

WHEN RECORDED MAIL TO:
QUESNOY
6950 LAKESIDE DRIVE
RENO, NV. 89511-7606

DEED OF TRUST, SECURITY AGREEMENT, AND FIXTURE FILING
WITH ASSIGNMENT OF LEASES AND RENIS

THIS DEED OF TRUST, SECURITY AGREEMENT, AND FIXTURE FILING WITH ASSIGNMENT OF LEASES AND RENIS ("Deed of Trust"), is made this 25th day of February, 1991, by ANTHONY L. HUDSON, A MARRIED MAN AND MELVIN P. OWENS, AN UNMARRIED MAN AS JOINT TENANTS WITH RIGHT OF SURVIVORSHIP

_____ ("Trustor"), whose address is: P.O. BOX 2288, MINDEN, NV. 89423; to WESTERN TITLE COMPANY, INC., a Nevada corporation, as trustee ("Trustee") for the benefit of CHARLES E. QUESNOY, JR., as beneficiary and secured party ("Beneficiary"), whose address is: 6950 Lakeside Drive, Reno, Nevada 89511-7606.

1. Grant and Assignment. For good and valuable consideration, Trustor hereby irrevocably and unconditionally grants, transfers and assigns to Trustee, in trust, with power of sale, all that certain real property located in Douglas County, Nevada, as more particularly described in Exhibit "A" attached hereto and incorporated herein ("the Land") together with all right, title and interest of Trustor in all buildings and improvements now located or hereafter to be constructed thereon (collectively "Improvements"), the Appurtenant Rights and Easements and the Proceeds of the Land Improvements and Appurtenant Rights and Easements, all as more particularly described below, and further grants, assigns and transfers to Beneficiary a security interest in the Personal Property and the Proceeds of the Personal Property, as more particularly described below;

"Appurtenant Rights and Easements" are any and all interests, claims, or rights which Trustor may hereafter acquire in the Land and Improvements, and all right, title and interest of Trustor in the appurtenances, hereditaments, privileges, reversions, remainders, profits, easements, franchises and tenements thereof, including, but not limited to, all minerals, oil, gas and other hydrocarbon substances thereon or therein, air rights, waters and water rights, and any land lying in the streets, roads or avenues, open or proposed, in front of or adjoining the Land and Improvements (herein "Appurtenant Rights and Easements");

"Personal Property" is all right, title and interest of Trustor now held, or hereafter acquired, in all equipment, machinery, fixtures, signs, chattels, furniture, furnishings and other articles of tangible personal property, and any additions to, substitutions for, changes in or replacements of the whole or any part thereof now or at any time hereafter affixed to, attached to, placed upon or used in any way in connection with the use, enjoyment, occupancy or operation of the Land and Improvements or any portion thereof, including all building materials and equipment now or hereafter delivered to the Land and Improvements and intended to be installed in or about the same, and all inventory, accounts, accounts receivable, general intangibles, contract rights, development and use rights, governmental approvals,

permits, "will-serve" letters, licenses, applications, architectural and engineering plans, specifications and drawings, architectural, engineering and construction contracts, chattel paper, instruments, documents, notes, drafts and letters of credit arising from or related to the Land and Improvements and any business conducted thereon by Trustor, Trustor's interest in all loan funds held by Beneficiary, whether or not disbursed, all funds deposited by Trustor with Beneficiary under the Loan Agreement of even date herewith, and all reserves, deferred payments, deposits, refunds, cost savings, and payments of any kind relating to the construction of improvements on the Land encumbered hereby, and any other intangible personal property and rights relating to the Land and Improvements or any part thereof or to the operation thereof or used in connection therewith, including, without limitation, tradenames and trademarks, and all Proceeds of the Personal Property;

"Proceeds" are all of Trustor's right, title and interest now held or hereafter acquired, to all proceeds (including claims or demands thereto) from the conversion, voluntary or involuntary, of any of the Land, Improvements, or Appurtenant Rights and Easements, or Personal Property into cash or liquidated claims, including, without limitation, proceeds of all present and future fire, hazard or casualty insurance policies and all condemnation awards or payments in lieu thereof made by any public body or decree by any court of competent jurisdiction for taking or for degradation of the value in any condemnation or eminent domain proceeding, and all causes of action and the proceeds thereof of all types for any damage or injury to the Land, Improvements, Appurtenant Rights and Easements, or Personal Property or any part thereof, including, without limitation, causes of action arising in tort or contract and causes of action for fraud or concealment of a material fact, and all proceeds from the sale thereof (herein collectively "Proceeds").

IN ADDITION, Trustor absolutely and irrevocably assigns to Beneficiary all right, title and interest of Trustor in and to (i) all leases, rental agreements and other contracts and agreements relating to use and possession of any of the Land or Improvements, or Appurtenant Rights and Easements ("collectively "Leases"), and (ii) the rents, issues, profits and proceeds therefrom together with all guarantees thereof and all deposits (to the full extent permitted by law) and other security therefor (collectively "Rents"). (The Land, Improvements, Appurtenant Rights and Easements, Personal Property, Proceeds, Leases, Rents, and all other rights, titles, and interests of Trustor described above are hereinafter collectively referred to as "the Property".)

