and Debtor mutually agree in writing to any such expansion and any corresponding increase in fees.

116. Subject to this Court’s approval of the Application to Employ GCG, GCG is willing to serve as Debtor’s claims and noticing agent and to perform the services described above and in GCG’s Engagement Agreement.

117. Debtor selected GCG because it is one of the country’s leading chapter 11 administrators with expertise in noticing, claims processing, balloting administration and distribution. GCG is well qualified to provide Debtor with experienced noticing, claims and balloting services in connection with this Chapter 11 Case. GCG has developed efficient and cost-effective methods to handle properly the voluminous mailings associated with the noticing, claims processing and balloting portions of chapter 11 cases to ensure the orderly and fair treatment of creditors, equity security holders and all parties in interest. Furthermore, GCG will work with the Clerk’s office to ensure that such methodology conforms with all of the Court’s procedures, the Court’s local rules and the provisions of any orders entered by this Court.

118. Debtor believes that GCG is both well qualified and able to represent it as claims and

1 noticing agent in this Chapter 11 Case in an efficient manner and that such representation is in the best
2 interests of Debtor, its estate, and its constituents.

3 119. The fees to be charged by GCG in connection with this Chapter 11 Case are set forth in
4 the Engagement Agreement. GCG has received a \$190,000 retainer from Debtor, as payment for
5 Debtor's prepetition services. \$174,500 was deemed earned and applied to prepetition fees and
6 expenses incurred by GCG. The balance of the unearned retainer is \$15,500 and will be applied to
7 GCG's postpetition fees and expenses incurred in this Chapter 11 Case. Debtor proposes that the cost
8 of GCG's services be paid from Debtor's estate. Debtor respectfully submits that GCG's rates for its
9 services in connection with the notice, claims processing and solicitation services are competitive and
10 comparable to the rates charged by its competitors for similar services.

11 **Application for Order Authorizing Employment and Retention of Province Advisors, LLC as**
12 **Financial Advisor to Debtor Effective as of the Petition Date ("Application to Employ**
Province")

13 120. Debtor has determined that it requires financial advisory services. Debtor duly selected
14 and engaged Province to provide such financial and restructuring advisory services. A true and correct
15 copy of the Province Engagement Agreement is attached as **Exhibit "1"** to the Verified Statement of
16 Paul Huygens in support of the Application to Employ Province.

17 121. Debtor submits that it is necessary to employ Province as financial advisor in order to
18 ensure that the interests of Debtor are adequately represented in an efficient and effective manner.
19 Debtor believes that, in light of Province's involvement in corporate restructuring in many similar
20 matters and its provision of prepetition services to Debtor, Province is best suited to continue to provide
21 financial and restructuring advisory services to Debtor, and Debtor will rely on Province in that regard.

22 122. Debtor selected Province because of its excellent qualifications and its reasonable fee
23 structure.

24 123. In providing prepetition services to Debtor in connection with this matter, Province's
25 professionals have worked closely with Debtor's management and other professionals and have become
26 well-acquainted with Debtor's debt structure, creditors, businesses and operations, and other related
27 matters. Accordingly, Province has developed significant relevant experience and expertise regarding
28 Debtor that will assist it in providing effective and efficient services in this Chapter 11 Case.

1 124. In addition to the foregoing, Province, in its capacity as financial advisor, advised Debtor
2 with respect to all of the documentation necessary for an early Chapter 11 filing and a seamless
3 transition into bankruptcy. Province's pre-petition involvement has provided Debtor with continuity
4 throughout the Chapter 11 process.

5 125. Province has assisted Debtor in connection with its restructuring efforts through, among
6 other things, the following:

- 7 (a) Evaluating its liquidity and preparing a rolling thirteen week cash
8 flow forecast;
- 9 (b) Formulating, evaluating and implementing various options for
10 restructuring;
- 11 (c) Negotiating with creditors, shareholders and other appropriate parties;
12 and
- 13 (d) Providing contingency planning and ongoing advice and assistance to
14 management through the restructuring process.

15 126. An experienced financial advisor such as Province fills a critical need that complements
16 the services offered by Debtor's other restructuring professionals. Debtor believes it requires the
17 services of a capable and experienced advisory firm such as Province because, *inter alia*, Province's
18 resources and capabilities, together with its experience advising Debtor prepetition, are crucial to
19 Debtor's success in this Chapter 11 Case.

20 127. Accordingly, Province is well qualified and positioned to provide the services being
21 sought by Debtor and has developed significant relevant experience and knowledge that will assist in
22 dealing with potential issues that may arise in the context of Debtor's Chapter 11 Case. Debtor
23 respectfully submits that the employment and retention of Province is in the best interests of Debtor and
24 its estate.

25 128. Province's willingness to continue with this engagement to advise and assist Debtor is
26 contingent upon its ability to be retained in accordance with its customary terms and conditions of
27 employment, including without limitation the indemnity provisions stated in the Province Engagement
28 Agreement, and compensation for its services and reimbursement for the expenses it incurs in
accordance with its customary billing practices.

1 129. Debtor seeks to employ and retain Province on an hourly basis at rates consistent with
2 those Province routinely charges in comparable matters.

3 130. Prior to the Petition Date, Debtor provided Province with a retainer in the amount of
4 \$150,000, as payment for Debtor's prepetition services. \$63,229.10 was deemed earned and applied to
5 prepetition fees and expenses incurred by Province. The balance of the unearned retainer is \$86,770.90
6 and will be applied to Province's final application for fees and expenses incurred in this Chapter 11
7 Case.

8 131. Debtor respectfully submits that the proposed fee arrangement with Province is (i)
9 similar to fee arrangements that have been authorized in other Chapter 11 cases in which Province has
10 rendered services, (ii) reasonable in light of industry practice, is similar to market rates both in and out
11 of Chapter 11 proceedings, (iii) reasonable in light of Province's experience in reorganizations, and (iv)
12 reasonable in light the scope of work to be performed pursuant to its retention. Debtor believes that,
13 given the nature of the financial and restructuring advisory services to be provided by Province, the
14 proposed compensation arrangement is both fair and reasonable.

15 132. As set forth in the Province Engagement Agreement and subject to the terms and
16 conditions therein, Debtor has agreed to indemnify Province in accordance with the indemnity
17 provisions set forth therein (the "Indemnity Provisions"). Debtor believes the Indemnity Provisions are
18 customary and reasonable terms for Province's engagement. Unlike the market for other professionals
19 that Debtor may retain, indemnification is a standard term of the market for financial advisors.
20 Province and Debtor believe that the Indemnity Provisions are comparable to those generally obtained
21 by financial advisory firms and for comparable engagements, both in and out of court. Accordingly,
22 Debtor requests that the Court approve the Indemnity Provisions.

23 133. Debtor believes the compensation contained in the Province Engagement Agreement and
24 the Indemnity Provisions are reasonable terms and conditions of employment and should be approved
25 under section 328(a) of the Bankruptcy Code. The compensation in the Province Engagement
26 Agreement and the Indemnity Provisions adequately reflect: (a) the nature of the services to be provided
27 by Province; and (b) compensation structures and indemnification provisions typically utilized by
28 Province and other financial advisory and investment banking firms, which are generally compensated

1 on a transactional basis. In particular, Debtor believes the proposed compensation creates a proper
2 balance between the hourly rates and a deferred fee based on the consummation of plan of
3 reorganization. Moreover, Province's substantial experience with respect to financial advisory services,
4 coupled with the nature and scope of work already performed by Province before the Petition Date,
5 further suggest the reasonableness of the Province Engagement Agreement and Indemnity Provisions.

6 **Application for Order Authorizing Employment and Retention of the Law Office of Nathan**
7 **A. Schultz, P.C. as Debtor's Conflicts Counsel Effective as of the Petition Date (the**
8 **"Application to Employ the Schultz Firm")**

9 134. Debtor wishes to employ the Schultz Firm as conflicts counsel in the event that there are
10 matters arising in the Chapter 11 Case for which it is necessary and/or appropriate for Debtor to rely on
11 counsel other than its lead reorganization counsel, Fox Rothschild, whether by reason of potential
12 conflict of interest concerns or otherwise. Debtor selected the Schultz Firm for the reason that such
13 firm has considerable experience in reorganization matters, is qualified to represent Debtor in this
14 Chapter 11 Case and has familiarity with Debtor's business and reorganization efforts.

15 135. The Schultz Firm was not retained by Debtor prior to the Petition Date. However, prior
16 to the Petition Date, Fox Rothschild utilized the services of Nathan A. Schultz of the Schultz Firm on a
17 contract basis in connection with its prepetition representation of Debtor. Debtor understands that Fox
18 Rothschild anticipates continuing to utilize the services of Mr. Schultz on the same contract basis in
19 connection with its representation of Debtor in the Chapter 11 Case. Mr. Schultz will separately track
20 and bill time and expenses incurred in his capacity as a contract attorney for Fox Rothschild and in his
21 capacity as conflicts counsel for Debtor, subject to approval by this Court.

22 136. Accordingly, Debtor believes that the appointment of the Schultz Firm as Debtor's
23 conflicts counsel is in the best interest of Debtor and its estate.

24 137. Debtor seeks an order authorizing the employment and retention of the Schultz Firm as
25 conflicts counsel to Debtor in connection with the prosecution of this Chapter 11 Case, as described in
26 the Application to Employ the Schultz Firm, effective as of the Petition Date, in accordance with the
27 Schultz Firm's normal hourly rates and reimbursement policies.

28 138. Debtor has selected the Schultz Firm as its conflicts counsel because of the Schultz
Firm's extensive experience and knowledge in the field of debtors' and creditors' rights and business

1 reorganizations under chapter 11 of the Bankruptcy Code and familiarity with the facts and
 2 circumstances surrounding this Chapter 11 Case. As such, the Schultz Firm is uniquely qualified to
 3 represent Debtor's interests with respect to Debtor's business and financial affairs and the potential
 4 conflicts issues that may arise in this case.

5 139. Accordingly, Debtor believes that the Schultz Firm is both well qualified and able to
 6 represent them in this case in an efficient and timely manner and that such representation is in the best
 7 interests of Debtor, its estate, and constituents.

8 **Debtor's Motion Pursuant to Bankruptcy Code Sections 105(A), 327, 328, and 330 for an**
 9 **Order Authorizing Retention and Compensation of Certain Professionals Utilized By Debtor**
 10 **in the Ordinary Course of Business (the "Ordinary Course Professionals Motion")**

11 140. Debtor customarily retains the services of various attorneys, accountants, consultants,
 12 and other professionals to represent it in matters arising in the ordinary course of its business, unrelated
 13 to this Chapter 11 Case (each an "Ordinary Course Professional" and, collectively, the "Ordinary
 14 Course Professionals"). The Ordinary Course Professionals provide services to Debtor with respect to a
 15 wide range of subjects, including, prepetition litigation, regulatory compliance, corporate, real estate
 16 and financing transactions, tax planning and preparation. The services are critical for Debtor's ongoing
 17 business operations, including its continued compliance with non-bankruptcy law. None of the
 18 Ordinary Course Professionals will represent Debtor in any aspect of its Chapter 11 Case or provide
 19 bankruptcy-related services. A list of the Ordinary Course Professionals expected to be used by Debtor
 20 postpetition, and description of the services each Ordinary Course Professional will provide, is attached
 21 as **Exhibit A** to the Ordinary Course Professionals Motion.

22 141. Debtor requests that this Court enter an order (a) authorizing it to retain and compensate
 23 the Ordinary Course Professionals without the submission of separate retention applications or the entry
 24 of specific retention orders, (b) approving the payment of one hundred percent (100%) of the monthly
 25 fees and expenses of the Ordinary Course Professionals, without requiring the filing of fee applications
 26 or further court orders, subject to the limitations set forth below, and (c) permitting the expansion of the
 27 list of Ordinary Course Professionals through the process described in the Ordinary Course
 28 Professionals Motion.

142. In contrast, Debtor will file individual retention applications for any professionals that

Debtor seeks to employ in connection with the conduct of this Chapter 11 Case (the “Chapter 11 Professionals”). The Chapter 11 Professionals will be compensated and reimbursed only in accordance with procedures to be approved by this Court and in accordance with the terms of the orders approving each Chapter 11 Professional’s employment. The Ordinary Course Professionals will not be involved in the administration of this Chapter 11 Case. Debtor does not believe that the Ordinary Course Professionals are “professionals” as that term is used in section 327 of the Bankruptcy Code, whose retention must be approved by this Court. Nevertheless, out of an abundance of caution, Debtor seeks an order authorizing the retention and payment of all Ordinary Course Professionals during the pendency of this Chapter 11 Case. Debtor expects to employ, among others, the Ordinary Course Professionals listed on **Exhibit A** to the Ordinary Course Professionals Motion to perform ongoing services during the pendency of this Chapter 11 Case.

143. Debtor utilizes the services of a number of engineers, architects and other construction professionals in the ordinary course of business. Debtor has not included in **Exhibit A** to the Ordinary Course Professionals Motion the architects, engineers, or construction professionals that work on Debtor’s projects and does not believe such inclusion is necessary. Debtor intends to pay these architects and engineers in the ordinary course of business.

144. Debtor desires to continue to employ the Ordinary Course Professionals to render services in the same manner and for the same purposes as the Ordinary Course Professionals did prior to the Petition Date. The work of the Ordinary Course Professionals, albeit ordinary course, is directly related to the preservation of the value of Debtor’s estate, even though the amount of fees and expenses incurred by the Ordinary Course Professionals represents only a small fraction of that value.

145. Debtor owes certain of the aforementioned Ordinary Course Professionals amounts for services rendered prepetition. Despite the protections of administrative priority status, Debtor believes some Ordinary Course Professionals may refuse to provide services postpetition to Debtor if Debtor does not pay all or part of an Ordinary Course Professional’s Claims. Debtor seeks authorization to pay Ordinary Professionals’ Claims, in an amount not to exceed the Monthly Fee Caps identified on **Exhibit A** to the Ordinary Course Professionals Motion, subject to certain conditions and procedures described below.

1 146. The operation of Debtor's business would be adversely affected if the Ordinary Course
2 Professionals were delayed in performing their work on behalf of Debtor while Debtor (i) submitted to
3 this Court an application, declaration, and proposed retention order for each Ordinary Course
4 Professional; (ii) waited until such order was approved before such Ordinary Course Professional
5 continued to render services; and (iii) withheld payment of the normal fees and expenses of the
6 Ordinary Course Professionals until they complied with the compensation procedures applicable to
7 Chapter 11 Professionals.

8 147. Further, the Ordinary Course Professionals generally are unfamiliar with the fee
9 application procedures employed in bankruptcy cases. Some Ordinary Course Professionals might be
10 unwilling or unable to assume the administrative and cost burden of such procedures and may therefore
11 be unwilling to work with Debtor if these requirements are imposed, forcing Debtor to incur additional
12 and unnecessary expenses to retain other professionals without such background and expertise and at
13 potentially higher rates. The uninterrupted services of the Ordinary Course Professionals are vital to
14 Debtor's continuing operations and its ultimate ability to reorganize. More importantly, the cost of
15 preparing and prosecuting these retention applications and fee applications would be significant, and
16 such costs would be borne by Debtor's estate.

17 148. Although some of the Ordinary Course Professionals may hold unsecured claims against
18 Debtor with respect to prepetition services rendered, Debtor does not believe that any of the Ordinary
19 Course Professionals have an interest materially adverse to Debtor, its estate, creditors, or other parties
20 in interest.

21 **Motion for Order Establishing Certain Case Management, Notice and Administrative**
22 **Procedures (the "Case Management Procedures Motions")**

23 149. Debtor endeavored to prepare the majority of the pertinent pleadings in this Chapter 11
24 Case for filing on the Petition Date or shortly thereafter. Nevertheless, Debtor anticipates numerous
25 motions and applications will follow in the days and weeks ahead. Debtor estimates thousands of
26 creditors and parties in interest exist in this Chapter 11 Case and anticipates that the parties in interest
27 who may file requests for service of pleadings, pursuant to Bankruptcy Rule 2002, may number in the
28 hundreds.

150. Due to the expected size of the Chapter 11 Case, Debtor believes that implementation of the proposed notice, administrative and case management procedures set forth in the Case Management Procedures Motion and to be attached to the Case Management Order (collectively, the “Case Management Procedures”) is warranted to ensure the Chapter 11 Case is administered in the most efficient and effective way possible. In particular, the proposed Case Management Procedures will benefit Debtor, the Court and all parties in interest by, among other things:

- (a) Reducing the need for emergency hearings and requests for expedited relief;
- (b) Fostering consensual resolution of important matters;
- (c) Assuring prompt receipt of appropriate notice affecting parties’ interests;
- (d) Providing ample opportunity to parties in interest to prepare for and respond to matters before this Court;
- (e) Reducing the substantial administrative and financial burden that would otherwise be placed on Debtor and other parties in interest who file documents in this Chapter 11 Case; and
- (f) Reducing administrative burdens on the Court and the Clerk’s office.

Debtor’s Motion for Entry of an Order (A) Setting Bar Dates for Filing Proofs of Claim, (B) Approving the Form and Manner for Filing Proofs of Claim, and (C) Approving Notice Thereof (the “Bar Date Motion”)

151. Debtor anticipates that there may be as many as 8,000 potential claimants in the Chapter 11 Case, which raises the likelihood of a time-consuming claims reconciliation process. Debtor would like to exit chapter 11 as soon as possible as part of an efficient financial reorganization and wishes to begin the claims analysis and reconciliation process as soon as possible. Accordingly, Debtor wants to establish procedures to minimize any confusion on the part of creditors and, hopefully, to achieve a resulting claims process that is as efficient as possible.

152. Debtor is very focused on developing an analysis of asserted claims as quickly as possible in order to establish and continue momentum towards implementing the Plan. In order to implement the Plan, Debtor will require a comprehensive and accurate overview of the information pertaining to the nature, amount and status of asserted claims. Some of that analysis has already begun, but the precise nature and scope of asserted claims can only be clearly established after a claims bar date has passed.

153. Debtor operates in a challenging and competitive industry that continues to face tremendous economic pressure. Despite Debtor's preparation for transitioning to operations under chapter 11, continued operations in bankruptcy over a lengthy period of time will be expensive and will likely cause liquidity and operating constraints that will significantly complicate Debtor's ability to successfully reorganize. Therefore, in order to maintain momentum and avoid delay in this Chapter 11 Case and to create the best possible environment for a comprehensive and meaningful plan process, Debtor wishes to set a claims bar date, including a comprehensive process for notice to creditors, as detailed in the Bar Date Motion, and to begin the notice process as soon as practicable.

First Omnibus Motion to Reject Certain Pricing Commitments, Effective as of the Petition Date (the "Motion to Reject Certain Pricing Commitments")

154. Debtor seeks to reject pricing commitments previously offered by Debtor to home purchasers in connection with sales that occurred prior to the Petition Date.

155. During a portion of the period from 2006 through 2008, Debtor and/or certain non-debtor affiliates offered two different pricing incentives as part of its marketing: (1) a three year "price promise" offered through the home collections by Silverado Springs 1, Inc., Fairmont 1, Inc. and Kingsbridge 1, Inc., each of which has been merged into AWDI, and (2) a five year "price guaranty" (the "price promise" and the "price guaranty" are collectively the "Pricing Commitments") that was issued by AWDI as the homebuilder and the respective home seller.¹⁴

156. Pursuant to the price promise, some buyers of new Silverado Springs, Fairmont, or Kingsbridge homes who paid the then current asking base price were offered the opportunity to receive a purchase price refund under the following express conditions:

- a. The home must have been purchased without concession, incentive or bonus;
- b. At the three-year anniversary of the sale, the same home selling entity who sold the home must be offering the same floor plan and same model in the same community for a lower price; and

¹⁴ The following is a summary of the Pricing Commitments. Nothing herein is an admission or waiver of any right of Debtor or its non-debtor affiliates. To the extent of any conflict between this summary and the Pricing Commitments, the Pricing Commitments shall control.

c. The buyer must continuously retain ownership of property throughout the three-year term.

157. The deadline for a home buyer to apply for a refund under the price promise is the first day following the third anniversary of the close of escrow. For an eligible home owner, the price promise refund would be equal to the difference between their original purchase price (excluding lot premiums, options or upgrades, whether offered by the home selling entity or not) and the selling price of the same floor plan/model on the three-year anniversary date. So if a buyer purchased Model A from home selling entity X on January 1, 2007 for \$300,000 without any concession, incentive or bonus, but home selling entity X was selling Model A for \$275,000 on January 1, 2010 and buyer continued to own the home at that time, then the buyer would be entitled to apply for a \$25,000 price promise refund. Thus, the price promise does not guaranty appraisal value or re-sale market value at any time; its sole purpose was to provide home buyers with the assurance that their exact model of home would not be sold in their community for a lower price by Debtor at the point three years from the date of their purchase.

158. Debtor's business practice was to issue a certificate to any homeowner who received a price promise. Debtor's records indicate that all twelve (12) homes for which Debtor has a price promise certificate on file were purchased with a concession, bonus or incentive, rendering them all ineligible to assert a price promise claim. Moreover, none of the fifty-one (51) homes sold during the price promise period by other home selling entities (who did not participate in the price promise program) would be eligible to make a price promise claim because either: (a) the home was sold or foreclosed on (2 of 51 homes); (b) the home was sold with a concession, bonus or incentive (43 of 51 homes); or (c) there is no longer a qualifying model for sale (6 of 51 homes).¹⁵

¹⁵ The entities that sold homes during the price promise period (but that did not participate in the price promise program) are Castlebay 1, Inc., Glen Eagles 3, Inc., Kensington 1, Inc., Kensington 2, Inc., Promontory Point 4, Inc., Tradition, Inc., and Windsor 1, Inc. Each of these entities have been merged into and with Debtor, except Kensington 2, Inc. Debtor includes the foregoing entities in the Motion to Reject Certain Pricing Commitments solely out of an abundance of caution; although Debtor's records indicate that no price promises were issued by these entities, Debtor seeks authority to reject any and all price promises.

1 159. In contrast to the price promise, the price guaranty has a five year trigger point and no
2 independent cash value—it can only be used in connection with the purchase of a new home owned or
3 built by Debtor under the following express conditions:

4 (a) The guaranty may only be used to purchase a new single-family home built or
5 owned by Debtor at a price which is equal to or greater than the original home's purchase price
6 as stated on the Purchase Agreement;

7 (b) The applicable purchase price is defined as the base price plus the builder
8 selections; but any contributions or costs paid by seller on behalf of buyer, whether or not the
9 costs are stated in the Purchase Agreement, are deducted from the total purchase price;

10 (c) The guaranty can only be exercised on and after the fifth (5th) annual
11 anniversary date of the original Purchase Agreement;

12 (d) The guaranty must be redeemed during the three (3) months immediately
13 following the five-year anniversary date of the Purchase Agreement;

14 (e) Escrow for the new home must close not later than one year from the five-year
15 anniversary date;

16 (f) Buyer must have continuously owned the Property, without additions,
17 alterations or transfer of the title to the Property from inception of ownership through exercise
18 of guaranty (i.e. the price guaranty is non-transferable);

19 (g) Debtor retains the right to examine the condition of the title to the home, and
20 approve the same, without limitation, prior to commencing to build a new home pursuant to
21 this guaranty;

22 (h) The buyer must qualify for any anticipated financing necessary for the purchase
23 of the new home and Debtor makes no guaranties that buyer will or can obtain financing or
24 qualification for same;

25 (i) Simultaneous with the close of escrow for the new home owned or built by
26 Debtor, buyer must transfer title to the property to Debtor, or designee, free and clear of all
27 liens and encumbrances; and

28 (j) The Property and all improvements thereon must be in good condition with all

1 mechanical systems and appliances in working order, normal wear and tear as the only
2 exception.

3 160. Like the price promise, Debtor's business practice was to issue a certificate to any
4 homeowner who received a price guaranty. Debtor's records indicate that of the one hundred and two
5 (102) homes for which Debtor has a price guaranty certificate on file, seven (7) have sold or foreclosed
6 (rendering them ineligible for a price guaranty claim), four (4) have failed to make a price guaranty
7 claim or request within the three-month period following the five-year anniversary date, nine (9) may
8 currently be eligible but the home owners have not made a claim or request for Debtor to honor the
9 price guaranty, and eighty-two (82) have not yet reached their five-year anniversary date.¹⁶

10 161. Prepetition, Debtor received sixteen (16) requests from homeowners for Debtor to honor
11 Pricing Commitments (eight (8) price promise and eight (8) price guaranty). However, none of the
12 requests satisfied all of the necessary conditions required for the Pricing Commitment(s) to be
13 applicable.

14 162. In addition, one homeowner claiming eligibility for a Pricing Commitment (without a
15 certificate) filed suit in the District Court for Clark County, Nevada. The District Court dismissed the
16 suit, awarding attorney's fees and costs to defendants AWDI and Inverness 5, Inc.

17 163. Several other homeowners who claim eligibility for price promise commitments filed
18 suit in the District Court for Clark County, Nevada – Tristan Ivy v. American West Development, Inc.,
19 case number A-11-647792-C. However, all of the homeowners in the lawsuit received incentives and
20 are not entitled to the benefits of the price promise program pursuant to its terms.

21 164. Based on the conditions in the marketplace and other information available to date,
22

23 ¹⁶ One hundred thirty-six (136) homes were sold during the price guaranty period by multiple
24 selling entities, including: Castlebay 1, Inc., Coronado Paseo III, Inc., Fairmont 1, Inc., Glen Eagles 3,
25 Inc., Heritage 1, Inc., Inverness 5, Inc., Kensington 1, Inc., Kingsbridge 1, Inc., Model Renting
26 Company, Inc., Pinnacle Four, Inc., Promontory Point 4, Inc., Silverado Court 3, Inc., Tradition, Inc.
27 and Windsor 1, Inc. Each of these entities have been merged into and with Debtor, except Coronado
28 Paseo III, Inc., Model Renting Company, Inc., Pinnacle Four, Inc., and Silverado Court 3, Inc. Debtor
includes the foregoing entities in the Motion to Reject Certain Pricing Commitments solely out of an
abundance of caution; although Debtor's records indicate that price guaranties were issued for only one
hundred two (102) homes, Debtor seeks authority to reject any and all price guaranties.

1 Debtor believes that the conditions of the Pricing Commitments will be satisfied in only a handful of
2 instances, if any. However, Debtor also recognizes that it could face a multitude of claims or even
3 litigation from homeowners who are upset about the decline in the real estate market in Las Vegas.
4 These homeowners may not understand (or may choose to disregard) the express terms and conditions
5 of the Pricing Commitment, much less the implications of the prepetition nature of any Pricing
6 Commitment claims on Debtor's ability to perform following the commencement of the Chapter 11
7 Case. Accordingly, Debtor needs an orderly, economical and equitable means to address potential
8 Pricing Commitment claims.

9 165. Debtor has determined, in its best business judgment, that the Pricing
10 Commitments should be rejected. At the time of the Pricing Commitments' inception, the
11 severe and prolonged downturn in the Las Vegas residential real estate market had not yet
12 fully materialized. Due to the unprecedented condition of this market in recent times, the
13 Pricing Commitments pose a much more significant risk of disruption and depletion of Debtor's
14 time and resources than any benefit from Debtor continuing to perform. Moreover, few home
15 purchasers are likely to qualify under the Pricing Commitments' express terms. Rejection of
16 the Pricing Commitments will provide clarity regarding the prepetition nature of any Pricing
17 Commitment claims, which will allow parties to use accurate expectations to govern their
18 conduct regarding such claims.

19 I verify under penalty of perjury that the foregoing statement is true and correct to the best of my
20 information, knowledge and belief.

21 Executed this 1st day of March 2012.

22
23 **AMERICAN WEST DEVELOPMENT, INC.**

24 By: /s/Robert M. Evans

25 ROBERT M. EVANS, President

EXHIBIT A

DEBTOR'S OWNERSHIP STRUCTURE

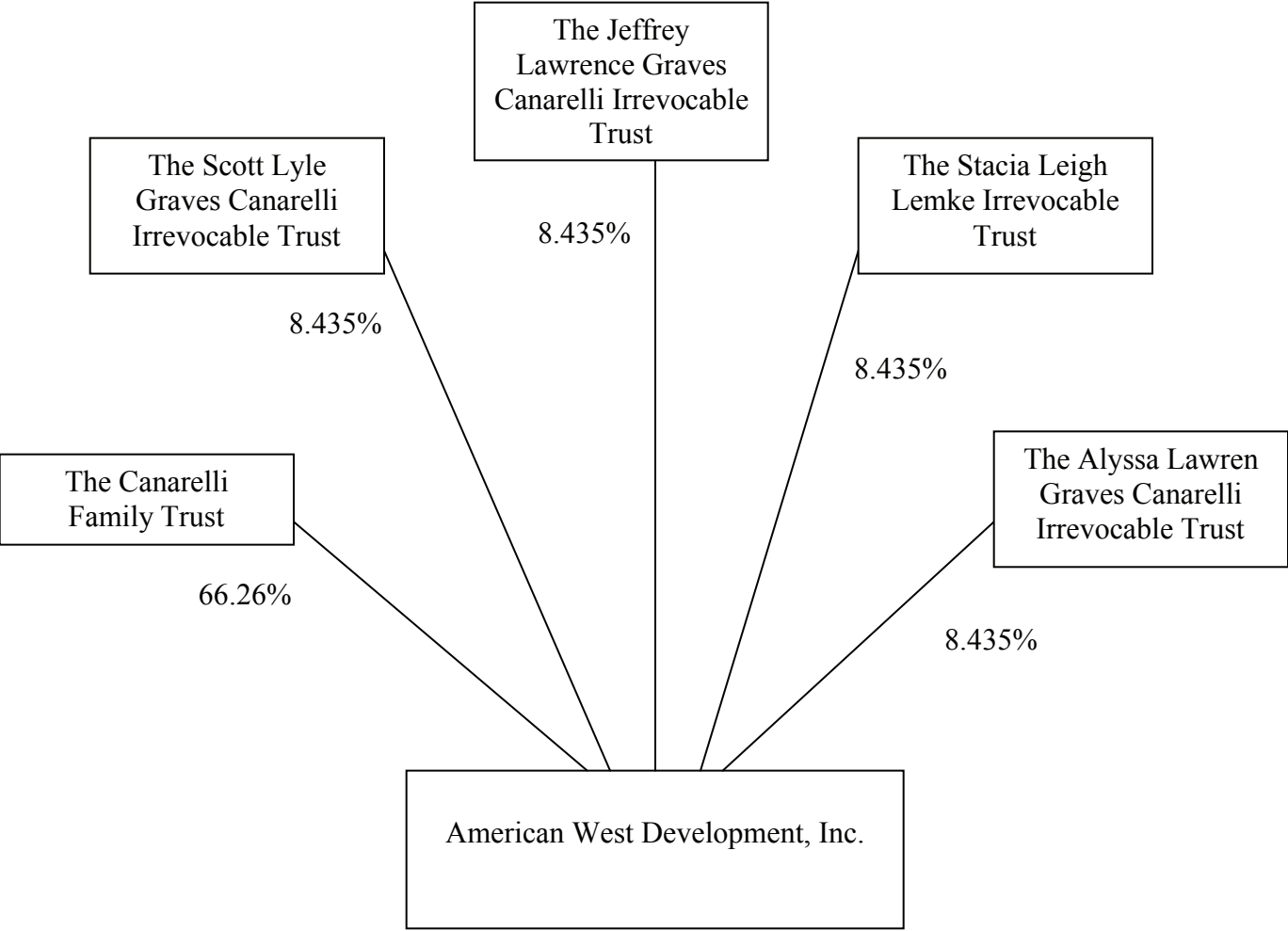


EXHIBIT B

CASH COLLATERAL AGREEMENT

BRETT A. AXELROD, ESQ.
Nevada Bar No. 5859
MICAELA RUSTIA MOORE, ESQ.
Nevada Bar No. 9676
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[Proposed] Counsel for Debtor

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA

In re

AMERICAN WEST
DEVELOPMENT, INC., a Nevada
corporation,

Debtor.

Case No. BK-S-12-12349-MKN

Chapter 11

**STIPULATED AGREEMENT BETWEEN
DEBTOR AND ITS PRE-PETITION
SECURED LENDERS REGARDING
(I) USE OF CASH COLLATERAL; AND
(II) ADEQUATE PROTECTION**

American West Development, Inc. ("Debtor"), debtor and debtor in possession in the above-captioned chapter 11 case (the "Chapter 11 Case"), is a borrower pursuant to that certain Term Loan Credit Agreement dated as of December 31, 2009 (as amended from time to time, and including exhibits thereto, the "Credit Agreement"), among California Bank & Trust (as Administrative Agent and as Lead Arranger) (in such capacity and together with each successor administrative agent pursuant to the Credit Agreement, the "Administrative Agent"), the lenders party thereto (together with their successors and assigns, the "Pre-Petition Lenders"), the Borrowers (defined below) and certain guarantors. Debtor, the Administrative Agent and the Pre-Petition Lenders hereby enter into this stipulated agreement (the "Cash Collateral Agreement") regarding the use of cash collateral and agree as follows:

RECITALS

A. On August 16, 2007, the American West Group Borrowers¹ and Lawrence D. Canarelli and Heidi Canarelli, in their individual capacity, Lawrence D. Canarelli as Trustee of the Canarelli Family Trust, Lawrence D. and Heidi Canarelli as Trustees of four irrevocable trusts created for the children of Lawrence and Heidi Canarelli (these trusts, together with the American West Group Borrowers, are referred to herein as the “Borrowers”) entered into a Credit Agreement (the “Original Credit Agreement”) with the Administrative Agent and the Pre-Petition Lenders. The maturity date under the Original Credit Agreement occurred on October 6, 2009, and certain other events of default were asserted by the Pre-Petition Lenders and acknowledged by the Borrowers. A Forbearance Agreement was entered into by the parties on October 7, 2009, pursuant to which, among other provisions, the Pre-Petition Lenders agreed not to enforce their rights and remedies under the Original Credit Agreement for a period of time.

B. On or about December 31, 2009, the Borrowers, the Administrative Agent and the Pre-Petition Lenders amended, restated and replaced the Original Credit Agreement with the Credit Agreement to refinance the amounts outstanding under the Original Credit Agreement, extend the time for repayment of such amounts and otherwise amend certain provisions. The total outstanding principal debt under the Credit Agreement was approximately \$177,506,450.25 as of the Petition Date, along with interest, fees and charges accrued and accruing thereon and chargeable with respect thereto. The interest rate under the Credit Agreement provides for (i) a fixed rate option (reserve adjusted LIBOR plus a spread of 3.25% per annum and interest periods of one (1), two (2), three (3), or six (6) months), and (ii) a variable rate option (California Bank & Trust “prime rate” plus a spread of .50% per annum).² The borrowings under the Credit Agreement had an initial maturity date of October 6, 2011, with the

¹ The American West Group Borrowers include Debtor, as successor by merger to certain of the Borrowers.

² The spreads are subject to increase during a Remargin Period (as defined in the Credit Agreement) pursuant to the Credit Agreement. In addition, after the occurrence of an Event of Default (as defined in the Credit Agreement), the variable rate applies and the otherwise applicable spread increases by 2.00% per annum.

1 potential for two additional one year extensions at the Borrowers' option, subject to certain conditions.
2 The Borrowers exercised their option for the first one year extension through October 6, 2012.

3 C. As security for borrowings under the Credit Agreement, the Borrowers granted the Pre-
4 Petition Lenders, among other liens, a security interest in all of their personal property. The portions of
5 the Collateral (as defined in the Credit Agreement) that are owned by Debtor (the "Debtor Collateral")
6 primarily consists of utility, bond and similar security deposits, general intangibles, furniture, fixtures
7 and equipment, contract rights and the right of Debtor to receive deferred payments (the "Receivable")
8 due from certain affiliates of Debtor, representing amounts due for lot development, unit construction
9 and other services for which Debtor has acted as general contractor pursuant to agreements
10 memorialized as (i) various Marketing and Administrative Services Agreements between Debtor and
11 certain affiliated home-selling entities, and (ii) various Design-Build Agreements between Debtor,
12 certain affiliated land-owning entities, and certain affiliated home-selling entities. As of November 30,
13 2011, the book value of the Receivable was \$78,177,097.

14 D. On March 1, 2012 (the "Petition Date"), AWDI commenced the Chapter 11 Case by
15 filing a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the
16 "Bankruptcy Code") in the United States Bankruptcy Court for the District of Nevada (the "Bankruptcy
17 Court").

18 E. During the Chapter 11 Case, Debtor needs to use cash collateral (as defined in
19 Bankruptcy Code section 363) in which the Pre-Petition Lenders have an interest (the "Pre-Petition
20 Lenders' Cash Collateral").

21 F. Debtor has an immediate and critical need to use the Pre-Petition Lenders' Cash
22 Collateral. Debtor's ability to use the Pre-Petition Lenders' Cash Collateral is critical to its ability to
23 continue as a going concern during the course of the Chapter 11 Case.

24 G. Debtor has entered into a Debtor-In-Possession Revolving Credit Agreement with
25 AWH Ventures, Inc. (the "DIP Lender") to provide post-petition financing (the "DIP Financing") to
26 Debtor on the terms set forth therein.

27 H. Subsequent to the Petition Date, Debtor contemplates utilizing a cash budget
28 (as amended or modified from time to time, the "Cash Budget") to reflect its (a) budgeted cash receipts

(including as a result of the receipt of proceeds from any DIP Financing advances) for the three (3) calendar months or thirteen (13) calendar weeks following the Petition Date, and (b) anticipated disbursements (including payments required under the terms of the DIP Financing) for each of the three (3) calendar months or thirteen (13) calendar weeks following the Petition Date. The Cash Budget will provide for Debtor to use the Pre-Petition Lenders' Cash Collateral and the DIP Financing to fund the costs of administering Debtor's estate, including, without limitation, (i) the expenses associated with operating Debtor's business, (ii) adequate protection payments to the Pre-Petition Lenders, (iii) expenses incurred for the administration of the Chapter 11 Case, including payment of compensation of professional fees and expenses, (iv) payment of any contractual obligations, consistent with a final, non-appealable order approving this Agreement that is in a form reasonably acceptable to the Administrative Agent and Pre-Petition Lenders and not subject to any stay (the "Final Order"), and (v) repayment of borrowings under the DIP Financing.

I. Attached hereto as **Exhibit "A"** is an initial 13-week Cash Budget through the week ending May 25, 2012 (the "Initial Cash Budget").

J. As contemplated by that certain Restructuring, Lock-Up and Settlement Letter Agreement dated February 28, 2012 between, inter alia, Debtor and the Pre-Petition Lenders, Debtor and the Pre-Petition Lenders have negotiated this Agreement to provide (i) terms upon which Debtor may use the Pre-Petition Lenders' Cash Collateral during the Chapter 11 Case, and (ii) adequate protection to the Pre-Petition Lenders.

K. Debtor's ability to use the Pre-Petition Lenders' Cash Collateral under the terms of this Agreement and the Interim Order (as hereinafter defined) is vital to the preservation and maintenance of the going concern value of Debtor's estate and to Debtor's successful reorganization. Consequently, without the ability to use cash collateral to the extent authorized pursuant to this Agreement and the Interim Order, Debtor and its estate would suffer immediate and irreparable harm.

L. This Agreement has been negotiated in good faith and at arms' length, and is fair and reasonable under the circumstances. This Agreement reflects Debtor's sound exercise of prudent business judgment consistent with its fiduciary duties.

1 M. Based on the foregoing, Debtor and the Pre-Petition Lenders have entered into this
2 Agreement on the terms and conditions set forth below.

3 **AGREEMENT**

4 1. From the Petition Date through the Termination Date (as hereinafter defined), Debtor
5 shall be permitted to use, and the Pre-Petition Lenders shall consent to the use of, the Pre-Petition
6 Lenders' Cash Collateral. Debtor shall have no right to use the Pre-Petition Lenders' Cash Collateral
7 after the occurrence and during the continuance of any Event of Default (as hereinafter defined).

8 2. Under no circumstances shall any of the Pre-Petition Lenders' Cash Collateral be used
9 to pursue any action or joinder in any action, counter-claim, proceeding, application, motion, objection,
10 defense or other contested matter, the purpose of which is to seek any order, determination or similar
11 relief (including conducting formal or informal discovery in connection therewith) (a) challenging the
12 legality, validity, amount, priority, perfection or enforceability (as the case may be) of any claim of the
13 Pre-Petition Lenders against Debtor or any lien of the Pre-Petition Lenders against Debtor's property
14 (collectively, the "Pre-Petition Lenders' Claims"); (b) invalidating, setting aside, avoiding or
15 subordinating, in whole or in part, any of the Pre-Petition Lenders' Claims; (c) seeking authority to use
16 any of the Pre-Petition Lenders' Cash Collateral without the Pre-Petition Lenders' consent, other than
17 as provided herein; or (d) challenging the legality, validity, amount, priority, perfection or
18 enforceability (as the case may be) of any claim of the Pre-Petition Lenders against Borrowers under the
19 Credit Agreement; provided, however, that should a statutory committee be appointed under
20 Bankruptcy Code section 1102, such committee may use, subject to the Cash Budget, up to \$25,000 of
21 Pre-Petition Lenders' Cash Collateral, solely to investigate the Pre-Petition Lenders' Claims; and
22 provided further, however, that any challenge regarding the Pre-Petition Lenders' Claims asserted by
23 such committee(s) must be commenced on or before the earlier to occur of (x) twenty (20) days after the
24 appointment of such committee; or (y) sixty (60) days after the Petition Date.

25 3. All use of the Pre-Petition Lenders' Cash Collateral shall be subject to compliance with,
26 in addition to this Agreement and the Interim Order, the Cash Budget, which shall be reasonably
27 acceptable in form and substance to the Pre-Petition Lenders; provided, however, that compliance with
28 the Cash Budget shall be deemed satisfied if the actual aggregate expenditures for every four-week

1 period (i.e. post-petition weeks one through four, weeks five through eight, etc.) do not exceed by more
 2 than twenty-five percent (25%) the aggregate budgeted amount for such four-week period as set forth in
 3 the Cash Budget. The Cash Budget may be modified with the written consent of both Debtor and the
 4 Pre-Petition Lenders, respectively, without the need for Bankruptcy Court approval.³

5 4. To the extent that the full amount of any of the expenses budgeted for a particular four-
 6 week period under the Cash Budget is not disbursed during such four-week period, the unused balance
 7 shall be added to the amount of budgeted expenses for ensuing four-week periods and the Cash Budget
 8 shall be deemed to be amended (and approved) to reflect the same, such that Debtor may use such
 9 unused budgeted amounts in subsequent four-week periods in addition to originally-budgeted amounts
 10 for such four-week periods.

11 5. The Initial Cash Budget includes projected DIP Financing draws for any week in which
 12 Debtor's projected revenue and expenses would cause its total cash balance to drop below one million
 13 dollars (\$1,000,000). The Initial Cash Budget revenues are based on Debtor's internally-prepared
 14 projections of its home sales—if actual home sales do not meet projections, then Debtor will need to
 15 increase borrowings under the DIP Financing above the amounts set forth in the Initial Cash Budget.
 16 The Initial Cash Budget attached hereto as Exhibit "A" has been approved by the Pre-Petition Lenders
 17 and may be used for purposes of the motions to approve this Agreement and the DIP Financing.

18 6. As adequate protection under Bankruptcy Code sections 361, 362, 363 and 552 for any
 19 diminution in the value as of the Petition Date of Pre-Petition Lenders' interest in the Debtor Collateral
 20 (the amount of any such diminution may only be determined by agreement of Debtor and the Pre-
 21 Petition Lenders, or by order of the Bankruptcy Court after notice and a hearing) caused by the
 22 imposition of the automatic stay and/or Debtor's use of the Pre-Petition Lenders' Cash Collateral and
 23 other Debtor Collateral (a "Value Diminution"), the Pre-Petition Lenders shall receive:

24 (a) monthly, on or before the first day of each month and continuing during the
 25 pendency of the Chapter 11 Case, adequate protection payments made by Debtor to the

26
 27 ³ Where consent of the Pre-Petition Lenders is required herein, such consent shall be requested
 28 and obtained in accordance with the Credit Agreement, and subject to the provisions thereof.

Administrative Agent for the benefit of the Pre-Petition Lenders in an amount equal to the highest non-default rate of interest applicable from time to time to amounts outstanding under the Credit Agreement (calculated based on a year having 360 days for the actual number of days in the month) multiplied by \$49,635,000 (the “Adequate Protection Payments”), and the automatic stay shall be vacated and modified to the extent necessary to permit Debtor to make such Adequate Protection Payments and the Pre-Petition Lenders to apply them against the Pre-Petition Lenders’ Claims;

(b) replacement liens to secure the amount of any Value Diminution (the “Replacement Liens”), which Replacement Liens shall (i) be subject and junior only to the Carve-Out (as hereinafter defined), liens to secure the DIP Financing and any Prior Liens,⁴ (ii) attach to (x) the Debtor Collateral and any proceeds thereof, and (y) causes of action under chapter 5 of the Bankruptcy Code and the proceeds thereof (“Avoidance Actions”) and any other assets of Debtor, and (iii) be in addition to the Pre-Petition Lenders’ Claims and liens; and

(c) to the extent permitted by Bankruptcy Code section 507(b), a superpriority claim (the “Pre-Petition Lenders’ Superpriority Claim”) against Debtor’s estate, subject and junior only to the Carve-Out and any superpriority claim of the DIP Lender.

7. The Pre-Petition Lenders shall consent to and not oppose Debtor’s request for approval of the DIP Financing to be provided by the DIP Lender in the form to be separately approved in writing by the Administrative Agent and Pre-Petition Lenders (consisting of a revolving credit facility in an amount not to exceed ten million dollars (\$10,000,000) and secured by (i) a first priority lien on the Avoidance Actions and any other previously unencumbered assets of Debtor (Debtor acknowledges that it is not aware of any other previously unencumbered assets), and (ii) a junior lien on the Debtor Collateral and any other assets of Debtor that are subject to a valid and perfected lien as of the Petition Date; provided, however, that the DIP Financing shall be subject to a subordination and intercreditor agreement agreed upon by the Pre-Petition Lenders and the DIP Lender.

⁴ “Prior Liens” shall consist of any and all valid and duly perfected liens, mortgages or other security interests in the Collateral in existence and senior to the interests of Pre-Petition Lenders as of the Petition Date.

8. The Pre-Petition Lenders shall consent to a carve-out (the “Carve-Out”) from their liens and claims, including, without limitation, the Replacement Liens, the Pre-Petition Lenders’ Claims, and the Pre-Petition Lenders’ Superpriority Claim, for (i) all fees required to be paid to the Clerk of the Bankruptcy Court and to the Office of the United States Trustee pursuant to 28 § U.S.C. 1930, and (ii) only to the extent the amounts are not available under the Cash Budget, an amount not exceeding three million dollars (\$3,000,000) in the aggregate, which amount may be used after the occurrence and during the continuation of an Event of Default (defined below), to pay the fees and expenses of professionals retained by Debtor and any statutory committee that are allowed (or allowable) by the Bankruptcy Court⁴ (as to which allowed or allowable fees and expenses the Pre-Petition Lenders waive any right to seek disgorgement); provided, however, that (x) Debtor shall be permitted to pay compensation and reimbursement of expenses allowed, allowable or otherwise authorized by the Bankruptcy Court and payable under Bankruptcy Code sections 330 and 331 in accordance with the Cash Budget; (y) the Carve-Out shall not be reduced by the amount of any compensation and reimbursement of expenses paid or incurred (to the extent ultimately allowed or allowable by the Bankruptcy Court) prior to the occurrence of an Event of Default in respect of which the Carve-Out is invoked; and (z) the Pre-Petition Lenders waive any right to seek disgorgement thereof; and provided, further, that nothing herein shall be construed to impair the ability of the Pre-Petition Lenders to object to the reasonableness of any of the fees, expenses, reimbursement or compensation sought by the professionals retained by Debtor or any statutory committee.

9. No surcharge or costs or expense of administration, whether imposed or assessed pursuant to sections 105(a), 363, 364, 506(c), 510 or 552(b) of the Bankruptcy Code, or otherwise, whether asserted in the Chapter 11 Case or in any subsequent chapter 7 case for Debtor, will be imposed against the Pre-Petition Lenders or the Collateral, and no consent to any such surcharge will be implied from any action, inaction or acquiescence by the Pre-Petition Lenders in the Chapter 11 Case or otherwise.

⁴ For avoidance of doubt, fees and expenses payable via the Carve-Out are subject to any reasonableness standard imposed by the Bankruptcy Code, including, without limitation, section 330 thereof.

1 10. The Pre-Petition Lenders' consent to Debtor's use of the Pre-Petition Lenders' Cash
2 Collateral shall be effective through the earliest of (a) twelve (12) months from the Petition Date, unless
3 (x) the confirmation hearing for Debtor's chapter 11 plan has commenced on or before such date, in
4 which case the foregoing twelve (12) month period shall be extended automatically to fifteen (15)
5 months from the Petition Date without action or approval by Debtor, the Pre-Petition Lenders or the
6 Bankruptcy Court, or (y) a date as otherwise agreed to in writing by Debtor and the Pre-Petition
7 Lenders (for which no Bankruptcy Court approval will be required), (b) the date any chapter 11 plan
8 confirmed in the Chapter 11 Case becomes effective, or (c) the occurrence of an Event of Default (as
9 hereinafter defined) that is no longer subject to cure (each, a "Termination Date"). Notwithstanding the
10 occurrence of a Termination Date, upon Debtor's receipt of sufficient funds, Debtor shall be entitled to
11 continue to use the Pre-Petition Lenders' Cash Collateral to pay (i) amounts that fall within the scope of
12 the Carve-Out, and (ii) all expenses set forth in and in accordance with the Cash Budget for the period
13 through the Termination Date.

14 11. Upon written notice from the Administrative Agent on behalf of the Pre-Petition
15 Lenders, any of the following shall be an event of default (each an "Event of Default") under this
16 Agreement (for purpose of items (i) through (vii) by way of a final order, the effectiveness of which has
17 not been stayed): (i) appointment of a chapter 11 trustee with respect to the Chapter 11 Case;
18 (ii) appointment of an examiner with expanded powers with respect to the Chapter 11 Case;
19 (iii) conversion of the Chapter 11 Case to a case under chapter 7 of the Bankruptcy Code; (iv) dismissal
20 of the Chapter 11 Case; (v) the Bankruptcy Court terminating Debtor's authority to operate its business;
21 (vi) approval of a motion granting a party (other than the DIP Lender) any lien, superpriority claim, or
22 any other administrative expense claim which is senior to or pari passu with the Pre-Petition Lenders'
23 Superpriority Claim; (vii) reversal, vacatur or stay of the effectiveness of an interim order approving the
24 terms hereof in a form reasonably acceptable to the Pre-Petition Lenders (the "Interim Order");
25 (viii) the Interim Order being amended, supplemented or otherwise modified without the prior written
26 consent of the Pre-Petition Lenders; (ix) any use of the Pre-Petition Lenders' Cash Collateral to make a
27 payment that is not in compliance with this Agreement; (x) failure of the Final Order to have been
28 entered by the Bankruptcy Court by the date that is forty-five (45) days (or such longer period as agreed

1 to by the Pre-Petition Lenders and Debtor) after the date on which the Interim Order is entered;
2 (xi) breach by Debtor of any other provision of the Interim Order or Final Order with such breach
3 remaining uncured for a period of ten (10) days after written notice of such breach is actually received
4 by Debtor; or (xii) the filing of any action or joinder in any action, counter-claim, proceeding,
5 application, motion, objection, defense or other contested matter, the purpose of which is to seek any
6 order, determination or similar relief (a) challenging the legality, validity, priority, perfection or
7 enforceability (as the case may be) of the Pre-Petition Lenders' Claims; or (b) invalidating, setting
8 aside, avoiding or subordinating, in whole or in part, any of the Pre-Petition Lenders' Claims. With the
9 exception of reasonable deviations from the Cash Budget that cause an Event of Default under
10 Paragraph 11(ix) of this Agreement, the Administrative Agent (a) shall provide notice to Debtor of an
11 Event of Default as soon as practicable upon discovery of same, and (b) may not waive an Event of
12 Default without the unanimous consent of the Pre-Petition Lenders.

13 12. The Pre-Petition Lenders shall not be subject to the doctrine of marshalling. Nothing
14 herein will in any way restrict or modify the rights and remedies of the Administrative Agent and the
15 Pre-Petition Lenders with respect to any Borrower other than Debtor or with respect to any Collateral
16 other than the Debtor Collateral.

17 13. The Pre-Petition Lenders shall not be required to file or serve financing statements,
18 notices of lien or similar instruments that otherwise may be required under federal or state law in any
19 jurisdiction, or take any action, including taking possession, to validate and perfect the Replacement
20 Liens; and the failure by Debtor to execute any documentation relating to the Replacement Liens shall
21 in no way affect the validity, perfection or priority of such Replacement Liens.

22 14. Notwithstanding an Event of Default, any amounts that have been disbursed in
23 accordance with the Cash Budget and/or the Carve-Out shall not be subject to disgorgement in favor of
24 the Pre-Petition Lenders absent a finding of mistaken payment, bad faith or fraud.

25 15. The liabilities and obligations of the Administrative Agent and each member of the Pre-
26 Petition Lenders pursuant hereto shall be several and not joint. No Pre-Petition Lender shall be liable
27 for the breach or violation of this Agreement by any other Pre-Petition Lender or by the Administrative
28

1 Agent. The Administrative Agent shall not be liable in such capacity for the breach of this Agreement
2 by any Pre-Petition Lender.

3 16. Except with respect to Debtor and the property of its estate, nothing in this Agreement
4 will impair or in any way limit the rights of the Administrative Agent or any Pre-Petition Lender with
5 respect to the Credit Agreement or any Collateral (other than the Receivable), it being expressly
6 understood and agreed that all rights and remedies of the Administrative Agent and the Pre-Petition
7 Lenders with respect to any Borrower (other than Debtor) and any Collateral (other than the Receivable
8 and any other Collateral owned by Debtor) shall remain unaffected and in full force and effect.

9 DATED this 1st day of March 2012.

10 **FOX ROTHSCHILD LLP**

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EXHIBIT A
INITIAL CASH BUDGET

FOX ROTHSCHILD LLP
3800 Howard Hughes Parkway, Suite 500
Las Vegas, Nevada 89169
(702) 262-6899

American West Development, Inc. (the "Debtor")

Projected Weekly Cash Activity - 13 Week

(\$'s in Thousands)

Estimated Starting Cash on 2/25/12 (rounded) ⁽¹⁾ 2,148

Week # Week Ending Friday	1 03/02/12	2 03/09/12	3 03/16/12	4 03/23/12	5 03/30/12	6 04/06/12	7 04/13/12	8 04/20/12	9 04/27/12	10 05/04/12	11 05/11/12	12 05/18/12	13 05/25/12	Totals
Management Fee Income	176	176	176	176	176	176	176	176	176	176	220	220	220	\$ 2,420
Development Fee Income	88	88	88	88	88	88	88	88	88	88	110	110	110	1,210
Construction Reimbursement (Paid from Home Selling Entities)	592	585	592	585	592	585	592	585	592	585	720	782	727	8,113
Miscellaneous Income	10	10	10	10	10	10	10	10	10	10	10	10	10	130
Total Cash Receipts	\$ 866	\$ 859	\$ 866	\$ 859	\$ 866	\$ 859	\$ 866	\$ 859	\$ 866	\$ 859	\$ 1,060	\$ 1,122	\$ 1,067	\$ 11,873
Payroll	180	-	180	-	180	-	180	-	-	180	-	180	-	\$ 1,080
Payroll taxes and insurance	65	-	65	-	65	-	65	-	-	65	-	65	-	390
Commissions	51	-	51	-	51	-	51	-	-	51	-	51	-	306
Total Payroll and Related Disbursements	\$ 296	\$ -	\$ 296	\$ -	\$ 296	\$ -	\$ 296	\$ -	\$ -	\$ 296	\$ -	\$ 296	\$ -	\$ 1,776
Onsites (Vertical Construction)	491	486	491	486	491	486	491	486	491	486	598	649	603	\$ 6,735
Offsites (Horizontal Construction)	101	99	101	99	101	99	101	99	101	99	122	133	123	1,378
Construction related utilities	-	-	-	-	22	-	-	-	22	-	-	-	22	67
Bond Fees	-	-	-	-	14	-	-	-	14	-	-	-	14	42
Model Home Lease and Maintenance	5	5	133	5	5	5	133	5	5	5	5	133	5	449
Property Taxes	-	-	-	-	-	31	-	-	-	-	-	-	-	31
Total Job Cost Disbursements	\$ 597	\$ 590	\$ 725	\$ 590	\$ 633	\$ 621	\$ 725	\$ 590	\$ 633	\$ 590	\$ 725	\$ 915	\$ 768	\$ 8,702
General & Administrative	30	25	30	25	30	25	30	25	30	25	30	25	30	\$ 360
Ordinary Course Professionals	5	5	5	5	5	5	5	5	5	5	5	5	5	65
Sales and Marketing	12	12	12	12	12	12	12	12	12	12	12	12	12	156
Utility Expense	-	-	-	-	53	-	-	-	53	-	-	-	53	159
Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent	32	-	-	-	-	32	-	-	-	32	-	-	-	96
Other Expense	12	12	12	12	12	12	12	12	12	12	12	12	12	156
G&A Disbursements	\$ 91	\$ 54	\$ 59	\$ 54	\$ 112	\$ 86	\$ 59	\$ 54	\$ 112	\$ 86	\$ 59	\$ 54	\$ 112	\$ 992
Total Operating Disbursements	\$ 984	\$ 644	\$ 1,080	\$ 644	\$ 1,041	\$ 707	\$ 1,080	\$ 644	\$ 745	\$ 972	\$ 784	\$ 1,265	\$ 880	\$ 11,469
Net Operating Cash Flow	\$ (118)	\$ 215	\$ (214)	\$ 215	\$ (175)	\$ 152	\$ (214)	\$ 215	\$ 121	\$ (113)	\$ 276	\$ (143)	\$ 187	\$ 403
Intercompany Payments Received	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intercompany Payments Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intercompany Payments (Net)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debtor's Restructuring Professionals ⁽²⁾	-	-	-	-	-	-	-	-	469	-	-	-	706	1,175
Committee's Restructuring Professionals ⁽²⁾	-	-	-	-	-	-	-	-	-	-	-	-	20	20
Lenders' Professionals ⁽²⁾	-	-	-	-	-	-	-	-	101	-	-	-	149	250
US Trustee	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Professionals	-	-	-	-	-	-	-	-	5	-	-	-	5	10
Futures Representative	-	-	-	-	-	-	-	-	25	-	-	-	41	66
Funding of Class 3 General Unsecured Creditor Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Funding of Construction Defect Trust	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restructuring Related Disbursements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 600	\$ -	\$ -	\$ -	\$ 921	\$ 1,521
Adequate Protection/Interest on Existing Indebtedness ⁽³⁾	-	-	-	-	147	-	-	-	-	143	-	-	-	290
Financing Related Disbursements	\$ -	\$ -	\$ -	\$ -	\$ 147	\$ -	\$ -	\$ -	\$ -	\$ 143	\$ -	\$ -	\$ -	\$ 290
Net Cash Flow Before DIP Financing	\$ (118)	\$ 215	\$ (214)	\$ 215	\$ (323)	\$ 152	\$ (214)	\$ 215	\$ (479)	\$ (256)	\$ 276	\$ (143)	\$ (734)	\$ (1,408)
Starting Cash Position	\$ 2,148	\$ 2,030	\$ 2,245	\$ 2,031	\$ 2,246	\$ 1,923	\$ 2,076	\$ 1,862	\$ 2,077	\$ 1,597	\$ 1,342	\$ 1,618	\$ 1,475	\$ 2,148
Net Revenues for the week	866	859	866	859	866	859	866	859	866	859	1,060	1,122	1,067	11,873
DIP Loan Draws (Repayments) ⁽⁴⁾	-	-	-	-	-	-	-	-	-	-	-	-	260	260
Disbursements for Week	984	644	1,080	644	1,188	707	1,080	644	1,345	1,115	784	1,265	1,801	13,280
Ending Cash Position	\$ 2,030	\$ 2,245	\$ 2,031	\$ 2,246	\$ 1,923	\$ 2,076	\$ 1,862	\$ 2,077	\$ 1,597	\$ 1,342	\$ 1,618	\$ 1,475	\$ 1,000	\$ 1,000

Notes:

(1) Beginning cash balance per the Debtor cash balance as of 12/31/11

(2) Monthly Invoices are assumed to be paid at 80% of fees/100% of expenses and 20% Holdbacks are assumed to be paid in May 2012 (for March 2012 and April 2012 invoices). Garden City Group is assumed to be paid at 100% in each month because it is classified as an administrative professional.

(3) Represents Debtor share of interest on existing secured term loan facility calculated as \$49,635,000 value of Receivable multiplied by non-default contract rate of interest under Term Loan.

(4) DIP Draws/Repayments relate to Debtor in Position facility. All related interest is accrued. DIP loan draws projected for any week in which the cash balance is projected to drop below \$1.0 million.

EXHIBIT C

DEBTOR-IN-POSSESSION REVOLVING CREDIT AGREEMENT

THIS DEBTOR-IN-POSSESSION REVOLVING CREDIT AGREEMENT

Dated as of 2/28, 2012, is entered into by and between AMERICAN WEST DEVELOPMENT, INC. ("Borrower"); and AWH VENTURES, INC. ("Lender").

RECITALS

WHEREAS, Borrower anticipates filing a voluntary petition with the Bankruptcy Court¹ initiating the Chapter 11 Case in which Borrower will continue in the possession of its assets and in the management of its business pursuant to Bankruptcy Code sections 1107 and 1108;

WHEREAS, an immediate and on-going need exists for Borrower to obtain funding in order to continue the operation of its business as debtor-in-possession under chapter 11 of the Bankruptcy Code and, accordingly, Borrower has requested that Lender agree to extend post-petition financing to Borrower;

WHEREAS, Lender is willing to make Loans to Borrower upon the terms and conditions set forth herein;

WHEREAS, all Exhibits hereto, or expressly identified in this Agreement, are incorporated herein by reference, and taken together, shall constitute but a single agreement.

NOW, THEREFORE, in consideration of the premises and the mutual covenants hereinafter contained, and for other good and valuable consideration, Borrower and Lender agree as follows:

¹ Capitalized terms not defined where they first appear are defined in Section 1.1 hereof.

ARTICLE I
DEFINITIONS

1.1 Defined Terms.

Capitalized terms used in this Agreement shall have the following respective meanings, and all Section references in the following definitions shall refer to Sections of this Agreement:

“Agreement” shall mean this Debtor-in-Possession Revolving Credit Agreement, as the same may from time to time be amended, modified or supplemented.

“Avoidance Actions” shall mean causes of action under chapter 5 of the Bankruptcy Code and the proceeds thereof.

“AWDI” shall mean American West Development, Inc., as set forth in the preamble.

“Bankruptcy Code” shall mean 11 U.S.C. §§ 101, *et seq.*, as the same may from time to time be amended and in effect and applicable to the Chapter 11 Case.

“Bankruptcy Court” shall mean the United States Bankruptcy Court for the District of Nevada.

“Bankruptcy Rules” shall mean the Federal Rules of Bankruptcy Procedure, as the same may from time to time be amended and in effect and applicable to the Chapter 11 Case.

“Borrower” shall mean AWDI, as set forth in the preamble.

“Borrower’s Reorganization Plan” shall mean the Debtor’s Chapter 11 Plan of Reorganization attached as Exhibit “1” to the Restructuring, Lock-Up and Settlement Letter Agreement between Borrower and the Pre-Petition Lenders.

“Borrowing Availability” shall mean, at any time, (a) the aggregate amount of the Maximum Commitment Amount at such time, *less* (b) the Carve-Out, *less* (c) the then Total Utilization of Revolving Loan Commitments.

“Business Day” shall mean a day other than a Saturday, Sunday or other day on which commercial banks in Nevada are authorized or required by law to close.

“Carve-Out” shall mean (i) all fees required to be paid to the Clerk of the Bankruptcy Court and to the Office of the United States Trustee pursuant to 28 U.S.C. § 1930, and (ii) an amount not exceeding three million dollars (\$3,000,000) in the aggregate, which amount may be used after the occurrence and during the continuation of an Event of Default, to pay the fees and expenses of professionals retained by Borrower and any Committee and allowed (or allowable) by the Bankruptcy Court (as to which allowed or allowable fees and expenses Lender waives any right to seek disgorgement).

“Cash Budget” shall mean collectively Borrower’s operating budget, which shall: (a) be in form and substance reasonably acceptable to Lender; (b) cover a rolling 13-week period; and (c) include, on a line item basis (i) budgeted cash receipts (including as a result of the receipt of proceeds from any Revolving Loans); (ii) anticipated disbursements (including payments required under the terms hereof); and (iii) projected weekly cash balance.

“Cash Collateral” shall have the meaning set forth in Bankruptcy Code section 363(a).

“Cash Management Claims” shall have the meaning ascribed thereto in Section 8.9 hereof.

“Chapter 11 Case” shall mean the case to be commenced by Borrower upon filing a voluntary petition for relief under chapter 11 of the Bankruptcy Code.

“Commitment Effective Date” shall mean the date that the Final Order is entered.

“Commitment Termination Date” shall mean the earliest of (a) the Maturity Date, (b) the date on which any Reorganization Plan confirmed in the Chapter 11 Case becomes effective, or (c) the date on which an existing Event of Default (defined below) is no longer subject to cure.

“Committee” shall mean the official committee of unsecured creditors or any other committee appointed in the Chapter 11 Case under Bankruptcy Code section 1102.

“DIP Collateral” shall have the meaning ascribed thereto in Section 2.11 hereof.

“DIP Lien” shall have the meaning ascribed thereto in Section 2.11 hereof.

“DIP Superpriority Claim” shall have the meaning ascribed thereto in Section 2.10 hereof.

“Dollars” or “\$” shall mean lawful currency of the United States of America.

“Event of Default” shall have the meaning ascribed thereto in Section 7.1 hereof.

“Final Order” shall mean the order of the Bankruptcy Court entered in the Chapter 11 Case after a final hearing under Bankruptcy Rule 4001(c)(2), which order shall be in form and substance reasonably satisfactory to Lender, and from which no appeal or motion to reconsider has been timely filed, or if timely filed, such appeal or motion to reconsider has been dismissed or denied (unless Lender waives such requirement), together with all extensions, modifications and amendments thereto, and which, among other matters but not by way of limitation, approves this Agreement, authorizes Borrower to obtain credit pursuant to the terms hereof, provides that Lender shall not be subject to the doctrine of marshalling, and approves Borrower’s waiver of any rights to seek a surcharge against Lender under Bankruptcy Code section 506(c).

“Initial Cash Budget” shall mean the Cash Budget for the 13-week period commencing on the Petition Date, a copy of which is attached hereto as **Exhibit “A.”**

“Lender” shall mean AWH Ventures, Inc., as set forth in the preamble, or its permitted assignee.

“Lien” shall mean (a) any mortgage, pledge, statutory deemed trust, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge or other security

interest or any preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including, without limitation, any conditional sale or other title retention agreement and any financing lease having substantially the same economic effect as any of the foregoing and the filing of any financing statement under the UCC (other than the filing of any such financing statement which states therein that such filing is a precautionary filing only and is filed in connection with "true leases" only) or comparable law of any jurisdiction), (b) any arrangement or agreement which prohibits any loan party from creating any mortgage, pledge, hypothecation, deposit arrangement, encumbrance, lien, charge or other security interest, or from entering into any agreement or arrangement described in clause (a) of this definition or (c) the sale, assignment, pledge or transfer for security of any accounts, general intangibles or chattel paper of any loan party with or without recourse.

"Loans" shall mean the Revolving Loans.

"Loan Documents" shall mean this Agreement, the Revolving Notes and all other agreements, instruments, documents and certificates executed and delivered to, or in favor of, Lender and including all other pledges, powers of attorney, consents, assignments, contracts, agreements, notices, and all other written matter whether heretofore, now or hereafter executed by or on behalf of Borrower in connection with this Agreement or the transactions contemplated hereby. Any reference in this Agreement or any other Loan Document to a Loan Document shall include all exhibits thereto, and all amendments, restatements, supplements or other modifications thereto, and shall refer to such Agreement as the same may be in effect at any and all times such reference becomes operative.

“Maturity Date” shall mean fifteen (15) months from the Petition Date, unless otherwise agreed in writing by Borrower and Lender (for which no Bankruptcy Court approval, other than approval of this Agreement, will be required).

“Maximum Commitment Amount” shall mean ten million dollars (\$10,000,000).

“Notes” shall mean the Revolving Notes.

“Obligations” shall mean the aggregate principal amount of all outstanding Revolving Loans, together with all accrued and unpaid interest thereon and all of the obligations of Borrower to Lender under the Loan Documents (including, without limitation, any extensions, modifications, substitutions, amendments or renewals of any or all of the foregoing obligations), whether direct or indirect, absolute or contingent, and whether for principal, interest, premium, fees, costs or expenses (including without limitation all fees and disbursements of counsel for Lender that are required to be paid by Borrower pursuant to the Loan Documents).

“Petition Date” shall mean the date on which Borrower files a voluntary petition under chapter 11 of the Bankruptcy Code to commence the Chapter 11 Case.

“Pre-Petition Credit Agreement” shall mean that certain Term Loan Credit Agreement among California Bank & Trust (individually and as Administrative Agent and as Lead Arranger), Wells Fargo Bank, National Association (individually and as Syndication Agent), certain other lenders, certain borrowers (including Borrower) and certain guarantors dated as of December 31, 2009 (as amended from time to time, and including exhibits thereto).

“Pre-Petition Lenders” shall mean the “Lenders” as defined in the Pre-Petition Credit Agreement.

“Pre-Petition Lenders’ Collateral” shall mean “Collateral” as defined in the Pre-Petition Credit Agreement to the extent such Collateral is owned by Borrower. Borrower and Lender

acknowledge and agree that for purposes of this Agreement, the Pre-Petition Lenders' Collateral intended to be included in this definition includes the Receivable.

"Pre-Petition Lenders' Superpriority Claim" shall have the meaning ascribed thereto in Section 2.12(b)(iii) hereof.

"Prior Liens" shall mean any and all valid and duly perfected Liens encumbering the Pre-Petition Lenders' Collateral in existence and senior to the interests of the Pre-Petition Lenders as of the Petition Date.

"Receivable" shall mean the right of Borrower to receive deferred payments due from certain affiliates representing amounts due for lot development, unit construction and other related services for which Borrower has acted as general contractor pursuant to agreements memorialized as (i) various Marketing and Administrative Services Agreements between Borrower and certain affiliated home-selling entities, and (ii) various Design-Build Agreements between Borrower, certain affiliated land-owning entities and certain affiliated home-selling entities.

"Reorganization Plan" shall mean a plan of reorganization or liquidation filed in the Chapter 11 Case.

"Replacement Liens" shall have the meaning ascribed thereto in Section 2.12(b)(ii) hereof.

"Revolving Loan" shall have the meaning ascribed thereto in Section 2.1 hereof.

"Revolving Loan Commitment" means Lender's commitment to make Revolving Loans to Borrower as set forth herein.

"Revolving Note" shall have the meaning ascribed thereto in Section 2.2 hereof.

"Stay Notice Period" shall have the meaning ascribed thereto in Section 7.2 hereof.

“Subordination Agreement” shall have the meaning ascribed thereto in in Section 8.9 hereof.

“Total Utilization of Revolving Loan Commitments” means, as of any date of determination, the sum of the aggregate principal amount of all outstanding Revolving Loans, including interest and fees.

“Transferee” shall have the meaning ascribed thereto in Section 8.4(c) hereof.

“U.S. Bank” means U.S. Bank National Association..

“Value Diminution” means any diminution in the value as of the Petition Date of the Pre-Petition Lenders’ interest in the Pre-Petition Lenders’ Collateral caused by the imposition of the automatic stay, Borrower’s borrowing under this Agreement and/or Borrower’s use of Cash Collateral and other Pre-Petition Lenders’ Collateral (any such diminution to be determined by agreement or order of the Bankruptcy Court after notice and a hearing).

1.2 Other Definitional Provisions.

(a) Unless otherwise specified therein, all terms defined in this Agreement shall have their respective defined meanings when used in the Notes or other documents made or delivered pursuant hereto.

(b) As used herein, in the Notes or other documents made or delivered pursuant hereto, accounting terms relating to Borrower and accounting terms partly defined in Section 1.1 hereof, to the extent not defined herein, shall have the respective meanings given to them under normal and customary use.

(c) The words “hereof,” “herein” and “hereunder” and words of similar import, when used in this Agreement, shall refer to this Agreement as a whole, including all Exhibits, as the same may from time to time be amended, restated, modified or supplemented, and not to any

particular section, subsection or clause contained in this Agreement or any such Exhibit. The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

(d) Unless the context otherwise requires, each reference herein to any agreement, document or instrument (including the Loan Documents) shall be deemed a reference to such agreement, document or instrument as amended, restated, supplemented or otherwise modified from time to time.

(e) The term “includes” and “including” shall not be construed to imply any limitation.

(f) In this Agreement, in the computation of periods of time from a specified date to a later specified date, the word “from” means “from and including” and the words “to” and “until” each mean “to but excluding.” Periods of days referred to in this Agreement shall be counted in calendar days unless Business Days are expressly prescribed. Any period determined hereunder by reference to a month or months or a year or years shall end on the day in the relevant calendar month in the relevant year, if applicable, immediately preceding the date numerically corresponding to the first day of such period, provided that if such period commences on the last day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month during which such period is to end), such period shall, unless otherwise expressly required by the other provisions of this Agreement, end on the last day of the calendar month.

1.3 Payment Terms; References to Money.

Except as expressly set forth herein to the contrary, (a) all payments made by Borrower shall be made in Dollars in respect of principal and interest on the Revolving Loans, and (b) to

the extent not otherwise indicated, all amounts of money referenced herein shall mean and be references to amounts of money denominated in Dollars.

ARTICLE II

AMOUNT AND TERMS OF REVOLVING LOANS

2.1 Revolving Loan Commitments.

Subject to the terms and conditions hereof (including without limitation the conditions precedent set forth in ARTICLE IV hereof), Lender agrees to make Revolving Loans (each, a “Revolving Loan”) to Borrower from time to time until the Commitment Termination Date in an aggregate principal amount at any one time outstanding not to exceed the Borrowing Availability, in all instances subject to the Cash Budget; provided that:

- (a) compliance with the Cash Budget shall be deemed satisfied if the actual aggregate expenditures for every four-week period (i.e. post-petition weeks one through four, five through eight, etc.) do not exceed by more than twenty-five percent (25%) the aggregate budgeted amount for such four-week period as set forth in the Cash Budget;
- (b) to the extent that the full amount of any of the expenses budgeted for a particular four-week period under the Cash Budget is not disbursed during such four-week period, the unused balance shall be added to the amount of budgeted expenses for ensuing four-week periods and the Cash Budget shall be deemed to be amended (and approved) to reflect the same, such that Borrower may use such unused budgeted amounts in subsequent four-week periods in addition to originally budgeted amounts for such four-week periods; and

(c) Lender shall not be permitted or required to make any Revolving Loan if: (i) after giving effect thereto, the sum of the outstanding aggregate principal amount of Revolving Loans would exceed the Maximum Commitment Amount; or (ii) after giving effect thereto, the aggregate outstanding principal amount of Revolving Loans outstanding would exceed the Borrowing Availability.

Until the Commitment Termination Date, Borrower may from time to time borrow, prepay the Revolving Loans in whole or in part, and re-borrow under this Section 2.1, all in accordance with the terms and conditions hereof and in accordance with the applicable Cash Budget. Revolving Loans within the Maximum Commitment Amount may be borrowed, repaid and re-borrowed, at all times subject to and in accordance with the Cash Budget, on and after the Commitment Effective Date until the Commitment Termination Date. Lender agrees that the Initial Cash Budget is in form and substance acceptable to Lender, and that it may be used, among other purposes, for purposes of the motion seeking entry of the Final Order.

Each Revolving Loan shall be denominated in Dollars.

2.2 Revolving Notes.

The Revolving Loan made by Lender shall be evidenced by a promissory note of Borrower made to the order of Lender substantially in the form of **Exhibit "B"** hereto (a "Revolving Note"), with appropriate insertions as to date and principal amount, payable to the order of Lender and in a principal amount equal to the lesser of (a) the Maximum Commitment Amount, and (b) the aggregate unpaid principal amount of all Revolving Loans made by Lender. Each Revolving Note shall (i) be dated as of the date it is executed, (ii) be stated to mature on the Maturity Date or such earlier date the Revolving Loans shall be due and payable in full, whether

by acceleration or otherwise, pursuant to the terms of this Agreement, and (iii) provide for the payment of interest.

2.3 Procedure for Revolving Loans and Payments.

(a) Borrower may obtain Revolving Loans until the Commitment Termination Date on any Business Day; provided that (i) Borrower may not make more than one borrowing per calendar week, and (ii) each borrowing of a Revolving Loan shall be in an amount equal to but not less than \$10,000 or a whole multiple of \$10,000 in excess thereof. Prior to 4:00 p.m. prevailing Pacific Time on the Borrowing Date requested by Borrower, Lender will make the amount of the Revolving Loan available to the account of Borrower.

(b) The Revolving Loans shall be paid in full on the Commitment Termination Date, pursuant and subject to the terms herein, including, without limitation, section 2.13 hereof. The Revolving Loan Commitment shall terminate at the close of business on the Business Day immediately preceding the Maturity Date, unless sooner terminated in accordance with the terms hereof.

2.4 Lender Expenses.

Borrower shall reimburse Lender for all reasonable out-of-pocket costs and expenses incurred in connection with this Agreement and the Chapter 11 Case, including, without limitation, related due diligence and preparation, negotiation, execution, delivery, administration and enforcement of the Loan Documents and ongoing expenses related to the Revolving Loans, including attorney and advisor fees and expenses, limited in the case of attorneys and advisors, to the reasonable fees, charges and disbursements of counsel for Lender.

2.5 Interest Rates and Payment Dates.

(a) Each Revolving Loan shall bear interest at a rate *per annum* of fifteen percent (15.0%).

(b) Notwithstanding the foregoing, in the event an Event of Default has occurred and is continuing, the Revolving Loan shall bear interest at a rate *per annum* equal to the rate set forth above plus three percent (3.0%) from the date of occurrence of such Event of Default until the date such Event of Default is cured or waived.

2.6 Computation of Interest.

(a) Interest shall accrue and compound monthly. All computations of interest and fees payable hereunder shall be made on the basis of a year of 365 days, in each case for the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest or fees are payable.

(b) Any payment of interest hereunder shall be subject to any applicable withholding taxes, and any amount withheld under this Section shall be treated as having been paid by Borrower to Lender for all purposes.

2.7 Prepayments.

(a) Borrower may, at any time and from time to time prepay the Revolving Loans, in whole or in part, without premium or penalty, upon irrevocable written notice to Lender by 11:00 a.m. prevailing Pacific Time on such date of prepayment, in each case specifying the date and amount of prepayment. If any such notice is given, the amount specified in such notice shall be due and payable on the date specified therein, together with any amounts payable, accrued interest to such date on the amount prepaid and any outstanding fees and expenses then due and owing.

(b) If at any time the Total Utilization of the Revolving Loan Commitments exceeds the Maximum Commitment Amount, Borrower shall within ten (10) Business Days repay the aggregate outstanding Revolving Loan to the extent required to eliminate such excess.

(c) Repayment of the Obligations, including any prepayment of Obligations, shall be applied in the following order of priority:

(i) first, to the payment of all costs and expenses that are due and payable to Lender on such date under and in respect of this Agreement; and

(ii) second, to the payment of the outstanding principal amount of all of the Revolving Loans that are due and payable to Lender on such date, together with all accrued and unpaid interest thereon.

2.8 Use of Proceeds.

(a) The Cash Budget contemplates that Borrower will obtain Revolving Loans as needed to maintain a minimum working capital balance of not less than one million dollars (\$1,000,000). Borrower shall utilize the proceeds of the Loan in accordance with the Cash Budget solely for (i) funding the operations of Borrower's business and properties, (ii) making adequate protection payments to the Pre-Petition Lenders, (iii) paying expenses incurred for the administration of the Chapter 11 Case, including paying reasonable compensation of professional fees and expenses, (iv) paying of any contractual obligations, and (v) repaying the Revolving Loans; provided that Borrower shall be permitted to pay compensation and reimbursement of expenses allowed, allowable or authorized by the Bankruptcy Court and payable under Bankruptcy Code sections 330 and 331 in accordance with the Cash Budget. The Carve-Out shall not be reduced by the amount of any compensation and reimbursement of expenses paid or incurred (to the extent ultimately allowed or allowable by the Bankruptcy Court) prior to the

occurrence of an Event of Default in respect of which the Carve-Out is invoked, and Lender waives any right to seek disgorgement thereof; provided, however, that nothing herein shall be construed to impair the ability of Lender to object to the reasonableness of any of the fees, expenses, reimbursement or compensation sought by the professionals retained by Borrower or any Committee.

(b) Under no circumstances shall any proceeds of any Revolving Loan or any of Lender's Cash Collateral be used to pursue any action or joinder in any action, counter-claim, proceeding, application, motion, objection, defense or other contested matter, the purpose of which is to seek any order, determination or similar relief (i) challenging the legality, validity, priority, perfection or enforceability (as the case may be) of any of the Obligations, the DIP Superpriority Claim, the DIP Lien or any other claim of Lender against Borrower or its estate, other than the reasonableness of fees or expenses for which Lender seeks reimbursement; (ii) invalidating, setting aside, avoiding or subordinating, in whole or in part, any of the foregoing; (iii) seeking authority to use any of Lender's Cash Collateral without Lender's consent, other than as provided herein; and (iv) otherwise seeking monetary relief against Lender other than for a breach of this Agreement.

2.9 Separate Loans Not To Exceed Commitment.

All Loans to Borrower and all of the other Obligations of Borrower arising under this Agreement and the other Loan Documents shall constitute separate loans to Borrower, evidenced by a separate promissory note executed by Borrower; provided, however, that the total outstanding balance of all Loans by Borrower shall not exceed the Maximum Commitment Amount.

2.10 DIP Superpriority Claim.

Pursuant to Bankruptcy Code section 364(c)(1), the Obligations of Borrower hereunder and under the Loan Documents shall at all times constitute allowed administrative expense claims in the Chapter 11 Case having priority over all claims against Borrower now existing or hereafter arising, of any kind whatsoever, including, without limitation, the Pre-Petition Lenders' Superpriority Claims and all other administrative expenses of the kinds and over any and all administrative expenses or other claims arising under Bankruptcy Code sections 105, 326, 328, 330, 331, 503(b), 506(c), 507(a), 507(b), 726, 1113 or 1114 (the "DIP Superpriority Claim"), which DIP Superpriority Claim shall be (a) subject to the Carve-Out, (b) subject to the Subordination Agreement, and (c) applicable to any Avoidance Actions.

2.11 DIP Lien.

Pursuant to Bankruptcy Code sections 364(c)(2) and (c)(3), the Obligations of Borrower hereunder and under the Loan Documents shall be secured by (i) a valid and duly perfected first priority Lien on Avoidance Actions and any other previously unencumbered assets of Borrower, and (ii) a valid and duly perfected junior Lien on the Pre-Petition Lenders' Collateral and any other assets of Borrower that are subject to a valid and perfected lien as of the Petition Date (collectively, the liens to be granted to Lender are referred to herein as the "DIP Lien" and the collateral subject to such DIP Lien is referred to herein as the "DIP Collateral"); provided that the DIP Lien shall be subject and subordinate to the lien and security interest of the Pre-Petition Lenders in and to the Pre-Petition Lenders' Collateral and Lender agrees to execute and deliver to the Pre-Petition Lenders the Subordination Agreement as required by the Pre-Petition Lenders to evidence such subordination. The Final Order shall provide that the DIP Lien shall attach to the DIP Collateral and be binding and enforceable with respect thereto upon entry of such

order(s) without further action on the part of Borrower or Lender. The DIP Lien shall be subject to the Carve-Out. In no event will the DIP Lien attach to any property constituting collateral pursuant to the Pre-Petition Credit Agreement other than the Pre-Petition Lenders' Collateral.

2.12 Cash Collateral.

(a) Borrower shall be permitted to use, and Lender shall consent to the use of, Lender's Cash Collateral, if any, during the pendency of the Chapter 11 Case within the parameters of the Cash Budget. Borrower shall have no right to use any of Lender's Cash Collateral after the occurrence and during the continuance of any Event of Default.

(b) So long as no uncured Event of Default has occurred and Borrower is in compliance with the Cash Budget, Lender consents to Borrower's use of Cash Collateral of the Pre-Petition Lenders and consents to Borrower, in its sole discretion and subject to Bankruptcy Court approval, providing and granting to the Pre-Petition Lenders the following as adequate protection under Bankruptcy Code sections 361, 362 and 363 for any Value Diminution:

(i) monthly adequate protection payments from Borrower to the Pre-Petition Lenders in an amount equal to the highest non-default rate of interest applicable from time to time to amounts outstanding under the Pre-Petition Credit Agreement multiplied by \$49,635,000;

(ii) replacement liens to secure the amount of any Value Diminution (the Replacement Liens"), which Replacement Liens shall: (x) be subject and junior only to the Carve-Out, the DIP Liens and any Prior Liens; and (y) attach to (1) the Pre-Petition Lenders' Collateral as of the Petition Date and any proceeds thereof, and (2) Avoidance Actions, and any other previously unencumbered assets of Borrower; and

(iii) a superpriority claim (the “Pre-Petition Lenders’ Superpriority Claim”) against Borrower’s estate to the extent permitted by Bankruptcy Code section 507(b), subject and junior only to the Carve-Out and the DIP Superpriority Claim.

2.13 Debt to Equity Conversion.

(a) Lender agrees to convert the lesser of (x) three million dollars (\$3,000,000) in Obligations, and (y) the amount of Obligations outstanding on the effective date of a Reorganization Plan (other than Borrower’s Reorganization Plan), to equity in the reorganized Borrower, provided that the Reorganization Plan (other than Borrower’s Reorganization Plan) (i) provides for any remaining balance of the Loans to be paid in full to Lender, and (ii) is otherwise reasonably acceptable to Lender.

(b) Lender agrees to convert the full amount of Obligations outstanding on the effective date of Borrower’s Reorganization Plan (up to the Maximum Commitment Amount) to equity in the Reorganized Borrower as provided in Borrower’s Reorganization Plan.

ARTICLE III

REPRESENTATIONS AND WARRANTIES

To induce Lender to make the Loans, Borrower makes the following representations and warranties to Lender, each and all of which shall survive the execution and delivery of this Agreement.

3.1 Corporate Existence; Compliance with Law.

Borrower (a) is duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation; (b) is duly qualified as a foreign corporation and is in good standing under the laws of each jurisdiction where its ownership or lease of property or the conduct of its business requires such qualification; (c) subject to the entry of the Final Order by

the Bankruptcy Court, has and shall have the requisite corporate power and authority and the legal right to effect the transactions contemplated hereby and by the other Loan Documents to which it is a party; and (d) subject to the entry of the Final Order by the Bankruptcy Court and the requirements of the Bankruptcy Code, has and shall have the requisite corporate power and authority and the legal right to, without limitation, own, pledge, mortgage or otherwise encumber and operate its properties, lease the property it operates under lease, and conduct its business as now, heretofore and proposed to be conducted.

3.2 Corporate Power, Authorization, Enforceable Obligations.

Upon entry by the Bankruptcy Court of the Final Order, Borrower has and shall have the corporate power and authority, and the legal right, to make, deliver and perform its obligations under the Loan Documents to which it is a party and to authorize the execution, delivery and performance of the Loan Documents to which it is a party. Subject to the requirements of the Bankruptcy Code, Borrower has the appropriate power and authority to borrow hereunder and has taken all necessary corporate action to authorize the borrowings on the terms and conditions set forth in this Agreement and in the Notes. Subject to the entry of the Final Order, this Agreement has been, and each other Loan Document to which Borrower is a party will be, duly executed and delivered on behalf thereof. Subject to the requirements of the Bankruptcy Code, this Agreement constitutes, and each other Loan Document to which Borrower is a party when executed and delivered will constitute, a legal, valid and binding obligation of Borrower, enforceable against Borrower in accordance with its terms (whether enforcement is sought by proceedings in equity or at law).

3.3 Effectiveness of Final Order.

Borrower shall not seek to borrow under this Agreement during any period in which the Final Order is not in full force and effect or has been reversed or stayed.

3.4 Purpose of Loans.

Borrower shall not use the proceeds of any Revolving Loan hereunder other than in accordance with this Agreement.

ARTICLE IV

CONDITIONS PRECEDENT

4.1 All Borrowings.

At any time, Lender's obligations to make the Revolving Loans in an amount not to exceed the applicable Maximum Commitment Amount, or to take, fulfill, or perform any other action hereunder, are conditioned on satisfaction (or written waiver) of the following in Lender's reasonable discretion:

(a) The Final Order shall be in full force and effect and shall not have been reversed, modified, amended or stayed (or application therefor made), except for modifications and amendments that are reasonably acceptable to Lender;

(b) Representations and warranties in this Agreement shall be true and correct in all material respects as of the date each Revolving Loan is made as if made on such date (except if such representation or warranty specifically relates only to a prior date, in which case it shall be true and correct in all material respects as of such earlier date);

(c) No administrative claim that is senior to or pari passu with the DIP Superpriority Claim shall exist, except the Carve-Out; and

(d) Lender shall have received this Agreement, the Revolving Notes and all other Loan Documents, and each other agreement, document and instrument relating to the loan and

other credit transactions contemplated by this Agreement, each duly executed where appropriate and in form and substance reasonably satisfactory to Lender.

ARTICLE V

NEGATIVE COVENANTS

From the date hereof and for so long as the Revolving Loan Commitments remain in effect, any Revolving Note remains outstanding and unpaid or any Obligation is owing to Lender hereunder, Borrower hereby agrees that it will not (and will not apply, unless in connection with an amendment to this Agreement that is reasonably likely to be approved by Lender, to the Bankruptcy Court for authority to):

(a) sell any material asset or obtain approval to sell any asset outside the ordinary course of business, in each case without the prior written consent of Lender (with the exception of assets currently held for sale); or

(b) propose, file, solicit votes for, support, or prosecute, a Reorganization Plan or related disclosure statement other than Borrower's Reorganization Plan, unless such other Reorganization Plan is reasonably acceptable to Lender or provides for payment in full of the Obligations on the effective date thereof.

ARTICLE VI

TERMINATION

6.1 Termination.

The financing arrangements contemplated hereby shall be in effect until the Commitment Termination Date, and on the Commitment Termination Date, the Revolving Loan Commitment shall terminate and the aggregate principal amount of all outstanding Revolving Loans, together

with all accrued and unpaid interest thereon, and all of the Obligations shall be due in full or upon such other terms to which Borrower and Lender may agree.

6.2 Survival of Obligations Upon Termination of Financing Arrangements.

Except as otherwise expressly provided for in the Loan Documents, no termination or cancellation (regardless of cause or procedure) of any financing arrangement under this Agreement shall in any way affect or impair the obligations, duties and liabilities of Borrower or the rights of Lender relating to any unpaid portion of the Loans or any other Obligations, due or not due, liquidated, contingent or unliquidated or any transaction or event occurring prior to such termination, or any transaction or event, the performance of which is required after the Commitment Termination Date. Except as otherwise expressly provided herein or in any other Loan Document, all undertakings, agreements, covenants, warranties and representations of or binding upon Borrower, and all rights of Lender, all as contained in the Loan Documents, shall not terminate or expire, but rather shall survive any such termination or cancellation and shall continue in full force and effect until the Commitment Termination Date.

ARTICLE VII

EVENTS OF DEFAULT; RIGHTS AND REMEDIES

7.1 Events of Default.

Notwithstanding the provisions of Bankruptcy Code section 362 (but subject to Section 7.2 hereof) and without application or motion to the Bankruptcy Court or any notice to Borrower, the occurrence of any one or more of the following events (regardless of the reason therefor) shall constitute an "Event of Default" hereunder (for purpose of items (i) through (vi) by way of a final order, the effectiveness of which has not been stayed): (i) appointment of a chapter 11 trustee with respect to the Chapter 11 Case; (ii) appointment of an examiner with

expanded powers with respect to the Chapter 11 Case; (iii) conversion of the Chapter 11 Case to one under chapter 7 of the Bankruptcy Code; (iv) dismissal of the Chapter 11 Case; (v) approval of a motion granting a party a superpriority claim which is senior or pari passu with the DIP Superpriority Claim; (vi) granting of relief from the automatic stay to permit the Pre-Petition Lenders to exercise rights or remedies regarding the Pre-Petition Lenders' Collateral; (vii) use of Revolving Loan advances to make a payment that is not in compliance with the Cash Budget or this Agreement; (viii) failure of the Final Order to have been entered by the Bankruptcy Court by the date that is forty-five (45) days (or such longer period as Lender and Borrower agree) after the date on which the motion for entry of the Final Order is filed; (ix) Borrower's breach of any other provision of the Final Order and such breach remains uncured for a period of ten (10) days after notice is provided to Borrower of such breach; and (x) the commencement of any lawsuit seeking monetary relief against Lender on behalf of Borrower or Borrower's estate, other than for a breach of this Agreement.

7.2 Remedies.

Upon the occurrence and during the continuance of an Event of Default and following three (3) Business Days' prior notice thereof to Borrower (with a copy to counsel for any Committee, and to the United States Trustee for the District of Nevada), and without further order of or application to the Bankruptcy Court: (i) Revolving Loan Commitments shall terminate, (ii) Lender's obligations to provide funding under Revolving Loans shall cease immediately, (iii) the Obligations shall be immediately due and payable, (iv) Lender shall have the right to declare the Loans or any portion thereof then outstanding to be forthwith due and payable, whereupon the principal of such Loans together with accrued interest thereon and any unpaid accrued fees and all other liabilities of Borrower accrued hereunder and under any other

Loan Document, shall become forthwith due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived by Borrower, anything contained herein or in any other Loan Document to the contrary notwithstanding, and (v) subject to the terms of the Final Order, after three (3) Business Days' prior notice (the "Stay Notice Period") to Borrower and any Committee, and absent order of the Bankruptcy Court to the contrary, the automatic stay imposed by Bankruptcy Code section 362(a) shall be automatically vacated and modified to allow Lender, subject to the Subordination Agreement, to exercise any and all remedial rights with respect to the DIP Collateral; provided that Lender consents to a hearing before the Bankruptcy Court with respect to the foregoing on such shortened time as may be available according to the Bankruptcy Court's calendar and the stay shall remain in effect pending such a hearing if requested by Borrower prior to the expiration of the Stay Notice Period.

ARTICLE VIII

MISCELLANEOUS

8.1 Amendments and Waivers.

Neither this Agreement, any Revolving Note nor any other Loan Document, nor any terms hereof or thereof, may be amended, restated, supplemented or modified except in writing signed by Borrower and Lender.

8.2 No Waiver; Cumulative Remedies.

No failure to exercise and no delay in exercising, on the part of Lender, any right, remedy, power or privilege hereunder or under the other Loan Documents shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right,

remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

8.3 Survival of Representations and Warranties.

All representations and warranties made hereunder, in the other Loan Documents and in any document, certificate or statement delivered pursuant hereto or in connection herewith shall survive the execution and delivery of this Agreement and the Revolving Notes and the making of the Loans hereunder but shall expire on the Commitment Termination Date.

8.4 Successors and Assigns; Participations and Assignments.

(a) This Agreement shall be binding upon and inure to the benefit of Borrower and Lender and their respective successors and assigns, including any trustee appointed in the Chapter 11 Case.

(b) Lender may, in accordance with applicable law, sell, transfer or assign its rights under this Agreement and any Obligations of Borrower hereunder; provided that any assignment shall be subject to this Agreement and the Subordination Agreement.

(c) Borrower authorizes Lender to disclose to any Assignee (each, a "Transferee") and any prospective Transferee, any and all financial information in Lender's possession concerning Borrower which has been delivered to Lender.

8.5 Counterparts.

This Agreement may be executed by Borrower and Lender on any number of separate counterparts (including by telecopy), and all said counterparts taken together shall be deemed to constitute one and the same instrument. A set of the copies of this Agreement signed by all the parties shall be lodged with Borrower and Lender.

8.6 Severability.

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

8.7 Governing Law.

THIS AGREEMENT AND THE REVOLVING NOTES AND THE RIGHTS AND OBLIGATIONS OF BORROWER AND LENDER UNDER THIS AGREEMENT, THE REVOLVING NOTES AND THE LOAN DOCUMENTS SHALL BE GOVERNED BY THE LAWS OF THE STATE OF NEVADA APPLICABLE TO AGREEMENTS MADE AND PERFORMED IN SUCH STATE, EXCEPT AS GOVERNED BY THE BANKRUPTCY CODE.

Borrower and Lender hereby irrevocably and unconditionally: (a) submit for themselves and their property in any legal action or proceeding relating to this Agreement and the other Loan Documents to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the jurisdiction of the Bankruptcy Court; (b) consent that any such action or proceeding may be brought in the Bankruptcy Court and waive any objection that they may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agree not to plead or claim the same; (c) agree that nothing contained herein shall affect the right to effect service of process in any other manner permitted by law or limit the right to sue in any other jurisdiction; and (d) waive, to the maximum extent not prohibited by law, any right they may have to claim or

recover in any legal action or proceeding referred to in this Section any special, exemplary, punitive or consequential damages.

8.8 No Waiver.

No failure on the part of Lender to exercise, and no delay in exercising, any right, power or remedy hereunder or under any of the other Loan Documents shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy. All remedies hereunder are cumulative and are not exclusive of any other remedies provided by law.

8.9 Subordination Agreement.

The rights of Lender and the obligations of Borrower are subject to the Subordination and Intercreditor Agreement (the "Subordination Agreement") negotiated between Lender and the Pre-Petition Lenders providing for, among other things, confirmation of lien and payment priorities. All provisions, rights, remedies and terms under this Agreement are subject to the Subordination Agreement. In the event of any conflict between this Agreement, the other Loan Documents, and the Subordination Agreement, the Subordination Agreement shall control and each Revolving Note shall include a legend (the contents of which to be agreed upon by Lender and the Pre-Petition Lenders pursuant to the Subordination Agreement) that the Revolving Note is subject to the Subordination Agreement.

8.10 Subordination to Cash Management Claims.

The rights of Lender and the obligations of Borrower under this Agreement and the other Loan Documents are subordinate to the claims and obligations incurred by U.S. Bank from ordinary course transactions under Borrower's cash management system and/or bank accounts with U.S. Bank (collectively, the "Cash Management Claims").

* * * *

IN WITNESS WHEREOF, Borrower and Lender have caused this Agreement to be duly executed and delivered by their proper and duly authorized officers as of the day and year first above written.

