UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA

PROOF OF CLAIM

In re:
South Edge, LLC

CASE NUMBER:
10-32968-BAM

NOTE: See Reverse for List of Debtors/Case Numbers/Important details. This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A "request" for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503.

☐ Check box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars.

☐ Check this box if you are the debtor or trustee in this case.

Name of Creditor and Address: the person or other entity to whom the debtor owes money or property

JPMorgan Chase Bank, N.A., as Administrative Agent,
for itself and on behalf of Lenders
c/o Morrison & Foerster LLP
1290 Avenue of the Americas
New York, New York 10104
Attn: Norman S. Rosenbaum and Jordan A. Wishnew

Creditor Telephone Number (212) 468-8000

RECEIVED
JUN 30 2011
BMC GROUP

If you have already filed a proof of claim with the Bankruptcy Court or BMC, you do not need to file again.
THIS SPACE FOR COURT USE ONLY.

Name and address where payment should be sent (if different from above):
JPMorgan Chase Bank, N.A.
383 Madison Avenue
New York, New York 10179
Attn: William A. Austin

Payment Telephone Number (212) 622-4507

☐ Check this box to indicate that this claim amends a previously filed claim.
Claim Number (if known):
Filed on: _____

1. AMOUNT OF CLAIM AS OF DATE CASE FILED $367,538,209.77, plus other liabilities addressed in the Appendix

If all or part of your claim is secured, complete item 4 below; however, if all of your claim is unsecured, do not complete item 4.

If all or part of your claim is entitled or priority, complete item 5.

☒ Check this box if claim includes interest or other charges in addition to the principal amount of claim. Attach itemized statement of interest or charges.

2. BASIS FOR CLAIM
Amended and Restated Credit Agreement dated 3/9/07 and other Loan Documents as defined therein

(See instructions #2 and #3a on reverse side)

3. LAST FOUR DIGITS OF ANY NUMBER BY WHICH CREDITOR IDENTIFIES DEBTOR: _____
3a. Debtor may have scheduled account as: _____

4. SECURED CLAIM (See instruction #4 on reverse side)
Check the appropriate box if your claim is secured by a lien on property or a right of set off and provide the requested information

Secured Claim Amount: $ undetermined - See Appendix — **DO NOT** include the priority portion of your claim here.

Unsecured Claim Amount $ undetermined - See Appendix

Nature of property or right of setoff:
Describe:
Amount of arrearage and other charges as of time case filed included in secured claim.

☒ Real Estate ☐ Motor Vehicle ☒ Other _____

Value of Property $ ____See Appendix____ Annual Interest Rate: ___% If any: $ ____ See Appendix ____ Basis for Perfection: UCC and possession

5. PRIORITY CLAIM

☐ Amount of Claim Entitled to Priority under 11 U.S.C. §507(a). If any portion of your claim falls in one of the following categories, check the box and state the amount.

Unsecured Priority Claim Amount $ _____ — Include **ONLY** the priority portion of your unsecured claim here.

You MUST specify the priority of the claim:

☐ Domestic support obligations under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B).
☐ Wages, salaries, or commissions (up to $11,725*), earned within 180 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier - 11 U.S.C. § 507(a)(4).
☐ Contributions to an employee benefit plan - 11 U.S.C. §507(a)(5).
☐ Up to $2,600* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use - 11 U.S.C. §507(a)(7).
☐ Taxes or penalties owed to governmental units - 11 U.S.C. §507(a)(8).
☐ Other – Specify applicable paragraph of 11 U.S.C. §507(a)(___).

** Amounts are subject to adjustment on 4/1/13 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.*

6. Credits: The amount of all payments on this claim has been credited for the purpose of making this proof of claim.

7. Supporting DOCUMENTS: *Attach redacted copies of supporting documents*, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, court judgments, mortgages, and security agreements. You may also attach a summary. Attach redacted copies of evidence of perfection of a security interest. (See instruction 7 and definition of "redacted" on reverse side.) If the documents are not available, please explain. See Appendix.

DATE-STAMPED COPY: to receive an acknowledgment of the filing of your claim, enclose a stamped, self-addressed envelope and copy of this proof of claim.

DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING.

The original of this completed proof of claim form must be sent by mail or hand delivered (FAXES NOT ACCEPTED) so that it is actually received on or before June 29, 2011 for Non-Governmental Claimants OR on or before August 2, 2011 for Governmental Units.

THIS SPACE FOR COURT USE ONLY

South Edge
00011

BY MAIL TO:
United States Bankruptcy Court, District of Nevada
Foley Federal Building and U.S. Courthouse
300 Las Vegas Boulevard South
Las Vegas, NV 89101

BY HAND OR OVERNIGHT DELIVERY TO:
United States Bankruptcy Court, District of Nevada
Foley Federal Building and U.S. Courthouse
300 Las Vegas Boulevard South
Las Vegas, NV 89101

DATE 6/28/11

SIGNATURE: The person filing this claim must sign it. Sign and print name and title, if any, of the creditor or other person authorized to file this claim and state address and telephone number if different from the notice address above. Attach copy of power of attorney, if any.

William A Austin WILLIAM A AUSTIN EXECUTIVE DIRECTOR

Penalty for presenting fraudulent claim is a fine of up to $500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 AND 3571

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA

In re: SOUTH EDGE, LLC, Debtor.	Chapter 11 Case No. 10-32968 (BAM)

APPENDIX TO PROOF OF CLAIM FILED BY JPMORGAN CHASE BANK, N.A., AS ADMINISTRATIVE AGENT

A. Introduction

1. This Appendix to the Proof of Claim of JPMorgan Chase Bank, N.A. ("JPMorgan" or the "Agent"), as Administrative Agent under the Credit Agreement, dated as of November 1, 2004 among South Edge, LLC ("South Edge" or "Debtor")), JPMorgan, as Administrative Agent and certain Lenders defined therein, as amended by the Amended and Restated Credit Agreement (as so amended, the "Credit Agreement")[1], dated March 9, 2007, among South Edge, JPMorgan, as Administrative Agent and certain Lenders defined therein, is executed for itself and all Lenders and is incorporated into the Proof of Claim in its entirety as if fully set forth therein (herein collectively called, the "Proof of Claim").

2. This Proof of Claim arises generally out of the Credit Agreement, the Assignment of Acquisition Agreements, the Acquisition Agreements[2] and the other Collateral Documents (such agreements and the loan and security documents executed pursuant thereto are hereinafter, as in the Credit Agreement, collectively defined as the "Loan Documents").

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[1] The Credit Agreement is attached hereto as **Exhibit 1**, but other Loan Documents and related documents referenced in this Appendix including, but not limited to, the Operating Agreement, the Member Acquisition Agreements, the Collateral Documents and the Assignment of acquisition Agreements (all of which are defined below) are too voluminous to attach to this Proof of Claim. These documents have previously been made available to the Chapter 11 trustee and are part of the trial record in the involuntary bankruptcy case and the appellate record relating thereto, all of which are incorporated herein by judicial reference.

[2] Capitalized terms not defined herein shall have the meaning set forth in either the Credit Agreement or the other Loan Documents, as applicable.

B. Factual Basis for Claim

THE LOAN DOCUMENTS

3. In a public auction held on June 2, 2004, South Edge acquired approximately 1,940 acres of unimproved land in the City of Henderson, Nevada utilizing, among other funds, financing provided pursuant to the Credit Agreement and the related Loan Documents.

4. JPMorgan, along with a group of other lenders (together with JPMorgan and their respective successors and assigns, the "Lenders"), financed a significant part of the costs of South Edge's land acquisition. To that end, South Edge, JPMorgan and the other Lenders entered into a credit agreement, dated November 1, 2004, which was amended and restated by an Amended and Restated Credit Agreement, dated March 9, 2007.[3] JPMorgan, as Administrative Agent under the Credit Agreement, acts as the administrative agent for the Lenders with respect to the Loans and the Collateral and is authorized to file this Proof of Claim for all Lenders with respect to the Loan Documents.

5. In addition to the Credit Agreement, as explained herein, South Edge also entered into other Loan Documents with JPMorgan that assigned certain Collateral to JPMorgan, as Agent (collectively herein as in the Credit Agreement, the "Collateral Documents"), including:

(i) The Deed of Trust, Security Agreement, Fixture Filing and Assignment of Rents and Leases dated as of October 29, 2004, and recorded as Instrument No. 20041101-0006330 with the Clark County Recorder on November 1, 2004, as amended by the First Amendment to Deed of Trust, Security Agreement and Fixture Filing and Assignment of Rents and Leases dated as of March 9, 2007, and recorded with the Clark County Recorder on March 9, 2007, (the "Deed of Trust");

(ii) The Assignment of Contracts, Permits and Plans and Specifications, dated as of November 1, 2004 (the "Assignment of Contracts");

[3] The Credit Agreement includes four "facilities." Facility A is a construction loan that is drawn down by South Edge as needed, Facilities B and C are term loans that were fully funded at the closing of the Credit Agreement, and Facility D provides for letters of credit available to South Edge. The original 2004 Credit Agreement is substantially the same as the Credit Agreement, and has not been annexed hereto as an Exhibit.

(iii) The Assignment of and Agreement with Respect to Acquisition Agreements, dated as of November 1, 2004 (the "Assignment of Acquisition Agreements")[4]; and

(iv) the City LID Assignment (defined herein).

6. In order to facilitate the construction of the Project, the Members each entered into an "Acquisition Agreement" with South Edge whereby the Member agreed to purchase, on a set schedule at the specified price, specific parcels of the Project from South Edge. South Edge, as the purchaser of the land, held title to the land, subject to the Lenders' lien. The schedule for the land purchases from South Edge (known as "Takedowns") was specifically set up to align periodic needs with the maturity of the Loans provided by the Lenders.

7. On November 1, 2004, South Edge entered into the Assignment of Acquisition Agreements with each of its Members and their Parents, pursuant to which, as security for the payment and performance of the Secured Obligations, South Edge agreed to assign and pledge to the Agent all of South Edge's right, title and interest, powers, remedies, privileges and other benefits in, to and under the Acquisition Agreements.

8. Such assignments make all of the Members' and Parents' "rights, options, remedies, interests, privileges and other benefits arising out of, under or relating to the Acquisition Agreements . . . subject and subordinate to all rights, interests, security interests, and liens in favor of" JPMorgan under the other Loan Documents for itself and the Lenders.

9. As security for the loan facilities under the Credit Agreement, the Lenders obtained liens on both the Project land and related Collateral, including on South Edge's rights to payment from both (i) the Members and their Parents, as well as (ii) the City, under its

[4] The "Acquisition Agreements" refer to the Purchase and Sale Agreement and Joint Escrow Instructions (as amended by the First Amendment and Second Amendment to Purchase and Sale Agreement and Joint Escrow Instructions) wherein the Members of South Edge agreed, among other things, to buy land from South Edge in order to develop, in part, a master planned community. Each of the Member's obligations under the Acquisition Agreement were co-signed by their respective corporate Parent.

Acquisition Agreement with respect to the LID proceeds (described below as the "City Acquisition Agreement"). The LID proceeds that are payable to the Debtor were assigned to the Agent, for the benefit of itself and the Lenders, under the Assignment of Acquisition Agreement by and between South Edge, LLC and JPMorgan Chase Bank, N.A., in its capacity as Administrative Agent for the Lenders party to the Credit Agreement, dated as of April 27, 2006, (the "City LID Assignment"). *See, e.g.*, Deed of Trust at 3-5 (listing the extensive collateral granted to Lenders, including the land Inspirada was to be built on as well as "all contract rights" and "actions and rights in action" and other personal property referenced below). Under the Assignment of Acquisition Agreements, the Deed of Trust and other Collateral Documents, and the Credit Agreement, South Edge assigned all of its rights under all of its agreements with each Member and each Member's Parent and with the City to the Lenders as Collateral for the Loans. Each of the Members and Parents also expressly consented to each of the Loan Documents in the consent and agreement (the "Consent and Agreement"), dated March 9, 2007 entered into by each of the Members and their Parents (the "Parent Guarantors") and by and in favor of JPMorgan as Agent for itself and the Lenders.

10. The Collateral Documents provide JPMorgan, as Administrative Agent, with security interests in all or substantially all of the Debtor's assets, including, without limitation: (1) the Member Acquisition Agreements, as amended; (2) the City Acquisition Agreement; (3) the Operating Agreement; (4) the MI Deposits and Letters of Credit; (5) the LID proceeds and related rights; (6) to the extent that they constitute personal property subject to the UCC, all other contract rights, accounts, general intangibles, actions and rights in actions relating to the "Real Property" or "Personal Property" referenced in the Deed of Trust or the Project, as well as all contracts relating to the development, design or construction of the Improvements, together with

all proceeds thereof or proceeds of the Member Acquisition Agreements or City Acquisition Agreement or of the sale of all or any part of that Real Property or other Trust Property (described in the Deed of Trust as "Sale Proceeds") and including the sale of interests in the Project; and (7) all other revenues, profits, proceeds, principal, interest, fees, or other sums or amounts constituting personal property under the UCC and derived or generated from the ownership, operation, occupancy, leasing, licensing, development, sale or other disposition of the Project or other Collateral by South Edge or due or payable to South Edge under any Member Acquisition Agreement or City Acquisition Agreement, as well as all other similar contracts of any other nature concerning the design, construction, or development of any portion of or all of the Project, and all personal property proceeds thereof subject to the UCC.

11. After the Petition Date, in exchange for the use of the Agent's cash collateral by the Chapter 11 trustee, the Agent, for the benefit of the Lenders and itself, was given a replacement security interest and liens in the Collateral as well as a super-priority administrative expense claim against the Debtor with priority over all other administrative expense claims and unsecured claims against the Debtor and the Estate. *See* D.E. 624 (*Stipulation Providing For Post-Petition Financing And Use Of Cash Collateral*).

12. The current Lenders under the Credit Agreement are listed in **Exhibit 2** to this Proof of Claim, and this Proof of Claim is filed on behalf of each Lender and the Agent, together with their respective successors and assignees.

13. The Collateral also includes cash deposited by Focus South Group when it completed its takedowns in October 2007.[5] The amount in this cash collateral account as of December 9, 2010 was $26,029,532.

[5] The Builder Members that completed Takedowns before the Loan went into default (besides Focus) provided Letters of Credit in lieu of cash MI deposits. JPMorgan drew down those Letters of Credit, and has applied the

14. On November 23, 2010, pursuant to the City LID Assignment, the Agent sent a letter to the City of Henderson requesting that it pay to the Administrative Agent from the LID Acquisition Fund the Purchase Price from time to time payable under the City Acquisition Agreement.

THE 2007 AMENDMENT

15. On March 9, 2007, JPMorgan, as Administrative Agent and Lender, South Edge and the other Lenders entered into the Amended and Restated Credit Agreement, which included a $50 million increase in Facility A (the construction loan facility) and incorporated a modified Takedown schedule. Just prior to the March 2007 closing of the Credit Agreement as so amended, South Edge paid off Facility B.

16. On March 9, 2007, each South Edge Member also signed a Second Amendment to Purchase and Sale Agreement and Joint Escrow Instructions (a "Second Amended Acquisition Agreement") that extended the Takedown schedules with the Lenders' consent.

FORBEARANCE AGREEMENT

17. On May 27, 2008, JPMorgan, South Edge, and the Members and the Parent Guarantors, entered into a forbearance agreement (the "Forbearance Agreement") in order to afford South Edge the opportunity to negotiate a potential restructuring of the Loans under the Credit Agreement.

18. After the signing of the Forbearance Agreement, JPMorgan, South Edge, the Members, and the Parent Guarantors sought to restructure the loans, but those efforts were unsuccessful, and the Forbearance Agreement terminated by its own terms on June 30, 2008.

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proceeds as permitted by the Loan Documents. None of the Letter of Credit proceeds remains available as additional Collateral for the Loan.

C. **Damages**

19. The Agent, for the benefit of the Lenders and itself, asserts claims arising from or in connection with or relating to, but not limited to, the Credit Agreement, the Acquisition Agreements, the Assignment Agreements, the other Collateral Documents, and the other Loan Documents, as described above (collectively, the "Claims").

20. The principal amount outstanding under the Loan is $327,855,500.00.

21. South Edge also owes interest on the principal amount outstanding at the post-default rate specified in Section 2.13 of the Credit Agreement. South Edge and the Members agreed that the post-default rate would apply as of and after the Effective Date of the Forbearance Agreement, i.e., the date on which certain conditions specified in the Forbearance Agreement were satisfied. According to JPMorgan's records, the Effective Date was May 30, 2008.

22. JPMorgan has calculated the amount of interest due on the loan as of December 9, 2010 as $39,575,812.56 which means South Edge's total indebtedness for principal and interest under the Loan as of the Petition Date was $367,431,312.56.

23. In addition to any other sums sought from South Edge, the Agent, for the benefit of itself and the Lenders, also seeks attorneys' fees, costs, indemnity, and interest, as allowed by Section 11.03 and other provisions of the Credit Agreement and other provisions of the Loan Documents, and/or applicable law. Specifically, in addition to repayment of principal and accrued interest, the Agent seeks payment of LC/Commitment fees totaling $76,637.62 and Administrative Agent fees totaling $30,259.59, thus bringing the total amount of the Claims to $367,538,209.77.

D. Reservation of Rights

24. The Agent, for the benefit of the Lenders and itself, expressly reserves any and all defenses, counterclaims or objections, including without limitation, the right of setoff, recoupment or similar right, remedy or defense against any claims or counterclaims asserted by the Debtor or the Chapter 11 Trustee in relation to the Claims, or any other claim arising under or in connection with the Loan Documents or otherwise described above or in any Loan Document or in any document filed in this Court, which is incorporated by reference herein.

25. The Agent, for the benefit of the Lenders and itself, believes it also has claims against non-debtor parties arising out of or relating to some or all of the same facts, circumstances or transactions as the Claims. The filing of this Proof of Claim is not an election of remedies and is without prejudice to the rights of the Agent, for the benefit of the Lenders and itself, to assert claims against third-parties, whether arising out of or relating to the facts and circumstances underlying the Claims, or otherwise. The Agent, for the benefit of the Lenders or itself, hereby expressly reserves any and all rights, claims, causes of action, defenses, counterclaims or objections, or any similar rights, remedies or defenses against all persons or entities, whether in this court or elsewhere, whether currently existing or arising in the future, against whom the Agent, for the benefit of the Lenders or itself, determines to have claims.

E. Amendment of Claims

26. The Agent, for the benefit of the Lenders and itself, reserves all rights to adjust and amend this Proof of Claim, including, without limitation, as a result of future events, the discovery and analysis of additional information, the correction of any errors, the resolution of disputes, and the assertion of any rights of setoff and/or recoupment. This Proof of Claim is intended to include all claims of the Agent, for the benefit of the Lenders and itself, arising under

or relative to any of the transactions, agreements, facts or circumstances set forth or referenced herein.

F. Other

27. No judgment has been rendered on the Claims.

28. The Claims are not subject to any setoff or counterclaim.

29. The execution and filing of this Proof of Claim is not: (i) a waiver or release of the rights of the Agent, for the benefit of the Lenders and itself, against any other entity or person that may be liable for all or any part of the Claims asserted herein; (ii) a waiver of the right to seek to withdraw the reference with respect to the subject matter of the Claims, any objection or other proceeding commenced with respect thereto or any other proceedings commenced in these cases against or otherwise involving the Debtor and/or the Agent, for the benefit of the Lenders or itself; or (iii) a submission by the Agent, for the benefit of the Lenders or itself, to the jurisdiction of the Bankruptcy Court for any purpose other than with respect to the Proof of Claim.

30. All notices governing this Proof of Claim should be sent to the addresses set forth on the Proof of Claim form to which this Appendix is annexed.

Dated: June 28 2011
New York, New York

JPMorgan Chase Bank, N.A.,
for itself and as Administrative Agent for
the Lenders

By: William A Austin
Name: William A. Austin
Title: Executive Director

EXHIBIT 1.1

EXECUTION VERSION

AMENDED AND RESTATED CREDIT AGREEMENT

Dated as of

March 9, 2007

Among

SOUTH EDGE, LLC

The Lenders Party Hereto

And

JPMORGAN CHASE BANK, N.A.
as Administrative Agent

and

THE ROYAL BANK OF SCOTLAND PLC
as Syndication Agent

J.P. MORGAN SECURITIES INC.,
as Sole Bookrunner and Sole Lead Arranger

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AMENDED AND RESTATED CREDIT AGREEMENT dated as of March 9, 2007, among SOUTH EDGE, LLC, a Nevada limited-liability company, the Lenders party hereto, and JPMORGAN CHASE BANK, N.A. as Administrative Agent.

RECITALS

A. The Borrower, Administrative Agent and certain lenders have entered into a Credit Agreement dated November 1, 2004 (the "Original Credit Agreement").

B. Pursuant to the Original Credit Agreement, the Borrower has requested (1) the Facility A Increase (as defined therein) increasing Facility A by $50,000,000 to $160,000,000 and (2) a one-year extension of the maturity of Facility A, and by their execution hereof the Facility A Lenders (as herein defined) have agreed thereto.

C. The Borrower and the Required Lenders (as defined in the Original Credit Agreement) have also agreed to certain other changes to the Original Credit Agreement set forth herein.

NOW, THEREFORE, the Borrower, the Administrative Agent and Lenders signatory hereto (including all of the Facility A Lenders) constituting Required Lenders hereby amend and restate the Original Credit Agreement as follows:

ARTICLE I

Definitions

SECTION 1.01. Defined Terms. As used in this Agreement, the following terms have the meanings specified below:

"ABR", when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Alternate Base Rate.

"Acquisition Agreement" means, with respect to any Member, that certain Purchase and Sale Agreement and Joint Escrow Instructions dated October 29, 2004 between the Borrower and such Member, and co-signed by such Member's Parent Guarantor, as amended by a First Amendment thereto dated November 28, 2006 and a Second Amendment thereto dated the date hereof, providing for the purchase by such Member of the Phases designated in such agreement for the applicable Takedown Price, as such agreement may be further supplemented, amended or modified from time to time in accordance with the provisions of this Agreement.

"Adjusted Gross Acreage" means, with respect to any Phase, the "Adjusted Gross Acreage" of such Phase as determined from time to time pursuant to the Acquisition Agreement that governs the purchase and sale of such Phase.

"Adjusted LIBO Rate" means, with respect to any Eurodollar Borrowing for any Interest Period, an interest rate per annum (rounded upwards, if necessary, to the next 1/16 of

1%) equal to (a) the LIBO Rate for such Interest Period multiplied by (b) the Statutory Reserve Rate.

"Adjusted Pro Rata Share" means, with respect to any Member, a percentage equal to the Original Pro Rata Share of such Member, (a) plus or minus adjustments thereto in connection with changes to the Adjusted Gross Acreage of a Member in accordance with its Acquisition Agreement as a result of the finalization of the Planning Area Parcel Map and (b) plus the Original Pro Rata Share (or portion thereof) of any Defaulting Member (as adjusted pursuant to clause (a) above) acquired by such Member pursuant to a Key Member Acquisition. The Adjusted Pro Rata Share shall never be less than the Original Pro Rata Share (as adjusted pursuant to clause (a) above).

"Administrative Agent" means JPMorgan Chase Bank, N.A. in its capacity as administrative agent for the Lenders hereunder.

"Administrative Questionnaire" means an Administrative Questionnaire in a form supplied by the Administrative Agent.

"Affiliate" means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

"Aggregate Facility A Commitment" means the Facility A Commitments of all of the Facility A Lenders in the aggregate amount of $160,000,000, as such amount may be reduced or increased pursuant to the terms of this Agreement.

"Aggregate Facility D Commitment" means the Facility D Commitments of all of the Facility D Lenders in the aggregate amount of $25,000,000, as such amount may be reduced from time to time pursuant to the terms of this Agreement.

"Aggregate Facility D Outstanding Credit Exposure" means, at any time, the aggregate of the Facility D Outstanding Credit Exposure of all Facility D Lenders.

"Alternate Base Rate" means, for any day, a rate per annum equal to the greatest of (a) the Prime Rate in effect on such day, (b) the Base CD Rate in effect on such day plus 1% and (c) the Federal Funds Effective Rate in effect on such day plus ½ of 1%. Any change in the Alternate Base Rate due to a change in the Prime Rate, the Base CD Rate or the Federal Funds Effective Rate shall be effective from and including the effective date of such change in the Prime Rate, the Base CD Rate or the Federal Funds Effective Rate, respectively.

"Applicable Percentage" means at any time (a) (subject to the next succeeding sentence) with respect to any Facility A Lender, the percentage of the Aggregate Facility A Commitment then represented by such Lender's Facility A Commitment, (b) with respect to any Facility B Lender, the percentage of all outstanding Facility B Loans then represented by such Lender's outstanding Facility B Loans, (c) with respect to any Facility C Lender, the percentage of all outstanding Facility C Loans then represented by such Lender's outstanding Facility C Loans, (d) (subject to the next succeeding sentence) with respect to any Facility D Lender, the percentage of the Aggregate Facility D Commitment then represented by such Lender's Facility

D Commitment and (e) (subject to the next succeeding sentence) with respect to a Lender and all Facilities, the percentage of (i) the sum of the Aggregate Facility A Commitment, all outstanding Facility B Loans and Facility C Loans and the Aggregate Facility D Commitment then represented by (ii) the sum of such Lender's Facility A Commitment, outstanding Facility B Loans and Facility C Loans and Facility D Commitment. If the Aggregate Facility A Commitment or Aggregate Facility D Commitment has terminated, the Applicable Percentage shall be determined in each case based upon the outstanding Facility A Loans (in the case of termination of the Aggregate Facility A Commitment) or Facility D Outstanding Credit Exposure (in the case of termination of the Aggregate Facility D Commitment).

"Applicable Rate" means, for any day, with respect to any ABR Loan, Eurodollar Loan or Letter of Credit, as the case may be, under a Facility, the applicable rate per annum set forth below under the caption "ABR Spread," or "Eurodollar Spread" or "Applicable Rate for Letters of Credit" with respect to such Facility, as the case may be:

Facility :	ABR Spread	Eurodollar Spread	Applicable Rate for Letters of Credit
Facility A	0%	1.75%	Not Applicable
Facility B	0%	1.75%	Not Applicable
Facility C	0.25%	2.00%	Not Applicable
Facility D	0.25%	2.00%	2.00%

"Application for Payment and Sworn Statement" means the certificate and application for payment and sworn statement to be executed by the Project Contractor in connection with progress payment applications under the Project Contract or by the Construction Manager in connection with payments under the Construction Management Agreement, in each case in a form reasonably satisfactory to the Administrative Agent, which certificate and application shall include certifications as to the following matters: (A) the aggregate Hard Costs incurred to date for the Project and the estimated remaining Hard Costs to be paid for the Project, in each case pursuant to the Project Contract or Construction Management Agreement (as applicable), (B) all retainage amounts, (C) the percentage completion of the construction of the Project and the conformance of such construction substantially in accordance with the Approved Plans and Specifications, (D) that the sum requested in the current Application for Payment and Sworn Statement represents costs payable pursuant to the Project Contract and actually incurred by the Project Contractor or pursuant to the Construction Management Agreement and actually incurred by the Construction Manager, and (E) that the work and materials for which payment is requested have been performed and incorporated into the Project substantially in accordance with the Approved Plans and Specifications.

"Appraisal" means a written appraisal of the Project, which appraisal is satisfactory to, and prepared by an independent appraiser engaged directly by, the Administrative Agent, and satisfies the requirements of the Financial Institutions Reform, Recovery and Enforcement Act, as amended, and the regulations promulgated thereunder, if applicable (which

appraisal may be an updated version of a prior Appraisal), together with evidence of compliance with applicable federal regulations governing loans in areas having special flood hazards.

"Approved Development Costs" means the Development Costs identified by line item category and dollar amount in the Approved Project Budget.

"Approved Fund" has the meaning assigned to such term in Section 11.04.

"Approved Plans and Specifications" is defined in Section 4.03(a).

"Approved Project Budget" means the budget for the Project attached hereto as Exhibit D and any Modifications thereto that are either Permitted Modifications or approved in writing by the Administrative Agent, which approval shall not be unreasonably withheld or delayed.

"Approved Project Schedule" means the schedule for the Project approved by the Administrative Agent and any Modifications thereto that are either Permitted Modifications or approved in writing by the Administrative Agent, which approval shall not be unreasonably withheld or delayed.

"Approved Swap Agreement" is defined in Section 7.05.

"Assessment Rate" means, for any day, the annual assessment rate in effect on such day that is payable by a member of the Bank Insurance Fund classified as "well-capitalized" and within supervisory subgroup "B" (or a comparable successor risk classification) within the meaning of 12 C.F.R. Part 327 (or any successor provision) to the Federal Deposit Insurance Corporation for insurance by such Corporation of time deposits made in dollars at the offices of such member in the United States; provided that if, as a result of any change in any law, rule or regulation, it is no longer possible to determine the Assessment Rate as aforesaid, then the Assessment Rate shall be such annual rate as shall be determined by the Administrative Agent to be representative of the cost of such insurance to the Lenders.

"Assignment and Assumption" means an assignment and assumption entered into by a Lender and an assignee (with the consent of any party whose consent is required by Section 11.04), and accepted by the Administrative Agent, in the form of Exhibit A or any other form approved by the Administrative Agent.

"Assignment of Acquisition Agreements" means that certain Assignment of and Agreement with Respect to Acquisition Agreements dated November 1, 2004 executed by the Borrower, the Members, the Parent Guarantors and the Administrative Agent, as supplemented by the Consent and Agreement.

"Assignment of Contracts" means that certain Assignment of Contracts, Permits and Plans and Specifications dated November 1, 2004 executed by the Borrower.

"Balancing Notice" is defined in Section 5.09.

"Balancing Payment" is defined in Section 5.09.

"Base CD Rate" means the sum of (a) the Three-Month Secondary CD Rate multiplied by the Statutory Reserve Rate plus (b) the Assessment Rate.

"Board" means the Board of Governors of the Federal Reserve System of the United States of America.

"Borrower" means South Edge, LLC, a Nevada limited-liability company.

"Borrower's Application for Payment" means the certificate and application for payment to be executed by the Borrower in connection with each request for a disbursement of Loans, in a form reasonably satisfactory to the Administrative Agent, which application shall include certifications as to the following matters: (A) the aggregate Approved Development Costs incurred to date and the estimated remaining Approved Development Costs to be paid, (B) all retainage amounts, and (C) that the sum requested in the current Draw Request Form represents Approved Development Costs included in the Approved Project Budget and actually incurred by the Borrower.

"Borrowing" means Loans of the same Type, made, converted or continued on the same date under the same Facility and, in the case of Eurodollar Loans, as to which a single Interest Period is in effect.

"Borrowing Request" means a request by the Borrower for a Borrowing in accordance with Section 2.03.

"Business Day" means any day that is not a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to remain closed; provided that, when used in connection with a Eurodollar Loan, the term "Business Day" shall also exclude any day on which banks are not open for dealings in dollar deposits in the London interbank market.

"Capital Lease Obligations" of any Person means the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP.

"Cash Collateral Account" means an account maintained with the Administrative Agent pursuant to this Agreement and over which the Administrative Agent shall have exclusive dominion and control, including the exclusive right of withdrawal.

"Change in Control" means the occurrence of any one or more of the following events:

(a) With respect to any Member, that such Member shall cease to own its Adjusted Pro Rata Share of the membership interests in the Borrower (other than by reason of a Key Member Acquisition), free and clear of any Liens other than Permitted

Encumbrances or Liens in favor of another Member pursuant to the Operating Agreement; or

(b) In the case of any Member (other than Focus), that such Member shall cease to be wholly owned, directly or indirectly, by its Parent Guarantor; or

(c) In the case of Focus, that (i) John A. Ritter, lineal descendants of John A. Ritter and trusts controlled by John A. Ritter or his lineal descendants shall, in the aggregate, cease to own, directly or indirectly, beneficially at least twenty-five percent (25%) of the equity interests in Focus or (ii) other than by reason of death or disability, John A. Ritter shall cease to exercise primary management responsibilities with respect to the operations of Focus.

"Change in Law" means (a) the adoption of any law, rule or regulation after the date of this Agreement, (b) any change in any law, rule or regulation or in the interpretation or application thereof by any Governmental Authority after the date of this Agreement or (c) compliance by any Lender or Issuing Bank (or, for purposes of Section 2.15(b), by any lending office of such Lender or by such Lender's or Issuing Bank's holding company, if any) with any request, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after the date of this Agreement.

"City" means the City of Henderson, Nevada.

"Closing Date" means the date on which the conditions specified in Section 4.01 are satisfied (or waived).

"Code" means the Internal Revenue Code of 1986, as amended from time to time.

"Collateral" means, at any time, any assets that are subject to a security interest or other Lien in favor of the Administrative Agent for the benefit of the Holders of Secured Obligations.

"Collateral Documents" means the Deed of Trust, the Assignments of Contracts, the Assignment of Acquisition Agreements and any other documents from time to time executed by Borrower, granting the Administrative Agent, for the benefit of Holders of Secured Obligations, a Lien securing the Secured Obligations.

"Commitment" means the Facility A Commitment, Facility B Commitment, Facility C Commitment or Facility D Commitment (as the case may be).

"Common Areas" means private streets, sidewalks, access ways, drainage and retention areas or other private common areas, infrastructure or improvements intended to be conveyed to and owned by a Development Association for the benefit of all or any portion of the Project.

"Completion Guaranty" means, with respect to each Member and its Parent Guarantor, that certain Completion Guaranty dated November 1, 2004 executed and delivered by such Member and its Parent Guarantor, as supplemented by the Consent and Agreement.

"Consent and Agreement" means the Consent and Agreement executed by the Guarantors and Administrative Agent substantially in the form attached hereto as Exhibit E.

"Construction Agreements" is defined in Section 4.03(h).

"Construction Consultant" means, collectively, the architect(s), engineer(s) and any other consultant(s) engaged by the Administrative Agent from time to time to review plans and specifications, construction and other matters relating to the Project.

"Construction Management Agreement" is defined in Section 4.03(e).

"Construction Manager" means Landtek, LLC, a Nevada limited-liability company and Affiliate of the General Manager, or any Person that shall succeed it, as construction manager with respect to the construction of the Improvements, in accordance with the provisions of this Agreement.

"Contingent Obligation" of or by any Person (the "guarantor") means any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation of any other Person (the "primary obligor") in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness or other obligation of the payment thereof, (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation or (d) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness or obligation; provided, that the term Contingent Obligation shall not include endorsements for collection or deposit in the ordinary course of business.

"Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. "Controlling" and "Controlled" have meanings correlative thereto.

"Corporate Guarantor" means each of the Parent Guarantors, except John A. Ritter.

"Credit Parties" means the Borrower and the Guarantors; "Credit Party" means any of the Credit Parties.

"Customary Real Estate Encumbrances" means declarations, covenants, restrictions, easements, zoning restrictions, rights-of-way, and similar encumbrances on real property imposed by law or arising in the ordinary course of business that do not materially detract from the value of the affected portion of the Project or interfere with the development or improvement of the Project or the ordinary conduct of business of the Borrower.

"Date Down Endorsement" is defined in Section 4.04(f).

"Deed of Trust" means the deed of trust executed by the Borrower dated November 1, 2004 and recorded November 1, 2004 in Book 20041101 as Document No. 0006330 in Clark County, Nevada, granting to the trustee thereunder, and in favor of the Administrative Agent (as beneficiary), for the benefit of the Holders of Secured Obligations, a first Lien on the Project as security for the Secured Obligations, subject only to Permitted Encumbrances, as amended by the Deed of Trust Amendment.

"Deed of Trust Amendment" means the First Amendment to Deed of Trust executed by the Borrower and the Administrative Agent substantially in the form of Exhibit F attached hereto.

"Default" means any event or condition which constitutes an Event of Default or which upon notice, lapse of time or both would, unless cured or waived, become an Event of Default.

"Defaulting Member" means a Member with respect to which a Member Default has occurred and is continuing or with respect to whose Parent Guarantor a Member Default has occurred and is continuing.

"Defaulting Member's Remaining Obligations" means, at any time, an amount (as reasonably determined by the Administrative Agent) equal to the sum of (i) such Defaulting Member's Adjusted Pro Rata Share of Approved Development Costs not yet paid (less its Adjusted Pro Rata Share of the sum of the amounts of (i) the undisbursed portion of the Aggregate Facility A Commitment and (ii) the Facility D Loan Availability), plus (ii) without duplication, an amount equal to the Takedown Prices of the Phases not yet acquired by such Defaulting Member pursuant to its Acquisition Agreement.

"Development Agreement" means, collectively, one or more development agreements between the Borrower and the City providing for development of the Project as a master plan community and approved by the Administrative Agent, as amended or modified from time to time with the written approval of the Administrative Agent, which approval shall not be unreasonably withheld or delayed.

"Development Association" means any homeowner's association, development association or other similar entity formed for the benefit of the Project or any portion thereof.

"Development Costs" means all costs incurred by the Borrower in connection with the construction of the Improvements, including (a) the cost of labor and materials (collectively, the "Hard Costs") and (b) all so-called "soft costs" (collectively, the "Soft Costs"), including (i) fees and charges of the Construction Manager, Project Engineer and all other engineers and other consultants engaged by the Borrower, and the costs and fees incurred in connection with the procurement of all Permits necessary to complete the Project, (ii) all interest payments on the Loans and LC Disbursements, all fees payable under this Agreement and any periodic payments under any Approved Swap Agreement (but not payments due upon default, termination or breakage) and (iii) real estate taxes, insurance premiums and other carrying costs for the Project; provided, that under no circumstances shall Development Costs include (A) any

principal or interest payments on Indebtedness other than as specified in clause (ii) above, (B) any Restricted Payments or other payments to Members of Borrower or any Affiliate of Borrower or of any such Member (except Permitted Affiliate Fees).

"Disclosed Matters" means the actions, suits and proceedings and the environmental matters disclosed in Schedule 3.

"dollars" or "$" refers to lawful money of the United States of America.

"Draw Request Form" means the form of Request for Loan Advance attached hereto as Exhibit G, as the same may be revised from time to time with the consent of the Borrower and the Administrative Agent.

"Entitlement Proceeding" is defined in Section 3.13(b).

"Environmental, Health or Safety Requirements of Law" means all Requirements of Law derived from or relating to foreign, federal, state and local laws or regulations or common law theories relating to or addressing pollution or protection of the environment, or protection of worker health or safety, including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601 et seq., the Occupational Safety and Health Act of 1970, 29 U.S.C. § 651 et seq., and the Resource Conservation and Recovery Act of 1976, 42 U.S.C. § 6901 et seq., in each case including any amendments thereto, any successor statutes, and any regulations or guidance promulgated thereunder, and any state or local equivalent thereof.

"Environmental Indemnity Agreement" means that certain Environmental Indemnity Agreement dated November 1, 2004 executed by Borrower.

"Environmental Liability" means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of the Borrower directly or indirectly resulting from or based upon (a) violation of any Environmental, Health or Safety Requirements of Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the Release or threatened Release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

"Environmental Report" means a "Phase I" environmental assessment, or equivalent report as approved by the Administrative Agent, and, if required by the Administrative Agent, a "Phase II" environmental site assessment, in each case prepared by an environmental engineering consultant, and in form and substance, satisfactory to the Administrative Agent in its reasonable judgment.

"Equity Interests" means shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership interests in a Person, and any warrants, options or other rights entitling the holder thereof to purchase or acquire any such equity interest.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time.

"ERISA Affiliate" means any trade or business (whether or not incorporated) that, together with the Borrower, is treated as a single employer under Section 414(b) or (c) of the Code or, solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414 of the Code.

"ERISA Event" means (a) any "reportable event," as defined in Section 4043 of ERISA or the regulations issued thereunder with respect to a Plan (other than an event for which the 30-day notice period is waived); (b) the existence with respect to any Plan of an "accumulated funding deficiency" (as defined in Section 412 of the Code or Section 302 of ERISA), whether or not waived; (c) the filing pursuant to Section 412(d) of the Code or Section 303(d) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan; (d) the incurrence by the Borrower or any of its ERISA Affiliates of any liability under Title IV of ERISA with respect to the termination of any Plan; (e) the receipt by the Borrower or any ERISA Affiliate from the PBGC or a plan administrator of any notice relating to an intention to terminate any Plan or Plans or to appoint a trustee to administer any Plan; (f) the incurrence by the Borrower or any of its ERISA Affiliates of any liability with respect to the withdrawal or partial withdrawal from any Plan or Multiemployer Plan; or (g) the receipt by the Borrower or any ERISA Affiliate of any notice, or the receipt by any Multiemployer Plan from the Borrower or any ERISA Affiliate of any notice, concerning the imposition of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, insolvent or in reorganization, within the meaning of Title IV of ERISA.

"Eurodollar", when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Adjusted LIBO Rate.

"Event of Default" has the meaning assigned to such term in Section 9.01.

"Excluded Taxes" means, with respect to the Administrative Agent, any Lender, any Issuing Bank or any other recipient of any payment to be made by or on account of any obligation of the Borrower hereunder, (a) income or franchise taxes imposed on (or measured by) its net income by the United States of America, or by the jurisdiction under the laws of which such recipient is organized or in which its principal office is located or, in the case of any Lender, in which its applicable lending office is located, (b) any branch profits taxes imposed by the United States of America or any similar tax imposed by any other jurisdiction in which the Borrower is located and (c) in the case of a Foreign Lender (other than an assignee pursuant to a request by the Borrower under Section 2.19(b)), any withholding tax that is imposed on amounts payable to such Foreign Lender at the time such Foreign Lender becomes a party to this Agreement (or designates a new lending office) or is attributable to such Foreign Lender's failure to comply with Section 2.17(e), except to the extent that such Foreign Lender (or its assignor, if any) was entitled, at the time of designation of a new lending office (or assignment), to receive additional amounts from the Borrower with respect to such withholding tax pursuant to Section 2.17(a).

"Facilities" means Facility A, Facility B, Facility C and Facility D; provided, however, that, if the context indicates that reference to less than all of Facility A, Facility B, Facility C and Facility D is intended, "Facilities" shall mean only such of Facility A, Facility B, Facility C and Facility D as is so intended.

"Facility A" means the loan facility described in Section 2.01(a).

"Facility A Commitment" means, for each of the Facility A Lenders, the obligation of such Facility A Lender to make Loans under Facility A in the aggregate not exceeding the amount set forth in Schedule 1 hereto as its "Facility A Commitment" or the amount set forth in any Assignment and Assumption Agreement by which such Facility A Lender acquires an interest in Facility A, as such applicable amount may be increased or decreased from time to time pursuant to the terms hereof.

"Facility A Lender" means, at any time, each of the Lenders holding an interest in Facility A.

"Facility A Maturity Date" means October 31, 2008 or such earlier date upon which the outstanding principal amount of the Facility A Loans, all accrued and unpaid interest thereon, and all other Facility A Obligations become or are declared due and payable pursuant to the terms of this Agreement.

"Facility A Obligations" means all unpaid principal of and accrued and unpaid interest on the Facility A Loans, all accrued and unpaid fees with respect to Facility A and all expenses, reimbursements, indemnities and other obligations of the Credit Parties to the Facility A Lenders or to any Facility A Lender, the Administrative Agent or any indemnified party with respect to Facility A under the Loan Documents.

"Facility B" means the term loan facility described in Section 2.01(b).

"Facility B Commitment" means, for each of the Facility B Lenders as of the Closing Date, the amount of the Facility B Loan held by such Facility B Lender on the Closing Date. Notwithstanding the reference to the "Commitment" of the Facility B Lenders, the Facility B Loans were fully disbursed under the Original Credit Agreement, and no Facility B Lender has any obligation to make any advances under Facility B.

"Facility B Lender" means, at any time, each of the Lenders holding an interest in Facility B.

"Facility B Maturity Date" means October 31, 2007 or such earlier date upon which the outstanding principal amount of the Facility B Loans, all accrued and unpaid interest thereon, and all other Facility B Obligations become or are declared due and payable pursuant to the terms of this Agreement.

"Facility B Obligations" means all unpaid principal of and accrued and unpaid interest on the Facility B Loans, all accrued and unpaid fees with respect to Facility B and all expenses, reimbursements, indemnities and other obligations of the Credit Parties to the Facility

B Lenders or to any Facility B Lender, the Administrative Agent or any indemnified party with respect to Facility B arising under the Loan Documents.

"Facility C" means the term loan facility described in Section 2.01(c).

"Facility C Commitment" means, for each of the Facility C Lenders as of the Closing Date, the amount of the Facility C Loan held by such Facility C Lender on the Closing Date. Notwithstanding the reference to the "Commitment" of the Facility C Lenders, the Facility C Loans were fully disbursed under the Original Credit Agreement, and no Facility C Lender has any obligation to make any advances under Facility C.

"Facility C Lender" means, at any time, each of the Lenders holding an interest in Facility C.

"Facility C Maturity Date" means October 31, 2009 or such earlier date upon which the outstanding principal amount of the Facility C Loans, all accrued and unpaid interest thereon, and all other Facility C Obligations become or are declared due and payable pursuant to the terms of this Agreement.

"Facility C Obligations" means all unpaid principal of and accrued and unpaid interest on the Facility C Loans, all accrued and unpaid fees with respect to Facility C and all expenses, reimbursements, indemnities and other obligations of the Credit Parties to the Facility C Lenders or to any Facility C Lender, the Administrative Agent or any indemnified party with respect to Facility C arising under the Loan Documents.

"Facility D" means the revolving credit (including letter of credit) facility described in Section 2.01(d).

"Facility D Commitment" means, for each of the Facility D Lenders, the obligation of such Facility D Lender to participate in Letters of Credit issued under Facility D, and to make loans pursuant to Facility D, not exceeding in the aggregate the amount set forth in Schedule 1 hereto as its "Facility D Commitment" or the amount set forth in any Assignment and Assumption Agreement by which such Facility D Lender acquires an interest in Facility D, as such applicable amount may be increased or decreased from time to time pursuant to the terms hereof.

"Facility D Lender" means, at any time, each of the Lenders holding an interest in Facility D.

"Facility D Loan Availability" means the amount by which the Aggregate Facility D Commitment exceeds the Aggregate Facility D Outstanding Credit Exposure.

"Facility D Maturity Date" means October 31, 2009 or such earlier date upon which the outstanding principal amount of the Facility D Loans, all accrued and unpaid interest thereon, and all other Facility D Obligations become or are declared due and payable pursuant to the terms of any of this Agreement.

"Facility D Obligations" means all unpaid principal of and accrued and unpaid interest on the Facility D Loans, all LC Disbursements, all accrued and unpaid fees with respect to Facility D and all expenses, reimbursements, indemnities and other obligations of the Credit Parties to the Facility D Lenders or to any Facility D Lender, the Administrative Agent or any indemnified party with respect to Facility D arising under the Loan Documents.

"Facility D Outstanding Credit Exposure" means, as to any Facility D Lender at any time, the sum of (i) an amount equal to its LC Exposure at such time, plus (ii) the aggregate principal amount of its Facility D Loans outstanding at such time.

"Federal Funds Effective Rate" means, for any day, the weighted average (rounded upwards, if necessary, to the next 1/100 of 1%) of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average (rounded upwards, if necessary, to the next 1/100 of 1%) of the quotations for such day for such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by it.

"Financial Officer" means, at any time, the chief financial officer, principal accounting officer, treasurer or controller of (a) the Borrower if at such time a Person holds any such position and, if not, (b) the General Manager.

"Focus" means Focus South Group, LLC, a Nevada limited-liability company.

"Foreign Lender" means any Lender that is organized under the laws of a jurisdiction other than that in which the Borrower is located. For purposes of this definition, the United States of America, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

"GAAP" means generally accepted accounting principles in the United States of America.

"General Manager" means Holdings Manager, LLC, a Nevada limited-liability company, or any Person that shall succeed it as general manager of the Borrower in accordance with the provisions of this Agreement.

"Governmental Approval" means all right, title and interest in any existing or future certificates, licenses, permits, variances, authorizations and approvals issued with respect to the Project by any Governmental Authority having jurisdiction with respect to the Project.

"Governmental Authority" means the government of the United States of America, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

"Guaranties" means the Repayment Guaranties executed by each of the Members and their respective Parent Guarantors, the Completion Guaranties executed by each of the Members and their respective Parent Guarantors, and the Limited Guaranties executed by each of the Members and their respective Parent Guarantors; "Guaranty" means one of the Guaranties.

"Guarantor" means any Credit Party that executed or executes a Guaranty pursuant to the Original Credit Agreement or this Agreement and includes both the Members and the Parent Guarantors.

"Hard Costs" is defined in the definition of "Development Costs."

"Hazardous Materials" means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental, Health or Safety Requirements or Law.

"Holders of Secured Obligations" means the holders of the Secured Obligations from time to time and shall include (i) each Lender in respect of its Loans, (ii) each Issuing Bank in respect of LC Disbursements owed to it, (iii) the Administrative Agent, the Lenders and the Issuing Banks in respect of all other present and future obligations and liabilities of any Credit Party of every type and description arising under or in connection with this Agreement or any other Loan Document, (iv) each Indemnitee in respect of the obligations and liabilities of any Credit Party to such Person hereunder or under the other Loan Documents, (v) each Lender (or Affiliate thereof), in respect of all Secured Swap Obligations of Borrower to such Lender (or Affiliate), and (vi) their respective successors, transferees and assigns.

"Improvements" means infrastructure improvements constructed and installed or to be constructed or installed on the Project, as described in the Scope of Work and more specifically provided for in the Approved Plans and Specifications.

"Indebtedness" of any Person means, without duplication, (a) all obligations of such Person for borrowed money or with respect to deposits or advances of any kind, (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such Person upon which interest charges are customarily paid, (d) all obligations of such Person under conditional sale or other title retention agreements relating to property acquired by such Person, (e) all obligations of such Person in respect of the deferred purchase price of property or services (excluding current accounts payable incurred in the ordinary course of business), (f) all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on property owned or acquired by such Person, whether or not the Indebtedness secured thereby has been assumed, (g) all Contingent Obligations of such Person, (h) all Capital Lease Obligations of such Person, (i) all obligations, contingent or otherwise, of such Person as an account party in respect of letters of credit and letters of guaranty and (j) all obligations, contingent or otherwise, of such Person in respect of bankers' acceptances. The Indebtedness of any Person shall include the Indebtedness of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person's ownership interest

in or other relationship with such entity, except to the extent the terms of such Indebtedness provide that such Person is not liable therefor.

"Indemnified Taxes" means Taxes other than Excluded Taxes.

"Indemnitees" is defined in Section 11.03(b).

"Information Memorandum" means the Confidential Information Memorandum dated February 15, 2007 relating to the Borrower and the Transactions.

"Interest Election Request" means a request by the Borrower to convert or continue a Borrowing in accordance with Section 2.08.

"Interest Payment Date" means (a) with respect to any ABR Loan, the last day of each March, June, September and December and (b) with respect to any Eurodollar Loan, the last day of the Interest Period applicable to the Borrowing of which such Loan is a part and, in the case of a Eurodollar Borrowing with an Interest Period of more than three months' duration, each day prior to the last day of such Interest Period that occurs at intervals of three months' duration after the first day of such Interest Period.

"Interest Period" means, with respect to any Eurodollar Borrowing, the period commencing on the date of such Borrowing and ending on the numerically corresponding day in the calendar month that is one, two, three or six months thereafter, as the Borrower may elect; provided, that (i) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless, in the case of a Eurodollar Borrowing only, such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day and (ii) any Interest Period pertaining to a Eurodollar Borrowing that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period. For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made and thereafter shall be the effective date of the most recent conversion or continuation of such Borrowing.

"Issuing Bank" means JPMorgan Chase Bank, N.A. and any Facility D Lender that, at the request of the Borrower and with the approval of the Administrative Agent in its reasonable judgment, agrees to issue Letters of Credit hereunder, each in its capacity as the issuer of Letters of Credit hereunder, and any successors in such capacity as provided in Section 2.06(i). An Issuing Bank may, in its discretion, arrange for one or more Letters of Credit to be issued by its Affiliates, in which case the term "Issuing Bank" shall include any such Affiliate with respect to Letters of Credit issued by such Affiliate.

"Key Member" means KB Nevada Home, Inc., Coleman-Toll Limited Partnership and any other Member that is approved as a "Key Member" by the Required Lenders.

"Key Member Acquisition" is defined in Section 9.07(c).

"LC Disbursement" means a payment made by an Issuing Bank pursuant to a Letter of Credit.

"LC Exposure" means, at any time, the sum of (a) the aggregate undrawn amount of all outstanding Letters of Credit at such time plus (b) the aggregate amount of all LC Disbursements that have not yet been reimbursed by or on behalf of the Borrower at such time. The LC Exposure of any Facility D Lender at any time shall be its Applicable Percentage of the total LC Exposure at such time.

"Lenders" means the Persons listed on Schedule 1 and any other Person that shall have become a party hereto pursuant to an Assignment and Assumption, other than any such Person that ceases to be a party hereto pursuant to an Assignment and Assumption.