This Deed of Trust is a construction mortgage as defined in NRS 104.9313(1) (c).

2. Obligations Secured. Trustor makes this Deed of Trust for the purposes of securing:

(a) Payment of all indebtedness and other obligations evidenced by that certain promissory note of even date herewith ("Note"), made by Trustor payable to the order of Beneficiary in the principal sum of TWENTY NINE THOUSAND FOUR HUNDRED FORTY EIGHT ***** AND 60/100THS DOLLARS (\$ 29,448.60****);

(b) Payment and performance of all obligations of Trustor under this Deed of Trust, including payment of all sums expended or advanced by Beneficiary hereunder, together with interest thereon at the rate specified herein, or if no rate is specified, at the rates then payable under the Note ("the Note Rate"), in the preservation, enforcement and realization of the

rights of Beneficiary hereunder or under any of the other obligations secured hereby, including, but not limited to, attorney's fees, court costs, other litigation expenses and foreclosure expenses;

(c) Payment and performance of all obligations of Trustor to Beneficiary under the loan agreement of even date herewith between Trustor as "Borrower" and Beneficiary as "Lender" ("Loan Agreement"), and any other loan documents executed in connection with the Loan Agreement;

(d) Payment and performance of all future advances and other obligations that the then record owner of all or part of the Property may agree to pay or perform (whether as principal, surety or guarantor) for the benefit of Beneficiary, when such obligation is evidenced by a writing which states that it is secured by this Deed of Trust;

(e) Payment and performance of all future advances and other obligations that the then record owner of all or part of the Property may agree to pay or perform (whether as principal, surety or guarantor) for the benefit of Beneficiary, when such obligation is evidenced by a writing which states that it is secured by this Deed of Trust;

(f) Payment and performance of all modifications, extensions and renewals (if any) of one or more of the obligations secured hereby, including without limitation (i) modifications of the required principal payment dates or interest payment dates, deferring or accelerating payment dates wholly or partly, and (ii) modifications, extensions or renewals at a different rate of interest whether or not, in the case of a note or other contract, the modification, extension or renewal is evidenced by a new or additional promissory note or other contract; and

(g) Performance of each and every obligation of Trustor as lessor or lessee under any and all leases executed in connection with the Property.

The Note and other obligations secured by this Deed of Trust are herein collectively called the "Secured Obligations". All persons who may have or acquire an interest in the Property shall be deemed to have notice of, and shall be bound by, the terms of the Note, this Deed of Trust, and any loan agreement and any other instruments, agreements or documents made or entered into in connection herewith (collectively "Loan Documents" or "Documents") and each of the Secured Obligations.

3. Assignment of Leases and Rents. Trustor does hereby sell, assign and transfer unto Beneficiary all of the leases, rents, income and profits now due and which may hereafter become due under or by virtue of any lease, whether written or oral, or any agreement for the use or occupancy of the Property, it being the intention of Trustor and Beneficiary to establish an absolute transfer and assignment of all such leases and agreements, and all of the rents and profits from the Property unto the Beneficiary, and the Trustor does hereby appoint irrevocably the Beneficiary its true and lawful attorney in its name and stead, which appointment is coupled with an interest, to collect all of said rents and profits; provided, Beneficiary grants the trustor the privilege to collect and retain such rents, income, and profits unless and until an Event of Default (as hereinafter defined) exists under this Deed of Trust. Upon the occurrence of an Event of Default, and whether before or after the institution of legal proceedings to foreclose the lien hereof or before or after sale of the Property, or during any period of redemption, and without regard to waste,

adequacy of the security or solvency of the Trustor, the Beneficiary may revoke the privilege granted Trustor hereunder to collect the rents, issues and profits of the Property, and may, at its option, without notice:

(i) in person or by agent, with or without taking possession of or entering the Property, with or without bringing any action or proceeding, give, or require Trustor to give, notice to any or all tenants under any lease authorizing and directing the tenant to pay such rents and profits to Beneficiary; collect all of the rents, issues and profits; enforce the payment thereof and exercise all of the rights of the landlord under any lease and all of the rights of Beneficiary hereunder; may enter upon, take possession of, manage and operate said Property, or any part thereof; may cancel, enforce or modify any leases, and fix or modify rents, and do any acts which the Beneficiary deems proper to protect the security hereof with or without taking possession of the Property; or

(ii) apply for the appointment of a receiver in accordance with Nevada law, which receivership Trustor hereby consents to, who shall collect the rents, profits and all other income of any kind; manage the Property so as to prevent waste; and execute leases which may expire within or after the period of receivership.

(a) Neither the assignment of the Leases and Rents set forth above nor any other provision of any of the Documents shall impose upon Beneficiary any duty to produce Rents from the Property or cause Beneficiary to be (a) a "mortgagee in possession" for any purpose, (b) responsible for performing any of the obligations of the lessor under any Lease, or (c) responsible or liable for any waste by any lessees or any other parties, for any dangerous or defective condition of the Property, for any negligence in the management, upkeep, repair or control of the Property, or for any other act or omission by any other person. The foregoing assignment is an absolute assignment and not an assignment for security only, and Beneficiary's right to the Rents is not contingent upon its possession of the Property.