American West Development, Inc., Borrower

AWH Ventures, Inc., Lender

By: Robert M. Evans
Name: Robert M. Evans
Title: President

By: Lawrence D. Canarelli
Name: Lawrence D. Canarelli
Title: President

EXHIBIT "A"
INITIAL CASH BUDGET

American West Development, Inc. (the "Debtor")

Projected Weekly Cash Activity - 13 Week

(\$'s in Thousands)

Estimated Starting Cash on 2/25/12 (rounded) ⁽¹⁾ 2,148

Week # Week Ending Friday	1 03/02/12	2 03/09/12	3 03/16/12	4 03/23/12	5 03/30/12	6 04/06/12	7 04/13/12	8 04/20/12	9 04/27/12	10 05/04/12	11 05/11/12	12 05/18/12	13 05/25/12	Totals
Management Fee Income	176	176	176	176	176	176	176	176	176	176	220	220	220	\$ 2,420
Development Fee Income	88	88	88	88	88	88	88	88	88	88	110	110	110	1,210
Construction Reimbursement (Paid from Home Selling Entities)	592	585	592	585	592	585	592	585	592	585	720	782	727	8,113
Miscellaneous Income	10	10	10	10	10	10	10	10	10	10	10	10	10	130
Total Cash Receipts	\$ 866	\$ 859	\$ 866	\$ 859	\$ 866	\$ 859	\$ 866	\$ 859	\$ 866	\$ 859	\$ 1,060	\$ 1,122	\$ 1,067	\$ 11,873
Payroll	180	-	180	-	180	-	180	-	-	180	-	180	-	\$ 1,080
Payroll taxes and insurance	65	-	65	-	65	-	65	-	-	65	-	65	-	390
Commissions	51	-	51	-	51	-	51	-	-	51	-	51	-	306
Total Payroll and Related Disbursements	\$ 296	\$ -	\$ 296	\$ -	\$ 296	\$ -	\$ 296	\$ -	\$ -	\$ 296	\$ -	\$ 296	\$ -	\$ 1,776
Onsites (Vertical Construction)	491	486	491	486	491	486	491	486	491	486	598	649	603	\$ 6,735
Offsites (Horizontal Construction)	101	99	101	99	101	99	101	99	101	99	122	133	123	1,378
Construction related utilities	-	-	-	-	22	-	-	-	22	-	-	-	22	67
Bond Fees	-	-	-	-	14	-	-	-	14	-	-	-	14	42
Model Home Lease and Maintenance	5	5	133	5	5	5	133	5	5	5	5	133	5	449
Property Taxes	-	-	-	-	-	31	-	-	-	-	-	-	-	31
Total Job Cost Disbursements	\$ 597	\$ 590	\$ 725	\$ 590	\$ 633	\$ 621	\$ 725	\$ 590	\$ 633	\$ 590	\$ 725	\$ 915	\$ 768	\$ 8,702
General & Administrative	30	25	30	25	30	25	30	25	30	25	30	25	30	\$ 360
Ordinary Course Professionals	5	5	5	5	5	5	5	5	5	5	5	5	5	65
Sales and Marketing	12	12	12	12	12	12	12	12	12	12	12	12	12	156
Utility Expense	-	-	-	-	53	-	-	-	53	-	-	-	53	159
Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent	32	-	-	-	-	32	-	-	-	32	-	-	-	96
Other Expense	12	12	12	12	12	12	12	12	12	12	12	12	12	156
G&A Disbursements	\$ 91	\$ 54	\$ 59	\$ 54	\$ 112	\$ 86	\$ 59	\$ 54	\$ 112	\$ 86	\$ 59	\$ 54	\$ 112	\$ 992
Total Operating Disbursements	\$ 984	\$ 644	\$ 1,080	\$ 644	\$ 1,041	\$ 707	\$ 1,080	\$ 644	\$ 745	\$ 972	\$ 784	\$ 1,265	\$ 880	\$ 11,469
Net Operating Cash Flow	\$ (118)	\$ 215	\$ (214)	\$ 215	\$ (175)	\$ 152	\$ (214)	\$ 215	\$ 121	\$ (113)	\$ 276	\$ (143)	\$ 187	\$ 403
Intercompany Payments Received	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intercompany Payments Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intercompany Payments (Net)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debtor's Restructuring Professionals ⁽²⁾	-	-	-	-	-	-	-	-	469	-	-	-	706	1,175
Committee's Restructuring Professionals ⁽²⁾	-	-	-	-	-	-	-	-	-	-	-	-	20	20
Lenders' Professionals ⁽²⁾	-	-	-	-	-	-	-	-	101	-	-	-	149	250
US Trustee	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Professionals	-	-	-	-	-	-	-	-	5	-	-	-	5	10
Futures Representative	-	-	-	-	-	-	-	-	25	-	-	-	41	66
Funding of Class 3 General Unsecured Creditor Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Funding of Construction Defect Trust	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restructuring Related Disbursements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 600	\$ -	\$ -	\$ -	\$ 921	\$ 1,521
Adequate Protection/Interest on Existing Indebtedness ⁽³⁾	-	-	-	-	147	-	-	-	-	143	-	-	-	290
Financing Related Disbursements	\$ -	\$ -	\$ -	\$ -	\$ 147	\$ -	\$ -	\$ -	\$ -	\$ 143	\$ -	\$ -	\$ -	\$ 290
Net Cash Flow Before DIP Financing	\$ (118)	\$ 215	\$ (214)	\$ 215	\$ (323)	\$ 152	\$ (214)	\$ 215	\$ (479)	\$ (256)	\$ 276	\$ (143)	\$ (734)	\$ (1,408)
Starting Cash Position	\$ 2,148	\$ 2,030	\$ 2,245	\$ 2,031	\$ 2,246	\$ 1,923	\$ 2,076	\$ 1,862	\$ 2,077	\$ 1,597	\$ 1,342	\$ 1,618	\$ 1,475	\$ 2,148
Net Revenues for the week	866	859	866	859	866	859	866	859	866	859	1,060	1,122	1,067	11,873
DIP Loan Draws (Repayments) ⁽⁴⁾	-	-	-	-	-	-	-	-	-	-	-	-	260	260
Disbursements for Week	984	644	1,080	644	1,188	707	1,080	644	1,345	1,115	784	1,265	1,801	13,280
Ending Cash Position	\$ 2,030	\$ 2,245	\$ 2,031	\$ 2,246	\$ 1,923	\$ 2,076	\$ 1,862	\$ 2,077	\$ 1,597	\$ 1,342	\$ 1,618	\$ 1,475	\$ 1,000	\$ 1,000

Notes:

(1) Beginning cash balance per the Debtor cash balance as of 12/31/11

(2) Monthly Invoices are assumed to be paid at 80% of fees/100% of expenses and 20% Holdbacks are assumed to be paid in May 2012 (for March 2012 and April 2012 invoices). Garden City Group is assumed to be paid at 100% in each month because it is classified as an administrative professional.

(3) Represents Debtor share of interest on existing secured term loan facility calculated as \$49,635,000 value of Receivable multiplied by non-default contract rate of interest under Term Loan.

(4) DIP Draws/Repayments relate to Debtor in Position facility. All related interest is accrued. DIP loan draws projected for any week in which the cash balance is projected to drop below \$1.0 million.

EXHIBIT "B"

FORM OF REVOLVING NOTE

EXHIBIT B

[FORM OF]

REVOLVING CREDIT NOTE

\$10,000,000

_____, 2012

FOR VALUE RECEIVED, the undersigned, **AMERICAN WEST DEVELOPMENT, INC.**, a Nevada business corporation (the "**Borrower**"), promises to pay to the order of **AWH VENTURES, INC.**, a Nevada business corporation (the "**Lender**"), on the Maturity Date, if not sooner paid, the lesser of (i) the principal sum of **TEN MILLION DOLLARS (\$10,000,000)**, or (ii) the aggregate unpaid principal amount of all revolving credit loans and extensions of credit made by the Lender to the Borrower pursuant to that certain Debtor-in-Possession Revolving Credit Agreement between the Borrower and the Lender dated as of _____, as such agreement may be amended, modified or supplemented from time to time (the "**Loan Agreement**"). The Borrower further promises to pay to the order of the Lender interest on the unpaid principal amount of this Revolving Note from time to time outstanding at the rate or rates per annum determined pursuant to Section 2.5 of, or as otherwise provided in, the Loan Agreement, and with such amounts being payable on the dates set forth in Section 2.5 of the Loan Agreement, subject to Section 2.13 of the Loan Agreement.

All payments and prepayments to be made in respect of principal, interest or other amounts due from the Borrower under this Revolving Note shall be payable at 12:00 noon prevailing Pacific Time, on the Maturity Date or such earlier date that payment is due, whether by acceleration or otherwise, pursuant to the terms of the Loan Agreement. The Borrower expressly waives presentment, demand, notice, protest and all other demands and notices in connection with the delivery, acceptance, performance, default or enforcement of this Revolving Note, and an action for any amounts due and unpaid shall therefore accrue immediately.

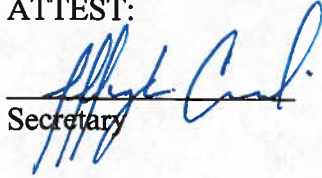
This Revolving Note is the "Revolving Note" defined in Section 2.2 of, referred to in, and entitled to the benefits of, the Loan Agreement. This Revolving Note is secured by, and is entitled to the benefits of, certain other Loan Documents, as each of them may be amended, modified or supplemented from time to time. Capitalized terms used in this Revolving Note that are not defined herein have the meanings assigned to them in the Loan Agreement.

This Revolving Note is governed by, and will be construed and enforced in accordance with, the laws of the State of Nevada. The Borrower consents to the exclusive jurisdiction and venue of the United States Bankruptcy Court for the District of Nevada located in Las Vegas, Nevada with respect to any suit arising out of, relating to, or mentioning this Revolving Note.

All provisions, rights, remedies, and terms under this Revolving Note are subject to the Subordination and Intercreditor Agreement (the "**Subordination Agreement**") between Lender, California Bank & Trust, as administrative agent pursuant to the Term Loan Credit Agreement, dated as of December 31, 2009 (as amended, the "**Senior Loan Agreement**"), and the borrowers pursuant to the Senior Loan Agreement. In the event of any conflict between this Revolving Note and the Subordination Agreement, the Subordination Agreement shall control. Any assignee or transferee of this Revolving Note shall be subject to the Subordination Agreement.

IN WITNESS WHEREOF, and intending to be legally bound, the Borrower has executed, issued and delivered this Revolving Note as of _____, 2012.

ATTEST:


Secretary

AMERICAN WEST DEVELOPMENT, INC.


By 
Name: ROBERT M EVANS
Title: PRESIDENT

EXHIBIT D

RESTRUCTURING, LOCK-UP AND SETTLEMENT LETTER AGREEMENT

February 28 2012

To California Bank & Trust and the Bank Group:

This Restructuring, Lock-Up and Settlement Letter Agreement (this "**Agreement**") sets forth the terms on which (i) California Bank & Trust ("**CB&T**") and the other lenders signatory to that certain Term Loan Agreement (as hereinafter defined) (collectively, the "**Other Lenders**" and together with CB&T, the "**Bank Group**"), and American West Development, Inc. ("**AWDI** or "**Debtor**") and such other borrower parties as are identified on Schedule 1 hereto (collectively, the "**Co-Borrowers**" and together with AWDI, the "**Borrowers**"), agree to support a restructuring (the "**Restructuring**") that, among other things, impairs the capital structure of the Borrowers and the outstanding obligations of the Borrowers under the Term Loan Credit Agreement, (ii) the Bank Group and AWDI agree to settle the claims of the Bank Group against AWDI under the Term Loan Agreement, and (iii) AWDI agrees to use its commercially reasonable best efforts to implement the Restructuring in accordance with the proposed Plan of Reorganization ("**Plan**"), Disclosure Statement, Cash Collateral Pleadings (defined below) and debtor-in-possession financing pleadings (collectively, the "**Bankruptcy Documents**") attached hereto as Appendix 1. Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to such terms in the Plan. "**Party**" or "**Parties**" means, individually and collectively, each entity that is a signatory to this Agreement.

RECITALS

WHEREAS, pursuant to that certain Term Loan Credit Agreement dated as of December 31, 2009 (as amended, the "**Term Loan Agreement**"), by and among (i) CB&T, as Administrative Agent (in such capacity, "**Administrative Agent**"), (ii) the Bank Group, as Lenders (as defined in the Term Loan Agreement), and (iii) the Borrowers, the Bank Group provided a term loan to the Borrowers, all as more particularly set forth in the Term Loan Agreement;

WHEREAS, pursuant to the Term Loan Agreement, the Borrowers and guarantors of Borrowers' obligations thereunder (the "**Guarantors**") are jointly and severally obligated to the Bank Group in the approximate amount of \$200,343,008, as of October 31, 2011 (collectively, the "**Term Loan Obligations**");

WHEREAS, pursuant to the Term Loan Agreement, the Borrowers made a principal paydown in the amount of \$20,000,000 on November 9, 2011 and another principal paydown in the amount of \$2,798,058 on or about November 30, 2011;

WHEREAS, the Term Loan Obligations are secured by certain real and personal property collateral (collectively, the "**Collateral**"). The Collateral includes, without limitation, the right of AWDI to receive deferred payments (the "**Receivable**") due from certain of its affiliates, representing amounts due for lot development, unit construction and other services for which AWDI has acted as general contractor pursuant to agreements memorialized as (i) various Marketing and Administrative Services Agreements between AWDI and certain affiliated home-

selling entities, and (ii) various Design-Build Agreements between AWDI, certain affiliated land owning entities, and certain affiliated home-selling entities;

WHEREAS, as of December 1, 2011, the unpaid principal balance of the Receivable, expressed on a net present value basis, was \$49,635,000. The amount of the Receivable may change from time to time as a result of payments made and additional construction and development-related services provided by AWDI;

WHEREAS, prior to the Petition Date (as hereinafter defined), each of the Co-Borrowers listed on **Schedule 2** hereto was merged with and into AWDI (the "**Mergers**");

WHEREAS, prior to the Petition Date and subsequent to the Mergers, AWDI and its shareholders entered into an agreement for the shareholders to contribute capital to AWDI in the aggregate amount of \$52,000,000 ("**Capital Contribution Agreement**");

WHEREAS, subsequent to the Mergers, AWDI intends to commence a reorganization case (the "**Chapter 11 Case**") under chapter 11 of title 11 of the United States Code (the "**Bankruptcy Code**"), by filing a voluntary petition accompanied by the filing of the Bankruptcy Documents in the United States Bankruptcy Court for the District of Nevada (the "**Bankruptcy Court**");

WHEREAS, the commencement of the Chapter 11 Case would constitute an Event of Default as defined in the Term Loan Agreement and would entitle the Administrative Agent and the Bank Group to exercise all of their rights and remedies under the Term Loan Agreement and applicable law;

WHEREAS, the Borrowers and the Bank Group desire to compromise and settle all of their claims and disputes as between each other related to the Term Loan Agreement (including, but not limited to, the Term Loan Obligations) and memorialize their agreement through this Agreement and a separate loan modification agreement, dated 2/28/12 ("the "**Term Loan Amendment**"), between the Administrative Agent, the Bank Group, the Borrowers and Guarantors;

WHEREAS, AWDI intends to file, as contemplated by the Plan, a motion seeking requisite Bankruptcy Court approval of the settlement set forth in Section 2 of this Agreement as soon as practicable on or after the Petition Date;

WHEREAS, the Borrowers and the Bank Group have reviewed, or have had the opportunity to review, the Bankruptcy Documents and this Agreement with the assistance of professional legal and financial advisors of their own choosing; and

WHEREAS, subject to the terms and conditions of this Agreement and the Term Loan Amendment, the Bank Group is willing, if and to the extent legally permissible, to vote to accept the Plan and to be bound by the Plan solely with respect to AWDI and the Receivable, and AWDI desires to obtain the commitment of the Bank Group to vote to accept the Plan and be

bound thereby solely with respect to AWDI and the Receivable, as more particularly provided in this Agreement;

NOW, THEREFORE, in consideration of the covenants and agreements contained herein, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Party, intending to be legally bound, hereby agrees as follows:

Section 1. Agreement Effective Date. This Agreement shall become effective and binding upon each of the Parties at 12:01 a.m., prevailing Pacific Time, on the first day immediately following the day on which the latest of the following occurs:

(a) (i) The Borrowers shall have executed and delivered counterpart signature pages of this Agreement to counsel to the Administrative Agent; and (ii) each member of the Bank Group shall have executed and delivered counterpart signature pages of this Agreement to counsel to AWDI; and

(b) the Borrowers, the Administrative Agent and the Bank Group shall have entered into the Term Loan Amendment in form approved by each member of the Bank Group, and all of the conditions to the effectiveness of the Term Loan Amendment shall have been satisfied.

the “*Agreement Effective Date*”)

Section 2. Commitments Regarding the Restructuring.

2.01. Settlement of Bank Group Claims Against AWDI Under Term Loan Agreement. Conditioned solely on approval by the Bankruptcy Court in the Chapter 11 Case, the Bank Group and AWDI have agreed to settle the claims of the Bank Group against AWDI under the Term Loan Agreement and all related agreements, instruments and documents (with the Term Loan Agreement, collectively, the “*Term Loan Documents*”) on the following terms:

(a) Each member of the Bank Group shall have an allowed secured claim in the Chapter 11 Case (a “*Secured Claim*”) in an amount equal to such member’s Pro Rata Interest (as defined in the Term Loan Agreement) of not more than \$49,635,000 (the “*Aggregate Secured Claim Value*”), which is equal to the net present value of the Receivable;

(b) Consistent with the Plan, upon the effective date of the Plan (the “*Plan Effective Date*”) and in full satisfaction of the Bank Group’s Secured Claims against AWDI, each member of the Bank Group will be issued a promissory note (each, a “*New Secured Note*” and, collectively, the “*New Secured Notes*”) in a principal amount equal to the amount of its Secured Claim secured by a perfected, first priority security interest in AWDI’s property, including, without limitation, the Receivable (collectively, the “*New Secured Note Collateral*”). The New Secured Notes shall:

(i) have a maximum aggregate principal amount equal to the Aggregate Secured Claim Value; and

(ii) be substantially in the form attached hereto as **Appendix 2**, which is expressly incorporated herein and made part of this Agreement by this reference;

(c) Each member of the Bank Group shall have an allowed general unsecured claim in the Chapter 11 Case (an “**Unsecured Claim**”) in an amount equal to such member’s Pro Rata Interest in \$127,909,950, which is the deficiency amount equal to the difference between (i) the amount of the Term Loan Obligations and (ii) the Aggregate Secured Claim Value;

(d) Upon the Plan Effective Date, and without further action on the part of the Bank Group or otherwise:

(i) so long as the class of general unsecured claims under the Plan votes, as a class, to accept the Plan, the members of the Bank Group shall be deemed to waive and shall waive their respective rights (x) against AWDI (and only AWDI) to receive any distribution on account of the Unsecured Claims under the Plan and (y) to be paid interest by AWDI during the pendency of the Chapter 11 Case on account of their security interests in AWDI’s property beyond what they receive as adequate protection payments under Section 2.01(g) hereof, unless otherwise provided under the Cash Collateral Stipulation;

(ii) the Term Loan Obligations shall be deemed fully discharged and satisfied solely as to AWDI, and the Term Loan Agreement shall immediately terminate solely with respect to AWDI; and

(iii) AWDI shall be deemed to be the sole owner of the Receivable, free and clear of the Bank Group’s interests under the Term Loan Agreement (but subject to the Bank Group’s interests under the New Secured Notes); and

(e) all liens and security interests in property of AWDI’s estate securing the Term Loan Obligations shall automatically be deemed to be replaced by the New Secured Notes and the documents and instruments in connection therewith without further action (but without effect on the Bank Group’s liens on the Receivable to secure the New Secured Notes);

(f) At the reasonable request of AWDI (and at the sole cost and expense of AWDI) after the Plan Effective Date, the Administrative Agent on behalf of the Bank Group will amend any UCC financing statement filings (to the extent naming AWDI as “debtor”) to conform to the collateral description provided in the documents and instruments in connection with the New Secured Notes;

(g) Monthly, on or before the first day of each month after the day AWDI commences the Chapter 11 Case (the “**Petition Date**”) and continuing until the Plan Effective Date, AWDI shall make adequate protection payments to the Administrative

Agent for the benefit of the members of the Bank Group on account of their interests in AWDI's property, according to each member's Pro Rata Interest, in an aggregate amount equal to the product of (i) the highest monthly non-default rate of interest applicable from time to time to amounts outstanding under the Term Loan Agreement and (ii) the Aggregate Secured Claim Value;

(h) AWDI shall remain current on all fees, expenses and cash management obligations throughout the pendency of the Chapter 11 Case; and

(i) The members of the Bank Group shall waive any respective right to seek from AWDI or the reorganized Debtor interest accruing under the Term Loan Agreement prior to the Plan Effective Date in excess of the non-default rate.

2.02. Agreement to Vote. As long as this Agreement has not terminated in accordance with the terms hereof, each member of the Bank Group agrees that it shall, upon the receipt by AWDI of all other approvals, orders (which excludes the order confirming the Plan) and consents necessary for the confirmation of the Plan:

(a) timely vote its Secured and Unsecured Claims to accept the Plan;

(b) not change, withdraw or revoke (or cause to be changed, withdrawn or revoked) such votes or any properly solicited vote to accept the Plan;

(c) neither vote its Secured and Unsecured Claims to reject the Plan nor otherwise propose or support any other restructuring, reorganization or liquidation of AWDI (or any plan or proposal in respect of the same) so long as the Plan has not otherwise been rejected or the opportunity of AWDI to propose, promote or confirm the Plan has not lapsed or expired;

(d) not make any motions or commence any proceedings in the Bankruptcy Court that would materially oppose, delay or obstruct the proposed solicitation, confirmation or substantial consummation of the Plan, except for motions or proceedings that are defensive or responsive to any motions, assertions, claims, actions or proceedings against or involving the Administrative Agent, any member of the Bank Group, or the Bank Group's claims or Collateral;

(e) not seek the appointment of a trustee or an examiner with expanded powers, dismissal of the Chapter 11 Case, or conversion of the Chapter 11 Case to one under chapter 7 of the Bankruptcy Code;

(f) not seek relief from, or modification of, the automatic stay provided by Bankruptcy Code section 362 with respect to AWDI or its property; and

(g) not oppose AWDI's request for the entry of customary "first day" orders that are (A) not inconsistent with the Bankruptcy Documents and this Agreement and (B) substantially similar in all respects to the draft "first day" motions, stipulations and orders reviewed by the Bank Group prior to the Petition Date (the "**First Day Pleadings**"), including, but not limited to, the draft motion ("**Cash Collateral Motion**") and stipulation (the "**Cash Collateral Stipulation**")

and together with the Cash Collateral Motion and the proposed orders thereon, the “**Cash Collateral Pleadings**”) for use of the Bank Group’s cash collateral (as that term is defined in the Bankruptcy Code), and the Motion for Order Establishing Certain Cash Management, Notice and Administrative Procedures, reviewed and approved by the Bank Group prior to the Petition Date.

The foregoing prohibitions will not (1) prohibit the Bank Group from taking or directing the taking of any action relating to the maintenance, protection and preservation of the Collateral (as defined in the Cash Collateral Pleadings); (2) limit the Bank Group’s rights under any loan document and/or applicable law to appear and participate as a party in interest in any matter to be adjudicated in any case under the Bankruptcy Code concerning AWDI, including the Chapter 11 Case, so long as such appearance and the positions advocated in connection therewith are not materially inconsistent with this Agreement and the Bankruptcy Documents and do not materially hinder, delay or prevent confirmation of the Plan and the substantial consummation of the Restructuring; (3) impair or in any way limit the rights of the Administrative Agent or any member of the Bank Group with respect to the Term Loan Agreement or any Collateral other than the Receivable, it being expressly understood and agreed that all rights and remedies of the Administrative Agent and the Bank Group with respect to any Borrower other than AWDI and any Collateral other than the Receivable shall remain unaffected and in full force and effect; or (4) prohibit either the Administrative Agent or any member of the Bank Group from filing one or more proofs of claim.

2.03. Transfer of Interests and Securities. Each member of the Bank Group hereby severally and not jointly agrees after the date hereof not to sell, assign, transfer, hypothecate or otherwise dispose of, directly or indirectly (each such transfer, a “**Transfer**”), all or any of its claims against AWDI (or any right related thereto, including any voting rights associated with such claims), unless, with respect to the claims, the Transfer is in compliance with the terms of the Term Loan Agreement and the transferee thereof agrees in writing to assume and be bound by this Agreement, and to assume the obligations of the transferor under this Agreement and delivers such writing to AWDI within five (5) business days following the relevant Transfer (each such transferee becoming, upon the Transfer, a member of the Bank Group hereunder). Any Transfer of any claims that does not comply with the procedure set forth in this Section 2.02 shall be deemed *void ab initio and the documentation pursuant to which the Transfer occurs shall contain in capitalized letters the acknowledgement of the transferee thereof.*

2.04. Representations of the Bank Group. Each member of the Bank Group severally and not jointly represents and warrants that, as of the Agreement Effective Date:

- (a) Such member is the beneficial owner of claims held by it;
- (b) other than pursuant to this Agreement or as permitted pursuant to the Term Loan Agreement, such member’s claims are free and clear of any pledge, lien, security interest, charge, claim, equity, option, proxy, voting restriction, right of first refusal or other limitation on disposition, or encumbrances of any kind, that would materially adversely affect in any way such member’s performance of its obligations contained in this Agreement at the time such obligations are required to be performed; and

(c) such member has no actual knowledge of any event or circumstance that, due to any fiduciary or similar duty to any other person, would prevent it from taking or materially interfering with its ability to take any action required of it under this Agreement.

Section 3. Certain Additional Chapter 11 Matters. AWDI shall provide draft copies of all First Day Pleadings and all other documents and pleadings (including attachments and/or exhibits thereto) it intends to file with the Bankruptcy Court to counsel for the Administrative Agent at least five (5) business days before the date AWDI intends to file such documents, and shall consult in good faith with such counsel regarding the form and substance of any such documents. AWDI agrees that all such motions, stipulations, applications, proposed orders, documents and pleadings shall be reasonably calculated to implement and advance the Restructuring embodied in the Plan. At least five (5) business days prior to the Petition Date, AWDI and the Bank Group, each acting reasonably, shall have agreed to the form of all Cash Collateral Pleadings.

Section 4. Mutual Representations, Warranties and Covenants. Each of the Parties, severally and not jointly, represents, warrants and covenants to each other Party, as of the Agreement Effective Date, as follows (each of which is a continuing representation, warranty and covenant):

4.01. Enforceability. It is validly existing and in good standing under the laws of the state of its organization, and this Agreement is a legal, valid and binding obligation of such Party, enforceable against it in accordance with its terms, except as enforcement may be limited by applicable laws relating to or limiting debtors' rights and obligations under the Bankruptcy Code or creditors' rights generally or by equitable principles relating to enforceability.

4.02. No Consent or Approval. Except as expressly provided in this Agreement or the Bankruptcy Code, as applicable, no consent or approval is required in order for it to carry out the Restructuring contemplated by, and perform its respective obligations under, this Agreement.

4.03. Power and Authority. Except as expressly provided in this Agreement or the Bankruptcy Code, it has all requisite power and authority to enter into this Agreement and to carry out the Restructuring contemplated by, and perform its respective obligations under, this Agreement.

4.04. Authorization. The execution and delivery of this Agreement and the performance of its obligations hereunder have been duly authorized by all necessary action on its part.

4.05. Governmental Consents. The execution and delivery of this Agreement and the performance of its obligations hereunder does not and shall not require any registration or filing with, consent or approval of, notice to, or other action to, with or by, any federal, state or other governmental authority or regulatory body, except for prior Bankruptcy Court approval solely with respect to performance of this Agreement by AWDI.

4.06. No Conflicts. The execution, delivery and performance of this Agreement does not and shall not: (i) violate any provision of law, rules or regulations applicable to it or any of its affiliates; (ii) violate its certificate of incorporation, bylaws or other organizational documents

or those of any of its subsidiaries; or (iii) conflict with, result in a breach of, or constitute (with due notice or lapse of time or both) a default under, any material contractual obligation to which it or any of its subsidiaries is a party.

Section 5. Termination Events.

5.01. Bank Group Termination Events. This Agreement shall terminate automatically without any further required action or notice upon the occurrence of any of the following events (each a “***Bank Group Termination Event***”), unless the occurrence of such Bank Group Termination Event is waived in writing by Administrative Agent after unanimous consent from the members of the Bank Group:

(a) upon five (5) business days’ prior written notice to AWDI and its counsel of a breach in any material respect by AWDI of any of the obligations, representations, warranties or covenants of AWDI set forth in this Agreement or the occurrence of any event or condition that materially and adversely affects the financial recovery of the Bank Group under the Plan and failure by AWDI to cure same within five (5) business days after receipt of said notice;

(b) if the Petition Date has not occurred within thirty (30) days after the Agreement Effective Date;

(c) the conversion of the Chapter 11 Case to one under chapter 7 of the Bankruptcy Code or the dismissal of the Chapter 11 Case, unless such conversion or dismissal, as applicable, occurs with the prior written consent of the Bank Group;

(d) the filing by AWDI of any motion or pleading with the Bankruptcy Court or taking of any other action, including, without limitation, withdrawing the Plan or publicly announcing its intention not to support the Restructuring or Plan, which is inconsistent with or in opposition to confirmation of the Plan;

(e) if the Petition Date has not occurred within three (3) business days of the Agreement Effective Date, or if the Plan Effective Date has not occurred within fifteen (15) months of the Petition Date; or

(f) if any action is brought or claim made by AWDI, Borrowers, or any of their affiliates, or consented to on behalf of any of the foregoing, against the Administrative Agent or any member of the Bank Group challenging the validity or priority of any lien, encumbrance or security interest securing the obligations pursuant to the Term Loan Agreement or to stay, prevent or delay the exercise by the Administrative Agent and the Bank Group of any rights and remedies pursuant to the Term Loan Agreement other than rights and remedies with respect to the Receivable and AWDI.

5.02. Debtor’s Termination Events. AWDI may terminate this Agreement as to all Parties upon five (5) business days’ prior written notice, upon the occurrence of any of the following events (each a “***Debtor Termination Event***”):

(a) the breach by the Bank Group of any of the representations, warranties or covenants of the Bank Group set forth in this Agreement that would have a material adverse impact on AWDI, or the substantial consummation of the Restructuring, that remains uncured for a period of five (5) business days after the receipt by the Administrative Agent of notice of such breach; or

(b) the issuance by any governmental authority, including any regulatory authority or court of competent jurisdiction, of any injunction, judgment, decree, charge, ruling or order preventing consummation of a material portion of the Restructuring.

5.03. Mutual Termination. This Agreement, and the obligations of all Parties hereunder, may be terminated by mutual written agreement among each of the Parties (the “**Mutual Termination Event**” and together with the Bank Termination Events, and the Debtor Termination Events, the “**Termination Events**”).

5.04. Effect of Termination.

(a) Upon termination of this Agreement under Section 5.01, 5.02 or 5.03, this Agreement shall be of no further force and effect and each Party shall be released from its commitments, undertakings and agreements under or related to this Agreement and shall have the rights and remedies that it would have had had it not entered into this Agreement, and shall be entitled to take all actions, whether with respect to the Restructuring or otherwise, that it would have been entitled to take had it not entered into this Agreement. Upon the occurrence of any such termination of this Agreement, any and all consents tendered by the Administrative Agent and/or the Bank Group before such termination shall be deemed, for all purposes, to be null and void from the first instance and shall not be considered or otherwise used in any manner by the Parties in connection with the Restructuring, this Agreement, or otherwise. Termination of this Agreement shall not limit or change any of the rights and remedies of the Administrative Agent and the Bank Group pursuant to the Term Loan Agreement and in all events the Term Loan Agreement and all other Term Loan Documents shall remain in full force and effect.

(b) No Party shall have the right to terminate this Agreement if such Party is in material breach of any provision hereof.

Section 6. Amendments. This Agreement may not be modified, amended or supplemented (except as expressly provided herein) except in writing signed by each of the Parties.

Section 7. Miscellaneous.

7.01. Nature of Administrative Agent and Bank Group Liability. The liabilities and obligations of the Administrative Agent and each member of the Bank Group pursuant hereto shall be several and not joint. No member of the Bank Group shall be liable for the breach or violation of this Agreement by any other member of the Bank Group. The Administrative Agent shall not be liable in such capacity for any breach of this Agreement by any member of the Bank Group.

7.02. Further Assurances and Notification.

(a) Subject to the other terms of this Agreement, the Parties agree to execute and deliver such other instruments and perform such other acts, in addition to the matters herein specified, as may be commercially reasonably appropriate or necessary, from time to time, to effectuate the Restructuring, as applicable.

(b) AWDI will promptly notify the Bank Group upon completion of AWDI's analysis of any written solicitation or proposal relating to any other plan, sale, proposal or offer of dissolution, winding up, liquidation, reorganization, merger or restructuring of AWDI (other than as provided in or contemplated by the Plan) that it may receive from third parties and that it regards as being superior to the provisions of the Plan.

7.03. Complete Agreement. With the exception of the Plan, the Cash Collateral Pleadings, the Term Loan Amendment, all other motions, stipulations, applications, proposed orders and all other documents and pleadings by and through which AWDI intends to effectuate the Restructuring, and the New Secured Notes and all security agreements and other documents in connection therewith, this Agreement is the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior agreements, oral or written, between the Parties with respect thereto. No claim of waiver, modification, consent or acquiescence with respect to any provision of this Agreement shall be made against any Party, except on the basis of a written instrument executed by or on behalf of such Party. For the avoidance of doubt, this Agreement, including the Appendices, may not be modified, altered or amended without the unanimous consent of the Bank Group.

7.04. Parties. This Agreement shall be binding upon, and inure to the benefit of, the Parties. No rights or obligations of any Party under this Agreement may be assigned or transferred to any other person or entity except as provided in Section 2.03 hereof.

7.05. Headings. The headings of all sections of this Agreement are inserted solely for the convenience of reference and are not a part of and are not intended to govern, limit or aid in the construction or interpretation of any term or provision hereof.

7.06. GOVERNING LAW; SUBMISSION TO JURISDICTION; SELECTION OF FORUM; WAIVER OF TRIAL BY JURY. THIS AGREEMENT IS TO BE GOVERNED AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF ARIZONA APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED IN SUCH STATE, WITHOUT GIVING EFFECT TO THE CONFLICT OF LAWS PRINCIPLES THEREOF. Each Party agrees that it shall bring any action or proceeding in respect of any claim arising out of or related to this Agreement, to the extent possible, in either the United States federal or Arizona state court sitting in Maricopa County (the "***Chosen Courts***"), and solely in connection with claims arising under this Agreement: (a) irrevocably submits to the exclusive jurisdiction of the Chosen Courts; (b) waives any objection to laying venue in any such action or proceeding in the Chosen Courts; and (c) waives any objection that the Chosen Courts are an inconvenient forum or do not have jurisdiction over any Party. Each Party irrevocably waives any and all

right to trial by jury in any legal proceeding arising out of or relating to this Agreement or the transactions contemplated hereby. Notwithstanding anything contained herein or otherwise, upon the commencement of the Chapter 11 Case, the Bankruptcy Court shall have exclusive jurisdiction over all proceedings involving this Agreement or claims arising under this Agreement. Notwithstanding anything contained herein or otherwise, the Bankruptcy Court will have no jurisdiction to hear or determine claims, causes of action or disputes arising under the Term Loan Documents.

7.07. Execution of Agreement. This Agreement may be executed and delivered (by facsimile, electronic mail or otherwise) in any number of counterparts, each of which, when executed and delivered, shall be deemed an original, and all of which together shall constitute the same agreement. Except as expressly provided in this Agreement, each individual executing this Agreement on behalf of a Party has been duly authorized and empowered to execute and deliver this Agreement on behalf of said Party.

7.08. Interpretation. This Agreement is the product of negotiations between the Parties, and in the enforcement or interpretation hereof, is to be interpreted in a neutral manner, and any presumption with regard to interpretation for or against any Party by reason of that Party having drafted or caused to be drafted this Agreement, or any portion hereof, shall not be effective in regard to the interpretation hereof. Each member of the Bank Group enters into this Agreement solely in its capacity as a Lender under the Term Loan Agreement, and solely with respect to its claims as a Lender.

7.09. Successors and Assigns. This Agreement is intended to bind and inure to the benefit of the Parties and their respective successors, assigns, heirs, executors, administrators and representatives, other than a trustee or similar representative appointed in a bankruptcy case.

7.10. Relationship Among Parties. It is understood and agreed that the Bank Group owes no fiduciary duty or other duty of trust or confidence in any form to the Borrowers, and, except as provided in this Agreement, the Plan, the Cash Collateral Pleadings, the Term Loan Amendment, all other motions, stipulations, applications, proposed orders and all other documents and pleadings by and through which the Borrowers intend to effectuate the Restructuring, and the New Secured Notes and all security agreements and other documents in connection therewith, there are no commitments among or between them. No prior history, pattern or practice of sharing confidences between the Bank Group and the Borrowers shall in any way affect or negate this understanding and agreement.

7.11. Notices. All notices hereunder shall be deemed given if in writing and delivered, or sent by email, overnight courier, or registered or certified mail (return receipt requested), to the following addresses and email addresses (or at such other addresses or email addresses as shall be specified by like notice):

(a) if to AWDI, to:

American West Development, Inc.

250 Pilot Road, Suite 140
Las Vegas, Nevada 89119
Attention: Robert Evans
Email address: BobEvans@AmericanWestHomes.com

with copies (which shall not constitute notice) to:

Fox Rothschild LLP
3800 Howard Hughes Pkwy., Suite 500
Las Vegas, Nevada 89169
Attention: Brett A. Axelrod, Esq.
E-mail address: baxelrod@foxrothschild.com

(b) if to the Bank Group:

California Bank & Trust
c/o CB&T Real Estate Finance
6001 N. 24th St.
Phoenix, Arizona 85016
Attention: Bruce Weyers
Email address: Bruce.Weyers@nbarizona.com

with copies (which shall not constitute notice) to:

Snell & Wilmer L.L.P.
One Arizona Center
400 East Van Buren
Phoenix, Arizona 85004-2202
Attention: Dave Sprentall, Esq.
Email address: dsprentall@swlaw.com

If personally delivered, notice is deemed delivered on actual receipt; if e-mailed in accordance with this Agreement, notice is deemed delivered at noon of the first business day following transmission; if sent by overnight courier in accordance with this Agreement, notice is deemed delivered at noon on the first business day following deposit with such courier; and if sent by registered or certified mail in accordance with this Agreement, notice is deemed delivered as of the date of delivery indicated on the receipt issued by the relevant postal service; or, if the addressee fails or refuses to accept delivery, as of the date of that failure or refusal. Any Party may change its address or email address for the purposes of this Agreement by giving notice of the change pursuant to the procedures set forth in this Section 7.11.

7.12. Waiver. Except as expressly provided in this Agreement, nothing herein is intended to, does, or shall be deemed in any manner to, waive, limit, impair or restrict any right or the ability of the Bank Group to protect and preserve its rights, remedies and interests, including, without limitation, its claims against AWDI. Without limiting the foregoing sentence

in any way, if the Restructuring is not consummated, or if this Agreement is terminated for any reason, the Parties each fully reserve any and all of their rights and remedies.

7.13. Specific Performance. It is understood and agreed by the Parties that money damages would be an insufficient remedy for any breach of this Agreement by any Party and each non-breaching Party shall be entitled to specific performance and injunctive or other equitable relief as a remedy of any such breach, including, without limitation, an order of the Bankruptcy Court or other court of competent jurisdiction requiring any Party to comply promptly with any of its obligations hereunder.

7.14. Several, Not Joint, Obligations. The agreements, representations and obligations of the Parties under this Agreement are, in all respects, several and not joint.

7.15. Remedies Cumulative. All rights, powers and remedies provided under this Agreement or otherwise available in respect hereof at law or in equity shall be cumulative and not alternative, and the exercise of any right, power or remedy thereof by any Party shall not preclude the simultaneous or later exercise of any other such right, power or remedy by such Party.

7.16. No Third-Party Beneficiaries. This Agreement shall be solely for the benefit of the Parties, and no other person or entity shall be a third-party beneficiary hereof.

Section 8. Disclosure.

8.01. Bankruptcy Court Disclosure. AWDI shall publicly disclose (a) the existence of this Agreement in the background section of the First Day Pleadings and in any supporting declaration it files with the Bankruptcy Court on the Petition Date (the “**Initial Disclosure**”) and (b) any material amendment to this Agreement in a filing with the Bankruptcy Court within five (5) business days following the effective date of such amendment (the “**Amendment Disclosure**”). To the extent that AWDI fails to make the Initial Disclosure or the Amendment Disclosure by the time specified above in this Section 8.01, the exclusive remedy of the Bank Group shall be to disclose publicly the terms of the Agreement or the Amendment Disclosure, as the case may be.

8.02. Rule 408. Pursuant to Rule 408 of the Federal Rules of Evidence, any applicable state rules of evidence and any other applicable law, foreign or domestic, all communications and negotiations relating to this Agreement shall not be admissible into evidence in any proceeding other than a proceeding to enforce its terms. The Parties shall cooperate and do all other things reasonably necessary to protect or assert a joint interest privilege with respect to their communications and negotiations in the event a third party shall seek discovery of such communications and negotiations.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the day and year first above written.

[signature pages follow]

Signature Page to the Restructuring, Lock-Up and Settlement Letter Agreement

AMERICAN WEST DEVELOPMENT, INC., a
Nevada corporation

By: Robert M. Evans

Name: Robert M. Evans

Title: President

Signature Page to the Restructuring, Lock-Up and Settlement Letter Agreement

A handwritten signature in dark ink, appearing to read 'LDC', written over a horizontal line.

LAWRENCE D. CANARELLI, individually

A handwritten signature in dark ink, appearing to read 'Heidi Canarelli', written over a horizontal line.

HEIDI CANARELLI, individually

Signature Page to the Restructuring, Lock-Up and Settlement Letter Agreement

A handwritten signature in dark ink, appearing to read 'L.D. Canarelli', is written over a horizontal line.

LAWRENCE D. CANARELLI, as Trustee of The Canarelli Family Trust, established pursuant to Trust Agreement dated September 14, 1990, as amended by that certain First Amendment and Total Restatement dated December 3, 1993, as further amended by that certain Second Amendment dated August 8, 2006

Signature Page to the Restructuring, Lock-Up and Settlement Letter Agreement



LAWRENCE D. CANARELLI, as Trustee of:

The Jeffrey Lawrence Graves Canarelli Irrevocable Trust, established pursuant to Trust Agreement dated February 24, 1998

The Scott Lyle Graves Canarelli Irrevocable Trust, established pursuant to Trust Agreement dated February 24, 1998

The Stacia Leigh Lemke Irrevocable Trust, established pursuant to Trust Agreement dated February 24, 1998

The Alyssa Lawren Graves Canarelli Irrevocable Trust, established pursuant to Trust Agreement dated October 24, 2002



HEIDI CANARELLI, as Trustee of:

The Jeffrey Lawrence Graves Canarelli Irrevocable Trust, established pursuant to Trust Agreement dated February 24, 1998

The Scott Lyle Graves Canarelli Irrevocable Trust, established pursuant to Trust Agreement dated February 24, 1998


The Stacia Leigh Lemke Irrevocable Trust, established pursuant to Trust Agreement dated February 24, 1998

The Alyssa Lawren Graves Canarelli Irrevocable Trust, established pursuant to Trust Agreement dated October 24, 2002

Signature Page to the Restructuring, Lock-Up and Settlement Letter Agreement

A handwritten signature in cursive script, appearing to read 'LDCM', written above a horizontal line.

LAWRENCE CANARELLI

A handwritten signature in cursive script, appearing to read 'Heidi Canarelli', written above a horizontal line.

HEIDI CANARELLI

as Family Trustees of the Lawrence Canarelli 2011
Irrevocable Trust

Signature Page to the Restructuring, Lock-Up and Settlement Letter Agreement



HEIDI CANARELLI



LAWRENCE CANARELLI

as Family Trustees of the Heidi Canarelli 2011
Irrevocable Trust

Signature Page to the Restructuring, Lock-Up and Settlement Letter Agreement

DEFERRED REVENUE, LLC, a Nevada limited
liability company

By:  _____

Name: Lawrence D. Canarelli

Title: Manager

Signature Page to the Restructuring, Lock-Up and Settlement Letter Agreement

GAMEDAY, LLC, a Nevada limited liability company

By: Land Manager, Inc., a Nevada corporation,
its Manager

By: 

Name: Dianne Ferraro

Title: President

Signature Page to the Restructuring, Lock-Up and Settlement Letter Agreement

ADAVEN MANAGEMENT, INC., a Nevada corporation

AWH VENTURES, INC., a Nevada corporation

COLORADO COMPANIES, INC., a Nevada corporation

COLORADO HOUSING INVESTMENTS, INC., a Nevada corporation

COLORADO LAND INVESTMENTS, INC., a Nevada corporation

COLORADO LAND INVESTMENTS 2, INC., a Nevada corporation

HERITAGE 2, INC., a Nevada corporation

HIGHLANDS LAND INVESTMENT, INC., a Nevada corporation

KENSINGTON 2, INC., a Nevada corporation

MODEL RENTING COMPANY, INC., a Nevada corporation

WOODBIDGE 1, INC., a Nevada corporation

INDIANA INVESTMENTS, INC., a Nevada corporation

By: _____


Name: Lawrence D. Canarelli

Title: President

Signature Page to the Restructuring, Lock-Up and Settlement Letter Agreement

AWH NORTH, LLC, a Nevada limited liability company
AWH NORTH NLV 2009, LLC, a Nevada limited liability company
CFT LANDS, LLC, a Nevada limited liability company
PARCEL NLV 1.3, L.L.C., a Nevada limited liability company
PARCEL NLV 1.4, L.L.C., a Nevada limited liability company
PARCEL NLV 1.13, L.L.C., a Nevada limited liability company
LEXINGTON 1, LLC, a Nevada limited liability company
NEWCASTLE 1, LLC, a Nevada limited liability company
NLV PARCEL 5.03, L.L.C., a Nevada limited liability company
CANFAM HOLDINGS, LLC, a Nevada limited liability company
FAIRMONT 2, LLC, a Nevada limited liability company
SJSA VENTURES, LLC, a Nevada limited liability company
LH VENTURES, LLC, a Nevada limited liability company
MODEL RENTING 2008, LLC, a Nevada limited liability company
MODEL RENTING 2009, LLC, a Nevada limited liability company
MODEL RENTING 2010, LLC, a Nevada limited liability company
SILVERADO SPRINGS 3, LLC, a Nevada limited liability company
MOUNTAIN WEST ASSOCIATES, LLC, a Nevada limited liability company
HLI, LLC, a Nevada limited liability company

By: Investment Manager, Inc., a Nevada corporation,
their Manager

By: 
Name: Lawrence D. Canarelli
Title: President

Signature Page to the Restructuring, Lock-Up and Settlement Letter Agreement

ST. ROSE PARCEL, L.L.C., a Nevada limited
liability company

By: 

Name: Lawrence D. Canarelli

Title: Manager

Signature Page to the Restructuring, Lock-Up and Settlement Letter Agreement

CALIFORNIA BANK & TRUST

By:  _____

Name: Bruce Weyers

Title: Vice President

Address: c/o CB&T Real Estate Finance
6001 North 24th Street
Phoenix, Arizona 85016
Attention: Bruce Weyers

with a copy to:

David A. Sprentall, Esq.
Snell & Wilmer L.L.P.
One Arizona Center
Phoenix, Arizona 85004-2202

Attention: Bruce Weyers and David A. Sprentall, Esq.

Telephone: (602) 241-2212

Facsimile: 602-351-3825

Signature Page to the Restructuring, Lock-Up and Settlement Letter Agreement

KEYBANK NATIONAL ASSOCIATION

By: _____

Name: Scott D Randle

Title: Senior Vice President

Address: KeyBank National Association
36 South State Street, Suite 2506
Salt Lake City, Utah 54111
Attention: Scott D. Randle, Senior Vice President

with a copy to:

KeyBank National Association
127 Public Square, Second Floor
Cleveland, Ohio 44114-1306
Attention: Michael A. Axel, Esq., Senior Vice
President and Senior Counsel

Attention: Scott D. Randle and Michael A. Axel

Telephone: 801-297-5821

Facsimile: 801-297-5720

Signature Page to the Restructuring, Lock-Up and Settlement Letter Agreement

JPMORGAN CHASE BANK, N.A.

By:  _____

Name: Wayne E. Olson

Title: Authorized Officer

Address: JPMorgan Chase Bank, N.A.
201 N. Central Avenue
20th Floor, Dept. AZI-1325
Phoenix, AZ 85004
Attn: Wayne Olson

with a copy to:

Loan & Agency Services Group
10 South Dearborn
7th Floor, IL1-0010
Chicago, IL 60603
Attn: Passion Dobbins

Attention: Wayne E Olson and Passion Dobbins

Telephone: (312)732-4519

Facsimile: (312)385-7101

Signature Page to the Restructuring, Lock-Up and Settlement Letter Agreement

BANK OF AMERICA, N.A.

By:  _____

Name: Michael Olson

Title: Senior Vice President

Address: Bank of America, N.A.
135 South LaSalle Street
Suite 900
Chicago, IL 60603
Attention: Michael Olson

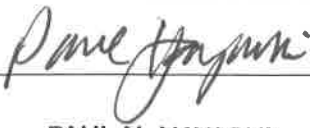
Attention: Michael Olson

Telephone: _____

Facsimile: _____

Signature Page to the Restructuring, Lock-Up and Settlement Letter Agreement

COMERICA BANK

By: 
Name: PAUL N. HAYASHI
Title: FIRST VICE PRESIDENT

Address: Comerica Bank
350 Tenth Avenue, Suite 850
MC 4670
San Diego, CA 92101
Attention: Nancy Griffin

with a copy to:

Comerica Bank
2321 Rosecrans Avenue, Suite 5000
MC 4605
El Segundo, CA 90245
Attn: Paul Hayashi

Attention: Nancy Griffin and Paul Hayashi

Telephone: (310) 297-3017
Facsimile: (310) 297-3039

Signature Page to the Restructuring, Lock-Up and Settlement Letter Agreement

US BANK NATIONAL ASSOCIATION

By: Chris D Zumberge

Name: Christopher D. Zumberge

Title: Senior Vice President

Address: US Bank National Association
3121 Michelson Drive
Suite 500
Irvine, CA 92612
Attention: Christopher D. Zumberge

with a copy to:

US Bank National Association
2300 W. Sahara Avenue, Suite 200
Las Vegas, NV 89102
Attention: Cheryl A. Colbus

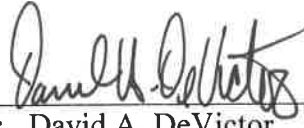
Attention: Clarice Ronzone, Lori Adams and Cheryl A. Colbus

Telephone: _____

Facsimile: _____

Signature Page to the Restructuring, Lock-Up and Settlement Letter Agreement

WELLS FARGO BANK, NATIONAL ASSOCIATION

By: 
Name: David A. DeVitor
Title: Senior Vice President

Address: Wells Fargo Bank, National Association
8601 N. Scottsdale Road, Suite 200
Scottsdale, AZ 85253

Attention: David A. DeVitor

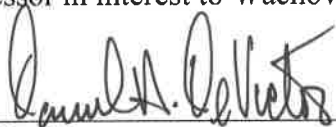
Telephone: (480) 348-5320

Facsimile: (480) 348-5302

Signature Page to the Restructuring, Lock-Up and Settlement Letter Agreement

WELLS FARGO BANK, NATIONAL ASSOCIATION,
successor in interest to Wachovia Bank, National Association

By: _____


Name: David A. DeVactor

Title: Senior Vice President

Address: Wells Fargo Bank, National Association
8601 N. Scottsdale Road, Suite 200
Scottsdale, AZ 85253

Attention: David A. DeVactor

Telephone: (480) 348-5320

Facsimile: (480) 348-5302

SCHEDULE 1

American West Development, Inc., a Nevada corporation
Castlebay 1, Inc., a Nevada corporation
Development Management, Inc., a Nevada corporation
Fairmont 1, Inc., a Nevada corporation
Inverness 5, Inc., a Nevada corporation
Kensington 1, Inc., a Nevada corporation
Kingsbridge 1, Inc., a Nevada corporation
Promontory Estates, LLC, a Nevada limited liability company
Promontory Point 4, Inc., a Nevada corporation
Silverado Springs 1, Inc., a Nevada corporation
Silverado Springs 2, Inc., a Nevada corporation
Windsor 1, Inc., a Nevada corporation

SCHEDULE 2

Co-Borrowers merged into American West Development, Inc. prior to the Petition Date:

Castlebay 1, Inc., a Nevada corporation
Development Management, Inc., a Nevada corporation
Fairmont 1, Inc., a Nevada corporation
Glen Eagles 3, Inc., a Nevada corporation
Heritage 1, Inc., a Nevada corporation
Inverness 5, Inc., a Nevada corporation
Kensington 1, Inc., a Nevada corporation
Kingsbridge 1, Inc., a Nevada corporation
Promontory Estates, LLC, a Nevada limited liability company
Promontory Point 4, Inc., a Nevada corporation
Silverado Springs 1, Inc., a Nevada corporation
Silverado Springs 2, Inc., a Nevada corporation
Tradition, Inc., a Nevada corporation
Windsor 1, Inc., a Nevada corporation

APPENDIX 1

BANKRUPTCY DOCUMENTS

EXHIBIT	DOCUMENT
1	Debtor's Chapter 11 Plan of Reorganization
2	Master Disclosure Statement Prepared in Connection with Debtor's Chapter 11 Plan of Reorganization
3	Short Form Home Owner Disclosure Statement Prepared in Connection with Debtor's Chapter 11 Plan of Reorganization
4	Motion for Order: (I) Approving (A) Adequacy of Master Disclosure Statement, (B) Adequacy and Use of Home Owner Disclosure Statement as Plan Summary, (C) Procedures and Schedule for the Solicitation, Submission and Tabulation of Votes, (D) Form and Scope of Notices, and (E) Form of Ballots and Related Documents; (II) Scheduling Confirmation hearing and Related Deadlines; and (III) Granting Related Relief
5	Stipulated Agreement Between Debtor and its Prepetition Secured Lenders Regarding (I) Use of Cash Collateral; and (II) Adequate Protection
6	Motion for Interim and Final Order Pursuant to 11 U.S.C. §§ 361, 362 and 363 and Fed. R. Bank. P. 4001(b) and 4001(d): (I) Authorizing Debtor to Use Cash Collateral and Provide Adequate Protection Pursuant to Agreement with Pre-Petition Lenders; (II) Granting Related Relief; and (III) Scheduling Final Hearing
7	Motion for Order Pursuant to 11 U.S.C. § 364 and Fed. R. Bankr. P. 4001(c): (I) Authorizing Debtor to Obtain Postpetition Financing; and (II) Granting Related Relief
8	Debtor-In-Possession Revolving Credit Agreement

APPENDIX 2
NEW SECURED NOTES

NEW SECURED NOTE

\$ _____, 2011

FOR VALUE RECEIVED, the undersigned (collectively and jointly and severally, "Borrower") hereby promises to pay to _____, a _____, or registered assigns ("Lender"), in accordance with the provisions of the New Secured Loan Agreement (as hereinafter defined), the principal amount set forth above, which represents Lender's Pro Rata Interest in the New Secured Loan pursuant to that certain New Secured Loan Agreement of even date herewith (as amended, restated, supplemented or otherwise modified from time to time, the "New Secured Loan Agreement"), among Borrower, California Bank & Trust, a California banking corporation, as Administrative Agent ("Administrative Agent"), the Lender, and the other Lenders from time to time party thereto. All capitalized terms used herein and not otherwise defined shall have the meanings given to such terms in the New Secured Loan Agreement.

Borrower promises to pay interest on the unpaid principal amount of this Note from the date of advance until such principal amount is paid in full, at such interest rates and at such times as provided in the New Secured Loan Agreement. All payments of principal and interest shall be made to the Administrative Agent for the account of Lender in United States Dollars in immediately available funds as provided in the New Secured Loan Agreement. If any amount is not paid in full when due hereunder, such unpaid amount shall bear interest, to be paid upon demand, from the due date thereof until the date of actual payment (and before as well as after judgment), computed at the Default Rate. Payments and prepayments of principal shall be due and payable as and when provided in the New Secured Loan Agreement. All unpaid principal, interest and Other Amounts shall be due and payable in full on the Maturity Date.

This Note is one of the Notes referred to in the New Secured Loan Agreement, is entitled to the benefits thereof, and may be prepaid in whole or in part subject to the terms and conditions provided therein. Upon the occurrence and continuation of one or more of the Events of Default specified in the New Secured Loan Agreement, all amounts then remaining unpaid on this Note shall become, or may be declared to be, immediately due and payable, all as provided in the New Secured Loan Agreement.

THIS NOTE IS NOT ASSIGNABLE OR TRANSFERABLE, BY ENDORSEMENT OR OTHERWISE, EXCEPT AS EXPRESSLY PERMITTED PURSUANT TO THE NEW SECURED LOAN AGREEMENT. ANY ASSIGNEE OF THIS NOTE WILL BE SUBJECT TO ALL OF THE TERMS AND CONDITIONS OF THE NEW SECURED LOAN AGREEMENT AND THE LOAN DOCUMENTS AS DEFINED THEREIN.

Borrower hereby waives presentment, demand for payment, dishonor, notice of dishonor, protest, notice of protest and any other notice or formality, to the fullest extent permitted by applicable law.

THIS NOTE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE
WITH THE LAWS OF THE STATE OF ARIZONA.

[SIGNATURE PAGES FOLLOW]

EXHIBIT E

TERM LOAN CREDIT AGREEMENT

FIRST AMENDMENT TO LOAN DOCUMENTS

This FIRST AMENDMENT TO LOAN DOCUMENTS (the "Agreement"), dated as of February 28, 2012, is among Lawrence D. Canarelli and Heidi Canarelli, individually, Lawrence D. Canarelli, as Trustee of The Canarelli Family Trust, Lawrence D. Canarelli and Heidi Canarelli, as Trustees of The Jeffrey Lawrence Graves Canarelli Irrevocable Trust, Lawrence D. Canarelli and Heidi Canarelli, as Trustees of The Scott Lyle Graves Canarelli Irrevocable Trust, Lawrence D. Canarelli and Heidi Canarelli, as Trustees of The Stacia Leigh Lemke Irrevocable Trust, Lawrence D. Canarelli and Heidi Canarelli, as Trustees of The Alyssa Lawren Graves Canarelli Irrevocable Trust, Lawrence Canarelli and Heidi Canarelli as Family Trustees of the Lawrence Canarelli 2011 Irrevocable Trust, Heidi Canarelli and Lawrence Canarelli as Family Trustees of the Heidi Canarelli 2011 Irrevocable Trust, and certain other entities that may be or become a "Borrower" and/or "Additional Borrower" under the "Credit Agreement" (defined below) (collectively, "Borrower"), Yampa-Telluride Land Investments, LLC, Tower Road Farms, LLC, GVR King Commercial, LLC, C & H Adams Land Investments, LLC, CS 2005 Investments, LLC, Green Valley Aurora, LLC, GVR King, LLC, EH 2002, LLC, HC Land Investments, LLC, and Green Valley East, LLC (individually, a "Guarantor", and collectively, the "Guarantors"); and California Bank & Trust, a California banking corporation, as Administrative Agent ("Administrative Agent"), for the Lenders (defined below). Borrower and each Guarantor are individually referred to herein as a "Loan Party" and collectively as the "Loan Parties".

RECITALS

A. Borrower, Administrative Agent, and certain lenders (the "Lenders") have entered into that certain Term Loan Credit Agreement, dated as of December 31, 2009 ("Credit Agreement"), pursuant to which Lenders have agreed to make certain loans and other credit (collectively, the "Loan") available to Borrower. The obligation of Borrower to repay the Loan is evidenced by promissory notes in favor of each Lender (individually and collectively, the "Note"). Additionally, in connection with the Loan, Borrower, Guarantors, Administrative Agent and Lenders have entered into the documents and agreements set forth on Schedule 1 hereto and by this reference incorporated herein (collectively, with the Credit Agreement and the Note, the "Loan Documents"). The Loan is secured by, among other things, one or more deeds of trust set forth on Schedule 1 (the "Deed of Trust"). All capitalized terms used herein and not otherwise defined shall have the meaning given to such terms in the Credit Agreement as modified pursuant to this Agreement. The outstanding principal amount of the Loan as of February 23, 2012, is \$177,506,450.25.

B. Payment and performance of the Obligations are guaranteed by that certain Repayment Guaranty, dated December 31, 2009, executed and delivered by Guarantors in favor and for the benefit of Administrative Agent and Lenders.

C. The Loan Parties have requested that Administrative Agent and Lenders agree to amend the Loan Documents in order to (i) add certain trusts as Borrowers, (ii) consent to a certain corporate reorganization, (iii) consent to a settlement agreement to be entered into with one of the Borrowers, American West Development, Inc., a Nevada corporation ("AWDI"), which settlement agreement includes, without limitation, consent to a certain bankruptcy

proceeding involving AWDI; and (iv) consent to certain debtor-in-possession financing and cash collateral stipulations in connection with such bankruptcy, and Administrative Agent and Lenders are willing to so amend the Loan Documents as provided herein, and subject to the terms and conditions herein.

NOW, THEREFORE, the parties hereto agree as follows:

1. Accuracy of Recitals. Each Loan Party acknowledges the accuracy of the recitals set forth above.

2. Amendments to Loan Documents. The Loan Documents are hereby modified as follows:

(a) The "Borrowers" listed in the Preamble is hereby amended in its entirety to provide as follows:

LAWRENCE D. CANARELLI AND HEIDI CANARELLI, INDIVIDUALLY, LAWRENCE D. CANARELLI, AS TRUSTEE OF THE CANARELLI FAMILY TRUST, LAWRENCE D. CANARELLI AND HEIDI CANARELLI, AS TRUSTEES OF THE JEFFREY LAWRENCE GRAVES CANARELLI IRREVOCABLE TRUST, LAWRENCE D. CANARELLI AND HEIDI CANARELLI, AS TRUSTEES OF THE SCOTT LYLE GRAVES CANARELLI IRREVOCABLE TRUST, LAWRENCE D. CANARELLI AND HEIDI CANARELLI, AS TRUSTEES OF THE STACIA LEIGH LEMKE IRREVOCABLE TRUST, LAWRENCE D. CANARELLI AND HEIDI CANARELLI, AS TRUSTEES OF THE ALYSSA LAWREN GRAVES CANARELLI IRREVOCABLE TRUST, LAWRENCE CANARELLI AND HEIDI CANARELLI AS FAMILY TRUSTEES OF THE LAWRENCE CANARELLI 2011 IRREVOCABLE TRUST, HEIDI CANARELLI AND LAWRENCE CANARELLI AS FAMILY TRUSTEES OF THE HEIDI CANARELLI 2011 IRREVOCABLE TRUST, AND THE AMERICAN WEST GROUP BORROWERS

(b) The following definitions in Section 1.1 of the Credit Agreement are hereby amended in their entirety to read in full as follows:

"Agreement" means this Term Loan Credit Agreement, as it may be amended, modified, extended, renewed, restated, or supplemented from time to time.

"American West Group" means, collectively, (a) the entities listed on Exhibit 1.1B hereto, (b) each Subsidiary of the entities referred to in clause (a) of this sentence, (c) each Additional Borrower, and (d) each other corporation, partnership, joint venture, limited liability company or other business entity of which a majority of

the shares or other units of Equity Interests having voting power for the election of directors or other governing body (other than Equity Interests having such powers only by reason of the happening of a contingency) are beneficially owned, or the management of the entity is otherwise Controlled directly or indirectly through one or more intermediaries, by the Principals, or any of them; provided that the American West Group shall not include (i) the Oakwood Group and (ii) the Unconsolidated Joint Ventures. For avoidance of doubt, whether or not AWDI is or continues to be an American West Group Borrower, AWDI shall continue to be part of the American West Group.

“American West Group Borrowers” means, collectively, the members of the American West Group (a) that, as of the Effective Date, are listed as American West Group Borrowers on Exhibit 1.1C and (b) that, at any time from and after the Closing Date, are required to become Borrowers pursuant to Section 6.3; provided, however, that from and after the Chapter 11 Plan Effective Date, AWDI shall not be required to be included as an American West Group Borrower unless and until the occurrence of an event after the Chapter 11 Plan Effective Date that would require AWDI to be included as an American West Group Borrower pursuant to this Agreement.

“Change in Control” means any of the following:

(a) With respect to the Canarelli Family Trust, Lawrence D. Canarelli shall cease to be the sole trustee of the Canarelli Family Trust for any reason, whether voluntary or involuntary.

(b) With respect to the Children’s Trusts, Lawrence D. Canarelli and Heidi Canarelli shall cease to be the sole trustees of the Children’s Trusts for any reason, whether voluntary or involuntary.

(c) With respect to the Grandchildren’s Trusts, Lawrence Canarelli and Heidi Canarelli shall cease to be the “family trustees” of the Grandchildren’s Trusts or Robert M. Evans shall cease to be the “independent trustee” of the Grandchildren’s Trusts for any reason, whether voluntary or involuntary.

(d) The Canarelli Family Trust shall cease to own 100% of all of the stock, partnership interests, limited liability company interests, and other equity ownership interests in AMI and AWDI, for any reason, whether voluntary or involuntary; provided that the Corporate Reorganization shall not be a Change

in Control pursuant to this clause (d) so long as one or more of the Canarelli Family Trust, Lawrence Canarelli, the Children's Trusts or AWHV continues to own 100% of all of the stock and other equity ownership interests in AWDI.

(e) The Principals, or any of them, shall cease to be the sole owners (either directly or through Subsidiaries that are wholly-owned by the Principals) of each American West Group Borrower not included in clause (c) of this definition, free and clear of all Liens, for any reason, whether voluntary or involuntary.

(f) Canarelli or one or more of the other Borrowers shall (i) cease to own at least 50% of all of the Equity Interests in each Affiliated Obligor free and clear of all Liens or (ii) cease to hold Voting Control with respect to each Affiliated Obligor, in each case for any reason, whether voluntary or involuntary.

(g) Robert M. Evans shall cease to be the President of AWDI or Lawrence D. Canarelli shall cease to be the President of each other American West Group Borrower or Lawrence D. Canarelli shall cease to be a director of each of the American West Group Borrowers; provided that the merger of DMI into AWDI in connection with the Corporate Reorganization shall not be a Change in Control pursuant to this clause (g).

(h) In addition, with respect to each Borrower and any other designated Person:

(i) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, but excluding any employee benefit plan of such person or its subsidiaries, and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan) other than the Principals becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Securities Exchange Act of 1934, except that a person or group shall be deemed to have "beneficial ownership" of all securities that such person or group has the right to acquire (such right, an "option right"), whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of 15% or more of the equity securities of any such Person entitled to vote for members of the board of directors or equivalent governing body of such Person on a fully-diluted basis (and taking into account all such securities that such person or group has the right to acquire pursuant to any option right); or

(ii) during any period of twelve (12) consecutive months, a majority of the members of the board of directors or a majority of the members, if member-managed, or a majority of the managers, if manager-managed, in the case of limited liability companies (referred to as an “equivalent governing body”) of such Person cease to be composed of individuals (A) who were members of that board or equivalent governing body on the first day of such period, (B) whose election or nomination to that board or equivalent governing body was approved by individuals referred to in clause (A) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body or (C) whose election or nomination to that board or equivalent governing body was approved by individuals referred to in clauses (A) and (B) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body (excluding, in the case of both clause (B) and clause (C), any individual whose initial nomination for, or assumption of office as, a member of that board or equivalent governing body occurs as a result of an actual or threatened solicitation of proxies or consents for the election or removal of one or more directors by any person or group other than a solicitation for the election of one or more directors by or on behalf of the board of directors).

“Closing Date” means the date upon which (a) each Deed of Trust (other than Deeds of Trust subsequently recorded to encumber additional Real Property Collateral pursuant to Section 3.1) has been duly recorded with all applicable Governmental Authorities, (b) each Approved Title Company has irrevocably committed to issue the Title Insurance Policy and (c) Administrative Agent has otherwise determined that the conditions precedent in Section 4.1 and 4.2 have been satisfied.

“Colorado Deed of Trust” means, collectively, each Deed of Trust and Fixture Filing (With Assignment of Rents and Security Agreement) from time to time securing the Repayment Guaranty and the other obligations of the Affiliated Obligors described therein, executed by one or more of the Affiliated Obligors, as trustor, for the benefit of Administrative Agent, as beneficiary, creating a first priority Lien on the Colorado Real Property Collateral and all buildings, fixtures and improvements now or hereafter owned or acquired by such trustor and situated thereon, and all rights and easements appurtenant thereto, as amended, modified, extended, renewed, or supplemented from time to time.

“Combined Tangible Net Worth” means, as of any date of determination, the Combined and consolidated net equity of the Principals (net of inter-company eliminating entries) (a) reduced by the aggregate amount of all Intangible Assets and excluding the assets of AWDI and (b) excluding liabilities that pursuant to GAAP are included as such solely as a result of the application of FIN 46 (and also excluding any assets related to such FIN 46 liabilities).

“Material Adverse Change” means any change in the assets, business, financial condition, operations, prospects, or results of operations of a Borrower or another member of the American West Group that in the reasonable opinion of Required Lenders (a) is reasonably likely to affect in a material adverse respect the likelihood of performance by any Borrower of any of the Obligations under the Loan Documents; (b) is reasonably likely to affect in a material adverse respect the legality, validity, or binding nature of any of the Obligations in the Loan Documents or any Lien securing any of the Obligations under the Loan Documents; or (c) could adversely affect the priority of any Lien securing any of the Obligations in the Loan Documents. Notwithstanding the foregoing, the filing of the Chapter 11 Case in compliance with this Agreement and the Settlement Agreement shall not be considered to be a Material Adverse Change.

“Material Agreement” means (a) each Material Collateral Agreement and (b) any other agreement, document or instrument or amendment or change order in respect of any agreement, document or instrument to which any Loan Party is a party or by which any Loan Party or the assets or property of any Loan Party is bound or affected if either (i) the breach or violation of such agreement, document or instrument is reasonably likely to cause a Material Adverse Change or otherwise to materially adversely affect the business or operations of any Loan Party or the development, operation, marketing, and sale of the Real Estate Inventory or (ii) such agreement, document, instrument, amendment or change order has a contract sum or payment obligation by any Loan Party of \$250,000 or more or would cause an increase in an existing contract sum or payment obligation of \$250,000 or more. Notwithstanding the foregoing, each Receivable Agreement shall be considered as a Material Agreement.

“Maximum Outstanding” means 70% of the sum of (a) the Appraised Value of the Real Property Collateral, as determined by Administrative Agent pursuant to the Initial Appraisals or the Extension Appraisals; provided that with respect to any Real

Property Collateral added after the Closing Date pursuant to Section 3.1(b), the Appraised Value of such Real Property Collateral will not be included in this clause (a) until all of the conditions precedent in Section 3.1(b) have been satisfied, as determined by Administrative Agent, and the Deed of Trust that encumbers such Real Property Collateral has been duly recorded with all applicable Governmental Authorities, plus (b) the book value of the Bonds pledged pursuant to the Bond Pledge Agreement determined in accordance with GAAP.

“Nevada Deed of Trust” means, collectively, (a) the St. Rose Deed of Trust, (b) the Water Rights Deed of Trust, and (c) each Deed of Trust and Fixture Filing (With Assignment of Rents and Security Agreement), from time to time securing the Note and the other Obligations, executed by one or more Borrowers, as trustor, for the benefit of Administrative Agent, as beneficiary, creating a first lien on Real Property Collateral and all buildings, fixtures and improvements now or hereafter owned or acquired by the trustor and situated thereon, and all rights and easements appurtenant thereto, as amended, modified, extended, renewed, or supplemented from time to time.

“Other Amounts” means as defined in Section 2.1.2(k).

“Payment” means, with respect to each Borrower any payment or other transfer of cash or other property, whether direct or indirect, to or for the benefit of another Person (whether or not such other Person is an Affiliate of such Borrower) whether as a gift or contribution or for consideration, other than (a) payments of Permitted Indebtedness (provided that in the case of the DIP Loan, such payments shall be subject to the DIP Loan Subordination Agreement), (b) payment of Distributions permitted pursuant to Section 8.6, (c) payments to fund Investments and acquisitions permitted pursuant to Section 8.7, (d) transfers in connections with sales of assets permitted pursuant to Section 8.5, sales of accounts permitted pursuant to Section 8.9, and transactions permitted pursuant to Sections 8.9, 8.10 and 8.11, and (e) payment of reasonable and customary operating and overhead expenses and, in the case of the Principals, living expenses.

“Permitted Indebtedness” means:

(a) Obligations. The Term Loan outstanding pursuant to this Agreement.

(b) Existing Combined Indebtedness. The Combined Indebtedness existing as of the Closing Date and listed on Exhibit 5.1.14B.

(c) DIP Loan. Prior to (but not after) the Chapter 11 Plan Effective Date, the DIP Loan, provided that the DIP Loan shall at all times be subject to the DIP Loan Subordination Agreement and AWDI shall be the sole obligor.

(d) Additional Indebtedness. Additional Indebtedness of members of the American West Group provided that (i) both before and after giving effect to such Indebtedness no Event of Default or Unmatured Event of Default (including, without limitation, any violation of Section 7.1) shall have occurred and be continuing, (ii) such Indebtedness shall not be secured, directly or indirectly, by any of the Real Property Collateral or by any Lien on any residential Lots or Units (whether under construction or complete) of any member of the American West Group, and (iii) prior to or concurrently with the incurrence of such Indebtedness, Borrowers shall have made the principal payment required pursuant to Section 2.1.5(f).

(e) Intercompany Indebtedness. Indebtedness of a Borrower to another Borrower.

(f) Nonrecourse. The Permitted Secured Nonrecourse Debt existing as of the Closing Date and listed on Exhibit 5.1.14A.

(g) Accounts Payable. Trade and other customary accounts payable incurred and paid in the ordinary course of business.

(h) Officer/Employee Debt. Indebtedness consisting of subordinated loans made to Borrowers from officers and employees of Borrowers not to exceed the aggregate amount at any time outstanding of \$7,500,000; provided that such loans shall be unsecured and subordinate in right of payment to the Obligations and subject to a subordination agreement in form and content satisfactory to Administrative Agent and Required Lenders, which subordination agreement shall provide (among such other things as Administrative Agent and the Required Lenders may require) that no payments on such Indebtedness shall be made during the continuation of an Event of Default or Unmatured Event of Default.

(i) Payment and Performance Bonds and Letters of Credit. Indebtedness arising from (i) payment and performance

bonds given in the ordinary course of business to assure completion by a Borrower of Subdivision offsite improvements so long as such bonds have not been drawn upon and (ii) Performance Letters of Credit so long as such letters of credit are fully secured by cash.

(j) Other Canarelli Debt. Unsecured Indebtedness of Canarelli incurred for personal, family or household purposes, up to a maximum amount at any time outstanding of \$5,000,000.

(k) FIN 46. Indebtedness that pursuant to GAAP is included as such solely as a result of the application of FIN 46 so long as (i) such excluded indebtedness does not represent the obligations of Borrowers under purchase agreements or other contractual or legal obligations of Borrowers (as opposed to such obligations of Persons other than Borrowers and as opposed to option agreements that do not create a binding obligation to purchase property) and (ii) so long as any related assets (for example, land with respect to which a Borrower holds an option but which has not yet been transferred to the Borrower) are also excluded from the computation of Combined Tangible Net Worth, provided such Indebtedness described in this clause (j) shall only be excluded from the computation of Combined Total Liabilities to the extent that such Indebtedness does not, in the aggregate, exceed the lesser of (A) 15% of the Combined Tangible Net Worth of Borrowers or (B) \$50,000,000.

(l) Guarantees. Guarantees to the extent that the aggregate principal amount of debt guaranteed pursuant to all such Guarantees does not exceed \$1,000,000 at any time (for avoidance of doubt, the amount of Guarantees in excess of \$1,000,000 will not be Permitted Indebtedness).

“Principals” means, collectively, Canarelli, the Children’s Trusts and the Grandchildren’s Trusts.

“Real Property Collateral” means, collectively, the Water Rights and that portion of the Real Estate Inventory listed on Exhibit 1.1L and the Colorado Real Property Collateral, which is encumbered by the Deed of Trust together with all other Real Estate Inventory that may from time to time be encumbered by the Deed of Trust pursuant to the terms of this Agreement or the other Loan Documents. Real Property Collateral shall not include property released from the Deed of Trust pursuant to Section 3.3, unless such property has been re-encumbered by a Deed of Trust pursuant to Section 3.1(b).

“Regulatory Change” means any change effective after the date of this Agreement in United States federal, state, or local laws, regulations or rules or the adoption or making after such date of any interpretation, directive, or request applying to a class of banks, including any Lender, of or under any United States federal, state, or local law, regulation, or rule (whether or not having a force of law) by any court or governmental or monetary authority charged with the interpretation or administration thereof. For the avoidance of doubt, a “Regulatory Change” shall include and apply to all requests, rules, guidelines or directives concerning capital adequacy issued in connection with the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines, or directives concerning capital adequacy promulgated by the Bank for International Settlements, the Basel Committee on Banking Regulations and Supervisory Practices (or any successor or similar authority) or the United States Financial Regulatory Authorities, regardless of the date adopted, issued, promulgated or implemented.

“Unrestricted Cash” means, as of any date of determination, for the Borrowers the sum of cash and Cash Equivalents that are not subject to any Liens. “Unrestricted Cash” shall not include cash or Cash Equivalents held by or for the benefit of AWDI or in which AWDI has an interest.

(c) The following definitions are hereby added to Section 1.1 of the Credit Agreement to read in full as follows:

“Bankruptcy Code” means Title 11 of the United States Code, as amended, reformed or otherwise modified from time to time.

“Bankruptcy Court” means the United States Bankruptcy Court for the District of Nevada, or such other court conferred with jurisdiction over the Chapter 11 Case.

“Cash Collateral Stipulation” means that certain “Stipulated Agreement Between Debtor and its Pre-Petition Secured Lenders Regarding (I) Use of Cash Collateral and (II) Adequate Protection”, between American West Development, Inc., debtor and debtor in possession and the Lenders (identified therein as the “Pre-Petition Lenders”), which stipulated agreement is to be substantially in the form of Exhibit 1.10.

“Chapter 11 Case” means the reorganization case under Chapter 11 of the Bankruptcy Code that AWDI intends to commence subsequent to the Corporate Reorganization by the filing of a voluntary petition in the Bankruptcy Court.

“Chapter 11 Plan” means the Debtor’s Chapter 11 Plan of Reorganization in substantially the form attached to the Settlement Agreement as Appendix 1.

“Chapter 11 Plan Effective Date” means the date, on or after the confirmation of the Chapter 11 Plan by the Bankruptcy Court, that the Chapter 11 Plan becomes effective according to its terms and the Bankruptcy Court’s order confirming the Chapter 11 Plan becomes final.

“Corporate Reorganization” means (a) the merger of certain entities with and into AWDI as reflected on Exhibit 1.1R and (b) the Recapitalization.

“Credit Bid” means to submit a bid at a public or private sale in connection with the purchase of all or any portion of the Collateral (whether inside or outside of a bankruptcy case), in which any of the Obligations owing to the Lenders under this Agreement are used and applied as a credit on account of the purchase price.

“DIP Loan” means a revolving loan in a maximum principal amount of \$10,000,000 at any time outstanding, pursuant to the DIP Loan Agreement.

“DIP Loan Agreement” means the Debtor-in-Possession Revolving Credit Agreement between AWDI as borrower and AWHV as lender (or Lawrence D. Canarelli as successor lender), substantially in the form attached hereto as Exhibit 1.1U.

“DIP Loan Subordination Agreement” means the Subordination Agreement, dated February __, 2012, among Administrative Agent on behalf of the Lenders, AWDI and AWHV (and its permitted assigns), pursuant to which the DIP Loan and certain Liens securing the DIP Loan are subordinated to the Obligations and the Collateral as more particularly described therein, as such agreement may be amended, modified, restated and renewed from time to time. The form of the DIP Loan Subordination Agreement is attached hereto as Exhibit 1.1P.

“Grandchildren’s Trusts” means the irrevocable trusts established pursuant to the Grandchildren’s Trust Agreements.

“Grandchildren’s Trust Agreements” means (a) the Heidi Canarelli 2011 Irrevocable Trust dated December 23, 2011 by and among Heidi Canarelli, as grantor, Heidi Canarelli and Lawrence Canarelli, as family trustees, and Robert M. Evans, as independent trustee and (b) the Lawrence Canarelli 2011 Irrevocable Trust dated December 23, 2011 by and among Lawrence Canarelli, as

grantor, Lawrence Canarelli and Heidi Canarelli, as family trustees, and Robert M. Evans, as independent trustee.

“Grandchildren’s Trusts Financial Statements” means a separate balance sheet for each of the Grandchildren’s Trusts for the fiscal year ended December 31, 2011, and each fiscal year-end during the term of this Agreement, reflecting the assets, liabilities and net worth of each of the Grandchildren’s Trusts, including notes thereon.

“IMI” means Investment Manager, Inc., a Nevada corporation.

“Loan Payment” means payments of principal, interest and other amounts made to Administrative Agent, Lenders or any of them or otherwise received by Administrative Agent, Lenders or any of them from realization on Collateral or otherwise. Loan Payments shall include, without limitation, “adequate protection payments” made pursuant to or required by the Cash Collateral Stipulation or other order of the Bankruptcy Court in the Chapter 11 Case. From and after the Chapter 11 Plan Effective Date and the execution, delivery and effectiveness of the New Secured Note Documents, Loan Payments shall also include payments of principal, interest and other amounts in respect of the New Secured Note Documents made to Administrative Agent, Lenders or any of them or otherwise received by Administrative Agent, Lenders or any of them from realization on collateral for the New Secured Note Documents or otherwise. None of Administrative Agent nor any Lender shall have any obligation to determine whether Loan Payments have been made by Borrowers or by AWDI pursuant to the New Secured Note Documents or to otherwise account for or segregate such payments.

“New Secured Loan Party” means, collectively, AWDI and each other Person that is now or hereafter obligated with respect to any of the obligations pursuant to the New Secured Note Documents or that grants a lien on any collateral to secure the obligations pursuant to the New Secured Note Documents.

“New Secured Note Documents” mean the secured promissory notes, the New Secured Note Loan Agreement, security agreements, and other documents and instruments in connection therewith executed and delivered by AWDI pursuant to the Settlement Agreement upon the Chapter 11 Plan Effective Date. The forms of the New Secured Note Documents are attached hereto as Exhibit 1.1S.

“New Secured Note Loan Agreement” means the loan agreement among Administrative Agent, Lenders and AWDI, as borrower, substantially in the form included in Exhibit 1.1S, as such agreement may be amended, modified, restated, extended and renewed from time to time.

“New Security Agreement” means the Amended and Restated Continuing Security Agreement by AWDI in favor of Administrative Agent for the benefit of Lenders, which is included in the New Secured Note Documents, in substantially the form attached hereto as Exhibit 1.1S.

“Recapitalization” means the recapitalization of AWDI in connection with the Corporate Reorganization as more particularly described and depicted on Exhibit 1.1Q.

“Receivable” means the portion of the Personal Property Collateral consisting of the right of AWDI to receive deferred payments due from certain Affiliates of AWDI representing amounts due for lot development, unit construction and other related services for which AWDI has acted, or will in the future act, as general contractor pursuant to agreements memorialized pursuant to the Receivable Agreements.

“Receivable Agreements” means the agreements pursuant to which the Receivable is or will be payable, which agreements are in the form attached as Exhibit 1.1T, together with all modifications, amendments, renewals and restatements thereof.

“Receivable-Related Collateral” means (a) any and all furniture, fixtures and equipment owned and used by AWDI in the ordinary course of its business, (b) the rights of AWDI to use plans and specifications in connection with the construction of improvements pursuant to any Receivable Agreement, and (c) the other “Collateral” as defined in the New Security Agreement.

“Settlement Agreement” means that certain Restructuring, Lock-Up and Settlement Letter Agreement dated February __, 2012, among Administrative Agent, Lenders, and AWDI and the other debtor parties, if any, as are identified on Schedule 1 thereto, as such agreement may be amended, modified, restated, and replaced from time to time.

(d) The definition of “Management Subsidiary” contained in Section 1.1 of the Credit Agreement is hereby deleted in its entirety.

(e) Section 2.1.2(d) of the Credit Agreement is hereby amended in its entirety to read as follows:

(d) Regulatory Changes. If, due to any Regulatory Change, there shall be any increase in the cost to any Lender of agreeing to make or making, funding, or maintaining Fixed Rate Borrowings (including, without limitation, any increase in any applicable reserve requirement), then Borrowers shall from time to time, thirty (30) days after written demand by the affected Lender or Administrative Agent on behalf of the affected Lender, pay to Administrative Agent on behalf of the affected Lender such amounts as such Lender may reasonably determine to be necessary to compensate such Lender for any additional costs that such Lender reasonably determines are attributable to such Regulatory Change, and Administrative Agent on behalf of the affected Lender will notify the Borrowers of any Regulatory Change that will entitle such Lender to compensation pursuant to this Section as promptly as practicable, but in any event within sixty (60) days after such Lender obtains knowledge thereof; provided, however, that if a Lender or Administrative Agent fails to give such notice within sixty (60) days after such Lender obtains knowledge of such a Regulatory Change, such Lender shall, with respect to compensation payable in respect of any costs resulting from such Regulatory Change, only be entitled to payment for costs incurred from and after the date that such Lender, or Administrative Agent on behalf of such Lender, does give such notice. Administrative Agent on behalf of Lenders will furnish to Borrowers a certificate setting forth in reasonable detail the basis for the amount of each request by such Lender for compensation under this Section; provided that Administrative Agent shall not be obligated to verify any such amounts. Determinations by Lenders of the amounts required to compensate Lenders shall be conclusive, absent manifest error. Each Lender agrees to use reasonable efforts to minimize the amount of such compensation requested.

(f) Section 2.1.2(e) of the Credit Agreement is hereby amended in its entirety to read as follows:

(e) Changes in Capital Adequacy Regulations. If a Lender determines the amount of capital required or expected to be maintained by such Lender, any Lending Institution of such Lender, or any Person controlling such Lender is increased as a result of a Change, then, within fifteen (15) days of demand by such Lender, the Borrowers shall pay such Lender the amount necessary to compensate for any shortfall in the rate of return on the portion of such increased capital resulting from such Change which such Lender determines is attributable to this Agreement, its

Outstanding Credit Exposure or its Commitment to make the Term Loan (after taking into account such Lender's policies as to capital adequacy). "Change" means (i) any change after the date of this Agreement in the Risk-Based Capital Guidelines (defined below) or (ii) any adoption of or change in any other law, governmental or quasi-governmental rule, regulation, policy, guideline, interpretation, or directive (whether or not having the force of law) after the date of this Agreement which affects the amount of capital required or expected to be maintained by any Lender or any Lending Institution or any corporation controlling any Lender. "Risk-Based Capital Guidelines" means (A) the risk-based capital guidelines in effect in the United States on the date of this Agreement, including transition rules, and (B) the corresponding capital regulations promulgated by regulatory authorities outside the United States implementing the July 1988 report of the Basel Committee on Banking Regulation and Supervisory Practices Entitled "International Convergence of Capital Measurements and Capital Standards," including transition rules, and any amendments to such regulations adopted prior to the date of this Agreement.

(g) Section 2.1.2(f) of the Credit Agreement is hereby amended in its entirety to read as follows:

(f) Taxes. Any and all payments made by Borrowers under this Agreement or any of the other Loan Documents shall be made free and clear of, and without deduction for, any and all present and future taxes, levies, imposts, deductions, charges or withholdings, and all liabilities with respect thereto (hereinafter referred to collectively as "Taxes"), excluding taxes imposed upon the Lenders' income, payroll, gross receipts, and franchise taxes (including Nevada state taxes imposed on branch locations of financial institutions) imposed by the jurisdiction under the laws of which each Lender is organized or is or should be qualified to do business or any political subdivision thereof or by the jurisdiction of such Lender's lending office or any political subdivision thereof. If Borrowers shall be required by law to deduct any Taxes from or in respect of any sum payable under this Agreement and the other Loan Documents to a Lender (i) the sum payable shall be increased as may be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 2.1.2(f)) such Lender receives an amount equal to the sum it would have received had no such deductions been made, (ii) Borrowers shall make such deductions, and (iii) Borrowers shall pay the full amount deducted to the relevant taxing authority or other authority in accordance with applicable law.

(h) Section 2.1.2(g) of the Credit Agreement is hereby amended in its entirety to read as follows:

(g) Other Taxes. Borrowers shall pay any present or future stamp or documentary taxes or other excise or property taxes, charges or similar levies which arise from any payment made under this Agreement or under the other Loan Documents or from the execution, delivery or registration of, or otherwise with respect to, this Agreement or the other Loan Documents (collectively, the "Other Taxes"), excluding taxes imposed upon the Lenders' income and franchise taxes imposed by the jurisdiction under the laws of which each Lender is organized or is or should be qualified to do business or any political subdivision thereof or by the jurisdiction of such Lender's main lending office or any political subdivision thereof.

(i) Section 2.1.2(i) of the Credit Agreement is hereby amended in its entirety to read as follows:

(i) Illegality. Notwithstanding any other provision of the Loan Documents, if any Lender or Administrative Agent on behalf of any Lender shall notify Borrowers that as a result of a Regulatory Change it is unlawful for such Lender to fund or maintain Fixed Rate Borrowings (i) the obligations to convert Borrowings to the Fixed Rate shall be suspended until the circumstances causing such suspension no longer exist, and (ii) in the event such Regulatory Change makes the maintenance of Borrowings at the Fixed Rate unlawful, Borrowers shall forthwith prepay in full all Fixed Rate Borrowings then outstanding, together with interest accrued thereon and all amounts in connection with such prepayment specified in Section 2.1.2(n) unless Borrowers, within five (5) Business Days of notice from Administrative Agent, converts all Fixed Rate Borrowings then outstanding into Floating Rate Borrowings pursuant to the conversion procedures in Section 2.1.2(b) and pays all amounts in connection with such prepayments or conversions specified in Section 2.1.2(n).

(j) Section 2.1.2(j) of the Credit Agreement is hereby amended in its entirety to read as follows:

(j) Unavailability of Fixed Rate. Notwithstanding any other provision of the Loan Documents, if (i) Administrative Agent shall determine (A) that United States dollar deposits in the amount of any Fixed Rate Borrowing to be outstanding during such Interest Period are not readily available to Lenders in the London interbank market, or (B) by reason of circumstances affecting the London interbank market, adequate and reasonable means do not

exist for ascertaining the Fixed Rate, or (ii) Administrative Agent is advised by the Required Lenders that the Fixed Rate will not adequately and fairly reflect the cost of such Lenders of making or maintaining Fixed Rate Borrowings, then Administrative Agent on behalf of Lenders shall promptly give notice thereof to Borrowers and the obligation of Lenders to create, continue, or effect by conversion any Fixed Rate Borrowing in such amount and for such Interest Period or to otherwise offer the Fixed Rate shall terminate until (as applicable) United States dollar deposits in such amount and for the Interest Period shall again be readily available in the London interbank market and adequate, reasonable means exist for ascertaining the Fixed Rate and the Fixed Rate adequately and fairly reflects the cost of making or maintaining Fixed Rate Borrowings.

(k) Section 2.1.2(k) of the Credit Agreement is hereby amended in its entirety to read as follows:

(k) Default Rate. From and after the occurrence of an Event of Default, principal, interest, and all other amounts payable by Borrower to Administrative Agent and Lenders or any of them under the Loan Documents (collectively, "Other Amounts") shall bear interest at a rate ("Default Rate") equal to the sum of (i) 2% per annum and (ii) the Floating Rate. The Default Rate will change on each day that the "prime rate" changes.

(l) Section 2.1.2(m) of the Credit Agreement is hereby amended in its entirety to read as follows:

(m) Application of Loan Payments. Unless otherwise specifically provided in this Agreement or the other Loan Documents or pursuant to applicable law, Loan Payments (except for payments of any fees and other amounts payable to Administrative Agent under any separate agreement) shall be applied in the following order to the extent such Obligations are then due and payable hereunder:

(i) First, to the costs, expenses and agent administrative fees, if any, then due to (a) Administrative Agent pursuant to this Agreement and the New Secured Note Documents, any fee letter and the other Loan Documents and (b) upon payment of such costs and expenses due to Administrative Agent, to costs and expenses due to the Lenders, or any of them pursuant to this Agreement, the other Loan Documents and the New Secured Note Documents;

(ii) Second, to any fees then due and payable to the Lenders hereunder or under any other Loan Document pro rata among Lenders in accordance with their Pro Rata Interests;

(iii) Third, to any due and unpaid interest which may have accrued on the Term Loan pro rata among Lenders in accordance with their Pro Rata Interest;

(iv) Fourth, to any unpaid principal amount of the Term Loan pro rata among Lenders in accordance with their Pro Rata Interests;

(v) Fifth, to the satisfaction of all Rate Management Obligations; and

(vi) Sixth, upon satisfaction in full of all Obligations and Rate Management Obligations, to Borrowers or as otherwise required by law.

If any Lender shall obtain any Loan Payment (whether involuntarily or otherwise, including payments by the exercise of rights of set-off or bankers' Liens) on account of the Term Loan in excess of its Pro Rata Interest in the Term Loan then outstanding and such Lender's share of any expenses, fees, and other items due and payable to it hereunder, such Lender shall forthwith be deemed to have purchased a participation in the Term Loan from the other Lenders and it shall be necessary to cause such purchasing Lender to share the excess Loan Payment ratably based on its Pro Rata Interest with each other Lender; provided, however, that if all or any portion of such excess Loan Payment is thereafter recovered from such purchasing Lender such purchase from each Lender shall be deemed to be rescinded and such Lender shall repay to the purchasing Lender the purchase price to the extent of such recovery. Borrowers agree that any Lender so purchasing a participation from another Lender pursuant to this Section may, to the fullest extent permitted by law, exercise all its rights of payment with respect to such participation as fully as if such Lender were the direct creditor in the amount of such participation so long as Borrowers' aggregate Obligations under this Agreement are not increased as a result of such exercise.

(m) Section 2.1.2(n) of the Credit Agreement is hereby amended in its entirety to read as follows:

(n) Prepayment; Breakage. In addition to the mandatory prepayments required pursuant to this Agreement or the

other Loan Documents, Borrowers may, upon at least three (3) Business Days' prior notice in the case of Fixed Rate Borrowings and one (1) Business Day's prior notice in the case of Floating Rate Borrowings to Administrative Agent stating the proposed date and aggregate principal amount of the prepayment, and if such notice is given, Borrowers shall prepay the outstanding principal balance of the Loan in whole or in part at any time prior to the Maturity Date without penalty or premium (except as hereinafter provided) as stated in such notice by Borrowers; provided that such principal prepayment also includes accrued interest to the date of such prepayment on the principal amount prepaid. Notwithstanding the foregoing, if any Loan Payment (whether mandatory or optional) of all or any portion of a Fixed Rate Borrowing shall be made other than on the last day of the Interest Period for such Fixed Rate Borrowing (such last day, the "Termination Date"), or if Borrowers shall convert a Fixed Rate Borrowing to a Floating Rate Borrowing other than on the Termination Date for any reason (including, without limitation, by reason of any optional or mandatory prepayment under the Loan Documents and any acceleration of the Maturity Date) then, anything in this Agreement or the other Loan Documents to the contrary notwithstanding, Borrowers shall (i) pay to Administrative Agent an administrative fee of \$500 (which shall be retained by Administrative Agent) and (ii) on demand by Administrative Agent, reimburse Lenders and hold the Lenders harmless from all losses and expenses incurred by Lenders as the result of such prepayment, including, without limitation, any losses and expenses arising from the liquidation or reemployment of deposits acquired to fund or maintain the principal amount prepaid. Such reimbursement shall be calculated based on a determination made by each Lender as provided in Section 2.1.2(c). Each Lender's determination of the amount of such reimbursement shall be conclusive in the absence of manifest error.

(n) Section 2.1.2(p) of the Credit Agreement is hereby amended in its entirety to read as follows:

(p) Late Charge. If any Loan Payment of principal and/or interest (excluding the payment of principal upon maturity or acceleration) is not received by Administrative Agent within fifteen (15) days after its due date, then, in addition to the other rights and remedies of Administrative Agent, a late charge of 5% of the amount due (to be computed at the non-default interest rate in the case of interest payments solely for the purpose of determining the amount of the late charge) and unpaid will be charged to Borrowers without notice to Borrowers. Such late charge shall be immediately due and payable.

(o) Section 2.1.2(r) of the Credit Agreement is hereby amended in its entirety to read as follows:

(r) Interest and Fee Basis. Interest and all fees shall be calculated for the actual number of days elapsed and based on a 360-day year.

(p) Section 2.1.5(c) of the Credit Agreement is hereby amended in its entirety to read as follows:

(c) Mandatory Prepayments - Cash Position/Settlement Agreement.

(i) If as of the last day of any fiscal quarter of Borrowers commencing with the fiscal quarter ending on or about March 31, 2010, the sum of cash, Cash Equivalents and Marketable Securities of the Principals and the American West Group (including AWDI) exceeds \$40,000,000, then a principal prepayment on the Term Loan in the amount of 50% of such excess shall be due and payable to Administrative Agent for the benefit of Lenders; provided, however, that if the Maturity Date is extended to the First Extended Maturity Date, then with respect to any fiscal quarter of Borrowers ending after October 6, 2011, the amount of each such principal prepayment shall be equal to 100% of such excess. Within thirty (30) days after the end of each fiscal quarter, Borrowers shall provide to Administrative Agent a certificate and report in form reasonably satisfactory to Administrative Agent setting forth the amount of such cash, Cash Equivalents and Marketable Securities as of the last day of such fiscal quarter and to the extent such report reflects a payment shall be due, such payment shall be due forty-five (45) days after the end of such fiscal quarter. If Borrowers fail to provide any such report, then, in addition to all other rights and remedies, Administrative Agent may determine the amount of such cash, Cash Equivalents and Marketable Securities and the amount of any payment due, which determination shall be final and conclusive. For purposes of this Section 2.1.5(c) cash, Cash Equivalents and Marketable Securities shall not include the securities listed on Exhibit 2.1.5(c) (the "Excluded Securities") or the Identifiable Proceeds of the Excluded Securities. Within ten (10) Business Days after any sale, transfer or exchange of Excluded Securities or change in the deposit, brokerage or investment accounts in which Excluded Securities or Identifiable Proceeds of the Excluded Securities are held,

Borrowers shall so notify Administrative Agent and provide such information as Administrative Agent may request, including the nature of the sale, transfer or exchange and the designation of the new deposit, brokerage or investment accounts in which Excluded Securities or Identifiable Proceeds are held.

(ii) On or before February 23, 2012 Borrowers shall pay to Administrative Agent for the benefit of Lenders a prepayment of principal of \$20,000,000 (the "Settlement Prepayment"). The Settlement Prepayment shall be inclusive of any payments made on or after October 6, 2011 with respect to any Remargin Payment in connection with the extension of the Maturity Date pursuant to Section 2.1.5(i) and to the extent such required Remargin Payment has not been paid in full, the Settlement Prepayment shall be applied first to such Remargin Payment then due and then to the principal payments of the Term Loan due pursuant to Section 2.1.5(b) in the order of maturity thereof. Other than application to such Remargin Payment and such principal payments due pursuant to Section 2.1.5(b), the Settlement Prepayment shall not otherwise reduce any payments due pursuant to this Agreement, including, without limitation, the payments due pursuant to Sections 2.1.5(c), (d), and (f).

(q) Section 2.1.5(e) of the Credit Agreement is hereby amended in its entirety to read as follows:

(e) Remargin Payments. In connection with each extension of the Maturity Date pursuant to Section 2.1.5(i) or 2.1.5(j) additional principal payments of the Term Loan shall be due and payable as follows:

(i) If Administrative Agent determines that the Aggregate Outstanding Credit Exposure as of the Maturity Date as in effect prior to such extension is greater than the Maximum Outstanding, then on or before the end of the Remargin Period, Borrowers shall make a principal payment of the Term Loan in an amount necessary to reduce the Aggregate Outstanding Credit Exposure to an amount equal to or less than the Maximum Outstanding.

(ii) In addition to and not in limitation of the Remargin Payment required pursuant to Section 2.1.5(e)(i), if Administrative Agent determines that the Aggregate Outstanding Credit Exposure as of the Maturity Date as in

effect prior to such extension is greater than 95% of the sum of (A) the Appraised Value of the Real Property Collateral, as determined by Administrative Agent pursuant to the Extension Appraisals (provided that with respect to any Real Property Collateral added after the Closing Date pursuant to Section 3.1(b), the Appraised Value of such Real Property Collateral will not be included in this clause (A) until all of the conditions precedent in Section 3.1(b) have been satisfied, as determined by Administrative Agent, and the Deed of Trust that encumbers such Real Property Collateral has been duly recorded with all applicable Governmental Authorities) plus (B) the book value (determined in accordance with GAAP) of the Bonds pledged pursuant to the Bond Pledge Agreement, then, without limiting the obligation of Borrowers to make any payment pursuant to Section 2.1.5(e)(i), or other payments pursuant to this Agreement, on or before the end of the Interim Remargin Period, Borrowers shall make a principal payment of the Term Loan in an amount necessary to reduce the Aggregate Outstanding Credit Exposure to equal or less than 95% of the sum of (A) the Appraised Value of the Real Property Collateral, as determined by Administrative Agent pursuant to the Extension Appraisals (provided that with respect to any Real Property Collateral added after the Closing Date pursuant to Section 3.1(b), the Appraised Value of such Real Property Collateral will not be included in this clause (A) until all of the conditions precedent in Section 3.1(b) have been satisfied, as determined by Administrative Agent, and the Deed of Trust that encumbers such Real Property Collateral has been duly recorded with all applicable Governmental Authorities) plus (B) the book value (determined in accordance with GAAP) of the Bonds pledged pursuant to the Bond Pledge Agreement.

(r) Section 2.1.5(f) of the Credit Agreement is hereby amended in its entirety to read as follows:

(f) Mandatory Prepayment - Other Indebtedness. Upon the incurrence of any Indebtedness after the Effective Date (excluding the incurrence of the DIP Loan by AWDI and the incurrence by AWDI of Indebtedness permitted to be incurred by AWDI pursuant to Section 8.4), Borrowers shall pay to Administrative Agent a principal prepayment of the Term Loan equal to 50% of the principal amount of such Indebtedness.

(s) Section 2.1.5(h) of the Credit Agreement is hereby amended in its entirety to read as follows:

(h) Payment on Maturity. On the Maturity Date, Borrowers shall pay to Administrative Agent on behalf of Lenders the unpaid principal, all accrued and unpaid interest, and all Other Amounts.

(t) Section 3.1 of the Credit Agreement is hereby amended in its entirety to read as follows:

3.1 Security.

(a) Payment of the Note, all indebtedness and liabilities of Borrowers to Administrative Agent and the Lenders, and performance of all Obligations, due or to become due, under this Agreement and the other Loan Documents, shall be secured by (a) the Deed of Trust; (b) the Pledge and Security Agreement; (c) each Security Agreement; (d) the Bond Pledge Agreement and (e) such other assignments and security interests as may be required or granted pursuant to the terms of the Loan Documents.