"Letter of Credit" means any letter of credit issued pursuant to this Agreement.

"LIBO Rate" means, with respect to any Eurodollar Borrowing for any Interest Period, the rate appearing on Page 3750 of the Dow Jones Market Service (or on any successor or substitute page of such Service, or any successor to or substitute for such Service, providing rate quotations comparable to those currently provided on such page of such Service, as determined by the Administrative Agent from time to time for purposes of providing quotations of interest rates applicable to dollar deposits in the London interbank market) at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period, as the rate for dollar deposits with a maturity comparable to such Interest Period. In the event that such rate is not available at such time for any reason, then the "LIBO Rate" with respect to such Eurodollar Borrowing for such Interest Period shall be the rate at which dollar deposits of $5,000,000 and for a maturity comparable to such Interest Period are offered by the principal London office of the Administrative Agent in immediately available funds in the London interbank market at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period.

"LID Bond Account" means an account established with the LID Bond trustee or another Person pursuant to the LID Bond Documents, into which account the Net LID Proceeds shall be disbursed to or as directed by the Borrower from time to time for payment of certain Approved Development Costs in accordance with the LID Bond Documents.

"LID Bond Documents" means each indenture and other document or instrument that evidences the issuance of or is executed and delivered in connection with or that secures the LID Bonds.

"LID Bonds" means any Local Improvement District Bonds issued with respect to the Project.

"Lien" means, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge or security interest in, on or of such asset, (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset and (c) in the case of securities, any purchase option, call or similar right of a third party with respect to such securities.

"Limited Guaranty" means, with respect to each Member and its Parent Guarantor, that certain Limited Guaranty dated November 1, 2004 executed and delivered by such Member and its Parent Guarantor, as supplemented by the Consent and Agreement.

"Loan Documents" means (a) this Agreement, any Notes delivered pursuant hereto or the Original Credit Agreement, the Guaranties, the Environmental Indemnity Agreement and the Collateral Documents and (b) any and all other instruments or documents delivered or to be delivered by the Credit Parties pursuant hereto or pursuant to any of the other documents described in clause (a) above.

"Loan Title Insurance Policy" means the American Land Title Association loan policy (1992 Form), issued by the Title Insurer to Administrative Agent on or about the Original Closing Date, and the related reinsurance agreements, as revised and updated (including by the endorsement provided for in Section 4.01(e)) from time to time with the Administrative Agent's consent.

"Loans" means the loans made by the Lenders to the Borrower pursuant to this Agreement.

"Major Project Contract" means one or more Project Contracts under which the aggregate amount payable to the same Project Contractor exceeds $5,000,000.

"Major Subcontract" means one or more subcontracts for the furnishing of labor and materials under which the aggregate amount payable to the same subcontractor exceeds $5,000,000.

"Major Subcontractor" means a subcontractor under a Major Subcontract.

"Master Plan" means the West Henderson and Section 34 Land Use and Transportation Plan (CPA-02-520035).

"Material Adverse Effect" means a material adverse effect on (a) the business, assets, operations, prospects or condition, financial or otherwise, of the Borrower, (b) the ability of the Borrower to perform any of its obligations under this Agreement or any Loan Document or (c) the rights of or benefits available to the Administrative Agent or the Lenders under this Agreement or any of the other Loan Documents. Without limitation of the foregoing, an adverse effect of $5,000,000 or more on the Borrower or the Project shall be deemed material.

"Material Default" means any Event of Default under Section 9.01(a) or (b) hereof or (with respect to the Borrower) under Section 9.01(h), (i) or (j) hereof.

"Material Indebtedness" means, at any time in the case of each Parent Guarantor, Recourse Indebtedness in an amount in excess of 5% of its total Recourse Indebtedness.

"Maturity Date" means (i) with respect to Facility A, the Facility A Maturity Date, (ii) with respect to Facility B, the Facility B Maturity Date, (iii) with respect to Facility C, the Facility C Maturity Date, and (iv) with respect to Facility D, the Facility D Maturity Date.

"Maximum Indebtedness Limitation" means that at no time shall the outstanding principal amounts of the Loans under the Facilities exceed the sum of the Release Prices of those Phases not theretofore released from the Deed of Trust.

"Member" means each of the members of the Borrower identified in Schedule 2 hereto, and any successor or assign of such Member permitted under this Agreement.

"Member Default" means any Default with respect to a Member or its Parent Guarantor under Section 9.01 that is not yet an Event of Default.

"Modification" is defined in the definition of "Permitted Modifications."

"Moody's" means Moody's Investors Service, Inc.

"Multiemployer Plan" means a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

"Net LID Proceeds" means, with respect to the issuance of any LID Bonds, the proceeds of such LID Bonds, net of expenses of the issuer, the bond trustee and the underwriter and of reserves required to be established pursuant to the terms of the LID Bond Documents.

"Net Mark-to-Market Exposure" means, as of any date of determination, the excess (if any) of all unrealized losses over all unrealized profits of the Borrower arising from Approved Swap Agreements. "Unrealized losses" means the fair market value of the cost to the Borrower of replacing such Approved Swap Agreements as of the date of determination (assuming the Approved Swap Agreements were to be terminated as of that date), and "unrealized profits" means the fair market value of the gain to the Borrower of replacing such Approved Swap Agreements as of the date of determination (assuming such Approved Swap Agreements were to be terminated as of that date).

"Note" is defined in Section 2.10(e).

"Obligations" means all Loans, LC Disbursements, advances, debts, liabilities, obligations, covenants and duties owing by any Credit Party to the Administrative Agent, any Lender, any Issuing Bank, the Arranger, any Affiliate of the Administrative Agent or any Lender or Issuing Bank or any Person entitled to indemnification by any Credit Party under this Agreement or any other Loan Document, of any kind or nature, present or future, arising under this Agreement or any other Loan Documents, whether or not evidenced by any note, guaranty or other instrument, whether or not for the payment of money, whether arising by reason of an extension of credit, loan, guaranty, indemnification, or in any other manner, whether direct or indirect (including those acquired by assignment), absolute or contingent, due or to become due, now existing or hereafter arising and however acquired. The term "Obligations" includes, without limitation, all Facility A Obligations, Facility B Obligations, Facility C Obligations and Facility D Obligations, all interest, charges, expenses, fees, reasonable attorneys' fees and disbursements, reasonable paralegals' fees and any other sum chargeable to any Credit Party under this Agreement or any other Loan Document.

"Operating Agreement" means the Amended and Restated Operating Agreement of South Edge, LLC dated as of May 3, 2004, as amended by First Amendment thereto dated October 29, 2004 and Second Amendment thereto dated March 8, 2007 and as the same may be further amended from time to time in accordance with the provisions of this Agreement.

"Organizational Documents" means, with respect to any corporation, limited liability company or partnership (i) the articles/certificate of incorporation or formation (or the equivalent organizational documents) of such corporation or limited liability company, (ii) the partnership agreement of the partnership and the certificate of limited partnership, (iii) the bylaws or operating agreement (or the equivalent governing documents) of the corporation, limited liability company or partnership and (iv) any document setting forth the designation, amount and/or relative rights, limitations and preferences of any class or series of such corporation's limited liability company's or partnership's Equity Interests.

"Original Closing Date" means November 1, 2004, which was the "Closing Date" under the Original Credit Agreement.

"Original Credit Agreement" is defined in Recital A.

"Original Pro Rata Share" means, with respect to any Member, a percentage equal to its percentage interest in the Borrower as of the Closing Date as designated in Schedule 2 hereto.

"Other Taxes" means any and all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement.

"Out-of-Balance Condition" is defined in Section 5.09.

"Parent Guarantor" means each of those Persons designated as a Parent Guarantor in Schedule 2 hereto. The Parent Guarantor of or with respect to a Member shall be the Person so designated in the adjoining column in Schedule 2.

"Parent Guarantor Financial Covenants" means:

(a) At any time in the case of each Corporate Guarantor, each of the following financial covenants to the extent, and only to the extent, then contained in the Primary Credit Facility of such Corporate Guarantor: (i) each of the leverage covenants (i.e., a covenant that imposes a maximum limit on the ratio of debt to net worth or debt to total assets); (ii) each of the interest coverage covenants (i.e., a covenant that imposes a minimum limit on the ratio of EBITDA (i.e., earnings before interest, taxes, depreciation and amortization) to interest incurred, and (iii) each of the net worth covenants (i.e., a minimum limit on net worth or tangible net worth), which covenants as in effect as of the Closing Date are identified in Schedule 5 hereto, provided, however, that (A) in the event that a Primary Credit Facility that contains any leverage, interest coverage or net worth covenant is amended to delete, or is replaced by a Primary Credit Facility that does not have, such financial covenant, the financial covenant in effect prior to such deletion or

replacement shall continue to be a Parent Guarantor Financial Covenant; and (B) in the event that a Primary Credit Facility is terminated and not replaced by a new Primary Credit Facility containing leverage, interest coverage and net worth covenants to the extent the same were contained in the Primary Credit Facility it replaced, the leverage, interest coverage or net worth covenant or covenants (as applicable) contained in the terminated Primary Credit Facility shall continue to be Parent Guarantor Financial Covenants;

(b) In the case of John A. Ritter, the covenants identified in Schedule 5.

"Participant" is defined in Section 11.04.

"PBGC" means the Pension Benefit Guaranty Corporation referred to and defined in ERISA and any successor entity performing similar functions.

"Performance Letter of Credit" means any letter of credit issued: (a) on behalf of a Person in favor of a Governmental Authority, including, without limitation, any utility, water, or sewer authority, or other similar entity, for the purpose of assuring such Governmental Authority that such Person will properly complete work it has agreed to perform for the benefit of such Governmental Authority; (b) in lieu of cash deposits to obtain a license or in place of a utility deposit; (c) in connection with bid and performance bonds and surety bonds; or (d) otherwise to assure completion of the Improvements.

"Permit" means any permit, consent, approval, authorization, license, variance, or permission with respect to the Project required from any Governmental Authority.

"Permitted Affiliate Fees" means (a) the management fee and any expenses payable to the General Manager pursuant to the Operating Agreement, (b) the fees and expenses payable to the Construction Manager pursuant to the Construction Management Agreement, (c) any fees and expenses payable to any Member or its Affiliate for goods or services provided to the Borrower on terms and conditions not less favorable to the Borrower than could be obtained on an arms-length basis from a Person that is not an Affiliate of the Borrower or any Member and (d) payments made to the Development Association for maintenance and other similar costs related to the Common Areas.

"Permitted Encumbrances" means:

(a) Liens imposed by law for taxes that are not yet due or are being contested in compliance with Section 6.04;

(b) carriers', warehousemen's, mechanics', materialmen's, repairmen's and other like Liens imposed by law, arising in the ordinary course of business and securing obligations that are not overdue by more than 30 days or are being contested in compliance with Section 6.04;

(c) pledges and deposits made in the ordinary course of business in compliance with workers' compensation, unemployment insurance and other social security laws or regulations;

(d) Liens to secure the performance of bids, trade contracts, leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature, in each case in the ordinary course of business;

(e) judgment liens in respect of judgments that do not constitute an Event of Default under Section 9.01(k);

(f) the Collateral Documents;

(g) the Planning Area Parcel Map;

(h) any Subdivision Maps approved by the Administrative Agent pursuant to Section 6.16(a);

(i) the Development Agreement;

(j) the Master Plan;

(k) the LID Bond Documents; and

(l) Customary Real Estate Encumbrances.

provided that the term "Permitted Encumbrances" shall not include any Lien securing Indebtedness.

"Permitted Investments" means:

(a) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America (or by any instrumentality thereof) in each case maturing within one year from the date of acquisition thereof;

(b) investments in commercial paper maturing within 270 days from the date of acquisition thereof and having, at such date of acquisition, the highest credit rating obtainable from S&P or from Moody's;

(c) investments in certificates of deposit, banker's acceptances and time deposits maturing within 180 days from the date of acquisition thereof issued or guaranteed by or placed with, and money market deposit accounts issued or offered by, any domestic office of any commercial bank organized under the laws of the United States of America or any State thereof which has a combined capital and surplus and undivided profits of not less than $500,000,000;

(d) fully collateralized repurchase agreements with a term of not more than 30 days for securities described in clause (a) above and entered into with a financial institution satisfying the criteria described in clause (c) above;

(e) money market funds that (i) comply with the criteria set forth in Securities and Exchange Commission Rule 2a-7 under the Investment Company Act of 1940, (ii)

are rated AAA by S&P and Aaa by Moody's and (iii) have portfolio assets of at least $5,000,000,000; and

(f) equity interests in any Development Association.

"Permitted Modification" means (i) any revision to the Approved Project Budget (including reallocation of amounts between line items), (ii) any change order or other amendment to any Construction Agreement, (iii) any amendment, addition or other change to the Approved Plans and Specifications or (iv) any amendment or other change to the Approved Project Schedule (any of items (i), (ii), (iii) and (iv) being hereinafter referred to as a "Modification"), which Modification satisfies all of the following conditions:

(a) Such Modification has been approved in writing by (1) the Borrower and (x) in the case of a Modification (including any change order) to any agreement, the parties thereto and (y) in the case of any Modification to the Approved Plans and Specifications, the Project Engineer, and in any case copies of such Modification and approvals have been promptly furnished to the Administrative Agent and (2) unless the Borrower certifies to the Administrative Agent that all of the conditions set forth in subparagraphs (b) through (f) below are satisfied, the Administrative Agent, which approval shall not be unreasonably withheld or delayed; provided, however, that there shall be no reallocation with respect to the interest reserve line item without the Administrative Agent's written approval in its sole discretion;

(b) Such Modification is consistent with the Scope of Work and complies with all applicable Requirements of Law;

(c) Such Modification does not impair the ability of the Borrower to perform its obligations hereunder in accordance with the Approved Project Schedule;

(d) If (i) such Modification (together with any related Modifications) results in a change in the Development Costs of more than $2,000,000 and (ii) such Modification, together with all Modifications made after the Closing Date, results in total changes to the Development Costs that exceed in the aggregate $5,000,000, then such Modification has been approved in writing by the Administrative Agent, which approval shall not be unreasonably withheld or delayed. For purposes of the foregoing, each increase in an individual line item of Development Costs in the Approved Project Budget resulting from a Modification shall constitute a "change," each decrease in an individual line item of Development Costs in the Approved Project Budget resulting from a Modification shall constitute a "change," and in determining the amount of any "change" decreases shall not be netted against increases;

(e) Such Modification will not have a Material Adverse Effect; and

(f) Such Modification is not otherwise prohibited by this Agreement.

"Permitted Restricted Payment" is defined in Section 7.06(a).

"Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"Phase" means, with respect to a Member, each phase of the Project to be acquired by such Member pursuant to its Acquisition Agreement.

"Plan" means any employee pension benefit plan (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA, and in respect of which the Borrower or any ERISA Affiliate is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA.

"Planning Area Parcel Map" means the final map approved by the City designating the planning area parcels that make up the Phases to be acquired by the Members pursuant to the Acquisition Agreements and in compliance with the requirements of the Acquisition Agreements, as the same may be modified or amended from time to time with the approval of the Administrative Agent, which approval shall not be unreasonably withheld or delayed.

"Primary Credit Facility" means, with respect to any Corporate Guarantor, the primary credit facility under which such Corporate Guarantor obtains financing for its general corporate purposes. The Primary Credit Facility for each of the Corporate Guarantors as of the Closing Date is identified in Schedule 5.

"Prime Rate" means the rate of interest per annum publicly announced from time to time by JPMorgan Chase Bank, N.A. as its prime rate in effect at its principal office in New York City; each change in the Prime Rate shall be effective from and including the date such change is publicly announced as being effective.

"Principal Project Engineer" means VTN Nevada, and any other Person that shall succeed it, as the principal engineer with respect to the Improvements, in accordance with the provisions of this Agreement.

"Project" means the real property described in Schedule 6 hereto.

"Project Agreements" means the Acquisition Agreements, the Construction Agreements and the Development Agreement.

"Project Contract" is defined in Section 4.03(g).

"Project Contractor" is defined in Section 4.03(g).

"Project Engineer" is defined in Section 4.03(f).

"Project Engineer's Agreement" is defined in Section 4.03(f).

"Property" of a Person means any and all property, whether real, personal, tangible, intangible, or mixed, of such Person, or other assets owned, leased or operated by such Person.

"Property Award Event" is defined in Section 6.13(a).

"Property Awards" means all compensation, awards, damages, refunds, claims, rights of action and proceeds (including cash, equivalents readily convertible into cash, and such proceeds of any notes received in lieu of cash) payable under policies of property damage, boiler and machinery, rental loss, rental value and business interruption insurance or with respect to any condemnation or eminent domain claim or award relating to the Project or any part thereof.

"Public Land" is defined in Section 7.03(c).

"Qualified Letter of Credit" means, in the case of any letter of credit delivered to the Administrative Agent hereunder in satisfaction of a condition or requirement hereunder, a letter of credit that (a) is issued by a commercial bank approved by the Administrative Agent and having a deposit rating of A- or better from S&P or an equivalent rating from Moody's, (b) designates the Administrative Agent as the sole beneficiary thereof, (c) may be drawn upon in New York City or Chicago, Illinois, (d) may be drawn upon by presentation by the Administrative Agent of a sight draft, (e) has an expiry date that is not earlier than six months after the issuance thereof (unless otherwise agreed to by the Administrative Agent), (f) is, individually or together with one or more other Qualified Letters of Credit delivered to the Administrative Agent at the same time and for the same purpose, in the amount required under the applicable provisions of this Agreement and (g) is otherwise reasonably satisfactory to the Administrative Agent.

"Real Estate" means land, rights in land and interests therein (including, without limitation, leasehold interests), and equipment, structures, improvements, furnishings, fixtures and buildings (including a mobile home of the type usually installed on a developed site) located on or used in connection with land, rights in land or interests therein (including leasehold interests), but shall not include mortgages or other Liens or interests therein.

"Recourse Indebtedness" means, in the case of each Parent Guarantor, all of its Indebtedness except such Indebtedness for which it has no personal liability for repayment thereof.

"Register" is defined in Section 11.04.

"Related Parties" means, with respect to any specified Person, such Person's Affiliates and the respective directors, officers, trustees, employees, agents and advisors of such Person and such Person's Affiliates.

"Release" means any release, spill, emission, leaking, pumping, pouring, dumping, injection, deposit, disposal, abandonment, or discarding of barrels, containers or other receptacles, discharge, emptying, escape, dispersal, leaching or migration into the indoor or outdoor environment or into or out of any Property of any Hazardous Materials, including the

movement of Hazardous Materials through or in the air, soil, surface water, groundwater or Property.

"Release Price" means, with respect to a Phase to be acquired by such Member pursuant to its Acquisition Agreement, the amount designated in Schedule 2 hereto; provided, however, that (i) if the release of a Phase upon payment of the Release Price would result in a violation of the Maximum Indebtedness Limitation, such Release Price shall be increased by an amount such that, upon payment thereof and release of such Phase, the Maximum Indebtedness Limitation shall not be violated and (ii) subject to clause (i), if in connection with the planning for the Improvements for the Project, the Borrower desires to make non-material adjustments of the Adjusted Gross Acreage of one or more Phases, the Administrative Agent may, it its reasonable discretion, approve such adjustments and corresponding non-material adjustments of the Release Prices.

"Remedial Action" means any remedial actions as may be prudent or required from time to time to comply with Environmental, Health or Safety Requirements of Laws.

"Repayment Guaranty" means, with respect to each Member and its Parent Guarantor, that certain Repayment Guaranty dated November 1, 2004 executed by such Member and its Parent Guarantor, as supplemented by the Consent and Agreement.

"Required Lenders" means, at any time, Lenders whose Applicable Percentages with respect to all Facilities, in the aggregate, are 66-2/3% or greater.

"Required Lien Waivers" means written waivers of Lien from (i) the Project Contractor under any Major Project Contract, (ii) the Construction Manager (iii) the Major Subcontractors and (iv) if reasonably requested by Administrative Agent, any other Project Contractor and any other subcontractor that has entered into a contract or subcontract for the furnishing of labor or materials in connection with the Project, all of which lien waivers shall be in customary form, duly executed, acknowledged and delivered, and sufficient in all respects to cause the Title Insurer to issue the Loan Title Insurance Policy and Date Down Endorsements thereto from time to time provided for in this Agreement.

"Requirements of Law" means, as to any Person, the articles and regulations or other Organizational Documents of such Person, and any law, rule or regulation, or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its Property or to which such Person or any of its Property is subject, including, without limitation, the Securities Act, the Securities Exchange Act, Regulations T, U and X of the Board, ERISA, the Fair Labor Standards Act, the Worker Adjustment and Retraining Notification Act, the Americans with Disabilities Act of 1990, and any certificate of occupancy, zoning ordinance, building, environmental or land use requirement or permit or environmental, labor, employment, occupational safety or health law, rule or regulation, including Environmental, Health or Safety Requirements of Law.

"Restricted Payment" means any dividend or other distribution (whether in cash, securities or other property) with respect to any Equity Interests in the Borrower, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on

account of the purchase, redemption, retirement, acquisition, cancellation or termination of any such Equity Interests in the Borrower or any option, warrant or other right to acquire any such Equity Interests in the Borrower; provided that, in no event shall the difference between the value of any portion of the Project to be acquired by a Member pursuant to its Acquisition Agreement and the purchase price therefor be considered a "Restricted Payment."

"S&P" means Standard & Poor's.

"Scope of Work" means the description of the Improvements set forth in Schedule 7 hereto.

"Secured Obligations" means, collectively, (i) the Obligations and (ii) the Secured Swap Obligations.

"Secured Swap Obligations" means obligations of the Borrower to a Lender (or an Affiliate thereof) as exchange party or counterparty under any Approved Swap Agreement.

"Soft Costs" is defined in the definition of "Development Costs."

"Statutory Reserve Rate" means a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve percentages (including any marginal, special, emergency or supplemental reserves) expressed as a decimal established by the Board to which the Administrative Agent is subject (a) with respect to the Base CD Rate, for new negotiable nonpersonal time deposits in dollars of over $100,000 with maturities approximately equal to three months and (b) with respect to the Adjusted LIBO Rate, for eurocurrency funding (currently referred to as "Eurocurrency Liabilities" in Regulation D of the Board). Such reserve percentages shall include those imposed pursuant to such Regulation D. Eurodollar Loans shall be deemed to constitute eurocurrency funding and to be subject to such reserve requirements without benefit of or credit for proration, exemptions or offsets that may be available from time to time to any Lender under such Regulation D or any comparable regulation. The Statutory Reserve Rate shall be adjusted automatically on and as of the effective date of any change in any reserve percentage.

"Subdivision Map" is defined in Section 6.16.

"Swap Agreement" means any agreement with respect to any swap, forward, future or derivative transaction or option or similar agreement involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions.

"Takedown" means, with respect to a Member, the closing of its acquisition of a Phase pursuant to its Acquisition Agreement.

"Takedown Price" means, with respect to any Phase, the cash amount required to be paid by the Member at the time of the Takedown of such Phase pursuant to its Acquisition Agreement, after taking into account all credits and offsets to which such Member is entitled.

"Takedown Schedule" means, with respect to a Member, the schedule for each of its Takedowns provided for in its Acquisition Agreement.

"Taxes" means any and all present or future taxes, levies, imposts, duties, deductions, charges or withholdings imposed by any Governmental Authority.

"Title Insurer" means Chicago Title Insurance Company.

"Three-Month Secondary CD Rate" means, for any day, the secondary market rate for three-month certificates of deposit reported as being in effect on such day (or, if such day is not a Business Day, the next preceding Business Day) by the Board through the public information telephone line of the Federal Reserve Bank of New York (which rate will, under the current practices of the Board, be published in Federal Reserve Statistical Release H.15(519) during the week following such day) or, if such rate is not so reported on such day or such next preceding Business Day, the average of the secondary market quotations for three-month certificates of deposit of major money center banks in New York City received at approximately 10:00 a.m., New York City time, on such day (or, if such day is not a Business Day, on the next preceding Business Day) by the Administrative Agent from three negotiable certificate of deposit dealers of recognized standing selected by it.

"Transactions" means the execution, delivery and performance by the Borrower of this Agreement, the borrowing of Loans, the use of the proceeds thereof and the issuance of Letters of Credit hereunder.

"Type", when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to the Adjusted LIBO Rate or the Alternate Base Rate.

"Withdrawal Liability" means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

SECTION 1.02. Classification of Loans and Borrowings. For purposes of this Agreement, Loans may be classified and referred to by Facility (e.g., a "Facility B Loan") or by Type (e.g., a "Eurodollar Loan") or by Facility and Type (e.g., a "Facility B Eurodollar Loan"). Borrowings also may be classified and referred to by Facility (e.g., a "Facility B Borrowing") or by Type (e.g., a "Eurodollar Borrowing") or by Facility and Type (e.g., a "Facility B Eurodollar Borrowing").

SECTION 1.03. Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall". Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or

modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person's successors and assigns, (c) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement and (e) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

SECTION 1.04. Accounting Terms; GAAP. Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; provided that, if the Borrower notifies the Administrative Agent that the Borrower requests an amendment to any provision hereof to eliminate the effect of any change occurring after the date hereof in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent notifies the Borrower that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith.

ARTICLE II

The Credits

SECTION 2.01. Commitments.

(a) Facility A. Subject to the terms and conditions set forth herein, each Facility A Lender agrees to make Facility A Loans to the Borrower from time to time from the Closing Date until the day preceding the Facility A Maturity Date in an aggregate principal amount not to exceed such Lender's Facility A Commitment. Facility A is not a revolving credit facility, and amounts of Facility A that are paid or prepaid may not be reborrowed; provided, that, if on the Closing Date any Facility A Lender's Applicable Percentage of the Facility A Loans outstanding on the Closing Date under this Agreement is less than its Applicable Percentage of Facility A Loans outstanding under the Original Credit Agreement immediately prior to the Closing Date, the sum received by such Facility A Lender on the Closing Date (as the result of amounts advanced by other Facility A Lenders) to reduce such Facility Lender's outstanding Facility A Loan to its Applicable Percentage of the aggregate amounts of all outstanding Facility A Loans may be reborrowed.

(b) Facility B. On the Original Closing Date, the Facility B Lenders (or their predecessors in interest as the holders of the Facility B Loans) advanced Facility B Loans in the aggregate principal amount of $175,000,000 which Facility B Loans remain outstanding on the Closing Date hereunder, and there shall be no further disbursements of

Facility B Loans. Facility B is not a revolving credit facility, and amounts of Facility B that are paid or prepaid may not be reborrowed.

(c) Facility C. On the Original Closing Date, the Facility C Lenders (or their predecessors in interest as the holders of the Facility C Loans) advanced Facility C Loans in the aggregate principal amount of $225,000,000 which Facility C Loans remain outstanding on the Closing Date hereunder, and there shall be no further disbursements of Facility C Loans. Facility C is not a revolving credit facility, and amounts of Facility C that are paid or prepaid may not be reborrowed.

(d) Facility D.

(i) Subject to the terms and conditions set forth herein, each Facility D Lender agrees (A) to participate in Letters of Credit issued under Facility D, which participations shall be (1) in an aggregate principal amount not to exceed at any time such Lender's Facility D Commitment and (2) in an aggregate principal amount that will not result in such Lender's Facility D Outstanding Credit Exposure exceeding such Lender's Facility D Commitment or the Aggregate Facility D Outstanding Credit Exposure exceeding the Aggregate Facility D Commitment and (B) subject to subparagraph (ii) below, to make Facility D Loans to the Borrower from time to time until the Facility D Maturity Date in an aggregate principal amount that will not result in such Lender's Facility D Outstanding Credit Exposure exceeding such Lender's Facility D Commitment or the Aggregate Facility D Outstanding Credit Exposure exceeding the Aggregate Facility D Commitment. Within the foregoing limits and subject to the terms and conditions set forth herein, Facility D is a revolving credit facility and Letters of Credit may be issued thereunder on a revolving basis and, subject to subparagraph (ii) below, amounts thereunder may be borrowed, repaid and reborrowed from time to time in accordance with the provisions hereof.

(ii) Notwithstanding anything to the contrary contained herein, (x) in no event shall any Facility D Loans be advanced prior to the date on which the full amount of the Aggregate Facility A Commitment has been advanced and (y) all of Facility D shall at all times be available for the issuance of Letters of Credit within the limits and on the terms and conditions set forth in this Agreement.

SECTION 2.02. Loans and Borrowings.

(a) Each Loan shall be made as part of a Borrowing consisting of Loans made by the Lenders under a Facility ratably in accordance with their respective Commitments under such Facility. The failure of any Lender to make any Loan required to be made by it shall not relieve any other Lender of its obligations hereunder; provided that the Commitments of the Lenders are several and no Lender shall be responsible for any other Lender's failure to make Loans as required.

(b) Subject to Section 2.14, each Borrowing shall be comprised entirely of ABR Loans or Eurodollar Loans as the Borrower may request in accordance herewith. Each Lender at its option may make any Eurodollar Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan; provided that any exercise of such option shall not affect the obligation of the Borrower to repay such Loan in accordance with the terms of this Agreement.

(c) At the commencement of each Interest Period for any Eurodollar Borrowing, such Borrowing shall be in an aggregate amount that (i) is an integral multiple of $500,000 and (ii) is not less than $1,000,000 in the case of Facility A or Facility D or $10,000,000 in the case of Facility B or Facility C. At the time that each ABR Borrowing is made, such Borrowing shall be in an aggregate amount that (i) is an integral multiple of $500,000 and (ii) is not less than $1,000,000 in the case of Facility A or Facility D or $10,000,000 in the case of Facility B or Facility C; provided that an ABR Borrowing may be in an aggregate amount that is equal to the entire unused balance of the total Commitments under a Facility. Borrowings of more than one Type may be outstanding under a Facility at the same time; provided that there shall not at any time be more than a total of fifteen (15) Eurodollar Borrowings outstanding under all Facilities.

(d) Notwithstanding any other provision of this Agreement, the Borrower shall not be entitled to request, or to elect to convert or continue, any Eurodollar Borrowing under a Facility if the Interest Period requested with respect thereto would end after the Maturity Date of such Facility.

SECTION 2.03. Requests for Borrowings. To request a Borrowing, the Borrower shall notify the Administrative Agent of such request by telephone (a) in the case of a Eurodollar Borrowing, not later than 11:00 a.m., New York City time, three Business Days before the date of the proposed Borrowing or (b) in the case of an ABR Borrowing, not later than 11:00 a.m., New York City time, one Business Day before the date of the proposed Borrowing. Each such telephonic Borrowing Request shall be irrevocable and shall be confirmed promptly by hand delivery or telecopy to the Administrative Agent of a written Borrowing Request in a form approved by the Administrative Agent and signed by the Borrower. Each such telephonic and written Borrowing Request shall specify the following information in compliance with Section 2.02:

(i) the aggregate amount of the requested Borrowing and the Facility under which it is being borrowed;

(ii) the date of such Borrowing, which shall be a Business Day;

(iii) whether such Borrowing is to be an ABR Borrowing or a Eurodollar Borrowing;

(iv) in the case of a Eurodollar Borrowing, the initial Interest Period to be applicable thereto, which shall be a period contemplated by the definition of the term "Interest Period"; and

(v) the location and number of the Borrower's account to which funds are to be disbursed, which shall comply with the requirements of Section 2.07.

If no election as to the Type of Borrowing is specified, then the requested Borrowing shall be an ABR Borrowing. If no Interest Period is specified with respect to any requested Eurodollar Borrowing, then the Borrower shall be deemed to have selected an Interest Period of one month's duration. Promptly following receipt of a Borrowing Request in accordance with this Section, the Administrative Agent shall advise each Lender under the applicable Facility of the details thereof and of the amount of such Lender's Loan to be made as part of the requested Borrowing. The Borrower may not submit more than two Borrowing Requests per month.

SECTION 2.04. Intentionally Omitted.

SECTION 2.05. Intentionally Omitted.

SECTION 2.06. Letters of Credit.

(a) General. Subject to the terms and conditions set forth herein, the Borrower may request, solely under Facility D, the issuance of Letters of Credit for its own account, in a form reasonably acceptable to the Administrative Agent and the applicable Issuing Bank, at any time and from time to time from and after the Closing Date until the 30th day preceding the Facility D Maturity Date. Each Letter of Credit shall be a Performance Letter of Credit. In the event of any inconsistency between the terms and conditions of this Agreement and the terms and conditions of any form of letter of credit application or other agreement submitted by the Borrower to, or entered into by the Borrower with, any Issuing Bank relating to any Letter of Credit, the terms and conditions of this Agreement shall control.

(b) Notice of Issuance, Amendment, Renewal, Extension; Certain Conditions. To request the issuance of a Letter of Credit (or the amendment, renewal or extension of an outstanding Letter of Credit), the Borrower shall hand deliver or telecopy (or transmit by electronic communication, if arrangements for doing so have been approved by the applicable Issuing Bank) to the Issuing Bank and the Administrative Agent (reasonably in advance of the requested date of issuance, amendment, renewal or extension) a notice requesting the issuance of a Letter of Credit, or identifying the Letter of Credit to be amended, renewed or extended, and specifying the date of issuance, amendment, renewal or extension (which shall be a Business Day), the date on which such Letter of Credit is to expire (which shall comply with paragraph (c) of this Section), the amount of such Letter of Credit, the name and address of the beneficiary thereof and such other information as shall be necessary to prepare, amend, renew or extend such Letter of Credit. If requested by such Issuing Bank, the Borrower also shall submit a letter of credit application on such Issuing Bank's standard form in connection with any request for a Letter of Credit. A Letter of Credit shall be issued, amended, renewed or extended only if (and upon issuance, amendment, renewal or extension of each Letter of Credit the Borrower shall be deemed to represent and warrant that), after giving effect to such issuance, amendment, renewal or extension the LC Exposure shall not exceed the amount

by which the Aggregate Facility D Commitment exceeds the outstanding principal balance of the Facility D Loans.

(c) Expiration Date. Each Letter of Credit shall expire at or prior to the close of business on the date that is five Business Days prior to the Facility D Maturity Date.

(d) Participations. By the issuance of a Letter of Credit (or an amendment to a Letter of Credit increasing the amount thereof) and without any further action on the part of an Issuing Bank or the Facility D Lenders, such Issuing Bank hereby grants to each Facility D Lender, and each Facility D Lender hereby acquires from such Issuing Bank, a participation in such Letter of Credit equal to such Facility D Lender's Applicable Percentage of the aggregate amount available to be drawn under such Letter of Credit. In consideration and in furtherance of the foregoing, each Facility D Lender hereby absolutely and unconditionally agrees to pay to the Administrative Agent, for the account of such Issuing Bank, such Facility D Lender's Applicable Percentage of each LC Disbursement made by such Issuing Bank and not reimbursed by the Borrower on the date due as provided in paragraph (e) of this Section, or of any reimbursement payment required to be refunded to the Borrower for any reason. Each Facility D Lender acknowledges and agrees that its obligation to acquire participations pursuant to this paragraph in respect of Letters of Credit is absolute and unconditional and shall not be affected by any circumstance whatsoever, including any amendment, renewal or extension of any Letter of Credit or the occurrence and continuance of a Default or reduction or termination of the Facility D Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever.

(e) Reimbursement. If an Issuing Bank shall make any LC Disbursement in respect of a Letter of Credit, the Borrower shall reimburse such LC Disbursement by paying to the Administrative Agent an amount equal to such LC Disbursement not later than 2:00 p.m., New York City time, on the third (3rd) Business Days after the date the Borrower shall have received notice of such LC Disbursement. If the Borrower fails to make such payment when due, the Administrative Agent shall notify each Facility D Lender of the applicable LC Disbursement, the payment then due from the Borrower in respect thereof and such Facility D Lender's Applicable Percentage thereof. Promptly following receipt of such notice, each Facility D Lender shall pay to the Administrative Agent its Applicable Percentage of the payment then due from the Borrower, in the same manner as provided in Section 2.07 with respect to Loans hereunder (and Section 2.07 shall apply, mutatis mutandis, to the payment obligations of the Facility D Lenders), and the Administrative Agent shall promptly pay to such Issuing Bank the amounts so received by it from the Facility D Lenders. Promptly following receipt by the Administrative Agent of any payment from the Borrower pursuant to this paragraph, the Administrative Agent shall distribute such payment to such Issuing Bank or, to the extent that Facility D Lenders have made payments pursuant to this paragraph to reimburse such Issuing Bank, then to such Facility D Lenders and such Issuing Bank as their interests may appear. Any payment made by a Facility D Lender pursuant to this paragraph to reimburse an Issuing Bank for any LC Disbursement shall not constitute a Loan and shall not relieve the Borrower of its obligation to reimburse such LC Disbursement.

(f) Obligations Absolute. The Borrower's obligation to reimburse LC Disbursements as provided in paragraph (e) of this Section shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement under any and all circumstances whatsoever and irrespective of (i) any lack of validity or enforceability of any Letter of Credit or this Agreement, or any term or provision therein, (ii) any draft or other document presented under a Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect, (iii) payment by an Issuing Bank under a Letter of Credit against presentation of a draft or other document that does not comply with the terms of such Letter of Credit, or (iv) any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section, constitute a legal or equitable discharge of, or provide a right of setoff against, the Borrower's obligations hereunder. Neither the Administrative Agent, the Lenders nor any Issuing Bank, nor any of their Related Parties, shall have any liability or responsibility by reason of or in connection with the issuance or transfer of any Letter of Credit or any payment or failure to make any payment thereunder (irrespective of any of the circumstances referred to in the preceding sentence), or any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or other communication under or relating to any Letter of Credit (including any document required to make a drawing thereunder), any error in interpretation of technical terms or any consequence arising from causes beyond the control of such Issuing Bank; provided that the foregoing shall not be construed to excuse an Issuing Bank from liability to the Borrower to the extent of any direct damages (as opposed to consequential damages, claims in respect of which are hereby waived by the Borrower to the extent permitted by applicable law) suffered by the Borrower that are caused by such Issuing Bank's failure to exercise care when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof. The parties hereto expressly agree that, in the absence of gross negligence or willful misconduct on the part of an Issuing Bank (as finally determined by a court of competent jurisdiction), such Issuing Bank shall be deemed to have exercised care in each such determination. In furtherance of the foregoing and without limiting the generality thereof, the parties agree that, with respect to documents presented which appear on their face to be in substantial compliance with the terms of a Letter of Credit, such Issuing Bank may, in its sole discretion, either accept and make payment upon such documents without responsibility for further investigation, regardless of any notice or information to the contrary, or refuse to accept and make payment upon such documents if such documents are not in strict compliance with the terms of such Letter of Credit.

(g) Disbursement Procedures. An Issuing Bank shall, promptly following its receipt thereof, examine all documents purporting to represent a demand for payment under a Letter of Credit. Such Issuing Bank shall promptly notify the Administrative Agent and the Borrower by telephone (confirmed by telecopy) of such demand for payment and whether such Issuing Bank has made or will make an LC Disbursement thereunder; provided that any failure to give or delay in giving such notice shall not relieve the Borrower of its obligation to reimburse such Issuing Bank and the Facility D Lenders with respect to any such LC Disbursement.

(h) Interim Interest. If an Issuing Bank shall make any LC Disbursement, then, unless the Borrower shall reimburse such LC Disbursement in full on the date such LC Disbursement is made, the unpaid amount thereof shall bear interest, for each day from and including the date such LC Disbursement is made to but excluding the date that the Borrower reimburses such LC Disbursement, at the rate per annum then applicable to ABR Loans under Facility D; provided that, if the Borrower fails to reimburse such LC Disbursement when due pursuant to paragraph (e) of this Section, then Section 2.13(c) shall apply. Interest accrued pursuant to this paragraph shall be for the account of the Issuing Bank that has made such LC Disbursement, except that interest accrued on and after the date of payment by any Facility D Lender pursuant to paragraph (e) of this Section to reimburse such Issuing Bank shall be for the account of such Facility D Lender to the extent of such payment.

(i) Replacement or Designation of an Issuing Bank. An Issuing Bank may be replaced at any time by written agreement among the Borrower, the Administrative Agent, the replaced Issuing Bank and the successor Issuing Bank, and an additional Issuing Bank may be designated at any time by the Borrower and the Administrative Agent. The Administrative Agent shall notify the Facility D Lenders of any such replacement of an Issuing Bank or of any designation of an additional Issuing Bank. At the time any such replacement shall become effective, the Borrower shall pay all unpaid fees accrued for the account of the replaced Issuing Bank pursuant to Section 2.12(b). From and after the effective date of any such replacement or designation, (i) the successor or additional Issuing Bank shall have all the rights and obligations of an Issuing Bank under this Agreement with respect to Letters of Credit to be issued by it thereafter and (ii) references herein to the term "Issuing Bank" shall be deemed to refer to such successor or additional Issuing Bank or to any previous Issuing Bank, or to such successor or additional Issuing Bank and all previous Issuing Banks, as the context shall require. After the replacement of an Issuing Bank hereunder, the replaced Issuing Bank shall remain a party hereto and shall continue to have all the rights and obligations of an Issuing Bank under this Agreement with respect to Letters of Credit issued by it prior to such replacement, but shall not be required to issue additional Letters of Credit.

(j) Cash Collateralization. If any Event of Default shall occur and be continuing, on the Business Day that the Borrower receives notice from the Administrative Agent, the Required Lenders or Facility D Lenders with LC Exposure representing greater than 66-2/3% of the total LC Exposure, demanding the deposit of cash collateral pursuant to this paragraph, the Borrower shall deposit in a Cash Collateral Account with the Administrative Agent an amount in cash equal to the LC Exposure as of such date plus any accrued and unpaid interest thereon; provided that the obligation to deposit such cash collateral shall become effective immediately, and such deposit shall become immediately due and payable, without demand or other notice of any kind, upon the occurrence of any Event of Default with respect to the Borrower described in clause (h) or (i) of Section 9.01. Funds in such Cash Collateral Account shall be applied by the Administrative Agent to reimburse the Issuing Banks for LC Disbursements for which they have not been reimbursed (with such funds to be applied pro rata among the Issuing Banks, based on their outstanding LC Disbursements) and, to the extent not so applied, shall be held for the satisfaction of the reimbursement obligations of the Borrower for the

LC Exposure at such time or, upon the occurrence and during the continuance of an Event of Default (but subject to the consent of Facility D Lenders with LC Exposure representing greater than 66-2/3% of the total LC Exposure), shall be applied to satisfy other Secured Obligations. If the Borrower is required to provide an amount of cash collateral under this paragraph (j) as a result of the occurrence of an Event of Default, such amount (to the extent not applied as aforesaid) shall be returned to the Borrower within three Business Days after all Events of Default have been cured or waived.

SECTION 2.07. Funding of Borrowings.

(a) Each Lender shall make each Loan to be made by it hereunder on the proposed date thereof by wire transfer of immediately available funds by 2:00 p.m., New York City time, to the account of the Administrative Agent most recently designated by it for such purpose by notice to the Lenders. Except as otherwise provided herein, the Administrative Agent will make such Loans available to the Borrower by promptly crediting the amounts so received, in like funds, to an account of the Borrower maintained with the Administrative Agent and designated by the Borrower in the applicable Borrowing Request.

(b) Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Borrowing that such Lender will not make available to the Administrative Agent such Lender's share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with paragraph (a) of this Section and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then the applicable Lender and the Borrower severally agree (without prejudice to the Borrower's rights against such Lender) to pay to the Administrative Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at (i) in the case of such Lender, the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation or (ii) in the case of the Borrower, the interest rate applicable to ABR Loans. If such Lender pays such amount to the Administrative Agent, then such amount shall constitute such Lender's Loan included in such Borrowing.

SECTION 2.08. Interest Elections.

(a) Each Borrowing under a Facility initially shall be of the Type specified in the applicable Borrowing Request and, in the case of a Eurodollar Borrowing, shall have an initial Interest Period as specified in such Borrowing Request. Thereafter, the Borrower may elect to convert such Borrowing to a different Type or to continue such Borrowing and, in the case of a Eurodollar Borrowing, may elect Interest Periods therefor, all as provided in this Section. The Borrower may elect different options with respect to different portions of the affected Borrowing, in which case each such portion shall be

allocated ratably among the Lenders holding the Loans comprising such Borrowing, and the Loans comprising each such portion shall be considered a separate Borrowing.

(b) To make an election pursuant to this Section, the Borrower shall notify the Administrative Agent of such election by telephone by the time that a Borrowing Request would be required under Section 2.03 if the Borrower were requesting a Borrowing of the Type resulting from such election to be made on the effective date of such election. Each such telephonic Interest Election Request shall be irrevocable and shall be confirmed promptly by hand delivery or telecopy to the Administrative Agent of a written Interest Election Request in a form approved by the Administrative Agent and signed by the Borrower.

(c) Each telephonic and written Interest Election Request shall specify the following information in compliance with Section 2.03:

(i) the Borrowing to which such Interest Election Request applies and, if different options are being elected with respect to different portions thereof, the portions thereof to be allocated to each resulting Borrowing (in which case the information to be specified pursuant to clauses (iii) and (iv) below shall be specified for each resulting Borrowing);

(ii) the effective date of the election made pursuant to such Interest Election Request, which shall be a Business Day;

(iii) whether the resulting Borrowing is to be an ABR Borrowing or a Eurodollar Borrowing; and

(iv) if the resulting Borrowing is a Eurodollar Borrowing, the Interest Period to be applicable thereto after giving effect to such election, which shall be a period contemplated by the definition of the term "Interest Period".

If any such Interest Election Request requests a Eurodollar Borrowing but does not specify an Interest Period, then the Borrower shall be deemed to have selected an Interest Period of one month's duration.

(d) Promptly following receipt of an Interest Election Request, the Administrative Agent shall advise each applicable Lender under a Facility of the details thereof and of such Lender's portion of each resulting Borrowing.

(e) If the Borrower fails to deliver a timely Interest Election Request with respect to a Eurodollar Borrowing prior to the end of the Interest Period applicable thereto, then, unless such Borrowing is repaid as provided herein, at the end of such Interest Period such Borrowing shall be converted to an ABR Borrowing. Notwithstanding any contrary provision hereof, if an Event of Default has occurred and is continuing and the Administrative Agent, at the request of the Required Lenders, so notifies the Borrower, then, so long as an Event of Default is continuing (i) no outstanding Borrowing may be converted to or continued as a Eurodollar Borrowing and (ii) unless repaid, each

Eurodollar Borrowing shall be converted to an ABR Borrowing at the end of the Interest Period applicable thereto.

SECTION 2.09. Termination of Commitments; Reduction of Facility D Commitments.

(a) Termination of Commitments. The Aggregate Facility A Commitment shall terminate on the Facility A Maturity Date. The Aggregate Facility D Commitment shall terminate on the Facility D Maturity Date.

(b) Reduction of Facility D Commitments. The Borrower may at any time terminate, or from time to time reduce, the Aggregate Facility D Commitment; provided that (i) each reduction of the Aggregate Facility D Commitment outstanding shall be in an amount that is an integral multiple of $1,000,000 and not less than $5,000,000, (ii) the Borrower shall not terminate or reduce the Aggregate Facility D Commitment if, after giving effect to any concurrent prepayment of the Facility D Loans (if any) in accordance with Section 2.11, the Aggregate Facility D Outstanding Credit Exposure would exceed the Aggregate Facility D Commitment, and (iii) the Borrower shall not terminate or reduce the Aggregate Facility D Commitment if any Out-of-Balance Condition exists or would exist by reason of such termination or reduction. The Borrower shall notify the Administrative Agent of any election to terminate or reduce the Aggregate Facility D Commitment above at least three Business Days prior to the effective date of such termination or reduction, specifying such election and the effective date thereof. Promptly following receipt of any notice, the Administrative Agent shall advise the Facility D Lenders of the contents thereof. Each notice delivered by the Borrower pursuant to this Section shall be irrevocable. Any termination or reduction of the Aggregate Facility D Commitment shall be permanent. Each reduction of the Aggregate Facility D Commitment shall be made ratably among the Facility D Lenders in accordance with their respective Facility D Commitments.

SECTION 2.10. Repayment of Loans; Evidence of Debt.

(a) The Borrower hereby unconditionally promises to pay (i) to the Administrative Agent for the account of each Facility A Lender the then unpaid principal amount of each Facility A Loan on the Facility A Maturity Date, (ii) to the Administrative Agent for the account of each Facility B Lender the then unpaid principal amount of each Facility B Loan on the Facility B Maturity Date, (iii) to the Administrative Agent for the account of each Facility C Lender the then unpaid principal amount of each Facility C Loan on the Facility C Maturity Date and (iv) to the Administrative Agent for the account of each Facility D Lender the then unpaid principal amount of each Facility D Loan on the Facility D Maturity Date.

(b) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to such Lender resulting from each Loan made by such Lender, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(c) The Administrative Agent shall maintain accounts in which it shall record (i) the amount of each Loan made hereunder, the Type thereof and the Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder for the account of the Lenders and each Lender's share thereof.

(d) The entries made in the accounts maintained pursuant to paragraph (b) or (c) of this Section shall be prima facie evidence of the existence and amounts of the obligations recorded therein; provided that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligation of the Borrower to repay the Loans in accordance with the terms of this Agreement.

(e) Any Lender may request that Loans made by it under any Facility be evidenced by a promissory note (each, a "Note" and, collectively, the "Notes"). A Note shall evidence only the Loans under a single Facility. Upon such request by a Lender, the Borrower shall execute and deliver to such Lender a Note payable to the order of such Lender (or, if requested by such Lender, to such Lender and its registered assigns) and in a form approved by the Administrative Agent. Thereafter, the Loans evidenced by such Note and interest thereon shall at all times (including after assignment pursuant to Section 11.04) be represented by one or more Notes in such form payable to the order of the payee named therein (or, if such Note is a registered note, to such payee and its registered assigns).

(f) The Borrower hereby confirms and agrees that, except to the extent that a Lender requests and is delivered a new Note pursuant to paragraph (e) above, the Note held by such Lender under any Facility under the Original Credit Agreement remains in full force and effect and evidences the applicable Loans made by such Lender under the Original Credit Agreement and under this Agreement.

SECTION 2.11. Prepayment of Loans.

(a) The Borrower shall have the right at any time and from time to time to prepay any Borrowing in whole or in part (in the minimum amount herein required), subject to the provisions of this Section 2.11. At the time of the Takedown of a Phase, the Borrower shall pay the Release Price therefor in accordance with the provisions of Section 7.03(b).

(b) The Borrower shall notify the Administrative Agent by telephone (confirmed by telecopy) of any prepayment hereunder (i) in the case of prepayment of a Eurodollar Borrowing, not later than 11:00 a.m., New York City time, three Business Days before the date of prepayment or (ii) in the case of prepayment of an ABR Borrowing, not later than 11:00 a.m., New York City time, one Business Day before the date of prepayment. Each such notice shall be irrevocable and shall specify the prepayment date and the principal amount of each Borrowing or portion thereof to be prepaid. Promptly following receipt of any such notice relating to a Borrowing under a Facility, the Administrative

Agent shall advise the Lenders under such Facility of the contents thereof. Payments of ABR Borrowings under a Facility shall be in a minimum amount of $100,000. Payments of Eurodollar Borrowings under a Facility shall be in a minimum amount of $1,000,000 or any integral multiple of $500,000 in excess of such applicable amount. Each prepayment of a Borrowing under a Facility shall be applied ratably to the Loans included in the prepaid Borrowing. Prepayments shall be accompanied by accrued interest to the extent required by Section 2.13. If any Secured Swap Obligations become due as a result of any prepayment, the same shall be paid at the time of such prepayment.

(c) Intentionally Omitted.

(d) Prepayments of the Loans from the proceeds of any Release Price paid to the Administrative Agent shall be applied, first, to Facility B until paid in full; second, to Facility A until paid in full; third, pro rata to Facility C (based upon the aggregate amount of the Facility C Loans advanced on the Original Closing Date) (until paid in full) and Facility D (based upon the amount of the Aggregate Facility D Commitment, as the same may have been reduced pursuant to the provisions of Section 2.09(b) but not otherwise) (until paid in full); and, fourth, to the Cash Collateral Account provided for in Section 2.06(j) to the extent (if any) of the LC Exposure.

(e) Prepayments of the Loans other than from payments of the Release Prices shall, as long as no Event of Default has occurred that is continuing, be applied to such Facility or Facilities as the Borrower may elect, and, in the absence of such election or at any time at which an Event of Default has occurred that is continuing, such prepayments shall be applied pro rata among Facility A, Facility B, Facility C and Facility D (until any such Facility is paid in full), based upon the amount of the Aggregate Facility A Commitment as of the Closing Date hereunder, the amounts of the Facility B Loans and Facility C Loans advanced on the Original Closing Date and the Aggregate Facility D Commitment as of the Closing Date hereunder (as the Aggregate Facility D Commitment may have been reduced pursuant to the provisions of Section 2.09(b) but not otherwise).