(b) Trustor hereby directs each tenant of the Property, or any portion thereof, to pay such Rents to Beneficiary or Beneficiary's agent, and irrevocably appoints Beneficiary as its true and lawful attorney-in-fact, at the option of Beneficiary, at any time and from time to time, to demand, receive and enforce payment, to give receipts, releases and satisfactions and to use, in the name of Trustor or Beneficiary, for all such Leases and Rents and apply the same to the Secured Obligations; provided, however, Beneficiary confers upon Trustor the authority to collect and retain the Rents as they become due and payable, subject, however, to the right of Beneficiary to revoke said authority at any time after the occurrence of an Event of Default hereunder, and without taking possession of all or any part of the Property. Trustor shall not accept any deposit or prepayment of rental or lease payment in excess of one (1) month in advance. Beneficiary at any time may require that all deposits and prepayments be delivered to Beneficiary. Trustor covenants and agrees that Trustor shall not (i) amend, modify or change any term, covenant or condition of any Lease in existence on the date of this Deed of Trust without the prior written consent of Beneficiary, or (ii) enter into any Lease of the Property, or any interest therein, or any portion thereof, from and after the date of this Deed of Trust without the prior written consent

of Beneficiary. Trustor agrees that commencing with an event of Default, as hereinafter defined, each tenant of the Property, or any portion thereof, shall make such Rents payable to and pay such Rents to Beneficiary, or Beneficiary's agent, upon Beneficiary's written demand to each tenant therefor, without any liability on the part of such tenant to inquire further as to the existence of a Default by Trustor, provided, however, in the event of Trustor's cure of any such Default as herein provided, Trustor shall again be entitled to recover and collect such rents as provided above prior to the event of Default.

(c) Trustor shall (i) fulfill or perform each and every condition and covenant of each Lease to be fulfilled or performed by the lessor thereunder, (ii) give prompt notice to Beneficiary of any notice of default by the lessor or the lessee thereunder received by Trustor together with a complete copy of any such notice, and (iii) enforce, short of termination thereof, the performance or observance of each and every covenant and condition thereof by the lessee thereunder to be performed or observed.

(d) Trustor shall furnish to Beneficiary, within thirty (30) days after a request by Beneficiary, a written statement containing the names of all lessees of the Property, the terms of their respective Leases, the space occupied, and the rentals payable and received thereunder and a copy of each Lease.

(e) All Leases shall provide for the subordination, in form and substance satisfactory to Beneficiary, of such Leases to this Deed of Trust and all extensions, renewals and modifications thereof. In addition, each Lease shall provide that in the event of the enforcement by Trustee or Beneficiary of the remedies provided at law or by this Deed of Trust, each lessee under a Lease shall, if requested by Beneficiary as a result of such enforcement, automatically become the lessee of Beneficiary, without any change in the terms or other provisions of the respective Lease; provided, Beneficiary shall not be (i) bound by any payment of rent or other sum more than one (1) month in advance, except payments in the nature of security, (ii) bound by any amendment or modification to the respective Lease made without the consent of Beneficiary, (iii) liable for damages or any act or omission of any prior lessor, or (iv) subject to any offsets or defenses which such lessee might have against any prior lessor.

4. Representations and Warranties. Trustor acknowledges, represents and warrants that Trustor lawfully holds, owns and possesses the Property in fee simple subject to no lien, claim, security interest or encumbrance except those approved by Beneficiary in writing prior to the delivery hereof.

5. Taxes and Assessments.

(a) Trustor shall pay prior to delinquency all taxes, assessments, levies and charges of any kind or nature whatsoever imposed by any governmental or quasi-public authority or utility company which are (or, if not paid, may become) a lien upon or cause a loss in value of any interest in any of the Property, including assessments on appurtenant water stock. Trustor shall also pay prior to delinquency all taxes, assessments, levies and charges imposed by any governmental authority upon Beneficiary by reason of its interest in any Secured Obligation or in any of the Property or by reason of any payment made to Beneficiary hereunder or pursuant to any Secured Obligation. Trustor shall

furnish Beneficiary, within ten (10) days after the date such payments are due and payable, official receipts of the appropriate authority or other proof satisfactory to Beneficiary evidencing the payment thereof.

