

Order Number _____ Escrow Number 36594 MCA

Submitted for recordation by and return to:
BANK OF THE WEST

Technology Industries Office

2 West Santa Clara Street

San Jose, California 95113 City

Attention: C. Elizabeth Cowan

SPACE ABOVE THIS LINE FOR RECORDER'S USE

Deed of Trust

(ASSIGNMENT OF RENTS — SECURITY AGREEMENT)

This DEED OF TRUST, ASSIGNMENT OF RENTS AND SECURITY AGREEMENT made this AUGUST 13, 19 85

between XEBEC ("Trustor"), having an office at

2221 Old Oakland Road, San Jose, California 95131

First Santa Clara Corporation, a California corporation, as trustee ("Trustee"), whose mailing address is P.O. Box 1000, San Jose, California, 95108, and Bank of the West, a California banking corporation ("Beneficiary"), having an office at 2 West Santa Clara Street, San Jose, California 95113

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FOR THE PURPOSE OF SECURING (a) the payment of an indebtedness in the amount of TWELVE MILLION AND NO/100 Dollars (\$ 12,000,000.00), to be paid in accordance with the terms and with interest as set forth in that certain Beneficiary Loan and Security Agreement dated March 29, 1985 made by Trustor to the order of Beneficiary, and all modifications, extensions and/or renewals thereof, (b) the payment and performance of all indebtedness and obligations of Trustor arising under this Deed of Trust, (c) payment of any money advanced by ~~Trustor~~ to Trustor, or its successors, with interest thereon, evidenced by notes indicating that they are secured by this Deed of Trust; (d) the payment and performance of all indebtedness and obligations of Trustor arising under any loan agreement indicating that the obligations thereunder are secured by this Deed of Trust, and as to which Beneficiary and Trustor are parties, and all modifications, extensions and/or renewals thereof; (e) the payment and performance of all indebtedness and obligations of Trustor to Beneficiary which are secured by any other deed of trust in favor of Beneficiary (all of which documents referred to in subsections (a) through (e) hereof, inclusive, shall be collectively referred to as the Loan Documents) Trustor has granted, mortgaged, bargained, sold, alienated, enfeoffed, released, conveyed and confirmed, and by these presents does grant, mortgage, bargain, sell, alienate, enfeoff, release, convey and confirm unto the Trustee, in trust, WITH POWER OF SALE, all its estate, right, title and interest in, to and under any and all of the property located in the State of California and more particularly described in Exhibit A attached hereto and made a part hereof, including all easements, rights, privileges, tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining, and all of the estate, right, title, interest, claim, demand, reversion or remainder whatsoever of Trustor therein or thereto, either at law or in equity, in possession or expectancy, now or hereafter acquired, including, without limitation, all and singular the ways, waters, water courses, water rights and powers, liberties, privileges, sewers, pipes, conduits, wires and other facilities furnishing utility or other services to the property (collectively, the "Land");

TOGETHER with all of the right, title and interest of Trustor in and to all buildings, structures and improvements now or hereafter erected on the Land including all plant equipment, apparatus, machinery and fixtures of every kind and nature whatsoever now or hereafter located on or forming part of said buildings, structures and improvements (collectively, the "Improvements"; the Land and Improvements being hereinafter collectively referred to as the "Premises");

TOGETHER with all of the right, title and interest of Trustor in and to the land lying in the bed of any street, road, highway or avenue in front of or adjoining the Premises;

TOGETHER with any and all: (a) award and awards heretofore made or hereafter to be made by any governmental authorities to the present and all subsequent owners of the Premises which may be made with respect to the Premises as a result of the exercise of the right of eminent domain, the alteration of the grade of any street or any other injury to or decrease of value of the Premises, which said award or awards are hereby assigned to the Beneficiary and the Beneficiary, at its option, is hereby authorized, directed and empowered to collect and receive the proceeds of any such award or awards from the authorities making the same and to give proper receipts and acquittances therefor, and to apply the same as hereinafter provided; and Trustor hereby covenants and agrees to and with the Beneficiary, upon request by the Beneficiary, to make, execute and deliver, at Trustor's expense, any and all assignments and other instruments sufficient for the purpose of assigning the aforesaid award or awards to the Beneficiary free, clear and discharged of any and all encumbrances of any kind or nature whatsoever; (b) equipment, machinery, furnishings, inventory, building material, fixtures, appliances, chattels and articles of personal property used in any way in connection with, or to be incorporated at any time into the Premises, wheresoever located and whether or not affixed to the Premises, or placed on any part thereof, and whether or not attached thereto or incorporated therein, together with any and all replacements thereof, appertaining and adapted to the complete and compatible use, enjoyment, occupancy, operation or improvement of the Premises (collectively, the "Chattels"); (c) leases of the Premises or the Chattels or any part thereof, now or hereafter entered into and all right, title and interest of Trustor thereunder, including, without limitation, cash or securities deposited thereunder to secure performance by the lessees (collectively "lessees") of their obligations thereunder (whether such cash or securities are to be held until the expiration of the terms of such leases or applied to one or more of the installments or rent coming due immediately prior to the expiration of such terms) and all other rights and easements of Trustor now or hereafter existing pertaining to the use and enjoyment of the Premises; and (d) all rents, issues, profits, income and other benefits to which Trustor may now or hereafter be entitled from the Premises or the Chattels (which Premises, titles, interests, awards, Chattels, easements, rents, income, benefits, ways, waters, rights, powers, liberties, privileges, utilities, tenements, hereditaments, appurtenances, reversions, remainders, rents, issues, profits, estate, property, possession, claims and demands, are hereinafter collectively referred to as the "Mortgaged Property");

TO HAVE AND TO HOLD the Mortgaged Property unto the Trustee, its successors and assigns forever.

ARTICLE I

And Trustor further covenants with the Trustee and Beneficiary as follows:

SECTION 1.01. Trustor has good and marketable title to an indefeasible fee estate in the Premises subject to no lien, charge, or encumbrance (collectively "prior item") except such as are approved in writing by Beneficiary concurrently with the execution hereof; that it owns the Chattels free and clear of liens and claims; that this Deed of Trust is and will remain a valid and enforceable lien on the Mortgaged Property subject only to the exceptions referred to above; and that neither the entry nor the performance of and compliance with the Loan Documents has resulted or will result in any violation of, or be in conflict with, or result in the creation of any deed of trust, lien, encumbrance or charge (other than those created by the execution and delivery of, or permitted by, the Loan Documents) upon any of the properties or assets of Trustor, or constitute a default under any deed of trust, indenture, contract, agreement, instrument, franchise, permit, judgment, decree, order, statute, rule or regulation applicable to Trustor. Trustor has full power and lawful authority to convey the Mortgaged Property in the manner and form herein done or intended hereafter to be done and will preserve such title, and will forever preserve, warrant and defend the same unto the Trustee and Beneficiary, and will forever preserve, warrant and defend the validity and priority of the lien hereof against the claims of all persons and parties whomsoever.