(f) Payments of Facility A Loans shall reduce the Aggregate Facility A Commitment pro rata among the Facility A Lenders. Payments of Facility D Loans from the payment of any Release Price shall reduce the Aggregate Facility D Commitment pro rata among the Facility D Lenders.

SECTION 2.12. Fees.

(a) The Borrower agrees to pay to the Administrative Agent for the account of each Facility A Lender and each Facility D Lender a commitment fee, which shall accrue at the rate of 0.25% per annum on the average daily unused portion of the Facility A Commitment and Facility D Commitment of such Lender during the period from and including the Closing Date to but excluding the date on which such Commitment terminates. Letters of Credit shall constitute usage of Facility D. Accrued commitment fees shall be payable in arrears on the last day of March, June, September and December of each year and on the date on which all of the Commitments for the applicable Facility terminate, commencing on the first such date to occur after the date hereof. All

commitment fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(b) The Borrower agrees to pay (i) to the Administrative Agent for the account of each Facility D Lender a participation fee with respect to its participations in Letters of Credit, which shall accrue at the Applicable Rate for Letters of Credit (less the fronting fee specified in clause (ii) below), plus, at any time at which an Event of Default has occurred that is continuing, two percent (2%), on the average daily amount of such Facility D Lender's LC Exposure (excluding any portion thereof attributable to unreimbursed LC Disbursements) during the period from and including the Closing Date to but excluding the later of the date on which such Lender's Facility D Commitment terminates and the date on which such Lender ceases to have any LC Exposure, and (ii) to each Issuing Bank a fronting fee, which shall accrue at the rate of 0.125% per annum on the average daily undrawn amount of all Letters of Credit issued by it that are outstanding during the period from and including the Closing Date to but excluding the later of the date of termination of the Facility D Commitments and the date on which there ceases to be any LC Exposure in respect of Letters of Credit issued by such Issuing Bank, as well as such Issuing Bank's standard fees with respect to the issuance, amendment, renewal or extension of any Letter of Credit or processing of drawings thereunder. Participation fees and fronting fees accrued through and including the last day of March, June, September and December of each year shall be payable on the third Business Day following the later of (i) such last day and (ii) receipt of an invoice from the Administrative Agent detailing the amount of such fees owing, commencing on the first such date to occur after the Closing Date; provided that all such fees shall be payable on the date on which the Facility D Commitments terminate and any such fees accruing after the date on which the Facility D Commitments terminate shall be payable on demand. Any other fees payable to an Issuing Bank pursuant to this paragraph shall be payable within ten (10) days after demand. All participation fees and fronting fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(c) The Borrower agrees to pay to the Administrative Agent, for its own account, and to the Arranger, for its own account, fees payable in the amounts and at the times separately agreed upon among the Borrower, the Administrative Agent and the Arranger.

(d) All fees payable hereunder shall be paid on the dates due, in immediately available funds, to the Administrative Agent for distribution, in the case of commitment fees and participation fees, to the Lenders (or, if the Administrative Agent so directs, to an Issuing Bank or the Arranger (as the case may be) in the case of fees payable to such Issuing Bank or the Arranger). Fees paid shall not be refundable under any circumstances.

(e) All fees accrued under Section 2.12 of the Original Credit Agreement as of the Closing Date payable to Lenders that remain Facility A Lenders or Facility D Lenders (as applicable) hereunder on the Closing Date shall be paid at the time of the first payment due after the Closing Date under this Section 2.12. Fees accrued under Section

2.12 of the Original Credit Agreement payable to any Facility A Lender or Facility D Lender under the Original Credit Agreement that is not a Facility A Lender or Facility D Lender hereunder on the Closing Date shall be paid on the Closing Date.

SECTION 2.13. Interest.

(a) The Loans comprising each ABR Borrowing shall bear interest at the Alternate Base Rate plus the Applicable Rate.

(b) The Loans comprising each Eurodollar Borrowing shall bear interest at the Adjusted LIBO Rate for the Interest Period in effect for such Borrowing plus the Applicable Rate.

(c) Notwithstanding the foregoing, if any principal of or interest on any Loan or any fee or other amount payable by the Borrower hereunder is not paid when due, whether at stated maturity, upon acceleration or otherwise (after any applicable cure period provided therefor in Section 9.01), such overdue amount shall bear interest, after as well as before judgment, at a rate per annum equal to (i) in the case of overdue principal of any Loan, two percent (2%) plus the rate otherwise applicable to such Loan as provided in the preceding paragraphs of this Section or (ii) in the case of any other amount, two percent (2%) plus the rate applicable to ABR Loans as provided in paragraph (a) of this Section.

(d) Accrued interest on each Loan shall be payable in arrears (i) on each Interest Payment Date for such Loan, (ii) in the case of Facility A or Facility D, upon the termination of the Commitments for such Facility and (iii) in the case of any Facility, upon the Maturity Date of such Facility; provided that (A) interest accrued pursuant to paragraph (c) of this Section shall be payable on demand, (B) in the event of any repayment or prepayment of any Loan, accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment and (C) in the event of any conversion of any Eurodollar Loan prior to the end of the current Interest Period therefor, accrued interest on such Loan shall be payable on the effective date of such conversion.

(e) All interest hereunder shall be computed on the basis of a year of 360 days, except that interest computed by reference to the Alternate Base Rate at times when the Alternate Base Rate is based on the Prime Rate shall be computed on the basis of a year of 365 days (or 366 days in a leap year), and in each case shall be payable for the actual number of days elapsed (including the first day but excluding the last day). The applicable Alternate Base Rate or Adjusted LIBO Rate shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error.

(f) All interest accrued under the Original Credit Agreement as of the Closing Date payable to Lenders that remain Lenders hereunder on the Closing Date shall be paid at the same time at which the same would have been due under the Original Credit Agreement. Interest accrued under the Original Credit Agreement as of the Closing Date

payable to any Lender under the Original Credit Agreement that is not a Lender hereunder on the Closing Date shall be paid on the Closing Date.

SECTION 2.14. Alternate Rate of Interest. If prior to the commencement of any Interest Period for a Eurodollar Borrowing:

(a) the Administrative Agent determines (which determination shall be conclusive absent manifest error) that adequate and reasonable means do not exist for ascertaining the Adjusted LIBO Rate for such Interest Period; or

(b) the Administrative Agent is advised by the Required Lenders that the Adjusted LIBO Rate for such Interest Period will not adequately and fairly reflect the cost to such Lenders of making or maintaining their Loans included in such Borrowing for such Interest Period;

then the Administrative Agent shall give notice thereof to the Borrower and the Lenders by telephone or telecopy as promptly as practicable thereafter and, until the Administrative Agent notifies the Borrower and the Lenders that the circumstances giving rise to such notice no longer exist, (i) any Interest Election Request that requests the conversion of any Borrowing to, or continuation of any Borrowing as, a Eurodollar Borrowing shall be ineffective and (ii) if any Borrowing Request requests a Eurodollar Borrowing, such Borrowing shall be made as an ABR Borrowing.

SECTION 2.15. Increased Costs.

(a) If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by, any Lender (except any such reserve requirement reflected in the Adjusted LIBO Rate) or Issuing Bank; or

(ii) impose on any Lender or Issuing Bank or the London interbank market any other condition affecting this Agreement or Eurodollar Loans made by such Lender or any Letter of Credit or participation therein;

and the result of any of the foregoing shall be to increase the cost to such Lender of making or maintaining any Eurodollar Loan (or of maintaining its obligation to make any such Loan) or to increase the cost to such Lender or Issuing Bank of participating in, issuing or maintaining any Letter of Credit or to reduce the amount of any sum received or receivable by such Lender or Issuing Bank hereunder (whether of principal, interest or otherwise), then the Borrower will pay to such Lender or Issuing Bank, as the case may be, such additional amount or amounts as will compensate such Lender or Issuing Bank, as the case may be, for such additional costs incurred or reduction suffered.

(b) If any Lender or Issuing Bank determines in its reasonable judgment that any Change in Law regarding capital requirements has or would have the effect of reducing the rate of return on such Lender's or Issuing Bank's capital or on the capital of such

Lender's or Issuing Bank's holding company, if any, as a consequence of this Agreement or the Loans made by, or participations in Letters of Credit held by, such Lender, or the Letters of Credit issued by such Issuing Bank, to a level below that which such Lender or Issuing Bank or such Lender's or Issuing Bank's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or Issuing Bank's policies and the policies of such Lender's or Issuing Bank's holding company with respect to capital adequacy), then from time to time the Borrower will pay to such Lender or Issuing Bank, as the case may be, such additional amount or amounts as will compensate such Lender or Issuing Bank or such Lender's or Issuing Bank's holding company for any such reduction suffered.

(c) A certificate of a Lender or Issuing Bank setting forth the amount or amounts necessary to compensate such Lender or Issuing Bank or its holding company, as the case may be, as specified in paragraph (a) or (b) of this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender or Issuing Bank, as the case may be, the amount shown as due on any such certificate within ten (10) days after receipt thereof.

(d) Failure or delay on the part of any Lender or Issuing Bank to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's or Issuing Bank's right to demand such compensation; provided that the Borrower shall not be required to compensate a Lender or Issuing Bank pursuant to this Section for any increased costs or reductions incurred more than six months prior to the date that such Lender or Issuing Bank, as the case may be, notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's or Issuing Bank's intention to claim compensation therefor; provided further that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the six-month-period referred to above shall be extended to include the period of retroactive effect thereof.

SECTION 2.16. Break Funding Payments. In the event of (a) the payment of any principal of any Eurodollar Loan other than on the last day of an Interest Period applicable thereto (including as a result of an Event of Default), (b) the conversion of any Eurodollar Loan other than on the last day of the Interest Period applicable thereto, (c) the failure to borrow, convert, continue or prepay any Eurodollar Loan on the date specified in any notice delivered by the Borrower to the Administrative Agent pursuant hereto or (d) the assignment of any Eurodollar Loan other than on the last day of the Interest Period applicable thereto as a result of a request by the Borrower pursuant to Section 2.19, then, in any such event, the Borrower shall compensate each Lender for the loss, cost and expense attributable to such event. In the case of a Eurodollar Loan, such loss, cost or expense to any Lender shall be deemed to include an amount determined by such Lender to be the excess, if any, of (i) the amount of interest which would have accrued on the principal amount of such Loan had such event not occurred, at the Adjusted LIBO Rate that would have been applicable to such Loan, for the period from the date of such event to the last day of the then current Interest Period therefor (or, in the case of a failure to borrow, convert or continue, for the period that would have been the Interest Period for such Loan), over (ii) the amount of interest which would accrue on such principal amount for such period at the interest rate which such Lender would bid were it to bid, at the commencement of such period, for dollar deposits of a comparable amount and period from other banks in the

eurodollar market. A certificate of any Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within (10) ten days after receipt thereof.

SECTION 2.17. Taxes.

(a) (i) Any and all payments by or on account of any obligation of the Borrower hereunder shall be made free and clear of and without deduction for any Indemnified Taxes or Other Taxes; provided that if the Borrower shall be required to deduct any Indemnified Taxes or Other Taxes from such payments, then (i) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section) the Administrative Agent, Lender or Issuing Bank (as the case may be) receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Borrower shall make such deductions and (iii) the Borrower shall pay the full amount deducted to the relevant Governmental Authority in accordance with applicable law.

(b) In addition, the Borrower shall pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(c) The Borrower shall indemnify the Administrative Agent, each Lender and each Issuing Bank, within (10) ten days after written demand therefor, for the full amount of any Indemnified Taxes or Other Taxes paid by the Administrative Agent, such Lender or Issuing Bank, as the case may be, on or with respect to any payment by or on account of any obligation of the Borrower hereunder (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender or Issuing Bank, or by the Administrative Agent on its own behalf or on behalf of a Lender or Issuing Bank, shall be conclusive absent manifest error.

(d) As soon as practicable after any payment of Indemnified Taxes or Other Taxes by the Borrower to a Governmental Authority, the Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(e) Any Foreign Lender that is entitled to an exemption from or reduction of withholding tax under the law of the jurisdiction in which the Borrower is located, or any treaty to which such jurisdiction is a party, with respect to payments under this Agreement 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 or reasonably requested by the Borrower as

will permit such payments to be made without withholding or at a reduced rate. Each such Foreign Lender shall also deliver to the Borrower (with a copy to the Administrative Agent) such further documentation on or before the date that any documentation previously delivered to the Borrower hereunder shall expire or become obsolete and after the occurrence of any event requiring a change in such previously delivered documentation.

(f) If the Administrative Agent or a Lender determines, in its sole discretion, that it has received a refund of any Taxes or Other Taxes as to which it has been indemnified by the Borrower or with respect to which the Borrower has paid additional amounts pursuant to this Section 2.17, it shall pay over such refund to the Borrower (but only to the extent of indemnity payments made, or additional amounts paid, by the Borrower under this Section 2.17 with respect to the Taxes or Other Taxes giving rise to such refund), net of all out-of-pocket expenses of the Administrative Agent or such Lender and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund); provided, that the Borrower, upon the request of the Administrative Agent or such Lender, agrees to repay the amount paid over to the Borrower (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Administrative Agent or such Lender in the event the Administrative Agent or such Lender is required to repay such refund to such Governmental Authority. This Section shall not be construed to require the Administrative Agent or any Lender to make available its tax returns (or any other information relating to its taxes which it deems confidential) to the Borrower or any other Person.

SECTION 2.18. Payments Generally; Pro Rata Treatment; Sharing of Set-offs.

(a) The Borrower shall make each payment required to be made by it hereunder (whether of principal, interest, fees or reimbursement of LC Disbursements, or of amounts payable under Section 2.15, 2.16 or 2.17, or otherwise) prior to 2:00 p.m., New York City time, on the date when due, in immediately available funds, without set-off or counterclaim. Any amounts received after such time on any date may, in the discretion of the Administrative Agent, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made to the Administrative Agent at its offices at 270 Park Avenue, New York, New York, except payments to be made directly to an Issuing Bank as expressly provided herein and except that payments pursuant to Sections 2.15, 2.16, 2.17 and 9.03 shall be made directly to the Persons entitled thereto. The Administrative Agent shall distribute any such payments received by it for the account of any other Person to the appropriate recipient promptly following receipt thereof. If any payment hereunder shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension. All payments hereunder shall be made in dollars.

(b) Subject to Section 9.08, if at any time insufficient funds are received by and available to the Administrative Agent to pay fully all amounts of principal, unreimbursed

LC Disbursements, interest and fees then due hereunder, such funds shall be applied (i) first, towards payment of interest and fees then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest and fees then due to such parties, and (ii) second, towards payment of principal and unreimbursed LC Disbursements then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal and unreimbursed LC Disbursements then due to such parties.

(c) If any Lender under a Facility shall, by exercising any right of set-off or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Loans or (if applicable) participations in LC Disbursements under such Facility resulting in such Lender receiving payment of a greater proportion of the aggregate amount of its Loans and participations in LC Disbursements and accrued interest thereon than the proportion received by any other Lender under such Facility, then the Lender receiving such greater proportion shall purchase (for cash at face value) participations in the Loans and participations in LC Disbursements of other Lenders under such Facility to the extent necessary so that the benefit of all such payments shall be shared by the Lenders under such Facility ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans and participations in LC Disbursements under such Facility; provided that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and (ii) the provisions of this paragraph shall not be construed to apply to any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement or any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or participations in LC Disbursements to any assignee or participant, other than to the Borrower or any Affiliate thereof (as to which the provisions of this paragraph shall apply). The Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against the Borrower rights of set-off and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Borrower in the amount of such participation.

(d) Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders or Issuing Banks hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the applicable Lenders or Issuing Banks, as the case may be, the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Lenders or Issuing Banks, as the case may be, severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender or Issuing Bank with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

(e) If any Lender shall fail to make any payment required to be made by it pursuant to Section 2.07(b), 2.18(d) or 11.03(c), then the Administrative Agent may, in its discretion (notwithstanding any contrary provision hereof), apply any amounts thereafter received by the Administrative Agent for the account of such Lender to satisfy such Lender's obligations under such Sections until all such unsatisfied obligations are fully paid.

SECTION 2.19. Mitigation Obligations; Replacement of Lenders.

(a) If any Lender requests compensation under Section 2.15, or if the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.17, then such Lender shall use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the reasonable judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 2.15 or 2.17, as the case may be, in the future and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) If any Lender requests compensation under Section 2.15, or if the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.17, or if any Lender defaults in its obligation to fund Loans hereunder or if any Lender is a non-consenting Lender under Section 11.02(c), then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 11.04 (except that either Borrower or the assignee shall pay the fee provided for in Section 11.04(b)(ii)(C)), all its interests, rights and obligations under this Agreement to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that (i) the Borrower shall have received the prior written consent of the Administrative Agent (and, if a Facility D Commitment is being assigned, the Issuing Banks), which consent(s) shall not be unreasonably withheld or delayed, (ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans and (in the case of Facility D) participations in LC Disbursements, accrued interest thereon, accrued fees and all other amounts payable to it hereunder, from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts) and (iii) in the case of any such assignment resulting from a claim for compensation under Section 2.15 or payments required to be made pursuant to Section 2.17, such assignment will result in a reduction in such compensation or payments. A Lender shall not be required to make any such assignment and delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

ARTICLE III

Representations and Warranties

The Borrower represents and warrants to the Lenders that:

SECTION 3.01. Organization; Powers. The Borrower is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, has all requisite power and authority to carry on its business as now conducted and (except where the failure to do so, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect) qualified to do business in, and is in good standing in, every jurisdiction where such qualification is required.

SECTION 3.02. Authorization; Enforceability. The Transactions are within the Borrower's limited-liability company powers and such Transactions and the Loan Documents to which the Borrower is a party have been duly authorized by all necessary limited-liability company action and all action of the Members. This Agreement and the other Loan Documents to which the Borrower is a party have been duly executed and delivered by the Borrower and constitute the legal, valid and binding obligation of the Borrower, enforceable in accordance with their terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

SECTION 3.03. Governmental Approvals; No Conflicts. The Transactions (a) do not require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority except (i) as provided in Section 5.02, (ii) necessary building Permits and other similar consents and approvals not yet required to be obtained and (iii) such consents and approvals as have been obtained or made and are in full force and effect, (b) will not violate any applicable law or regulation or the certificate of formation, operating agreement or other Organizational Documents of the Borrower or any order of any Governmental Authority, (c) will not violate or result in a default under any agreement or other instrument binding upon the Borrower or its assets, or give rise to a right thereunder to require any payment to be made by the Borrower, except to the extent that any such violations or defaults could not reasonably be expected to have a Material Adverse Effect and (d) will not result in the creation or imposition of any Lien on any asset of the Borrower, except Liens in favor of the Administrative Agent pursuant to the Loan Documents.

SECTION 3.04. No Material Adverse Change. No event or circumstance has occurred since the dates of the applicable financial statements or other financial information contained in the Information Memorandum that has resulted in a Material Adverse Effect.

SECTION 3.05. Properties.

(a) The Borrower has (i) good and merchantable fee simple title to the Project subject only to Permitted Encumbrances and (ii) good title to or valid leasehold interests in, all personal property material to its business, subject only to (A) Permitted

Encumbrances and (B) defects in title that individually or in the aggregate could not reasonably be expected to have a Material Adverse Effect.

(b) The Borrower owns, or is licensed to use, all trademarks, tradenames, copyrights and other intellectual property material to its business, and the use thereof by the Borrower does not infringe upon the rights of any other Person, except for such infringements that, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

SECTION 3.06. Litigation.

(a) There are no actions, suits or proceedings by or before any arbitrator or Governmental Authority pending against or, to the knowledge of the Borrower, threatened against or affecting the Borrower or the Project (other than the Disclosed Matters) as to which an adverse determination is likely and that, if adversely determined, could reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect.

(b) Since the date of this Agreement, there has been no change in the status of the Disclosed Matters that, individually or in the aggregate, has resulted in, or materially increased the likelihood of, a Material Adverse Effect.

SECTION 3.07. Compliance with Laws and Agreements. The Borrower is in compliance with all Requirements of Law applicable to it or its Property and all agreements and other instruments binding upon it or its property, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect. No Default has occurred and is continuing.

SECTION 3.08. Investment Company Act. The Borrower is not an "investment company" as defined in, or subject to regulation under, the Investment Company Act of 1940.

SECTION 3.09. Taxes. The Borrower has timely filed or caused to be filed all Tax returns and reports required to have been filed and has paid or caused to be paid all Taxes required to have been paid by it, except (a) Taxes that are being contested in good faith by appropriate proceedings and for which the Borrower has set aside on its books adequate reserves or (b) to the extent that the failure to do so could not reasonably be expected to result in a Material Adverse Effect.

SECTION 3.10. ERISA. No ERISA Event has occurred or is reasonably expected to occur that, when taken together with all other such ERISA Events for which liability is reasonably expected to occur, could reasonably be expected to result in a Material Adverse Effect. The present value of all accumulated benefit obligations under each Plan (based on the assumptions used for purposes of Statement of Financial Accounting Standards No. 87) did not, as of the date of the most recent financial statements reflecting such amounts, exceed by more than $1,000,000 the fair market value of the assets of such Plan, and the present value of all accumulated benefit obligations of all underfunded Plans (based on the assumptions used for purposes of Statement of Financial Accounting Standards No. 87) did not, as of the date of the

most recent financial statements reflecting such amounts, exceed by more than $1,000,000 the fair market value of the assets of all such underfunded Plans.

SECTION 3.11. Disclosure. The Borrower has disclosed to the Lenders all agreements, instruments and limited liability company or other restrictions to which it is subject, and all other matters known to it, that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect. Neither the Information Memorandum nor any of the other reports, financial statements, certificates or other information furnished by or on behalf of the Borrower to the Administrative Agent or any Lender in connection with the negotiation of this Agreement or delivered hereunder (as modified or supplemented by other information so furnished) contains, to the Borrower's knowledge, any material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that, with respect to projected financial information, the Borrower represents only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time.

SECTION 3.12. Environmental Matters. Except for the Disclosed Matters and except with respect to any other matters that, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect:

(i) the operations of the Borrower comply with Environmental, Health or Safety Requirements of Law applicable thereto;

(ii) the Borrower has all Permits required under Environmental, Health or Safety Requirements of Law and is in compliance with such Permits;

(iii) neither the Borrower nor the General Manager has received notice that the Borrower or the Project is subject to or the subject of any investigation or any judicial or administrative proceeding, order, judgment, decree, settlement or other agreement respecting: (A) any violation of Environmental, Health or Safety Requirements of Law; (B) any Remedial Action; or (C) any claims or liabilities arising from the Release or threatened Release of Hazardous Materials into the environment; and

(iv) there is not now, nor has there ever been, on or in the Project any landfill, waste pile, underground storage tanks, aboveground storage tanks, surface impoundment or hazardous waste storage facility of any kind, any polychlorinated biphenyls (PCBs) used in hydraulic oils, electric transformers or other equipment, or any asbestos containing material which, in each case, could give rise to a claim or liability under Environmental, Health or Safety Requirements of Law.

SECTION 3.13. Permits, Zoning, Governmental Approvals, Etc.

(a) No Violation of Law. Neither the current use nor the intended use of the Project violates any Requirements of Law to the extent such violation or violations, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect. No claims are pending and neither the Borrower nor the General Manager has received written notice of any threatened claim asserting that the Project is not in

compliance with applicable Permits and other Governmental Approvals to the extent such claim or claims, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect. Neither the zoning or land use classification, nor any other Permit for or relating to the Project, is to any extent dependent upon or related to any Real Estate other than the Project.

(b) No Proceedings. Except for the Disclosed Matters (i) as of the Closing Date there are no pending proceedings or actions ("Entitlement Proceedings") to revoke, attack, invalidate, rescind or change the zoning or land use classification of the Project (except as described in Section 5.02 hereof) or any Permits issued with respect thereto, or asserting that such zoning, land use classification or Permits do not permit the ownership, construction, operation, or actual or intended use or development thereof and, to the Borrower's knowledge, no facts exist which would likely result in the denial, disapproval or revocation of any Governmental Approvals or Permits necessary to use or develop the Project in the manner intended and (ii) as of any subsequent date on which representations and warranties under this Agreement are made, there have been and are no Entitlement Proceedings that have materially and adversely affected or could reasonably be expected to materially and adversely affect the Project.

SECTION 3.14. Collateral. The provisions of the Collateral Documents are effective to create, perfect and maintain, upon proper filing or recording (to the extent possible by a proper filing or recording), or taking of possession, as applicable, in favor of the Administrative Agent for the benefit of the Holders of Secured Obligations, valid and legally enforceable Liens on the Project and other Collateral (to the extent such Collateral is assignable) purported to be encumbered thereby and, when all necessary recordings and filings have been effected in all necessary public offices, the Deed of Trust creates and constitutes a first priority Lien on the Project, subject only to Permitted Encumbrances.

SECTION 3.15. Project Agreements. Schedule 8 contains a complete list of all Project Agreements in existence as of the Closing Date, and the Borrower has furnished to the Administrative Agent true, correct and complete copies of each Project Agreement. No Project Agreement has been modified or amended except as set forth in Schedule 8 or as otherwise permitted hereunder.

SECTION 3.16. Solvency. On the Closing Date, the Borrower is solvent.

SECTION 3.17. Advances under Original Credit Agreement. The proceeds of the Loans advanced under the Original Credit Agreement have been used solely for the purposes permitted under the Original Credit Agreement.

SECTION 3.18. Operating Agreement. As of the Closing Date, the Operating Agreement has not been modified or amended since the Original Closing Date (except as set forth in the definition of "Operating Agreement").

EXHIBIT 1.2

ARTICLE IV

Conditions and Limitations

SECTION 4.01. Closing Date. This Agreement shall not become effective until the date on which each of the following conditions is satisfied (or waived):

(a) The Administrative Agent (or its counsel) shall have received from the Borrower, the Required Lenders and all Facility A Lenders, either (i) a counterpart of this Agreement signed on behalf of such party or (ii) written evidence satisfactory to the Administrative Agent (which may include telecopy transmission of a signed signature page of this Agreement) that such party has signed a counterpart of this Agreement.

(b) The Administrative Agent shall have received from the Borrower such Notes as may have been requested by the Lenders.

(c) The Administrative Agent shall have received from each Member and its Parent Guarantor the Consent and Agreement.

(d) The Administrative Agent shall have received from the Borrower the Deed of Trust Amendment.

(e) The Administrative Agent shall have received and approved an endorsement to the Loan Title Insurance Policy dated as of the Closing Date insuring the Deed of Trust, as amended by the Deed of Trust Amendment, and increasing the coverage under the Loan Title Insurance Policy to $585,000,000, with all premiums paid in full on or before the date of issuance. The Borrower shall deliver to the title insurer all affidavits, statements, undertakings and such other papers, instructions and documents as the Title Insurer may require for the issuance of such endorsement in the form required hereunder.

(f) The Administrative Agent shall have received and approved the insurance policies and certificates then required to be maintained pursuant to Section 6.11.

(g) The Administrative Agent shall have received and approved UCC searches for all the Persons and in the jurisdictions required by the Administrative Agent.

(h) The Administrative Agent shall have received and approved copies of all underlying title documents affecting the Project.

(i) The Administrative Agent shall have received and approved copies of amendments of each of the Acquisition Agreements amending the Takedown Schedule thereunder to conform to the applicable dates set forth in Schedule 2 hereto, certified by the Borrower and the applicable Member and Parent Guarantor to be true, correct and complete copies thereof.

(j) The Administrative Agent shall have received and approved favorable written opinions (addressed to the Administrative Agent and the Lenders and dated the Closing Date) of counsel for the Borrower, the General Manager, the Members and the Parent

Guarantors (which, in the case of a Member or Parent Guarantor, may be an in-house counsel opinion acceptable to the Administrative Agent) covering such matters relating to the Borrower, the General Manager, the Members, the Parent Guarantors, this Agreement and the other Loan Documents and the Transactions as the Administrative Agent shall reasonably request.

(k) The Administrative Agent shall have received such documents and certificates as the Administrative Agent or its counsel may request relating to the organization, existence and good standing of the Borrower, the Members, the General Manager and the Corporate Guarantors, authorization of the Transactions by the Borrower, the Members, the General Manager and the Corporate Guarantors and any other legal matters relating to the Borrower, this Agreement, the other Loan Documents or the Transactions, all in form and substance satisfactory to the Administrative Agent and its counsel.

(l) The Administrative Agent shall have received from the Borrower a certificate dated the Closing Date confirming compliance with the conditions set forth in paragraphs (a) and (b) of Section 4.02.

(m) The Administrative Agent shall have received (i) an Appraisal of the Project, which Appraisal shall be in all respects satisfactory to the Administrative Agent and (ii) evidence satisfactory to the Administrative Agent that not less than eighty percent (80%) of the "as-developed" value of the Project will be derived from residentially-zoned land.

(n) The Administrative Agent shall have received and (where applicable) distributed to the Lenders all fees and other amounts due and payable on or prior to the Closing Date, including reimbursement or payment of all out-of-pocket expenses required to be reimbursed or paid by the Borrower hereunder.

SECTION 4.02. Each Credit Event. The obligation of each Lender to make a Loan on the occasion of any Borrowing, and of the Issuing Banks to issue, amend, renew or extend any Letter of Credit, is subject to the limitations contained in Section 4.06 and to the satisfaction of the following conditions (except to the extent waived in accordance with Section 11.02):

(a) The representations and warranties of the Borrower set forth in this Agreement shall be true and correct in all material respects on and as of the date of such Borrowing or the date of issuance, amendment, renewal or extension of such Letter of Credit, as applicable (except to the extent that such representation and warranty relates expressly to an earlier date, in which case such representation and warranty shall be true and correct in all material respects as of such earlier date).

(b) At the time of and immediately after giving effect to such Borrowing or the issuance, amendment, renewal or extension of such Letter of Credit, as applicable, no Default shall have occurred and be continuing, except for (A) Defaults that will be cured, and that the Borrower certifies will be cured, and with respect to which the Borrower furnishes to the Administrative Agent reasonably satisfactory evidence that the same will

be cured, by the use of the proceeds of such Borrowing or the issuance, amendment or extension of such Letter of Credit or (B) Defaults (other than the failure to pay any Obligations hereunder and Defaults in respect of matters relating to the Borrower described in Section 9.01(h), (i) or (j)) that are not reasonably likely to have a Material Adverse Effect and that the Borrower certifies that it reasonably expects to cure, and with respect to which the Borrower furnishes to the Administrative Agent reasonably satisfactory evidence that the same will be cured, before the date on which the same become an Event of Default.

Each Borrowing and each issuance, amendment, renewal or extension of a Letter of Credit shall be deemed to constitute a representation and warranty by the Borrower on the date thereof as to the matters specified in paragraphs (a) and (b) of this Section.

SECTION 4.03. Conditions to First Loan. The obligations of the Facility A Lenders to make a Loan on the occasion of the first Borrowing after the Original Closing Date (other than as provided in Section 4.05 of the Original Credit Agreement) were subject to the satisfaction of the following conditions (each of which was satisfied under the Original Credit Agreement or waived):

(a) The Borrower shall have submitted and the Administrative Agent shall have approved (which approval shall not be unreasonably withheld or delayed) all plans and specifications for the construction of the Project, which together with any Modifications thereto approved by the Administrative Agent in writing (which approval shall not be unreasonably withheld or delayed) and any Permitted Modifications thereto shall constitute the "Approved Plans and Specifications."

(b) Intentionally Omitted.

(c) Intentionally Omitted.

(d) The Administrative Agent shall have received a report from the Construction Consultant confirming that the Approved Plans and Specifications are adequate for the construction of the Improvements and that the Improvements can reasonably be constructed in accordance with the Approved Project Schedule and within the Approved Project Budget.

(e) The Borrower shall have entered into an agreement with the Construction Manager for the supervision of the engineering, mapping, geotechnical consultants and contractors (including the Project Engineer and the Project Contractor), for the preparation of analyses, construction drawings and mapping and construction of the Improvements, which agreement, together with any Modifications thereto approved by the Administrative Agent in writing (which approval shall not be unreasonably withheld or delayed) and any Permitted Modifications thereto, shall constitute the "Construction Management Agreement."

(f) The Borrower shall have entered into an agreement with the Principal Project Engineer, and with such other engineers and consultants approved by Administrative Agent in its reasonable judgment (collectively, including the Principal Project Engineer,

the "Project Engineer") as the Borrower has then engaged, for the design and development of the plans and specifications for the Project, which agreement or agreements, as well as any Modifications thereto approved by the Administrative Agent in writing (which approval shall not be unreasonably withheld or delayed) and any Permitted Modifications thereto, shall constitute, collectively, the "Project Engineer's Agreement."

(g) The Borrower shall have selected a contractor or contractors (collectively, the "Project Contractor") for the construction of the Improvements (or such portion thereof as the Borrower may have determined, consistent with the Approved Project Schedule) reasonably satisfactory to the Administrative Agent and entered into a contract or contracts (which, in the case of any Major Project Contract, shall be a guaranteed maximum price or fixed price contract) with such Project Contractor for the performance and completion of the construction of the Improvements, which contract or contracts, together with any modifications thereto approved by the Borrower and the Administrative Agent in writing and any Permitted Modifications thereto, shall constitute, collectively, the "Project Contract," which Project Contract shall provide for the performance and completion of the construction of the Improvements in accordance with the Approved Plans and Specifications, the Approved Project Schedule and the Approved Project Budget;

(h) The Borrower shall have submitted to the Administrative Agent copies, certified by the Borrower to be true, correct and complete, of the Project Engineer's Agreement, the Project Contract and the Construction Management Agreement (collectively, the "Construction Agreements"), and of all Major Subcontracts, to the extent such Construction Agreements and Major Subcontracts are in existence, and the same shall have been approved by the Administrative Agent in writing, which approval shall not be unreasonably withheld or delayed.

(i) The Borrower shall have provided the Administrative Agent with a consent and agreement respecting the collateral assignment of each of the then-existing Construction Agreements (other than a Project Contract that is not a Major Project Contract) between the Borrower and the Principal Project Engineer, Construction Manager and Project Contractor, respectively, which consent and agreement shall be in form and substance reasonably satisfactory to the Administrative Agent, duly authorized, executed and delivered by each of the Principal Project Engineer, Construction Manager and Project Contractor.

(j) The Borrower shall have provided evidence reasonably satisfactory to the Administrative Agent that the Project is or will be benefited by such easements, as and when required, or other rights (if any) reasonably necessary for the development, construction and use of the Project including easements for ingress and egress, installation and maintenance of utilities, including any such easements or rights as are then reasonably necessary for continued compliance with all Permits and Requirements of Laws and all Project Agreements.

(k) The Administrative Agent shall have received copies of all Permits and other Governmental Approvals then necessary for the construction of the Improvements.

(l) The Administrative Agent shall have furnished a certificate of the Project Engineer substantially in the form of Exhibit L to the Original Credit Agreement.

(m) The provisions of Section 4.02 and (to the extent applicable) 4.04 shall have been satisfied.

SECTION 4.04. Additional Conditions to Loans. The obligations of each Lender to make a Loan on the occasion of any Borrowing on or after the Closing Date are subject to the satisfaction of the following conditions (except to the extent waived):

(a) The Administrative Agent shall have received the Borrower's Draw Request Form, properly executed by the Borrower, with respect to the requested disbursement. The Borrower shall provide to the Administrative Agent upon the Administrative Agent's reasonable request any documentation supporting the Borrower's requested disbursement and not otherwise delivered to the Administrative Agent pursuant to this Agreement.

(b) With respect to a draw for Hard Costs, the Administrative Agent shall have received (i) each of the Project Contractor's and the Construction Manager's Application for Payment and Sworn Statements and Borrower's Applications for Payment, and accompanying sworn statements covering all work and materials for which the disbursement is requested and all work otherwise paid for or to be paid for in connection with the Project and (ii) a certificate from the Principal Project Engineer that the work and materials have been performed and incorporated into the Project substantially in accordance with the Approved Plans and Specifications.

(c) With respect to a draw for Hard Costs, the Administrative Agent shall have received and approved the report of the Construction Consultant respecting the work and materials for which the disbursement is requested (and all work previously performed), to the extent provided for in Section 5.12.

(d) With respect to a draw for Hard Costs, the Administrative Agent shall have received the Required Lien Waivers.

(e) With respect to a draw for Soft Costs, the Administrative Agent shall have received copies of those bills, invoices, statements, receipts and other documents for such Soft Costs for any expenditure in excess of $100,000 and for any other expenditures as the Administrative Agent may from time to time reasonably request.

(f) The Administrative Agent shall have received (i) an endorsement to the Loan Title Insurance Policy extending the coverage to include the date and amount of the requested disbursement, without exception for mechanic's liens or claims of liens, or any other matters not previously approved by the Administrative Agent in writing (the "Date Down Endorsement") and (ii) copies of all documents required by the Title Insurer in order to issue the Date Down Endorsement.

(g) With respect to a draw for Hard Costs, the Administrative Agent shall have received copies of and approved in writing (to the extent required hereunder) (which approval shall not be unreasonably withheld or delayed) any amendments, supplements, or modifications to the Approved Plans and Specifications and any Project Agreements and Major Subcontracts, in each case to the extent the same have not been previously provided to and approved in writing by the Administrative Agent to the extent so required hereunder.

(h) With respect to a draw for Hard Costs, if not previously provided to the Administrative Agent, the Administrative Agent shall have received copies of and approved in writing (which approval shall not be unreasonably withheld or delayed) all Project Agreements and Major Subcontracts executed since the last disbursement or not previously provided to the Administrative Agent, together with (i) evidence reasonably satisfactory to the Administrative Agent, including the written acknowledgment of the Borrower, that all such Project Agreements have been collaterally assigned to the Administrative Agent pursuant to the Loan Documents and that the Administrative Agent holds a valid, existing and continuing Lien thereon, and (ii) a Consent and Agreement respecting such collateral assignment, in form and substance reasonably satisfactory to the Administrative Agent, duly authorized, executed and delivered by each of the Persons (other than the Borrower) party to a Major Project Contract from which the Administrative Agent requires such Consent and Agreement.

(i) If any material dispute has arisen between the Borrower and any other Person party to a Project Agreement or if any material extra or change order is being negotiated by the Borrower, the Administrative Agent shall have received a written summary of the nature of such dispute or negotiation and the current status thereof.

(j) No law, regulation, order, judgment or decree of any Governmental Authority shall, and the Administrative Agent shall not have received from any Lender, notice that, any litigation is pending or threatened which is likely to, in the reasonable judgment of the Administrative Agent and such Lender, enjoin, prohibit or restrain, or impose or result in the imposition of any material adverse condition upon the making of the requested Borrowing, unless the same has resulted from the failure of any Lender to comply with any requirements imposed upon such Lender by applicable Requirements of Law.

(k) The provisions of Section 4.02 shall have been satisfied.

SECTION 4.05. Intentionally Omitted.

SECTION 4.06. Limitations. The Lenders shall not be obligated to:

(a) disburse any Facility A Loan or (if applicable) Facility D Loan except for the payment of Approved Development Costs actually incurred and identified, in the then current Draw Request Form submitted by the Borrower, by line items corresponding to the line items for such costs set forth in the Approved Project Budget;

(b) disburse any Facility A Loan or (if applicable) Facility D Loan for any category of costs set forth as a line item in the Approved Project Budget which is in excess of the amount set forth for such category in the Approved Project Budget; provided that (i) savings in one line item of the Approved Project Budget may be reallocated to another line item upon the Administrative Agent's written approval of such reallocation, not to be unreasonably withheld or delayed as long as the Borrower establishes to the Administrative Agent's reasonable satisfaction the amount of such line item savings and the fact that such line item savings will be permanent savings in such line item and (ii) there shall be no reallocation of amounts from the interest reserve line item to pay any cost other than interest without the Administrative Agent's written approval in its sole discretion;

(c) disburse any Facility A Loan or (if applicable) Facility D Loan to pay for Hard Costs except to the extent the work and materials performed and provided therefor are certified by the Borrower and the Construction Manager to have been performed or provided and incorporated as part of the Project, and (to the extent provided for in Section 5.12) the Administrative Agent shall have received from the Construction Consultant a report concerning such matters reasonably satisfactory to the Administrative Agent;

(d) disburse any Facility A Loan in an amount that exceeds the undisbursed portion of the Aggregate Facility A Commitment or (if applicable) disburse any Facility D Loan in an amount that exceeds the Facility D Loan Availability;

(e) disburse any Facility A Loan or Facility D Loan if such disbursement (together with all prior disbursements of Facility A Loans (other than the Closing Advance, as defined in the Original Credit Agreement) and Facility D Loans) would exceed 65% of the aggregate amount of all Approved Development Costs paid as of such date;

(f) disburse any Facility A Loan or (if applicable) Facility D Loan unless the Borrower shall pay, from its own funds or the Net LID Proceeds, at the time at which such disbursement of the Loans is made (or shall have furnished to the Administrative Agent evidence satisfactory to the Administrative Agent that the Borrower has paid) all Approved Development Costs in excess of the amounts provided to be paid by proceeds of the requested Borrowings as provided in paragraph (e) above;

(g) disburse any Facility A Loan or (if applicable) Facility D Loan if any of the following has occurred and, in the reasonable judgment of the Administrative Agent, has had or is reasonably likely to have a Material Adverse Effect: (i) the Improvements are damaged or condemnation or eminent domain proceedings are commenced or threatened against the Project, and, in the Administrative Agent's reasonable judgment, the Project cannot be substantially restored in accordance with the terms of this Agreement, (ii) a change in the status of title to the Project (other than Permitted Encumbrances) exists or has occurred without the Administrative Agent's prior written consent, (iii) any event has occurred which has given or is likely to give rise to a Lien (other than a Permitted Encumbrance) of equal or superior rank to the Liens in favor of or benefiting the

Administrative Agent intended to be created by the Loan Documents, or which calls into question the validity or priority of such Liens which would not be paid off by the proceeds of the then requested Borrowing, (iv) any litigation or proceeding is commenced to enjoin the construction at the Project or any portion thereof, to alter the zoning or land use classification of the Project or any portion thereof or to enjoin or prohibit the Borrower, the Administrative Agent or the Lenders from performing their respective material obligations under this Agreement, (v) any deviation exists in the construction of the Improvements on the Project from the Approved Plans and Specifications without the prior written approval of the Administrative Agent, or it appears to the Administrative Agent in its reasonable judgment that there are defects in the workmanship or materials, or (vi) the construction of the Improvements is not being diligently pursued in accordance with the Approved Project Schedule;

(h) disburse any Loan if any Construction Agreement (excluding any Project Contract that is not a Major Project Contract), Major Subcontract or Acquisition Agreement is amended, modified or terminated in violation of this Agreement or there shall occur and shall continue either (i) a material default by the Borrower thereunder that will not be cured by the use of the proceeds of such Loan or (ii) a material default by any other Person thereunder that could reasonably be expected to have a Material Adverse Effect;

(i) disburse any Loan (i) after the Administrative Agent's delivery of a Balancing Notice under Section 5.09 unless and until the Administrative Agent determines that an Out-of-Balance Condition no longer exists, or (ii) in the event and to the extent the Administrative Agent determines that such disbursement would result in an Out-of-Balance Condition; or

(j) disburse any Loan if the same would result in a violation of the Maximum Indebtedness Limitation.

ARTICLE V

Construction and Related Provisions

SECTION 5.01. Performance and Completion of Project. The Borrower shall perform and complete the construction of the Improvements on the Project in a good and workmanlike manner with materials of good quality, free of Liens (other than Permitted Encumbrances) and free of material defects, all substantially in accordance with the Approved Plans and Specifications therefor, all Requirements of Law, including all requirements and conditions set forth in all Permits, to the extent material, which have been obtained or are required to be obtained for the construction of the Improvements, the Approved Project Schedule and the terms and provisions of the Development Agreement and the Acquisition Agreements. Once commenced, the Borrower shall diligently continue and complete construction of the Improvements on the Project in a commercially reasonable manner and in accordance with this Agreement.

SECTION 5.02. Entitlements. The Borrower has advised the Administrative Agent that the Borrower is in discussions with the City regarding specific entitlements for the "Town Center" portion of the Project, and the Borrower agrees that, upon request by the Administrative Agent from time to time, the Borrower will advise the Administrative Agent of the status of such discussions.

SECTION 5.03. LID Bonds. (a) There have heretofore been issued LID Bonds in the principal amount of approximately $102,000,000, the Net LID Proceeds of which in the amount of approximately $82,700,000 were deposited with the bond trustee to pay certain Approved Development Costs, and the Borrower's right to receive such Net LID Proceeds has been collectively assigned to Administrative Agent for the benefit of the Lenders pursuant to that certain Assignment of Acquisition Agreement dated as of April 27, 2006 between the Borrower and the Administrative Agent. As of the Closing Date, the Borrower anticipates additional LID Bonds in the amount of approximately $40,000,000 to be issued prior to December 31, 2007, of which the Net LID Proceeds anticipated to be available to pay certain Approved Development Costs are approximately $32,400,000. The Borrower hereby agrees that the Borrower will not cause or permit the issuance of any LID Bonds without (i) delivering copies of the LID Bond Documents to the Administrative Agent (which the Administrative Agent shall furnish to the Lenders) and (ii) the Administrative Agent's prior written approval of the terms of the LID Bonds and the form and substance of the LID Bond Documents, which approval shall not be unreasonably withheld or delayed. To the extent permitted by the LID Bond Documents, the Borrower shall assign as Collateral to the Administrative Agent the Borrower's right to receive proceeds disbursed from the LID Bond Account until all Obligations have been paid in full, all Commitments have terminated and all Letters of Credit have been terminated or have expired.

(b) The Net LID Proceeds of the LID Bonds heretofore or hereafter issued will be used solely to pay (or to reimburse the Borrower for payment of) Approved Development Costs.

SECTION 5.04. Construction Delays. The Borrower shall promptly notify the Administrative Agent in writing of any event causing delay or interruption of construction, or the timely completion of construction, of the Improvements as set forth in the Approved Project Schedule of more than thirty (30) days. The notice shall specify the particular work delayed, and the cause and period of each delay.

SECTION 5.05. Construction Responsibilities. The Borrower shall be solely responsible for all aspects of the Borrower's business and conduct in connection with the Project and Improvements, including, without limitation, for the quality and suitability of the plans and specifications and their compliance with all Requirements of Law, the supervision of the work of construction, the qualifications, financial condition and performance of all architects, engineers, contractors, subcontractors, material suppliers and consultants, and the accuracy of all applications for payment and the proper application of all disbursements. Neither the Administrative Agent nor any Lender is obligated to supervise, inspect or inform the Borrower or any third party of any aspect of the construction of the Improvements or any other matter referred to above.

SECTION 5.06. Correction of Defects. The Borrower shall proceed with diligence to investigate and correct all material defects in the construction of the Improvements and any material departures from the Approved Plans and Specifications. The disbursement of any Loans shall not constitute a waiver of the Administrative Agent's right to require compliance with this covenant with respect to any such defect or departure from the Approved Plans and Specifications or any other requirements of this Agreement.

SECTION 5.07. Compliance with Agreements. The Borrower shall comply in all material respects with its obligations under: (a) all Project Agreements; (b) all underlying covenants, conditions and restrictions of record with respect to the Project; and (c) all other material contractual obligations relating to the ownership and development of the Project which are not described in the foregoing clauses (a) and (b) above, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect. In addition to the foregoing the Borrower shall enforce in a commercially reasonable manner its material rights and remedies under the agreements described in the foregoing clauses (a) through (c), above except where the failure to do so, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

SECTION 5.08. No Changes or Amendments. Except for Permitted Modifications, the Borrower shall not (i) make any changes or Modifications to or otherwise amend the Approved Plans and Specifications, the Approved Project Schedule or the Approved Project Budget or (ii) cause or permit any Modification or other amendment, or the termination, of the Construction Management Agreement, the Project Engineer's Agreement or any of the Major Project Contracts or Major Subcontracts without the prior written approval of the Administrative Agent in each instance, which approval shall not be unreasonably withheld or delayed. The Borrower shall not, in the absence of the Administrative Agent's prior written approval, which approval shall not be unreasonably withheld or delayed, consent to any assignment of the obligations of the Project Engineer under the Project Engineer's Agreement, the Project Contractor under any Major Project Contract or the Construction Manager under the Construction Management Agreement.

SECTION 5.09. Loan Balancing. In the event the Administrative Agent determines in its reasonable judgment that the Development Costs to be incurred through the completion of construction of the Improvements, sale of all of the Phases and repayment of all Secured Obligations, will at any time exceed by $2,500,000 (or more) the amount provided therefor in the Approved Project Budget, an "Out-of-Balance Condition" (hereby so defined) shall be deemed to exist. Within ten (10) Business Days after the Borrower has received written notice from the Administrative Agent of such Out-of-Balance Condition (a "Balancing Notice"), the Borrower shall either pay to the Administrative Agent for deposit into a Cash Collateral Account the amount specified by the Administrative Agent in the Balancing Notice (each such deposit being herein referred to as a "Balancing Payment"), or in lieu thereof deliver to the Administrative Agent a Qualified Letter of Credit in such amount. If and as long as such Out-of-Balance Condition continues to exist, the Lenders shall have no obligation to make any further Loans, and all Approved Development Costs shall be funded by the Borrower from funds of the Borrower until such time as an Out-of-Balance Condition no longer exists, when the obligation of the applicable Facility A Lenders (or, if applicable, Facility D Lenders) to make Loans shall resume. Unless an Event of Default has occurred that is continuing, the Balancing Payments

deposited in the Cash Collateral Account pursuant to this Section 5.09 shall be available for disbursement by the Administrative Agent for payment of the Approved Development Costs in the same manner and subject to the same terms and conditions as Loan disbursements are made hereunder, and the Administrative Agent shall have disbursed all Balancing Payments in the Cash Collateral Account prior to any further Loan disbursements. The Qualified Letters of Credit delivered under this Section 5.09 may be drawn upon (A) to pay any such Approved Development Costs that the Borrower fails to pay or (B) as provided in Section 9.06. When an Out-of-Balance Condition no longer exists, and provided no Event of Default has occurred that is continuing, Balancing Payments and Qualified Letters of Credit then held by the Administrative Agent pursuant to this Section 5.09 shall be returned to the Borrower.

SECTION 5.10. Proceedings to Enjoin or Prevent Construction. If any proceedings are filed seeking to enjoin or otherwise prevent or declare unlawful the construction of the Improvements or any part thereof or the use or development of the Project or any portion thereof, the Borrower shall at its sole expense (i) cause such proceedings to be vigorously contested in good faith and in a commercially reasonable manner and (ii) in the event of an adverse ruling or decision, prosecute all allowable appeals therefrom. Without limiting the generality of the foregoing, the Borrower shall resist the entry or seek the stay of any temporary or permanent injunction that may be entered and use commercially reasonable efforts to bring about a favorable and speedy disposition of all such proceedings.

SECTION 5.11. The Administrative Agent's and the Lenders' Actions for Their Own Protection Only. The Borrower acknowledges and agrees that the authority herein conferred upon the Administrative Agent and the Lenders, and any actions taken by the Administrative Agent and the Lenders with respect to the Project, to procure waivers or sworn statements, to approve contracts, subcontracts and purchase orders, to approve plans and specifications, or otherwise, will be exercised and taken by the Administrative Agent and the Lenders for their own protection only and may not be relied upon by the Borrower or any third party for any purposes whatever; and none of the Administrative Agent, the Lenders, or the Construction Consultant shall be deemed to have assumed any responsibility to the Borrower or any third party with respect to any such action herein authorized or taken by the Administrative Agent, the Lenders or the Construction Consultant, or with respect to the proper construction of Improvements on the Project, performance of contracts, subcontracts or purchase orders by any contractor or material supplier, or prevention of mechanics' liens from being claimed or asserted against the Project or any portion thereof. Any review, investigation or inspection conducted by the Administrative Agent, the Lenders or the Construction Consultant or any other consultants retained by the Administrative Agent or the Lenders, or any agent or representative of the Administrative Agent or the Lenders in order to verify independently the Borrower's satisfaction of any conditions precedent to disbursements under this Agreement, the Borrower's performance of any of the covenants, agreements and obligations of the Borrower under this Agreement or the other Loan Documents, or the validity of any representations and warranties made by the Borrower hereunder (regardless of whether or not the party conducting such review, investigation or inspection should have discovered that any of such conditions precedent were not satisfied or that any such covenants, agreements or obligations were not performed or that any such representations or warranties were not true), shall not affect (or constitute a waiver by the Administrative Agent or the Lenders of) (i) any of the Borrower's or any other Credit Party's agreements, covenants, representations and warranties under this Agreement or the other Loan

Documents or the Administrative Agent's and the Lenders' reliance thereon or (ii) the Administrative Agent's and Lenders' reliance upon any certifications of the Borrower or any Person required under this Agreement or any of the other Loan Documents, or any other facts, information or reports furnished to the Administrative Agent or the Lenders by or on behalf of the Borrower.

