



## STAFF REPORT

**Report To:** Redevelopment Authority      **Meeting Date:** April 20, 2023

**Staff Contact:** Nancy Paulson, City Manager

**Agenda Title:** For Possible Action: Discussion and possible action regarding (1) the proposed execution of an Acknowledgement of Satisfaction of Promissory Note acknowledging that, as of March 31, 2023, Theo Properties LLC and Joda Limited Partnership (“Borrowers”) have fully satisfied all amounts owed under the January 1, 2012 Consolidated Promissory Note (“Note”); and (2) the proposed execution and recordation of Substitution of Trustee and Full Reconveyance documents to release the Deeds of Trust securing the Note that are recorded against real property currently designated as Assessor Parcel Numbers (“APN”) 009-153-19, 009-111-41 and 009-111-42. (Nancy Paulson, npaulson@carson.org)

**Staff Summary:** In 2005, the Board and the Carson City Redevelopment Authority (“RDA”) adopted Resolution Nos. 2005-R-12 and 2005-RAR-2, respectively, to establish a public-private partnership incentivizing franchised car dealers to establish or improve operations in Carson City’s Redevelopment Project Area No. 2 (“Area 2”). Through this incentive program, the City and RDA loaned a principal amount of \$4,800,000 through the Note to facilitate the relocation of two new car dealerships to Area 2 and improvements to a third already within Area 2. The City and RDA secured the Note by recording deeds of trust against the three dealership sites, APNs 009-153-19, 009-111-41 and 009-111-42. City Finance staff have determined that, as of March 31, 2023, the Note has been fully satisfied.

**Agenda Action:** Formal Action / Motion      **Time Requested:** 5 Minutes

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### **Proposed Motion**

I move to approve execution of the Acknowledgement of Satisfaction of Promissory Note and execution and recordation of the Substitution of Trustee and Full Reconveyance documents for the Deeds of Trust securing the Note.

### **Board's Strategic Goal**

Economic Development

### **Previous Action**

July 5, 2012 (Item 23 & 27A): RDA recommended, and the Board of Supervisors (“Board”) approved, Amendment #1 to Commitment Agreement (“Amendment 1”). Amendment 1 clarified the various business entities bound by the Commitment Agreement and Amendment 1, which are Michael Hohl Motor Company, TM&KKH, Inc., Val-U-Car, Inc. and Michael Hohl Chevrolet (collectively, “Hohl Group”). Amendment 1 also authorized an additional \$2.4 million in incentive payments to remodel a Chevrolet dealership already located within Area 2, lowered the interest rate on all outstanding debt from 5% to 3% per annum and extended the Hohl Group’s commitment to maintaining business operations in Area 2 from 20 years to 30 years.

December 18, 2008 (Items 5A & 5B): The RDA and Board approved a Commitment Agreement for Continuing Business Operations (“Commitment Agreement”) through which the City and RDA committed to making a

\$1,200,000 incentive payment for the Michael Hohl Automotive Group to relocate a Honda dealership to Area 2 and another \$1,200,000 incentive payment to relocate a Subaru dealership to Area 2. In exchange, the Michael Hohl Automotive Group committed to repaying the \$2.4 million, with interest, and to maintaining business operations in Area 2 for at least 20 years.

March 17, 2005 (Item 7A) – The Board adopted Resolution No. 2005-R-12.

March 17, 2005 (Item B) – The RDA adopted Resolution No. 2005-RAR-2.

**Background/Issues & Analysis**

The Note was issued for a principal sum of \$4,562,280, with interest accruing at a rate of 3% per annum, to be repaid from 20% of the City's share of Basic City-County Relief Tax and Supplemental City-County Relief Tax revenues generated by the Hohl Group.

Over the life of the Commitment Agreement, Amendment 1 and the Note, the Hohl Group's dealerships in Area 2 had the following locations:

Dealership	Address	APN(s)
Honda	2800 S. Carson	009-111-41 (formerly 009-111-21, -33 & -36)
Subaru	2910 S. Carson	009-111-42 (formerly 009-111-27, -32 & -35)
Chevrolet	3700 S. Carson	009-153-19

The Note requires Borrowers, who actually own the land on which Hohl Group's dealerships operate, to repay incentive payments made under the Commitment Agreement and Amendment 1. Further, Borrowers' obligations under the Note were secured by Deeds of Trust recorded against the real property on which the Hohl Group's relevant dealerships are located. Therefore, a Deed of Trust securing \$1.2 million owed by Theo Properties LLC is recorded against the Honda dealership whose current APN is 009-111-41, another Deed of Trust securing \$1.2 million owed by Theo Properties LLC is recorded against the Subaru dealership whose current APN is 009-111-42, and another Deed of Trust securing \$2.4 million owed by Joda Limited Partnership is recorded against the Chevrolet dealership whose current APN is 009-153-19.

The Commitment Agreement and Amendment 1 provide at subpart I.D.5 that, upon full satisfaction of the Note, the City and RDA will execute an acknowledgment that the Note has been satisfied and will release the Deeds of Trust securing the Note.

City Finance staff have determined that the Note was satisfied as of March 31, 2023; therefore, staff have prepared the proposed Acknowledgement of Satisfaction of Promissory Note and Substitution of Trustee and Full Reconveyance documents accompanying this item.

**Applicable Statute, Code, Policy, Rule or Regulation**

NRS 107.028(4)(b) and 107.077; NRS Ch. 279; Carson City Resolutions 2005-RAR-2 and 2005-R-12

**Financial Information**

**Is there a fiscal impact?** No

**If yes, account name/number:**

**Is it currently budgeted?**

**Explanation of Fiscal Impact:**

**Alternatives**

Do not approve execution of the Acknowledgement of Satisfaction of Promissory Note and/or Substitution of Trustee and Full Reconveyance documents and/or provide alternative direction to staff.

**Attachments:**

[Acknowledgement of Satisfaction of Promissory Note.pdf](#)

[Hohl Final Payment.pdf](#)

[Reconveyance\\_Deed\\_Theo\\_Properties\\_009-111-41\\_42\\_at\\_at \(Clean\).docx](#)

[Reconveyance\\_Deed\\_Joda\\_009-153-19\\_at\\_at \(Clean\).docx](#)

[2005-R-12.pdf](#)

[Hohl Agreement\\_Doc#385752.pdf](#)

[Deed of Trust\\_Hohl\\_Doc#393652.pdf](#)

[Deed of Trust\\_Hohl\\_Doc#393651.pdf](#)

[Hohl Agreement\\_Amendment #1\\_Doc#424894.pdf](#)

[Deed of Trust\\_Joda\\_Doc#424895 009-153-19.pdf](#)

**Board Action Taken:**

Motion: \_\_\_\_\_

- 1) \_\_\_\_\_
- 2) \_\_\_\_\_

Aye/Nay

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
(Vote Recorded By)

**ACKNOWLEDGEMENT OF SATISFACTION OF PROMISSORY NOTE**

On or about the 1st day of January, 2012, T. MICHAEL HOHL and KAREN HOHL, acting in their capacities as Managers of THEO PROPERTIES, LCC and Trustees of JODA LIMITED PARTNERSHIP, (hereinafter collectively referred to as “Makers”) executed a Consolidated Promissory Note (“Note”), a true and correct copy of which is attached hereto as Exhibit A, in favor of CARSON CITY, a political subdivision of the State of Nevada, and CARSON CITY REDEVELOPMENT AUTHORITY (hereinafter collectively referred to as “Holder”).

Holder acknowledges that as of the 31st day of March, 2023, Makers have fully satisfied all obligation under the terms of the Note.

The Board of Supervisors and the Redevelopment Authority for Carson City, Nevada at their publicly noticed meetings of April 20, 2023, approved this Acknowledgment and Satisfaction of Promissory Note. Further, the Board of Supervisors and the Redevelopment Authority authorize the Mayor and Chairperson, respectively, to sign this document in accordance with the actions taken.

**CARSON CITY, a Consolidated Municipality and Political Subdivision of the State of Nevada and  
CARSON CITY REDEVELOPMENT AUTHORITY**

\_\_\_\_\_  
Lori Bagwell, Mayor and Chairperson                      Date

**ATTEST:**

\_\_\_\_\_  
William Scott Hoen, Clerk-Recorder

DATED this 20th day of April 2023.

**CONSOLIDATED PROMISSORY NOTE**  
(Honda – Subaru – Chevrolet)

\$4,562,280.00

Carson City, Nevada

January 1, 2012

FOR VALUE RECEIVED, the undersigned Makers, promise to pay CARSON CITY, a consolidated municipality and political subdivision of the state of Nevada and CARSON CITY REDEVELOPMENT AUTHORITY (collectively, Holder or Carson City), or order, at 201 N. Carson Street, Suite #2, Carson City, NV 89701, or at such other place and manner as the Holder hereof may designate in writing, the principal sum of FOUR MILLION FIVE HUNDRED SIXTY-TWO THOUSAND TWO HUNDRED EIGHTY DOLLARS AND NO/100 (\$4,562,280.00), in lawful money of the United States with interest on the amount of principal outstanding from January 1, 2012, at a rate of THREE PERCENT (3%) per annum, to be repaid as follows:

INTEREST ONLY/CREDIT/30-YEAR TERM: Interest only annual payments commencing on January 1, 2012. In 2012, the three percent (3%) interest only annual payment shall be due only on the previously funded remaining principal amount of \$2,162,280.00 until the funding date of the new loan in the original principal amount of \$2,400,000.00 and thereafter interest only annual payments of three percent (3%) on the consolidated total funded principal amount of \$4,562,280.00 shall be due. Annually, Holder will give Makers a credit against such interest payment in the amount of ONE HUNDRED PERCENT (100%) of the Twenty Percent (20%) of Carson City's share of the Basic City-County Relief Tax revenue (under NRS Chapter 377) and the Supplemental City-County Relief Tax revenue (under NRS 354.571) generated by MICHAEL HOHL MOTOR COMPANY, MICHAEL HOHL SUBARU, MICHAEL HOHL HONDA, VAL-U-CAR, INC., MICHAEL HOHL CHEVROLET, or any other automobile related business controlled by a member of the MICHAEL HOHL family (Karen Hohl,

Michael Hohl and their children) and operated in Carson City, accrued in the twelve months preceding the due date of the annual payment.

Monthly during the term hereof, Makers will provide Carson City at the address provided below, copies of the sales tax reports on which the above referenced sales tax credit is to be based. On or before April 1 of each year Carson City shall provide Makers a calculation of the amount of the credit to be applied to the Note. If the amount of the credit is less than the interest payment due, Makers shall pay Holder the difference between the amount of the credit and the interest payment due within thirty (30) business days of the receipt of Holder's calculation of the amount due (unless the amount of such shortfall is disputed by Makers in writing). If the amount of the credit exceeds the interest payment due, the excess amount shall be credited to principal on this Note. The interest payment in the following year will be based on the remaining principal outstanding.

On the date that is thirty (30) years from January 1, 2012 (on December 31, 2042), the entire amount of accrued interest and outstanding principal which remains unpaid shall be due and payable.

PREPAYMENT: Makers will have the privilege of prepaying any portion of or the total balance of principal due at any time before maturity, without penalty.

DEFAULT: Makers promise and agree that upon the happening of any one of the following events, the Holder, at its option, may declare the entire principal sum then unpaid, together with accrued interest, immediately due and payable without demand or notice, irrespective of the maturity dates expressed herein:

(a) If default be made in the payment when due of any interest installment or principal due, or obligation provided for herein, or in the performance of any of the covenants, promises or agreements contained in any Deed of Trust and Assignment of Rents securing this Note; or

(b) If default be made in the payment of any installment of principal or interest, or obligation, in accordance with the terms of any note or notes secured by a deed of trust, if any, which are subordinated to or which have priority over any Deed of Trust and Assignment of Rents securing this Note, or in the performance of any of the covenants, promises or agreements contained in any such subordinate or prior deed of trust, or

(c) If Makers become insolvent or make a general assignment for the benefit of creditors, or consents to or applies for the appointment of a trustee or receiver for the property, real or personal, encumbered by any Deed of Trust and Assignment of Rents securing this Note, or any part thereof; or

(d) If a trustee or receiver is appointed for said property or any part thereof; or

(e) If default be made by the Makers or BUSINESS under its obligations in AMENDMENT #1 - COMMITMENT AGREEMENT FOR CONTINUING BUSINESS OPERATIONS effective January 1, 2012 (the "Amendment").

ATTORNEYS' FEES: The undersigned agrees that if, and as often as, this Note is placed in the hands of any attorney for collection, or to defend or enforce any of the holder's rights hereunder, the undersigned shall pay to Holder hereof reasonable attorney's fees, together with all court costs and other expenses paid by such Holder.

NOTICE: Presentment, notice of dishonor, and protest are hereby waived by Makers and endorsers hereof. Any notice or demand to be given or required by the terms of this Note shall be served on the Makers, and on Holder by certified mail at the following address:

Holder: CARSON CITY  
201 N. Carson Street, Suite #2  
Carson City, NV 89701

Maker: THEO PROPERTIES LLC  
20482 Bordeaux Drive  
Reno, NV 89511

Maker: JODA LIMITED PARTNERSHIP  
3700 S. Carson Street  
Carson City, NV 89701

SECURITY: The obligations hereunder are secured by one or more Deeds of Trust and Assignment of Rents of even date encumbering real property situate in Carson City, Nevada. This Note is an amended and restated note, which relates back to two (2) notes dated December 31, 2008, each in the original principal amount of \$1,200,000.00 and corresponding with two (2) recorded and continuing deeds of trusts each in the amount of \$1,200,000.00, as follows: APN 009-111-33 (which is now APN 009-111-36) "Honda" dated and recorded with the Carson City Clerk-Recorder on 9/14/2009, File No. 393651; and APN 009-111-32 (which is now APN 009-111-35) "Subaru" dated and recorded with the Carson City Clerk-Recorder on 9/14/2009, File No. 393652. The Makers hereby reaffirm this prior recorded security as security for this Note.

APPLICABLE LAW: The Note shall be construed in accordance with Nevada law.

SEVERAL, NOT JOINT AND SEVERAL OBLIGATIONS. Notwithstanding any contrary provision herein or in the Amendment, and provided the principals of Theo Properties LLC and Joda Limited Partnership do not materially neglect or abandon one property's business while favoring the other, the liability of Theo Properties LLC shall not exceed the principal amount of \$2,162,280.00 plus interest, and the liability of Joda Limited Partnership shall not exceed the principal amount of \$2,400,000.00 plus interest, and Makers shall not be jointly and severally liable for the entire indebtedness evidenced by this Note.

PREVIOUS NOTES TO BE SURRENDERED. Upon execution of this Note by Makers, Carson City shall surrender to Makers the following original promissory notes, marked "CANCELLED": (i) Amended and Restated Promissory Note (Honda), original



principal amount of \$1,200,000.00, dated December 31, 2008, and (ii) Amended and Restated Promissory Note (Subaru), original principal amount of \$1,200,000.00, dated December 31, 2008 (collectively, the "Previous Notes"). Carson City acknowledges and agrees that the balance due under the Previous Notes is included in this Note upon execution by Makers, and thereafter the Maker under each of the Previous Notes shall no longer be obligated under such Previous Notes.