(b) "Costs", as used in this section, means taxes, bond installments, assessments, levies, insurance premiums and other expenses which Trustor agrees to pay under this Deed of Trust. At Beneficiary's option, and upon its demand, each time a payment of principal or interest is due under the Note, Trustor shall pay to Beneficiary an additional amount ("Payment") estimated by Beneficiary to be equal to the total of the amount next due for all Costs, divided by, for each item of Costs the number of payments required under the Note before that item of Costs will become due, less one. Beneficiary shall use the amounts in the account, or at Beneficiary's sole option, Beneficiary may release those amounts to Trustor, for payment of the Costs. Beneficiary shall maintain an account showing all Payments received and all Costs paid by Beneficiary, and shall give Trustor reports on the account as required by law, but not less than annually. If the amounts paid to Beneficiary hereunder are insufficient to discharge the obligations of Trustor to pay such premium or premiums, taxes and assessments as the same become due, Trustor shall pay to Beneficiary upon demand such additional sums as Beneficiary may require to discharge Trustor's obligations to pay the premium or premiums, taxes and assessments. Beneficiary, at its sole option, may refund any amount in the account which exceeds the amount due or may continue to hold the excess and reduce proportionately the Payments for the next year. Trustor grants Beneficiary a security interest in the account to secure payment and performance of the Secured Obligations. Upon the occurrence of any Default and to the extent permitted by law, Beneficiary, at its sole option, may apply all or any part of the account to payment or performance of any Secured Obligation. Trustor shall restore all amounts so applied as a condition of curing the Default in addition to fulfillment of any other conditions. The existence of the account shall not limit Beneficiary's rights under any other provision of this Deed of Trust or any other agreement or statute or rule of law. Trustor shall not receive interest on the account except to the extent and in the amount required by law. The relationship between Beneficiary and Trustor with respect to the account shall be one of debtor and creditor, and Beneficiary shall not be a trustee, special depository or any other fiduciary acting for the benefit of Trustor.

6. Insurance.

(a) Trustor shall at its expense, procure for, deliver to and maintain for the benefit of, Beneficiary until the Secured Obligations are fully repaid, original, fully paid (prepaid at least one [1] year in advance) insurance policies providing the following types of insurance relating to the Property, issued by such insurance companies, in such amounts, in such form and content and with such expiration dates as are approved by Beneficiary, in Beneficiary's sole discretion, such policies to provide that the insurer shall give Beneficiary at least thirty (30) days prior written notice of cancellation or termination, in the manner provided for the giving of notices to Beneficiary under Paragraph 33 hereof and to provide that no act or thing done by the insured shall invalidate or diminish the insurance provided to Beneficiary and, except for liability policies, to contain a standard mortgage clause either in form 438BFU NS (Rev. May 1, 1942) X, or other form satisfactory to Beneficiary:

(i) Broad form property insurance against all risks of physical loss, including, without limitation, fire, extended coverage, vandalism, malicious mischief, earthquake, flood and collapse, with waiver of subrogation, to the extent of the full replacement cost of the improvements to the Property, without deduction for depreciation, either without co-insurance requirements or with agreed amount endorsement attached;

(ii) Public liability insurance, with all-risk endorsement, covering all liabilities incident to the ownership, possession, occupancy and operation of the Property and naming Beneficiary as an additional insured thereunder, having limits of not less than \$1,000,000.00 each accident, \$1,000,000.00 each person, and \$500,000.00 property damage. In addition, Trustor shall furnish Beneficiary with a certificate evidencing an umbrella policy of public liability and property damage insurance in an amount of not less than \$3,000,000.00.

(iii) Rent or business interruption insurance against loss of income arising out of any hazard against which the Property is required to be insured under subparagraph 6(a)(i) above, in an amount not less than twelve (12) months gross rental income from the Property;

(iv) Flood hazard insurance, if the Property is in an area which is, at any time during the term of this Deed of Trust, identified by the Secretary of Housing & Urban Development as having special flood or mud slide hazards and in which flood insurance has been made available under the National Flood Insurance Act of 1968, as amended;

(v) During the period of any construction on or renovation or alteration of the Improvements, a "Builder's Risk-All Risk Completed Value" insurance policy and Worker's Compensation Insurance covering all persons engaged in such construction, renovation or alteration;

(vi) Insurance covering the major components of the central heating, air conditioning and ventilating systems, boilers, other pressure vessels, high pressure piping and machinery, if any, or other similar equipment installed in the Improvements, in an amount determined by Beneficiary, which policies shall also insure against physical damage to the Improvements arising out of an accident covered thereunder;

(vii) Such other insurance on the Property, or any replacements or substitutions therefor, in such amounts as may from time to time be required by Beneficiary against other insurable casualties which at the time are commonly insured against in the case of the properties of similar character and location.

(b) Trustor covenants and agrees that Beneficiary is hereby authorized and empowered, at its option, to adjust, compromise or settle any loss under any insurance policies maintained pursuant hereto, and to collect and receive the proceeds from any policy or policies. Each insurance company is hereby authorized and directed to make payment for all such losses directly to Beneficiary, instead of to Trustor and Beneficiary jointly. In the event any insurance company fails to disburse directly and solely to Beneficiary, but disburses instead either solely to Trustor or to Trustor and Beneficiary