SECTION 5.12. Inspections; Construction Consultant. The Administrative Agent and the Construction Consultant shall have the right to enter upon the Project at all reasonable times upon reasonable notice to the Borrower to inspect the Improvements and the construction work to verify information disclosed or required pursuant to this Agreement. The Borrower shall provide to the Construction Consultant in a timely manner all information reasonably requested by the Construction Consultant and fully cooperate with the Construction Consultant in the performance of its services to the Administrative Agent. The Administrative Agent may reasonably request from time to time from the Construction Consultant such reports with respect to the plans and specifications and the performance of the construction as the Administrative Agent may reasonably determine to be appropriate, but the receipt of periodic inspection reports shall not be a condition under Section 4.04(c) with respect to more than one Borrowing in any calendar quarter.

SECTION 5.13. Contractor Construction Information. Within ten (10) days of the Administrative Agent's written request, the Borrower shall deliver to the Administrative Agent from time to time in a form acceptable to the Administrative Agent: (a) a list detailing the name, address and phone number of each contractor, subcontractor and material supplier to be employed or used for construction of the Improvements together with the dollar amount, including changes, if any, of each contract and subcontract, and the portion thereof, if any, paid through the date of such list; (b) to the extent requested by the Administrative Agent, copies of each contract and subcontract identified in such list, including any changes thereto; (c) a cost breakdown of the projected total cost of constructing the Improvements, and that portion, if any, of each cost item which has been incurred; and (d) a construction progress schedule detailing the progress of construction and the projected scheduling and completion time for uncompleted work, all as of the date of such schedule.

SECTION 5.14. Prohibited Contracts. Without the Administrative Agent's prior written consent, the Borrower shall not contract for any materials, furnishings, equipment, fixtures or other parts or components of the Improvements, if any third party shall retain any ownership interest (other than lien rights created by operation of law) in such items after their delivery to the Project. The Borrower shall have five (5) days to effect the removal of any such retained interest, after the Borrower obtains actual knowledge thereof.

SECTION 5.15. Hold Disbursements of Loans in Trust. Until utilized in accordance with the provisions of this Agreement, the Borrower shall receive and hold in trust for the sole benefit of the Administrative Agent and the Lenders (and not for the benefit of any other Person, including any contractors or subcontractors) all disbursements of Loans made hereunder directly to the Borrower, for the purpose of paying Approved Development Costs in accordance with the applicable Draw Request Form and Approved Project Budget. The Borrower shall use the proceeds of the Loans solely for the payment or reimbursement of Approved Development Costs as specified in each applicable Draw Request Form. Neither the

Administrative Agent nor the Lenders shall have any obligation to monitor or determine the Borrower's use or application of proceeds of Loans.

SECTION 5.16. The Administrative Agent's Verification of Subcontracts. The Administrative Agent may from time to time forward to contractors, subcontractors, material suppliers, architects, engineers and other parties listed on any sworn statement, a contract verification to ascertain the correctness of the amount of the contract for each contractor, subcontractor, material supplier, architect, engineer and any other party as contained on the statement. In the event of any discrepancy between the amounts as shown by the executed copies of the contracts, the sworn statement, and the verification of contract forms, the Administrative Agent shall have the right to require that such discrepancies be eliminated to its reasonable satisfaction.

SECTION 5.17. Limited Nature of Waivers of Requirements. It is expressly understood and agreed that if the Administrative Agent shall intentionally or unintentionally waive or fail to require satisfaction of any condition precedent or other provision or requirement set forth in this Agreement for the first or any subsequent Loan, the Administrative Agent shall be deemed to have reserved the right to require compliance with such condition precedent or other provision or requirement prior to any subsequent Loan, notwithstanding any previous continuing or intermittent pattern of such waivers or failures to require such satisfaction thereof.

ARTICLE VI

Affirmative Covenants

Until all of the Commitments have expired or been terminated and the principal of and interest on each Loan and all fees payable hereunder shall have been paid in full and all Letters of Credit shall have expired or terminated and all LC Disbursements shall have been reimbursed, the Borrower covenants and agrees with the Lenders that:

SECTION 6.01. Financial Statements and Other Information. The Borrower will furnish or cause to be furnished to the Administrative Agent (and the Administrative Agent shall furnish to the Lenders following its receipt thereof):

(a) within 120 days after the end of each fiscal year of the Borrower beginning with fiscal year 2006, its audited consolidated balance sheet and related statements of operations, members' equity and cash flows as of the end of and for such year, setting forth in each case in comparative form the figures for the previous fiscal year (if applicable), all reported on by independent public accountants approved by the Administrative Agent in its reasonable discretion (without a "going concern" or like qualification or exception and without any qualification or exception as to the scope of such audit) to the effect that such financial statements present fairly in all material respects the financial condition and results of operations of the Borrower in accordance with GAAP consistently applied;

(b) within 45 days after the end of each of the first three fiscal quarters of each fiscal year of the Borrower, its balance sheet and related statements of operations,

members' equity and cash flows as of the end of and for such fiscal quarter and the then elapsed portion of the fiscal year, setting forth in each case in comparative form the figures for the corresponding period or periods of (or, in the case of the balance sheet, as of the end of) the previous fiscal year (if applicable), all certified by a Financial Officer as presenting fairly in all material respects the financial condition and results of operations of the Borrower in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of footnotes;

(c) concurrently with any delivery of financial statements under clause (a) or (b) above, a certificate of a Financial Officer of the Borrower certifying to such Financial Officer's knowledge as to whether a Default has occurred and, if a Default has occurred, specifying the details thereof and any action taken or proposed to be taken with respect thereto;

(d) concurrently with any delivery of financial statements under clause (a) above, a certificate of the accounting firm that reported on such financial statements stating whether they obtained knowledge during the course of their examination of such financial statements of any Default (which certificate may be limited to the extent required by accounting rules or guidelines);

(e) the financial statements and other documents provided for in Section 21 of each Repayment Guaranty at the times provided for therein; and

(f) promptly following any request therefor, such other information regarding the operations, business affairs and financial condition of the Borrower, or compliance with the terms of this Agreement, as the Administrative Agent or any Lender may reasonably request.

SECTION 6.02. Notices of Material Events. The Borrower will furnish to the Administrative Agent prompt written notice of the following:

(a) the occurrence of any Default;

(b) the filing or commencement of any action, suit or proceeding (including any Entitlement Proceeding) by or before any arbitrator or Governmental Authority against or affecting the Borrower or the Project or any final order or judgment entered in respect of any such action, suit or proceeding that, if adversely determined, could reasonably be expected to result in a liability to the Borrower in an aggregate amount of $1,000,000 not covered by insurance or to have a Material Adverse Effect;

(c) the occurrence of any ERISA Event that, alone or together with any other ERISA Events that have occurred, could reasonably be expected to result in liability of the Borrower in an aggregate amount exceeding $500,000; and

(d) any other development that results in, or could reasonably be expected to result in, a Material Adverse Effect.

Each notice delivered under this Section shall be accompanied by a statement of a Financial Officer setting forth the details of the event or development requiring such notice and any action taken or proposed to be taken with respect thereto.

SECTION 6.03. Existence; Conduct of Business. The Borrower will do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence and the rights, licenses, permits, privileges and franchises material to the conduct of its business.

SECTION 6.04. Payment of Obligations. The Borrower will pay its obligations, including Tax liabilities, before the same shall become delinquent or in default, except where (a) the validity or amount thereof is being contested in good faith by appropriate proceedings and the Borrower has set aside on its books adequate reserves with respect thereto in accordance with GAAP or (b) the failure to make payment pending such contest could not reasonably be expected to result in a Material Adverse Effect, and in any event Borrower shall pay all such obligations at least twenty (20) days before the failure to make payment could result in any loss or forfeiture of the Project or any portion thereof or any other material assets of Borrower.

SECTION 6.05. Maintenance of Properties; Insurance. The Borrower will (a) keep and maintain all property material to the conduct of its business in good working order and condition, ordinary wear and tear excepted, and (b) without limitation of the provisions of Section 6.11, maintain, with financially sound and reputable insurance companies, insurance in such amounts and against such risks as are customarily maintained by companies engaged in the same or similar businesses operating in the same or similar locations (including customary deductibles and co-insurance).

SECTION 6.06. Books and Records; Inspection Rights. The Borrower will keep proper books of record and account in which full, true and correct entries are made of all dealings and transactions in relation to its business and activities. The Borrower will permit any representatives designated by the Administrative Agent or any Lender, upon reasonable prior notice and at reasonable times, to visit and inspect its properties, to examine and make extracts from its books and records, and to discuss its affairs, finances and condition with its officers and independent accountants, all at such reasonable times and as often as reasonably requested.

SECTION 6.07. Compliance with Laws. The Borrower will comply with all Requirements of Law and all restrictive covenants affecting its business, assets or operations, including the Project, and the development, design and improvement thereof, and obtain and maintain as needed all Permits necessary for such activities and operations and maintain such Permits in good standing, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect. The Borrower shall comply with all Environmental, Health or Safety Requirements of Laws with respect to the Project and shall not suffer or permit the Release or disposal of Hazardous Materials at the Project in violation of applicable Requirements of Law, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

SECTION 6.08. Use of Proceeds and Letters of Credit. The proceeds of the Loans disbursed on or after the Closing Date will be used only for the payment of not more than

65% of Approved Development Costs incurred to the date of the applicable Borrowing as set forth in Section 4.06(e) hereof. No part of the proceeds of any Loan will be used, whether directly or indirectly, for any purpose that entails a violation of any of the Regulations of the Board, including Regulations T, U and X. Letters of Credit will be issued only to support Borrower's obligations to construct and complete the Improvements or portions thereof.

SECTION 6.09. Taxes and Fees on Loan Documents. The Borrower will pay all mortgage taxes, documentary taxes, intangible taxes, recording and filing fees and other governmental charges and fees at any time due and payable with respect to the Deed of Trust and other Collateral Documents (including without limitation any such taxes that may be payable in connection with the enforcement of any rights or remedies thereunder).

SECTION 6.10. Environmental Notices. The Borrower will furnish to Administrative Agent as soon as possible and in any event within ten (10) days after receipt thereof by Borrower, a copy of (i) any written notice or claim to the effect that Borrower is or may be liable to any Person as a result of the release by the Borrower or any other Person of any Hazardous Materials into the environment which liability to the Borrower could reasonably be expected to exceed $500,000, and (ii) any written notice alleging any violation of any Environmental, Health or Safety Requirements of Law or any federal, state or local health or safety law or regulation by Borrower at the Project which could reasonably be expected to result in liability to the Borrower of at least $500,000.

SECTION 6.11. Insurance with Respect to Project.

(a) Required Coverage. Without limitation of the provisions of Section 6.05(b), the Borrower shall comply with the provisions and maintain the insurance coverages set forth in Schedule 9 with respect to the Project.

(b) Insurers. All insurance policies required under this Section 6.11 shall be issued by an insurer or insurers with an A.M. Best rating of A/VII or better, and all primary carriers will be licensed or authorized to do business in the State of Nevada and reasonably acceptable to the Administrative Agent. The property insurance policies shall also name the Administrative Agent under a standard mortgagee clause or an equivalent endorsement satisfactory to the Administrative Agent and shall be otherwise satisfactory to the Administrative Agent in form and content. The amount of any deductible under any insurance policy must be reasonably satisfactory to the Administrative Agent. Without the Administrative Agent's prior written consent, the Borrower shall not carry separate or additional insurance coverage covering the Project concurrent in form or contributing in the event of loss with that required by this Agreement and the other Loan Documents unless the Administrative Agent is named as mortgagee or loss payee in a manner reasonably acceptable to the Administrative Agent. The Administrative Agent, on reasonable prior notice to Borrower, may examine the insurance policies during business hours.

(c) Premiums. The Borrower shall pay or cause to be paid the premiums for the insurance policies required hereunder as the same become due and payable, and shall deliver to the Administrative Agent certificates evidencing the insurance policies required

to be maintained pursuant to this Agreement, provided, however, the Administrative Agent and Lenders shall not be deemed by reason of the custody of such certificates to have knowledge of the contents thereof. The Borrower also shall deliver to the Administrative Agent, within ten (10) days of the Administrative Agent's request, a certificate of the Borrower or its insurance agent setting forth the particulars as to all such insurance policies. Prior to the expiration date of each of the insurance policies the Borrower shall deliver to the Administrative Agent a certificate of insurance evidencing renewal of or replacement coverage as required herein.

(d) No Cancellation. Each insurance policy and certificate required hereunder shall contain a provision whereby the insurer agrees that such policy shall not be canceled, terminated or reduced in coverage or limits below the coverage and limits of insurance required by this Agreement, without in each case, at least thirty (30) days' prior written notice to the Administrative Agent, and waives any right to claim any premiums and commissions against the Administrative Agent or any Lender, provided that the policy need not waive the requirement that the premium be paid in order for a claim to be paid to the insured and shall provide that the Administrative Agent is permitted to make payments to effect the continuation of such policy upon notice of cancellation due to non-payment of premiums. Each insurance policy shall provide that, with respect to the interest of the Administrative Agent, such insurance policy shall not be invalidated by and shall insure the Administrative Agent regardless of (i) any act, failure to act or negligence of or violation of warranties, declarations or conditions contained in such policy by any named insured, (ii) the occupancy or use of the premises for purposes more hazardous than permitted by the terms thereof, or (iii) any foreclosure or other action or proceeding taken by the Administrative Agent pursuant to the Deed of Trust or any of the other Loan Documents.

(e) Administrative Agent's Right to Obtain Insurance. Notwithstanding anything to the contrary contained herein, if at any time the Administrative Agent is not in receipt of written evidence that all insurance required under this Section 6.11 is maintained in full force and effect, the Administrative Agent shall have the right (but not the obligation), upon fifteen (15) days' prior written notice to the Borrower (or such lesser notice as may be necessary to prevent the lapse of insurance coverage), to take such action as the Administrative Agent deems reasonably necessary to protect its interests in the Project, including, without limitation, the obtaining of such insurance coverage as the Administrative Agent deems appropriate, and all expenses incurred by the Administrative Agent in connection with such action will be paid by the Borrower on demand.

SECTION 6.12. Environmental Audits. Upon the occurrence of (a) an Event of Default that is continuing, (b) a material change in Environmental, Health or Safety Requirements of Laws or (c) an event or occurrence with respect to or on or about the Project which, with respect to clause (a), (b) or (c) above, in the reasonable determination of the Administrative Agent, could result in a material environmental issue, question or concern, the Borrower shall at the Administrative Agent's written request (i) cause to be performed and prepared, through the employment of a consultant reasonably acceptable to the Administrative Agent, at the Borrower's expense an environmental assessment and an Environmental Report with respect to the Project for the purposes of confirming compliance with the provisions of this

Agreement or (ii) reimburse the Administrative Agent, on demand, for all reasonable costs, fees and expenses incurred by the Administrative Agent in connection with its employment of a consultant to perform such assessment and prepare such Environmental Report.

SECTION 6.13. Insurance and Condemnation Proceeds.

(a) Property Awards. The Borrower and the Administrative Agent hereby direct all insurers under policies of property damage, boiler and machinery, rental loss, and rental value insurance and payors of any condemnation claim or award relating to the Project to pay all Property Awards (net of the cost of reasonable attorneys' fees and expenses and other reasonable expenses incurred in connection with obtaining such Property Awards) directly to the Administrative Agent, for the benefit of the Holders of Secured Obligations, and in no case to the Borrower. In the event of any loss or damage to any portion of the Project due to a casualty or condemnation event giving rise to a Property Award ("Property Award Event"), so long as no Event of Default has occurred that is continuing, the Borrower shall have the right and authority, with the Administrative Agent's written approval (which approval shall not be unreasonably withheld or delayed), to settle any claim for the Property Award. In the event of the Borrower's failure to settle any such claim for a Property Award within one hundred eighty (180) days after the occurrence of the related Property Award Event or if an Event of Default has occurred that is continuing, the Administrative Agent shall have the right, but not the obligation, to settle all claims for such Property Award on behalf of the Borrower.

(b) Application of Property Awards. In the event a Property Award with respect to the Project is paid to the Administrative Agent, then, provided no Event of Default exists, such Property Award shall be advanced by the Administrative Agent from time to time (in accordance with the provisions of this Agreement relating to advances of Loans) to pay the costs of restoration of the Improvements. If an Event of Default exists, such Property Award, at the Administrative Agent's election, shall be held by Administrative Agent as security for, or applied by the Administrative Agent to, the Secured Obligations or applied to the cost of restoration of the Improvements.

SECTION 6.14. Appraisals. The Administrative Agent may from time to time (and shall upon the written request of the Required Lenders) obtain an Appraisal of the Project and the Borrower shall cooperate fully with the appraiser selected by the Administrative Agent to conduct such Appraisals; the Borrower shall be obligated to pay the cost of such Appraisals only to the extent provided in Section 11.03. In the event that the Administrative Agent obtains an appraisal of the Project, the Administrative Agent shall, upon the written request of the Borrower (and provided no Event of Default has occurred that is continuing) furnish to the Borrower a copy of such appraisal. In the event that the Borrower obtains an appraisal of the Project, the Borrower shall deliver a copy of such appraisal to the Administrative Agent.

SECTION 6.15. Collateral.

(a) If any Collateral is encumbered by a Lien, claim of Lien or bonded stop notice (other than a Permitted Encumbrance), the Borrower shall discharge or cause to be

discharged such Lien, claim of Lien or bonded stop notice by payment to the lienor or Lien claimant or secure removal thereof by bonding or deposit with the county clerk or otherwise, within thirty-five (35) days after the date of notice thereof. The Borrower shall fully preserve the Lien and the priority of each of the Collateral Documents without cost or expense to the Administrative Agent or the Lenders.

(b) If the Borrower shall fail to promptly discharge, remove or bond over any Lien, claim of Lien or bonded stop notice within thirty-five (35) days after the date of notice thereof to the extent required in clause (a) above, then the Administrative Agent may, but shall not be required to, procure the release and discharge of such Lien, claim of Lien or bonded stop notice and any judgment or decree thereon, and in furtherance thereof may, in its sole discretion, effect any settlement or compromise with the lienor or Lien claimant, post any bond or furnish any security or indemnity as the Administrative Agent, in its reasonable discretion, may elect. In settling, compromising or arranging for the discharge of any Lien, claim of Lien or bonded stop notice under this Section 6.15(b), the Administrative Agent shall not be required to establish or confirm the validity or amount of the Lien. The Borrower agrees that all reasonable costs and expenses expended or otherwise incurred by the Administrative Agent pursuant to this Section 6.15(b) (including, without limitation, reasonable attorneys' fees and disbursements) shall be paid by the Borrower to the Administrative Agent promptly following demand therefor.

(c) The Administrative Agent may at any time obtain an updated title and/or Lien search regarding the Project or any other Collateral at no cost to the Borrower, except that any such search shall be at the expense of the Borrower in the case of any search related to a Date Down Endorsement or if the search is being done (i) because the Administrative Agent reasonably believes that a Lien which is not a Permitted Encumbrance may encumber any Collateral, (ii) following a change in Requirements of Law that in the Administrative Agent's reasonable judgment could result in there being a Lien on the Project other than a Permitted Encumbrance or (iii) after the occurrence and during the continuation of an Event of Default.

SECTION 6.16. Subdivision Maps; Other Encumbrances.

(a) Prior to recording any final map, plat, parcel map, lot line adjustment or other subdivision map of any kind covering any portion of the Project (collectively, "Subdivision Map"), the Borrower shall submit such Subdivision Map to the Administrative Agent for its review and approval, which approval shall not be unreasonably withheld or delayed. Within five (5) Business Days after request, the Borrower shall execute, acknowledge and deliver to the Administrative Agent such amendments to the Loan Documents as the Administrative Agent may reasonably require to reflect the change in the legal description of the Project resulting from the recordation of any Subdivision Map. In connection with and promptly after the recordation of any amendment or other modification to the Deed of Trust recorded in connection with such amendments, the Borrower shall deliver to the Administrative Agent, at the Borrower's sole expense, a title endorsement to the Loan Title Policy in form and substance satisfactory to the Administrative Agent insuring the continued first priority lien of the

Deed of Trust subject to Permitted Encumbrances. Subject to the execution and delivery by the Borrower of any documents required under this Section, the Administrative Agent shall, if required by applicable law, sign any Subdivision Map approved by the Administrative Agent pursuant to this Section.

(b) Prior to recording any Customary Real Estate Encumbrance affecting any portion of the Project, the Borrower shall submit the same to the Administrative Agent for its review and approval, which approval shall not be unreasonably withheld or delayed. Upon such approval, the Administrative Agent shall, upon written request from the Borrower, execute an instrument, reasonably satisfactory to the Administrative Agent, subordinating the Deed of Trust to such Customary Real Estate Encumbrance.

SECTION 6.17. Further Assurances. Upon the Administrative Agent's reasonable request and at the Borrower's sole cost and expense, the Borrower shall execute, acknowledge and deliver any other instruments and perform any other acts necessary, desirable or proper, as determined by the Administrative Agent, to preserve any Liens created by the Loan Documents.

SECTION 6.18. Interest Reserve. The Borrower shall at all times maintain the interest reserve provided for in the Operating Agreement.

ARTICLE VII

Negative Covenants

Until all of the Commitments have expired or terminated and the principal of and interest on each Loan and all fees payable hereunder have been paid in full and all Letters of Credit have expired or terminated and all LC Disbursements shall have been reimbursed, the Borrower covenants and agrees with the Lenders that:

SECTION 7.01. Indebtedness. The Borrower will not create, incur, assume or permit to exist any Indebtedness, except as permitted in Section 8.01(e).

SECTION 7.02. Liens.

(a) The Borrower will not create, incur, assume or permit to exist any Lien on any Property now owned or hereafter acquired by it, or assign or sell any income or revenues (including accounts receivable) or rights in respect of any thereof, except Permitted Encumbrances.

(b) No Member shall create, incur, assume or permit to exist any Lien on its membership interest in the Borrower other than (i) Permitted Encumbrances and (ii) Liens in favor of another Member pursuant to the Operating Agreement.

SECTION 7.03. Fundamental Changes; Sales; Releases; and Release Price.

(a) The Borrower will not merge into or consolidate with any other Person, or permit any other Person to merge into or consolidate with it, or liquidate or dissolve, nor, except pursuant to and in accordance with the Acquisition Agreements and the provisions of paragraph (b), (c) or (d) below, sell, transfer, lease or otherwise dispose of the Project or any or its assets (other than the disposition of personal property that is either replaced by similar personal property or no longer necessary for the conduct or the business of the Borrower). The Borrower shall not amend, modify or terminate any Acquisition Agreement without the prior written approval of the Administrative Agent which (in the case of any amendment or modification, but not any termination) shall not be unreasonably withheld or delayed.

(b) The Borrower may from time to time convey to a Member the Phases that such Member has agreed to purchase pursuant to its Acquisition Agreement on the terms and conditions set forth in such Acquisition Agreement and subject to the following terms and conditions:

(i) Not less than twenty (20) days (or such shorter period as agreed to by the Administrative Agent) prior to the date on which the Takedown of a Phase is to occur, the Borrower shall furnish to the Administrative Agent for its review and approval, which approval shall not be unreasonably withheld or delayed, (A) a plat of survey of the Phase including a legal description thereof, (B) a calculation of the payment to be made by such Member at the Takedown for the acquisition of such Phase, (C) the calculation (if applicable) of the Release Price to be paid to the Administrative Agent at the time of such Takedown, (D) copies of the documents to be executed and delivered by the Borrower or such Member at the time of the Takedown, including declarations of covenants and restrictions provided for in the Acquisition Agreement, (E) the partial reconveyance or release requested to be delivered by the Administrative Agent upon payment of the Release Price for such Phase and (F) evidence that the Phase has been or, at the time of such Takedown, will be properly subdivided and may lawfully be conveyed.

(ii) Upon the Administrative Agent's approval of the items delivered to it under subparagraph (i) above (and any changes or modifications thereto to which the Administrative Agent, the Borrower and (if applicable) the purchasing Member may approve), the Borrower may transfer and convey such Phase to such Member upon payment by such Member of the amount required to be paid by it for the purchase of such Phase pursuant to the Acquisition Agreement, but in no event less than the Release Price and provided that such Member shall have complied with the provisions of subparagraph (iii) or (iv) below (as applicable).

(iii) It shall be a condition of the transfer and conveyance of a Phase to a Member and to the partial reconveyance or release thereof by the Administrative Agent that, unless such Member's Parent Guarantor has a senior unsecured debt rating of at least BB- from S&P or Ba3 from Moody's or at least an NAIC2 rating, such Member shall deposit in a Cash Collateral Account with the Administrative Agent funds, and/or furnish to the Administrative Agent a Qualified Letter of Credit, in

an aggregate amount equal to (A) such Member's Adjusted Pro Rata Share of the amount by which (1) the Approved Development Costs payable thereafter through completion of the Improvements, the sale and transfer of all Phases to the Members, and the payment in full of all Obligations (as reasonably determined by the Administrative Agent) exceeds (2) the sum of (w) the undisbursed amount of Net LID Proceeds at such time, (x) the undisbursed amount of the Aggregate Facility A Commitment plus (y) the Facility D Loan Availability plus (z) the amounts (if any) then held by the Administrative Agent in any Cash Collateral Account, and the amounts (if any) of all Qualified Letters of Credit then held by the Administrative Agent, pursuant to Section 5.09 hereof, less (B) the amounts (if any) then held by the Administrative Agent in any Cash Collateral Account, and the amounts of any Qualified Letters of Credit then held by the Administrative Agent, in each case (under this clause (B)) paid or delivered to the Administrative Agent by or on behalf of such Member or its Parent Guarantor under this subparagraph (b)(iii). Amounts held by the Administrative Agent in any Cash Collateral Account pursuant to this subparagraph (b)(iii) shall be disbursed by the Administrative Agent at the direction of the Borrower or such Member, and may be used by the Administrative Agent in the absence of such direction, to pay such Member's Adjusted Pro Rata Share of Approved Development Costs that are not paid by the proceeds of Loans, from Net LID Proceeds or from funds held by the Administrative Agent for such purpose. Qualified Letters of Credit delivered to the Administrative Agent hereunder may be reduced from time to time by amounts of such Member's Adjusted Pro Rata Share of Approved Development Costs that are actually paid by such Member and of which the Administrative Agent receives satisfactory evidence.

(iv) In the event that the Member acquiring the applicable Phase is not required pursuant to subparagraph (iii) above to make a deposit in a Cash Collateral Account or to deliver a Qualified Letter of Credit but is obligated to make a "Member Cost Deposit" under Section 2.3.6 of the Operating Agreement at the time of the purchase, the Administrative Agent may, at its election, require that the "Member Cost Deposit" be deposited in a Cash Collateral Account with the Administrative Agent, in which event (subject to the provisions of Section 9.05) the Administrative Agent shall advance the funds so deposited in accordance with Section 2.3.6 of the Operating Agreement.

(v) Upon satisfaction of the foregoing conditions and requirements of this paragraph (b) and of Section 2.11, and provided no Material Default has occurred that is continuing, the Administrative Agent shall, subject to the provisions of Section 10.08(d), execute and deliver a partial release or reconveyance of the applicable Phase at the time of the Takedown.

(c) The Borrower may from time to time convey to the City or other appropriate Governmental Authority such portions of the Project as may be required to be so conveyed for use as streets, parks, schools and other public uses (collectively, "Public Land"), subject to the following terms and conditions:

(i) Not less than fifteen (15) days (or such shorter period agreed to by the Administrative Agent) prior to the date on which the conveyance of the Public Land is to occur, the Borrower shall furnish to the Administrative Agent for its review and approval, which approval shall not be unreasonably withheld or delayed, (A) a plat of survey of the Public Land including a legal description thereof, (B) copies of the documents to be executed and delivered by the Borrower or the City or other applicable Governmental Authority at the time of the conveyance of the Public Land, (C) the partial reconveyance or release of the Public Land requested to be delivered by the Administrative Agent and (D) evidence that the Public Land is required to be and may lawfully be conveyed.

(ii) Upon the Administrative Agent's approval of the items delivered to it under subparagraph (i) above (and any changes or modifications thereto to which the Administrative Agent, the Borrower and (if applicable) the City or other applicable Governmental Authority may approve), the Borrower may transfer and convey such Public Land to the City or other applicable Governmental Authority, and the Administrative Agent shall, subject to the provisions of Section 10.08(d), execute and deliver a partial release or reconveyance of the applicable Public Land at the time of the conveyance thereof.

(d) The Borrower may from time to time convey Common Areas to a Development Association subject to the following terms and conditions:

(i) Not less than fifteen (15) days (or such shorter period agreed to by the Administrative Agent) prior to the date on which the conveyance of such Common Areas is to occur, the Borrower shall furnish to the Administrative Agent for its review and approval, which approval shall not be unreasonably withheld or delayed, (A) a plat of survey of such Common Areas including a legal description thereof, (B) copies of the documents to be executed and delivered by the Borrower or the Development Association at the time of the conveyance of such Common Areas, (C) the partial reconveyance or release of such Common Areas requested to be delivered by the Administrative Agent, and (D) evidence that such Common Areas may lawfully be conveyed and that upon such conveyance such Common Areas will benefit such portions of the Project which such Common Areas are intended or designed to benefit.

(ii) Upon the Administrative Agent's approval of the items delivered to it under subparagraph (i) above (and any changes or modifications thereto to which the Administrative Agent, the Borrower and (if applicable) the Development Association may approve), and provided no Material Default has occurred that is continuing, the Borrower may transfer and convey such Common Areas to the Development Association, and the Administrative Agent shall, subject to the provisions of Section 10.08(d), execute and deliver a partial release or reconveyance of the applicable Common Areas at the time of the conveyance thereof.

SECTION 7.04. Investments, Loans, Advances, Guarantees and Acquisitions. The Borrower will not purchase, hold or acquire (including pursuant to any merger with any Person) any capital stock, evidences of indebtedness or other securities or Equity Interests (including any option, warrant or other right to acquire any of the foregoing) of, make or permit to exist any loans or advances to, guarantee any obligations of, or make or permit to exist any investment or any other interest in, any other Person, or purchase or otherwise acquire (in one transaction or a series of transactions) any assets of any other Person except Permitted Investments.

SECTION 7.05. Swap Agreements. The Borrower will not enter into any Swap Agreement, except agreements entered into to hedge the Borrower's obligations to pay interest under this Agreement, on terms and with counterparties approved in writing by the Administrative Agent (each, an "Approved Swap Agreement"). At the request of the Administrative Agent, the Borrower shall execute and deliver to Administrative Agent a collateral assignment of each Approved Swap Agreement (to the extent permitted under the Approved Swap Agreement).

SECTION 7.06. Restricted Payments.

(a) The Borrower will not declare or make, or agree to pay or make, directly or indirectly, any Restricted Payment except as provided in paragraph (b) below (collectively, "Permitted Restricted Payments").

(b) As long as no Event or Default and no Out-of-Balance Condition then exists or would result from any of the Restricted Payments described below:

(i) The Borrower may, following the acquisition of any Phase by a Member and the payment in full of the Takedown Price therefor, make a distribution to such Member of an amount not to exceed ten percent (10%) of such Takedown Price.

(ii) In the event that the Borrower shall make any deposit in a Cash Collateral Account pursuant to the provisions of this Agreement and all or any part thereof shall subsequently be returned to the Borrower, the Borrower may distribute the returned funds to the Members.

(iii) If any one or more of the Members of the Borrower makes a capital contribution to the Borrower for the purpose of paying any obligation that another Member has failed to pay and such non-paying Member subsequently makes a capital contribution to fund such obligation, the amount so contributed by the non-paying Member may be distributed to the Member(s) that had previously funded such amount on behalf of the non-paying Member.

(iv) If any Member makes a capital contribution to fund an obligation of the Borrower for which the Borrower is entitled to seek reimbursement (either from a Borrowing, Net LID Proceeds or otherwise), then the amount of the reimbursement so received by the Borrower may be distributed to the Members that made such capital contribution.

SECTION 7.07. Transactions with Affiliates. The Borrower will not sell, lease or otherwise transfer any property or assets to, or purchase, lease or otherwise acquire any property or assets from, or otherwise engage in any other transactions with, any of its Members, the General Manager or Affiliates of any Member or the General Manager, except for transactions described in the definition of "Permitted Affiliate Fees."

SECTION 7.08. Restrictive Agreements. The Borrower will not directly or indirectly, enter into, incur or permit to exist any agreement (other than the Loan Documents, the Operating Agreement or the LID Bond Documents) or other arrangement that prohibits, restricts or imposes any condition upon the ability of the Borrower to create, incur or permit to exist any Lien upon any of its property or assets, except that equity interests in any Development Association may be subject to the requirement that they must at all times be owned by the Borrower (or any subsequent owner of the applicable portion of the Project).

SECTION 7.09. Organizational Documents. Borrower shall not cause or permit any amendment of its certificate of formation, the Operating Agreement or its other Organizational Documents without the prior written approval of the Administrative Agent, which approval shall not be unreasonably withheld or delayed.

SECTION 7.10. General Manager. The Borrower shall not cause or suffer the replacement or removal of the General Manager without the prior written approval of the Administrative Agent, which approval shall not be unreasonably withheld or delayed. If there shall occur any of the circumstances described in Section 5.7.1 of the Operating Agreement that permits the Management Committee (as such term is defined in the Operating Agreement) of the Borrower to remove the General Manager, the Borrower shall, promptly upon notice from the Administrative Agent or the Required Lenders, effect (and cause its Management Committee to effect) the removal of the General Manager and the replacement of such removed General Manager by a replacement General Manager approved by the Administrative Agent, which approval shall not be unreasonably withheld or delayed. Notwithstanding the foregoing, if the replacement General Manager is a Member or an Affiliate thereof, no consent of the Administrative Agent shall be required for such replacement.

SECTION 7.11. Construction Manager. The Borrower shall not cause or suffer the replacement or removal of the Construction Manager without the prior written approval of the Administrative Agent, which approval shall not be unreasonably withheld or delayed. Notwithstanding the foregoing, if the replacement Construction Manager is a Member of an Affiliate thereof that has substantial experience as a contractor or construction manager, no consent of the Administrative Agent shall be required for such replacement but the Construction Management Agreement entered into with such replacement Construction Manager shall be subject to the Administrative Agent's prior written approval, which shall not be unreasonably withheld or delayed.

SECTION 7.12. Principal Project Engineer. The Borrower shall not cause or suffer the replacement or removal of the Principal Project Engineer without the prior written consent of the Administrative Agent, which approval shall not be unreasonably withheld or delayed.

ARTICLE VIII

Special Entity Provisions

SECTION 8.01. SPE Covenants. Borrower hereby represents, warrants and covenants to Lenders:

(a) Borrower was organized solely for the purpose of acquiring, owning, developing and selling the Project;

(b) Borrower has not engaged and will not engage in any business activities unrelated to the acquisition, ownership, development or sale of the Project;

(c) Borrower does not have and will not have any assets other than the Project (and personal property incidental to the ownership of the Project, including contributions from its Members and proceeds of the LID Bonds);

(d) Borrower has not and, to the full extent permitted by law, will not engage in, seek or consent to any dissolution, winding up, liquidation, consolidation or merger;

(e) Borrower has no Indebtedness (and will have no Indebtedness) other than (i) the Obligations, (ii) Approved Swap Obligations, and (iii) unsecured trade debt which is not evidenced by a note and is incurred in the ordinary course of its business in connection with the Project and is paid within ninety (90) days from the date incurred or, if later, within thirty (30) days of the date when due;

(f) Borrower has not failed and will not fail to correct any known misunderstanding regarding the separate identity of such entity;

(g) Borrower has maintained and will maintain its accounts, books and records separate from those of any other Person;

(h) Borrower has maintained and will maintain its books, records, resolutions and agreements as official records;

(i) Borrower (i) has not commingled and will not commingle its funds or assets with those of any other entity; and (ii) has held and will hold its assets in its own name;

(j) Borrower has conducted and will conduct its business in its own name;

(k) Borrower has maintained and will maintain its accounting records and other entity documents separate from those of any other Person;

(l) Borrower will prepare separate financial statements and will file its own tax returns, if any, as may be required by applicable Requirements of Law;

(m) Borrower has paid and will pay its own liabilities and expenses out of its own funds and assets (including Loans advanced hereunder);

(n) Borrower has observed and will observe all limited liability company formalities and record keeping, as applicable;

(o) Borrower has not assumed, guaranteed or become obligated for, and will not assume or guarantee or become obligated for, the obligations of any other entity or hold out its credit as being available to satisfy the obligations of any other entity;

(p) Borrower has not acquired and will not acquire obligations or Equity Interests of any of its Members, the General Manager or any other Person other than Permitted Investments;

(q) Borrower has allocated and will allocate fairly and reasonably the costs associated with common employees (if any) and any overhead for shared office space (if any) and has used and will use separate stationery, invoices and checks;

(r) except for the Collateral Documents and Permitted Encumbrances, Borrower has not pledged and will not pledge its assets for the benefit of any other Person;

(s) Borrower has held and identified itself and will hold itself out and identify itself as a separate and distinct entity under its own name and not as a division or part of any other Person;

(t) Borrower has not made and will not make loans to any Person;

(u) Borrower has not identified and will not identify any of its Members, the General Manager or any Affiliates of any of its Members or the General Manager as a division or part of it;

(v) Borrower has not entered into, is not a party to, and will not enter into or be a party to, any transaction with any of its Members, the General Manager or any Affiliates of any of its Members or the General Manager (except as permitted under Section 7.07 hereof);

(w) Borrower has paid and will pay the salaries of its own employees, if any, and has maintained and will maintain a sufficient number of employees (which may be zero) in light of its contemplated business operations;

(x) Borrower has maintained and will maintain adequate capital in light of its contemplated business operations; and

(y) Borrower's operating agreement contains the provisions set forth in this Section 8.01 (except for provisions contained in this paragraph (y)) and shall conduct its business and operations in strict compliance with the terms contained therein.

ARTICLE IX

Events of Default; Remedies

SECTION 9.01. Events of Default. If any of the following events ("Events of Default") shall occur:

(a) the Borrower shall fail to pay any principal of any Loan or any reimbursement obligation in respect of any LC Disbursement when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or otherwise;

(b) the Borrower shall fail to pay any interest on any Loan or any fee or any other amount (other than an amount referred to in clause (a) of this Article) payable under this Agreement or the other Loan Documents, when and as the same shall become due and payable, and such failure shall continue unremedied for a period of three Business Days;

(c) any representation or warranty made or deemed made by or on behalf of the Borrower in or in connection with this Agreement or any other Loan Document, any amendment or modification hereof or thereof or waiver hereunder or thereunder, or in any report, certificate, financial statement or other document furnished pursuant to or in connection with this Agreement or any other Loan Documents or any amendment or modification hereof or thereof or waiver hereunder or thereunder, shall prove to have been incorrect in any material respect when made or deemed made;

(d) the Borrower shall fail to observe or perform any covenant, condition or agreement contained, or make any payment or deliver any Qualified Letter of Credit provided for, in Sections 5.01, 5.03, 5.08, 5.09, 6.03 (with respect to the Borrower's existence), 6.08 or 6.15 or in Article VII;

(e) the Borrower shall fail to observe or perform any covenant, condition or agreement contained in this Agreement or any other Loan Document (other than those specified in clause (a), (b) or (d) of this Article), and such failure shall continue unremedied for a period of 30 days after notice thereof from the Administrative Agent to the Borrower; provided, however, that, if such failure is one that the Borrower cannot with reasonable diligence cure within such 30-day period but can with reasonable diligence cure within 90 days after such notice, the cure period provided for herein shall be extended to the 90th day after such notice as long as the Borrower promptly commences and diligently pursues to completion the cure of such failure and provided, further that the Administrative Agent may in its discretion extend such period for cure by up to an additional 90 days (in the aggregate);

(f) Intentionally Omitted.

(g) any Material Indebtedness of any Parent Guarantor (excluding Indebtedness that is not Recourse Indebtedness) shall become or be declared due prior to its scheduled maturity; provided, however, that, if any such event under this paragraph (g) occurs, the same shall not constitute an Event of Default if cured as provided in Section 9.07;

(h) either (i) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (A) liquidation, reorganization or other relief in respect of the Borrower or its debts, or of a substantial part of its assets, under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect or (B) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Borrower or for a substantial part of its assets or a substantial part of its assets, and, in any such case, such proceeding or petition shall continue undismissed for 60 days or an order or decree approving or ordering any of the foregoing shall be entered; or (ii) any event described in clause (i) above shall occur in respect of any Member or its Parent Guarantor but only if such Member has not theretofore acquired all Phases to be acquired by it pursuant to its Acquisition Agreement; provided, however, that, if any such event under clause (ii) occurs, the same shall not constitute an Event of Default if cured as provided in Section 9.07;

(i) either (i) the Borrower shall (A) voluntarily commence any proceeding or file any petition seeking liquidation, reorganization or other relief under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, (B) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in clause (h) of this Article, (C) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Borrower or for a substantial part of its assets, (D) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (E) make a general assignment for the benefit of creditors or (F) take any action for the purpose of effecting any of the foregoing; or (ii) any event described in clause (i) above shall occur in respect of any Member or its Parent Guarantor but only if such Member has not theretofore acquired all Phases to be acquired by it pursuant to its Acquisition Agreement; provided, however, that, if any such event under clause (ii) occurs, the same shall not constitute an Event of Default if cured as provided in Section 9.07;

(j) either (i) the Borrower shall become unable, admit in writing its inability or fail generally to pay its debts as they become due or (ii) any Member or its Parent Guarantor shall become unable, admit in writing its inability or fail generally to pay its debts as they become due but only if such Member has not theretofore acquired all Phases to be acquired by it pursuant to its Acquisition Agreement; provided, however, that, if any such event under clause (ii) occurs, the same shall not constitute an Event of Default if cured as provided in Section 9.07;

(k) (i) one or more judgments for the payment of money (excluding any such judgments which are covered by insurance, subject to any customary deductible) in an aggregate amount in excess of $3,000,000 shall be rendered against the Borrower and the same shall remain undischarged for a period of sixty (60) consecutive days during which execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to attach or levy upon any assets of the Borrower to enforce any such judgment or (ii) any action shall be legally taken by a judgment creditor to attach or levy upon the Project or any portion thereof or any other material assets of the Borrower to enforce any judgment (in any amount) and the same is not discharged at least twenty (20) days prior to the scheduled sale of the asset affected thereby;

(l) any Member shall fail to acquire a Phase within 15 days after the outside date provided therefor in its Takedown Schedule; provided, that the same shall not constitute an Event of Default if cured as provided in Section 9.07;

(m) there occurs a breach in the performance of any Parent Guarantor Financial Covenant of a Parent Guarantor but only if the Member of such Parent Guarantor has not theretofore acquired all Phases to be acquired by it pursuant to its Acquisition Agreement; provided, however, that the same shall not constitute an Event of Default if cured in accordance with the provisions of Section 9.07;

(n) a Change in Control shall occur; provided, however, that the same shall not constitute an Event of Default if cured as provided in Section 9.07;

(o) (i) there is any material deviation in the work of construction from the Approved Plans and Specifications or Requirements of Law or use of materially defective workmanship or materials in constructing the Improvements, and the Borrower fails to remedy the same to the Administrative Agent's reasonable satisfaction within thirty (30) days of the Administrative Agent's written demand to do so; or (ii) there is a cessation of construction of the Improvements for a continuous period of more than thirty (30) days or, in the case of force majeure, ninety (90) days; or (iii) the construction of the Improvements or sale of all or any portion of the Project in accordance with the Acquisition Agreements and Loan Documents is prohibited, enjoined or delayed for a continuous period of more than thirty (30) days;

(p) (i) the recording of any claim of Lien in an amount in excess of $1,000,000 against the Project or the service on the Administrative Agent or any Lender of any bonded stop notice relating to the Loans and the continuance of such claim of Lien or bonded stop notice for sixty (60) days without discharge, satisfaction or provision for payment being made by the Borrower in a manner satisfactory to the Administrative Agent in its reasonable judgment; or (ii) the recording of any claim of Lien in any amount against the Project or the service on and Administrative Agent or any Lender of any bonded stop notice relating to the Loans and the continuance of such claim of Lien or bonded stop notice without discharge, satisfaction or provision for payment being made by the Borrower in a manner satisfactory to the Administrative Agent in its reasonable judgment at least twenty (20) days prior to the sale of the Project or any portion thereof; or (iii) the condemnation, seizure or appropriation of, or occurrence of an uninsured casualty with respect to any material portion of the Project and which has a Material Adverse Effect; or (iv) the sequestration or attachment of, or any levy or execution upon any of the Project, any other Collateral provided by the Borrower under any of the Loan Documents, or any substantial portion of the other assets of Borrower, which sequestration, attachment, levy or execution is not released, expunged or dismissed at least twenty (20) days prior to the scheduled sale of the assets affected thereby;

(q) the occurrence of a default by the Borrower under any Approved Swap Agreement that is not cured within any applicable cure period thereunder;

(r) (i) any Collateral Document shall for any reason fail to create a valid and perfected first priority Lien or security interest (subject to the Permitted Encumbrances) in any Collateral (except for Collateral (other than the Project) whose value is not significant) purported to be covered thereby and is not corrected or cured within twenty (20) days of notice thereof, except as permitted by the terms of any Collateral Document, or (ii) any Collateral Document or Guaranty shall fail to be or remain in full force and effect or any action shall be taken by or on behalf of the Borrower or any other Credit Party to discontinue or to assert the invalidity or unenforceability of any Collateral Document or Guaranty;

(s) the occurrence of an "Event of Default" described in Section 9.07;

(t) the occurrence of any "Event of Default" under any Loan Document; or

(u) an ERISA Event shall have occurred that, in the reasonable opinion of the Administrative Agent or the Required Lenders, could reasonably be expected to result in a Material Adverse Effect;

then, and in every such event (other than an event described in subclause (i) of clause (h) of this Section 9.01 or subclause (i) of clause (i) of this Section 9.01), and at any time thereafter during the continuance of such event, the Administrative Agent may, and at the request of the Required Lenders shall, by notice to the Borrower, take either or both of the following actions, at the same or different times: (i) terminate the Commitments, and thereupon the Commitments shall terminate immediately, and (ii) declare the Loans then outstanding to be due and payable in whole (or in part, in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), and thereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and all fees and other obligations of the Borrower accrued hereunder, shall become due and payable immediately, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower; and in case of any event described in subclause (i) of clause (h) of this Section 9.01 or subclause (i) of clause (i) of this Section 9.01, the Commitments shall automatically terminate and the principal of the Loans then outstanding, together with accrued interest thereon and all fees and other obligations of the Borrower accrued hereunder, shall automatically become due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower.

SECTION 9.02. All Remedies. Upon the occurrence and during the continuance of an Event of Default, the Administrative Agent and the Lenders shall also have all rights and remedies set forth herein, in the Loan Documents, at law and in equity, and the Administrative Agent and the Lenders shall have the right (but not the obligation) to pursue one or more of such rights and remedies concurrently or successively, it being the intent hereof that all such rights and remedies shall be cumulative, and that no remedy shall be to the exclusion of any other.

SECTION 9.03. Construction. In addition to and without limiting any of its rights and remedies available hereunder, under the other Loan Documents, at law or in equity, and without constituting an election of remedies, upon the occurrence and continuance of any Event of Default, the Administrative Agent and the Lenders may, subject to applicable

Requirements of Law (i) take possession of the Project and complete the construction of the Improvements or any part thereof and take any other action whatever which, in the Administrative Agent's and the Lenders' sole judgment, is necessary to fulfill the covenants, agreements and obligations of the Borrower under this Agreement and the other Loan Documents, including the right to avail themselves of and procure performance of existing Construction Agreements and other Project Agreements and (ii) let any contracts with the same contractors and subcontractors or others and to employ watchmen to protect the Project or any part thereof from injury. Without restricting the generality of the foregoing, and for the purpose aforesaid, the Borrower hereby appoints and constitutes the Administrative Agent its lawful attorney in fact with full power of substitution and agrees that the Administrative Agent and the Lenders shall be entitled, subject to applicable Requirements of Law, to (A) complete the construction of the Project or any part thereof; (B) use any Balancing Payments, funds held in any Cash Collateral Account (subject to the provisions of Section 9.06) or undisbursed portion of the Aggregate Facility A Commitment and (if applicable) Aggregate Facility D Loan Commitment or which may be reserved, escrowed or set aside for any purpose whatever at any time, to complete the construction of the Project or any part thereof or (subject to the provisions of Section 9.06) draw upon any Qualified Letter of Credit held by the Administrative Agent; (C) advance funds in excess of the amount of any or all the Loans to complete the construction of the Project; (D) make changes in the Approved Plans and Specifications which shall be necessary or desirable to complete the construction of the Project; (E) retain or employ such new general contractors, contractors, subcontractors, architects, engineers and inspectors as may be required for said purposes; (F) pay, settle or compromise all existing bills and claims, the nonpayment of which might result in Liens on the Project or any part thereof, or prevent such bills and claims from resulting in Liens against the Project or any part thereof or against fixtures, furnishing, furniture or equipment or other Property, or as may be necessary or desirable for the completion of the construction and equipping and furnishing of the Project or any part thereof or for the clearance of title; (G) execute all applications and certificates which may be required by any of the Loan Documents; (H) prosecute and defend all actions or proceedings connected with or relating to the Project or any part thereof; (I) take such action and require such performance as the Administrative Agent deems necessary under any payment and performance bonds, and make settlements and compromises with the surety or sureties thereunder, and, in connection therewith, execute instruments of release and satisfaction; (J) take possession of and operate the Project or any part thereof; and (K) do any and every act which the Borrower might do in its own behalf, it being understood and agreed that the foregoing power of attorney shall be a power coupled with an interest and cannot be revoked.

SECTION 9.04. Enforcement. The Borrower acknowledges that in the event the Borrower fails to perform, observe or discharge any of its obligations or liabilities under this Agreement or any other Loan Document, any remedy of law may prove to be inadequate relief to the Administrative Agent and the Lenders; therefore, the Borrower agrees that the Administrative Agent and the Lenders shall (subject to applicable Requirements of Law) be entitled to temporary and permanent injunctive relief in any such case without the necessity of proving actual damages.

SECTION 9.05. Cash Collateral Account.

(a) The Borrower hereby pledges, assigns and grants to the Administrative Agent, on behalf of and for the benefit of the Lenders and other Holders of Secured Obligations, to secure the prompt and complete payment and performance of the Secured Obligations, a security interest in all of the Borrower's right, title and interest in and to (i) each Cash Collateral Account established pursuant to this Agreement; (ii) all cash, instruments, securities, investments and other property from time to time transferred or credited to, contained in or comprising any Cash Collateral Account; (iii) all statements, certificates and instruments representing any Cash Collateral Account; (iv) any and all substitutions or additions of or with respect to any of the foregoing; and (v) any and all proceeds and products of any of the foregoing, including, without limitation (A) interest, principal, dividends and other amounts or distributions received with respect to any of the foregoing and (B) property received from the sale, exchange or other disposition of any of the foregoing.

(b) Other than any interest earned on the investment of deposits in any Cash Collateral Account, which investments shall be made at the request of the Borrower (subject to the provisions hereof) and at the Borrower's risk and expense, such deposits shall not bear interest, and interest or profits, if any, on such investments shall accumulate in such Cash Collateral Account. Provided no Event of Default has occurred that is continuing, the Administrative Agent shall, at the written request of the Borrower, invest funds in any Cash Collateral Account in investments of the type then customarily permitted by Administrative Agent in similar cash collateral accounts held by it for comparable borrowers.

(c) As long as no Event of Default has occurred that is continuing, funds in any Cash Collateral Account may be used solely for the purpose provided for in the section of this Agreement pursuant to which such funds were deposited in such Cash Collateral Account.

(d) Except as otherwise provided in Section 2.06(j), from and after the occurrence and during the continuance of an Event of Default, funds in any Cash Collateral Account may be used to pay any Secured Obligations, provided, however, that funds deposited in a Cash Collateral Account by or on behalf of a Member pursuant to Section 7.03(b) may only be used to pay such Member's Adjusted Pro Rata Share of such Secured Obligations.

SECTION 9.06. Qualified Letters of Credit.

(a) Except as otherwise provided in paragraph (c) below, as long as no Event of Default has occurred that is continuing, any Qualified Letter of Credit delivered to the Administrative Agent pursuant to Section 5.09, 7.03(b) or 9.07 shall be drawn upon by the Administrative Agent only to pay amounts for the same purpose for which funds deposited in a Cash Collateral Account pursuant to such Sections may be used.

(b) From and after the occurrence and during the continuance of an Event of Default, the Administrative Agent may draw upon any Qualified Letter of Credit in the

full amount thereof and apply the amount drawn as provided in, and subject to the provisions of, Section 9.05(d).