[Signature page follows.]

IN WITNESS WHEREOF, the parties have heretofore executed this Note the day and year first above written.

**Makers:**

**THEO PROPERTIES LLC,**  
a Nevada limited liability company

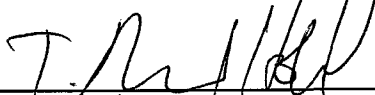
By:   
KAREN HOHL, Manager

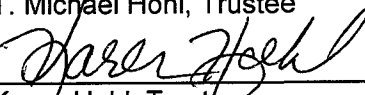
By:   
T. MICHAEL HOHL, Manager

**JODA LIMITED PARTNERSHIP,**  
a Nevada limited partnership

By its General Partner:

The T. Michael Hohl and Karen Hohl Family Trust,  
dated September 15, 1982

By:   
T. Michael Hohl, Trustee

By:   
Karen Hohl, Trustee

## Michael Hohl - City Redevelopment Note/Agreement

### 2009 - Annual Obligation

Beginning Note Balance (original amount of \$2,400,000 wired on 9/14/2009)		\$2,400,000
Total Credit to note - per above for 2009	\$52,567	
Interest on \$2.4 million @ 5% for the period of Sept 14, 2009 - December 31, 2009 (3.5 months)	(\$35,000)	
Principal		\$17,567
Balance at 12/31/2009		\$2,382,433

### 2010 - Annual Obligation

Beginning Note Balance		\$2,382,433
Total Credit to note - per above for 2010	\$220,239	
Interest on 2,382,433 @ 5% for 2010	(\$119,122)	
Principal		\$101,117
Balance at 12/31/2010		\$2,281,316

### 2011 - Annual Obligation

Beginning Note Balance		\$2,281,316
Total Credit to note - per above for 2011	\$233,102	
Interest on \$2,281,316 @ 5% for 2011	(\$114,066)	
Principal		\$119,036
Balance at 12/31/2011		\$2,162,280

### 2012 - Annual Obligation

Beginning Note Balance		\$2,162,280
Additional Pricpal 8/06/12		\$2,400,000
Total Credit to note - per above for 2012	\$275,296	
Interest on \$2,162,280 @ 3% for 2012 (Change per 8/6/12 agreement, retroactive to January 1, 2012)	(\$88,868)	
Principal		\$186,428
Balance at 12/31/2012		\$4,375,852

### 2013 - Annual Obligation

Beginning Note Balance		\$4,375,852
Total Credit to note - per above for 2013	\$340,448	
Interest on \$4,375,852 @ 3% for 2013	(\$131,276)	
Principal		\$209,173
Balance at 12/31/2013		\$4,166,679

### 2014 - Annual Obligation

Beginning Note Balance		\$4,166,679
Total Credit to note - per above for 2014	\$354,197	
Interest on \$4,166,679 @ 3% for 2014	(\$125,000)	
Principal		\$229,197
Balance at 12/31/2014		\$3,937,482

### 2015 - Annual Obligation

Beginning Note Balance		\$3,937,482
Total Credit to note - per above for 2015	\$403,351	
Interest on \$3,937,482 @ 3% for 2015	(\$118,124)	
Principal		\$285,226
Balance at 12/31/2015		\$3,652,256

**2016 - Annual Obligation**

Beginning Note Balance		\$3,652,256
Total Credit to note - per above for 2016	\$458,393	
Interest on \$3,652,256 @ 3% for 2016	<u>(\$109,568)</u>	
Principal		\$348,825
		<hr/>
Balance at 12/31/2016		<u>\$3,303,431</u>

**2017 - Annual Obligation**

Beginning Note Balance		\$3,303,431
Total Credit to note - per above for 2017	\$501,781	
Interest on \$3,303,431 @ 3% for 2017	<u>(\$99,103)</u>	
Principal		\$402,678
		<hr/>
Balance at 12/31/2017		<u>\$2,900,753</u>

**2018 - Annual Obligation**

Beginning Note Balance		\$2,900,753
Total Credit to note - per above for 2018	\$512,258	
Interest on \$2,900,753 @ 3% for 2018	<u>(\$87,023)</u>	
Principal		\$425,235
		<hr/>
Balance at 12/31/2018		<u>\$2,475,518</u>

**2019 - Annual Obligation**

Beginning Note Balance		\$2,475,518
Total Credit to note - per above for 2019	\$533,940	
Interest on \$2,475,518 @ 3% for 2019	<u>(\$74,266)</u>	
Principal		\$459,675
		<hr/>
Balance at 12/31/2019		<u>\$2,015,843</u>

**2020 - Annual Obligation**

Beginning Note Balance		\$2,015,843
Total Credit to note - per above for 2020	\$655,136	
Interest on \$2,015,843 @ 3% for 2020	<u>(\$60,475)</u>	
Principal		\$594,660
		<hr/>
Balance at 12/31/2020		<u>\$1,421,183</u>

**2021 - Annual Obligation**

Beginning Note Balance		\$1,421,183
Total Credit to note - per above for 2021	\$701,964	
Interest on \$1,421,183 @ 3% for 2021	<u>(\$42,635)</u>	
Principal		\$659,329
		<hr/>
Balance at 12/31/2021		<u>\$761,854</u>

**2022 - Annual Obligation**

Beginning Note Balance		\$761,854
Total Credit to note - per above for 2022	\$681,617	
Interest on \$761,854 @ 3% for 2022	<u>(\$22,856)</u>	
Principal		\$658,762
		<hr/>
Balance at 12/31/2022		<u>\$103,092</u>

**2023 - Annual Obligation**

Beginning Note Balance		\$103,092
Total Credit to note - per above for 2023	\$106,185	
Interest on \$103,092 @ 3% for 2023	<u>(\$3,093)</u>	
Principal		\$103,092
		<hr/>
Balance at 3/31/2023		<u>\$0</u>

APNs: 009-111-41  
009-111-42

**AFTER RECORDING RETURN TO:**  
**CARSON CITY PUBLIC WORKS**  
Attn: Real Property Manager  
3505 Butti Way  
Carson City, NV 89701

The undersigned hereby affirms that this document, including any exhibits, submitted for recording does not contain the social security number of any person or persons. (NRS 239B.030)

### **SUBSTITUTION OF TRUSTEE AND FULL RECONVEYANCE**

WHEREAS, THEO PROPERTIES, LLC, a Nevada Limited liability company is the Trustor, STEWART TITLE OF NEVADA HOLDINGS, INC. a Nevada Corporation is the Trustee and CARSON CITY, a consolidated municipality and political subdivision of the State of Nevada, and CARSON CITY REDEVELOPMENT AUTHORITY are the Beneficiaries under certain Deeds of Trust, dated September 14, 2009, and recorded on September 14, 2009, in the office of the Carson City, Nevada Recorder as Document Numbers 393651 and 393652;

WHEREAS, the undersigned desires to substitute the Current Trustee under the above-referenced Deeds of Trust, STEWART TITLE OF NEVADA HOLDINGS, INC., and appoint Beneficiaries as the Substituted Trustees under the above-referenced Deeds of Trust;

WHEREAS, Beneficiaries accept their appointments as the Substituted Trustees;

WHEREAS, Trustor has fully repaid the indebtedness secured by the above-referenced Deeds of Trust and requested a full reconveyance for the real property encumbered by the above-referenced Deeds of Trust;

WHEREAS, the Board of Supervisors and the Redevelopment Authority for Carson City, Nevada at their publicly noticed meetings of April 20, 2023, approved this

Substitution of Trustee and Full Reconveyance, and the Board of Supervisors and the Redevelopment Authority authorized the Mayor and Chairperson, respectively, to sign this document in accordance with the actions taken;

NOW, THEREFORE, the undersigned hereby substitute themselves, CARSON CITY, a consolidated municipality and political subdivision of the State of Nevada, and CARSON CITY REDEVELOPMENT AUTHORITY, under the above-referenced Deeds of Trust, with all of the rights, duties and obligations of Trustees under those certain above-referenced Deeds of Trust. The undersigned, as Substituted Trustees, do hereby grant and reconvey, without warranty, to the person or persons legally entitled thereto, all the estate, title and interest acquired or held by Substituted Trustees under the above-referenced Deeds of Trust.

IN WITNESS WHEREOF, the undersigned has executed this Substitution of Trustee and Full Reconveyance as of the 20th day of April, 2023.

**BENEFICIARIES and SUBSTITUTED TRUSTEES:**

**CARSON CITY, a Consolidated Municipality and Political Subdivision of the State of Nevada and CARSON CITY REDEVELOPMENT AUTHORITY**

\_\_\_\_\_  
Lori Bagwell, Mayor and Chairperson                      Date

**APPROVED FOR LEGALITY AND FORM:**

\_\_\_\_\_  
Deputy District Attorney                                      Date

**ATTEST:**

\_\_\_\_\_  
William Scott Hoen, Clerk-Recorder                      Date

APN: 009-153-19

**AFTER RECORDING RETURN TO:  
CARSON CITY PUBLIC WORKS**

Attn: Real Property Manager  
3505 Butti Way  
Carson City, NV 89701

The undersigned hereby affirms that this document, including any exhibits, submitted for recording does not contain the social security number of any person or persons. (NRS 239B.030)

**SUBSTITUTION OF TRUSTEE AND FULL RECONVEYANCE**

WHEREAS, JODA LIMITED PARTNERSHIP, a Nevada limited partnership is the Trustor, STEWART TITLE OF NEVADA HOLDINGS, INC. a Nevada corporation is the Trustee and CARSON CITY, a consolidated municipality and political subdivision of the State of Nevada, and CARSON CITY REDEVELOPMENT AUTHORITY are the Beneficiaries under a certain Deed of Trust, dated January 1, 2012, and recorded on August 6, 2012, in the office of the Carson City, Nevada Recorder as Document Number 424895;

WHEREAS, the undersigned desires to substitute the Current Trustee under the above-referenced Deed of Trust, STEWART TITLE OF NEVADA HOLDINGS, INC., and appoint Beneficiaries as the Substituted Trustees under the above-referenced Deed of Trust;

WHEREAS, Beneficiaries accept their appointment as the Substituted Trustees;

WHEREAS, Trustor has fully repaid the indebtedness secured by the above-referenced Deed of Trust and requested a full reconveyance for the real property encumbered by the above-referenced Deed of Trust;

WHEREAS, the Board of Supervisors and the Redevelopment Authority for Carson City, Nevada at their publicly noticed meetings of April 20, 2023, approved this Substitution of Trustee and Full Reconveyance, and the Board of Supervisors and the





**RESOLUTION NO. 2005-RAR-2 and 2005-R-12**

**A RESOLUTION TO ESTABLISH THE CARSON CITY REDEVELOPMENT AUTHORITY'S INCENTIVE PROGRAM FOR REDEVELOPMENT PROJECT AREA NO. 2: SOUTH CARSON STREET – CARSON AUTO ROW**

WHEREAS, in 2004, the Carson City Redevelopment Authority and Board of Supervisors approved an ordinance that adopted the Redevelopment Plan for a new redevelopment district, Redevelopment Project Area No. 2, along South Carson Street, recognizing that Carson City's franchised dealers of new car and vehicle-related sales provide a substantial portion of Carson City's annual sales tax revenue, and

WHEREAS, the Carson City Redevelopment Authority and Board of Supervisors have created an Incentive Program to be an integral part of Carson City's private-public partnership initiatives to retain and expand Carson City's new car and vehicle-related sales sector; and

WHEREAS, the Auto Mall/Auto Row Workgroup of the Economic Vitality Coalition has developed an Incentive Program to strengthen the auto sales sector in Carson City, with the sole purpose that the Incentive Program be used to retain and grow Carson City's auto sales sector, and,

WHEREAS, the Incentives Program is designed as a public-private partnership between the Redevelopment Authority, Board of Supervisors and franchised dealers of new cars and vehicle-related sales only; and

WHEREAS, the Redevelopment Incentives Program is fair and equitable to all participating franchised dealers of new cars and vehicle-related sales; and

WHEREAS, individual incentive packages will be designed on a case-by-case basis for each applicant depending upon the needs of the project and the public benefit derived from the project; and

WHEREAS, this program is designed to stimulate investment specific to franchised dealers of new cars and vehicle-related sales through an incentive program that will initially be financed using sales taxes generated by participating franchised dealers of new cars and vehicle-related sales,

NOW THEREFORE, the Carson City Redevelopment Authority and Board of Supervisors do hereby resolve to establish an incentive program and other related matters in which the Redevelopment Authority holds final approving authority on all incentives packages;

NOW THEREFORE, be it further resolved that the property tax increment produced within South Carson Street Redevelopment Project Area 2 may be reimbursed to the Carson City general fund for any incentives provided through this Incentives Program;

NOW THEREFORE, be it further resolved that the Carson City Redevelopment Authority and Board of Supervisors implement the Redevelopment Incentive Program to carry out the Redevelopment Plan for South Carson Street Project Area No. 2 with the following guidelines. Said guidelines are intended to form a framework for individual agreements with participating franchised dealers of new cars and vehicle-related sales, but are not intended to restrict the incentive options that are negotiated within the following framework.

1. Incentive Program for Franchised Dealers of New Cars and Vehicle-related Sales:
  - A. An Incentive Program will be available to participating franchised dealers of new cars and vehicle-related sales located within South Carson Street Redevelopment Project Area 2, and the funds shall be used to assist the participating franchised dealers in improving their sales volume. The total value of each incentive package will be no greater than 20 percent of the Basic City-County Relief Tax and the Supplemental City-County Relief Tax revenue generated by the participating franchised dealers each year for a ten-year period.
  - B. Incentives may be awarded each year, but only when the business's reported taxable sales-tax revenue exceeds the established base year's taxable sales-tax revenue; and,
  - C. If in any year during the incentive period the participating franchised dealer's taxable sales-tax revenue declines below the established base year's taxable sales-tax revenue, no incentive payment will be available in that year.
2. Commitment Agreement: Each franchised dealer participating in the Incentive Program must agree to execute a Commitment Agreement for Continuing Business Operation. This Agreement requires the franchised dealer's pledge to maintain their existing business interest in Carson City at the same or greater level of sales for a minimum of fifteen consecutive years.
3. Change of Business Ownership: If the business is sold and the subsequent use remains the same and within the boundaries of South Carson Street Redevelopment Project Area 2, the Commitment Agreement transfers to the new owner and continues uninterrupted.
4. Breach of Commitment Agreement: In the event a participating franchised dealer moves the business outside the boundaries of South Carson Street Redevelopment Project Area 2 during the commitment period, 100 percent of the awarded incentives, including any liquidated damages stipulated to in the Commitment Agreement, shall be repaid to Carson City.
5. Use of Incentive Funds: The options include, but are not limited to:

- A. A subsidy to reduce property purchase costs; or
  - B. A subsidy for building or site improvements.
6. Financing of Incentive Funds: Carson City or its Redevelopment Authority may issue bonds to assist with the above incentive options.
  7. Security for Incentive Funds: Carson City and the Redevelopment Authority shall hold a lien on the franchised dealer's property and improvements until the expiration of the term specified in the Commitment Agreement;
  8. Tailored Incentive Packages: Carson City and the Redevelopment Authority may provide other technically and fiscally sound incentives to franchised dealers depending upon the individual needs of the projects and resources available to include, but not limited to, business improvement districts, joint destination marketing support, public improvements, direct leveraging of public financing tools, private and financial resources such as below market rate loan pools, loan pay downs or payoffs, federal and state funding programs, tax increment financing, and loan repayment schedules that result in the return of funds for reuse in other redevelopment activities
  9. Renegotiation of Commitment Agreements for Non-appropriation: The approval of any Incentive Program is subject to and contingent upon sufficient funds being collected, distributed and otherwise made available by state law. The Carson City Redevelopment Authority and Board of Supervisors may renegotiate any Commitment Agreement, and the Participating Dealers, as a condition of participation in the program, agree to negotiate in good faith and waive any and all claim(s) for damages, if for any reason the state law governing Carson City's ability to receive sales tax from new car and vehicle-related sales is amended to withdraw, limit, or impair Carson City's ability to collect those funds.