jointly, Trustor agrees immediately to endorse and transfer such proceeds to Beneficiary. Upon the failure of Trustor to endorse and transfer such proceeds as aforesaid, Beneficiary may execute such endorsements or transfers for and in the name of Trustor and Trustor hereby irrevocably appoints Beneficiary as its agent and attorney-in-fact so to do. After deducting from said insurance proceeds all of its expenses incurred in the collection and administration of such sums, including attorneys' fees, Beneficiary may apply the net proceeds or any part thereof, at its sole option, (i) to a pre-payment of the Note, without pre-payment premium or penalty, (ii) to the repair and/or restoration of the Property, upon such conditions as Beneficiary may determine, and/or (iii) for any other purposes or objects for which Beneficiary is entitled to advance funds under this Deed of Trust, all without affecting the lien of this Deed of Trust or any obligations secured hereby. Any balance of such proceeds then remaining shall be paid to Trustor or the person or entity lawfully entitled thereto. Beneficiary shall not be obligated to see to the proper application of any amount paid over to Trustor and shall not be held responsible for any failure to collect any insurance proceeds due under the terms of any policy, regardless of the cause of such failure.

(c) At least twenty (20) days prior to the expiration date of each policy maintained pursuant to this Paragraph 6, a renewal or replacement thereof satisfactory to Beneficiary shall be delivered to Beneficiary. Trustor shall deliver to Beneficiary receipts evidencing the full payment of premiums for all such insurance policies and renewals or replacements. In the event Trustor fails to provide, maintain, keep in force or deliver and furnish to Beneficiary the policies of insurance required by this Deed of Trust, Beneficiary may, but shall not be obligated to, procure such insurance and Trustor shall pay all premiums thereon promptly upon demand by Beneficiary; any premiums so paid by Beneficiary shall be added to the principal balance of the Note as of the date paid, shall bear interest thereafter at the interest rate specified in the Note secured hereby, and shall be secured by this Deed of Trust. Beneficiary shall not be responsible for nor incur any liability for the insolvency of the insurer, even though Beneficiary has caused the insurance to be placed with the insurer after failure of Trustor to furnish such insurance.

(d) In the event of the foreclosure of this Deed of Trust or any other transfer of title to the Property in extinguishment or partial extinguishment of the Indebtedness, all right, title and interest of the Trustor in and to all insurance policies maintained pursuant to this Paragraph 6 then in force shall belong to the purchaser and Beneficiary is hereby irrevocably appointed by Trustor as attorney-in-fact for Beneficiary to assign any such policy to said purchaser, without accounting to Trustor for any unearned premiums therefor.

(e) Approval of any insurance by Beneficiary shall not be a representation of the solvency of any insurer or the sufficiency of any amount of insurance.

7. Condemnation Proceeds. All awards of damages and all other compensation payable directly or indirectly by reason of a condemnation for public or private use affecting any interest in any of the Property shall be paid to Beneficiary. Except as otherwise set forth herein, Beneficiary may apply any such sum to the payment of the Secured Obligations. Any such application of proceeds to the Secured Obligations shall not extend or postpone the due date of installments under the Note or change

the amount of such installments. Application of all or any portion of said funds, or the release thereof, shall not cure or waive any Default or notice thereof or invalidate any acts done pursuant to such notice.

8. Liens, Encumbrances and Charges. Trustor shall immediately discharge any lien, claim or encumbrance which has not been approved by Beneficiary in writing, and which has or may attain priority over this Deed of Trust. Trustor shall pay at or prior to maturity all obligations secured by or reducible to liens or encumbrances which shall now or hereafter encumber or appear to encumber all or any interest in any of the Property, whether senior or subordinate hereto. Trustor agrees to appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of beneficiary or Trustee; and to pay all costs and expenses, including cost of evidence of title and attorney's fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear, and in any suit brought by Beneficiary to foreclose this Deed of Trust.

9. Maintenance and Preservation of the Subject Property. Trustor covenants:

(a) To keep the Property in good condition and repair;

(b) Not to remove or demolish any of the Property without Beneficiary's prior written consent;

(c) Not to make any capital improvements in or to any of the Property, other than repairs and maintenance which preserve the value of the Property, without Beneficiary's prior written consent; and to pay when due all claims for labor performed and materials furnished in connection with any work of improvement upon the land.

(d) To complete or restore promptly and in good and workmanlike manner any of the Property which may be damaged or destroyed, or which may be affected by any condemnation or eminent domain proceeding;

(e) Not to suffer violation of any, and to comply with all, (i) laws, ordinances, regulations and standards; (ii) covenants, conditions, restrictions and equitable servitudes, whether public or private, of every kind and character; and (iii) requirements of insurance companies for insurability, which laws, covenants or requirements affect any of the Property or pertain to acts committed or conditions existing thereon;

(f) Not to initiate or acquiesce in any change in any zoning or other land use or legal classification which affects any of the Property without Beneficiary's prior written consent;

(g) Not to alter the use of all or any part of the Property without the prior written consent of Beneficiary;

(h) Not to commit or permit waste of the Property or to conduct or permit any nuisance thereon or abandon the same;

(i) To do all other acts which from the character or use of the Property may be reasonably necessary to maintain and preserve its value;

(j) To make no further assignment of Rents or Leases without Beneficiary's prior written consent; and

(k) To pay when due all installments owing upon conditional sales or like agreements with respect to any Personal Property.