(b) From time to time, Borrowers may include additional parcels of real property ("Additional Collateral") in the Real Property Collateral, in each case subject to the satisfaction of each of the following conditions precedent:

(i) Unless otherwise agreed by Administrative Agent (in its reasonable discretion) and Required Lenders, the Additional Collateral shall consist of Entitled Land held for residential development and located in the Las Vegas, Nevada metropolitan area or in the case of Additional Collateral provided by the Affiliated Obligors in the Denver or Colorado Springs, Colorado metropolitan areas;

(ii) At the time of addition of any Additional Collateral, unless otherwise agreed by Administrative Agent and Required Lenders, no Event of Default or Unmatured Event of Default shall have occurred and be continuing;

(iii) Both before and after giving effect to the addition of each parcel of Additional Collateral all of the representations and warranties of Borrowers, the Affiliated Obligors and all other Loan Parties in this Agreement and the other Loan Documents shall be true and correct in all material respects;

(iv) Each parcel of Additional Collateral shall be owned in fee by either an American West Group Borrower (other than AWDI) or an Affiliated Obligor and shall be free and clear of all Liens other than Permitted Collateral Exceptions;

(v) Administrative Agent shall have received and approved an Acceptable Appraisal of each parcel of Additional Collateral and established an Appraised Value for each such parcel and Borrowers shall have paid to Administrative Agent all costs and expenses (including appraisal costs and review costs) incurred in connection with each such appraisal;

(vi) Unless otherwise agreed by Administrative Agent, Borrowers shall have satisfied the conditions precedent set forth in Sections 4.1.3(e), (g), (h), (i), (j), (k), (l), (m), (n), and (o), in each case as determined by Administrative Agent;

(vii) Borrowers shall have provided to Administrative Agent and Administrative Agent shall have approved the Title Insurance Policy and all other policies of insurance required pursuant to this Agreement and the other Loan Documents with respect to each parcel of Additional Collateral;

(viii) Borrowers shall have executed and delivered such other documents and instruments (including, for example, environmental indemnity agreements, certificates, security agreements, collateral assignments, opinions of counsel, and amendments to existing documents) with respect to each parcel of Additional Collateral and related Personal Property Collateral as Administrative Agent may require; and

(ix) Borrower shall have paid (A) all of Administrative Agent's out of pocket costs and expenses in connection with the addition of such Real Property Collateral, including attorney's fees and all other amounts required to be paid pursuant to Section 15 and (B) all title insurance premiums, escrow fees, environmental engineer fees, and other fees, costs and expenses.

(c) Borrowers acknowledge and agree that Administrative Agent and Lenders are not responsible for any delays that may occur with respect to the inclusion of Additional

Collateral as Real Property Collateral including delays in ordering, obtaining, reviewing and approving appraisals, title reports, environmental reports, surveys and other information, delays that may result from requests for additional information or additional reports or evaluations and other events and circumstances.

(u) Section 3.3(b)(i) of the Credit Agreement is hereby amended in its entirety to read as follows:

(i) Purpose of Release. Such release shall be in connection with either (A) the sale of the Real Property Collateral to a Person other than an Affiliate of any Loan Party or (B) the transfer of such Real Property Collateral from a Borrower to another Person who is a member of the American West Group (other than AWDI) in connection with the development of such Real Property Collateral in the ordinary course of business of the American West Group (other than a transfer permitted pursuant to the applicable Deed of Trust to another Borrower) or (C) a release required pursuant to Section 6.3.9 in order to commence construction of a Unit on a Finished Lot.

(v) Section 5.1.1 of the Credit Agreement is hereby amended in its entirety to read as follows:

5.1.1 Corporate, Limited Liability Company, or Partnership Existence and Authorization.

(a) AWDI. AWDI is a corporation validly existing and in good standing under the laws of Nevada and has the requisite power and authority to execute, deliver, and perform the Loan Documents. The execution, delivery, and performance by AWDI of the Loan Documents have been duly authorized by all requisite action by or on behalf of AWDI and will not conflict with, or result in a violation of or a default under, the formation documents of AWDI.

(b) AWHV. AWHV is a corporation validly existing and in good standing under the laws of Nevada and has the requisite power and authority to execute, deliver, and perform the Loan Documents. The execution, delivery, and performance by AWHV of the Loan Documents have been duly authorized by all requisite action by or on behalf of AWHV and will not conflict with, or result in a violation of or a default under, the formation documents of AWHV.

(c) CHI. CHI is a corporation validly existing and in good standing under the laws of Nevada and has the requisite

power and authority to execute, deliver, and perform the Loan Documents. The execution, delivery, and performance by CHI of the Loan Documents have been duly authorized by all requisite action by or on behalf of CHI and will not conflict with, or result in a violation of or a default under, the formation documents of CHI.

(d) CLI. CLI is a corporation validly existing and in good standing under the laws of Nevada and has the requisite power and authority to execute, deliver, and perform the Loan Documents. The execution, delivery, and performance by CLI of the Loan Documents have been duly authorized by all requisite action by or on behalf of CLI and will not conflict with, or result in a violation of or a default under, the formation documents of CLI.

(e) CLI2. CLI2 is a corporation validly existing and in good standing under the laws of Nevada and has the requisite power and authority to execute, deliver, and perform the Loan Documents. The execution, delivery, and performance by CLI2 of the Loan Documents have been duly authorized by all requisite action by or on behalf of CLI2 and will not conflict with, or result in a violation of or a default under, the formation documents of CLI2.

(f) SJSA. SJSA is a limited liability company validly existing and in good standing under the laws of Nevada and has the requisite power and authority to execute, deliver, and perform the Loan Documents. The execution, delivery, and performance by SJSA of the Loan Documents have been duly authorized by all requisite action by or on behalf of SJSA and will not conflict with, or result in a violation of or a default under, the limited liability company operating agreement and other formation documents of SJSA.

(g) LHV. LHV is a limited liability company validly existing and in good standing under the laws of Nevada and has the requisite power and authority to execute, deliver, and perform the Loan Documents. The execution, delivery, and performance by LHV of the Loan Documents have been duly authorized by all requisite action by or on behalf of LHV and will not conflict with, or result in a violation of or a default under, the limited liability company operating agreement and other formation documents of LHV.

(h) Canarelli Family Trust. The Canarelli Family Trust has been established pursuant to the Canarelli Family Trust Agreement. Lawrence D. Canarelli, as trustee pursuant to the

Canarelli Family Trust Agreement, has the requisite power and authority to execute, deliver and perform the Loan Documents as trustee of such trust. The execution, delivery and performance by Lawrence D. Canarelli, as trustee pursuant to the Canarelli Family Trust Agreement, has been duly authorized by all requisite action on behalf of the trustee and beneficiaries of the Canarelli Family Trust and do not conflict with or result in a violation of or default under the Canarelli Family Trust Agreement or any other documents or instruments with respect to the Canarelli Family Trust.

(i) Children's Trusts. The Children's Trusts have been established pursuant to the Children's Trust Agreements. Lawrence D. Canarelli and Heidi Canarelli, as Trustees of each of the Children's Trusts, have the requisite power and authority to execute, deliver and perform the Loan Documents as trustees of such trusts. The execution, delivery and performance by Lawrence D. Canarelli and Heidi Canarelli, as Trustees of the Children's Trusts, have been duly authorized by all requisite action on behalf of the trustees and beneficiaries of the Children's Trusts and do not conflict with or result in a violation of or a default under the Children's Trust Agreements or any other documents or instruments with respect to the Children's Trusts.

(j) Grandchildren's Trusts. The Grandchildren's Trusts have been established pursuant to the Grandchildren's Trust Agreements. Lawrence D. Canarelli and Heidi Canarelli, as Family Trustees of each of the Grandchildren's Trusts, have the requisite power and authority to execute, deliver and perform the Loan Documents as trustees of such trusts. The execution, delivery and performance by Lawrence D. Canarelli and Heidi Canarelli, as Family Trustees of the Grandchildren's Trusts, have been duly authorized by all requisite action on behalf of the trustees and beneficiaries of the Grandchildren's Trusts and do not conflict with or result in a violation of or a default under the Grandchildren's Trust Agreements or any other documents or instruments with respect to the Grandchildren's Trusts. The joinder or consent of the independent trustee of the Grandchildren's Trusts is not required for the execution, delivery and performance of the Loan Documents.

(k) Additional Borrowers. Each American West Group Borrower, each Additional Borrower and each other Loan Party is a corporation, limited liability company or partnership validly existing and in good standing under the laws of the state of its formation and has the requisite power and authority to execute, deliver and perform the Loan Documents. The execution, delivery

and performance of the Loan Documents have been duly authorized by all requisite action on behalf of each American West Group Borrower, each Additional Borrower and each other Loan Party and do not conflict with or result in a violation or default under the formation documents of any American West Group Borrower, any other Additional Borrower or any other Loan Party. All Equity Interests in each American West Group Borrower and each other Additional Borrower is owned solely by Canarelli and the Children's Trusts free and clear of all Liens. Each American West Group Borrower and each Additional Borrower is wholly owned by the Principals, either directly or through wholly-owned Subsidiaries.

(l) Foreign Status. Each Borrower, each Affiliated Obligor and each other Loan Party is qualified as a foreign partnership, corporation, or limited liability company (as appropriate) and is in good standing in each jurisdiction where the nature of such Person's business and operations requires such qualification.

(w) Section 5.1.3 of the Credit Agreement is hereby amended in its entirety to read as follows:

5.1.3 No Conflicts.

(a) Loan Parties. The execution, delivery, and performance by the Loan Parties of the Loan Documents will not conflict with, or result in a violation of or a default under: (i) any applicable law, ordinance, regulation, or rule (federal, state, or local); (ii) any judgment, order, or decree of any arbitrator, other private adjudicator, or Governmental Authority to which a Loan Party is a party or by which a Loan Party or any of the assets or property of a Loan Party is bound; (iii) any Approvals and Permits that are material to the business and operation of a Loan Party; or (iv) any Material Agreement.

(b) Canarelli Family Trust. The execution, delivery and performance of the Loan Documents by Lawrence D. Canarelli on behalf of the Canarelli Family Trust will not conflict with or result in a violation or default under: (i) any applicable law, ordinance, regulation, or rule (federal, state, or local); (ii) any judgment, order, or decree of any arbitrator, other private adjudicator, or Governmental Authority to which such Trust is a party or by which such Trust or any of the assets or property of such Trust is bound; (iii) any Approvals and Permits that are material to the business and operation of such Trust; or (iv) any Material Agreement.

(c) Children's Trusts. The execution, delivery, and performance of the Loan Documents by Lawrence D. Canarelli and Heidi Canarelli on behalf of the Children's Trusts will not conflict with, or result in a violation of or a default under: (i) any applicable law, ordinance, regulation, or rule (federal, state, or local); (ii) any judgment, order, or decree of any arbitrator, other private adjudicator, or Governmental Authority to which any Children's Trust is a party or by which any Children's Trust or any of the assets or property of any Children's Trust is bound; (iii) any Approvals and Permits that are material to the development, operation, marketing and sale of the Real Estate Inventory; or (iv) any Material Agreement.

(d) Grandchildren's Trusts. The execution, delivery, and performance of the Loan Documents by Lawrence D. Canarelli and Heidi Canarelli as Family Trustees on behalf of the Grandchildren's Trusts will not conflict with, or result in a violation of or a default under: (i) any applicable law, ordinance, regulation, or rule (federal, state, or local); (ii) any judgment, order, or decree of any arbitrator, other private adjudicator, or Governmental Authority to which any Grandchildren's Trust is a party or by which any Grandchildren's Trust or any of the assets or property of any Grandchildren's Trust is bound; (iii) any Approvals and Permits that are material to the development, operation, marketing and sale of the Real Estate Inventory; or (iv) any Material Agreement.

(e) DMI/IMI. The execution, delivery, and performance of the Loan Documents by (i) DMI on behalf of each of SJSA and LHV (to the extent such execution, delivery and performance occurs prior to the Corporate Reorganization) or (ii) IMI on behalf of each of SJSA and LHV (to the extent such execution, delivery and performance occurs from and after the Corporate Reorganization), will not conflict with, or result in a violation of or a default under: (A) any applicable law, ordinance, regulation, or rule (federal, state, or local); (B) any judgment, order, or decree of any arbitrator, other private adjudicator, or Governmental Authority to which SJSA or LHV is a party or by which SJSA or LHV or any of the assets or property of either of them is bound; (C) any Approvals and Permits that are material to the development, operation, marketing and sale of the Real Estate Inventory; or (D) any Material Agreement.

(x) Section 5.1.4 of the Credit Agreement is hereby amended in its entirety to read as follows:

5.1.4 Execution and Delivery and Binding Nature of Loan Documents. The Loan Documents have been duly executed and delivered by (a) each of AWHV, CHI, CLI and CLI2; (b) either (i) DMI on behalf of SJSA if executed and delivered prior to the Corporate Reorganization or (ii) Investment Manager, Inc. on behalf of SJSA if executed and delivered from and after the Corporate Reorganization; (c) either (i) DMI on behalf of LHV if executed and delivered prior to the Corporate Reorganization or (ii) Investment Manager, Inc. on behalf of LHV if executed and delivered from and after the Corporate Reorganization; (d) Lawrence D. Canarelli and Heidi Canarelli, individually; (e) Lawrence D. Canarelli, as trustee of The Canarelli Family Trust; (f) Lawrence D. Canarelli and Heidi Canarelli, as trustees of each of the Children's Trusts; (g) Lawrence Canarelli and Heidi Canarelli as Family Trustees of each of the Grandchildren's Trusts; and (h) each other American West Group Borrower. The Loan Documents are legal, valid, and binding obligations of Borrowers, enforceable in all respects in accordance with their terms against Borrowers, except as such enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization, or similar laws and by equitable principles of general application.

(y) Section 5.1.15 of the Credit Agreement is hereby amended in its entirety to read as follows:

5.1.15 Title to Property. Each Borrower has good, sufficient and legal title to all properties and assets reflected in its most recent balance sheet delivered to Administrative Agent, except for assets disposed of in the ordinary course of business since the date of such balance sheet. All of each Borrower's properties are free and clear of Liens except for Permitted Collateral Exceptions in the case of the Real Property Collateral and the Permitted Exceptions in the case of all other assets.

(z) Section 5.1.23(a) of the Credit Agreement is hereby amended in its entirety to read as follows:

(a) Ownership. One or more of the Borrowers are the sole owners of the Collateral other than the Colorado Real Property Collateral. The Borrower that is the owner of each parcel of Real Property Collateral (other than the Colorado Real Property Collateral) is correctly set forth on Exhibit 5.1.23A. One or more of the Affiliated Obligors are the sole owners of the Colorado Real Property Collateral. The Affiliated Obligor that is the owner of

each parcel of Colorado Real Property Collateral is correctly set forth on Exhibit 5.1.23B. Except as disclosed on Exhibit 5.1.23C, one or more of the Borrowers (other than AWDI) own at least a 50% interest in each of the Affiliated Obligors and Control each of the Affiliated Obligors. The Borrower or group of Borrowers that owns such 50% interest in each of the Affiliated Obligors and Control such Affiliated Obligors is correctly set forth on Exhibit 5.1.23C. AWHV is the sole owner of the Bonds. The Collateral is free and clear of all Liens and encumbrances other than the Permitted Collateral Exceptions. St. Rose is the sole owner of the St. Rose Parcel and all other property subject to the Lien of the St. Rose Deed of Trust. The St. Rose Parcel is free and clear of all Liens and encumbrances other than Permitted Collateral Exceptions. AWDI does not own any of the Real Property Collateral and with respect to other Collateral, AWDI does not own any material Collateral other than the Receivable and the Receivable Related Collateral.

(aa) A new Section 5.1.24 is hereby added to the Credit Agreement to read in its entirety as follows:

5.1.24 No Liability. (a) Except as to AWDI and as otherwise set forth on Exhibit 5.1.24A, there is no pending or, to the best knowledge of the Borrowers, threatened claim against the Borrowers by any owner of a home constructed or sold by any Borrower (including, without limitation, any Borrower that may have been previously liquidated or dissolved) relating to the dezincification of WIRSBO yellow-brass plumbing fittings or similar issues; and (b) except as to AWDI and as otherwise set forth on Exhibit 5.1.24B, none of the Borrowers has any liability or obligation with respect to any claim arising from or relating to any "Price Promise" or "Price Guaranty" as defined in the Chapter 11 Plan and none of the Borrowers other than AWDI has offered or currently offers any similar programs.

(bb) Section 5.3 of the Credit Agreement is hereby amended in its entirety to read as follows:

5.3 Subsidiaries and Joint Ventures. Exhibit 5.3 is a true and correct organizational chart of Borrowers, the Affiliated Obligors and their respective Subsidiaries as of the date hereof. Exhibit 5.3A is a true, correct and accurate list of all Subsidiaries of each Borrower immediately after giving effect to the Corporate Reorganization, setting forth their respective jurisdictions of organization and the percentage of their respective Equity Interests owned by the Borrowers or other Persons. All of the issued and outstanding Equity Interests in such Subsidiaries have been (to the

extent such concepts are relevant with respect to such ownership interests) duly authorized and issued and are fully paid and non-assessable. Exhibit 5.3B is a true, correct and accurate list of all other Persons in which any American West Group Borrower or Affiliated Obligor holds an interest immediately after giving effect to the Corporate Reorganization.

(cc) Section 6.1 of the Credit Agreement is hereby amended in its entirety to read as follows:

6.1 Corporate, Limited Liability Company, or Partnership Existence.

6.1.1 AWDI. AWDI shall continue to be a corporation validly existing and in good standing under the laws of the State of Nevada.

6.1.2 AWHV. AWHV shall continue to be a corporation validly existing and in good standing under the laws of the State of Nevada.

6.1.3 CHI. CHI shall continue to be a corporation validly existing and in good standing under the laws of the State of Nevada.

6.1.4 CLI. CLI shall continue to be a corporation validly existing and in good standing under the laws of the State of Nevada.

6.1.5 CLI2. CLI2 shall continue to be a corporation validly existing and in good standing under the laws of the State of Nevada.

6.1.6 SJSA. SJSA shall continue to be a limited liability company validly existing and in good standing under the laws of the State of Nevada.

6.1.7 LHV. LHV shall continue to be a limited liability company validly existing and in good standing under the laws of the State of Nevada.

6.1.8 Canarelli Family Trust. The Canarelli Family Trust Agreement shall not be amended or modified in any material respect without the consent of the Required Lenders. The Canarelli Family Trust shall not be dissolved or terminated.

6.1.9 Children's Trusts. The Children's Trust Agreements shall not be amended or modified in any material respect without the consent of the Required Lenders. The Children's Trusts shall not be dissolved or terminated.

6.1.10 Grandchildren's Trusts. The Grandchildren's Trust Agreements shall not be amended or modified in any material respect without the consent of the Required Lenders. The Grandchildren's Trusts shall not be dissolved or terminated.

6.1.11 Loan Parties. Each other American West Group Borrower and each other Loan Party shall continue to be a limited liability company, corporation or partnership, as applicable, validly existing and in good standing under the laws of state of its organization.

6.1.12 Foreign Qualification. Borrowers, each Affiliated Obligor and each other Loan Party shall continue to be qualified as a foreign partnership, corporation, or limited liability company (as appropriate) and in good standing, in each jurisdiction in which the nature of such Person's business requires such qualification.

Notwithstanding the foregoing, Principals shall be entitled to dissolve and liquidate certain American West Group Borrowers as more particularly provided in Section 8.1.

(dd) Section 6.3.6 of the Credit Agreement is hereby amended in its entirety to read as follows:

6.3.6 Contracts. The Borrowers will and will cause each Affiliated Obligor and other Loan Party to perform or cause to be performed all of the Borrowers' obligations under any contracts and agreements relating to the development of Real Property Collateral and the construction of Units and will pay all amounts thereunder as and when due except to the extent such amounts are contested in accordance with the Loan Documents. The Borrowers will be the sole owner of all plans and specifications for all improvements with respect to Real Property Collateral or to the extent that a Borrower is not the sole owner of such plans, specifications and other materials, the Borrowers will have the unconditional right to use such plans and specifications in connection with the construction of such improvements and the right to collaterally assign such rights to Administrative Agent for the benefit of Lenders. The Borrowers represent and warrant that

AWDI is not the owner of any such plans and specifications, provided that AWDI may have the right and license to use such plans and specifications in connection with the construction of improvements pursuant to the Receivable Agreements. Borrowers will not cause or permit any ownership of such plans and specifications to be transferred to or held by AWDI.

(ee) Section 6.4 of the Credit Agreement is hereby amended in its entirety to read as follows:

6.4 Borrowers. Borrowers shall cause each member of the American West Group, whether existing as of the Closing Date or formed thereafter to be and become a Borrower if such member of the American West Group is the owner of, or has the right to acquire, an interest in any of the Collateral; provided that, except as provided below in this Section 6.4, from and after the Chapter 11 Plan Effective Date and the execution, delivery and effectiveness of the New Secured Note Documents, AWDI shall not be required to be or become a Borrower notwithstanding that AWDI is the owner of the Receivable so long as AWDI does not own any Collateral other than the Receivable and the Receivable-Related Collateral. If, however, AWDI owns any Collateral other than the Receivable and the Receivable-Related Collateral after the Chapter 11 Plan Effective Date, notwithstanding the Settlement Agreement, the New Secured Note Documents or any of the agreements therein, (i) AWDI shall be required to become a Borrower pursuant to such documents and instruments as Administrative Agent may require, and (ii) any unsecured claims against AWDI previously waived by Lenders will be automatically reinstated in full. The foregoing is not a consent by Administrative Agent and Lenders to the ownership by AWDI of any Collateral other than the Receivable and the Receivable-Related Collateral. If any member of the American West Group or Subsidiary is required to become a Borrower pursuant to this Section 6.4, then the Principals shall satisfy each of the following requirements within ten (10) days after the earlier of notice from the Administrative Agent or the date on which the Principals became aware or in the exercise of reasonable diligence should have become aware that such American West Group member or Subsidiary is required to be a Borrower:

6.4.1 Joinder Agreement. The Additional Borrower shall have executed and delivered a Joinder Agreement or such other documents and instruments as the Administrative Agent shall deem appropriate for such purpose.

6.4.2 Opinion. Administrative Agent shall have received a favorable opinion of counsel for Borrower covering such matters as Administrative Agent and its counsel may request, all in the form, content and scope satisfactory to Administrative Agent.

6.4.3 Organizational Documents. Administrative Agent shall have received all organizational documents, resolutions and other documents required with respect to such Additional Borrower, all of which shall be in form and content satisfactory to Administrative Agent and in all events consistent with the documents and instruments received from other Borrowers.

(ff) Section 6.5.1(e) of the Credit Agreement is hereby amended in its entirety to read as follows:

(e) Tax Returns. As soon as available, but in any event within fifteen (15) days after filing (but in no event later than October 30 of each year), signed copies of the tax returns for Canarelli, the Children's Trusts and the Grandchildren's Trusts together with all related K-1's, forms, schedules and extensions.

(gg) New Subsections (k) and (l) are hereby added to Section 6.5.1 of the Credit Agreement to read in their entirety as follows:

(k) DIP Loan Report. From and after the commencement of the Chapter 11 Case, within fifteen (15) days after the end of each month, a report in form satisfactory to Administrative Agent, itemizing all disbursements made and payments received on the DIP Loan and any other material developments with respect to the DIP Loan.

(l) Cash Collateral Report. From and after the commencement of the Chapter 11 Case, within fifteen (15) days after the end of each month, a current Cash Budget (as defined in the Cash Collateral Stipulation) together with a report in form satisfactory to Administrative Agent, itemizing all items of actual income and expenses and reflecting any change in the value of the Receivable, including any Value Diminution (as defined in the Cash Collateral Stipulation).

(hh) Section 6.5.2 of the Credit Agreement is hereby amended in its entirety to read as follows:

6.5.2 Certificates; Other Information. Deliver to the Administrative Agent and each Lender, in form and detail satisfactory to the Administrative Agent and the Required Lenders:

(a) Certificates. Concurrently with the delivery of the financial statements referred to in Sections 6.5.1(a), (b), (c) and (d), a duly completed (i) Compliance Certificate and (ii) such additional, back-up and supporting information in such form as the Administrative Agent may reasonably require (including, without limitation, financial covenant compliance calculations), in each case signed by an Authorized Representative. Notwithstanding the foregoing or the requirements of Sections 6.5.1(a) and 6.5.1(b), with respect to a Borrower that (i) individually constitutes less than 5% of the Combined assets (in accordance with GAAP) of all individual Borrowers (such Borrowers, the “5% Borrowers”) and (ii) when Combined with all other 5% Borrowers does not exceed in the aggregate 10% of all assets of all Borrowers, then if despite reasonable efforts, financial reports with respect to such Borrower are not available as of the end of any fiscal year or fiscal quarter, in lieu of including such Borrower in the Combined financial statements required pursuant to Sections 6.5.1(a) or 6.5.1(b) Borrowers may provide a certificate in form satisfactory to Administrative Agent (an “Estimation Certificate”) listing the Borrowers with respect to which such information is not available and providing a good faith estimate of such information. In addition, in subsequent reports, any significant adjustments to the information reported in any prior Estimation Certificate will be noted and made in the following reporting periods.

(b) Audit Reports, Etc. Promptly after any request by the Administrative Agent or any Lender, copies of any detailed audit reports, management letters or recommendations submitted to the board of directors or other governing body (or the audit or similar committee thereof) of the Borrowers by independent accountants in connection with the accounts or books of the Borrowers or any Subsidiary, or any audit of any of them.

(c) SEC Filings. Promptly after the same are available, copies of each annual report, proxy or financial statement or other report or communication sent to the stockholders or other Equity Interest holders of the Borrowers, and copies of all annual, regular, periodic and special reports and registration statements which the Borrowers may file or be required to file with the Securities and Exchange Commission under Section 13 or 15(d) of the Securities Exchange Act of 1934, and not otherwise

required to be delivered to the Administrative Agent pursuant hereto.

(d) Other Information. Promptly, such additional information regarding the business, financial or corporate, limited liability, or other business organization affairs of the Borrowers or any Subsidiary, the Chapter 11 Case, or compliance with the terms of the Loan Documents, as the Administrative Agent or any Lender may from time to time reasonably request. All financial statements required in this Section 6.5 shall include, in a format reasonably acceptable to Administrative Agent, the information necessary to determine and reflect compliance with the financial covenants in Section 7, and the negative covenants in Section 8, as well as an itemization of all Combined Indebtedness (and evidence of compliance with Section 8), Rate Management Transactions, cash and Cash Equivalents, and Marketable Securities.

(e) Effect of the Chapter 11 Case. From and after the commencement of the Chapter 11 Case, each of the financial statements, reports and audits pursuant to Sections 6.5.1(a), (b), (c), (d), (f), (g), and (h) shall include schedules and other information that separately set forth the assets, liabilities, income and expenses of AWDI.

(ii) Section 6.6 of the Credit Agreement is hereby amended in its entirety to read as follows:

6.6 Notices. Promptly notify the Administrative Agent and each Lender (a) of the occurrence of any Event of Default; (b) of any matter that has resulted or could reasonably be expected to result in a Material Adverse Change, including (i) breach or non-performance of, or any default under, a contractual obligation of the Borrowers or any Affiliated Obligor or any of their respective Subsidiaries; (ii) any dispute, litigation, investigation, proceeding or suspension between the Borrowers or any Affiliated Obligor or any of their respective Subsidiaries and any Governmental Authority; or (iii) the commencement of, or any material development in, any litigation or proceeding affecting the Borrowers or any Affiliated Obligor or any of their respective Subsidiaries, including pursuant to any applicable Environmental Laws; (c) of the occurrence of any Reportable Event; (d) of any material change in accounting policies or financial reporting practices by the Borrowers or any Affiliated Obligor or any of their respective Subsidiaries; (e) any default by Borrowers or the Affiliated Obligors under or pursuant to the terms and conditions

of any Indebtedness owed by Borrowers to any Person (the non-payment of which could cause an Event of Default under Section 9.1.15) or any Guarantee of Principals or any members of the American West Group, whether now existing or hereafter arising (to the extent that such default would give the holders of such Indebtedness the right to accelerate the maturity thereof or otherwise exercise rights and remedies with respect thereto); (f) any default by Borrowers or any Affiliated Obligor under or pursuant to the terms and conditions of any Material Agreement; (g) the occurrence of any event or other circumstance that with the giving of notice or the passage of time would constitute a default referred to in clause (e) or clause (f) above; (h) any Material Adverse Change; (i) any change in the Requirements of any Governmental Authority that would materially and adversely affect Borrowers' or any Affiliated Obligor's ability to develop the Real Estate Inventory; (j) any action or proceeding which is instituted by or against any Borrower or any Affiliated Obligor in any federal or state court or before any Governmental Authority, or any such actions or proceedings are threatened against any Borrower or any Affiliated Obligor which, if adversely determined, could cause a Material Adverse Change; and (k) the commencement of the Chapter 11 Case and any material developments with respect thereto including the commencement of any adversary proceedings, and any other motions, objections, responses or events that would give rise to any termination of the Settlement Agreement or the Cash Collateral Stipulation. Each notice pursuant to this Section 6.6 shall be accompanied by a statement of an Authorized Representative setting forth details of the occurrence referred to therein and stating what action the Borrowers have taken and propose to take with respect thereto. In addition, each notice pursuant to this Section 6.6 shall describe with particularity any and all provisions of this Agreement and any other Loan Document that have been breached.

(jj) Section 6.8 of the Credit Agreement is hereby amended in its entirety to read as follows:

6.8 Preservation of Existence, Etc. Except for the mergers in connection with the Corporate Reorganization, Borrowers shall (a) preserve, renew and maintain in full force and effect their legal existence and good standing under the laws of the jurisdiction of its organization; (b) take all action to maintain all rights, privileges, permits, licenses and franchises necessary or desirable in the normal conduct of its business, except to the extent that failure to do so could not reasonably be expected to cause a Material Adverse Change; and (c) preserve or renew all of their respective registered patents, trademarks, trade names and service

marks, the non-preservation of which could reasonably be expected to cause a Material Adverse Change.

(kk) Section 8.1 of the Credit Agreement is hereby amended in its entirety to read as follows:

8.1 Entity Restrictions.

8.1.1 Issuance of Equity. Borrowers will not issue or permit to be issued any stock, partnership interest, limited liability company interest or other interest in any Borrower or grant any option, right-of-first-refusal, warrant, or other right to purchase any stock, partnership interest, limited liability company interest or other interest in any Borrower, except to the extent such stock, partnership interest, limited liability company interest or other interest is issued to the Principals or another Borrower, including in connection with (a) a conversion pursuant to Section 8.1.4 and (b) a conversion of the DIP Loan to equity in accordance with Section 8.7.8.

8.1.2 Dissolution/Liquidation. Except for the mergers in connection with the Corporate Reorganization, no Borrower will be dissolved or liquidated; provided, however, at such time as an American West Group Borrower has completed development of the Subdivision or Subdivisions being developed by such American West Group Borrower, all Units in such Subdivision have been sold and transferred and so long as no property of such American West Group Borrower is Collateral, then Borrowers may dissolve and liquidate such American West Group Borrower so long as each of the following conditions precedent is satisfied: (a) Borrowers have provided written notice to Administrative Agent of the proposed dissolution of such American West Group Borrower at least thirty (30) days prior to the effectiveness thereof; (b) Borrowers have determined in their good faith judgment and have certified to Administrative Agent that there is no business reason to continue the existence of such American West Group Borrower; (c) Borrowers have made a reasonable determination of a reserve amount for claims and all remaining assets of such American West Group Borrower, other than such reserve, have been or will concurrently with the dissolution and liquidation thereof be distributed to the Principals owning the interests in such American West Group Borrower; and (d) Borrowers have otherwise complied with or will comply with the applicable

requirements of law, including with respect to survival of claims.

8.1.3 No Amendments; Name Change; Mergers.

Borrowers will not amend, modify, restate, supplement, or terminate any articles of incorporation, bylaws, certificate of formation, certificate of partnership, partnership agreement, limited liability company operating agreement or other documents with respect to any Borrower in any material respect, except for amendments and modifications made with the prior written consent of the Administrative Agent (including in connection with the Corporate Reorganization), which shall not be unreasonably withheld so long as such amendment or modification does not impair any of the Obligations, otherwise cause an Unmatured Event of Default or Event of Default or otherwise cause or contribute to a Material Adverse Change. No American West Group Borrower shall change its name or state of formation except with the prior written consent of the Administrative Agent, which shall not be unreasonably withheld so long as Borrowers have executed and delivered such amendments to the Loan Documents, financing statements, and other documents and instruments in connection with the Obligations as deemed reasonably necessary by Administrative Agent to reflect such name change and to assure the continued perfection of all Liens on Collateral securing the Obligations. Except as permitted in connection with the Corporate Reorganization, Borrowers will not cause or permit any American West Group Borrower to consolidate or merge with any corporation, any other limited partnership, any limited liability company, or any other Person.

8.1.4 Right to Convert.

Notwithstanding the foregoing, Borrowers may cause or permit any American West Group Borrower (other than AWDI) that is a "Subchapter-S" corporation to convert to a limited liability company provided that each of the following conditions precedent is satisfied: (a) Borrower shall notify Administrative Agent of such proposed conversion not less than thirty (30) days prior to the proposed effective date of such conversion; (b) together with such notice, Borrowers shall provide to Administrative Agent all documents and instruments related to such conversion; (c) Borrowers shall execute and deliver such documents and instruments as Administrative Agent may require in order to cause such converted Borrower to assume, reaffirm and agree to pay

and perform all of the Obligations and to insure the continued effectiveness of the Loan Documents and all Liens granted thereunder; (d) Borrowers shall, at their sole cost and expense, provide such endorsements to the Title Insurance Policy as Administrative Agent may require; and (e) Borrowers shall provide to Administrative Agent and the Lenders such opinions of counsel for Borrowers as Administrative Agent and its counsel may reasonably require with respect to such converted Borrower, the Obligations and the Loan Documents.

(ll) Section 8.4 of the Credit Agreement is hereby amended in its entirety to read as follows:

8.4 Indebtedness. Subject to the limitations of Sections 7.1 and 7.2, Borrowers will not, nor will Borrowers permit any other member of the American West Group to, create, incur or suffer to exist any Indebtedness except Permitted Indebtedness. In addition, AWDI shall not create, incur or suffer to exist any Indebtedness except the Indebtedness pursuant to the New Secured Note Documents (as and when permitted to be in effect) and Indebtedness to the extent permitted pursuant to Subsections (c), (g) and (i) of the definition of Permitted Indebtedness.

(mm) Section 8.5 of the Credit Agreement is hereby amended in its entirety to read as follows:

8.5 Sale of Assets. Borrowers will not, and will not permit any other member of the American West Group, to lease, sell or otherwise dispose of its property and assets to any other Person, except:

8.5.1 Ordinary Course. Sales of Units in the ordinary course of business and sales of other Real Estate Inventory to Persons that are not Affiliates of Borrowers in arms' length transactions pursuant to which the seller receives reasonably equivalent value and which does not otherwise constitute a "fraudulent transfer" or "fraudulent conveyance" under applicable state or federal laws; provided, however, that if such Real Estate Inventory is included in the Collateral, prior to or concurrently with such sale, Borrower shall have satisfied the conditions precedent and requirements in Section 3.3.

8.5.2 Dedications. Transfers of Real Estate Inventory in order to (a) convey, dedicate, grant, or otherwise create in favor of Governmental Authorities and homeowners' associations easements, parks, rights-of-way, roads, school sites, streets, and similar types of tracts intended for use as community areas, open space, parks, and trails in Subdivisions and (b) make minor adjustments to existing platted lots for such purposes.

8.5.3 Worn Out Property. Dispositions of obsolete or worn out property in the ordinary course of business so long as such property is replaced with other property with an equal or greater value.

8.5.4 Intercompany Sales. Sales or other dispositions of property by one Borrower to another Borrower, other than sales of assets to AWDI, which (a) shall be prohibited prior to the Chapter 11 Plan Effective Date, except to the extent of permitted disbursements of the DIP Loan and the creation and payment of the Receivable in the ordinary course of business and (b) from and after the Chapter 11 Plan Effective Date shall continue to be prohibited if the property being transferred is part of the Collateral unless (i) such transfer represents the creation and payment of the Receivable in the ordinary course of business, (ii) such transfer is of Collateral in which a security interest is granted or continued pursuant to the New Secured Note Documents and such transfer is permitted pursuant to the New Secured Note Documents or (iii) if the transfer is of other Collateral, Borrowers have complied with Section 6.4 with respect to AWDI.

8.5.5 Other Dispositions. Dispositions of property by any Subsidiary to the Borrowers; provided that if such Subsidiary is one of the Borrowers, the transferee thereof must be another of the Borrowers other than AWDI.

8.5.6 Liquidating Distributions. Dispositions of all or substantially all of the assets of a Borrower in connection with a liquidation of such Borrower permitted pursuant to Section 8.1.

8.5.7 Sale of Oakwood Homes. The Oakwood Homes Sales; provided that Borrowers shall pay all amounts in respect of such sale required pursuant to Section 2.1.5(d).

(nn) Section 8.6 of the Credit Agreement is hereby amended in its entirety to read as follows:

8.6 Distributions. Borrowers will not, nor will Borrowers permit any other member of the American West Group to, declare or make, directly or indirectly, any Distribution, or incur any obligation (contingent or otherwise) if after giving effect to such Distribution an Event of Default or Unmatured Event of Default will have occurred. In addition, Borrowers will not and will not permit any member of the American West Group to declare or make, directly or indirectly, any Distribution, or incur any obligation (contingent or otherwise) to or for the benefit of any shareholder, equity holder, or other Person directly or indirectly holding Stock in any member of the American West Group, including the Principals and the Children's Trusts; provided, however, that the following Distributions from members of the American West Group to the Principals, the Children's Trusts and the Grandchildren's Trusts shall be permitted so long as after giving effect to such Distributions an Event of Default or Unmatured Event of Default will not have occurred: (a) a monthly payment to Lawrence D. Canarelli which, when aggregated with all other Distributions to him other than Distributions permitted pursuant to clauses (b) or (c) of this sentence do not exceed \$900,000 in any calendar year beginning with calendar year 2010, (b) payments to the Principals, the Children's Trusts and the Grandchildren's Trusts for the sole purpose of paying the recipient's actual federal and state income tax liabilities and ad valorem property taxes on real estate owned by the recipient, (c) Distributions from one member of the American West Group to Canarelli, the Children's Trusts or the Grandchildren's Trusts for the sole purpose of reinvestment of such Distribution by Canarelli, the Children's Trusts or the Grandchildren's Trusts in connection with Investments permitted pursuant to Section 8.7.7, and (d) advances of the DIP Loan and payments and prepayments of principal and interest on the DIP Loan to the extent permitted pursuant to the DIP Loan Subordination Agreement.

(oo) Section 8.7 of the Credit Agreement is hereby amended in its entirety to read as follows:

8.7 Investments and Acquisitions. The Borrowers will not, either directly or through any other member of the American West Group, (a) make or suffer to exist any Investments (including, without limitation, loans and advances to, and other Investments in, Subsidiaries), or commitments therefor, (b) create any Subsidiary, (c) become or remain a partner in any partnership or joint venture, or (d) make any purchase acquisition of any

Person (whether directly, by a purchase of assets, or merger or consolidation), except:

8.7.1 Cash. Investment in Cash Equivalents.

8.7.2 Canarelli Investments. Investments by Canarelli and the Children's Trusts in the American West Group Borrowers; provided that other than the making of the DIP Loan by AWHV and the Recapitalization, additional Investments in AWDI shall be prohibited.

8.7.3 Collateral. Investment in the Real Property Collateral for the purpose of developing such Real Property Collateral as residential Subdivisions.

8.7.4 Other Real Estate Inventory. Investment in Real Estate Inventory that does not constitute Real Property Collateral and is owned by Borrowers as of the Closing Date; provided that such Investment is made in the ordinary course of business for the purpose of constructing Units on such property.

8.7.5 Existing Investments. The Investments existing as of the Effective Date listed on Exhibit 8.7.5.

8.7.6 Home Loans. Carryback loans in connection with the sale of Units in the ordinary course of business, provided that the amount of any such loan shall not exceed \$500,000 and the aggregate unpaid principal amount of such loans shall not exceed \$3,000,000 at any time.

8.7.7 Other Investments. Other Investments by the Borrowers in Joint Ventures and other Persons (other than Investments in AWDI), provided that (a) such Investments shall be in connection with the funding and development of projects undertaken prior to the Closing Date, (b) the aggregate amount of the Investments made pursuant to this Section 8.7.7 inclusive of the amount of the "Other Investments" described on Exhibit 8.7.7 (in either case whether made before or after the Closing Date) shall not exceed the lesser of (i) 25% of Combined Tangible Net Worth and (ii) \$100,000,000, and (c) such Investments shall be consistent with the most recent cash flow projections delivered to Administrative Agent pursuant to Section 6.5.1(f). As of the date hereof, all of the Investments in Persons engaged in a business other than the

acquisition and development of real estate are listed on Exhibit 8.7.7 hereto.

8.7.8 Conversion of DIP Loan. An Investment consisting of the conversion of amounts due in respect of the DIP Loan to shares of capital stock in AWDI on or about the Chapter 11 Plan Effective Date; provided that such capital stock shall be issued to the lender pursuant to the DIP Loan and pledged to Administrative Agent for the benefit of Lenders as further security for the Obligations and pursuant to such documents and instruments as Administrative Agent may require.

(pp) Section 8.8.1 of the Credit Agreement is hereby amended in its entirety to read as follows:

8.8.1 Negative Pledge. The Borrowers will not, and will not cause or permit any other member of the American West Group to, create, incur, or suffer to exist any Lien in, of or on any of their respective assets, except (a) Permitted Collateral Exceptions, in the case of the Collateral, (b) Permitted Exceptions in the case of Real Estate Inventory other than the Real Property Collateral, and (c) Liens securing Permitted Indebtedness (except to the extent the Permitted Indebtedness is not permitted to be secured pursuant to the definition of such term); provided that in the case of the DIP Loan such Liens shall be subject to the terms, conditions and restrictions of the DIP Loan Subordination Agreement.

(qq) Section 8.12 of the Credit Agreement is hereby amended in its entirety to read as follows:

8.12 Prepayment of Indebtedness. Except for prepayments of the DIP Loan permitted pursuant to the DIP Loan Subordination Agreement and payments and prepayments with respect to the Receivable, Borrowers shall not prepay the principal amount, in whole or in part, of any Indebtedness other than (a) Indebtedness constituting part of the Obligations as permitted by this Agreement, and (b) Indebtedness which ranks pari passu with the Obligations.

(rr) Section 8.14 of the Credit Agreement is hereby amended in its entirety to read as follows:

8.14 Transactions With Affiliates. Borrowers will not enter into, or cause, suffer or permit to exist, any arrangement or contract with any of their respective Affiliates, including, without

limitation, any management contract, unless such transaction is on terms that are no less favorable to Borrowers than those that could have been obtained in a comparable transaction on an arms' length basis from a Person that is not an Affiliate. Notwithstanding the foregoing, to the extent that Borrowers enter into purchase contracts with such Affiliates, such purchase contracts may be on such terms and conditions as Borrowers and such Affiliates agree upon, provided, however that the purchase price shall be no less favorable to Borrowers than a price that could have been obtained in a comparable transaction on an arms' length basis from a Person that is not an Affiliate. Additionally, Borrowers may consummate the Corporate Reorganization and Recapitalization.

(ss) Section 9.1.7 of the Credit Agreement is hereby amended in its entirety to read as follows:

9.1.7 Bankruptcy. Commencement of any case under the Bankruptcy Code or commencement of any other bankruptcy, arrangement, reorganization, receivership, custodianship, or similar proceeding under any federal, state, or foreign law by or against any Borrower, any Affiliated Obligor, any Loan Party or any of their respective Subsidiaries; provided, that (a) in case of any involuntary proceeding, such condition shall continue for a period of sixty (60) days undismissed, undischarged or unbonded and (b) the filing of the Chapter 11 Case by AWDI shall not constitute an Event of Default.

(tt) Section 9.1.9 of the Credit Agreement is hereby amended in its entirety to read as follows:

9.1.9 Change in Control. The occurrence of any Change in Control; provided, however, that a change in the trustee of any of the Canarelli Family Trust, any of the Children's Trusts, or any of the Grandchildren's Trusts solely in connection with the death or incapacity of Lawrence D. Canarelli shall not be an Event of Default so long as the conditions set forth in Section 9.1.8 have been satisfied.

(uu) Section 9.1.12 of the Credit Agreement is hereby amended in its entirety to read as follows:

9.1.12 Other Defaults. The occurrence of any condition or event that is a default or is designated as a default, event of default, or similar occurrence in any other Loan Document or in any other agreement, document, or instrument by and between Borrower or any other Loan Party and Administrative Agent or any Lender relating to any indebtedness other than the Obligations, and the

expiration of any applicable cure or grace period under such agreement, document or instrument.

(vv) Section 9.1.14 of the Credit Agreement is hereby amended in its entirety to read as follows:

9.1.14 Judgments. Any final judgment or final order for the payment of money in excess of the lesser of (a) 5% of Combined Tangible Net Worth of the Borrowers or (b) \$5,000,000, which is not fully covered by insurance for which there is no reservation of rights is rendered against any Borrower, and either (i) enforcement proceedings are commenced by any creditor upon such judgment or order and not stayed within the earlier of fifteen (15) days from the commencement of such proceedings or fifteen (15) days prior to a sale of any of Borrowers' assets as a result of such enforcement proceedings, or (ii) such judgment or order is not vacated, stayed, satisfied, discharged or bonded pending appeal within fifteen (15) days from the entry thereof.

(ww) Section 9.1.15(b) of the Credit Agreement is hereby amended in its entirety to read as follows:

(b) Other Default. Any other event shall occur or condition exist (after any applicable grace period and after notice from the holder thereof) under Indebtedness of the type described in Section 9.1.15(a) as a result of which the holder of such Indebtedness has the right to declare the occurrence of an event of default, accelerate such Indebtedness, demand payment or cause a mandatory redemption, prepayment, repurchase, defeasance, or similar event.

(xx) Section 9.1.16 of the Credit Agreement is hereby amended in its entirety to read as follows:

9.1.16 Collateral. The filing of any foreclosure proceeding, giving notice of a trustee's sale, or any other action by any Person, to realize upon any portion of the Collateral under any Lien on such assets of any Borrower or Affiliated Obligor or otherwise, except to the extent such proceeding is being contested as permitted pursuant to the Deed of Trust.

(yy) New Sections 9.1.23, 9.1.24 and 9.1.25 are hereby added to Section 9.1 of the Credit Agreement to read in their entirety as follows:

9.1.23 Settlement Agreement. The occurrence of any of the following events unless waived in writing by the Required Lenders:

(a) Upon five (5) Business Days' prior written notice to Borrowers, the breach in any material respect by AWDI of any of its obligations, representations, warranties or covenants set forth in the Settlement Agreement or the occurrence of any event or condition that materially and adversely affects the financial recovery of the Lenders under the Chapter 11 Plan and the failure by AWDI to cure the same within five (5) Business Days after receipt of said notice.

(b) The conversion of the Chapter 11 Case to one or more cases under Chapter 7 of the Bankruptcy Code or the dismissal of the Chapter 11 Case, unless such conversion or dismissal, as applicable, occurs with the prior written consent of Administrative Agent and Required Lenders.

(c) (i) The filing by or on behalf of AWDI of any motion or pleading with the Bankruptcy Court that withdraws the Chapter 11 Plan or that is otherwise inconsistent with or in opposition to the confirmation of the Chapter 11 Plan or the Settlement Agreement, (ii) the taking of any other action, including, without limitation, withdrawing the Chapter 11 Plan, disputing or challenging the Settlement Agreement (or any provision thereof), or (iii) publicly announcing its intentions not to support the Chapter 11 Plan or the Settlement Agreement or the restructuring contemplated therein, which is inconsistent with or in opposition to the confirmation of the Chapter 11 Plan or the Settlement Agreement.

(d) If the Settlement Agreement has not become effective on or before three (3) Business Days prior to the date of commencement of the Chapter 11 Case or if the Chapter 11 Plan has not been confirmed by order of the Bankruptcy Court or has not become effective within fifteen (15) months after the commencement of the Chapter 11 Case.

(e) If any action is brought or claim is made by AWDI, Borrowers or any of their Affiliates or consented to on behalf of any of the foregoing against Administrative Agent or any Lender challenging the validity or priority of any Lien, encumbrance or security interest securing the obligations pursuant to this Agreement or to stay, prevent or delay (pursuant to 11 U.S.C. §105 or otherwise) the exercise by Administrative Agent or the Lenders of any

rights and remedies pursuant to this Agreement and the other Loan Documents, other than rights and remedies with respect to the Receivable.

(f) If any action is brought or claim is made by AWDI, Borrowers or any of their Affiliates or consented to on behalf of any of the foregoing in any proceeding (including in the Chapter 11 Case or any proceeding separate from the Chapter 11 Case in any court or other tribunal) which Administrative Agent or the Required Lenders determine could give rise to the substantive consolidation of the Borrowers (other than AWDI) into or with AWDI or the Chapter 11 Case or could create the risk of any Borrower (other than AWDI) being liable for any claims against AWDI or any of the Persons included in the Corporate Reorganization.

9.1.24 New Secured Note Documents. From and after the Chapter 11 Plan Effective Date, the occurrence of any "Event of Default" as defined in the New Secured Note Documents.

9.1.25 Cash Collateral Stipulation. The breach by AWDI of any of the representations, warranties, covenants and agreements in the Cash Collateral Stipulation or the occurrence of any other "Event of Default" as defined in the Cash Collateral Stipulation.

(zz) New Sections 9.4 and 9.5 are hereby added to Section 9 of the Credit Agreement to read in their entirety as follows:

9.4 Enforcement of Rights.

9.4.1 No Limitation on Rights. Borrowers agree that notwithstanding the commencement of the Chapter 11 Case, in no event shall Administrative Agent or Lenders be stayed or otherwise prevented from pursuing any or all of their respective rights and remedies under the Loan Documents or otherwise against the Borrowers other than AWDI. Notwithstanding that AWDI may share an address, offices, employees, officers and other personnel with the Borrowers, no notice, demand, or other pursuit of any of the rights and remedies of Lenders shall be deemed to be a notice, demand or other claim of any nature made against AWDI. So long as after the commencement of the Chapter 11 Case, Administrative Agent and Lenders do not seek to enforce their security interest in the Receivable or otherwise pursue a judgment against AWDI (unless, in

each case, permitted to do so by the Bankruptcy Code or an order of the Bankruptcy Court), AWDI and the Borrowers agree not to make any claim that any such action or the exercise of any such rights and remedies violates any automatic stay or other stay or injunction in effect in the Chapter 11 Case. Borrowers acknowledge that Administrative Agent and Lenders are relying on this representation, warranty and agreement of Borrowers and AWDI in providing certain benefits, waivers and other agreements.

9.4.2 No Jurisdiction. Notwithstanding anything contained in this Agreement, the Cash Collateral Stipulation, the Chapter 11 Plan, the DIP Loan Agreement, the DIP Loan Subordination Agreement, the New Secured Note Documents, the Settlement Agreement or any other documents and/or pleadings filed in the Chapter 11 Case, Borrowers agree that the Bankruptcy Court will have no jurisdiction to hear or determine any claims, causes of action, or disputes arising under this Agreement or the other Loan Documents. The Administrative Agent and Lenders are entitled to seek such further assurances as they may require in their discretion (including stipulations with Borrowers, orders of the Court and an opinion of counsel to AWDI) to confirm and ensure the intent of this Section 9.4.

9.4.3 Right to Enforce/Waivers. Notwithstanding any provision of the Loan Documents to the contrary, Administrative Agent and Lenders may enforce the Loan Documents against Borrowers and the Collateral without first having sought enforcement of the New Secured Note Documents against AWDI or any other Person obligated thereon. In no event shall the terms or conditions of the New Secured Note Documents nor any claims, defenses, or other matters arising thereunder in any way limit or modify the rights of Administrative Agent and Lenders or the obligations of Borrowers pursuant to the Documents. In addition:

(a) The following shall not affect, impair, or delay the enforcement of any or all Obligations or any or all Liens granted by Borrower, regardless of the impact upon any contribution, exoneration, indemnification, reimbursement, subrogation, and other rights of Borrowers: (i) the bankruptcy, death, disability, dissolution, incompetence, insolvency, liquidation,

or reorganization of AWDI or any other New Secured Loan Party; (ii) any defense of any or all of the New Secured Loan Parties to payment or performance of any or all obligations pursuant to the New Secured Note Documents, or enforcement of any or all Liens securing the obligations pursuant to the New Secured Note Documents; (iii) the discharge, modification of the terms of, reduction in the amount of, or stay of enforcement of any or all Liens securing the obligations pursuant to the New Secured Note Documents or any or all obligations pursuant to the New Secured Note Documents in any bankruptcy, insolvency, reorganization, or other legal proceeding or by any law, ordinance, regulation, or rule (federal, state, or local); (iv) the cessation of liability of any or all New Secured Loan Parties for any or all obligations pursuant to the New Secured Note Documents; or (v) any claim or dispute by any New Secured Loan Party or any other Person concerning the occurrence of an event of default under the New Secured Note Documents, the performance of any obligations pursuant to the New Secured Note Documents, or any other matter.

(b) Administrative Agent and any Lender may do the following acts and omissions from time to time in their absolute and sole discretion and in doing such acts and omissions may act in its absolute and sole discretion without notice to or consent of Borrower or any other Loan Party and with or without receiving payment or other value. The following acts and omissions shall not affect, delay, or impair the enforcement of any or all Obligations or any or all Liens granted by Borrower, regardless of the impact upon any contribution, exoneration, indemnification, reimbursement, subrogation, and other rights of Borrower: (i) Administrative Agent and Lenders may obtain collateral or additional collateral for the obligations pursuant to the New Secured Note Documents; (ii) Administrative Agent and Lenders may substitute for any or all collateral for the New Secured Note Documents, regardless of whether the same type or greater or lesser value; (iii) Administrative Agent and Lenders may release any or all of the collateral for the New Secured Note Documents; (iv) Administrative Agent and Lenders

may compromise, delay enforcement, fail to enforce, release, settle, or waive any rights and remedies of Administrative Agent and Lenders as to any or all collateral for the obligations pursuant to the New Secured Note Documents; (v) except for any requirements provided by law that may not be waived by Borrower, Administrative Agent and Lenders may sell or otherwise dispose of any collateral for the obligations pursuant to the New Secured Note Documents in any manner and order Administrative Agent and Lenders determine in their absolute and sole discretion and disposition may be for no value or for less than fair market value of the collateral for the obligations pursuant to the New Secured Note Documents in the absolute and sole discretion of Administrative Agent and Lenders; (vi) Administrative Agent and Lenders may fail to perfect, fail to protect the priority of, and fail to insure any or all Liens, encumbrances and security interests on any collateral for the obligations pursuant to the New Secured Note Documents; (vii) Administrative Agent and Lenders may fail to inspect, insure, maintain, preserve, or protect any or all collateral for the obligations pursuant to the New Secured Note Documents; (viii) Administrative Agent and Lenders may obtain additional obligors for any or all obligations pursuant to the New Secured Note Documents; (ix) Administrative Agent and Lenders may increase or decrease any or all obligations pursuant to the New Secured Note Documents or otherwise change the terms of any or all obligations pursuant to the New Secured Note Documents (including, without limitation, increases or decreases in the interest rate, additional advances, increases or decreases in any loan amount, changes in the maturity date of any or all obligations pursuant to the New Secured Note Documents, and changes in the amount and timing of payments); (x) upon occurrence of an event of default Administrative Agent and Lenders may declare all obligations pursuant to the New Secured Note Documents immediately due and payable or performable, whereupon the obligations shall be immediately due and payable or performable; (xi) Administrative Agent and Lenders may substitute for any or all New Secured Loan Parties, regardless

of the creditworthiness of any such substituted New Secured Loan Party; (xii) Administrative Agent and Lenders may release New Secured Loan Parties, and other obligor of the obligations pursuant to the New Secured Note Documents; (xiii) Administrative Agent and Lenders may compromise, delay enforcement, fail to enforce, release, settle, or waive any or all obligations pursuant to the New Secured Note Documents; (xiv) Administrative Agent and Lenders may make advances, issue letters of credit, or grant other financial accommodations for New Secured Loan Parties without requiring satisfaction of any conditions or other requirements; (xv) Administrative Agent and Lenders may fail to file or pursue a claim in any bankruptcy, insolvency, probate, reorganization, or other proceeding as to any or all Liens, encumbrances and security interests or any or all obligations pursuant to the New Secured Note Documents; (xvi) Administrative Agent and Lenders may subordinate any or all Liens securing the obligations pursuant to the New Secured Note Documents or rights to payment with respect to the New Secured Note Documents; (xvii) Administrative Agent and Lenders may amend, modify, extend, renew, restate, supplement, or terminate in whole or in part any or all New Secured Note Documents; (xviii) Administrative Agent and Lenders may take or fail to take any other action with respect to any or all New Secured Note Documents, any or all obligations pursuant to the New Secured Note Documents, any or all New Secured Loan Parties and other obligors, any or all collateral for the obligations pursuant to the New Secured Note Documents, any or all Liens, encumbrances and security interests, or any or all rights and remedies of Administrative Agent and Lenders with respect to the obligations pursuant to the New Secured Note Documents; (xix) Administrative Agent and Lenders may assign any or all of their respective rights and delegate their respective obligations under the New Secured Note Documents, in whole or in part (including, without limitation, participations); (xx) Administrative Agent and Lenders may do any other acts and make any other

omissions that result in extinguishment of any or all obligations pursuant to the New Secured Note Documents and any or all Liens securing the obligations pursuant to the New Secured Note Documents; and (xxi) Administrative Agent and Lenders may do any other act or make any other omission that might otherwise constitute a legal or equitable discharge of, or defense by, Borrower with respect to the obligations pursuant to the New Secured Note Documents.

9.5 Credit Bidding. Administrative Agent or, except as provided below in this Section 9.5, any Lender may purchase, in any public or private sale conducted under the provisions of the UCC (including pursuant to sections 9-610 and 9-620 of the UCC), the provisions of the Bankruptcy Code (including pursuant to section 363 of the Bankruptcy Code) or at any sale or foreclosure conducted by Administrative Agent (whether by judicial action or otherwise) in accordance with applicable laws, all or any portion of the collateral. Lenders hereby irrevocably authorize Administrative Agent, upon the written consent of the Required Lenders, to Credit Bid (in an amount and on such terms as may be directed by Required Lenders and purchase at any such sale (either directly or through one or more acquisition vehicles) all or any portion of the collateral on behalf of and for the benefit of Lenders (but not as agent for any individual Lender or Lenders, unless the Required Lenders shall otherwise agree in writing). Each Lender hereby agrees that, except as otherwise provided in the Loan Documents or with the written consent of Administrative Agent and the Required Lenders, it will not exercise any right that it might otherwise have to Credit Bid at any sales of all or any portion of the collateral conducted under the provisions of the UCC or the Bankruptcy Code, foreclosure sales or other similar dispositions of collateral.

(aaa) Section 10.10 of the Credit Agreement is hereby amended in its entirety to read as follows:

10.10 Administrative Agent May File Proofs of Claim. In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to any Loan Party (including the Chapter 11 Case), the Administrative Agent (irrespective of whether the principal of the Term Loan shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on Borrowers) shall be entitled and empowered, by

intervention in such proceeding or otherwise (a) to file and prove a claim for the whole amount of the principal, interest and Other Amounts owing and unpaid in respect of the Term Loan and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders and the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders and the Administrative Agent and their respective agents and counsel (whether in-house or outside-retained) and all other amounts due the Lenders and the Administrative Agent under this Agreement allowed in such judicial proceeding); and (b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same; and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Administrative Agent and its agents and counsel, and any other amounts due the Administrative Agent under this Agreement. Nothing contained herein shall be deemed to authorize the Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender or to authorize the Administrative Agent to vote in respect of the claim of any Lender in any such proceeding; provided that Administrative Agent may vote in favor of the Chapter 11 Plan, execute and deliver such documents and otherwise take such actions as may be required (as determined in the reasonable discretion of Administrative Agent) pursuant to the Settlement Agreement. Additionally, Lenders authorize and direct counsel for Administrative Agent to execute and deliver the Cash Collateral Stipulation.

(bbb) Section 10.14 of the Credit Agreement is hereby amended in its entirety to read as follows:

10.14 Ownership and Possession of Loan Documents.

Each of the Lenders will own an undivided interest in the Obligations and the Loan Documents equal to its Pro Rata Interest. Administrative Agent will hold in its possession, as agent, at 6001 North 24th Street, Phoenix, AZ 85016, or at such other location as Administrative Agent designates in writing to the Lenders, the Loan Documents for the pro rata benefit of itself as one of the Lenders and each of the other Lenders; provided that each Lender

will receive an original Note in its favor. Administrative Agent will keep and maintain complete and accurate files and records of all matters pertaining to the Obligations. Upon reasonable prior notice to Administrative Agent by the Lenders, the files and records will be made available to the Lenders and their representatives and agents for inspection and copying during normal business hours.

(ccc) A new Section 11.6 is hereby added to Section 11 of the Credit Agreement to read in its entirety as follows:

11.6 New Secured Note Documents. Notwithstanding any provision of the Loan Documents to the contrary, any assignment of a Pro Rata Interest or grant of a participating interest shall also automatically include an assignment or granting of a participating interest (as applicable) of an equivalent pro rata interest in the New Secured Note Documents.

(ddd) Section 13.9 of the Credit Agreement is hereby amended in its entirety to read as follows:

13.9 Indemnification of the Lenders. Borrowers agree to pay, defend, indemnify, and hold harmless Administrative Agent and the Lenders and their respective Affiliates, successors, assigns, agents, servants, officers, directors, and employees for, from, and against any and all claims, damages, losses, liabilities, judgments, costs, and expenses (including, without limitation, costs and expenses of litigation and reasonable in-house and outside-retained attorneys' fees) arising from or relating to (a) any claim or demand in respect of the Loan Documents, the Collateral, or the transactions described in the Loan Documents, (b) the Term Loan or the use or proposed use of the proceeds therefrom, (c) any actual or alleged breach or violation of any Environmental Law, (d) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, in all cases whether arising at any time, whether before or after payment and performance of the Obligations in full, except in each case to the extent resulting from the gross negligence or willful misconduct of the Person indemnified, (e) any cash management and deposit account agreements with any Lender, or (f) the Corporate Reorganization, the DIP Loan, the DIP Loan Subordination Agreement, the Cash Collateral Stipulation, the Chapter 11 Case, or the Chapter 11 Plan (provided that from and after the Chapter 11 Plan Effective Date, the Borrowers will not be obligated to indemnify Administrative Agent or Lenders for any claim of Lenders against AWDI with respect to payment of the Term Loan in excess of the amount of the New Secured Notes and

interest, fees, costs and other amounts due pursuant to the New Secured Note Documents, unless AWDI becomes a Borrower under this Agreement, in which case Borrowers, including AWDI, must indemnify up to the full amount of the Term Loan). The obligations of Borrowers and the rights of Administrative Agent and the Lenders under this Section, and under all other indemnification provisions in the Loan Documents, will survive payment and performance of the Obligations in full and will remain in full force and effect without termination. If Borrowers fail to pay and perform any of its indemnification obligations pursuant to this Section 13.9 or otherwise arising pursuant to the Loan Documents, then Borrowers shall pay to Administrative Agent and the Lenders all costs, expenses, and fees thereafter incurred by Administrative Agent and the Lenders with respect to matters covered by such indemnification obligations, together with interest thereon at the Default Rate, all such amounts to be payable upon demand.

(eee) New Exhibits. Exhibits 1.1O, 1.1P, 1.1Q, 1.1R, 1.1S, 1.1T, 1.1U, 3D, 5.1.24A and 5.1.24B are hereby added to the Credit Agreement in the forms attached to this Agreement as Exhibits 1.1O, 1.1P, 1.1Q, 1.1R, 1.1S, 1.1T, 1.1U, 3D, 5.1.24A and 5.1.24B.

(fff) Modification of Exhibits. Exhibits 1.1B, 1.1C, 1.1G (solely to reflect Real Property Collateral added after the date of the Original Credit Agreement), 1.1L (solely to reflect Real Property Collateral added after the date of the Original Credit Agreement), 1.1N, 5.1.13A, 5.1.13B, 5.1.14A, 5.1.14B, 5.1.14C, 5.3, 5.3A, and 5.3B to the Credit Agreement are hereby amended and restated in their entirety in the forms attached to this Agreement as Exhibits 1.1B, 1.1C, 1.1G, 1.1L, 1.1N, 5.1.13A, 5.1.13B, 5.1.14A, 5.1.14B, 5.1.14C, 5.3, 5.3A, and 5.3B.

3. Additional Agreements of Lenders. Lenders:

(a) Consent to the Cash Collateral Stipulation (as defined in the amendments to the Credit Agreement set forth above) and authorize and direct Administrative Agent and its counsel to execute and deliver the Cash Collateral Stipulation;

(b) Consent to the DIP Loan and the DIP Loan Agreement (as such terms are defined in the amendments to Credit Agreement set forth above) and consent to the DIP Loan Subordination Agreement (as such term is defined in the amendments to Credit Agreement set forth above) and direct Administrative Agent to execute and deliver the DIP Loan Subordination Agreement on behalf of Lenders;

(c) Consent and agree to the Settlement Agreement (as such term is defined in the amendments to Credit Agreement set forth above);

(d) Consent to the transfer of the portion of the Real Property Collateral described on Exhibit 3D hereto to the Grandchildren's Trusts (as such term is defined in the amendments to the Credit Agreement set forth above) and waive any Event of Default resulting from the making of such transfer prior to the date hereof; and

(e) Waive any Event of Default resulting from the occurrence of certain mergers in connection with the Corporate Reorganization (as such term is defined in the amendments to Credit Agreement set forth above) prior to the date hereof.

(f) Acknowledge that Borrowers have made the payments required pursuant to Section 2.1.5(c)(ii) of the Credit Agreement as modified by this Agreement.

For avoidance of doubt, the Loan Parties acknowledge and agree that (i) the foregoing consents of Lenders are based on and limited to the Cash Collateral Stipulation, DIP Loan Agreement, Settlement Agreement and exhibits and attachments to such documents (which include, without limitation, the Chapter 11 Plan) in the forms presented to Lenders on or before the date hereof (collectively, the "Bankruptcy Documents"); (ii) Lenders have no obligation to approve or consent to any changes in the Bankruptcy Documents nor has any assurance been given that any such approval or consent would be given; (iii) any such consent and approval would require the agreement of each Lender; and (iv) no consent or agreement by Administrative Agent and Lenders herein or in any other document or instrument in connection with this Agreement or the transactions contemplated hereby shall reduce or waive any of the Obligations and notwithstanding the Settlement Agreement and the New Secured Notes, the full amount of the Term Loan and all other Obligations shall remain outstanding with the only reduction of the liability of any Loan Party with respect to the Term Loan and such other Obligations to be with respect to AWDI if, and only if, the Chapter 11 Plan is confirmed and the New Secured Note Documents become effective and then only to the extent provided therein with respect to AWDI. Lenders further agree to execute and deliver the New Secured Note Documents (and such other documents in connection therewith as may be reasonably requested by Administrative Agent) upon the confirmation of the Chapter 11 Plan and in connection with issuance of the "New Secured Note" pursuant to the Chapter 11 Plan and the Settlement Agreement.

4. Ratification of Loan Documents and Collateral. The Loan Documents are ratified and affirmed by the Loan Parties, and shall remain in full force and effect as modified herein. Any property or rights to or interests in property granted as security in the Loan Documents shall remain as security for the Loan and the obligations of the Loan Parties in the Loan Documents.

5. Representations and Warranties of Loan Parties. Each of the representations, warranties, and covenants contained in this Section 5 constitutes a material part of the consideration to Administrative Agent and Lenders to enter into this Agreement, and each Loan Party acknowledges that Administrative Agent and Lenders are relying on the correctness and completeness of these representations, warranties, and covenants in entering into this Agreement. Each of the following representations and warranties is true and accurate as of the date of execution of this Agreement and the Amendment Effective Date (as defined in Section 9 below), and will survive the consummation of the transactions contemplated hereby. Accordingly, each Loan Party covenants, represents, and warrants to Administrative Agent and Lenders as follows:

(a) No Default. No Unmatured Event of Default or Event of Default has occurred and is continuing.

(b) Loan Party Representations. Each and all representations and warranties of each Loan Party in the Loan Documents are accurate and correct on the date hereof and shall continue in effect as provided in the Loan Documents.

(c) Counterclaims and Defenses. None of the Loan Parties has any claims, counterclaims, defenses, or set-offs with respect to the Loan, Obligations or the Loan Documents. Administrative Agent, Lenders and their predecessors in interest have performed all of their obligations under the Loan Documents, and no Loan Party has any defenses, offsets, counterclaims, claims or demands of any nature which can be asserted against Administrative Agent, or any Lender, or their predecessors in interest, for damages or to reduce or eliminate all or any part of the obligations of any Loan Party under the Loan Documents.

(d) Due Authorization and Execution. The execution and delivery of this Agreement has been duly authorized by all requisite action by or on behalf of each Loan Party. This Agreement has been duly executed and delivered on behalf of each Loan Party.

(e) No Conflicts; No Consents Required. Neither execution nor delivery of this Agreement nor fulfillment of or compliance with the terms and provisions hereof will conflict with, or result in a breach of the terms or conditions of, or constitute a default under, any agreement or instrument to which any Loan Party is a party or by which any Loan Party may be bound. No consents, approvals or authorizations are required for the execution and delivery of this Agreement by any Loan Party or for compliance with its terms and provisions.

(f) Validity. This Agreement and the other Loan Documents are and will continue to be the legal, valid and binding obligations of each Loan Party, respectively, enforceable against each Loan Party, respectively, in accordance with their terms. The Loan Documents, as modified by this Agreement, are ratified and affirmed by each Loan Party, and shall remain in full force and effect.

6. Guarantors. Each Guarantor (a) consents to the terms and conditions of this Agreement; and (b) reaffirms the Guaranty and confirms and agrees that, notwithstanding this Agreement and consummation of the transactions contemplated thereby, the Repayment Guaranty and all of such Guarantor's covenants, obligations, agreements, waivers, and liabilities set forth in the Repayment Guaranty and any other Loan Documents continue in full force and effect in accordance with their terms, modified only to the extent specifically set forth in this Agreement.

7. Joinder of Grandchildren's Trusts. Lawrence Canarelli and Heidi Canarelli as Family Trustees of the Grandchildren's Trusts (as defined in the amendments to the Credit Agreement set forth above) hereby assume and agree to be bound by all of the terms, covenants, representations, warranties and conditions of the Credit Agreement and the other Loan

Documents jointly and severally with the other Persons comprising the Borrowers and assume and agree to be bound thereby as a Borrower as if Lawrence Canarelli and Heidi as Family Trustees on behalf of the Grandchildren's Trusts had originally executed the Credit Agreement and the other Loan Documents. Borrowers, Lenders and Administrative Agent hereby consent to the assumption of the Credit Agreement and the other Loan Documents by Lawrence Canarelli and Heidi Canarelli as Family Trustees on behalf of the Grandchildren's Trusts and agree and acknowledge that after the date of this Agreement the Grandchildren's Trusts shall be a Borrower for all purposes of the Credit Agreement and the other Loan Documents. Lawrence Canarelli and Heidi Canarelli as Family Trustees of the Grandchildren's Trusts agree to execute and deliver such additional documents as Administrative Agent may require, including with respect to liens securing the Obligations. Lawrence Canarelli and Heidi Canarelli as Family Trustees of the Grandchildren's Trusts represent and warrant that all of the representations and warranties set forth in the Credit Agreement, as modified by this Agreement, with respect to the Grandchildren's Trusts are true and correct. Without limiting the foregoing, Lawrence Canarelli and Heidi Canarelli as Family Trustees of the Grandchildren's Trusts hereby join in the Security Agreement and grant to Administrative Agent for the benefit of Lenders a first priority security interest in all right, title and interest of the Grandchildren's Trusts in and to all of the Collateral (as defined in the Security Agreement).

8. Waiver of Special Damages. Each Loan Party waives, to the maximum extent not prohibited by law, any right such Loan Party may have to claim or recover from Administrative Agent, or any Lender, in any legal action or proceeding any special, exemplary, punitive or consequential damages.

9. Execution and Delivery of Agreement by Administrative Agent and Lenders.

(a) Administrative Agent and Lenders shall not be bound by this Agreement until each of the following shall have occurred:

(i) Each Loan Party has executed and delivered this Agreement.

(ii) Administrative Agent and each Lender has executed and delivered this Agreement.

(iii) Each Loan Party has performed its obligations under this Agreement to be performed contemporaneously with the execution and delivery of this Agreement.

(iv) Borrowers shall have provided to Administrative Agent all contracts evidencing the Receivable, together with a listing of the amounts due in respect of the Receivable and such other evidence regarding the nature and amount of the Receivable as Administrative Agent may require, and all such contracts and other evidence shall be satisfactory to Administrative Agent.

(v) Administrative Agent shall have approved the methodology for valuation of the Receivable and in connection with any diminution of the value of the Receivable.

(vi) The Chapter 11 Plan, the Cash Collateral Stipulation, the DIP Loan Documents and all other documents and instruments in connection therewith, shall be satisfactory to Administrative Agent.

(vii) The lender pursuant to the DIP Loan and AWDI shall have executed and delivered the DIP Loan Subordination Agreement with respect to the DIP Loan in form satisfactory to Administrative Agent.

(viii) The Cash Collateral Budget (as such term is defined in the amendments to Credit Agreement set forth above) shall be satisfactory to Administrative Agent.

(ix) Administrative Agent and Lenders shall have otherwise completed their due diligence review of the transactions described herein and all matters related thereto.

(x) Borrowers and Guarantors shall have executed and delivered such other documents, deeds of trust, mortgages, instruments, agreements and certificates as Administrative Agent may require in connection with the transactions described herein.

(xi) Borrowers and Guarantors shall have provided such title insurance endorsements, searches, resolutions and opinions of counsel as Administrative Agent may require, including, without limitation, (A) an opinion of counsel regarding the continued enforceability of all Loan Documents notwithstanding the Chapter 11 Case and confirming that Administrative Agent and Lenders may continue to exercise all of their rights and remedies against all of the Borrowers (other than AWDI) and all Collateral (other than the Receivable) notwithstanding the Chapter 11 Case and (B) a bankruptcy "non-consolidation" opinion with respect to the Borrowers and Guarantors reflecting that the assets and liabilities of the Borrowers (other than AWDI) are not subject to the risk of substantive consolidation with AWDI in the Chapter 11 Case.

(xii) After giving effect to the transactions described herein, no Event of Default or Unmatured Event of Default shall have occurred and be continuing.

(xiii) Administrative Agent shall have received and approved true and correct copies of the Grandchildren's Trust Agreements.

(xiv) To the extent that any Real Property Collateral has been transferred to and is held by the Grandchildren's Trusts, Lawrence Canarelli and Heidi Canarelli as Family Trustees of the Grandchildren's Trusts shall have executed and delivered such additional documents and instruments as Administrative Agent may require and Administrative Agent shall have received such lender's policies of title insurance (or endorsements to existing lender's policies of title insurance) as Administrative Agent may require in its sole and absolute discretion.

(xv) Borrower shall have paid all external and internal costs, expenses and fees (including, without limitation, as applicable, reasonable in-house and outside retained attorneys' fees, appraisal, internal appraisal review fees, environmental assessment, environmental testing, environmental clean-up and other inspection, processing, title insurance (including endorsements to existing title insurance policies), filing, and reporting costs, expenses, and fees of Administrative Agent and Lenders in the documentation, negotiation, execution, and delivery of this Agreement and the other documents and instruments referred to herein.

(b) Borrower and Guarantor shall not be bound by this Agreement until Borrower and such Guarantors have executed and delivered this Agreement.

If all of the foregoing conditions in this Section 9 are not satisfied on or prior to the earlier of (i) 5:00 p.m. (Arizona time), on March 1, 2012 and (ii) the filing of the Chapter 11 Case, the agreements by Administrative Agent and Lenders herein shall not become effective and Administrative Agent and Lenders shall have no obligations under this Agreement. The date this Agreement becomes effective is referred to herein as the "Amendment Effective Date".

10. Covenants. Borrower and each Guarantor covenants with Administrative Agent and Lenders:

(a) Borrower and Guarantors shall execute, deliver, and provide to Administrative Agent such additional agreements, documents, and instruments as reasonably required by Administrative Agent to effectuate the intent of this Agreement.

(b) Contemporaneously with the execution and delivery of this Agreement, Borrower shall pay to Administrative Agent:

(i) All costs and expenses of Administrative Agent and each Lender in connection with the preparation, reproduction, execution and delivery of this Agreement and all other agreements entered into in connection herewith, including, without limitation in-house and outside-retained attorneys' fees and expenses;

(ii) Such other fees as may be agreed to be paid by Borrower to Administrative Agent and Lenders in connection with this Agreement; and

(iii) All internal and external costs and expenses incurred by Administrative Agent in connection with this Agreement, including, without limitation, appraisal, appraisal review, title insurance, escrow, and recording fees, costs and expenses.

11. Release. Each Loan Party fully, finally, and forever releases and discharges Administrative Agent, and each Lender and their predecessors, successors, assigns, directors, officers, employees, agents, attorneys, and representatives from any and all actions, causes of action, claims, debts, demands, liabilities, obligations, and suits, of whatever kind or nature, in law or equity, that such Loan Party has or in the future may have, whether known or unknown in

respect of the Loan, the Loan Documents, or the actions or omissions of Administrative Agent or any Lender in respect of the Loan or the Loan Documents that arise from events occurring prior to the date of this Agreement. It is the intention of each Loan Party that the above release shall be effective as a full and final release of each and every matter specifically and generally referred to above. Each Loan Party acknowledges and represents that it has been advised by independent legal counsel with respect to the agreements contained herein. EACH LOAN PARTY EXPRESSLY WAIVES ANY PROVISION OF STATUTORY OR DECISIONAL LAW TO THE EFFECT THAT A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN SUCH PARTY'S FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH, IF KNOWN BY SUCH PARTY, MUST HAVE MATERIALLY AFFECTED SUCH PARTY'S SETTLEMENT WITH THE RELEASED PARTIES.

12. Amendments. Subject to any further requirements in the Credit Agreement, no amendment or modification of any provision of this Agreement shall be effective without the written agreement of Administrative Agent, Borrower, and Guarantors, and no termination or waiver of any provision of this Agreement, or consent to any departure by any Loan Party therefrom, shall in any event be effective without the written concurrence of Administrative Agent. Any waiver or consent shall be effective only in the specific instance and for the specific purpose for which it was given. No notice to or demand upon Borrower or any Guarantor in any case shall entitle Borrower or any Guarantor to any other or further notice or demand in similar or other circumstances.

13. Default under this Agreement. It shall be an Event of Default under the Credit Agreement if any Loan Party shall fail to comply with any of the covenants herein or if any representation or warranty by any Loan Party herein is materially incomplete, incorrect, or misleading as of the date hereof.

14. Time of Essence. TIME IS STRICTLY OF THE ESSENCE OF THIS AGREEMENT AND FULL AND COMPLETE PERFORMANCE OF EACH AND EVERY PROVISION HEREOF.

15. Choice of Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Arizona, without giving effect to conflicts of law principles.

16. Binding Effect. This Agreement is binding on and shall inure to the benefit of the parties and their respective successors and assigns.

17. Entire Agreement; Change; Discharge; Termination or Waiver. The Loan Documents, as modified by this Agreement, contain the entire understanding and agreement of Borrower, Guarantor, Administrative Agent and Lenders in respect of the Loan and supersede all prior representations, warranties, agreements and understandings.

18. Counterparts. This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one agreement, and any of the parties hereto may execute this Agreement signing any such counterpart.

19. JURY TRIAL WAIVER. BORROWER, GUARANTORS, ADMINISTRATIVE AGENT AND LENDERS HEREBY VOLUNTARILY, KNOWINGLY, IRREVOCABLY AND UNCONDITIONALLY WAIVE ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE (WHETHER BASED UPON CONTRACT, TORT OR OTHERWISE) BETWEEN OR AMONG BORROWER, GUARANTORS, ADMINISTRATIVE AGENT OR LENDERS ARISING OUT OF OR IN ANY WAY RELATED TO THIS DOCUMENT OR ANY OTHER RELATED DOCUMENT OR ANY RELATIONSHIP BETWEEN BORROWER, GUARANTORS, ADMINISTRATIVE AGENT OR LENDERS RELATED THERETO. THIS PROVISION IS A MATERIAL INDUCEMENT TO ADMINISTRATIVE AGENT AND LENDERS ENTERING INTO THIS AGREEMENT AND THE TRANSACTIONS DESCRIBED HEREIN.

[SIGNATURE PAGES FOLLOW]

BORROWERS:

AMERICAN WEST DEVELOPMENT, INC., a
Nevada corporation


By: 

Name: Robert M. Evans

Title: President

BORROWERS:



LAWRENCE D. CANARELLI, individually

HEIDI CANARELLI, individually

BORROWERS:

A handwritten signature in dark ink, appearing to read 'LDC', is written over a horizontal line.

LAWRENCE D. CANARELLI, as Trustee of The Canarelli Family Trust, established pursuant to Trust Agreement dated September 14, 1990, as amended by that certain First Amendment and Total Restatement dated December 3, 1993, as further amended by that certain Second Amendment dated August 8, 2006

BORROWERS:



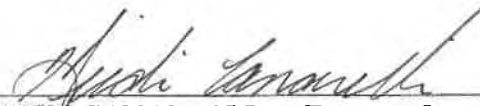
LAWRENCE D. CANARELLI, as Trustee of:

The Jeffrey Lawrence Graves Canarelli Irrevocable Trust, established pursuant to Trust Agreement dated February 24, 1998

The Scott Lyle Graves Canarelli Irrevocable Trust, established pursuant to Trust Agreement dated February 24, 1998

The Stacia Leigh Lemke Irrevocable Trust, established pursuant to Trust Agreement dated February 24, 1998

The Alyssa Lawren Graves Canarelli Irrevocable Trust, established pursuant to Trust Agreement dated October 24, 2002



HEIDI CANARELLI, as Trustee of:

The Jeffrey Lawrence Graves Canarelli Irrevocable Trust, established pursuant to Trust Agreement dated February 24, 1998

The Scott Lyle Graves Canarelli Irrevocable Trust, established pursuant to Trust Agreement dated February 24, 1998

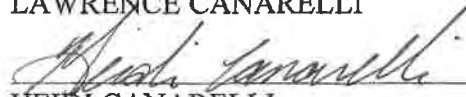
The Stacia Leigh Lemke Irrevocable Trust, established pursuant to Trust Agreement dated February 24, 1998

The Alyssa Lawren Graves Canarelli Irrevocable Trust, established pursuant to Trust Agreement dated October 24, 2002

BORROWERS:



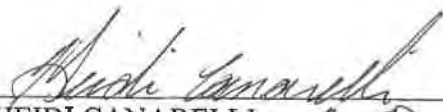
LAWRENCE CANARELLI



HEIDI CANARELLI

as Family Trustees of the Lawrence Canarelli 2011
Irrevocable Trust

BORROWERS:



HEIDI CANARELLI


LAWRENCE CANARELLI

as Family Trustees of the Heidi Canarelli 2011
Irrevocable Trust

BORROWERS:

DEFERRED REVENUE, LLC, a Nevada limited liability company

By: _____

A handwritten signature in black ink, appearing to read "LDC", is written over a horizontal line.

Name: Lawrence D. Canarelli

Title: Manager

BORROWERS:

GAMEDAY, LLC, a Nevada limited liability company

By: Land Manager, Inc., a Nevada corporation,
its Manager

By: 

Name: Dianne Ferraro

Title: President

BORROWERS:

ADAVEN MANAGEMENT, INC., a Nevada corporation

AWH VENTURES, INC., a Nevada corporation

COLORADO COMPANIES, INC., a Nevada corporation

COLORADO HOUSING INVESTMENTS, INC., a Nevada corporation

COLORADO LAND INVESTMENTS, INC., a Nevada corporation

COLORADO LAND INVESTMENTS 2, INC., a Nevada corporation

HERITAGE 2, INC., a Nevada corporation

HIGHLANDS LAND INVESTMENT, INC., a Nevada corporation

KENSINGTON 2, INC., a Nevada corporation

MODEL RENTING COMPANY, INC., a Nevada corporation

WOODBIDGE 1, INC., a Nevada corporation

INDIANA INVESTMENTS, INC., a Nevada corporation

By: _____



Name: Lawrence D. Canarelli

Title: President

BORROWERS:

AWH NORTH, LLC, a Nevada limited liability company
AWH NORTH NLV 2009, LLC, a Nevada limited liability company
CFT LANDS, LLC, a Nevada limited liability company
PARCEL NLV 1.3, L.L.C., a Nevada limited liability company
PARCEL NLV 1.4, L.L.C., a Nevada limited liability company
PARCEL NLV 1.13, L.L.C., a Nevada limited liability company
LEXINGTON 1, LLC, a Nevada limited liability company
NEWCASTLE 1, LLC, a Nevada limited liability company
NLV PARCEL 5.03, L.L.C., a Nevada limited liability company
CANFAM HOLDINGS, LLC, a Nevada limited liability company
FAIRMONT 2, LLC, a Nevada limited liability company
SJSA VENTURES, LLC, a Nevada limited liability company
LH VENTURES, LLC, a Nevada limited liability company
MODEL RENTING 2008, LLC, a Nevada limited liability company
MODEL RENTING 2009, LLC, a Nevada limited liability company
MODEL RENTING 2010, LLC, a Nevada limited liability company
SILVERADO SPRINGS 3, LLC, a Nevada limited liability company
MOUNTAIN WEST ASSOCIATES, LLC, a Nevada limited liability company
HLI, LLC, a Nevada limited liability company

By: Investment Manager, Inc., a Nevada corporation, their Manager

By: 

Name: Lawrence D. Canarelli

Title: President

BORROWERS:

ST. ROSE PARCEL, L.L.C., a Nevada limited liability company

By: 

Name: Lawrence D. Canarelli

Title: Manager

GUARANTORS:

C & H ADAMS LAND INVESTMENTS LLC, a Colorado limited liability company

CS 2005 INVESTMENTS LLC, a Colorado limited liability company

EH 2002 LLC, a Colorado limited liability company

GREEN VALLEY AURORA LLC, a Colorado limited liability company

GREEN VALLEY EAST LLC, a Colorado limited liability company

GVR KING COMMERCIAL LLC, a Colorado limited liability company

GVR KING LLC, a Colorado limited liability company

HC LAND INVESTMENTS LLC, a Colorado limited liability company

TOWER ROAD FARMS LLC, a Colorado limited liability company

YAMPA-TELLURIDE LAND INVESTMENTS LLC, a Colorado limited liability company

By: _____

Name: Patrick H. Hamill

Title: Manager

By: _____

Name: Lawrence D. Canarelli

Title: Manager

GUARANTORS:

C & H ADAMS LAND INVESTMENTS LLC, a Colorado limited liability company

CS 2005 INVESTMENTS LLC, a Colorado limited liability company

EH 2002 LLC, a Colorado limited liability company

GREEN VALLEY AURORA LLC, a Colorado limited liability company

GREEN VALLEY EAST LLC, a Colorado limited liability company

GVR KING COMMERCIAL LLC, a Colorado limited liability company

GVR KING LLC, a Colorado limited liability company

HC LAND INVESTMENTS LLC, a Colorado limited liability company

TOWER ROAD FARMS LLC, a Colorado limited liability company

YAMPA-TELLURIDE LAND INVESTMENTS LLC, a Colorado limited liability company

By: 

Name: Patrick H. Hamill

Title: Manager

By: _____

Name: Lawrence D. Canarelli

Title: Manager

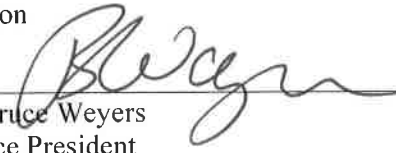
ADMINISTRATIVE AGENT:

CALIFORNIA BANK & TRUST, a California banking corporation

By: _____

Name: Bruce Weyers

Title: Vice President

A handwritten signature in dark ink, appearing to read "Bruce Weyers", is written over a horizontal line. The signature is fluid and cursive.

LENDER:

CALIFORNIA BANK & TRUST, a California banking corporation

By: 

Name: Bruce Weyers

Title: Vice President

LENDER:

KEYBANK NATIONAL ASSOCIATION, a national
banking association


By: 

Name: Scott D Randle

Title: Senior Vice President

LENDER:

JPMORGAN CHASE BANK, N.A.

By: 
Name: Wayne E Olson
Title: Authorized Officer

LENDER:

BANK OF AMERICA, N.A.

By: 

Name: Michael Olson

Title: Senior Vice President

LENDER:

COMERICA BANK

By: _____

Name: _____

Title: _____


Paul N. Havashi

PAUL N. HAVASHI

FIRST VICE PRESIDENT

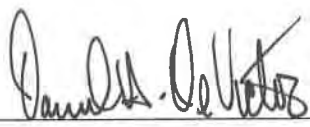
LENDER:

US BANK NATIONAL ASSOCIATION

By: 
Name: Christopher D. Zumberge
Title: Senior vice president


LENDER:

WELLS FARGO BANK, NATIONAL ASSOCIATION

By: 
Name: David A. DeVitor
Title: Senior Vice President

LENDER:

WELLS FARGO BANK, NATIONAL ASSOCIATION,
successor in interest to Wachovia Bank, National
Association

By: 

Name: David A. DeVitor

Title: Senior Vice President

Schedule 1

Loan Documents

1. Term Loan Credit Agreement among California Bank & Trust, as Administrative Agent, Wells Fargo Bank, National Association as Syndication Agent, Lenders and Borrowers listed on the signature pages thereto, dated December 31, 2009.
2. Term Loan Promissory Note in the amount of \$46,655,290.81 by Borrower to California Bank & Trust, as Lender, dated December 31, 2009.
3. Term Loan Promissory Note in the amount of \$18,608,947.91 by Borrower to Keybank National Association, as Lender, dated December 31, 2009.
4. Term Loan Promissory Note in the amount of \$27,913,421.94 by Borrower to Wachovia Bank, N.A., as Lender, dated December 31, 2009.
5. Term Loan Promissory Note in the amount of \$46,655,290.96 by Borrower to JPMorgan Chase, N.A., as Lender, dated December 31, 2009.
6. Term Loan Promissory Note in the amount of \$32,964,421.81 by Borrower to Bank of America, N.A., as Lender, dated December 31, 2009.
7. Term Loan Promissory Note in the amount of \$13,292,105.94 by Borrower to Comerica Bank, as Lender, dated December 31, 2009.
8. Term Loan Promissory Note in the amount of \$21,267,369.35 by Borrower to US Bank National Association, as Lender, dated December 31, 2009.
9. Term Loan Promissory Note in the amount of \$31,901,053.65 by Borrower to Wells Fargo Bank, N.A., as Lender, dated December 31, 2009.
10. Deed of Trust and Fixture Filing (with Assignment of Rents and Security Agreement), dated December 31, 2009, between Adaven Management, Inc., as Trustor, First American Title Insurance Company, as Trustee, and California Bank & Trust, as administrative agent for itself and the other Lenders, as Beneficiary.
11. Deed of Trust and Fixture Filing (with Assignment of Rents and Security Agreement), dated December 31, 2009, between St. Rose Parcel, L.L.C., as Trustor, First American Title Insurance Company, as Trustee, and California Bank & Trust, as administrative agent for itself and the other Lenders, as Beneficiary.
12. Master Deed of Trust and Fixture Filing (with Assignment of Rents and Security Agreement), dated December 31, 2009, between LH Ventures, LLC, Model Renting 2008, LLC, Model Renting 2009, LLC, Gameday, LLC, Adaven Management, Inc., Fairmont 1, Inc., Heritage 2, Inc., Kensington 2, Inc., Model Renting Company, Inc., Mountain West Associates, LLC, Silverado Springs 1, Inc., CFT Lands, LLC, Parcel NLV 1.3, L.L.C., Parcel NLV 1.4, L.L.C., Parcel NLV 1.13, L.L.C., NLV Parcel 5.03,

L.L.C., HLI, LLC, and CANFAM Holdings, LLC, individually and collectively, as Trustor, First American Title Insurance Company, as Trustee, and California Bank & Trust, as administrative agent for itself and the other Lenders, as Beneficiary.

13. Deed of Trust Secured by Water Rights, dated December 31, 2009, between Adaven Management, Inc., as Trustor, First American Title Insurance Company, as Trustee, and California Bank & Trust, as administrative agent for itself and the other Lenders, as Beneficiary.
14. Supplement Deed of Trust and Fixture Filing (with Assignment of Rents and Security Agreement), Commitment #413268-9, dated December 31, 2009, between LH Ventures, LLC, as Trustor, First American Title Insurance Company, as Trustee, and California Bank & Trust, as administrative agent for itself and the other Lenders, as Beneficiary.
15. Supplement Deed of Trust and Fixture Filing (with Assignment of Rents and Security Agreement), Commitment #413268-13, dated December 31, 2009, between LH Ventures, LLC, as Trustor, First American Title Insurance Company, as Trustee, and California Bank & Trust, as administrative agent for itself and the other Lenders, as Beneficiary.
16. Supplement Deed of Trust and Fixture Filing (with Assignment of Rents and Security Agreement), Commitment #413268-24, dated December 31, 2009, between LH Ventures LLC, as Trustor, First American Title Insurance Company, as Trustee, and California Bank & Trust, as administrative agent for itself and the other Lenders, as Beneficiary.
17. Supplement Deed of Trust and Fixture Filing (with Assignment of Rents and Security Agreement), Commitment #413268-40, dated December 31, 2009, between Model Rental 2008, LLC, as Trustor, First American Title Insurance Company, as Trustee, and California Bank & Trust, as administrative agent for itself and the other Lenders, as Beneficiary.
18. Supplement Deed of Trust and Fixture Filing (with Assignment of Rents and Security Agreement), Commitment #413268-43, dated December 31, 2009, between Model Rental 2008, LLC, as Trustor, First American Title Insurance Company, as Trustee, and California Bank & Trust, as Beneficiary.
19. Supplement Deed of Trust and Fixture Filing (with Assignment of Rents and Security Agreement), Commitment #413268-36, dated December 31, 2009, between Model Renting 2009, as Trustor, First American Title Insurance Company, as Trustee, and California Bank & Trust, as administrative agent for itself and the other Lenders, as Beneficiary.
20. Supplement Deed of Trust and Fixture Filing (with Assignment of Rents and Security Agreement), Commitment #413268-37, dated December 31, 2009, between Model Renting 2009, as Trustor, First American Title Insurance Company, as Trustee, and California Bank & Trust, as administrative agent for itself and the other Lenders, as Beneficiary.

21. Supplement Deed of Trust and Fixture Filing (with Assignment of Rents and Security Agreement), Commitment #413268-41, dated December 31, 2009, between Model Renting 2009, as Trustor, First American Title Insurance Company, as Trustee, and California Bank & Trust, as administrative agent for itself and the other Lenders, as Beneficiary.
22. Supplement Deed of Trust and Fixture Filing (with Assignment of Rents and Security Agreement), Commitment #413268-25, dated December 31, 2009, between Gameday, LLC, as Trustor, First American Title Insurance Company, as Trustee, and California Bank & Trust, as administrative agent for itself and the other Lenders, as Beneficiary.
23. Supplement Deed of Trust and Fixture Filing (with Assignment of Rents and Security Agreement), Commitment #413268-27, dated December 31, 2009, between Gameday, LLC, as Trustor, First American Title Insurance Company, as Trustee, and California Bank & Trust, as administrative agent for itself and the other Lenders, as Beneficiary.
24. Supplement Deed of Trust and Fixture Filing (with Assignment of Rents and Security Agreement), Commitment #413268-29, dated December 31, 2009, between Gameday, LLC, as Trustor, First American Title Insurance Company, as Trustee, and California Bank & Trust, as administrative agent for itself and the other Lenders, as Beneficiary.
25. Supplement Deed of Trust and Fixture Filing (with Assignment of Rents and Security Agreement), Commitment #413268-30, dated December 31, 2009, between Gameday, LLC, as Trustor, First American Title Insurance Company, as Trustee, and California Bank & Trust, as Beneficiary.
26. Supplement Deed of Trust and Fixture Filing (with Assignment of Rents and Security Agreement), Commitment #413268-31, dated December 31, 2009, between Gameday, LLC, as Trustor, First American Title Insurance Company, as Trustee, and California Bank & Trust, as administrative agent for itself and the other Lenders, as Beneficiary.
27. Supplement Deed of Trust and Fixture Filing (with Assignment of Rents and Security Agreement), Commitment #413268-4, dated December 31, 2009, between Adaven Management, Inc., as Trustor, First American Title Insurance Company, as Trustee, and California Bank & Trust, as administrative agent for itself and the other Lenders, as Beneficiary.
28. Supplement Deed of Trust and Fixture Filing (with Assignment of Rents and Security Agreement), Commitment #413268-5, dated December 31, 2009, between Adaven Management, Inc., as Trustor, First American Title Insurance Company, as Trustee, and California Bank & Trust, as administrative agent for itself and the other Lenders, as Beneficiary.
29. Supplement Deed of Trust and Fixture Filing (with Assignment of Rents and Security Agreement), Commitment #413268-24, dated December 31, 2009, between Adaven Management, Inc., as Trustor, First American Title Insurance Company, as Trustee, and California Bank & Trust, as administrative agent for itself and the other Lenders, as Beneficiary.

30. Supplement Deed of Trust and Fixture Filing (with Assignment of Rents and Security Agreement), Commitment #413268-19, dated December 31, 2009, between Fairmont 1, Inc., as Trustor, First American Title Insurance Company, as Trustee, and California Bank & Trust, as administrative agent for itself and the other Lenders, as Beneficiary.
31. Supplement Deed of Trust and Fixture Filing (with Assignment of Rents and Security Agreement), Commitment #413268-24, dated December 31, 2009, between Heritage 2, Inc., as Trustor, First American Title Insurance Company, as Trustee, and California Bank & Trust, as administrative agent for itself and the other Lenders, as Beneficiary.
32. Supplement Deed of Trust and Fixture Filing (with Assignment of Rents and Security Agreement), Commitment #413268-21, dated December 31, 2009, between Kensington 2, Inc., as Trustor, First American Title Insurance Company, as Trustee, and California Bank & Trust, as administrative agent for itself and the other Lenders, as Beneficiary.
33. Supplement Deed of Trust and Fixture Filing (with Assignment of Rents and Security Agreement), Commitment #413268-6, dated December 31, 2009, between Canfam Holdings, LLC, as Trustor, First American Title Insurance Company, as Trustee, and California Bank & Trust, as administrative agent for itself and the other Lenders, as Beneficiary.
34. Supplement Deed of Trust and Fixture Filing (with Assignment of Rents and Security Agreement), Commitment #413268-7, dated December 31, 2009, between Canfam Holdings, LLC, as Trustee, and California Bank & Trust, as administrative agent for itself and the other Lenders, as Beneficiary.
35. Supplement Deed of Trust and Fixture Filing (with Assignment of Rents and Security Agreement), Commitment #413268-8, dated December 31, 2009, between Canfam Holdings, LLC, as Trustor, First American Title Insurance Company, as Trustee, and California Bank & Trust, as administrative agent for itself and the other Lenders, as Beneficiary.
36. Supplement Deed of Trust and Fixture Filing (with Assignment of Rents and Security Agreement), Commitment #413268-9, dated December 31, 2009, between Canfam Holdings, LLC, as Trustor, First American Title Insurance Company, as Trustee, and California Bank & Trust, as administrative agent for itself and the other Lenders, as Beneficiary.
37. Supplement Deed of Trust and Fixture Filing (with Assignment of Rents and Security Agreement), Commitment #413268-10, dated December 31, 2009, between Canfam Holdings, LLC, as Trustor, First American Title Insurance Company, as Trustee, and California Bank & Trust, as Beneficiary.
38. Supplement Deed of Trust and Fixture Filing (with Assignment of Rents and Security Agreement), Commitment #413268-11, dated December 31, 2009, between Canfam Holdings, LLC, as Trustor, First American Title Insurance Company, as Trustee, and California Bank & Trust, as administrative agent for itself and the other Lenders, as Beneficiary.