2005-RAR-2

ADOPTED Resolution No. \_\_\_\_\_ this 17<sup>th</sup> day of March, 2005.

AYES: Redevelopment Authority Members

Shelly Aldean \_\_\_\_\_

Pete Livermore \_\_\_\_\_

Richard S. Staub \_\_\_\_\_

Marv Teixeira \_\_\_\_\_

Robin Williamson \_\_\_\_\_

NAYES: Members None

ABSENT: Members None

Robin Y. Williamson  
ROBIN WILLIAMSON, Chair

ATTEST: CLERK'S  
Alan Glover  
ALAN GLOVER, Clerk-Recorder

2005-R-12  
ADOPTED Resolution No. \_\_\_\_\_ this 17<sup>th</sup> day of March, 2005.

AYES: Supervisors Robin Williamson

Shelly Aldean  
Pete Livermore

Richard S. Staub

Marv Teixeira, Mayor

NAYES: Supervisors None

ABSENT: Supervisors None

Marv Teixeira  
MARV TEIXEIRA, Mayor

ATTEST:  
Alan Glover  
ALAN GLOVER, Clerk-Recorder

APN 009.111.21  
009.111.27  
APN 009.163.10  
009.163.15  
APN \_\_\_\_\_

RECORDED AT THE  
REQUEST OF  
**CARSON CITY CLERK TO  
THE BOARD**

2009 JAN 15 PM 3:40

FILE NO. \_\_\_\_\_ **385752**  
ALAN GLOVER  
CARSON CITY RECORDER  
FEE \$ M/C DEP. (w)

FOR RECORDER'S USE ONLY

Commitment Agreement for Continuing  
TITLE OF DOCUMENT Business Operation

I, the undersigned, hereby affirm that the attached document, including any exhibits, hereby submitted for recording does not contain personal information of any person or persons. (NRS 239B.030)

I, the undersigned, hereby affirm that the attached document, including any exhibits, hereby submitted for recording does contain personal information of a person or persons as required by law. State specific law: \_\_\_\_\_

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name & Title

WHEN RECORDED MAIL TO:

Carson City Clerk  
2621 Northgate Lane, #56  
Carson City, NV 89706

**385752**

## COMMITMENT AGREEMENT FOR CONTINUING BUSINESS OPERATION

This COMMITMENT AGREEMENT FOR CONTINUING BUSINESS OPERATION (the Agreement) is entered into on this day 22 of December, 2008, between the CITY OF CARSON CITY, NEVADA (the City) and the CARSON CITY REDEVELOPMENT AUTHORITY, (the Authority), and MICHAEL HOHL AUTOMOTIVE GROUP and MICHAEL HOHL acting in his individual capacity and as President of said GROUP, (hereinafter collectively referred to as the Business).

### RECITALS

WHEREAS, the Business operates FOUR (4) auto sales businesses in Carson City, Nevada, including Michael Hohl Honda-Subaru (4500 N. Carson St.), Michael Hohl Motor Company (3700 S. Carson St.) and Michael Hohl Chevrolet (2500 N. Carson St.); and

WHEREAS, the Business owns property in Carson City that is identified as Assessor' s Parcel Numbers 009-111-21, 009-111-27, (Property #1) and property in Carson City that is identified as Assessors Parcel Number 009-163-10, 009-163-15 (Property #2) and desires to relocate part or all of his new car sale activity to these properties or alternative sites in the South Carson Street Redevelopment Project Area No. 2,

WHEREAS, on March 17, 2005, the Board of Supervisors and the Authority adopted Resolution No.2005-R-12 to implement an Incentive Program for franchised auto dealers as part of the Redevelopment Plan for South Carson Street which authorizes the Authority to provide incentives to businesses in the South Carson Street Redevelopment Project Area No. 2 in order to retain those businesses in Carson City for the term specified in this agreement, and to increase new car sales for dealers that are operating in the South Carson Street Redevelopment Area,

WHEREAS, the City and Authority have authorized the execution of commitment agreements with dealers in exchange for long-term commitments from such businesses to continue operation in the South Carson Street Redevelopment Project Area No. 2,

WHEREAS, Property #1 and Property #2 (hereinafter collectively referred to as the Properties) that the Business owns, and to which the Business intends to relocate, are located in the South Carson Street Redevelopment Project Area No. 2, the Business qualifies for the Incentive Program, and the City, Authority and Business desire to enter into this Commitment Agreement to implement the Incentive Program, and,

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WHEREAS, more specifically, the Parties agree to undertake a cooperative effort whereby the City and Authority will provide financial assistance for the development of the Properties, commit to pursuing certain public infrastructure improvements near the Properties and commit to certain other incentives in exchange for a binding and enforceable commitment by the Business for continuing business operations in the City for the time period described in this Commitment Agreement,

NOW, THEREFORE, in consideration of the mutual commitments by the City, Authority and Business, as contained in this Agreement, the Parties agree as follows:

I. INCENTIVE PROVIDED BY CITY AND AUTHORITY

A. Financial Assistance by City and Authority. The City and Authority will provide financial assistance to the Business in an amount that is not in excess of twenty (20) percent of the Basic City-County Relief Tax and the Supplemental City-County Relief Tax revenue generated by the Business each year for a twenty-year period that starts on January 1, 2009 or until the Promissory Notes are fully satisfied. The City and Authority's financial assistance to the Business shall be used, as described in this Agreement, for the development of the Properties on which the Business will conduct its auto sales activity. Pursuant to NRS 279.500, the development of the Properties may be subject to the provisions of NRS 338.010 to 338.090, inclusive, to the same extent as if the City or the Authority had awarded the contract for the development of the Properties.

B. Development Incentives for the Properties.

1. The Business agrees to develop Property #1 for the purpose of relocating the new car dealership of Michael Hohl Honda on or before June 30, 2009. The City and Authority agree to provide an incentive payment in the amount of ONE MILLION TWO HUNDRED THOUSAND DOLLARS (\$1,200,000.00) to Business for the purpose of assisting in the cost of constructing the Honda dealership on Property #1. The incentive payment required pursuant to this paragraph shall be due to the Business upon the commencement of construction of the Honda dealership on Property #1. The Business represents that it has the ability to obtain the financing to construct this dealership and shall provide evidence of appropriate construction financing to the City and Authority prior to beginning construction on the Honda dealership.

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2. The Business agrees to develop Property #1 for the purpose of relocating the new car dealership of Michael Hohl Subaru on or before June 30, 2009. The City and Authority agree to provide an incentive payment in the amount of ONE MILLION TWO HUNDRED THOUSAND DOLLARS (\$1,200,000.00) to Business for the purpose of assisting in the cost of constructing the Subaru dealership on Property #1. The incentive payment required pursuant to this paragraph shall be due to the Business upon the commencement of construction of the Subaru dealership on Property #1. The Business represents that it has the ability to obtain the financing to construct this dealership and shall provide evidence of appropriate construction financing to the City and Authority prior to beginning construction on the Subaru dealership.
  3. The Business agrees to develop Property #2, or an alternative site located in the South Carson Street Redevelopment Project Area No. 2, for the purpose of relocating the new dealership of Michael Hohl Chevrolet or an equivalent franchised auto dealership on or before June 30, 2010. At the time the Business begins construction of this new dealership or upon commencement of the remodeling of the Business's current General Motors Dealership on South Carson St. and provided that the costs for said remodeling equal or exceed 25% of the cost of building a new dealership which is currently estimated at FIVE MILLION DOLLARS (\$5,000,000.00), the City and Authority agree to provide an incentive payment in the amount of TWO MILLION FOUR HUNDRED THOUSAND DOLLARS (\$2,400,000.00) to Business for the purpose of assisting in the cost of developing Property #2, or an alternative site located in the South Carson Street Redevelopment Project Area No. 2. If General Motors reorganizes its nationwide business operation which adversely affects the ability of the Business to relocate Michael Hohl Chevrolet to Property #2, or an alternative site located in the South Carson Street Redevelopment Project Area No. 2, the Business reserves the right to remodel its current General Motors facility to accommodate Michael Hohl Chevrolet or an equivalent franchised auto dealership,.
- C. Bonds to be Issued. The City and Authority represents that it has the financial ability to fund this incentive however, the City and Authority reserve the right to issue bonds to obtain the funds needed to provide the financial assistance to the Business that is described herein. The City and Authority will diligently and in good faith pursue the issuance of these bonds upon the execution of this Agreement. If the issuance of bonds requires that this Agreement be amended, the parties hereto agree to reopen negotiations to make appropriate amendments to facilitate the bonding of this incentive however, the amount of this



incentive and the obligation of the City and Authority to pay the incentive shall not be subject to any amendment.

D. Promissory Note. The City and Authority will provide total financial assistance in the amount of FOUR MILLION EIGHT HUNDRED THOUSAND DOLLARS (\$4,800,000.00). In exchange, the Business will execute two Promissory Notes, each for TWO MILLION FOUR HUNDRED THOUSAND DOLLARS (\$2,400,000.00) when those funds are granted to the Business as provided herein, in favor of the City and Authority, and secure each Note by executing a Deed of Trust that is recorded against the subject Property for the total amount of the financial assistance from the City and Authority. The Promissory Note will be repaid as follows:

1. Each Promissory Note will include a five percent (5%) per annum interest charge and will be paid in full no later than December 31, 2028. The annual obligation of the Business to satisfy each Promissory Note will be calculated based on a TWO MILLION FOUR HUNDRED THOUSAND DOLLARS (\$2,400,000.00) loan that is amortized over twenty (20) years.
2. No later than thirty (30) days after the end of each calendar year, a determination will be made by the City and Authority of the actual amount of incentive available in that year. Such determination will be made based on the Basic City-County Relief Tax and the Supplemental City-County Relief Tax that is paid by the Business in that calendar year. The first such determination will be made no later than thirty (30) days after December 31, 2009.
3. The obligation under each Promissory Note will be reduced each year by the amount that the City and Authority have determined is the amount of incentive that was available in that calendar year.
4. If the Basic City-County Relief Tax and the Supplemental City-County Relief Tax revenue paid by the Business in a calendar year falls below the annual obligation of the Business to satisfy each Promissory Note including accrued interest, as that annual obligation is determined in Section D.1, the Business must, within thirty (30) days of such a determination, pay the difference in cash, or City and Authority may foreclose on the Deed of Trust to enforce each Promissory Note.
5. When the obligation under each Promissory Note is satisfied by the Business, the City and Authority will execute an Acknowledgment that each Promissory Note has been satisfied, and will release the Deed of Trust that has been

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recorded against the Business Property. However, such action by the City and Authority will not relieve Business of its Commitment in this Agreement to Continue Business Operations in Carson City for at least twenty (20) years from the date of this Agreement. If each Promissory Note is satisfied before the end of the twenty (20) year period, the Business will receive an incentive of 10 (ten) percent of the City's portion of the Basic City-County Relief Tax and the Supplemental City-County Relief Tax revenue paid by the Business for the remaining years of the twenty (20) year period.

6. After twenty (20) years, the City and Authority shall determine whether Business has satisfied the obligations under each Promissory Note. If each Promissory Note has not been satisfied, the Business shall pay the full amount of the outstanding obligation under each Promissory Note, or the City and Authority can foreclose on the Business Property as authorized by the Deed of Trust.
7. The promissory note attributable to Property #1 may be separated into two equivalent notes should the Business change the ownership structure of its Honda/Subaru dealerships.

E. Deeds of Trust. The City and Authority shall provide financial assistance as provided herein, and Business shall agree to execute Deeds of Trust in favor of the City and Authority in order to secure the obligations under this Agreement.

1. Business agrees that the Deeds of Trust executed pursuant to this Agreement will subordinate to another deed of trust executed to secure bank financing for the improvements contemplated by these incentives and hold second position for security purposes. However, the Deeds of Trust recorded pursuant to this Agreement shall only be subordinated to a deed of trust that is executed to secure said bank financing.
2. Business agrees that the obligations and burdens stated in the Deeds of Trust shall include the covenants made in this Agreement, and that those covenants run with the subject land binding future owners of the land to the fullest extent permitted by law and equity for the benefit and favor of, and enforceable by, the City and Authority and their successors and assigns for the term of this Agreement.

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3. Reasons for the foreclosure by the City and Authority on the Deeds of Trust shall include failure of Business to operate its auto dealership businesses in Carson City for twenty (20) years from the date of this Agreement.

F. Public Improvements. The City and Authority agree to pursue the following public infrastructure improvements near the Properties, subject to the approval of the Carson City Regional Transportation Commission when appropriate and based upon the availability of funds.

1. Upon the commencement of construction for the development of Property #1, the City and the Authority agree to pursue:

- a. The installation of a traffic signal at the intersection of South Carson Street and Sonoma Street, subject to the installation of the traffic signal meeting the requirements of the latest edition of the Manual on Uniform Traffic Control Devices.

- b. A driveway at Sonoma Street plus the installation of curb, gutter and sidewalk improvements on South Carson Street and Curry St.

2. Upon the commencement of construction for the development of Property #2 as provided herein, the City and the Authority agree to pursue:

- a. The realignment of Snyder Street to the intersection of Snyder Street and South Carson Street, including the installation of a traffic signal at the intersection of Snyder Street and South Carson Street, subject to the installation of the traffic signal meeting the requirements of the latest edition of the Manual on Uniform Traffic Control Devices.

- b. The improvement of South Carson St. and Oak Street to allow access to Property #2.

3. If Business relocates the Michael Hohl RV Center or an alternative retail business to the property located at 3901 Hwy 50 East, APN 008-292-26, the City and Authority agree to pursue the installation of necessary and appropriate drainage improvements adjacent to that property as agreed upon by the City and the Business, but no more improvements than were contemplated for the RV Center.