10. Defense and Notice of Losses, Claims and Actions. Trustor shall protect, preserve, and defend the Property and title to and right of possession of the Property, the security and priority hereof, and the rights and powers of Beneficiary hereunder at Trustor's sole expense against all adverse claims. Trustor shall give Beneficiary prompt notice in writing of the assertion of any claim, of the filing of any action or proceeding, of the occurrence of any damage to any of the Property, of any condemnation offer or action and of any Default.

11. Inspection. Beneficiary, its agents and employees may enter the Property at any reasonable time for the purpose of inspecting the Property and ascertaining Trustor's compliance with the terms of this Deed of Trust and each of the other Documents.

12. Compensation; Exculpation; Indemnification.

(a) Trustor shall pay to Beneficiary reasonable compensation for services rendered by Beneficiary or its agents which relate to this Deed of Trust, including, without limitation, preparation of any statement of any Secured Obligation. Beneficiary shall not directly or indirectly be liable to Trustor or any other person as a consequence of (i) the exercise of the rights, remedies or powers granted to Beneficiary under this Deed of Trust, (ii) the failure or refusal of Beneficiary to perform or discharge any obligation or liability of Trustor under any agreement related to the Property or under this Deed of Trust, or (iii) any loss sustained by Trustor or any third party resulting from Beneficiary's failure to lease the Property after a Default or from any other act or omission of Beneficiary in managing the Property after a Default unless the loss is caused by the wilful misconduct or bad faith of Beneficiary.

(b) Trustor shall indemnify Beneficiary against, and shall hold it harmless from, all losses, damages, liabilities, claims, causes of action, judgments, court costs, attorneys' fees and other legal expenses, cost of evidence of title, cost of evidence of value, and other expenses which Beneficiary may suffer or incur (i) by reason of enforcement of the provisions of this Deed of Trust or any of the other Documents, (ii) in performance of any act required or permitted hereunder, under any of the other Documents or by law, (iii) as a result of any failure of Trustor to perform any of Trustor's obligations, or (iv) by reason of any alleged obligation or undertaking on Beneficiary's part to perform or discharge any of the representations, warranties, conditions, covenants, or other obligations contained in any other document related to any of the Property.

13. Estoppel Certificate. Trustor shall, at any time and from time to time upon not less than ten (10) days prior written notice from Beneficiary, execute, acknowledge and deliver to Beneficiary a statement (i) certifying that this Deed of Trust and the other Secured Obligations are unmodified and in full force and effect, or, if modified, stating the nature thereof and certifying that each Secured Obligation, as so modified, is in full force and effect and the date to which

principal, interest and other sums secured hereby have been paid, and (ii) acknowledging that there are no uncured Defaults under this Deed of Trust or any other Secured Obligation or specifying such Defaults if any are claimed. Any such certificate may be conclusively relied upon by Beneficiary and any prospective purchaser or assignee of any Secured Obligation. Trustor's failure to deliver such certificate within such time shall be conclusive upon Trustor that (i) the Secured Obligations are in full force and effect, without modification, except as may be represented by Beneficiary, and (ii) there are no uncured Defaults thereunder.

14. Further Assurances. Trustor shall promptly make, execute, acknowledge and deliver, in form and substance satisfactory to Beneficiary, all additional instruments, agreements and other documents, and Trustor shall do all other acts, as may at any time hereafter be requested by Beneficiary to effectuate and carry out the purposes of this Deed of Trust and each of the Secured Obligations.

15. Expenses and Fees. All reasonable expenses, costs and other liabilities, including attorneys' fees, which Beneficiary or Trustee may incur (i) in enforcing, defending, construing or administering this Deed of Trust (or its priority) or any of the other Documents, (ii) for any inspection, evaluation, appraisal, survey or other service in connection with any of the Property, (iii) for any title examination or title insurance policy relating to the title to any of the Property, or (iv) in the exercise by Beneficiary of any rights or remedies granted by this Deed of Trust or any of the other Documents, shall be paid by Trustor upon demand by Beneficiary, together with interest thereon, from the date of expenditure until payment in full, at the rate then in effect under the Note.

16. Beneficiary's Powers. Beneficiary may commence, appear in, defend or prosecute any assigned claim or action; and Beneficiary may adjust, compromise, settle and collect all claims and awards assigned to Beneficiary, but shall not be responsible for any failure to collect any claim or award regardless of the cause of the failure. Without affecting the liability of any other person liable for the payment of any obligation herein mentioned, and without affecting the lien or charge of this Deed of Trust upon any portion of the Property not then or theretofore released as security for the full amount of the Secured Obligations, Beneficiary may, from time to time and without notice (i) release any person so liable, (ii) extend the maturity or alter any of the terms of any such obligation, (iii) grant other indulgences, (iv) release or reconvey, or cause to be released or reconveyed, at any time and at Beneficiary's option, any parcel, portion or all of the Property, (v) take or release any other or additional security for any Secured Obligation or (vi) compromise or make other arrangements with debtors in relation thereto.