39. Supplement Deed of Trust and Fixture Filing (with Assignment of Rents and Security Agreement), Commitment #413268-12, dated December 31, 2009, between Canfam Holdings, LLC, as Trustor, First American Title Insurance Company, as Trustee, and California Bank & Trust, as administrative agent for itself and the other Lenders, as Beneficiary.
40. Supplement Deed of Trust and Fixture Filing (with Assignment of Rents and Security Agreement), Commitment #413268-14, dated December 31, 2009, between Canfam Holdings, LLC, as Trustor, First American Title Insurance Company, as Trustee, and California Bank & Trust, as administrative agent for itself and the other Lenders, as Beneficiary.
41. Supplement Deed of Trust and Fixture Filing (with Assignment of Rents and Security Agreement), Commitment #413268-15, dated December 31, 2009, between Canfam Holdings, LLC, as Trustor, First American Title Insurance Company, as Trustee, and California Bank & Trust, as administrative agent for itself and the other Lenders, as Beneficiary.
42. Supplement Deed of Trust and Fixture Filing (with Assignment of Rents and Security Agreement), Commitment #413268-16, dated December 31, 2009, between Canfam Holdings, LLC, as Trustor, First American Title Insurance Company, as Trustee, and California Bank & Trust, as administrative agent for itself and the other Lenders, as Beneficiary.
43. Supplement Deed of Trust and Fixture Filing (with Assignment of Rents and Security Agreement), Commitment #413268-17, dated December 31, 2009, between Canfam Holdings, LLC, as Trustor, First American Title Insurance Company, as Trustee, and California Bank & Trust, as administrative agent for itself and the other Lenders, as Beneficiary.
44. Supplement Deed of Trust and Fixture Filing (with Assignment of Rents and Security Agreement), Commitment #413268-18, dated December 31, 2009, between Canfam Holdings, LLC, as Trustee, and California Bank & Trust, as administrative agent for itself and the other Lenders, as Beneficiary.
45. Supplement Deed of Trust and Fixture Filing (with Assignment of Rents and Security Agreement), Commitment #413268-19, dated December 31, 2009, between Canfam Holdings, LLC, as Trustor, First American Title Insurance Company, as Trustee, and California Bank & Trust, as administrative agent for itself and the other Lenders, as Beneficiary.
46. Supplement Deed of Trust and Fixture Filing (with Assignment of Rents and Security Agreement), Commitment #413268-20, dated December 31, 2009, between Canfam Holdings, LLC, as Trustor, First American Title Insurance Company, as Trustee, and California Bank & Trust, as administrative agent for itself and the other Lenders, as Beneficiary.

47. Supplement Deed of Trust and Fixture Filing (with Assignment of Rents and Security Agreement), Commitment #413268-21, dated December 31, 2009, between Canfam Holdings, LLC, as Trustor, First American Title Insurance Company, as Trustee, and California Bank & Trust, as administrative agent for itself and the other Lenders, as Beneficiary.
48. Supplement Deed of Trust and Fixture Filing (with Assignment of Rents and Security Agreement), Commitment #413268-22, dated December 31, 2009, between Canfam Holdings, LLC, as Trustor, First American Title Insurance Company, as Trustee, and California Bank & Trust, as administrative agent for itself and the other Lenders, as Beneficiary.
49. Supplement Deed of Trust and Fixture Filing (with Assignment of Rents and Security Agreement), Commitment #413268-23, dated December 31, 2009, between Canfam Holdings, LLC, as Trustor, First American Title Insurance Company, as Trustee, and California Bank & Trust, as administrative agent for itself and the other Lenders, as Beneficiary.
50. Supplement Deed of Trust and Fixture Filing (with Assignment of Rents and Security Agreement), Commitment #413268-24, dated December 31, 2009, between Canfam Holdings, LLC, as Trustor, First American Title Insurance Company, as Trustee, and California Bank & Trust, as administrative agent for itself and the other Lenders, as Beneficiary.
51. Supplement Deed of Trust and Fixture Filing (with Assignment of Rents and Security Agreement), Commitment #413268-26, dated December 31, 2009, between Canfam Holdings, LLC, as Trustor, First American Title Insurance Company, as Trustee, and California Bank & Trust, as administrative agent for itself and the other Lenders, as Beneficiary.
52. Supplement Deed of Trust and Fixture Filing (with Assignment of Rents and Security Agreement), Commitment #413268-32, dated December 31, 2009, between Model Renting Company, Inc., as Trustor, First American Title Insurance Company, as Trustee, and California Bank & Trust, as Beneficiary.
53. Supplement Deed of Trust and Fixture Filing (with Assignment of Rents and Security Agreement), Commitment #413268-33, dated December 31, 2009, between Model Renting Company, Inc., as Trustee, and California Bank & Trust, as administrative agent for itself and the other Lenders, as Beneficiary.
54. Supplement Deed of Trust and Fixture Filing (with Assignment of Rents and Security Agreement), Commitment #413268-34, dated December 31, 2009, between Model Renting Company, Inc., as Trustor, First American Title Insurance Company, as Trustee, and California Bank & Trust, as administrative agent for itself and the other Lenders, as Beneficiary.
55. Supplement Deed of Trust and Fixture Filing (with Assignment of Rents and Security Agreement), Commitment #413268-35, dated December 31, 2009, between Model

Renting Company, Inc., as Trustor, First American Title Insurance Company, as Trustee, and California Bank & Trust, as administrative agent for itself and the other Lenders, as Beneficiary.

56. Supplement Deed of Trust and Fixture Filing (with Assignment of Rents and Security Agreement), Commitment #413268-36, dated December 31, 2009, between Model Renting Company, Inc., as Trustor, First American Title Insurance Company, as Trustee, and California Bank & Trust, as administrative agent for itself and the other Lenders, as Beneficiary.
57. Supplement Deed of Trust and Fixture Filing (with Assignment of Rents and Security Agreement), Commitment #413268-37, dated December 31, 2009, between Model Renting Company, Inc., as Trustor, First American Title Insurance Company, as Trustee, and California Bank & Trust, as administrative agent for itself and the other Lenders, as Beneficiary.
58. Supplement Deed of Trust and Fixture Filing (with Assignment of Rents and Security Agreement), Commitment #413268-38, dated December 31, 2009, between Model Renting Company, Inc., as Trustor, First American Title Insurance Company, as Trustee, and California Bank & Trust, as administrative agent for itself and the other Lenders, as Beneficiary.
59. Supplement Deed of Trust and Fixture Filing (with Assignment of Rents and Security Agreement), Commitment #413268-39, dated December 31, 2009, between Model Renting Company, Inc., as Trustee, and California Bank & Trust, as administrative agent for itself and the other Lenders, as Beneficiary.
60. Supplement Deed of Trust and Fixture Filing (with Assignment of Rents and Security Agreement), Commitment #413268-5, dated December 31, 2009, between Silverado Springs 1, Inc., as Trustor, First American Title Insurance Company, as Trustee, and California Bank & Trust, as administrative agent for itself and the other Lenders, as Beneficiary.
61. Supplement Deed of Trust and Fixture Filing (with Assignment of Rents and Security Agreement), Commitment #413268-24, dated December 31, 2009, between CFT Lands, LLC, as Trustee, and California Bank & Trust, as administrative agent for itself and the other Lenders, as Beneficiary.
62. Supplement Deed of Trust and Fixture Filing (with Assignment of Rents and Security Agreement), Commitment #413268-27, dated December 31, 2009, between CFT Lands, LLC, as Trustor, First American Title Insurance Company, as Trustee, and California Bank & Trust, as administrative agent for itself and the other Lenders, as Beneficiary.
63. Supplement Deed of Trust and Fixture Filing (with Assignment of Rents and Security Agreement), Commitment #413268-28, dated December 31, 2009, between CFT Lands, LLC, as Trustor, First American Title Insurance Company, as Trustee, and California Bank & Trust, as administrative agent for itself and the other Lenders, as Beneficiary.

64. Supplement Deed of Trust and Fixture Filing (with Assignment of Rents and Security Agreement), Commitment #413268-30, dated December 31, 2009, between CFT Lands, LLC, as Trustor, First American Title Insurance Company, as Trustee, and California Bank & Trust, as administrative agent for itself and the other Lenders, as Beneficiary.
65. Supplement Deed of Trust and Fixture Filing (with Assignment of Rents and Security Agreement), Commitment #413268-2, dated December 31, 2009, between Parcel NLV 1.3, LLC & Parcel NLV 1.4, LLC, as Trustor, First American Title Insurance Company, as Trustee, and California Bank & Trust, as Beneficiary.
66. Supplement Deed of Trust and Fixture Filing (with Assignment of Rents and Security Agreement), Commitment #413268-2, dated December 31, 2009, between Parcel NLV 1.13, LLC, as Trustor, First American Title Insurance Company, as Trustee, and California Bank & Trust, as administrative agent for itself and the other Lenders, as Beneficiary.
67. Supplement Deed of Trust and Fixture Filing (with Assignment of Rents and Security Agreement), Commitment #413268-2, dated December 31, 2009, between NLV Parcel 5.03, LLC, as Trustor, First American Title Insurance Company, as Trustee, and California Bank & Trust, as administrative agent for itself and the other Lenders, as Beneficiary.
68. Supplement Deed of Trust and Fixture Filing (with Assignment of Rents and Security Agreement), Commitment #413268-27, dated December 31, 2009, between HLI, LLC, as Trustor, First American Title Insurance Company, as Trustee, and California Bank & Trust, as administrative agent for itself and the other Lenders, as Beneficiary.
69. Supplement Deed of Trust and Fixture Filing (with Assignment of Rents and Security Agreement), Commitment #413268-28, dated December 31, 2009, between HLI, LLC, as Trustee, and California Bank & Trust, as administrative agent for itself and the other Lenders, as Beneficiary.
70. Supplement Deed of Trust and Fixture Filing (with Assignment of Rents and Security Agreement), Commitment #413268-29, dated December 31, 2009, between HLI, LLC, as Trustor, First American Title Insurance Company, as Trustee, and California Bank & Trust, as administrative agent for itself and the other Lenders, as Beneficiary.
71. Supplement Deed of Trust and Fixture Filing (with Assignment of Rents and Security Agreement), Commitment #413268-30, dated December 31, 2009, between HLI, LLC, as Trustor, First American Title Insurance Company, as Trustee, and California Bank & Trust, as administrative agent for itself and the other Lenders, as Beneficiary.
72. Supplement Deed of Trust and Fixture Filing (with Assignment of Rents and Security Agreement), Commitment #413268-31, dated December 31, 2009, between HLI, LLC, as Trustor, First American Title Insurance Company, as Trustee, and California Bank & Trust, as administrative agent for itself and the other Lenders, as Beneficiary.

73. Supplement Deed of Trust and Fixture Filing (with Assignment of Rents and Security Agreement), Commitment #413268-25, dated December 31, 2009, between Mountain West Associates, LLC, as Trustor, First American Title Insurance Company, as Trustee, and California Bank & Trust, as administrative agent for itself and the other Lenders, as Beneficiary.
74. Supplement Deed of Trust and Fixture Filing (with Assignment of Rents and Security Agreement), Commitment #413268-27, dated December 31, 2009, between Mountain West Associates, LLC, as Trustor, First American Title Insurance Company, as Trustee, and California Bank & Trust, as administrative agent for itself and the other Lenders, as Beneficiary.
75. Supplement Deed of Trust and Fixture Filing (with Assignment of Rents and Security Agreement), Commitment #413268-29, dated December 31, 2009, between Mountain West Associates, LLC, as Trustor, First American Title Insurance Company, as Trustee, and California Bank & Trust, as administrative agent for itself and the other Lenders, as Beneficiary.
76. Supplement Deed of Trust and Fixture Filing (with Assignment of Rents and Security Agreement), Commitment #413268-30, dated December 31, 2009, between Mountain West Associates, LLC, as Trustor, First American Title Insurance Company, as Trustee, and California Bank & Trust, as administrative agent for itself and the other Lenders, as Beneficiary.
77. Supplement Deed of Trust and Fixture Filing (with Assignment of Rents and Security Agreement), Commitment #413268-31, dated December 31, 2009, between Mountain West Associates, LLC, as Trustor, First American Title Insurance Company, as Trustee, and California Bank & Trust, as administrative agent for itself and the other Lenders, as Beneficiary.
78. Supplement Deed of Trust and Fixture Filing (with Assignment of Rents and Security Agreement), dated December 31, 2009, between NLV Parcel 5.03, LLC, as Trustor, First American Title Insurance Company, as Trustee, and California Bank & Trust, as administrative agent for itself and the other Lenders, as Beneficiary.
79. Deed of Trust and Fixture Filing (with Assignment of Rents and Security Agreement), dated December 31, 2009, between HC Land Investments, LLC, as Grantor, to the Public Trustee of Denver County, as Trustee, and California Bank & Trust, as administrative agent for itself and the other Lenders, as Beneficiary.
80. Deed of Trust and Fixture Filing (with Assignment of Rents and Security Agreement), dated December 31, 2009, between Green Valley East, LLC, as Grantor, to the Public Trustee of Adams County, as Trustee, and California Bank & Trust, as administrative agent for itself and the other Lenders, as Beneficiary.
81. Deed of Trust and Fixture Filing (with Assignment of Rents and Security Agreement), dated December 31, 2009, between Green Valley Aurora, LLC, as Grantor, to the Public

Trustee of Adams County, as Trustee, and California Bank & Trust, as administrative agent for itself and the other Lenders, as Beneficiary.

82. Deed of Trust and Fixture Filing (with Assignment of Rents and Security Agreement), dated December 31, 2009, between GVR King, LLC, as Grantor, to the Public Trustee of Adams County, as Trustee, and California Bank & Trust, as administrative agent for itself and the other Lenders, as Beneficiary.
83. Deed of Trust and Fixture Filing (with Assignment of Rents and Security Agreement), dated December 31, 2009, between GVR King Commercial, LLC, as Grantor, to the Public Trustee of Adams County, as Trustee, and California Bank & Trust, as administrative agent for itself and the other Lenders, as Beneficiary.
84. Deed of Trust and Fixture Filing (with Assignment of Rents and Security Agreement), dated December 31, 2009, between C&H Adams Land Investments, LLC, as Grantor, to the Public Trustee of Adams County, as Trustee, and California Bank & Trust, as administrative agent for itself and the other Lenders, as Beneficiary.
85. Deed of Trust and Fixture Filing (with Assignment of Rents and Security Agreement), dated December 31, 2009, between EH 2002, LLC, as Grantor, to the Public Trustee of Arapahoe County, as Trustee, and California Bank & Trust, as administrative agent for itself and the other Lenders, as Beneficiary.
86. Deed of Trust and Fixture Filing (with Assignment of Rents and Security Agreement), dated December 31, 2009, between CS 2005 Investments, LLC, as Grantor, to the Public Trustee of El Paso County, as Trustee, and California Bank & Trust, as administrative agent for itself and the other Lenders, as Beneficiary.
87. Deed of Trust and Fixture Filing (with Assignment of Rents and Security Agreement), dated December 31, 2009, between Tower Road Farms, LLC, as Grantor, to the Public Trustee of Denver County, as Trustee, and California Bank & Trust, as administrative agent for itself and the other Lenders, as Beneficiary.
88. Deed of Trust and Fixture Filing (with Assignment of Rents and Security Agreement), dated December 31, 2009, between Yampa-Telluride Land Investments, LLC, as Grantor, to the Public Trustee of Denver County, as Trustee, and California Bank & Trust, as administrative agent for itself and the other Lenders, as Beneficiary.
89. UCC Financing Statement, HC Land Investments, LLC, as debtor, California Bank & Trust, as secured party.
90. UCC Financing Statement, Green Valley East, LLC, as debtor, California Bank & Trust, as secured party.
91. UCC Financing Statement, Green Valley Aurora, LLC, as debtor, California Bank & Trust, as secured party.

92. UCC Financing Statement, GVR King, LLC, as debtor, California Bank & Trust, as secured party.
93. UCC Financing Statement, GVR King Commercial, LLC, as debtor, California Bank & Trust, as secured party.
94. UCC Financing Statement, C&H Adams Land Investments, LLC, as debtor, California Bank & Trust, as secured party.
95. UCC Financing Statement, EH 2002, LLC, as debtor, California Bank & Trust, as secured party.
96. UCC Financing Statement, CS 2005 Investments, LLC, as debtor, California Bank & Trust, as secured party.
97. UCC Financing Statement, Tower Road Farms, LLC, as debtor, California Bank & Trust, as secured party.
98. UCC Financing Statement, Yampa-Telluride Land Investments, LLC, as debtor, California Bank & Trust, as secured party.
99. UCC Financing Statement (Water Rights), Adaven Management, Inc., as debtor, California Bank & Trust, as secured party.
100. Notice of Pledge (State Engineer) dated December 31, 2009, between Adaven Management, Inc., and California Bank & Trust.
101. Tri-Party Agreement (South Las Vegas Boulevard – St. Rose Parcel), dated December 31, 2009, among California Bank and Trust, Lawrence D. Canarelli, Trustee of The Canarelli Family Trust, U/A/D September 14, 1990 and Federal Lands Management LLC, and Olympia South, L.L.C., Olympia Group, L.L.C., Garry V. Goett and Guy Inzalaco.
102. Post-Closing Letter to American West Development re Term Loan Credit Agreement, dated December 31, 2009.
103. Repayment Guaranty, dated December 31, 2009, executed by C & H Adams Land Investments LLC, CS 2005 Investments LLC, EH 2002 LLC, Green Valley Aurora LLC, Green Valley East LLC, GVR King Commercial LLC, GVR King LLC, HC Land Investments LLC, Tower Road Farms LLC, and Yampa-Telluride Land Investments LLC
104. Pledge and Security Agreement (Limited Liability Company: C& H Adams Land Investment, LLC), dated December 31, 2009, between Colorado Land Investments, Inc., as Debtor, and California Bank and Trust, as Administrative Agent.
105. Pledge and Security Agreement (Limited Liability Company: CS 2005 Investments, LLC), dated December 31, 2009, between Colorado Land Investments, Inc., as Debtor, and California Bank and Trust, as Administrative Agent.

106. Pledge and Security Agreement (Limited Liability Company: EH 2002, LLC), dated December 31, 2009, between The Canarelli Family Trust, as Debtor, and California Bank and Trust, as Administrative Agent.
107. Pledge and Security Agreement (Limited Liability Company: Green Valley Aurora, LLC), dated December 31, 2009, with Colorado Land Investments, Inc., as Debtor, and California Bank and Trust, as Administrative Agent.
108. Pledge and Security Agreement (Limited Liability Company: Green Valley East, LLC), dated December 31, 2009, between The Canarelli Family Trust, as Debtor, and California Bank and Trust, as Administrative Agent.
109. Pledge and Security Agreement (Limited Liability Company: GVR King Commercial, LLC), dated December 31, 2009, between Colorado Companies, Inc., as Debtor, and California Bank and Trust, as Administrative Agent.
110. Pledge and Security Agreement (Limited Liability Company: GVR King, LLC), dated December 31, 2009, between Colorado Land Investments, Inc., as Debtor, and California Bank and Trust, as Administrative Agent.
111. Pledge and Security Agreement (Limited Liability Company: HC Land Investments, LLC), dated December 31, 2009, between Colorado Land Investments, Inc., as Debtor, and California Bank and Trust, as Administrative Agent.
112. Pledge and Security Agreement (Limited Liability Company: Tower Road Farms, LLC), dated December 31, 2009, between Colorado Companies, Inc., as Debtor, and California Bank and Trust, as Administrative Agent.
113. Pledge and Security Agreement (Limited Liability Company: Yampa-Telluride Land Investments, LLC), dated December 31, 2009, with Colorado Land Investments, Inc., as Debtor, and California Bank and Trust, as Administrative Agent.
114. Consent to Pledge and Security Agreement (Limited Liability Company: C& H Adams Land Investment, LLC), dated December 31, 2009, among PHH 2000, Inc., Colorado Land Investments, Inc., and California Bank and Trust
115. Consent to Pledge and Security Agreement (Limited Liability Company: CS 2005 Investments, LLC), dated December 31, 2009, among PHH 2000, Inc., Colorado Land Investments, Inc., and California Bank and Trust
116. Consent to Pledge and Security Agreement (Limited Liability Company: EH 2002, LLC), dated December 31, 2009, among PHH 2000, Inc., The Canarelli Family Trust, and California Bank and Trust
117. Consent to Pledge and Security Agreement (Limited Liability Company: Green Valley Aurora, LLC), dated December 31, 2009, among PHH 2000, Inc., Colorado Land Investments, Inc., and California Bank and Trust

118. Consent to Pledge and Security Agreement (Limited Liability Company: Green Valley East, LLC), dated December 31, 2009, among PHH 2000, Inc., The Canarelli Family Trust, and California Bank and Trust
119. Consent to Pledge and Security Agreement (Limited Liability Company: GVR King Commercial, LLC), dated December 31, 2009, among PHH 2000, Inc., Colorado Companies, Inc., and California Bank and Trust
120. Consent to Pledge and Security Agreement (Limited Liability Company: GVR King, LLC), dated December 31, 2009, among PHH 2000, Inc., Colorado Land Investments, Inc., and California Bank and Trust
121. Consent to Pledge and Security Agreement (Limited Liability Company: HC Land Investments, LLC), dated December 31, 2009, among PHH 2000, Inc., Colorado Land Investments, Inc., and California Bank and Trust
122. Consent to Pledge and Security Agreement (Limited Liability Company: Tower Road Farms, LLC), dated December 31, 2009, among PHH 2000, Inc., Colorado Companies, Inc., and California Bank and Trust
123. Consent to Pledge and Security Agreement (Limited Liability Company: Yampa-Telluride Land Investments, LLC), dated December 31, 2009, among PHH 2000, Inc., Colorado Land Investments, Inc., and California Bank and Trust
124. UCC Financing Statement, Colorado Land Investments, Inc., as debtor, California Bank & Trust, as secured party
125. UCC Financing Statement, Colorado Companies, Inc., as debtor, California Bank & Trust, as secured party
126. UCC Financing Statement, Canarelli Family Trust, as debtor, California Bank & Trust, as secured party.
127. Pledge Agreement (Bonds) with AWH Ventures, Inc., as Pledgor, and California Bank and Trust, as Agent, dated December 31, 2009.
128. UCC Financing Statement (Bonds), AWH Ventures, Inc., as debtor, California Bank & Trust, as secured party
129. Environmental Indemnity Agreement (Nevada Collateral) between Borrowers, as Indemnitor, and California Bank and Trust, as Administrative Agent, dated December 31, 2009.
130. Environmental Indemnity Agreement (Colorado Collateral) between Borrowers and Guarantors, as Indemnitor and California Bank and Trust, as Administrative Agent, dated December 31, 2009.

131. Continuing Security Agreement (Nevada Collateral) between Borrowers, as Debtor, and California Bank and Trust, as Administrative Agent, dated December 31, 2009.
132. UCC Financing Statement, American West Development, Inc. , as debtor, California Bank & Trust, as secured party
133. UCC Financing Statement, Lawrence D. Canarelli, as debtor, California Bank & Trust, as secured party
134. UCC Financing Statement, Heidi Canarelli, as debtor, California Bank & Trust, as secured party
135. UCC Financing Statement, Lawrence D. Canarelli, as Trustee of the Canarelli Family Trust, as debtor, California Bank & Trust, as secured party
136. UCC Financing Statement, Lawrence D. Canarelli and Heidi Canarelli, as Trustees of The Jeffrey Lawrence Graves Canarelli Irrevocable Trust, as debtor, California Bank & Trust, as secured party.
137. UCC Financing Statement, Lawrence D. Canarelli and Heidi Canarelli, as Trustees of The Scott Lyle Graves Canarelli Irrevocable Trust, as debtor, California Bank & Trust, as secured party.
138. UCC Financing Statement, Lawrence D. Canarelli and Heidi Canarelli, as Trustees of The Stacia Leigh Lemke Irrevocable Trust, as debtor, California Bank & Trust, as secured party.
139. UCC Financing Statement, Lawrence D. Canarelli and Heidi Canarelli, as Trustees of The Alyssa Lawren Graves Canarelli Irrevocable Trust, as debtor, California Bank & Trust, as secured party.
140. UCC Financing Statement, SJSA Ventures, LLC, as debtor, California Bank & Trust, as secured party.
141. UCC Financing Statement, Deferred Revenue, LLC, as debtor, California Bank & Trust, as secured party.
142. UCC Financing Statement, AWH Ventures, Inc. , as debtor, California Bank & Trust, as secured party
143. UCC Financing Statement, Castlebay 1, Inc. , as debtor, California Bank & Trust, as secured party
144. UCC Financing Statement, Colorado Companies, Inc. , as debtor, California Bank & Trust, as secured party
145. UCC Financing Statement, Colorado Housing Investments, Inc. , as debtor, California Bank & Trust, as secured party

146. UCC Financing Statement, Colorado Land Investments, Inc. , as debtor, California Bank & Trust, as secured party
147. UCC Financing Statement, Colorado Land Investments 2, Inc. , as debtor, California Bank & Trust, as secured party
148. UCC Financing Statement, Development Management, Inc. , as debtor, California Bank & Trust, as secured party
149. UCC Financing Statement, Highlands Land Investment, Inc. , as debtor, California Bank & Trust, as secured party
150. UCC Financing Statement, Inverness 5, Inc. , as debtor, California Bank & Trust, as secured party
151. UCC Financing Statement, Kensington 1, Inc. , as debtor, California Bank & Trust, as secured party
152. UCC Financing Statement, Kingsbridge 1, Inc. , as debtor, California Bank & Trust, as secured party
153. UCC Financing Statement, Promontory Point 4, Inc. , as debtor, California Bank & Trust, as secured party
154. UCC Financing Statement, Silverado Springs 2, Inc. , as debtor, California Bank & Trust, as secured party
155. UCC Financing Statement, Windsor 1, Inc. , as debtor, California Bank & Trust, as secured party
156. UCC Financing Statement, Woodbridge 1, Inc. , as debtor, California Bank & Trust, as secured party
157. UCC Financing Statement, AWH North, LLC. , as debtor, California Bank & Trust, as secured party
158. UCC Financing Statement, AWH North NLV 2009, LLC, as debtor, California Bank & Trust, as secured party
159. UCC Financing Statement, Lexington 1, LLC, as debtor, California Bank & Trust, as secured party
160. UCC Financing Statement, Newcastle 1, LLC, as debtor, California Bank & Trust, as secured party
161. UCC Financing Statement, Promontory Estates, LLC, as debtor, California Bank & Trust, as secured party

162. UCC Financing Statement, Fairmont 2, LLC, as debtor, California Bank & Trust, as secured party
163. UCC Financing Statement, Indiana Investments, Inc. , as debtor, California Bank & Trust, as secured party
164. Continuing Security Agreement (Colorado Collateral), dated December 31, 2009, between Guarantors, as Debtor, and California Bank and Trust, as Administrative Agent.
165. Indemnity, Subrogation and Contribution Agreement dated December 31, 2009 among Borrowers, Guarantors, and California Bank and Trust, as Administrative Agent.
166. Term Loan Draw Certificate re the Credit Agreement from Borrowers to Lenders dated December 31, 2009.
167. Insurance Certificate from Borrowers dated December 31, 2009.
168. Signature Authorization Form from Borrowers dated December 31, 2009.
169. Nevada Opinion Letter.
170. Colorado Opinion Letter.
171. Trust Certificate of Scott Lyle Graves Canarelli Irrevocable Trust dated December 31, 2009.
172. Trust Certificate of Stacia Leigh Lemke Trust dated December 31, 2009.
173. Certificate and Resolutions of Adaven Management, Inc. dated December 31, 2009.
174. Certificate and Resolutions of American West Development, Inc. dated December 31, 2009.
175. Certificate and Resolutions of AWH North, LLC dated December 31, 2009.
176. Certificate and Resolutions of AWH North NLV 2009, LLC dated December 31, 2009.
177. Certificate and Resolutions of AWH Ventures, Inc. dated December 31, 2009.
178. Certificate and Resolutions of Canfam Holdings, LLC dated December 31, 2009.
179. Certificate and Resolutions of Castlebay 1, Inc. dated December 31, 2009.
180. Certificate and Resolutions of CFT Lands, LLC dated December 31, 2009.
181. Certificate and Resolutions of Colorado Companies, Inc. dated December 31, 2009.
182. Certificate and Resolutions of Colorado Housing Investments, Inc. dated December 31, 2009.

183. Certificate and Resolutions of Colorado Land Investments, Inc. dated December 31, 2009.
184. Certificate and Resolutions of Colorado Land Investments 2, Inc. dated December 31, 2009.
185. Certificate and Resolutions of Deferred Revenue, LLC dated December 31, 2009.
186. Certificate and Resolutions of Development Management, Inc. dated December 31, 2009.
187. Certificate and Resolutions of Fairmont 1, Inc. dated December 31, 2009.
188. Certificate and Resolutions of Fairmont 2, Inc. dated December 31, 2009.
189. Certificate and Resolutions of Gameday LLC dated December 31, 2009.
190. Certificate and Resolutions of Heritage 2, Inc. dated December 31, 2009.
191. Certificate and Resolutions of Highlands Land Investment, Inc. dated December 31, 2009.
192. Certificate and Resolutions of HLI, LLC dated December 31, 2009.
193. Certificate and Resolutions of Indiana Investments, Inc. dated December 31, 2009.
194. Certificate and Resolutions of Inverness 5, Inc. dated December 31, 2009.
195. Certificate and Resolutions of Kensington 1, Inc. dated December 31, 2009.
196. Certificate and Resolutions of Kensington 2, Inc. dated December 31, 2009.
197. Certificate and Resolutions of Kingsbridge 1, Inc. dated December 31, 2009.
198. Certificate and Resolution by Lexington 1, LLC, dated December 31, 2009.
199. Certificate and Resolution by LH Ventures, LLC, dated December 31, 2009.
200. Certificate and Resolution by Land Development, Inc. dated December 31, 2009.
201. Certificate and Resolution by Model Renting Company, Inc., dated December 31, 2009.
202. Certificate and Resolution by Model Renting 2008, LLC, dated December 31, 2009.
203. Certificate and Resolution by Model Renting 2009, LLC, dated December 31, 2009.
204. Certificate and Resolution by Mountain View Associates, LLC, dated December 31, 2009.
205. Certificate and Resolution by Newcastle 1, LLC, dated December 31, 2009.

206. Certificate and Resolution by NLV Parcel 5.03, LLC, dated December 31, 2009.
207. Certificate and Resolution by NLV Parcel 1.3, LLC, dated December 31, 2009.
208. Certificate and Resolution by NLV Parcel 1.4, LLC, dated December 31, 2009.
209. Certificate and Resolution by NLV Parcel 1.13, LLC, dated December 31, 2009.
210. Certificate and Resolution by Promontory Estates, LLC, dated December 31, 2009.
211. Certificate and Resolution by Promontory Point 4, Inc., dated December 31, 2009.
212. Certificate and Resolution by Silverado Springs 1, Inc., dated December 31, 2009.
213. Certificate and Resolution by Silverado Springs 2, Inc., dated December 31, 2009.
214. Certificate and Resolution by SJSA Ventures, LLC, dated December 31, 2009.
215. Certificate and Resolution by St. Rose Parcel, LLC, dated December 31, 2009.
216. Certificate and Resolution by Windsor 1, Inc., dated December 31, 2009.
217. Certificate and Resolution by Woodbridge 1, Inc., dated December 31, 2009.
218. Secretary's Certificate of Land Manager, Inc., dated December 31, 2009.
219. Secretary's Certificate of Investment Manager, Inc., dated December 31, 2009.
220. Limited Liability Company Resolution by C&H Adams Land Investments, LLC, dated December 31, 2009.
221. Limited Liability Company Resolution by CS 2005 Investments, LLC, dated December 31, 2009.
222. Limited Liability Company Resolution by EH 2002, LLC, dated December 31, 2009.
223. Limited Liability Company Resolution by Green Valley Aurora, LLC, dated December 31, 2009.
224. Limited Liability Company Resolution by Green Valley East, LLC, dated December 31, 2009.
225. Limited Liability Company Resolution by GVR King Commercial, LLC, dated December 31, 2009.
226. Limited Liability Company Resolution by GVR King, LLC, dated December 31, 2009.
227. Limited Liability Company Resolution by HC Land Investments, LLC, dated December 31, 2009.

- 228. Limited Liability Company Resolution by Tower Road Farms, LLC, dated December 31, 2009.
- 229. Limited Liability Company Resolution by Yampa-Telluride Land Investments, LLC, dated December 31, 2009.
- 230. All other documents within the meaning of "Loan Documents" as that term is defined in the Term Loan Credit Agreement, dated as of December 31, 2009

EXHIBIT 1.10

CASH COLLATERAL STIPULATION

[See Attached]

BRETT A. AXELROD, ESQ.
Nevada Bar No. 5859
MICAELA RUSTIA MOORE, ESQ.
Nevada Bar No. 9676
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[Proposed] Counsel for Debtor

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA

In re

AMERICAN WEST
DEVELOPMENT, INC., a Nevada
corporation,

Debtor.

Case No. BK-S-12-[nnnnn]-[xxx]

Chapter 11

**STIPULATED AGREEMENT BETWEEN
DEBTOR AND ITS PRE-PETITION
SECURED LENDERS REGARDING
(I) USE OF CASH COLLATERAL; AND
(II) ADEQUATE PROTECTION**

American West Development, Inc. ("Debtor"), debtor and debtor in possession in the above-captioned chapter 11 case (the "Chapter 11 Case"), is a borrower pursuant to that certain Term Loan Credit Agreement dated as of December 31, 2009 (as amended from time to time, and including exhibits thereto, the "Credit Agreement"), among California Bank & Trust (as Administrative Agent and as Lead Arranger) (in such capacity and together with each successor administrative agent pursuant to the Credit Agreement, the "Administrative Agent"), the lenders party thereto (together with their successors and assigns, the "Pre-Petition Lenders"), the Borrowers (defined below) and certain guarantors. Debtor, the Administrative Agent and the Pre-Petition Lenders hereby enter into this stipulated agreement (the "Cash Collateral Agreement") regarding the use of cash collateral and agree as follows:

RECITALS

A. On August 16, 2007, the American West Group Borrowers¹ and Lawrence D. Canarelli and Heidi Canarelli, in their individual capacity, Lawrence D. Canarelli as Trustee of the Canarelli Family Trust, Lawrence D. and Heidi Canarelli as Trustees of four irrevocable trusts created for the children of Lawrence and Heidi Canarelli (these trusts, together with the American West Group Borrowers, are referred to herein as the “Borrowers”) entered into a Credit Agreement (the “Original Credit Agreement”) with the Administrative Agent and the Pre-Petition Lenders. The maturity date under the Original Credit Agreement occurred on October 6, 2009, and certain other events of default were asserted by the Pre-Petition Lenders and acknowledged by the Borrowers. A Forbearance Agreement was entered into by the parties on October 7, 2009, pursuant to which, among other provisions, the Pre-Petition Lenders agreed not to enforce their rights and remedies under the Original Credit Agreement for a period of time.

B. On or about December 31, 2009, the Borrowers, the Administrative Agent and the Pre-Petition Lenders amended, restated and replaced the Original Credit Agreement with the Credit Agreement to refinance the amounts outstanding under the Original Credit Agreement, extend the time for repayment of such amounts and otherwise amend certain provisions. The total outstanding principal debt under the Credit Agreement was approximately \$177,506,450.25 as of the Petition Date, along with interest, fees and charges accrued and accruing thereon and chargeable with respect thereto. The interest rate under the Credit Agreement provides for (i) a fixed rate option (reserve adjusted LIBOR plus a spread of 3.25% per annum and interest periods of one (1), two (2), three (3), or six (6) months), and (ii) a variable rate option (California Bank & Trust “prime rate” plus a spread of .50% per annum).² The borrowings under the Credit Agreement had an initial maturity date of October 6, 2011, with the

¹ The American West Group Borrowers include Debtor, as successor by merger to certain of the Borrowers.

² The spreads are subject to increase during a Remargin Period (as defined in the Credit Agreement) pursuant to the Credit Agreement. In addition, after the occurrence of an Event of Default (as defined in the Credit Agreement), the variable rate applies and the otherwise applicable spread increases by 2.00% per annum.

1 potential for two additional one year extensions at the Borrowers' option, subject to certain conditions.
2 The Borrowers exercised their option for the first one year extension through October 6, 2012.

3 C. As security for borrowings under the Credit Agreement, the Borrowers granted the Pre-
4 Petition Lenders, among other liens, a security interest in all of their personal property. The portions of
5 the Collateral (as defined in the Credit Agreement) that are owned by Debtor (the "Debtor Collateral")
6 primarily consists of utility, bond and similar security deposits, general intangibles, furniture, fixtures
7 and equipment, contract rights and the right of Debtor to receive deferred payments (the "Receivable")
8 due from certain affiliates of Debtor, representing amounts due for lot development, unit construction
9 and other services for which Debtor has acted as general contractor pursuant to agreements
10 memorialized as (i) various Marketing and Administrative Services Agreements between Debtor and
11 certain affiliated home-selling entities, and (ii) various Design-Build Agreements between Debtor,
12 certain affiliated land-owning entities, and certain affiliated home-selling entities. As of November 30,
13 2011, the book value of the Receivable was \$78,177,097.

14 D. On March 1, 2012 (the "Petition Date"), AWDI commenced the Chapter 11 Case by
15 filing a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the
16 "Bankruptcy Code") in the United States Bankruptcy Court for the District of Nevada (the "Bankruptcy
17 Court").

18 E. During the Chapter 11 Case, Debtor needs to use cash collateral (as defined in
19 Bankruptcy Code section 363) in which the Pre-Petition Lenders have an interest (the "Pre-Petition
20 Lenders' Cash Collateral").

21 F. Debtor has an immediate and critical need to use the Pre-Petition Lenders' Cash
22 Collateral. Debtor's ability to use the Pre-Petition Lenders' Cash Collateral is critical to its ability to
23 continue as a going concern during the course of the Chapter 11 Case.

24 G. Debtor has entered into a Debtor-In-Possession Revolving Credit Agreement with
25 AWH Ventures, Inc. (the "DIP Lender") to provide post-petition financing (the "DIP Financing") to
26 Debtor on the terms set forth therein.

27 H. Subsequent to the Petition Date, Debtor contemplates utilizing a cash budget
28 (as amended or modified from time to time, the "Cash Budget") to reflect its (a) budgeted cash receipts

(including as a result of the receipt of proceeds from any DIP Financing advances) for the three (3) calendar months or thirteen (13) calendar weeks following the Petition Date, and (b) anticipated disbursements (including payments required under the terms of the DIP Financing) for each of the three (3) calendar months or thirteen (13) calendar weeks following the Petition Date. The Cash Budget will provide for Debtor to use the Pre-Petition Lenders' Cash Collateral and the DIP Financing to fund the costs of administering Debtor's estate, including, without limitation, (i) the expenses associated with operating Debtor's business, (ii) adequate protection payments to the Pre-Petition Lenders, (iii) expenses incurred for the administration of the Chapter 11 Case, including payment of compensation of professional fees and expenses, (iv) payment of any contractual obligations, consistent with a final, non-appealable order approving this Agreement that is in a form reasonably acceptable to the Administrative Agent and Pre-Petition Lenders and not subject to any stay (the "Final Order"), and (v) repayment of borrowings under the DIP Financing.

I. Attached hereto as **Exhibit "A"** is an initial 13-week Cash Budget through the week ending May 25, 2012 (the "Initial Cash Budget").

J. As contemplated by that certain Restructuring, Lock-Up and Settlement Letter Agreement dated February 28, 2012 between, inter alia, Debtor and the Pre-Petition Lenders, Debtor and the Pre-Petition Lenders have negotiated this Agreement to provide (i) terms upon which Debtor may use the Pre-Petition Lenders' Cash Collateral during the Chapter 11 Case, and (ii) adequate protection to the Pre-Petition Lenders.

K. Debtor's ability to use the Pre-Petition Lenders' Cash Collateral under the terms of this Agreement and the Interim Order (as hereinafter defined) is vital to the preservation and maintenance of the going concern value of Debtor's estate and to Debtor's successful reorganization. Consequently, without the ability to use cash collateral to the extent authorized pursuant to this Agreement and the Interim Order, Debtor and its estate would suffer immediate and irreparable harm.

L. This Agreement has been negotiated in good faith and at arms' length, and is fair and reasonable under the circumstances. This Agreement reflects Debtor's sound exercise of prudent business judgment consistent with its fiduciary duties.

1 M. Based on the foregoing, Debtor and the Pre-Petition Lenders have entered into this
2 Agreement on the terms and conditions set forth below.

3 **AGREEMENT**

4 1. From the Petition Date through the Termination Date (as hereinafter defined), Debtor
5 shall be permitted to use, and the Pre-Petition Lenders shall consent to the use of, the Pre-Petition
6 Lenders' Cash Collateral. Debtor shall have no right to use the Pre-Petition Lenders' Cash Collateral
7 after the occurrence and during the continuance of any Event of Default (as hereinafter defined).

8 2. Under no circumstances shall any of the Pre-Petition Lenders' Cash Collateral be used
9 to pursue any action or joinder in any action, counter-claim, proceeding, application, motion, objection,
10 defense or other contested matter, the purpose of which is to seek any order, determination or similar
11 relief (including conducting formal or informal discovery in connection therewith) (a) challenging the
12 legality, validity, amount, priority, perfection or enforceability (as the case may be) of any claim of the
13 Pre-Petition Lenders against Debtor or any lien of the Pre-Petition Lenders against Debtor's property
14 (collectively, the "Pre-Petition Lenders' Claims"); (b) invalidating, setting aside, avoiding or
15 subordinating, in whole or in part, any of the Pre-Petition Lenders' Claims; (c) seeking authority to use
16 any of the Pre-Petition Lenders' Cash Collateral without the Pre-Petition Lenders' consent, other than
17 as provided herein; or (d) challenging the legality, validity, amount, priority, perfection or
18 enforceability (as the case may be) of any claim of the Pre-Petition Lenders against Borrowers under the
19 Credit Agreement; provided, however, that should a statutory committee be appointed under
20 Bankruptcy Code section 1102, such committee may use, subject to the Cash Budget, up to \$25,000 of
21 Pre-Petition Lenders' Cash Collateral, solely to investigate the Pre-Petition Lenders' Claims; and
22 provided further, however, that any challenge regarding the Pre-Petition Lenders' Claims asserted by
23 such committee(s) must be commenced on or before the earlier to occur of (x) twenty (20) days after the
24 appointment of such committee; or (y) sixty (60) days after the Petition Date.

25 3. All use of the Pre-Petition Lenders' Cash Collateral shall be subject to compliance with,
26 in addition to this Agreement and the Interim Order, the Cash Budget, which shall be reasonably
27 acceptable in form and substance to the Pre-Petition Lenders; provided, however, that compliance with
28 the Cash Budget shall be deemed satisfied if the actual aggregate expenditures for every four-week

1 period (i.e. post-petition weeks one through four, weeks five through eight, etc.) do not exceed by more
 2 than twenty-five percent (25%) the aggregate budgeted amount for such four-week period as set forth in
 3 the Cash Budget. The Cash Budget may be modified with the written consent of both Debtor and the
 4 Pre-Petition Lenders, respectively, without the need for Bankruptcy Court approval.³

5 4. To the extent that the full amount of any of the expenses budgeted for a particular four-
 6 week period under the Cash Budget is not disbursed during such four-week period, the unused balance
 7 shall be added to the amount of budgeted expenses for ensuing four-week periods and the Cash Budget
 8 shall be deemed to be amended (and approved) to reflect the same, such that Debtor may use such
 9 unused budgeted amounts in subsequent four-week periods in addition to originally-budgeted amounts
 10 for such four-week periods.

11 5. The Initial Cash Budget includes projected DIP Financing draws for any week in which
 12 Debtor's projected revenue and expenses would cause its total cash balance to drop below one million
 13 dollars (\$1,000,000). The Initial Cash Budget revenues are based on Debtor's internally-prepared
 14 projections of its home sales—if actual home sales do not meet projections, then Debtor will need to
 15 increase borrowings under the DIP Financing above the amounts set forth in the Initial Cash Budget.
 16 The Initial Cash Budget attached hereto as Exhibit "A" has been approved by the Pre-Petition Lenders
 17 and may be used for purposes of the motions to approve this Agreement and the DIP Financing.

18 6. As adequate protection under Bankruptcy Code sections 361, 362, 363 and 552 for any
 19 diminution in the value as of the Petition Date of Pre-Petition Lenders' interest in the Debtor Collateral
 20 (the amount of any such diminution may only be determined by agreement of Debtor and the Pre-
 21 Petition Lenders, or by order of the Bankruptcy Court after notice and a hearing) caused by the
 22 imposition of the automatic stay and/or Debtor's use of the Pre-Petition Lenders' Cash Collateral and
 23 other Debtor Collateral (a "Value Diminution"), the Pre-Petition Lenders shall receive:

24 (a) monthly, on or before the first day of each month and continuing during the
 25 pendency of the Chapter 11 Case, adequate protection payments made by Debtor to the

26
 27 ³ Where consent of the Pre-Petition Lenders is required herein, such consent shall be requested
 28 and obtained in accordance with the Credit Agreement, and subject to the provisions thereof.

Administrative Agent for the benefit of the Pre-Petition Lenders in an amount equal to the highest non-default rate of interest applicable from time to time to amounts outstanding under the Credit Agreement (calculated based on a year having 360 days for the actual number of days in the month) multiplied by \$49,635,000 (the “Adequate Protection Payments”), and the automatic stay shall be vacated and modified to the extent necessary to permit Debtor to make such Adequate Protection Payments and the Pre-Petition Lenders to apply them against the Pre-Petition Lenders’ Claims;

(b) replacement liens to secure the amount of any Value Diminution (the “Replacement Liens”), which Replacement Liens shall (i) be subject and junior only to the Carve-Out (as hereinafter defined), liens to secure the DIP Financing and any Prior Liens,⁴ (ii) attach to (x) the Debtor Collateral and any proceeds thereof, and (y) causes of action under chapter 5 of the Bankruptcy Code and the proceeds thereof (“Avoidance Actions”) and any other assets of Debtor, and (iii) be in addition to the Pre-Petition Lenders’ Claims and liens; and

(c) to the extent permitted by Bankruptcy Code section 507(b), a superpriority claim (the “Pre-Petition Lenders’ Superpriority Claim”) against Debtor’s estate, subject and junior only to the Carve-Out and any superpriority claim of the DIP Lender.

7. The Pre-Petition Lenders shall consent to and not oppose Debtor’s request for approval of the DIP Financing to be provided by the DIP Lender in the form to be separately approved in writing by the Administrative Agent and Pre-Petition Lenders (consisting of a revolving credit facility in an amount not to exceed ten million dollars (\$10,000,000) and secured by (i) a first priority lien on the Avoidance Actions and any other previously unencumbered assets of Debtor (Debtor acknowledges that it is not aware of any other previously unencumbered assets), and (ii) a junior lien on the Debtor Collateral and any other assets of Debtor that are subject to a valid and perfected lien as of the Petition Date; provided, however, that the DIP Financing shall be subject to a subordination and intercreditor agreement agreed upon by the Pre-Petition Lenders and the DIP Lender.

⁴ “Prior Liens” shall consist of any and all valid and duly perfected liens, mortgages or other security interests in the Collateral in existence and senior to the interests of Pre-Petition Lenders as of the Petition Date.

8. The Pre-Petition Lenders shall consent to a carve-out (the “Carve-Out”) from their liens and claims, including, without limitation, the Replacement Liens, the Pre-Petition Lenders’ Claims, and the Pre-Petition Lenders’ Superpriority Claim, for (i) all fees required to be paid to the Clerk of the Bankruptcy Court and to the Office of the United States Trustee pursuant to 28 § U.S.C. 1930, and (ii) only to the extent the amounts are not available under the Cash Budget, an amount not exceeding three million dollars (\$3,000,000) in the aggregate, which amount may be used after the occurrence and during the continuation of an Event of Default (defined below), to pay the fees and expenses of professionals retained by Debtor and any statutory committee that are allowed (or allowable) by the Bankruptcy Court⁴ (as to which allowed or allowable fees and expenses the Pre-Petition Lenders waive any right to seek disgorgement); provided, however, that (x) Debtor shall be permitted to pay compensation and reimbursement of expenses allowed, allowable or otherwise authorized by the Bankruptcy Court and payable under Bankruptcy Code sections 330 and 331 in accordance with the Cash Budget; (y) the Carve-Out shall not be reduced by the amount of any compensation and reimbursement of expenses paid or incurred (to the extent ultimately allowed or allowable by the Bankruptcy Court) prior to the occurrence of an Event of Default in respect of which the Carve-Out is invoked; and (z) the Pre-Petition Lenders waive any right to seek disgorgement thereof; and provided, further, that nothing herein shall be construed to impair the ability of the Pre-Petition Lenders to object to the reasonableness of any of the fees, expenses, reimbursement or compensation sought by the professionals retained by Debtor or any statutory committee.

9. No surcharge or costs or expense of administration, whether imposed or assessed pursuant to sections 105(a), 363, 364, 506(c), 510 or 552(b) of the Bankruptcy Code, or otherwise, whether asserted in the Chapter 11 Case or in any subsequent chapter 7 case for Debtor, will be imposed against the Pre-Petition Lenders or the Collateral, and no consent to any such surcharge will be implied from any action, inaction or acquiescence by the Pre-Petition Lenders in the Chapter 11 Case or otherwise.

⁴ For avoidance of doubt, fees and expenses payable via the Carve-Out are subject to any reasonableness standard imposed by the Bankruptcy Code, including, without limitation, section 330 thereof.

10. The Pre-Petition Lenders' consent to Debtor's use of the Pre-Petition Lenders' Cash Collateral shall be effective through the earliest of (a) twelve (12) months from the Petition Date, unless (x) the confirmation hearing for Debtor's chapter 11 plan has commenced on or before such date, in which case the foregoing twelve (12) month period shall be extended automatically to fifteen (15) months from the Petition Date without action or approval by Debtor, the Pre-Petition Lenders or the Bankruptcy Court, or (y) a date as otherwise agreed to in writing by Debtor and the Pre-Petition Lenders (for which no Bankruptcy Court approval will be required), (b) the date any chapter 11 plan confirmed in the Chapter 11 Case becomes effective, or (c) the occurrence of an Event of Default (as hereinafter defined) that is no longer subject to cure (each, a "Termination Date"). Notwithstanding the occurrence of a Termination Date, upon Debtor's receipt of sufficient funds, Debtor shall be entitled to continue to use the Pre-Petition Lenders' Cash Collateral to pay (i) amounts that fall within the scope of the Carve-Out, and (ii) all expenses set forth in and in accordance with the Cash Budget for the period through the Termination Date.

11. Upon written notice from the Administrative Agent on behalf of the Pre-Petition Lenders, any of the following shall be an event of default (each an "Event of Default") under this Agreement (for purpose of items (i) through (vii) by way of a final order, the effectiveness of which has not been stayed): (i) appointment of a chapter 11 trustee with respect to the Chapter 11 Case; (ii) appointment of an examiner with expanded powers with respect to the Chapter 11 Case; (iii) conversion of the Chapter 11 Case to a case under chapter 7 of the Bankruptcy Code; (iv) dismissal of the Chapter 11 Case; (v) the Bankruptcy Court terminating Debtor's authority to operate its business; (vi) approval of a motion granting a party (other than the DIP Lender) any lien, superpriority claim, or any other administrative expense claim which is senior to or pari passu with the Pre-Petition Lenders' Superpriority Claim; (vii) reversal, vacatur or stay of the effectiveness of an interim order approving the terms hereof in a form reasonably acceptable to the Pre-Petition Lenders (the "Interim Order"); (viii) the Interim Order being amended, supplemented or otherwise modified without the prior written consent of the Pre-Petition Lenders; (ix) any use of the Pre-Petition Lenders' Cash Collateral to make a payment that is not in compliance with this Agreement; (x) failure of the Final Order to have been entered by the Bankruptcy Court by the date that is forty-five (45) days (or such longer period as agreed

1 to by the Pre-Petition Lenders and Debtor) after the date on which the Interim Order is entered;
2 (xi) breach by Debtor of any other provision of the Interim Order or Final Order with such breach
3 remaining uncured for a period of ten (10) days after written notice of such breach is actually received
4 by Debtor; or (xii) the filing of any action or joinder in any action, counter-claim, proceeding,
5 application, motion, objection, defense or other contested matter, the purpose of which is to seek any
6 order, determination or similar relief (a) challenging the legality, validity, priority, perfection or
7 enforceability (as the case may be) of the Pre-Petition Lenders' Claims; or (b) invalidating, setting
8 aside, avoiding or subordinating, in whole or in part, any of the Pre-Petition Lenders' Claims. With the
9 exception of reasonable deviations from the Cash Budget that cause an Event of Default under
10 Paragraph 11(ix) of this Agreement, the Administrative Agent (a) shall provide notice to Debtor of an
11 Event of Default as soon as practicable upon discovery of same, and (b) may not waive an Event of
12 Default without the unanimous consent of the Pre-Petition Lenders.

13 12. The Pre-Petition Lenders shall not be subject to the doctrine of marshalling. Nothing
14 herein will in any way restrict or modify the rights and remedies of the Administrative Agent and the
15 Pre-Petition Lenders with respect to any Borrower other than Debtor or with respect to any Collateral
16 other than the Debtor Collateral.

17 13. The Pre-Petition Lenders shall not be required to file or serve financing statements,
18 notices of lien or similar instruments that otherwise may be required under federal or state law in any
19 jurisdiction, or take any action, including taking possession, to validate and perfect the Replacement
20 Liens; and the failure by Debtor to execute any documentation relating to the Replacement Liens shall
21 in no way affect the validity, perfection or priority of such Replacement Liens.

22 14. Notwithstanding an Event of Default, any amounts that have been disbursed in
23 accordance with the Cash Budget and/or the Carve-Out shall not be subject to disgorgement in favor of
24 the Pre-Petition Lenders absent a finding of mistaken payment, bad faith or fraud.

25 15. The liabilities and obligations of the Administrative Agent and each member of the Pre-
26 Petition Lenders pursuant hereto shall be several and not joint. No Pre-Petition Lender shall be liable
27 for the breach or violation of this Agreement by any other Pre-Petition Lender or by the Administrative
28

Agent. The Administrative Agent shall not be liable in such capacity for the breach of this Agreement by any Pre-Petition Lender.

16. Except with respect to Debtor and the property of its estate, nothing in this Agreement will impair or in any way limit the rights of the Administrative Agent or any Pre-Petition Lender with respect to the Credit Agreement or any Collateral (other than the Receivable), it being expressly understood and agreed that all rights and remedies of the Administrative Agent and the Pre-Petition Lenders with respect to any Borrower (other than Debtor) and any Collateral (other than the Receivable and any other Collateral owned by Debtor) shall remain unaffected and in full force and effect.

DATED this 1st day of March 2012.

FOX ROTHSCHILD LLP

By /s/Brett A. Axelrod
 BRETT A. AXELROD, ESQ.
 Nevada Bar No. 5859
 MICAELA RUSTIA MOORE, ESQ.
 Nevada Bar No. 9676
 3800 Howard Hughes Parkway, Suite 500
 Las Vegas, Nevada 89169
[Proposed] Counsel for Debtor

SNELL & WILMER L.L.P.

By /s/Donald F. Ennis
 ROBERT R. KINAS, ESQ.
 Nevada Bar No. 6109
 DONALD L. GAFFNEY, ESQ.
 Arizona Bar No. 005717 (*pro hac vice* admission pending)
 DONALD F. ENNIS, ESQ.
 Arizona Bar No. 025986 (*pro hac vice* admission pending)
 3883 Howard Hughes Parkway, Suite 1100
 Las Vegas, NV 89169-5958
Counsel for the Administrative Agent

FOX ROTHSCHILD LLP
 3800 Howard Hughes Parkway, Suite 500
 Las Vegas, Nevada 89169
 (702) 262-6899

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EXHIBIT A
INITIAL CASH BUDGET

FOX ROTHSCHILD LLP
3800 Howard Hughes Parkway, Suite 500
Las Vegas, Nevada 89169
(702) 262-6899

American West Development, Inc. (the "Debtor")

Projected Weekly Cash Activity - 13 Week

(\$'s in Thousands)

Estimated Starting Cash on 2/25/12 (rounded) ⁽¹⁾		2,148														
Week #	1	2	3	4	5	6	7	8	9	10	11	12	13			
Week Ending Friday	03/02/12	03/09/12	03/16/12	03/23/12	03/30/12	04/06/12	04/13/12	04/20/12	04/27/12	05/04/12	05/11/12	05/18/12	05/25/12	Totals		
Management Fee Income	176	176	176	176	176	176	176	176	176	176	220	220	220	\$	2,420	
Development Fee Income	88	88	88	88	88	88	88	88	88	88	110	110	110		1,210	
Construction Reimbursement (Paid from Home Selling Entities)	592	585	592	585	592	585	592	585	592	585	720	782	727		8,113	
Miscellaneous Income	10	10	10	10	10	10	10	10	10	10	10	10	10		130	
Total Cash Receipts	\$ 866	\$ 859	\$ 866	\$ 859	\$ 866	\$ 859	\$ 866	\$ 859	\$ 866	\$ 859	\$ 1,060	\$ 1,122	\$ 1,067	\$	11,873	
Payroll	180	-	180	-	180	-	180	-	-	180	-	180	-	\$	1,080	
Payroll taxes and insurance	65	-	65	-	65	-	65	-	-	65	-	65	-		390	
Commissions	51	-	51	-	51	-	51	-	-	51	-	51	-		306	
Total Payroll and Related Disbursements	\$ 296	\$ -	\$ 296	\$ -	\$ 296	\$ -	\$ 296	\$ -	\$ -	\$ 296	\$ -	\$ 296	\$ -	\$	1,776	
Onsites (Vertical Construction)	491	486	491	486	491	486	491	486	491	486	598	649	603	\$	6,735	
Offsites (Horizontal Construction)	101	99	101	99	101	99	101	99	101	99	122	133	123		1,378	
Construction related utilities	-	-	-	-	22	-	-	-	22	-	-	-	22		67	
Bond Fees	-	-	-	-	14	-	-	-	14	-	-	-	14		42	
Model Home Lease and Maintenance	5	5	133	5	5	5	133	5	5	5	5	133	5		449	
Property Taxes	-	-	-	-	-	31	-	-	-	-	-	-	-		31	
Total Job Cost Disbursements	\$ 597	\$ 590	\$ 725	\$ 590	\$ 633	\$ 621	\$ 725	\$ 590	\$ 633	\$ 590	\$ 725	\$ 915	\$ 768	\$	8,702	
General & Administrative	30	25	30	25	30	25	30	25	30	25	30	25	30	\$	360	
Ordinary Course Professionals	5	5	5	5	5	5	5	5	5	5	5	5	5		65	
Sales and Marketing	12	12	12	12	12	12	12	12	12	12	12	12	12		156	
Utility Expense	-	-	-	-	53	-	-	-	53	-	-	-	53		159	
Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-		-	
Rent	32	-	-	-	-	32	-	-	-	32	-	-	-		96	
Other Expense	12	12	12	12	12	12	12	12	12	12	12	12	12		156	
G&A Disbursements	\$ 91	\$ 54	\$ 59	\$ 54	\$ 112	\$ 86	\$ 59	\$ 54	\$ 112	\$ 86	\$ 59	\$ 54	\$ 112	\$	992	
Total Operating Disbursements	\$ 984	\$ 644	\$ 1,080	\$ 644	\$ 1,041	\$ 707	\$ 1,080	\$ 644	\$ 745	\$ 972	\$ 784	\$ 1,265	\$ 880	\$	11,469	
Net Operating Cash Flow	\$ (118)	\$ 215	\$ (214)	\$ 215	\$ (175)	\$ 152	\$ (214)	\$ 215	\$ 121	\$ (113)	\$ 276	\$ (143)	\$ 187	\$	403	
Intercompany Payments Received	-	-	-	-	-	-	-	-	-	-	-	-	-		-	
Intercompany Payments Paid	-	-	-	-	-	-	-	-	-	-	-	-	-		-	
Intercompany Payments (Net)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$	-	
Debtor's Restructuring Professionals ⁽²⁾	-	-	-	-	-	-	-	-	469	-	-	-	706		1,175	
Committee's Restructuring Professionals ⁽²⁾	-	-	-	-	-	-	-	-	-	-	-	-	20		20	
Lenders' Professionals ⁽²⁾	-	-	-	-	-	-	-	-	101	-	-	-	149		250	
US Trustee	-	-	-	-	-	-	-	-	-	-	-	-	-		-	
Other Professionals	-	-	-	-	-	-	-	-	5	-	-	-	5		10	
Futures Representative	-	-	-	-	-	-	-	-	25	-	-	-	41		66	
Funding of Class 3 General Unsecured Creditor Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-		-	
Funding of Construction Defect Trust	-	-	-	-	-	-	-	-	-	-	-	-	-		-	
Restructuring Related Disbursements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 600	\$ -	\$ -	\$ -	\$ 921	\$	1,521	
Adequate Protection/Interest on Existing Indebtedness ⁽³⁾	-	-	-	-	147	-	-	-	-	143	-	-	-		290	
Financing Related Disbursements	\$ -	\$ -	\$ -	\$ -	\$ 147	\$ -	\$ -	\$ -	\$ -	\$ 143	\$ -	\$ -	\$ -	\$	290	
Net Cash Flow Before DIP Financing	\$ (118)	\$ 215	\$ (214)	\$ 215	\$ (323)	\$ 152	\$ (214)	\$ 215	\$ (479)	\$ (256)	\$ 276	\$ (143)	\$ (734)	\$	(1,408)	
Starting Cash Position	\$ 2,148	\$ 2,030	\$ 2,245	\$ 2,031	\$ 2,246	\$ 1,923	\$ 2,076	\$ 1,862	\$ 2,077	\$ 1,597	\$ 1,342	\$ 1,618	\$ 1,475	\$	2,148	
Net Revenues for the week	866	859	866	859	866	859	866	859	866	859	1,060	1,122	1,067		11,873	
DIP Loan Draws (Repayments) ⁽⁴⁾	-	-	-	-	-	-	-	-	-	-	-	-	260		260	
Disbursements for Week	984	644	1,080	644	1,188	707	1,080	644	1,345	1,115	784	1,265	1,801		13,280	
Ending Cash Position	\$ 2,030	\$ 2,245	\$ 2,031	\$ 2,246	\$ 1,923	\$ 2,076	\$ 1,862	\$ 2,077	\$ 1,597	\$ 1,342	\$ 1,618	\$ 1,475	\$ 1,000	\$	1,000	

Notes:

(1) Beginning cash balance per the Debtor cash balance as of 12/31/11

(2) Monthly Invoices are assumed to be paid at 80% of fees/100% of expenses and 20% Holdbacks are assumed to be paid in May 2012 (for March 2012 and April 2012 invoices). Garden City Group is assumed to be paid at 100% in each month because it is classified as an administrative professional.

(3) Represents Debtor share of interest on existing secured term loan facility calculated as \$49,635,000 value of Receivable multiplied by non-default contract rate of interest under Term Loan.

(4) DIP Draws/Repayments relate to Debtor in Position facility. All related interest is accrued. DIP loan draws projected for any week in which the cash balance is projected to drop below \$1.0 million.

EXHIBIT 1.1P

DIP LOAN SUBORDINATION AGREEMENT

[See Attached]

SUBORDINATION AND INTERCREDITOR AGREEMENT

DATE: February 28, 2012

PARTIES: Borrowers: LAWRENCE D. CANARELLI AND HEIDI CANARELLI, INDIVIDUALLY, LAWRENCE D. CANARELLI, AS TRUSTEE OF THE CANARELLI FAMILY TRUST, LAWRENCE D. CANARELLI AND HEIDI CANARELLI, AS TRUSTEES OF THE JEFFREY LAWRENCE GRAVES CANARELLI IRREVOCABLE TRUST, LAWRENCE D. CANARELLI AND HEIDI CANARELLI, AS TRUSTEES OF THE SCOTT LYLE GRAVES CANARELLI IRREVOCABLE TRUST, LAWRENCE D. CANARELLI AND HEIDI CANARELLI, AS TRUSTEES OF THE STACIA LEIGH LEMKE IRREVOCABLE TRUST, LAWRENCE D. CANARELLI AND HEIDI CANARELLI, AS TRUSTEES OF THE ALYSSA LAWREN GRAVES CANARELLI IRREVOCABLE TRUST, LAWRENCE CANARELLI AND HEIDI CANARELLI AS FAMILY TRUSTEES OF THE LAWRENCE CANARELLI 2011 IRREVOCABLE TRUST, HEIDI CANARELLI AND LAWRENCE CANARELLI AS FAMILY TRUSTEES OF THE HEIDI CANARELLI 2011 IRREVOCABLE TRUST, AND THE AMERICAN WEST GROUP BORROWERS

Borrowers' Address: 250 Pilot Road, Suite 140
Las Vegas, Nevada 89119
Attention: Lawrence D. Canarelli

Subordinated Lender: AWH VENTURES, INC., a Nevada corporation

Administrative Agent: CALIFORNIA BANK & TRUST, a California banking corporation

Administrative Agent's Address: c/o National Bank of Arizona
6001 North 24th Street
Phoenix, Arizona 85016
Attention: Bruce Weyers

Senior Lenders: THE LENDERS LISTED ON THE SIGNATURE PAGES TO THE SENIOR LOAN AGREEMENT AND THE OTHER LENDERS PARTY THERETO FROM TIME TO TIME PURSUANT TO THE SENIOR LOAN AGREEMENT

RECITALS

A. Borrowers have received a loan (the "Senior Loan") from Senior Lenders pursuant to the terms and conditions of that certain Term Loan Credit Agreement, dated December 31, 2009 (as amended, modified, restated and renewed from time to time, the "Senior Loan Agreement"), by and among Borrowers, Administrative Agent and Senior Lenders.

B. The Senior Loan is evidenced by certain promissory notes in favor of the Senior Lenders (collectively, the "Senior Note") and secured by certain deeds of trust, collateral assignments and security interests in certain real and personal property of the Borrowers, as more particularly described in the Senior Loan Agreement (collectively, the "Senior Loan Collateral"). The Senior Loan Agreement, the Senior Note and the other documents, instruments, security agreements, deeds of trust, mortgages, collateral assignments, guaranties, indemnity agreements and agreements evidencing, securing or otherwise relating to the Senior Loan, as amended, modified, restated, renewed, refinanced and replaced from time to time, are referred to herein as the "Senior Loan Documents".

C. American West Development, Inc. ("AWDI") is one of the Borrowers.

D. AWDI anticipates filing a voluntary petition with the Bankruptcy Court initiating the Chapter 11 Case in which AWDI will continue in possession of its assets and in the management of its business pursuant to Bankruptcy Code Sections 1107 and 1108.

E. In order to fund the ongoing operation of AWDI's business as debtor-in-possession under Chapter 11 of the Bankruptcy Code, AWDI has requested that Subordinated Lender agree to extend post-petition financing to AWDI.

F. Subordinated Lender is willing to make loans to AWDI upon the terms and conditions set forth in that certain Debtor-in-Possession Revolving Credit Agreement dated as of _____, 2012 (the "Subordinated Loan Agreement"). The obligations of AWDI pursuant to the Subordinated Loan Agreement are secured by the "DIP Collateral" (as defined therein) (the "Subordinated Loan Collateral"). The Subordinated Loan Agreement and the other documents, instruments, promissory notes, security agreements, collateral assignments and agreements evidencing, securing or otherwise relating to the Subordinated Loan Agreement, as amended, modified, restated, renewed, refinanced and replaced from time to time, are referred to herein as the "Subordinated Loan Documents".

G. Subordinated Lender, Administrative Agent and Senior Lenders have entered into that certain Restructuring, Lock-Up and Settlement Letter Agreement (the "Settlement Agreement") pursuant to which, among other things, Administrative Agent and Senior Lenders agreed to permit the DIP Loan, subject to, among other things, the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto represent, warrant and agree as follows:

AGREEMENT

1. Recitals. The recitals set forth above are true and correct and are hereby incorporated in their entirety.

2. Senior Loan Documents and Collateral. Subordinated Lender acknowledges that it has received and read copies of the Senior Loan Documents. Subordinated Lender agrees that only AWDI has or will grant a lien and security interest in the Subordinated Loan Collateral and that the Subordinated Loan Collateral does not include any property or interests in property of any Borrower other than AWDI.

3. Subordination of Liens. Subordinated Lender agrees that the liens and security interests created by the Subordinated Loan Documents and all other right, title and interest of Subordinated Lender in and to the Subordinated Loan Collateral are and will be at all times subordinate to the liens and security interests created by the Senior Loan Documents and all other right, title and interest of Senior Lenders in and to the Senior Loan Collateral; provided, however, that Subordinated Lender's liens on the Avoidance Actions (as defined in the Subordinated Loan Agreement) shall be prior and superior to any lien or security interest of the Senior Lenders on Avoidance Actions, without limiting any of the other provisions of this Agreement, including, without limitation, Section 4 hereof. Such subordination will apply notwithstanding the order of recording or filing of any documents, instruments or financing statements and to the full extent of all principal advanced under the Senior Loan, together with all accrued and accruing interest and together with all other amounts secured by the Senior Loan Documents, including, without limitation, all attorneys fees and costs incurred by Administrative Agent and Senior Lenders in connection with the Senior Loan or the Senior Loan Collateral. This subordination shall extend to any amendments, modifications, restatements, renewals, increases or extensions of any of the Senior Loan Documents as more particularly provided in Sections 6 and 11.

4. Subordination of Payment.

(a) Any and all presently existing and hereafter arising indebtedness, obligations and liabilities of AWDI to Subordinated Lender whether direct, indirect, absolute or contingent, due or to become due, under the Subordinated Loan Documents, including, without limitation, all interest, fees, charges, expenses, and indemnities accruing after commencement of any bankruptcy, insolvency or similar proceeding with respect to AWDI, whether or not allowed as a claim in such proceeding, are hereby subject and subordinate in right of payment to any and all presently existing and hereafter arising indebtedness, obligations and liabilities of AWDI to Senior Lenders whether joint, several, joint and several, direct, indirect, absolute or contingent, due or to become due, (i) under the Senior Loan Documents, including, without limitation, all interest, fees, charges, expenses, adequate protection payments, and indemnities accruing after commencement of any bankruptcy, insolvency or similar proceeding with respect to AWDI whether or not allowed as a claim in such proceeding and any and all other Obligations (as defined in the Senior Loan Agreement) or (ii) claims and obligations incurred by US Bank National Association from ordinary course transactions under Debtor's cash management system and/or Debtor's bank accounts at US Bank National Association. Until such time as the Senior Loan has been indefeasibly paid in full, neither AWDI nor any guarantor shall make, nor shall Subordinated Lender seek, take,

receive, or accept, directly or indirectly, any payments of any kind (whether in cash or property) on the Subordinated Debt, except as expressly permitted by the terms of Section 4(b).

(b) Notwithstanding Section 4(a), so long as no Payment Suspension Event has occurred, AWDI may pay to Subordinated Lender, if, as and when due the following payments pursuant to the Subordinated Loan Documents: payments and prepayments required or permitted pursuant to Section 2.7 of the Subordinated Loan Agreement (the "Permitted Payments"). Notwithstanding the foregoing, AWDI shall not make and Subordinated Lender shall not accept or retain Permitted Payments upon the occurrence of any of the following events (each, a "Payment Suspension Event"):

(i) Borrowers fail to make a payment of interest or installments of principal required under the Senior Loan Documents,

(ii) any Event of Default has occurred pursuant to the Senior Loan Documents,

(iii) the payment by AWDI to Subordinated Lender of any Permitted Payment would create an Event of Default or Unmatured Event of Default pursuant to the Senior Loan Documents, or

(iv) a "termination event" occurs pursuant to the Settlement Agreement.

(c) If Permitted Payments are suspended in the case of an Unmatured Event of Default or Event of Default under the Senior Loan Documents, such Permitted Payments may be resumed only after such Unmatured Event of Default or Event of Default is cured or waived (as evidenced by a written waiver signed by Administrative Agent and Senior Lenders) or after the Senior Loan is indefeasibly paid in full.

(d) Immediately upon any conversion of the Subordinated Loan (or any portion thereof) to stock or other equity in AWDI, Subordinated Lender shall (i) provide written notice of such conversion to Administrative Agent, (ii) deliver to Administrative Agent such pledge or other security instruments as Administrative Agent may request in order to provide Administrative Agent for the benefit of Lenders a security interest in all such stock and other equity interests as further security for the Obligations pursuant to the Senior Loan Documents, and (iii) deliver all stock certificates and other certificates evidencing such equity interests to Administrative Agent together with endorsements and transfer powers in blank and in form satisfactory to Administrative Agent.

5. Constructive Trust; Further Assurance.

(a) In the event that the Subordinated Lender receives any payment or other distribution of any kind or character from AWDI, or from any other source whatsoever with respect to the Subordinated Loan after the occurrence of a Payment Suspension Event or if Subordinated Lender otherwise receives any payment not expressly permitted hereunder, such payment or other distribution will be received and held by Subordinated Lender in trust for Administrative Agent and Senior Lenders, and promptly delivered to

Administrative Agent for the benefit of Senior Lenders upon request by Administrative Agent (at its option or at the direction of any of the Senior Lenders), together with all necessary endorsements, assignments and endorsements.

(b) In the event of any distribution, division, or application, partial or complete, voluntary or involuntary, by operation of law or otherwise, of all or any part of the assets of AWDI, or the proceeds thereof, to creditors of AWDI, by reason of the liquidation, dissolution, or other winding up of AWDI's business, or in the event of any sale, receivership, insolvency or bankruptcy proceedings by or against AWDI, or assignment for the benefit of creditors, or of any proceedings by or against AWDI for any relief under any bankruptcy or insolvency laws, or relating to the relief of debtors, readjustment of indebtedness, reorganizations, arrangements, compositions or extensions, or of any other event whereby it becomes necessary or desirable to file or present claims against AWDI for the purpose of receiving payment thereof, or on account thereof, then and in any such event, any payment or distribution of any kind or character, either in cash or other property, which shall be made or shall be payable with respect to the Subordinated Loan, will be paid over to Administrative Agent and Senior Lenders for application to the payment of the Senior Loan, whether due or not due, and no payments may be made upon or in respect of the Subordinated Loan unless and until the Senior Loan has been paid and satisfied in full. In any such event, all claims of the Administrative Agent and Senior Lenders will, at the option of the Administrative Agent and Senior Lenders, forthwith become due and payable without demand or notice.

(c) Subordinated Lender hereby irrevocably authorizes and empowers Administrative Agent and Senior Lenders, or any person Administrative Agent and Senior Lenders may designate, to act as attorney for Subordinated Lender with full power and authority in the name of Subordinated Lender, or otherwise, to make and present such claims or proofs of claims against AWDI on account of the Subordinated Loan as Administrative Agent and Senior Lenders, or its appointee, may deem expedient and proper and, if necessary, to vote such claims in any proceedings and to receive and collect any and all dividends or other payments and disbursements made thereon in whatever form they may be paid or issued, and to give acquittance therefor and to apply same to amounts owing under the Senior Loan. In addition, Subordinated Lender hereby agrees, from time to time and upon request, to make, execute and deliver to Administrative Agent and Senior Lenders such powers of attorney, assignments, endorsements, proofs of claim, pleadings, verifications, affidavits, consents, agreements or other instruments as may be requested by Administrative Agent and Senior Lenders in order to enable Administrative Agent and Senior Lenders to enforce any and all claims upon, or with respect to, the Subordinated Loan, and to collect and receive any and all payments or distributions which may be payable or deliverable at any time upon or with respect to the Subordinated Loan.

6. Amendments to Senior Loan Documents. Administrative Agent and Senior Lenders may amend, modify, supplement, extend or restate the Senior Loan Documents or any terms or conditions therein in any manner without prior notice to, and without the prior consent of, Subordinated Lender. No release or surrender of any security for the Senior Loan, or the obligations of any endorser, sureties or guarantors thereof, or release from the terms of this or any other subordination agreement of any claims subordinated, and no delay or omission in

exercising any right or power on account of or in connection with the Senior Loan, or under this Agreement, will, in any manner, impair or affect the rights and duties of Administrative Agent, Senior Lenders, Subordinated Lender, AWDI and Borrowers. Without in any way limiting the effect of this Section 6, Subordinated Lender hereby waives notice of the creation, existence, renewal, or modification or extension of the loan amount, interest rate, maturity date or time of payment under the Senior Loan Documents. In addition, Subordinated Lender hereby agrees to make, execute and deliver to Administrative Agent and Senior Lenders such powers of attorney, assignments, endorsements, proofs of claim, pleadings, verifications, affidavits, consents, agreements or other instruments as may be requested by Administrative Agent and Senior Lenders in connection with any amendment, modification, supplement, extension or restatement of the Senior Loan Documents or any terms or conditions therein.

7. Amendments to Subordinated Loan Documents. Subordinated Lender may not amend, supplement, extend, restate or otherwise modify the Subordinated Loan Documents, including, without limitation, increasing the amount of the Subordinated Loan, increasing the interest rate or any payment obligations under the Subordinated Loan, or expanding Subordinated Lender's security interests and liens under the Subordinated Loan relating to the Senior Loan Collateral, without the prior written consent of Administrative Agent and Senior Lenders in their sole and absolute discretion. Subordinated Lender must give Administrative Agent and Senior Lenders written notice as well as copies of any such amendments within five (5) business days after such documents have been executed by Subordinated Lender. If requested by Administrative Agent and Senior Lenders, Subordinated Lender will acknowledge that any such liens and encumbrances affecting the Senior Loan Collateral are senior to the Subordinated Loan Documents to the extent provided herein.

8. Default Under Subordinated Loan Documents. Subordinated Lender will send to Administrative Agent a written copy of any notices given to AWDI regarding (a) any default under the Subordinated Loan Documents or (b) any event or condition that with the giving of such notice or the passage of time, or both, would result in a default under the Subordinated Loan Documents (collectively, a "Subordinated Loan Default"). Subordinated Lender agrees that all such notices to Administrative Agent and Senior Lenders will be sent contemporaneously with the sending of such notices to AWDI.

9. Insurance Proceeds; Condemnation Awards. In the event of (a) any casualty to the Senior Loan Collateral, or any portion thereof, that is covered by insurance, or (b) the Senior Loan Collateral, or any portion thereof, is condemned or taken under a power of eminent domain, Administrative Agent, subject to the terms and conditions of the Senior Loan Documents, will have the sole right, without any involvement or rights of Subordinated Lender, to adjust, collect and compromise, in its sole discretion, all insurance proceeds and compensation and awards issued on account of such action.

10. No Foreclosure by Subordinated Lender. So long as the Senior Loan is outstanding, Subordinated Lender agrees that it will not enforce any security interest or other rights with respect to the Senior Loan Collateral.

11. Actions Regarding Senior Loan. Without notice to or the consent of Subordinated Lender, Administrative Agent and Senior Lenders may take or refrain from taking any action regarding the Senior Loan that it deems appropriate, in its sole and absolute discretion, including, without limitation (a) enforcing its rights and remedies under the Senior Loan Documents,

including, without limitation, commencing foreclosure proceedings; (b) amending, modifying, extending, restating or renewing the Senior Loan or any terms or conditions thereof; (c) waiving or releasing any Person from any obligation under the Senior Loan Documents; (d) waiving or releasing any right, remedy or option accorded Administrative Agent and Senior Lenders pursuant to this Agreement or the Senior Loan Documents, and without otherwise in any way affecting the effectiveness of this Agreement, the obligations of Subordinated Lender under this Agreement, or the obligations of Borrowers or any guarantor under the Senior Loan Documents; (e) forbearing or agreeing to release, waive or forbear from enforcing any right or remedy related to the Senior Loan, including rights and remedies against any guarantor, surety or accommodation party of all or any part of the Senior Loan; (f) determining when and in what order payments and credits shall be made to the Senior Loan; (g) substituting or exchanging the Senior Loan Collateral or any other property, or any portion thereof, for other property to secure the Senior Loan; (h) releasing or surrendering the Senior Loan Collateral or any other property; or (i) failing to perfect any security interest in the Senior Loan Collateral or other property securing the Senior Loan. No such action or inaction by Administrative Agent or any Senior Lender will, in any manner, impair or affect the rights and remedies of Administrative Agent and Senior Lenders or the obligations and duties of Subordinated Lender and Borrowers.

12. Waiver by Subordinated Lender. Subordinated Lender waives any right to require Administrative Agent and Senior Lenders to: (a) proceed against any person or property or (b) pursue any other remedy in Administrative Agent and Senior Lenders' power. Subordinated Lender waives notice of acceptance of this Agreement and presentment, demand, protest, notice of protest, dishonor, notice of dishonor, notice of default, notice of intent to accelerate or demand any payment pursuant to the Senior Loan Documents, and any and all other notices to which Subordinated Lender might otherwise be entitled. Subordinated Lender further waives and agrees not to assert any rights or defenses with respect to any actions Administrative Agent and Senior Lenders may take, fail to take, or refrain from taking with regard to the Senior Loan or the Senior Loan Collateral or other property now or hereafter securing any of the Senior Loan. Subordinated Lender further waives any rights it may have in connection with any bankruptcy, assignment for benefit of creditors, receivership, civil action, arbitration or other proceeding, to challenge, contest or dispute the validity, enforceability or priority of the Senior Loan, the Senior Loan Documents or the liens of Administrative Agent and Senior Lenders created by such Loan Documents, including but not limited to the Senior Deed of Trust encumbering the Senior Loan Collateral.

13. Disclosure of Information. Subordinated Lender acknowledges and agrees that Administrative Agent and Senior Lenders has the right to sell, assign, transfer, negotiate or grant participations or any other interest in any or all of the Senior Loan and that Administrative Agent and Senior Lenders may disclose all documents and information which Administrative Agent and Senior Lenders now or later has or acquires relating to Subordinated Lender and this Agreement, however obtained. Subordinated Lender further agrees that Administrative Agent and Senior Lenders may provide information relating to this Agreement or relating to Subordinated Lender to Administrative Agent's and Senior Lenders' parent, affiliates, subsidiaries and service providers.

14. Subordinated Lender's Representations and Promises. Subordinated Lender represents and warrants to Administrative Agent and Senior Lenders that (a) it is the sole holder of the Subordinated Loan with full power to make the subordinations and assignments set forth

in this Agreement, (b) it has not made or permitted any assignment or transfer, as security or otherwise, of the Subordinated Loan, of any instrument evidencing the Subordinated Loan, or of any of the Collateral, and it shall not do so as long as this Agreement remains in effect, and (c) it has extended the Subordinated Loan and entered into this Agreement based on its own independent investigation (or decision not to investigate) the financial condition of AWDI and the value of the Senior Loan Collateral, and has not relied on and shall not rely on any representation or information of any nature regarding the Borrowers, AWDI, Senior Loan Collateral or any other matter made by or received from Administrative Agent and Senior Lenders. Subordinated Lender agrees that each Subordinated Loan Document will contain a legend in form satisfactory to Administrative Agent and Senior Lenders referring to this Agreement and the terms and conditions hereof in order to give notice to future holders of the Subordinated Loan of the terms and conditions of this Subordination Agreement.

15. No Waiver by Administrative Agent and Senior Lenders. Administrative Agent and Senior Lenders will not be prejudiced in their rights under this Agreement by any act or failure to act by Borrowers, AWDI, or Subordinated Lender, or any non-compliance of Borrowers, AWDI, or Subordinated Lender with any agreement or obligation, regardless of any knowledge thereof which Administrative Agent and Senior Lenders may have or with which Administrative Agent and Senior Lenders may be charged. No action of Administrative Agent and Senior Lenders, or any of them, permitted hereunder will in any way affect or impair the rights of Administrative Agent and Senior Lenders and the obligations of Subordinated Lender under this Agreement. No delay on the part of Administrative Agent and Senior Lenders in the exercise of any rights or remedies shall operate as a waiver thereof, and no single or partial exercise by Administrative Agent and Senior Lenders of any right or remedy will preclude other or further exercise thereof or the exercise of any other right or remedy. No modification or waiver of any of the provisions of this Agreement will be binding upon Administrative Agent and Senior Lenders except as expressly set forth in a writing duly signed and delivered on behalf of Administrative Agent and Senior Lenders.

16. Termination. This Agreement will terminate upon full and final payment of all amounts due under the Senior Loan Documents and the full and final performance of all obligations under the Senior Loan Documents.

17. Notices. All notices to be made hereunder to the parties hereto must be in writing and must be delivered by registered mail or certified mail, postage prepaid, return receipt requested, through the United States Postal Service to the addresses shown below or such other address which the parties may provide to one another in accordance herewith. Such notices will be deemed received two (2) Business Days after deposit in the United States mail.

To Administrative Agent
and Senior Lenders:

California Bank & Trust
c/o National Bank of Arizona
6001 North 24th Street
Phoenix, AZ 85016
Attn: Bruce Weyers

To Subordinated Lender: AWH Ventures, Inc.
250 Pilot Road, Suite 140
Las Vegas, Nevada 89119
Attn: Robert Evans

18. Effect of Agreement on Borrowers and Third Parties. This Agreement is for the sole benefit of the Administrative Agent and Senior Lenders and the Subordinated Lender and their respective permitted successors and assigns and will inure to the benefit of and be binding upon Administrative Agent and Senior Lenders and Subordinated Lender and their respective permitted successors and assigns. Nothing herein will be deemed to modify, limit or in any way affect the rights and obligations of the Borrowers to the Administrative Agent and Senior Lenders under the Senior Loan Documents or of AWDI to the Subordinated Lender under the Subordinated Loan Documents.

19. Third-Party Beneficiaries. Nothing in this Agreement is intended or may be construed to confer upon or to give Borrowers or any other person or entity other than Administrative Agent and Senior Lenders and Subordinated Lender (and their respective permitted successors and assigns) any right, remedy or claim under or by reason of this Agreement. All terms and conditions in this Agreement are for the sole and exclusive benefit of Administrative Agent and Senior Lenders, Subordinated Lender and their respective permitted successors and assigns.

20. Limitation on Liability. No present or future shareholder, director, trustee, agent, officer or partner of Administrative Agent and Senior Lenders will have any personal liability, directly or indirectly, under or in connection with this Agreement or any agreement made or entered into under or in connection with the provisions of this Agreement, or any amendment or amendments to any of the foregoing made at any time or times, heretofore or hereafter, and Subordinated Lender hereby forever and irrevocably waives and releases any and all such personal liability for the benefit of any such present or future shareholder, director, trustee, agent, officer or partner of Administrative Agent and Senior Lenders.

21. Only Agreement Regarding Subordination. This Agreement constitutes the whole and only agreement with regard to the subordination of the Subordinated Loan to the Senior Loan and the subordination of the lien of the Subordinated Loan Documents to the lien of the Senior Loan Documents.

22. Assignment. Administrative Agent and Senior Lenders may assign or transfer all or any portion of its rights under this Agreement, including any instrument relating to the Senior Loan, the Senior Loan Collateral, or other property securing the Senior Loan, to any person or entity, and such assignee or transferee shall be vested with all rights and powers given to Administrative Agent and Senior Lenders in this Agreement. Subordinated Lender may assign the Subordinated Loan and all of its rights and obligations pursuant to this Agreement to Lawrence D. Canarelli so long as he executes and delivers such documents and instruments as Administrative Agent may require to assume and agree to perform all of the obligations of Subordinated Lender pursuant to this Agreement. Except for such assignment to Lawrence D. Canarelli, Subordinated Lender shall not assign its rights or delegate its obligations pursuant to this Agreement or with respect to the Subordinated Loan.

23. Conflict. In the event of any inconsistencies between the terms and provisions of this Agreement and the terms and provisions under any of the Subordinated Loan Documents, the terms and provisions of this Agreement will prevail and control in all respects. In addition, if similar or overlapping rights or remedies are granted to the Administrative Agent and Senior Lenders and Subordinated Lender under the Senior Loan Documents and the Subordinated Loan Documents, respectively, the terms and provisions of the Senior Loan Documents will prevail and control in all respects, and Administrative Agent and Senior Lenders will have a superior right to exercise such right or remedy.

24. CHOICE OF LAW. THIS AGREEMENT AND THE TRANSACTION CONTEMPLATED HEREUNDER SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF ARIZONA, WITHOUT GIVING EFFECT TO CONFLICT OF LAWS PRINCIPLES, EXCEPT TO THE EXTENT THAT THE STATE IN WHICH THE COLLATERAL IS LOCATED MAY REQUIRE THAT ITS LAWS BE APPLIED TO THE CREATION AND PRIORITY OF LIENS, TO THE PERFECTION OF SECURITY INTEREST AND TO ANY FORECLOSURE, TRUSTEE'S SALE, APPOINTMENT OF RECEIVER OR OTHER REMEDY WITH RESPECT TO THE COLLATERAL. ANY PROCEDURES PROVIDED HEREIN FOR SUCH REMEDIES SHALL BE MODIFIED AND REPLACED WITH, WHERE INCONSISTENT WITH OR REQUIRED BY, ANY PROCEDURES OR REQUIREMENTS OF THE LAWS OF THE STATE IN WHICH THE COLLATERAL IS LOCATED.

25. JURY TRIAL WAIVER. ADMINISTRATIVE AGENT, DEBTOR AND EACH LENDER HEREBY VOLUNTARILY, KNOWINGLY, IRREVOCABLY AND UNCONDITIONALLY WAIVE ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE (WHETHER BASED UPON CONTRACT, TORT OR OTHERWISE) BETWEEN OR AMONG THE UNDERSIGNED, AND ADMINISTRATIVE AGENT AND/OR ANY LENDER ARISING OUT OF OR IN ANY WAY RELATED TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT. THIS PROVISION IS A MATERIAL INDUCEMENT TO ADMINISTRATIVE AGENT AND LENDERS TO PROVIDE THE FINANCING DESCRIBED HEREIN OR IN THE OTHER LOAN DOCUMENTS.

26. CLASS ACTION WAIVER. EACH PARTY WAIVES THE RIGHT TO LITIGATE IN COURT OR ARBITRATE ANY CLAIM OR DISPUTE AS A CLASS ACTION, EITHER AS A MEMBER OF A CLASS OR AS A REPRESENTATIVE, OR TO ACT AS A PRIVATE ATTORNEY GENERAL.

27. Counterparts. This Agreement may be executed in any number of counterparts and each such counterpart will be deemed an original but all such counterparts together will constitute one and the same Agreement.

28. Titles and Headings. The titles and headings at the beginning of each section of this Agreement are solely for convenience and are not part of this Agreement. Unless otherwise indicated, each reference in this Agreement to a section or exhibit is a reference to the respective section herein or exhibit hereto.

(BALANCE OF THIS PAGE INTENTIONALLY LEFT BLANK)

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered as of the day and year first above written.

ADMINISTRATIVE AGENT:

CALIFORNIA BANK & TRUST, a California
banking corporation

By: _____

Name: _____

Title: _____

SUBORDINATED LENDER:

AWH VENTURES, INC., a Nevada corporation

By: _____

Name: _____

Title: _____

[Signature Page to Subordination and Intercreditor Agreement]

BORROWERS:

AMERICAN WEST DEVELOPMENT, INC., a
Nevada corporation

By: _____

Name: Lawrence D. Canarelli

Title: President

[Signature Page to Subordination and Intercreditor Agreement]

BORROWERS:

LAWRENCE D. CANARELLI, individually

HEIDI CANARELLI, individually

[Signature Page to Subordination and Intercreditor Agreement]

BORROWERS:

LAWRENCE D. CANARELLI, as Trustee of The Canarelli Family Trust, established pursuant to Trust Agreement dated September 14, 1990, as amended by that certain First Amendment and Total Restatement dated December 3, 1993, as further amended by that certain Second Amendment dated August 8, 2006

BORROWERS:

LAWRENCE D. CANARELLI, as Trustee of:

The Jeffrey Lawrence Graves Canarelli Irrevocable Trust, established pursuant to Trust Agreement dated February 24, 1998

The Scott Lyle Graves Canarelli Irrevocable Trust, established pursuant to Trust Agreement dated February 24, 1998

The Stacia Leigh Lemke Irrevocable Trust, established pursuant to Trust Agreement dated February 24, 1998

The Alyssa Lawren Graves Canarelli Irrevocable Trust, established pursuant to Trust Agreement dated October 24, 2002

HEIDI CANARELLI, as Trustee of:

The Jeffrey Lawrence Graves Canarelli Irrevocable Trust, established pursuant to Trust Agreement dated February 24, 1998

The Scott Lyle Graves Canarelli Irrevocable Trust, established pursuant to Trust Agreement dated February 24, 1998

The Stacia Leigh Lemke Irrevocable Trust, established pursuant to Trust Agreement dated February 24, 1998

The Alyssa Lawren Graves Canarelli Irrevocable Trust, established pursuant to Trust Agreement dated October 24, 2002

BORROWERS:

LAWRENCE CANARELLI

HEIDI CANARELLI

as Family Trustees of the Lawrence Canarelli 2011
Irrevocable Trust

[Signature Page to Subordination and Intercreditor Agreement]

BORROWERS:

HEIDI CANARELLI

LAWRENCE CANARELLI

as Family Trustees of the Heidi Canarelli 2011
Irrevocable Trust

[Signature Page to Subordination and Intercreditor Agreement]

BORROWERS:

DEFERRED REVENUE, LLC, a Nevada limited
liability company
MOUNTAIN WEST ASSOCIATES, LLC, a
Nevada limited liability company

By: _____

Name: Lawrence D. Canarelli

Title: Manager

BORROWERS:

GAMEDAY, LLC, a Nevada limited liability company

By: Land Manager, Inc., a Nevada corporation,
its Manager

By: _____

Name: Dianne Ferraro

Title: President

[Signature Page to Subordination and Intercreditor Agreement]

BORROWERS:

ADAVEN MANAGEMENT, INC., a Nevada corporation
AWH VENTURES, INC., a Nevada corporation
COLORADO COMPANIES, INC., a Nevada corporation
COLORADO HOUSING INVESTMENTS, INC., a Nevada corporation
COLORADO LAND INVESTMENTS, INC., a Nevada corporation
COLORADO LAND INVESTMENTS 2, INC., a Nevada corporation
HERITAGE 2, INC., a Nevada corporation
HIGHLANDS LAND INVESTMENT, INC., a Nevada corporation
KENSINGTON 2, INC., a Nevada corporation
MODEL RENTING COMPANY, INC., a Nevada corporation
WOODBIDGE 1, INC., a Nevada corporation
INDIANA INVESTMENTS, INC., a Nevada corporation

By: _____

Name: Lawrence D. Canarelli

Title: President

BORROWERS:

AWH NORTH, LLC, a Nevada limited liability company
AWH NORTH NLV 2009, LLC, a Nevada limited liability company
CFT LANDS, LLC, a Nevada limited liability company
PARCEL NLV 1.3, L.L.C., a Nevada limited liability company
PARCEL NLV 1.4, L.L.C., a Nevada limited liability company
PARCEL NLV 1.13, L.L.C., a Nevada limited liability company
LEXINGTON 1, LLC, a Nevada limited liability company
NEWCASTLE 1, LLC, a Nevada limited liability company
NLV PARCEL 5.03, L.L.C., a Nevada limited liability company
CANFAM HOLDINGS, LLC, a Nevada limited liability company
FAIRMONT 2, LLC, a Nevada limited liability company
SJSA VENTURES, LLC, a Nevada limited liability company
LH VENTURES, LLC, a Nevada limited liability company
MODEL RENTING 2008, LLC, a Nevada limited liability company
MODEL RENTING 2009, LLC, a Nevada limited liability company
MODEL RENTING 2010, LLC, a Nevada limited liability company
SILVERADO SPRINGS 3, LLC, a Nevada limited liability company

By: Investment Manager, Inc., a Nevada corporation, their Manager

By: _____
Name: Lawrence D. Canarelli
Title: President

BORROWERS:

HLI, LLC, a Nevada limited liability company

By: _____

Name: Mark L. Dunford

Title: Manager

[Signature Page to Subordination and Intercreditor Agreement]

BORROWERS:

ST. ROSE PARCEL, L.L.C., a Nevada limited liability company

By: _____

Name: Lawrence D. Canarelli

Title: Manager

EXHIBIT 1.1Q
RECAPITALIZATION
[See Attached]

EXECUTION COPY

CAPITAL CONTRIBUTION AGREEMENT

This CAPITAL CONTRIBUTION AGREEMENT (the "Agreement") is dated as of the 28th day of February 2012 (the "Effective Date") between and among **THE CANARELLI FAMILY TRUST** (the "Canarelli Trust"), **THE ALYSSA LAWREN GRAVES CANARELLI IRREVOCABLE TRUST** (the "Alyssa Trust"), **THE JEFFREY LAWRENCE GRAVES CANARELLI IRREVOCABLE TRUST** (the "Jeffrey Trust"), **THE SCOTT LYLE GRAVES CANARELLI IRREVOCABLE TRUST** (the "Scott Trust"), **THE STACIA LEIGH LEMKE IRREVOCABLE TRUST** (the "Stacia Trust") (collectively, the Alyssa Trust, Jeffrey Trust, Scott Trust, and the Stacia Trust are the "Childrens' Trusts" and together with the Canarelli Trust, the "Shareholders") and **AMERICAN WEST DEVELOPMENT, INC.**, a Nevada business corporation (the "Company").

BACKGROUND

A. The Shareholders presently own all of the issued and outstanding shares of capital stock of the Company in the following amounts:

<u>Shareholder</u>	<u>Shares of AWDI</u>	<u>Percentage</u>
Canarelli Trust	1,076.17	92.83%
Alyssa Trust	20.77	1.79%
Jeffrey Trust	20.77	1.79%
Scott Trust	20.77	1.79%
Stacia Trust	20.77	1.79%
TOTAL*	1,159.25	100.00%

* Any discrepancies in share amounts or percentages are due to rounding.

B. Either directly or through commonly owned affiliates, the Shareholders have made certain advances to, and payments on behalf of, the Company in the aggregate amount of \$52,000,000 (the "Shareholder Advances").

C. The Shareholder Advances were funded by the Shareholders in the following proportions:

<u>Shareholder</u>	<u>Advance Amount</u>	<u>Percentage</u>
Canarelli Trust	\$21,796,632	41.92%
Alyssa Trust	\$7,550,842	14.52%
Jeffrey Trust	\$7,550,842	14.52%
Scott Trust	\$7,550,842	14.52%
Stacia Trust	\$7,550,842	14.52%
TOTAL	\$52,000,000	100.00%

D. The Shareholders and the Company have agreed that in consideration of the Shareholder Advances, the Company shall issue 1,265.03 additional shares of common stock (the "Additional AWDI Shares") to the Shareholders based upon an enterprise valuation of the

Company (prior to the Shareholder Advances) of \$47,651,742, or \$41,105.59 per share, such that each Shareholder shall receive additional shares of common stock in the following amounts:

<u>Shareholder</u>	<u>Shares of AWDI</u>	<u>Percentage</u>
Canarelli Trust	530.27	41.92%
Alyssa Trust	183.69	14.52%
Jeffrey Trust	183.69	14.52%
Scott Trust	183.69	14.52%
Stacia Trust	183.69	14.52%
TOTAL	1,265.03	100.00%

E. Following the consummation of the transaction contemplated in this Agreement (the "Capital Contribution Transaction") and the issuance of the Additional AWDI Shares, the Shareholders shall own all of the issued and outstanding shares of capital stock of the Company in the following amounts:

<u>Shareholder</u>	<u>Shares of AWDI</u>	<u>Percentage</u>
Canarelli Trust	1,606.42	66.26%
Alyssa Trust	204.47	8.43%
Jeffrey Trust	204.47	8.43%
Scott Trust	204.47	8.43%
Stacia Trust	204.47	8.43%
TOTAL*	2,424.29	100.00%

* Any discrepancies in share amounts or percentages are due to rounding.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants contained in this Agreement, and intending to be legally bound, the parties hereto agree as follows:

SECTION 1 THE TRANSACTION

1.1 ISSUANCE OF THE ADDITIONAL AWDI SHARES. At the Closing (defined below), the Company will issue to each of the Shareholders the Additional AWDI Shares in the amounts set forth in Recital D. above, free and clear of all claims, liens, encumbrances, restrictions, ownership, and security interests of any kind whatsoever, and subject to the representations and warranties set forth in this Agreement. It is contemplated and intended by the parties that the Capital Contribution Transaction is a transaction described in Section 351 of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder and any successor statutory or regulatory provisions as may later be enacted (the "Code"), as a result of which the parties intend that no gains or losses will be recognized by the Shareholders or the Company.

1.2 CONSIDERATION. The consideration for the Shareholder Advances is the issuance of the Additional AWDI Shares (the "Consideration").

1.3 CLOSING. The closing of the Capital Contribution Transaction under this Agreement (the "Closing") shall take place upon the Effective Date at such time and place as the parties may mutually agree.

1.4 DELIVERIES.

(a) Deliveries by Shareholders. A duly authorized trustee of each Shareholder shall deliver or cause to be delivered to the Company at Closing this Agreement, duly executed by each such Shareholder.

(b) Deliveries by the Company. The Company shall deliver or cause to be delivered to each Shareholder at Closing the following:

- (1) this Agreement, duly executed by the Company; and
- (2) evidence of ownership of the Additional AWDI Shares.

SECTION 2

REPRESENTATIONS AND WARRANTIES

2.1 REPRESENTATIONS AND WARRANTIES OF SHAREHOLDERS. Each Shareholder hereby represents and warrants to the Company, intending for the Company to rely thereon, the following:

(a) Such Shareholder is the sole owner of its shares of Company common stock, and has good and marketable title thereto, free and clear of all claims, liens, encumbrances, restrictions, ownership interests and security interests of any kind whatsoever.