G. NDOT Right of Way. If and when the City and Authority obtain

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ownership of the right of way adjacent to Property #1, Property #2, or any location on the South Carson Street Redevelopment Project Area 2 where the Business operates an auto dealership, the City and Authority agree to transfer ownership of said right of way to the Business without consideration, if allowed by state or local laws and if not, the City and the Authority agree to lease said right of way to the Business for a long term for nominal consideration .

- H. Renegotiation of Commitment Agreements for Non-appropriation. The City and Authority' s obligations under this Agreement to provide incentive funds for financial assistance is conditioned upon sufficient funds being collected, distributed and otherwise being made available by state law. As a condition of participation in the program, Business agrees that if for any reason the state law governing Carson City's ability to receive sales tax from new car and vehicle-related sales is amended to withdraw, limit, or impair Carson City's ability to collect those funds, this Commitment Agreement may be renegotiated, in good faith, and Business waives any and all claim(s) for damages that may arise against the City and/or Authority.

II. COMMITMENT PROVIDED BY BUSINESS OF CONTINUING BUSINESS OPERATION

- A. In exchange for financial assistance by the City and Authority for the development of the Properties and the pursuit of certain public infrastructure improvements, the Business agrees to make a Commitment for Continuing Business Operations as contemplated herein in the South Carson Street Redevelopment Project Area No. 2 for a period of not less than twenty (20) consecutive years from the date of this Agreement.
- B. As part of this Commitment for Continuing Business Operation, the Business agrees to continue to operate its auto sales businesses in Carson City, Nevada, including Michael Hohl Honda-Subaru (4500 N. Carson St.), Michael Hohl Motor Company (3700 S. Carson St.), Michael Hohl Chevrolet (2500 N. Carson St.), and Michael Hohl RV Center, or alternative dealership points in the South Carson Street Redevelopment Project Area No. 2 so long as the Business meets it' s obligations to the City in accordance with this Agreement.
- C. Business shall use its best efforts to assure and maintain its existing business activity in Carson City at a greater level of sales for not less than twenty (20) consecutive years, but may terminate a certain franchise if the Business deems necessary. However, such termination shall not relieve the Business of the other obligations contained in this Agreement.

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- D. This Commitment by the Business shall be binding upon any successors in interest to the current Business owners, and shall be disclosed to any potential purchaser of the subject businesses. If the business is sold and the subsequent use remains the same and within the boundaries of South Carson Street Redevelopment Project Area No. 2, the Commitment Agreement transfers to the new owner and continues uninterrupted.
- E. Liquidated Damages. In the event Business breaches this Commitment Agreement by relocating any of its current Carson City auto dealership business operations outside Carson City, Nevada, the City and Authority shall be entitled to money damages, to be paid by Business within thirty (30) days of the demand by the City and Authority, as follows:
1. An amount equal to the value of the Basic City-County Relief Tax and the Supplemental City-County Relief Tax revenue that would have been generated by the Business for the twenty (20) year period that starts on January 1, 2009, minus the Basic City-County Relief Tax and the Supplemental City-County Relief Tax revenue that was generated by the Business and received by the City between January 1, 2009, and the time of the breach.
  2. The Basic City-County Relief Tax and the Supplemental City-County Relief Tax revenue that would have been generated by the Business after the breach will be determined by calculating the amount of such tax generated in the last year of performance, and multiplying that tax generation amount by the remaining number of years, or partial years, in the commitment obligation.

### III. GENERAL CONDITIONS

- A. Successors and Assigns. This Agreement shall be binding upon the heirs, successors, and assigns of the parties.
- B. Time is of the Essence In the event that any date specified in this Agreement falls on Saturday, Sunday or a public holiday, such date shall be deemed to be the succeeding day on which the public agencies and major banks are open for business.
- C. Execution of Additional Documents. In addition to documents and other matters specifically referenced in this Agreement, the Business, City and Authority agree to execute and/or deliver, or cause to be executed and/or delivered such other documents and/or materials, including additional escrow instructions carrying out the terms and

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conditions of this Agreement, as may be reasonably necessary to effect the transaction contemplated by this Agreement.

- D. Notices and Other Communications. Any notice or other communication required or contemplated by this Agreement by any party shall be in writing delivered either by (a) personal delivery, (b) prepaid overnight delivery service or (c) facsimile addressed to the party for whom intended at the address specified in this Section.

To City and Authority: Carson City Redevelopment Authority  
201 North Carson Street  
Carson City, NV 89701  
Telephone: (775) 887-2100  
Facsimile: (775) 887-2286

Carson City  
201 North Carson Street  
Carson City, NV 89701

To Business: Michael Hohl, President  
1062 Fairview Dr.  
Carson City, NV 89701  
Telephone: (775) 883-5777  
Facsimile: (775) 849-8559

Notice by overnight delivery service shall be effective on the date it is officially recorded as delivered to the intended recipient. All notices delivered in person or sent by facsimile shall be deemed to have been delivered to and received by the addressees and shall be effective on the date of personal delivery or on the date sent, respectively. Notice not given in writing shall be effective only if acknowledged in writing by a duly authorized representative of the party to whom it was given. Either City and Authority or Business may, by notice to the other given as herein stated, change its address for future notices hereunder.

- E. Assignments. The parties shall have the right to assign this Agreement. Such assignment shall require the prior written approval of each of the Parties. Said approval shall not be unreasonably withheld, conditioned, or delayed.
- F. Governing Law. validity, construction and enforceability of this Agreement shall be governed in all respects by the law of Nevada applicable to agreements negotiated, executed and performed in Nevada by Nevada residents, whether one or more of the parties shall now be or hereafter become a resident of another state.

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- G. Ambiguities in Agreement. Both parties have participated in the drafting of this Agreement and any ambiguities in the language of the Agreement shall not be construed against either party.
- H. Facsimile Transmission of Signatures. All parties to this transaction instruct the agents and the escrow company to accept signatures forwarded herein via fax machine (Faxed Signatures) to complete this Agreement. The signatures are to be accepted by all as though they were the original signatures. City and Authority and Business agree to forward the original signatures via regular U.S. Mail.
- I. Counterparts. This Agreement may be executed in one or more counterparts, and each counterpart shall constitute an original instrument, but all such counterparts shall only constitute one and the same instrument.
- J. Entire Agreement; Modification; Waiver This Agreement constitutes the entire agreement between City and Authority and Business pertaining to the subject matter contained in it and supersedes all prior and contemporaneous agreements, representations, and understandings. This Agreement shall survive any close of escrow and/or sale of the subject properties and be binding upon the parties, their successors, heirs and/or assigns. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing by all the parties. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver.
- K. Captions The captions of this Agreement do not in any way limit or amplify the terms and provisions of this Agreement.
- L. Attorney's Fees. In the event of any litigation between the parties hereto arising out of this Agreement, or if one party seeks to judicially enforce the terms of this Agreement, the prevailing party shall be reimbursed for all reasonable costs, including, but not limited to, reasonable attorney's fees.
- M. Severability Each provision of this Agreement is severable from any and all other provisions of this Agreement. Should any provision(s) of this Agreement be for any reason unenforceable, the balance shall nonetheless be of full force and effect.
- N. Effect of Termination. No termination of this Agreement shall be construed as relieving a party from liability to any other party for breach of this Agreement.

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O. Discrimination. Business agrees not to discriminate on the basis of race, color, creed, national origin, sex, age, disability, or any other legally protected class in the sale, lease, rental, use or occupancy of the subject property or any improvements made to the subject property.

P. Authority.


1. If either Party hereto is a governmental entity, corporation, trust, limited liability company, partnership, or similar entity, each individual executing this Agreement on behalf of such entity represents and warrants that he or she is duly authorized to execute and deliver this Agreement on its behalf. Each party shall, within thirty (30) days after request, deliver to the other party satisfactory evidence of such authority.

2. If this Agreement is executed by more than one person or entity as a party to this Agreement, each such person or entity shall be jointly and severally liable hereunder. It is agreed that any one of the named Parties shall be empowered to execute any amendment to this Agreement, or other document ancillary thereto and bind all of the named Parties.

Q. Indemnification. Business agrees to indemnify and hold harmless the City and Authority, its successors, assigns, agents, contractors, employees, and attorneys from any and all liability, loss or damage City and Authority may suffer as a result of claims, demands, costs or judgments as a result of the Business's ownership of the Properties that are secured by the Deeds of Trust.

IN WITNESS WHEREOF, the Authority, City and Business have executed this Agreement on the date first above written.

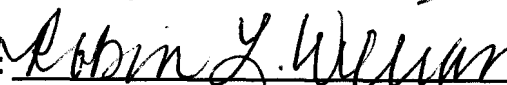
**CITY OF CARSON CITY, NEVADA:**

By:   
Its: Mayor

**BUSINESS:**

By:   
Michael Hohl

**CARSON CITY REDEVELOPMENT  
AUTHORITY**

By:   
Its: Chair

Individually and on behalf of  
Michael Hohl Honda-Subaru and  
Michael Hohl Motor Company and  
Michael Hohl Automotive Group  
and Its: President

385752



APN: 009-111-32  
When Recorded Mail To:  
CARSON CITY  
201 N. Carson Street, Suite #200  
Carson City, NV 89701

RECORDED AT THE REQUEST OF  
STEWART TITLE - DOUGLAS  
09/14/2009 12:57PM  
FILE NO. 393652  
ALAN GLOVER  
CARSON CITY RECORDER  
FEE \$22.00 DEP Jide

The party executing this document hereby affirms that this document submitted for recording does not contain the social security number of any person or persons pursuant to NRS 239B.230

DEED OF TRUST

AND ASSIGNMENT OF RENTS

(Subaru)

THIS DEED OF TRUST, made this 14 day of Sept. 2009, ~~2008~~,  
by and between THEO PROPERTIES LLC, a Nevada limited liability company, "Trustor," to  
STEWART TITLE OF NEVADA HOLDINGS, INC., a Nevada corporation, "Trustee," for  
CARSON CITY, a consolidated municipality and political subdivision of the state of Nevada and  
CARSON CITY REDEVELOPMENT AUTHORITY, collectively "Beneficiary,"

WITNESSETH:

That the Trustor does hereby grant, bargain, sell and convey unto the Trustee in  
trust with power of sale all that certain real property together with any and all appurtenant rights  
situated in Carson City, State of Nevada, more particularly described on Exhibit "A" attached  
hereto and incorporated herein by this reference.

AND ALSO, all the estate, interest, homestead and other claim, in law and in  
equity, which the Trustor now has or may hereafter acquire in and to said property.

TOGETHER with all and singular the tenements, hereditaments and appurtenances  
thereunto belonging or in any wise appertaining, and the reversion and reversions, remainder and  
remainders, rents, issues and profits thereof, subject, however, to the right, power and authority

hereinafter given to and conferred upon the Beneficiary to collect and apply such rents, issues and profits; and also all the estate, right, title and interest, homestead or other claim or demand, as well in law as in equity, which the Trustor now has or hereafter may acquire of, in, and to the said property, or any part thereof, with the appurtenances; and all of the water rights if any, whether surface or underground, certificated, adjudicated or decreed, together with all of means, methods, structure and devices for diversion to beneficial use of the appurtenant water rights.

TO HAVE AND TO HOLD the same unto the said Trustee and its successors, upon the trusts hereinafter expressed, for the purpose of securing the following:

FIRST: As security for the payment of an indebtedness in the sum of ONE MILLION TWO HUNDRED THOUSAND AND NO/100 DOLLARS (\$1,200,000.00) in lawful money of the United States of America or such amount as may have been advanced, with interest thereon in like lawful money and such other obligations with expenses and counsel fees according to the terms of and evidenced by the promissory note for said sum of even date herewith executed and delivered by Trustor, to the Beneficiary.

SECOND: Payment of such additional amounts as may be hereafter loaned by the Beneficiary or its successors, to the Trustor, or any successor in interest of the Trustor, with interest thereon and any other indebtedness or obligation of the Trustor, and any present or future demands of any kind or nature which the Beneficiary, or its successor, may have against the Trustor, whether created directly or acquired by assignment; whether absolute or contingent; whether due or not, or whether otherwise secured or not, or whether existing at the time of the execution of this instrument, or arising thereafter; also as security for the payment and performance of every obligation, covenant, promise or agreement herein or in any note or notes secured by this deed of trust, or in connection with the preservation of the property encumbered herein or the preservation or enforcement of the lien created hereby. Trustor grants to Beneficiary the right to record notice that this deed of trust is security for additional amounts and obligations

not specifically mentioned herein but which constitute indebtedness or obligations of the Trustor for which Beneficiary may claim this deed of trust as security.

THIRD: The expenses and costs incurred or paid by Beneficiary or Trustee in preservation or enforcement of the rights and remedies of Beneficiary and the duties and liabilities of Trustor hereunder, including, but not limited to, attorneys' fees, court costs, witnesses' fees, expert witnesses' fees, collection costs, and costs and expenses paid by Beneficiary or Trustee in performing for Trustor's account any obligations of Trustor or to collect the rents or prevent waste or to preserve the priority and rights of Beneficiary's interests in a bankruptcy proceeding.

The Trust created by this instrument is irrevocable by the Trustor.

AND THIS INDENTURE FURTHER WITNESSETH:

1. REPAIRS, MAINTENANCE, WASTE, LIENS AND ENCUMBRANCES: The Trustor promises to properly care for, maintain, and keep the said property in first class condition, order and repair; to properly care for, maintain, protect and to repair all buildings, improvements and fixtures damaged or destroyed thereon and to maintain and protect all water rights thereon; and to pay, when due, all claims for labor performed and for materials furnished therefor; to underpin and support, when necessary, any building or other improvement situate thereon, and otherwise to protect and preserve the same; to comply with all laws, ordinances and regulations with reference to any alterations or improvements made thereon; not to commit or permit any waste or deterioration of said property; to pay, when due, all taxes, assessments, penalties and levies affecting said property and any costs or penalties thereon; to pay when due, all leases, mortgages, deeds of trust and other encumbrances which are or appear to be a lien or a charge upon the property, or any part thereof, either prior or subordinate to this deed of trust; and indemnifies Beneficiary against any losses due to hazardous materials being found

on said property. The indemnification provisions hereof shall survive the foreclosure of this Deed of Trust.

2. INSURANCE: Trustor covenants to keep all buildings and improvements that may now or at any time be on said property during the continuance of this trust, insured by an all-risk policy of insurance, including but not limited to, coverage for loss by fire, lightning and flood with extended coverage endorsement not less than the amount of the loan and with no coinsurance.

Trustor covenants to keep relative to the premises, including all buildings and improvements, that may now, or at any time be on said property during the continuance of this trust, public liability and property damage insurance.

All insurance policies provided pursuant to this paragraph shall name Beneficiary as a mortgagee and loss payee as its interest appears, shall be with a company or companies authorized to issue such insurance in the State of Nevada rated "A" or better in the "Best's Ratings" book approved by Beneficiary and shall provide thirty (30) days written notice to Beneficiary prior to policy cancellation or modification.