SECTION 1.02. (a) Trustor will, at its sole cost and expense, and without expense to the Trustee or Beneficiary, do, execute, acknowledge and deliver all and every such further acts, deeds, conveyances, deeds of trust, assignments, notices of assignments, transfers and assurances as the Trustee or Beneficiary shall from time to time require, for the purpose of better assuring, conveying, assigning, transferring, pledging, mortgaging, warranting and confirming unto the Trustee the property and rights hereby conveyed or assigned or intended now or hereafter so to be, or which Trustor may be or may hereafter become bound to convey or assign to the Trustee, or for carrying out the intention or facilitating the performance of the terms of this Deed of Trust, or for filing, registering or recording this Deed of Trust and, on demand, will execute and deliver, and hereby authorizes Beneficiary to execute in the name of Trustor, to the extent it may lawfully do so, one or more financing statements, chattel mortgages or comparable security instruments, to evidence more effectively the lien hereof upon the Chattels.

(b) Trustor will pay all filing, registration or recording fees, all federal, state, county and municipal stamp taxes and other fees, taxes, duties, imposts, assessments and all other charges incident to, arising out of or in connection with the preparation, execution, delivery and enforcement of the Loan Documents, any deed of trust supplemental hereto, any security instrument with respect to the Chattels or any instrument of further assurance.

SECTION 1.03. Trustor will punctually pay the principal and interest and all other sums to become due in respect of the Loan Documents at the time and place and in the manner specified therein, all in any coin or currency of the United States of America which at the time of such payment shall be legal tender for the payment of public and private debts.

SECTION 1.04. Trustor will, so long as it is owner of the Mortgaged Property, do all things necessary to preserve and keep in full force and effect its existence, franchises, rights and privileges as a business, stock corporation, or partnership under the laws of the state of its incorporation or formation, and will comply with all regulations, rules, ordinances, statutes, orders and decrees of any governmental authority or court applicable to Trustor or to the Mortgaged Property or any part thereof.

SECTION 1.05. All right, title and interest of Trustor in and to all extensions, improvements, betterments, renewals, substitutes and replacements of, and all additions and appurtenances to, the Mortgaged Property, hereafter acquired by, or released to, or constructed, assembled or placed by Trustor on the Premises, and all conversions of the security constituted thereby, immediately upon such acquisition, release, construction, assembling, placement or conversion, as the case may be, and in each such case, without any further grant, conveyance, assignment or other act by Trustor, shall become subject to the first and prior lien and security interest of this Deed of Trust as fully and completely, and with the same effect, as though now owned by Trustor and specifically described in the granting clause hereof, but at any and all times Trustor will execute and deliver to Beneficiary any and all such further assurances, deeds of trust, conveyances or assignments thereof with respect thereto as Beneficiary may reasonably require for the purpose of expressly and specifically subjecting the same to the lien and security interest of this Deed of Trust.

SECTION 1.06. (a) Trustor, from time to time when the same shall become due, will pay and discharge, or cause to be paid and discharged, all taxes and governmental charges of every kind and nature that may at any time be assessed or levied against or with respect to the indebtedness secured by, and any other amounts payable pursuant to, this Deed of Trust, or any part of such indebtedness or amounts, the Mortgaged Property or any part thereof (including, without limiting the generality of the foregoing, real and personal property taxes and income, franchise, withholding, profits and gross receipts taxes), all general and special assessments, levies, permits, inspection and license fees, all water and sewer rents and charges, and all other public or governmental charges whether of a like or different nature, imposed upon or assessed or levied against Trustor or the Mortgaged Property or any part thereof or interest therein or upon the revenues, rents, issues, income and profits of the Mortgaged Property or arising in respect of the occupancy, use or possession thereof; Trustor will, upon the request of Beneficiary, deliver to Beneficiary receipts evidencing the payment, before any penalties accrue thereon, of all such taxes, assessments, levies, fees, rents and other public charges imposed upon or assessed against it, this Deed of Trust, or the Mortgaged Property or the revenues, rents, issues, income or profits thereof.

(b) Provided the beneficiary of any prior deed of trust shall not require the deposit of sums for the payment of any obligations imposed by subparagraph (a) hereof, Beneficiary may, at its option, to be exercised by ten (10) days prior written notice to Trustor (unless such notice is given at the time of the execution of this Deed of Trust) require the deposit by Trustor, at the time that the payment of each regular installment of subsection (a) hereof, and (ii) pay for premiums of insurance required to be maintained by Trustor pursuant to Section 1.07 hereof, on a date which is thirty (30) days prior to the respective dates on which the same or any of them would be payable. The determination of the amount so payable and of the fractional part thereof to be deposited with Beneficiary, so that the aggregate of the deposits shall be sufficient for this purpose, shall be made by Beneficiary in its sole discretion. Such amounts shall be held by Beneficiary without interest and applied to the payment of the items in respect to which such amounts were deposited or, at the option of Beneficiary, to the payment of said items in such order of priority as Beneficiary shall determine, on or before the respective dates on which the same or any of them would become delinquent. All such amounts so deposited shall not be deemed to be held by Beneficiary in escrow and may be commingled with other funds of Beneficiary and applied pursuant hereto. If one (1) month prior to the due date of the forementioned amounts, the amount then on deposit therefor shall be insufficient for the payment of such item in full, Trustor within ten (10) days after demand shall deposit the amount of the deficiency with Beneficiary. Upon the occurrence of an Event of Default (as hereinafter defined), or an event which, with the passage of time or the giving of notice, or both, would constitute an Event of Default ("Prospective Event of Default"), Beneficiary shall be entitled to apply all sums held by Beneficiary pursuant to this Section to the payment of the indebtedness secured hereby, in such order as Beneficiary shall elect. Nothing herein contained shall be deemed to affect any right or remedy of Beneficiary under any provisions of this Deed of Trust or of any statute or rule or law to pay any such amount to the extent the sums deposited by Trustor are not sufficient therefor.