(b) Such Shareholder has the full power and authority to execute, deliver and perform this Agreement and to consummate the transactions contemplated hereby.

(c) This Agreement and any documents to be delivered hereunder are valid and binding obligations of such Shareholder and are enforceable against it in accordance with their respective terms.

(d) Such Shareholder hereby acknowledges and agrees that the issuance of the Additional AWDI Shares by the Company constitutes full, fair and sufficient consideration for the Shareholder Advances previously made to the Company by the Shareholders.

2.2 REPRESENTATIONS AND WARRANTIES OF THE COMPANY. The Company represents and warrants to the Shareholders, intending for the Shareholders to rely thereon, the following:

- (a) Following the Capital Contribution Transaction, the Shareholders shall

own all of the issued and outstanding shares of stock of the Company in the amounts and proportions set forth in Recital E. above.

(b) The Company has the full power and authority to execute, deliver and perform this Agreement and consummate the transactions contemplated hereby.

(c) The Company has sufficient authorized and unissued share capital to issue the Additional Shares as contemplated in this Agreement.

(d) This Agreement and any documents to be delivered hereunder are valid and binding obligations of the Company and are each enforceable against it in accordance with their respective terms.

(e) The Company acknowledges and agrees that the receipt of the Shareholder Advances constitutes fair and sufficient consideration for the issuance of the Additional AWDI Shares as of the Closing.

SECTION 3 MISCELLANEOUS

3.1 SURVIVAL. The representations, warranties and covenants of the Shareholders and the Company contained in Sections 1, 2 and 3 shall survive the Closing under this Agreement.

3.2 FURTHER ASSURANCES. Each party shall, at the request of the other party, execute and deliver such further instruments and will take such other actions as may be reasonably required to consummate the transactions contemplated by this Agreement.

3.3 TAX CONSEQUENCES. Each of the parties to this Agreement is responsible for the determination and payment of all tax liabilities, if any, determined to be owed by each in connection with the transactions contemplated by this Agreement.

3.4 NOTICES. All notices, requests, demands, and other communications under this Agreement will be in writing and will be deemed to have been duly given if personally delivered or, if mailed, when mailed by United States certified or registered mail, postage prepaid, to the other parties at the following addresses (or at such other address as will be given in writing by any party to the other):

If to the Shareholders, then to each by its name at:

Attn: Lawrence D. Canarelli, Trustee
250 Pilot Road, Suite #140
Las Vegas, NV 89119

If to the Company:

American West Development, Inc.
Attn: Robert M. Evans, President
250 Pilot Road, Suite #140
Las Vegas, NV 89119

With copies to:

Brett A. Axelrod, Esquire
Fox Rothschild LLP
3800 Howard Hughes Parkway, Suite 500
Las Vegas, NV 89169

3.5 SUCCESSORS AND ASSIGNS. This Agreement, and all rights and powers granted by this Agreement, will bind and inure to the benefit of the parties and their respective executors, representatives, heirs, successors, and assigns but will not be construed to confer any right or benefit upon any other party.

3.6 GOVERNING LAW. This Agreement has been made, executed, and delivered in, and is to be governed and construed in accordance with the laws of the State of Nevada, without regard to principles of conflicts of law.

3.7 HEADINGS. The headings preceding the text of the sections and subsections of this Agreement are inserted solely for convenience of reference, and will not constitute a part of this Agreement, nor will they affect its meaning, construction, or effect.

3.8 ENTIRE AGREEMENT. This Agreement (including the "Background" section) and any schedules attached to this Agreement, which are incorporated and made part of this Agreement, set forth all of the promises, covenants, agreements, conditions, and undertakings between the parties with respect to the subject matter of this Agreement, and supersede all prior and contemporaneous agreements and undertakings, inducements, or conditions, express letters of intent, memoranda of understanding, or other communications previously exchanged between the parties.

3.9 MODIFICATION. This Agreement may not be changed orally, but only by an agreement in writing signed by the party or parties against whom enforcement of any waiver, change, modification, or discharge is sought.

3.10 INDULGENCES. Neither the failure nor any delay on the part of any party to exercise any right, remedy, power, or privilege under this Agreement will operate as a waiver, nor will any single or partial exercise of any right, remedy, power, or privilege preclude any other or future exercise of the same or of any other right, remedy, power, or privilege. Any waiver of such item with respect to any one occurrence will not be construed as a similar waiver with respect to any other occurrence.

3.11 PROVISIONS SEPARABLE. The provisions of this Agreement are independent of and separable from each other. No provisions will be affected or rendered invalid or unenforceable by virtue of the fact that for any reason any one or more of any of the provisions of this Agreement may be invalid or unenforceable in whole or in part, unless the absence of such invalid or unenforceable provision materially alters the rights or obligations of the parties hereto.

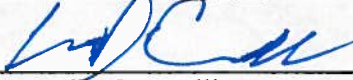
3.12 COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which shall constitute an original and all of which taken together shall constitute one and the same instrument.

[REMAINDER OF PAGE LEFT BLANK INTENTIONALLY]

IN WITNESS WHEREOF, the parties have executed this Agreement on the day above first written.

SHAREHOLDERS:

**THE CANARELLI FAMILY TRUST
THE ALYSSA LAWREN GRAVES CANARELLI IRREVOCABLE TRUST
THE JEFFREY LAWRENCE GRAVES CANARELLI IRREVOCABLE TRUST
THE SCOTT LYLE GRAVES CANARELLI IRREVOCABLE TRUST
THE STACIA LEIGH LEMKE IRREVOCABLE TRUST**

By: 
Name: Lawrence D. Canarelli
Title: Trustee

AMERICAN WEST DEVELOPMENT, INC.


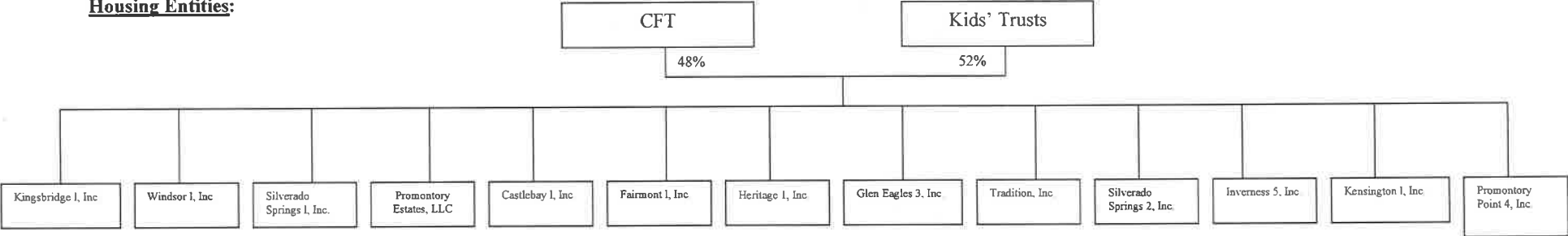
By: 
Name: Robert M. Evans
Title: President

EXHIBIT 1.1R
CORPORATE REORGANIZATION
[See Attached]

PRE-PETITION REORGANIZATION
OF
AMERICAN WEST DEBTOR ENTITIES

Pre-Existing State

Housing Entities:



KEY

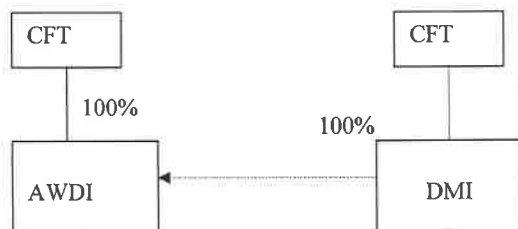
(CFT) Canarelli Family Trust

Kids' Trusts:

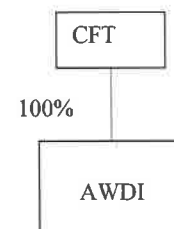
(ALGC) Alyssa Lawren Graves Canarelli Irrevocable Trust
(JLGC) Jeffrey Lawrence Graves Canarelli Irrevocable Trust
(SLGC) Scott Lyle Graves Canarelli Irrevocable Trust
(SLL) Stacia Leigh Lemke Irrevocable Trust

Step 1 - Direct merger of DMI with and into AWDI. AWDI is surviving company.

Pre

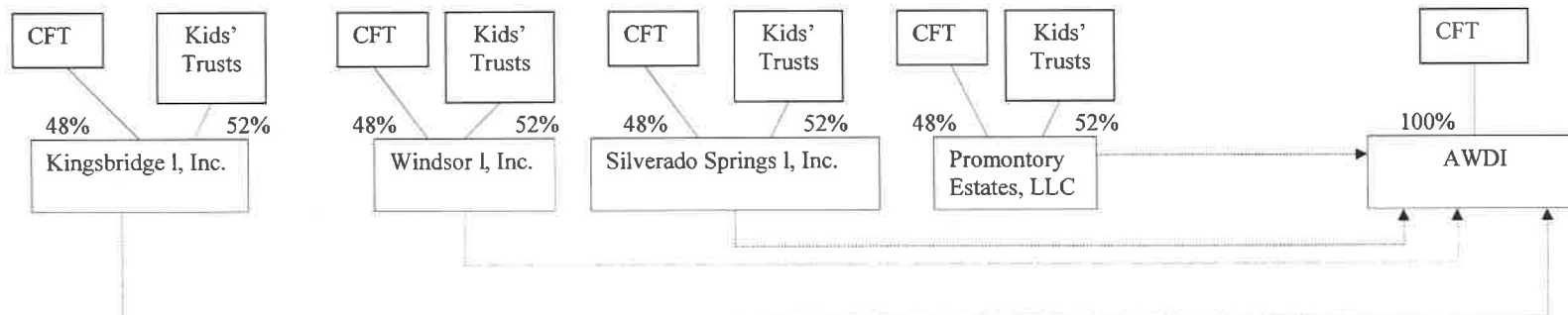


Post



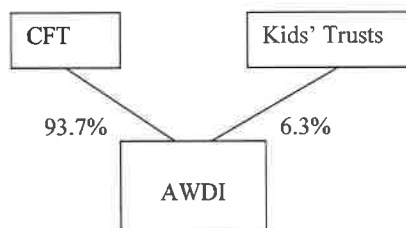
Step 2 – Direct merger of “Active” companies with and into AWDI. AWDI is surviving company.

Pre



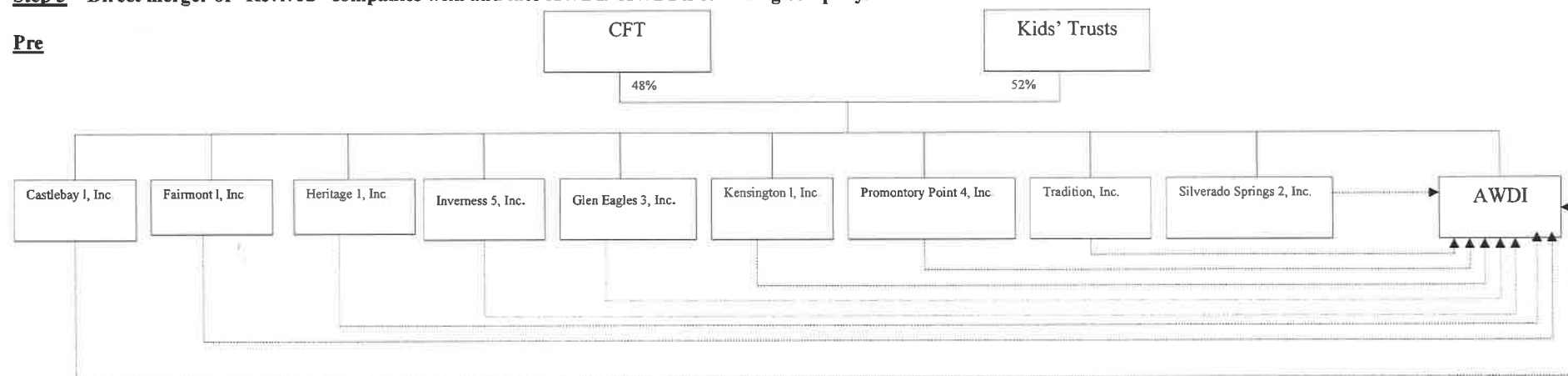
Step 2 -

Post – Post-merger share capitalization determined by exchange ratios which are in turn driven by relative valuations of targets and AWDI. Company and financial advisor provided target company and AWDI valuations.



Step 3 – Direct merger of “Revived” companies with and into AWDI. AWDI is surviving company.

Pre



Step 3

Post

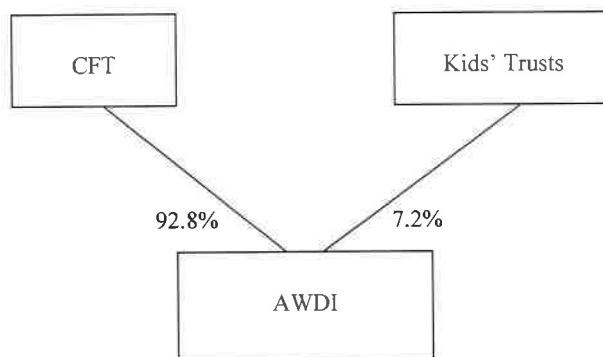


EXHIBIT 1.1S

NEW SECURED NOTE DOCUMENTS

[See Attached]

NEW SECURED LOAN AGREEMENT
("New Secured Notes")

CALIFORNIA BANK & TRUST,
a California banking corporation,
individually and as Administrative Agent
and as Lead Arranger,

WELLS FARGO BANK, NATIONAL ASSOCIATION,
a national banking association,
individually and as Syndication Agent,

Lenders listed on the signature pages hereto,

and

AMERICAN WEST DEVELOPMENT, INC., a Nevada corporation

As of _____, 2012

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NEW SECURED LOAN AGREEMENT
("New Secured Notes")

DATE: As of _____, 2012

PARTIES: Borrower: AMERICAN WEST DEVELOPMENT, INC., a Nevada corporation

Borrower's 250 Pilot Road, Suite 140
Address: Las Vegas, Nevada 89119
Attention: Lawrence D. Canarelli

Administrative Agent: CALIFORNIA BANK & TRUST, a California banking corporation

Administrative Agent's 11622 El Camino Real, Suite 200
Address: San Diego, California 92130

Lenders: THE LENDERS LISTED ON THE SIGNATURE
PAGES HERETO AND THE OTHER LENDERS
PARTY HERETO FROM TIME TO TIME
PURSUANT TO THIS AGREEMENT

RECITALS:

A. Borrower is one of the borrowers pursuant to that certain Term Loan Credit Agreement dated December 31, 2009 (the "Original Credit Agreement"), as amended by that certain First Term Loan Amendment (as defined below), among California Bank & Trust, a California banking corporation, as Administrative Agent (the "Administrative Agent"), the Lenders listed on the signature pages thereto (the "Term Loan Lenders") and Lawrence D. Canarelli and Heidi Canarelli, individually, Lawrence D. Canarelli, as Trustee of the Canarelli Family Trust, Lawrence D. Canarelli and Heidi Canarelli, as Trustees of the Jeffrey Lawrence Graves Canarelli Irrevocable Trust, Lawrence D. Canarelli and Heidi Canarelli, as Trustees of the Scott Lyle Graves Canarelli Irrevocable Trust, Lawrence D. Canarelli and Heidi Canarelli, as Trustees of the Stacia Leigh Lemke Irrevocable Trust, Lawrence D. Canarelli and Heidi Canarelli, as Trustees of the Alyssa Lawren Graves Canarelli Irrevocable Trust and The American West Group Borrowers (the "Term Loan Borrowers"). As one of the Term Loan Borrowers, Borrower is jointly and severally liable with all other Term Loan Borrowers for payment and performance of the obligations pursuant to the Original Credit Agreement.

B. As more particularly described in that certain First Amendment to Loan Documents, dated February __, 2012 (the "First Term Loan Amendment"), between Administrative Agent, Lenders and the Term Loan Borrowers, Lenders, among other things, consented to a Corporate Reorganization (as defined therein) pursuant to which certain entities that included (along with certain other Persons) other Term Loan Borrowers were merged into Borrower.

C. Substantially concurrently with the Corporate Reorganization, the Administrative Agent, Lenders, and Borrower entered into that certain Restructuring, Lock-Up and Settlement Letter Agreement (the "Settlement Agreement") pursuant to which, among other things, the Lenders agreed to settle claims against Borrower arising pursuant to the Original Credit Agreement, and the Lenders agreed to support a Chapter 11 reorganization plan with respect to Borrower in the form attached as Appendix 1 to the Settlement Agreement (the "Chapter 11 Plan"). On or about _____, Borrower commenced the Chapter 11 Case (as defined below).

D. On or about _____, the Chapter 11 Plan was confirmed.

E. Pursuant to the Chapter 11 Plan, among other things, the Lenders, as the "holders of the secured claims" are entitled to receive in full satisfaction, settlement, release and exchange for their Allowed Secured Claims (as defined in the Chapter 11 Plan), which claims include the secured claims arising against Borrower pursuant to the Original Credit Agreement, a New Secured Loan (as defined below) evidenced by the New Secured Loan Documents (as defined in the Chapter 11 Plan) including the New Secured Notes executed by the Reorganized Debtor (as defined in the Chapter 11 Plan) and payable to the order of the Lenders in the aggregate principal amount of \$49,635,000.

F. The Borrower, Administrative Agent, and Lenders desire to enter into this Agreement to evidence the New Secured Loan. Pursuant to the Settlement Agreement, the Chapter 11 Plan and this Agreement, from and after the effectiveness of this Agreement, Borrower will no longer be a Term Loan Borrower and Borrower's obligation to make payments in respect of the Original Credit Agreement shall be governed by this Agreement and evidenced by the Loan Documents.

AGREEMENT:

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Borrower, Administrative Agent and Lenders agree as follows:

1. DEFINITIONS AND INTERPRETIVE PROVISIONS.

1.1 Definitions. In this Agreement, the following terms shall have the following meanings; provided that all capitalized terms used in this Agreement and not otherwise defined shall have the meanings given to such terms in the Original Credit Agreement:

"Administrative Agent" means CBT in its capacity as contractual representative of the Lenders pursuant to Section 9, and not in its individual capacity as a Lender, and any successor Administrative Agent appointed pursuant to Section 9.

"Affiliate" of any Person means (a) any other Person directly or indirectly Controlling or Controlled by or under direct or indirect common Control with such Person and (b) any other Person that beneficially owns at least 10% of the voting common stock or other Equity Interest of such Person.

“Agent-Related Persons” means the Administrative Agent and any successor agent that has been appointed pursuant to the provisions of Section 9.9, together with their respective Affiliates and the directors, officers, agents, employees and attorneys-in-fact of such Persons and Affiliates.

“Aggregate New Secured Loan Amount” means the aggregate principal amount of the New Secured Loan held pursuant to this Agreement by all the Lenders in the amount of \$49,635,000.

“Agreement” means this New Secured Loan Agreement, as it may be amended, modified, extended, renewed, restated, or supplemented from time to time.

“Applicable Margin” means, with respect to Fixed Rate Borrowings, 3.25% per annum, and with respect to Floating Rate Borrowings, .50% per annum; provided, however, that during each Remargin Period and each Interim Remargin Period, the Applicable Margin shall be 5.25% per annum with respect to Fixed Rate Borrowings and 2.50% per annum with respect to Floating Rate Borrowings.

“Assignment and Acceptance” means an Assignment and Acceptance substantially in the form of Exhibit 1.1A hereto.

“Authorized Representative” means, with respect to Borrower, Robert M. Evans in his capacities as officer, trustee or manager of Borrower, and such other Persons as Lawrence D. Canarelli may appoint from time to time as an Authorized Representative by written notice to the Administrative Agent. Any document delivered hereunder that is signed by an Authorized Representative shall be conclusively presumed to have been authorized by all necessary corporate, partnership, limited liability company and/or other action on the part of Borrower and such Authorized Representative shall be conclusively presumed to have acted on behalf of Borrower.

“Bankruptcy Code” means Title 11 of the United States Code, as amended, reformed or otherwise modified from time to time.

“Bankruptcy Court” means the United States Bankruptcy Court for the District of Nevada, or such other court as may be conferred with jurisdiction over the Chapter 11 Case.

“Borrower” means American West Development, Inc., a Nevada corporation.

“Borrowing” means a portion or portions of the New Secured Loan of the same Type, made, converted or continued on the same date and, in the case of a Fixed Rate Borrowing, as to which a single Interest Period is in effect.

“Business Day” means (a) with respect to any payment or rate selection of Fixed Rate Borrowings, a day (other than a Saturday or Sunday) on which banks generally are open in San Diego, California, Phoenix, Arizona and New York, New York for the conduct of substantially all of their commercial lending activities, interbank wire transfers can be made on the Fedwire system and dealings in United States dollars are carried on in the London interbank market and (b) for all other purposes, a day (other than a Saturday or Sunday) on which banks generally are

open in San Diego, California and Phoenix, Arizona for the conduct of substantially all of their commercial lending activities and interbank wire transfers can be made on the Fedwire system.

“CBT” means California Bank & Trust, a California banking corporation.

“Change in Control” means any of the following:

(a) With respect to the Canarelli Family Trust, Lawrence D. Canarelli shall cease to be the sole trustee of the Canarelli Family Trust for any reason, whether voluntary or involuntary.

(b) With respect to the Children’s Trusts, Lawrence D. Canarelli and Heidi Canarelli shall cease to be the sole trustees of the Children’s Trusts for any reason, whether voluntary or involuntary.

(c) The Canarelli Family Trust or AWH Ventures, Inc. shall cease to own 100% of all of the stock, partnership interests, limited liability company interests, and other equity ownership interests in Borrower, for any reason, whether voluntary or involuntary.

(d) During any period that AWH Ventures, Inc. owns stock or other equity ownership interests in Borrower, the Canarelli Family Trust shall cease to own 100% of all of the stock and other equity interests in AWH Ventures, Inc.

(e) Robert M. Evans shall cease to be the President of Borrower or Lawrence D. Canarelli shall cease to be Chairman of Borrower.

(f) In addition, with respect to Borrower and any other designated Person:

(i) any “person” or “group” (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, but excluding any employee benefit plan of such person or its subsidiaries, and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan) other than the Principals becomes the “beneficial owner” (as defined in Rules 13d-3 and 13d-5 under the Securities Exchange Act of 1934, except that a person or group shall be deemed to have “beneficial ownership” of all securities that such person or group has the right to acquire (such right, an “option right”), whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of 15% or more of the equity securities of any such Person entitled to vote for members of the board of directors or equivalent governing body of such Person on a fully-diluted basis (and taking into account all such securities that such person or group has the right to acquire pursuant to any option right); or

(ii) during any period of twelve (12) consecutive months, a majority of the members of the board of directors or a majority of the members, if member-managed, or a majority of the managers, if manager-managed, in the case of limited liability companies (referred to as an “equivalent governing body”) of such Person ceases to be composed of individuals (A) who were members of that

board or equivalent governing body on the first day of such period, (B) whose election or nomination to that board or equivalent governing body was approved by individuals referred to in clause (A) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body or (C) whose election or nomination to that board or equivalent governing body was approved by individuals referred to in clauses (A) and (B) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body (excluding, in the case of both clause (B) and clause (C), any individual whose initial nomination for, or assumption of office as, a member of that board or equivalent governing body occurs as a result of an actual or threatened solicitation of proxies or consents for the election or removal of one or more directors by any person or group other than a solicitation for the election of one or more directors by or on behalf of the board of directors).

“Chapter 11 Case” means that certain Chapter 11 bankruptcy case styled “*In re American West Development, Inc.*”, Case No. _____ on the Bankruptcy Court’s docket.

“Chapter 11 Plan” means as defined in the Recitals to this Agreement.

“Chapter 11 Plan Effective Date” means **[insert effective date]**, which is the date upon which the Chapter 11 Plan has been confirmed and became effective pursuant to an order of the Bankruptcy Court.

“Children’s Trusts” means, collectively:

(a) The Scott Lyle Graves Canarelli Irrevocable Trust, Lawrence D. Canarelli and Heidi Canarelli as Trustees, established pursuant to the applicable Children’s Trust Agreement;

(b) The Stacia Leigh Lemke Irrevocable Trust, Lawrence D. Canarelli and Heidi Canarelli as Trustees, established pursuant to the applicable Children’s Trust Agreement;

(c) The Alyssa Lawren Graves Canarelli Irrevocable Trust, Lawrence D. Canarelli and Heidi Canarelli as Trustees, established pursuant to the applicable Children’s Trust Agreement; and

(d) The Jeffrey Lawrence Graves Canarelli Irrevocable Trust, Lawrence D. Canarelli and Heidi Canarelli as Trustees, established pursuant to the applicable Children’s Trust Agreement.

“Children’s Trust Agreements” means, collectively:

(a) That certain Trust Agreement dated February 24, 1998 between Jeffrey Lawrence Graves Canarelli, as Grantor, and Lawrence D. Canarelli and Heidi Canarelli, as Trustees, with respect to The Jeffrey Lawrence Graves Canarelli Irrevocable Trust;

(b) That certain Trust Agreement dated February 24, 1998 between Scott Lyle Graves Canarelli, as Grantor, and Lawrence D. Canarelli and Heidi Canarelli, as Trustees, with respect to The Scott Lyle Graves Canarelli Irrevocable Trust;

(c) That certain Trust Agreement dated February 24, 1998 between Stacia Leigh Lemke, as Grantor, and Lawrence D. Canarelli and Heidi Canarelli, as Trustees, with respect to The Stacia Leigh Lemke Irrevocable Trust; and

(d) That certain Trust Agreement dated October 24, 2002 between Lawrence Canarelli, as parent and natural guardian on behalf of Alyssa Lawren Graves Canarelli, as Grantor, and Lawrence D. Canarelli and Heidi Canarelli, as Trustees, with respect to The Alyssa Lawren Graves Canarelli Irrevocable Trust.

"Closing Date" means _____.

"Code" means the Internal Revenue Code of 1986, as amended, reformed or otherwise modified from time to time.

"Collateral" means all property, interests in property, and rights to property securing any or all Obligations from time to time and includes the collateral described in the Security Agreement.

"Controlled Group" means all members of a controlled group of corporations or other business entities and all trades or businesses (whether or not incorporated) under common control which, together with the Borrower, are treated as a single employer under Section 414 of the Code.

"Credit Bid" means to submit a bid at a public or private sale in connection with the purchase of all or any portion of the Collateral (whether inside or outside of a bankruptcy case), in which any of the Obligations owing to the Lenders under this Agreement are used and applied as a credit on account of the purchase price.

"Default Rate" means as defined in Section 2.1.3(k).

"Defaulted Amount" means as defined in Section 9.19.2.

"Delinquent Lender" means any Lender that has (a) breached any term or condition of this Agreement applicable to such Lender or (b) failed to make any other payment to Administrative Agent (whether such payment is a reimbursement for costs, expenses or attorneys' fees, an indemnity payment, the repayment of erroneously paid funds, a portion of any set-off to be turned over to Administrative Agent or otherwise) when such payment is due and payable under this Agreement or any other Loan Document, if such breach or failure has not been cured or paid within twenty (20) days after notice thereof from Administrative Agent to such Lender. Any Lender that is a "delinquent lender" pursuant to the Original Credit Agreement shall be a Delinquent Lender.

"Distributions" means with respect to any Person, (a) any dividend or other distribution on account of or with respect to Equity Interests in such Person, (b) any purchase, retirement or

redemption of any shares or other units of Equity Interests in such Person, or (c) any other distribution, by reduction of capital or otherwise, in respect of Equity Interests in such Person.

"Effective Date" means the date of this Agreement.

"Environmental Laws" means any and all federal, state, local and foreign statutes, laws, judicial decisions, regulations, ordinances, rules, judgments, orders, decrees, plans, injunctions, permits, concessions, grants, franchises, licenses, agreements and other governmental restrictions relating to (a) the protection of the environment, (b) the effect of the environment on human health, (c) emissions, discharges or releases of pollutants, contaminants, hazardous substances or wastes into surface water, ground water or land, or (d) the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of pollutants, contaminants, hazardous substances or wastes or the clean-up or other remediation thereof.

"Equity Interest" means, with respect to any Person other than a natural person or a Governmental Authority, any capital stock, partnership interest, limited liability company membership interest or other ownership interest, or any option, right-of-first-refusal, warrant, or other right to purchase any such capital stock, partnership interest, limited liability company membership interest or other ownership interest, in any such Person.

"ERISA" means the Employee Retirement Income Security Act of 1974 and the regulations and published interpretations thereunder, as in effect from time to time.

"Eurocurrency Liabilities" has the meaning assigned to that term in Regulation D of the Board of Governors to the Federal Reserve System, as in effect from time to time.

"Eurodollar Rate Reserve Percentage" for the Interest Period for each Fixed Rate Borrowing means the reserve percentage applicable one (1) Business Day before the first day of such Interest Period under regulations issued from time to time by the Board of Governors of the Federal Reserve System (or any successor) for determining the maximum reserve requirement (including, but not limited to, any emergency, supplemental, or other marginal reserve requirement) for a member bank of the Federal Reserve System in San Francisco with respect to liabilities or assets consisting of or including Eurocurrency Liabilities (or with respect to any other category of liabilities which includes deposits by reference to which the interest rate on Fixed Rate Borrowings is determined) having a term equal to such Interest Period.

"Event of Default" means as defined in Section 8.1.

"Federal Funds Effective Rate" means, for any day, an interest rate per annum equal to the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers on such day, as published for such day (or, if such day is not a Business Day, for the immediately preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average of the quotations at approximately 10:00 a.m. (San Diego, California time) on such day on such transactions received by the Administrative Agent from three (3) federal funds brokers of recognized standing selected by the Administrative Agent in its sole discretion.

“Financial Contract” of a Person means (a) any exchange-traded or over-the-counter futures, forward, swap or option contract or other financial instrument with similar characteristics, or (b) any Rate Management Transaction.

“Fixed Rate” means the rate per annum equal to the sum of (a) the Applicable Margin and (b) the rate per annum obtained by dividing (i) the offered rate (“LIBOR Rate”) for U.S. Dollar deposits of not less than \$1,000,000 as of two (2) Business Days, or if not published on that Business Day, then three (3) Business Days prior to the first date of the applicable Interest Period, as shown on the display designated as “British Bankers Assoc. Interest Settlement Rates” on Bloomberg Financial Service System (“Bloomberg”); provided, however, that if such rate is not available on Bloomberg then such offered rate shall be otherwise independently determined by Administrative Agent from an alternative, substantially similar independent source available to Administrative Agent or shall be calculated by Administrative Agent by a substantially similar methodology as that heretofore used to determine such offered rate in Bloomberg by (ii) a percentage equal to 100% minus the Eurodollar Rate Reserve Percentage for the period equal to such Interest Period. The LIBOR Rate determined as provided in this definition may not necessarily be the same as the quoted offered rate in the Eurodollar time deposit market by any particular institution or service applicable to any Interest Period. The LIBOR Rate determined as provided in this definition is not the lowest rate at which Administrative Agent or any Lender may make loans to any of its customers, either now or in the future.

“Fixed Rate Borrowing” means each Borrowing that from time to time bears or is requested to bear interest at a Fixed Rate.

“Floating Rate” means the rate per annum equal to the sum of (a) the Applicable Margin and (b) the rate per annum most recently publicly announced by CBT, or its successors in San Diego, California, as its “prime rate,” as in effect from time to time. The Floating Rate will change on each day that the “prime rate” changes. The “prime rate” is not necessarily the best or lowest rate offered by CBT, and CBT may lend to its customers at rates that are at, above, or below its “prime rate.”

“Floating Rate Borrowing” means a Borrowing that bears or that is requested to bear interest at the Floating Rate.

“GAAP” means generally accepted accounting principles in the United States set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or such other principles as may be approved by a significant segment of the accounting profession in the United States, that are applicable to the circumstances as of the date of determination, consistently applied. Subject to the terms and provisions hereof, “GAAP” shall include the effect of FIN 46.

“Governmental Authority” means any government, any court, and any agency, authority, body, bureau, department, or instrumentality of any government.

“Grandchildren’s Trusts” means the irrevocable trusts established pursuant to the Grandchildren’s Trust Agreements.

“Grandchildren’s Trust Agreements” means (a) the Heidi Canarelli 2011 Irrevocable Trust dated December 23, 2011 by and among Heidi Canarelli, as grantor, Heidi Canarelli and Lawrence Canarelli, as family trustees, and Robert M. Evans, as independent trustee and (b) the Lawrence Canarelli 2011 Irrevocable Trust dated December 23, 2011 by and among Lawrence Canarelli, as grantor, Lawrence Canarelli and Heidi Canarelli, as family trustees, and Robert M. Evans, as independent trustee.

“Guarantee” means, as to any Person, any (a) obligation, contingent or otherwise, of such Person guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation payable or performable by another Person (the “primary obligor”) in any manner, whether directly or indirectly and whether arising upon default or upon the occurrence of some other event (including bankruptcy or insolvency of the primary obligor), and including any obligation of such Person, direct or indirect, (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation, (ii) to purchase or lease property, securities or services for the purpose of assuring the obligee in respect of such Indebtedness or other obligation of the payment or performance of such Indebtedness or other obligation, (iii) to maintain working capital, equity capital or any other financial statement condition or liquidity or level of income or cash flow of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation, (iv) entered into for the purpose of assuring in any other manner the obligee in respect of such Indebtedness or other obligation of the payment or performance thereof or to protect such obligee against loss in respect thereof (in whole or in part), or (v) to be liable in a transaction related to Indebtedness of a primary obligor to the extent of claims for fraud, breaches of representations and warranties, environmental liabilities, wrongful receipt of rents, issues, profits or distributions, wrongful receipt of insurance proceeds, or other similar events; or (b) any Lien on any assets of such Person securing any Indebtedness or other obligation of any other Person, whether or not such Indebtedness or other obligation is assumed by such Person. The amount of any Guarantee shall be deemed to be an amount equal to the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such Guarantee is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by the guaranteeing Person in good faith. The term “Guarantee” as a verb has a corresponding meaning.

“Guarantor” means a Person that has executed and delivered a Guarantee on account of the Obligations.

“Indebtedness” means, as to any Person at a particular time, without duplication, all of the following, whether or not included as indebtedness or liabilities in accordance with GAAP: (a) all obligations of such Person for borrowed money and all obligations of such Person evidenced by bonds, debentures, notes, loan agreements or other similar instruments; (b) all direct or contingent obligations of such Person arising under letters of credit (including standby and commercial), bankers’ acceptances, bank guaranties and similar instruments; (c) Net Mark-to-Market Exposure under Rate Management Transactions and other Financial Contracts; (d) all obligations of such Person to pay the deferred purchase price of property or services (other than trade accounts payable in the ordinary course of business); (e) indebtedness (excluding prepaid interest thereon) secured by a Lien on property owned or being purchased by such Person (including indebtedness arising under conditional sales or other title retention agreements), whether or not such indebtedness shall have been assumed by such Person or is limited in

recourse; (f) capital leases and Synthetic Lease Obligations; (g) all other Off-Balance Sheet Liabilities; (h) Subordinated Debt; (i) all Guarantees of such Person in respect of any of the foregoing; (j) all indebtedness of any other Person in which the Person in question has an economic interest of greater than 50%; (k) all accounts payable of such Person; and (l) all other indebtedness determined in accordance with GAAP. The amount of any capital lease, Synthetic Lease Obligation or Off-Balance Sheet Liabilities as of any date shall be deemed to be the amount of Attributable Indebtedness in respect thereof as of such date.

“Interest Period” means, for each Fixed Rate Borrowing, the period commencing on the date of such Fixed Rate Borrowing and ending on the last day of the period determined in accordance with Section 2.1.3. The duration of each Interest Period shall be one (1) month, two (2) months, three (3) months, or six (6) months as determined in accordance with Section 2.1.3.

“Interim Remargin Payment” means each payment due pursuant to Section 2.1.5(e)(ii) of the Original Credit Agreement.

“Interim Remargin Period” means the period beginning on the date that the administrative agent pursuant to the Original Credit Agreement notifies the Term Loan Borrowers that an Interim Remargin Payment is due and ending ninety (90) days after such date.

“Investment” of a Person means any loan, advance (other than commission, travel and similar advances to officers and employees made in the ordinary course of business), extension of credit (other than accounts receivable arising in the ordinary course of business on terms customary in the trade) or contribution of capital by such Person (including formation of and investment in Subsidiaries); stocks, bonds, mutual funds, partnership interests, membership interests, notes, debentures or other securities owned by such Person; any deposit accounts and certificate of deposit owned by such Person; and structured notes, derivative financial instruments and other similar instruments or contracts owned by such Person.

“Lenders” means each of the financial institutions whose name and signature appear on the signature pages of this Agreement, their successors and assigns, including any Person who becomes a “Lender” pursuant to any of the provisions of this Agreement.

“Lending Installation” means, with respect to a Lender or the Administrative Agent, the office, branch, subsidiary or Affiliate of such Lender or the Administrative Agent listed on the signature pages hereof or on a Schedule or otherwise selected by such Lender or the Administrative Agent pursuant to Section 2.1.4.

“Letter of Credit” of a Person means a letter of credit or similar instrument which is issued upon the application of such Person or upon which such Person is an account party or for which such Person is in any way liable.

“Lien” means each and all of the following: (a) any lease or other right to use; (b) any assignment as security, conditional sale, grant in trust, lien, mortgage, pledge, security interest, title retention arrangement, other encumbrance (voluntary or involuntary), stop notice, or other interest or right in, on or of property securing the payment of money or the performance of any other liability or obligation, whether voluntarily or involuntarily created and whether arising by agreement or under any law, ordinance, regulation, or rule (federal, state, or local); and (c) any

option, right of first refusal, or other right to purchase property, exclusive of options, rights of first refusal and other similar rights.

“Loan Documents” means, collectively, this Agreement, the Note, the Security Agreement, any Guarantees of the Obligations, and all other guaranties, agreements, documents, or instruments signed by a Loan Party and evidencing, guarantying or securing the Obligations, as such agreements, documents, and instruments may be amended, modified, extended, renewed, or supplemented from time to time.

“Loan Party” means, collectively, Borrower and each other Person that is now or hereafter obligated with respect to any of the Obligations or the Rate Management Obligations or that grants a Lien on any Collateral.

“Material Adverse Change” means any change in the assets, business, financial condition, operations, prospects, or results of operations of Borrower that in the reasonable opinion of Required Lenders (a) is reasonably likely to affect in a material adverse respect the likelihood of performance by any Loan Party of any of the Obligations under the Loan Documents; (b) is reasonably likely to affect in a material adverse respect the legality, validity, or binding nature of any of the Obligations in the Loan Documents or any Lien securing any of the Obligations under the Loan Documents; or (c) could adversely affect the priority of any Lien securing any of the Obligations in the Loan Documents.

“Material Agreement” means (a) each Material Collateral Agreement and (b) any other agreement, document or instrument or amendment or change order in respect of any agreement, document or instrument to which any Loan Party is a party or by which any Loan Party or the assets or property of any Loan Party is bound or affected if either (i) the breach or violation of such agreement, document or instrument is reasonably likely to cause a Material Adverse Change or otherwise to materially adversely affect the business or operations of any Loan Party or the development, operation, marketing, and sale of the Real Estate Inventory or (ii) such agreement, document, instrument, amendment or change order has a contract sum or payment obligation by any Loan Party of \$250,000 or more or would cause an increase in an existing contract sum or payment obligation of \$250,000 or more. Notwithstanding the foregoing, each Receivable Agreement shall be considered as a Material Contract.

“Material Collateral Agreement” means each engineering agreement, construction agreement, construction management agreement, architectural agreement, development agreement, and other material contract or agreement with respect to the acquisition, development, or sale of the Real Property Collateral.

“Maturity Date” means December 31, 2015. The Loan Parties acknowledge and agree (i) no extension of the maturity date pursuant to the Original Credit Agreement will extend the Maturity Date and (ii) by virtue of the nature of the New Secured Loan and the application of payments pursuant to this Agreement, upon payment in full of the obligations pursuant to the Original Credit Agreement (including at the maturity thereof) and subject to this Agreement, the New Secured Loan will also be paid even though the Maturity Date may be later than the maturity date pursuant to the Original Credit Agreement.

“Moody’s” means Moody’s Investors Service, Inc.

“Multiemployer Plan” means a Plan maintained pursuant to a collective bargaining agreement or any other arrangement to which Borrower or any member of the Controlled Group is a party to which more than one employer is obligated to make contributions.

“Net Mark-to-Market Exposure” of a Person means, as of any date of determination, the excess (if any) of all unrealized losses over all unrealized profits of such Person arising from Rate Management Transactions. “Unrealized losses” means the fair market value of the cost to such Person of replacing such Rate Management Transaction as of the date of determination (assuming the Rate Management Transaction were to be terminated as of that date), and “unrealized profits” means the fair market value of the gain to such Person of replacing such Rate Management Transaction as of the date of determination (assuming such Rate Management Transaction were to be terminated as of that date).

“New Secured Loan” means the loan outstanding pursuant to this Agreement in the Aggregate New Secured Loan Amount.

“Non-Defaulting Lenders” means as defined in Section 9.19.

“Non-U.S. Lender” means as defined in Section 12.3.

“Note” means, collectively, the promissory notes of even date herewith, executed by Borrower and payable to each Lender, and additional promissory notes executed after the date hereof in favor of other financial institutions that become Lenders in accordance with the terms hereof, in each case evidencing Borrower’s indebtedness hereunder, and in each case as amended, modified, extended, renewed or supplemented from time to time.

“Obligations” means all unpaid principal of and accrued and unpaid interest (including, without limitation, all interest accrued after the filing of a petition under the Bankruptcy Code whether or not such interest is an allowed claim in such bankruptcy proceeding) on the New Secured Loan, all accrued and unpaid fees and all expenses, reimbursements, indemnities and other obligations of the Borrower to the Lenders or to any Lender, the Administrative Agent, or any indemnified party arising under the Loan Documents.

“Original Credit Agreement” means as defined in Recital A.

“Original Loan” means that certain term loan made pursuant the Original Credit Agreement.

“Original Loan Documents” means the “Loan Documents” as such term is defined in the Original Credit Agreement.

“Original Obligations” means all unpaid principal of and accrued and unpaid interest (including, without limitation, all interest accrued after the filing of a petition under the Bankruptcy Code whether or not such interest is an allowed claim in such bankruptcy proceeding) on the Original Loan, all accrued and unpaid fees and all expenses, reimbursements,

indemnities and other obligations of the Term Loan Borrowers to the Lenders or to any Lender, the Administrative Agent, or any indemnified party arising under the Original Loan Documents.

“Other Amounts” means as defined in Section 2.1.3(k).

“Outstanding Credit Exposure” means, as to any Lender at any time, the sum of the aggregate principal amount of its Pro Rata Interest in the New Secured Loan outstanding at such time.

“Participant” or “Participants” means as defined in Section 10.2.1.

“Permitted Exceptions” means, with respect to the Borrower:

(a) Liens for taxes, assessments or governmental charges or levies on its property if the same shall not at the time be delinquent or thereafter can be paid without penalty, or are being contested in good faith and by appropriate proceedings and for which adequate reserves in accordance with GAAP shall have been set aside on its books.

(b) Inchoate Liens imposed by law, such as carriers’, warehousemen’s and mechanics’ Liens and other similar Liens arising in the ordinary course of business with respect to which no Lien has been filed or other action taken to perfect such Lien or cause such Lien to attach to property of the Borrower.

(c) Liens arising out of pledges or deposits under workers’ compensation laws, unemployment insurance, old age pensions, or other social security or retirement benefits, or similar legislation.

(d) Utility easements, building restrictions and such other encumbrances or charges against real property as are of a nature generally existing with respect to properties of a similar character and which do not in any material way affect the marketability of the same or interfere with the use thereof in the business of the Borrower or its Subsidiaries; provided that such encumbrances and charges shall not secure any Indebtedness.

(e) Liens securing the performance of bids, trade contracts (other than borrowed money), leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business.

(f) Judgments and attachment Liens not giving rise to an Event of Default.

“Permitted Forbearance” means an agreement to forbear from the exercise of rights and remedies after an Event of Default or maturity of the New Secured Loan the terms and conditions of which have been approved by the Administrative Agent and the Required Lenders; provided, however, that the forbearance period shall not exceed an aggregate of ninety (90) days during the period from the Closing Date to the Maturity Date.

“Permitted Indebtedness” means:

(a) Obligations. The New Secured Loan outstanding pursuant to this Agreement.

(b) Accounts Payable. Trade and other customary accounts payable incurred and paid in the ordinary course of business.

(c) Payment and Performance Bonds and Letters of Credit. Indebtedness arising from (i) payment and performance bonds given in the ordinary course of business to assure completion by a Borrower of subdivision offsite improvements so long as such bonds have not been drawn upon and (ii) performance Letters of Credit so long as such letters of credit are fully secured by cash.

“Person” means a natural person, a partnership, a joint venture, an unincorporated association, a limited liability company, a corporation, a trust, any other legal entity, or any Governmental Authority.

“Personal Property Collateral” means, collectively, the personal property (tangible and intangible) described in and encumbered by the Security Agreement (including, without limitation, the Receivable) and such other personal property and interests that may from time to time be encumbered by the Security Agreement and the other Loan Documents pursuant to this Agreement or the other Loan Documents.

“Plan” means an employee pension benefit plan which is covered by Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Code as to which the Borrower or any member of the Controlled Group may have any liability.

“Principals” means, collectively, Canarelli and the Children’s Trusts.

“Pro Rata Interest,” with respect to any individual Lender, or “Pro Rata Interests,” with respect to all of the Lenders, as the case may be, means the applicable percentage or percentages of the Aggregate New Secured Loan Amount assigned to each of the Lenders as set forth on the signature pages hereto. The Lenders acknowledge that the percentages and amounts set forth on the signature pages represent the maximum portion of the Aggregate New Secured Loan Amount allocated to each of the Lenders as of the Effective Date and may be adjusted from time to time after the Effective Date in accordance with this Agreement.

“Protective Advances” means as defined in Section 8.2.4.

“Rate Management Obligations” of a Person means any and all obligations of such Person, whether absolute or contingent and however and whenever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor), under (a) any and all Rate Management Transactions and (b) any and all cancellations, buy backs, reversals, terminations or assignments of any Rate Management Transactions.

“Rate Management Transaction” means any transaction (including an agreement with respect thereto) now existing or hereafter entered into between the Borrower and any Lender or

Affiliate thereof which is a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, forward transaction, currency swap transaction, cross-currency rate swap transaction, currency option or any other similar transaction (including any option with respect to any of these transactions) or any combination thereof, whether linked to one or more interest rates, foreign currencies, commodity prices, equity prices or other financial measures.

“Receivable” means the portion of the Personal Property Collateral consisting of the right of Borrower to receive deferred payments due from certain Affiliates representing amounts due for lot development, unit construction and other related services for which Borrower has acted, or will in the future act, as general contractor pursuant to agreements memorialized pursuant to the Receivable Agreements.

“Receivable Agreements” means the agreements pursuant to which the Receivable is or will be payable, which agreements are in the form attached hereto as Exhibit 1.1C, together with all modifications, amendments, renewals and restatements thereof.

“Regulatory Change” means any change effective after the date of this Agreement in United States federal, state, or local laws, regulations or rules or the adoption or making after such date of any interpretation, directive, or request applying to a class of banks, including any Lender, of or under any United States federal, state, or local law, regulation, or rule (whether or not having a force of law) by any court or governmental or monetary authority charged with the interpretation or administration thereof.

“Remargin Payment” means each payment due pursuant to Section 2.1.5(e)(i) of the Original Credit Agreement.

“Remargin Period” means the period beginning on the date that the administrative agent pursuant to the Original Credit Agreement notifies the Term Loan Borrowers that a Remargin Payment is due and ending one hundred eighty (180) days after such date.

“Reportable Event” means a reportable event as defined in Section 4043 of ERISA and the regulations issued under such section, with respect to a Plan, excluding, however, such events as to which the PBGC has by regulation waived the requirement of Section 4043(a) of ERISA that it be notified within thirty (30) days of the occurrence of such event, provided, however, that a failure to meet the minimum funding standard of Section 412 of the Code and of Section 302 of ERISA shall be a Reportable Event regardless of the issuance of any such waiver of the notice requirement in accordance with either Section 4043(a) of ERISA or Section 412(d) of the Code.

“Required Lenders” means Lenders in the aggregate having Pro Rata Interests of at least 66 2/3% of the New Secured Loan; provided that (a) in determining such percentage at any given time, all then existing Delinquent Lenders will be disregarded and excluded, and the Pro Rata Interests shall be redetermined, for voting purposes only, to exclude the Pro Rata Interests of such Delinquent Lenders, and (b) at all times when two (2) or more Lenders are party to this Agreement, the term “Required Lenders” shall in no event mean less than two (2) Lenders.

“Requirements” means any and all material obligations, other material terms and conditions, requirements, and restrictions in effect now or in the future by which Borrower or its property is bound or which are otherwise applicable to the construction of any improvements on the Real Estate Inventory, or occupancy, ownership, or use of the Real Estate Inventory, including, without limitation, such obligations, other terms and conditions, restrictions, and requirements imposed by (a) any law, ordinance, regulation, or rule (federal, state, or local); (b) any material Approvals and Permits; (c) any Permitted Exceptions; (d) any condition, covenant, restriction, easement, right of way, or reservation applicable to the Real Estate Inventory; (e) insurance policies; (f) any other Material Agreement, document, or instrument to which Borrower is a party or by which Borrower or any or all of the Real Estate Inventory or the business or operations of Borrower is bound; (g) any judgment, order, or decree of any arbitrator, other private adjudicator, or Governmental Authority to which Borrower is party or by which Borrower or any of the Real Estate Inventory is bound; or (h) requirements of the Federal Housing Administration and the United States Department of Veterans Affairs.

“S&P” means Standard and Poor’s Ratings Services, a division of The McGraw Hill Companies, Inc.

“Secured Indebtedness” means Indebtedness that is secured (in whole or in part) by a Lien on any property of Borrower or its Subsidiaries.

“Security Agreement” means the Amended and Restated Continuing Security Agreement of even date herewith pursuant to which Borrower has reaffirmed the collateral assignments and security interests granted to Administrative Agent for the benefit of Lenders pursuant to the Original Loan Documents.

“Single Employer Plan” means a Plan maintained by Borrower or any member of the Controlled Group for employees of the Borrower or any member of the Controlled Group.

“St. Rose” means St. Rose Parcel, L.L.C., a Nevada limited liability company.

“Subsidiary” of a Person means a corporation, partnership, joint venture, limited liability company or other business entity of which a majority of the Equity Interests having ordinary voting power for the election of directors or other governing body (other than Equity Interests having such power only by reason of the happening of a contingency) are at the time beneficially owned, or the management of which is otherwise controlled, directly, or indirectly through one or more intermediaries, or both, by such Person. Unless otherwise specified, all references herein to a “Subsidiary” or to “Subsidiaries” shall refer to a Subsidiary or Subsidiaries of Borrower.

“Succession Plan” means a written plan reasonably acceptable to Administrative Agent and Required Lenders providing for the on-going management and operation of the business of the Principals and the American West Group in the event of the death or incapacity of Lawrence D. Canarelli, which succession plan shall designate and provide at a minimum (a) the executive officers of such business, (b) any board of directors or advisory board or similar body to be implemented or continued, (c) the successor trustees of any of the Canarelli Family Trust and Children’s Trusts, (d) projections of the ongoing payment of debts and obligations, and (e) a

business plan and cash flow projection with respect to such business and operations (which may include a confirmation that the previous business plans submitted to Administrative Agent remain in effect).

“Synthetic Lease Obligation” means the monetary obligation of a Person under (a) a so-called synthetic, off-balance sheet or tax retention lease, or (b) an agreement for the use or possession of property creating obligations that do not appear on the balance sheet of such Person but which, upon the insolvency or bankruptcy of such Person, would be characterized as the indebtedness of such Person (without regard to accounting treatment).

“Term Loan Borrowers” means as defined in Recital A.

“Term Loan Collateral” means all property, interests in property and rights to property securing any of the Original Obligations from time to time and includes the Real Property Collateral (as defined in the Original Credit Agreement) and the Personal Property Collateral (as defined in the Original Credit Agreement).

“Term Loan Event of Default” means the occurrence of an “Event of Default” as defined in the Original Credit Agreement.

“Term Loan Lenders” means as defined in Recital A.

“Term Loan Party” means, collectively, each Term Loan Borrower, St. Rose and each other Person that is now or hereafter obligated with respect to any of the Original Obligations or that grants a Lien on any Collateral.

“Type” means, with respect to each Borrowing, the status of such Borrowing as a Fixed Rate Borrowing or a Floating Rate Borrowing.

“Unmatured Event of Default” means any condition or event that with notice, passage of time, or both would, if not cured within the time periods (if any) permitted pursuant to the Loan Documents, be an Event of Default.

1.2 Interpretation. Unless the context of this Agreement otherwise clearly requires, the following rules of construction shall apply to this Agreement and each of the other Loan Documents:

1.2.1 Number; Inclusion. References to the plural include the singular, the plural, the part and the whole; “or” has the inclusive meaning represented by the phrase “and/or”; and “including” has the meaning represented by the phrase “including without limitation”.

1.2.2 Documents Taken as a Whole. The words “hereof,” “herein,” “hereunder,” “hereto” and similar terms in this Agreement or any other Loan Document refer to this Agreement or such other Loan Document as a whole and not to any particular provision of this Agreement or such other Loan Document.

1.2.3 Headings. The section and other headings contained in this Agreement or the other Loan Documents and the Table of Contents (if any) preceding this Agreement and the other Loan Documents are for reference purposes only and shall not control or affect the construction of this Agreement or the other Loan Documents or the interpretation thereof in any respect.

1.2.4 Implied References to This Agreement. Article, section, subsection, clause, schedule and exhibit references are to this Agreement unless otherwise specified.

1.2.5 Persons. Reference to any Person includes such Person's successors and assigns but, if applicable, only if such successors and assigns are permitted by this Agreement or the other Loan Documents, as the case may be.

1.2.6 Modifications to Documents. Reference to any agreement (including this Agreement and any other Loan Document together with the schedules and exhibits hereto or thereto), document or instrument means such agreement, document or instrument as amended, modified, replaced, substituted for, superseded or restated.

1.3 Accounting Terms. For purposes of this Agreement, all accounting terms not otherwise defined herein or in the Recitals shall have the meanings assigned to them in conformity with GAAP.

1.4 Actions by Administrative Agent or Lenders. Unless otherwise expressly provided in this Agreement, all determinations, consents, approvals, disapprovals, calculations, requirements, requests, acts, actions, elections, selections, opinions, judgments, options, exercise of rights, remedies or indemnities, satisfaction of conditions or other decisions of or to be made by or on behalf of Administrative Agent or any Lender(s) under this Agreement or any of the other Loan Documents shall be made in the sole and absolute discretion of Administrative Agent or such Lenders.

2. LOAN.

2.1 New Secured Loan; Interest; Payments.

2.1.1 New Secured Loan. Borrower and each Lender agree that the New Secured Loan is outstanding pursuant to this Agreement and shall be governed by this Agreement and the other Loan Documents. The New Secured Loan does not constitute a loan in addition to the Original Loan, but instead represents a settlement with respect to the liability of Borrower on the Original Loan. Accordingly, (a) the Lenders have no obligation to disburse or advance any loan proceeds or other amounts to or for the benefit of Borrower or any Loan Party and (b) payments of principal and interest on the New Secured Loan shall be applied both to the principal and interest due pursuant to this Agreement and pursuant to the Original Credit Agreement as more particularly described herein.

2.1.2 Primary Obligations, Backup Guaranty, and Waivers.

(a) Obligations. Borrower agrees that (i) notwithstanding that Borrower is no longer a Term Loan Borrower pursuant to the Original Credit Agreement, Borrower is obligated to pay and perform the Obligations, (ii) the Obligations represent a settlement between Borrower and Lenders with respect to Borrower's joint and several liability on the full amount of the Original Obligations, (iii) nothing in this Agreement, the Settlement Agreement, the Chapter 11 Plan or any of the other New Secured Loan Documents shall constitute a discharge of the Obligations of Borrower with respect to the New Secured Loan or a release of any Collateral and (iv) the New Secured Loan is a direct and primary obligation of Borrower and is not a guarantee of the Original Obligations, a contract of suretyship or guaranty or other secondary obligation of Borrower.

(b) Backup Guaranty. Notwithstanding Section 2.1.2(a), if and to the extent the Obligations are ever determined by a court, arbitrator or other tribunal of competent jurisdiction to constitute a contract of suretyship or guaranty or other secondary obligation of Borrower with respect to the Original Obligations, Borrower hereby unconditionally and irrevocably guarantees the full payment and performance when due, by acceleration or otherwise, of each and all of the Original Obligations and promises to pay and perform when due, by acceleration or otherwise, each and all Original Obligations; provided, however, that the obligations of Borrower pursuant to this Section 2.1.2(b) will not exceed the sum of (i) lesser of (A) the Aggregate New Secured Loan Amount and (B) the outstanding principal balance of the Original Obligations at the time of determination; plus (ii) all accrued interest, fees, expense reimbursements, and charges pursuant to this Agreement (the "Guaranteed Amount") and, except as provided in Section 2.1.3(m), payments with respect to the Original Obligations (including the application of proceeds of collateral or other amounts) shall not reduce the Guaranteed Amount.

(c) Certain Waivers and Other Matters.

(i) Without limiting any other provision hereof, the Obligations are intended to be absolute, continuing, irrevocable, and unconditional. Any Guarantee pursuant to this Agreement is a guarantee of payment and performance when due and not of collection. The Obligations shall be effective and remain in full force and effect until the Original Obligations are paid and performed in full, regardless of (A) the genuineness, regularity, legality, validity, or enforceability of any or all of the Liens and security interests securing the Original Obligations, (B) any law, ordinance, regulation, or rule (federal, state, or local) or any action by any Governmental Authority discharging, reducing, varying the terms of payment, or otherwise modifying any of the Original Obligations or any of the Liens that secure the Original Obligations, or (C) the death, dissolution, or

liquidation of any Term Loan Borrower, any other Term Loan Party or other Loan Party.

(ii) Administrative Agent and Lenders may enforce the Loan Documents against Borrower and the Collateral without first having sought enforcement of the Original Loan Documents or the Term Loan Collateral against the Term Loan Borrowers, the Term Loan Parties or any other Person.

(iii) The following shall not affect, impair, or delay the enforcement of any or all Obligations or any or all Liens granted by Borrower, regardless of the impact upon any contribution, exoneration, indemnification, reimbursement, subrogation, and other rights of Borrower: (A) the bankruptcy, death, disability, dissolution, incompetence, insolvency, liquidation, or reorganization of any Term Loan Borrower or any other Term Loan Party; (B) any defense of any or all Term Loan Borrowers or other Term Loan Parties to payment or performance of any or all Original Obligations, or enforcement of any or all Liens securing the Original Obligations; (C) the discharge, modification of the terms of, reduction in the amount of, or stay of enforcement of any or all Liens securing the Original Obligations or any or all Original Obligations in any bankruptcy, insolvency, reorganization, or other legal proceeding or by any law, ordinance, regulation, or rule (federal, state, or local); (D) the cessation of liability of any or all Term Loan Borrowers or other Term Loan Parties for any or all Original Obligations; (E) any claim or dispute by any Term Loan Borrower, any other Term Loan Party, or any other Person concerning the occurrence of an Event of Default, a Term Loan Event of Default, or an Unmatured Event of Default (as defined in the Original Credit Agreement), the performance of any Original Obligations, or any other matter; or (F) the revocation or attempted revocation of this Agreement or any of the Loan Documents by any Loan Party.

(iv) Administrative Agent and any Lender may do the following acts and omissions from time to time in their absolute and sole discretion and in doing such acts and omissions may act in its absolute and sole discretion without notice to or consent of Borrower or any other Loan Party and with or without receiving payment or other value. The following acts and omissions shall not affect, delay, or impair the enforcement of any or all Obligations or any or all Liens granted by Borrower, regardless of the impact upon any contribution, exoneration, indemnification, reimbursement, subrogation, and other rights of Borrower: (A) Administrative Agent and Lenders may obtain Term Loan Collateral or additional Term Loan Collateral; (B) Administrative Agent and Lenders may substitute for any or all Term Loan Collateral, regardless of whether the same type or greater or lesser value; (C) Administrative Agent and Lenders may release their

Liens on any or all Term Loan Collateral; (D) Administrative Agent and Lenders may compromise, delay enforcement, fail to enforce, release, settle, or waive any rights and remedies of Administrative Agent and Lenders as to any or all Term Loan Collateral; (E) except for any requirements provided by law that may not be waived by Borrower, Administrative Agent and Lenders may sell or otherwise dispose of any Term Loan Collateral in any manner and order Administrative Agent and Lenders determine in their absolute and sole discretion and disposition may be for no value or for less than fair market value of the Term Loan Collateral in the absolute and sole discretion of Administrative Agent and Lenders; (F) Administrative Agent and Lenders may fail to perfect, fail to protect the priority of, and fail to insure any or all Liens, encumbrances and security interests on any Term Loan Collateral; (G) Administrative Agent and Lenders may fail to inspect, insure, maintain, preserve, or protect any or all Term Loan Collateral; (H) Administrative Agent and Lenders may obtain additional obligors for any or all Original Obligations; (I) Administrative Agent and Lenders may increase or decrease any or all Original Obligations or otherwise change the terms of any or all Original Obligations (including, without limitation, increases or decreases in the interest rate, additional advances, increases or decreases in any loan amount, changes in the maturity date of any or all Original Obligations, and changes in the amount and timing of payments); (J) upon occurrence of a Term Loan Event of Default Administrative Agent and Lenders may declare all Original Obligations immediately due and payable or performable, whereupon the Original Obligations shall be immediately due and payable or performable; (K) Administrative Agent and Lenders may substitute for any or all Term Loan Parties, regardless of the creditworthiness of any such substituted Term Loan Party; (L) Administrative Agent and Lenders may release Term Loan Borrowers and any other Term Loan Parties, and other obligor of the Original Obligations; (M) Administrative Agent and Lenders may compromise, delay enforcement, fail to enforce, release, settle, or waive any or all Original Obligations of any Term Loan Borrower or any or all other Term Loan Parties and any or all rights and remedies of Administrative Agent and Lenders against any Term Loan Borrower, any or all other Term Loan Parties, and other obligors; (N) Administrative Agent and Lenders may make advances, issue letters of credit, or grant other financial accommodations for Term Loan Borrowers and other Term Loan Parties without requiring satisfaction of all conditions in the Original Loan Documents; (O) Administrative Agent and Lenders may fail to file or pursue a claim in any bankruptcy, insolvency, probate, reorganization, or other proceeding as to any or all Liens, encumbrances and security interests or any or all Original Obligations; (P) Administrative Agent and Lenders may

subordinate any or all Liens securing the Original Obligations, or any or all Original Obligations; (Q) Administrative Agent and Lenders may amend, modify, extend, renew, restate, supplement, or terminate in whole or in part any or all Original Loan Documents; (R) Administrative Agent and Lenders may apply any amount received by any of them (including, without limitation, payments, proceeds of Term Loan Collateral, and other amounts) on account of any liabilities or obligations of any Term Loan Party to Administrative Agent and Lenders, whether or not included in the Original Obligations, to payment of such of the liabilities or obligations of such Term Loan Party to Administrative Agent and Lenders as they may elect in their absolute and sole discretion, whether or not then due; (S) Administrative Agent and Lenders may take or fail to take any other action with respect to any or all Original Loan Documents, any or all Original Obligations, any or all Term Loan Parties and other obligors, any or all Term Loan Collateral, any or all Liens, encumbrances and security interests, or any or all rights and remedies of Administrative Agent and Lenders with respect to the Original Obligations; (T) Administrative Agent and Lenders may assign any or all of their respective rights and delegate their respective obligations under the Original Loan Documents, in whole or in part (including, without limitation, participations); (U) Administrative Agent and Lenders may do any other acts and make any other omissions that result in extinguishment of any or all Original Obligations and any or all Liens securing the Original Obligations; and (V) Administrative Agent and Lenders may do any other act or make any other omission that might otherwise constitute a legal or equitable discharge of, or defense by, Borrower with respect to the Original Obligations.

(v) Borrower waives, to the full extent permitted by law, presentment, notice of dishonor, protest, notice of protest, notice of intent to accelerate, notice of acceleration, notice of dishonor, and all other notices or demands of any kind (including, without limitation, notice of the acceptance by Administrative Agent or Lenders of this Agreement, notice of the existence, creation, non-payment, or non-performance of any or all Obligations, notice of the revocation of any Obligations by any obligor, and notice of the acts or omissions described in Section 2.1.2(c)(iv)), excepting only notices specifically provided for in the Loan Documents.

(vi) Borrower waives any defense to enforcement of the Obligations or any Liens granted by Borrower or any other Loan Party based on acts and omissions of Administrative Agent and Lenders described in this Section 2.1.2(c).

(vii) Borrower waives any and all rights and benefits under Arizona Revised Statutes (“A.R.S.”) Sections 12-1641, 12-1642, 12-

1643, 12-1644, 44-142, and 47-3606, 16 A.R.S. Rules of Civil Procedure, Rule 17(f), and any other similar or replacement statutes or rules now or hereafter in effect and any other statutes or rules now or hereafter in effect that purport to confer specific rights upon, or make specific defenses or procedures available to guarantors. Borrower waives any and all provisions of law and equitable principles that conflict with this Agreement and the other Loan Documents.

(viii) Borrower waives any right to require Administrative Agent and Lenders, and Administrative Agent and Lenders shall have no obligation, to provide to Borrower any information concerning performance of the Original Obligations, the ability of the Term Loan Borrowers to perform the Original Obligations, or any other matter, regardless of what information Administrative Agent and Lenders may have from time to time.

(ix) Borrower waives any and all present and future claims, remedies, and rights of Borrower against Term Loan Borrower, any other Term Loan Party, the Term Loan Collateral, and any other property, interests in property, or rights to property of Term Loan Borrowers or any other Term Loan Party (A) arising from any performance by Borrower hereunder, (B) arising from any application of any Collateral or any other property, interests in property, or rights to property of Borrower to payment or performance of the Obligations, or (C) otherwise arising in respect of the Loan Documents, regardless of whether such claims, remedies, and rights arise under any present or future agreement, document, or instrument or are provided by any law, ordinance, regulation, or rule (federal, state, or local) (including, without limitation, (x) any and all rights of contribution, exoneration, indemnity, reimbursement, and subrogation, and (y) any and all rights to participate in the rights and remedies of Administrative Agent and Lenders against Term Loan Borrowers, any other Term Loan Party, and the Term Loan Collateral).

(x) Without waiving or modifying any choice of the law applicable to this Agreement, Borrower waives, to the extent permitted in paragraph 40.495(2) of the Nevada Revised Statutes ("NRS"), the benefits of the one-action rule under NRS Section 40.430.

2.1.3 Interest Rate.

(a) Rate. Interest on the unpaid outstanding principal amount of the New Secured Loan shall accrue either at the Fixed Rate or the Floating Rate as provided in this Section 2.1.3; provided that at any time that any of the following is applicable: (i) a default interest rate is applicable pursuant to the Original Loan Documents but no Event of Default has occurred and is continuing pursuant to this Agreement, (ii) the Term Loan Borrowers fail (for any reason) to

select an applicable interest rate pursuant to the Original Credit Agreement or the fixed rate provided for in the Original Credit Agreement is suspended or otherwise unavailable, or (iii) the Fixed Rate is not available pursuant to this Agreement, then interest on the unpaid outstanding principal amount of the New Secured Loan shall accrue at the Floating Rate.

(b) Selection of Interest Rate. So long as a portion of the Original Loan at least equal to the unpaid principal balance of the New Secured Loan bears interest at the Fixed Rate, then the New Secured Loan shall bear interest at the Fixed Rate. At any time that the principal balance of the New Secured Loan exceeds the amount of the principal balance of the Original Loan that bears interest at the Fixed Rate, such excess outstanding principal amount of the New Secured Loan shall bear interest at the Floating Rate. With respect to the outstanding principal portion of the New Secured Loan that bears interest at the Fixed Rate, the Interest Periods for such portion shall match the interest periods under the Original Loan and be in the same proportion as the interest periods under the Original Loan bear to the portion of the Original Loan that bears interest at the Fixed Rate (for example, if 50% of the portion of the principal balance of the Original Loan that bears interest at the Fixed Rate has an Interest Period of six (6) months, then 50% of the portion of the principal balance of the New Secured Loan that bears interest at the Fixed Rate shall also have an Interest Period of six (6) months). Borrower shall not otherwise have the right to select interest rates to be applicable pursuant to this Agreement.

(c) Lenders' Funding of Fixed Rate. Notwithstanding any provision of the Loan Documents to the contrary, each Lender shall be entitled to fund and maintain its funding of all or any part of the New Secured Loan in any manner it sees fit; provided, however, that for the purposes of this Agreement, all determinations hereunder shall be made as if each Lender had actually funded and maintained each Fixed Rate Borrowing during the Interest Period therefor through the purchase of deposits having a maturity corresponding to the last day of the Interest Period and bearing an interest rate equal to the Fixed Rate for such Interest Period.

(d) Regulatory Changes. If, due to any Regulatory Change, there shall be any increase in the cost to any Lender of agreeing to make or making, funding, or maintaining Fixed Rate Borrowings (including, without limitation, any increase in any applicable reserve requirement), then Borrower shall from time to time, thirty (30) days after written demand by the affected Lender or Administrative Agent on behalf of the affected Lender, pay to Administrative Agent on behalf of the affected Lender such amounts as such Lender may reasonably determine to be necessary to compensate such Lender for any additional costs that such Lender reasonably determines are attributable to such Regulatory Change, and Administrative Agent on behalf of the affected Lender will notify the Borrower of any Regulatory Change that will entitle such Lender to compensation pursuant to this Section as promptly as practicable, but in any event within sixty (60) days after such Lender obtains knowledge thereof;

provided, however, that if a Lender or Administrative Agent fails to give such notice within sixty (60) days after such Lender obtains knowledge of such a Regulatory Change, such Lender shall, with respect to compensation payable in respect of any costs resulting from such Regulatory Change, only be entitled to payment for costs incurred from and after the date that such Lender, or Administrative Agent on behalf of such Lender, does give such notice. Administrative Agent on behalf of Lenders will furnish to Borrower a certificate setting forth in reasonable detail the basis for the amount of each request by such Lender for compensation under this Section; provided that Administrative Agent shall not be obligated to verify any such amounts. Determinations by Lenders of the amounts required to compensate Lenders shall be conclusive, absent manifest error. Each Lender agrees to use reasonable efforts to minimize the amount of such compensation requested. Each request for compensation issued to Term Loan Borrowers pursuant to the provisions in the Original Credit Agreement that correspond to this Section 2.1.3(d) shall be deemed to be a request for payment issued to Borrower pursuant to this Section 2.1.3(d).

(e) Changes in Capital Adequacy Regulations. If a Lender determines the amount of capital required or expected to be maintained by such Lender, any Lending Installation of such Lender, or any Person controlling such Lender is increased as a result of a Change (as defined below), then, within fifteen (15) days of demand by such Lender, the Borrower shall pay such Lender the amount necessary to compensate for any shortfall in the rate of return on the portion of such increased capital resulting from such Change which such Lender determines is attributable to this Agreement, its obligation to permit the New Secured Loan (after taking into account such Lender's policies as to capital adequacy). "Change" means (i) any change after the date of this Agreement in the Risk-Based Capital Guidelines (defined below) or (ii) any adoption of or change in any other law, governmental or quasi-governmental rule, regulation, policy, guideline, interpretation, or directive (whether or not having the force of law) after the date of this Agreement which affects the amount of capital required or expected to be maintained by any Lender or any Lending Installation or any corporation controlling any Lender. "Risk-Based Capital Guidelines" means (A) the risk-based capital guidelines in effect in the United States on the date of this Agreement, including transition rules, and (B) the corresponding capital regulations promulgated by regulatory authorities outside the United States implementing the July 1988 report of the Basel Committee on Banking Regulation and Supervisory Practices Entitled "International Convergence of Capital Measurements and Capital Standards," including transition rules, and any amendments to such regulations adopted prior to the date of this Agreement. Each demand for a payment issued to Term Loan Borrowers pursuant to the provisions of the Original Credit Agreement that correspond to this Section 2.1.3(e) shall be deemed to be a demand for payment issued to Borrower pursuant to this Section 2.1.3(e).

(f) Taxes. Any and all payments made by Borrower under this Agreement or any of the other Loan Documents shall be made free and clear of,

and without deduction for, any and all present and future taxes, levies, imposts, deductions, charges or withholdings, and all liabilities with respect thereto (collectively, "Taxes"), excluding taxes imposed upon the Lenders' income, payroll, gross receipts, and franchise taxes (including Nevada state taxes imposed on branch locations of financial institutions) imposed by the jurisdiction under the laws of which each Lender is organized or is or should be qualified to do business or any political subdivision thereof or by the jurisdiction of such Lender's main lending office or any political subdivision thereof. If Borrower shall be required by law to deduct any Taxes from or in respect of any sum payable under this Agreement and the other Loan Documents to a Lender (i) the sum payable shall be increased as may be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 2.1.3(f)) such Lender receives an amount equal to the sum it would have received had no such deductions been made, (ii) Borrower shall make such deductions, and (iii) Borrower shall pay the full amount deducted to the relevant taxing authority or other authority in accordance with applicable law.

(g) Other Taxes. Borrower shall pay any present or future stamp or documentary taxes or other excise or property taxes, charges or similar levies which arise from any payment made under this Agreement or under the other Loan Documents or from the execution, delivery or registration of, or otherwise with respect to, this Agreement or the other Loan Documents (collectively, the "Other Taxes"), excluding taxes imposed upon the Lenders' income and franchise taxes imposed by the jurisdiction under the laws of which each Lender is organized or is or should be qualified to do business or any political subdivision thereof or by the jurisdiction of such Lender's main lending office or any political subdivision thereof.

(h) Tax Indemnity. Borrower shall indemnify each Lender for the full amount of Taxes and Other Taxes (including, without limitation, any Taxes and Other Taxes imposed by any jurisdiction on amounts payable under this Agreement, but excluding taxes imposed upon the Lenders' income, payroll, gross receipts and franchise taxes (including Nevada state taxes imposed on branch locations of financial institutions) imposed by the jurisdiction under the laws of which each Lender is organized or is or should be qualified to do business or any political subdivision thereof or by the jurisdiction of such Lender's main lending office or any political subdivision thereof) paid by each Lender or any liability (including penalties and interest) arising therefrom or with respect thereto, whether or not such Taxes or Other Taxes were correctly or illegally asserted. This indemnification shall be made within thirty (30) days from the date any Lender makes written demand therefor.

(i) Illegality. Notwithstanding any other provision of the Loan Documents, if any Lender or Administrative Agent on behalf of any Lender shall notify Borrower that as a result of a Regulatory Change it is unlawful for such Lender to fund or maintain Fixed Rate Borrowings (i) the obligations to convert Borrowings to the Fixed Rate shall be suspended until the circumstances causing

such suspension no longer exist, and (ii) in the event such Regulatory Change makes the maintenance of Borrowings at the Fixed Rate unlawful, all Fixed Rate Borrowings shall automatically become Floating Rate Borrowings.

(j) Unavailability of Fixed Rate. Notwithstanding any other provision of the Loan Documents, if (i) Administrative Agent shall determine (A) that United States dollar deposits in the amount of any Fixed Rate Borrowing to be outstanding during such Interest Period are not readily available to Lenders in the London interbank market, or (B) by reason of circumstances affecting the London interbank market, adequate and reasonable means do not exist for ascertaining the Fixed Rate, or (ii) Administrative Agent is advised by the Required Lenders that the Fixed Rate will not adequately and fairly reflect the cost of such Lenders of making or maintaining Fixed Rate Borrowings, then Administrative Agent on behalf of Lenders shall promptly give notice thereof to Borrower and the obligation of Lenders to create, continue, or effect by conversion any Fixed Rate Borrowing in such amount and for such Interest Period or to otherwise offer the Fixed Rate shall terminate until (as applicable) United States dollar deposits in such amount and for the Interest Period shall again be readily available in the London interbank market and adequate, reasonable means exist for ascertaining the Fixed Rate and the Fixed Rate adequately and fairly reflects the cost of making or maintaining Fixed Rate Borrowings. Each notice and termination regarding the unavailability of the Fixed Rate issued to Term Loan Borrowers pursuant to the corresponding provisions of the Original Credit Agreement shall be deemed to be a notice and termination issued to Borrower pursuant to this Section 2.1.3(j).

(k) Default Rate. From and after the occurrence of an Event of Default, principal, interest, and all other amounts payable by Borrower to Administrative Agent and Lenders or any of them under the Loan Documents (collectively, "Other Amounts") shall bear interest at a rate (the "Default Rate") equal to the sum of (i) 2% per annum and (ii) the Floating Rate. The Default Rate will change on each day that the "prime rate" changes.

(l) Effective Rate. Borrower agrees to pay an effective rate of interest that is the sum of (i) the interest rate provided herein and (ii) any additional rate of interest resulting from any other charges or fees paid or to be paid in connection herewith that are determined to be interest or in the nature of interest.

(m) Effect of Original Loan Payments. Since this Agreement constitutes the settlement of Borrower's joint and several obligations as a Term Loan Borrower and is not an additional loan, so long as Term Loan Borrowers pay the full amount of interest due pursuant to the Original Credit Agreement on the full outstanding principal amount of the Original Loan (with no reduction or credit for the outstanding principal amount of the New Secured Loan), Borrower will be deemed to have made the corresponding interest payment on account of the New Secured Loan due pursuant to this Agreement. Term Loan Borrowers

and Borrower may settle or allocate such payments among themselves, and neither of Administrative Agent nor any Lender will have any obligation to determine or account for whether payments were made by the Term Loan Borrowers or Borrower. For example, if the accrued interest due on an interest payment date pursuant to the Original Credit Agreement is \$200,000 and the accrued interest due on the corresponding interest payment date pursuant to this Agreement is \$50,000, so long as the Term Loan Borrowers pay the full amount of the \$200,000 interest payment pursuant to the Original Credit Agreement, Borrower will be deemed to have made the corresponding \$50,000 interest payment due pursuant to this Agreement and Term Loan Borrowers and Borrower may settle and allocate the payment among themselves. If Term Loan Borrowers fail to pay the full amount of interest due pursuant to the Original Credit Agreement or upon demand by Administrative Agent after the occurrence of any Term Loan Event of Default or if Administrative Agent otherwise determines in its sole discretion that the effect of the application of the first sentence of this Section 2.1.3(m) results or would result in Lenders receiving less than the full amount of interest and other charges due pursuant to this Agreement, Borrower shall make all payments of interest on account of the New Secured Loan required hereunder. From and after (but not before) the date on which the outstanding principal balance of the Original Loan is equal to the outstanding principal balance of the New Secured Loan, principal payments made in respect of the Original Loan shall reduce on a dollar-for-dollar basis the outstanding principal balance of the New Secured Loan.

(n) Application of Payments. Unless otherwise specifically provided in this Agreement or the other Loan Documents or pursuant to applicable law, payments made to Administrative Agent, Lenders, or any of them or otherwise received by Administrative Agent, Lenders, or any of them, from realization on Collateral or otherwise (except for payments of any fees and other amounts payable to Administrative Agent or any Lender under any permitted separate agreement) shall be applied in the following order to the extent such Obligations are then due and payable hereunder:

(i) First, to the costs, expenses and agent administrative fees, if any, then due to (a) Administrative Agent pursuant to this Agreement, any fee letter and the other Loan Documents and (b) upon payment of such costs and expenses due to Administrative Agent, to costs and expenses due to the Lenders, or any of them pursuant to this Agreement and the other Loan Documents;

(ii) Second, to any fees then due and payable to the Lenders hereunder or under any other Loan Document pro rata among Lenders in accordance with their Pro Rata Interests;

(iii) Third, to any due and unpaid interest which may have accrued on the New Secured Loan pro rata among Lenders in accordance with their Pro Rata Interests and all amounts applied to

interest pursuant to this clause (iii) shall also be applied to the interest then due pursuant to the Original Credit Agreement;

(iv) Fourth, to any unpaid principal amount of the New Secured Loan pro rata among Lenders in accordance with their Pro Rata Interests and all amounts applied to principal pursuant to this clause (iv) shall also be applied to the outstanding principal then due pursuant to the Original Credit Agreement;

(v) Fifth, to the satisfaction of all Rate Management Obligations; and

(vi) Sixth, upon satisfaction in full of all Obligations and Rate Management Obligations, to Borrower or as otherwise required by law.

If any Lender shall obtain any payment (whether involuntarily or otherwise, including payments by the exercise of rights of set-off or bankers' Liens) on account of the New Secured Loan in excess of its Pro Rata Interest in the New Secured Loan then outstanding and such Lender's share of any expenses, fees, and other items due and payable to it hereunder, such Lender shall forthwith be deemed to have purchased a participation in the New Secured Loan from the other Lenders and it shall be necessary to cause such purchasing Lender to share the excess payment ratably based on its Pro Rata Interest with each other Lender; provided, however, that if all or any portion of such excess payment is thereafter recovered from such purchasing Lender such purchase from each Lender shall be deemed to be rescinded and such Lender shall repay to the purchasing Lender the purchase price to the extent of such recovery. Borrower agrees that any Lender so purchasing a participation from another Lender pursuant to this Section may, to the fullest extent permitted by law, exercise all its rights of payment with respect to such participation as fully as if such Lender were the direct creditor in the amount of such participation so long as Borrower's aggregate Obligations under this Agreement are not increased as a result of such exercise. Each payment that is made on the New Secured Notes from and after the Chapter 11 Plan Effective Date paid in respect of the New Secured Notes shall be applied to the Obligations and, to the extent provided herein, to the Original Obligations.

(o) Prepayment; Breakage. In addition to the mandatory prepayments required pursuant to this Agreement or the other Loan Documents, Borrower may, upon at least three (3) Business Days' prior notice in the case of Fixed Rate Borrowings and one (1) Business Day's prior notice in the case of Floating Rate Borrowings to Administrative Agent stating the proposed date and aggregate principal amount of the prepayment, prepay the outstanding principal balance of the New Secured Loan in whole or in part at any time prior to the Maturity Date without penalty or premium (except as hereinafter provided) as stated in such notice by Borrower; provided that such principal prepayment also

includes accrued interest to the date of such prepayment on the principal amount prepaid. Notwithstanding the foregoing, if any payment (whether mandatory or optional) of all or any portion of a Fixed Rate Borrowing shall be made other than on the last day of the Interest Period for such Fixed Rate Borrowing (such last day, the "Termination Date"), or if a Fixed Rate Borrowing shall be converted to a Floating Rate Borrowing other than on the Termination Date for any reason (including, without limitation, by reason of any optional or mandatory prepayment under the Loan Documents and any acceleration of the Maturity Date) then, anything in this Agreement or the other Loan Documents to the contrary notwithstanding, Borrower shall (i) pay to Administrative Agent an administrative fee of \$500 (which shall be retained by Administrative Agent) and (ii) on demand by Administrative Agent, reimburse Lenders and hold the Lenders harmless from all losses and expenses incurred by Lenders as the result of such prepayment, including, without limitation, any losses and expenses arising from the liquidation or reemployment of deposits acquired to fund or maintain the principal amount prepaid. Such reimbursement shall be calculated based on a determination made by each Lender as provided in Section 2.1.3(c). Each Lender's determination of the amount of such reimbursement shall be conclusive in the absence of manifest error.

(p) Late Charge. If any payment of principal and/or interest (excluding the payment of principal upon maturity or acceleration) is not received by Administrative Agent within fifteen (15) days after its due date, then, in addition to the other rights and remedies of Administrative Agent, a late charge of 5% of the amount due (to be computed at the non-default interest rate in the case of interest payments solely for the purpose of determining the amount of the late charge) and unpaid will be charged to Borrower without notice to Borrower. Such late charge shall be immediately due and payable.

(q) No Setoff. All payments of principal and interest under the Note will be made and performed without counterclaim, deduction, defense, deferment, reduction, or set-off.

(r) Interest and Fee Basis. Interest and all fees shall be calculated for the actual number of days elapsed and based on a 360-day year.

(s) Additional Charges. Borrower acknowledges and agrees that amounts payable as a result of Regulatory Changes or changes in capital adequacy regulations, Taxes, and other costs, expenses, and fees pursuant to this Agreement and the Loan Documents may be imposed and required to be paid in cash and in addition to any amounts payable by any other Person under any Agreement and that no contrary representation, warranty or assurance has been made by Administrative Agent or any Lender.

2.1.4 Lending Installations. Each Lender may book the New Secured Loan at any Lending Installation selected by such Lender and may change its Lending Installation from time to time; provided that the Lending Installation selected by a Lender

pursuant to this Agreement shall always be the same as the installation selected pursuant to the Original Credit Agreement if such Lender continues to maintain such installation. All terms of this Agreement shall apply to any such Lending Installation and the New Secured Loan and any Notes issued hereunder shall be deemed held by each Lender for the benefit of any such Lending Installation. Each Lender may, by written notice to the Administrative Agent and the Borrower in accordance with Section 12.8, designate replacement or additional Lending Installations to which payments are to be made.

2.1.5 Lender Statements; Survival of Indemnity. To the extent reasonably possible, each Lender shall designate an alternate Lending Installation with respect to its Fixed Rate Borrowings to reduce any liability of the Borrower to such Lender under Sections 2.1.3(d), 2.1.3(e), 2.1.3(f), 2.1.3(g) and 2.1.3(h) or to avoid the unavailability of Fixed Rate Borrowings under Section 2.1.3(j), so long as such designation is not, in the reasonable judgment of such Lender, disadvantageous to such Lender. The obligations of the Borrower under Sections 2.1.3(d), 2.1.3(e), 2.1.3(f), 2.1.3(g) and 2.1.3(h) shall survive payment of the Obligations and termination of this Agreement.

2.1.6 Payments of Principal and Interest. Subject to Section 2.1.3(m), principal and interest on the New Secured Loan shall be due and payable as follows:

(a) Interest Payments. All accrued and unpaid interest shall be due and payable on the first day of each month commencing _____ **[insert first day of first month after Plan confirmation]**.

(b) Payments Due on Other Than a Business Day. If a payment of principal or interest shall become due on a day that is not a Business Day, such payment shall be made on the next succeeding Business Day and, in the case of a principal payment, such extension of time shall be included in computing interest due and payable in connection with such payment.

(c) Payment on Maturity. On the Maturity Date, Borrower shall pay to Administrative Agent on behalf of Lenders the unpaid principal, all accrued and unpaid interest, and all Other Amounts.

(d) Location of Payments. All amounts payable by Borrower on or with respect to the New Secured Loan or pursuant to the terms of any other Loan Document, shall be paid to Administrative Agent in lawful money of the United States of America at California Bank & Trust, P. O. Box 518, Lawndale, California 90260, or at such other place as Administrative Agent may from time to time designate, in immediately available same day funds, not later than 11:00 a.m. (San Diego, California, time) on the date due for the benefit of Lenders in accordance with their Pro Rata Interests.

(e) Sharing of Payments. Subject to Section 2.1.3(n), each Lender shall be entitled to its Pro Rata Interest in payments of principal and interest pursuant to this Section 2.1.6 and other amounts paid and collected pursuant to the Loan Documents, excluding fees designated for Administrative Agent, costs

and expenses of, or incurred by, Administrative Agent or any Lender which are reimbursable to Administrative Agent or such Lender pursuant to this Agreement and the other Loan Documents.

2.2 Fees. Borrower agrees to pay to Administrative Agent for the benefit of Lenders all fees, costs and other amounts from time to time due pursuant to this Agreement.

3. COLLATERAL.

3.1 Security. Payment of the Note, all indebtedness and liabilities of Borrower to Administrative Agent and the Lenders, and performance of all Obligations, due or to become due, under this Agreement and the other Loan Documents, shall be secured by (a) the Lien Borrower grants to Administrative Agent and the Lenders in the Security Agreement and (b) such other assignments and security interests as may be required or granted pursuant to the terms of the Loan Documents.

4. CONDITIONS PRECEDENT.

4.1 Conditions Precedent to Effectiveness of this Agreement. This Agreement shall become effective only upon satisfaction by Borrower of the following conditions precedent on or before the date hereof at the sole cost and expense of Borrower:

4.1.1 Representations and Warranties Accurate. The representations and warranties by Borrower in the Loan Documents are correct on and as of the Effective Date in all material respects.

4.1.2 Defaults. No Event of Default or Unmatured Event of Default shall have occurred and be continuing.

4.1.3 Documents. Administrative Agent shall have received the following agreements, documents, and instruments, each duly executed by the parties thereto as Administrative Agent may require:

(a) Loan Documents. The Loan Documents, which shall include all agreements, documents, and instruments specified by Administrative Agent.

(b) Corporation, Partnership, Limited Liability Company. If any Loan Party is a corporation, a limited liability company, or a partnership, certified copies of (i) resolutions of its board of directors or, if all members or all general partners do not sign the Loan Documents, resolutions of the members of the limited liability company or partners of the partnership, as the case may be, authorizing such Loan Party to execute, deliver, and perform the Loan Documents and to grant to Administrative Agent the Liens on the Collateral in the Loan Documents and certifying the names and signatures of the officer(s), member(s), manager(s), or partner(s), as the case may be, of such Loan Party authorized to execute and deliver the Loan Documents; (ii) incumbency certificates executed by such officer(s), member(s), manager(s), or partner(s), as the case may be, of such Loan Party as Administrative Agent may require identifying by name and title and

bearing the signature of all officer(s), member(s), manager(s), or partner(s), as the case may be, authorized to execute and deliver the Loan Documents on behalf of such Loan Party; (iii) the certificate of incorporation and bylaws, limited liability company operating agreement, or partnership agreement, as the case may be, of such Loan Party and all amendments thereto; (iv) if any Loan Party is a general partnership or joint venture, the filed or recorded fictitious name certificate for such Loan Party and all amendments thereto; (v) if any Loan Party is a limited partnership, the filed or recorded certificate of limited partnership of such Loan Party and all amendments thereto; (vi) a certificate of good standing as a corporation, limited liability company, or limited partnership, as the case may be, from the jurisdiction of formation or organization of such Loan Party and each jurisdiction in which the nature of such Loan Party's business and operation requires qualification as a foreign corporation, limited liability company, or limited partnership, as the case may be; and (vii) if any Loan Party is a trust or trustee of a trust, such certificates and copies of the applicable trust agreements and all amendments thereto, and other evidence of authority as Administrative Agent may require.

(c) Opinion Letter. A favorable opinion from law firms representing Borrower covering such matters as Administrative Agent and Administrative Agent's counsel may require.

(d) Financial Statements. Audited financial statements for Borrower prepared by independent certified public accountants acceptable to Administrative Agent, including, without limitation, a balance sheet, cash flow statement, reconciliation of net worth, and a profit and loss statement of Borrower for Borrower's most recent fiscal year.

(e) Material Agreements. If and to the extent requested by Administrative Agent in its sole discretion, copies of all Material Collateral Agreements, including, without limitation, agreements with respect to the development of Subdivisions and the construction of Units and agreements pursuant to which Affiliates of the Borrower are engaged in sales activities at Subdivisions.

(f) Signature Authorization. A duly completed Signature Authorization in the form of Exhibit 4.1.3F.

(g) Completion of Filings and Recordings. Administrative Agent shall have received evidence of the completion of all recordings and filings to establish or maintain the perfection and priority of the Liens and encumbrances on the Collateral granted in the Loan Documents and required by Administrative Agent to be in effect prior to the effectiveness of this Agreement.

4.1.4 Payment of Costs, Expenses, and Fees. All costs, expenses, and fees to be paid by the Borrower under the Loan Documents on or before the effectiveness of

this Agreement shall have been paid in full, including, without limitation, applicable fees set forth in Section 2.2.

4.1.5 Other Items or Actions by Borrower. Administrative Agent shall have received such other agreements, documents, and instruments, and the Borrower shall have performed such other actions, as Administrative Agent may reasonably require.

4.2 Verification of Conditions Precedent. Borrower hereby authorizes Administrative Agent, and Administrative Agent reserves the right in its absolute and sole discretion, to verify any documents and information submitted to Administrative Agent in connection with this Agreement. The making of the New Secured Loan by Lenders shall not be deemed a waiver by Administrative Agent or any Lender of the occurrence of an Event of Default or an Unmatured Event of Default

4.3 Termination. If the conditions precedent in this Section 4 have not been satisfied or, to the extent permitted, waived on or before **[insert date 15 days after Chapter 11 Plan confirmation]** (or such later date as may be agreed to by Administrative Agent and the Lenders), such failure to satisfy the conditions precedent shall be an Event of Default and Administrative Agent and Lenders shall be entitled to exercise all of their rights and remedies pursuant to this Agreement and applicable law.

5. BORROWER'S REPRESENTATIONS AND WARRANTIES.

5.1 Closing Representations and Warranties. Borrower represents and warrants to Administrative Agent and Lenders as of the Effective Date and as of each date hereafter that representations and warranties are renewed:

5.1.1 Corporate, Limited Liability Company, or Partnership Existence and Authorization.

(a) Borrower. Borrower is a corporation validly existing and in good standing under the laws of Nevada and has the requisite power and authority to execute, deliver, and perform the Loan Documents. The execution, delivery, and performance by Borrower of the Loan Documents have been duly authorized by all requisite action by or on behalf of Borrower and will not conflict with, or result in a violation of or a default under, the formation documents of Borrower.

(b) Foreign Status. Borrower and each other Loan Party is qualified as a foreign partnership, corporation, or limited liability company (as appropriate) and is in good standing in each jurisdiction where the nature of such Person's business and operations requires such qualification.

5.1.2 No Approvals, Etc. Other than confirmation of the Chapter 11 Plan by the Bankruptcy Court, no approval, authorization, bond, consent, certificate, franchise, license, permit, registration, qualification, or other action or grant by or filing with any Person is required in order to permit the execution, delivery, or performance by any Loan Party of the Loan Documents.

5.1.3 No Conflicts. The execution, delivery, and performance by the Loan Parties of the Loan Documents will not conflict with, or result in a violation of or a default under: (a) any applicable law, ordinance, regulation, or rule (federal, state, or local); (b) any judgment, order, or decree of any arbitrator, other private adjudicator, or Governmental Authority to which a Loan Party is a party or by which a Loan Party or any of the assets or property of a Loan Party is bound; (c) any Approvals and Permits that are material to the business and operation of a Loan Party; or (d) any Material Agreement.

5.1.4 Execution and Delivery and Binding Nature of Loan Documents. The Loan Documents have been duly executed and delivered by Borrower. The Loan Documents are legal, valid, and binding obligations of Borrower, enforceable in all respects in accordance with their terms against Borrower, except as such enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization, or similar laws and by equitable principles of general application.

5.1.5 Legal Proceedings; Hearings, Inquiries, and Investigations. Except as disclosed on Exhibit 5.1.5 hereto, (a) no legal proceeding to which any Loan Party is a party is pending or threatened before any arbitrator, other private adjudicator, or Governmental Authority by which any Loan Party or any assets or property of any Loan Party may be bound or affected that if resolved adversely to any Loan Party could result in a Material Adverse Change and (b) Borrower has no notice of any pending hearing, inquiry, or investigation relating to any Loan Party or any assets or property of any Loan Party and no such hearing, inquiry, or investigation has been threatened by any Governmental Authority, that, if resolved adversely to any Loan Party could result in a Material Adverse Change.

5.1.6 No Event of Default. No Event of Default or Unmatured Event of Default has occurred and is continuing. Borrower has disclosed to Administrative Agent in writing all acts, omissions and other matters that constitute an Unmatured Event of Default known to Borrower after the exercise of reasonable diligence in the normal course of Borrower's businesses to discover any such items.

5.1.7 ERISA. There are no Unfunded Liabilities of any Single Employer Plans. Neither the Borrower nor any other member of the Controlled Group has incurred, or is reasonably expected to incur, any withdrawal liability to Multiemployer Plans. Each Plan complies in all material respects with all applicable requirements of law and regulations, no Reportable Event has occurred with respect to any Plan, neither the Borrower nor any other member of the Controlled Group has withdrawn from any Plan or initiated steps to do so, and no steps have been taken to reorganize or terminate any Plan.

5.1.8 Compliance With Laws. The Borrower has complied in all material respects with all applicable statutes, rules, regulations, orders and restrictions of any domestic or foreign government or any instrumentality or agency thereof having jurisdiction over the conduct of its businesses or the ownership of its property. The Borrower has all permits, franchises, licenses and approvals necessary for the conduct of its businesses and all its property and assets.

5.1.9 Full Disclosure. All information in the Master Disclosure Statement dated _____, 2012 filed with the Bankruptcy Court in the Chapter 11 Case (Docket No. _____), any certificate, or other document and all information prepared and delivered by Borrower to Administrative Agent in connection with this Agreement is correct and complete in all material respects, and there are no omissions therefrom that result in such information being incomplete, incorrect, or misleading in any material adverse respect as of the date thereof. There has been no Material Adverse Change as to Borrower since the date of such information. Except as disclosed to Administrative Agent in writing prior to the date hereof, all financial statements heretofore delivered to Administrative Agent by Borrower were prepared in accordance with GAAP and accurately represent the financial conditions and results of operation of Borrower as of the dates thereof and for the period covered thereby. The fiscal year of Borrower is from January 1 to December 31.

5.1.10 Margin Stock. Borrower owns no "margin stock" as defined in Regulations U or G of the Board of Governors of the Federal Reserve System (12 C.F.R. Parts 221 and 207).

5.1.11 Governmental Regulation. No Loan Party is subject to regulation under the Public Utility Holding Company Act of 1935, the Federal Power Act, the Investment Company Act of 1940, the Interstate Commerce Act (as any of the preceding have been amended), or any other law which regulates the incurring by any Loan Party of indebtedness, including, but not limited to, laws relating to common or contract carriers or the sale of electricity, gas, steam, water, or other public utility services.

5.1.12 Material Agreements; No Material Defaults. Attached hereto as Exhibit 5.1.12A is a true and correct listing of all Material Agreements to which Borrower is a party or by which Borrower is bound or affected as of the Closing Date. Except as disclosed on Exhibit 5.1.12B, no event has occurred which, immediately or upon the expiration of applicable cure or grace periods, would constitute a material default with respect to (a) the terms of any instrument evidencing or relating to any Indebtedness or Guarantee of Borrower, (b) any Material Agreement, or (c) any statute, ordinance, law, judgment, order, writ, injunction, decree, or rule or regulation of any Governmental Authority or any determination or award of any arbitrator to which Borrower may be bound.

5.1.13 Indebtedness. Attached hereto as Exhibit 5.1.13A is a true and correct listing of all Indebtedness of Borrower as of the Closing Date. Borrower has paid all Indebtedness as and when due and no other event has occurred or is continuing that gives the holders of such Indebtedness the right to declare the occurrence of events of default, accelerate such Indebtedness, demand payment or cause a mandatory retention, prepayment, repurchase, defeasance or similar event.

5.1.14 Title to Property. Borrower has good, sufficient and legal title to all properties and assets reflected in its Schedule of Assets filed with the Bankruptcy Court in the Chapter 11 Case on _____, 2012 (Docket No. _____) and delivered to Administrative Agent, except for assets disposed of in the ordinary course of business

with the Bankruptcy Court's approval since the date of such filing. Borrower owns all of its properties free and clear of Liens except for Permitted Exceptions. Except for the Collateral, Borrower does not own any material properties or assets.

5.1.15 Plan Assets; Prohibited Transactions. No Loan Party is an entity deemed to hold "plan assets" within the meaning of 29 C.F.R. § 2510.3-101 of an employee benefit plan (as defined in Section 3(3) of ERISA) which is subject to Title I of ERISA or any plan (within the meaning of Section 4975 of the Code), and neither the execution of this Agreement nor the making of Credit Extensions hereunder gives rise to a prohibited transaction within the meaning of Section 406 of ERISA or Section 4975 of the Code. Either: (a) each Loan Party is an "operating company" (as defined in 29 C.F.R. 2510-101(c)) or (b) "benefit plan investors" (as defined in 29 C.F.R. § 2510.3-101(f)) do not own 25% or more of the value of any class of equity interests in the Loan Parties.

5.1.16 Environmental Matters. In the ordinary course of its business, the officers of the Borrower consider the effect of Environmental Laws on the business of the Borrower, in the course of which they identify and evaluate potential risks and liabilities accruing to the Borrower due to Environmental Laws. On the basis of this consideration, the Borrower has concluded that Environmental Laws cannot reasonably be expected to cause a Material Adverse Change. The Borrower has not received any notice to the effect that its operations are not in material compliance with any of the requirements of applicable Environmental Laws or are the subject of any federal or state investigation evaluating whether any remedial action is needed to respond to a release of any toxic or hazardous waste or substance into the environment, which non-compliance or remedial action could reasonably be expected to cause a Material Adverse Change.