17. Trustee's Powers. At any time, or from time to time, without liability therefor and without notice, upon written request of Beneficiary and without affecting the effect of this Deed of Trust upon the remainder of the Property, Trustee may (i) reconvey any part of the Property, (ii) consent in writing to the making of any map or plat thereof, (iii) join in granting any easement thereon, or (iv) join in any extension agreement or any agreement subordinating the lien or charge hereof.

18. Security Agreement; Fixture Filing.

(a) Trustor hereby grants, assigns and transfer to Beneficiary a security interest in and to the Personal Property; and this Deed of Trust shall constitute a security agreement pursuant to the Nevada Uniform Commercial Code with respect to Personal Property located in Nevada (the Nevada Uniform

Commercial Code is referred to as the "UCC"). For purposes of treating this Deed of Trust as a security agreement, Trustor shall be deemed to be the "Debtor" and Beneficiary the "Secured Party".

(b) Trustor maintains a place of business in the State of Nevada at the address set forth in this Deed of Trust; and Trustor will immediately notify Beneficiary in writing of any change in its place of business.

(c) At the request of Beneficiary, Trustor shall join Beneficiary in executing one or more financing statements and continuations and amendments thereof pursuant to the UCC in form satisfactory to Beneficiary; and Trustor will pay the cost of filing the same in all public offices wherever filing is deemed by Beneficiary to be necessary or desirable. In the event Trustor fails to execute such documents, Trustor hereby authorizes Beneficiary to file such financing statements, and continuations and amendments thereto, and irrevocably constitutes and appoints Beneficiary, or any officer of Beneficiary, as its true and lawful attorney-in-fact to execute the same on behalf of Trustor.

(d) In addition to Beneficiary's rights under the UCC, Beneficiary may, but shall not be obligated to, at anytime without notice and at the expense of Trustor, (i) give notice to any person of Beneficiary's rights hereunder and enforce such rights; (ii) insure, protect, defend and preserve the Personal Property and any rights or interest of Beneficiary therein; (iii) inspect the Personal Property; and (iv) endorse, collect and receive any right to payment of money owing to Trustor under or from the Personal Property. Beneficiary shall have no duty or obligation to make or give any presentments, demand for performance, notices of nonperformance, notices of protest or notices of dishonor in connection with any of the Personal Property.

(e) Upon the occurrence of a Default, Beneficiary shall have with respect to the Personal Property, in addition to all of its rights and remedies as stated in this Deed of Trust, all rights and remedies of a secured party under the UCC as well as all other rights and remedies available at law or in equity.

(f) PARTS OF THE PERSONAL PROPERTY ARE, OR ARE TO BECOME, FIXTURES ON THE PROPERTY.

(g) Beneficiary has no responsibility for, and does not assume any of, Trustor's obligations or duties under any agreement or obligation which is part of the Personal Property or any obligation relating to the acquisition, preparation, custody, use, enforcement or operation of any of the Property.

(h) Trustor and Beneficiary agree that the filing of a financing statement in the records normally having to do with personal property shall never be construed as in any way derogating from or impairing this Deed of Trust and the intention of the parties that everything used in connection with the production of income from the Property or adapted for use therein or which is described or reflected in this Deed of Trust is, and at all times and for all purposes and in all proceedings both legal or equitable shall be regarded as, part of the real estate subject to the lien hereof, irrespective of whether (i) any such item is physically attached to improvements located on such real property or (ii) any such item is referred to or reflected in any financing statement so filed at any time. Similarly, the mention in any such financing

statement of (A) the Property or (B) any award in eminent domain proceedings for taking or for loss of value or for any cause of action or proceeds thereof in connection with any damage or injury to the Property or any part thereof shall never be construed as in any way altering any of the rights of Beneficiary as determined by this instrument or impugning the priority of Beneficiary's lien granted hereby or by any other recorded document, but such mention in such financing statement is declared to be for the protection of Beneficiary in the event any court shall at any time hold with respect to matters (A) and (B) above that notice of Beneficiary's priority of interest, to be effective against a particular class of persons, including, without limitation, the Federal government and any subdivision or entity of the Federal government, must be filed in the personal property records or other commercial code records.

(i) Trustor shall not permit any of the Personal Property to be removed from the Improvements or the Land, as the case may be without the prior written consent of Beneficiary unless (i) the replacements for such items of Personal Property are of equivalent or superior value and quality, and (ii) Trustor has good and clear title to such replacements free and clear of any and all liens, encumbrances, security interests, ownership interests, claims of title (contingent or otherwise) or charges of any kind or the rights of any such conditional sellers, vendors or any other third parties have been expressly subordinated, at no cost to Beneficiary, to the lien and security interest granted hereby in a manner satisfactory to Beneficiary.

(j) Trustor acknowledges that at the time the security interest created hereby attaches the Personal Property collateral consists of inventory, fixtures, equipment, general intangibles, accounts and chattel papers.