(c) Trustor will pay from time to time when the same shall become due, all lawful claims and demands of mechanics, materialmen, laborers, and other which, if unpaid, might result in, or permit the creation of, a lien on the Mortgaged Property or any part thereof, or on the revenues, rents, issues, income and profits arising therefrom and in general will do or cause to be done everything necessary so that the lien and security interest hereof shall be fully preserved, at the cost of Trustor, without expense to Beneficiary.

SECTION 1.07. (a) Trustor will obtain and maintain (i) insurance of the type necessary to insure the Improvements and Chattels, for the full replacement cost thereof, against any loss by fire, lightning, windstorm, hail, explosion, aircraft, smoke damage, vehicle damage and other risks from time to time included under "extended coverage" policies, but in any event in amounts sufficient to prevent Trustor from becoming a co-insurer under such policies, (ii) comprehensive general liability insurance against any loss, liability or damage on, about or relating to the Premises, with limits acceptable to Beneficiary at its sole discretion as to rent insurance, flood insurance, earthquake insurance, and such other risks as Beneficiary may require. Replacement cost shall, at Beneficiary's option, be redetermined by an insurance appraiser, satisfactory to Beneficiary, not more frequently than once every twelve (12) months. Such insurance shall be written by companies of recognized financial standing, satisfactory to Beneficiary, which are authorized to do insurance business in the State of California. Such insurance shall be in form satisfactory to Beneficiary, shall (i) with respect to hazard insurance, name as the loss payee thereunder Trustor, the Trustee and Beneficiary, as their interests may appear, and shall contain mortgagee endorsements 438 BFU (NS) and CF 12 45 and (ii) with respect to liability

insurance, name the Trustee and Beneficiary as additional insureds thereunder. Every policy of insurance referred to in this Section shall contain an agreement by the insurer that it will not cancel such policy except after thirty (30) days' prior written notice to Beneficiary and that any loss payable thereunder shall be payable notwithstanding any act or negligence of Trustor or Beneficiary which might, absent such agreement, result in a forfeiture of all or a part of such insurance payment and notwithstanding (i) occupancy or use of the Mortgaged Property for purposes more hazardous than permitted by the terms of such policy, (ii) any foreclosure or other action or proceeding taken by the Trustee or Beneficiary pursuant to this Deed of Trust upon the happening of an Event of Default or (iii) any change in title or ownership of the Mortgaged Property. Duplicate policies or certificates evidencing such insurance shall be delivered to Beneficiary at least thirty (30) days prior to the expiration of the existing policies. Trustor shall give Beneficiary prompt notice of any loss covered by such insurance and Beneficiary shall have the right to join Trustor in adjusting any loss in excess of \$10,000. If there shall have occurred an Event of Default or a Prospective Event of Default, Beneficiary shall have the exclusive right to adjust all losses payable under any such insurance policies without any liability to Trustor whatsoever in respect of such adjustments. Any monies received as payment for any loss under any such insurance shall be paid over to Beneficiary to be applied at the option of Beneficiary either to the prepayment of the obligations under the Loan Documents, without prepayment premium or penalty, in such order as Beneficiary may elect, or shall be disbursed to Trustor under stage payment terms satisfactory to Beneficiary for application to the cost of repairs, replacements or restorations (collectively, "restoration") of the Improvement or Chattel so damaged or destroyed. All restorations of the Improvement or Chattel so damaged or destroyed shall be effected with reasonable promptness and shall be of a value at least equal to the value of the Improvement or Chattel so damaged or destroyed prior to such damage or destruction. Upon the occurrence of an Event of Default, all prepaid insurance premiums shall be the sole and absolute property of Beneficiary to be applied by Beneficiary to the payment of the indebtedness secured hereby, in such order as Beneficiary shall elect.

(b) Trustor shall not take out separate insurance concurrent in form or contributing in the event of loss with that required to be maintained under this Section 1.07, unless Beneficiary and the Trustee are included thereon as named insureds with loss payable to Beneficiary and the Trustee under a standard mortgagee endorsement of the character above described. Trustor shall immediately notify Beneficiary whenever any such separate insurance is taken out, specifying the insurer thereunder and full particulars as to the policies evidencing the same.

SECTION 1.08. In the event of the passage, after the date of this Deed of Trust, of any law of the State of California changing in any way the laws now in force for the taxation of deeds of trust, or debts secured thereby, for state or local purposes, or the manner of operation of any such taxes so as to adversely affect the interest of Beneficiary, then and in such event, Trustor shall bear and pay the full amount of such taxes, provided that if for any reason payment by Trustor of any such new or additional taxes would be unlawful or if the payment thereof would constitute usury or render the Loan Documents, or the indebtedness secured hereby wholly or partially usurious under any of the terms or provisions of the Loan Documents, or this Deed of Trust, or otherwise, Beneficiary may, at its option, upon thirty (30) days' written notice to Trustor, (i) declare the whole indebtedness secured by this Deed of Trust, with interest thereon, to be immediately due and payable, or (ii) pay that amount or portion of such taxes as renders the Loan Documents, or the indebtedness secured hereby unlawful or usurious, in which event Trustor shall concurrently therewith pay the remaining lawful non-usurious portion or balance of said taxes.

SECTION 1.09. Except as provided in the Loan Documents or elsewhere herein, Trustor will not further encumber, sell, convey or transfer any interest in, or any part of, the Mortgaged Property without the prior written consent of Beneficiary. Any such encumbrance, sale, conveyance or transfer made without Beneficiary's prior written consent shall be an Event of Default hereunder.

SECTION 1.10. Beneficiary and the Trustee shall have access to and the right to inspect the Premises and Chattels at all reasonable times.

SECTION 1.11. Trustor shall comply with all applicable restrictive covenants, zoning and subdivision ordinances and building codes, all health and environmental laws and regulations and all other applicable laws, rules, regulations, requirements, directions, orders and notices of violations issued by any governmental agency, body or officer relating to or affecting the Premises or the business or activity being conducted thereon whether by Trustor or by any occupant thereof.

SECTION 1.12. If Trustor shall fail to perform any of the covenants contained herein on its part to be performed, Beneficiary may, but shall not be required to, make advances to perform the same, or cause the same to be performed, on Trustor's behalf, and all sums so advanced shall bear interest, from and after the date advanced until repaid, at a rate equal to five (5) percentage points over the rate provided for in the Loan Documents, shall be a lien upon the Mortgaged Property and shall, at Beneficiary's option, be added to the indebtedness secured hereby. Trustor will repay on demand all sums so advanced on its behalf with interest at the rate herein set forth. This Section 1.12 shall not be construed as preventing any default by Trustor in the observance of any covenant contained in this Deed of Trust from constituting an Event of Default hereunder.