5.1.17 Senior Indebtedness. The Obligations constitute senior Indebtedness and are not subordinate in any way to any other Indebtedness of Borrower. As of the date of this Agreement the Borrower has no outstanding Subordinated Debt. The Borrower has no other outstanding Indebtedness, except the Indebtedness permitted by this Agreement.

5.1.18 Post-Retirement Benefits. The present value of the expected cost of post-retirement medical and insurance benefits payable by the Borrower to its employees and former employees, as estimated by the Borrower in accordance with procedures and assumptions deemed reasonable by the Required Lenders, does not exceed \$-0-.

5.1.19 Insurance. The certificate signed by the President or Chief Financial Officer of the Borrower in the form of Exhibit 5.1.19, that attests to the existence and reasonable adequacy of, and summarizes, the property and casualty insurance program carried by Borrower and that has been furnished by the Borrower to the Administrative Agent and the Lenders, is complete and accurate. The certificate includes the insurer's or insurers' name(s), policy number(s), expiration date(s), amount(s) of coverage, type(s) of coverage, exclusion(s), and deductibles. The certificate also includes similar information, and describes any reserves, relating to any self-insurance program that is in effect.

5.1.20 Solvency. As of the Chapter 11 Plan Effective Date, (a) the fair value of the assets of the Borrower at a fair valuation will exceed the debts and liabilities, subordinated, contingent or otherwise, of the Borrower; (b) the present fair saleable value of the property of the Borrower will be greater than the amount that will be required to pay the probable liability of the Borrower on its debts and other liabilities, subordinated, contingent or otherwise, as such debts and other liabilities become absolute and matured; (c) the Borrower will be able to pay its debts and liabilities, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured; and (d) the Borrower will not have unreasonably small capital with which to conduct the businesses in which it is engaged as such businesses are now conducted and are proposed to be conducted after the Chapter 11 Plan Effective Date. The Borrower does not intend to, and does not believe that it will, incur debts beyond its ability to pay such debts as they mature, taking into account the timing of and amounts of cash to be received by it and the timing of the amounts of cash to be payable on or in respect of its Indebtedness.

5.1.21 Labor Disputes and Acts of God. Neither the business nor the properties of the Borrower have been affected by any fire, explosion, accident, strike, lockout or other labor dispute, drought, storm, hail, earthquake, embargo, act of God or of the public enemy, or other casualty (whether or not covered by insurance), materially and adversely affecting such business or properties or the operation of the Borrower or otherwise causing a Material Adverse Change.

5.2 Taxes. Borrower has filed all United States federal tax returns and all other tax returns which are required to be filed and have paid all taxes due pursuant to said returns or pursuant to any assessment received by the Borrower except such taxes, if any, as are being contested in good faith and as to which adequate reserves have been provided in accordance with GAAP and as to which no Lien exists. The United States income tax returns of the Borrower have never been audited by the Internal Revenue Service pursuant to an audit that resulted in any material assessment. No tax Liens have been filed and no claims are being asserted with respect to any such taxes. The charges, accruals and reserves on the books of the Borrower in respect of any taxes or other governmental charges are adequate. If the Borrower is a limited liability company, Borrower qualifies for partnership tax treatment under United States federal tax law.

5.3 Organization of Borrower. Exhibit 5.3 is a true and correct organizational chart reflecting all Equity Interests in Borrower. Borrower has no Subsidiaries.

5.4 Renewal of Representations and Warranties. The delivery of each certificate pursuant to Section 6.3.2 shall be deemed a representation and warranty by Borrower (whether or not specifically set forth in such certificate) that the representations and warranties in this Agreement and the other Loan Documents continue to be true and correct in all material respects as of the date of such certificate as if fully set forth therein, except to the extent a representation and warranty states that it is true and correct only as of a specific prior date, in which case such representation and warranty shall continue to be true and correct as of such specific prior date.

5.5 Representations and Warranties Upon Delivery of Financial Statements, Documents, and Other Information. Each delivery by Borrower to Administrative Agent of financial statements and the other documents or information supporting such financial

statements, after the Effective Date, shall be a representation and warranty that such financial statements, other documents, and information are correct and complete (in accordance with GAAP) in all material respects, that there are no material omissions therefrom that result in such financial statements, other documents, or information being materially incomplete, incorrect, or misleading in any material respect as of the date thereof, and that such financial statements accurately present the financial condition and results of operations of the Person that is the subject of such financial statements as at the dates thereof in all material respects and for the periods covered thereby.

6. BORROWER'S AFFIRMATIVE COVENANTS. Until all Obligations have been indefeasibly paid and performed in full, Borrower agrees that:

6.1 Corporate, Limited Liability Company, or Partnership Existence.

6.1.1 Borrower. Borrower shall continue to be a corporation validly existing and in good standing under the laws of the State of Nevada.

6.1.2 Foreign Qualification. Borrower and each other Loan Party shall continue to be qualified as a foreign partnership, corporation, or limited liability company (as appropriate) and in good standing, in each jurisdiction in which the nature of such Person's business requires such qualification.

6.2 Books and Records; Access By Administrative Agent. Borrower shall, and shall cause each other Loan Party to, maintain a standard, modern system of accounting (including, without limitation, a single, complete, and accurate set of books and records of its assets, business, financial condition, operations, property, prospects, and results of operations) in accordance with GAAP or on a tax basis, as applicable. Borrower shall maintain complete and accurate records regarding the business and operation of Borrower, including, without limitation, all construction contracts and subcontracts, architectural contracts, engineering contracts, field and inspection reports, applications for payment, estimates and analyses regarding construction costs, names and addresses of all contractors and subcontractors performing work or providing materials or supplies with respect to development projects with respect to which Borrower is the construction manager or general contractor, payment, performance and other surety bonds (if applicable), releases and Lien waivers of lien for all such work performed and materials supplied, evidence of completion of all inspections required by any Governmental Authority, certificates of substantial completion, notices of completion, surveys, as-built plans, Approvals and Permits, and all other documents and instruments relating to the acquisition, development, construction and/or sale of real estate development projects with respect to which Borrower is the construction manager or general contractor. During business hours Borrower shall give representatives of Administrative Agent access to all assets, property, books, records, and documents of Borrower and will permit such representatives to inspect such assets and property and to audit, copy, examine, and make excerpts from such books, records, and documents. Upon request by Administrative Agent, Borrower shall provide Administrative Agent with copies of the reports, documents, agreements, and other instruments described in this Section 6.2.

6.3 Information and Statements. Borrower shall:

6.3.1 Financial Statements and Tax Returns. Deliver to the Administrative Agent and each Lender, in form and detail satisfactory to the Administrative Agent and the Required Lenders:

(a) Annual Financial Reports. As soon as available, but in any event within sixty (60) days after the end of each fiscal year, Borrower prepared preliminary financial statements consisting of Borrower's good faith estimate of the balance sheet, income statement and statement of cash flow of the Borrower as at the end of such fiscal year. As soon as available, but in any event within one hundred fifty (150) days after the end of each fiscal year, a balance sheet, income statement and statement of cash flows of Borrower as at the end of such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail and prepared in accordance with GAAP. The financial statements of Borrower shall be audited and accompanied by a report and opinion of an independent certified public accountant of nationally recognized standing reasonably acceptable to the Required Lenders, which report and opinion shall be prepared in accordance with generally accepted auditing standards and shall not be subject to any "going concern" or like qualification or exception or any qualification or exception as to the scope of such audit.

(b) Quarterly Financial Reports. As soon as available, but in any event within seventy-five (75) days after the end of each of the first three (3) fiscal quarters of each fiscal year, a balance sheet, income statement and statement of cash flows of Borrower as at the end of such fiscal quarter, and the corresponding portion of the previous fiscal year, all in reasonable detail and compiled by an independent certified public accountant reasonably acceptable to the Required Lenders in accordance with GAAP, subject only to normal year-end audit adjustments and the absence of footnotes. As of the Effective Date, the Lenders have approved McGladrey & Pullen as the independent certified public accountant for purposes of this Section 6.3.1.

(c) Tax Returns. As soon as available, but in any event within fifteen (15) days after filing (but in no event later than October 30 of each year), signed copies of the tax returns for Borrower, together with all related K-1's, forms, schedules and extensions.

(d) Projections. Within seventy-five (75) days after the end of each fiscal quarter of Borrower, financial and cash flow projections for the Borrower for the subsequent eight (8) quarterly fiscal periods in a form reasonably acceptable to the Administrative Agent and in any event containing a projected Combining income statement, cash flow statement, and balance sheet. In addition to such other information as Administrative Agent may request, such financial projections shall include GAAP revenue, expense, and cash flow projections, balance sheet projections, and covenant compliance (including negative covenants) projections for the period in question.

6.3.2 Certificates; Other Information. Deliver to the Administrative Agent and each Lender, in form and detail satisfactory to the Administrative Agent and the Required Lenders:

(a) Certificates. Concurrently with the delivery of the financial statements referred to in Sections 6.3.1(a) and (b), a duly completed (i) compliance certificate in form satisfactory to Administrative Agent and (ii) such additional, back-up and supporting information in such form as the Administrative Agent may reasonably require (including, without limitation, financial covenant compliance calculations), in each case signed by an Authorized Representative.

(b) Audit Reports, Etc. Promptly after any request by the Administrative Agent or any Lender, copies of any detailed audit reports, management letters or recommendations submitted to the board of directors or other governing body (or the audit or similar committee thereof) of the Borrower by independent accountants in connection with the accounts or books of the Borrower or any Subsidiary, or any audit of any of them.

(c) Other Information. Promptly, such additional information regarding the business, financial or corporate, limited liability, or other business organization affairs of the Borrower or compliance with the terms of the Loan Documents, as the Administrative Agent or any Lender may from time to time reasonably request.

6.4 Notices. Borrower shall promptly notify the Administrative Agent and each Lender (a) of the occurrence of any Event of Default; (b) of any matter that has resulted or could reasonably be expected to result in a Material Adverse Change, including (i) breach or non-performance of, or any default under, a contractual obligation of the Borrower; (ii) any dispute, litigation, investigation, proceeding or suspension between the Borrower and any Governmental Authority; or (iii) the commencement of, or any material development in, any litigation or proceeding affecting the Borrower, including pursuant to any applicable Environmental Laws; (c) of the occurrence of any Reportable Event; (d) of any material change in accounting policies or financial reporting practices by the Borrower; (e) of any default by Borrower under or pursuant to the terms and conditions of any Indebtedness owed by Borrower to any Person (the non-payment of which could cause an Event of Default under this Agreement or any other Loan Document); (f) any default by Borrower under or pursuant to the terms and conditions of any Material Agreement; (g) the occurrence of any event or other circumstance that with the giving of notice or the passage of time would constitute a default referred to in clause (e) or clause (f) above; (h) any Material Adverse Change; (i) any change in the Requirements of any Governmental Authority that would materially and adversely affect Borrower's ability to carry out any material portion of its business and operations; and (j) any action or proceeding which is instituted by or against Borrower in any federal or state court or before any Governmental Authority, or any such actions or proceedings are threatened against Borrower which, if adversely determined, could cause a Material Adverse Change. In addition, each notice pursuant to this Section 6.4 shall describe with particularity any and all provisions of this Agreement and any other Loan Document that have been breached.

6.5 Payment of Obligations. Borrower shall pay and discharge as the same shall become due and payable, all its obligations and liabilities, including (a) all Obligations, (b) all tax liabilities, assessments and governmental charges or levies upon it or its properties or assets, unless the same are being contested in good faith by appropriate proceedings diligently conducted and adequate reserves in accordance with GAAP are being maintained by the Borrower; (c) all lawful claims which, if unpaid, would by law become a Lien upon its property; and (d) all Indebtedness, as and when due and payable, but subject to any subordination provisions contained in any instrument or agreement evidencing such Indebtedness.

6.6 Preservation of Existence, Etc. Borrower shall (a) preserve, renew and maintain in full force and effect its legal existence and good standing under the laws of the jurisdiction of its organization; (b) take all action to maintain all rights, privileges, permits, licenses and franchises necessary or desirable in the normal conduct of its business, except to the extent that failure to do so could not reasonably be expected to cause a Material Adverse Change; and (c) preserve or renew all of its registered patents, trademarks, trade names and service marks, the non-preservation of which could reasonably be expected to cause a Material Adverse Change.

6.7 Maintenance of Properties. Borrower shall (a) maintain, preserve and protect all of its material properties and equipment necessary in the operation of its business in good working order and condition, ordinary wear and tear excepted; (b) make all necessary repairs thereto and renewals and replacements thereof except where the failure to do so could not reasonably be expected to cause a Material Adverse Change; and (c) use the standard of care typical in the industry in the operation and maintenance of its respective facilities.

6.8 Law; Judgments; Material Agreements; Approvals and Permits. Borrower shall comply with all laws, ordinances, regulations, and rules (federal, state, and local) and all judgments, orders, and decrees of any arbitrator, other private adjudicator, or Governmental Authority relating to Borrower or the assets, business, operations, or property of Borrower. Borrower shall not cancel or terminate any Material Agreement if to do so could result in a Material Adverse Change. Borrower shall comply with all Material Agreements to which Borrower is a party or by which Borrower or any of the other assets or property of Borrower are bound or affected. Borrower shall comply with all Requirements and all conditions and requirements of all Approvals and Permits. Borrower shall obtain and maintain in effect from time to time all Approvals and Permits required for the business activities and operations then being conducted by Borrower.

6.9 Assets and Property. Borrower shall maintain, keep, and preserve all of its assets and property (tangible and intangible) necessary or useful in the proper conduct of its business and operations in good working order and condition, ordinary wear and tear excepted. Borrower shall promptly obtain and maintain, from time to time at Borrower's own expense, all Approvals and Permits as may be required to enable it to comply with its obligations hereunder and under the other Loan Documents.

6.10 Insurance. Borrower will maintain with financially sound and reputable insurance companies insurance on all its property and assets in such amounts as covering such risks as is consistent with sound business practice (and in any event, insurance for construction warranties and builder default protection for purchasers of Units), and Borrower will furnish Administrative

Agent with such information as to the insurance carried as may be reasonably requested by the Required Lenders. At all times before the Maturity Date, Borrower shall, at its sole cost and expense, maintain insurance and shall pay, as the same becomes due and payable, all premiums in respect thereto as follows:

6.10.1 Property. Insurance against loss or damage by fire, lightning and other perils, on an all risk basis, such coverage to be in an amount not less than the full insurable value of the improvements thereon, if any, on a replacement cost basis.

6.10.2 Liability. Insurance protecting the Borrower, Administrative Agent and Lenders against loss or losses from liability imposed by law or assumed in any written contract and arising from personal injury, including bodily injury or death, or a limit of liability of not less than \$1,000,000 (combined single limit for personal injury and property damage), \$2,000,000 aggregate, and excess liability coverage in an amount not less than \$10,000,000 protecting the Borrower, Administrative Agent and Lenders against any loss or liability or damage for personal injury, including bodily injury or death, or property damage. Such policies must be written on an occurrence basis so as to provide blanket contractual liability, broad form property damage coverage, and coverage for products and completed operations.

6.10.3 Automobile. If required by Administrative Agent, automobile liability insurance coverage on owned, hired, and non-owned automobiles and other vehicles, if used in connection with the business and operations of Borrower, with bodily injury and property damage limits of not less than \$1,000,000 per occurrence combined single limit, with a waiver of subrogation against all parties named as additional insured.

6.10.4 Workers' Compensation. If required by Administrative Agent, workers' compensation insurance disability benefits insurance and such other forms of insurance as required by law covering loss resulting from injury, sickness, disability, or death of employees of Borrower. Such policy will have a limit of liability of not less than \$1,000,000 (combined single limit for personal injury, including bodily injury or death, and property damage).

6.10.5 Other. All insurance required shall be procured and maintained in financially sound and generally recognized responsible insurance companies selected by the Borrower and subject to the approval of Administrative Agent. Such companies shall be authorized to write such insurance in the State of Nevada. The company issuing the policies shall be rated "A" or better by A.M. Best Co., in Bests' Key guide, or such other rating as may be acceptable to Administrative Agent. All property policies evidencing the insurance required shall name Administrative Agent as agent for the Lenders as first mortgagee and all liability policies evidencing the insurance required shall name Lenders as additional insureds, shall not be cancelable as to the interests of Administrative Agent and Lenders due to the acts of the Borrower, and shall provide for at least thirty (30) days' prior written notice of the cancellation or modification thereof to Administrative Agent and Lenders.

6.10.6 Evidence. All such policies of insurance, or certificates of insurance evidencing that such insurance is in full force and effect, shall be delivered to Administrative Agent on or before the Closing Date (together with proof of the payment of the premiums thereof). At least thirty (30) days prior to the expiration of each such policy, Borrower shall furnish Administrative Agent evidence that such policy has been renewed or replaced in the form of a certificate reciting that there is in full force and effect, with a term covering at least the next succeeding calendar year, insurance hereof of the types and in the amounts required.

6.11 ERISA. Borrower shall fund each Defined Benefit Plan and Defined Contribution Plan (as such terms are defined in ERISA) so that there is never an Accumulated Funding Deficiency (as defined in Section 412 of the Code).

6.12 Rights of Inspection. Administrative Agent and its respective agents, employees, and representatives will have the right at any time and from time to time to enter upon the property of Borrower in order to inspect the business and operations of Borrower and all aspects thereof, including, without limitation, all construction, development and other activities with respect to the Real Estate Inventory. All inspections and reviews by Administrative Agent and any other actions by Administrative Agent are for the sole purpose of protecting the security of Administrative Agent and Lenders and are not to be construed as a representation by Administrative Agent that there has been compliance with applicable plans and specifications, applicable Requirements, or that Borrower is in compliance with any provision of the Loan Documents. Borrower may make or cause to be made such other independent inspections as Borrower may desire for its own protection.

6.13 Costs and Expenses of Borrower's Performance of Covenants and Satisfaction of Conditions. Borrower shall perform all of its obligations and satisfy all conditions applicable to its performance under the Loan Documents at its sole cost and expense.

6.14 Books and Records; Names; Place of Business and Chief Executive Offices. Borrower shall give Administrative Agent thirty (30) days' prior written notice of any change in the location of any of its books and records or its sole place of business or chief executive office.

7. BORROWER NEGATIVE COVENANTS. Until all of the Obligations are indefeasibly paid and performed in full, Borrower agrees that:

7.1 Entity Restrictions.

7.1.1 Issuance of Equity. Borrower will not issue or permit to be issued any stock, partnership interest, limited liability company interest or other Equity Interest in Borrower or grant any option, right-of-first-refusal, warrant, or other right to purchase any stock, partnership interest, limited liability company interest or other Equity Interest in Borrower, except to the extent such stock, partnership interest, limited liability company interest or other Equity Interest is issued to the Principals and does not result in a Change in Control.

7.1.2 Dissolution/Liquidation. Borrower will not be dissolved or liquidated.

7.1.3 No Amendments; Name Change; Mergers. Borrower will not amend, modify, restate, supplement, or terminate any articles of incorporation, bylaws, certificate of formation, certificate of partnership, partnership agreement, limited liability company operating agreement or other documents with respect to Borrower in any material respect, except for amendments and modifications made with the prior written consent of the Administrative Agent, which shall not be unreasonably withheld so long as such amendment, modification, restatement, supplement or termination does not impair any of the Obligations, otherwise cause an Unmatured Event of Default or Event of Default or otherwise cause or contribute to a Material Adverse Change. Borrower shall not change its name or state of formation except with the prior written consent of the Administrative Agent, which shall not be unreasonably withheld so long as Borrower has executed and delivered such amendments to the Loan Documents, financing statements, and other documents and instruments in connection with the Obligations as deemed reasonably necessary by Administrative Agent to reflect such name change and to assure the continued perfection of all Liens on Collateral securing the Obligations.

7.1.4 Right to Convert. Notwithstanding the foregoing, if Borrower is a "Subchapter-S" corporation Borrower may convert to a limited liability company provided that each of the following conditions precedent is satisfied: (a) Borrower shall notify Administrative Agent of such proposed conversion not less than thirty (30) days prior to the proposed effective date of such conversion; (b) together with such notice, Borrower shall provide to Administrative Agent all documents and instruments related to such conversion; (c) Borrower shall execute and deliver such documents and instruments as Administrative Agent may require in order to cause such converted Borrower to assume, reaffirm and agree to pay and perform all of the Obligations and to insure the continued effectiveness of the Loan Documents and all Liens granted thereunder; and (d) Borrower shall provide to Administrative Agent and the Lenders such opinions of counsel for Borrower as Administrative Agent and its counsel may reasonably require with respect to Borrower, the Obligations and the Loan Documents.

7.2 Name, Fiscal Year and Accounting Method. Borrower will not change its name, fiscal year, or method of accounting.

7.3 Change in Ownership. The Borrower will not suffer to occur or exist, whether occurring voluntarily or involuntarily, any Change in Control.

7.4 Indebtedness. Borrower will not create, incur or suffer to exist any Indebtedness except Permitted Indebtedness.

7.5 Sale of Assets. Borrower will not lease, sell or otherwise dispose of its property and assets to any other Person, except for dispositions of obsolete or worn out property in the ordinary course of business so long as such property is replaced with other property with an equal or greater value.

7.6 Distributions. Borrower will not declare or make, directly or indirectly, any Distribution, or incur any obligation (contingent or otherwise) if after giving effect to such Distribution an Event of Default or Unmatured Event of Default will have occurred; provided

that Borrower shall not declare or make, directly or indirectly, any Distribution, or incur any obligation (contingent or otherwise) to or for the benefit of any shareholder, equity holder, or other Person directly or indirectly holding an Equity Interest in the American West Group or any member of the American West Group, including the Principals, the Children's Trusts and the Grandchildren's Trusts that would cause any breach or violation of Section 8.6 of the Original Credit Agreement if made by one of the Term Loan Borrowers. For avoidance of doubt, Distributions by the Borrower are permitted to the same extent as set forth in Section 8.6 of the Original Credit Agreement, as amended.

7.7 Investments and Acquisitions. The Borrower will not, either directly or through any other member of the American West Group, (a) make or suffer to exist any Investments (including, without limitation, loans and advances to, and other Investments in, Subsidiaries), or commitments therefor, (b) create any Subsidiary, (c) become or remain a partner in any partnership or joint venture, or (d) make any purchase acquisition of any Person (whether directly, by a purchase of assets, or merger or consolidation), except:

7.7.1 Cash. Investment in Cash Equivalents.

7.7.2 Existing Investments. The Investments existing as of the Effective Date listed on Exhibit 7.7.2.

7.8 Liens.

7.8.1 Negative Pledge. Borrower will not create, incur, or suffer to exist any Lien in, of or on any of its assets, except (a) as permitted pursuant to the Security Agreement, in the case of the Collateral and (b) Permitted Exceptions in the case of property and assets of Borrower other than the Collateral.

7.8.2 No Other Negative Pledge and Restrictive Covenants. The Borrower will not enter into any other agreement (other than this Agreement and the other Loan Documents) which (a) prohibits or limits the ability of the Borrower to create, incur, assume or suffer to exist any Lien upon any of its assets, rights, revenues or property, real, personal or mixed, tangible or intangible, whether now or hereafter acquired as security for the Obligations or (b) prohibits or limits the ability of Borrower to make Distributions to the Principals.

7.9 Sale of Accounts. Borrower will not sell or otherwise dispose of any notes receivable or accounts receivable, with or without recourse, except for sale of promissory notes secured by Liens on Lots and Units sold and transferred by the Borrower, which sales shall be without recourse and otherwise consistent with the Borrower's past practices.

7.10 Sale and Leaseback Transactions and other Off-Balance Sheet Liabilities. Borrower will not enter into or suffer to exist any (a) Sale and Leaseback Transaction or (b) any other transaction pursuant to which it incurs or has incurred Off-Balance Sheet Liabilities.

7.11 Financial Contracts. Borrower will not enter into or remain liable upon any Financial Contract.

7.12 Prepayment of Indebtedness. Borrower shall not prepay the principal amount, in whole or in part, of any Indebtedness other than (a) Indebtedness constituting part of the Obligations as permitted by this Agreement, and (b) Indebtedness which ranks pari passu with the Obligations.

7.13 Lines of Business. Borrower (whether directly or through any Subsidiary or other Person) will not engage in any line or lines of business activity other than the Borrower's current business of acting as a construction manager or general contractor in developing Real Estate Inventory owned by another member of the American West Group for sale and activities incident thereto, including, without limitation, marketing activities incidental thereto.

7.14 Transactions With Affiliates. Borrower will not enter into, or cause, suffer or permit to exist, any arrangement or contract with any of its Affiliates, including, without limitation, any management contract, unless such transaction is on terms that are no less favorable to Borrower than those that could have been obtained in a comparable transaction on an arms' length basis from a Person that is not an Affiliate.

8. EVENTS OF DEFAULT AND REMEDIES.

8.1 Events of Default. The occurrence of any of the following shall be an Event of Default under this Agreement:

8.1.1 Payment Defaults. (a) Failure of Borrower to make any payment of interest within five (5) days after the date due; (b) failure of Borrower to repay all principal, accrued interest and Other Amounts and to pay and perform all other Obligations in full on the Maturity Date; (c) failure by Borrower to pay any other required principal (including scheduled payments and mandatory prepayments) or other amount payable pursuant to any of the Loan Documents on or before the date due or, if no due date is specified, within five (5) days after demand by Administrative Agent; (d) failure of Borrower to pay when due any other indebtedness of Borrower to Administrative Agent or any Lender which is not included in the Obligations and the continuation of such failure for five (5) days after the due date; or (e) failure by Borrower to make any payment due pursuant to any fee letter or other separate agreements between Borrower and Administrative Agent within five (5) days after the due date.

8.1.2 Specified Defaults. The breach by Borrower of any of the obligations set forth in Section 7.

8.1.3 Other Defaults. Failure by Borrower to perform any obligation not involving the payment of money, or to comply with any other term or condition applicable to Borrower, in any of the Loan Documents (excluding breaches of Section 7 which shall be governed by Section 8.1.2) and not otherwise constituting an Event of Default and the continuation of such failure for thirty (30) days after notice thereof from Administrative Agent.

8.1.4 Representations and Warranties. Any representation or warranty made by Borrower in any of the Loan Documents or otherwise or any information delivered by Borrower to Administrative Agent in obtaining or hereafter in connection with the Loan

Documents is materially incomplete, incorrect, or misleading as of the date made or delivered, except to the extent Borrower shall have disclosed any material adverse changes in matters covered by such representations and warranties and Administrative Agent shall have approved such changes in its sole and absolute discretion.

8.1.5 Material Adverse Change. Required Lenders believe in good faith that a Material Adverse Change has occurred after the Effective Date and, to the extent that the facts and circumstances giving rise to such Material Adverse Change are curable, such facts and circumstances are not cured and corrected in a manner satisfactory to the Required Lenders within thirty (30) days after notice of such Material Adverse Change from Administrative Agent to Borrower. Notwithstanding the foregoing, an event or condition that constitutes an Event of Default or Unmatured Event of Default pursuant to another section of this Section 8 shall not also be considered a Material Adverse Change and shall not be subject to the cure period described in this Section 8.1.5 with respect to a Material Adverse Change.

8.1.6 Insolvency. Borrower, any other Loan Party or any of their respective Subsidiaries, (a) is unable or admits in writing its inability to pay its respective monetary obligations as they become due, (b) makes a general assignment for the benefit of its respective creditors, or (c) applies for, consents to, or acquiesces in, appointment of a trustee, receiver, or other custodian for any or all of its respective property, or in the absence of such application, consent, or acquiescence by Borrower, such Loan Party or any of their respective Subsidiaries a trustee, receiver, or other custodian is appointed for it or any or all of its respective property; provided, that in case of any involuntary proceeding, such condition shall continue for a period of sixty (60) days undismissed, undischarged or unbonded.

8.1.7 Bankruptcy. Commencement of any case under the Bankruptcy Code or commencement of any other bankruptcy, arrangement, reorganization, receivership, custodianship, or similar proceeding under any federal, state, or foreign law by or against Borrower, any Loan Party or any of their respective Subsidiaries; provided, that in case of any involuntary proceeding, such condition shall continue for a period of sixty (60) days undismissed, undischarged or unbonded.

8.1.8 Death or Incapacity. The death or incapacity of Lawrence D. Canarelli; provided, however, that the death or incapacity of Lawrence D. Canarelli shall not be an Event of Default if each and every of the following conditions has been satisfied:

(a) Within thirty (30) days after such death or incapacity, the remaining Principals (including each successor trustee) and all other Loan Parties have executed and delivered such documents and instruments as Administrative Agent and the Required Lenders may require in order to reaffirm all of the Obligations and otherwise assure Administrative Agent and Lenders that all Obligations, all Loan Documents and all Liens on the Collateral to secure the Obligations remain in full force and effect.

(b) Administrative Agent and Required Lenders have approved a Succession Plan and such plan has been implemented within sixty (60) days after such death or incapacity.

(c) Administrative Agent and Required Lenders have not otherwise determined in their reasonable discretion that such death or incapacity has resulted in or is reasonably likely to result in a Material Adverse Change.

8.1.9 Change in Control. The occurrence of any Change in Control; provided, however, that a change in the trustee of any of the Canarelli Family Trust, any of the Children's Trusts or any of the Grandchildren's Trusts solely in connection with the death or incapacity of Lawrence D. Canarelli shall not be an Event of Default so long as the conditions set forth in Section 8.1.8 have been satisfied.

8.1.10 Claims. Borrower, any other Loan Party, or any other Person on behalf of Borrower or any other Loan Party claims that any Loan Document is not legal, valid, binding, and enforceable, that any Lien, security interest, or other encumbrance securing any of the Obligations under the Loan Documents is not legal, valid, binding, and enforceable, or that the priority of any Lien, security interest, or other encumbrance securing any of the Obligations under the Loan Documents is different than the priority represented and warranted in the Loan Documents.

8.1.11 Other Defaults. The occurrence of any condition or event that is a default or is designated as a default, an event of default, or similar occurrence in any other Loan Document or in any other agreement, document, or instrument by and between Borrower or any other Loan Party and Administrative Agent or any Lender relating to any Indebtedness other than the Obligations, and the expiration of any applicable cure or grace period under such agreement, document or instrument.

8.1.12 Insurance. Any of the insurance coverages required pursuant to Section 6.10 lapse or expire without being replaced by other insurance policies that comply with such Section 6.10 prior to such lapse or expiration.

8.1.13 Judgments. Any final judgment or final order for the payment of money in excess of \$500,000, which is not fully covered by insurance for which there is no reservation of rights is rendered against Borrower, and either (i) enforcement proceedings are commenced by any creditor upon such judgment or order and not stayed within the earlier of fifteen (15) days from the commencement of such proceedings or fifteen (15) days prior to a sale of any of Borrower's assets as a result of such enforcement proceedings, or (ii) such judgment or order is not vacated, stayed, satisfied, discharged or bonded pending appeal within fifteen (15) days from the entry thereof.

8.1.14 Other Indebtedness.

(a) Payment Default. Failure of Borrower to pay when due (after any applicable grace period and after any applicable notice from the holder thereof) any Indebtedness (including, without limitation, Indebtedness to

Administrative Agent or any Lender) equal to or exceeding \$500,000 (in the aggregate).

(b) Other Default. Any other event shall occur or condition exist (after any applicable grace period and after notice from the holder thereof) under Indebtedness of the type described in Section 8.1.14(a) as a result of which the holder of such Indebtedness has the right to declare the occurrence of an event of default, accelerate such Indebtedness, demand payment or cause a mandatory redemption, prepayment, repurchase, defeasance, or similar event.

(c) Acceleration. Any Indebtedness of Borrower equal to or exceeding \$500,000 (in the aggregate) (including, without limitation, Indebtedness to Administrative Agent or any Lender) shall be declared to be due and payable or required to be prepaid (other than by a regularly scheduled payment), repurchased, defeased or redeemed prior to the stated maturity thereof (after any applicable grace period and after notice from the holder thereof).

8.1.15 Collateral. The filing of any foreclosure proceeding, giving notice of a trustee's sale, or any other action by any Person, to realize upon any portion of the Collateral under any Lien on such assets of Borrower or otherwise, except to the extent such proceeding is being contested in good faith and by appropriate proceedings pursuant to which such foreclosure proceeding has been stayed.

8.1.16 Unfunded Liabilities. There shall exist any Unfunded Liabilities of any Single Employer Plans or any Reportable Event shall occur in connection with any Plan.

8.1.17 Multiemployer Plans. The Borrower or any other member of the Controlled Group shall have been notified by the sponsor of a Multiemployer Plan that it has incurred withdrawal liability to such Multiemployer Plan.

8.1.18 Reorganization of Plans. The Borrower or any other member of the Controlled Group shall have been notified by the sponsor of a Multiemployer Plan that such Multiemployer Plan is in reorganization or is being terminated, within the meaning of Title IV of ERISA, if as a result of such reorganization or termination the aggregate annual contributions of the Borrower and the other members of the Controlled Group (taken as a whole) to all Multiemployer Plans which are then in reorganization or being terminated have been or will be increased over the amounts contributed to such Multiemployer Plans for the respective plan years of each such Multiemployer Plan immediately preceding the plan year in which the reorganization or termination occurs.

8.1.19 Hazardous Substances. The Borrower shall (a) be the subject of any proceeding or investigation pertaining to the release by the Borrower, or any other Person of any toxic or hazardous waste or substance into the environment, or (b) violate any Environmental Law, which, in the case of an event described in clause (a) or clause (b), could reasonably be expected to cause a Material Adverse Change.

8.1.20 Rate Management Obligations. Nonpayment by Borrower of any Rate Management Obligation within five (5) days after the date due or the breach by the Borrower of any term, provision or condition contained in any Rate Management Transaction which results in an Event of Default or Termination Event with respect to such Rate Management Transaction.

8.1.21 Plan Assets. The representations and warranties set forth in Section 5.1.15 (Plan Assets; Prohibited Transactions) shall at any time not be true and correct.

8.1.22 Financial Covenants. The occurrence of any breach of the financial covenants set forth in Section 7 of the Original Credit Agreement, which financial covenants are hereby incorporated by reference in this Agreement.

8.2 Rights and Remedies. Upon the occurrence of an Event of Default, the Required Lenders may, at their option, in their absolute and sole discretion, without demand or notice and without regard to the adequacy of Collateral, direct and require the Administrative Agent to do the following for and on behalf of the Lenders and/or agree to forbear from the exercise of rights and remedies pursuant to a Permitted Forbearance:

8.2.1 Delivery of Contracts, Etc. Require Borrower to (and Borrower hereby agrees to) deliver to Administrative Agent all surveys, plans and specifications, building permits, construction contracts and subcontracts, plats and other maps, Lien releases, subdivision reports, annexation documents, marketing material and other documents, permits, licenses and contracts which are necessary to complete construction of the Real Estate Inventory, and Borrower will, on request of Administrative Agent, assign to Administrative Agent such of Borrower's rights thereunder as Administrative Agent may reasonably request.

8.2.2 Enforcement of Rights. Enforce any and all rights and remedies under the Loan Documents and any or all other documents delivered in connection therewith against any Loan party and any or all Collateral and may pursue all rights and remedies available at law or in equity.

8.2.3 Receivers. Appoint one or more receivers for Borrower or any of its assets, and Borrower hereby irrevocably consents to such appointment, with such receivers having all the usual powers and duties of receivers in similar cases, including the full power to maintain, sell, dispose and otherwise operate the assets of the Borrower upon such terms that may be approved by a court of competent jurisdiction.

8.2.4 Protection. In addition, Administrative Agent may at any time, with the approval of the Required Lenders, but will not be obligated to, make advances to pay taxes, assessments, insurance premiums and otherwise protect the Collateral ("Protective Advances") which will be deemed to be included in the Obligations. In addition, Administrative Agent may, with the approval of the Required Lenders, take all action necessary to complete the construction of any Collateral and expend all sums necessary therefor. Administrative Agent may, but will not be obligated to, make advances from time to time to pay all costs and expenses of such completion which shall also be deemed

to be included in the Obligations hereunder and shall be funded by the Lenders in accordance with their Pro Rata Interest. All amounts so advanced will be immediately due and payable, will bear interest at the Default Rate from the date incurred and will be added to the outstanding principal amount of all Obligations.

8.2.5 Automatic Default. Notwithstanding the foregoing, upon the occurrence of an Event of Default pursuant to Section 8.1.6 or 8.1.7, all Obligations shall be immediately due and payable in full without presentment, demand, protest or notice of any kind, all of which are hereby expressly waived.

8.3 Preservation of Rights. No delay or omission of the Lenders or the Administrative Agent to exercise any right under the Loan Documents shall impair such right or be construed to be a waiver of any Event of Default or an acquiescence therein. Any single or partial exercise of any such right shall not preclude other or further exercise thereof or the exercise of any other right, and no waiver, amendment or other variation of the terms, conditions or provisions of the Loan Documents whatsoever shall be valid unless in writing signed by the Lenders required pursuant to Section 9.21, and then only to the extent in such writing specifically set forth. All remedies contained in the Loan Documents or by law afforded shall be cumulative and all shall be available to the Administrative Agent and the Lenders until the Obligations have been paid and performed in full.

8.4 Credit Bidding. The Administrative Agent or any Lender may purchase, in any public or private sale conducted under the provisions of the applicable state's Uniform Commercial Code (the "UCC") (including pursuant to sections 9-610 and 9-620 of the UCC), the provisions of the Bankruptcy Code (including pursuant to section 363 of the Bankruptcy Code) or at any sale or foreclosure conducted by the Administrative Agent (whether by judicial action or otherwise) in accordance with applicable laws, all or any portion of the Collateral. The Lenders hereby irrevocably authorize the Administrative Agent, upon the written consent of the Required Lenders, to Credit Bid in an amount and on such terms as may be directed by Required Lenders and purchase at any such sale (either directly or through one or more acquisition vehicles) all or any portion of the Collateral on behalf of and for the benefit of the Lenders (but not as agent for any individual Lender or Lenders, unless the Required Lenders shall otherwise agree in writing). Each Lender hereby agrees that, except as otherwise provided in the Loan Documents or with the written consent of the Administrative Agent and the Required Lenders, it will not exercise any right that it might otherwise have to Credit Bid at any sales of all or any portion of the Collateral conducted under the provisions of the UCC or the Bankruptcy Code, foreclosure sales or other similar dispositions of Collateral.

9. AGENCY.

9.1 Appointment and Authorization of Administrative Agent. Each Lender hereby irrevocably appoints and designates CBT as the Administrative Agent and authorizes the Administrative Agent to take such action on its behalf under the provisions of this Agreement and each other Loan Document and to exercise such powers and perform such duties as are expressly delegated to it by the terms of this Agreement or any other Loan Document, together with such powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary contained elsewhere herein or in any other Loan Document, the Administrative Agent

shall not have any duties or responsibilities, except those expressly set forth herein, nor shall the Administrative Agent have or be deemed to have any fiduciary relationship with any Lender or Participant, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Loan Document or otherwise exist against the Administrative Agent. Without limiting the generality of the foregoing sentence, the use of the term "Administrative Agent" herein and in the other Loan Documents with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead, such term is used merely as a matter of market custom, and is intended to create or reflect only an administrative relationship between independent contracting parties.

9.2 Delegation of Duties. The Administrative Agent may execute any of its duties under this Agreement or any other Loan Document by or through agents, employees or attorneys-in-fact and shall be entitled to advice of counsel and other consultants or experts concerning all matters pertaining to such duties. The Administrative Agent shall not be responsible for the negligence or misconduct of any agent or attorney-in-fact that it selects in the absence of gross negligence or willful misconduct.

9.3 Liability of Administrative Agent. No Agent-Related Person shall (a) be liable for any action taken or omitted to be taken by any of them under or in connection with this Agreement or any other Loan Document or the transactions contemplated hereby (except for its own gross negligence or willful misconduct in connection with its duties expressly set forth herein), or (b) be responsible in any manner to any Lender or Participant for any recital, statement, representation or warranty made by Borrower or any officer thereof, contained herein or in any other Loan Document, or in any certificate, report, statement or other document referred to or provided for in, or received by the Administrative Agent under or in connection with, this Agreement or any other Loan Document, or the validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Loan Document, or for any failure of Borrower or any other party to any Loan Document to perform its obligations hereunder or thereunder. No Agent-Related Person shall be under any obligation to any Lender or Participant to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any other Loan Document, or to inspect the properties, books or records of Borrower or any Affiliate thereof.

9.4 Reliance by Administrative Agent.

9.4.1 Administrative Agent Reliance. The Administrative Agent shall be entitled to rely, and shall be fully protected in relying, upon any writing, communication, signature, resolution, representation, notice, consent, certificate, affidavit, letter, telegram, facsimile, telex or telephone message, electronic mail message, statement or other document or conversation believed by it in good faith to be genuine and correct and to have been signed, sent or made by the proper Person or Persons, and upon advice and statements of legal counsel (including counsel to Borrower), independent accountants and other experts selected by the Administrative Agent. The Administrative Agent shall be fully justified in failing or refusing to take any action under any Loan Document unless it shall first receive such advice or concurrence of the Required Lenders as it deems appropriate and, if it so requests, it shall first be indemnified to its satisfaction by the

Lenders against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action. The Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement or any other Loan Document in accordance with a request or consent of the Required Lenders (or such greater number of Lenders as may be expressly required hereby in any instance) and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Lenders.

9.4.2 Agreement by Lenders. Each Lender that has signed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender unless the Administrative Agent shall have received notice from such Lender prior to the Effective Date specifying its objection thereto. Each Lender further acknowledges that it has reviewed each of the Loan Documents (which, in the case of the Nevada Deed of Trust includes the form of the documents to be used with respect to each parcel of Real Property Collateral located in Nevada) to the extent that such Loan Documents have been posted on the Intralinks™ page for the transaction described in this Agreement and authorizes and directs Administrative Agent to execute and deliver each of the Loan Documents. Each Lender agrees that each Loan Document shall bind such Lender.

9.5 Notice of Default. The Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of any event or condition that constitutes an Event of Default or an Unmatured Event of Default, except with respect to defaults in the payment of principal, interest and fees required to be paid to the Administrative Agent for the account of the Lenders, unless the Administrative Agent shall have received written notice from a Lender or Borrower referring to this Agreement, describing such Event of Default and stating that such notice is a "notice of default." The Administrative Agent will notify the Lenders of its receipt of any such notice. The Administrative Agent shall take such action with respect to such Event of Default (including agreements to forbear from the exercise of rights and remedies) as may be directed by the Required Lenders in accordance with Section 8; provided, however, that unless and until the Administrative Agent has received any such direction, the Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Event of Default as it shall deem advisable in its sole and absolute discretion or in the best interest of the Lenders.

9.6 Credit Decision; Disclosure of Information by Administrative Agent. Each Lender acknowledges that no Agent-Related Person has made any representation or warranty to it, and that no act by the Administrative Agent hereafter taken, including any consent to and acceptance of any assignment or review of the affairs of Borrower, shall be deemed to constitute any representation or warranty by any Agent-Related Person to any Lender as to any matter, including whether Agent-Related Persons have disclosed material information in their possession. Each Lender represents to the Administrative Agent that it has, independently and without reliance upon any Agent-Related Person and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, prospects, operations, property, financial and other condition and creditworthiness of the Borrower or any other Loan Party and all applicable bank or other regulatory law relating to the

transactions contemplated hereby, and made its own decision to enter into this Agreement and to extend credit to Borrower hereunder. Each Lender also represents that it will, independently and without reliance upon any Agent-Related Person and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement and the other Loan Documents, and to make such investigations as it deems necessary to inform itself as to the business, prospects, operations, property, financial and other condition and creditworthiness of Borrower and each other Loan Party. Except for notices, reports and other documents expressly required to be furnished to the Lenders by the Administrative Agent herein, the Administrative Agent shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the business, prospects, operations, property, financial and other condition or creditworthiness of any of Borrower or any other Loan Party which may come into the possession of any Agent-Related Person. Without limiting the foregoing, each Lender acknowledges and agrees that such Lender has not relied on any review of any Acceptable Appraisal performed by Administrative Agent, that each Lender will review each appraisal for its own account and that the Appraised Value for purposes of this Agreement is not subject to adjustment by any Lender (other than any Lender that ordered such appraisal) as a result of any such internal appraisal review.

9.7 Indemnification of Administrative Agent. Whether or not the transactions contemplated hereby are consummated, the Lenders shall indemnify upon demand Administrative Agent and each Agent-Related Person (to the extent not reimbursed by or on behalf of Borrower and without limiting the obligation of Borrower to do so), pro rata in accordance with their Pro Rata Interests, and hold harmless Administrative Agent and each Agent-Related Person from and against any and all claims, damages, loss, liability, judgments, costs and expenses incurred by it arising from or related to this Agreement, the Loan Documents or the transactions described herein; provided, however, that no Lender shall be liable for the payment to Administrative Agent and any other Agent-Related Person of any portion of such indemnified liabilities to the extent determined in a final, nonappealable judgment by a court of competent jurisdiction to have resulted from Administrative Agent or such other Agent-Related Person's own gross negligence or willful misconduct; provided, however, that no action taken in accordance with the directions of the Required Lenders shall be deemed to constitute gross negligence or willful misconduct for purposes of this Section. Without limitation of the foregoing, each Lender shall reimburse the Administrative Agent upon demand for its ratable share of any costs or out-of-pocket expenses (including reasonable attorneys' fees and costs) incurred by the Administrative Agent in connection with the preparation, execution, delivery, administration, modification, amendment or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of rights or responsibilities under, this Agreement, any other Loan Document, or any document contemplated by or referred to herein, to the extent that the Administrative Agent is not reimbursed for such expenses by or on behalf of Borrower. The undertaking in this Section shall survive the payment of all Obligations and the resignation of the Administrative Agent.

9.8 Administrative Agent in its Individual Capacity. CBT and its Affiliates may make loans to, issue letters of credit for the account of, accept deposits from, acquire Equity Interests in and generally engage in any kind of banking, trust, financial advisory, underwriting or other business with each of the Borrower and its Affiliates as though CBT were not the

Administrative Agent hereunder and without notice to or consent of the Lenders. The Lenders acknowledge that, pursuant to such activities, CBT or its Affiliates may receive information regarding Borrower or its Affiliates (including information that may be subject to confidentiality obligations in favor of Borrower or such Affiliate) and acknowledge that the Administrative Agent shall be under no obligation to provide such information to them. With respect to the New Secured Loan, CBT, in its capacity as a Lender, shall have the same rights and powers under this Agreement as any other Lender and may exercise such rights and powers as though it were not the Administrative Agent, and the terms "Lender" and "Lenders" include CBT in its individual capacity.

9.9 Resignation and Removal of Administrative Agent, Successor Administrative Agent. The administrative agent under this Agreement and under the Original Credit Agreement shall always be the same Person unless otherwise agreed or required by the Required Lenders. Accordingly, any resignation or removal of the administrative agent pursuant to the Original Credit Agreement shall constitute the resignation or removal of the administrative agent pursuant to this Agreement and any successor administrative agent appointed pursuant to the Original Credit Agreement shall automatically be the Administrative Agent pursuant to this Agreement.

9.10 Administrative Agent May File Proofs of Claim. In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to any Loan Party, the Administrative Agent (irrespective of whether the principal of the New Secured Loan shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on Borrower) shall be entitled and empowered, by intervention in such proceeding or otherwise (a) to file and prove a claim on behalf of each Lender for the whole amount of the principal, interest and Other Amounts owing and unpaid in respect of the New Secured Loan and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders and the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders and the Administrative Agent and their respective agents and counsel (whether in-house or outside-retained) and all other amounts due the Lenders and the Administrative Agent under this Agreement allowed in such judicial proceeding); and (b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same; and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender to make such payments to the Administrative Agent for and on behalf of such Lender and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Administrative Agent and its agents and counsel, and any other amounts due the Administrative Agent under this Agreement. Nothing contained herein shall be deemed to authorize the Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender or to authorize the Administrative Agent to vote in respect of the claim of any Lender in any such proceeding; provided that Administrative Agent may vote in favor of the Chapter 11 Plan, execute and deliver such documents and otherwise take such actions as may be required (as determined in the reasonable discretion of Administrative Agent) pursuant to the Settlement

Agreement. Additionally, Lenders authorize and direct counsel for the Administrative Agent to execute and deliver the Cash Collateral Stipulation.

9.11 Collateral Matters. The Lenders irrevocably authorize the Administrative Agent, at its option and in its discretion, to release any Lien on any property granted to or held by the Administrative Agent under any Loan Document upon the indefeasible payment in full of all Obligations (other than contingent indemnification obligations). Upon request by the Administrative Agent at any time, the Required Lenders will confirm in writing the Administrative Agent's authority to release its interest in particular types or items of property pursuant to this Section 9.11.

9.12 Administrative Agent Fees. The Borrower agrees to pay to the Administrative Agent the fees agreed to by the Borrower and the Administrative Agent pursuant to that certain letter agreement of even date with this Agreement, or as otherwise agreed from time to time.

9.13 Other Administrative Agents; Arrangers and Managers. None of the Lenders or other Persons identified on the facing page or signature pages of this Agreement as a "syndication agent," "documentation agent," "co-administrative agent," "book manager," "lead manager," "arranger," "lead arranger" or "co-arranger" shall have any right, power, obligation, liability, responsibility or duty under this Agreement other than, in the case of such Lender, those applicable to all Lenders as such. Without limiting the foregoing, none of the Lenders or other Persons so identified shall have or be deemed to have any fiduciary relationship with any Lender. Each Lender acknowledges that it has not relied, and will not rely, on any of the Lenders or other Persons so identified in deciding to enter into this Agreement or in taking or not taking action hereunder.

9.14 Ownership and Possession of Loan Documents. Each of the Lenders will own an undivided interest in the Obligations and the Loan Documents equal to its Pro Rata Interest. Administrative Agent will hold in its possession, as agent, at 6001 North 24th Street, Phoenix, AZ 85016, or at such other location as Administrative Agent designates in writing to the Lenders, the original, executed Loan Documents for the pro rata benefit of itself as one of the Lenders and each of the other Lenders; provided that each Lender will receive an original Note in its favor. Administrative Agent will keep and maintain complete and accurate files and records of all matters pertaining to the Obligations. Upon reasonable prior notice to Administrative Agent by the Lenders, the files and records will be made available to the Lenders and their representatives and agents for inspection and copying during normal business hours.

9.15 SEVERAL AND NOT JOINT NATURE OF OBLIGATIONS. ANY OTHER PROVISION OF THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT TO THE CONTRARY NOTWITHSTANDING, LOAN PARTIES ACKNOWLEDGE AND AGREE THAT ALL OBLIGATIONS OF THE LENDERS PURSUANT TO THE LOAN DOCUMENTS WILL BE SEVERAL AND NOT JOINT. IN THE EVENT ANY LENDER BREACHES ITS OBLIGATIONS PURSUANT TO THIS AGREEMENT OR THE OTHER LOAN DOCUMENTS, LOAN PARTIES MAY ENFORCE THEIR RIGHTS ONLY AGAINST THE LENDER CAUSING SUCH BREACH, AND LOAN PARTIES SHALL HAVE NO RIGHTS AGAINST ADMINISTRATIVE AGENT OR ANY OF THE OTHER LENDERS. TO THE EXTENT THAT LOAN PARTIES ARE ENTITLED TO DAMAGES FROM ANY SUCH

BREACHING LENDER OR LENDERS, THE PORTION OF SUCH DAMAGES (IF ANY) REPRESENTING UNEARNED FEES IN CONNECTION WITH THIS AGREEMENT SHALL ONLY RELATE TO THE PORTION OF SUCH FEES ACTUALLY PAID TO THE BREACHING LENDER. IN NO EVENT SHALL ANY LENDER BE LIABLE FOR ANY INDIRECT OR CONSEQUENTIAL DAMAGES IN CONNECTION WITH A BREACH OF ITS OBLIGATIONS PURSUANT TO THE LOAN DOCUMENTS NOR SHALL ANY LENDER BE LIABLE FOR ANY DAMAGES RESULTING FROM THE BREACH OF ANY OTHER LENDER.

9.16 Relationship of Borrower to Administrative Agent and the Lenders.

9.16.1 Right and Obligation to Deal with Administrative Agent. Borrower acknowledges that Administrative Agent, for itself and the Lenders, has the sole and exclusive authority to perform this Agreement and each of the other Loan Documents on behalf of itself, the Lenders and any Participants. Borrower will have no obligation to deal directly with any of the parties to this Agreement other than Administrative Agent with respect to the rights, benefits and obligations of Borrower under this Agreement or any of the other Loan Documents.

9.16.2 Borrower's Requests for Approvals and Determinations. Borrower will direct all requests for approvals and consents from, and determinations to be made by, Administrative Agent or the Lenders, to Administrative Agent. All communications by the Lenders to Borrower regarding matters pertaining to this Agreement shall be made through Administrative Agent.

9.16.3 Form of Request. With respect to matters under the Loan Documents for which approval, consent, or determination of Administrative Agent is required, Borrower's request will (a) be given in the form of a written request to Administrative Agent; (b) be accompanied by a reasonably detailed description of the matter as to which such determination, approval or consent is requested; (c) include, to the extent not previously provided to Administrative Agent, all written materials required to be provided by the Loan Documents and as may be necessary to enable Administrative Agent to make an informed decision; and (d) include such other information as Administrative Agent may reasonably deem appropriate.

9.17 Rights to Consult and Seek Approvals. With respect to any matter for which Administrative Agent is given discretion or is entitled to act without Required Lenders' consent pursuant to this Agreement, Administrative Agent will have the right (in the sole and absolute discretion of Administrative Agent) to consult with or act at the direction of all or any combination of the Lenders, provided that Administrative Agent will only be obligated to so consult with the Lenders to the extent provided in this Agreement. In no event will Administrative Agent be deemed to have acted unreasonably or in violation of this Agreement if Administrative Agent withholds any consent, approval or other matter, or acts or refrains from acting, at the direction of the Required Lenders or all of the Lenders to the extent required pursuant to Section 9.21 or because the Required Lenders or all of the Lenders to the extent required pursuant to Section 9.21 have failed to approve such action, consent, approval or other matter.

9.18 Distribution of Information. Borrower acknowledges and agrees that Administrative Agent may provide to the Lenders, and that the Lenders may provide and communicate to any Participant, prospective Participant, assignee or prospective assignee, originals or copies of this Agreement, all Loan Documents and all other documents, instruments, certificates, opinions, insurance policies, letters of credit, reports, requisitions and other materials and information of every nature or description, and all oral information, at any time submitted by or on behalf of Borrower or received by Administrative Agent in connection with the Obligations; provided that such Participants, prospective Participants, assignees or prospective assignees agree to maintain the confidentiality of such information except for disclosure to attorneys and accountants of such Participants, prospective Participants, assignees or prospective assignees or to the extent disclosure is required by applicable laws, rules and regulations, judicial process, or to the extent that such information is otherwise publicly available.

9.19 Delinquent Lenders. In the event that any Lender becomes a Delinquent Lender, then, in addition to any rights and remedies that may be available to the other Lenders and Administrative Agent (such other Lenders and Administrative Agent that are not, themselves, Delinquent Lenders being called the "Non-Defaulting Lenders") at law or in equity:

9.19.1 Participation and Administration. The Delinquent Lender's rights to participate in the administration of the Loan Documents, including any right to vote upon, approve, disapprove, consent to or direct any action of Administrative Agent, shall be suspended and such rights shall not be reinstated unless and until such Lender ceases to be a Delinquent Lender (and all decisions which are to be based on a vote of the Lenders shall be resolved based upon a decision or determination made by the required percentage of the Non-Defaulting Lenders).

9.19.2 Funding of Defaulted Amount. Any or all of the Non-Defaulting Lenders or Administrative Agent shall be entitled (but shall not be obligated) to: (a) fund the aggregate amount that the Delinquent Lender has failed to fund or pay to Administrative Agent (such amount being called the "Defaulted Amount"); and (b) collect interest at the Default Rate on the Defaulted Amount (after crediting all interest actually paid by the Borrower on the Defaulted Amount from time to time), either directly from the Delinquent Lender or from amounts otherwise payable to the Delinquent Lender, for the period from the date on which the Defaulted Amount was funded by the Non-Defaulting Lenders until the date on which payment is made. If Administrative Agent has funded the Defaulted Amount, Administrative Agent shall be entitled to collect interest at the Default Interest Rate from the Delinquent Lender on the Defaulted Amount as set forth above, as if Administrative Agent were a Non-Defaulting Lender that had elected to fund the Defaulted Amount.

9.19.3 Subordination of Delinquent Lender. In the event the Defaulted Amount is funded by any Non-Defaulting Lenders or Administrative Agent pursuant to Section 9.19.2, the Delinquent Lender's interest in the Obligations and proceeds thereof shall be subordinated to any Defaulted Amount funded by any Non-Defaulting Lenders or Administrative Agent pursuant to Section 9.19.2, plus all interest which may be due in accordance with Section 9.19.2 (to be applied pari passu among the Non-Defaulting Lenders (including Administrative Agent) funding the Defaulted Amount), without

necessity for executing any further documents; provided that such Delinquent Lender's interest in the Obligations and the proceeds thereof shall no longer be so subordinated if the Defaulted Amount funded by the Non-Defaulting Lenders or Administrative Agent (and all interest which has accrued pursuant to Section 9.19.2) shall be repaid in full.

9.19.4 Payment to Delinquent Lender. To achieve the subordination required in Section 9.19.3: (a) Administrative Agent shall deduct from the interest due to the Delinquent Lender on its interest in the Obligations and the Loan Documents, the excess of (i) interest on the Defaulted Amount at the rate specified in Section 9.19.2 over (ii) the interest actually received from Borrower by the Non-Defaulting Lenders (including Administrative Agent) which funded the Defaulted Amount on account of their portion of the Defaulted Amount for the same time period; and (b) all amounts received by Administrative Agent on account of principal, Rate Management Obligations or reimbursements for amounts otherwise advanced, in each case, which would otherwise be payable to the Delinquent Lender, shall be paid pari passu to the Non-Defaulting Lenders (including Administrative Agent) until the Defaulted Amount and all interest thereon has been repaid in full.

9.19.5 Subordination of Unfunded Defaulted Amount. If, following the payment in full of all amounts due pursuant to Section 9.19.4 to the Non-Defaulting Lenders (including Administrative Agent) who have funded all or any portion of any Defaulted Amount, there remains any unfunded Defaulted Amount which has not been funded by the Non-Defaulting Lenders, Administrative Agent or the Delinquent Lender (the "Unfunded Defaulted Amount"), then a portion of the Delinquent Lender's interest in the Obligations and the proceeds thereof equal to the amount of the Unfunded Defaulted Amount (together with interest thereon at the rate applicable to the Defaulted Amount from time to time pursuant to the Loan Documents) shall be subordinated to the interests of the Non-Defaulting Lenders (including Administrative Agent) unless and until such Unfunded Defaulted Amount is funded either by one or more Non-Defaulting Lenders, Administrative Agent or the Delinquent Lender. Such portion of the Delinquent Lender's interest, including any proceeds or distributions related thereto, may be used to fund to the Borrower or Administrative Agent the Unfunded Defaulted Amount as and when required by Administrative Agent pursuant to this Agreement.

9.19.6 Delinquent Lenders. Each Delinquent Lender shall indemnify, defend and hold Administrative Agent and Lenders harmless for, from and against any and all claims, damages, loss, liability, judgments, costs and expenses (including, but not limited to, reasonable in-house and outside-retained attorneys' fees and interest at the Default Rate) which they may sustain or incur by reason or in consequence of the Delinquent Lender's failure or refusal to abide by its obligations under this Agreement.

9.19.7 No Waiver. Nothing herein contained shall be deemed or construed to waive, diminish, limit, prevent or estop Administrative Agent or any Lender from exercising or enforcing any rights or remedies which may be available at law or in equity as a result of or in connection with any default under this Agreement by a Lender (including the right to bring suit against the Delinquent Lender to recover the Defaulted Amount and interest thereon at the rate provided in this Section 9.19).

9.20 Confidentiality. Each Lender agrees to hold any confidential information which it may receive from the Borrower pursuant to this Agreement in confidence, except for disclosure (a) to its Affiliates and to other Lenders and their respective Affiliates, (b) to legal counsel, accountants, and other professional advisors to such Lender or to a Participant, Purchaser and, to the extent they agree in writing to be bound by the confidentiality restrictions of this Agreement, potential Participants and potential Purchasers, (c) to regulatory officials, (d) to any Person as requested pursuant to or as required by law, regulation, or legal process, (e) to any Person in connection with any legal proceeding to which such Lender is a party, (f) to such Lender's direct or indirect contractual counterparties in Rate Management Agreements or to legal counsel, accountants and other professional advisors to such counterparties, (g) permitted by Section 9.18, and (h) to rating agencies if requested or required by such agencies in connection with a rating relating to the New Secured Loan hereunder.

9.21 Amendments. Subject to the provisions of this Section 9, the Required Lenders (or the Administrative Agent with the consent in writing of the Required Lenders) and the Borrower may enter into agreements supplemental hereto for the purpose of adding to or modifying any provisions of the Loan Documents or changing in any manner the rights of the Lenders or the Borrower hereunder or waiving any Event of Default or Unmatured Event of Default hereunder; provided, however, that except for each Permitted Forbearance, no such supplemental agreement shall, without the consent of all of the Lenders:

9.21.1 Extension. Extend the Maturity Date or, except as provided in this Agreement, waive, reduce the amount of or extend the due date for any required principal payment or mandatory principal pre-payment pursuant to this Agreement, reduce any applicable interest rate, waive or extend the due date for any required interest payment or payment of fees, costs or expenses (other than fees, costs or expenses due solely to the Administrative Agent in its capacity as such, which may be waived or modified in the sole and absolute discretion of Administrative Agent).

9.21.2 Increase. Increase the amount of the New Secured Loan or permit the Borrower to assign any of its rights under this Agreement.

9.21.3 Change in Percentage. Change the definition of Required Lenders.

9.21.4 Reductions. Reduce any rate of interest or fees specified herein.

9.21.5 Discharge. Discharge Borrower or any Guarantor except upon the dissolution and winding up of Borrower if permitted by this Agreement and except as permitted pursuant to Section 3.3.4.

9.21.6 Collateral. Permit the release of any Lien on any Collateral except as provided pursuant to Section 3.

9.21.7 Change in Control. The approval of any Change in Control other than in connection with the Succession Plan.

9.21.8 Monetary Default. Waive any Event of Default pursuant to Sections 8.1.1(a), (b), (c), (d) or (e).

9.21.9 Conditions Precedent. Waive any condition precedent to the effectiveness of this Agreement set forth in Section 4.

9.21.10 This Section. Amend this Section 9.21 or any other provision of this Agreement to the extent such section specifies the number or percentage of Lenders required to waive, amend, or modify any rights hereunder or make any determination or give any consent, approval, direction, or inspection.

No amendment of any provision of this Agreement relating to the Administrative Agent shall be effective without the written consent of the Administrative Agent. Administrative Agent may waive or modify the fee required in any separate agreement between Administrative Agent and Borrower without obtaining the consent of any other party to this Agreement. Unless otherwise agreed or directed by Administrative Agent, if any Lender fails to disapprove in writing any request for a modification of any provisions of the Loan Documents or a change in any manner of the rights of the Lenders or Borrower hereunder or the waiver of any Event of Default or Unmatured Event of Default within ten (10) Business Days after submission of a request therefor by Administrative Agent, such Lender shall be deemed to have approved such request. Notwithstanding the foregoing, with respect to any amendment, waiver, forbearance or similar matter approved pursuant to the Original Credit Agreement, a corresponding amendment, waiver, forbearance or similar matter shall be deemed to have been approved pursuant to this Agreement whether or not a separate approval of such matter is sought pursuant to this Agreement and Administrative Agent is authorized and directed by the Lenders to execute and deliver such modifications, forbearances, waivers and other documents as Administrative Agent may determine to be necessary or appropriate to evidence such amendments, waivers, forbearances or other matters deemed to have been approved by the Required Lenders or all Lenders pursuant to this sentence.

10. ASSIGNMENTS AND PARTICIPATIONS.

10.1 Successors and Assigns. The terms and provisions of the Loan Documents shall be binding upon and inure to the benefit of the Borrower, Administrative Agent, the Lenders and their respective successors and assigns, except that (a) the Borrower shall not have the right to assign its rights or obligations under the Loan Documents and (b) any assignment by any Lender must be made in compliance with this Section 10, including, without limitation, Section 10.2.4. The Lenders acknowledge that Section 10.2.4 relates only to absolute assignments and does not prohibit assignments creating security interests or Liens, including, without limitation, any pledge or assignment by any Lender of all or any portion of its rights under this Agreement, or any Note to a Federal Reserve Bank; provided, however, that no such pledge or assignment creating a security interest or Lien shall release the assigning Lender from its obligations hereunder unless and until the parties thereto have complied with the provisions of Section 10.2.4. Administrative Agent may treat the Person which made any portion of the Obligations or which holds any Note as the owner thereof for all purposes hereof unless and until such Person complies with Section 10.2.4; provided, however, that Administrative Agent may (but shall not be required to) follow instructions from the Person which made any portion of the Obligations or which holds any Note to direct payments relating to such portion of the Obligations or Note to another Person. Any assignee of the rights to any portion of the Obligations or any Note agrees by acceptance of such assignment to be bound by all the terms and provisions of the Loan

Documents. Any request, authority or consent of any Person, who at the time of making such request or giving such authority or consent is the owner of the rights to any portion of the Obligations (whether or not a Note has been issued in evidence thereof), shall be conclusive and binding on any subsequent holder or assignee of the rights to such portion of the Obligations.

10.2 Assignments and Participations.

10.2.1 Limitation. The Lenders agree that the New Secured Loan is not assignable, nor may Lenders grant participations in the New Secured Loan, except in connection with an assignment or the granting of a participation in the Original Loan and each assignment or grant of a participation by a Lender with respect to the Original Loan shall include an assignment or participation (as applicable) of a proportionate amount of the New Secured Loan; for example, if a Lender assigns 50% of its pro rata interest in the Original Loan, the Lender shall also be deemed to have assigned 50% of its Pro Rata Interest in the New Secured Loan. Without limiting the foregoing, under all circumstances the Lenders shall be the same as the "lenders" pursuant to the Original Credit Agreement and shall hold Pro Rata Interests in the New Secured Loan that are in the same proportion as their Pro Rata Interests in the Original Loan and any transfer of the interest of any Lender in respect of the Original Loan shall constitute a transfer of such Lender's interest in the New Secured Loan.

10.2.2 Permitted Participants; Effect. Subject to Section 10.2.1, any Lender may, in the ordinary course of its business and in accordance with applicable law, at any time sell to one or more banks or other entities ("Participant" or "Participants") participating interests in the Obligations owing to such Lender, any Note held by such Lender, any Pro Rata Interest of such Lender or any other interest of such Lender under the Loan Documents without any consent being required. In the event of any such sale by a Lender of participating interests to a Participant, (a) such Lender's obligations under the Loan Documents shall remain unchanged, (b) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, (c) such Lender shall remain the owner of its Pro Rata Interest and its portion of the Obligations and the holder of any Note issued to it in evidence thereof for all purposes under the Loan Documents, (d) all amounts payable by the Borrower under this Agreement shall be determined as if such Lender had not sold such participating interests, and (e) the Borrower and Administrative Agent shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under the Loan Documents.

10.2.3 Voting Rights. Each Lender shall retain the sole right to approve or vote on, without the consent of any Participant, any action requiring the consent or approval of, or a vote of, the Lenders under this Agreement, other than any amendment or modification which requires the consent of all of the Lenders.

10.2.4 Assignments. With respect to each assignment permitted hereby, (a) each such assignment shall be of a constant, not a varying, percentage of all rights and obligations under this Agreement and (b) the parties to each such assignment shall execute and deliver to Administrative Agent, for its acceptance such assignment

documents as Administrative Agent may require. Such assignment shall be pursuant to an Assignment and Acceptance or in such other form as may be agreed to by the parties thereto, with Administrative Agent's approval. If any assignee lender is not incorporated under the laws of the United States of America or any state thereof, it shall have an office in the United States of America and it shall, prior to the date on which any interest or fees are payable hereunder or any of the other Loan Documents for its account, deliver to Administrative Agent certification as to its exemption from deduction or withholding of any United States federal income taxes.

10.3 Effect; Effective Date. So long as the assignment is permitted pursuant to Section 10.2, upon delivery to Administrative Agent of an Assignment and Acceptance, such assignment shall become effective on the effective date specified in such assignment. On and after the effective date of such assignment, the permitted assignee shall for all purposes be a Lender party to this Agreement and any other Loan Document executed by or on behalf of the Lenders and shall have all the rights and obligations of a Lender under the Loan Documents, to the same extent as if it were an original party hereto, and no further consent or action by the Borrower, the Lenders or Administrative Agent shall be required to release the transferor Lender with respect to the portion of the Obligations, Pro Rata Interest and Outstanding Credit Exposure assigned to such Purchaser. Upon the consummation of any assignment to a Purchaser pursuant to this Section 10.3, the transferor Lender, Administrative Agent and the Borrower shall, if the transferor Lender or the Purchaser desires that its Pro Rata Interest in the New Secured Loan be evidenced by a Note, make appropriate arrangements so that new Notes or, as appropriate, replacement Notes are issued to such transferor Lender and new Notes or, as appropriate, replacement Notes, are issued to such Purchaser, in each case in principal amounts reflecting their respective Pro Rata Interests, as adjusted pursuant to such assignment.

10.4 Borrower's Affiliates. Notwithstanding any other provision of this Agreement or the Loan Documents, no Lender may assign all or any part of its Pro Rata Interest to, or grant participation interests to or for the benefit of, Borrower, any member of the American West Group, any Subsidiary of any of the foregoing or any of their respective Affiliates.

11. ADMINISTRATIVE AGENT'S AND LENDERS' OBLIGATIONS TO BORROWER ONLY AND DISCLAIMER BY ADMINISTRATIVE AGENT AND LENDERS. No Person, other than Borrower, Administrative Agent and Lenders shall have any rights hereunder or be a third-party beneficiary hereof. Administrative Agent and Lenders are not joint venturers or partners with Borrower. Administrative Agent and Lenders shall not be obligated to any Person providing labor, materials, or other services for the Real Estate Inventory and payment of funds from the New Secured Loan or otherwise directly to any such Persons shall not give, or be a recognition of, any third-party beneficiary status.

12. MISCELLANEOUS PROVISIONS.

12.1 Survival. The representations, warranties, and covenants of the Borrower in the Loan Documents will survive the execution and delivery of the Loan Documents and the making of the New Secured Loan to Borrower.

12.2 Integration, Entire Agreement, Change, Discharge, Termination, Waiver, Approval, Consent, Etc. The Loan Documents, together with any agreement between Borrower and Administrative Agent regarding fees, contain the complete understanding and agreement of the Borrower, Administrative Agent and the Lenders with respect to the transactions contemplated by this Agreement and supersede all prior representations, warranties, agreements, arrangements, understandings, and negotiations. No provision of the Loan Documents may be changed, discharged, supplemented, terminated, or waived except in a writing signed by or on behalf of the parties thereto. Delay or failure by Administrative Agent or the Lenders to insist on performance of any obligation when due or compliance with any other term or condition in the Loan Documents will not operate as a waiver thereof or of any other obligation, term or condition or of the time of the essence provision. Acceptance of late payments will not be a waiver of the time of the essence provision, the right of Administrative Agent or the Lenders to require that subsequent payments be made when due, or the right of Administrative Agent or the Lenders to declare an Event of Default if subsequent payments are not made when due. Any approval, consent, or statement that a matter is satisfactory by Administrative Agent or the Lenders under the Loan Documents must be in writing executed by Administrative Agent or the Lenders and will be construed to apply only to the Person(s) and facts specifically set forth in the writing.

12.3 Non-U.S. Lenders.

12.3.1 Required Deliveries. Each Lender that is not incorporated under the laws of the United States of America or a state thereof (each a “Non-U.S. Lender”) agrees that it will, not more than ten (10) Business Days after the Effective Date, (a) deliver to Borrower and the Administrative Agent two (2) duly completed copies of United States Internal Revenue Service Form W-8BEN or W-8ECI, certifying in either case that such Lender is entitled to receive payments under this Agreement without deduction or withholding of any United States federal income taxes, and (b) deliver to the Borrower and the Administrative Agent a United States Internal Revenue Form W-8 or W-9, as the case may be, and certify that it is entitled to an exemption from United States backup withholding tax. Each Non-U.S. Lender further undertakes to deliver to the Borrower and the Administrative Agent (i) renewals or additional copies of such form (or any successor form) on or before the date that such form expires or becomes obsolete, and (ii) after the occurrence of any event requiring a change in the most recent forms so delivered by it, such additional forms or amendments thereto as may be reasonably requested by the Borrower or the Administrative Agent. All forms or amendments described in the preceding sentence shall certify that such Lender is entitled to receive payments under this Agreement without deduction or withholding of any United States federal income taxes, unless an event (including, without limitation, any change in treaty, law or regulation) has occurred prior to the date on which any such delivery would otherwise be required which renders all such forms inapplicable or which would prevent such Lender from duly completing and delivering any such form or amendment with respect to it and such Lender advises the Borrower and the Administrative Agent that it is not capable of receiving payments without any deduction or withholding of United States federal income tax.

12.3.2 Limitation on Tax Indemnity. For any period during which a Non-U.S. Lender has failed to provide the Borrower with an appropriate form pursuant to Section 12.3 above (unless such failure is due to a change in treaty, law or regulation, or any change in the interpretation or administration thereof by any Governmental Authority, occurring subsequent to the date on which a form originally was required to be provided), such Non-U.S. Lender shall not be entitled to indemnification under this Section 12.3.2 with respect to Taxes imposed by the United States; provided that, should a Non-U.S. Lender which is otherwise exempt from or subject to a reduced rate of withholding tax become subject to Taxes because of its failure to deliver a form required under Section 12.3 above, the Borrower shall take such steps as such Non-U.S. Lender shall reasonably request to assist such Non-U.S. Lender to recover such Taxes.

12.3.3 Exemptions. Any Lender that is entitled to an exemption from or reduction of withholding tax with respect to payments under this Agreement or any Note pursuant to the law of any relevant jurisdiction or any treaty shall deliver to the Borrower (with a copy to the Administrative Agent), at the time or times prescribed by applicable law, such properly completed and executed documentation prescribed by applicable law as will permit such payments to be made without withholding or at a reduced rate.

12.3.4 Claims Against Administrative Agent Regarding Withholding. If the U.S. Internal Revenue Service or any other Governmental Authority of the United States or any other country or any political subdivision thereof asserts a claim that the Administrative Agent did not properly withhold tax from amounts paid to or for the account of any Lender (because the appropriate form was not delivered or properly completed, because such Lender failed to notify the Administrative Agent of a change in circumstances which rendered its exemption from withholding ineffective, or for any other reason), such Lender shall indemnify the Administrative Agent fully for all amounts paid, directly or indirectly, by the Administrative Agent as tax, withholding therefor, or otherwise, including penalties and interest, and including taxes imposed by any jurisdiction on amounts payable to the Administrative Agent under this subsection, together with all costs and expenses related thereto (including attorneys' fees and time charges of attorneys for the Administrative Agent, which attorneys may be employees of the Administrative Agent). The obligations of the Lenders under this Section 12.3.4 shall survive the payment of the Obligations and termination of this Agreement.

12.4 Binding Effect. The Loan Documents will be binding upon and will inure to the benefit of Administrative Agent, Lenders and Loan Parties and their respective successors and assigns; provided, however, that Loan Parties may not assign any of their respective rights or delegate any of their respective obligations under the Loan Documents and any purported assignment or delegation will be void.

12.5 Severability. If any provision or any part of any provision of the Loan Documents is unenforceable, the enforceability of the other provisions and the remainder of the subject provision, respectively, will not be affected and they will remain in full force and effect.

12.6 CHOICE OF LAW; SUBMISSION TO JURISDICTION. THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS AND THE RIGHTS AND OBLIGATIONS OF

THE PARTIES HEREUNDER AND THEREUNDER WILL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF ARIZONA, WITHOUT GIVING EFFECT TO THE CHOICE OF LAW RULES OF THE STATE OF ARIZONA. THE BORROWER HEREBY IRREVOCABLY SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF ANY UNITED STATES FEDERAL OR ARIZONA STATE COURT SITTING IN MARICOPA COUNTY IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO ANY LOAN DOCUMENTS AND THE BORROWER HEREBY IRREVOCABLY AGREES THAT ALL CLAIMS IN RESPECT OF SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN ANY SUCH COURT AND IRREVOCABLY WAIVES ANY OBJECTION TO THE VENUE OF ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN SUCH COURT OR THAT SUCH COURT IS AN INCONVENIENT FORUM. NOTHING HEREIN SHALL LIMIT THE RIGHT OF ADMINISTRATIVE AGENT OR ANY LENDER TO BRING PROCEEDINGS AGAINST THE BORROWER IN THE COURTS OF ANY OTHER JURISDICTION. ANY JUDICIAL PROCEEDING BY THE BORROWER AGAINST THE ADMINISTRATIVE AGENT OR ANY LENDER OR ANY AFFILIATE OF ADMINISTRATIVE AGENT OR ANY LENDER INVOLVING, DIRECTLY OR INDIRECTLY, ANY MATTER IN ANY WAY ARISING OUT OF, RELATED TO, OR CONNECTED WITH ANY LOAN DOCUMENT SHALL BE BROUGHT ONLY IN A COURT IN ARIZONA.

12.7 Time of Essence; Time for Performance. Time is of the essence with regard to each provision of the Loan Documents as to which time is a factor. Whenever any performance under the Loan Documents is stated to be due on a day other than a Business Day or whenever the time for taking any action under the Loan Documents would fall on a day other than a Business Day, then unless otherwise specifically provided in the Loan Documents the due date for such performance or the time for taking such action, as the case may be, will be extended to the next succeeding Business Day, and such extension of time will be included in the computation of interest or fees, as the case may be.

12.8 Notices. All notices, requests and other communications to any party hereunder shall be in writing (including electronic transmission, facsimile transmission or similar writing) and shall be given to such party: (a) in the case of Borrower or Administrative Agent at its address or facsimile number set forth on the signature pages hereof, (b) in the case of any Lender, at its address or facsimile number set forth below its signature hereto, or (c) in the case of any other party, at such other address or facsimile number as such party may hereafter specify for such purpose by notice to Administrative Agent and Borrower in accordance with the provisions of this Section 12.8. Each such notice, request or other communication shall be effective (i) if given by facsimile transmission, when transmitted to the facsimile number specified in this Section and confirmation of receipt is received, (ii) if given by mail, seventy-two (72) hours after deposit in the United States mail, first-class postage prepaid, addressed as aforesaid, or (iii) if given by other means, when delivered (or, in the case of electronic transmission, received) so long as received prior to 6:00 p.m. on a Business Day and if not so received, such receipt shall be deemed to be on the next Business Day at the address specified in this Section 12.8 or at such other address as a party may specify from time to time by a notice given in accordance with this Section 12.8. Any notice provided by Administrative Agent or any Lender pursuant to the Original Credit Agreement shall constitute and be effective as a notice

pursuant to this Agreement regardless of whether or not the notice is provided in the manner required pursuant to this Agreement or is otherwise actually received by Borrower.

12.9 Indemnification of the Lenders. Borrower agrees to defend, indemnify, and hold harmless Administrative Agent and the Lenders and their respective Affiliates, successors, assigns, agents, servants, attorneys, officers, directors, and employees for, from, and against any and all claims, damages, losses, liabilities, judgments, costs, and expenses (including, without limitation, costs and expenses of litigation and reasonable in-house and outside-retained attorneys' fees) arising from or relating to (a) any claim or demand in respect of the Loan Documents, the Collateral, or the transactions described in the Loan Documents, (b) the New Secured Loan or the use or proposed use of the proceeds therefrom, (c) any actual or alleged breach or violation of any Environmental Law, or (d) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, in all cases whether arising at any time, whether before or after payment and performance of the Obligations in full, except in each case to the extent resulting from the gross negligence or willful misconduct of the Person indemnified. The obligations of Borrower and the rights of Administrative Agent and the Lenders under this Section, and under all other indemnification provisions in the Loan Documents, will survive payment and performance of the Obligations in full and will remain in full force and effect without termination. If Borrower fails to pay and perform any of its indemnification obligations pursuant to this Section 12.9 or otherwise arising pursuant to the Loan Documents, then Borrower shall pay to Administrative Agent and the Lenders all costs, expenses, and fees thereafter incurred by Administrative Agent and the Lenders with respect to matters covered by such indemnification obligations, together with interest thereon at the Default Rate, all such amounts to be payable upon demand.

12.10 Rescission or Return of Payments. If at any time or from time to time, whether before or after payment and performance of the obligations of Borrower under the Loan Documents in full, all or any part of any amount received by Administrative Agent and the Lenders in payment of, or on account of, any Obligation is or must be, or is claimed to be, avoided, rescinded, or returned by Administrative Agent or the Lenders to Borrower or any other Person for any reason whatsoever (including, without limitation, bankruptcy, insolvency, or reorganization of Borrower or any other Person), such obligation and any Liens, security interests, and other encumbrances that secured such obligations at the time such avoided, rescinded, or returned payment was received by Administrative Agent or the Lenders will be deemed to have continued in existence or will be reinstated, as the case may be, all as though such payment had not been received.

12.11 Number and Gender. In the Loan Documents the singular will include the plural and vice versa and each gender will include the other genders.

12.12 Waivers by Borrower. Borrower (a) waives, to the full extent permitted by law, presentment, notice of dishonor, protest, notice of protest, notice of intent to accelerate, notice of acceleration, notice of dishonor, and all other or demand of any kind (except notices specifically provided for in the Loan Documents); and (b) agrees that Administrative Agent and the Lenders may to the fullest extent permitted by applicable law, enforce the Loan Documents against Borrower without first having sought enforcement against any Collateral.

12.13 No Brokers. Except as disclosed by Borrower to the Administrative Agent in writing prior to the Effective Date, Borrower represents and warrants that Borrower knows of no broker's or finder's fee due in respect of the transaction described in this Agreement and that it has not used the services of a broker or a finder in connection with this transaction.

12.14 JURY TRIAL WAIVER. ADMINISTRATIVE AGENT, BORROWER AND EACH LENDER HEREBY VOLUNTARILY, KNOWINGLY, IRREVOCABLY AND UNCONDITIONALLY WAIVE ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE (WHETHER BASED UPON CONTRACT, TORT OR OTHERWISE) BETWEEN OR AMONG THE UNDERSIGNED, AND ADMINISTRATIVE AGENT AND/OR ANY LENDER ARISING OUT OF OR IN ANY WAY RELATED TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT. THIS PROVISION IS A MATERIAL INDUCEMENT TO ADMINISTRATIVE AGENT AND LENDERS TO PROVIDE THE FINANCING DESCRIBED HEREIN OR IN THE OTHER LOAN DOCUMENTS.

12.15 CLASS ACTION WAIVER. EACH PARTY WAIVES THE RIGHT TO LITIGATE IN COURT OR ARBITRATE ANY CLAIM OR DISPUTE AS A CLASS ACTION, EITHER AS A MEMBER OF A CLASS OR AS A REPRESENTATIVE, OR TO ACT AS A PRIVATE ATTORNEY GENERAL.

12.16 Reliance. Each party (a) certifies that no one has represented to such party that the other party would not seek to enforce jury and class action waivers in the event of suit, and (b) acknowledges that it and the other party have been induced to enter into this Agreement by, among other things, the mutual waivers, agreements, and certifications in this Section.

13. COUNTERPART EXECUTION. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same document. Signature pages may be detached from the counterparts and attached to a single copy of this Agreement to physically form one document.

14. COSTS, EXPENSES, AND FEES. Borrower agrees to pay on demand all external and internal costs, expenses, and fees (including, without limitation, as applicable, reasonable in-house and outside-retained attorneys' fees, appraisal, internal appraisal review fees, environmental assessment, environmental testing, environmental cleanup, other inspection, processing, title, filing, and recording costs, expenses, and fees) of Administrative Agent and each Lender (a) in the documentation, negotiation, execution, delivery and syndication of the Loan Documents and other matters arising in connection with the making of the New Secured Loan, and (b) in the modification and administration of the Loan Documents. In addition, Borrower agrees to pay on demand all external and internal costs, expenses, and fees (including, without limitation, as applicable, reasonable in-house and outside-retained attorneys' fees, appraisal costs, internal appraisal review fees, environmental assessment, environmental testing, environmental cleanup, other inspection, processing, title, filing, and recording costs, expenses, and fees) of Administrative Agent and Lenders, (i) in enforcement of the Loan Documents and exercise of the rights and remedies of Administrative Agent and Lenders, (ii) in defense of the legality, validity, binding nature, and enforceability of the Loan Documents and the perfection and priority of the Liens and encumbrances granted in the Loan Documents, (iii) in gaining

possession of, holding, repairing, maintaining, preserving, and protecting the Collateral, (iv) otherwise in relation to the Loan Documents, or the rights and remedies of Administrative Agent and Lenders under the Loan Documents, and (v) in preparing for the foregoing, whether or not any legal proceeding is brought or other action is taken. Such costs, expenses, and fees shall include, without limitation, all such costs, expenses, and fees incurred in connection with any bankruptcy, receivership, replevin, or other court proceedings (whether at the trial or appellate level). Borrower agrees to pay such costs, expenses and fees within ten (10) days after Administrative Agent gives written notice thereof to Borrower (unless, prior to the occurrence of an Event of Default, such amounts are being contested in good faith by Borrower) and if not so paid within such ten (10) day period, Borrower agree to pay interest on such costs, expenses, and fees at the Default Rate from the date incurred by Administrative Agent or Lenders, as applicable, until paid in full. Borrower's obligation to pay such fees and expenses with respect to the negotiation, execution and delivery of the Loan Documents shall be as set forth in the Loan Agreement.

15. USA PATRIOT ACT NOTIFICATION. The following notification is provided to Borrower pursuant to 326 of the USA Patriot Act of 2001, 31 U.S.C. Section 5318:

IMPORTANT INFORMATION ABOUT
PROCEDURES FOR OPENING A NEW ACCOUNT.

To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify, and record information that identifies each person or entity that opens an account, including any deposit account, treasury management account, loan, other extension of credit, or other financial services product. What this means for Borrower: When Borrower opens an account, if such Borrower is an individual, Administrative Agent or the applicable Lender will ask for such Borrower's name, taxpayer identification number, residential address, date of birth, and other information that will allow Administrative Agent or such Lender to identify such Borrower, and, if such Borrower is not an individual, Administrative Agent or such Lender will ask for such Borrower's name, taxpayer identification number, business address, and other information that will allow Administrative Agent or such Lender to identify such Borrower. Administrative Agent or any Lender may also ask, if such Borrower is an individual, to see such Borrower's driver's license or other identifying documents, and, if such Borrower is not an individual, to see Borrower's legal organizational documents or other identifying documents.

16. EXHIBITS. The following Exhibits are attached to this Agreement and incorporated herein by this reference:

Exhibit 1.1A	Assignment and Acceptance
Exhibit 1.1B	Recapitalization
Exhibit 4.1.3F	Signature Authorization
Exhibit 5.1.5	Legal Proceedings
Exhibit 5.1.12A	Material Agreements
Exhibit 5.1.12B	Material Defaults
Exhibit 5.1.13A	Indebtedness
Exhibit 5.1.19	Insurance Certificate
Exhibit 5.3	Organizational Chart
Exhibit 7.7.2	Existing Investments

[Signature Pages Follow]

DATED as of the date first above stated.

BORROWER:

AMERICAN WEST DEVELOPMENT, INC., a
Nevada corporation

By: _____

Name: Lawrence D. Canarelli

Title: President

Address for Notices:

250 Pilot Road, Suite 140
Las Vegas, Nevada 89119

ADMINISTRATIVE AGENT:

CALIFORNIA BANK & TRUST, a California
banking corporation

By: _____

Name: _____

Title: _____

Address for Notices:

c/o CB&T Real Estate Finance
6001 North 24th Street
Phoenix, Arizona 85016
Attention: Bruce Weyers

with a copy to:

David A. Sprentall, Esq.
Snell & Wilmer L.L.P.
One Arizona Center
Phoenix, Arizona 85004-2202

LENDER:

CALIFORNIA BANK & TRUST, a California
banking corporation

Pro Rata Share of New Secured Loan:

\$ _____

By: _____

Name: _____

Title: _____

Pro Rata Interest:

19.4999999364075%

Address for Notices:

c/o CB&T Real Estate Finance
6001 North 24th Street
Phoenix, Arizona 85016
Attention: Bruce Weyers

with a copy to:

David A. Sprentall, Esq.
Snell & Wilmer L.L.P.
One Arizona Center
Phoenix, Arizona 85004-2202

LENDER:

KEYBANK NATIONAL ASSOCIATION

Pro Rata Share of New Secured Loan:

\$ _____

By: _____

Name: _____

Title: _____

Pro Rata Interest:

7.7777777559975%

Address for Notices:

KeyBank National Association

36 South State Street, Suite 2506

Salt Lake City, Utah 54111

Attention: Scott D. Randle, Senior Vice President

Phone: 801-297-5821

Fax: 801-297-5720

Email: scott_d_randle@keybank.com

with a copy to:

KeyBank National Association

127 Public Square, Second Floor

Cleveland, Ohio 44114-1306

Attention: Michael A. Axel, Esq., Senior Vice
President and Senior Counsel

LENDER:

JPMORGAN CHASE BANK, N.A.

Pro Rata Share of New Secured Loan:

\$ _____

By: _____

Name: _____

Title: _____

Pro Rata Interest:

19.4999999991014%

Address for Notices:

JPMorgan Chase Bank, N.A.

201 N. Central Avenue

20th Floor, Dept. AZI-1325

Phoenix, AZ 85004

Attn: Wayne Olson

with a copy to:

JPMorgan Chase Bank, N.A.

Loan & Agency Services Group

10 South Dearborn

7th Floor, IL1-0010

Chicago, IL 60603

Attn: Passion Dobbins

LENDER:

BANK OF AMERICA, N.A.

Pro Rata Share of New Secured Loan:

\$ _____

By: _____

Name: _____

Title: _____

Pro Rata Interest:

13.7777776547678%

Address for Notices:

Bank of America, N.A.
135 S. LaSalle Street, Suite 900
Chicago, IL 60603
Attention: Michael Olson

with a copy to:

Bank of America, N.A.

Attention: _____

LENDER:

COMERICA BANK

Pro Rata Share of New Secured Loan:

\$ _____

By: _____

Name: _____

Title: _____

Pro Rata Interest:

5.5555556612063%

Address for Notices:

Comerica Bank
350 Tenth Avenue, Suite 850
MC 4670
San Diego, CA 92101
Attention: Nancy Griffin

with a copy to:

Comerica Bank
2321 Rosecrans Avenue, Suite 5000
MC 4605
El Segundo, CA 90245
Attn: Paul Hayashi

LENDER:

US BANK NATIONAL ASSOCIATION

Pro Rata Share of New Secured Loan:
\$ _____

By: _____
Name: _____
Title: _____

Pro Rata Interest:
8.8888889935644%

Address for Notices:

US Bank National Association
2300 W. Sahara Avenue, Suite 200
Las Vegas, NV 89102
Attention: Clarice Ronzone/Lori Adams

with a copy to:

US Bank National Association
2300 W. Sahara Avenue, Suite 200
Las Vegas, NV 89102
Attention: Cheryl A. Colbus

LENDER:

WELLS FARGO BANK, NATIONAL
ASSOCIATION

Pro Rata Share of New Secured Loan:

\$ _____

By: _____

Name: _____

Title: _____

Pro Rata Interest:

13.333333336120%

Address for Notices:

Wells Fargo Bank, National Association

8601 N. Scottsdale Road, Suite 200

Scottsdale, AZ 85253

Attention: Paul G. Hoefer

with a copy to:

Wells Fargo Bank, National Association

Attention: _____

LENDER:

WELLS FARGO BANK, NATIONAL
ASSOCIATION, successor in interest to Wachovia
Bank, National Association

Pro Rata Share of New Secured Loan:

\$ _____

By: _____

Name: _____

Title: _____

Pro Rata Interest:

11.6666666653431%

Address for Notices:

Wells Fargo Bank, National Association
8601 N. Scottsdale Road, Suite 200
Scottsdale, AZ 85253
Attention: Paul G. Hoefer

with a copy to:

Wells Fargo Bank, National Association

Attention: _____

ACKNOWLEDGMENT AND ACCEPTANCE BY TERM LOAN BORROWERS

The undersigned, constituting all of the Term Loan Borrowers and other Term Loan Parties, consent to and acknowledge the execution and delivery of the foregoing Agreement and agree that the foregoing Agreement and the other documents referred to therein constitute the New Secured Loan Documents as described in the Original Credit Agreement, as amended.

[Signature blocks to be revised and updated to reflect any changes in the Term Loan Borrowers/Guarantors]

TERM LOAN BORROWERS: AMERICAN WEST DEVELOPMENT, INC., a
Nevada corporation

By: _____
Name: Lawrence D. Canarelli
Title: President

TERM LOAN BORROWERS:

LAWRENCE D. CANARELLI, individually

HEIDI CANARELLI, individually

TERM LOAN BORROWERS:

LAWRENCE D. CANARELLI, as Trustee of The Canarelli Family Trust, established pursuant to Trust Agreement dated September 14, 1990, as amended by that certain First Amendment and Total Restatement dated December 3, 1993, as further amended by that certain Second Amendment dated August 8, 2006

TERM LOAN BORROWERS:

LAWRENCE D. CANARELLI, as Trustee of:

The Jeffrey Lawrence Graves Canarelli Irrevocable Trust, established pursuant to Trust Agreement dated February 24, 1998

The Scott Lyle Graves Canarelli Irrevocable Trust, established pursuant to Trust Agreement dated February 24, 1998

The Stacia Leigh Lemke Irrevocable Trust, established pursuant to Trust Agreement dated February 24, 1998

The Alyssa Lawren Graves Canarelli Irrevocable Trust, established pursuant to Trust Agreement dated October 24, 2002

HEIDI CANARELLI, as Trustee of:

The Jeffrey Lawrence Graves Canarelli Irrevocable Trust, established pursuant to Trust Agreement dated February 24, 1998

The Scott Lyle Graves Canarelli Irrevocable Trust, established pursuant to Trust Agreement dated February 24, 1998

The Stacia Leigh Lemke Irrevocable Trust, established pursuant to Trust Agreement dated February 24, 1998

The Alyssa Lawren Graves Canarelli Irrevocable Trust, established pursuant to Trust Agreement dated October 24, 2002

TERM LOAN BORROWERS:

LAWRENCE CANARELLI

HEIDI CANARELLI

as Family Trustees of the Lawrence Canarelli 2011
Irrevocable Trust

TERM LOAN BORROWERS:

HEIDI CANARELLI

LAWRENCE CANARELLI

as Family Trustees of the Heidi Canarelli 2011
Irrevocable Trust

TERM LOAN BORROWERS:

DEFERRED REVENUE, LLC, a Nevada limited liability company

By: _____

Name: Lawrence D. Canarelli

Title: Manager

TERM LOAN BORROWERS:

GAMEDAY, LLC, a Nevada limited liability company

By: Land Manager, Inc., a Nevada corporation,
its Manager

By: _____
Name: Dianne Ferraro
Title: President

TERM LOAN BORROWERS:

ADAVEN MANAGEMENT, INC., a Nevada corporation
AWH VENTURES, INC., a Nevada corporation
COLORADO COMPANIES, INC., a Nevada corporation
COLORADO HOUSING INVESTMENTS, INC., a Nevada corporation
COLORADO LAND INVESTMENTS, INC., a Nevada corporation
COLORADO LAND INVESTMENTS 2, INC., a Nevada corporation
HERITAGE 2, INC., a Nevada corporation
HIGHLANDS LAND INVESTMENT, INC., a Nevada corporation
KENSINGTON 2, INC., a Nevada corporation
MODEL RENTING COMPANY, INC., a Nevada corporation
WOODBIDGE 1, INC., a Nevada corporation
INDIANA INVESTMENTS, INC., a Nevada corporation

By: _____
Name: Lawrence D. Canarelli
Title: President

TERM LOAN BORROWERS:

AWH NORTH, LLC, a Nevada limited liability company

AWH NORTH NLV 2009, LLC, a Nevada limited liability company

CFT LANDS, LLC, a Nevada limited liability company

PARCEL NLV 1.3, L.L.C., a Nevada limited liability company

PARCEL NLV 1.4, L.L.C., a Nevada limited liability company

PARCEL NLV 1.13, L.L.C., a Nevada limited liability company

LEXINGTON 1, LLC, a Nevada limited liability company

NEWCASTLE 1, LLC, a Nevada limited liability company

NLV PARCEL 5.03, L.L.C., a Nevada limited liability company

CANFAM HOLDINGS, LLC, a Nevada limited liability company

FAIRMONT 2, LLC, a Nevada limited liability company

SJSA VENTURES, LLC, a Nevada limited liability company

LH VENTURES, LLC, a Nevada limited liability company

MODEL RENTING 2008, LLC, a Nevada limited liability company

MODEL RENTING 2009, LLC, a Nevada limited liability company

MODEL RENTING 2010, LLC, a Nevada limited liability company

SILVERADO SPRINGS 3, LLC, a Nevada limited liability company

MOUNTAIN WEST ASSOCIATES, LLC, a Nevada limited liability company

HLI, LLC, a Nevada limited liability company

By: Investment Manager, Inc., a Nevada corporation, their Manager

By: _____

Name: Lawrence D. Canarelli

Title: President

TERM LOAN BORROWERS:

ST. ROSE PARCEL, L.L.C., a Nevada limited liability company

By: _____

Name: Lawrence D. Canarelli

Title: Manager

TERM LOAN GUARANTORS:

C & H ADAMS LAND INVESTMENTS LLC, a
Colorado limited liability company
CS 2005 INVESTMENTS LLC, a Colorado limited
liability company
EH 2002 LLC, a Colorado limited liability company
GREEN VALLEY AURORA LLC, a Colorado
limited liability company
GREEN VALLEY EAST LLC, a Colorado limited
liability company
GVR KING COMMERCIAL LLC, a Colorado
limited liability company
GVR KING LLC, a Colorado limited liability
company
HC LAND INVESTMENTS LLC, a Colorado
limited liability company
TOWER ROAD FARMS LLC, a Colorado limited
liability company
YAMPA-TELLURIDE LAND INVESTMENTS
LLC, a Colorado limited liability company

By: _____

Name: Patrick H. Hamill

Title: Manager

By: _____

Name: Lawrence D. Canarelli

Title: Manager

EXHIBIT 1.1A
ASSIGNMENT AND ACCEPTANCE

EXHIBIT 1.1B
RECAPITALIZATION

EXHIBIT 4.1.3F
SIGNATURE AUTHORIZATION

[SUBJECT TO APPROVAL BY ADMINISTRATIVE AGENT]

EXHIBIT 5.1.5
LEGAL PROCEEDINGS

[SUBJECT TO APPROVAL BY ADMINISTRATIVE AGENT]

EXHIBIT 5.1.12A
MATERIAL AGREEMENTS

[SUBJECT TO APPROVAL BY ADMINISTRATIVE AGENT]

EXHIBIT 5.1.12B
MATERIAL DEFAULTS

[SUBJECT TO APPROVAL BY ADMINISTRATIVE AGENT]

EXHIBIT 5.1.13A
INDEBTEDNESS

[SUBJECT TO APPROVAL BY ADMINISTRATIVE AGENT]

EXHIBIT 5.1.19
INSURANCE CERTIFICATE

[SUBJECT TO APPROVAL BY ADMINISTRATIVE AGENT]

EXHIBIT 5.3
ORGANIZATIONAL CHART

[SUBJECT TO APPROVAL BY ADMINISTRATIVE AGENT]

EXHIBIT 7.7.2
EXISTING INVESTMENTS

[SUBJECT TO APPROVAL BY ADMINISTRATIVE AGENT]

NEW SECURED NOTE

\$ _____, 2011

FOR VALUE RECEIVED, the undersigned (collectively and jointly and severally, "Borrower") hereby promises to pay to _____, a _____, or registered assigns ("Lender"), in accordance with the provisions of the New Secured Loan Agreement (as hereinafter defined), the principal amount set forth above, which represents Lender's Pro Rata Interest in the New Secured Loan pursuant to that certain New Secured Loan Agreement of even date herewith (as amended, restated, supplemented or otherwise modified from time to time, the "New Secured Loan Agreement"), among Borrower, California Bank & Trust, a California banking corporation, as Administrative Agent ("Administrative Agent"), the Lender, and the other Lenders from time to time party thereto. All capitalized terms used herein and not otherwise defined shall have the meanings given to such terms in the New Secured Loan Agreement.

Borrower promises to pay interest on the unpaid principal amount of this Note from the date of advance until such principal amount is paid in full, at such interest rates and at such times as provided in the New Secured Loan Agreement. All payments of principal and interest shall be made to the Administrative Agent for the account of Lender in United States Dollars in immediately available funds as provided in the New Secured Loan Agreement. If any amount is not paid in full when due hereunder, such unpaid amount shall bear interest, to be paid upon demand, from the due date thereof until the date of actual payment (and before as well as after judgment), computed at the Default Rate. Payments and prepayments of principal shall be due and payable as and when provided in the New Secured Loan Agreement. All unpaid principal, interest and Other Amounts shall be due and payable in full on the Maturity Date.