3. DEFAULT: Trustor promises and agrees that upon the happening of any one of the following events, the Beneficiary, at its option, may declare all promissory notes, sums and obligations secured hereby immediately due and payable without demand or notice, irrespective of the maturity dates expressed therein, and Beneficiary or Trustee may record a notice of such breach or default and elect to cause said property to be sold to satisfy the indebtedness and obligations secured hereby:

(a) If default be made in the payment when due of any installment of principal or interest, or any obligation in accordance with the terms of any note secured hereby, or in the performance of any of the covenants, promises or agreements contained in this Deed of Trust and Assignment of Rents; or

(b) If default be made in the payment of any installment of principal or interest, or obligation, in accordance with the terms of any note or notes secured by a deed of trust, if any, which are subordinate to or which have priority over this Deed of Trust and Assignment of Rents securing this note, or in the performance of any of the covenants, promises or agreements contained in any such subordinate or prior deed of trust; or

(c) If the Trustor becomes insolvent or makes a general assignment for the benefit of creditors, or consents to or applies for the appointment of a trustee or receiver for the property encumbered hereby, or any part thereof; or

(d) If a trustee or receiver is appointed for said property or any part thereof; or

(e) IF DEFAULT BE MADE BY BUSINESS UNDER THE DECEMBER 31, 2008 COMMITMENT AGREEMENT FOR CONTINUING BUSINESS OPERATIONS BETWEEN BENEFICIARIES AND MICHAEL HOHL AND OTHERS, DEFINED AS "BUSINESS" THEREIN.

4. INSPECTION OF PROPERTY: The Beneficiary or its collection agent shall have access to and the right to inspect said property at all reasonable times.

5. EMINENT DOMAIN: If the above-described property, or any portion thereof, be condemned under any power of eminent domain or acquired for any public use or quasi-public use, the damages, proceeds and consideration for such acquisition to the extent of the full amount of indebtedness secured hereby remaining unpaid, are hereby irrevocably assigned by Trustor to Beneficiary, and shall be paid forthwith to Beneficiary, to be applied on account of the last maturing installments of such indebtedness. Such payment will not constitute a prepayment under the terms of any prepayment charge provisions of the promissory note secured hereby.

6. COMPLIANCE WITH LAW: Without limiting any other provision contained herein relating to the same or similar matters as hereinafter set forth, Trustor covenants and agrees to observe and comply with all applicable federal, state, and local statutes, ordinances, regulations, orders, and restrictions.

7. EXERCISE OF POWERS AND REMEDIES: Each and every power or remedy herein specifically given shall be in addition to every other power or remedy, existing or implied, now or hereafter given or existing in law or in equity, and each and every power and remedy herein specifically given or otherwise so existing or given may be exercised from time to time and as often and in such order as may be deemed expedient by Beneficiary or the holder of the Promissory Note and the exercise or the beginning of the exercise of one power or remedy shall not be deemed a waiver of the right to exercise at the same time or thereafter any power or remedy. No delay or omission of the Beneficiary in the exercise of any right or power accruing hereunder shall impair any such right or power or be construed to be a waiver of any default or acquiescence therein. The Trust created hereby shall be irrevocable by Trustor.

8. SEVERABILITY: The unenforceability or invalidity of any provision or provisions of this deed of trust as to any persons or circumstances shall not render that provision or those provisions unenforceable or invalid as to any other persons or circumstances, and all provisions hereof, in all other respects, shall remain valid and enforceable.

9. SUCCESSORS AND ASSIGNS: The benefits of the covenants, terms, conditions, and agreements contained herein shall accrue to, and the obligations thereof shall bind the heirs, representatives, successors, and assigns of the parties hereto and the Beneficiary hereof. However, nothing in the foregoing shall be implied to mean that Beneficiary has or will consent in any fashion to an assignment or delegation of the duties hereunder. Whenever used, the singular number shall include the plural, the plural the singular and the use of any gender shall

include all other genders, and the term "Beneficiary" shall include any holder of the indebtedness hereby secured or any transferee thereof whether by operation of law or otherwise.

10. NOTICES: Any notice or demand to be given or required by the terms of this deed of trust shall be given to the Trustor and Beneficiary by certified at the following addresses:

Beneficiary: CARSON CITY  
201 N. Carson Street, Suite #200  
Carson City, NV 89701

Trustor: THEO PROPERTIES LLC  
20482 Bordeaux Drive  
Reno, NV 89511

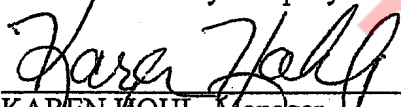
11. N.R.S. COVENANTS: The following covenants, Nos. 1, 3, 4 (interest 5%), 5, 6, 7 (counsel fees shall be in an amount equal to the actual and reasonable attorneys' fees incurred by Trustee and Beneficiary), 8 and 9 of NRS 107.030, when not inconsistent with covenants and provisions contained herein, are hereby adopted and made a part of this deed of trust.

12. SUBORDINATION: This Deed of Trust shall be subordinated by Beneficiary to any Deed of Trust procured by Trustor to repair, create or expand improvements on the Property or benefit operations or an automotive business on the Property, but in no event shall this Deed of Trust be required to be lower than secured priority.

IN WITNESS WHEREOF, the Trustor has executed this Deed of Trust and Assignment of Rents the day and year first above written.

THEO PROPERTIES LLC,  
a Nevada limited liability company

By:

  
KAREN MOHL, Manager

By:

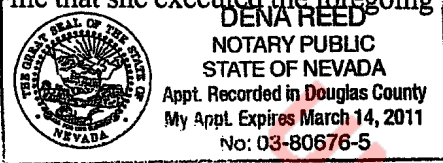
  
T. MICHAEL HOHL, Manager

STATE OF NEVADA )

COUNTY OF Douglas : ss.

On Sept. 14, 2009, personally appeared before me, a notary

public, KAREN HOHL, personally known (or proved) to me to be the person whose name is subscribed to the foregoing instrument, who acknowledged to me that she is the manager of THEO PROPERTIES LLC, a Nevada limited liability company, and who further acknowledged to me that she executed the foregoing Deed of Trust on behalf of said limited liability company.



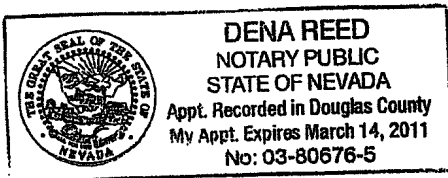
Dena Reed  
NOTARY PUBLIC

STATE OF NEVADA )

COUNTY OF Douglas : ss.

On Sept 14, 2009, personally appeared before me, a notary

public, MICHAEL HOHL, personally known (or proved) to me to be the person whose name is subscribed to the foregoing instrument, who acknowledged to me that he is the manager of THEO PROPERTIES LLC, a Nevada limited liability company, and who further acknowledged to me that he executed the foregoing Deed of Trust on behalf of said limited liability company.



Dena Reed  
NOTARY PUBLIC



EXHIBIT "A"

All that certain real property situate within the Northwest  $\frac{1}{4}$  of the Northwest  $\frac{1}{4}$  of Section 29, Township 15 North, Range 20 East, M.D.M., Carson City, State of Nevada, further described as follows:

COMMENCING at the Northwest corner of Section 29;

THENCE S  $05^{\circ}17'13''$  E, a distance of 456.91 feet to a point on the easterly right of way of Curry St, as shown on that Parcel Map for Leid, Bernard & Levy, recorded June 14, 1990, Book 6, Page 1813, Official Records of Carson City, Nevada;

THENCE continuing along said right of way S  $00^{\circ}04'35''$  W, a distance of 252.91 feet; to the POINT OF BEGINNING;

THENCE leaving said right of way along the northerly property line S  $89^{\circ}16'33''$  E a distance of 448.45 feet to a point on the westerly right of way of South Carson Street;

THENCE along said right of way S  $08^{\circ}31'25''$  W, a distance of 365.63 feet to the southeasterly corner of Parcel 2A as described in that Record of Survey, File No. 230773, Book 8, Page 2309, Official Records of Carson City, Nevada;

THENCE leaving the aforementioned right of way N  $89^{\circ}16'33''$  W, a distance of 394.84 feet to a point on the aforementioned easterly right of way of Curry Street;

THENCE along said right of way N  $00^{\circ}06'39''$  E, a distance of 175.44 feet;

THENCE continuing along said right of way N  $00^{\circ}04'35''$  E, a distance of 186.83 feet; to the POINT OF BEGINNING;

CONTAINING a total of 3.51 acres, more or less.

The Basis of Bearing for this description is the West line of Section 29, T. 15 N., R 20 E., M.D.M. between the West  $\frac{1}{4}$  Corner and the Northwest Section Corner which bears N  $00^{\circ}44'05''$  E.

APN: 009-111-33  
When Recorded Mail To:  
CARSON CITY  
201 N. Carson Street, Suite #200  
Carson City, NV 89701

RECORDED AT THE REQUEST OF  
STEWART TITLE - DOUGLAS  
09/14/2009 12:56PM  
FILE NO. 393651  
ALAN GLOVER  
CARSON CITY RECORDER  
FEE \$22.00 DEP Jide

The party executing this document hereby affirms that this document submitted for recording does not contain the social security number of any person or persons pursuant to NRS 239B.230

DEED OF TRUST

AND ASSIGNMENT OF RENTS

(Honda)

THIS DEED OF TRUST, made this 14th day of September 2009, ~~2008~~  
by and between THEO PROPERTIES LLC, a Nevada limited liability company, "Trustor," to STEWART TITLE OF NEVADA HOLDINGS, INC., a Nevada corporation, "Trustee," for CARSON CITY, a consolidated municipality and political subdivision of the state of Nevada and CARSON CITY REDEVELOPMENT AUTHORITY, collectively "Beneficiary,"

WITNESSETH:

That the Trustor does hereby grant, bargain, sell and convey unto the Trustee in trust with power of sale all that certain real property together with any and all appurtenant rights situated in Carson City, State of Nevada, more particularly described on Exhibit "A" attached hereto and incorporated herein by this reference.

AND ALSO, all the estate, interest, homestead and other claim, in law and in equity, which the Trustor now has or may hereafter acquire in and to said property.

TOGETHER with all and singular the tenements, hereditaments and appurtenances thereunto belonging or in any wise appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof, subject, however, to the right, power and authority

hereinafter given to and conferred upon the Beneficiary to collect and apply such rents, issues and profits; and also all the estate, right, title and interest, homestead or other claim or demand, as well in law as in equity, which the Trustor now has or hereafter may acquire of, in, and to the said property, or any part thereof, with the appurtenances; and all of the water rights if any, whether surface or underground, certificated, adjudicated or decreed, together with all of means, methods, structure and devices for diversion to beneficial use of the appurtenant water rights.

TO HAVE AND TO HOLD the same unto the said Trustee and its successors, upon the trusts hereinafter expressed, for the purpose of securing the following:

FIRST: As security for the payment of an indebtedness in the sum of ONE MILLION TWO HUNDRED THOUSAND AND NO/100 DOLLARS (\$1,200,000.00) in lawful money of the United States of America or such amount as may have been advanced, with interest thereon in like lawful money and such other obligations with expenses and counsel fees according to the terms of and evidenced by the promissory note for said sum of even date herewith executed and delivered by Trustor, to the Beneficiary.

SECOND: Payment of such additional amounts as may be hereafter loaned by the Beneficiary or its successors, to the Trustor, or any successor in interest of the Trustor, with interest thereon and any other indebtedness or obligation of the Trustor, and any present or future demands of any kind or nature which the Beneficiary, or its successor, may have against the Trustor, whether created directly or acquired by assignment; whether absolute or contingent; whether due or not, or whether otherwise secured or not, or whether existing at the time of the execution of this instrument, or arising thereafter; also as security for the payment and performance of every obligation, covenant, promise or agreement herein or in any note or notes secured by this deed of trust, or in connection with the preservation of the property encumbered herein or the preservation or enforcement of the lien created hereby. Trustor grants to Beneficiary the right to record notice that this deed of trust is security for additional amounts and obligations

not specifically mentioned herein but which constitute indebtedness or obligations of the Trustor for which Beneficiary may claim this deed of trust as security.

THIRD: The expenses and costs incurred or paid by Beneficiary or Trustee in preservation or enforcement of the rights and remedies of Beneficiary and the duties and liabilities of Trustor hereunder, including, but not limited to, attorneys' fees, court costs, witnesses' fees, expert witnesses' fees, collection costs, and costs and expenses paid by Beneficiary or Trustee in performing for Trustor's account any obligations of Trustor or to collect the rents or prevent waste or to preserve the priority and rights of Beneficiary's interests in a bankruptcy proceeding.

The Trust created by this instrument is irrevocable by the Trustor.

AND THIS INDENTURE FURTHER WITNESSETH:

1. REPAIRS, MAINTENANCE, WASTE, LIENS AND ENCUMBRANCES: The Trustor promises to properly care for, maintain, and keep the said property in first class condition, order and repair; to properly care for, maintain, protect and to repair all buildings, improvements and fixtures damaged or destroyed thereon and to maintain and protect all water rights thereon; and to pay, when due, all claims for labor performed and for materials furnished therefor; to underpin and support, when necessary, any building or other improvement situate thereon, and otherwise to protect and preserve the same; to comply with all laws, ordinances and regulations with reference to any alterations or improvements made thereon; not to commit or permit any waste or deterioration of said property; to pay, when due, all taxes, assessments, penalties and levies affecting said property and any costs or penalties thereon; to pay when due, all leases, mortgages, deeds of trust and other encumbrances which are or appear to be a lien or a charge upon the property, or any part thereof, either prior or subordinate to this deed of trust; and indemnifies Beneficiary against any losses due to hazardous materials being found

on said property. The indemnification provisions hereof shall survive the foreclosure of this Deed of Trust.

2. INSURANCE: Trustor covenants to keep all buildings and improvements that may now or at any time be on said property during the continuance of this trust, insured by an all-risk policy of insurance, including but not limited to, coverage for loss by fire, lightning and flood with extended coverage endorsement not less than the amount of the loan and with no coinsurance.

Trustor covenants to keep relative to the premises, including all buildings and improvements, that may now, or at any time be on said property during the continuance of this trust, public liability and property damage insurance.

All insurance policies provided pursuant to this paragraph shall name Beneficiary as a mortgagee and loss payee as its interest appears, shall be with a company or companies authorized to issue such insurance in the State of Nevada rated "A" or better in the "Best's Ratings" book approved by Beneficiary and shall provide thirty (30) days written notice to Beneficiary prior to policy cancellation or modification.