SECTION 1.13. (a) Trustor will keep adequate records and books of account in accordance with generally accepted accounting principles and practices and will permit Beneficiary, by its agents, accountants and attorneys, to examine Trustor's records and books of account and to discuss the affairs, finances and accounts of Trustor with the officers (or general partners) of Trustor, at such reasonable times as may be requested by Beneficiary.

(b) Trustor and all guarantors of the obligations under the Loan Documents (collectively, "Guarantor"), if any, will deliver to Beneficiary with reasonable promptness after the close of their respective fiscal years a balance sheet and statement of profit and loss, and, if requested by Beneficiary, prepared by an independent certified public accountant satisfactory to Beneficiary, setting forth in each case, in comparative form, figures for the preceding year which statements shall be accompanied by the unqualified opinion of such accountant as to the accuracy thereof. Throughout the term of this Deed of Trust, Trustor and Guarantor, with reasonable promptness, will deliver to Beneficiary such other information with respect to Trustor or Guarantor as Beneficiary may from time to time request. All financial statements of Trustor or Guarantor shall be prepared in accordance with general-

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ly accepted accounting principles and practices applied on a consistent basis and shall be delivered in duplicate. At the time of the delivery of such statements, and at any other time upon the delivery of such statements, and at any other time upon five (5) days' prior written request of Beneficiary, Trustor shall deliver to Beneficiary a certificate of the principal financial or accounting officer (or a general partner) of Trustor, dated within three (3) days of delivery of such statements, or the date of such request, as the case may be, setting forth the amount of principal and interest due pursuant to the Loan Documents, whether any offset or defense exists against such indebtedness and stating that such person knows of no Event of Default or Prospective Event of Default which has occurred and is continuing, or, if any such Event of Default or Prospective Event of Default has occurred and is continuing, specifying the nature and period of existence thereof and what action Trustor has taken or proposes to take with respect thereto, and except as otherwise specified, stating that Trustor has fulfilled all its obligations under this Deed of Trust which are required to be fulfilled on or prior to the date of such certificate.

SECTION 1.14. Trustor will not commit any waste at or with respect to the Mortgaged Property nor will Trustor do or fail to do anything which will in any way increase the risk of fire or other hazard to the Premises, Improvements or Chattels or to any part thereof. Trustor will, at all times, maintain the Improvements and Chattels in good order and condition and will promptly make, from time to time, all repairs, renewals, replacements, additions and improvements in connection therewith which are needful or desirable to such end. Improvements shall not be removed, demolished or materially altered, nor shall any Chattels be removed without the prior written consent of Beneficiary, provided, however, that if there shall not have occurred an Event of Default or Prospective Event of Default, Trustor may make appropriate replacements of Chattels, free of superior title, liens and claims, provided such replacements are immediately made and are of a value at least equal to the value of the Chattels removed.

SECTION 1.15. Trustor will immediately notify Beneficiary of the institution of any proceeding for the condemnation or taking by eminent domain of the Mortgaged Property, or any portion thereof. The Trustee and Beneficiary may participate in any such proceeding and Trustor from time to time will deliver to Beneficiary all instruments requested by it to permit such participation. Subject to the Loan Documents, in the event of such condemnation proceedings, or a conveyance in lieu of such taking, the award or compensation payable is hereby assigned to and shall be paid to Beneficiary, and in Beneficiary's discretion, applied to the indebtedness owing, or to restoration of the Mortgaged Property on terms and conditions acceptable to Beneficiary. Beneficiary shall be under no obligation to question the amount of any such award or compensation and may accept the same in the amount in which the same shall be paid, but shall have no right to bind Trustor or to make settlement of its claim, except to the extent of the interest of the Trustee and Beneficiary. In any such condemnation proceedings the Trustee and Beneficiary may be represented by counsel selected by Beneficiary.

SECTION 1.16. The assignment of rents, income and other benefits (collectively, "rents") contained in the granting clause of this Deed of Trust shall be fully operative without any further action on the part of Trustor or Beneficiary and specifically Beneficiary shall be entitled, at its option, to all rents from the Mortgaged Property whether or not Beneficiary takes possession of the Mortgaged Property. Trustor hereby further grants to Beneficiary the right (i) to enter upon and take possession of the Mortgaged Property for the purpose of collecting the rents, (ii) to dispossess by the usual summary proceedings any tenant defaulting in the payment thereof to Beneficiary, (iii) to let the Mortgaged Property or any part thereof, and (iv) to apply the rents, after payment of all necessary charges and expenses, on account of the indebtedness and other sums secured hereby. Such assignment and grant shall continue in effect until the indebtedness and other sums secured hereby are paid, the execution of this Deed of Trust constituting and evidencing the irrevocable consent of Trustor to the entry upon and taking possession of the Mortgaged Property by Beneficiary pursuant to such grant, whether or not sale or foreclosure has been instituted. Neither the exercise of any rights under this Section by Beneficiary nor the application of the rents to the indebtedness and other sums secured hereby, shall cure or waive any Event of Default, or Prospective Event of Default, or notice of default hereunder or invalidate any act done pursuant hereto, but shall be cumulative of all other rights and remedies.

The foregoing provisions hereof shall constitute an absolute and present assignment of the rents from the Mortgaged Property, subject, however, to the conditional permission given to Trustor to collect and use the rents until the occurrence of an Event of Default or Prospective Event of Default, at which time such conditional acceptance shall terminate; and the existence or exercise of such right of Trustor shall not operate to subordinate this assignment, in whole or in part, to any subsequent assignment by Trustor permitted under the provisions of this Deed of Trust, and any such subsequent assignment by Trustor shall be subject to the rights of the Trustee and Beneficiary hereunder.

SECTION 1.17.(a) Trustor will not (i) except to the holder of a prior deed of trust, execute an assignment of the rents or any part thereof from the Mortgaged Property unless such assignment shall provide that it is subject and subordinate to the assignment contained in this Deed of Trust, and any additional or subsequent assignment executed pursuant hereto, or (ii) except where the lessee is in default thereunder, terminate or consent to the modification, cancellation or surrender of any lease of the Mortgaged Property or of any part thereof, now existing or hereafter to be made without the prior written consent of Beneficiary; unless, promptly after the cancellation or surrender of any lease, a new lease is entered into with a new lessee satisfactory to Beneficiary and on terms at least as favorable to the landlord thereunder as were the terms of the lease so terminated or cancelled, or (iii) accept prepayments of any installments of rent or additional rent to become due under such leases, except prepayments in the nature of security for the performance of the lessee's obligations thereunder, or (iv) in any other manner impair the value of the Mortgaged Property or the security of the Trustee or Beneficiary for the payment of the indebtedness secured hereby or (v) enter into any lease prohibited under the provisions of the Loan Documents, or (vi) modify the terms of any lease or consent to a sublease or assignment of a lease without Beneficiary's consent.