(c) Notwithstanding anything to the contrary contained herein, if less than 60 days remain until the expiration of a Qualified Letter of Credit, and, if requested by the Administration Agent, the Borrower fails to cause to be delivered to the Administrative Agent within fifteen (15) days of such request an amendment extending such Qualified Letter of Credit for an additional period of six months (or such lesser period to which the Administrative Agent may agree) or a replacement Qualified Letter of Credit meeting the terms hereof, the Administrative Agent may draw upon such Qualified Letter of Credit and deposit the amount drawn in a Cash Collateral Account established for the same purpose for which such Qualified Letter of Credit was delivered or (if and as applicable) as provided in Section 9.05(d).

SECTION 9.07. Cure of Member Defaults.

(a) The occurrence of a Member Default shall not constitute an Event of Default if within thirty (30) days after notice from the Administrative Agent to the Borrower (which 30-day period may, in the Administrative Agent's sole discretion, be extended by an additional 30 days, provided that the Administrative Agent is furnished satisfactory evidence that such Member Default will be cured within such additional 30 days), either (i) the Borrower deposits or causes to be deposited funds in a Cash Collateral Account, or delivers or causes to be delivered a Qualified Letter of Credit, in the amount provided for in and otherwise in accordance with the provisions of paragraph (b) below or (ii) the entire right, title, interest of the Defaulting Member in and to the Borrower and such Defaulting Member's right, title, interest and obligations in, to and under the Operating Agreement, such Defaulting Member's Acquisition Agreement and any Loan Document to which such Defaulting Member is a party are transferred to and assumed and acquired by one or more Key Members, and the obligations of the Defaulting Member's Parent Guarantor under the Loan Document to which it is a party are assumed by such Key Members' Parent Guarantor, all in accordance with the terms and conditions set forth in paragraph (c) below.

(b) The occurrence of a Member Default shall not constitute an Event of Default if, within the time period provided for in paragraph (a) above, the Borrower shall deposit in a Cash Collateral Account funds in the amount of the Defaulting Member's Remaining Obligations (as reasonably determined by the Administrative Agent) (net of any cash collateral or letter of credit provided by or on behalf of such Member pursuant to Section 7.03(b) hereof) and/or deliver to the Administrative Agent a Qualified Letter of Credit in the amount of the Defaulting Member's Remaining Obligations. Provided no Event of Default has occurred that is continuing, funds deposited in the Cash Collateral Account pursuant to the immediately preceding sentence shall be advanced by the Administrative Agent from time to time to pay such Defaulting Member's Adjusted Pro Rata Share of Approved Development Costs not funded from Loans or Net LID Proceeds and to pay Release Prices with respect to such Phases at the time at which such Phases would be required to be purchased by such Defaulting Member pursuant to its Acquisition Agreement (whether or not actually purchased and without regard to whether such

Acquisition Agreement remains in force or effect). If at any time the Administrative Agent determines in its reasonable judgment that the amount in such Cash Collateral Account or the amount of such Qualified Letter of Credit held by the Administrative Agent is less than such Defaulting Member's Remaining Obligations as then reasonably determined by the Administrative Agent, it shall constitute an Event of Default if, within thirty days of demand by the Administrative Agent therefor, the Borrower fails to deposit in the Cash Collateral Account, and/or deliver a Qualified Letter of Credit in, an aggregate amount equal to such deficiency as so determined by Administrative Agent. Any Qualified Letter of Credit delivered to the Administrative Agent pursuant to this paragraph (b) may be reduced from time to time to an amount not less than the Defaulting Member's Remaining Obligations and the Administrative Agent shall, upon reasonable notice, so consent to any such reduction.

(c) The occurrence of a Member Default shall not constitute an Event of Default if, within the time period provided for in paragraph (a) above, one or more Key Members shall take all of the following actions (herein collectively referred to as a "Key Member Acquisition"):

(i) The assumption by such Key Members of, or their agreement to be liable for, all of the obligations (whether theretofore accrued or thereafter accruing) of such Defaulting Member under the Operating Agreement and such Defaulting Member's Acquisition Agreement, all pursuant to documents satisfactory to the Administrative Agent in its reasonable discretion;

(ii) The assumption by such Key Members of, or their agreement to be liable for, all of the obligations (whether theretofore accrued or thereafter accruing) of such Defaulting Member under the Loan Documents to which such Defaulting Member is a party, all pursuant to documents satisfactory to the Administrative Agent;

(iii) The assumption by the Parent Guarantors of such Key Members of, or such Parent Guarantors' agreement to be liable for, all of the obligations (whether theretofore accrued or thereafter accruing) of the Defaulting Member's Parent Guarantor under such Defaulting Member's Acquisition Agreement and all Loan Documents to which the Parent Guarantor of such Defaulting Member is a party, all pursuant to documents satisfactory to the Administrative Agent;

(iv) The delivery to the Administrative Agent of such Organizational Documents, certificates of good standing, opinions of counsel and other documents in respect of such Key Members and their Parent Guarantors as the Administrative Agent may reasonably require.

(d) Upon the cure of a Member Default pursuant to the provisions of this Section 9.07, the Administrative Agent shall notify the Borrower and the Lenders thereof.

SECTION 9.08. Application of Payments. On and after the occurrence of an Event of Default, but subject to the provisions of Section 2.11, the Administrative Agent shall

apply all payments and prepayments in respect of any Obligations and all proceeds of the Collateral in the following order (except as hereinafter provided):

(i) first, to pay Obligations in respect of any fees, expenses, reimbursements or indemnities then due to the Administrative Agent;

(ii) second, to pay Obligations in respect of any fees (other than commitment fees and Letter of Credit fees), expenses, reimbursements or indemnities then due to the Lenders and Issuing Banks;

(iii) third, to pay commitment fees, Letter of Credit fees and interest due in respect of Loans and LC Disbursements;

(iv) fourth, to the ratable payment or prepayment of principal outstanding on Loans and LC Disbursements and Secured Swap Obligations;

(v) fifth, to the Cash Collateral Account provided for, and to the extent required under, Section 2.06(j); and

(vi) sixth, to the ratable payment of all other Obligations.

Unless otherwise designated (which designation shall only be applicable prior to the occurrence of an Event of Default) by the Borrower, all principal payments in respect of Loans under a Facility shall be applied, first, to repay outstanding ABR Loans under such Facility and then to repay outstanding Eurodollar Loans under such Facility, with those that have the earlier expiring Interest Period being repaid prior to those that have later expiring Interest Periods. The order of priority set forth in this paragraph and the related provisions of this Agreement are set forth solely to determine the rights and priorities of the Administrative Agent, the Lenders, and the Issuing Banks as among themselves. The order of priority set forth in clauses (i) and (ii) may be changed only with the prior written consent of the Administrative Agent and the order of priority of payments in respect of LC Disbursements may be changed only with the prior written consent of the Issuing Banks.

ARTICLE X

The Administrative Agent

SECTION 10.01. Appointment of Administrative Agent. Each of the Lenders and the Issuing Banks hereby irrevocably appoints the Administrative Agent as its agent and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof, together with such actions and powers as are reasonably incidental thereto.

SECTION 10.02. Administrative Agent's Rights as a Lender. The bank serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent, and such bank and its Affiliates may accept deposits from, lend money to and generally

engage in any kind of business with the Borrower or any Affiliate thereof as if it were not the Administrative Agent hereunder.

SECTION 10.03. Administrative Agent's Duties. The Administrative Agent shall not have any duties or obligations except those expressly set forth herein. Without limiting the generality of the foregoing, (a) the Administrative Agent shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing, (b) the Administrative Agent shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or that the Administrative Agent is required to exercise in writing as directed by the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 11.02), and (c) except as expressly set forth herein, the Administrative Agent shall not have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower that is communicated to or obtained by the bank serving as Administrative Agent or any of its Affiliates in any capacity. The Administrative Agent shall not be liable for any action taken or not taken by it with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 11.02) or in the absence of its own gross negligence or willful misconduct. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until written notice thereof is given to the Administrative Agent by the Borrower or a Lender, and the Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement, (ii) the contents of any certificate, report or other document delivered hereunder or in connection herewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement or any other agreement, instrument or document or the perfection or priority of any Lien, or (v) the satisfaction of any condition set forth in Article IV or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

SECTION 10.04. Reliance. The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing believed by it to be genuine and to have been signed or sent by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to be made by the proper Person, and shall not incur any liability for relying thereon. The Administrative Agent may consult with legal counsel, independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

SECTION 10.05. Sub-Agents. The Administrative Agent may perform any and all its duties and exercise its rights and powers by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all its duties and exercise its rights and powers through their respective Related Parties. The exculpatory provisions of the preceding paragraphs shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall

apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent.

SECTION 10.06. Resignation. Subject to the appointment and acceptance of a successor Administrative Agent as provided in this paragraph, the Administrative Agent may resign at any time by notifying the Lenders, the Issuing Banks and the Borrower. Upon any such resignation, the Required Lenders shall have the right to appoint a successor. If no successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its resignation, then the retiring Administrative Agent may, on behalf of the Lenders and the Issuing Banks, appoint a successor Administrative Agent which shall be a bank with an office in New York, New York, or an Affiliate of any such bank. Notwithstanding the foregoing, as long as no Event of Default has occurred that is continuing, the appointment of any successor Administrative Agent hereunder shall be subject to the prior written approval of the Borrower, which approval shall not be unreasonably withheld or delayed. Upon the acceptance of its appointment as Administrative Agent hereunder by a successor, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent, and the retiring Administrative Agent shall be discharged from its duties and obligations hereunder. The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the Administrative Agent's resignation hereunder, the provisions of this Article and Section 11.03 shall continue in effect for the benefit of such retiring Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while it was acting as Administrative Agent.

SECTION 10.07. Credit Analysis and Decision by Lenders. Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any related agreement or any document furnished hereunder or thereunder.

SECTION 10.08. Collateral.

(a) Each Lender authorizes the Administrative Agent to enter into each of the Loan Documents to which it is a party (including, without limitation, the Consent and Agreement and Deed of Trust Amendment) and to take all action contemplated by such Loan Documents. Each Lender agrees that no Holder of Secured Obligations, other than the Administrative Agent acting on behalf of all Holders of Secured Obligations, shall have the right individually to seek to realize upon the security granted by any Loan Document, it being understood and agreed that such rights and remedies may be exercised solely by the Administrative Agent for the benefit of the Holders of Secured Obligations, upon the terms of the Loan Documents.

(b) In the event that any Collateral is pledged by any Person as collateral security of the Secured Obligations, the Administrative Agent is hereby authorized to execute and deliver on behalf of the Holders of Secured Obligations any Loan Documents necessary or appropriate to grant and perfect a Lien on such Collateral in favor of the Administrative Agent on behalf of the Holders of Secured Obligations.

(c) The Lenders hereby authorize the Administrative Agent, at its option and in its discretion, to release any Lien granted to or held by the Administrative Agent upon any Collateral (i) upon termination of the Commitments and payment and satisfaction of all of the Obligations and expiration or termination of all Letters of Credit, (ii) as permitted by, but only in accordance with, the terms of the applicable Loan Documents or (iii) if provided, authorized or ratified in writing by the Required Lenders, unless such release is required to be approved by all of the Lenders hereunder. Upon request by the Administrative Agent at any time, the Lenders will confirm in writing the Administrative Agent's authority to release particular types or items of Collateral pursuant to this paragraph.

(d) Upon any sale or transfer constituting Collateral which is expressly permitted pursuant to the terms of any Loan Document, or consented to in writing by all of the Lenders, and upon at least ten (10) Business Days' prior written request by the Borrower (or such shorter period to which the Administrative Agent may agree), the Administrative Agent shall (and is hereby irrevocably authorized by the Lenders to) execute such documents as may be necessary to evidence the release of the Liens granted to the Administrative Agent for the benefit of the Holders of Secured Obligations, upon the Collateral that was sold or transferred; provided, however, that (i) the Administrative Agent shall not be required to execute any such document on terms which, in the Administrative Agent's opinion, would expose the Administrative Agent to liability or create any obligation or entail any consequence other than the release of such Liens without recourse or warranty, and (ii) such release shall not in any manner discharge, affect or impair the Secured Obligations or any Liens upon (or obligations of the Borrower or any other Credit Party in respect of) all interests retained by the Borrower or any other Credit Party, including (without limitation) the proceeds of the sale, all of which shall continue to constitute part of the Collateral.

ARTICLE XI

Miscellaneous

SECTION 11.01. Notices.

(a) Except in the case of notices and other communications expressly permitted to be given by telephone (and subject to paragraph (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopy, as follows:

(i) if to the Borrower, c/o Focus South Group LLC, 3455 Cliff Shadows Parkway, Suite 220, Las Vegas, NV 89189, Attention: John A. Ritter (Telecopy No. (702) 216-2067); with a copy to Kummer Kaempfer Bonner & Renshaw, Seventh Floor, 3800 Howard Hughes Parkway, Las Vegas, NA 89109, Attention: John C. Jeppsen (Telecopy No. (702) 796-7181); and to Ballard Spahr Andrews & Ingersoll LLP, 1735 Market Street, Philadelphia, PA 19103-7599, Attention: Richard Perelman (Telecopy No. (215) 864-9973), and in the case of a notice of Default or Event of Default, with copies to the Members at the addresses set forth in their Guaranties;

(ii) if to the Administrative Agent, to JPMorgan Chase Bank, N.A. Loan and Agency Services Group, 1111 Fannin, 10th Floor, Houston, Texas 77002, Attention of Christina Masroor (Telecopy No. (713) 750-2938), with a copy to JPMorgan Chase Bank, 270 Park Avenue, 15th Floor, New York 10017, Attention of Daniella Cassagnol (Telecopy No. (212) 270-3513);

(iii) if to JP Morgan Chase Bank, N.A. as the Issuing Bank, to it at 270 Park Avenue, 15th Floor, New York 10017, Attention of Daniella Cassagnol (Telecopy No. (212) 270-3513) and if to any other Issuing Bank, at the address it so designates by notice to the Administrative Agent and Borrower; and

(iv) if to any other Lender, to it at its address (or telecopy number) set forth in its Administrative Questionnaire.

(b) Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communications pursuant to procedures approved by the Administrative Agent; provided that the foregoing shall not apply to notices pursuant to Article II unless otherwise agreed by the Administrative Agent and the applicable Lender. The Administrative Agent or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

(c) Any party hereto may change its address or telecopy number for notices and other communications hereunder by notice to the other parties hereto. All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt.

SECTION 11.02. Waivers; Amendments.

(a) No failure or delay by the Administrative Agent, any Issuing Bank or any Lender in exercising any right or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Administrative Agent, the Issuing Banks and the Lenders hereunder are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No

waiver of any provision of this Agreement or consent to any departure by the Borrower therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Loan or issuance of a Letter of Credit shall not be construed as a waiver of any Default, regardless of whether the Administrative Agent, any Lender or any Issuing Bank may have had notice or knowledge of such Default at the time.

(b) Neither this Agreement nor any provision hereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Borrower and the Required Lenders or by the Borrower and the Administrative Agent with the consent of the Required Lenders; provided that (i) no such agreement shall (A) increase the Commitment of any Lender without the written consent of such Lender, (B) reduce or forgive the principal amount of any Loan or LC Disbursement or reduce the rate of interest thereon, or reduce any fees payable hereunder, without the written consent of each Lender affected thereby, (C) postpone the scheduled date of payment of the principal amount of any Loan or LC Disbursement, or any interest thereon, or any fees payable hereunder, or reduce the amount of, waive or excuse any such payment, or postpone the scheduled date of expiration of any Commitment, without the written consent of each Lender affected thereby, (D) release the Project or any portion thereof from the Deed of Trust (except in accordance with the provision of this Agreement) without the written consent of each Lender, (E) release any Guarantor from its obligations under any Guaranty without the written consent of each Lender, (F) change Section 9.08 or change Section 2.18(b) or (c) in a manner that would alter the pro rata sharing of payments required thereby, without the written consent of each Lender or (G) change any of the provisions of this Section or the definition of "Required Lenders" or any other provision hereof specifying the number or percentage of Lenders required to waive, amend or modify any rights hereunder or make any determination or grant any consent hereunder, without the written consent of each Lender; (ii) subject to the limitations contained in clause (i) above, (A) the Administrative Agent may, in its discretion from time to time, waive any condition to any Borrowing of Facility A or Facility D or the issuance of a Letter of Credit that it determines not to be material, and (B) any condition to any Borrowing of Facility A or Facility D or the issuance of a Letter of Credit may in any event be waived with the written consent of the Lenders holding 66-2/3% of the Commitments under such Facility; and (iii) no agreement described above shall amend, modify or otherwise affect the rights or duties of the Administrative Agent or the Issuing Banks hereunder without the prior written consent of the Administrative Agent or the Issuing Banks, as the case may be.

(c) If, in connection with any proposed waiver, amendment or modification referred to in items (B) through (G), inclusive, of clause (i) of paragraph (b) above, the consent of the Required Lenders is obtained but the consent of one or more of such other Lenders whose consent is required is not obtained, then the Borrower shall have the right to replace all (but not less than all) of such non-consenting Lenders with one or more replacement Lenders pursuant to Section 2.19 so as long as at the time of such replacement, each such replacement Lender consents to the proposed waiver, amendment or modification.

SECTION 11.03. Expenses; Indemnity; Damage Waiver.

(a) The Borrower shall pay (i) all reasonable out-of-pocket expenses incurred by the Administrative Agent and its Affiliates, including the reasonable fees, charges and disbursements of counsel for the Administrative Agent, in connection with the syndication of the credit facilities provided for herein, the preparation and administration of this Agreement or any amendments, modifications or waivers of the provisions hereof (whether or not the transactions contemplated hereby or thereby shall be consummated), including UCC filing fees and/or UCC vendor fees, recording costs, the cost of any title insurance premiums, title surveys and reconveyance fees, all reasonable fees and expenses of the Construction Consultant and all reasonable costs of any Appraisals, provided, however, that as long as no Event of Default has occurred that is continuing, the Borrower shall not be obligated to pay the cost of more than one Appraisal in any twelve-month period; (ii) all reasonable out-of-pocket expenses incurred by the Issuing Banks in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder; and (iii) all out-of-pocket expenses incurred by the Administrative Agent, any Issuing Bank or any Lender, including the reasonable fees, charges and disbursements of any counsel for the Administrative Agent, any Issuing Bank or any Lender, in connection with the enforcement or protection of its rights in connection with this Agreement, including its rights under this Section, or in connection with the Loans made or Letters of Credit issued hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans or Letters of Credit.

(b) The Borrower shall indemnify the Administrative Agent, each Issuing Bank and each Lender, and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses, including the fees, charges and disbursements of any counsel for any Indemnitee, incurred by or asserted against any Indemnitee arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement or any agreement or instrument contemplated hereby, the performance by the parties hereto of their respective obligations hereunder or any Loan Document or the consummation of the Transactions or any other transactions contemplated hereby, (ii) any Loan or Letter of Credit or the use of the proceeds therefrom (including any refusal by an Issuing Bank to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) the acquisition, ownership, development, improvement or sale of the Project, (iv) any actual or alleged presence or Release of Hazardous Materials on or from the Project or any other Property owned or operated by the Borrower, or any Environmental Liability related in any way to the Borrower, or (v) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory and regardless of whether any Indemnitee is a party thereto; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence, criminal acts or willful misconduct of such Indemnitee.

(c) To the extent that the Borrower fails to pay any amount required to be paid by it to the Administrative Agent or an Issuing Bank under paragraph (a) or (b) of this Section, (i) if such payment relates only to a single Facility, each Lender under such Facility severally agrees to pay to the Administrative Agent or such Issuing Bank, as the case may be, such Lender's Applicable Percentage (determined with respect to such Facility as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount, (ii) if such payment relates only to a Letter of Credit, each Facility D Lender severally agrees to pay to the Administrative Agent or such Issuing Bank, as the case may be, such Facility D Lender's Applicable Percentage (determined with respect to such Facility as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount and (iii) except as provided in clause (i) or clause (ii), each Lender severally agrees to pay to the Administrative Agent or such Issuing Bank, as the case may be, such Lender's Applicable Percentage (determined with respect to all Facilities as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount; provided (in the case of either clause (i), clause (ii) or clause (iii)) that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent or such Issuing Bank in its capacity as such.

(d) To the extent permitted by applicable law, the Borrower shall not assert, and hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement or any agreement or instrument contemplated hereby, the Transactions, any Loan or Letter of Credit or the use of the proceeds thereof.

(e) All amounts due under this Section shall be payable not later than ten (10) days after written demand therefor.

SECTION 11.04. Successors and Assigns. (a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby (including any Affiliate of an Issuing Bank that issues any Letter of Credit), except that (i) the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by the Borrower without such consent shall be null and void) and (ii) no Lender may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby (including any Affiliate of an Issuing Bank that issues any Letter of Credit), Participants (to the extent provided in paragraph (c) of this Section) and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent, the Issuing Banks and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b)(i) Subject to the conditions set forth in paragraph (b)(ii) below, any Lender may assign to one or more assignees all or a portion of its rights and obligations under

this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it) with the prior written consent (such consent not to be unreasonably withheld or delayed) of:

(A) the Borrower, provided that no consent of the Borrower shall be required (i) for an assignment to a Lender, an Affiliate of a Lender or an Approved Fund or (ii) if an Event of Default has occurred and is continuing, for an assignment to any other assignee or (iii) for an assignment of all or any portion of a Facility B Loan or Facility C Loan;

(B) the Administrative Agent, provided that no consent of the Administrative Agent shall be required for an assignment of all or any portion of a Facility B Loan or Facility C Loan to a Lender, an Affiliate of a Lender or an Approved Fund; and

(C) the Issuing Banks, provided that no consent of the Issuing Banks shall be required for an assignment of all or any portion of a Facility B Loan or Facility C Loan or a Facility A Commitment or Facility A Loan.

(ii) Assignments shall be subject to the following additional conditions:

(A) except in the case of an assignment to a Lender or an Affiliate of a Lender or an Approved Fund or an assignment of the entire remaining amount of the assigning Lender's Commitment or Loans under any Facility, the amount of the Commitment or Loans of the assigning Lender under such Facility subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent) shall not be less than $1,000,000 (or, in the case of a Facility B Loan or Facility C Loan, $1,000,000) unless each of the Borrower and the Administrative Agent otherwise consent, provided that no such consent of the Borrower shall be required if an Event of Default has occurred and is continuing, and provided further that, solely for purposes of the foregoing minimum limitations but not for any other purpose, including the fee payable to the Administrative Agent as hereinafter provided, (1) any fund that invests in bank loans and (2) any other fund that invests in bank loans and is managed by the same investment advisor as such fund or by an Affiliate of such investment advisor, shall be treated as a single assignor or assignee (as applicable);

(B) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement, provided that this clause shall not be construed to prohibit the assignment of a proportionate part of all the assigning Lender's rights and obligations in respect of one Facility;

(C) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of $3,500; and

(D) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

For the purposes of this Section 11.04(b), "Approved Fund" means any Person (other than a natural person) that is engaged in making, purchasing, holding or investing in bank loans and similar extensions of credit in the ordinary course and that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

(iii) Subject to acceptance and recording thereof pursuant to paragraph (b)(iv) of this Section, from and after the effective date specified in each Assignment and Assumption the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.15, 2.16, 2.17 and 11.03). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 11.04 shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (c) of this Section.

(iv) The Administrative Agent, acting for this purpose as an agent of the Borrower, shall maintain at one of its offices a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitment of, and principal amount of the Loans and LC Disbursements owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive, and the Borrower, the Administrative Agent, the Issuing Banks and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower, any Issuing Bank and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(v) Upon its receipt of a duly completed Assignment and Assumption executed by an assigning Lender and an assignee, the assignee's completed Administrative Questionnaire (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b) of this Section and any written consent to such assignment required by paragraph (b) of this Section, the Administrative Agent shall accept such Assignment and Assumption and record the information contained therein in the Register; provided that if either the assigning Lender or the assignee shall have failed to make any payment required to be made by it pursuant to Section 2.06(d) or (e), 2.07(b), 2.18(d) or 11.03(c), the Administrative Agent shall have no obligation to accept such Assignment and

Assumption and record the information therein in the Register unless and until such payment shall have been made in full, together with all accrued interest thereon. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

(c)(i) Any Lender may, without the consent of the Borrower, the Administrative Agent or the Issuing Banks, sell participations to one or more banks or other entities (a "Participant") in all or a portion of such Lender's rights and obligations under this Agreement (including all or a portion of any Commitment and the Loans owing to it); provided that (A) such Lender's obligations under this Agreement shall remain unchanged, (B) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (C) the Borrower, the Administrative Agent, the Issuing Banks (if applicable) and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in the first proviso to Section 11.02(b) that affects such Participant. Subject to paragraph (c)(ii) of this Section, the Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.15, 2.16 and 2.17 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 11.08 as though it were a Lender, provided such Participant agrees to be subject to Section 2.18(c) as though it were a Lender.

(ii) A Participant shall not be entitled to receive any greater payment under Section 2.15 or 2.17 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower's prior written consent. A Participant that would be a Foreign Lender if it were a Lender shall not be entitled to the benefits of Section 2.17 unless the Borrower is notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Borrower, to comply with Section 2.17(e) as though it were a Lender.

(d) Any Lender may (without the consent of the Borrower or the Administrative Agent) at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including without limitation any pledge or assignment to secure obligations to a Federal Reserve Bank, and in the case of any Lender that is a fund that invests in bank loans, such Lender may, without the consent of the Borrower or the Administrative Agent, collaterally assign or pledge all of any portion of its rights under this Agreement, including the Loans and notes or any other instrument evidencing its rights as a Lender under this Agreement, to any holder of, trustee for, or any other representative of holders of, obligations owed or securities issued, by such fund, as security for such obligations or securities, and this

Section shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

SECTION 11.05. Survival. All covenants, agreements, representations and warranties made by the Borrower herein and in the certificates or other instruments delivered in connection with or pursuant to this Agreement shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of this Agreement and the making of any Loans and issuance of any Letters of Credit, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Administrative Agent, any Issuing Bank or any Lender may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any fee or any other amount payable under this Agreement is outstanding and unpaid or any Letter of Credit is outstanding and so long as the Commitments have not expired or terminated. The provisions of Sections 2.15, 2.16, 2.17 and 11.03 and Article X shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Loans, the expiration or termination of the Letters of Credit and the Commitments or the termination of this Agreement or any provision hereof.

SECTION 11.06. Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and any separate letter agreements with respect to fees payable to the Administrative Agent constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Delivery of an executed counterpart of a signature page of this Agreement by telecopy shall be effective as delivery of a manually executed counterpart of this Agreement.

SECTION 11.07. Severability. Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

SECTION 11.08. Right of Setoff. If an Event of Default shall have occurred and be continuing, the Borrower hereby authorizes each Lender and each of its Affiliates at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other obligations at any time owing by such Lender or Affiliate to or for the credit or the account of the Borrower against any of and all the Obligations of the Borrower now or hereafter existing

under this Agreement held by such Lender, irrespective of whether or not such Lender shall have made any demand under this Agreement and although such Obligations may be unmatured, provided, however, that no Lender or any Affiliate shall exercise any right of setoff without the prior written approval of the Administrative Agent. The rights of each Lender under this Section are in addition to other rights and remedies (including other rights of setoff) which such Lender may have.

SECTION 11.09. Governing Law; Jurisdiction; Consent to Service of Process.

(a) This Agreement and every other Loan Document shall be construed in accordance with and governed by the law of the State of New York (except to the extent that such other Loan Document specifically states that it shall be construed in accordance with the laws of another jurisdiction).

(b) The Borrower hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that the Administrative Agent, any Issuing Bank or any Lender may otherwise have to bring any action or proceeding relating to this Agreement against the Borrower or its properties in the courts of any jurisdiction.

(c) The Borrower hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement in any court referred to in paragraph (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 11.01. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

SECTION 11.10. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON

CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

SECTION 11.11. Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

SECTION 11.12. Confidentiality. Each of the Administrative Agent, the Issuing Banks and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its and its Affiliates' directors, officers, employees and agents, including accountants, legal counsel and other advisors (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority, (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party to this Agreement, (e) in connection with the exercise of any remedies hereunder or any suit, action or proceeding relating to this Agreement or the enforcement of rights hereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee or pledgee (under Section 11.04(d)) of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (ii) any actual or prospective, direct or indirect, counterparty (or its advisors) to any swap or derivative transaction relating to the Borrower and its obligations, (g) with the consent of the Borrower or (h) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section or (ii) becomes available to the Administrative Agent, any Issuing Bank or any Lender on a nonconfidential basis from a source other than the Borrower. For the purposes of this Section, "Information" means all information received from the Borrower relating to the Borrower or its business, other than any such information that is available to the Administrative Agent, any Issuing Bank or any Lender on a nonconfidential basis prior to disclosure by the Borrower. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

SECTION 11.13. USA PATRIOT ACT. Each Lender that is subject to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Act") hereby notifies the Borrower that pursuant to the requirements of the Act, it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender to identify the Borrower in accordance with the Act.

SECTION 11.14. Ratification. The Borrower hereby confirms and agrees that each of the Assignment of Acquisition Agreements, Assignment of Contracts and Environmental Indemnity Agreement is hereby ratified and remains in full force and effect.

SECTION 11.15. Lenders. The execution of this Agreement by any Lender shall be in its capacity as a Lender under each Facility in which it holds an interest.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

SOUTH EDGE, LLC, a Nevada limited-liability company

By: Holdings Manager, LLC, a Nevada limited-liability company, its general manager

By _____
John A. Ritter
General Manager

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

JPMORGAN CHASE BANK, N.A., as Lender
and Administrative Agent

By: Kent Kaiser
Name: Kent Kaiser
Title: Executive Director

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

THE ROYAL BANK OF SCOTLAND PLC

By: _____

Name: William McGinty

Title: Senior Vice President

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

COMERICA BANK

By: _____

Name: Charles Weddell

Title: Vice President

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

WACHOVIA BANK NATIONAL ASSOCIATION

By: _____
Name: Kurt Huisman
Title: Vice President

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

CALYON NEW YORK BRANCH

By: _____
Name: David P. Cagle
Title: Managing Director

By: _____
Name: Brian Myers
Title: Managing Director

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

LASALLE BANK NATIONAL ASSOCIATION

By: _____

Name: Russ Ruhnke

Title: Senior Vice President

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

PNC BANK, NATIONAL ASSOCIATION

By: _____

Name: Douglas G. Paul

Title: Senior Vice President

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

CALIFORNIA BANK & TRUST,
a California banking corporation

By: _____
Name: Aegea Herring
Title: Senior Vice President

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

EAGLE CREEK CLO, LTD.

By: _____
Name: Thomas N. Davis
Title: Authorized Signor

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

FALL CREEK CLO, LTD.

By: _____
Name: Thomas N. Davis
Title: Authorized Signor

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

JUPITER LOAN FUNDING LLC

By: Anna M. Tallent
Name: Anna M. Tallent
Title: Assistant Vice President

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

ACA CLO 2005-1, Limited
By: ACA Management, LLC
as Investment Advisor

By: _____
Name: Vincent Ingato
Title: Managing Director

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

Galaxy III CLO, Ltd.
By: AIG Global Investment Corp.,
Its Investment Adviser

By: _____
Name: W. Jeffrey Baxter
Title: Managing Director

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

Galaxy IV CLO LTD
By: AIG Global Investment Corp.
Its Investment Adviser

By: _____
Name: W. Jeffrey Baxter
Title: Managing Director

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

Galaxy V CLO, Ltd
By: AIG Global Investment Corp.,
Its Investment Adviser

By: _____
Name: W. Jeffrey Baxter
Title: Managing Director

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

LANDMARK IV, V CDO Limited

By Aladdin Capital Management LLC as Manager

By: David S. Jepsky

Name: David S. Jepsky

Title: Authorized Signatory

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

WB Loan Funding 1, LLC

By: Diana M Himes

Name: Diana M. Himes

Title: Vice President

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

Pacifica VI CDO, LTD
As Investment Manager,

By: _____
Name: Dean Kawai
Title: SVP

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

AIB Debt Management Limited

By: _____
Name: Joanna McFadden
Title: AVP

By: _____
Name: Mia Bolin
Title: AVP

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

Ares VII CLO Ltd.

By: Ares CLO Management VII, L.P.,
Investment Manager

By: Ares CLO GP VII, LLC,
Its General Partner

By: _____
Name: Americo Cascella
Title: Vice President

EXHIBIT 1.3

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

ARES ENHANCED LOAN INVESTMENT STRATEGY, LTD.

By: Ares Enhanced Loan Management, L.P.,
Investment Manager

By: Ares Enhanced Loan GP, LLC
Its General Partner

By: _____
Name: Americo Cascella
Title: Vice President

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

Ares IX CLO Ltd.

By: Ares CLO Management IX, L.P.,
Investment Manager

By: Ares CLO GP IX, LLC,
Its General Partner

By: _____
Name: Americo Cascella
Title: Vice President

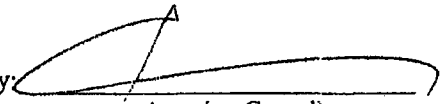
SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

ARES LEVERAGED FINANCE GENERAL I

By: ARES CLO MANAGEMENT XI, L.P.

By: ARES CLO GP XI, LLC, ITS GENERAL PARTNER

By: ARES MANAGEMENT LLC, ITS MANAGER

By: 
Name: Americo Cascella
Title: Vice President

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

ARES LEVERAGED FINANCE GENERAL II

By: ARES CLO MANAGEMENT IIIR/IVR, L.P.

By: ARES CLO GP IIIR/IVR, LLC, ITS GENERAL PARTNER

By: ARES MANAGEMENT LLC, ITS MANAGER

By: _____
Name: Americo Cascella
Title: Vice President

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

BABSON CLO LTD. 2005-I
BABSON CLO LTD. 2005-II
BABSON CLO LTD. 2005-III
BABSON CLO LTD. 2006-II
BABSON CLO LTD. 2007-I
SAPPHIRE VALLEY CDO I, LTD.
SUFFIELD CLO, LIMITED
By: Babson Capital Management LLC as Collateral Manager

By: _____

MAPLEWOOD (CAYMAN) LIMITED
By: Babson Capital Management LLC as Investment Manager

By: _____

BILL & MELINDA GATES FOUNDATION TRUST
By: Babson Capital Management LLC as Investment Adviser

By: _____

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
By: Babson Capital Management LLC as Investment Advisor

By _____

PAUL THOMPSON
Managing Director

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

BLACK DIAMOND CLO 2005-1 Ltd.
By: Black Diamond CLO 2005-1 Adviser, L.L.C.,
As its Collateral Manager

By: _____
Name: _____
Title: **Stephen H. Deckoff**
Managing Principal

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

BLACK DIAMOND CLO 2005-2 Ltd.
By: Black Diamond CLO 2005-2 Adviser, L.L.C.,
As its Collateral Manager

By: _____
Name: _____
Title: **Stephen H. Deckoff**
Managing Principal

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

BLACK DIAMOND CLO 2006-1 (CAYMAN), Ltd.
By: Black Diamond CLO 2006-1 Adviser, L.L.C.
As its Collateral Manager

By: _____
Name: _____
Title: **Stephen H. Deckoff**
Managing Principal

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

BlackRock Senior Income Series

By: _____
Name: AnnMarie Smith
Title: Authorized Signatory

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

Senior Loan Portfolio

By: _____
Name: AnnMarie Smith
Title: Authorized Signatory

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

Calyon New York Branch

By: _____
David P. Cagle
Name: _____
Managing Director
Title: _____

By: _____
Brian Myers
Name: _____
Managing Director
Title: _____

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

WHITNEY CLO I

By: _____
Name: John M. Casparian
Title: Senior Managing Director
Churchill Pacific Manager

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

SIERRA CLO I

By: _____
Name: John M. Casparian
Title: Senior Managing Director
Churchill Pacific, Manager

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

SIERRA CLO II

By: _____
Name: John M. Casparian
Title: Senior Managing Director
Churchill Pacific Manager

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTHEDGE, LLC

KALDI FUNDING LLC

By: Anna M. Tallent
Name: Anna M. Tallent
Title: Assistant Vice President

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

Eagle Master Fund Ltd.

By: Citigroup Alternative Investments LLC,
as Investment Manager for and on behalf of Eagle Master Fund Ltd.

By: _____
Name: John O'Connell
Title: Director

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

LMP Corporate Loan Fund, Inc.
By: Citigroup Alternative Investments LLC

By: _____
Name: John O'Connell
Title: Director

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

Columbus Loan Funding Ltd.

By: Citigroup Alternative Investments LLC

By: _____
Name: John O'Connell
Title: Director

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

ECL Funding LLC

By: _____
Name: ROY HYKAL
Title: Attorney-in-fact

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

REGATTA FUNDING LTD.
By: Citigroup Alternative Investments LLC,
attorney-in-fact

By: _____
Name: John O'Connell
Title: Director

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

The Bank of New York (successor to J.P. Morgan Trust Company (Cayman) Limited, as Trustee for TORAJI TRUST, as [Assignee/Participant]
By: Its Investment Manager, Citigroup Alternative Investments LLC

By: _____
Name: John O'Connell
Title: Director

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

CSAM Syndicated Loan Fund_____

By: _____
Name: _____
Title: _____

David H. Lerner
Authorized Signatory

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

Atrium III

By: _____
Name: _____
Title: _____

David H. Lerner
Authorized Signatory

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

Atrium V_____

By: _____
Name: _____
Title: _____

David H. Lerner
Authorized Signatory

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

CSAM Funding IV_____

By: _____
Name: _____
Title: _____

David H. Lerner
Authorized Signatory

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

First Dominion Funding III

By: _____
Name: _____
Title: _____

David H. Lerner
Authorized Signatory

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

KC CLO I LIMITED

By: _____

Name: Mina Berisova Vice President

Title: Steven Martin Vice President Operations

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

Hewett's Island CLO V, Ltd.
By: CypressTree Investment Management Company, Inc.,
as Portfolio Manager

By: Robert Weeden by JF
Name: Robert Weeden
Title: Managing Director

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

CYPRESSTREE CLAIF FUNDING LLC

By: Anna M. Tallent

Name: Anna M. Tallent

Title: Assistant Vice President

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

Hewett's Island CDO, Ltd.
By: CypressTree Investment Management Company, Inc.,
as Portfolio Manager.

By: _____
Name: Preston I. Carnes
Title: Managing Director

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

Hewett's Island CLO II, Ltd.
By: CypressTree Investment Management Company, Inc.,
as Portfolio Manager

By: _____
Name: Preston I. Carnes
Title: Managing Director

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

ACCESS INSTITUTIONAL LOAN FUND.
By: Deerfield Capital Management LLC as its Portfolio Manager

By: _____
Name: Dale Burrow
Title: Managing Director

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

BRIDGEPORT CLO LTD.
By: Deerfield Capital Management LLC as its Collateral Manager

By: _____
Name: _Dale Burrow_____
Title: __Managing Director_____

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

BRYN MAWR CLO, Ltd.
By: Deerfield Capital Management LLC as its Collateral Manager

By: _____
Name: _Dale Burrow_____
Title: __Managing Director_____

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

CUMBERLAND II CLO LTD.
By: Deerfield Capital Management LLC as its Collateral Manager

By: _____
Name: _Dale Burrow_____
Title: __Managing Director_____

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

FOREST CREEK CLO, Ltd.
By: Deerfield Capital Management LLC as its Collateral Manager

By: _____
Name: _Dale Burrow_____
Title: __Managing Director_____

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

LONG GROVE CLO, LIMITED.
By: Deerfield Capital Management LLC as its Collateral Manager

By: _____
Name: _Dale Burrow_____
Title: __Managing Director_____

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

MARKET SQUARE CLO, Ltd.
By: Deerfield Capital Management LLC as its Collateral Manager

By: _____
Name: Dale Burrow
Title: Managing Director

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

MARQUETTE PARK CLO LTD.
By: Deerfield Capital Management LLC as its Collateral Manager

By: _____
Name: _Dale Burrow_____
Title: __Managing Director_____

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

MUIRFIELD TRADING LLC

By: Anna M. Tallent
Name: Anna M. Tallent
Title: Assistant Vice President

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

ROSEMONT CLO, Ltd.
By: Deerfield Capital Management LLC as its Collateral Manager

By: _____
Name: _Dale Burrow_____
Title: __Managing Director_____

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

Flagship CLO VI
By: Deutsche Investment Management Americas, Inc.
(as successor in interest to Deutsche Asset Management, Inc),

By: _____
Eric S. Meyer, Director

By: _____
Name: Joe Tavolieri
Title: Vice President

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

Flagship CLO III
By: Deutsche Investment Management Americas, Inc.
(as successor in interest to Deutsche Asset Management, Inc),
As Sub-adviser

By: _____
Eric S. Meyer, Director

By: _____
Name: Joe Tavolieri
Title: Vice President

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

Aurum CLO 2002-1 Ltd.
By: Deutsche Investment Management Americas, Inc.
(as successor in interest to Deutsche Asset Management, Inc),
As Sub-adviser

By: _____
Eric S. Meyer, Director

By: _____
Name: Joe Tavolieri
Title: Vice President

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

Flagship CLO IV
By: Deutsche Investment Management Americas, Inc.
(as successor in interest to Deutsche Asset Management, Inc),
As Sub-adviser

By: _____
Eric S. Meyer, Director

By: _____
Name: Joe Tavolieri
Title: Vice President

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

Flagship CLO V
By: Deutsche Investment Management Americas, Inc.
(as successor in interest to Deutsche Asset Management, Inc),

By: _____
Eric S. Meyer, Director

By: _____
Name: Joe Tavolieri
Title: Vice President

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

Eaton Vance CDO IX Ltd.
By: Eaton Vance Management
as Investment Advisor

By: _____
Name: Michael B. Botthof
Title: Vice President

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

EATON VANCE CDO III, LTD.
BY: EATON VANCE MANAGEMENT
AS INVESTMENT ADVISOR

By: _____
Name: Michael B. Botthof
Title: Vice President

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

Eaton Vance CDO VIII, Ltd.
By: Eaton Vance Management
As Investment Advisor

By: _____
Name: Michael B. Botthof
Title: Vice President

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

EATON VANCE FLOATING-RATE INCOME TRUST
BY: EATON VANCE MANAGEMENT
AS INVESTMENT ADVISOR

By: Michael B. Botthof
Name: Michael B. Botthof
Title: Vice President

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

EATON VANCE INSTITUTIONAL SENIOR LOAN FUND
BY: EATON VANCE MANAGEMENT
AS INVESTMENT ADVISOR

By: _____
Name: Michael B. Botthof
Title: Vice President

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

EATON VANCE
LIMITED DURATION INCOME FUND
BY: EATON VANCE MANAGEMENT
AS INVESTMENT ADVISOR

By: _____
Name: Michael B. Botthof
Title: Vice President

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

EATON VANCE SENIOR
FLOATING-RATE TRUST
BY: EATON VANCE MANAGEMENT
AS INVESTMENT ADVISOR

By: _____
Name: Michael B. Botthof
Title: Vice President

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

EATON VANCE [illegible] TRUST
BY: EATON VANCE MANAGEMENT
AS INVESTMENT ADVISOR

By: _____
Name: Michael B. Botthof
Title: Vice President

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

GRAYSON & CO
BY: BOSTON MANAGEMENT AND RESEARCH
AS INVESTMENT ADVISOR

By: _____
Name: Michael B. Botthof
Title: Vice President

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

SENIOR DEBT PORTFOLIO
By: Boston Management and Research
as Investment Advisor

By: _____
Name: Michael B. Botthof
Title: Vice President

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

AUGUSTA TRADING LLC

By: Anna M. Tallent
Name: Anna M. Tallent
Title: Assistant Vice President

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

SECURITY BENEFIT LIFE INSURANCE COMPANY
By: Four Corners Capital Management, LLC
As Sub-Adviser

By: _____

Vijay Srinivasan, CFA
Vice President

FORTRESS PORTFOLIO TRUST
By: Four Corners Capital Management, LLC
As Investment Manager

By: _____

Vijay Srinivasan, CFA
Vice President

SECURITY INCOME FUND-INCOME OPPORTUNITY SERIES
By: Four Corners Capital Management, LLC
As Sub-Adviser

By: _____

Vijay Srinivasan CFA
Vice President

FIRST TRUST/FOUR CORNERS SENIOR FLOATING RATE INCOME FUND
By: Four Corners Capital Management, LLC
As Sub-Adviser

By: _____

Vijay Srinivasan, CFA
Vice President

FIRST TRUST/FOUR CORNERS SENIOR FLOATING RATE INCOME FUND II
By: Four Corners Capital Management, LLC
As Sub-Adviser

By: _____

Vijay Srinivasar, CFA
Vice President

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

Four Corners CLO II, LTD.

By: _____
Name: _____
Title: Erich VanRavenswaay
Assistant Vice President

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

Four Corners CLO III, Ltd.

By: _____
Name: Melissa Sadler
Title: AVP

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

KNIGHT CBNA LOAN FUNDING-
KNIGHT CFPI LOAN FUNDING LLC

Knight CBNA Loan Funding LLC, for itself or
as Agent for Knight CFPI Loan Funding LLC

By: _____
Name: _____
Title: Erich VanHavenswaay
Assistant Vice President

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

Highland Park CDO I, Ltd., as Purchaser
By: Highland Capital Management, L.P.,
as HP CDO I Collateral Servicer
By: Strand Advisors, Inc.,
as Its General Partner

By: _____
Name: _____
Title: _____

Brian Lohrding, Treasurer
Strand Advisors, Inc.,
General Partner of
Highland Capital Management, L.P.

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

Highland Legacy Limited
By: Highland Capital Management, L.P., As Collateral Manager
By: Strand Advisors, Inc., Its General Partner

By: _____
Name: _____
Title: Brian Lohrding, Treasurer
Strand Advisors, Inc.,
General Partner of
Highland Capital Management, L.P.

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

Southfork CLO, Ltd.
By: Highland Capital Management, L.P., As Collateral Manager
By: Strand Advisors, Inc., Its General Partner

By: _____
Name: _____
Title: _____

Brian Lohrding, Treasurer
Strand Advisors, Inc.,
General Partner of
Highland Capital Management, L.P.

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

KKR FINANCIAL CLO 2005-1, LTD.
KKR FINANCIAL CLO 2006-2, LTD.

By: MKeith
Name: Michelle L. Keith
Title: Authorized Signatory

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

Mountain Capital CLO V Ltd.

By: _____

Name: Darren P. Riley

Title: Director

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

Centaurus Loan Trust

By: _____
Name: _____
Title: _____

NOMURA CORPORATE RESEARCH
AND ASSET MANAGEMENT INC.
AS
INVESTMENT ADVISER

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

Clydesdale CLO 2004, Ltd.

By: _____
Name: _____
Title: _____

NOMURA CORPORATE RESEARCH
AND ASSET MANAGEMENT INC.
AS
INVESTMENT MANAGER

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

Clydesdale CLO 2005, Ltd.

By: _____
Name: _____
Title: _____

NOMURA CORPORATE RESEARCH
AND ASSET MANAGEMENT INC.
AS
INVESTMENT MANAGER

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

Clydesdale CLO 2006, Ltd.

By: _____
Name: _____
Title: _____

NOMURA CORPORATE RESEARCH
AND ASSET MANAGEMENT INC.
AS
INVESTMENT MANAGER

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

Clydesdale Strategic CLO-1, Ltd.

By: _____
Name: _____
Title: _____

NOMURA CORPORATE RESEARCH
AND ASSET MANAGEMENT INC.
AS
INVESTMENT MANAGER

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

Sankaty Advisors, LLC as Collateral Manager for AVERY POINT CLO, LTD., as Term Lender

By: _____
Name: _____
Title: _____

Alan K. Helfenger
Chief Compliance Officer
Assistant Secretary

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

Sankaty Advisors, Inc., as Collateral Manager for **Brant Point CBO 1999-1 LTD.**, as Term Lender

_____

By: _____

Name: _____

Title: _____

Alan K. Halfenger
Chief Compliance Officer
Assistant Secretary

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

Sankaty Advisors, LLC as Collateral Manager for Castle Hill I - INGOTS, Ltd., as Term Lender

By: _____
Name: _____
Title: _____

Alan K. Halfenger
Chief Compliance Officer
Assistant Secretary

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

Sankaty Advisors, LLC as Collateral Manager for Castle Hill II - INGOTS, Ltd., as Term Lender

By: _____

Name: _____

Title: _____

Alan K. Halfenger
Chief Compliance Officer
Assistant Secretary

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

Sankaty Advisors, LLC as Collateral Manager for Castle Hill III CLO, Limited, as Term Lender

By: _____
Name: _____
Title: _____

Alan K. Halfenger
Chief Compliance Officer
Assistant Secretary

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

Chatham Light II CLO, Limited, by Sankaty Advisors LLC, as Collateral Manager

By: _____
Name: _____
Title: _____

Alan K. Halfenger
Chief Compliance Officer
Assistant Secretary

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

HARBOUR TOWN FUNDING LLC

By: Anna M. Tallent

Name: Anna M. Tallent

Title: Assistant Vice President

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

Katonah III, Ltd. by Sankaty Advisors LLC as Sub-Advisors

By: _____
Name: _____
Title: _____

Alan K. Halfenger
Chief Compliance Officer
Assistant Secretary

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

Katonah IV, Ltd. by Sankaty Advisors, LLC as Sub-Advisors

By: _____
Name: _____
Title: _____

Alan K. Halfenger
Chief Compliance Officer
Assistant Secretary

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

Sankaty Advisors, LLC as Collateral Manager for Loan Funding XI LLC, As Term Lender

By: _____
Name: _____
Title: _____

Alan K. Halfenger
Chief Compliance Officer
Assistant Secretary

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

Sankaty Advisors, LLC as Collateral Manager for Prospect Funding I, LLC as Term Lender

By: _____
Name: _____
Title: _____

Alan K. Halfenger
Chief Compliance Officer
Assistant Secretary

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

Sankaty Advisors, LLC as Collateral Manager for Race Point CLO, Limited, as Term Lender

By: _____
Name: _____
Title: _____

Alan K. Halfenger
Chief Compliance Officer
Assistant Secretary

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

Sankaty Advisors, LLC as Collateral Manager for Race Point II CLO, Limited, as Term Lender

By: _____
Name: _____
Title: _____

Alan K. Halfenger
Chief Compliance Officer
Assistant Secretary

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

Sankaty Advisors, LLC as Collateral Manager for Race Point III CLO, Limited, as Term Lender

By: _____

Name: _____

Title: _____

Alan K. Halfenger
Chief Compliance Officer
Assistant Secretary

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

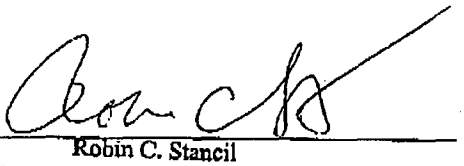
Race Point IV CLO, Ltd
By: Sankaty Advisors, LLC
as Collateral Manager

By: _____
Name: _____
Title: _____

Alan K. Halfenger
Chief Compliance Officer
Assistant Secretary

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

Centurion CDO 8, Limited
By: RiverSource Investments, LLC as Collateral Manager

By: 
Name: Robin C. Stancil
Title: Director of Operations

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

Centurion CDO VI, Ltd.

By: RiverSource Investments, LLC as Collateral Manager

By: _____

Name: Robin C. Stancil

Title: Director of Operations

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

Centurion CDO VII, Ltd.

By: RiverSource Investments, LLC as Collateral Manager

By: _____

Name: Robin C. Stancil

Title: Director of Operations

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

Centurion CDO II, Ltd.

By: RiverSource Investments, LLC as Collateral Manager

By: _____

Name: Robin C. Stancil

Title: Director of Operations

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

Sequils-Centurion V, Ltd.

By: RiverSource Investments, LLC as Collateral Manager

By: _____

Name: Robin C. Stancil

Title: Director of Operations

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

EAGLE LOAN TRUST
By: Stanfield Capital Partners, LLC
as its Collateral Manager

_____

By: _____
Name: Christopher E. Jansen
Title: Managing Partner

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

Stanfield Modena CLO, Ltd
By: Stanfield Capital Partners, LLC
as its Asset Manager

By: _____
Name: _____
Title: _____ Christopher E. Jansen
Managing Partner

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

ULT CBNA Loan Funding LLC, for itself or as agent for ULT CFPI Loan Funding LLC

By: _____

Name: Erich VanRevensway

Title: Assistant Vice President

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

Humboldt Woods Segregated Portfolio
By: Tall Tree Investment Management, LLC
as Collateral Manager

By: _____
Name: Douglas L. Winchell
Title: Officer

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

CELERITY CLO LIMITED
By: TCW Advisors, Inc.,
as Agent

By: _____ **SCOTT WHALEN**
VICE PRESIDENT

By: _____ WAYNE HOSANG
VICE PRESIDENT

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

FIRST 2004-I CLO, LTD.
By: TCW Advisors, Inc.,
its Collateral Manager

By: _____ SCOTT WHALEN
VICE PRESIDENT

By: _____ G. WAYNE HOSANG
VICE PRESIDENT

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

FIRST 2004-II CLO, LTD.
By: TCW Advisors, Inc.,
its Collateral Manager

By: _____ SCOTT WHALEN
VICE PRESIDENT

By: _____ G. WAYNE HOSANG
VICE PRESIDENT

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

TCW Senior Secured Loan Fund
By: TCW Advisors, Inc., as its
Investment Advisor

By: _____ SCOTT WHALEN
VICE PRESIDENT

By: _____ G. WAYNE HOSANG
VICE PRESIDENT

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

OCEAN TRAILS CLO I

BY: West Gate Horizons Advisors LLC,
as Collateral Manager

BY: _____

Name Steve Gorski
Title: Senior Credit Analyst

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

ARCHIMEDES FUNDING IV (CAYMAN), LTD.