3. DEFAULT: Trustor promises and agrees that upon the happening of any one of the following events, the Beneficiary, at its option, may declare all promissory notes, sums and obligations secured hereby immediately due and payable without demand or notice, irrespective of the maturity dates expressed therein, and Beneficiary or Trustee may record a notice of such breach or default and elect to cause said property to be sold to satisfy the indebtedness and obligations secured hereby:

(a) If default be made in the payment when due of any installment of principal or interest, or any obligation in accordance with the terms of any note secured hereby, or in the performance of any of the covenants, promises or agreements contained in this Deed of Trust and Assignment of Rents; or

(b) If default be made in the payment of any installment of principal or interest, or obligation, in accordance with the terms of any note or notes secured by a deed of trust, if any, which are subordinate to or which have priority over this Deed of Trust and Assignment of Rents securing this note, or in the performance of any of the covenants, promises or agreements contained in any such subordinate or prior deed of trust; or

(c) If the Trustor becomes insolvent or makes a general assignment for the benefit of creditors, or consents to or applies for the appointment of a trustee or receiver for the property encumbered hereby, or any part thereof; or

(d) If a trustee or receiver is appointed for said property or any part thereof; or

(e) IF DEFAULT BE MADE BY BUSINESS UNDER THE DECEMBER 31, 2008 COMMITMENT AGREEMENT FOR CONTINUING BUSINESS OPERATIONS BETWEEN BENEFICIARIES AND MICHAEL HOHL AND OTHERS, DEFINED AS "BUSINESS" THEREIN.

4. INSPECTION OF PROPERTY: The Beneficiary or its collection agent shall have access to and the right to inspect said property at all reasonable times.

5. EMINENT DOMAIN: If the above-described property, or any portion thereof, be condemned under any power of eminent domain or acquired for any public use or quasi-public use, the damages, proceeds and consideration for such acquisition to the extent of the full amount of indebtedness secured hereby remaining unpaid, are hereby irrevocably assigned by Trustor to Beneficiary, and shall be paid forthwith to Beneficiary, to be applied on account of the last maturing installments of such indebtedness. Such payment will not constitute a prepayment under the terms of any prepayment charge provisions of the promissory note secured hereby.

6. COMPLIANCE WITH LAW: Without limiting any other provision contained herein relating to the same or similar matters as hereinafter set forth, Trustor covenants and agrees to observe and comply with all applicable federal, state, and local statutes, ordinances, regulations, orders, and restrictions.

7. EXERCISE OF POWERS AND REMEDIES: Each and every power or remedy herein specifically given shall be in addition to every other power or remedy, existing or implied, now or hereafter given or existing in law or in equity, and each and every power and remedy herein specifically given or otherwise so existing or given may be exercised from time to time and as often and in such order as may be deemed expedient by Beneficiary or the holder of the Promissory Note and the exercise or the beginning of the exercise of one power or remedy shall not be deemed a waiver of the right to exercise at the same time or thereafter any power or remedy. No delay or omission of the Beneficiary in the exercise of any right or power accruing hereunder shall impair any such right or power or be construed to be a waiver of any default or acquiescence therein. The Trust created hereby shall be irrevocable by Trustor.

8. SEVERABILITY: The unenforceability or invalidity of any provision or provisions of this deed of trust as to any persons or circumstances shall not render that provision or those provisions unenforceable or invalid as to any other persons or circumstances, and all provisions hereof, in all other respects, shall remain valid and enforceable.

9. SUCCESSORS AND ASSIGNS: The benefits of the covenants, terms, conditions, and agreements contained herein shall accrue to, and the obligations thereof shall bind the heirs, representatives, successors, and assigns of the parties hereto and the Beneficiary hereof. However, nothing in the foregoing shall be implied to mean that Beneficiary has or will consent in any fashion to an assignment or delegation of the duties hereunder. Whenever used, the singular number shall include the plural, the plural the singular and the use of any gender shall

include all other genders, and the term "Beneficiary" shall include any holder of the indebtedness hereby secured or any transferee thereof whether by operation of law or otherwise.

10. NOTICES: Any notice or demand to be given or required by the terms of this deed of trust shall be given to the Trustor and Beneficiary by certified at the following addresses:

Beneficiary: CARSON CITY  
201 N. Carson Street, Suite #200  
Carson City, NV 89701

Trustor: THEO PROPERTIES LLC  
20482 Bordeaux Drive  
Reno, NV 89511

11. N.R.S. COVENANTS: The following covenants, Nos. 1, 3, 4 (interest 5%), 5, 6, 7 (counsel fees shall be in an amount equal to the actual and reasonable attorneys' fees incurred by Trustee and Beneficiary), 8 and 9 of NRS 107.030, when not inconsistent with covenants and provisions contained herein, are hereby adopted and made a part of this deed of trust.

12. SUBORDINATION: This Deed of Trust shall be subordinated by Beneficiary to any Deed of Trust procured by Trustor to repair, create or expand improvements on the Property or benefit operations or an automotive business on the Property, but in no event shall this Deed of Trust be required to be lower than secured priority.

IN WITNESS WHEREOF, the Trustor has executed this Deed of Trust and Assignment of Rents the day and year first above written.

THEO PROPERTIES LLC,  
a Nevada limited liability company

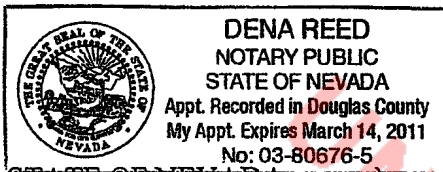
By:   
KAREN HOHL, Manager

By:   
T. MICHAEL HOHL, Manager



STATE OF NEVADA )  
COUNTY OF Douglas : ss.

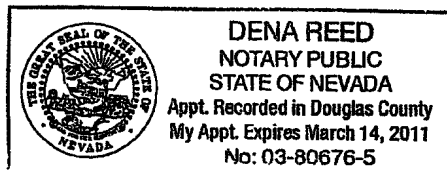
On Sept. 14, 2009, personally appeared before me, a notary public, KAREN HOHL, personally known (or proved) to me to be the person whose name is subscribed to the foregoing instrument, who acknowledged to me that she is the manager of THEO PROPERTIES LLC, a Nevada limited liability company, and who further acknowledged to me that she executed the foregoing Deed of Trust on behalf of said limited liability company.



Dena Reed  
NOTARY PUBLIC

STATE OF NEVADA )  
COUNTY OF Douglas : ss.

On Sept 14, 2009, personally appeared before me, a notary public, MICHAEL HOHL, personally known (or proved) to me to be the person whose name is subscribed to the foregoing instrument, who acknowledged to me that he is the manager of THEO PROPERTIES LLC, a Nevada limited liability company, and who further acknowledged to me that he executed the foregoing Deed of Trust on behalf of said limited liability company.



Dena Reed  
NOTARY PUBLIC

EXHIBIT "A"

All that certain real property situate within the Northwest ¼ of the Northwest 1/4 of Section 29, Township 15 North, Range 20 East, M.D.M., Carson City, State of Nevada, further described as follows:

COMMENCING at the Northwest corner of Section 29;

THENCE S 05°17'13" E, a distance of 456.91 feet to a point on the easterly right of way of Curry St, as shown on that Parcel Map for Leid, Bernard & Levy, recorded June 14, 1990, Book 6, Page 1813, Official Records of Carson City, Nevada said point being the POINT OF BEGINNING;

THENCE leaving said right of way along the northerly property line of Parcel 3 as shown on that aforementioned Parcel Map, S 89°06' 13" E a distance of 84.76 feet;

THENCE continuing along said property line N 08°33'19" E, a distance of 158.33 feet; THENCE continuing along the aforementioned property line S 89°06' 13" E, a distance of 400.90 feet to a point on the westerly right of way of South Carson Street; THENCE along said right of way S 08°31'25" W, a distance of 412.09 feet;

THENCE leaving the aforementioned right of way N 89°16'33" W, a distance of 448.45 feet to a point on the aforementioned easterly right of way of Curry Street;

THENCE along said right of way N 00°04'35" E, a distance of 252.91 feet to the POINT OF BEGINNING;

CONTAINING a total of 4.15 acres, more or less.

The Basis of Bearing for this description is the West line of Section 29, T. 15 N., R 20 E., M.D.M. between the West ¼ Corner and the Northwest Section Corner which bears N 00°44'05" E.

NOTICE OF ADDITIONAL SECURITY  
APN: 009-111-35 (formerly 009-111-32)  
APN: 009-111-36 (formerly 009-111-33)  
When Recorded Mail To:  
CARSON CITY  
201 N. Carson Street, Suite #200  
Carson City, NV 89701

RECORDED AT THE REQUEST OF  
STEWART TITLE - CARSON  
08/06/2012 10:27AM  
FILE NO. **424894**  
ALAN GLOVER  
CARSON CITY RECORDER  
FEE \$25.00 DEP JLI

The parties executing this document hereby affirm that this document submitted for recording does not contain the social security number of any person or persons pursuant to NRS 239.230

**AMENDMENT #1**  
**COMMITMENT AGREEMENT FOR**  
**CONTINUING BUSINESS OPERATIONS**

Between  
CARSON CITY, a consolidated municipality  
and  
CARSON CITY REDEVELOPMENT AUTHORITY  
and  
~~[MICHAEL HOHL AUTOMOTIVE GROUP~~  
and ~~MICHAEL HOHL, acting in his individual capacity~~  
and ~~as President of said GROUP]~~  
**MICHAEL HOHL MOTOR COMPANY,**  
**TM&KKH, INC. (dba Michael Hohl Subaru and Michael Hohl Honda),**  
**VAL-U-CAR, INC., and**  
**MICHAEL HOHL CHEVROLET (collectively, "Business")**

RECITALS

WHEREAS, the original Commitment Agreement was negotiated and entered into under market assumptions anticipated by both parties which have not fully materialized and may have a future adverse impact upon the Agreement's anticipated mutual benefits;

WHEREAS, it is in the best interest of both parties that this Amendment #1 be made to the Agreement to ensure each party fully realizes the benefits of their bargain through a consolidation of obligations and the expansion of the life of the Agreement;

WHEREAS, two of the three anticipated loans under the Agreement have been previously made (\$1.2 million - Honda; and \$1.2 million - Subaru), and MICHAEL HOHL CHEVROLET has qualified for the third \$2.4 million incentive loan as a remodel of its current General Motors facility (Chevrolet) pursuant to paragraph I.B.3. (page 3) of the Agreement;

WHEREAS, the parties desire to consolidate the two prior loans into one consolidated promissory note adding the additional \$2.4 million referenced above to the total principal amount owed, all of which is secured by deeds of trust on various properties ("Properties") at a reduced interest rate of three percent (3%) per annum, for an increased period of amortization in exchange for a corresponding increased time commitment for continuing to maintain auto sales operations in Carson City;

WHEREAS, the previous \$1.2 million – Honda loan was secured by a deed of trust dated 9/14/2009 (Recorder's File No. 393651) on APN 009-111-33 (which now has a new number: APN 009-111-36) (owned by Theo Properties LLC, a Nevada limited liability company); the previous \$1.2 million – Subaru loan was secured by a deed of trust dated 9/14/2009 (Recorder's File No. 393652) on APN 009-111-32 (which now has a new number: APN 009-111-35) (owned by Theo Properties LLC, a Nevada limited liability company); and both existing recorded Deeds of Trust provide "Trustor grants Beneficiary the right to record notice that this deed of trust is security for additional amounts and obligations not specifically mentioned herein but which constitute indebtedness or obligations of the Trustor for which Beneficiary may claim this deed of trust as security"; and the parties desire to add the new \$2.4 million loan as such additional secured indebtedness, and NOTICE OF ADDITIONAL SECURITY is hereby provided upon recordation of this Amendment #1;

WHEREAS, MICHAEL HOHL CHEVROLET also intends to pledge new security for the new loan by providing a \$2.4 million deed of trust on its General Motors facility (Chevrolet) – APN 009-153-19 (owned by Joda Limited Partnership, a Nevada limited partnership);

WHEREAS, for purposes of clarification, the parties wish to acknowledge and agree that (i) the "Business" refers collectively to the automotive related businesses identified above, (ii) Michael Hohl Automotive Group is not an entity, and (iii) it was never intended that Michael Hohl, individually, would be an obligor under the Commitment Agreement, as amended, or any promissory note or other document, instrument or agreement related thereto;

WHEREAS, for purposes of clarification, the parties wish to further acknowledge and agree that the entities that comprise the "Business" do not own the real property upon which such automotive businesses are operated, and that the entities that own such real property are (i) Theo Properties LLC, a Nevada limited liability company [as to Michael Hohl Subaru, located at 2910 S. Carson Street, and Michael Hohl Honda, located at 2800 S. Carson Street], and (ii) Joda Limited Partnership, a Nevada limited partnership [as to Michael Hohl Chevrolet, located at 3700 S. Carson Street];

NOW THEREFORE, the undersigned parties enter into the following Amendment #1 to the Agreement, which shall be retroactive to January 1, 2012:

**1. AMENDMENTS.** All provisions of the original contract "COMMITMENT AGREEMENT FOR CONTINUING BUSINESS OPERATIONS" dated December 22, 2008, approved by the Carson City Board of Supervisors on December 18, 2008, and recorded with the Carson City Clerk-Recorder on January 15, 2009 as document No. 385752, attached hereto as Exhibit A, remain in full force and effect with the exception of the following (***bold italics***=new language; [~~strike-out~~]=deleted language):

A. Preamble of the Agreement is hereby amended to include the following definition of "Business":

***"Business" means Michael Hohl Motor Company, TM&KKH, Inc. (dba Michael Hohl Subaru and Michael Hohl Honda), Val-U-Car, Inc., and Michael Hohl Chevrolet. "Business" does not include Michael Hohl in his individual capacity.***

B. Section I.D. (beginning at page 4 of the Agreement) is hereby amended as follows:

D. ***Consolidated Promissory Note & Notice of Additional Security.*** The City and Authority will provide total financial assistance in the amount of FOUR MILLION EIGHT HUNDRED THOUSAND DOLLARS (\$4,800,000.00). ***The City and Authority previously made a \$1.2 million loan secured by a deed of trust to***

*Michael Hohl Honda (formerly APN 009-111-33, which is now APN 009-111-36) as required under paragraph I.B.1. (page 2) of this Agreement, and previously made a \$1.2 million loan secured by a deed of trust to Michael Hohl Subaru (formerly APN 009-111-32, which is now APN 009-111-35) as required under paragraph I.B.2 (page 3) of this Agreement. In exchange for:*

- the consolidation of the outstanding principal balances of the two prior promissory notes and any unpaid interest thereon, and future funding of a loan of additional new principal of \$2.4 million for remodeling upgrades to APN 009-153-19 (Michael Hohl Chevrolet), into a single consolidated note, which shall constitute an amended and restated note for the two prior \$1.2 million loans;*
- the increase by \$1.2 million each of the amount of the existing security provided by the prior recorded deeds of trust on Michael Hohl Honda and Michael Hohl Subaru (to a new total security amount of \$2,400,000.00 against each property separately) corresponding with the consolidated note; and*
- the pledge of new security to the City and Authority in the form of a \$2,400,000.00 deed of trust on APN 009-153-19 (Michael Hohl Chevrolet),*

the Business will execute [~~two Promissory Notes, each for TWO MILLION FOUR HUNDRED THOUSAND DOLLARS (\$2,400,000.00)~~] *a single Consolidated Promissory Note for a consolidated amount consisting of the 2011 year-ending balance of the two existing loans totaling \$2,162,280.00, plus \$2,400,000.00 in new principal, for a total consolidated note in the amount of FOUR MILLION FIVE HUNDRED AND SIXTY-TWO THOUSAND TWO HUNDRED AND EIGHTY DOLLARS AND NO/100 (\$4,562,280.00)* when *the new* funds are granted to the Business as provided herein, in favor of the City and Authority[, ~~and secure each Note by executing a Deed of Trust that is recorded against the subject Property for the total amount of the financial assistance from the City and Authority].~~ The *Consolidated* Promissory Note will be repaid as follows:

1. [~~Each~~] *The consolidated* Promissory Note will include a [~~five percent (5%)~~] *three percent (3%)* per annum interest charge and will be paid in full no later than [~~December 31, 2028~~] *December 31, 2042*. The annual obligation of the Business to satisfy [~~each~~] *the Consolidated* Promissory Note will be calculated based on [~~a TWO MILLION FOUR HUNDRED THOUSAND DOLLARS (\$2,400,000.00) loan~~] *the total consolidated*

*amount that is amortized over [~~twenty (20)~~] **thirty (30)** years from January 1, 2012, with any unpaid principal and interest owed on the Note's due date to be included in a final balloon payment.*

*However, in the first year (2012) of the Consolidated Promissory Note there will be a three percent (3%) interest only annual payment due only on the previously funded remaining principal amount of \$2,162,280.00 until the funding date of the new loan in the original principal amount of \$2,400,000.00, and thereafter interest only annual payments of three percent (3%) on the consolidated total funded principal amount of \$4,562,280.00 shall be due.*

2. No later than thirty (30) days after the end of each calendar year, a determination will be made by the City and Authority of the actual amount of incentive available in that year. Such determination will be made based on the Basic City-County Relief Tax and the Supplemental City-County Relief Tax that is paid by the Business in that calendar year. The first such determination on the *Consolidated* Promissory Note will be made no later than thirty (30) days after [~~December 31, 2009~~] **December 31, 2012.**
3. The obligation under [~~each~~] *the Consolidated* Promissory Note will be reduced each year by the amount that the City and Authority has determined is the amount of incentive that was available in that calendar year. *The City's Finance Department will provide documentation of such annual calculation and the Business shall acknowledge in writing its concurrence in the calculation, unless Business disagrees with or disputes such annual calculation by providing written notice to City's Finance Department specifying, in reasonable detail, the nature of such disagreement or dispute, within twenty (20) days of receipt of such annual calculation from City's Finance Department.*
4. If the Basic City-County Relief Tax and the Supplemental City-County Relief Tax revenue paid by the Business in a calendar year falls below the annual obligation of the Business to satisfy [~~each~~] *the Consolidated* Promissory Note including accrued interest, as that annual obligation is determined in Section D [~~-1~~], the Business must, within thirty (30) days of

such a determination, pay the difference in cash, or City and Authority may foreclose on ~~[the Deed]~~ **the Deeds** of Trust to enforce ~~[each]~~ **the Consolidated** Promissory Note.

5. When the obligation under ~~[each]~~ **the Consolidated** Promissory Note is satisfied by the Business, the City and Authority will execute an Acknowledgment that ~~[each]~~ **the Consolidated** Promissory Note ~~[have]~~ **has** been satisfied, and will release the ~~[Deed]~~ **Deeds** of Trust that have been recorded against the Business ~~[Property]~~ **Properties**. However, such action by the City and Authority will not relieve Business of its Commitment in this Agreement to Continue Business Operations in Carson City for at least ~~[twenty-(20)]~~ **thirty (30)** years from ~~[the]~~ **January 1, 2012** ~~[Agreement]~~. If ~~[each]~~ **the Consolidated** Promissory Note is satisfied before the end of the ~~[twenty-(20)]~~ **thirty (30)** year period, the Business will receive an incentive of 10 (ten) percent of the City's portion of the Basic City-County Relief Tax and the Supplemental City-County Relief Tax revenue paid by the Business for the remaining years of the ~~[twenty-(20)]~~ **thirty (30)** year period.
6. After ~~[twenty-(20)]~~ **thirty (30)** years, the City and Authority shall determine whether Business has satisfied the obligations under ~~[each]~~ **the Consolidated** Promissory Note. If ~~[each]~~ **the Consolidated** Promissory Note ~~[have]~~ **has** not been satisfied, the Business shall pay the full amount of the outstanding obligation under ~~[each]~~ **the Consolidated** Promissory Note, or the City and Authority can foreclose on the Business ~~[Property]~~ **Properties** as authorized by the ~~[Deed]~~ **Deeds** of Trust.
- ~~[7. The promissory note attributable to Property #1 may be separated into two equivalent notes should the Business change the ownership structure of its Honda/Subaru dealerships.]~~

C. Section I.E. (beginning at page 5 of the Agreement) is hereby amended as follows:

- E. Deeds of Trust. The City and Authority shall provide financial assistance as provided herein, and Business shall agree to execute Deeds of Trust **and increase the security** in favor of the City and Authority **as set forth in Section I.D. of the**

*Agreement as amended hereby* in order to secure the obligations under this Agreement.

1. *The City and Authority agree* that the Deeds of Trust executed pursuant to this Agreement [~~will be subordinate to another deed of trust(s) executed to secure bank financing for the improvements contemplated by these incentives and hold second position for security purposes. However, the Deeds of Trust recorded pursuant to this Agreement shall only be subordinated to a deed of trust that is executed to secure said bank financing~~] **shall be subordinated by the City and Authority to any deed of trust procured by a trustor to repair, create or expand improvements on the Properties or benefit operations of an automotive business on such Properties.**
2. Business agrees that the obligations and burdens stated in the Deed of Trusts shall include the covenants made in this Agreement, and that those covenants run with the subject land binding future owners of the land to the fullest extent permitted by law and equity for the benefit and favor of, and enforceable by, the City and Authority and their successors and assigns for the term of this Agreement.
3. Reasons for the foreclosure by the City and Authority on the Deeds of Trust shall include **but not limited to** failure of Business to operate its auto dealership businesses in Carson City for [~~twenty (20)~~] **thirty (30)** years from the date of [~~this Agreement~~] **January 1, 2012.**

D. Section I.F. (beginning at page 6 of the Agreement) is hereby amended as follows:

F. Public Improvements. The City and Authority agree to pursue the following public infrastructure improvements near [~~the Properties~~] **certain properties as described in this section**, subject to the approval of the **Authority, the Carson City Regional Transportation Commission and the Carson City Board of Supervisors** when appropriate and [~~based~~] **contingent** upon the availability of **appropriated** funds[-];

1. [~~Upon the commencement of~~] **Having now completed the** construction [~~for the development~~] of Property #1 (**Honda, Subaru**), the City and the Authority agree to pursue:



- a. The *conditional future* installation of a traffic signal at the intersection of South Carson Street and Sonoma Street, subject to the installation of the traffic signal meeting the requirements of the latest edition of the Manual on Uniform Traffic Control Devices.  
  
[~~b. A driveway at Sonoma Street plus the installation of curb, gutter and sidewalk improvements on South Carson Street and Curry St.~~]
2. Upon the [~~commencement of construction for the~~] *substantial completion of any future* development of Property #2 (*APN 009-163-10 and APN 009-163-15*) *by the Business* [~~as provided herein~~], the City and the Authority agree to pursue:
  - a. The realignment of Snyder Street to the intersection of Snyder Street and South Carson Street, including the *conditional future* installation of a traffic signal at the intersection of Snyder Street and South Carson Street, subject to the installation of the traffic signal meeting the requirements of the latest edition of the Manual on Uniform Traffic Control Devices.
  - b. The improvement of South Carson St. and Oak Street to allow access to Property #2.
3. If Business relocates the Michael Hohl RV Center to the property located at 3901 Hwy 50 East, APN 008-292-26, the City and Authority agree to pursue the installation of necessary and appropriate drainage improvements adjacent to that property as agreed upon by the City and the Business *at the time of the future development of Property #2*, but no more *public* improvements than were contemplated *or necessary* for the RV Center.

E. Section I.G. (beginning at page 6 of the Agreement) is hereby amended as follows:

- G. NDOT Right of Way. If and when the City and Authority obtain ownership of the right of way adjacent to Property #1 [~~Property #2~~] or any location on the South Carson Street Redevelopment Project Area 2 where the Business operates an auto dealership, the City and Authority agree to transfer ownership of said right of way to

the Business without consideration, if allowed by state or local laws and if not, the City and the Authority agree to lease said right of way to the Business for a long term at nominal consideration (*e.g., \$1.00 per annum lease payment*).

F. Section II.A. through E. (beginning at page 7 of the Agreement) is hereby amended as follows:

II. COMMITMENT PROVIDED BY BUSINESS OF CONTINUING BUSINESS OPERATION

- A. In exchange for financial assistance by the City and Authority for the development of the Properties and the pursuit of certain public infrastructure improvements, the Business agrees to make a Commitment for Continuing Business Operations as contemplated herein in the South Carson Street Redevelopment Project Area No. 2 for a period of not less than [~~twenty (20)~~] **thirty (30)** consecutive years from the date of [~~this Agreement~~] **January 1, 2012**.
- B. As part of this Commitment for Continuing Business Operation, ***as amended hereby***, the Business agrees to continue to operate its auto sales businesses in Carson City, Nevada, including [~~Michael Hohl Honda Subaru (4500 N. Carson St.), Michael Hohl Motor Company (3700 S. Carson St.), Michael Hohl Chevrolet (2500 N. Carson St.), and Michael Hohl RV Center, or alternative dealership points in the South Carson Street Redevelopment Project Area No. 2]~~ ***Michael Hohl Honda (APN 009-111-36; Theo Property), Michael Hohl Subaru (APN 009-111-35; Theo Property) and Michael Hohl Chevrolet (APN 009-153-19; Joda Limited Partnership Property) for a period of not less than thirty (30) consecutive years from the date of January 1, 2012*** [~~so long as the Business meets its obligations to the City in accordance with this Agreement~~].
- C. Business shall use [~~its best~~] ***commercially reasonable*** efforts to assure and maintain its existing business activity in Carson City at a greater level of sales for not less than [~~twenty (20)~~] **thirty (30)** consecutive years, but may terminate a certain franchise if the Business deems necessary. However, such termination shall not relieve the Business of the other obligations contained in this Agreement.
- D. This Commitment by the Business shall be binding upon any successors in interest to the current Business owners, and shall be disclosed to any potential purchaser of the subject businesses. If the business is sold and the subsequent use remains the same and within the boundaries of South Carson Street Redevelopment Project

Area No. 2, the Commitment Agreement, *as amended hereby*, transfers to the new owner and continues uninterrupted.

E. Liquidated Damages. In the event Business breaches this Commitment Agreement, *as amended hereby*, by relocating [~~any of its business operations~~]*Michael Hohl Honda, Michael Hohl Subaru, or Michael Hohl Chevrolet* outside Carson City, Nevada, the City and Authority shall be entitled to money damages, to be paid by Business within thirty (30) days of the demand by the City and Authority, as follows:

1. An amount equal to the value of the Basic City-County Relief Tax and the Supplemental City-County Relief Tax revenue that would have been generated by the Business for the [~~twenty (20)~~] *thirty (30)* year period that starts on [~~January 1, 2009~~] *January 1, 2012*, minus the Basic City-County Relief Tax and the Supplemental City-County Relief Tax revenue that was generated by the Business and received by the City between [~~January 1, 2009~~] *such approved starting date*, and the time of the breach.
2. The Basic City-County Relief Tax and the Supplemental City-County Relief Tax revenue that would have been generated by the Business after the breach will be determined by calculating the amount of such tax generated in the last year of performance, and multiplying that tax generation amount by the remaining number of years, or partial years, in the commitment obligation.

2. **INCORPORATED DOCUMENTS.** Exhibit A (the original Commitment Agreement) is attached hereto, is incorporated by reference herein and is made part of this Amendment #1.

3. **REQUIRED APPROVALS.** This Amendment #1 to the original Commitment Agreement shall not become effective until and unless it is executed by all parties and approved by both the Carson City Redevelopment Authority and the Carson City Board of Supervisors.

4. **RECORDING OF AMENDED AGREEMENT.** This Amendment #1 to the Commitment Agreement shall upon execution and approval, be filed and recorded with the Carson City Clerk-Recorder's Office.

5. **CONFLICTS.** In the event of a conflict between any provision of this Amendment #1 and any document, instrument or agreement referenced herein (including, without limitation, any promissory note or deed of trust), this Amendment #1 shall control.

(Remainder of this page intentionally blank)

UNOFFICIAL COPY

IN WITNESS WHEREOF, the parties hereto have caused this Amendment #1 to the original Commitment Agreement to be signed and intend to be legally bound thereby.

CARSON CITY:



Robert Crowell, Mayor

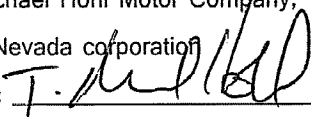
CARSON CITY REDEVELOPMENT AUTHORITY:



Shelly Aldean, Chair

BUSINESS:

Michael Hohl Motor Company,  
a Nevada corporation

By:  \_\_\_\_\_

T. Michael Hohl

Its: President

TM&KKH, Inc.,

a Nevada corporation

By:  \_\_\_\_\_

T. Michael Hohl

Its: President

Val-U-Car, Inc.,

a Nevada corporation

By:  \_\_\_\_\_

T. Michael Hohl

Its: President

Michael Hohl Chevrolet,

a Nevada corporation

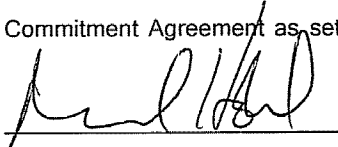
By:  \_\_\_\_\_

T. Michael Hohl

Its: President

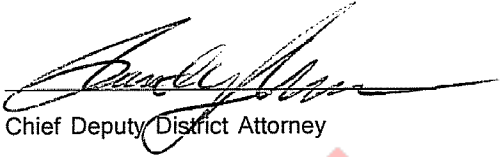
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The undersigned's signature appears below solely for the purpose of amending the Commitment Agreement as set forth in this Amendment #1:



Michael Hohl, individually

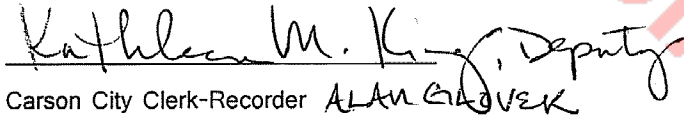
Approved as to form:



Chief Deputy District Attorney

ATTEST:

The Carson City Redevelopment Authority's and the Carson City Board of Supervisors' approvals, retroactive to January 1, 2012, obtained on the 5<sup>th</sup> day of July, 2012.



Carson City Clerk-Recorder ALAN GROVER

for:

UNOFFICIAL COPY

APN: 009-153-19  
When Recorded Mail To:  
CARSON CITY  
201 N. Carson Street, Suite #2  
Carson City, NV 897801

RECORDED AT THE REQUEST OF  
STEWART TITLE - CARSON  
08/06/2012 10:27AM  
FILE NO.424895  
ALAN GLOVER  
CARSON CITY RECORDER  
FEE \$22.00 DEP JLI

NRS 239B.230 Affirmation: The party executing this document hereby affirms that this document submitted for recording does not contain the social security number of any person or persons.