(b) Trustor will not execute any lease of all or a substantial portion of the Mortgaged Property except for actual occupancy or use by the lessee thereunder, and will at all times promptly and faithfully perform, or cause to be performed, all of the covenants, conditions and agreements contained in all leases of the Mortgaged Property now or hereafter existing, on the part of the lessor thereunder to be kept and performed. If any such lease provides for the giving by the lessee of certificates with respect to the status of such leases, Trustor shall exercise its right to request such certificates within five (5) days of any demand therefor by Beneficiary.

(c) Trustor shall furnish to Beneficiary, within fifteen (15) days after a request by Beneficiary to do so, a written statement containing the names of all lessees for the Mortgaged Property, the terms of their respective leases, the spaces occupied, the rentals paid and any security therefor.

(d) Trustor shall, from time to time upon request of Beneficiary, specifically assign to Beneficiary as additional security hereunder, by an instrument in writing in such form as may be approved by Beneficiary, all right, title and interest of Trustor in and to any and all leases now or hereafter on or affecting the Mortgaged Property, together with all security therefor and all monies payable thereunder. Trustor shall also execute and deliver to Beneficiary any notification, financing statement or other document reasonably required by Beneficiary to perfect the foregoing assignment as to any such lease.

SECTION 1.18. Each lease of the Mortgaged Property or of any part thereof entered into hereafter shall provide that, in the event of the enforcement by the Trustee or Beneficiary of the remedies provided for by law or by this Deed of Trust, any person succeeding to the interest of Trustor as a result of such enforcement shall not be bound by any payment of rent or additional rent for more than one (1) month in advance, provided, however, that nothing herein set forth shall affect or impair the rights of Beneficiary to terminate any one or more of such leases in connection with the exercise of its or the Trustee's remedies hereunder.

SECTION 1.19. Trustor shall at all times fully and faithfully perform and comply with each and every term, covenant and condition set forth herein. The lien of this Deed of Trust is subject and subordinate only to the prior items referred to in Section 1.01 hereof.

In the event Trustor shall default in the payment of any sums secured by or required to be paid under any prior item, irrespective of whether such sums are presently secured by a prior deed of trust or are contemplated to be secured thereby, or in the performance of any obligation on its part to be performed thereunder, Beneficiary may pay or perform the same and the amount of such payment and/or the cost of such performance shall be added to the obligations and indebtedness evidenced by the Loan Documents shall bear interest at the rate set forth in Section 1.12 hereof and shall be secured hereby.

ARTICLE II EVENTS OF DEFAULT AND REMEDIES

SECTION 2.01. The occurrence of any one or more of the following events shall constitute an event of default ("Event of Default") hereunder:

(a) If Trustor shall default in the payment of (i) any regular installment of interest and/or principal under the Loan Documents as and when the same shall have become due and payable, (ii) any other payment of interest and/or principal due under the Loan Documents when the same shall become due and payable, whether at any stated maturity or by acceleration or otherwise, or (iii) any other sums required to be paid by Trustor pursuant to the Loan Documents on the date that such payments are therein or herein required to be made; or

(b) If Trustor shall breach, or be in default of, any of the covenants or provisions contained in the Loan Documents, this Deed of Trust, or of any chattel mortgage, security agreement or other document issued thereunder or in connection therewith or herewith; or

(c) If Trustor shall be in default under the terms of any agreement with any other party, including, under a lease, whether or not said agreement shall affect the Mortgaged Property; or

(d) If Trustor shall execute any chattel mortgage on any (i) materials, fixtures or articles used in the construction or operation of an Improvement or appurtenance thereto, or (ii) articles of personal property placed on the Premises, or should any such materials, fixtures or articles be purchased on conditional bill of sale or otherwise so that the ownership thereof will not vest unconditionally in Trustor free from encumbrance, or delivery at the Premises; or should Trustor fail to furnish to Beneficiary, if requested, the contracts, bills of sale, statements, receipted vouchers and agreements, or any of them, under which Trustor claims title to such materials, fixtures and articles, provided, however, that it shall not be an event of default if Trustor enters into purchase money financing arrangements for new equipment (but not replacement equipment) at the Mortgaged Property; or

(e) If Trustor shall make an assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts as they become due, or shall file a voluntary petition in bankruptcy, or shall file any petition or answer seeking for itself any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any present or future statute, law or regulation, or shall file any answer admitting or shall fail to deny the material allegations of a petition filed against it for any such relief, or shall seek or consent to or acquiesce in the appointment of any trustee, receiver or liquidator of itself or of all or any substantial part of its properties, or its directors or majority stockholders shall take any action looking to its dissolution or liquidation, or it shall cease doing business as a going concern; or

(f) The filing of any involuntary petition against Trustor seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under the Bankruptcy Code or under any similar present or future statute, law or regulation, or if, within 30 days after the appointment, without its consent or acquiescence of any trustee, receiver or liquidator of itself or of all or any substantial part of its properties, such appointment shall not have been vacated; or

(g) If a final judgment for the payment of money (exclusive of judgments insured against by adequate liability insurance policies), shall be rendered against Trustor, in any jurisdiction and if, within 30 days after the expiration of any such stay, such judgment shall not have been discharged; or

(h) If there shall occur during any consecutive twelve month period one or more uninsured losses, thefts, damage or destruction of the Mortgaged Property, or any part thereof, having an aggregate value in excess of \$10,000.00; or

(i) If, (i) without the express prior written consent of Beneficiary as provided in Section 1.09 hereof, title to the Mortgaged Property or any part thereof or interest therein, shall be sold, conveyed or transferred by Trustor to any other person, firm, corporation or other entity whether by operation of law or otherwise or (ii) the presently existing interests in the outstanding

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capital stock of Trustor shall be altered so as to effectively transfer control of Trustor named herein to any other person, firm, corporation or other entity or (iii) the interest of any general partner shall be transferred; or

(j) If Trustor shall seek, consent to or obtain any waiver or modification of the terms of payment of the indebtedness secured by any prior deed of trust; or

(k) If an event of default shall occur under any prior deed of trust or other prior item; or

(l) If any representation or warranty made by Trustor in the Loan Documents, this Deed of Trust, or any deed of trust, security agreement, chattel mortgage or other document issued hereunder or in connection therewith or herewith prove to be untrue;

(m) If Trustor, or any officer or general partner of Trustor shall commit an act of gross misfeasance or fraud, having an adverse effect on Beneficiary; or

(n) If any of the events enumerated in clauses (a) through (k) of this Section 2.01 shall happen to Guarantor, if any, or any of its property.