BY: West Gate Horizons Advisors LLC,
as Collateral Manager

BY: _____
Name: Steve Gorski
Title: Senior Credit Analyst

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

ENDURANCE CLO I, LTD.

c/o: West Gate Horizons Advisors LLC,
as Collateral Manager

BY: _____
Name: Steve Gorski
Title: Senior Credit Analyst

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

WhiteHorse I, Ltd.
By: WhiteHorse Capital Partners, L.P.
As Collateral Manager

By: _____

Name: Ethan M. Underwood, CFA
Title: Portfolio Manager

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

SKY CBNA LOAN FUNDING

By: _____
Name: David Batmert
Title: Attorney in fact

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

Pebble Beach CBNA Loan Funding LLC

By: _____
Name: Stephen Gloria
Title: Officer

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT WITH SOUTH EDGE, LLC

ULT CBNA Loan Funding LLC

By: _____
Name: Jason Muelver
Title: Attorney-in-fact

SCHEDULE 1

Facility A and D Lenders and Commitments

FACILITY A

Facility A Lender	Commitment
JPMorgan Chase Bank, N.A.	$25,000,000
The Royal Bank of Scotland plc	$30,000,000
Comerica Bank	$20,000,000
Wachovia Bank National Association	$20,000,000
Calyon New York Branch	$20,000,000
LaSalle Bank National Association	$20,000,000
PNC Bank, National Association	$15,000,000
California Bank & Trust	$10,000,000
TOTAL	$160,000,000

FACILITY D

Facility D Lender	Commitment
JPMorgan Chase Bank, N.A.	$15,000,000
Wachovia Bank National Association	$5,000,000
Comerica Bank	$5,000,000
TOTAL	$25,000,000

SCHEDULE 2

Members, Parent Guarantors and Related Information

Member	Takedown Date	Ownership Percentage	Gross Acres	Release Price
KB Home Nevada, Inc.	April 15, 2007	6.61%	129.20	$38,668,500
KB Home Nevada, Inc.	October 15, 2007	8.34%	162.92	48,789,000
KB Home Nevada, Inc.	April 15, 2008	5.12%	99.94	29,952,000
KB Home Nevada, Inc.	October 15, 2008	4.15%	81.06	24,277,500
KB Home Nevada, Inc.	April 15, 2009	19.10%	373.11	111,735,000
KB Home Nevada, Inc.	October 15, 2009	5.13%	100.15	30,010,500
KB Home Nevada, Inc. Total		**48.45%**	**946.38**	**$283,432,500**
Focus South Group, LLC	October 15, 2007	15.59%	304.52	$91,201,500
Focus South Group, LLC Total		**15.59%**	**304.52**	**$91,201,500**
Coleman-Toll Limited Partnership	April 15, 2007	1.59%	31.14	$9,301,500
Coleman-Toll Limited Partnership	April 15, 2008	1.54%	30.12	9,009,000
Coleman-Toll Limited Partnership	October 15, 2008	2.56%	50.09	14,976,000
Coleman-Toll Limited Partnership	April 15, 2009	3.72%	72.41	21,762,000
Coleman-Toll Limited Partnership	October 15, 2009	1.11%	21.73	6,493,500
Coleman-Toll Limited Partnership Total		**10.52%**	**205.49**	**$61,542,000**
Alameda Investments, LLC	April 15, 2007	3.15%	61.47	$18,427,500
Alameda Investments, LLC	April 15, 2008	2.12%	41.40	12,402,000
Alameda Investments, LLC	October 15, 2008	2.87%	56.13	16,789,500
Alameda Investments, LLC Total		**8.14%**	**159.00**	**$47,619,000**
Kimball Hill Homes Nevada, Inc.	April 15, 2007	2.36%	46.12	$13,806,000
Kimball Hill Homes Nevada, Inc.	October 15, 2007	0.81%	15.91	4,738,500
Kimball Hill Homes Nevada, Inc.	April 15, 2008	3.11%	60.83	18,252,000
Kimball Hill Homes Nevada, Inc. Total		**6.29%**	**122.86**	**$36,796,500**
Pardee Homes of Nevada	April 15, 2008	2.58%	50.48	$15,093,000
Pardee Homes of Nevada	October 15, 2008	2.32%	45.23	13,572,000
Pardee Homes of Nevada Total		**4.90%**	**95.71**	**$28,665,000**
Meritage Homes of Nevada, Inc.*	April 15, 2007	1.42%	27.66	$8,307,000
Meritage Homes of Nevada, Inc.	April 15, 2008	2.11%	41.30	12,343,500
Meritage Homes of Nevada, Inc. Total		**3.53%**	**68.96**	**$20,650,500**
Beazer Homes Holdings Corp.	July 15, 2008	2.58%	50.40	$15,093,000
Beazer Homes Holdings Corp. Total		**2.58%**	**50.40**	**$15,093,000**
Totals		**100.00%**	**1,953.32**	**$585,000,000**

*Formerly known as MTH Homes, Nevada, Inc.

SCHEDULE 3

DISCLOSED MATTERS

None.

SCHEDULE 4

Intentionally Omitted

SCHEDULE 5

Parent Guarantor Financial Covenants

PARENT GUARANTOR FINANCIAL COVENANTS FOR KB HOME

PRIMARY CREDIT FACILITY:

Revolving Loan Agreement dated November 22, 2005 among KB Home ("Borrower"), Bank of America, N.A., as Administrative Agent ("Administrative Agent") and the Banks party thereto, as amended by First Amendment thereto dated October 10, 2006 and by Second Amendment thereto dated December 12, 2006.

PARENT GUARANTOR FINANCIAL COVENANTS:

6.9 Consolidated Tangible Net Worth. [The Borrower shall not] permit Consolidated Tangible Net Worth to be, at the end of any Fiscal Quarter, less than an amount equal to (a) $1,731,507,000, plus (b) an amount equal to 50% of aggregate of Consolidated Net Income for each Fiscal Quarter contained in the fiscal period commencing on September 1, 2005 and ending as of the last day of such Fiscal Quarter (provided that there shall be no reduction hereunder in the event of a consolidated net loss in any such Fiscal Quarter), plus (c) an amount equal to 50% of the cumulative net proceeds received by Borrower from the issuance of its capital stock subsequent to August 31, 2005.

6.10 Consolidated Leverage Ratio. [The Borrower shall not] permit the Consolidated Leverage Ratio to be, at the end of any Fiscal Quarter, greater than 2.00 to 1.00.

6.11 Consolidated Interest Coverage Ratio. [The Borrower shall not] permit the Consolidated Interest Coverage Ratio to be, at the end of any Fiscal Quarter, less than 2.00 to 1.00.

CERTAIN DEFINITIONS FROM PRIMARY CREDIT FACILITY:

"Capital Lease" means, with respect to any Person, a lease of any Property by that Person as lessee that is, or should be in accordance with Financial Accounting Standards Board Statement No. 13, recorded as a "capital lease" on a balance sheet of that Person prepared in accordance with Generally Accepted Accounting Principles consistently applied.

"Consolidated Adjusted EBITDA" means, for any period, Consolidated EBITDA for such period plus (a) the amount of capitalized interest that was included in cost of sales in determining Consolidated Net Income for such period plus (b) all non-Cash Net Realizable Value Adjustments made during such period.

"Consolidated EBITDA" means, for any period, the sum of (a) Consolidated Net Income for such period, plus (b) any extraordinary loss reflected in such Consolidated Net Income, minus (c) any extraordinary gain reflected in such Consolidated Net Income, plus (d) Consolidated Interest Expense for such period plus (e) the aggregate amount of federal, state and foreign income taxes for such period, plus (f) depreciation, amortization and all other non-cash expenses of Borrower and its Consolidated Subsidiaries for such period, in each case as determined in accordance with Generally Accepted Accounting Principles consistently applied,

plus (g) any Distributions made in Cash by KB France to Borrower during such period, and in the case of items (d), (e) and (f), only to the extent deducted in the determination of Consolidated Net Income for such period.

"Consolidated FIN 46 Subsidiaries" means entities that would not be Consolidated Subsidiaries but for the issuance of the pronouncement entitled Financial Interpretation Number 46 ("FIN 46") "Consolidation of Variable Interest Entities" by the Financial Accounting Standards Board on January 17, 2003.

"Consolidated Interest Coverage Ratio" means, as of any date of determination, the ratio of (a) Consolidated Adjusted EBITDA for the 12 month period ending on such date to (b) the sum of (i) Consolidated Interest Expense for the 12 month period ending on such date plus (ii) all dividends (other than dividends paid in the same class of stock) paid on any preferred stock of Borrower during the 12 month period ending on such date.

"Consolidated Interest Expense" means, for any period, the aggregate amount of interest, fees, charges and related expenses paid or payable to a lender by Borrower and its Consolidated Subsidiaries on a consolidated basis in connection with borrowed money (including any capitalized interest and accretion of original issue discount on long-term debt) and the interest portion of any capitalized lease payments.

"Consolidated Leverage Ratio" means, as of any date of determination, the ratio of (a) Consolidated Total Indebtedness on that date to (b) Consolidated Tangible Net Worth on that date.

"Consolidated Net Income" means, for any period, the net income of Borrower and its Consolidated Subsidiaries on a consolidated basis determined in accordance with Generally Accepted Accounting Principles consistently applied.

"Consolidated Subsidiaries" means, with respect to Borrower, Borrower's GAAP Subsidiaries (other than KB France and Borrower's Consolidated FIN 46 Subsidiaries).

"Consolidated Tangible Net Worth" means, as of any date of determination, the Shareholders' Equity of Borrower and its GAAP Subsidiaries on a consolidated basis on that date minus the Intangible Assets of Borrower and its GAAP Subsidiaries on a consolidated basis on that date minus any non-cash gain (or plus any non-cash loss, as applicable) resulting from any marked to market adjustments made directly to Consolidated Tangible Net Worth as a result of fluctuations in the value of foreign currency instruments owned by Borrower or any of its Consolidated Subsidiaries as mandated under FAS 133.

"Consolidated Total Indebtedness" means, as of any date of determination, all Indebtedness and Contingent Guaranty Obligations of Borrower and its Consolidated Subsidiaries on a consolidated basis on that date (without duplication for any guaranty by Borrower of a Consolidated Subsidiary's Indebtedness or any guaranty by a Consolidated Subsidiary of either Borrower's or another Consolidated Subsidiary's Indebtedness or otherwise) minus (a) all Indebtedness and Contingent Guaranty Obligations of Financial Subsidiaries on a consolidated basis (but only to the extent that such Financial Subsidiaries are also Consolidated Subsidiaries and there is no recourse to Borrower or any other Consolidated Subsidiary) on that

date minus (b) the amount, if any, by which the aggregate Cash and Cash Equivalents of Borrower and its Consolidated Subsidiaries (other than the Financial Subsidiaries) on a consolidated basis on that date are in excess of $15,000,000 (but not to exceed $300,000,000).

"Contingent Guaranty Obligation" means, as to any Person, any (a) direct or indirect guarantee of Indebtedness of, or other obligation performable by, any other Person (other than a performance obligation undertaken in the ordinary and usual course of business or obligations with respect to letters of credit), including any endorsement (other than for collection or deposit in the ordinary course of business), co-making or sale with recourse of the obligations of any other Person or (b) assurance given to an obligee with respect to the performance of an obligation (other than a performance obligation undertaken in the ordinary and usual course of business) by, or the financial condition of, any other Person, whether direct, indirect or contingent, including any purchase or repurchase agreement covering such obligation or any collateral security therefor, any agreement to provide funds (by means of loans, capital contributions or otherwise) to such other Person, any agreement to support the solvency or level of any balance sheet item of such other Person, any "keep-well", "take-or-pay", "through put" or other arrangement of whatever nature having the effect of assuring or holding harmless any obligee against loss with respect to any obligation of such other Person, or the LTV Maintenance Exposure resulting from any LTV Maintenance Agreement; provided, however, that notwithstanding the foregoing, no such guarantee or assurance shall constitute a Contingent Guarantee Obligation of a person, if such Person's obligations thereunder constitute limited exclusions from the otherwise non-recourse nature of such other Person's Indebtedness or other obligations, except and until the acts, conduct, or events triggering recourse to such Person have occurred. The amount of any Contingent Guaranty Obligation shall be deemed to be an amount equal to the stated or determinable amount of the related primary obligation (unless the Contingent Guaranty Obligation is limited by its terms to a lesser amount, in which case to the extent of such amount) or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by the Person in good faith; provided, however that if any person is liable severally but not jointly and severally with one or more obligors under any Contingent Guaranty Obligations, the amount of such Contingent Guaranty Obligation shall be the product of (x) the amount determined as set forth above and (y) the maximum percentage of the aggregate liability under such Contingent Guaranty Obligation with respect to which such person is severally liable.

"Financial Letter of Credit" means any letter of credit issued by an issuer for the account of the Borrower or a Subsidiary that represents an irrevocable obligation on the part of the issuer:

(a) to repay money borrowed by or advanced to the Borrower or a Subsidiary; or

(b) to make payment on account of any indebtedness undertaken by the Borrower or a Subsidiary, in the event that the Borrower or Subsidiary fails to fulfill its financial obligations to the beneficiary.

"Financial Subsidiary" means (a) the Mortgage Company and its Subsidiaries, so long as such entities continue to engage in the mortgage banking business, (b) any Subsidiary of Borrower that is organized and operates solely to issue (i) collateralized mortgage obligations or

(ii) other similar asset-backed obligations, and (c) any other Subsidiary of Borrower that (i) is engaged primarily in the business of origination, marketing, and servicing of residential mortgage loans, the sale of servicing rights, or the financing of long term residential mortgage loans, (ii) holds not less than 95% of its total assets in the form of Cash, Cash Equivalents, notes and mortgages receivable, Cash held by a trustee for the benefit of such Subsidiary or other financial instruments and (iii) is the subject of an Officer's Certificate of Borrower delivered to the Administrative Agent stating that such Subsidiary is a Financial Subsidiary within the meaning hereof. As of the Closing Date, the Financial Subsidiaries are Westview Company, KB Home Title Services Inc., KB Home Insurance Agency Inc., KB Home Insurance Agency of Texas Holdings Inc., Homesafe Company and San Antonio Title Co.

"GAAP Subsidiaries" means, with respect to Borrower, all entities whose financial statements are consolidated with the consolidated financial statements of Borrower under Generally Accepted Accounting Principles.

"Indebtedness" means, with respect to any Person, (a) all indebtedness of such Person for borrowed money, (b) that portion of the obligations of such Person under Capital Leases which should properly be recorded as a liability on a balance sheet of that Person prepared in accordance with Generally Accepted Accounting Principles consistently applied, (c) any obligation of such Person that is evidenced by a promissory note or other instrument representing an extension of credit to such Person, whether or not for borrowed money, (d) any obligation of such Person for the deferred purchase price of Property or services (other than trade or other accounts payable in the ordinary course of business in accordance with customary industry terms), (e) any obligation of the types referred to in clauses (a) through (d) above that is secured by a Lien (other than a Permitted Encumbrance) on assets of such Person, whether or not that Person has assumed such obligation or whether or not such obligation is non-recourse to the credit of such Person, but only to the extent of the fair market value of the assets so subject to the Lien if such obligation is non-recourse, (f) obligations of such Person arising under acceptance facilities or under facilities for the discount of accounts receivable of such Person, (g) any obligation of such Person under Financial Letters of Credit issued for the account of such Person and (h) net obligations of such Person under any Swap Contract. The amount of any net obligation on any Swap Contract on any date shall be deemed to be the Swap Termination Value thereof as of such date.

"Intangible Assets" means assets that are considered intangible assets under Generally Accepted Accounting Principles consistently applied, including (a) customer lists, goodwill, computer software, unamortized deferred charges, unamortized debt discount, capitalized research and development costs, and other intangible assets and (b) any write-up in book value of any asset subsequent to its acquisition, but excluding any existing write-up in book value of any asset acquired by Borrower or any of its Subsidiaries prior to October 3, 2000, as such write-up may decrease (but not increase) from time to time.

"Investment" means, with respect to any Person, any investment by that Person, whether by means of purchase or other acquisition of capital stock or other Securities of any other Person or by means of loan, advance, capital contribution, or other debt or equity participation or interest in any other Person, including any partnership or joint venture interest in any other Person; provided that an Investment of a Person shall not include any trade or account receivable

arising in the ordinary course of the business of such Person, whether or not evidenced by a note or other writing. The amount of any Investment shall be the amount actually invested, less any return of capital, without adjustment for subsequent increases or decreases in the market value of such Investment.

"KB France" means Kaufman & Broad S.A., a French *Société Anonyme.*

"LTV Maintenance Agreement" means a guaranty or other agreement entered into by the Borrower or any of its Consolidated Subsidiaries, for the benefit of the holder of any secured Indebtedness of a Person that is not the Borrower or any of its Consolidated Subsidiaries, to maintain a specified loan-to-value ratio with respect to real Property that secures such Indebtedness.

"LTV Maintenance Exposure" means, with respect to any LTV Maintenance Agreement, the amount equal to (a) the amount of the Indebtedness with respect to which the LTV Maintenance Agreement is delivered exceeds (b) the product of (i) the book value of the real Property securing such Indebtedness (or such lesser value as is provided in or determined under the agreements governing such Indebtedness) and (ii) a percentage equal to the loan-to-value ratio (stated as a fraction) that the Borrower or any of its Consolidated Subsidiaries agrees to maintain under the applicable LTV Maintenance Agreement; provided that if the Borrower and its Consolidated Subsidiaries are liable severally but not jointly and severally with one or more other obligors under the LTV Maintenance Agreement, the amount of the Contingent Guaranty Obligation in respect of such LTV Maintenance Agreement for the Borrower or such Consolidated Subsidiary shall be the product of (x) the amount determined as set forth above and (y) the maximum percentage of the aggregate liability under such LTV Maintenance Agreement with respect to which the Borrower or such Consolidated Subsidiary is severally liable; provided further, that if the LTV Maintenance Exposure with respect to a LTV Maintenance Agreement is less than zero, the LTV Maintenance Exposure for that LTV Maintenance Agreement shall be deemed to be zero.

"Maturity Date" means the later of (a) November 22, 2010 and (b) if maturity is extended pursuant to Section 2.9, such extended maturity date as determined pursuant to such Section.

"Net Realizable Value Adjustment" means the adjustment required pursuant to Generally Accepted Accounting Principles consistently applied (including FAS 121 issued by the Financial Accounting Standards Board) to reflect a decrease in the book value of assets below their historical costs.

"Property" means any interest in any kind of property or asset, whether real, personal or mixed, or tangible or intangible.

"Shareholders' Equity" means, as of any date of determination, shareholders' equity as of that date determined in accordance with Generally Accepted Accounting Principles consistently applied; provided that there shall be excluded from Shareholders' Equity any amount attributable to capital stock that is, directly or indirectly, required to be redeemed or repurchased by the issuer thereof prior to the date which is one year after the Maturity Date or upon the occurrence of specified events or at the election of the holder thereof.

"Swap Contract" means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contract, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transaction, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange master Agreement or any other master agreement (any such master agreement, together with related schedules, a "Master Agreement"), including any such obligations or liabilities under any Master Agreement.

"Swap Termination Value" means, in respect of any one or more Swap Contracts, after taking into account the effect of any legally enforceable netting agreement relating to such Swap Contracts, (a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) determined in accordance therewith, such termination value(s), and (b) for any date prior to the date referenced in clause (a), the amount(s) determined as the mark-to-market value(s) for such Swap Contracts, as determined based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Swap Contracts (which may include a Bank or ay Affiliate of a Bank).

PARENT GUARANTOR FINANCIAL COVENANTS OF JOHN A. RITTER

PARENT GUARANTOR FINANCIAL COVENANT:

Guarantor shall at all times maintain a Net Worth equal to or exceeding $150,000,000.

DEFINITIONS:

"Assets" means at any time all Property owned by Guarantor at such time, but shall not include any Property held in joint tenancy, tenancy by the entirety or other similar form in which the interest of Guarantor would, upon his death, pass to a Person other than his estate.

"Guarantor" means John A. Ritter.

"Liabilities" means at any time (a) all outstanding Indebtedness of Guarantor and (b) the amount of any capital contributions or similar payments then or thereafter required to be paid by Guarantor to any partnership, limited liability company or other entity (but excluding amounts that are required to be paid only upon the occurrence of a contingency that, in the reasonable judgment of Guarantor, is not likely to occur).

"Net Worth" means at any time the amount by which the fair market value of the Assets of Guarantor exceeds the aggregate Liabilities of Guarantor.

Capitalized terms used above and not defined above shall have the meanings provided therefor in the Credit Agreement.

PARENT GUARANTOR FINANCIAL COVENANTS
FOR TOLL BROTHERS, INC.

PRIMARY CREDIT FACILITY:

Amended and Restated Credit Agreement, dated as of March 17, 2006, among First Huntingdon Finance Corp. (the "Borrower"), Toll Brothers, Inc. (the "Company"), the Lenders party thereto and JPMorgan Chase, N.A., as Administrative Agent (the "Administrative Agent").

PARENT GUARANTOR FINANCIAL COVENANTS:

7.28.1 Leverage Ratio. The Company and the Borrower will not permit the Leverage Ratio at any time to be greater than 2.00 to 1.00.

7.28.3 Tangible Net Worth. The Company will maintain at the end of each fiscal quarter a Tangible Net Worth of not less than the amount by which (i) the sum of (a) $1,985,000,000, (b) 50% of Consolidated Net Income after July 31, 2005, and (c) 50% of the proceeds of capital stock of the Company sold by the Company after July 31, 2005 exceeds (ii) the aggregate amount paid by the Company for repurchase of its capital stock at any time after July 31, 2005 (but only to the extent such repurchases do not exceed the Maximum Deductible Amount (as defined below)). As used herein, the term "Maximum Deductible Amount" shall mean an amount equal to (A) the cost of purchases and repurchases by the Company or any of its Subsidiaries of capital stock of the Company made after July 31, 2005 not to exceed, in the aggregate during any one-year period (as measured from November 1 to October 31 of each year) ten percent (10%) of the Tangible Net Worth as of the end of the fiscal year of the Company preceding such one-year period, plus (B) in addition to the purchases and repurchases of capital stock under clause (A), the cost of other purchases or repurchases by the Company or any of its Subsidiaries of capital stock of the Company at any time, not to exceed $35,000,000 in the aggregate after July 31, 2005.

CERTAIN DEFINITIONS FROM PRIMARY CREDIT FACILITY:

"Affiliate" of any Person means any other Person directly or indirectly controlling, controlled by or under common control with such Person. A Person shall be deemed to control another Person if the controlling Person owns 10% or more of any class of voting securities (or other ownership interests) of the controlled Person or possesses, directly or indirectly, the power to direct or cause the direction of the management or policies of the controlled Person, whether through ownership of stock, by contract or otherwise.

"Agreement Accounting Principles" means generally accepted accounting principles as in effect from time to time, applied in a manner consistent with that used in preparing the financial statements filed by the Company with the SEC from time to time.

"Assumed Purchase Money Loans" means at any time the outstanding amount of all loans secured by assets purchased by the Designated Guarantors and assumed or entered into by the applicable Designated Guarantor on the date of purchase, provided that (i) the amount of any such loan does not exceed the purchase price of the applicable asset and (ii) recourse for each such loan is limited to the applicable Designated Guarantor; and any amendment, modification, extension or refinancing of such loans, provided that with respect to the loans, as amended, modified, extended, or refinanced (A) the aggregate amount thereof shall not exceed the amount of the loans which existed at the time the applicable Designated Guarantor purchased such asset, (B) such loans and refinancings shall not be secured by any assets of any Loan Party other than those initially purchased by the applicable Designated Guarantor and improvements constructed thereon in the normal course of the Loan Parties' homebuilding business, and (C) at least 80% of the amount thereof shall be provided by the same lenders which provided the loans which existed at the time the applicable Designated Guarantor purchased such assets.

"Capitalized Lease" of a Person means any lease of Property by such Person as lessee which would be capitalized on a balance sheet of such Person prepared in accordance with Agreement Accounting Principles.

"Capitalized Lease Obligations" of a Person means the amount of the obligations of such Person under Capitalized Leases which would be shown as a liability on a balance sheet of such Person prepared in accordance with Agreement Accounting Principles.

"Consolidated Net Income" means, with reference to any period, the net income (or loss) of the Company and its Subsidiaries calculated on a consolidated basis for such period in accordance with Agreement Accounting Principles.

"Consolidated Net Worth" means at any time the consolidated stockholders' equity of the Company and its Subsidiaries calculated on a consolidated basis as of such time in accordance with Agreement Accounting Principles.

"Contingent Obligation" of a Person means any agreement, undertaking or arrangement by which such Person guarantees or in effect guarantees any Indebtedness of any other Person in any manner, whether directly or indirectly.

"Conversion" is defined in Section 10.13.

"Designated Guarantors" means any Subsidiary of the Company that at any time has executed and delivered a Guaranty Agreement (or a Supplemental Guaranty) and that has not been released therefrom in accordance with the provisions of Section 10.13.

"Environmental Certificate" is defined in Section 7.26.

"Environmentally Approved Land" shall mean land owned by a Loan Party as to which there has been delivered to such Loan Party and, to the extent required under Section 7.26, the Administrative Agent an Environmental Certificate that either (a) contains no exceptions on Exhibit A thereto except for Permitted Environmental Exceptions, or (b) if it contains any exceptions other than Permitted Environmental Exceptions, such exceptions shall have been (i) approved by the Administrative Agent, which approval has not been reversed by the Required

Lenders under Section 7.26 or (ii) approved by the Required Lenders if the Administrative Agent initially does not approve such exceptions.

"Escrow Agreement" means an agreement or other similar arrangement with a municipality or any other Official Body, including without limitation any utility, water or sewer authority, or other similar entity, for the purpose of assuring such municipality or other Official Body that the Company or an Affiliate of the Company will properly and timely complete work it has agreed to perform for the benefit of such municipality or other Official Body, under the terms of which a bank (including a Lender hereunder) or other Person agrees to set aside or otherwise make available a specified amount of funds which will be paid to such municipality or other Official Body upon request by such municipality or other Official Body in accordance with the terms of such agreement in the event the Company or such Affiliate fails to perform such work.

"Excess Investments" means at any time the amount (if any) by which Special Investments exceeds 25% of Consolidated Net Worth.

"Excluded Assets" means at any time any of the following assets of the Loan Parties: (1) assets subject to any Lien securing Indebtedness (except for Permitted Purchase Money Loans in which the applicable Loan Party and its successors shall have full rights to prepay without premium or penalty, or if a premium or penalty may be imposed, the total potential premium or penalty is added to the principal amount of such Indebtedness for computation purposes, provided, that the Borrower may elect in its sole discretion to designate any asset subject to a Permitted Purchase Money Loan as an Excluded Asset (thereby excluding such asset from the calculation of the Borrowing Base), in which event any potential prepayment penalties and premiums on such Permitted Purchase Money Loan shall not be included in computing Indebtedness); (2) land, site improvements, development costs and units or buildings constructed or under construction on such land if the applicable Loan Party has not received Preliminary Approval with respect to such land or if such Land is not Environmentally Approved Land; and (3) payments for options.

"Facility Letter of Credit Obligations" means at any time the sum of (i) the aggregate undrawn face amount of all outstanding Facility Letters of Credit, and (ii) the aggregate amount paid by an Issuing Bank on any Facility Letters of Credit to the extent (if any) not reimbursed by the Borrower or the Revolving Credit Lenders under Section 4.6.

"Facility Termination Date" means (a) with respect to the Revolving Credit Facility, the Revolving Credit Facility Termination Date and (b) with respect to the Term Loan Facility, the Term Maturity Date.

"Financial Letter of Credit" means any Letter of Credit issued on behalf of a Loan Party that is not a Performance Letter of Credit and that is issued to a Person to ensure payment by a Loan Party or other Affiliate of the Company of a financial obligation or satisfaction by a Loan Party or other Affiliate of any other obligation of a Loan Party or other Affiliate.

"Indebtedness" of a Person means, without duplication, such Person's (i) obligations for borrowed money, (ii) obligations representing the deferred purchase price of Property or services (other than accounts payable arising in the ordinary course of such Person's business payable on terms customary in the trade), (iii) obligations, whether or not assumed, secured by Liens, (iv) obligations which are evidenced by notes, acceptances, or other instruments, (v) obligations of such Person to purchase securities or other property arising out of or in connection with the sale of the same or substantially similar securities or property, (vi) Capitalized Lease Obligations, (vii) Contingent Obligations, (viii) reimbursement obligations under Financial Letters of Credit, and (ix) any other obligation for borrowed money which in accordance with Agreement Accounting Principles would be shown as a liability on the consolidated balance sheet of such Person. The amount of Indebtedness shall include potential prepayment penalties and premiums on such Indebtedness to the extent provided in the definition of "Excluded Assets." In no event shall Indebtedness include (a) Indebtedness owed by one Loan Party to another Loan Party or (b) any obligation of a Loan Party to reimburse the issuer of a performance bond issued in the ordinary course of business.

"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; stocks, bonds, mutual funds, partnership 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.

"Investments in Mortgage Subsidiaries" means, without duplication, at any time the sum of the following: (i) all Investments by any Loan Party directly or indirectly in the capital stock of or other payments (except in connection with the transactions for fair value in the ordinary course of business) to any of the Mortgage Subsidiaries, (ii) all loans by any Loan Party directly or indirectly to any of the Mortgage Subsidiaries, (iii) all Contingent Obligations of any Loan Party directly or indirectly in respect of the obligations of any of the Mortgage Subsidiaries, and (iv) all other obligations, contingent or otherwise, of the Loan Parties to or for the benefit of any of the Mortgage Subsidiaries; provided that, Investments in Mortgage Subsidiaries shall not include any amounts that a Mortgage Subsidiary owes to a Loan Party to reimburse such Loan Party for any taxes paid or payable by such Loan Party on account of such Mortgage Subsidiary.

"Leverage Ratio" means at any time the ratio of (a) the amount by which (i) Total Indebtedness, less Permitted Nonrecourse Indebtedness, exceeds (ii) the cash in excess of $10,000,000 held by the Toll Group, to (b) the sum of (i) Tangible Net Worth and (ii) fifty percent (50%) of Qualified Subordinated Indebtedness (provided that the amount in this clause (ii) shall not exceed 66-2/3% of Consolidated Net Worth).

"Loan Parties" means the Company, the Borrower and (subject to the provisions of Section 10.13) the Designated Guarantors.

"Mortgage Banking Business" means the business of issuing mortgage loans on residential properties (whether for purchase of homes or refinancing of existing mortgages), purchasing and selling mortgage loans, issuing securities backed by mortgage loans, acting as a

broker of mortgage loans and other activities customarily associated with mortgage banking and related businesses.

"Mortgage Subsidiary" means any corporation, limited partnership, limited liability company or business trust that is (a) organized after the Closing Date or designated by the Company as a Mortgage Subsidiary after the Closing Date, (b) a Subsidiary of the Company and (c) engaged in the Mortgage Banking Business.

"Non-Loan Parties" means members of the Toll Group or any Affiliate thereof, excluding the Company, the Borrower and the Designated Guarantors.

"Performance Letter of Credit" means (a) any Letter of Credit issued on behalf of a Loan Party in favor of a municipality or any other Official Body, including without limitation, any utility, water or sewer authority, or other similar entity for the purpose of assuring such municipality, other Official Body, utility, water or sewer authority or similar entity that an Affiliate of the Company will properly and timely complete work it has agreed to perform for the benefit of such municipality, other Official Body, utility, water or sewer authority or similar entity or (b) an Escrow Agreement.

"Permitted Environmental Exception" means an exception set forth on an Environmental Certificate that an independent environmental engineer certifies can, in the judgment of such engineer, be cured by remediation that shall cost less than $500,000 to complete and that the Borrower certifies to the Lenders that it or another Loan Party shall timely cure in accordance with applicable Environmental Laws. If the engineer cannot or does not determine and certify as to the cost of such remediation, the exception shall not be a Permitted Environmental Exception.

"Permitted Nonrecourse Indebtedness" means Indebtedness for money borrowed that is incurred by a Loan Party in a transaction for purposes of acquiring real estate and that is secured by such real estate and improvements thereon, provided (a) the amount of the Investment of the Loan Parties in the assets that secure such Indebtedness (in excess of the amount of the loan secured thereby) does not exceed $10,000,000 for such acquisition as of the time of its acquisition or (for purposes of the Leverage Ratio) $100,000,000 in the aggregate at any time for all such Investments and (b) either (x) the liability of the Loan Parties for such Indebtedness is limited solely to the assets of the Loan Parties that secure such Indebtedness or (y) only a Loan Party other than the Company and the Borrower is liable for the Indebtedness and the sum (without duplication) of the shareholders' equity (including amounts owed by such Loan Party to another Loan Party or other Affiliate of the Company that is either subordinate in right of payment to, or collection of which is postponed in favor of, such Indebtedness) of, Investments in, and loans to (i) such Loan Party does not exceed $10,000,000 and (ii) all such Loan Parties does not exceed (for purposes of the Leverage Ratio) $100,000,000 in the aggregate.

"Permitted Purchase Money Loans" means, collectively, Seller Purchase Money Loans and Assumed Purchase Money Loans.

"Preliminary Approval" means preliminary approval from required state and local governmental authorities and agencies of a Loan Party's preliminary development plan in accordance with provisions of the Pennsylvania Municipalities Planning Code or its equivalent in

any other applicable jurisdiction in which such Loan Party is doing business such that in each instance there is vested in such Loan Party the right to develop such real estate for residential purposes substantially in accordance with the intentions of such Loan Party, subject only to obtaining such additional approvals which do not impose on such Loan Party any material burdens that are not usual and customary for a development of such type and with respect to which there is no reasonable expectation that final approval shall not be obtained.

"Property" means any and all property, whether real, personal, tangible, intangible, or mixed, of a Loan Party, or other assets owned, leased or operated by a Loan Party.

"Qualified Subordinated Indebtedness" means at any time, on a consolidated basis, any Subordinated Indebtedness of the Loan Parties having a maturity date later than the later of the Facility Termination Dates.

"Revolving Credit Facility Termination Date" means March 16, 2011 or any later date as may be specified as the Revolving Credit Facility Termination Date in accordance with Section 2.17 or any earlier date on which the Aggregate Revolving Credit Commitment is reduced to zero or otherwise terminated pursuant to the terms hereof.

"Seller Purchase Money Loans" means at any time outstanding purchase money loans made to a Loan Party by the seller of improved or unimproved real estate in a single or separate transactions for the exclusive purpose of acquiring such real estate for development and secured by a mortgage Lien on such real estate.

"Special Investments" means, at any time (but without duplication) all Investments by Loan Parties in Non-Loan Parties (other than Mortgage Subsidiaries), including, after its Conversion, any Non-Loan Party that was a Designated Guarantor prior to its Conversion. The amount of such Investments shall include, without limitation, the book value of stocks, partnership interests, notes or other securities, and the amount of loans, guaranties and recourse contingent obligations, and contributions of capital.

"Subordinated Indebtedness" means, with respect to the Loan Parties, the existing subordinated Indebtedness described on Schedule 4 and any other unsecured Indebtedness subordinated under terms as favorable to the Lenders as the terms of the subordination governing the Indebtedness described on Schedule 4 as determined by the Administrative Agent in its sole discretion.

"Subsidiary" of a Person means (i) any corporation more than 50% of the outstanding securities having ordinary voting power of which shall at the time be owned or controlled, directly or indirectly, by such Person or by one or more of its Subsidiaries or by such Person and one or more of its Subsidiaries, or (ii) any partnership, limited liability company, association, joint venture or similar business organization more than 50% of the ownership interests having ordinary voting power of which shall at the time be so owned or controlled. Unless otherwise expressly provided, all references herein to a "Subsidiary" shall mean a Subsidiary of the Company.

"Tangible Net Worth" means at any time Consolidated Net Worth less the sum of (a) intangible assets (as determined in accordance with Agreement Accounting Principles), (b)

Excess Investments and (c) Investments in Mortgage Subsidiaries. The amount of Investments in Mortgage Subsidiaries shall include, without limitation, the book value of stocks, partnership interests, notes or other securities and the amount of loans, guaranties and recourse contingent obligations, and contributions of capital.

"Term Maturity Date" means March 16, 2011 or any later date as may be specified as the Term Maturity Date in accordance with Section 2.17 or any earlier date on which all Term Loans become due or are declared due in accordance herewith or are paid in full.

"Toll Group" means the Company, the Borrower and all other Subsidiaries of the Company.

"Total Indebtedness" means at any time all Indebtedness of the Loan Parties on a consolidated basis (including, without limitation, the Obligations).

"Wholly-Owned Subsidiary" of a Person means (i) any Subsidiary all of the outstanding voting securities of which shall at the time be owned or controlled, directly or indirectly, by such Person or one or more Wholly-Owned Subsidiaries of such Person, or by such Person and one or more Wholly-Owned Subsidiaries of such Person, or (ii) any partnership, limited liability company, association, joint venture or similar business organization 100% of the ownership interests having ordinary voting power of which shall at the time be so owned or controlled.

THE FOLLOWING PROVISIONS OF THE PRIMARY CREDIT FACILITY CONTAIN DEFINITIONS OR ARE REFERRED TO IN THE FOREGOING DEFINITIONS:

Section 7.26 Environmental Certificates. The Borrowing Base Assets shall not include any Property for which a Loan Party has not obtained a completed certificate (including an accompanying Phase I environmental report which report shall be in conformity with industry standards) in respect of such Property in substantially the form of Exhibit L (an "Environmental Certificate") from a qualified independent environmental engineer. The Borrower shall, at the request of the Administrative Agent, furnish to the Administrative Agent Environmental Certificates with respect to any Property requested by the Administrative Agent that the Borrower has included in the Borrowing Base, and may, in order to request approval of any exception on Exhibit A of an Environmental Certificate that is not a Permitted Environmental Exception so that the underlying assets may be included in the Borrowing Base, furnish an Environmental Certificate to the Administrative Agent. The Administrative Agent shall with reasonable promptness notify the Borrower and the Lenders of the Administrative Agent's approval or disapproval of any exception on Exhibit A of any such Environmental Certificate that is not a Permitted Environmental Exception. The other Lenders shall have ten (10) Business Days to reverse such approval or disapproval by the vote of the Required Lenders, in the absence of which vote the Administrative Agent's decision shall stand. The Borrower shall have the right from time to time to submit another Environmental Certificate in respect of Property that was not initially Environmentally Approved Land following the cleanup of any hazardous materials which constituted exceptions to a prior Environmental Certificate in respect of such Property. Neither the Administrative Agent nor any other Lender shall be liable to any Lender or to any Loan Party for any approval or disapproval of any exceptions in any Environmental Certificate made by it in good faith.

10.13 Conversion and Non-Designation of Designated Guarantors. (a) The Borrower may, by written notice to the Administrative Agent, request that a Designated Guarantor be released from its Guaranty Agreement and thereby be converted to a Non-Loan Party (a "Conversion") or that a Wholly-Owned Subsidiary of the Company not be required to be designated as a Designated Guarantor (a "Non-Designation"), on and subject to the following conditions:

(i) No Default or Unmatured Default shall exist (except any Default or Unmatured Default that will be cured as a result of such Conversion or Non-Designation) and no other Default or Unmatured Default will exist as a result of such Conversion or Non-Designation.

(ii) In the case of a Conversion, the stockholders' equity in such Designated Guarantor and in the case of a Non-Designation, the stockholders' equity in such Wholly-Owned Subsidiary, shall not exceed five percent (5%) of the total consolidated stockholders' equity in all Loan Parties. Determination of such percentages of stockholders' equity shall be made as of the end of the most recent fiscal quarter of the Company for which the financial statements required under Sections 7.1(i) or (ii) (as applicable) are available at the time of such request for Conversion or Non-Designation.

(iii) The stockholders' equity in all Designated Guarantors that the Borrower requests to be converted into Non-Loan Parties in any period of four consecutive fiscal quarters and in all Wholly-Owned Subsidiaries of the Company that the Borrower requests not to be designated as Designated Guarantors during such four-quarter period shall not in the aggregate exceed ten percent (10%) (or fifteen percent (15%) if and to the extent necessary to permit the Borrower to cure a Default by Conversion of a Designated Guarantor) of the lowest total consolidated stockholders' equity in all Loan Parties at the end of any fiscal quarter during such four-quarter period. Determination of such aggregate amounts of stockholders' equity of such applicable Designated Guarantors or Wholly-Owned Subsidiaries shall be made by adding the amounts of stockholders' equity of each such applicable Designated Guarantor and Wholly-Owned Subsidiary (as determined at the time of request for Conversion of such Designated Guarantor or Non-Designation of such Wholly-Owned Subsidiary in accordance with clause (ii) above).

(iv) The disposition by the Company of such Designated Guarantor (in the case of a Conversion) or Wholly-Owned Subsidiary (in the case of a Non-Designation) would not have a material effect on the homebuilding business of the other Loan Parties, operationally or otherwise.

(v) The Borrower shall deliver to the Administrative Agent, together with the Borrower's notice requesting the Conversion of a Designated Guarantor or Non-Designation of a Wholly-Owned Subsidiary, a certificate of the Borrower and the Company, certifying that the conditions set forth in clauses (i) through (iv) above are satisfied with respect to such Conversion or Non-Designation, together with (A) in the case of a Conversion, a Compliance Certificate, as of the end of the most recent fiscal

quarter for which financial statements are available, prepared taking into account such Conversion and a projection of the calculations for the Compliance Certificate for the next succeeding fiscal quarter and (B) in any case, such other evidence in support of the satisfaction of such conditions as the Administrative Agent shall request.

(vi) Such Conversion or Non-Designation shall comply with the provisions of Section 10.13(d).

Upon the Administrative Agent's determination that the foregoing conditions with respect to the Conversion of a Designated Guarantor have been satisfied, the Administrative Agent shall (except as otherwise provided in Section 10.13(b)) promptly (1) execute and deliver, for and on behalf of itself and the Lenders, a release of such Designated Guarantor from its Guaranty Agreement, whereupon such Designated Guarantor shall cease to be a Designated Guarantor and Loan Party and shall be a Non-Loan Party, and (2) give notice to the Lenders of the Conversion of such Designated Guarantor. Upon the Administrative Agent's determination that the foregoing conditions with respect to the Non-Designation of a Wholly-Owned Subsidiary of the Company have been satisfied, the Administrative Agent shall promptly give notice of such Non-Designation to the Borrower and the Lenders.

(b) Notwithstanding the satisfaction of the conditions for Conversion of a Designated Guarantor pursuant to Section 10.13(a), if requested by the Borrower, the Administrative Agent may elect, in its sole discretion, not to release such Designated Guarantor from its Guaranty, in which event such Designated Guarantor shall remain a Guarantor but shall not constitute a Loan Party hereunder for purposes of compliance with the representations, warranties and covenants contained in this Agreement (including without limitation the covenants contained in Section 7.28) and the provisions of Article VIII. If the Administrative Agent so elects not to release such Designated Guarantor, it shall so notify the Borrower and the Lenders, and the Majority Lenders may at any time direct the Administrative Agent to release such Designated Guarantor from its Guaranty.

(c) If prior to the release of a Designated Guarantor from its Guaranty, the Borrower determines and certifies to the Administrative Agent that the inclusion of such Designated Guarantor as a Loan Party hereunder for all purposes (including without limitation compliance with the covenants contained in Section 7.28) would not result in a Default or Unmatured Default, the Borrower may request the Administrative Agent to reinstate such Designated Guarantor as a Loan Party hereunder for all purposes. As a condition of any such reinstatement, the Administrative Agent may request the Borrower to deliver to the Administrative Agent evidence in support of the Borrower's certification, including without limitation (i) a Compliance Certificate with respect to the most recent fiscal quarter for which financial statements of the Company are available, reflecting the inclusion of such Designated Guarantor as a Loan Party and evidencing compliance with the covenants hereunder and (ii) a projection of the Compliance Certificate for the next fiscal quarter, also reflecting the inclusion of such Designated Guarantor as a Loan Party and projecting compliance with the covenants hereunder. Upon the Administrative Agent's approval of the Borrower's certification and supporting evidence, the Administrative Agent shall notify the Borrower and the Lenders that such Designated Guarantor has been so reinstated, and from and after the delivery of such notice, such Designated Guarantor shall again be a Loan Party hereunder for all purposes.

(d) At all times after the Borrower has satisfied the conditions of Conversion of a Designated Guarantor as provided in Section 10.13(a) but prior to the release of such Designated Guarantor from its Guaranty, all reports required to be furnished under Section 7.1 hereof or any other provisions of this Agreement shall exclude such Designated Guarantor as a Loan Party hereunder unless and until such Designated Guarantor is reinstated as a Loan Party as provided in Section 10.13(c).

PARENT GUARANTOR FINANCIAL COVENANTS FOR WOODSIDE GROUP, INC.

PRIMARY CREDIT FACILITY:

Credit Agreement dated as of May 5, 2006 among Pleasant Hill Investments, LC, a Nevada limited liability company (the "Borrower"), the Lenders party thereto, and JP Morgan Chase Bank, N.A., as Administrative Agent.

PARENT GUARANTOR FINANCIAL COVENANTS:

5.3 Financial Covenants. Borrower and the other members of the Borrowing Group (as applicable) shall comply with the following:

5.3.1 Combined Leverage Ratio. The Combined Leverage Ratio of the members of the Borrowing Group shall not exceed 2.15 to 1.00 at any time.

5.3.2 Combined Interest Coverage Ratio. So long as the Combined Leverage Ratio of the members of the Borrowing Group remains less than 2.00 to 1.00, as of the end of any fiscal quarter, the Combined Interest Coverage Ratio of the members of the Borrowing Group shall equal or exceed 2.00 to 1.00. In the event the Combined Leverage Ratio equals or exceeds 2.00 to 1.00 as of the end of any fiscal quarter, the Combined Interest Coverage Ratio shall equal or exceed 2.25 to 1.00 for such fiscal quarter.

5.3.3 Minimum Borrowing Group Net Worth. Combined Tangible Net Worth of the members of the Borrowing Group shall not be less than the sum of: (a) $548,000,000, plus (b) twenty-five percent (25%) of the net income of the members of the Borrowing Group earned for each fiscal quarter after December 31, 2005 (excluding any quarter in which there is a net loss), plus (c) ninety percent (90%) of the net proceeds for any equity issued by the members of the Borrowing Group after the Effective Date.

5.3.4 Minimum Borrower Tangible Net Worth. At all times Borrower shall maintain a Tangible Net Worth of not less than $75,000,000.00.

CERTAIN DEFINITIONS FROM PRIMARY CREDIT FACILITY:

"Affiliate" means, with respect to a specified Person, another person that directly or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

"Borrowing Group" means, collectively, Borrower and the Guarantors.

"Combined Debt" with respect to the Borrowing Group shall mean the Debt of the Borrower plus the Consolidated Debt of the Guarantors, on a combined basis in accordance with GAAP.

"Combined Interest Coverage Ratio" means, with respect to the Borrowing Group, the ratio of the Borrowing Group's EBITDA to Combined Interest Incurred. The Combined Interest Coverage Ratio will be calculated quarterly based on the fiscal quarter then-ending and immediately prior three fiscal quarters.

"Combined Interest Incurred" means, as of the date of calculation, all Interest Incurred during the immediately preceding twelve (12) month period on outstanding Combined Debt irrespective of whether such interest is expensed or capitalized by the members of the Borrowing Group.

"Combined Leverage Ratio" means, with respect to the Borrowing Group, the ratio of Combined Debt to Combined Tangible Net Worth.

"Combined Tangible Net Worth" means, with respect to the Borrowing Group, the Tangible Net Worth of the Borrower plus the Consolidated Tangible Net Worth of the Guarantors, on a combined basis, in accordance with GAAP.

"Consolidated Debt" means the Debt of the Guarantors determined on a consolidated basis in accordance with GAAP.

"Consolidated Tangible Net Worth" means the Tangible Net Worth of the Guarantors determined on a consolidated basis in accordance with GAAP.

"Contingent Obligations" means, as to any Person, any obligation of such Person guaranteeing or in effect guaranteeing any Debt, lease, or other obligations ("primary obligations") of any other Person (the "primary obligor") in any manner, whether directly or indirectly, including, without limitation, any obligation of such Person, whether or not contingent, (a) to purchase any such primary obligation or any property constituting direct or indirect security therefore, (b) to advance or supply funds (i) for the purchase or payment of any such primary obligation or (ii) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (c) to purchase property, securities or services primarily for the purpose of assuring the owner of any primary obligation of the ability of the primary obligor to make payment of such primary obligation or (d) otherwise to assure or to hold harmless the owner of such primary obligation against loss in respect thereof; provided, however, that Contingent Obligations shall not include (A) endorsements of instruments for deposit or collection in the ordinary course of business, (B) guaranties of performance obligations, including set-aside letters, or (C) guaranties of Fully Secured Debt incurred by Unrestricted Subsidiaries or Joint Ventures until the earlier to occur of (1) the lender to whom such guaranty was provided demands payment by a member of the Borrowing Group thereunder, (2) the occurrence or failure to occur of any event, act or circumstance that, with or without the giving of notice and/or passage of time, entitles the lender to whom such guaranty was provided to make a demand for payment thereunder, or (3) such obligations are required to be shown as liabilities of the guarantor under GAAP, (D) obligations under the general Agreement of Indemnity Atherton, and Keep-Well Agreement dated September 26, 2005) by Borrower and Parent, in connection with credit provided by Guaranty Bank to Hillsborough, or (E) guaranties, indemnifications or similar agreements given solely in connection with Customary Recourse Exceptions until the earlier to occur of (i) the demand by a

Third Party Lender for payment by a member of the Borrowing Group thereunder or (ii) the occurrence or failure to occur of any event, act or circumstance that, with or without the giving of notice and/or passage of time, entitles a Third Party Lender to make a demand for payment thereunder, or (3) such obligations are required to be shown as liabilities of the guarantor or indemnitor under GAAP.

"Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a person, whether through the ability to exercise voting power by contract or otherwise. "Controlling" and "Controlled" have meanings correlative thereto.

"Customary Recourse Exceptions" means exclusions from the exculpation provisions with respect to any Non-Recourse Debt including but not limited to, exclusions for (a) fraud or misrepresentation, (b) misapplication of funds (including, without limitation, tenant security deposits and casualty and condemnation proceeds), (c) a bankruptcy filing by the principal debtor or obligor under such Non-recourse Debt that is caused, permitted or consented to by the Person providing the guaranty or indemnity with respect to such obligation, (d) environmental claims, and (e) other circumstances customarily excluded by institutional lenders exculpation provisions and/or included in separate indemnification or guaranty agreements in non-recourse financings for real estate.

"Debt" means, without duplication, in accordance with GAAP, with respect to any Person (a) indebtedness or liability for borrowed money, including, without limitation, subordinated indebtedness (other than trade accounts payable and accruals incurred in the ordinary course of business which have been outstanding for no more than 60 days after the date invoiced); (b) obligations evidenced by bonds, debentures, notes, or other similar instruments; (c) obligations for the deferred purchase price of property (including, without limitation, seller financing of any inventory) or services, provided, however, that Debt shall not include obligations with respect to options to purchase real property that have not been exercised; (d) obligations as lessee under Capital Leases to the extent that the same would, in accordance with GAAP, appear as liabilities in the Borrower's consolidated balance sheet or in the Guarantors' consolidated balance sheet; (e) current liabilities in respect of unfunded vested benefits under Plans and incurred withdrawal liability under any Multi-Employer Plan; (f) obligations under acceptance facilities; (g) all Contingent Obligations of a Person, provided the Contingent Obligations of a member of the Borrowing Group with respect to LTV Maintenance Agreements shall not be included within the definition of "Debt" hereunder until the earlier of (i) the demand by a Third Party JV Lender for payment by a member of the Borrowing Group under a LTV Maintenance Agreement, or (ii) a requirement to classify amounts guaranteed under LTV Maintenance Agreements as indebtedness in accordance with GAAP (and with respect to the preceding clause (i), only the amounts owed or demanded shall be included with the definition of Debt), (h) obligations secured by any Liens on any property of such Person, whether or not the obligations shall have been assumed (provided that improvement district liens, assessments, or charges shall not be included as debt so long as there is no recourse against any member of the Borrowing Group for such assessments); (i) net liabilities under interest rate swap, exchange or cap agreements (valued as their termination value thereof, computed in accordance with a method approved by the International Swaps and Derivatives Association and agreed to by the applicable member of the Borrowing Group in the applicable agreement); and (j) the face amount of letters of credit issued

for its account not yet drawn upon; and (k) all other obligations that constitute indebtedness under GAAP (except to the extent specifically excluded from the definition of "Debt" as provided above).