This Note is one of the Notes referred to in the New Secured Loan Agreement, is entitled to the benefits thereof, and may be prepaid in whole or in part subject to the terms and conditions provided therein. Upon the occurrence and continuation of one or more of the Events of Default specified in the New Secured Loan Agreement, all amounts then remaining unpaid on this Note shall become, or may be declared to be, immediately due and payable, all as provided in the New Secured Loan Agreement.

THIS NOTE IS NOT ASSIGNABLE OR TRANSFERABLE, BY ENDORSEMENT OR OTHERWISE, EXCEPT AS EXPRESSLY PERMITTED PURSUANT TO THE NEW SECURED LOAN AGREEMENT. ANY ASSIGNEE OF THIS NOTE WILL BE SUBJECT TO ALL OF THE TERMS AND CONDITIONS OF THE NEW SECURED LOAN AGREEMENT AND THE LOAN DOCUMENTS AS DEFINED THEREIN.

Borrower hereby waives presentment, demand for payment, dishonor, notice of dishonor, protest, notice of protest and any other notice or formality, to the fullest extent permitted by applicable law.

THIS NOTE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE
WITH THE LAWS OF THE STATE OF ARIZONA.

[SIGNATURE PAGES FOLLOW]

BORROWER:

AMERICAN WEST DEVELOPMENT, INC., a
Nevada corporation

By: _____

Name: Lawrence D. Canarelli

Title: President

AMENDED AND RESTATED CONTINUING SECURITY AGREEMENT
(New Secured Notes)

DATE: _____, 2012

PARTIES: Debtor: AMERICAN WEST DEVELOPMENT, INC., a
Nevada corporation

Debtor's Address: 250 Pilot Road, Suite 140
Las Vegas, Nevada 89119
Attention: Lawrence D. Canarelli

Administrative Agent: CALIFORNIA BANK & TRUST, a California
banking corporation

Administrative Agent's c/o National Bank of Arizona
Address: 6001 North 24th Street
Phoenix, Arizona 85016
Attention: Bruce Weyers

Lenders: THE LENDERS LISTED ON THE SIGNATURE
PAGES TO THE NEW SECURED LOAN
AGREEMENT AND THE OTHER LENDERS
PARTY THERETO FROM TIME TO TIME
PURSUANT TO THE NEW SECURED LOAN
AGREEMENT

RECITALS

A. Debtor is one of the borrowers pursuant to that certain Term Loan Credit Agreement dated December 31, 2009 (the "Original Credit Agreement"), among California Bank & Trust, a California banking corporation, as Administrative Agent (the "Administrative Agent"), the Lenders listed on the signature pages thereto (the "Term Loan Lenders") and Lawrence D. Canarelli and Heidi Canarelli, individually, Lawrence D. Canarelli, as Trustee of the Canarelli Family Trust, Lawrence D. Canarelli and Heidi Canarelli, as Trustees of the Jeffrey Lawrence Graves Canarelli Irrevocable Trust, Lawrence D. Canarelli and Heidi Canarelli, as Trustees of the Scott Lyle Graves Canarelli Irrevocable Trust, Lawrence D. Canarelli and Heidi Canarelli, as Trustees of the Stacia Leigh Lemke Irrevocable Trust, Lawrence D. Canarelli and Heidi Canarelli, as Trustees of the Alyssa Lawren Graves Canarelli Irrevocable Trust, Lawrence Canarelli and Heidi Canarelli as Family Trustees of the Lawrence Canarelli 2011 Irrevocable Trust, Heidi Canarelli and Lawrence Canarelli as Family Trustees of the Heidi Canarelli 2011 Irrevocable Trust and The American West Group Borrowers (the "Term Loan Borrowers") and together with each Person that guaranties or is otherwise obligated in respect of the Original Credit Agreement or provides any security for the obligations pursuant to the Original Credit Agreement, the "Term Loan Parties"). As one of the Term Loan Borrowers, Debtor is jointly and severally liable with all other Term Loan Borrowers for payment and performance of the obligations pursuant to the Original Credit Agreement.

B. As more particularly described in that certain First Amendment to Loan Documents, dated February ___, 2012 (the "First Term Loan Amendment"), among Administrative Agent, Lenders and the Term Loan Borrowers, Lenders, among other things, consented to a Corporate Reorganization (as defined therein) pursuant to which certain entities that included (along with certain other Persons) some of the Term Loan Borrowers were merged into Debtor.

C. Substantially concurrently with the Corporate Reorganization, the Administrative Agent, Lenders, and Debtor entered into that certain Restructuring, Lock-Up and Settlement Letter Agreement (the "Settlement Agreement") pursuant to which, among other things, the Lenders agreed to settle claims against Debtor arising pursuant to the Original Credit Agreement, and the Lenders agreed to support a Chapter 11 reorganization plan with respect to Debtor in the form attached as Appendix 1 to the Settlement Agreement (the "Chapter 11 Plan"). On or about _____, Debtor commenced the Chapter 11 Case.

D. On or about _____, the Chapter 11 Plan was confirmed.

E. Pursuant to the Chapter 11 Plan, among other things, the Lenders, as the "holders of the secured claims" are entitled to receive in full satisfaction, settlement, release and exchange for their "Allowed Secured Claims", which claims include the secured claims arising against Debtor pursuant to the Original Credit Agreement, a New Secured Loan evidenced by the New Secured Loan Documents (as defined in the Chapter 11 Plan) including the New Secured Notes executed by the Reorganized Debtor and payable to the order of the Lenders in the aggregate principal amount of [\$49,635,000].

F. The Debtor's obligations pursuant to the Original Credit Agreement were secured by, among other things, that certain Continuing Security Agreement (Nevada Collateral) (the "Original Security Agreement") by Debtor and the other Term Loan Borrowers in favor of Administrative Agent for the benefit of Lenders. The collateral pursuant to the Original Credit Agreement included, without limitation, certain rights to payment arising in connection with or relating to (i) the Real Property Collateral (as defined in the Original Credit Agreement), (ii) any Lot (as defined in the Original Credit Agreement) included in the Real Property Collateral, or (iii) the Personal Property Collateral (as defined in the Original Credit Agreement), whether such rights are existing or arise in the future, whether due or to become due, and whether earned or not yet earned by performance. Such rights to payment of Debtor include, without limitation, the rights of Debtor to receive certain deferred payments from certain Affiliates of Debtor representing amounts due for lot development, unit construction and other related services for which Debtor has acted as general contractor pursuant to certain agreements.

G. Concurrently herewith, Debtor, Administrative Agent and Lenders have entered into that certain New Secured Loan Agreement (the "New Secured Loan Agreement") to evidence the New Secured Loan. The parties desire to enter into this Agreement to amend and restate the Original Security Agreement solely as to Debtor and to confirm that the Receivable continues to secure the obligations pursuant to the New Secured Loan Agreement, as more particularly described herein.

AGREEMENT

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Debtor agrees for the benefit of Lenders as follows:

1. SCHEDULE OF TERMS.

Obligations:

- (a) All indebtedness and obligations of Debtor now existing or hereafter arising from, or related to, the loans, advances and other credit accommodations (the "New Secured Loan") made available pursuant to that certain New Secured Loan Agreement, such indebtedness and obligations to include, without limitation, (i) all amounts now or hereafter advanced and outstanding with respect to the New Secured Loan pursuant to the New Secured Loan Documents, (ii) all protective advances with respect to the New Secured Loan pursuant to the New Secured Loan Documents, (iii) all interest, fees and charges now or hereafter existing with respect to the New Secured Loan pursuant to the New Secured Loan Documents, (iv) all other obligations, indebtedness and liabilities of Debtor to Administrative Agent and Lenders, or any of them, due or to become due, absolute or contingent, now or hereafter arising (A) with respect to the New Secured Loan under the New Secured Loan Documents, (B) with respect to indemnities pursuant to the New Secured Loan Documents, or (C) as a result of a breach of any covenant, representation or warranty under the New Secured Loan Documents, (v) all obligations of Debtor to reimburse or pay costs or expenses under the New Secured Loan Documents, (vi) all other amounts allocated to Debtor and for which Debtor is obligated pursuant to the New Secured Loan Documents and (vii) all other advances made by Administrative Agent with respect to the New Secured Loan after a default.
- (b) All indebtedness and obligations of Term Loan Borrowers now existing or hereafter arising from, or related to, the loans, advances and other credit accommodations (the "Term Loan") made available pursuant to the Original Credit Agreement, such indebtedness and obligations to include, without limitation, (i) all amounts now or hereafter advanced and outstanding with respect to the Term Loan pursuant to the Original Loan Documents, (ii) all protective advances with respect to the Term Loan pursuant to the Original Loan Documents, (iii) all interest, fees and charges now or hereafter existing with respect to the Term Loan pursuant to the Original Loan Documents, (iv) all other obligations, indebtedness and liabilities of Term Loan Borrowers to Administrative Agent and Lenders, or any of them, due or to become due, absolute or contingent, now or hereafter arising (A) with respect to the Term Loan under the Original Loan Documents, (B) with respect to indemnities pursuant to the Original Loan Documents, or (C) as a result of a breach of any covenant,

representation or warranty under the Original Loan Documents, (v) all obligations of Term Loan Borrowers to reimburse or pay costs or expenses under the Original Loan Documents, (vi) all other amounts allocated to Term Loan Borrowers and for which Term Loan Borrowers are obligated pursuant to the Original Loan Documents and (vii) all other advances made by Administrative Agent with respect to the Term Loan after a default.

- (c) Payment and performance of each other obligation of, and compliance with each term and condition applicable to, Debtor with respect to the New Secured Loan under the New Secured Loan Agreement, the Note, this Agreement and the other New Secured Loan Documents.
- (d) Payment and performance of each other obligation of, and compliance with each term and condition applicable to, Term Loan Borrowers with respect to the Term Loan under the Original Credit Agreement, the Note (as defined in the Original Credit Agreement), this Agreement and the other Original Loan Documents.
- (e) Payment and performance of all other obligations of Debtor to Administrative Agent, Lenders, or any of them, evidenced by a promissory note, guaranty, or other agreement, document, or instrument stating that the payment or performance thereof is secured by this Agreement.
- (f) Payment and performance of any and all obligations, contingent or otherwise, whether now existing or hereafter arising, of Debtor and Term Loan Borrowers (or any of them) arising under or in connection with Rate Management Transactions. "Rate Management Transaction" shall mean any transaction (including an agreement with respect thereto) now existing or hereafter entered into between Debtor or any Term Loan Borrower and California Bank & Trust, or any of its respective subsidiaries or affiliates, or their successors, which is a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, forward transaction, currency swap transaction, cross-currency rate swap transaction, currency option or any other similar transaction (including any option with respect to any of these transactions) or any combination thereof, whether linked to one or more interest rates, foreign currencies, commodity prices, equity prices or other financial measures.
- (g) All modifications, extensions and renewals of any of the obligations secured hereby, however evidenced, including, without limitation: (i) modifications of the required principal payment dates or interest payment dates or both, as the case may be, deferring or accelerating payment dates

wholly or partly; or (ii) modifications extensions or renewals at a different rate of interest whether or not, in the case of a note, the modification, extension or renewal is evidenced by a new or additional promissory note.

- (h) For the benefit of Administrative Agent only, compliance with and performance of any and all Requirements.

Name(s), fictitious name(s), and trade name(s) in which Debtor conducts business:

American West Development, Inc.
250 Pilot Road, Suite 140
Las Vegas, NV 89119

Location of chief executive office:

250 Pilot Road, Suite 140
Las Vegas, Nevada 89119
Attention: Lawrence D. Canarelli

Location of books and records relating to Collateral:

250 Pilot Road, Suite 140
Las Vegas, Nevada 89119
Attention: Lawrence D. Canarelli

2. DEFINITIONS. In this Agreement, the following terms shall have the following meanings, and all capitalized terms used in this Agreement not defined herein and (a) used or defined in the Uniform Commercial Code will have their respective meanings in the Uniform Commercial Code or (b) used or defined in the New Secured Loan Agreement will have their respective meanings in the New Secured Loan Agreement (whether or not designated in this Agreement):

“Agreement” means this Amended and Restated Continuing Security Agreement, as it may be amended, modified, extended, renewed, restated, or supplemented from time to time.

“Approvals and Permits” means each and all approvals, authorizations, bonds, consents, certificates, franchises, licenses, permits, registrations, qualifications, entitlements and other actions and rights granted by or filings with any Person necessary, or appropriate for acquisition and development of the Real Property Collateral, for the sale of Lots within the Real Property Collateral, for occupancy, ownership, operation, and use by Borrower and other Persons of the Real Property Collateral, or otherwise for the conduct of, or in connection with, the business and operations of Borrower.

“Chapter 11 Plan” means as defined in Recital C.

“Collateral” means any and all present and future right, title, interest, and claims of Debtor in and to the property, interests in property, and rights to property identified on Exhibit A hereto, regardless of whether such property, interests, and rights now exist or arise or come into existence hereafter and regardless of whether such property, interests, and rights are in the possession of Debtor, a bailee, or any other Person.

“Commitment” means any and all obligations of Administrative Agent from time to time to make advances to Debtor or to make other financial accommodations for Debtor.

“Event of Default” means as defined in Section 6.

“First Term Loan Amendment” means as defined in Recital B.

“Governmental Authority” means any arbitrator, other private adjudicator, court, government or governmental authority (federal, state, local or foreign).

“Improvements” means any improvements to Real Property Collateral or Real Property Inventory which is developed or constructed by or through Debtor or with respect to which Debtor is a general contractor or construction manager.

“Lien or Encumbrance” and “Liens and Encumbrances” mean each and all of the following in respect of any property: leases, other rights to occupy or use, mortgages, deeds of trust, pledges, security agreements, assignments, assignments as security, conditional sales, title retention arrangements or agreements, conditions, covenants, and restrictions, and other charges, liens, encumbrances, or adverse interests, whether voluntarily or involuntarily created and regardless of whether prior or subordinate to any estate, right, title, or interest granted to Debtor or Administrative Agent in this Agreement, excluding from the foregoing the Permitted Collateral Exceptions.

“Loan Documents” means as defined in the New Secured Loan Agreement.

“New Secured Loan” means as defined in Section 1(a).

“New Secured Loan Agreement” means as defined in Recital G.

“New Secured Loan Documents” means the “Loan Documents” as defined in the New Secured Loan Agreement.

“Note” means as defined in the New Secured Loan Agreement.

“Obligations” means as defined in Section 1 above.

“Original Credit Agreement” means as defined in Recital A.

“Original Loan Documents” means the “Loan Documents” as defined in the Original Credit Agreement.

“Original Security Agreement” means as defined in Recital F.

“Person” means a natural person, a partnership, a joint venture, an unincorporated association, a corporation, a limited liability company, a trust, any other legal entity, or any Governmental Authority.

“Real Estate Inventory” means as defined in the Original Credit Agreement.

“Real Property Collateral” means as defined in the Original Credit Agreement.

“Receivable” means as defined in the New Secured Loan Agreement.

“Receivable Agreements” means as defined in the New Secured Loan Agreement.

“Requirements” means any and all obligations, other terms and conditions, requirements, and restrictions in effect now or in the future relating to any or all Collateral (including, without limitation, such obligations, other terms and conditions, restrictions, and requirements imposed by: (a) any law, ordinance, regulation, or rule (federal, state, or local); (b) any Approvals and Permits; (c) any insurance policies; (d) any other agreement, document, or instrument; or (e) any judgment, order, or decree of any arbitrator, other private adjudicator, or Governmental Authority).

“Rights to Payment” means any and all rights of Debtor to payment and performance under the Accounts, Chattel Paper, General Intangibles, Instruments, Letter of Credit Rights (as such terms are defined in Exhibit A) and other agreements, documents, and instruments to the extent arising in connection with, or relating to, the Real Property Collateral, any Lot included within the Real Property Collateral or any other Collateral, whether existing now or arising or coming into existence in the future, whether now due or to become due, and whether earned or not yet earned by performance, together with (a) all guaranties of such rights to payment and performance, and (b) all interests and rights of Debtor in property, interests in property, and rights to property securing such rights to payment and performance (including, without limitation, any statutory lien rights of Debtor). For avoidance of doubt, the Rights to Payment include, without limitation, the Receivable.

“Rights to Payment Agreements, Documents, and Instruments” means all agreements, documents, and instruments (including, but not limited to, the Receivable Agreements) from time to time evidencing, guarantying, securing, or otherwise relating to the Rights to Payment, as they heretofore may have been and hereafter from time to time may be amended, modified, extended, renewed, supplemented, and restated from time to time.

“Rights to Payment Debtor” means a Person obligated to pay one or more of the Rights to Payment to Debtor.

“Settlement Agreement” means as defined in Recital C.

“Term Loan” means as defined in Section 1(b).

“Term Loan Borrowers” means as defined in Recital A.

“Term Loan Collateral” means all property and interests in property, whether real or personal and whether now or hereafter existing that secure the Term Loan.

“Term Loan Lenders” means as defined in Recital A.

“Transfer” means (a) any sale, transfer, conveyance, hypothecation, encumbrance, lease or vesting of the Collateral or any part thereof or interest therein to or in any Person, whether voluntary, involuntary, by operation of law or otherwise, (b) any sale, transfer, assignment, conveyance, hypothecation, encumbrance or vesting of any shares of stock in Debtor, or (c) any other sale, transfer, assignment, conveyance, hypothecation, encumbrance, or vesting of any other direct or indirect interest in Debtor that results in a Change in Control as defined in the New Secured Loan Agreement.

“Uniform Commercial Code” means the Uniform Commercial Code as in effect from time to time in the State of Arizona.

3. ASSIGNMENT, PLEDGE, AND GRANT OF SECURITY INTEREST. Debtor assigns, pledges and grants to Administrative Agent for the benefit of Lenders a security interest in the Collateral to secure the full and timely payment and performance of the Obligations.

4. DEBTOR REPRESENTATIONS AND WARRANTIES. Debtor represents and warrants to Administrative Agent as of the date of this Agreement:

4.1 Ownership and Possession of Collateral. Debtor is the legal and beneficial owner of the Collateral. There are no Liens and Encumbrances on the Collateral or claims thereof. There is no Financing Statement now filed or recorded covering any of the Collateral except for the Financing Statements in favor of Administrative Agent for the benefit of Lenders pursuant to the Original Credit Agreement. Debtor is in exclusive possession of the Collateral.

4.2 Validity, Perfection, and Priority of Security Interest. The security interest granted in this Agreement (a) is legal, valid, binding, and enforceable, (b) is a perfected security interest in all Collateral, and (c) is a first priority security interest in all Collateral. No consent or approval of any party is required with respect to Debtor’s granting of a security interest therein in favor of Administrative Agent or, if such consent is required, Debtor has taken or will take all actions necessary to obtain such consent.

4.3 Names; Location of Collateral; Place of Business, Chief Executive Office, or Residence; and Books and Records. Debtor’s state of organization is Nevada. Debtor conducts its business and other activities solely in the name(s), fictitious name(s), and trade name(s) set forth in Section 1. The Collateral, the chief executive office, and all books and records of Debtor relating to the Collateral are at the location(s) set forth in Section 1.

5. DEBTOR COVENANTS. Until the Obligations are indefeasibly paid and performed in full, Debtor agrees that, unless Administrative Agent and Required Lenders (or all of the Lenders if and to the extent required pursuant to Section 9.21 of the New Secured Loan Agreement) agree in writing:

5.1 Obligations; Requirements; Approvals and Permits. Debtor shall pay and perform the Obligations, shall comply with and perform the Requirements, shall obtain and maintain the Approvals and Permits (except for any failure to obtain and maintain in full force and effect any Approval or Permit that would not, individually or in the aggregate, be materially adverse to the business, properties, assets, operation or condition (financial or otherwise) of Debtor, taken as a whole, or materially and adversely affect any of the Collateral), and shall do so at Debtor's sole cost and expense.

5.2 Transfer; Liens and Encumbrances; Defense of Debtor's Title and of Security Interest; Possession of Collateral.

(a) Restrictions on Transfers and Liens and Encumbrances. Debtor shall not suffer to occur any Transfer. Debtor shall not suffer to exist any Lien or Encumbrance on any or all Collateral, regardless of whether junior or senior to the security interest granted herein. Debtor shall notify Administrative Agent immediately of any claim of any Lien or Encumbrance on any or all Collateral. Debtor shall not execute or suffer to exist or to be filed or recorded any Financing Statement that covers any or all Collateral.

(b) Defense of Debtor's Title and of Security Interest. Debtor shall defend the Collateral, the title and interest therein of Debtor represented and warranted in this Agreement, and the legality, validity, binding nature, and enforceability of the security interest granted herein, the perfection thereof, and the first priority thereof against all matters, including, without limitation, (i) any attachment, levy, or other seizure by legal process or otherwise of any or all Collateral, (ii) any Lien or Encumbrance or claim thereof on any or all Collateral, (iii) any attempt to realize upon any or all Collateral under any Lien or Encumbrance, regardless of whether permitted pursuant to the Loan Documents and regardless of whether junior or senior to the security interest herein, and (iv) any claim questioning the legality, validity, binding nature, enforceability, perfection, or priority of the security interest herein. Debtor shall notify Administrative Agent promptly in writing of any of the foregoing.

(c) Possession of Collateral. Debtor shall have possession of the Collateral at all times, except where expressly otherwise permitted in this Agreement or where Administrative Agent chooses to perfect its security interest in any Collateral by possession (in addition to the filing of a Financing Statement).

(d) Control. Debtor will cooperate with Administrative Agent, as well as take any and all actions requested by Administrative Agent, in order to allow Administrative Agent to obtain control with respect to any Collateral consisting of Accounts, Investment Property, Letter-of-Credit Rights or Electronic Chattel Paper.

5.3 Books and Records; Names; Place of Business, Chief Executive Office, or Residence. Debtor shall maintain complete and accurate books and records relating to

the Collateral and shall keep all such books and records at the location set forth in Section 1 above. Except as permitted pursuant to the New Secured Loan Agreement, Debtor (a) shall preserve its existence and not, in one transaction or a series of related transactions, merge into or consolidate with any other entity, and (b) shall not change (i) its organizational identification number or, if Debtor does not now have an organizational identification number and later obtains one, it will not change such organizational identification number or (ii) its state of organization.

5.4 Inspection and Verification. Administrative Agent and such Persons as Administrative Agent may designate shall have the right, at any reasonable time from time to time, (a) to enter upon the premises at which any of the Collateral or any of the books and records included in the Collateral or relating to the business, operations, or financial condition of Debtor is located, (b) to inspect the Collateral and such books and records, (c) to make copies and extracts from such books and records, and (d) to verify under reasonable procedures determined by Administrative Agent the amount, condition, quality, quantity, status, validity, and value of, or any other matter relating to, the Collateral. Debtor shall provide access to such premises and information, whether or not under the control of Debtor. Debtor hereby authorizes all Rights to Payment Debtors and all Persons that have possession of any of the Collateral, any such books and records, or any information concerning the matters set forth in this Section 5.4 to furnish Administrative Agent with such information and with access to such Collateral and such books and records and to cooperate with Administrative Agent in the exercise of their rights under this Agreement. Administrative Agent shall be entitled to reimbursement for the expense of such inspection only to the extent provided in the New Secured Loan Agreement.

5.5 Further Assurances. Debtor shall promptly execute, acknowledge, deliver, and permit to be duly filed and recorded all such additional agreements, documents, and instruments (including, without limitation, Financing Statements) and take all such other actions as Administrative Agent may reasonably request from time to time to better assure, perfect, preserve, and protect the Security Interest granted herein, the priority thereof, and the rights and remedies of Administrative Agent.

5.6 Enforcement of Rights. Debtor shall diligently enforce all of its rights and remedies with respect to the Collateral and Debtor shall not waive or release any such rights.

5.7 Taxes and Claims. Debtor shall promptly pay when due any and all property, excise, and other taxes and all assessments, duties, and other charges levied or imposed on any or all Collateral or imposed on Debtor in respect of any or all Collateral, this Agreement, or the security interest granted herein. Debtor shall also pay when due any and all lawful claims that, if unpaid, might become a Lien or Encumbrance on any or all Collateral.

5.8 No Obligations and Limit of Liability. Administrative Agent and the Lenders do not assume and shall have no liability or obligation for any liabilities or obligations of Debtor relating to the Collateral. In exercising rights and remedies in the

Loan Documents and under applicable law, in performing any obligations to Debtor, and in acting or omitting to act in respect of the Collateral and this Agreement, Administrative Agent, Lenders, and their respective stockholders, directors, officers, employees, and representatives shall have no liability or responsibility whatsoever (including, without limitation, any liability or obligation for any injury to the assets, business, operations, or property of Debtor), other than for gross negligence or willful misconduct. Notwithstanding the foregoing and any other requirements applicable to Administrative Agent under the Loan Documents or applicable law, Administrative Agent and Lenders shall not be obligated and the standard of care shall not include an obligation to take any of the following actions, even if demanded by Debtor, (a) to sell or otherwise dispose of any Collateral that is fluctuating in value, (b) to make any inquiry as to the nature or sufficiency of any payment received by Administrative Agent or any Lender, (c) to present or file any claim or notice, (d) to enforce or preserve the rights of Debtor against any other Person, (e) to notify Debtor with respect to the payment or performance or non-payment or non-performance of any third Person obligations included in the Collateral, (f) to enforce the payment or performance by any third Person of obligations included in the Collateral, (g) to ascertain or take any action with respect to due dates, maturities, or other matters relating to the Collateral, whether or not Administrative Agent or any Lender actually has or is deemed to have knowledge of such matters, or (h) to notify Debtor of any other occurrence relating to the Collateral or any obligor of the Collateral.

5.9 Costs and Expenses of Performance of Debtor's Covenants. Debtor will perform all its obligations under this Agreement at its sole cost and expense.

5.10 Actions by Administrative Agent; Power of Attorney.

(a) Actions by Administrative Agent. If Debtor fails to pay or perform any of the Obligations of Debtor, Administrative Agent, in its sole and absolute discretion, may pay or perform the same in such manner and to such extent as Administrative Agent determines necessary or appropriate in its sole and absolute discretion (i) without obligation so to do, (ii) without releasing Debtor from such Obligations, (iii) without affecting the failure to perform such Obligations as an Event of Default, (iv) without affecting the other rights and remedies of Administrative Agent under the New Secured Loan Documents and at law, and (v) without notice to or demand upon Debtor.

(b) Powers. Without limiting the general powers of Administrative Agent, whether conferred herein, in any other New Secured Loan Document, or by law, upon an Event of Default or in exercising its rights under Section 5.10(a), Administrative Agent shall, acting alone, have the right but not the obligation to take any or all actions (in its own name or in the name of Debtor at the risk of Debtor) that Administrative Agent may deem (in its sole and absolute discretion) necessary for the maintenance, preservation, or protection of any of the Collateral or the interest of Administrative Agent, which actions may include, without limitation, (i) entering upon any premises where any Collateral is located, to take possession of any or all Collateral, to remove any or all Collateral, to exclude

therefrom Debtor and all others claiming under Debtor, and in this regard Debtor agrees and hereby authorizes any Person having possession of any or all Collateral to grant Administrative Agent access to such premises, to give Administrative Agent possession of such Collateral, and to permit Administrative Agent to remove such Collateral; (ii) maintaining, managing, operating, preserving, protecting, reclaiming, recovering, refurbishing, repairing, restoring, shipping, and storing the Collateral; (iii) exercising and enforcing the rights, remedies, and privileges of Debtor with respect to the Collateral; (iv) adjusting, compromising, defending, depositing a bond or giving security in connection with, discharge, enforce, make demands related to, pay or otherwise obtain the discharge or release, prosecute, release, settle, terminate, or waive any rights and remedies of Debtor with respect to the Collateral, any obligations of any Person included in the Collateral, or any claim or legal proceeding by or against Debtor relating to any or all Collateral (including, without limitation, claims under any insurance policies, claims for any condemnation or similar proceeding, and claims against Debtor or the Collateral that Administrative Agent believes to be valid regardless of whether actually valid); (v) commencing, appearing and participating in, prosecuting, and terminating any legal proceeding relating to (A) the Collateral, (B) Administrative Agent or Administrative Agent's and Lenders' security interest in the Collateral, (C) the perfection or priority of Administrative Agent's security interest in the Collateral, or (D) the rights or remedies of Administrative Agent under the Loan Documents or the law; and (vi) paying from Administrative Agent's own funds or paying from proceeds of advances pursuant to the New Secured Loan Agreement, which advances Debtor hereby authorizes Administrative Agent to make for account of Debtor, all costs, expenses, and fees (including, without limitation, reasonable attorneys' fees and costs of legal proceedings) related to any of the foregoing incurred by Administrative Agent, which costs, expenses, and fees, if paid from Administrative Agent's own funds, Debtor agrees to pay to Administrative Agent on demand together with interest thereon at the Default Rate from the date incurred until paid in full. All monies advanced by Administrative Agent in connection with any of the foregoing, together with interest thereon shall constitute additional Obligations secured hereby. The making of any such advance by Administrative Agent shall not, however, relieve Debtor of liability for any default hereunder until the full amount of all such monies so advanced and such interest thereon shall have been repaid by Debtor to Administrative Agent and such default shall have otherwise been cured. Notwithstanding the foregoing, all powers set forth herein are subject to and limited by the New Secured Loan Agreement.

(c) Power of Attorney. Effective from and after an Event of Default Debtor hereby appoints Administrative Agent as Debtor's attorney-in-fact to perform the obligations of Debtor under this Agreement upon a failure by Debtor to do so and to take the other actions described in Section 5.10(b) as and when provided in such section. This power of attorney is coupled with an interest and is irrevocable. This power of attorney shall not be affected by the disability of the principal. Any Person may rely conclusively upon an oral or written statement by Administrative Agent that this appointment as attorney-in-fact remains in full

force and effect and that the conditions for Administrative Agent to exercise the powers granted herein are satisfied. No confirmation by Debtor of any such statement by Administrative Agent shall be required.

(d) No Limitation on Rights or Remedies. Nothing in this Agreement shall relieve Debtor of any of its obligations under any Loan Document or under any other agreement, document, or instrument.

5.11 Filing or Recording as a Financing Statement. Administrative Agent may file or record a photographic, or other copy or reproduction of this Agreement as a Financing Statement.

6. EVENTS OF DEFAULT. Each of the following shall constitute an event of default ("Event of Default"):

6.1 The occurrence of any Event of Default, as such term is defined in the New Secured Loan Agreement or the Original Credit Agreement.

6.2 The occurrence of any Transfer, unless prior to such Transfer the Administrative Agent has delivered to Debtor a written consent to such Transfer.

6.3 Failure by Debtor to perform any obligation or to comply with any other term or conditions in this Agreement and the continuation of such failure for thirty (30) days after notice thereof from Administrative Agent.

6.4 Any representation and warranty made by Debtor in this Agreement or otherwise or any information delivered by any Debtor to Administrative Agent in obtaining or hereafter in connection with the New Secured Loan Documents is materially incomplete, incorrect or misleading as of the date made or delivered, except to the extent such Debtor shall have disclosed any material adverse changes in matters covered by such representations and warranties and Administrative Agent shall have approved such changes in its sole and absolute discretion.

7. RIGHTS AND REMEDIES. Upon occurrence of an Event of Default, Administrative Agent may, at its option, in its sole and absolute discretion and without demand or notice (and shall at the option of the Required Lenders) do any or all of the following:

7.1 Acceleration of Obligations. Declare any or all Obligations to be immediately due and payable, whereupon such Obligations shall be immediately due and payable.

7.2 Possession and Other Actions Concerning Collateral. Either in person or by Administrative Agent, with or without bringing any action or legal proceeding, without regard to the adequacy of the security now or hereafter granted to Administrative Agent, enter upon any premises in which any or all Collateral is located, take possession of any or all Collateral, and take any or all actions described in Section 5.10 above. If Administrative Agent demands, or attempts to take possession of any or all Collateral, Debtor shall promptly assemble such Collateral and turn over and deliver possession of

such Collateral to Administrative Agent at a place designated by Administrative Agent and convenient to Administrative Agent and Debtor. At such time, if any, an Event of Default exists hereunder, then if Administrative Agent shall request, Debtor shall mark all Chattel Paper constituting Accounts as having been assigned to Administrative Agent.

7.3 Replevin. To the extent permitted by applicable law, as a matter of right and without notice to Debtor or anyone claiming under Debtor, Administrative Agent shall be entitled to orders of replevin by a court of any or all Collateral from time to time.

7.4 Appointment of Receiver. As a matter of right and without notice to Debtor or any one claiming under Debtor, without regard to the then value of the Collateral or any other property, interests in property, or rights to property securing the Obligations, without regard to the solvency of Debtor, and without regard to any other matters normally taken into account by courts in the discretionary appointment of a receiver, from and after the occurrence of an Event of Default, Administrative Agent shall be entitled to appointment of a receiver to take possession of any or all Collateral. Any such receiver or receivers shall have all the usual powers and duties of receivers in like or similar cases and shall also have all the powers of Administrative Agent set forth in Section 5.10 above. It is the intention of Debtor that Administrative Agent be entitled to appointment of a receiver with the foregoing powers upon occurrence of an Event of Default and application by Administrative Agent therefor. Debtor hereby irrevocably consents to the appointment of a receiver, which receiver may be an officer or employee of Administrative Agent, and to the grant of the above referenced powers to such receiver. To the extent permitted by applicable law, Debtor agrees that a receiver may be appointed without notice to Debtor whatsoever and hereby waives notice. Debtor waives any right to suggest or nominate any Person as receiver in opposition to the Person designated by Administrative Agent.

7.5 Retain the Collateral as Payment. Upon written notice to Debtor, retain the Collateral in satisfaction of the Obligations in accordance with the Uniform Commercial Code in effect in the jurisdiction in which any of the Collateral is located. Unless such written notice is given, retention of the Collateral by Administrative Agent shall not be in satisfaction of any of the Obligations.

7.6 Delivery of Chattel Paper and Accounts. During the existence of an Event of Default, Debtor will, at the request of Administrative Agent, deliver all Chattel Paper, Instruments and other evidence of Rights to Payment to Administrative Agent. During the existence of an Event of Default, Debtor will, at the request of Administrative Agent mark any invoices or other documents evidencing Accounts (whether Chattel Paper or other Accounts) as having been assigned to Administrative Agent and will, if requested by Administrative Agent, deliver all such invoices and other documents or copies thereof to Administrative Agent along with such lists, computer printouts and other information as may be necessary or desirable in order to enable Administrative Agent to identify, verify and collect the Accounts.

7.7 Payments. During the existence of an Event of Default, Administrative Agent may direct all Rights to Payment Debtors to make all payments with respect to the

Rights to Payment and any Accounts, Chattel Paper, General Intangibles, and Instruments in connection therewith payable directly to Administrative Agent for application to the Obligations. Debtor hereby authorizes and directs each Rights to Payment Debtor to make such payments to Administrative Agent at any time demanded by Administrative Agent notwithstanding any contrary demand or objection by Debtor or any Person on Debtor's behalf.

7.8 Other Rights and Remedies. Exercise any and all other rights and remedies of Administrative Agent under the New Secured Loan Documents and the law. In this regard, Administrative Agent may, among any other rights and remedies, sell or otherwise dispose of any or all Collateral at public or private sale for cash, upon credit (with or without security), in exchange in whole or in part for other property, or for future delivery as Administrative Agent shall deem appropriate; provided that Administrative Agent has no obligation to clean up or otherwise prepare the Collateral for sale. As to sale or other disposition of the Collateral, except as to the Collateral that is perishable, threatens to decline speedily in value, or is of a type customarily sold on a recognized market as to which no notice shall be required, Administrative Agent will give Debtor reasonable notice of the time and place of any public sale or of the time after which any private sale or any other intended disposition is to be made. Debtor agrees that any such notice shall be sufficient if given at least fifteen (15) days prior to such sale or other disposition. Administrative Agent may be a purchaser at any sale. Administrative Agent may pay the purchase price at any sale by crediting the amount of the purchase price against the Obligations.

8. APPLICATION OF PROCEEDS. After an Event of Default, all cash and all cash Proceeds of Collateral received by Administrative Agent will be applied to the Obligations, whether or not due, in such order as Administrative Agent shall determine in its sole and absolute discretion, subject to the terms of the New Secured Loan Agreement and any requirements of law. Any other proceeds of Collateral will be credited against the Obligations only upon conversion into cash and receipt of such cash by Administrative Agent. Administrative Agent may elect to delay crediting any checks and other non-cash items against the Obligations until the expiration of such period of time after receipt thereof by Administrative Agent as Administrative Agent determines is sufficient to allow for clearance and final payment thereof. Any credit to the Obligations prior to such time shall be conditional upon final payment to Administrative Agent of the check or other non-cash item giving rise to such credit. If application of the Collateral is not sufficient to pay the Obligations in full, Debtor shall remain obligated for the remaining Obligations.

9. CONTINUATION AND TERMINATION. This Agreement shall continue in effect until (a) payment and performance in full of all Obligations pursuant to the New Secured Loan Agreement, (b) payment and performance in full of the obligations pursuant to the Original Credit Agreement, and (c) payment and performance in full of any other Obligations. Upon the occurrence of all events described in (a) through (c), this Agreement shall terminate and Administrative Agent shall return any Collateral then held by Administrative Agent to Debtor, its successors, or assigns, or as the law or a court of competent jurisdiction may direct.

10. AUTHORIZATION TO FILE FINANCING STATEMENTS AND FURTHER ASSURANCES. Debtor hereby authorizes Administrative Agent any time and from time to time to file any initial financing statements, amendments thereto, and continuation statements with or without the signature of Debtor (as authorized by applicable law) with respect to the Collateral or any portion thereof. For purposes of such filing, Debtor agrees to furnish any information requested by Administrative Agent promptly upon request by Administrative Agent. Debtor also ratifies its authorization for Administrative Agent to have filed any like financial statements, amendments thereto, or continuation statements if filed prior to the date of this Agreement. Debtor hereby irrevocably constitutes and appoints Administrative Agent or any officer or agent of Administrative Agent, with full power of substitution, as its true and lawful attorneys-in-fact, with full irrevocable power and authority in the place and stead of Debtor or in Debtor's own name to execute in Debtor's name any such documents and to otherwise carry out the purposes of this Section 10 to the extent that Debtor's authorization above is not sufficient. To the extent permitted by law, Debtor hereby ratifies and affirms all acts said attorneys-in-fact shall lawfully do, have done in the past, or caused to be done in the future by virtue hereof. This power of attorney is a power coupled with an interest and shall be irrevocable. In addition, Debtor agrees to take all such other actions as Administrative Agent may reasonably request from time to time to better assure, perfect, preserve, and protect the Security Interest granted herein, the priority thereof, and the rights and remedies of Administrative Agent. The reasonable costs and expenses of Administrative Agent with respect to such actions shall be payable by Debtor on demand.

11. INDEMNIFICATION. Debtor agrees to assume liability for and to indemnify, protect, save and keep harmless Administrative Agent and its respective successors, assigns, Administrative Agent and servants, for, from and against any claims, damages, losses, liabilities, costs and expenses in any way relating to or arising out of this Agreement, or the manufacture, purchase, acceptance, rejection, ownership, delivery, lease, possession, use, operation, condition, sale, return or other disposition of any Collateral (including, without limitation, latent and other defects, whether or not discoverable by Administrative Agent or Debtor, and any claim for patent, trademark or copyright infringement).

12. INSURANCE. Debtor shall at all times maintain or cause to be maintained, at its own cost and expense, property damage insurance with respect to the amounts, against such risks, in such form and with such insurance companies, underwriters or funds as shall be required pursuant to the New Secured Loan Agreement.

13. PROVISIONS IN OTHER LOAN DOCUMENTS GOVERN THIS AGREEMENT. This Agreement is subject to certain terms and provisions in each promissory note and any guaranty evidencing or guarantying any of the Obligations, to which reference is made for a statement of such terms and provisions. In the event of any conflict between the terms and conditions of this Agreement and any Deed of Trust with respect to any Collateral, the terms and conditions of the Deed of Trust shall control.

14. COUNTERPARTS. This Agreement may be executed in counterparts, all of which executed counterparts shall together constitute a single document. Signature pages may be detached from the counterparts and attached to a single copy of this Agreement to form physically one document.

15. WAIVER OF PERSONAL PROPERTY EXEMPTIONS. DEBTOR ACKNOWLEDGES DEBTOR'S EXPRESS INTENT TO HEREBY WAIVE AND ABANDON ALL PERSONAL PROPERTY EXEMPTIONS GRANTED BY LAW UPON ANY OR ALL COLLATERAL. NOTICE: BY SIGNING THIS AGREEMENT, DEBTOR WAIVES ALL RIGHTS PROVIDED BY LAW TO CLAIM ANY OR ALL COLLATERAL EXEMPT FROM PROCESS.

16. NOTICES. Except to the extent that telephonic notice by Administrative Agent to Debtor may be permitted pursuant to the New Secured Loan Agreement, all demands or notices under this Agreement shall be given in accordance with the New Secured Loan Agreement and shall be effective as provided in the New Secured Loan Agreement.

17. CHOICE OF LAW. THIS AGREEMENT AND THE TRANSACTION CONTEMPLATED HEREUNDER SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF ARIZONA, WITHOUT GIVING EFFECT TO CONFLICT OF LAWS PRINCIPLES, EXCEPT TO THE EXTENT THAT THE STATE IN WHICH THE COLLATERAL IS LOCATED MAY REQUIRE THAT ITS LAWS BE APPLIED TO THE CREATION AND PRIORITY OF LIENS, TO THE PERFECTION OF SECURITY INTEREST AND TO ANY FORECLOSURE, TRUSTEE'S SALE, APPOINTMENT OF RECEIVER OR OTHER REMEDY WITH RESPECT TO THE COLLATERAL. ANY PROCEDURES PROVIDED HEREIN FOR SUCH REMEDIES SHALL BE MODIFIED AND REPLACED WITH, WHERE INCONSISTENT WITH OR REQUIRED BY, ANY PROCEDURES OR REQUIREMENTS OF THE LAWS OF THE STATE IN WHICH THE COLLATERAL IS LOCATED.

18. JURY TRIAL WAIVER. ADMINISTRATIVE AGENT, DEBTOR AND EACH LENDER HEREBY VOLUNTARILY, KNOWINGLY, IRREVOCABLY AND UNCONDITIONALLY WAIVE ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE (WHETHER BASED UPON CONTRACT, TORT OR OTHERWISE) BETWEEN OR AMONG THE UNDERSIGNED, AND ADMINISTRATIVE AGENT AND/OR ANY LENDER ARISING OUT OF OR IN ANY WAY RELATED TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT. THIS PROVISION IS A MATERIAL INDUCEMENT TO ADMINISTRATIVE AGENT AND LENDERS TO PROVIDE THE FINANCING DESCRIBED HEREIN OR IN THE OTHER LOAN DOCUMENTS.

19. CLASS ACTION WAIVER. EACH PARTY WAIVES THE RIGHT TO LITIGATE IN COURT OR ARBITRATE ANY CLAIM OR DISPUTE AS A CLASS ACTION, EITHER AS A MEMBER OF A CLASS OR AS A REPRESENTATIVE, OR TO ACT AS A PRIVATE ATTORNEY GENERAL.

20. Amendment and Restatement. This Agreement is an amendment and restatement of the obligations of Debtor pursuant to the Original Security Agreement. This Agreement does not otherwise amend, restate, release, terminate or revise any security interests granted by the Term Loan Borrowers, or any of their obligations, pursuant to the Original Security Agreement which remains in full force and effect as to the Term Loan Borrowers other than Debtor.

21. Certain Waivers and Other Matters.

21.1 Without limiting any other provision hereof, the Obligations are intended to be absolute, continuing, irrevocable, and unconditional. The Obligations shall be effective and remain in full force and effect until paid and performed in full, regardless of (a) the genuineness, regularity, legality, validity, or enforceability of any or all of the liens and security interests securing the Obligations, (b) any law, ordinance, regulation, or rule (federal, state, or local) or any action by any Governmental Authority discharging, reducing, varying the terms of payment, or otherwise modifying any of the Obligations or any of the Liens that secure the Obligations, or (c) the death, dissolution, or liquidation of any Term Loan Borrower or other Term Loan Party.

21.2 Administrative Agent and Lenders may enforce the New Secured Loan Documents against Debtor and the Collateral without first having sought enforcement of the Original Loan Documents or the Term Loan Collateral against the Term Loan Borrowers, the Term Loan Parties or any other Person.

21.3 The following shall not affect, impair, or delay the enforcement of any or all Obligations or any or all Liens granted by Debtor, regardless of the impact upon any contribution, exoneration, indemnification, reimbursement, subrogation, and other rights of Debtor: (a) the bankruptcy, death, disability, dissolution, incompetence, insolvency, liquidation, or reorganization of any Term Loan Borrower or any other Term Loan Party; (b) any defense of any or all Term Loan Borrowers or other Term Loan Parties to payment or performance of any or all Obligations, or enforcement of any or all Liens securing the Obligations; (c) the discharge, modification of the terms of, reduction in the amount of, or stay of enforcement of any or all Liens securing the Obligations or any or all Obligations in any bankruptcy, insolvency, reorganization, or other legal proceeding or by any law, ordinance, regulation, or rule (federal, state, or local); (d) the cessation of liability of any or all Term Loan Borrowers or other Term Loan Parties for any or all Obligations; or (e) any claim or dispute by any Term Loan Borrower, any other Term Loan Party, or any other Person concerning the occurrence of an event of default, the performance of any Obligations, or any other matter.

21.4 Administrative Agent and Lenders may do the following acts and omissions from time to time in their absolute and sole discretion and in doing such acts and omissions may act in its absolute and sole discretion without notice to or consent of Debtor and with or without receiving payment or other value. The following acts and omissions shall not affect, delay, or impair the enforcement of any or all Obligations or any or all Liens granted by Debtor, regardless of the impact upon any contribution, exoneration, indemnification, reimbursement, subrogation, and other rights of Debtor: (a) Administrative Agent and Lenders may obtain Term Loan Collateral or additional Term Loan Collateral; (b) Administrative Agent and Lenders may substitute for any or all Term Loan Collateral, regardless of whether the same type or greater or lesser value; (c) Administrative Agent and Lenders may release any or all Term Loan Collateral; (d) Administrative Agent and Lenders may compromise, delay enforcement, fail to enforce, release, settle, or waive any rights and remedies of Administrative Agent and Lenders as to any or all Term Loan Collateral; (e) except for any requirements provided by law that may not be waived by Debtor, Administrative Agent and Lenders may sell or otherwise dispose of any Term Loan Collateral in any manner and order Administrative Agent

and Lenders determine in their absolute and sole discretion and disposition may be for no value or for less than fair market value of the Term Loan Collateral in the absolute and sole discretion of Administrative Agent and Lenders; (f) Administrative Agent and Lenders may fail to perfect, fail to protect the priority of, and fail to insure any or all liens, encumbrances and security interests; (g) Administrative Agent and Lenders may fail to inspect, insure, maintain, preserve, or protect any or all Term Loan Collateral; (h) Administrative Agent and Lenders may obtain additional obligors for any or all Obligations of the Term Loan Parties; (i) Administrative Agent and Lenders may increase or decrease any or all Obligations of the Term Loan Parties or otherwise change the terms of any or all Obligations of the Term Loan Parties (including, without limitation, increases or decreases in the interest rate, additional advances, increases or decreases in any loan amount, changes in the maturity date of any or all Obligations of the Term Loan Parties, and changes in the amount and timing of payments); (j) upon occurrence of an Event of Default Administrative Agent and Lenders may declare all Obligations immediately due and payable or performable, whereupon the Obligations shall be immediately due and payable or performable; (k) Administrative Agent and Lenders may substitute for any or all Term Loan Parties, regardless of the same creditworthiness; (l) Administrative Agent and Lenders may release Term Loan Borrowers, any other Term Loan Parties, and other obligors; (m) Administrative Agent and Lenders may compromise, delay enforcement, fail to enforce, release, settle, or waive any or all Obligations of any Term Loan Borrower or any or all other Term Loan Parties and any or all rights and remedies of Administrative Agent and Lenders against any Term Loan Borrower, any or all other Term Loan Parties, and other obligors; (n) Administrative Agent and Lenders may make advances, issue letters of credit, or grant other financial accommodations for Term Loan Borrowers and other Term Loan Parties without requiring satisfaction of any or all conditions in the Original Loan Documents; (o) Administrative Agent and Lenders may fail to file or pursue a claim in any bankruptcy, insolvency, probate, reorganization, or other proceeding as to any or all liens, encumbrances and security interests or any or all Obligations of the Term Loan Parties; (p) Administrative Agent and Lenders may subordinate any or all Liens securing the Obligations of the Term Loan Parties; (q) Administrative Agent and Lenders may amend, modify, extend, renew, restate, supplement, or terminate in whole or in part any or all Original Loan Documents; (r) Administrative Agent and Lenders may apply any amount received by any of them (including, without limitation, payments, proceeds of collateral, and other amounts) on account of any liabilities or obligations of any Term Loan Party to Administrative Agent and Lenders, whether or not included in the Obligations, to payment of such of the liabilities or obligations of such Term Loan Party to Administrative Agent and Lenders as they may elect in their absolute and sole discretion, whether or not then due; (s) Administrative Agent and Lenders may take or fail to take any other action with respect to any or all Term Loan Documents, any or all Obligations of the Term Loan Parties, any or all obligors, any or all Term Loan Collateral, any or all liens, encumbrances and security interests, or any or all rights and remedies of Administrative Agent and Lenders; (t) Administrative Agent and Lenders may assign any or all of their respective rights and delegate their respective obligations under the Term Loan Documents, in whole or in part (including, without limitation, participations); (u) Administrative Agent and Lenders may do any other acts and make any other omissions that result in extinguishment of any or all Obligations of the Term Loan Parties and any or all Liens securing the Obligations of the Term Loan Parties; and (v) Administrative Agent and Lenders may do any other act or make any other omission that might otherwise constitute a legal or equitable discharge of, or defense by, Debtor.

21.5 Debtor waives, to the full extent permitted by law, presentment, notice of dishonor, protest, notice of protest, notice of intent to accelerate, notice of acceleration, notice of dishonor, and all other notices or demands of any kind (including, without limitation, notice of the acceptance by Administrative Agent or Lenders of this Agreement, notice of the existence, creation, non-payment, or non-performance of any or all Obligations of the Term Loan Parties, notice of the revocation of any obligations by any obligor, and notice of the acts or omissions described in Section 21.4), excepting only notices specifically provided for in the New Secured Loan Documents.

21.6 Debtor waives any defense to enforcement of the Obligations or any Liens granted by Debtor based on acts and omissions of Administrative Agent and Lenders described in this Section 21.

21.7 Debtor waives any and all rights and benefits under Arizona Revised Statutes ("A.R.S.") Sections 12-1641, 12-1642, 12-1643, 12-1644, 44-142, and 47-3606, 16 A.R.S. Rules of Civil Procedure, Rule 17(f), and any other similar or replacement statutes or rules now or hereafter in effect and any other statutes or rules now or hereafter in effect that purport to confer specific rights upon, or make specific defenses or procedures available to, guarantors. Debtor waives any and all provisions of law and equitable principles that conflict with this Agreement and the New Secured Loan Documents.

21.8 Debtor waives any right to require Administrative Agent and Lenders, and Administrative Agent and Lenders shall have no obligation, to provide to Debtor any information concerning performance of the Obligations by the Term Loan Parties, the ability of the Term Loan Parties to perform the Obligations, or any other matter, regardless of what information Administrative Agent and Lenders may have from time to time.

21.9 Debtor waives any and all present and future claims, remedies, and rights of Debtor against Term Loan Borrower, any other Term Loan Party, the Term Loan Collateral, and any other property, interests in property, or rights to property of Term Loan Borrowers or any other Term Loan Party (a) arising from any performance by Debtor hereunder, (b) arising from any application of any Collateral or any other property, interests in property, or rights to property of Debtor to payment or performance of the Obligations, or (c) otherwise arising in respect of the Loan Documents, regardless of whether such claims, remedies, and rights arise under any present or future agreement, document, or instrument or are provided by any law, ordinance, regulation, or rule (federal, state, or local) (including, without limitation, (x) any and all rights of contribution, exoneration, indemnity, reimbursement, and subrogation, and (y) any and all rights to participate in the rights and remedies of Administrative Agent and Lenders against Term Loan Borrowers, any other Term Loan Parties, and the Term Loan Collateral).

[SIGNATURE PAGE FOLLOWS]

DATED as of the date first above stated.

DEBTOR:

AMERICAN WEST DEVELOPMENT, INC., a
Nevada corporation

By: _____

Name: Lawrence D. Canarelli

Title: President

EXHIBIT A
DESCRIPTION OF PERSONAL PROPERTY

All of Debtor's right, title and interest in and to the following (including without limitation to the extent that the following constitutes "Accounts", "Cash proceeds", "Chattel paper", "Collateral", "Deposit account", "Electronic chattel paper", "Equipment", "Fixtures", "General intangibles", "Goods", "Instrument", "Inventory", "Investment property", "Letter-of-credit right", "Noncash proceeds", "Proceeds", and "Tangible chattel paper", as defined in the Uniform Commercial Code):

(a) The Receivable, the Receivable Agreements and all Accounts, Rights to Payment, and other rights in connection therewith;

(b) All personal property, (including, without limitation, all goods, supplies, equipment, furniture, furnishings, fixtures, machinery, inventory, construction materials and software embedded in any of the foregoing) in which Debtor now or hereafter acquires an interest or right, together with any interest of Debtor in and to personal property which is leased or subject to any superior security interest, and all books, records, leases and other agreements, documents, and instruments of whatever kind or character, relating to such personal property;

(c) All fees, income, rents, issues, profits, earnings, receipts, royalties, and revenues which, after the date hereof and while any portion of the Obligations remains unpaid or unperformed, may accrue from such personal property or any part thereof or from any other part of the Collateral, or which may be received or receivable by Debtor from any hiring, using, letting, leasing, subhiring, subletting, subleasing, occupancy, operation, sale or use thereof;

(d) All of Debtor's present and future rights to receive payments of money, services, or property, including, without limitation, rights to all deposits from tenants or purchasers, rights to receive capital contributions or subscriptions from Debtor's members, partners or shareholders, amounts payable on account of the sale of membership or partnership interests in Debtor or the capital stock of Debtor, accounts and other accounts receivable, deposit accounts, chattel paper, (whether tangible or electronic) notes, drafts, contract rights, instruments, general intangibles, and principal, interest and payments due on account of goods sold or leased, services rendered, loans made or credit extended, together with title to or interest in all agreements, documents, and instruments, evidencing, securing or guarantying the same;

(e) All other intangible property (and related software) and rights relating to the personal property described in this Exhibit A or the operation, occupancy, or use thereof, including, without limitation, all governmental and private contracts, agreements, permits, licenses, and approvals, all trade names and trademarks, copyrights, patent and copyright applications and registrations, patterns, designs, drawings, plans and specifications, other proprietary information and intellectual property, and royalties, and all management agreements, and all goodwill and software;

(f) Debtor's rights under all insurance policies covering the Collateral (or any part thereof) and any and all proceeds, loss payments, and premium refunds payable regarding the same;

(g) All reserves, deferred payments, deposits, refunds, cost savings, and payments of any kind relating to the construction of any Improvements;

(h) All causes of action, claims, compensation, and recoveries for any damage to, destruction of, or condemnation or taking of any part of the Collateral, or for any conveyance in lieu thereof, whether direct or consequential, or for any damage or injury to the Collateral, or for any loss or diminution in value of the Collateral;

(i) All architectural, structural, mechanical, and engineering plans and specifications prepared for construction of Improvements and all studies, data, and drawings related thereto; and also all contracts and agreements of the Debtor relating to the aforesaid plans and specifications or to the aforesaid studies, data, and drawings or to the construction of Improvements, including, without limitation, (i) all development agreements, construction agreements, grading contracts, purchase agreements; and (ii) those plans and specifications, contracts and permits assigned to Administrative Agent pursuant to certain assignments dated as of the same date as the Agreement;

(j) All proceeds from sale or disposition of any of the aforesaid collateral;

(k) All Debtor's rights in proceeds of the loan evidenced by the Note; and

(l) All of Debtor's rights under any other agreements affecting the Real Property Collateral, whether now existing or hereafter arising.

As used in this Exhibit A the terms "Obligations", "Note", "Real Property Collateral", and "Uniform Commercial Code" shall have the meanings set forth in the Agreement to which this Exhibit A is attached.

EXHIBIT 1.1T

RECEIVABLE AGREEMENTS

1. Design-Build Agreement dated February 1, 2012, between Woodbridge I, Inc., American West Development, Inc., and Canfam Holdings, LLC.
2. Design-Build Agreement dated February 1, 2012, between Silverado Summit, LLC, American West Development, Inc., and Canfam Holdings, LLC.
3. Design-Build Agreement dated February 1, 2012, between Silverado Springs 3, LLC, American West Development, Inc., and Canfam Holdings, LLC.
4. Design-Build Agreement dated February 1, 2012, between Silverado Springs 2, LLC, American West Development, Inc., and Canfam Holdings, LLC.
5. Design-Build Agreement dated February 1, 2012, between Reserve 1, LLC, American West Development, Inc., and Canfam Holdings, LLC.
6. Design-Build Agreement dated February 1, 2012, between Newcastle 1, LLC, American West Development, Inc., and Canfam Holdings, LLC.
7. Design-Build Agreement dated February 1, 2012, between Lexington 1, LLC, American West Development, Inc., and Canfam Holdings, LLC.
8. Design-Build Agreement dated February 1, 2012, between Kingsbridge 2, LLC, American West Development, Inc., and Canfam Holdings, LLC.
9. Design-Build Agreement dated February 1, 2012, between Kensington 2, Inc., American West Development, Inc., and Canfam Holdings, LLC.
10. Design-Build Agreement dated February 1, 2012, between Inverness 2010, LLC, American West Development, Inc., and Canfam Holdings, LLC.
11. Design-Build Agreement dated February 1, 2012, between Fairmont 2, LLC, American West Development, Inc., and Canfam Holdings, LLC.
12. Design-Build Agreement dated February 1, 2012, between Carmel Hills, LLC, American West Development, Inc., and Canfam Holdings, LLC.
13. Design-Build Agreement dated February 1, 2012, between Brookside I, LLC, American West Development, Inc., and Canfam Holdings, LLC.
14. Marketing and Administrative Services Agreement dated February 1, 2012, between American West Development, Inc. and Brookside I, LLC.
15. Marketing and Administrative Services Agreement dated February 1, 2012, between American West Development, Inc. and Carmel Hills, LLC.

16. Marketing and Administrative Services Agreement dated February 1, 2012, between American West Development, Inc. and Fairmont 2, LLC.
17. Marketing and Administrative Services Agreement dated February 1, 2012, between American West Development, Inc. and Inverness 2010, LLC.
18. Marketing and Administrative Services Agreement dated February 1, 2012, between American West Development, Inc. and Kensington 2, Inc.
19. Marketing and Administrative Services Agreement dated February 1, 2012, between American West Development, Inc. and Kingsbridge 2, LLC.
20. Marketing and Administrative Services Agreement dated February 1, 2012, between American West Development, Inc. and Lexington 1, LLC.
21. Marketing and Administrative Services Agreement dated February 1, 2012, between American West Development, Inc. and Newcastle 1, LLC.
22. Marketing and Administrative Services Agreement dated February 1, 2012, between American West Development, Inc. and Reserve 1, LLC.
23. Marketing and Administrative Services Agreement dated February 1, 2012, between American West Development, Inc. and Silverado Springs 2, LLC.
24. Marketing and Administrative Services Agreement dated February 1, 2012, between American West Development, Inc. and Silverado Springs 3, LLC.
25. Marketing and Administrative Services Agreement dated February 1, 2012, between American West Development, Inc. and Silverado Summit, LLC.
26. Marketing and Administrative Services Agreement dated February 1, 2012, between American West Development, Inc. and Woodbridge 1, Inc.

EXHIBIT 1.1U

DIP LOAN AGREEMENT

[See Attached]

THIS DEBTOR-IN-POSSESSION REVOLVING CREDIT AGREEMENT

Dated as of 2/28, 2012, is entered into by and between AMERICAN WEST DEVELOPMENT, INC. ("Borrower"); and AWH VENTURES, INC. ("Lender").

RECITALS

WHEREAS, Borrower anticipates filing a voluntary petition with the Bankruptcy Court¹ initiating the Chapter 11 Case in which Borrower will continue in the possession of its assets and in the management of its business pursuant to Bankruptcy Code sections 1107 and 1108;

WHEREAS, an immediate and on-going need exists for Borrower to obtain funding in order to continue the operation of its business as debtor-in-possession under chapter 11 of the Bankruptcy Code and, accordingly, Borrower has requested that Lender agree to extend post-petition financing to Borrower;

WHEREAS, Lender is willing to make Loans to Borrower upon the terms and conditions set forth herein;

WHEREAS, all Exhibits hereto, or expressly identified in this Agreement, are incorporated herein by reference, and taken together, shall constitute but a single agreement.

NOW, THEREFORE, in consideration of the premises and the mutual covenants hereinafter contained, and for other good and valuable consideration, Borrower and Lender agree as follows:

¹ Capitalized terms not defined where they first appear are defined in Section 1.1 hereof.

ARTICLE I
DEFINITIONS

1.1 Defined Terms.

Capitalized terms used in this Agreement shall have the following respective meanings, and all Section references in the following definitions shall refer to Sections of this Agreement:

“Agreement” shall mean this Debtor-in-Possession Revolving Credit Agreement, as the same may from time to time be amended, modified or supplemented.

“Avoidance Actions” shall mean causes of action under chapter 5 of the Bankruptcy Code and the proceeds thereof.

“AWDI” shall mean American West Development, Inc., as set forth in the preamble.

“Bankruptcy Code” shall mean 11 U.S.C. §§ 101, *et seq.*, as the same may from time to time be amended and in effect and applicable to the Chapter 11 Case.

“Bankruptcy Court” shall mean the United States Bankruptcy Court for the District of Nevada.

“Bankruptcy Rules” shall mean the Federal Rules of Bankruptcy Procedure, as the same may from time to time be amended and in effect and applicable to the Chapter 11 Case.

“Borrower” shall mean AWDI, as set forth in the preamble.

“Borrower’s Reorganization Plan” shall mean the Debtor’s Chapter 11 Plan of Reorganization attached as Exhibit “1” to the Restructuring, Lock-Up and Settlement Letter Agreement between Borrower and the Pre-Petition Lenders.

“Borrowing Availability” shall mean, at any time, (a) the aggregate amount of the Maximum Commitment Amount at such time, *less* (b) the Carve-Out, *less* (c) the then Total Utilization of Revolving Loan Commitments.

“Business Day” shall mean a day other than a Saturday, Sunday or other day on which commercial banks in Nevada are authorized or required by law to close.

“Carve-Out” shall mean (i) all fees required to be paid to the Clerk of the Bankruptcy Court and to the Office of the United States Trustee pursuant to 28 U.S.C. § 1930, and (ii) an amount not exceeding three million dollars (\$3,000,000) in the aggregate, which amount may be used after the occurrence and during the continuation of an Event of Default, to pay the fees and expenses of professionals retained by Borrower and any Committee and allowed (or allowable) by the Bankruptcy Court (as to which allowed or allowable fees and expenses Lender waives any right to seek disgorgement).

“Cash Budget” shall mean collectively Borrower’s operating budget, which shall: (a) be in form and substance reasonably acceptable to Lender; (b) cover a rolling 13-week period; and (c) include, on a line item basis (i) budgeted cash receipts (including as a result of the receipt of proceeds from any Revolving Loans); (ii) anticipated disbursements (including payments required under the terms hereof); and (iii) projected weekly cash balance.

“Cash Collateral” shall have the meaning set forth in Bankruptcy Code section 363(a).

“Cash Management Claims” shall have the meaning ascribed thereto in Section 8.9 hereof.

“Chapter 11 Case” shall mean the case to be commenced by Borrower upon filing a voluntary petition for relief under chapter 11 of the Bankruptcy Code.

“Commitment Effective Date” shall mean the date that the Final Order is entered.

“Commitment Termination Date” shall mean the earliest of (a) the Maturity Date, (b) the date on which any Reorganization Plan confirmed in the Chapter 11 Case becomes effective, or (c) the date on which an existing Event of Default (defined below) is no longer subject to cure.

“Committee” shall mean the official committee of unsecured creditors or any other committee appointed in the Chapter 11 Case under Bankruptcy Code section 1102.

“DIP Collateral” shall have the meaning ascribed thereto in Section 2.11 hereof.

“DIP Lien” shall have the meaning ascribed thereto in Section 2.11 hereof.

“DIP Superpriority Claim” shall have the meaning ascribed thereto in Section 2.10 hereof.

“Dollars” or “\$” shall mean lawful currency of the United States of America.

“Event of Default” shall have the meaning ascribed thereto in Section 7.1 hereof.

“Final Order” shall mean the order of the Bankruptcy Court entered in the Chapter 11 Case after a final hearing under Bankruptcy Rule 4001(c)(2), which order shall be in form and substance reasonably satisfactory to Lender, and from which no appeal or motion to reconsider has been timely filed, or if timely filed, such appeal or motion to reconsider has been dismissed or denied (unless Lender waives such requirement), together with all extensions, modifications and amendments thereto, and which, among other matters but not by way of limitation, approves this Agreement, authorizes Borrower to obtain credit pursuant to the terms hereof, provides that Lender shall not be subject to the doctrine of marshalling, and approves Borrower’s waiver of any rights to seek a surcharge against Lender under Bankruptcy Code section 506(c).

“Initial Cash Budget” shall mean the Cash Budget for the 13-week period commencing on the Petition Date, a copy of which is attached hereto as **Exhibit “A.”**

“Lender” shall mean AWH Ventures, Inc., as set forth in the preamble, or its permitted assignee.

“Lien” shall mean (a) any mortgage, pledge, statutory deemed trust, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge or other security

interest or any preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including, without limitation, any conditional sale or other title retention agreement and any financing lease having substantially the same economic effect as any of the foregoing and the filing of any financing statement under the UCC (other than the filing of any such financing statement which states therein that such filing is a precautionary filing only and is filed in connection with "true leases" only) or comparable law of any jurisdiction), (b) any arrangement or agreement which prohibits any loan party from creating any mortgage, pledge, hypothecation, deposit arrangement, encumbrance, lien, charge or other security interest, or from entering into any agreement or arrangement described in clause (a) of this definition or (c) the sale, assignment, pledge or transfer for security of any accounts, general intangibles or chattel paper of any loan party with or without recourse.

"Loans" shall mean the Revolving Loans.

"Loan Documents" shall mean this Agreement, the Revolving Notes and all other agreements, instruments, documents and certificates executed and delivered to, or in favor of, Lender and including all other pledges, powers of attorney, consents, assignments, contracts, agreements, notices, and all other written matter whether heretofore, now or hereafter executed by or on behalf of Borrower in connection with this Agreement or the transactions contemplated hereby. Any reference in this Agreement or any other Loan Document to a Loan Document shall include all exhibits thereto, and all amendments, restatements, supplements or other modifications thereto, and shall refer to such Agreement as the same may be in effect at any and all times such reference becomes operative.

“Maturity Date” shall mean fifteen (15) months from the Petition Date, unless otherwise agreed in writing by Borrower and Lender (for which no Bankruptcy Court approval, other than approval of this Agreement, will be required).

“Maximum Commitment Amount” shall mean ten million dollars (\$10,000,000).

“Notes” shall mean the Revolving Notes.

“Obligations” shall mean the aggregate principal amount of all outstanding Revolving Loans, together with all accrued and unpaid interest thereon and all of the obligations of Borrower to Lender under the Loan Documents (including, without limitation, any extensions, modifications, substitutions, amendments or renewals of any or all of the foregoing obligations), whether direct or indirect, absolute or contingent, and whether for principal, interest, premium, fees, costs or expenses (including without limitation all fees and disbursements of counsel for Lender that are required to be paid by Borrower pursuant to the Loan Documents).

“Petition Date” shall mean the date on which Borrower files a voluntary petition under chapter 11 of the Bankruptcy Code to commence the Chapter 11 Case.

“Pre-Petition Credit Agreement” shall mean that certain Term Loan Credit Agreement among California Bank & Trust (individually and as Administrative Agent and as Lead Arranger), Wells Fargo Bank, National Association (individually and as Syndication Agent), certain other lenders, certain borrowers (including Borrower) and certain guarantors dated as of December 31, 2009 (as amended from time to time, and including exhibits thereto).

“Pre-Petition Lenders” shall mean the “Lenders” as defined in the Pre-Petition Credit Agreement.

“Pre-Petition Lenders’ Collateral” shall mean “Collateral” as defined in the Pre-Petition Credit Agreement to the extent such Collateral is owned by Borrower. Borrower and Lender

acknowledge and agree that for purposes of this Agreement, the Pre-Petition Lenders' Collateral intended to be included in this definition includes the Receivable.

"Pre-Petition Lenders' Superpriority Claim" shall have the meaning ascribed thereto in Section 2.12(b)(iii) hereof.

"Prior Liens" shall mean any and all valid and duly perfected Liens encumbering the Pre-Petition Lenders' Collateral in existence and senior to the interests of the Pre-Petition Lenders as of the Petition Date.

"Receivable" shall mean the right of Borrower to receive deferred payments due from certain affiliates representing amounts due for lot development, unit construction and other related services for which Borrower has acted as general contractor pursuant to agreements memorialized as (i) various Marketing and Administrative Services Agreements between Borrower and certain affiliated home-selling entities, and (ii) various Design-Build Agreements between Borrower, certain affiliated land-owning entities and certain affiliated home-selling entities.

"Reorganization Plan" shall mean a plan of reorganization or liquidation filed in the Chapter 11 Case.

"Replacement Liens" shall have the meaning ascribed thereto in Section 2.12(b)(ii) hereof.

"Revolving Loan" shall have the meaning ascribed thereto in Section 2.1 hereof.

"Revolving Loan Commitment" means Lender's commitment to make Revolving Loans to Borrower as set forth herein.

"Revolving Note" shall have the meaning ascribed thereto in Section 2.2 hereof.

"Stay Notice Period" shall have the meaning ascribed thereto in Section 7.2 hereof.

“Subordination Agreement” shall have the meaning ascribed thereto in in Section 8.9 hereof.

“Total Utilization of Revolving Loan Commitments” means, as of any date of determination, the sum of the aggregate principal amount of all outstanding Revolving Loans, including interest and fees.

“Transferee” shall have the meaning ascribed thereto in Section 8.4(c) hereof.

“U.S. Bank” means U.S. Bank National Association..

“Value Diminution” means any diminution in the value as of the Petition Date of the Pre-Petition Lenders’ interest in the Pre-Petition Lenders’ Collateral caused by the imposition of the automatic stay, Borrower’s borrowing under this Agreement and/or Borrower’s use of Cash Collateral and other Pre-Petition Lenders’ Collateral (any such diminution to be determined by agreement or order of the Bankruptcy Court after notice and a hearing).

1.2 Other Definitional Provisions.

(a) Unless otherwise specified therein, all terms defined in this Agreement shall have their respective defined meanings when used in the Notes or other documents made or delivered pursuant hereto.

(b) As used herein, in the Notes or other documents made or delivered pursuant hereto, accounting terms relating to Borrower and accounting terms partly defined in Section 1.1 hereof, to the extent not defined herein, shall have the respective meanings given to them under normal and customary use.

(c) The words “hereof,” “herein” and “hereunder” and words of similar import, when used in this Agreement, shall refer to this Agreement as a whole, including all Exhibits, as the same may from time to time be amended, restated, modified or supplemented, and not to any

particular section, subsection or clause contained in this Agreement or any such Exhibit. The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

(d) Unless the context otherwise requires, each reference herein to any agreement, document or instrument (including the Loan Documents) shall be deemed a reference to such agreement, document or instrument as amended, restated, supplemented or otherwise modified from time to time.

(e) The term “includes” and “including” shall not be construed to imply any limitation.

(f) In this Agreement, in the computation of periods of time from a specified date to a later specified date, the word “from” means “from and including” and the words “to” and “until” each mean “to but excluding.” Periods of days referred to in this Agreement shall be counted in calendar days unless Business Days are expressly prescribed. Any period determined hereunder by reference to a month or months or a year or years shall end on the day in the relevant calendar month in the relevant year, if applicable, immediately preceding the date numerically corresponding to the first day of such period, provided that if such period commences on the last day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month during which such period is to end), such period shall, unless otherwise expressly required by the other provisions of this Agreement, end on the last day of the calendar month.

1.3 Payment Terms; References to Money.

Except as expressly set forth herein to the contrary, (a) all payments made by Borrower shall be made in Dollars in respect of principal and interest on the Revolving Loans, and (b) to

the extent not otherwise indicated, all amounts of money referenced herein shall mean and be references to amounts of money denominated in Dollars.

ARTICLE II

AMOUNT AND TERMS OF REVOLVING LOANS

2.1 Revolving Loan Commitments.

Subject to the terms and conditions hereof (including without limitation the conditions precedent set forth in ARTICLE IV hereof), Lender agrees to make Revolving Loans (each, a “Revolving Loan”) to Borrower from time to time until the Commitment Termination Date in an aggregate principal amount at any one time outstanding not to exceed the Borrowing Availability, in all instances subject to the Cash Budget; provided that:

- (a) compliance with the Cash Budget shall be deemed satisfied if the actual aggregate expenditures for every four-week period (i.e. post-petition weeks one through four, five through eight, etc.) do not exceed by more than twenty-five percent (25%) the aggregate budgeted amount for such four-week period as set forth in the Cash Budget;
- (b) to the extent that the full amount of any of the expenses budgeted for a particular four-week period under the Cash Budget is not disbursed during such four-week period, the unused balance shall be added to the amount of budgeted expenses for ensuing four-week periods and the Cash Budget shall be deemed to be amended (and approved) to reflect the same, such that Borrower may use such unused budgeted amounts in subsequent four-week periods in addition to originally budgeted amounts for such four-week periods; and

(c) Lender shall not be permitted or required to make any Revolving Loan if: (i) after giving effect thereto, the sum of the outstanding aggregate principal amount of Revolving Loans would exceed the Maximum Commitment Amount; or (ii) after giving effect thereto, the aggregate outstanding principal amount of Revolving Loans outstanding would exceed the Borrowing Availability.

Until the Commitment Termination Date, Borrower may from time to time borrow, prepay the Revolving Loans in whole or in part, and re-borrow under this Section 2.1, all in accordance with the terms and conditions hereof and in accordance with the applicable Cash Budget. Revolving Loans within the Maximum Commitment Amount may be borrowed, repaid and re-borrowed, at all times subject to and in accordance with the Cash Budget, on and after the Commitment Effective Date until the Commitment Termination Date. Lender agrees that the Initial Cash Budget is in form and substance acceptable to Lender, and that it may be used, among other purposes, for purposes of the motion seeking entry of the Final Order.

Each Revolving Loan shall be denominated in Dollars.

2.2 Revolving Notes.

The Revolving Loan made by Lender shall be evidenced by a promissory note of Borrower made to the order of Lender substantially in the form of **Exhibit "B"** hereto (a "Revolving Note"), with appropriate insertions as to date and principal amount, payable to the order of Lender and in a principal amount equal to the lesser of (a) the Maximum Commitment Amount, and (b) the aggregate unpaid principal amount of all Revolving Loans made by Lender. Each Revolving Note shall (i) be dated as of the date it is executed, (ii) be stated to mature on the Maturity Date or such earlier date the Revolving Loans shall be due and payable in full, whether

by acceleration or otherwise, pursuant to the terms of this Agreement, and (iii) provide for the payment of interest.

2.3 Procedure for Revolving Loans and Payments.

(a) Borrower may obtain Revolving Loans until the Commitment Termination Date on any Business Day; provided that (i) Borrower may not make more than one borrowing per calendar week, and (ii) each borrowing of a Revolving Loan shall be in an amount equal to but not less than \$10,000 or a whole multiple of \$10,000 in excess thereof. Prior to 4:00 p.m. prevailing Pacific Time on the Borrowing Date requested by Borrower, Lender will make the amount of the Revolving Loan available to the account of Borrower.

(b) The Revolving Loans shall be paid in full on the Commitment Termination Date, pursuant and subject to the terms herein, including, without limitation, section 2.13 hereof. The Revolving Loan Commitment shall terminate at the close of business on the Business Day immediately preceding the Maturity Date, unless sooner terminated in accordance with the terms hereof.

2.4 Lender Expenses.

Borrower shall reimburse Lender for all reasonable out-of-pocket costs and expenses incurred in connection with this Agreement and the Chapter 11 Case, including, without limitation, related due diligence and preparation, negotiation, execution, delivery, administration and enforcement of the Loan Documents and ongoing expenses related to the Revolving Loans, including attorney and advisor fees and expenses, limited in the case of attorneys and advisors, to the reasonable fees, charges and disbursements of counsel for Lender.

2.5 Interest Rates and Payment Dates.

(a) Each Revolving Loan shall bear interest at a rate *per annum* of fifteen percent (15.0%).

(b) Notwithstanding the foregoing, in the event an Event of Default has occurred and is continuing, the Revolving Loan shall bear interest at a rate *per annum* equal to the rate set forth above plus three percent (3.0%) from the date of occurrence of such Event of Default until the date such Event of Default is cured or waived.

2.6 Computation of Interest.

(a) Interest shall accrue and compound monthly. All computations of interest and fees payable hereunder shall be made on the basis of a year of 365 days, in each case for the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest or fees are payable.

(b) Any payment of interest hereunder shall be subject to any applicable withholding taxes, and any amount withheld under this Section shall be treated as having been paid by Borrower to Lender for all purposes.

2.7 Prepayments.

(a) Borrower may, at any time and from time to time prepay the Revolving Loans, in whole or in part, without premium or penalty, upon irrevocable written notice to Lender by 11:00 a.m. prevailing Pacific Time on such date of prepayment, in each case specifying the date and amount of prepayment. If any such notice is given, the amount specified in such notice shall be due and payable on the date specified therein, together with any amounts payable, accrued interest to such date on the amount prepaid and any outstanding fees and expenses then due and owing.

(b) If at any time the Total Utilization of the Revolving Loan Commitments exceeds the Maximum Commitment Amount, Borrower shall within ten (10) Business Days repay the aggregate outstanding Revolving Loan to the extent required to eliminate such excess.

(c) Repayment of the Obligations, including any prepayment of Obligations, shall be applied in the following order of priority:

(i) first, to the payment of all costs and expenses that are due and payable to Lender on such date under and in respect of this Agreement; and

(ii) second, to the payment of the outstanding principal amount of all of the Revolving Loans that are due and payable to Lender on such date, together with all accrued and unpaid interest thereon.

2.8 Use of Proceeds.

(a) The Cash Budget contemplates that Borrower will obtain Revolving Loans as needed to maintain a minimum working capital balance of not less than one million dollars (\$1,000,000). Borrower shall utilize the proceeds of the Loan in accordance with the Cash Budget solely for (i) funding the operations of Borrower's business and properties, (ii) making adequate protection payments to the Pre-Petition Lenders, (iii) paying expenses incurred for the administration of the Chapter 11 Case, including paying reasonable compensation of professional fees and expenses, (iv) paying of any contractual obligations, and (v) repaying the Revolving Loans; provided that Borrower shall be permitted to pay compensation and reimbursement of expenses allowed, allowable or authorized by the Bankruptcy Court and payable under Bankruptcy Code sections 330 and 331 in accordance with the Cash Budget. The Carve-Out shall not be reduced by the amount of any compensation and reimbursement of expenses paid or incurred (to the extent ultimately allowed or allowable by the Bankruptcy Court) prior to the

occurrence of an Event of Default in respect of which the Carve-Out is invoked, and Lender waives any right to seek disgorgement thereof; provided, however, that nothing herein shall be construed to impair the ability of Lender to object to the reasonableness of any of the fees, expenses, reimbursement or compensation sought by the professionals retained by Borrower or any Committee.

(b) Under no circumstances shall any proceeds of any Revolving Loan or any of Lender's Cash Collateral be used to pursue any action or joinder in any action, counter-claim, proceeding, application, motion, objection, defense or other contested matter, the purpose of which is to seek any order, determination or similar relief (i) challenging the legality, validity, priority, perfection or enforceability (as the case may be) of any of the Obligations, the DIP Superpriority Claim, the DIP Lien or any other claim of Lender against Borrower or its estate, other than the reasonableness of fees or expenses for which Lender seeks reimbursement; (ii) invalidating, setting aside, avoiding or subordinating, in whole or in part, any of the foregoing; (iii) seeking authority to use any of Lender's Cash Collateral without Lender's consent, other than as provided herein; and (iv) otherwise seeking monetary relief against Lender other than for a breach of this Agreement.

2.9 Separate Loans Not To Exceed Commitment.

All Loans to Borrower and all of the other Obligations of Borrower arising under this Agreement and the other Loan Documents shall constitute separate loans to Borrower, evidenced by a separate promissory note executed by Borrower; provided, however, that the total outstanding balance of all Loans by Borrower shall not exceed the Maximum Commitment Amount.

2.10 DIP Superpriority Claim.

Pursuant to Bankruptcy Code section 364(c)(1), the Obligations of Borrower hereunder and under the Loan Documents shall at all times constitute allowed administrative expense claims in the Chapter 11 Case having priority over all claims against Borrower now existing or hereafter arising, of any kind whatsoever, including, without limitation, the Pre-Petition Lenders' Superpriority Claims and all other administrative expenses of the kinds and over any and all administrative expenses or other claims arising under Bankruptcy Code sections 105, 326, 328, 330, 331, 503(b), 506(c), 507(a), 507(b), 726, 1113 or 1114 (the "DIP Superpriority Claim"), which DIP Superpriority Claim shall be (a) subject to the Carve-Out, (b) subject to the Subordination Agreement, and (c) applicable to any Avoidance Actions.

2.11 DIP Lien.

Pursuant to Bankruptcy Code sections 364(c)(2) and (c)(3), the Obligations of Borrower hereunder and under the Loan Documents shall be secured by (i) a valid and duly perfected first priority Lien on Avoidance Actions and any other previously unencumbered assets of Borrower, and (ii) a valid and duly perfected junior Lien on the Pre-Petition Lenders' Collateral and any other assets of Borrower that are subject to a valid and perfected lien as of the Petition Date (collectively, the liens to be granted to Lender are referred to herein as the "DIP Lien" and the collateral subject to such DIP Lien is referred to herein as the "DIP Collateral"); provided that the DIP Lien shall be subject and subordinate to the lien and security interest of the Pre-Petition Lenders in and to the Pre-Petition Lenders' Collateral and Lender agrees to execute and deliver to the Pre-Petition Lenders the Subordination Agreement as required by the Pre-Petition Lenders to evidence such subordination. The Final Order shall provide that the DIP Lien shall attach to the DIP Collateral and be binding and enforceable with respect thereto upon entry of such

order(s) without further action on the part of Borrower or Lender. The DIP Lien shall be subject to the Carve-Out. In no event will the DIP Lien attach to any property constituting collateral pursuant to the Pre-Petition Credit Agreement other than the Pre-Petition Lenders' Collateral.

2.12 Cash Collateral.

(a) Borrower shall be permitted to use, and Lender shall consent to the use of, Lender's Cash Collateral, if any, during the pendency of the Chapter 11 Case within the parameters of the Cash Budget. Borrower shall have no right to use any of Lender's Cash Collateral after the occurrence and during the continuance of any Event of Default.

(b) So long as no uncured Event of Default has occurred and Borrower is in compliance with the Cash Budget, Lender consents to Borrower's use of Cash Collateral of the Pre-Petition Lenders and consents to Borrower, in its sole discretion and subject to Bankruptcy Court approval, providing and granting to the Pre-Petition Lenders the following as adequate protection under Bankruptcy Code sections 361, 362 and 363 for any Value Diminution:

(i) monthly adequate protection payments from Borrower to the Pre-Petition Lenders in an amount equal to the highest non-default rate of interest applicable from time to time to amounts outstanding under the Pre-Petition Credit Agreement multiplied by \$49,635,000;

(ii) replacement liens to secure the amount of any Value Diminution (the Replacement Liens"), which Replacement Liens shall: (x) be subject and junior only to the Carve-Out, the DIP Liens and any Prior Liens; and (y) attach to (1) the Pre-Petition Lenders' Collateral as of the Petition Date and any proceeds thereof, and (2) Avoidance Actions, and any other previously unencumbered assets of Borrower; and

(iii) a superpriority claim (the “Pre-Petition Lenders’ Superpriority Claim”) against Borrower’s estate to the extent permitted by Bankruptcy Code section 507(b), subject and junior only to the Carve-Out and the DIP Superpriority Claim.

2.13 Debt to Equity Conversion.

(a) Lender agrees to convert the lesser of (x) three million dollars (\$3,000,000) in Obligations, and (y) the amount of Obligations outstanding on the effective date of a Reorganization Plan (other than Borrower’s Reorganization Plan), to equity in the reorganized Borrower, provided that the Reorganization Plan (other than Borrower’s Reorganization Plan) (i) provides for any remaining balance of the Loans to be paid in full to Lender, and (ii) is otherwise reasonably acceptable to Lender.

(b) Lender agrees to convert the full amount of Obligations outstanding on the effective date of Borrower’s Reorganization Plan (up to the Maximum Commitment Amount) to equity in the Reorganized Borrower as provided in Borrower’s Reorganization Plan.

ARTICLE III

REPRESENTATIONS AND WARRANTIES

To induce Lender to make the Loans, Borrower makes the following representations and warranties to Lender, each and all of which shall survive the execution and delivery of this Agreement.

3.1 Corporate Existence; Compliance with Law.

Borrower (a) is duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation; (b) is duly qualified as a foreign corporation and is in good standing under the laws of each jurisdiction where its ownership or lease of property or the conduct of its business requires such qualification; (c) subject to the entry of the Final Order by

the Bankruptcy Court, has and shall have the requisite corporate power and authority and the legal right to effect the transactions contemplated hereby and by the other Loan Documents to which it is a party; and (d) subject to the entry of the Final Order by the Bankruptcy Court and the requirements of the Bankruptcy Code, has and shall have the requisite corporate power and authority and the legal right to, without limitation, own, pledge, mortgage or otherwise encumber and operate its properties, lease the property it operates under lease, and conduct its business as now, heretofore and proposed to be conducted.

3.2 Corporate Power, Authorization, Enforceable Obligations.

Upon entry by the Bankruptcy Court of the Final Order, Borrower has and shall have the corporate power and authority, and the legal right, to make, deliver and perform its obligations under the Loan Documents to which it is a party and to authorize the execution, delivery and performance of the Loan Documents to which it is a party. Subject to the requirements of the Bankruptcy Code, Borrower has the appropriate power and authority to borrow hereunder and has taken all necessary corporate action to authorize the borrowings on the terms and conditions set forth in this Agreement and in the Notes. Subject to the entry of the Final Order, this Agreement has been, and each other Loan Document to which Borrower is a party will be, duly executed and delivered on behalf thereof. Subject to the requirements of the Bankruptcy Code, this Agreement constitutes, and each other Loan Document to which Borrower is a party when executed and delivered will constitute, a legal, valid and binding obligation of Borrower, enforceable against Borrower in accordance with its terms (whether enforcement is sought by proceedings in equity or at law).

3.3 Effectiveness of Final Order.

Borrower shall not seek to borrow under this Agreement during any period in which the Final Order is not in full force and effect or has been reversed or stayed.

3.4 Purpose of Loans.

Borrower shall not use the proceeds of any Revolving Loan hereunder other than in accordance with this Agreement.

ARTICLE IV

CONDITIONS PRECEDENT

4.1 All Borrowings.

At any time, Lender's obligations to make the Revolving Loans in an amount not to exceed the applicable Maximum Commitment Amount, or to take, fulfill, or perform any other action hereunder, are conditioned on satisfaction (or written waiver) of the following in Lender's reasonable discretion:

(a) The Final Order shall be in full force and effect and shall not have been reversed, modified, amended or stayed (or application therefor made), except for modifications and amendments that are reasonably acceptable to Lender;

(b) Representations and warranties in this Agreement shall be true and correct in all material respects as of the date each Revolving Loan is made as if made on such date (except if such representation or warranty specifically relates only to a prior date, in which case it shall be true and correct in all material respects as of such earlier date);

(c) No administrative claim that is senior to or pari passu with the DIP Superpriority Claim shall exist, except the Carve-Out; and

(d) Lender shall have received this Agreement, the Revolving Notes and all other Loan Documents, and each other agreement, document and instrument relating to the loan and

other credit transactions contemplated by this Agreement, each duly executed where appropriate and in form and substance reasonably satisfactory to Lender.

ARTICLE V

NEGATIVE COVENANTS

From the date hereof and for so long as the Revolving Loan Commitments remain in effect, any Revolving Note remains outstanding and unpaid or any Obligation is owing to Lender hereunder, Borrower hereby agrees that it will not (and will not apply, unless in connection with an amendment to this Agreement that is reasonably likely to be approved by Lender, to the Bankruptcy Court for authority to):

(a) sell any material asset or obtain approval to sell any asset outside the ordinary course of business, in each case without the prior written consent of Lender (with the exception of assets currently held for sale); or

(b) propose, file, solicit votes for, support, or prosecute, a Reorganization Plan or related disclosure statement other than Borrower's Reorganization Plan, unless such other Reorganization Plan is reasonably acceptable to Lender or provides for payment in full of the Obligations on the effective date thereof.

ARTICLE VI

TERMINATION

6.1 Termination.

The financing arrangements contemplated hereby shall be in effect until the Commitment Termination Date, and on the Commitment Termination Date, the Revolving Loan Commitment shall terminate and the aggregate principal amount of all outstanding Revolving Loans, together

with all accrued and unpaid interest thereon, and all of the Obligations shall be due in full or upon such other terms to which Borrower and Lender may agree.

6.2 Survival of Obligations Upon Termination of Financing Arrangements.

Except as otherwise expressly provided for in the Loan Documents, no termination or cancellation (regardless of cause or procedure) of any financing arrangement under this Agreement shall in any way affect or impair the obligations, duties and liabilities of Borrower or the rights of Lender relating to any unpaid portion of the Loans or any other Obligations, due or not due, liquidated, contingent or unliquidated or any transaction or event occurring prior to such termination, or any transaction or event, the performance of which is required after the Commitment Termination Date. Except as otherwise expressly provided herein or in any other Loan Document, all undertakings, agreements, covenants, warranties and representations of or binding upon Borrower, and all rights of Lender, all as contained in the Loan Documents, shall not terminate or expire, but rather shall survive any such termination or cancellation and shall continue in full force and effect until the Commitment Termination Date.

ARTICLE VII

EVENTS OF DEFAULT; RIGHTS AND REMEDIES

7.1 Events of Default.

Notwithstanding the provisions of Bankruptcy Code section 362 (but subject to Section 7.2 hereof) and without application or motion to the Bankruptcy Court or any notice to Borrower, the occurrence of any one or more of the following events (regardless of the reason therefor) shall constitute an "Event of Default" hereunder (for purpose of items (i) through (vi) by way of a final order, the effectiveness of which has not been stayed): (i) appointment of a chapter 11 trustee with respect to the Chapter 11 Case; (ii) appointment of an examiner with

expanded powers with respect to the Chapter 11 Case; (iii) conversion of the Chapter 11 Case to one under chapter 7 of the Bankruptcy Code; (iv) dismissal of the Chapter 11 Case; (v) approval of a motion granting a party a superpriority claim which is senior or pari passu with the DIP Superpriority Claim; (vi) granting of relief from the automatic stay to permit the Pre-Petition Lenders to exercise rights or remedies regarding the Pre-Petition Lenders' Collateral; (vii) use of Revolving Loan advances to make a payment that is not in compliance with the Cash Budget or this Agreement; (viii) failure of the Final Order to have been entered by the Bankruptcy Court by the date that is forty-five (45) days (or such longer period as Lender and Borrower agree) after the date on which the motion for entry of the Final Order is filed; (ix) Borrower's breach of any other provision of the Final Order and such breach remains uncured for a period of ten (10) days after notice is provided to Borrower of such breach; and (x) the commencement of any lawsuit seeking monetary relief against Lender on behalf of Borrower or Borrower's estate, other than for a breach of this Agreement.

7.2 Remedies.

Upon the occurrence and during the continuance of an Event of Default and following three (3) Business Days' prior notice thereof to Borrower (with a copy to counsel for any Committee, and to the United States Trustee for the District of Nevada), and without further order of or application to the Bankruptcy Court: (i) Revolving Loan Commitments shall terminate, (ii) Lender's obligations to provide funding under Revolving Loans shall cease immediately, (iii) the Obligations shall be immediately due and payable, (iv) Lender shall have the right to declare the Loans or any portion thereof then outstanding to be forthwith due and payable, whereupon the principal of such Loans together with accrued interest thereon and any unpaid accrued fees and all other liabilities of Borrower accrued hereunder and under any other

Loan Document, shall become forthwith due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived by Borrower, anything contained herein or in any other Loan Document to the contrary notwithstanding, and (v) subject to the terms of the Final Order, after three (3) Business Days' prior notice (the "Stay Notice Period") to Borrower and any Committee, and absent order of the Bankruptcy Court to the contrary, the automatic stay imposed by Bankruptcy Code section 362(a) shall be automatically vacated and modified to allow Lender, subject to the Subordination Agreement, to exercise any and all remedial rights with respect to the DIP Collateral; provided that Lender consents to a hearing before the Bankruptcy Court with respect to the foregoing on such shortened time as may be available according to the Bankruptcy Court's calendar and the stay shall remain in effect pending such a hearing if requested by Borrower prior to the expiration of the Stay Notice Period.

ARTICLE VIII

MISCELLANEOUS

8.1 Amendments and Waivers.

Neither this Agreement, any Revolving Note nor any other Loan Document, nor any terms hereof or thereof, may be amended, restated, supplemented or modified except in writing signed by Borrower and Lender.

8.2 No Waiver; Cumulative Remedies.

No failure to exercise and no delay in exercising, on the part of Lender, any right, remedy, power or privilege hereunder or under the other Loan Documents shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right,

remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

8.3 Survival of Representations and Warranties.

All representations and warranties made hereunder, in the other Loan Documents and in any document, certificate or statement delivered pursuant hereto or in connection herewith shall survive the execution and delivery of this Agreement and the Revolving Notes and the making of the Loans hereunder but shall expire on the Commitment Termination Date.

8.4 Successors and Assigns; Participations and Assignments.

(a) This Agreement shall be binding upon and inure to the benefit of Borrower and Lender and their respective successors and assigns, including any trustee appointed in the Chapter 11 Case.

(b) Lender may, in accordance with applicable law, sell, transfer or assign its rights under this Agreement and any Obligations of Borrower hereunder; provided that any assignment shall be subject to this Agreement and the Subordination Agreement.

(c) Borrower authorizes Lender to disclose to any Assignee (each, a "Transferee") and any prospective Transferee, any and all financial information in Lender's possession concerning Borrower which has been delivered to Lender.

8.5 Counterparts.

This Agreement may be executed by Borrower and Lender on any number of separate counterparts (including by telecopy), and all said counterparts taken together shall be deemed to constitute one and the same instrument. A set of the copies of this Agreement signed by all the parties shall be lodged with Borrower and Lender.

8.6 Severability.

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

8.7 Governing Law.

THIS AGREEMENT AND THE REVOLVING NOTES AND THE RIGHTS AND OBLIGATIONS OF BORROWER AND LENDER UNDER THIS AGREEMENT, THE REVOLVING NOTES AND THE LOAN DOCUMENTS SHALL BE GOVERNED BY THE LAWS OF THE STATE OF NEVADA APPLICABLE TO AGREEMENTS MADE AND PERFORMED IN SUCH STATE, EXCEPT AS GOVERNED BY THE BANKRUPTCY CODE.

Borrower and Lender hereby irrevocably and unconditionally: (a) submit for themselves and their property in any legal action or proceeding relating to this Agreement and the other Loan Documents to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the jurisdiction of the Bankruptcy Court; (b) consent that any such action or proceeding may be brought in the Bankruptcy Court and waive any objection that they may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agree not to plead or claim the same; (c) agree that nothing contained herein shall affect the right to effect service of process in any other manner permitted by law or limit the right to sue in any other jurisdiction; and (d) waive, to the maximum extent not prohibited by law, any right they may have to claim or

recover in any legal action or proceeding referred to in this Section any special, exemplary, punitive or consequential damages.

8.8 No Waiver.

No failure on the part of Lender to exercise, and no delay in exercising, any right, power or remedy hereunder or under any of the other Loan Documents shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy. All remedies hereunder are cumulative and are not exclusive of any other remedies provided by law.

8.9 Subordination Agreement.

The rights of Lender and the obligations of Borrower are subject to the Subordination and Intercreditor Agreement (the "Subordination Agreement") negotiated between Lender and the Pre-Petition Lenders providing for, among other things, confirmation of lien and payment priorities. All provisions, rights, remedies and terms under this Agreement are subject to the Subordination Agreement. In the event of any conflict between this Agreement, the other Loan Documents, and the Subordination Agreement, the Subordination Agreement shall control and each Revolving Note shall include a legend (the contents of which to be agreed upon by Lender and the Pre-Petition Lenders pursuant to the Subordination Agreement) that the Revolving Note is subject to the Subordination Agreement.

8.10 Subordination to Cash Management Claims.

The rights of Lender and the obligations of Borrower under this Agreement and the other Loan Documents are subordinate to the claims and obligations incurred by U.S. Bank from ordinary course transactions under Borrower's cash management system and/or bank accounts with U.S. Bank (collectively, the "Cash Management Claims").

* * * *

IN WITNESS WHEREOF, Borrower and Lender have caused this Agreement to be duly executed and delivered by their proper and duly authorized officers as of the day and year first above written.

American West Development, Inc., Borrower

AWH Ventures, Inc., Lender

By: Robert M. Evans
Name: Robert M. Evans
Title: President

By: Lawrence D. Canarelli
Name: Lawrence D. Canarelli
Title: President

EXHIBIT "A"
INITIAL CASH BUDGET

American West Development, Inc. (the "Debtor")

Projected Weekly Cash Activity - 13 Week

(\$'s in Thousands)

Estimated Starting Cash on 2/25/12 (rounded) ⁽¹⁾ 2,148

Week # Week Ending Friday	1 03/02/12	2 03/09/12	3 03/16/12	4 03/23/12	5 03/30/12	6 04/06/12	7 04/13/12	8 04/20/12	9 04/27/12	10 05/04/12	11 05/11/12	12 05/18/12	13 05/25/12	Totals
Management Fee Income	176	176	176	176	176	176	176	176	176	176	220	220	220	\$ 2,420
Development Fee Income	88	88	88	88	88	88	88	88	88	88	110	110	110	1,210
Construction Reimbursement (Paid from Home Selling Entities)	592	585	592	585	592	585	592	585	592	585	720	782	727	8,113
Miscellaneous Income	10	10	10	10	10	10	10	10	10	10	10	10	10	130
Total Cash Receipts	\$ 866	\$ 859	\$ 866	\$ 859	\$ 866	\$ 859	\$ 866	\$ 859	\$ 866	\$ 859	\$ 1,060	\$ 1,122	\$ 1,067	\$ 11,873
Payroll	180	-	180	-	180	-	180	-	-	180	-	180	-	\$ 1,080
Payroll taxes and insurance	65	-	65	-	65	-	65	-	-	65	-	65	-	390
Commissions	51	-	51	-	51	-	51	-	-	51	-	51	-	306
Total Payroll and Related Disbursements	\$ 296	\$ -	\$ 296	\$ -	\$ 296	\$ -	\$ 296	\$ -	\$ -	\$ 296	\$ -	\$ 296	\$ -	\$ 1,776
Onsites (Vertical Construction)	491	486	491	486	491	486	491	486	491	486	598	649	603	\$ 6,735
Offsites (Horizontal Construction)	101	99	101	99	101	99	101	99	101	99	122	133	123	1,378
Construction related utilities	-	-	-	-	22	-	-	-	22	-	-	-	22	67
Bond Fees	-	-	-	-	14	-	-	-	14	-	-	-	14	42
Model Home Lease and Maintenance	5	5	133	5	5	5	133	5	5	5	5	133	5	449
Property Taxes	-	-	-	-	-	31	-	-	-	-	-	-	-	31
Total Job Cost Disbursements	\$ 597	\$ 590	\$ 725	\$ 590	\$ 633	\$ 621	\$ 725	\$ 590	\$ 633	\$ 590	\$ 725	\$ 915	\$ 768	\$ 8,702
General & Administrative	30	25	30	25	30	25	30	25	30	25	30	25	30	\$ 360
Ordinary Course Professionals	5	5	5	5	5	5	5	5	5	5	5	5	5	65
Sales and Marketing	12	12	12	12	12	12	12	12	12	12	12	12	12	156
Utility Expense	-	-	-	-	53	-	-	-	53	-	-	-	53	159
Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent	32	-	-	-	-	32	-	-	-	32	-	-	-	96
Other Expense	12	12	12	12	12	12	12	12	12	12	12	12	12	156
G&A Disbursements	\$ 91	\$ 54	\$ 59	\$ 54	\$ 112	\$ 86	\$ 59	\$ 54	\$ 112	\$ 86	\$ 59	\$ 54	\$ 112	\$ 992
Total Operating Disbursements	\$ 984	\$ 644	\$ 1,080	\$ 644	\$ 1,041	\$ 707	\$ 1,080	\$ 644	\$ 745	\$ 972	\$ 784	\$ 1,265	\$ 880	\$ 11,469
Net Operating Cash Flow	\$ (118)	\$ 215	\$ (214)	\$ 215	\$ (175)	\$ 152	\$ (214)	\$ 215	\$ 121	\$ (113)	\$ 276	\$ (143)	\$ 187	\$ 403
Intercompany Payments Received	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intercompany Payments Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intercompany Payments (Net)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debtor's Restructuring Professionals ⁽²⁾	-	-	-	-	-	-	-	-	469	-	-	-	706	1,175
Committee's Restructuring Professionals ⁽²⁾	-	-	-	-	-	-	-	-	-	-	-	-	20	20
Lenders' Professionals ⁽²⁾	-	-	-	-	-	-	-	-	101	-	-	-	149	250
US Trustee	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Professionals	-	-	-	-	-	-	-	-	5	-	-	-	5	10
Futures Representative	-	-	-	-	-	-	-	-	25	-	-	-	41	66
Funding of Class 3 General Unsecured Creditor Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Funding of Construction Defect Trust	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restructuring Related Disbursements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 600	\$ -	\$ -	\$ -	\$ 921	\$ 1,521
Adequate Protection/Interest on Existing Indebtedness ⁽³⁾	-	-	-	-	147	-	-	-	-	143	-	-	-	290
Financing Related Disbursements	\$ -	\$ -	\$ -	\$ -	\$ 147	\$ -	\$ -	\$ -	\$ -	\$ 143	\$ -	\$ -	\$ -	\$ 290
Net Cash Flow Before DIP Financing	\$ (118)	\$ 215	\$ (214)	\$ 215	\$ (323)	\$ 152	\$ (214)	\$ 215	\$ (479)	\$ (256)	\$ 276	\$ (143)	\$ (734)	\$ (1,408)
Starting Cash Position	\$ 2,148	\$ 2,030	\$ 2,245	\$ 2,031	\$ 2,246	\$ 1,923	\$ 2,076	\$ 1,862	\$ 2,077	\$ 1,597	\$ 1,342	\$ 1,618	\$ 1,475	\$ 2,148
Net Revenues for the week	866	859	866	859	866	859	866	859	866	859	1,060	1,122	1,067	11,873
DIP Loan Draws (Repayments) ⁽⁴⁾	-	-	-	-	-	-	-	-	-	-	-	-	260	260
Disbursements for Week	984	644	1,080	644	1,188	707	1,080	644	1,345	1,115	784	1,265	1,801	13,280
Ending Cash Position	\$ 2,030	\$ 2,245	\$ 2,031	\$ 2,246	\$ 1,923	\$ 2,076	\$ 1,862	\$ 2,077	\$ 1,597	\$ 1,342	\$ 1,618	\$ 1,475	\$ 1,000	\$ 1,000

Notes:

(1) Beginning cash balance per the Debtor cash balance as of 12/31/11

(2) Monthly Invoices are assumed to be paid at 80% of fees/100% of expenses and 20% Holdbacks are assumed to be paid in May 2012 (for March 2012 and April 2012 invoices). Garden City Group is assumed to be paid at 100% in each month because it is classified as an administrative professional.