Upon the occurrence of an Event of Default, and in every such case:

I. During the continuance of any Event of Default, Beneficiary personally, or by its agents or attorneys may enter into and upon all or any part of the Mortgaged Property, and each and every part thereof, and may exclude the party owning the beneficial interest in same, its agents and servants wholly therefrom; and having and holding the same, may use, operate, manage and control the Mortgaged Property for any lawful purpose and conduct the business thereof, either personally or by its superintendents, managers, agents, servants, attorneys or receivers; and upon every such entry, Beneficiary, at the expense of Trustor, from time to time, either by purchase, repairs or construction, may maintain and restore the Mortgaged Property, whereof it shall become possessed as aforesaid, may complete the construction of the Improvements and in the course of such completion may make such changes in the contemplated Improvements as it may deem desirable; may insure or reinsure the same as provided in Section 1.07 hereof, and likewise, from time to time, at the expense of Trustor, Beneficiary may make all necessary or proper repairs, renewals, replacements, alterations, additions, betterments and improvements to the Mortgaged Property or any part thereof and thereon as it may deem advisable; and in every such case Beneficiary shall have the right to manage and operate the Mortgaged Property, possessed as aforesaid, and to carry on the business thereof and exercise all rights and powers of the party owning such property with respect thereto either in the name of such party or otherwise as it shall deem best; and Beneficiary shall be entitled to collect and receive all earnings, revenues, rents, issues, profits and income of the Mortgaged Property and every part thereof; and after deducting the expenses of conducting the business thereof and of all maintenance, repairs, replacements, alterations, additions, betterments and improvements and all payments which may be made for taxes, assessments, insurance, in payment of any prior deed of trust and prior or other proper charges upon the Mortgaged Property or any part thereof, as well as just and reasonable compensation of Beneficiary for the services of Beneficiary and for all attorneys, counsel, agents, clerks, servants and other employees by it properly engaged and employed, Beneficiary shall apply the moneys arising as aforesaid, first, to the payment of any sums, other than interest and principal due pursuant to the terms of the Loan Documents, second, to the payment of interest due pursuant to the terms of the Loan Documents, and third, to the payment of the principal due pursuant to the terms of the Loan Documents, when and as the same shall become payable (whether by acceleration or otherwise).

II. Beneficiary, at its option, may declare the entire unpaid balance of the indebtedness secured hereby immediately due and payable by delivery to Trustee of written declaration of default and demand for sale and written notice of default and of election to cause the Mortgaged Property to be sold, which notice Trustee shall cause to be duly filed for record. Beneficiary shall also deposit with the Trustee this Deed of Trust, the Loan Documents and all documents evidencing the obligations secured hereby.

III. After the lapse of such time as may then be required by law following the recordation of said notice of default, and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell the Mortgaged Property at the time and place fixed by it in said notice of sale, either as a whole or in separate parcels, and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. If the Mortgaged Property consists of several known lots or parcels, Beneficiary may designate the order in which such parcels shall be sold or offered for sale. Any person, including Trustor, Trustee or Beneficiary, may purchase at such sale.

IV. Trustee may postpone sale of all or any portion of the Mortgaged Property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement.

SECTION 2.02. (a) Trustee, after making such sale, and upon receipt of the purchase price, shall make, execute and deliver to the purchaser or purchasers its deed or deeds conveying the Mortgaged Property so sold, but without any covenant or warranty, express or implied, and shall apply the proceeds of sale thereof to payment. **FIRSTLY**, of the expenses of such sale, together with the reasonable expenses of this Trust, including Trustee's fees and cost of evidence of title in connection with sale and revenue stamps on Trustee's deed; **SECONDLY**, of all moneys paid, advanced or expended by Beneficiary under the terms hereof, not then repaid, together with the interest thereon as herein provided; **THIRDLY**, of the amount of the interest and principal due under the Loan Documents; and **LASTLY**, the balance or surplus, if any, of such proceeds of sale to the person or persons legally entitled thereto, upon satisfactory proof of such right.

(b) In the event of a sale of the Mortgaged Property, or any part thereof, and the execution of a deed or deeds therefor under these trusts, the recitals therein of any matters or facts shall be conclusive proof of the truthfulness thereof and of the fact that said sale was regularly and validly made in accordance with all requirements of the laws of the State of California and of this Deed of Trust; and any such deed or deeds, with such recitals therein, shall be effectual and conclusive against Trustor and all other persons; and the receipt for the purchase money recited or contained in any deed executed to the purchaser as aforesaid shall be sufficient discharge to such purchaser from all obligations to see to the proper application of the purchase money according to the trusts aforesaid.

SECTION 2.03. After the happening of an Event of Default by Trustor under this Deed of Trust and immediately upon the commencement of any action, suit or other legal proceeding by Beneficiary to obtain judgment for the principal of, or interest on, and other sums required to be paid by Trustor pursuant to any provisions of the Loan Documents, or of any other nature in aid of the enforcement of the Loan Documents, Trustor will waive the issuance and service of process and enter its voluntary appearance in such action, suit or proceeding. Further, Trustor hereby consents to the appointment of a receiver or receivers of the Mortgaged Property and of all the earnings, revenues, rents, issues, profits and income thereof. After the happening of any such default and during its continuance or upon the commencement of any proceedings to foreclose this Deed of Trust or to enforce the specific performance hereof or in aid thereof or upon the commencement of any other judicial proceeding to enforce any right of the Trustee or Beneficiary hereunder, Beneficiary shall be entitled, as a matter of right, if it shall so elect, without the giving of notice to any other party and without regard to the adequacy or inadequacy of any security for the Deed of Trust indebtedness, forthwith either before or after declaring all sums evidenced by the Loan Documents to be due and payable, to the appointment of such a receiver or receivers.