"EBITDA" means, as of the date of calculation, the immediately preceding twelve (12) month period, on a combined basis for the Borrowing Group in accordance with GAAP, the sum of the amounts for such period of (a) net income; (b) charges against income for foreign, federal, state and local taxes; (c) interest expense (including interest amortized through cost of goods sold, if any); (d) depreciation and amortization expense; (e) extraordinary losses exclusive of any such losses that are attributable to the write-down or other downward revaluation assets (including the establishment of reserves); and (f) all extraordinary gains. EBITDA shall include net income from Unrestricted/Third Party JV's only to the extent distributed to a member of the Borrowing Group.

"Effective Date" means the date on which the conditions specified in Section 4.1 are satisfied (or waived in accordance with Section 9.2).

"Fully Secured Debt" means Secured Debt where the principal amount of the guaranteed indebtedness does not exceed seventy-five percent (75%) of the most recent appraised value of the real property securing such indebtedness; or, if an appraisal is not available for such property, the principal amount of the guaranteed indebtedness does not exceed seventy-five percent (75%) of the book value (in accordance with GAAP) of such property. Borrower agrees to cause the appraised value of such property to be updated in the event Borrower or the applicable obligor is required to do so under the terms of the applicable Fully Secured Debt or if Borrower has determined or should determine in the exercise of Borrower's reasonable business judgment that there has been a material adverse change in the value of the applicable real property.

"Guarantors" means, collectively, Parent and the Restricted Subsidiaries.

"Intangible Assets" means, with respect to any Person, at any time for the determination thereof, the amount of (a) all write-ups in the book value of any asset owned by such Person, (b) any amount, however designated on the balance sheet, representing the excess of the purchase price paid for assets or equity interests over the value assigned thereto on the books of such Person, (c) all unamortized debt discount, goodwill, patents, trademarks, service marks, trade names, copyrights, organization or development expenses and other intangible items and (d) all items that would be considered intangible assets under GAAP.

"Interest Incurred" means, for any period, the aggregate amount (without duplication and determined in each case in accordance with GAAP) of interest incurred, whether such interest was expensed or capitalized, paid, accrued, or scheduled to be paid or accrued by the members of the Borrowing Group or any of them, during such period, including (a) original issue discount and non-cash interest payments or accruals on any Debt, (b) the interest portion of all deferred payment obligations, and (c) all commissions, discounts, and other fees and charges owed with respect to bankers' acceptances and letter of credit financings, in each case to the extent attributable to such period. For purposes of this definition, (i) interest on any Capital Lease Obligations shall be deemed to accrue at any interest rate reasonably determined by the members of the Borrowing Group to be the rate of interest implicit in such obligations in accordance with

GAAP, and (ii) interest expense attributable to any Debt represented by the guaranty of an obligation of another Person shall be deemed to be interest expense attributable to the Debt guaranteed.

"Joint Venture" means any person in which Parent has an ownership interest, directly or indirectly, but which does not itself constitute a Subsidiary of parent and is not consolidated, in accordance with GAAP, with the results of Parent's operations for financial reporting purposes.

"LTV Maintenance Agreement" shall mean an agreement entered into by a Person on behalf of an Unrestricted Subsidiary, whereby the Person shall be required to reduce the outstanding principal balance of a Third Party JV Loan in the event that an appraisal of the property securing the Third Party JV Loan shows an increase in the loan-to-value ratio above the maximum loan-to-value ratio allowed under the Third JV Party Loan.

"Multiemployer Plan" means a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

"Non-Recourse Debt" means Debt which has no recourse to any member of the Borrowing Group.

"Parent" means Woodside Group, Inc., a Nevada corporation.

"Restricted Subsidiaries" means the Subsidiaries that are not Unrestricted Subsidiaries.

"Secured Debt" means Debt secured by real property.

"Subsidiary" means, at any date, any corporation, limited liability company, partnership, association or other entity the accounts of which would be consolidated with those of a member of the Borrowing Group's consolidated financial statements if such financial statements were prepared in accordance with GAAP as of such date, as well as any other corporation, limited liability company, partnership, association or other entity (a) of which securities or other ownership interests representing more than fifty percent (50%) of the equity or more than fifty percent (50%) of the ordinary voting power or, in the case of a partnership, more than fifty percent (50%) of the general partnership interests are, as of such date, owned, controlled or held, or (b) that is as of such date, otherwise Controlled, by the Borrower, Parent, or another member of the Borrowing Group.

"Tangible Net Worth" means with respect to any Person, at any time for the determination thereof in accordance with GAAP, the sum of the capital stock (or equivalent measure in the case of entities which are not corporations) and additional paid-in capital plus retained earnings (or minus accumulated deficit) of such Person, less Intangible Assets.

"Third Party JV Lender" means the lender of a Third Party JV Loan.

"Third Party JV Loan" means a loan to an Unrestricted/Third Party JV.

"Unrestricted Subsidiary" means a Subsidiary listed on Schedule 3.12.3 or that complies with the requirements provided in Section 5.10.1.

"Unrestricted/Third Party JV" shall mean a Joint Venture solely between an Unrestricted Subsidiary and a third party that is not an Affiliate or Subsidiary of a member of the Borrowing Group.

PARENT GUARANTOR FINANCIAL COVENANTS FOR KIMBALL HILL, INC.

PRIMARY CREDIT FACILITY:

Credit Agreement dated December 21, 2005 among Kimball Hill, Inc. (the "Borrower"), Harris N.A. as Administrative Agent, the Guarantors party thereto, and the other Banks party thereto, as amended by First Modification of Credit Agreement dated December 15, 2006.

PARENT GUARANTOR FINANCIAL COVENANTS:

Section 8.22. Financial Covenants.

(a) Tangible Net Worth. The Borrower shall, as of the end of each fiscal quarter of the Borrower, maintain a Tangible Net Worth in an amount not less than the sum of (i) $300,000,000 and (ii) 50% of the positive Net Income as earned subsequent to September 30, 2006.

(b) Leverage Ratio. The Borrower shall not, at the end of any fiscal quarter of the Borrower, permit the Leverage Ratio to exceed the ratios set forth in the below table as corresponding to the fiscal quarters of the Borrower specified therein:

Fiscal Quarter Ending	Maximum Leverage Ratio
December 31, 2006	2.00 to 1.00
March 31, 2007	2.00 to 1.00
June 30, 2007 through September 30, 2008	1.75 to 1.00
December 31, 2008 and thereafter	2.50 to 1.00

(c) Builder Leverage Ratio. The Borrower shall not, at the end of any fiscal quarter of the Borrower, permit the Builder Leverage ratio to exceed 1.50 to 1.00.

(d) Interest Coverage Ratio. The Borrower shall not, at the end of any fiscal quarter of the Borrower, permit the ratio of EBITDA to Interest Incurred, as calculated over the preceding four fiscal quarters of the Borrower, to be less than the ratios set forth in the below table as corresponding to the fiscal quarters of the Borrower specified therein:

Fiscal Quarter Ending	Minimum Interest Coverage ratio
December 31, 2006	1.75 to 1.00
March 31, 2007	1.50 to 1.00
June 30, 2007	1.40 to 1.00
September 30, 2007	1.35 to 1.00
December 31, 2007	1.50 to 1.00
March 31, 2008	1.75 to 1.00
June 30, 2008 and thereafter	2.25 to 1.00

CERTAIN DEFINITIONS FROM PRIMARY CREDIT FACILITY:

"Adjusted Tangible Net Worth" means the sum of (a) the Tangible Net Worth (b) all minority interests, as determined in accordance with GAAP, of any Person, other than the Borrower or Wholly-owned Subsidiary, in ay Partial Subsidiary (excluding interests attributable to assets not yet owned by a Partial Subsidiary), and (c) 50% of the outstanding principal of the Subordinated Debt; provided that the amount contributed pursuant to clause (b) shall not exceed $50,000,000 , and the amount contributed pursuant to clause (c) above shall not exceed $100,000,000.

"Affiliate" means any Person directly or indirectly controlling or controlled by, or under direct or indirect common control with, another person. A Person shall be deemed to control another Person for purposes of this definition if such person possesses, directly or indirectly, the power to direct, or cause the direction of, the management and policies of the other person, whether through the ownership of voting securities, common directors, trustees or officers, by contract or otherwise; *provided that*, in any event for purposes of this definition, any person that owns, directly or indirectly, 10% or more of the securities having the ordinary voting power for the election of directors or governing body of a corporation or 10% or more of the partnership or other ownership interest of any other Person (other than as a limited partner of such other person) will be deemed to control such corporation or other person.

"Builder Leverage Ratio" means the ratio of Builder Liabilities to Adjusted Tangible Net Worth.

"Builder Liabilities" means Indebtedness for Borrowed Money of the Borrower and its Subsidiaries, less, to the extent included in such amount, all purchase money indebtedness or obligations in respect of assets that have not been acquired by the Borrower or any of its Subsidiaries as of the date of determination.

"Capital Lease" means any lease of Property which in accordance with GAAP is required to be capitalized on the balance sheet of the lessee.

"Capitalized Lease Obligation" means, for any Person, the amount of the liability shown on the balance sheet of such Person in respect of a Capital Lease determined in accordance GAAP.

"Closing Date" means the date of this Agreement or such later Business Day upon which each condition described in Section 7.2 shall be satisfied or waived in a manner acceptable to the Administrative Agent in its discretion.

"Funds Transfer and Deposit Account Liability" means the liability of the Borrower or any of its Subsidiaries owing to any of the Lenders, or any Affiliates of such Lenders, arising under or with respect to this Agreement and (a) the execution or processing of electronic transfers of funds by automatic clearing house transfer, wire transfer or otherwise to or from deposit accounts of the Borrower and/or any of its Subsidiaries now or hereafter maintained with any of the Lenders or their Affiliates, (b) the acceptance for deposit or the honoring of payment of any check, draft or other item with respect to any such deposit accounts, and (c) any other deposit, disbursement, and cash management services afforded to the Borrower or any of its Subsidiaries by any such Lenders or their Affiliates.

"Hedging Liability" means the liability of the Borrower or any of its Subsidiaries to any of the Lenders, or any Affiliates of such lenders, in respect of any interest rate, foreign currency, and/or commodity swap, exchange, cap, collar, floor, forward, future or option agreement, or any other similar interest rate, currency or commodity hedging arrangement, as the Borrower or such Subsidiary, as the case may be, may from time to time enter into with any one or more of the Lenders party to this Agreement of their Affiliates in connection with any Indebtedness for Borrowed Money arising under or in connection with this Agreement.

"Indebtedness for Borrowed Money" means for any Person (without duplication) (a) all indebtedness created, assumed or incurred in any manner by such person representing money borrower (including by the issuance of debt securities), (b) all indebtedness (as determined in accordance with GAAP) for the deferred purchase price of property or services (other than trade accounts payable arising in the ordinary course of business), (c) all indebtedness secured by any Lien upon property of such Person, whether or not such Person has assumed or become liable for the payment of such indebtedness, (d) all Capitalized Lease Obligations of such person, (e) all obligations of such person on or with respect to letters of credit, bankers' acceptances and other extensions of credit whether or not representing obligations borrowed money, and (f) all indebtedness in respect of any interest rate, foreign currency, and/or commodity swap, exchange, cap collar, floor, forward, future or option agreement, or any other similar interest rate, currency or commodity hedging arrangement.

"Interest Expense" means, with reference to any period, the sum of al interest charges (including imputed interest charges with respect to Capitalized Lease Obligations and all amortization of debt discount and expense) of the Borrower, the Wholly-owned Subsidiaries and the Special Project Subsidiaries for such period determined on a consolidated basis in accordance with GAAP.

"Interest Incurred" means, for any period, the total interest paid or accrued by the Borrower, the Wholly-owned Subsidiaries and the Special Project Subsidiaries (including the interest component of any Capital Lease) as calculated in accordance with GAAP, minus, to the extent included in the foregoing amount, amortization of any financing fees and costs.

"Leverage Ratio" means the ratio of Total Liabilities to Adjusted Tangible Net Worth.

"Lien" means any mortgage, lien, security interest, pledge, charge or encumbrance of any kind in respect of any Property, the interests of a vendor or lessor under any conditional sale, Capital Lease or other title retention arrangement.

"Net Income" means, with reference to any period, the net income (or net loss) of the Borrower and its Subsidiaries for such period computed on a consolidated basis in accordance with GAAP; provided that there shall be excluded from Net Income (a) the net income (or net loss) of any person accrued prior to the date it becomes a Subsidiary of, or has merged into or consolidated with, the Borrower or another of its Subsidiaries, and (b) the net income (or net loss) of any Person (other than a Wholly-owned Subsidiary) in which the Borrower or a Wholly-owned Subsidiary has an equity interest, except to the extent of the amount of dividends or other distributions actually paid to the Borrower or a Wholly-owned Subsidiary during such period

"Net Worth" means all shareholders' equity in the Borrower and its Subsidiaries, determined on a consolidated basis in accordance with GAAP, such calculation to (a) include preferred stock (b) include capital stock, (c) include additional paid-in capital and retained earnings, (d) exclude interests attributable to option or land bank arrangements that would be required to be included on the Borrower's balance sheet solely due to Interpretation Number 46, as issued by the Financial Accounting Standards Board in January 2003, and (e) exclude minority interests of any other Person in any Partial Subsidiary.

"Obligations" means all obligations of the Borrower to pay principal and interest on the Loans, all reimbursement Obligations owing under the Applications, all fees and charges payable hereunder or under the other Loan Documents, and all other payment obligations of the Borrower or any of its Subsidiaries arising under or in relation to any Loan Document, in each case whether now existing or hereafter arising, due or to become due, direct or indirect, absolute or contingent, and howsoever evidenced, held or acquired.

"Offering Memorandum" means the Offering Memorandum dated [December _____, 2005] for the Borrower's Subordinated Debt.

"Partial Subsidiary" means any Subsidiary of the Borrower that is not a Wholly-owned Subsidiary.

"Property" means, as to any person, all types of real, personal, tangible, intangible or mixed property owned by such Person whether or not included in the most recent balance sheet of such person and its subsidiaries under GAAP.

"Special Project Subsidiaries" means (a) Terramina LLC, (b) Wyndham, LLC, (c) Regency Oaks LP, and (d) Sunridge Park LO.

"Subordinated Debt" means Indebtedness for Borrowed Money which is subordinated in right of payment to the prior payment of the Obligations, Hedging Liability and Funds Transfer and Deposit Account Liability pursuant to subordination provisions and instruments approved in writing by the Administrative Agent and the Required lenders and is otherwise pursuant to documentation that is, which is in an mount that is, and which contains interest rates, payment terms, maturities, amortization schedules, covenants, defaults, remedies and other material terms that in form and substance, in each case satisfactory to the Administrative Agent and the Required Lenders, it being acknowledged and agreed that the Indebtedness for Borrowed Money incurred by the Borrower on the Closing Date in connection with the Offering Memorandum qualifies as Subordinated Debt.

"Subsidiary" means, as to any particular parent corporation, limited liability company, partnership, limited partnership, association or other business, any other business entity more than 50% of the outstanding Voting Stock of which is at the time directly or indirectly owned by such parent entity or by any one or more other entities which are themselves subsidiaries of such parent entity. Unless otherwise expressly noted herein, the term "Subsidiary" means a Subsidiary of the Borrower or of any of its direct or indirect Subsidiaries.

"Tangible Net Worth" means the Net Worth, less, to the extent included in the calculation of net Worth, the sum of (a) the value of all assets properly classified as intangible assets under GAAP and (b) all amounts representing any write-up in the book value of any assets occurring since September 30, 2005.

"Total Liabilities" means the total liabilities of the Borrower and its Subsidiaries determined on a consolidated basis in accordance with GAAP (excluding liabilities attributable to option or land bank arrangements that would be required to be included on the Borrower's balance sheet solely due to Interpretation Number 46, as issued by the Financial Accounting Standings Board in January 2003).

"Voting Stock" of any person means capital stock or other equity interests of any class or classes (however designated) having ordinary power for the election of directors or other similar governing body of such Person (including the general partner or managing member of such Person, if applicable), other than stock or equity interests having such power only by reason of the happening of a contingency.

"Wholly-owned Subsidiary" means a Subsidiary of which all of the issued and outstanding shares of capital stock (other than directors' qualifying shares as required by law) or other equity interests are owned by the Borrower and/or one or more Wholly-owned Subsidiaries within the meaning of this definition.

PARENT GUARANTOR FINANCIAL COVENANTS FOR WEYERHAEUSER REAL ESTATE COMPANY

PRIMARY CREDIT FACILITY:

Competitive Advance and Revolving Credit Facility Agreement (the "Credit Agreement") dated as of December 19, 2006 among Weyerhaeuser Company ("Weyerhaeuser"), Weyerhaeuser Real Estate Company ("WRECO"), JPMorgan Chase Bank as Administrative Agent ("Administrative Agent") and the Lenders party thereto.

PARENT GUARANTOR FINANCIAL COVENANTS:

Section 6.02 Covenants with respect to WRECO.

(a) Capital Base. [WRECO will not] have a Capital Base less than $100,000,000.

(b) Limitation on Indebtedness. [WRECO will not] create, issue, guarantee, assume or otherwise become liable, directly or indirectly, or permit any of its Restricted Subsidiaries to create, issue, guarantee, assume or otherwise become liable, directly or indirectly, in respect of any (i) Senior Debt of WRECO or Indebtedness of any of its Restricted Subsidiaries if, immediately after giving effect to the incurrence thereof and to the application of the proceeds thereof, the aggregate principal amount of all consolidated Senior Debt of WRECO and its Restricted Subsidiaries then outstanding would exceed 80% of the sum of (x) the Capital Base plus (y) the aggregate principal amount of Senior Debt of WRECO and its Restricted Subsidiaries then outstanding; or (ii) Subordinated Debt of WRECO if, immediately after giving effect to the incurrence thereof and to the application of the proceeds thereof, the aggregate principal amount of Subordinated Debt of WRECO then outstanding would exceed 100% of Adjusted Net Worth. For purposes of this Section and Section 6.02(c), Indebtedness of a Person which becomes a Restricted Subsidiary on any date shall be deemed to have been issued or incurred as of such date.

CERTAIN DEFINITIONS FROM PRIMARY CREDIT FACILITY:

"Adjusted Net Worth" shall mean, as of the date of any computation thereof, the aggregate amount of capital stock (less treasury stock), surplus and retained earnings of WRECO and its Restricted Subsidiaries, after deducting (i) goodwill, patents, trade names, trademarks, unamortized debt discount and expense, deferred assets (other than prepaid taxes and insurance), experimental or organizational expense, any reappraisal, revaluation or write-up assets, and such other assets as are properly classified as "intangible assets" of WRECO and its Restricted Subsidiaries in accordance with GAAP, (ii) all minority interests in the capital stock and surplus of the Restricted Subsidiaries of WRECO, (iii) all Investments in Unrestricted Subsidiaries of WRECO, and (iv) all Investments of WRECO and its Restricted Subsidiaries in any joint venture, partnership or similar entity (not including any Investments in any Restricted Subsidiary

of WRECO) entered into for the purpose of acquiring, developing, constructing, owning, operating, selling or leasing any Real Estate Assets.

"Capital Base" shall mean, as of the date of any computation thereof, the sum of (i) Adjusted Net Worth plus (ii) the amount of WRECO/Weyerhaeuser Subordinated Debt then outstanding not to exceed Adjusted Net Worth.

"Capital Lease Obligations" of any person shall mean the obligations of such person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such person under GAAP and, for purposes of this Agreement, the amount of such obligations at any time shall be the capitalized amount thereof at such time determined in accordance with GAAP.

"Closing Date" shall mean the first date on which the conditions precedent set forth in Section 4.02 shall have been satisfied.

"Control" shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a person, whether through the ownership of voting securities or by contract, and "Controlling" and "Controlled" shall have meanings correlative thereto.

"Guarantee" of or by any person shall mean any obligation, contingent or otherwise, of such person guaranteeing or having the economic effect of guaranteeing any Indebtedness of any other person (the "primary obligor") in any manner, whether directly or indirectly, and including any obligation of such person, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or to purchase (or to advance or supply funds for the purchase of) any security for the payment of such Indebtedness, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness of the payment of such Indebtedness, (c) to maintain working capital, equity capital or other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or (d) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness or obligation; provided, however, that the term Guarantee shall not include endorsements for collection or deposit, in either case in the ordinary course of business.

"Indebtedness" of any person shall mean, without duplication, (a) all obligations of such person for borrowed money or with respect to deposits or advances of any kind, (b) all obligations of such person evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such person upon which interest charges are customarily paid, (d) all obligations of such person under conditional sale or other title retention agreements relating to property or assets purchased by such person, (e) all obligations of such person issued or assumed as the deferred purchase price of property or services (excluding current accounts payable incurred in the ordinary course of business), (f) all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on property owned or acquired by such person, whether or not the obligations secured thereby have been assumed, (g) all Guarantees by such person of Indebtedness of others, (h) all

Capital Lease Obligations of such person, and (i) all obligations of such person as an account party in respect of letters of credit, letters of guaranty and bankers' acceptances. The Indebtedness of any person shall include the Indebtedness of any partnership in which such person is a general partner.

"Investments" shall mean all investments in any Person, computed in accordance with GAAP, made by stock purchase, capital contribution, loan, advance, extension of credit, or creation or assumption of any other contingent liability or Guarantee in respect of any obligation of such Person, or otherwise; provided, however, that in computing any investment in any Person (i) all expenditures for such investment shall be taken into account at the actual amounts thereof in the case of expenditures of cash and at the fair value thereof (as determined in good faith by the Board of Directors of WRECO) or depreciated cost thereof (in accordance with GAAP), whichever is greater, in the case of expenditures of property, (ii) there shall not be included any Real Estate Assets, or any account or note receivable from such other Person arising from transactions in the ordinary course of business, and (iii) a Guarantee or other contingent liability of any kind in respect of any Indebtedness or other obligation of such Person shall be deemed an Investment equal to the amount of such Indebtedness or obligation.

"Real Estate Assets" shall mean all assets of WRECO and its Restricted Subsidiaries (determined, unless the context otherwise requires, on a consolidated basis for WRECO and its Restricted Subsidiaries) of the types described below, acquired and held for the purpose of, and arising out of, the development and/or sale or rental thereof in the ordinary course of business: (i) improved and unimproved land, buildings and other structures and improvements and fixtures located thereon, and (ii) contracts, mortgages, notes receivables and other choses in action.

"Restricted Subsidiary" shall mean, with respect to WRECO, each Subsidiary that has not been designated as an Unrestricted Subsidiary on Schedule 3.08 Part II of the Credit Agreement or thereafter designated by a Financial Officer of WRECO as an Unrestricted Subsidiary pursuant to Section 9.17 of the Credit Agreement.

"Senior Debt" shall mean all Indebtedness of any Person (other than WRECO) which is not expressed to be subordinate and junior in right of payment to any other Indebtedness of such Person, and, with respect to WRECO, shall mean all Indebtedness of WRECO other than Subordinated Debt.

"Subordinated Debt" shall mean and include (i) Subordinated Promissory Notes of WRECO to Weyerhaeuser in substantially the form annexed to the Credit Agreement and (ii) any other Indebtedness of WRECO now or hereafter created, issued or assumed which at all times is evidenced by a written instrument or instruments containing or having applicable thereto subordination provisions substantially the same as those in the Subordinated Promissory Notes, providing for the subordination of such Indebtedness to such other Indebtedness of WRECO as shall be specified or characterized in such subordination provisions.

"subsidiary" shall mean, with respect to any Person (herein referred to as the "parent"), any corporation, partnership, association or other business entity (a) of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power to elect a majority of the board of directors or more than 50% of the general

partnership interests are, at the time any determination is being made, owned, controlled or held, or (b) which is, at the time any determination is made, otherwise Controlled, by the parent or one or more subsidiaries of the parent or by the parent and one or more subsidiaries of the parent.

"Subsidiary" shall mean any subsidiary of WRECO.

"Unrestricted Subsidiary" shall mean, with respect to WRECO, each Subsidiary that has been designated as an Unrestricted Subsidiary on Schedule 3.08 Part II of the Credit Agreement and any Subsidiary which has been designated by a Financial Officer of WRECO as an Unrestricted Subsidiary after the Closing Date pursuant to Section 9.17 of the Credit Agreement.

"WRECO/Weyerhaeuser Subordinated Debt" shall mean the Subordinated Promissory Notes issued by WRECO to Weyerhaeuser described in clause (i) of the definition of "Subordinated Debt."

PARENT GUARANTOR FINANCIAL COVENANTS FOR MERITAGE HOMES CORPORATION

PRIMARY CREDIT FACILITY:

First Amended and Restated Credit Agreement dated as of May 16, 2006 among Meritage Homes Corporation ("Borrower"), Guaranty Bank as Administrative Agent ("Administrative Agent") and the Lenders party thereto as amended by that certain Amendment and Commitment Increasing Commitment dated as of June 30, 2006.

PARENT GUARANTOR FINANCIAL COVENANTS:

7.11 Financial Covenants.

(a) Minimum Net Worth. [The Borrower shall not] permit Consolidated Tangible Net Worth at any time to be less than the sum of (a) $500,000,000 plus (b) an amount equal to 50% of Consolidated Net Income earned in each full fiscal quarter ending after the December 31, 2005 (with no deduction for a net loss in any such fiscal quarter), plus (c) an amount equal to 50% of the aggregate increases in Consolidated Tangible Net Worth of the Borrower and its Restricted Subsidiaries after December 31, 2005 by reason of the issuance and sale of Equity Interests or other equity interests of the Borrower or any Restricted Subsidiary (other than issuances to the Borrower or a wholly-owned Restricted Subsidiary), including upon any conversion of debt securities of the Borrower into such Equity Interests or other equity interests, plus (d) an amount equal to the net worth of any Person that becomes a Restricted Subsidiary or is merged into or consolidated with the Borrower or any Restricted Subsidiary or substantially all of the assets of which are acquired by the Borrower or any Restricted Subsidiary, in each case after the December 31, 2005.

(b) Leverage Ratio. [The Borrower shall not] permit the Leverage Ratio at any time during any period of four fiscal quarters of the Borrower to be greater than 2.25 to 1.

(c) Interest Coverage Ratio. [The Borrower shall not] permit the Interest Coverage Ratio at any time during any period of four fiscal quarters of the Borrower to be less than 2.00 to 1.

CERTAIN DEFINITIONS FROM PRIMARY CREDIT FACILITY:

"Acquisition" means the acquisition by any Person of (a) a majority of the Equity Interests of another Person, (b) all or substantially all of the assets of another Person or (c) all or substantially all of a line of business of another Person, in each case (i) whether or not involving a merger or consolidation with such other Person and (ii) whether in one transaction or a series of related transactions.

"Affiliate" means with respect to any Person, any other Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified. "Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. "Controlling" and "Controlled" have the meaning correlative thereto. Without limiting the generality of the foregoing, a Person shall be deemed to be Controlled by another person if such other Person possesses, directly or indirectly, power to vote 10% or more of the Voting Stock of such Person.

"Attributable Indebtedness" means on any date, (a) in respect of any Capital Lease of any Person, the capitalized amount thereof that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP, (b) in respect of any Synthetic Lease Obligation, the capitalized amount of the remaining lease payments under the relevant lease that would appear on a balance sheet of such person prepared as of such date in accordance with GAAP if such lease were accounted for as a capital lease and (c) and in respect of any other Off-Balance Sheet Liabilities, the amount thereof that would appear on a balance sheet of such person prepared as of such date in accordance with GAAP if such liabilities were accounted for as a liability of such Person.

"Bankruptcy Event" means the commencement of any case under the Bankruptcy Code (Title 11 of the United States Code) or the commencement of any other bankruptcy, reorganization, receivership, or similar proceeding under any federal, state or foreign law or by or against any Person for whom any Loan Party has executed a Springing Guaranty for the benefit of such Person; provided however, that the filing of an involuntary case against such Person shall only be a Bankruptcy Event if: (i) such involuntary case is filed in whole or in part by a Loan Party, or any other affiliate of a Loan Party, or (ii) if a Loan Party, any member in such Person which is an affiliate of a Loan Party, or any other affiliate of a Loan Party shall in any way induce or participate in the filing, whether directly or indirectly, of an involuntary bankruptcy case against such Person or any other Person, and such involuntary case or proceeding is not dismissed with prejudice within 120 days of the filing thereof.

"Capital Lease" means as of any date, any lease of property, real or personal, the obligations of the lessee in respect of which are required in accordance with GAAP to be capitalized on the balance sheet of the lessee.

"Closing Date" means the first date all the conditions precedent in Section 4.01 are satisfied or waived in accordance with Section 4.01 (or, in the case of Section 4.01(b), waived by the Person entitled to receive the applicable payment).

"Consolidated EBITDA" means for any period, the Consolidated Net Income of the Loan Parties plus, to the extent deducted from revenues in determining Consolidated Net Income, (a) Consolidated Interest Expense, (b) expense for income taxes paid or accrued, (c) depreciation, (d) amortization, (e) all other non-cash items reducing Consolidated Net Income (excluding any non-cash charge that results in an accrual of a reserve for cash charges in the future) and (f) the amount of dividends accrued or payable by the Loan Parties in respect of Disqualified Equity Interests or any Preferred Stock of any Restricted Subsidiary (excluding any amount payable to

any Loan Party), which amount shall be "grossed up" to include any applicable taxes on income that would be used to pay such dividends, provided, however, that interest, dividends or other payments or accruals of a consolidated Subsidiary that is not wholly owned shall be included only to the extent of the interest of such Person in such Subsidiary.

"Consolidated Indebtedness" means as of any date of determination, for the Loan Parties on a consolidated basis, Indebtedness of the Loan Parties as of such date, but excluding Indebtedness of one Loan Party to another Loan Party.

"Consolidated Interest Expense" means for any period, for the Loan Parties on a consolidated basis, the interest expense and interest and other charges amortized to cost of home sales and cost of land sales for the Loan Parties for such period.

"Consolidated Interest Incurred" means for any period, the aggregate amount (without duplication and determined in each case in accordance with GAAP) of (a) interest (excluding interest on Indebtedness of a Loan Party to another Loan Party) incurred, whether such interest was expensed or capitalized, paid, accrued, or scheduled to be paid or accrued by any of the Loan Parties during such period, including (i) original issue discount and non-cash interest payments or accruals, (ii) the interest portion of all deferred payment obligations, and (iii) all commissions, discounts and other fees and charges owed with respect to bankers' acceptances and letter of credit financings and Swap Contracts, in each case to the extent attributable to such period plus (b) the amount of dividends accrued or payable by the Loan Parties in respect of Disqualified Equity Interests or any Preferred Stock of any Restricted Subsidiary (excluding any amount payable to any Loan Party), which amount shall be "grossed up" to include applicable taxes on income that would be used to pay such in dividends, provided, however, that interest, dividends or other payments or accruals of a consolidated Subsidiary that is not wholly owned shall be included only to the extent of the interest of such Person in such Subsidiary. For purposes of this definition, (x) interest on Capital Leases shall be deemed to accrue at an interest rate reasonably determined by the Borrower to be the rate of interest implicit in such Capital Leases in accordance with GAAP and (y) without duplication, interest expense attributable to any Indebtedness of another Person represented by any Guarantee of a Loan Party shall be deemed to be the interest expense attributable to the Indebtedness guaranteed.

"Consolidated Net Income" means with respect to any Person for any period, the net income (or loss) of such Person and its Subsidiaries for such period, determined on a consolidated basis in accordance with GAAP; provided, that (a) net income (or loss) of any other Person which is not a Subsidiary of the Person or is accounted for by such specified Person by the equity method of accounting shall be included only to the extent of the amount of dividends or distributions paid to the specified Person or a Subsidiary of such Person, (b) all gains and losses which are either extraordinary (as determined in accordance with GAAP) or are either unusual or nonrecurring (including any gain from the sale or other disposition of assets outside the ordinary course of business or from the issuance or sale of any Equity Interests), shall be excluded, and (c) the net income, if positive, of any of such Person's consolidated Subsidiaries to the extent that the declaration or payment of dividends or similar distributions is not at the time permitted by operation of the terms of its charter or bylaws or any other agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to such consolidated Subsidiary shall be excluded, provided, however, in the case of exclusions from Consolidated

Net Income set forth in clauses (b) and (c) above, such amounts shall be excluded only to the extent included in computing such net income (or loss) in accordance with GAAP and without duplication.

"Consolidated Tangible Net Worth" means as of any date of determination, for Loan Parties on a consolidated basis, Shareholders' Equity of the Loan Parties on that date minus the Intangible Assets of the Loan Parties on that date.

"Debtor Relief Laws" means the Bankruptcy Code of the United States, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium. rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

"Disqualified Equity Interests" means (a) except as set forth in clause (b) below, with respect to any Person, Equity Interests of such Person that, by its terms or by the terms of any security into which it is convertible, exercisable or exchangeable, is, or upon the happening of an event or the passage of time would be, required to be redeemed or repurchased (including at the option of the holder thereof) by such Person or any of its Subsidiaries, in whole or in part, on or prior to the Scheduled Maturity Date, and (b) with respect to any Subsidiary of such Person (including with respect to any Subsidiary of the Borrower), any Equity Interests other than any common stock with no preference, privileges, or redemption or repayment provisions.

"Equity Interests" means as to any Person, the equity interests in such Person, including, without limitation, the shares of each class of capital stock in any Person that is a corporation, each class of partnership interest in any Person that is a partnership, and each class of membership interest in any Person that is a limited liability company, and any warrants or options to purchase or otherwise acquire any such equity interests.

"Governmental Authority" means the government of the United States or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory boy, court, administrative tribunal, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra national bodies such as the European Union or the European Central Bank).

"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 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, or (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 (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; provided however, that Springing Guarantee shall not be deemed to be a Guarantee until the earlier to occur of (i) the demand by a lender for payment under such Springing Guaranty, (ii) the occurrence or failure to occur of any event, act or circumstance that, with or without the giving of notice and/or passage of time, entitles a lender to make a demand for payment thereunder or (iii) a Bankruptcy Event. 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.

"Guarantors" means each Restricted Subsidiary of the Borrower existing on the Closing Date and each Restricted Subsidiary that becomes an additional Guarantor pursuant to Section 6.12.

"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, surety bonds and similar instruments;

(c) net obligations of such Person under any Swap Contract;

(d) all obligations of such Person to pay the deferred purchase price of property or services (except the following items shall not be included as Indebtedness: (i) trade accounts payable that are not more than 30 days past the date the invoice was approved and entered into the computer system by such Person and also including any trade payables that are in dispute, (ii) accrued expenses incurred by such Person in the ordinary course of business), (ii) marketing fees payable to developer of master planned communities incurred by such person in the ordinary course of business, (iv) reimbursement obligations for impact or development fee credits to be received by such person incurred in the ordinary course of business, (v) deferred lot premium or profit participation obligations payable to developers of master planned communities incurred in the ordinary course of business and (vi) obligations to developers or owners of master planned communities in the form of a performance encumbrance of such Person incurred 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) obligations under Capital Leases;

(g) Synthetic Lease Obligations and Off-Balance Sheet Liabilities;

(h) obligations in respect to Redeemable Stock of such Person;

(i) any Receivables Facility Attributed Indebtedness;

(j) any "withdrawal liability" of such Person as such term is defined under Part I of Subtitle E of Title IV of ERISA; and

(k) all Guarantees by such Person in respect of any of the foregoing items (a) through (j) of another person (for clarification, any Guarantees by such Person of any obligations of another Person other than those set forth in items (a) through (j) shall not be Indebtedness. By way of example, a guaranty of performance and other obligations of a joint venture (other than a Payment Guaranty), including any agreement to provide funds by means of a loan, capital contribution or otherwise for the purpose of funding the obligation of the joint venture incurred in its ordinary course of business, and in connection with an established agreed upon budget shall not be Indebtedness).

For all purposes hereof, the Indebtedness of any Person shall include the Indebtedness of any partnership or joint venture in which such Person is a general partner or a joint venturer to the extent that such Person is liable therefor as a result of such Person's ownership interest in or other relationship with such entity, unless such Indebtedness is expressly made non-recourse to such Person. The amount of any net obligation under any Swap Contract on any date shall be deemed to be the Swap Termination Value thereof as of such date. The amount of any Capital Lease or Synthetic Lease Obligation as of any date shall be deemed to be the amount of Attributable Indebtedness in respect thereof as of such date.

Notwithstanding the foregoing the following shall not be considered Indebtedness to the extent such items are not required to be capitalized in accordance with GAAP: (1) earn-outs or similar profit sharing arrangements provided for in Acquisition agreements which are determined on the basis of future operating earnings or similar performance criteria (which are not determinable at the time of acquisition) of the acquired assets or entities, (2) deferred income taxes and surety bonds arising in the ordinary course of business, (3) any liabilities arising under rolling options and similar contracts for the acquisition of real property incurred in the ordinary course of business, and (4) any liabilities arising under model home leases.

"Intangible Assets" means assets that are considered to be intangible assets under GAAP, including customer lists, goodwill, computer software, copyrights, trade names, trademarks, patents, franchises, licenses, unamortized deferred charges and unamortized debt discount.

EXHIBIT 1.4

"Interest Coverage Ratio" means as of any date of determination, the ratio of (a) Consolidated EBITDA for the period of four fiscal quarters ended on such date to (b) Consolidated Interest Incurred for such four fiscal quarters.

"Leverage Ratio" means as of any date of determination, the ratio of (a) Consolidated Indebtedness on such date (which, for the purpose of calculating the Leverage Ratio only, shall exclude (i) the face amount of all undrawn Performance Letters of Credit issued for the account of, or guaranteed by the Loan Parties and (ii) Attributable Indebtedness in respect of Synthetic Lease Obligations and other Off-Balance Sheet Liabilities Guarantees with respect thereto) to (b) Consolidated Tangible Net Worth on such date.

"Loan Parties" means collectively, the Borrower and each Guarantor.

"Off-Balance Sheet Liabilities" means with respect to any Person as of any date of determination thereof, without duplication and to the extent not included as a liability on the consolidated balance sheet of such Person and its Subsidiaries in accordance with GAAP: (a) with respect to any asset securitization transaction (including any accounts receivable purchase facility) (i) the unrecovered investment of purchasers or transferees of assets so transferred, and (ii) any other payment, recourse, repurchase, hold harmless, indemnity or similar obligation of such Person or any of its Subsidiaries in respect of assets transferred or payments made in respect thereof, other than limited recourse provisions that are customary for transactions of such type and that neither (x) have the effect of limiting the loss or credit risk of such purchasers or transferees with respect to payment or performance by the obligors of the assets so transferred nor (y) impair the characterization of the transaction as a true sale under applicable Laws (including Debtor Relief Laws); (b) the monetary obligations under any financing lease or so-called "synthetic," tax retention or off-balance sheet lease transaction which, upon the application of any Debtor Relief Law to such Person or any of its Subsidiaries, would be characterized as indebtedness; (c) any other monetary obligation arising with respect to any other transaction which (i) upon the application of any Debtor Relief Law to such Person or any of its Subsidiaries, would be characterized as indebtedness or (ii) is the functional equivalent of or takes the place of borrowing but which does not constitute a liability on the consolidated balance sheet of such Person and its Subsidiaries (for purposes of this clause (c), any transaction structured to provide tax deductibility as interest expense of any dividend, coupon or other periodic payment will be deemed to be the functional equivalent of a borrowing); provided, however, that (A) liabilities arising under rolling options and similar contracts for the acquisition of real property incurred in the ordinary course of business and (B) liabilities arising under model home leases in the ordinary course of business and (C) liabilities arising under Guarantees shall not be deemed to be "Off-Balance Sheet Liabilities."

"Payment Guaranty" means, with respect to any Person, such person's guaranty of obligations of a joint venture to make payments of its Indebtedness, whether regularly scheduled or payable upon maturity by acceleration or otherwise

"Performance Letters of Credit" means any letter of credit issued (a) on behalf of a Person in favor of a Governmental Authority, including, without limitation, any utility, water or sewer authority, or other similar entity for the purpose of assuring such Governmental Authority that such person or Affiliate of such Person will properly and timely complete work it has agreed

to perform for the benefit of such Governmental Authority; (b) in lieu of cash deposits to obtain a license, in place of a utility deposit, or for land option contracts; (c) in lieu of other contract performance, to secure performance warranties payable upon breach, and to secure the performance of labor and materials, including, without limitation, construction, bid and performance bonds; (d) to secure refund or advance payments on contractual obligation where default of a performance-related contract has occurred; or (e) to secure a person's obligations under joint development agreements with third parties to perform and/or pay for or reimburse the costs of construction and/or development related to or benefiting such person's property and property belonging to such third parties (so long as such person's obligations under such joint development agreement are not past due), entered into in the ordinary course of such Person's business.

"Permitted Unrestricted Subsidiary Indebtedness" means Indebtedness of an Unrestricted Subsidiary (a) as to which neither the Borrower nor any Restricted Subsidiary (i) provides credit support of any kind (including any undertaking, agreement or instrument that would constitute Indebtedness), (ii) is directly or indirectly liable as a guarantor or otherwise, or (iii) constitutes the lender; (b) no default with respect to which (including any rights that the holders thereof may have to take enforcement action against an Unrestricted Subsidiary) would permit upon notice, lapse of time or both any holder of any other Indebtedness (other than the Notes) of the Borrower or any Restricted Subsidiary to declare a default on the other Indebtedness or cause the payment thereof to be accelerated or payable prior to its stated maturity; and (c) as to which the lenders have been notified in writing that they will not have any recourse to the Equity Interests or assets of the Borrower or any Restricted Subsidiary.

"Preferred Stock" means, with respect to any Person, any and all preferred or preference stock or other Equity Interests (however designated) of such Person whether now outstanding or issued after the Closing Date.

"Receivables Facility Attributed Indebtedness" means the amount of obligations outstanding under a receivables purchase facility on any date of determination that would be characterized as principal if such were structured as a secured lending transaction rather than a purchase.

"Redeemable Stock" means any Equity Interests of the Borrower or any of its Restricted Subsidiaries which prior to one month after the Scheduled Maturity Date is (a) mandatorily redeemable, (b) redeemable at the option of the holder thereof or (c) convertible into Indebtedness of the Borrower or any of its Restricted Subsidiaries.

"Restricted Subsidiary" means any Subsidiary of the Borrower which is not an Unrestricted Subsidiary.

"Scheduled Maturity Date" means May 16, 2010, as the same may be extended pursuant to Section 2.14.

"Shareholder's Equity" means as of any date of determination, consolidated shareholders' equity of the Loan Parties as of that date determined in accordance with GAAP.

"Springing Guarantee" means a Guarantee by a Person which by its express terms does not become effective until the occurrence of a Bankruptcy Event.

"Subsidiary" of a Person means with respect to any Person (a) any corporation, limited liability company, association or other business entity (other than a partnership), of which more than fifty percent (50%) of the total voting power of the Equity Interests entitled (without regard to the occurrence of any contingency) to vote in the election of the Board of Directors or other governing body thereof are at the time owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person (or a combination thereof) and (b) any partnership (i) the sole general partner or the managing general partner of which is such Person or a Subsidiary of such Person or (ii) the only general partners of which are such Person or one or more Subsidiaries of such Person (or any combination hereof). Unless otherwise specified, all references herein to a 'Subsidiary" or to 'Subsidiaries" shall refer to a Subsidiary or Subsidiaries of the Borrower.

"Swap Contract" means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a "Master Agreement"), including any such obligations or liabilities under any Master Agreement.

"Swap Termination Value" means in respect to any or more Swap Contracts, after taking into account the effect of any legally enforceable netting agreement relating to such Swap Contracts, (a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) determined in accordance therewith, such termination value(s), and (b) for any date prior to the date referenced in clause (a), the amount(s) determined as the mark-to-market value(s) for such Swap Contracts, as determined based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Swap Contracts (which may include a Lender or any Affiliate of a Lender).

"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); provided, however, that model home leases entered into in the ordinary course of business of such Person and

consistent with practices of such Person prior to the Closing Date shall not be considered Synthetic Lease Obligations.

"Unrestricted Subsidiary" means (1) any Subsidiary of the Borrower designated by the board of directors of the Borrower from time to time as a "Unrestricted Subsidiary" pursuant to a resolution of the board of directors and (2) any Subsidiary of an Unrestricted Subsidiary, but only to the extent such Subsidiary:

(i) has no Indebtedness other than Permitted Unrestricted Subsidiary Indebtedness;

(ii) is not party to any agreement, contract, arrangement or understanding with the Borrower or any Restricted Subsidiary of the Borrower unless the terms of any such agreement, contract, arrangement or understanding are no less favorable to the Borrower or such Restricted Subsidiary than those that might be obtained at the time from Persons who are not Affiliates of the Borrower;

(iii) is a Person with respect to which neither the Borrower nor any of its Restricted Subsidiaries has any direct or indirect obligation (a) to subscribe for additional Equity Interests or (b) maintain or preserve such Person's financial condition or to cause such person to achieve any specified levels of operating results;

(iv) has not guaranteed or otherwise directly or indirectly provided credit support for any Indebtedness of the Borrower or any of its Restricted Subsidiaries, unless such guarantee or credit support is released upon such designation; and

(v) is designated an "Unrestricted Subsidiary" under the Senior Note Indenture or any Refinancing Indebtedness relating thereto.

Any designation of a Restricted Subsidiary of the Borrower as an Unrestricted Subsidiary shall be evidenced to the Administrative Agent by filing with the Administrative Agent a certified copy of the resolution of the board of directors giving effect to such designation and an certificate of a Responsible Officer certifying that such designation complied with the preceding conditions. If at any time an Unrestricted Subsidiary shall fail to meet the preceding requirements as an Unrestricted Subsidiary, it shall thereafter cease to be deemed an Unrestricted Subsidiary for purposes of this Agreement and any Indebtedness of such Subsidiary shall be deemed to be incurred by a Restricted Subsidiary of the Borrower as of such date. Notwithstanding anything to the contrary contained herein, each Guarantor shall at all times be a Restricted Subsidiary for all purposes hereunder, and Borrower shall not designate a Guarantor as an Unrestricted Subsidiary.

PARENT GUARANTOR FINANCIAL COVENANTS
FOR BEAZER HOMES USA, INC.

PRIMARY CREDIT FACILITY:

Credit Agreement dated as of August 22, 2005 among Beazer Homes USA, Inc., a Delaware corporation ("Borrower"), JP Morgan Chase Bank, N.A. as Agent ("Agent"), and the Lenders party thereto, as amended by First Amendment thereto dated March 22, 2006 and Letter Agreement dated December 15, 2006.

PARENT GUARANTOR FINANCIAL COVENANTS:

Section 7.01. Minimum Consolidated Tangible Net Worth. The Borrower will maintain at all times a Consolidated Tangible Net Worth of not less than the sum (the "Minimum Consolidated Tangible Net Worth") of (i) $862,000,000, (ii) an amount equal to fifty percent (50%) of the cumulative Net Income of the Borrower earned after March 31, 2005 (excluding any quarter in which there is a loss), and (iii) fifty percent (50%) of the net proceeds received after March 31, 2005 by the Borrower or any Subsidiary from the sale or issuance of any of its Common Equity. Notwithstanding the foregoing, in the event that the Borrower shall at any time consummate an Acquisition for a purchase price or other consideration equaling or exceeding $100,000,000, the Minimum Consolidated Tangible Net Worth shall be increased to the sum of (i) 80% of the Borrower's Consolidated Tangible Net Worth immediately following the closing of such Acquisition, (ii) an amount equal to 50% of the cumulative Net Income of the Borrower earned after the closing of such Acquisition (excluding any quarter in which there is a loss) and (iii) 50% of the net proceeds received after the closing of such Acquisition by the Borrower or any Subsidiary for the sale or issuance of its Common Equity.

7.02 Leverage Ratio. The Borrower will not permit the Leverage Ratio to exceed (a) 2.25 to 1.00 at any time that the Borrower maintains an Interest Coverage Ratio of at least 2.5 to 1.0 or (b) 2.0 to 1.0 at any other time.

7.04 Interest Coverage Ratio. The Borrower shall maintain an Interest Coverage Ratio of not less than 2.0 to 1.0, which ratio shall be determined as of the last day of each fiscal quarter for the four-quarter period ending on such day.

CERTAIN DEFINITIONS FROM PRIMARY CREDIT FACILITY:

"Acquisition" means any transaction, or any series of related transactions, consummated on or after the date of this Agreement, by which the Borrower or any of its Subsidiaries (i) acquires any going concern or all or substantially all of the assets of any Person or division thereof, whether through purchase of assets, merger or otherwise or (ii) directly or indirectly acquires (in one transaction or as the most recent transaction in a series of transactions) at least a

majority (in number of votes or by percentage of voting power) of the Common Equity of another Person.

"Capital Lease" means all leases which have been or should be capitalized on the books of the lessee in accordance with GAAP.

"Common Equity" of any Person means any and all shares, rights to purchase, warrants or options (whether or not currently exercisable), participations, or other equivalents of or interests in (however designated) the equity (which includes, but is not limited to, common stock, preferred stock and partnership and joint venture interests) of such Person (excluding any debt securities convertible into, or exchangeable for, such equity) to the extent that the foregoing is entitled to (i) vote in the election of directors of such Person or (ii) if such Person is not a corporation, vote or otherwise participate in the selection of the governing body, partners, managers or other persons that will control the management and policies of such Person.

"Consolidated Debt" means the Debt of the Borrower and its Subsidiaries determined on a consolidated basis (but shall not include Debt of any Subsidiary which is not a Guarantor, except to the extent that such Debt is guaranteed by the Borrower or a Guarantor).

"Consolidated Tangible Net Worth" of the Borrower means, at any date, the consolidated stockholders' equity of the Borrower determined in accordance with GAAP, less Intangible Assets, all determined as of such date.

"Debt" means, without duplication, with respect to any Person (1) indebtedness or liability for borrowed money, including, without limitation, subordinated indebtedness (other than trade accounts payable and accruals incurred in the ordinary course of business); (2) obligations evidenced by bonds, debentures, notes, or other similar instruments; (3) obligations for the deferred purchase price of property (including, without limitation, seller financing of any Inventory) or services, provided, however, that Debt shall not include obligations with respect to options to purchase real property that have not been exercised; (4) obligations as lessee under Capital Leases to the extent that the same would, in accordance with GAAP, appear as liabilities in the Borrower's consolidated balance sheet; (5) current liabilities in respect of unfunded vested benefits under Plans and incurred withdrawal liability under any Multiemployer Plan; (6) reimbursement obligations under letters of credit (including contingent obligations with respect to letters of credit not yet drawn upon); (7) obligations under acceptance facilities; (8) all guaranties, endorsements (other than for collection or deposit in the ordinary course of business), and other contingent obligations to purchase, to provide funds for payment, to supply funds to invest in any other Person or entity, or otherwise to assure a creditor against loss, provided, however, that "Debt" shall not include guaranties of performance obligations; (9) obligations secured by any Liens on any property of such Person, whether or not the obligations have been assumed; (10) net liabilities under interest rate swap, exchange or cap agreements (valued as the termination value thereof, computed in accordance with a method approved by the International Swaps and Derivatives Association and agreed to by such Person in the applicable agreement); and (11) such Person's pro rata share of the obligations and liabilities (described in (1) through (10) above) of any Joint Venture in which such Person holds an interest.

"EBITDA" means, for any period, on a consolidated basis for the Borrower and its Subsidiaries (other than those Subsidiaries that are not Guarantors), the sum of the amounts for such period of (i) Net Income (but excluding from such Net Income for the applicable period any income derived from any Investment in a Joint Venture referred to in Section 6.07(10) to the

extent that such income exceeds the cash distributions thereof received by the Borrower or its Subsidiaries (other than those Subsidiaries that are not Guarantors) in such period), plus (ii) charges against income for foreign, federal, state and local taxes, plus (iii) Interest Expense, plus (iv) depreciation, plus (v) amortization expense, including, without limitation, amortization of goodwill and other intangible assets and amortization of deferred compensation expense, plus (vi) extraordinary losses (and all other non-cash items reducing Net Income, including but not limited to impairment charges for land and other long-lived assets and option deposit forfeitures), minus (vii) interest income, minus (viii) extraordinary gains (and any unusual gains and non-cash credits arising in or outside of the ordinary course of business not included in extraordinary gains that have been included in the determination of such Net Income), all determined in accordance with GAAP.

"Guarantor" means (a) the Subsidiaries of Borrower identified on Schedule III hereto and (b) any Person that, pursuant to a Supplemental Guaranty, guarantees the Obligations.