(3) Represents Debtor share of interest on existing secured term loan facility calculated as \$49,635,000 value of Receivable multiplied by non-default contract rate of interest under Term Loan.

(4) DIP Draws/Repayments relate to Debtor in Position facility. All related interest is accrued. DIP loan draws projected for any week in which the cash balance is projected to drop below \$1.0 million.

EXHIBIT "B"

FORM OF REVOLVING NOTE

EXHIBIT B

[FORM OF]

REVOLVING CREDIT NOTE

\$10,000,000

_____, 2012

FOR VALUE RECEIVED, the undersigned, **AMERICAN WEST DEVELOPMENT, INC.**, a Nevada business corporation (the "**Borrower**"), promises to pay to the order of **AWH VENTURES, INC.**, a Nevada business corporation (the "**Lender**"), on the Maturity Date, if not sooner paid, the lesser of (i) the principal sum of **TEN MILLION DOLLARS (\$10,000,000)**, or (ii) the aggregate unpaid principal amount of all revolving credit loans and extensions of credit made by the Lender to the Borrower pursuant to that certain Debtor-in-Possession Revolving Credit Agreement between the Borrower and the Lender dated as of _____, as such agreement may be amended, modified or supplemented from time to time (the "**Loan Agreement**"). The Borrower further promises to pay to the order of the Lender interest on the unpaid principal amount of this Revolving Note from time to time outstanding at the rate or rates per annum determined pursuant to Section 2.5 of, or as otherwise provided in, the Loan Agreement, and with such amounts being payable on the dates set forth in Section 2.5 of the Loan Agreement, subject to Section 2.13 of the Loan Agreement.

All payments and prepayments to be made in respect of principal, interest or other amounts due from the Borrower under this Revolving Note shall be payable at 12:00 noon prevailing Pacific Time, on the Maturity Date or such earlier date that payment is due, whether by acceleration or otherwise, pursuant to the terms of the Loan Agreement. The Borrower expressly waives presentment, demand, notice, protest and all other demands and notices in connection with the delivery, acceptance, performance, default or enforcement of this Revolving Note, and an action for any amounts due and unpaid shall therefore accrue immediately.

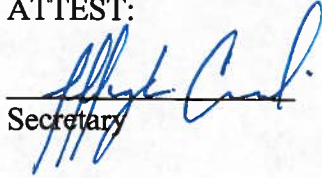
This Revolving Note is the "Revolving Note" defined in Section 2.2 of, referred to in, and entitled to the benefits of, the Loan Agreement. This Revolving Note is secured by, and is entitled to the benefits of, certain other Loan Documents, as each of them may be amended, modified or supplemented from time to time. Capitalized terms used in this Revolving Note that are not defined herein have the meanings assigned to them in the Loan Agreement.

This Revolving Note is governed by, and will be construed and enforced in accordance with, the laws of the State of Nevada. The Borrower consents to the exclusive jurisdiction and venue of the United States Bankruptcy Court for the District of Nevada located in Las Vegas, Nevada with respect to any suit arising out of, relating to, or mentioning this Revolving Note.

All provisions, rights, remedies, and terms under this Revolving Note are subject to the Subordination and Intercreditor Agreement (the "**Subordination Agreement**") between Lender, California Bank & Trust, as administrative agent pursuant to the Term Loan Credit Agreement, dated as of December 31, 2009 (as amended, the "**Senior Loan Agreement**"), and the borrowers pursuant to the Senior Loan Agreement. In the event of any conflict between this Revolving Note and the Subordination Agreement, the Subordination Agreement shall control. Any assignee or transferee of this Revolving Note shall be subject to the Subordination Agreement.

IN WITNESS WHEREOF, and intending to be legally bound, the Borrower has executed, issued and delivered this Revolving Note as of _____, 2012.

ATTEST:


Secretary

AMERICAN WEST DEVELOPMENT, INC.


By 
Name: ROBERT M EVANS
Title: PRESIDENT

EXHIBIT 1.1B

AMERICAN WEST GROUP

[See Attached]

ENTITY NAME

ADAVEN MANAGEMENT, INC., a NV corporation
AMERICAN WEST COMMUNITIES, INC., a NV corporation
AMERICAN WEST DEVELOPMENT GROUP, INC., a NV corp.
AMERICAN WEST HOME SELLERS, LLC, a NV limited liab. Co.
AWH NORTH, LLC, a NV limited liability company
AWH NORTH NLV 2009, LLC, a NV limited liability company
AWH VENTURES, INC., a NV corporation
BROOKSIDE I, LLC, a NV limited liability company
(formerly known as *Brookfield I, LLC*)
CANFAM HOLDINGS, LLC, a NV limited liability company
CARMEL HILLS, LLC, a NV limited liability company
CFT LANDS, LLC, a NV limited liability company
COLORADO COMPANIES, INC., a NV corporation
COLORADO HOUSING INVESTMENTS, INC., a NV corporation
COLORADO LAND INVESTMENTS, INC., a NV corporation
COLORADO LAND INVESTMENTS 2, Inc., a NV corporation
DEFERRED REVENUE, LLC, a NV limited liability company
FAIRMONT 2, LLC, a NV limited liability company
FEDERAL LANDS MANAGEMENT, LLC, a NV limited liability company
FLO CORP, INC., a NV corporation
GAMEDAY, LLC, a NV limited liability company
HERITAGE 2, INC., a NV corporation
HIGHLANDS LAND INVESTMENT, INC., a NV corporation
HLI, LLC, a NV limited liability company
HOME SERVICE PLUS, INC., a NV corporation
INDIANA INVESTMENTS, INC., a NV corporation
INVERNESS 2010, INC., a NV corporation
INVESTMENT MANAGER, INC., a NV corporation
KENSINGTON 2, INC., a NV corporation
KINGSBRIDGE 2, LLC, a NV limited liability company
LAND MANAGER, INC., a NV corporation
LAWRENCE CANARELLI 2011 IRREVOCABLE TRUST
HEIDI CANARELLI 2011 IRREVOCABLE TRUST
LEXINGTON 1, LLC, a NV limited liability company
LH VENTURES, LLC, a NV limited liability company
MODEL RENTING 2008, LLC, a NV limited liability company
MODEL RENTING 2009, LLC, a NV limited liability company
MODEL RENTING 2010, LLC, a NV limited liability company
MODEL RENTING COMPANY, INC., a NV corporation
MOUNTAIN WEST ASSOCIATES, LLC, a NV limited liability company
NEWCASTLE 1, LLC, a NV limited liability company
NLV PARCEL 5.03, LLC, a NV limited liability company
PARCEL NLV 1.3, LLC, a NV limited liability company

ENTITY NAME

PARCEL NLV 1.4, LLC, a NV limited liability company

PARCEL NLV 1.13, LLC, a NV limited liability company

RESERVE 1, LLC, a NV limited liability company

SILVERADO SPRINGS 2, LLC, a NV limited liability company

SILVERADO SPRINGS 3, LLC, a NV limited liability company

SILVERADO SUMMIT, LLC, a NV limited liability company

SJSA VENTURES, LLC, a NV limited liability company

WOODBIDGE 1, INC., a NV corporation

EXHIBIT 1.1C

AMERICAN WEST GROUP BORROWERS

[See Attached]

AMERICAN WEST GROUP BORROWERS

BORROWERS:

ADAVEN MANAGEMENT, INC., a NV Corporation
AWH North, LLC, a NV limited liability company
AWH NORTH NLV 2009, LLC, a NV limited liability company
AWH VENTURES, INC., a NV Corporation
CANFAM HOLDINGS, LLC, a NV limited liability company
CFT LANDS, LLC, a NV limited liability company
COLORADO COMPANIES, INC., a NV corporation
COLORADO HOUSING INVESTMENTS, INC., a NV corporation
COLORADO LAND INVESTMENTS, INC., a NV corporation
COLORADO LAND INVESTMENTS 2, Inc., a NV corporation
DEFERRED REVENUE, LLC, a NV limited liability company
FAIRMONT 2, LLC, a NV limited liability company
GAMEDAY, LLC, a NV limited liability company
HERITAGE 2, INC., a NV corporation
HIGHLANDS LAND INVESTMENT, INC., a NV corporation
HLI, LLC, a NV limited liability company
INDIANA INVESTMENTS, INC., a NV corporation
KENSINGTON 2, INC., a NV corporation
LAWRENCE CANARELLI 2011 IRREVOCABLE TRUST
HEIDI CANARELLI 2011 IRREVOCABLE TRUST
LEXINGTON 1, LLC, a NV limited liability company
LH VENTURES, LLC, a NV limited liability company
MODEL RENTING 2008, LLC, a NV limited liability company
MODEL RENTING 2009, LLC, a NV limited liability company
MODEL RENTING 2010, LLC, a NV limited liability company
MODEL RENTING COMPANY, INC., a NV corporation
MOUNTAIN WEST ASSOCIATES, LLC, a NV limited liability company
NEWCASTLE 1, LLC, a NV limited liability company
NLV PARCEL 5.03, LLC, a NV limited liability company
PARCEL NLV 1.3, LLC, a NV limited liability company
PARCEL NLV 1.4, LLC, a NV limited liability company
PARCEL NLV 1.13, LLC, a NV limited liability company
SILVERADO SPRINGS 3, LLC, a NV limited liability company
SJSA VENTURES, LLC, a NV limited liability company
WOODBIDGE 1, INC., a NV corporation

EXHIBIT 1.1G

COLORADO REAL PROPERTY COLLATERAL

[See Attached]

Exhibit "A"

Parcel A - North of Bradley Road:

A tract of land being a portion of Sections 1, 2, 11 and 12, Township 15 South, Range 65 West of the Sixth Principal Meridian, County of El Paso, State of Colorado, being more particularly described as follows:

Basis of Bearings: The North line of the Northeast One-Quarter of said Section 1, being monumented at the East end by a 3.50 inch aluminum cap in range box stamped "LS 17496" and monumented at the West end by a 3.50 inch aluminum cap in range box stamped "LS 17496", with the line considered to bear North 00 degrees 25 minutes 12 seconds East.

Commencing at the Northeast corner of said Section 1 said point being the Point of Beginning;

Thence South 00 degrees 04 minutes 44 seconds East and along the East line of the Northeast One-Quarter of Section 1 a distance of 2643.43 feet to the East One-Quarter Corner of Section 1;

Thence South 00 degrees 04 minutes 53 seconds East and along the East line of the Southeast One-Quarter of Section 1 a distance of 2609.66 feet to a point on the North right-of-way line of Bradley Road as recorded in the El Paso County Records under Reception No. 98124132;

Thence Westerly and along the North right-of-way line of Bradley Road the following three courses;

1. South 89 degrees 50 minutes 39 seconds West a distance of 1124.04 feet to a point of curve;
2. Along the arc of a curve to the left having a Delta of 13 degrees 39 minutes 41 seconds, a radius of 5105.00 feet, and a length of 1217.22 to the point of tangent;
3. South 76 degrees 10 minutes 58 seconds West a distance of 5797.66 feet to a point on the West line of the Northeast One-Quarter of Section 11;

Thence North 00 degrees 10 minutes 04 seconds West and along the West line of the Northeast One-Quarter of Section 11 a distance of 1392.70 feet to the North One-Quarter Corner of Section 11;

Thence North 00 degrees 23 minutes 37 seconds West and along the East line of the Southwest One-Quarter of Section 2 a distance of 1319.07 feet to the Northeast Corner of the South One-Half of Section 2;

Thence South 89 degrees 37 minutes 54 seconds West along the North line of the South One-Half of the Southwest One-Quarter of Section 2 a distance of 1964.31 feet to the Northwest Corner of the West One-Half of the Southwest One-Quarter of the Southwest One-Quarter of Section 2;

Thence North 05 degrees 50 minutes 18 seconds East a distance of 2540.30 feet;

Thence North 36 degrees 32 minutes 24 seconds East a distance of 1604.90 feet;

Thence North 16 degrees 58 minutes 50 seconds East a distance of 184.45 feet to a point on the North line of the Northwest One-Quarter of Section 2;

Thence North 89 degrees 23 minutes 49 seconds East and along the North line of the Northwest One-Quarter of Section 2 a distance of 668.25 feet to the North One-Quarter Corner of Section 2;

Thence North 89 degrees 23 minutes 28 seconds East and along the North line of the Northeast One-Quarter of Section 2 a distance of 2668.77 feet to the Northeast Corner of Section 2;

Thence North 89 degrees 21 minutes 45 seconds East and along the North line of the Northwest One-Quarter of Section 1 a distance of 2657.57 feet to the North One-Quarter Corner of Section 1;

Thence North 89 degrees 19 minutes 28 seconds East and along the North line of the Northeast One-Quarter of Section 1 a distance of 2667.46 feet to the Point of Beginning,

County of El Paso,
State of Colorado

Parcel B - South of Bradley Road:

A tract of land being in Northeast One-Quarter of Section 11, and the Northwest One-Quarter of Section 12, Township 15 South, Range 65 West of the Sixth Principal Meridian, County of El Paso, State of Colorado, being more particularly described as follows:

Basis of Bearings: The South line of the Northeast One-Quarter of said Section 11, being monumented at the West end by a 3.50 inch aluminum cap stamped "PLS 23044" and monumented at the East end by a 3.50 inch aluminum cap stamped "PLS 23044", with the line considered to bear North 89 degrees 31 minutes 36 seconds East.

Commencing at the Center One-Quarter Corner of said Section 11, said point being the Point of Beginning;

Thence North 00 degrees 10 minutes 04 seconds West and along the West line of the Northeast One-Quarter of Section 11 a distance of 1033.36 feet to a point on the South right-of-way line of Bradley Road as recorded in the El Paso County Records under Reception No. 98124132;

Thence North 76 degrees 10 minutes 58 seconds East and along the South right-of-way of Bradley Road a distance of 4694.01 feet;

Thence Southerly and along the West line of drainage tract the following two courses:

1. Along the arc of a curve to the left whose center bears South 54 degrees 13 minutes 04 seconds East having a Delta of 35 degrees 53 minutes 49 seconds, a radius of 3000.00 feet, and a length of 1879.56 feet to the point of tangent, said point being on the West line of the East One-half of the Northwest One-Quarter of Section 12;

2. South 00 degrees 06 minutes 53 seconds East and along the West line of the East One-Half of the Northwest One-Quarter of Section 12 a distance of 355.87 feet to the Southeast Corner of the West One-Half of the Northwest One-Quarter of Section 12;

Thence South 89 degrees 17 minutes 26 seconds West and along the South line of the West One-Half of the Northwest One-Quarter of Section 12 a distance of 1323.85 feet to the West One-Quarter of Section 12;

Thence South 89 degrees 31 minutes 36 seconds West and along the South line of the Northwest One-Quarter of Section 11 a distance of 2665.93 feet to the Point of Beginning.

Excepting therefrom the following:

That portion of the North Half of Section 11, Township 14 South, Range 65 West of the 6th P.M., described as follows:

Basis of bearings in the west line of said North Half. Said line is monumented at each end with a 2 1/2 aluminum cap marked with PLS No. 23044 and bears N 01° 10'04" W.

Commencing at the Center Quarter corner of said Section 11: Thence North 0° 10'04" W, along the west line of said South Half 1033.36 feet to the southerly right of way line of Bradley Road as described at Reception No. 98124132; thence N 76°10'58" E. along said right of way line. 1279.95 feet to the Point of Beginning.

- 1) thence North 76° 10'58" E. continuing along said right of way line. 1385.22 feet;

- 2) thence southeasterly along a tangential curve concave to the southwest, said curve having a central angle of $90^{\circ}00'00''$, a radius of 30.00 feet. For an arc length of 47.12 feet;
- 3) thence S $13^{\circ}49'02''$ E. 227.23 feet;
- 4) thence southeasterly along a tangential curve concave to the east, said curve having a central angle of $15^{\circ}37'12''$, a radius of 1319.25 feet, for an arc length of 359.65 feet to a point of reverse curve;
- 5) thence southerly along a tangential curve concave to the west, said curve having a central angle of $95^{\circ}44'36''$, a radius of 30.00 feet for an arch length of 50.13 feet;
- 6) thence S $66^{\circ}18'22''$ W. 249.31 feet;
- 7) thence southwesterly along a tangential curve concave to the southeast said curve having a central angle of $5^{\circ}55'32''$, a radius of 1118.41 feet for an arc length of 115.67 feet;
- 8) thence S $60^{\circ}22'50''$ W. 242.63 feet;
- 9) thence westerly along a tangential curve concave to the north said curve having a central angle of $36^{\circ}42'14''$, a radius of 1188.32 feet for an arc length of 761.24 feet;
- 10) thence N $82^{\circ}54'55''$ W. 107.93;
- 11) thence N $13^{\circ}49'02''$ W. 712.81 feet to the Point of Beginning.

County of El Paso,
State of Colorado.

Legal Descriptions prepared by:

Paul J. Hussong for and on behalf of Nolte & Associates
5225 North Academy Boulevard, Ste 304
Colorado Springs, Colorado 80918

EXHIBIT 1.1L

REAL PROPERTY COLLATERAL

[See Attached]

EXHIBIT A

LEGAL DESCRIPTION

Lots 29 through 84 in Block 1 of Highlands Ranch Unit 6 Phase 1, as shown by Map thereof on file in Book 139 of Plats, Page 5, in the Office of the County Recorder of Clark County, Nevada

EXHIBIT A

LEGAL DESCRIPTION

LOTS EIGHTY (80) THROUGH EIGHTY-TWO (82), BLOCK ONE (1) OF NAPA RIDGE UNIT 5- PHASE 1 AS SHOWN BY MAP THEREOF ON FILE IN BOOK 137, PAGE 41 IN THE OFFICE OF THE CLARK COUNTY RECORDER OF CLARK COUNTY, NEVADA.

EXHIBIT A

LEGAL DESCRIPTION

LOT 298 OF HIGHLANDS RANCH UNIT 3, AS SHOWN BY MAP THEREOF ON FILE IN BOOK 129
OF PLATS, PAGE 27, IN THE OFFICE OF THE COUNTY RECORDER OF CLARK COUNTY, NEVADA.

EXHIBIT A

LEGAL DESCRIPTION

**Lots 187 through 234 in Block 2 of Highlands Ranch Unit 6 Phase 1, as shown by Map thereof
of File in Book 139 of Plats, Page 5, in the Office of the County Recorder of Clark County,
Nevada.**

EXHIBIT 1.1N
UNCONSOLIDATED JOINT VENTURES

[See Attached]

EXHIBIT 1.1N
UNCONSOLIDATED JOINT VENTURES

46.8 ACRE INVESTORS, LLC
C & O HOLDINGS, LLC,
BIG HORN RANCH LAND INVESTORS, LLC
C & O GAMING, LLC
LINCOLN COUNTY BUILDERS, LLC
LINCOLN HIGHLAND DEVELOPMENT CORPORATION
M.M.L.B. CORPORATION
OXNARD FINANCIAL, LLC
PEARLAND INVESTMENTS LIMITED PARTNERSHIP
SOUTH VALLEY INVESTORS, LLC
NORTH BROWN PROPERTIES, INC
QUARRY 187, LLC
QUARRY 187 MINING, INC
ST. ROSE PARCEL, LLC

ALL OF THE ABOVE ARE NEVADA ENTITIES

EXHIBIT 3D

TRANSFERS TO GRANDCHILDREN'S TRUSTS

**The Lawrence Canarelli 2011 Irrevocable Trust
and
The Heidi Canarelli 2011 Irrevocable Trust**

Asset List - As of 12/31/11:

<u>APN #</u>	<u>Acres</u>
045-121-23	9.15
045-121-24	9.30
045-041-06	56.20
045-121-08	40.00
045-121-09	10.42
08-100-148	> 1.00
Total	125.07

EXHIBIT 5.1.13A

MATERIAL AGREEMENTS

[See Attached]

EXHIBIT 5.1.13A
MATERIAL AGREEMENTS

1) AS TO MATERIAL COLLATERAL AGREEMENTS:

All agreements disclosed in the title policies. None other fit the definition of material agreements.

EXHIBIT 5.1.13B

MATERIAL DEFAULTS

[See Attached]

EXHIBIT 5.1.13B
MATERIAL DEFAULTS

None as of effective date.

POTENTIAL DEFAULTS:

The guarantee of Jenny Ventures (see Exhibit 5.1.14C) will not be honored absent a final order of a court of competent jurisdiction.

EXHIBIT 5.1.14A

INDEBTEDNESS

[See Attached]

EXHIBIT 5.1.14A
INDEBTEDNESS OF THE PRINCIPALS AND THE AMERICAN WEST GROUP

- **PRINCIPALS:**
 - 1) \$18,000,000 IN THE GUARANTEES LISTED ON EXHIBIT 5.1.14c AND THIS TERM LOAN.
 - 2) \$2,900,000 to Khusrow Roohani
- **AMERICAN WEST GROUP:**
 - 1) This Term Loan in the amount of the aggregate Term Loan Commitment.
 - 2) \$3,920,000 in officer / employee debt.
- **OAKWOOD GROUP DEBT:**
 - 1) Citywide Construction Loan - \$6,313,927 balance, \$10,000,000 commitment
 - 2) Guaranty Construction Loan - \$2,500,000 balance, \$5,000,000 commitment
 - 3) CoBiz Construction Loan - \$1,000,000 balance, \$3,000,000 commitment
 - 4) Office and NHC Mortgages with GE Capital - \$3,170,832 balance
 - 5) Note payable to Dahlia land seller - \$770,421 balance
 - 6) Note payable to Belle Creek lot seller - \$76,881 balance
 - 7) Steele Street loan to MH2011 on models - \$2,500,000 balance
 - 8) Note payable to Colorado Land Holdings - \$7,282,000 balance
 - 9) Note payable to HC Land Investments - \$9,005,519 balance
- **CONTINGIENT OBLIGATIONS OF PRINCIPALS AND BORROWERS**
 - 1) All obligations resulting from the material agreements in Exhibit 5.1.13A
- **BORROWERS SHARE OF INDEBTEDNESS OF UNCONSOLIDATED JOINT VENTURES**
 - 1) Quarry 187, LLC acquisition debt: \$ 3,450,000 (1/2 of \$6.9MM)

EXHIBIT 5.1.14B

DEFAULTS

[See Attached]

EXHIBIT 5.1.14B
INDEBTEDNESS DEFAULTS AND POTENTIAL INDEBTEDNESS DEFAULTS

AS TO THE INDEBTEDNESS SET FORTH ON EXHIBIT 5.1.14A THE FOLLOWING HAS THE POTENTIAL FOR DEFAULT OR TO BE DEFAULTED WHEN DUE:

- **PRINCIPALS:**
 - **THE DEBT DUE KHUSROW ROOHANI**
- **AMERICAN WEST GROUP:**
 - **NO ANTICIPATED DEFAULTS**
- **OAKWOOD GROUP:**
 - **ALL DEBT LISTED**
- **BORROWERS SHARE OF INDEBTEDNESS OF UNCONSOLIDATED JOINT VENTURES:**
 - **ALL DEBT LISTED**

EXHIBIT 5.1.14C

GUARANTEES

[See Attached]

EXHIBIT 5.1.14C
GUARANTEES

See attached guarantees given by Lawrence D. Canarelli and the Canarelli Family Trust of an Eighteen Million Dollar (\$18,000,000.00) loan owed by Jenny Ventures, LLC to Silver State Bank, which underwent FDIC receivership. The Jenny Ventures Note is now claimed to be owned by Multibank 2009-1 CRE Venture, LLC, a Delaware limited liability company, which has commenced an action on the attached guarantees.



COMMERCIAL GUARANTY

Principal	Loan Date	Maturity	Loan No.	Old Due A/30%	Account CAA 479	Officer DLW	Initials
References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.							

Borrower: JENNY VENTURES, LLC.
250 PILOT ROAD, SUITE #160
LAS VEGAS, NV 89119

Lender: Silver State Bank
Whitney Ranch
1081 Whitney Ranch Drive
Henderson, NV 89014

Guarantor: LAWRENCE D. CANARELLI
1 DOVETAIL CIRLE
HENDERSON, NV 89014

CONTINUING GUARANTEE OF PAYMENT AND PERFORMANCE. For good and valuable consideration, Guarantor absolutely and unconditionally guarantees full and punctual payment and satisfaction of the indebtedness of Borrower to Lender, and the performance and discharge of all Borrower's obligations under the Note and the Related Documents. This is a guaranty of payment and performance and not of collection, so Lender can enforce this Guaranty against Guarantor even when Lender has not exhausted Lender's remedies against anyone else obligated to pay the indebtedness or against any collateral securing the indebtedness, this Guaranty or any other guaranty of the indebtedness. Guarantor will make any payments to Lender or its order, on demand, in legal tender of the United States of America, in same-day funds, without set-off or deduction or counterclaim, and will otherwise perform Borrower's obligations under the Note and Related Documents. Under this Guaranty, Guarantor's liability is unlimited and Guarantor's obligations are continuing.

INDEBTEDNESS. The word "indebtedness" as used in this Guaranty means all of the principal amount outstanding from time to time and at any one or more times, accrued unpaid interest thereon and all collection costs and legal expenses related thereto permitted by law, attorneys' fees, arising from any and all debts, liabilities and obligations of every nature or form, now existing or hereafter arising or acquired, that Borrower, individually or collectively or interchangeably with others, owes or will owe Lender, "indebtedness" includes, without limitation, loans, advances, debts, overdraft indebtedness, credit card indebtedness, lease obligations, liabilities and obligations under any interest rate protection agreements or foreign currency exchange agreements or commodity price protection agreements, other obligations, and liabilities of Borrower, and any present or future judgments against Borrower, future advances, loans or transactions that renew, extend, modify, refinance, consolidate or substitute those debts, liabilities and obligations whether: voluntarily or involuntarily incurred; due or to become due by their terms or acceleration; absolute or contingent; liquidated or unliquidated; determined or undetermined; direct or indirect; primary or secondary in nature or arising from a guaranty or surety; secured or unsecured; joint or several or joint and several; evidenced by a negotiable or non-negotiable instrument or writing; originated by Lender or another or others; barred or unenforceable against Borrower for any reason whatsoever; for any transactions that may be voidable for any reason (such as infancy, insanity, ultra vires or otherwise); and originated then reduced or extinguished and then afterwards increased or reinstated.

If Lender presently holds one or more guaranties, or hereafter receives additional guaranties from Guarantor, Lender's rights under all guaranties shall be cumulative. This Guaranty shall not (unless specifically provided below to the contrary) affect or invalidate any such other guaranties. Guarantor's liability will be Guarantor's aggregate liability under the terms of this Guaranty and any such other unexpired guaranties.

CONTINUING GUARANTY. THIS IS A "CONTINUING GUARANTY" UNDER WHICH GUARANTOR AGREES TO GUARANTEE THE FULL AND PUNCTUAL PAYMENT, PERFORMANCE AND SATISFACTION OF THE INDEBTEDNESS OF BORROWER TO LENDER, NOW EXISTING OR HEREFTER ARISING OR ACQUIRED, ON AN OPEN AND CONTINUING BASIS. ACCORDINGLY, ANY PAYMENTS MADE ON THE INDEBTEDNESS WILL NOT DISCHARGE OR DIMINISH GUARANTOR'S OBLIGATIONS AND LIABILITY UNDER THIS GUARANTY FOR ANY REMAINING AND SUCCEEDING INDEBTEDNESS EVEN WHEN ALL OR PART OF THE OUTSTANDING INDEBTEDNESS MAY BE A ZERO BALANCE FROM TIME TO TIME.

DURATION OF GUARANTY. This Guaranty will take effect when received by Lender without the necessity of any acceptance by Lender, or any notice to Guarantor or to Borrower, and will continue in full force until all the indebtedness incurred or contracted before receipt by Lender of any notice of revocation shall have been fully and finally paid and satisfied and all of Guarantor's other obligations under this Guaranty shall have been performed in full. If Guarantor elects to revoke this Guaranty, Guarantor may only do so in writing. Guarantor's written notice of revocation must be mailed to Lender, by certified mail, at Lender's address listed above or such other place as Lender may designate in writing. Written revocation of this Guaranty will apply only to new indebtedness created after actual receipt by Lender of Guarantor's written revocation. For this purpose and without limitation, the term "new indebtedness" does not include the indebtedness which at the time of notice of revocation is contingent, unliquidated, undetermined or not due and which later becomes absolute, liquidated, determined or due. For this purpose and without limitation, "new indebtedness" does not include all or part of the indebtedness that is: incurred by Borrower prior to revocation; incurred under a commitment that became binding before revocation; any renewals, extensions, substitutions, and modifications of the indebtedness. This Guaranty shall bind Guarantor's estate as to the indebtedness created both before and after Guarantor's death or incapacity, regardless of Lender's actual notice of Guarantor's death. Subject to the foregoing, Guarantor's executor or administrator or other legal representative may terminate this Guaranty in the same manner in which Guarantor might have terminated it and with the same effect. Release of any other guarantor or termination of any other guaranty of the indebtedness shall not affect the liability of Guarantor under this Guaranty. A revocation Lender receives from any one or more Guarantors shall not affect the liability of any remaining Guarantors under this Guaranty. It is anticipated that fluctuations may occur in the aggregate amount of the indebtedness covered by this Guaranty, and Guarantor specifically acknowledges and agrees that reductions in the amount of the indebtedness, even to zero dollars (\$0.00), shall not constitute a termination of this Guaranty. This Guaranty is binding upon Guarantor and Guarantor's heirs, successors and assigns so long as any of the indebtedness remains unpaid and even though the indebtedness may from time to time be zero dollars (\$0.00).

GUARANTOR'S AUTHORIZATION TO LENDER. Guarantor authorizes Lender, either before or after any revocation hereof, without notice or demand and without lessening Guarantor's liability under this Guaranty, from time to time: (A) prior to revocation as set forth above, to make one or more additional secured or unsecured loans to Borrower, to lease equipment or other goods to Borrower, or otherwise to extend additional credit to Borrower; (B) to alter, compromise, renew, extend, accelerate, or otherwise change one or more times the time for payment or other terms of the indebtedness or any part of the indebtedness, including increases and decreases of the rate of interest on the indebtedness; extensions may be repeated and may be for longer than the original loan term; (C) to take and hold security for the payment of this Guaranty or the indebtedness, and exchange, enforce, waive, subordinate, fail or decide not to perfect, and release any such security, with or without the substitution of new collateral; (D) to release, substitute, agree not to sue, or deal with any one or more of Borrower's sureties, endorsers, or other guarantors on any terms or in any manner Lender may choose; (E) to determine how, when and what application of

COMMERCIAL GUARANTY (Continued)

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payments and credits shall be made on the indebtedness; (F) to apply such security and direct the order or manner of sale thereof, including without limitation, any nonjudicial sale permitted by the terms of the controlling security agreement or deed of trust, as Lender in its discretion may determine; (G) to sell, transfer, assign or grant participations in all or any part of the indebtedness; and (H) to assign or transfer this Guaranty in whole or in part.

GUARANTOR'S REPRESENTATIONS AND WARRANTIES. Guarantor represents and warrants to Lender that (A) no representations or agreements of any kind have been made to Guarantor which would limit or qualify in any way the terms of this Guaranty; (B) this Guaranty is executed at Borrower's request and not at the request of Lender; (C) Guarantor has full power, right and authority to enter into this Guaranty; (D) the provisions of this Guaranty do not conflict with or result in a default under any agreement or other instrument binding upon Guarantor and do not result in a violation of any law, regulation, court decree or order applicable to Guarantor; (E) Guarantor has not and will not, without the prior written consent of Lender, sell, lease, assign, encumber, hypothecate, transfer, or otherwise dispose of all or substantially all of Guarantor's assets, or any interest therein; (F) upon Lender's request, Guarantor will provide to Lender financial and credit information in form acceptable to Lender, and all such financial information which currently has been, and all future financial information which will be provided to Lender is and will be true and correct in all material respects and fairly present Guarantor's financial condition as of the dates the financial information is provided; (G) no material adverse change has occurred in Guarantor's financial condition since the date of the most recent financial statements provided to Lender and no event has occurred which may materially adversely affect Guarantor's financial condition; (H) no litigation, claim, investigation, administrative proceeding or similar action (including those for unpaid taxes) against Guarantor is pending or threatened; (I) Lender has made no representation to Guarantor as to the creditworthiness of Borrower; and (J) Guarantor has established adequate means of obtaining from Borrower on a continuing basis information regarding Borrower's financial condition. Guarantor agrees to keep adequately informed from such means of any facts, events, or circumstances which might in any way affect Guarantor's risks under this Guaranty, and Guarantor further agrees that, absent a request for information, Lender shall have no obligation to disclose to Guarantor any information or documents acquired by Lender in the course of its relationship with Borrower.

GUARANTOR'S WAIVERS. Except as prohibited by applicable law, Guarantor waives any right to require Lender (A) to continue lending money or to extend other credit to Borrower; (B) to make any presentment, protest, demand, or notice of any kind, including notice of any nonpayment of the indebtedness or of any nonpayment related to any collateral, or notice of any action or nonaction on the part of Borrower, Lender, any surety, endorser, or other guarantor in connection with the indebtedness or in connection with the creation of new or additional loans or obligations; (C) to resort for payment or to proceed directly or at once against any person, including Borrower or any other guarantor; (D) to proceed directly against or exhaust any collateral held by Lender from Borrower or to comply with notice of the terms, time, and place of any public or private sale of personal property security held by Lender from Borrower or to comply with any other applicable provisions of the Uniform Commercial Code; (E) to pursue any other remedy within Lender's power; or (F) to commit any act or omission of any kind, or at any time, with respect to any matter whatsoever.

Guarantor also waives any and all rights or defenses based on suretyship or impairment of collateral including, but not limited to, any rights or defenses arising by reason of (A) any "one action" or "anti-deficiency" law or any other law which may prevent Lender from bringing any action, including a claim for deficiency, against Guarantor, before or after Lender's commencement or completion of any foreclosure action, either judicially or by exercise of a power of sale; (B) any election of remedies by Lender which destroys or otherwise adversely affects Guarantor's subrogation rights or Guarantor's rights to proceed against Borrower for reimbursement, including without limitation, any loss of rights Guarantor may suffer by reason of any law limiting, qualifying, or discharging the indebtedness; (C) any disability or other defense of Borrower, of any other guarantor, or of any other person, or by reason of the cessation of Borrower's liability from any cause whatsoever, other than payment in full in legal tender, of the indebtedness; (D) any right to claim discharge of the indebtedness on the basis of unjustified impairment of any collateral for the indebtedness; (E) any statute of limitations, if at any time any action or suit brought by Lender against Guarantor is commenced, there is outstanding indebtedness which is not barred by any applicable statute of limitations; or (F) any defenses given to guarantors at law or in equity other than actual payment and performance of the indebtedness. If payment is made by Borrower, whether voluntarily or otherwise, or by any third party, on the indebtedness and thereafter Lender is forced to remit the amount of that payment to Borrower's trustee in bankruptcy or to any similar person under any federal or state bankruptcy law or law for the relief of debtors, the indebtedness shall be considered unpaid for the purpose of the enforcement of this Guaranty.

Guarantor further waives and agrees not to assert or claim at any time any deductions to the amount guaranteed under this Guaranty for any claim of setoff, counterclaim, counter demand, recoupment or similar right, whether such claim, demand or right may be asserted by the Borrower, the Guarantor, or both.

GUARANTOR'S UNDERSTANDING WITH RESPECT TO WAIVERS. Guarantor warrants and agrees that each of the waivers set forth above is made with Guarantor's full knowledge of its significance and consequences and that, under the circumstances, the waivers are reasonable and not contrary to public policy or law. If any such waiver is determined to be contrary to any applicable law or public policy, such waiver shall be effective only to the extent permitted by law or public policy.

SUBORDINATION OF BORROWER'S DEBTS TO GUARANTOR. Guarantor agrees that the indebtedness, whether now existing or hereafter created, shall be superior to any claim that Guarantor may now have or hereafter acquire against Borrower, whether or not Borrower becomes insolvent. Guarantor hereby expressly subordinates any claim Guarantor may have against Borrower, upon any account whatsoever, to any claim that Lender may now or hereafter have against Borrower. In the event of insolvency and consequent liquidation of the assets of Borrower, the payment of the claims of both Lender and Guarantor shall be paid to Lender and shall be first applied by Lender to the indebtedness. Guarantor does hereby assign to Lender all claims which it may have or acquire against Borrower or against any assignee or trustee in bankruptcy of Borrower; provided however, that such assignment shall be effective only for the purpose of assuring to Lender full payment in legal tender of the indebtedness. If Lender so requests, any notes or credit agreements now or hereafter evidencing any debts or obligations of Borrower to Guarantor shall be marked with a legend that the same are subject to this Guaranty and shall be delivered to Lender. Guarantor agrees, and Lender is hereby authorized, in the name of Guarantor, from time to time to file financing statements and continuation statements and to execute documents and to take such other actions as Lender deems necessary or appropriate to perfect, preserve and enforce its rights under this Guaranty.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Guaranty:

Amendments. This Guaranty, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Guaranty. No alteration or amendment to this Guaranty shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Arbitration. Borrower and Guarantor and Lender agree that all disputes, claims and controversies between them whether individual, joint, or class in nature, arising from this Guaranty or otherwise, including without limitation contract and tort disputes, shall be arbitrated pursuant to the Rules of the American Arbitration Association in effect at the time the claim is filed, upon request of either party. No act or omission of any Collateral shall constitute a waiver of this arbitration agreement or be prohibited by this arbitration agreement. This includes, without limitation, obtaining injunctive relief or a temporary restraining order; invoking a power of sale under any deed of trust or mortgage; obtaining a writ of attachment or imposition of a receiver; or exercising any rights relating to personal property, including taking

COMMERCIAL GUARANTY (Continued)

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or disposing of such property with or without judicial process pursuant to Article 9 of the Uniform Commercial Code. Any disputes, claims, or controversies concerning the lawfulness or reasonableness of any act, or exercise of any right, concerning any Collateral, including any claim to rescind, reform, or otherwise modify any agreement relating to the Collateral, shall also be arbitrated, provided however that no arbitrator shall have the right or the power to enjoin or restrain any act of any party. Judgment upon any award rendered by any arbitrator may be entered in any court having jurisdiction. Nothing in this Guaranty shall preclude any party from seeking equitable relief from a court of competent jurisdiction. The statute of limitations, estoppel, waiver, laches, and similar doctrines which would otherwise be applicable in an action brought by a party shall be applicable in any arbitration proceeding, and the commencement of an arbitration proceeding shall be deemed the commencement of an action for these purposes. The Federal Arbitration Act shall apply to the construction, interpretation, and enforcement of this arbitration provision.

Attorneys' Fees; Expenses. Guarantor agrees to pay upon demand all of Lender's costs and expenses, including Lender's attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Guaranty. Lender may hire or pay someone else to help enforce this Guaranty, and Guarantor shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's attorneys' fees and legal expenses whether or not there is a lawsuit, including attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Guarantor also shall pay all court costs and such additional fees as may be directed by the court.

Caption Headings. Caption headings in this Guaranty are for convenience purposes only and are not to be used to interpret or define the provisions of this Guaranty.

Governing Law. This Guaranty will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Nevada without regard to its conflicts of law provisions.

Choice of Venue. If there is a lawsuit, Guarantor agrees upon Lender's request to submit to the jurisdiction of the courts of Clark County, State of Nevada. (Initial Here LPC)

Integration. Guarantor further agrees that Guarantor has read and fully understands the terms of this Guaranty; Guarantor has had the opportunity to be advised by Guarantor's attorney with respect to this Guaranty; the Guaranty fully reflects Guarantor's intentions and peril evidence is not required to interpret the terms of this Guaranty. Guarantor hereby indemnifies and holds Lender harmless from all losses, claims, damages, and costs (including Lender's attorneys' fees) suffered or incurred by Lender as a result of any breach by Guarantor of the warranties, representations and agreements of this paragraph.

Interpretation. In all cases where there is more than one Borrower or Guarantor, then all words used in this Guaranty in the singular shall be deemed to have been used in the plural where the context and construction so require; and where there is more than one Borrower named in this Guaranty or when this Guaranty is executed by more than one Guarantor, the words "Borrower" and "Guarantor" respectively shall mean all and any one or more of them. The words "Guarantor," "Borrower," and "Lender" include the heirs, successors, assigns, and transferees of each of them. If a court finds that any provision of this Guaranty is not valid or should not be enforced, that fact by itself will not mean that the rest of this Guaranty will not be valid or enforced. Therefore, a court will enforce the rest of the provisions of this Guaranty even if a provision of this Guaranty may be found to be invalid or unenforceable. If any one or more of Borrower or Guarantor are corporations, partnerships, limited liability companies, or similar entities, it is not necessary for Lender to inquire into the powers of Borrower or Guarantor or of the officers, directors, partners, managers, or other agents acting or purporting to act on their behalf, and any indebtedness made or created in reliance upon the professed exercise of such powers shall be guaranteed under this Guaranty.

Notices. Any notice required to be given under this Guaranty shall be given in writing, and, except for revocation notices by Guarantor, shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail in postage prepaid, directed to the addresses shown near the beginning of this Guaranty. All revocation notices by Guarantor shall be in writing and shall be effective upon delivery to Lender as provided in the section of this Guaranty entitled "DURATION OF GUARANTY." Any party may change its address for notices under this Guaranty by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Guarantor agrees to keep Lender informed at all times of Guarantor's current address. Unless otherwise provided or required by law, if there is more than one Guarantor, any notice given by Lender to any Guarantor is deemed to be notice given to all Guarantors.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Guaranty unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Guaranty shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Guaranty. No prior waiver by Lender, nor any course of dealing between Lender and Guarantor, shall constitute a waiver of any of Lender's rights or of any of Guarantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Guaranty, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Successors and Assigns. Subject to any limitations stated in this Guaranty on transfer of Guarantor's interest, this Guaranty shall be binding upon and inure to the benefit of the parties, their successors and assigns.

Waive Jury. Lender and Guarantor hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Guarantor against the other. (Initial Here LPC)

CREDIT REPORTS. YOU AUTHORIZE LENDER TO OBTAIN CREDIT REPORTS ON YOU AT ANY TIME, AT OUR SOLE OPTION AND EXPENSE, INCLUDING BUT NOT LIMITED TO THE TIME OF LOAN RENEWAL OR IN DETERMINING WHETHER THERE HAS BEEN AN ADVERSE CHANGE IN YOUR FINANCIAL CONDITION. LPC (INITIAL HERE).

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Guaranty. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Guaranty shall have the meanings attributed to such terms in the Uniform Commercial Code:

Borrower. The word "Borrower" means JENNY VENTURES, LLC, and includes all co-signers and co-makers signing the Note and all their successors and assigns.

Guarantor. The word "Guarantor" means everyone signing this Guaranty, including without limitation LAWRENCE D. CANARELLI, and in each case, any signer's successors and assigns.

Guaranty. The word "Guaranty" means this guaranty from Guarantor to Lender.

**COMMERCIAL GUARANTY
(Continued)**

Page 4

Loan No: 52167

Indebtedness. The word "indebtedness" means Borrower's indebtedness to Lender as more particularly described in this Guaranty.

Lender. The word "Lender" means Silver State Bank, its successors and assigns.

Note. The word "Note" means and includes without limitation all of Borrower's promissory notes and/or credit agreements evidencing Borrower's loan obligations in favor of Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of and substitutions for promissory notes or credit agreements.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the indebtedness.

EACH UNDERSIGNED GUARANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS GUARANTY AND AGREES TO ITS TERMS. IN ADDITION, EACH GUARANTOR UNDERSTANDS THAT THIS GUARANTY IS EFFECTIVE UPON GUARANTOR'S EXECUTION AND DELIVERY OF THIS GUARANTY TO LENDER AND THAT THE GUARANTY WILL CONTINUE UNTIL TERMINATED IN THE MANNER SET FORTH IN THE SECTION TITLED "DURATION OF GUARANTY". NO FORMAL ACCEPTANCE BY LENDER IS NECESSARY TO MAKE THIS GUARANTY EFFECTIVE. THIS GUARANTY IS DATED OCTOBER 8, 2007.

GUARANTOR:

X


LAWRENCE D. CANARELLI



COMMERCIAL GUARANTY

Principal	Loan Data	Maturity	Loan No.	Officer	Account	Initials
					CAAU280	DLW

References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item.
Any item above containing "****" has been omitted due to text length limitations.

Borrower: JENNY VENTURES, LLC.
250 PILOT ROAD, SUITE #180
LAS VEGAS, NV 89119

Lender: Silver State Bank
Whitney Ranch
1081 Whitney Ranch Drive
Henderson, NV 89014

Guarantor: LAWRENCE CANARELLI, Trustee of CANARELLI
FAMILY TRUST
1 DOVETAIL CIRCLE
HENDERSON, NV 89014

CONTINUING GUARANTEE OF PAYMENT AND PERFORMANCE. For good and valuable consideration, Guarantor absolutely and unconditionally guarantees full and punctual payment and satisfaction of the indebtedness of Borrower to Lender, and the performance and discharge of all Borrower's obligations under the Note and the Related Documents. This is a guaranty of payment and performance and not of collection, so Lender can enforce this Guaranty against Guarantor even when Lender has not exhausted Lender's remedies against anyone else obligated to pay the indebtedness or against any collateral securing the indebtedness, this Guaranty or any other guaranty of the indebtedness. Guarantor will make any payments to Lender or its order, on demand, in legal tender of the United States of America, in same-day funds, without set-off or deduction or counterclaim, and will otherwise perform Borrower's obligations under the Note and Related Documents. Under this Guaranty, Guarantor's liability is unlimited and Guarantor's obligations are continuing.

INDEBTEDNESS. The word "Indebtedness" as used in this Guaranty means all of the principal amount outstanding from time to time and at any one or more times, accrued unpaid interest thereon and all collection costs and legal expenses related thereto permitted by law, attorneys' fees, arising from any and all debts, liabilities and obligations of every nature or form, now existing or hereafter arising or acquired, that Borrower individually or collectively or interchangeably with others, owes or will owe Lender. "Indebtedness" includes, without limitation, loans, advances, debts, overdraft indebtedness, credit card indebtedness, lease obligations, liabilities and obligations under any interest rate protection agreements or foreign currency exchange agreements or commodity price protection agreements, other obligations, and liabilities of Borrower, and any present or future judgments against Borrower, future advances, loans or transactions that renew, extend, modify, refinance, consolidate or substitute these debts, liabilities and obligations whether: voluntarily or involuntarily incurred; due or to become due by their terms or acceleration; absolute or contingent; liquidated or unliquidated; determined or undetermined; direct or indirect; primary or secondary in nature or arising from a guaranty or surety; secured or unsecured; joint or several or joint and several; evidenced by a negotiable or non-negotiable instrument or writing; originated by Lender or another or others; barred or unenforceable against Borrower for any reason whatsoever; for any transactions that may be voidable for any reason (such as infancy, insanity, ultra vires or otherwise); and originated then reduced or extinguished and then afterwards increased or reinstated.

If Lender presently holds one or more guaranties, or hereafter receives additional guaranties from Guarantor, Lender's rights under all guaranties shall be cumulative. This Guaranty shall not (unless specifically provided below to the contrary) effect or invalidate any such other guaranties. Guarantor's liability will be Guarantor's aggregate liability under the terms of this Guaranty and any such other unexpired guaranties.

CONTINUING GUARANTY. THIS IS A "CONTINUING GUARANTY" UNDER WHICH GUARANTOR AGREES TO GUARANTEE THE FULL AND PUNCTUAL PAYMENT, PERFORMANCE AND SATISFACTION OF THE INDEBTEDNESS OF BORROWER TO LENDER, NOW EXISTING OR HEREFTER ARISING OR ACQUIRED, ON AN OPEN AND CONTINUING BASIS. ACCORDINGLY, ANY PAYMENTS MADE ON THE INDEBTEDNESS WILL NOT DISCHARGE OR DIMINISH GUARANTOR'S OBLIGATIONS AND LIABILITY UNDER THIS GUARANTY FOR ANY REMAINING AND SUCCEEDING INDEBTEDNESS EVEN WHEN ALL OR PART OF THE OUTSTANDING INDEBTEDNESS MAY BE A ZERO BALANCE FROM TIME TO TIME.

DURATION OF GUARANTY. This Guaranty will take effect when received by Lender without the necessity of any acceptance by Lender, or any notice to Guarantor or to Borrower, and will continue in full force until all the indebtedness incurred or contracted before receipt by Lender of any notice of revocation shall have been fully and finally paid and satisfied and all of Guarantor's other obligations under this Guaranty shall have been performed in full. If Guarantor elects to revoke this Guaranty, Guarantor may only do so in writing. Guarantor's written notice of revocation must be mailed to Lender, by certified mail, at Lender's address listed above or such other place as Lender may designate in writing. Written revocation of this Guaranty will apply only to new indebtedness created after actual receipt by Lender of Guarantor's written revocation. For this purpose and without limitation, the term "new indebtedness" does not include the indebtedness which at the time of notice of revocation is contingent, unliquidated, undetermined or not due and which later becomes absolute, liquidated, determined or due. For this purpose and without limitation, "new indebtedness" does not include all or part of the indebtedness that is: incurred by Borrower prior to the indebtedness; incurred under a commitment that became binding before revocation; any renewals, extensions, substitutions, and modifications of the indebtedness. This Guaranty shall bind Guarantor's estate as to the indebtedness created both before and after Guarantor's death or incapacity, regardless of Lender's actual notice of Guarantor's death. Subject to the foregoing, Guarantor's executor or administrator or other legal representative may terminate this Guaranty in the same manner in which Guarantor might have terminated it and with the same effect. Release of any other guarantor or termination of any other guaranty of the indebtedness shall not affect the liability of Guarantor under this Guaranty. A revocation Lender receives from any one or more Guarantors shall not affect the liability of any remaining Guarantors under this Guaranty. It is anticipated that fluctuations may occur in the aggregate amount of the indebtedness covered by this Guaranty, and Guarantor specifically acknowledges and agrees that reductions in the amount of the indebtedness, even to zero dollars (\$0.00), shall not constitute a termination of this Guaranty. This Guaranty is binding upon Guarantor and Guarantor's heirs, successors and assigns so long as any of the indebtedness remains unpaid and even though the indebtedness may from time to time be zero dollars (\$0.00).

GUARANTOR'S AUTHORIZATION TO LENDER. Guarantor authorizes Lender, either before or after any revocation hereof, without notice or demand and without lessening Guarantor's liability under this Guaranty, from time to time: (A) prior to revocation as set forth above, to make one or more additional secured or unsecured loans to Borrower, to lease equipment or other goods to Borrower, or otherwise to extend additional credit to Borrower; (B) to alter, compromise, renew, extend, accelerate, or otherwise change one or more times the time for payment or other terms of the indebtedness or any part of the indebtedness, including increases and decreases of the rate of interest on the indebtedness; extensions may be repeated and may be for longer than the original loan term; (C) to take and hold security for the payment of the indebtedness, and exchange, enforce, waive, subordinate, fail or decide not to perfect, and release any such security, with or without the substitution of new collateral; (D) to release, substitute, agree not to sue, or deal with any one or more of Borrower's sureties,

COMMERCIAL GUARANTY (Continued)

Page 2

Loan No: 52187

endorsers, or other guarantors on any terms or in any manner Lender may choose; (E) to determine how, when and what application of payments and credits shall be made on the indebtedness; (F) to apply such security and direct the order or manner of sale thereof, including without limitation, any nonjudicial sale permitted by the terms of the controlling security agreement or deed of trust, as Lender in its discretion may determine; (G) to sell, transfer, assign or grant participations in all or any part of the indebtedness; and (H) to assign or transfer this Guaranty in whole or in part.

GUARANTOR'S REPRESENTATIONS AND WARRANTIES. Guarantor represents and warrants to Lender that (A) no representations or agreements of any kind have been made to Guarantor which would limit or qualify in any way the terms of this Guaranty; (B) this Guaranty is executed at Borrower's request and not at the request of Lender; (C) Guarantor has full power, right and authority to enter into this Guaranty; (D) the provisions of this Guaranty do not conflict with or result in a default under any agreement or other instrument binding upon Guarantor and do not result in a violation of any law, regulation, court decree or order applicable to Guarantor; (E) Guarantor has not and will not, without the prior written consent of Lender, sell, lease, assign, encumber, hypothecate, transfer, or otherwise dispose of all or substantially all of Guarantor's assets, or any interest therein; (F) upon Lender's request, Guarantor will provide to Lender financial and credit information in form acceptable to Lender, and all such financial information which currently has been, and all future financial information which will be provided to Lender is and will be true and correct in all material respects and fairly present Guarantor's financial condition as of the dates the financial information is provided; (G) no material adverse change has occurred in Guarantor's financial condition since the date of the most recent financial statements provided to Lender and no event has occurred which may materially adversely affect Guarantor's financial condition; (H) no litigation, claim, investigation, administrative proceeding or similar action (including those for unpaid taxes) against Guarantor is pending or threatened; (I) Lender has made no representation to Guarantor as to the creditworthiness of Borrower; and (J) Guarantor has established adequate means of obtaining from Borrower on a continuing basis information regarding Borrower's financial condition. Guarantor agrees to keep adequately informed from such means of any facts, events, or circumstances which might in any way affect Guarantor's risks under this Guaranty, and Guarantor further agrees that, absent a request for information, Lender shall have no obligation to disclose to Guarantor any information or documents acquired by Lender in the course of its relationship with Borrower.

GUARANTOR'S WAIVERS. Except as prohibited by applicable law, Guarantor waives any right to require Lender (A) to continue lending money or to extend other credit to Borrower; (B) to make any presentment, protest, demand, or notice of any kind, including notice of any nonpayment of the indebtedness or of any nonpayment related to any collateral, or notice of any action or nonaction on the part of Borrower, Lender, any surety, endorser, or other guarantor in connection with the indebtedness or in connection with the creation of new or additional loans or obligations; (C) to resort for payment or to proceed directly or at once against any person, including Borrower or any other guarantor; (D) to proceed directly against or exhaust any collateral held by Lender from Borrower, any other guarantor, or any other person; (E) to give notice of the terms, time, and place of any public or private sale of personal property security held by Lender from Borrower or to comply with any other applicable provisions of the Uniform Commercial Code; (F) to pursue any other remedy within Lender's power; or (G) to commit any act or omission of any kind, or at any time, with respect to any matter whatsoever.

Guarantor also waives any and all rights or defenses based on suretyship or impairment of collateral including, but not limited to, any rights or defenses arising by reason of (A) any "one action" or "anti-deficiency" law or any other law which may prevent Lender from bringing any action, including a claim for deficiency, against Guarantor, before or after Lender's commencement or completion of any foreclosure action, either judicially or by exercise of a power of sale; (B) any election of remedies by Lender which destroys or otherwise adversely affects Guarantor's subrogation rights or Guarantor's rights to proceed against Borrower for reimbursement, including without limitation, any loss of rights Guarantor may suffer by reason of any law limiting, qualifying, or discharging the cessation of Borrower's liability from any cause whatsoever, other than payment in full in legal tender, of the indebtedness; (C) any disability or other defense of Borrower, of any other guarantor, or of any other person, or by reason of the cessation of Borrower's liability from any cause whatsoever, other than payment in full in legal tender, of the indebtedness; (D) any right to claim discharge of the indebtedness on the basis of unjustified impairment of any collateral for the indebtedness; (E) any statute of limitations, if at any time any action or suit brought by Lender against Guarantor is commenced, there is outstanding indebtedness which is not barred by any applicable statute of limitations; or (F) any defenses given to guarantors at law or in equity other than actual payment and performance of the indebtedness. If payment is made by Borrower, whether voluntarily or otherwise, or by any third party, on the indebtedness and thereafter Lender is forced to remit the amount of that payment to Borrower's trustee in bankruptcy or to any similar person under any federal or state bankruptcy law or law for the relief of debtors, the indebtedness shall be considered unpaid for the purpose of the enforcement of this Guaranty.

Guarantor further waives and agrees not to assert or claim at any time any deductions to the amount guaranteed under this Guaranty for any claim of setoff, counterclaim, counter demand, recoupment or similar right, whether such claim, demand or right may be asserted by the Borrower, the Guarantor, or both.

GUARANTOR'S UNDERSTANDING WITH RESPECT TO WAIVERS. Guarantor warrants and agrees that each of the waivers set forth above is made with Guarantor's full knowledge of its significance and consequences and that, under the circumstances, the waivers are reasonable and not contrary to public policy or law. If any such waiver is determined to be contrary to any applicable law or public policy, such waiver shall be effective only to the extent permitted by law or public policy.

SUBORDINATION OF BORROWER'S DEBTS TO GUARANTOR. Guarantor agrees that the indebtedness, whether now existing or hereafter created, shall be superior to any claim that Guarantor may now have or hereafter acquire against Borrower, whether or not Borrower becomes insolvent. Guarantor hereby expressly subordinates any claim Guarantor may have against Borrower, upon any account whatsoever, to any claim that Lender may now or hereafter have against Borrower. In the event of insolvency and consequent liquidation of the assets of Borrower, through bankruptcy, by an assignment for the benefit of creditors, by voluntary liquidation, or otherwise, the assets of Borrower applicable to the payment of the claims of both Lender and Guarantor shall be paid to Lender and shall be first applied by Lender to the indebtedness. Guarantor does hereby assign to Lender all claims which it may have or acquire against Borrower or against any assignee or trustee in bankruptcy of Borrower; provided however, that such assignment shall be effective only for the purpose of assuring to Lender full payment in legal tender of the indebtedness. If Lender so requests, any notes or credit agreements now or hereafter evidencing any debts or obligations of Borrower to Guarantor shall be marked with a legend that the same are subject to this Guaranty and shall be delivered to Lender. Guarantor agrees, and Lender is hereby authorized, in the name of Guarantor, from time to time to file financing statements and continuation statements and to execute documents and to take such other actions as Lender deems necessary or appropriate to perfect, preserve and enforce its rights under this Guaranty.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Guaranty:

Amendments. This Guaranty, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Guaranty. No alteration or amendment to this Guaranty shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Arbitration. Borrower and Guarantor and Lender agree that all disputes, claims and controversies between them whether individual, joint, or class in nature, arising from this Guaranty or otherwise, including without limitation contract and tort disputes, shall be arbitrated pursuant to the Rules of the American Arbitration Association in effect at the time the claim is filed, upon request of either party. No act to take or dispose of any Collateral shall constitute a waiver of this arbitration agreement or be prohibited by this arbitration agreement. This includes, without limitation, obtaining injunctive relief or a temporary restraining order; invoking a power of sale under any deed of trust or

mortgages; obtaining a writ of attachment or imposition of a receiver; or exercising any rights relating to personal property, including taking claims to resolution, reform, or otherwise modify any agreement relating to the collateral, shall not be arbitrable, provided however that no arbitrator shall have the right or the power to enjoin or restrain any act of any party. Judgment shall preclude any party from seeking relief from a court of competent jurisdiction. Nothing in this Guaranty shall preclude any party from seeking relief from a court of competent jurisdiction. The statute of limitations, set forth in the Uniform Commercial Code, shall apply to the construction, interpretation, and enforcement of this arbitration provision.

Attorneys' Fees; Expenses. Guarantor agrees to pay upon demand all of Lender's costs and expenses, including Lender's attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Guaranty. Lender may hire or pay someone else to help enforce this Guaranty, and Guarantor shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's attorneys' fees and legal expenses whether or not there is a lawsuit, including attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection proceedings. Guarantor also shall pay all court costs and such additional fees as may be directed by the court.

Caption Headings. Caption headings in this Guaranty are for convenience purposes only and are not to be used to interpret or define the provisions of this Guaranty.

Governing Law. This Guaranty will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Nevada without regard to its conflicts of law provisions.

Choice of Venue. If there is a lawsuit, Guarantor agrees upon Lender's request to submit to the jurisdiction of the courts of Clark County, State of Nevada. (Initial Here)

Integration. Guarantor further agrees that Guarantor has read and fully understands the terms of this Guaranty; Guarantor has had the opportunity to be advised by Guarantor's attorney with respect to this Guaranty; the Guaranty fully reflects Guarantor's intentions and part of the agreement between Guarantor and Lender. Guarantor hereby indemnifies and holds Lender harmless from all losses, claims, damages, and costs (including Lender's attorney's fees) suffered or incurred by Lender as a result of any breach by Guarantor of the warranties, representations and agreements of this paragraph.

Interpretation. In all cases where there is more than one Borrower or Guarantor, then all words used in this Guaranty in the singular shall be deemed to have been used in the plural where the context and construction so require; and where there is more than one Borrower, Lender, or Guarantor, the words "Borrower," "Guarantor," "Borrower," and "Lender" include the heirs, successors, assigns, and transferees of each of them. If a court finds that any provision of this Guaranty is not valid or should not be enforced, that fact by itself will not mean that the rest of the Guaranty will not be valid or enforced. Therefore, a court will enforce the rest of the provisions of this Guaranty even if a provision of this Guaranty may be found to be invalid or unenforceable. If any one or more of the provisions of this Guaranty are found to be invalid or unenforceable, it is not necessary for Lender to inquire into the powers of Borrower or Guarantor or of the officers, directors, partners, managers, or other agents acting or purporting to act on behalf of Borrower, and any indebtedness made or created in reliance upon the professed exercise of such powers shall be guaranteed under this Guaranty.

Notices. Any notice required to be given under this Guaranty shall be given in writing, and, except for revocation notices by Guarantor, shall be effective when actually delivered, when actually received by telegraphic mail (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addressee shown near the beginning of the Guaranty. All revocation notices by Guarantor shall be in writing and shall be effective upon delivery to Lender as provided in the section of this Guaranty entitled "DURATION OF GUARANTY." Any party may change its address for notices under this Guaranty by giving formal written notice to keep Lender informed at all times of Guarantor's current address. For notice purposes, Guarantor agrees to keep Lender informed at all times of Guarantor's current address. Unless otherwise provided or required by law, if there is more than one Guarantor, any notice given by Lender to any Guarantor is deemed to be notice given to all Guarantors.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Guaranty unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of this Guaranty shall not preclude or constitute a waiver of Lender's right otherwise to demand satisfaction compliance with that provision or any other provision of this Guaranty. No prior waiver by Lender, nor any course of dealing between Lender and Guarantor, shall constitute a waiver of such consent by Lender in any instance shall not constitute a continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Successors and Assigns. Subject to any limitations stated in this Guaranty on transfer of Guarantor's interest, this Guaranty shall be binding upon and inure to the benefit of the parties, their successors and assigns.

Waiver Jury. Lender and Guarantor hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Guarantor against the other. (Initial Here)

CREDIT REPORTS. YOU AUTHORIZE LENDER TO OBTAIN CREDIT REPORTS ON YOU AT ANY TIME, AT OUR SOLE OPTION AND EXPENSE, INCLUDING BUT NOT LIMITED TO THE TIME OF LOAN RENEWAL OR IN DETERMINING WHETHER THERE HAS BEEN AN ADVERSE CHANGE IN YOUR FINANCIAL CONDITION. (INITIAL HERE)

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Guaranty. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms defined in this Guaranty shall have the meanings attributed to such terms in the Uniform Commercial Code:

Borrower. The word "Borrower" means JENNY VENTURES, LLC, and includes all co-signers and co-makers signing the Note and all their successors and assigns.

Guarantor. The word "Guarantor" means everyone signing this Guaranty, including without limitation LAWRENCE CANARELLI, Trustee of CANARELLI FAMILY TRUST under the provisions of a trust agreement dated September 14, 1990, and in each case, any signer's successors and assigns.

COMMERCIAL GUARANTY
(Continued)

**COMMERCIAL GUARANTY
(Continued)**

Page 4

Loan No: 52167

Guaranty. The word "Guaranty" means this guaranty from Guarantor to Lender.

Indebtedness. The word "Indebtedness" means Borrower's indebtedness to Lender as more particularly described in this Guaranty.

Lender. The word "Lender" means Silver State Bank, its successors and assigns.

Note. The word "Note" means and includes without limitation all of Borrower's promissory notes and/or credit agreements evidencing Borrower's loan obligations in favor of Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of and substitutions for promissory notes or credit agreements.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the indebtedness.

EACH UNDERSIGNED GUARANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS GUARANTY AND AGREES TO ITS TERMS. IN ADDITION, EACH GUARANTOR UNDERSTANDS THAT THIS GUARANTY IS EFFECTIVE UPON GUARANTOR'S EXECUTION AND DELIVERY OF THIS GUARANTY TO LENDER AND THAT THE GUARANTY WILL CONTINUE UNTIL TERMINATED IN THE MANNER SET FORTH IN THE SECTION TITLED "DURATION OF GUARANTY". NO FORMAL ACCEPTANCE BY LENDER IS NECESSARY TO MAKE THIS GUARANTY EFFECTIVE. THIS GUARANTY IS DATED OCTOBER 6, 2007.

GUARANTOR:

X



LAWRENCE CANARELLI, Trustee of CANARELLI
FAMILY TRUST under the provisions of a Trust
Agreement dated September 14, 1990

EXHIBIT 5.1.24A

CONSTRUCTION DEFECT CLAIMS

[See Attached]

EXHIBIT 5.1.24A

The following entities are named defendants in present actions for construction defect claims:

NON WIRSBO

American West Homes, Inc.
Canyons III, Inc.
Canyons IV, Inc.
Glen Eagles 1, Inc.
Glen Eagles 4, Inc.
Inverness 2, Inc.
Pinnacle Three, Inc.

NOTE: In each of the above suits plumbing defects have been alleged

The following entities have not been served or otherwise notified as to pending or threatened construction defect claims:

POTENTIAL/THREATENED WIRSBO

American West Homes, Inc.
Canyons III, Inc.
Canyons IV, Inc.
Coronado Paseo I, Inc.
Coronado Paseo III, Inc.
Glen Eagles 1, Inc.
Glen Eagles 4, Inc.
Inverness 1, Inc.
Inverness 2, Inc.
Model Renting Company, Inc.
Pinnacle Two, Inc.
Pinnacle Three, Inc.
Pinnacle Four, Inc.
Promise 2, Inc.
Promontory Point 2, Inc.
Promontory Point 3, Inc.
Silverado Court 1, Inc.
Silverado Court 2, Inc.
Silverado Court 3, Inc.

EXHIBIT 5.1.24B

PRICE PROMISE/PRICE GUARANTY

[See Attached]

EXHIBIT 5.1.24B

PRICE PROMISE

Kensington 2, Inc.

PRICE GUARANTY

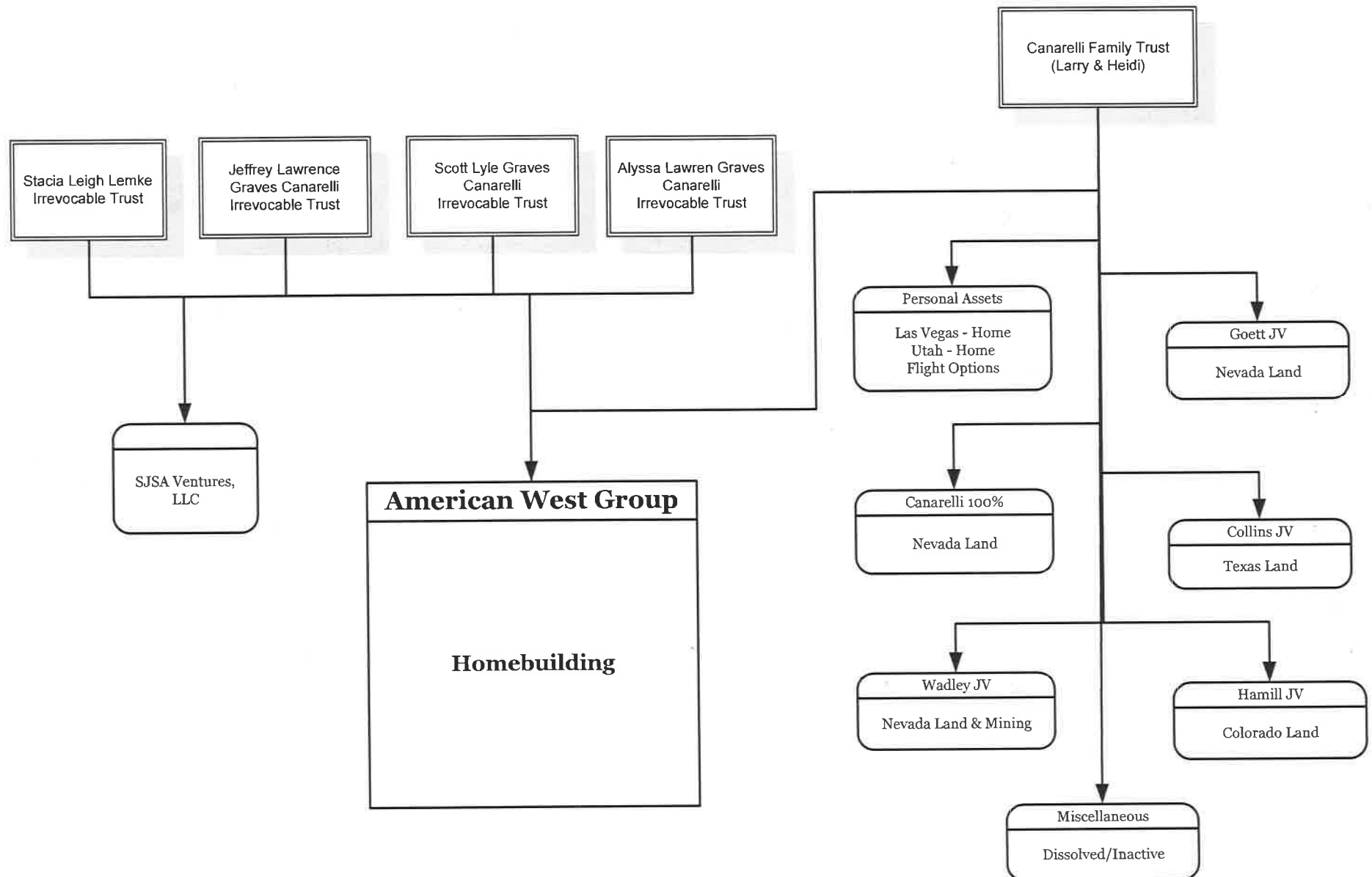
Silverado Court 3, Inc.

EXHIBIT 5.3
ORGANIZATIONAL CHART

[See Attached]

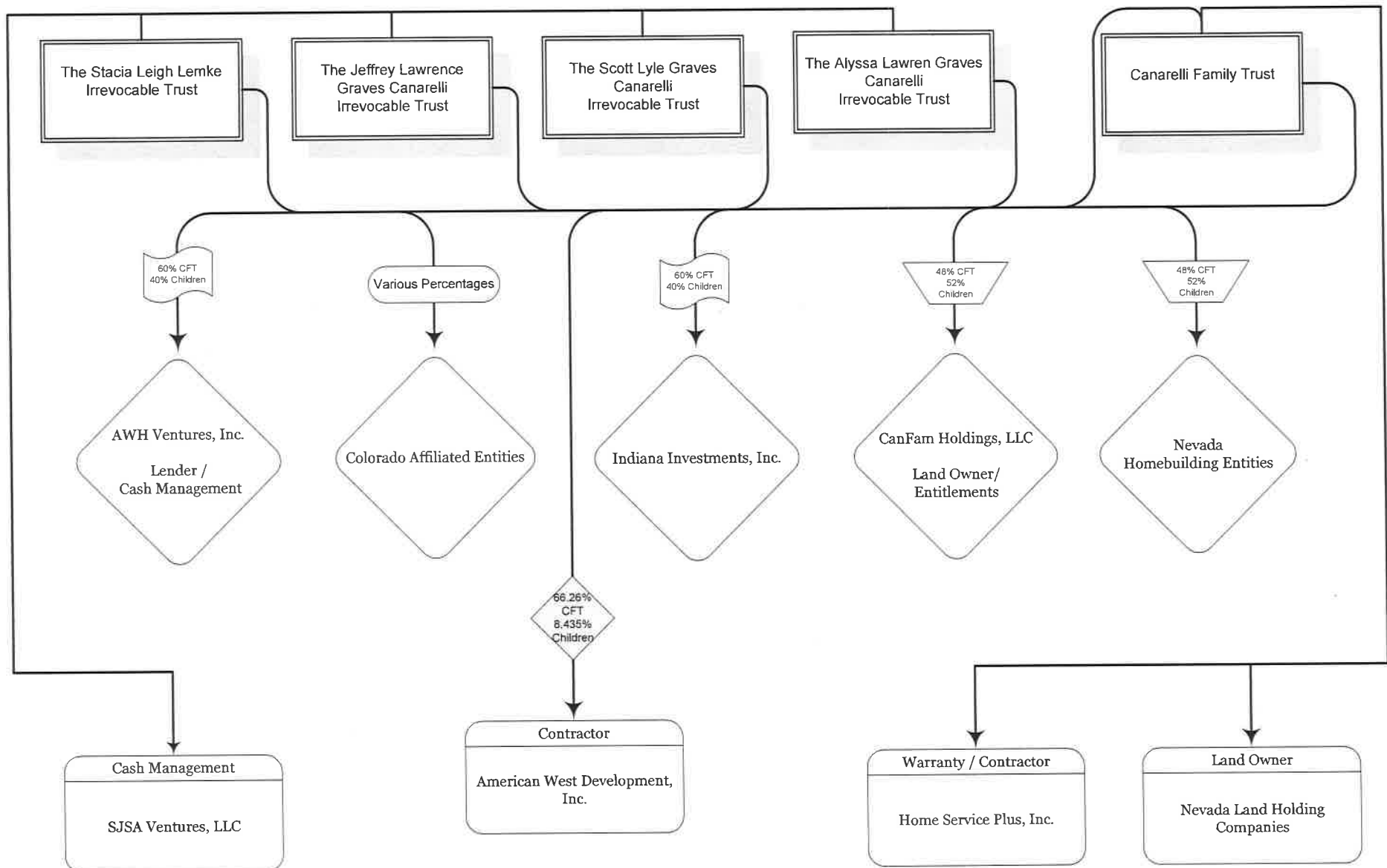
Canarelli Family

Investment Holdings



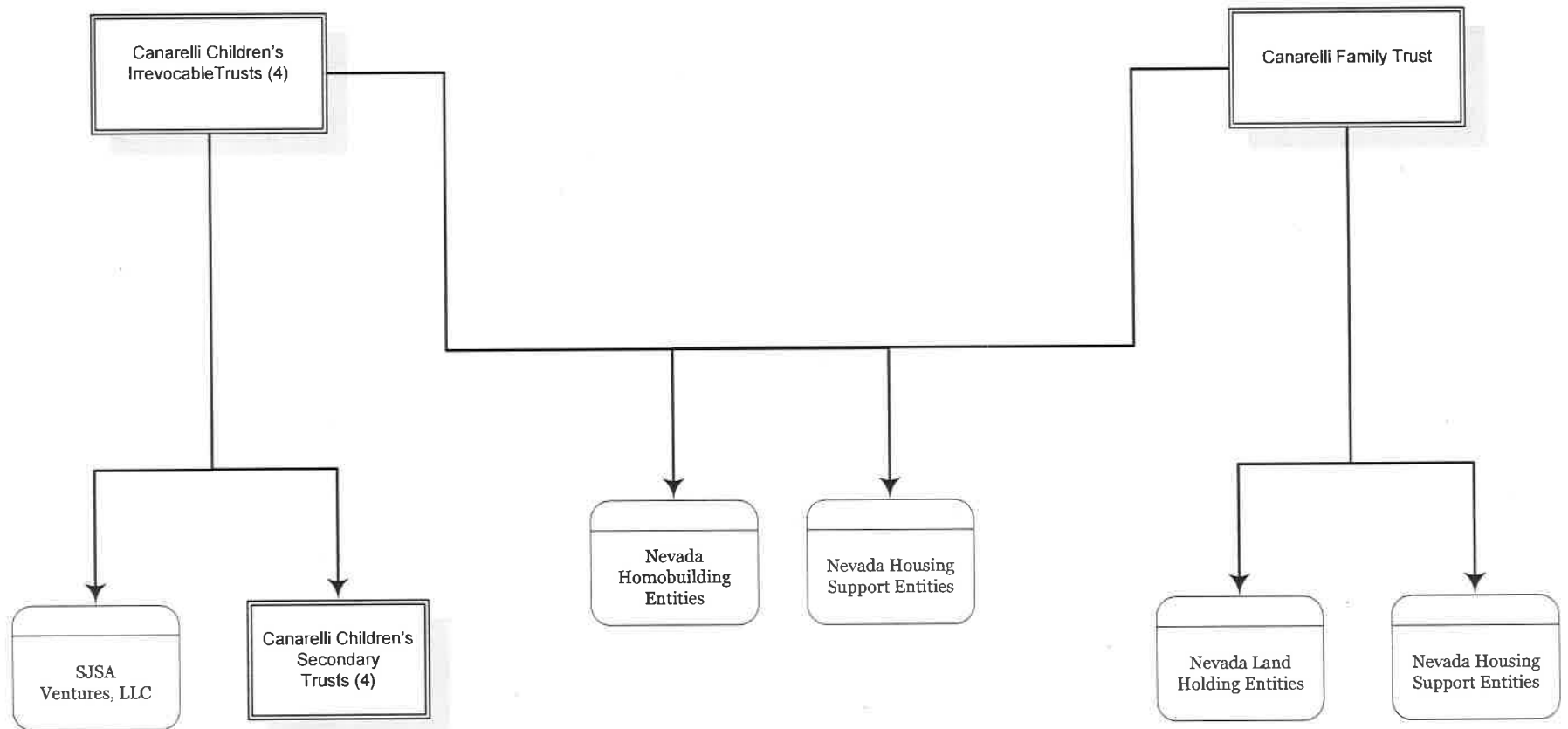
American West Group

Group of Companies



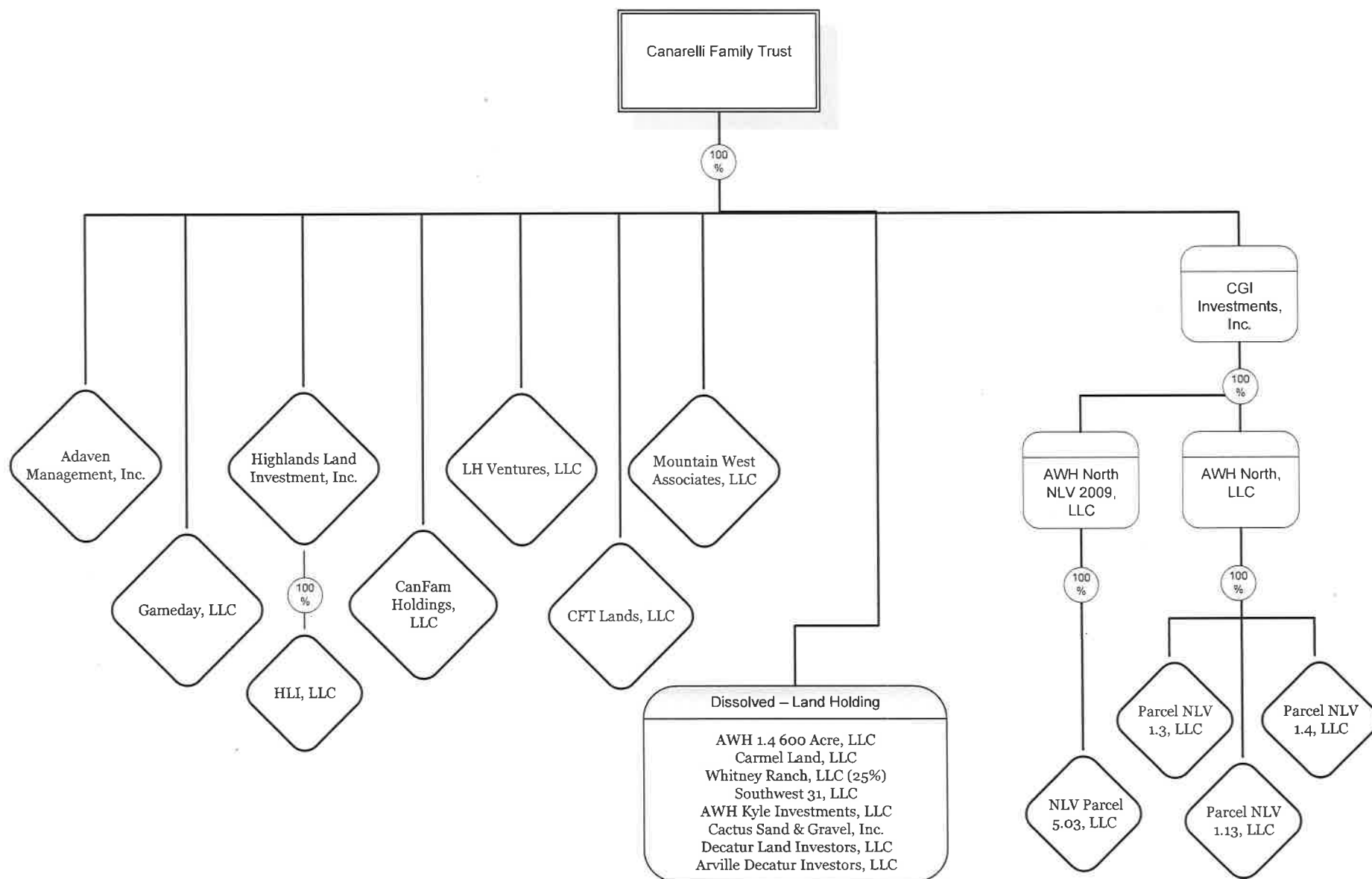
American West Group

Nevada Homebuilding



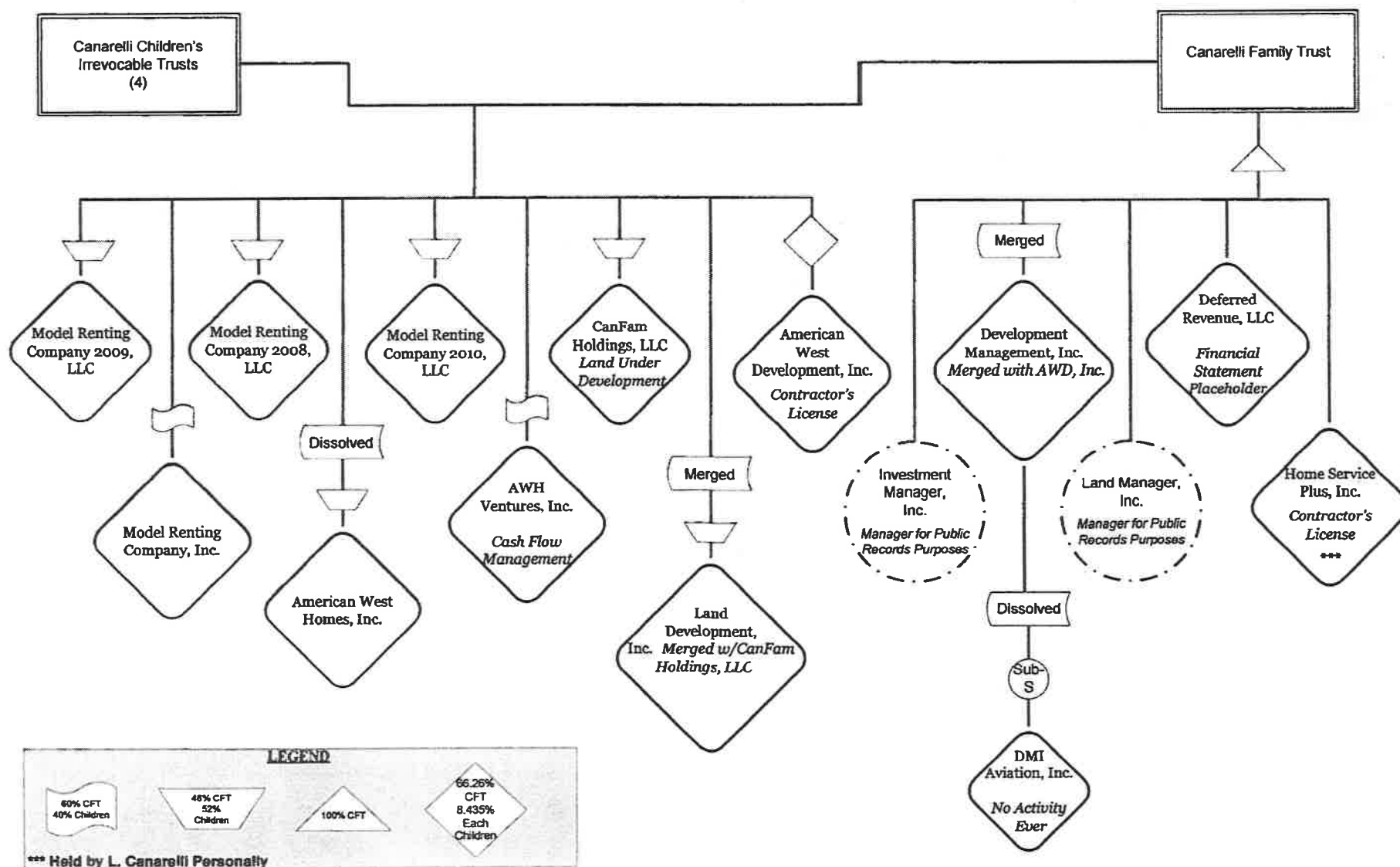
American West Group

Nevada Land Entities



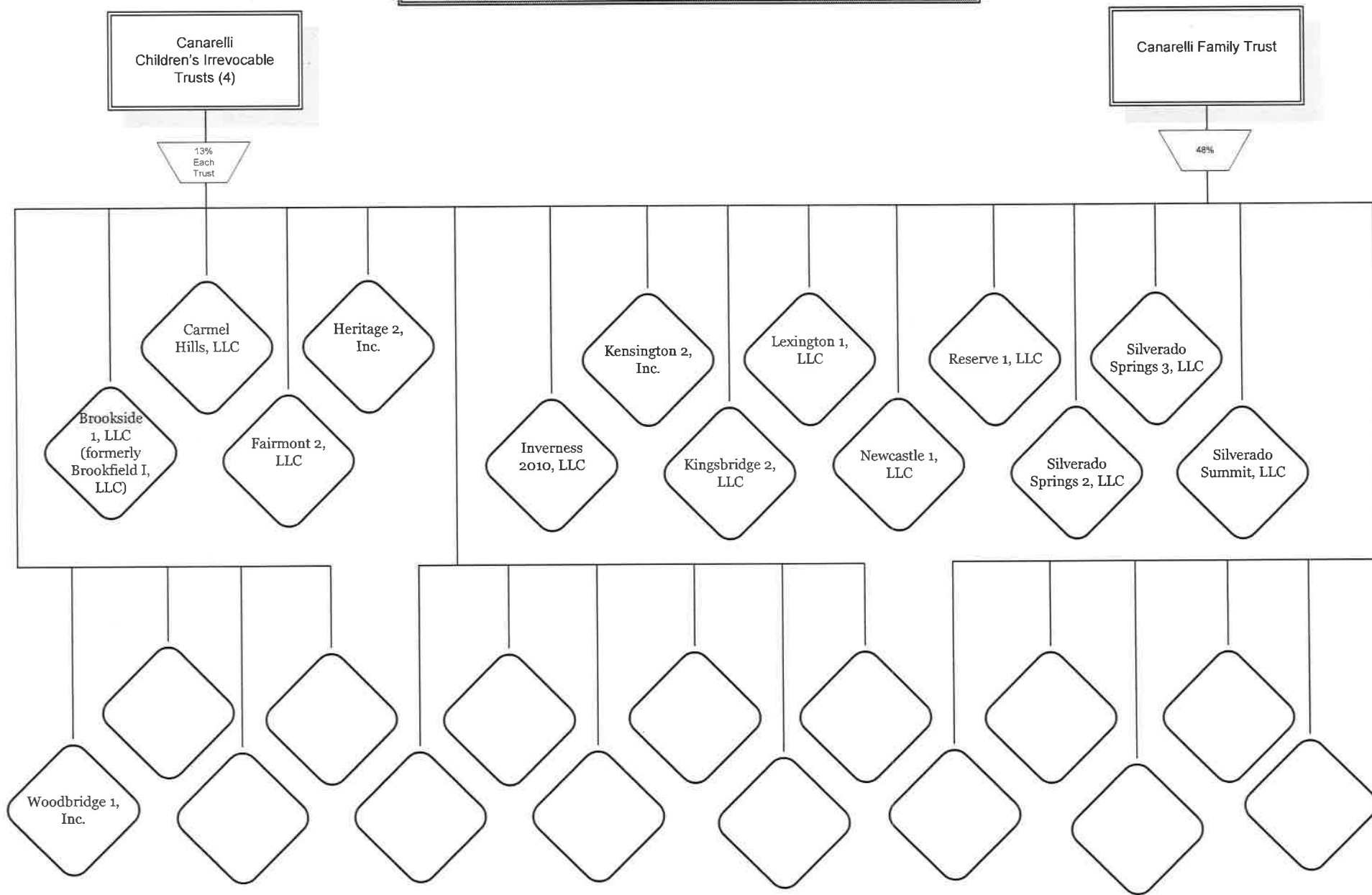
American West Group

Nevada Housing Support Entities



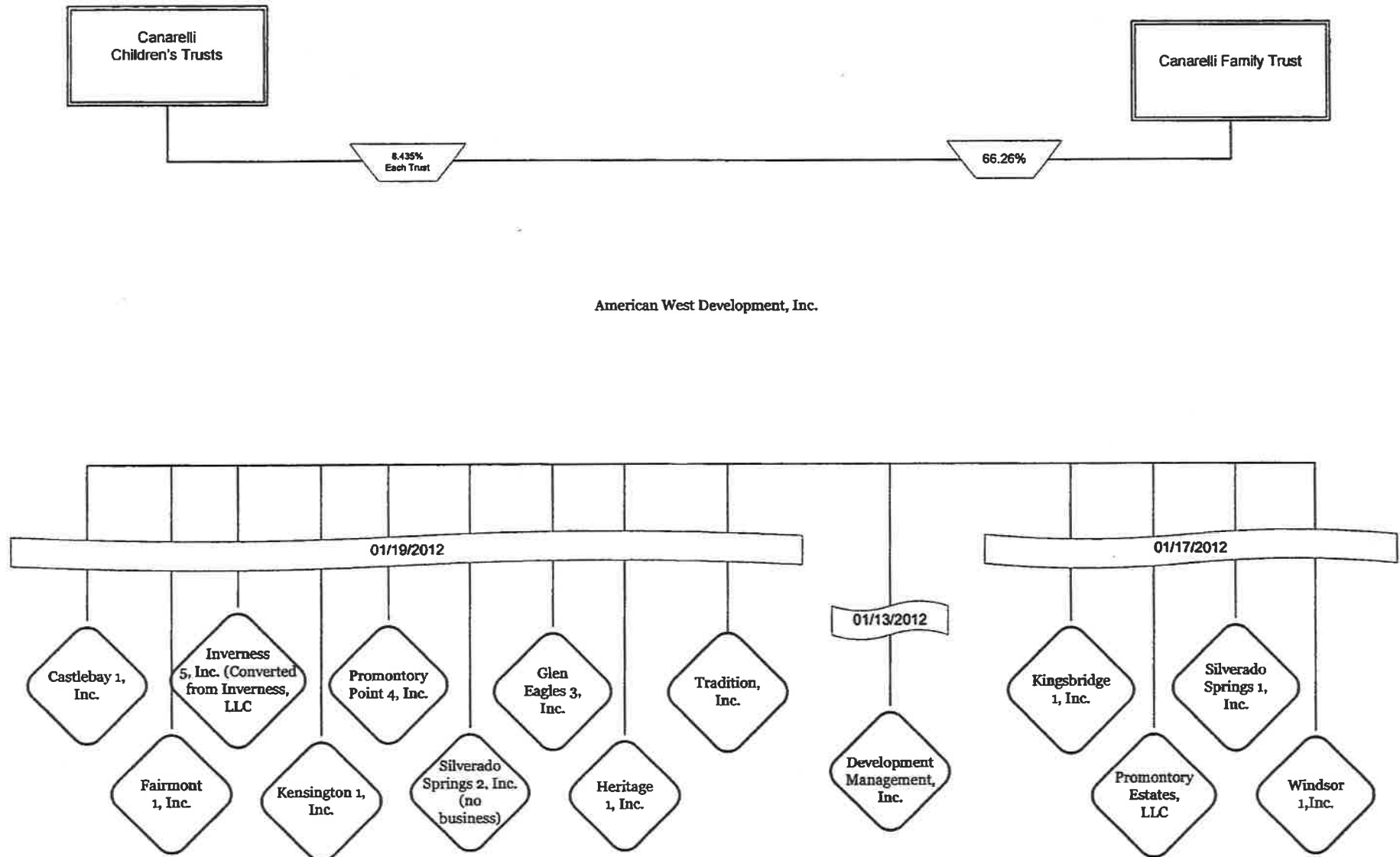
American West Group

Nevada Housing Entities



American West Group

Nevada Housing Entities - Merged



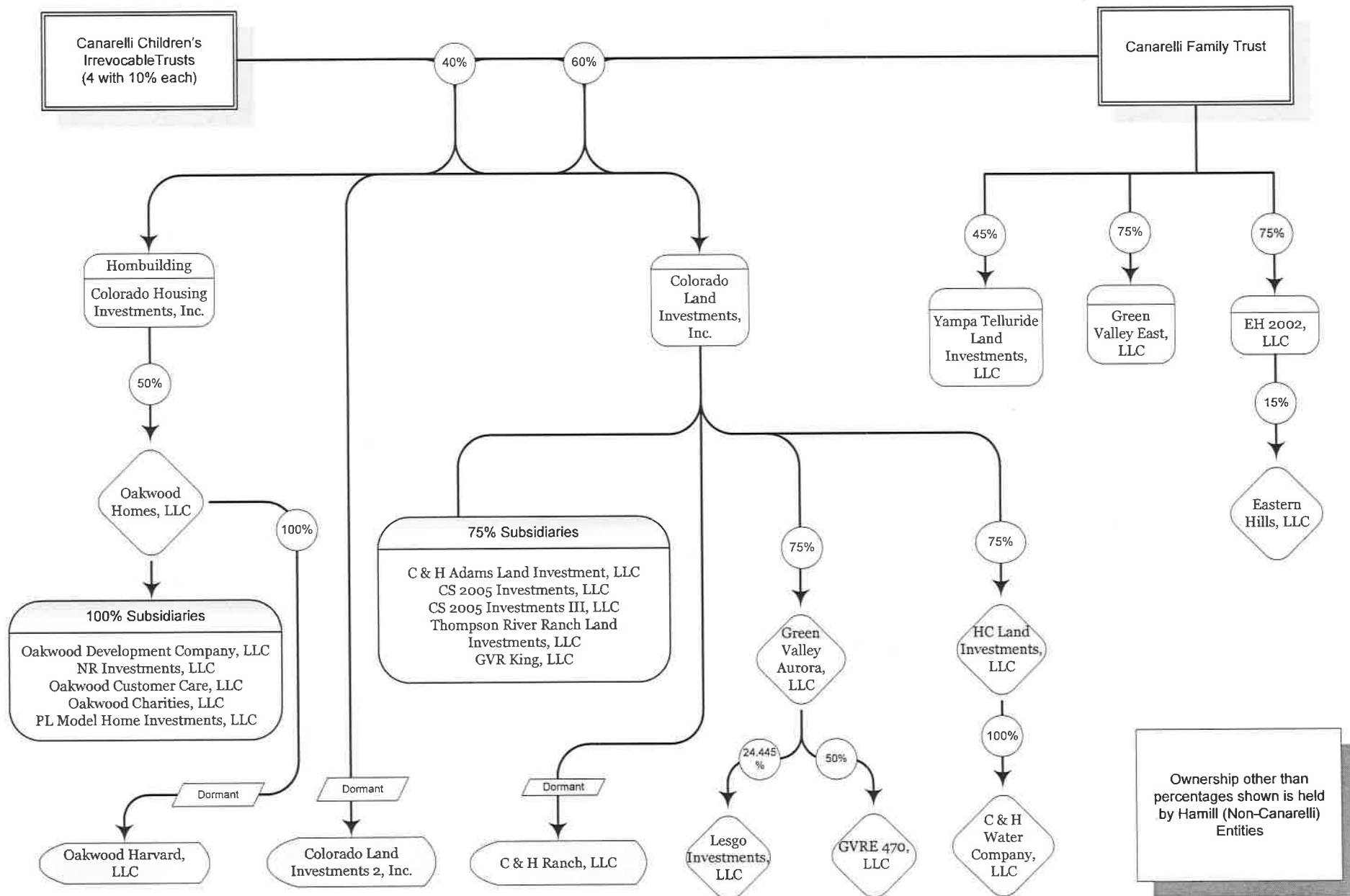


EXHIBIT 5.3A

SUBSIDIARIES OF BORROWER

[See Attached]

EXHIBIT 5.3A
SUBSIDIARIES OF BORROWERS

THE AMERICAN WEST GROUP
THE AFFILIATED OBLIGORS
THE OAKWOOD GROUP
CGI INVESTMENTS, INC
CANARELLI GAMING, LLC
CANARELLI GAMING NORTH, LLC
LDC GAMING, INC
LDC CONTRACTING, LLC
AMERICAN WEST LIVING, LLC
ALLCAN LAND CO., LLC
ALYCAN, LLC
ARIZONA COMPANIES, INC
ARIZONA LAND INVESTMENTS, INC
DOCAN, LLC
H & L MANAGEMENT, LLC
H & L MANAGEMENT, INC
JAYCAN, LLC
STACAN, LLC
LDC COLORADO, LLC
CS 2005 INVESTMENTS III, LLC, a Colorado limited liability company
GVRE COMMERCIAL, LLC, a Colorado limited liability company

EXHIBIT 5.3B

OTHER ENTITIES

[See Attached]

**EXHIBIT 5.3B
OTHER ENTITIES**

ST. ROSE PARCEL, LLC