SECTION 2.04. No remedy herein conferred upon or reserved to the Trustee or Beneficiary is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute. No delay or omission of the Trustee or Beneficiary to exercise any right or power occurring upon the Event of Default or Prospective Event of Default shall impair any such right or power or shall be construed to be a waiver thereof or an acquiescence therein; and every power and remedy given by this Deed of Trust to the Trustee or Beneficiary may be exercised from time to time and as often as may be deemed expedient by the Trustee or Beneficiary. Nothing in this Deed of Trust shall affect the obligation of Trustor to pay the principal of, interest on, and all sums due under, the Loan Documents, in the manner and at the time and place therein respectively expressed.

SECTION 2.05. To the extent permitted by law, Trustor will not at any time insist upon, or plead, or in any manner whatever claim or take any benefit or advantage of, any stay or extension or moratorium law, any exemption from execution or sale of the Mortgaged Property or any part thereof, whenever enacted, now or at any time hereafter in force, which may affect the covenants and terms of performance of this Deed of Trust; nor claim, take or insist upon any benefit or advantage of any law now or hereafter in force providing for the marshalling of the Mortgaged Property or on the valuation or appraisal of the Mortgaged Property, or any part thereof, prior or subsequent to any sale or sales thereof which may be made pursuant to any provision herein, or pursuant to the decree, judgment or order of any court of competent jurisdiction; nor, after any such final sale or sales, claim or exercise any right under any statute or otherwise, to redeem the property so sold or any part thereof; and Trustor hereby expressly waives all benefit or advantage of any such law or laws, and covenants not to hinder, delay or impede the execution of any power herein granted or delegated to the Trustee or Beneficiary, but to suffer and permit the execution of every power as though no such law or laws had been made or enacted. Trustor hereby waives the right to require any sale to be made in parcels, or the right to select parcels to be so sold, and there shall be no requirement for marshalling of assets. Trustor hereby further waives any rights it may have under applicable law relating to the prohibition of the obtaining of a deficiency judgment by Beneficiary against Trustor.

SECTION 2.06. During the continuance of any Event of Default and pending the exercise by the Trustee or Beneficiary of its right to exclude Trustor from all or any part of the Premises, Trustor agrees to pay the fair and reasonable rental value for the use and occupancy of the Mortgaged Property for such period and upon default of any such payment, will vacate and surrender possession of the Premises to the Trustee or Beneficiary or to a receiver, if any, and in default thereof may be evicted by any summary action or proceeding for the recovery or possession of Premises for non-payment of rent, however designated.

SECTION 2.07. Without affecting the personal liability of any person, including Trustor (other than any person released pursuant hereto), for the payment of the indebtedness secured hereby, and without affecting the lien of this Deed of Trust for the full amount of the indebtedness remaining unpaid upon any property not reconveyed pursuant hereto, Beneficiary and Trustee are respectively authorized and empowered as follows: Beneficiary may, at any time and from time to time, either before or after the maturity or the expiration of the Loan Documents, and without notice: (a) release any person liable for the payment of any of the indebtedness, (b) make any agreement extending the time or otherwise altering the terms of payment of any of the indebtedness, (c) accept additional security therefor of any kind, (d) release any property, real or personal, securing the indebtedness. Trustee may, without liability therefor and without notice, at any time and from time to time so long as the lien or charge hereof shall subsist, but only upon the written request of Beneficiary and presentation of this Deed of Trust and the Loan Documents for endorsement: (a) consent to the making of any map or plat of the Land, (b) join in granting any easement thereon or in creating any covenants restricting use or occupancy thereof, (c) reconvey, without warranty, any part of the Mortgaged Property, (d) join in any extension agreement or in any agreement subordinating the lien or charge hereof.

SECTION 2.08. This Deed of Trust constitutes a Security Agreement under the laws of the State of California so that Beneficiary shall have and may endorse a security interest in any or all of the Mortgaged Property which may or might now or hereafter be or be deemed to be personal property, fixtures or property other than real estate and Trustor agrees to execute, as debtor, such financing statement or statements as Beneficiary may now or hereafter reasonably request in order that such security interest or interests may be perfected pursuant to such laws. Beneficiary is also hereby granted a security interest in, and Trustor hereby assigns to Beneficiary, all of Trustor's right, title and interest in and to, all declarations of covenants, conditions and restrictions, and all licenses, permits, plans, specifications, subdivision rights, or such other rights as may affect or otherwise relate to the Mortgaged Property.

SECTION 2.09. During the continuance of any Event of Default, Beneficiary shall have all of the rights and remedies of a secured party under the Uniform Commercial Code (the "Code") of the State of California, and specifically the right of direct notice and collection of any obligations owing to Trustor by any lessee. In addition to its rights to foreclose this Deed of Trust Beneficiary shall have the right to sell the Mortgaged Property or any part thereof, or any further, or additional, or substituted Mortgaged Property, at one or more times, and from time to time, at public sale or sales or at private sale or sales, on such terms as to cash or credit, or partly for cash and

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partly on credit, as Beneficiary may deem proper. Beneficiary shall have the right to become the purchaser at any such public sale or sales, free and clear of any and all claims, rights, including rights of equity of redemption in Trustor. Should any of the Mortgaged Property be sold to any party other than Beneficiary, on credit or for future delivery, the property so sold may be retained by Beneficiary until the full sales price therefor is paid by the purchaser, and Beneficiary shall not be liable or responsible for the failure of such purchaser to take up, or pay for, any Mortgaged Property so sold but may, in such event, resell such Mortgaged Property. Trustor shall not be credited with the amount of any part of such purchase price, unless, until and only to the extent that such payment is actually received in cash. Notice of public sale, if given, shall be sufficiently given, for all purposes, if published not less than seven days prior to any sale, in any newspaper of general circulation distributed in the city in which the property to be sold is located, or as otherwise required by the Code. The net proceeds of any sale of the Mortgaged Property which may remain after the deduction of all costs, fees and expenses incurred in connection therewith, including, but not limited to, all advertising expenses, broker's or brokerage commissions, documentary stamps, recording fees, foreclosure costs, stamp taxes and counsel fees, shall be credited by Beneficiary against the liabilities, obligations and indebtedness of Trustor to Beneficiary secured by this Deed of Trust and evidenced by the Loan Documents. Any portion of the Mortgaged Property which may remain unsold after the full payment, satisfaction and discharge of all of the liabilities, obligations and indebtedness of Trustor to Beneficiary shall be returned to the respective parties which delivered the same to Beneficiary. If at any time Trustor or any other party shall become entitled to the return of any of the Mortgaged Property hereunder, any transfer or assignment thereof by Beneficiary shall be, and shall recite that the same is, made wholly without representation or warranty whatsoever by, or recourse whatsoever against Beneficiary.