"Intangible Assets" means, at any time, the amount (to the extent reflected in determining consolidated stockholders equity of the Borrower and its Subsidiaries) of (i) Investments in any Subsidiaries that are not Guarantors and (ii) all unamortized debt discount and expense, unamortized deferred charges, good will, patents, trademarks, service marks, trade names, copyrights and all other items which would be treated as intangibles on a consolidated balance sheet of the Borrower and its Subsidiaries prepared in accordance with GAAP.

"Interest Coverage Ratio" means, for any period, the ratio of (a) EBITDA to (b) the sum (on a consolidated basis for the Borrower and its Subsidiaries) of all interest incurred, including capitalized interest.

"Interest Expense" means, for any period, the total interest expense of the Borrower and its Subsidiaries (other than those Subsidiaries that are not Guarantors), whether paid directly or amortized through cost of sales (including the interest component of Capital Leases). Notwithstanding that GAAP may otherwise provide, the Borrower shall not be required to include in Interest Expense the amount of any premium paid to prepay Debt.

"Investment" has the meaning provided therefor in Section 6.07. The amount of any Investment shall include (a) in the case of any loan or advance, the outstanding amount of such loan or advance and (b) in the case of any equity Investment, the amount of the "net equity investment" as determined in accordance with GAAP.

"Joint Venture" means any Person (other than a Subsidiary) in which the Borrower or a Subsidiary holds any stock, partnership interest, joint venture interest, limited liability company interest or other equity interest.

"Leverage Ratio" means, as of any date, the ratio of Consolidated Debt to Consolidated Tangible Net Worth. For purposes of calculating the Leverage Ratio as of any date, the stockholders' equity of any Subsidiaries that are not Guarantors shall be excluded from Consolidated Tangible Net Worth as of such date.

"Net Income" means, for any period, the net earnings (or loss) after taxes of the Borrower and its Subsidiaries on a consolidated basis for such period.

"Subsidiary" means, as to the Borrower or a Guarantor, in the case of a corporation, a corporation of which shares of stock having ordinary voting power (other than stock having such

power only by reason of the happening of a contingency) to elect a majority of the board of directors or other managers of such corporation are at the time owned, or the management of which is otherwise controlled, directly, or indirectly through one or more intermediaries, or both, by the Borrower or such Guarantor, as the case may be, or in the case of an entity which is not a corporation, the activities of which are controlled directly, or indirectly through one or more intermediaries, or both, by the Borrower or such Guarantor, as the case may be.

THE FOLLOWING PROVISION INCLUDES THE DEFINITION OF "INVESTMENTS" AND IS ALSO REFERRED TO IN THE DEFINITION OF "EBITDA":

Section 6.07 Investments. [The Borrower shall not], make, or permit any Subsidiary to make, any loan or advance to any Person, or purchase or otherwise acquire, or permit any Subsidiary to purchase or otherwise acquire, any capital stock, assets (other than assets acquired in the ordinary course of business), obligation, or other securities of, make any capital contribution to, or otherwise invest in or acquire any interest in any Person including, without limitation, any hostile takeover, hostile tender offer or similar hostile transaction (collectively, "Investments"), except: (1) a direct obligation of the United States or any agency thereof with maturities of one year or less from the date of acquisition; (2) commercial paper rated at least "A-1" by Standard & Poor's Corporation or "P-1" by Moody's Investors Service, Inc.; (3) certificates of deposit with maturities of one year or less from the date of acquisition issued by any commercial bank or federal savings bank having capital and surplus in excess of $250,000,000; (4) a direct obligation of any state or municipality within the United States with maturities of one year or less from the date of acquisition and which, at the time of such acquisition, is accorded one of the two highest debt ratings for obligations of such type by Standard & Poor's or Moody's; (5) mutual funds investing in assets of the type described in items (1), (2), (3) or (4) above which in any case would be classified as a current asset in accordance with GAAP which are managed by a fund manager of recognized standing in the United States and having capital and surplus of at least $100,000,000 or having at least $250,000,000 under management; (6) stock, obligation, or securities received in settlement of debts (created in the ordinary course of business) owing to the Borrower or any Subsidiary provided such issuance is approved by the board of directors of the issuer thereof; (7) a loan or advance from the Borrower to a Subsidiary, or from a Subsidiary to a Subsidiary, or from a Subsidiary to the Borrower (subject, however, to the limitations set forth below in the case of Investments in Subsidiaries that are not Guarantors); (8) any Permitted Acquisition; (9) an Investment in a Wholly-Owned Subsidiary, which Investment is, or constitutes a part of, an Internal Reorganization (subject, however, to the limitations set forth below in the case of Investments in Subsidiaries that are not Guarantors); (10) Investments in Subsidiaries that are not Guarantors and any Joint Venture (subject, however, to the limitations set forth below); or (11) any other Investment not identified in clauses (1) though (10) above (subject, however, to the limitations set forth below); provided that the aggregate amount of all Investments by the Borrower and its Subsidiaries permitted under clauses (10) and (11) above

and the contingent obligations under guaranties permitted under clause (3) of Section 6.08 below does not at any time exceed thirty-five percent (35%) of Consolidated Tangible Net Worth.

SCHEDULE 6

Legal Description of Project

PARCEL 1:

Common Area Lots E, H, L, 2, 3, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, B1, TH, F-1, P-1, S-4, T-3, T-4, 4-5, 7-3, TR-1, TR-2, TR-3, TR-4, TR-5, TR-6, TR-7 and TR-8

And

A Portion of Lot 1-1 in Block One (1), and Lots A in Block Three (3), A Portion of 1-2 in Block Four (4), A Portion of 1-3 in Block Five (5), 1-4 in Block Seven (7), S-1 in Block Nine (9), 2-2 and 2-3 in Block Eleven (11), C in Block Twelve (12), 2-4 in Block Fourteen (14), S-2, 3-1, 3-3, 3-4 and 4-2 in Block Fifteen (15), G and 3-2 in Block Sixteen (16), 4-1 in Block Seventeen (17), 4-4 and 5-5 in Block Eighteen (18), 4-3 in Block Nineteen (19), 4-6 in Block Twenty (20), S-3 in Block Twenty-one (21), R-1 and 5-4 in Block Twenty-two (22), 5-2 in Block Twenty-three (23), I in Block Twenty-four (24), J, 5-1 and 6-6 in Block Twenty-five (25), 6-5 and 7-4 in Block Twenty-six (26), Common Area Lot 5-3 in Block Twenty-Nine (29), S-5 in Block Thirty (30), 6-3 and 6-7 in Block Thirty-two (32), 6-2 and 6-4 in Block Thirty-three (33), K in Block Thirty-four (34), 6-1 in Block Thirty-seven (37), 7-1 in Block Thirty-nine (39), T-6 in Block Forty-one (41), T-5 in Block Forty-two (42), T-1 in Block Forty-three (43), T-2 in Block Forty-five (45), M and 2-1 in Block Forty-six (46) and T-7 in Block Forty-nine (49)

of Parent Final Map of SOUTH EDGE (a common interest community) as shown by map thereof on file in Book 127 of Plats, Page 95, and amended by Certificate of Amendment recorded February 24, 2006, in Book 20060224 as Document No. 02317, of in the Office of the County Recorder of Clark County, Nevada.

Excepting therefrom that portion of Common Element Lot 21 as conveyed to the City of Henderson by Deed recorded August 16, 2006, in Book 20060816 as Document No. 01993, of Official Records.

Together with that portion of Via Firenze as vacated by that certain Order of Vacation, recorded December 20, 2006, in Book 20061220 as Document No. 02610, of Official Records.

PARCEL 2:

All the land lying within the exterior boundaries of SOUTH EDGE INSPIRADA, VILLAGE 1, POD 1, PHASE 1 (a common interest community) as shown by map thereof on file in Book 134 of Plats, Page 7, and amended by that certain Certificate of Amendment recorded November 8, 2006, in Book 20061108 as Document No. 02121 of in the Office of the County Recorder of Clark County, Nevada.

PARCEL 3:

All the land lying within the exterior boundaries of SOUTH EDGE INSPIRADA, POD 1-3, UNIT 1 (a common interest community) as shown by map thereof on file in Book 134 of Plats, Page 73, of in the Office of the County Recorder of Clark County, Nevada.

PARCEL 4:

All the land lying within the exterior boundaries of KB HOME @ SOUTH EDGE POD 1-2, UNIT 1 (a common interest community) as shown by map thereof on file in Book 135 of Plats, Page 15, of in the Office of the County Recorder of Clark County, Nevada.

PARCEL 5:

All the land lying within the exterior boundaries of KB HOME @ SOUTH EDGE POD 1-2, UNIT 3 (a common interest community) as shown by map thereof on file in Book 135 of Plats, Page 55, of in the Office of the County Recorder of Clark County, Nevada.

PARCEL 6:

All the land lying within the exterior boundaries of KB HOME @ SOUTH EDGE POD 1-2 UNIT 4 (a common interest community) as shown by map thereof on file in Book 135 of Plats, Page 56, of in the Office of the County Recorder of Clark County, Nevada.

SCHEDULE 7

SCOPE OF WORK

The design and construction of all improvements necessary to bring the Project to "super-pad" status, including the following:

OFFSITE IMPROVEMENTS

WATER

SUN CITY ANTHEM
DRIVE
42" Transmission line

2760 ZONE RESERVOIR
2760 ZONE RESERVIOR ALTITUDE/FLOW VALVE
2870 ZONE PUMP STATION
2870 ZONE RESERVOIR
2870 ZONE RESERVIOR ALTITUDE/FLOW VALVE

SEWER

SEWER (ST. ROSE PARKWAY)
48" Oversized Sewer

SEWER (AIRPORT ALIGNMENT)
24" Sewer
15" Sewer

SEWER (VOLUNTEER ROAD)
15" Sewer

ACCESS ROADS

Grand Cayman Boulevard
Executive Airport Drive
Volunteer Boulevard

POWER FEEDERS
POWER SUBSTATION
PUBLIC FACILITIES

ROADWAYS
WATER
SEWER
DRAINAGE FACILITIES

DRY UTILITY INFRASTRUCTURE
MASS GRADE
PASEOS
PROJECT ENTRY

SCHEDULE 8

PROJECT AGREEMENTS

The following constitute the Project Agreements in effect as of the Closing Date:

1. Construction Management Agreement between Landtek, LLC, a Nevada limited-liability company, as Construction Manager, and Borrower.

2. Engineering Agreement between VTN Nevada and Borrower and related change orders.

3. Construction contract between Ameron International and Borrower and related change orders.

4. Construction contract between Western States and Borrower and related change orders.

5. Construction contract between Diamond Construction Company and Borrower and related change orders.

6. Construction contract between C & S Company and Borrower and related change orders.

7. Construction contract between American Asphalt and Borrower and related change orders.

8. Construction contract between Hydro Arch and Borrower and related change orders.

9. Construction contract between Las Vegas Paving and Borrower and related change orders.

10. Construction contract between DYK and Borrower.

11. Construction contract between Top Notch Services and Borrower and related change orders.

12. Construction contract between Tejas Underground and Borrower and related change orders.

13. Construction contract between Stewart & Sundell and Borrower and related change orders.

14. Construction contract between Southern Nevada Paving and Borrower and related change orders.

15. Construction contract between Native Resources and Borrower and related change orders.

16. Construction contract between Contri Construction and Borrower and related change orders.

17. Construction contract between CEDCO Inc.and Borrower.

18. Construction contract between Triple J Trenching and Borrower.

19. Construction contract between Western Landscaping and Borrower.

20. Construction contract between Chief Concrete and Borrower.

21. Construction contract between Master Electric and Borrower.

22. Construction contract between US Occupational Safety Service and Borrower.

23. Consulting Agreement between Advantage Civil Design and Borrower.

24. Consulting Agreement between Duany Plater-Zyberk & Company and Borrower and related changed orders.

25. Consulting Agreement between Fox Higgins and Borrower.

26. Consulting Agreement between GC Wallace and Borrower and related changed orders.

27. Consulting Agreement between Geotek and Borrower and related changed orders.

28. Consulting Agreement between Greey Pickett and Borrower.

29. Consulting Agreement between Glanville & Associates and Borrower.

30. Consulting Agreement between Jam Design and Borrower.

31. Consulting Agreement between KTGY and Borrower.

32. Consulting Agreement between Larry Sip and Borrower.

33. Consulting Agreement between Meyers Group and Borrower.

34. Consulting Agreement between NewFields Companies and Borrower.

35. Consulting Agreement between Craig Johnson AIA and Borrower.

36. Consulting Agreement between Stanley Consultants and Borrower and related changed orders.

37. Consulting Agreement between SWCA Environmental Consultants and Borrower.

SCHEDULE 9

REQUIRED INSURANCE

Type	**Amount**	**Certificate/Policy/ Endorsement Requirements**
Borrower's Commercial General Liability	$ For projects over $25MM, minimum amount of $25MM per occurrence. This can be met by any combination of general and/or excess.	Name Agent as Additional Insured
Borrower's Commercial Excess/Umbrella Liability	$See above	Name Agent as Additional Insured
Contractor's Commercial General Liability	Same as Borrower's	Name Agent as Additional Insured
Contractor's Commercial Excess/Umbrella Liability	Same as Borrower's	Name Agent as Additional Insured
Worker's Compensation	Minimum State Requirement	
Builder's Risk/Course of Construction	N/A	Name Agent as Mortgagee **and** Loss Payee
Special Cause of Loss/All Risk Hazard	N/A	Name Agent as Mortgagee **and** Loss Payee Evidence must be presented on an **Acord Form #27** certificate.
Business Interruption/Loss of Rents	N/A	Name Agent as Mortgagee **and** Loss Payee
Flood Insurance **(if required)**	N/A	Name Agent as Mortgagee **and** Loss Payee
Earthquake Insurance **(if required)**	N/A	Name Agent as Mortgagee **and** Loss Payee

Additional Requirements:
1. Mortgagee, Loss Payee and Additional Insured clause shall read as "JPMorgan Chase Bank, N.A., as Administrative Agent, Commercial Real Estate, 201 N. Central Avenue, 14th Floor, Department AZ1-1328, Phoenix, Arizona 85004
2. Certificate must reference the property description or address.
3. Blanket policies: Certificate must identify the secured property by address and show the sum insured.
4. Certificate must provide for 30 days notice of cancellation.
5. Company Insuring must be rated not less than "A" VII.

EXHIBIT A

ASSIGNMENT AND ASSUMPTION

This Assignment and Assumption (the "Assignment and Assumption") is dated as of the Effective Date set forth below and is entered into by and between [*Insert name of Assignor*] (the "Assignor") and [*Insert name of Assignee*] (the "Assignee"). Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (as amended, the "Credit Agreement"), receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, the Assignor hereby irrevocably sells and assigns to the Assignee, and the Assignee hereby irrevocably purchases and assumes from the Assignor, subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Administrative Agent as contemplated below (i) all of the Assignor's rights and obligations in its capacity as a Lender under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of the Assignor under the respective facilities identified below (including any letters of credit, and guarantees included in such facilities) and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of the Assignor (in its capacity as a Lender) against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned pursuant to clauses (i) and (ii) above being referred to herein collectively as the "Assigned Interest"). Such sale and assignment is without recourse to the Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by the Assignor.

1. Assignor: _____

2. Assignee: _____
[and is an Affiliate/Approved Fund of [identify Lender][1]]

3. Borrower(s): _____

4. Administrative Agent: _____, as the administrative agent under the

[1] Select as applicable.

Credit Agreement

5. Credit Agreement: [The [*amount*] Credit Agreement dated as of _____ among [*name of Borrower(s)*], the Lenders parties thereto, [*name of Administrative Agent*], as Administrative Agent, and the other agents parties thereto]

6. Assigned Interest:

Facility Assigned[2]	Aggregate Amount of Commitment/Loans for all Lenders	Amount of Commitment/ Loans Assigned	Percentage Assigned of Commitment/Loans[3]
	$	$	%
	$	$	%
	$	$	%

Effective Date: _____ ___, 20___ [TO BE INSERTED BY ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR

[NAME OF ASSIGNOR]

By: _____
Title:

ASSIGNEE

[NAME OF ASSIGNEE]

By: _____
Title:

[2] Fill in the appropriate terminology for the types of facilities under the Credit Agreement that are being assigned under this Assignment (e.g. "Facility Commitment," "Facility C Commitment," etc.)

[3] Set forth, so at least 9 decimals, as a percentage of the Commitment/Loans of all Lenders under the applicable Facility.

[Consented to and][4] Accepted:

[NAME OF ADMINISTRATIVE AGENT], as
Administrative Agent

By: _____
Title:

[Consented to:][5]

[NAME OF RELEVANT PARTY]

By: _____
Title:

[4] To be added only if the consent of the Administrative Agent is required by the terms of the Credit Agreement.

[5] To be added only if the consent of the Borrower and/or other parties (e.g. Issuing Bank) is required by the terms of the Credit Agreement.

ANNEX I

[_____][1]

STANDARD TERMS AND CONDITIONS FOR

ASSIGNMENT AND ASSUMPTION

1. Representations and Warranties.

1.1 Assignor. The Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of the Assigned Interest, (ii) the Assigned Interest is free and clear of any lien, encumbrance or other adverse claim and (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any collateral thereunder, (iii) the financial condition of the Borrower, any of its Affiliates or any other Person obligated in respect of any Loan Document or (iv) the performance or observance by the Borrower, any of its Affiliates or any other Person of any of their respective obligations under any Loan Document.

1.2. Assignee. The Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it satisfies the requirements, if any, specified in the Credit Agreement that are required to be satisfied by it in order to acquire the Assigned Interest and become a Lender, (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of the Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it has received a copy of the Credit Agreement, together with copies of the most recent financial statements delivered pursuant to Section ___ thereof, as applicable, and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase the Assigned Interest on the basis of which it has made such analysis and decision independently and without reliance on the Administrative Agent or any other Lender, and (v) if it is a Foreign Lender, attached to the Assignment and Assumption is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by the Assignee; and (b) agrees that (i) it will, independently and without reliance on the Administrative Agent, the Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

[1] Describe Credit Agreement at option of Administrative Agent.

2. Payments. From and after the Effective Date, the Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignor for amounts which have accrued to but excluding the Effective Date and to the Assignee for amounts which have accrued from and after the Effective Date.

3. General Provisions. This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by telecopy shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be governed by, and construed in accordance with, the law of the State of New York.

EXHIBIT B

Intentionally Omitted

EXHIBIT C

Intentionally Omitted

EXHIBIT D

APPROVED PROJECT BUDGET

South Edge, LLC
Approved Project Budget

Land Cost	557,000,000
Management Fee	38,990,000
Pre-development Costs	968,868
Improvement Costs	448,586,775 *
Less: Reimbursement	(23,899,269)
Net Improvement Costs	**424,687,506**
Taxes & Insurance Costs	30,922,071
LID Cost	24,644,627
Loan Fees (incl. Closing, Arranger, Unused, & L/C Fees)	9,246,785
Loan Interest Expense	115,810,248
Total	**1,202,270,106**

* detail attached

SUMMARY - ESTIMATE OF IMPROVEMENT COSTS

DIRECT COSTS		
Roadways	$	68,713,076.20
Water	$	49,404,845.94
Sewer	$	19,264,178.10
Major Drainage Facilities	$	73,183,598.41
Dry Utilities (Excludes Substation)	$	26,890,356.74
Project Entry, Landscaping (within Roadway Improvements), School/Park Grading, Parks/Open	$	75,267,788.00
Sub Total	**$**	**312,723,843.38**
10% Contingency	**$**	**23,528,077.12**
Total Direct Costs	**$**	**336,251,920.95**
Design and Fees		
Engineering /Professional Services	$	24,384,688.90
CM Fee:	$	24,513,022.02
Permits and Fees	$	24,558,102.80
Public Facilities:	$	16,570,269.00
Impact Fees/Bonding	$	14,808,771.13
ROW Acquistion	$	2,500,000.00
Power Substation	$	5,000,000.00
Total Fees and Related Costs	**$**	**112,334,853.85**
Total All Costs	**$**	**448,586,774.80**

EXHIBIT E

Consent and Agreement

CONSENT AND AGREEMENT

This **CONSENT AND AGREEMENT** (this "Consent and Agreement") dated as of March 9, 2007, is entered into by each of the Member Guarantors (the "Member Guarantors") and Parent Guarantors (the "Parent Guarantors") identified on the signature pages hereto (collectively, the "Guarantors") and by and in favor of JPMorgan Chase Bank, N.A. in its capacity as Administrative Agent (the "Administrative Agent") for the Lenders party to the Credit Agreement referred to below, for the benefit of the Holders of Secured Obligations.

W I T N E S S E T H:

WHEREAS, South Edge LLC, a Nevada limited-liability company (the "Borrower"), the Administrative Agent and the lenders party thereto have entered into a Credit Agreement dated November 1, 2004 (the "Original Credit Agreement");

WHEREAS, pursuant to the Original Credit Agreement, each Member Guarantor and its affiliated Parent Guarantor have executed and delivered a Limited Guaranty dated November 1, 2004 (each a "Limited Guaranty"), a Completion Guaranty dated November 1, 2004 (each a "Completion Guaranty") and a Repayment Guaranty dated November 1, 2004 (each a "Repayment Guaranty") and, collectively with the Limited Guaranty and Completion Guaranty by such Member Guarantor and its affiliated Parent Guarantor, the "Guaranties");

WHEREAS, pursuant to the Original Credit Agreement, the Borrower, the Member Guarantors and the Parent Guarantors have also executed and delivered a certain Assignment of and Agreement with respect to Acquisition Agreements dated November 1, 2004 (the "Assignment");

WHEREAS, the Original Credit Agreement has been amended and restated by an Amended and Restated Credit Agreement of even date herewith (the "Credit Agreement"), which Credit Agreement provides for, among other things, the increase of the maximum principal amount of Facility A to $160,000,000.00 and the extension of the Facility A Maturity Date to October 31, 2008; and

WHEREAS, the execution of this Consent and Agreement is a condition precedent to the Lenders' obligations under the Credit Agreement.

NOW, THEREFORE, in consideration of the recitals set forth above and incorporated herein, and for other good and valuable consideration, the receipt and sufficiency whereof are hereby acknowledged, the parties hereto hereby agree as follows:

1. Capitalized Terms. Capitalized terms not defined herein shall have the meaning ascribed thereto in the Credit Agreement.

2. Consent. Each of the Guarantors hereby acknowledges and consents to the Credit Agreement and the amendment of the Loan Documents provided for therein and agrees that the Guaranties to which it is a party apply to the Facilities as amended under the Credit Agreement

and that the Assignment applies to the Acquisition Agreement to which such Guarantor is a party, as amended as provided in the Second Amendment to Purchase and Sale Agreement and Joint Escrow Instructions dated as of the date hereof.

3. Percentage Interests. Each Member Guarantor and its affiliated Parent Guarantor acknowledge that as of the date hereof the percentage interests in the Borrower owned by such Member Guarantor is the percentage set forth in Schedule 2 to the Credit Agreement.

4. Amendments to Completion Guaranty. (a) The definition of "Guaranteed Development Costs" in each Completion Guaranty is hereby amended and restated in its entirety as follows:

> (c) "Guaranteed Development Costs" means all Development Costs (other than Excluded Costs) not paid or performed by Borrower, to the extent such Development Costs at any time exceed an amount equal to (i) the undisbursed amount of the Aggregate Facility A Commitment whether or not such Aggregate Facility A Commitment has been terminated plus (ii) the amount by which the undisbursed amount of the Aggregate Facility D Commitment (whether or not such Aggregate Facility D Commitment has been terminated) exceeds the aggregate LC Exposure of all Facility D Lenders, less the amounts of the Aggregate Facility A Commitment and Aggregate Facility D Commitment budgeted for payment of Excluded Costs.

(b) Section 2(b) of the Completion Guaranty is hereby amended by deleting the phrase ",after the Facility D Conversion,".

5. Ratification. Each Member Guarantor and its affiliated Parent Guarantor hereby ratify the Guaranties to which each is a party and the Assignment, which (as modified hereby) remain in full force and effect.

6. Guarantors Representations and Warranties. Each Guarantor represents and warrants as of the date hereof that all approvals and consents required for the execution and delivery of this Consent and Agreement have been obtained and this Consent and Agreement constitutes the valid and binding agreement of such Guarantor, enforceable in accordance with its terms.

7. **Governing Law, Etc. THIS CONSENT AND AGREEMENT SHALL BE GOVERNED BY THE LAW OF THE STATE OF NEW YORK.**

8. Successors and Assigns. This Consent and Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns and each Holder of Secured Obligations.

9. Section Headings. The section headings used in this Consent and Agreement are for convenience of reference only and do not constitute a part of this Consent and Agreement for any purpose.

10. Counterparts. This Consent and Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument and any of the parties hereto may execute this Consent and Agreement by signing any such counterpart.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the Member Guarantors, Parent Guarantors and Administrative Agent have executed and delivered this Consent and Agreement under seal as of the day and year first written above.

MEMBER GUARANTORS:

KB HOME NEVADA, INC., a Nevada corporation

By: _____
Name: _____
Title: _____

FOCUS SOUTH GROUP, LLC, a Nevada limited-liability company

By: _____
Name: _____
Title: _____

COLEMAN-TOLL LIMITED PARTNERSHIP, a Nevada limited partnership

By: Toll NV GP Corp., a Nevada corporation, its general partner

By: _____
Name: _____
Title: _____

ALAMEDA INVESTMENTS, LLC, a Delaware limited liability company

By: _____
Name: _____
Title: _____

KIMBALL HILL HOMES NEVADA, INC., a Nevada corporation

By: _____
Name: _____
Title: _____

PARDEE HOMES OF NEVADA, a Nevada corporation

By: _____
Name: _____
Title: _____

MERITAGE HOMES OF NEVADA, INC. (formerly known as MTH Homes Nevada, Inc.), an Arizona corporation

By: _____
Name: _____
Title: _____

BEAZER HOMES HOLDING CORP., a Delaware corporation

By: _____
Name: _____
Title: _____

PARENT GUARANTORS:

KB HOME, a Delaware corporation

By: _____
Name: _____
Title: _____

_____
JOHN A. RITTER

TOLL BROTHERS, INC., a Delaware corporation

By: _____
Name: _____
Title: _____

WOODSIDE GROUP, INC., a Nevada corporation

By: _____
Name: _____
Title: _____

KIMBALL HILL, INC., an Illinois corporation

By: _____
Name: _____
Title: _____

WEYERHAEUSER REAL ESTATE COMPANY, a Washington corporation

By: _____
Name: _____
Title: _____

MERITAGE HOMES CORPORATION, a Maryland corporation

By: _____
Name: _____
Title: _____

BEAZER HOMES USA, INC., a Delaware corporation

By: _____
Name: _____
Title: _____

ADMINISTRATIVE AGENT:

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent

By: _____
Name: _____
Title: _____

EXHIBIT F

Deed of Trust Amendment

Assessor's Parcel Nos.:
191-22-410-004
[Continued on Exhibit B attached]

Please record and return to:

Robert J. Maganuco
Sidley Austin LLP
One South Dearborn Street
Chicago, Illinois 60603

Mail Tax Bills to:

South Edge LLC
c/o Focus South Group LLC
3455 Cliff Shadows Parkway
Suite 220
Las Vegas, NV 89189

FIRST AMENDMENT TO DEED OF TRUST, SECURITY AGREEMENT, FIXTURE FILING AND ASSIGNMENT OF RENTS AND LEASES

THIS DOCUMENT IS GIVEN IN CONNECTION WITH THE CONSTRUCTION OF AN IMPROVEMENT AND AMENDS A "CONSTRUCTION MORTGAGE" WITHIN THE MEANING OF N.R.S. 104.9334(8). "COMPLETION OF CONSTRUCTION" SHALL NOT BE DEEMED TO HAVE OCCURRED UNTIL COMPLETION OF ALL WORK, AND INSTALLATION OR INCORPORATION INTO THE IMPROVEMENTS OF ALL MATERIALS, FOR WHICH SUMS SECURED HEREBY ARE DISBURSED.

THIS DOCUMENT ALSO AMENDS A FIXTURE FILING IN ACCORDANCE WITH N.R.S. 104.9502. THIS INSTRUMENT IS TO BE FILED AND INDEXED IN THE REAL ESTATE RECORDS AND IS ALSO TO BE INDEXED IN THE INDEX OF FINANCING STATEMENTS OF CLARK

COUNTY, NEVADA UNDER THE NAMES OF SOUTH EDGE, LLC AS DEBTOR AND JPMORGAN CHASE BANK AS SECURED PARTY. TRUSTOR'S ORGANIZATIONAL NUMBER IS LLC 10116-03. INFORMATION CONCERNING THE SECURITY INTEREST MAY BE OBTAINED FROM BENEFICIARY AT THE ADDRESS SET FORTH HEREIN.

THIS FIRST AMENDMENT TO DEED OF TRUST, SECURITY AGREEMENT, FIXTURE FILING AND ASSIGNMENT OF RENTS AND LEASES ("Amendment") entered into as of the 9th day of March, 2007 by SOUTH EDGE, LLC, a Nevada limited liability company, ("Trustor"), with an address at 3455 Cliff Shadows Parkway, Suite 220, Las Vegas, NV 89189, to CHICAGO TITLE AGENCY OF NEVADA, a Nevada corporation, with an address at 1700 W. Horizon Ridge Parkway, #203, Henderson, NV 89012, as the Trustee ("Trustee") and by and for the benefit of JPMORGAN CHASE BANK, N.A. with an address at 1111 Fannin, 10th Floor, Houston, TX 77002 (Attn: Loan and Agency Services Group – Christina Massroor) as administrative agent ("Administrative Agent") for its benefit and for the benefit of the "Lenders" and other "Holders of Secured Obligations," both as defined in the Credit Agreement (as hereinafter defined) (Administrative Agent in such capacity as beneficiary and as agent is hereinafter referred to as "Beneficiary"). Except as otherwise provided herein, all capitalized terms used but not defined herein shall have the respective meanings given to them in the New Credit Agreement (defined below).

WITNESSETH:

WHEREAS, Trustor executed and delivered to Trustee for the benefit of Beneficiary a certain Deed of Trust, Security Agreement, Fixture Filing and Assignment of Rents and Leases (the "Original Deed of Trust") dated November 1, 2004 and recorded November 1, 2004 in Book 20041101 as Document No. 0006330 in Clark County, Nevada encumbering (among other assets of Trustor) the real property described in Exhibit A attached hereto and hereby incorporated herein;

WHEREAS, the Deed of Trust secures obligations under a Credit Agreement dated November 1, 2004 among Trustor, Administrative Agent and the lenders party thereto (the "Original Credit Agreement"), which Original Credit Agreement provides for certain Loans and/or Letters of Credit to or for the benefit of Trustor in an aggregate principal amount not to exceed Five Hundred Thirty-Five Million Dollars ($535,000,000), which amount may, subject to certain conditions set forth in the Original Credit Agreement, be increased to an amount not to exceed Five Hundred Eighty-Five Million Dollars ($585,000,000); and

WHEREAS, the conditions to the increase of the Loans and the Letters of Credit to the maximum principal amount of $585,000,000 have been satisfied, and to evidence such increase (and for certain other purposes) the Original Credit Agreement has been amended and restated by a certain Amended and Restated Credit Agreement of even date herewith (as amended, modified, supplemented or substituted from time to time the "New Credit Agreement").

NOW THEREFORE, Trustor and Administrative Agent hereby agree as follows:

1. Credit Agreement. All references in the Deed of Trust to the "Credit Agreement" mean and refer to the New Credit Agreement and the Liabilities (as defined in the Deed of Trust) secured by the Deed of Trust include, without limitation, the Loans and payment of amounts drawn under Letters of Credit in an aggregate principal amount of up to Five Hundred Eighty-Five Million Dollars ($585,000,000).

2. Counterparts. This Amendment may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument and either of the parties hereto may execute this Amendment by signing any such counterpart.

3. Ratification. The Deed of Trust, as amended hereby is hereby ratified and remains in full force and effect.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, this Amendment is executed as of the day and year first above written by the person or persons identified below on behalf of Trustor and Beneficiary, respectively, (and said person or persons hereby represent that they possess full power and authority to execute this instrument).

TRUSTOR:

SOUTH EDGE, LLC, a Nevada limited-liability company

By: Holdings Manager, LLC, a Nevada limited-liability company, its general manager

By: _____
John A. Ritter
General Manager

State of Nevada
County of Clark

This instrument was acknowledged before me on March __, 2007 by John A. Ritter as general manager of Holdings Manager, LLC, general manager of SOUTH EDGE, LLC, a Nevada limited liability company.

_____

(Signature of notarial officer)

(Seal, if any)

BENEFICIARY:

JPMORGAN CHASE BANK, N.A., as
Administrative Agent

By:_____
Name:_____
Title:_____

State of _____
County of _____

This instrument was acknowledged before me on March __, 2007 by _____, as _____ Vice President of JPMORGAN CHASE BANK, N.A.

_____

(Signature of notarial officer)

(Seal, if any)

EXHIBIT A

Legal Description of the Land

All that land situated in the County of Clark, State of Nevada, more particularly described as follows:

PARCEL 1:

Common Area Lots E, H, L, 2, 3, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, B1, TH, F-1, P-1, S-4, T-3, T-4, 4-5, 7-3, TR-1, TR-2, TR-3, TR-4, TR-5, TR-6, TR-7 and TR-8

And

A Portion of Lot 1-1 in Block One (1), and Lots A in Block Three (3), A Portion of 1-2 in Block Four (4), A Portion of 1-3 in Block Five (5), 1-4 in Block Seven (7), S-1 in Block Nine (9), 2-2 and 2-3 in Block Eleven (11), C in Block Twelve (12), 2-4 in Block Fourteen (14), S-2, 3-1, 3-3, 3-4 and 4-2 in Block Fifteen (15), G and 3-2 in Block Sixteen (16), 4-1 in Block Seventeen (17), 4-4 and 5-5 in Block Eighteen (18), 4-3 in Block Nineteen (19), 4-6 in Block Twenty (20), S-3 in Block Twenty-one (21), R-1 and 5-4 in Block Twenty-two (22), 5-2 in Block Twenty-three (23), I in Block Twenty-four (24), J, 5-1 and 6-6 in Block Twenty-five (25), 6-5 and 7-4 in Block Twenty-six (26), Common Area Lot 5-3 in Block Twenty-Nine (29), S-5 in Block Thirty (30), 6-3 and 6-7 in Block Thirty-two (32), 6-2 and 6-4 in Block Thirty-three (33), K in Block Thirty-four (34), 6-1 in Block Thirty-seven (37), 7-1 in Block Thirty-nine (39), T-6 in Block Forty-one (41), T-5 in Block Forty-two (42), T-1 in Block Forty-three (43), T-2 in Block Forty-five (45), M and 2-1 in Block Forty-six (46) and T-7 in Block Forty-nine (49)

of Parent Final Map of SOUTH EDGE (a common interest community) as shown by map thereof on file in Book 127 of Plats, Page 95, and amended by Certificate of Amendment recorded February 24, 2006, in Book 20060224 as Document No. 02317, of in the Office of the County Recorder of Clark County, Nevada.

Excepting therefrom that portion of Common Element Lot 21 as conveyed to the City of Henderson by Deed recorded August 16, 2006, in Book 20060816 as Document No. 01993, of Official Records.

Together with that portion of Via Firenze as vacated by that certain Order of Vacation, recorded December 20, 2006, in Book 20061220 as Document No. 02610, of Official Records.

PARCEL 2:

All the land lying within the exterior boundaries of SOUTH EDGE INSPIRADA, VILLAGE 1, POD 1, PHASE 1 (a common interest community) as shown by map thereof on file in Book 134 of Plats, Page 7, and amended by that certain Certificate of Amendment recorded November 8, 2006, in Book 20061108 as Document No. 02121 of in the Office of the County Recorder of Clark County, Nevada.

PARCEL 3:

All the land lying within the exterior boundaries of SOUTH EDGE INSPIRADA, POD 1-3, UNIT 1 (a common interest community) as shown by map thereof on file in Book 134 of Plats, Page 73, of in the Office of the County Recorder of Clark County, Nevada.

PARCEL 4:

All the land lying within the exterior boundaries of KB HOME @ SOUTH EDGE POD 1-2, UNIT 1 (a common interest community) as shown by map thereof on file in Book 135 of Plats, Page 15, of in the Office of the County Recorder of Clark County, Nevada.

PARCEL 5:

All the land lying within the exterior boundaries of KB HOME @ SOUTH EDGE POD 1-2, UNIT 3 (a common interest community) as shown by map thereof on file in Book 135 of Plats, Page 55, of in the Office of the County Recorder of Clark County, Nevada.

PARCEL 6:

All the land lying within the exterior boundaries of KB HOME @ SOUTH EDGE POD 1-2 UNIT 4 (a common interest community) as shown by map thereof on file in Book 135 of Plats, Page 56, of in the Office of the County Recorder of Clark County, Nevada.

EXHIBIT G

DRAW REQUEST FORM

REQUEST FOR LOAN ADVANCE

JPMorgan Chase Bank, N.A. as
Administrative Agent
201 N. Central Ave., 14th Floor
Phoenix, AZ 85004

Draw #
Project Name: South Edge

RE: Request for Facility A Loan Advance in connection with Facility A under that certain Amended and Restated Credit Agreement dated March 9, 2007 (Agreement) between South Edge, LLC (Borrower), the Lenders party thereto and JPMorgan Chase Bank, N.A. as Administrative Agent.

1. Borrower hereby requests an advance of Facility A under the Agreement in the amount of $_____. Borrower acknowledges that this advance is subject to the conditions set forth in the Agreement. Terms used herein shall have the same meaning as in the Agreement.

2. Borrower hereby represents and warrants as follows:

   (a) The representations and warranties of the Borrower set forth in the Agreement are true and correct in all material respects on and as of the date hereof (except to the extent that such representation and warranty relates expressly to an earlier date, in which case such representation and warranty is true and correct in all material respects as of such earlier date).

   (b) At the time of this Request for Loan Advance, and after giving effect to the advance requested hereunder, no Default has occurred that is continuing except for (i) the following Defaults that the Borrower hereby certifies will be cured by the use of proceeds of such advance: _____ or (ii) the following Defaults that are not reasonably likely to have a Material Adverse Effect and that the Borrower hereby certifies that it reasonably expects to cure before the date on which the same become an Event of Default: _____.

   (c) To the extent the advance requested is to be used to pay Hard Costs, the Borrower has furnished to the Administrative Agent the applications for payment and other documents provided for in Section 4.04(b) of the Agreement, the Required Lien Waivers provided for in the Agreement and, to the extent not previously furnished, copies of any amendments, supplements or modifications to the Approved Plans and Specifications and any Project Agreements and Major Subcontracts to the extent required under the Agreement and all Project Agreements and Major Subcontracts executed since the prior advance or not previously provided to the Administrative Agent. The Borrower hereby acknowledges that all such Project Agreements have been collaterally assigned to the Administrative Agent pursuant to the Loan Documents and that the Administrative Agent holds a valid, existing and continuing Lien thereon.

   (d) If any material dispute exists between the Borrower and any other person party to a Project Agreement or if any material extra or change order is being negotiated by the Borrower, a written summary of the nature of such dispute or negotiation and the current status thereof is being delivered to the Administrative Agent herewith.

   (e) The proceeds of the requested advance shall be used solely for the payment of Approved Development Costs actually incurred and identified (in the Borrower's application for payment delivered herewith), by line items corresponding to the line items for such costs set forth in the Approved Project Budget.

(f) In the case of any advance for Hard Costs, the work and materials performed and provided therefor are hereby certified by the Borrower to have been performed or provided and incorporated as part of the Project.

(g) No Construction Agreement (other than a Project Contract that is not a Major Project Contract), Major Subcontract or Acquisition Agreement has been amended, modified or terminated in violation of the provisions of the Agreement and there exists to material default by the Borrower under any such Construction Agreement, Major Subcontract or Acquisition Agreement that will not be cured by the use of the proceeds of the advance of the Loan or a material default by any other Person thereunder that could reasonably expect it to have a Materially Adverse Effect.

2. Borrower hereby acknowledges that this Request for Loan Advance is made for the purpose of inducing the Facility A Lenders to make an advance to the Borrower and that, in making such advance, the Administrative Agent and such Facility A Lenders will rely upon the accuracy of the matters stated herein.

3. Borrower certifies that the statements made herein and in any documents submitted herewith are true and has duly caused this Request for Loan Advance to be signed on its behalf by the undersigned, thereto duly authorized.

4. Borrower requests that this draw be funded and that the disbursement funds be deposited into our JPMorgan Chase Bank, N.A. account number _____ or wired to:

Name of Bank:
ABA Routing #:
Account Name:
Account #:

Date: _____, 200_

South Edge, LLC

By: _____
(Authorized Signature)

Printed Name:
Title:

[To be modified for disbursements of Facility D (if applicable)]

EXHIBIT 2

South Edge Lender List as of 6/01/2011

Parent Investor	Investor Full Name
ALADDIN CREDIT ADVISORS L P	LANDMARK IV CDO LIMITED
ALADDIN CREDIT ADVISORS L P	LANDMARK V CDO LIMITED
ALADDIN CREDIT ADVISORS L P Total	
ALCENTRA INC	VERITAS CLO I LTD
ALCENTRA INC Total	
BANK OF AMERICA N A	BANK OF AMERICA N A
BANK OF AMERICA N A Total	
BDCM FUND ADVISER LLC	BDCM OPPORTUNITY FUND II LP
BDCM FUND ADVISER LLC	BLACK DIAMOND CLO 2005-1 LTD
BDCM FUND ADVISER LLC	BLACK DIAMOND CLO 2005-2 LTD
BDCM FUND ADVISER LLC	BLACK DIAMOND CLO 2006-1 CAYMAN LTD
BDCM FUND ADVISER LLC Total	
CARLYLE INVESTMENT MANAGEMENT LLC (AS AGENT)	MOUNTAIN CAPITAL CLO V LTD
CARLYLE INVESTMENT MANAGEMENT LLC (AS AGENT) Tota	
CITIGROUP ALTERNATIVE INVESTMENTS LLC	CAI DISTRESSED DEBT OPPORTUNITY MASTER FUND LTD
CITIGROUP ALTERNATIVE INVESTMENTS LLC	CCA EAGLE LOAN MASTER FUND LTD
CITIGROUP ALTERNATIVE INVESTMENTS LLC	D STAR LTD
CITIGROUP ALTERNATIVE INVESTMENTS LLC	LMP CORPORATE LOAN FUND INC
CITIGROUP ALTERNATIVE INVESTMENTS LLC	REGATTA FUNDING LTD
CITIGROUP ALTERNATIVE INVESTMENTS LLC Tota	
COLUMBIA MANAGEMENT INVESTMENT ADVISERSLLC AS	CENTURION CDO 8 LTD
COLUMBIA MANAGEMENT INVESTMENT ADVISERSLLC AS	CENTURION CDO VI LTD
COLUMBIA MANAGEMENT INVESTMENT ADVISERSLLC AS	CENTURION CDO VII LIMITED
COLUMBIA MANAGEMENT INVESTMENT ADVISERSLLC AS	SEQUILS-CENTURION V LTD
COLUMBIA MANAGEMENT INVESTMENT ADVISERSLLC AS AGENT Tota	
CREDIT AGRICOLE SA	CREDIT AGRICOLE CORPORATE AND INVESTMENTBANK
CREDIT AGRICOLE SA Total	
CREDIT SUISSE ASSET MANAGMENT LLC AS AGT	ATRIUM CDO
CREDIT SUISSE ASSET MANAGMENT LLC AS AGT	ATRIUM II
CREDIT SUISSE ASSET MANAGMENT LLC AS AGT	ATRIUM IV
CREDIT SUISSE ASSET MANAGMENT LLC AS AGT	CANDLEWOOD SPECIAL SITUATIONS MASTER FUND LTD
CREDIT SUISSE ASSET MANAGMENT LLC AS AGT	CREDIT SUISSE CREDIT STRATEGIES LIQUIDATING TRUS
CREDIT SUISSE ASSET MANAGMENT LLC AS AGT	CSAM FUNDING II
CREDIT SUISSE ASSET MANAGMENT LLC AS AGT	CSAM FUNDING IV
CREDIT SUISSE ASSET MANAGMENT LLC AS AGT	FIRST DOMINION FUNDING III
CREDIT SUISSE ASSET MANAGMENT LLC AS AGT Tota	
CRESCENT CAPITAL GROUP LP (AS AGT)	CELERITY CLO LIMITED
CRESCENT CAPITAL GROUP LP (AS AGT)	FIRST 2004 I CLO LTD
CRESCENT CAPITAL GROUP LP (AS AGT)	FIRST 2004 II CLO LTD
CRESCENT CAPITAL GROUP LP (AS AGT)	TCW SENIOR SECURED LOAN FUND LP
CRESCENT CAPITAL GROUP LP (AS AGT) Total	
DEUTSCHE INVESTMENT MANAGEMENT AMERICASINC AS	AURUM CLO 2002-1 LTD
DEUTSCHE INVESTMENT MANAGEMENT AMERICASINC AS	FLAGSHIP CLO III
DEUTSCHE INVESTMENT MANAGEMENT AMERICASINC AS	FLAGSHIP CLO IV
DEUTSCHE INVESTMENT MANAGEMENT AMERICASINC AS	FLAGSHIP CLO V
DEUTSCHE INVESTMENT MANAGEMENT AMERICASINC AS	FLAGSHIP CLO VI
DEUTSCHE INVESTMENT MANAGEMENT AMERICASINC AS AGENT Tota	
DK MANAGEMENT PARTNERS LP	MIDTOWN ACQUISITIONS L P
DK MANAGEMENT PARTNERS LP Total	
EATON VANCE MANAGEMENT AS AGT	EATON VANCE CDO IX LTD
EATON VANCE MANAGEMENT AS AGT	EATON VANCE CDO VIII LTD
EATON VANCE MANAGEMENT AS AGT	EATON VANCE FLOATING RATE INCOME TRUST
EATON VANCE MANAGEMENT AS AGT	EATON VANCE GRAYSON & CO
EATON VANCE MANAGEMENT AS AGT	EATON VANCE INSTITUTIONAL SENIOR LOAN FUND

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South Edge Lender List as of 6/01/2011

Parent Investor	Investor Full Name
EATON VANCE MANAGEMENT AS AGT	EATON VANCE LIMITED DURATION INCOME FUND
EATON VANCE MANAGEMENT AS AGT	EATON VANCE SENIOR DEBT PORTFOLIO
EATON VANCE MANAGEMENT AS AGT	EATON VANCE SENIOR FLOATING RATE TRUST
EATON VANCE MANAGEMENT AS AGT	EATON VANCE SENIOR INCOME TRUST
EATON VANCE MANAGEMENT AS AGT	EATON VANCE VARIABLE TRUST FLOATING RATEINCOME
EATON VANCE MANAGEMENT AS AGT Tota	
HIGHLAND CAPITAL MANAGEMENT LP	GREENBRIAR CLO LTD
HIGHLAND CAPITAL MANAGEMENT LP	HIGHLAND PARK CDO I LTD
HIGHLAND CAPITAL MANAGEMENT LP	SOUTH FORK CLO LTD
HIGHLAND CAPITAL MANAGEMENT LP Tota	
INVESCO ADVISERS INC AS AGENT	INVESCO PRIME INCOME TRUST
INVESCO ADVISERS INC AS AGENT	INVESCO VAN KAMPEN SENIOR INCOME TRUST
INVESCO ADVISERS INC AS AGENT	INVESCO VAN KAMPEN SENIOR LOAN FUND
INVESCO ADVISERS INC AS AGENT	INVESCO ZODIAC FUNDS - INVESCO US SENIORLOAN FUN
INVESCO ADVISERS INC AS AGENT Tota	
JPMORGAN CHASE BANK NA	JPMORGAN CHASE BANK NA
JPMORGAN CHASE BANK NA Total	
NOMURA CORPORATE RESEARCH & ASSET MGMT INC AS	CLYDESDALE CLO 2004 LTD
NOMURA CORPORATE RESEARCH & ASSET MGMT INC AS	CLYDESDALE CLO 2005 LTD
NOMURA CORPORATE RESEARCH & ASSET MGMT INC AS	CLYDESDALE CLO 2006 LTD
NOMURA CORPORATE RESEARCH & ASSET MGMT INC AS	CLYDESDALE STRATEGIC CLO I LTD
NOMURA CORPORATE RESEARCH & ASSET MGMT INC AS AGT Tota	
OCTAGON CREDIT INVESTORS LLC	OCTAGON INVESTMENT PARTNERS VII LTD
OCTAGON CREDIT INVESTORS LLC	OCTAGON INVESTMENT PARTNERS X LTD
OCTAGON CREDIT INVESTORS LLC Total	
ONEX CREDIT PARTNERS LLC	OCP INVESTMENT TRUST
ONEX CREDIT PARTNERS LLC	ONEX DEBT OPPORTUNITY FUND LTD
ONEX CREDIT PARTNERS LLC Total	
PINEBRIDGE INVESTMENTS LLC AS AGENT	GALAXY III CLO LTD
PINEBRIDGE INVESTMENTS LLC AS AGENT	GALAXY V CLO LTD
PINEBRIDGE INVESTMENTS LLC AS AGENT Tota	
PNC BANK NATIONAL ASSOCIATION	PNC BANK NATIONAL ASSOCIATION
PNC BANK NATIONAL ASSOCIATION Total	
ROYAL BANK OF SCOTLAND PLC	THE ROYAL BANK OF SCOTLAND PLC NEW YORKBRANCH
ROYAL BANK OF SCOTLAND PLC Total	
SANKATY ADVISORS	AVERY POINT CLO LIMITED
SANKATY ADVISORS	CASTLE HILL II - INGOTS LIMITED
SANKATY ADVISORS	CASTLE HILL III CLO LTD
SANKATY ADVISORS	KATONAH IV LIMITED
SANKATY ADVISORS	LOAN FUNDING XI LLC
SANKATY ADVISORS	PROSPECT HARBOR CREDIT PARTNERS LP
SANKATY ADVISORS	RACE POINT II CLO
SANKATY ADVISORS	RACE POINT III CLO
SANKATY ADVISORS	RACE POINT IV CLO LTD
SANKATY ADVISORS	SANKATY CREDIT OPPORTUNITIES II LP
SANKATY ADVISORS	SANKATY CREDIT OPPORTUNITIES III LP
SANKATY ADVISORS	SANKATY CREDIT OPPORTUNITIES IV LP
SANKATY ADVISORS	SANKATY CREDIT OPPORTUNITIES OFFSHORE MASTER I
SANKATY ADVISORS Total	
SECURITY BENEFIT LIFE INSURANCE CO	SECURITY BENEFIT LIFE INSURANCE CO
SECURITY BENEFIT LIFE INSURANCE CO Total	
WELLS FARGO & COMPANY	WELLS FARGO BANK, NATIONAL ASSOCIATION.
WELLS FARGO & COMPANY Total	
WEST GATE HORIZONS ADVISORS LLC	ARCHIMEDES FUNDING IV CAYMAN LTD

South Edge Lender List as of 6/01/2011

Parent Investor	Investor Full Name
WEST GATE HORIZONS ADVISORS LLC	OCEAN TRAILS CLO I
WEST GATE HORIZONS ADVISORS LLC Total	
WHITEHORSE CAPITAL PARTNERS LP	WHITEHORSE I LTD
WHITEHORSE CAPITAL PARTNERS LP Total	

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District of Nevada
Claims Register

10-32968-bam SOUTH EDGE, LLC

Judge: BRUCE A. MARKELL **Chapter:** 11

Office: Las Vegas **Last Date to file claims:** 06/29/2011

Trustee: CYNTHIA NELSON **Last Date to file (Govt):**

Creditor: (7125261) JPMorgan Chase Bank, N.A. as Administrative Agent, for itself and on behalf of Lenders c/o Morrison & Foerster LLP 1290 Avenue of the Americas New York, New York 10104 Attn: Norman S. Rosenbaum and Jordan A.	**Claim No: 11** *Original Filed* *Date*: 06/28/2011 *Original Entered* *Date*: 06/28/2011	*Status:* *Filed by:* CR *Entered by:* CHARLES, ROBERT *Modified:*

Unsecured claimed: $367538209.77

Total claimed: $367538209.77

History:

Details 11-1 06/28/2011 Claim #11 filed by JPMorgan Chase Bank, N.A. as Administrative Agent,, total amount claimed: $367538209.77 (CHARLES, ROBERT)

Description: (11-1) Amended and Restated Credit Agreement dated 3/9/07 and other Loan Documents as defined therein

Remarks:

Claims Register Summary

Case Name: SOUTH EDGE, LLC
Case Number: 10-32968-bam
Chapter: 11
Date Filed: 12/09/2010
Total Number Of Claims: 1

	Total Amount Claimed	Total Amount Allowed
Unsecured	$367538209.77	
Secured		
Priority		
Unknown		
Administrative		
Total	**$367538209.77**	**$0.00**