DEED OF TRUST

AND ASSIGNMENT OF RENTS

(Chevrolet)

THIS DEED OF TRUST, made this 1<sup>st</sup> day of January, 2012, by and between JODA LIMITED PARTNERSHIP, a Nevada limited partnership, "Trustor," to STEWART TITLE OF NEVADA HOLDINGS, INC., a Nevada corporation, "Trustee," for CARSON CITY, a consolidated municipality and political subdivision of the state of Nevada and CARSON CITY REDEVELOPMENT AUTHORITY, collectively "Beneficiary,"

WITNESSETH:

That the Trustor does hereby grant, bargain, sell and convey unto the Trustee in trust with power of sale all that certain real property together with any and all appurtenant rights situated in Carson City, State of Nevada, commonly know as Michael Hohl Chevrolet at 3700 S. Carson Street, Carson City, Nevada 89701, APN 009-153-19, and more particularly legally described on Exhibit "A" attached hereto and incorporated herein by this reference.

AND ALSO, all the estate, interest, homestead and other claim, in law and in equity, which the Trustor now has or may hereafter acquire in and to said property.

TOGETHER with all and singular the tenements, hereditaments and appurtenances thereunto belonging or in any wise appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof, subject, however, to the right, power and authority hereinafter given to and conferred upon the Beneficiary to collect and apply such rents, issues

and profits; and also all the estate, right, title and interest, homestead or other claim or demand, as well in as in law and in equity, which the Trustor now has or hereafter may acquire of, in, and to the said property, or any part thereof, with the appurtenances; and all of the water rights if any, whether surface or underground, certificated, adjudicated or decreed, together with all the means, methods, structure and devices for diversion to beneficial use of the appurtenant water rights, if any.

TO HAVE AND TO HOLD the same unto the said Trustee and its successors, upon the trusts hereinafter expressed, for the purpose of securing the following:

FIRST: As security for the payment of an indebtedness in the sum of TWO MILLION FOUR HUNDRED THOUSAND DOLLARS AND NO/100 (\$2,400,000.00) in lawful money of the United State of America or such amount as may have been advanced, with interest thereon in like lawful money and such other obligations with expenses and counsel fees according to the terms of and evidenced by the Consolidated Promissory Note of even date herewith executed and delivered by Trustor, to the Beneficiary.

SECOND: Payment of such additional amounts as may be hereafter loaned by the Beneficiary or its successors, to the Trustor, or any successor in interest of the Trustor, with interest thereon and any other indebtedness or obligation of the Trustor, and any present or future demands of any kind or nature which the Beneficiary, or its successor, may have against the Trustor, whether created directly or acquired by assignment; whether absolute or contingent; whether due or not, or whether otherwise secured or not, or whether existing at the time of the execution of this instrument, or arising thereafter; also as security for the payment and performance of every obligation, covenant, promise or agreement herein or in any note or notes secured by this deed of trust, or in connection with the preservation of the property encumbered herein or the preservation or enforcement of the lien created hereby. Trustor grants to Beneficiary the right to record notice that this deed of trust is security for additional amounts and obligations not specifically mentioned herein but which constitute indebtedness or obligations of the Trustor for which Beneficiary may claim this deed of trust as security.



THIRD. The expenses and costs incurred or paid by Beneficiary or Trustee in preservation or enforcement of the rights and remedies of Beneficiary and the duties and liabilities of Trustor hereunder, including, but not limited to, reasonable attorneys' fees, court costs, witnesses' fees, expert witnesses' fees, collection costs, and costs and expenses paid by Beneficiary or Trustee in performing for Trustor's account any obligations of Trustor or to collect the rents or prevent waste or to preserve the priority and right of Beneficiary's interests in a bankruptcy proceeding.

The Trust created by this instrument is irrevocable by the Trustor.

AND THIS INDENTURE FURTHER WITNESSETH:

1. REPAIRS, MAINTENANCE, WASTE, LIENS AND ENCUMBRANCES: The Trustor promises to properly care for, maintain, and keep the said property in first class condition, order and repair; to properly care for, maintain, protect and to repair all buildings, improvements and fixtures damaged or destroyed thereon and to maintain and protect all water rights thereon (if any); and to pay, when due, all claims for labor performed and for materials furnished therefor; to underpin and support, when necessary, any building or other improvement situate thereon, and otherwise to protect and preserve the same; to comply with all laws, ordinances and regulations with reference to any alterations or improvements made thereon; not to commit or permit any waste or deterioration of said property; to pay, when due, all taxes, assessments, penalties and levies affecting said property and any costs or penalties thereon; to pay when due, all leases, mortgages, deeds of trust and other encumbrances which are or appear to be a lien or a charge upon the property, or any part thereof, either prior or subordinate to this deed of trust; and indemnifies Beneficiary against any losses due to hazardous materials being found on said property. The indemnification provisions hereof shall survive the foreclosure of this Deed of Trust.

2. INSURANCE: Trustor covenants to keep all buildings and improvements that may now or at any time be on said property during the continuance of this trust, insured by an all-risk policy of insurance, including but not limited to, coverage for loss by fire, lightning and flood with

extended coverage endorsement in an amount not less than \$2,400,000.00 and with no coinsurance.

Trustor covenants to keep relative to the property, including all buildings and improvements, that may now, or at any time be on said property during the continuance of this trust, public liability and property damage insurance.

All insurance policies provided pursuant to this paragraph shall name Beneficiary as a mortgagee and loss payee as its interest appears, shall be with a company or companies authorized to issue such insurance in the state of Nevada rated "A" or better in the "Best's Ratings" book approved by Beneficiary and shall provide thirty (30) days written notice to Beneficiary prior to policy cancellation or modification.

3. DEFAULT: Trustor promises and agrees that upon the happening of any one of the following events, the Beneficiary, at its option, may declare all promissory notes, sums and obligations secured hereby immediately due and payable without demand or notice, irrespective of the maturity dates expressed therein, and Beneficiary or Trustee may record a notice of such breach or default and elect to cause said property to be sold to satisfy the indebtedness and obligations secured hereby:

(a) If default be made in the payment when due of any installment of principal or interest, or any obligation in accordance with the terms of any note secured hereby, or in the performance of any of the covenants, promises or agreements contained in this Deed of Trust and Assignment of Rents; or

(b) If default be made in the payment of any installment of principal or interest, or obligation, in accordance with the terms of any note or notes secured by a deed of trust, if any, which are subordinate to or which have priority over this Deed of Trust and Assignment of Rents securing this note, or in performance of any of the covenants, promises or agreements contained in any such subordinate or prior deed of trust; or

(c) If the Trustor becomes insolvent or makes a general assignment for the benefit of creditors, or consents to or applies for the appointment of a trustee or receiver for the property encumbered hereby, or any part thereof; or

(d) If a trustee or receiver is appointed for said property or any part thereof; or

(e) If default is made by the BUSINESS under the AMENDMENT #1 –

COMMITMENT AGREEMENT FOR CONTINUING BUSINESS OPERATIONS, effective January 1, 2012, between Beneficiary and MICHAEL HOHL AND OTHERS as defined as the “BUSINESS” therein.

4. INSPECTION OF PROPERTY: The Beneficiary or its collection agent shall have access to and the right to inspect said property at all reasonable times.

5. EMINENT DOMAIN: If the above-described property, or any portion thereof, be condemned under any power of eminent domain or acquired for any public use or quasi-public use, the damages, proceeds and consideration for such acquisition to the extent of the full amount of the indebtedness secured hereby remaining unpaid, are hereby irrevocably assigned by Trustor to Beneficiary, and shall be paid forthwith to Beneficiary, to be applied on account of the last maturing installments of such indebtedness.

6. COMPLIANCE WITH LAW: Without limiting any other provision contained herein relating to the same or similar matters as hereinafter set forth, Trustor covenants and agrees to observe and comply with all applicable federal, state, and local statutes, ordinances, regulations, orders, and restrictions.

7. EXERCISE OF POWERS AND REMEDIES: Each and every power or remedy herein specifically given shall be in addition to every other power or remedy, existing or implied, now or hereafter given or existing in law or in equity, and each and every power and remedy herein specifically given or otherwise so existing or given may be exercised from time to time and as often and in such order as may be deemed expedient by Beneficiary or the holder of the Consolidated Promissory Note and the exercise or the beginning of the exercise of one power or remedy shall not be deemed a waiver of the right to exercise at the same time or thereafter any power or remedy. No delay or omission of the Beneficiary in the exercise of any right or power accruing hereunder shall impair any such right or power or be construed to be a waiver of any default or acquiescence therein. The Trust created hereby shall be irrevocable by Trustor.

8. SEVERABILITY: The unenforceability or invalidity of any provision or provisions of this deed of trust as to any persons or circumstances shall not render that provision or those provisions unenforceable or invalid as to any other persons or circumstances, and all provisions hereof, in all other respects, shall remain valid and enforceable.

9. SUCCESSORS AND ASSIGNS: The benefits of the covenants, terms, conditions, and agreements contained herein shall accrue to, and the obligations thereof shall bind the heirs, representatives, successors, and assigns of the parties hereto and the Beneficiary hereof. However, nothing in the foregoing shall be implied to mean the Beneficiary has or will consent in any fashion to an assignment or delegation of the duties hereunder. Whenever used, the singular number shall include the plural, the plural the singular and the use of any gender shall include all other genders, and the term "Beneficiary" shall include any holder of the indebtedness hereby secured or any transferee thereof whether by operation of law or otherwise.

10. NOTICES: Any notice or demand to be given or required by the terms of this deed of trust shall be given to the Trustor and Beneficiary by certified mail at the following addresses:

Beneficiary: CARSON CITY  
201 N. Carson Street, Suite #2  
Carson City, NV 89701

Trustor: JODA LIMITED PARTNERSHIP  
3700 S. Carson Street  
Carson City, NV 89701

11. N.R.S. COVENANTS: The following covenants, Nos. 1, 3, 4 (interest 3%), 5, 6, 7 (counsel fees shall be in an amount equal to the actual and reasonable attorneys' fees incurred by Trustee and Beneficiary), 8 and 9 of NRS 107.030, when not inconsistent with the covenants and provisions contained herein, are hereby adopted and made a part of this Deed of Trust and Assignment of Rents.

12. SUBORDINATION: This Deed of Trust shall be subordinated by Beneficiary to any deed of trust procured by Trustor to repair, create or expand improvements on the property or benefit operations of an automotive business on the property.

IN WITNESS WHEREOF, the Trustor has executed this Deed of Trust and Assignment of Rents the day and year first above written.

**JODA LIMITED PARTNERSHIP,  
a Nevada limited partnership**

By its General Partner:

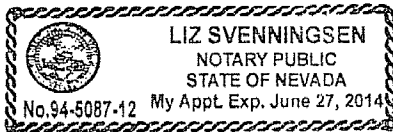
The T. Michael Hohl and Karen Hohl Family Trust,  
dated September 15, 1982

By: T. Michael Hohl  
T. Michael Hohl, Trustee

By: Karen Hohl  
Karen Hohl, Trustee

STATE OF NEVADA            )  
  : ss.  
COUNTY OF CARSON CITY

On 7-27-12, 2012, personally appeared before me, a notary public, T. Michael Hohl, personally known (or proved) to me to be the person whose name is subscribed to the foregoing instrument, who acknowledged to me that he/she is a trustee of the T. Michael Hohl and Karen Hohl Family Trust, dated September 15, 1982, which trust is the general partner of JODA LIMITED PARTNERSHIP, a Nevada limited partnership, and who further acknowledged to me that he/she executed the foregoing Deed of Trust and Assignment of Rents on behalf of said limited partnership.



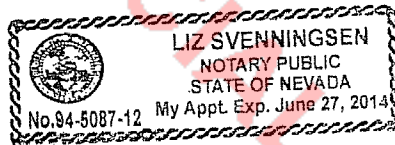
Liz Svenningsen  
NOTARY PUBLIC

STATE OF NEVADA )  
 : ss.  
COUNTY OF CARSON CITY )

On 7-27-12, 2012, personally appeared before me, a notary public, Karen Hohl, personally known (or proved) to me to be the person whose name is subscribed to the foregoing instrument, who acknowledged to me that he/she is a trustee of the T. Michael Hohl and Karen Hohl Family Trust, dated September 15, 1982, which trust is the general partner of JODA LIMITED PARTNERSHIP, a Nevada limited partnership, and who further acknowledged to me that he/she executed the foregoing Deed of Trust and Assignment of Rents on behalf of said limited partnership.



NOTARY PUBLIC



**Exhibit "A"**

**LEGAL DESCRIPTION  
PARCEL 1A**

All that certain real property situate within the Southwest ¼ of Section 29 and the Southeast ¼ of Section 30, Township 15 North, Range 20 East, M.D.M., further described as Parcels 1 and 2 as shown on that Parcel Map for Clifford O. Findlay, Family Trust, map no. 1063, File No. 27931 Official Records of Carson City, Nevada.

**BEGINNING** at the intersection of the southerly Right of Way Koontz Lane and the westerly Right of Way of South Carson Street, said point being the northeast corner of Parcel 1 as shown on said Parcel Map 1063, point bearing S 10°16'12" E a distance of 717.64 feet from the West ¼ Section Corner of Section 29, Township 15 North, Range 20 East, M.D.M.;

**THENCE** S 08°31'25" W, along said westerly Right of Way of South Carson Street a distance of 614.69 feet to the southeast corner of said Parcel 2;

**THENCE** N 89°11'55" W, leaving said Right of Way, following the south property line of said Parcel 2 a distance of 615.41 feet to a point on the easterly Right of Way of South Curry Street;

**THENCE** N 11°24'28" E, along said Right of Way a distance of 613.74 feet;

**THENCE** leaving said Right of Way, along a curve to the Right, having a radius of 20.00 feet, length of 27.71 feet, central angle of 79°23'40", with a chord bearing of N 51°06'18" E, and a distance of 25.55 feet, to a point on the southerly Right of Way of Koontz Lane;

**THENCE** S 89°11'52" E, along said Right of Way a distance of 429.35 feet;

**THENCE** S 00°39'17" W, continuing along said Right of Way a distance of 10.00 feet;

**THENCE** S 89°00'37" E, continuing along said Right of Way a distance of 136.01 feet to the **POINT OF BEGINNING**;

**CONTAINING** 8.49 acres, more or less.

The Basis of Bearing for this description is North American Datum of 1983 as based on Federal Base Network/Cooperative Base Network observations in 1994 (also known as N.A.D. 83/94), Nevada State Plane West Zone as determined with real time kinematic GPS observations made April 15, 2011 with corrections transmitted by regional base network continuously operating reference stations.

LEGAL DESCRIPTION LAST CONTAINED ON DOC. NO. 412690 RECORDED 6/9/11.