**ARTICLE III
MISCELLANEOUS**

SECTION 3.01. In the event any one or more of the provisions contained in this Deed of Trust shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Deed of Trust, but this Deed of Trust shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

SECTION 3.02. All notices, certificates and other communications hereunder shall be in writing and shall be deemed given if sent by mail, three days following deposit in the mails, and if sent by telegraph or telex, when sent. All mail shall be sent by registered mail, return receipt requested, postage prepaid, addressed to the parties as first set forth hereinabove. The Beneficiary, Trustor, and the Trustee may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates and other communications shall be sent.

SECTION 3.03. Whenever in this Deed of Trust the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person or persons entitled to receive such notice.

SECTION 3.04. All of the grants, covenants, terms, provisions and conditions herein contained shall run with the land and shall apply to, bind and inure to the benefit of, the successors and assigns of Trustor and Beneficiary and to the successors of the Trustee.

SECTION 3.05. It shall be lawful for the Trustee, or Beneficiary, at its election, upon the occurrence of an Event of Default, to sue out forthwith a complaint in foreclosure upon this Deed of Trust and to proceed thereon to judgment and execution for the recovery of all sums payable by Trustor pursuant to the terms of this Deed of Trust without further stay, any law, usage or custom to the contrary notwithstanding.

SECTION 3.06. Notwithstanding the appointment of any receiver, liquidator or trustee of Trustor, or of any of its property, or of the Mortgaged Property, or any part thereof, the Trustee shall be entitled to retain possession and control of all property now or hereafter held under this Deed of Trust.

SECTION 3.07. Trustor hereby waives and relinquishes unto, and in favor of Beneficiary, all benefit under all laws, now in effect or hereafter passed, to relieve Trustor in any manner from the obligations assumed and the obligation for which this Deed of Trust is security or to reduce the amount of the said obligation to any greater extent than the amount actually paid for the Mortgaged Property, in any judicial proceedings upon the said obligation, or upon this Deed of Trust.

SECTION 3.08. Neither Trustor nor any other person now or hereafter obligated for payment for all or any part of the indebtedness secured hereby shall be relieved of such obligation by reason of the failure of Beneficiary to comply with any request of Trustor or of any other person so obligated to take action to foreclose on this Deed of Trust or otherwise enforce any provisions of the Loan Documents or by reason of the release, regardless of consideration, of all or any part of the security held for the indebtedness secured hereby, or by reason of any agreement of stipulation between any subsequent owner of the Mortgaged Property and Beneficiary extending the time of payment or modifying the terms hereof without first having obtained the consent of Trustor or such other person; and in the latter event Trustor and all other such persons shall continue to be liable to make payment according to the terms of any such extension or modification agreement, unless expressly released and discharged in writing by Beneficiary.

SECTION 3.09. By accepting or approving anything required to be observed, performed or fulfilled or to be given to Beneficiary pursuant to this Deed of Trust, including (but not limited to) any officer's certificate, balance sheet, statement of profit and loss or other financial statement, survey, appraisal or insurance policy, Beneficiary shall not be deemed to have warranted or represented the sufficiency, legality, effectiveness or legal effect of the same, or of any term, provision or condition thereof, and such acceptance or approval thereof shall not be or constitute any warranty or representation with respect thereto by Beneficiary.

SECTION 3.10. Beneficiary shall have the right, at any time and from time to time, after due notice to Trustor, to engage an independent consultant, reasonably acceptable to the Trustor, to survey the adequacy of the maintenance of the Mortgaged Property. If found inadequate, such consultant shall determine the estimated cost of such repairs and replacements necessary to protect and preserve the rentability and useability of the Mortgaged Property and Trustor does hereby acknowledge that the security of this Deed of Trust is hereby impaired to the extent of the estimated cost of such repairs and replacements. In such event, at the option of Beneficiary and within fifteen (15) days after written demand therefore, a sum equal to the amount of such estimated cost shall thereupon become due and payable by Trustor to be applied upon the indebtedness secured hereby unless within such period Trustor, at its own cost and expense, shall have completed or shall have commenced, and thereafter, with diligence, completes such repairs and replacements. In such event, Trustor shall also reimburse Beneficiary for the cost of such survey, the same being secured hereby. If the survey determines such maintenance to be adequate, then the cost therefore shall be at the expense of Beneficiary.

SECTION 3.11. Beneficiary may from time to time, without notice to Trustor or to the Trustee, and with or without cause and with or without the resignation of the Trustee substitute a successor or successors to the Trustee named herein or acting hereunder to execute this trust. Upon such appointment and without conveyance to the successor Trustee, the latter shall be vested with all title, powers and duties conferred upon the Trustee herein named or acting hereunder. Each such appointment and substitution shall be made by written document executed by Beneficiary, containing reference to this Deed of Trust and its place of record, which when duly filed for record in the proper office, shall be conclusive proof of proper appointment of the successor Trustee. The procedure herein provided for substitution of the Trustee shall be conclusive of all other provisions for substitution, statutory or otherwise.

The Undersigned Trustor requests that a copy of any notice of default and of any notice of sale hereunder be mailed to Trustor at the address hereinbefore set forth.

IN WITNESS WHEREOF, Trustor has caused this Deed of Trust to be executed as of the day and year first above written.

XEBEC

By:

C. Hoebich

Christian C.E. Hoebich

Its:

Chief Financial Officer

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DESCRIPTION

All those certain lots, pieces or parcels of land situate in the County of Douglas, State of Nevada, described as follows:

Those parcels of land situate in and being a portion of the Northeast 1/4 of the Northeast 1/4 of Section 11, Township 12 North, Range 20 East, M.D.B. & M., Douglas County, Nevada, more particularly described as follows, to-wit:

Parcels 2-A and 2-B, as set forth on that certain Parcel Map for James Toreson, filed for record in the office of the County Recorder of Douglas County, Nevada, on December 8, 1982, in Book 1282, Page 420, Document No. 73787.

A.P.N. 23-010-32

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Exhibit "A" to Deed of Trust

**REQUESTED BY
LAWYERS TITLE**

**IN OFFICIAL RECORDS OF
DOUGLAS CO., NEVADA**

85 AUG 30 P3 55

**SUZANNE BEAUDREAU
RECORDER**

\$ 11.00 PAID *SM* DEPUTY

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