

A portion of APNs: 008-201-03;
008-201-04; 008-201-05; and
008-201-07

FILED FOR RECORDING
AT THE REQUEST OF

Stewart Title

2005 APR 4 PM 2 08

LINCOLN COUNTY RECORDER
FEE 19.00 DEP *ca*
LESLIE BOUCHER

**RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:**

PARDEE HOMES OF NEVADA
10880 Wilshire Boulevard, Suite 1900
Los Angeles, California 90024
ATTN: MR. JON E. LASH

MEMORANDUM OF OPTION AGREEMENT

THIS MEMORANDUM OF OPTION AGREEMENT ("Memorandum") is entered into as of the 1st day of April, 2005, pursuant to an Amended and Restated Option Agreement ("Option Agreement") by and between COYOTE SPRINGS INVESTMENT LLC, a Nevada limited liability company ("Optionor"), and PARDEE HOMES OF NEVADA, a Nevada corporation ("Optionee"), hereby agree as follows:

1. Optionor hereby grants to Optionee an option to purchase certain real property located in the County of Lincoln, State of Nevada, which property is more fully described in Exhibit A attached hereto and incorporated herein (the "Option Property").
2. The option to purchase shall commence on the above date and shall terminate, to the extent not exercised, on the fortieth (40th) anniversary of the above date, or as otherwise set forth in the Option Agreement and shall otherwise be subject to the terms and conditions contained therein.
3. As a result of the recordation of this Memorandum, that certain Memorandum of Option Agreement by and between Optionor and Optionee dated September 4, 2004, and recorded on September 13, 2004 in Book 191, Page 130, as Instrument No. 123052, Official Records, Lincoln County, Nevada, is hereby terminated and of no further force or effect.

IN WITNESS WHEREOF, Optionor and Optionee have executed this Memorandum of Option Agreement as of the day and year first above written.

COYOTE SPRINGS INVESTMENT LLC,
a Nevada limited liability company

By: *[Signature]*
Robert R. Derck, Chief Operating Officer

"Optionor"

PARDEE HOMES OF NEVADA,
a Nevada corporation

By: 
Its JON E. LASH
SENIOR VICE PRESIDENT

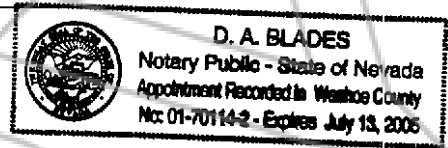
"Optionee"

COPY

STATE OF NEVADA)
) ss.
COUNTY OF WASHOE)

This instrument was acknowledged before me on March 25, 2005, by Robert R. Derck, as Chief Operating Officer of COYOTE SPRINGS INVESTMENT LLC, a Nevada limited liability company.

D.A. Blades
Notary Public



STATE OF NEVADA)
) ss.
COUNTY OF WASHOE)

This instrument was acknowledged before me on _____, 2005, by _____, as _____ of PARDEE HOMES OF NEVADA, a Nevada corporation.

Notary Public

STATE OF NEVADA)
) ss.
COUNTY OF WASHOE)

This instrument was acknowledged before me on _____, 2005, by Robert R. Derck, as Chief Operating Officer of COYOTE SPRINGS INVESTMENT LLC, a Nevada limited liability company.

Notary Public

California
STATE OF NEVADA)
) ss.
COUNTY OF WASHOE)
Los Angeles

This instrument was acknowledged before me on March 30, 2005, by Jon E. Lash, as Ex. Vice President of PARDEE HOMES OF NEVADA, a Nevada corporation.



[Signature]

Notary Public

Exhibit A

Legal Description of Option Property

Those certain lots or parcels of land that are or become designated by mutual agreement of Optionor and Optionee as Production Residential Property (as defined in the Option) located within Lincoln County, Nevada, described as follows:

Township 11 South, Range 63 East, M.D.M.:

Section 13, S $\frac{1}{2}$;

Section 19, that portion lying easterly of the westerly boundary of the transmission corridor, that boundary being $\frac{1}{2}$ mile easterly of the centerline of U.S. Highway 93;

Section 20, all;

Section 21, all;

Section 22, all;

Section 23, all;

Section 24, all;

Section 25, all;

Section 26, all;

Section 27, all;

Section 28, all;

Section 29, all;

Section 30, that portion lying easterly of the westerly boundary of the transmission corridor, that boundary being $\frac{1}{2}$ mile easterly of the centerline of U.S. Highway 93;

Section 31, that portion lying easterly of the westerly boundary of the transmission corridor, that boundary being $\frac{1}{2}$ mile easterly of the centerline of U.S. Highway 93;

Section 32, all;

Section 33, all;

Section 34, all;

Section 35, all; and

Section 36, W $\frac{1}{2}$.

Township 12 South, Range 63 East, M.D.M.:

Section 1, Lots Three (3), Four (4), South Half (S $\frac{1}{2}$) of the Northwest Quarter (NW $\frac{1}{4}$) and the Southwest Quarter (SW $\frac{1}{4}$);

Section 2, Lots One (1) thru Four (4), South Half (S $\frac{1}{2}$) of the North Half (N $\frac{1}{2}$) and the South Half (S $\frac{1}{2}$);

Section 3, Lots One (1) thru Four (4), South Half (S $\frac{1}{2}$) of the North Half (N $\frac{1}{2}$) and the South Half (S $\frac{1}{2}$);

Section 6, that portion lying between the Centerline of U.S. Highway 93 and the Western boundary of the transmission corridor, that boundary being $\frac{1}{2}$ mile Easterly of the Centerline of U.S. Highway 93, excluding that portion of the North Half (N $\frac{1}{2}$) of the North Half (N $\frac{1}{2}$) lying between the Centerline of U.S. Highway 93 and the Western boundary of the transmission corridor; and that portion lying Easterly of the Western boundary of the transmission corridor, that boundary being $\frac{1}{2}$ mile Easterly of the Centerline of U.S. Highway 93;

Sections 7, 18, 19, 29, 30, 32 all lying Easterly of the Centerline of U.S. Highway 93;

Sections 5, 9, 16, 21, 28, 33, that portion lying Westerly of the Eastern boundary of the transmission corridor, that boundary being 1½ miles from the Centerline of U.S. Highway 93.

Section 8, all;

Section 10, all;

Section 11, all;

Section 12, West Half (W½) of the West Half (W½);

Section 13, West Half (W½),

Section 14, all;

Section 17, all;

Section 20, all;

Section 23, North Half (N½) and the Southeast Quarter (SE¼);

Section 24, West Half (W½);

Section 25, all;

Section 26, East Half (E½);

Section 36, all;