(k) Trustor hereby acknowledges that the sale of the Personal Property by Trustee after default of Trustor pursuant to the provisions of this Agreement and Chapter 107 of the Nevada Revised Statutes (as the same may be amended from time to time) or pursuant to a court order rendered in a judicial foreclosure proceeding, shall be deemed to constitute a "commercially reasonable" sale within the meaning of Article 9 of Chapter 104 of the Nevada Revised Statutes, as to the Personal Property collateral.

Notwithstanding any provision to the contrary set forth herein, Beneficiary, may, at its sole discretion, choose such other means for sale of the Personal Property collateral, or a portion or portions thereof, which Beneficiary deems to be reasonable, so long as such sale complies with the provisions of Article 9 of Chapter 104 of the Nevada Revised Statutes. In such event Beneficiary shall, in its sole discretion, determine which of the Property is personal property and therefore subject to the provisions of such Article 9.

19. Default. Each of the following events is an event of default hereunder (herein "Event of Default" or "Default"):

(a) The occurrence of a default under the Note or the failure to pay or perform any other Secured Obligation as when first due; or

(b) The failure by Trustor to perform or comply with any other obligation, covenant or condition contained in this Deed of Trust or any of the other Documents including any loan agreement; or

(c) The occurrence of a default, "Default" or "Event of Default" under any of the other Documents; or

(d) The occurrence of any transfer prohibited by this Deed of Trust, including, but not limited to, those described in paragraph 41 below; or

(e) The fact that any warranty of Trustor contained in this Deed of Trust or in any other Document proves to be untrue or misleading in any respect as of the time made or as of any subsequent time prior to the satisfaction in full of all of the Secured Obligations; or

(f) The filing of any federal tax lien against the Property or any portion thereof, or interest therein; or

(g) Any Trustor or any maker, endorser or guarantor of the Note (if a corporation) is liquidated or dissolved or its charter expires or is revoked, or any Trustor or any such maker, endorser or guarantor (if a partnership or business association) is dissolved or partitioned, or any Trustor or any such maker, endorser or guarantor (if a trust) is terminated or expires, or any Trustor or any such maker, endorser or guarantor (if an individual) dies; or

(h) The filing by any person or entity of any claim in any legal or equitable proceeding challenging the priority of this Deed of Trust as shown on the policy of title insurance described in, and acquired pursuant to the terms of, the Loan Agreement; or

(i) Any Trustor applies for or consents to the appointment of a receiver or trustee for it or any portion of its property, or if such a receiver or trustee is appointed for any Trustor or its property or if any Trustor makes an assignment for the benefit of creditors, or admits in writing its inability to pay its debts as they become due, or if any Trustor becomes insolvent, or a petition is filed by any Trustor pursuant to any of the provisions of the Bankruptcy Code, 11 U.S.C. Sections 101 et seq., as amended, or any similar or successor statute or such a petition is filed against Trustor.

20. Remedies. Upon the occurrence of a Default, Beneficiary may at any time, at its option and in its sole discretion, declare all Secured Obligations to be due and payable and the same shall thereupon become immediately due and payable, including any prepayment charge or fee payable under the terms of any Secured Obligation; provided, upon the occurrence of any event which causes the automatic acceleration of any Secured Obligation in accordance with the terms of any Document, all Secured Obligations shall automatically become immediately due and payable. Beneficiary may also do any or all of the following, although it shall have no obligation to do any of the following:

(a) Either in person or by agent, with or without bringing any action or proceeding, or by a receiver appointed by a court and without regard to the adequacy of Beneficiary's security, enter upon and take possession of the Property, or any part thereof, and do any acts which Beneficiary deems

necessary or desirable to preserve the value, marketability or rentability of the Property, or to increase the income therefrom or to protect the security hereof and, with or without taking possession of any of the Property, sue for or otherwise collect all rents and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including attorney's fees and expenses, upon the Secured Obligation, all in such order as Beneficiary may determine. The collection of rents and profits and the application thereof shall not cure or waive any Default or notice thereof or invalidate any act done in response thereto or pursuant to such notice. If Beneficiary elects to seek the appointment of a receiver for the Property, or any portion thereof, Trustor hereby expressly consents to the appointment of such receiver and authorizes the appointment of Beneficiary as such receiver. Beneficiary or the receiver shall be entitled to receive a reasonable fee for so managing the Property.

(b) Bring an action in any court of competent jurisdiction to foreclose this instrument or to enforce any of the covenants hereof.

(c) Exercise any or all of the remedies available to a secured party under the UCC, including, but not limited to:

(i) either personally or by means of a court appointed receiver, take possession of all or any of the Personal Property and exclude therefrom Trustor and all others claiming under Trustor and thereafter hold, store, use, operate, manage, maintain and control, make repairs, replacements, alterations, additions and improvements to and exercise all rights and powers of Trustor in respect to the Personal Property; and in the event Beneficiary demands or attempts to take possession of the Personal Property in the exercise of any of its rights hereunder, Trustor promises and agrees promptly to turn over and deliver complete possession thereof to Beneficiary;

(ii) without notice to or demand upon Trustor, make such payments and do such acts as Beneficiary may deem necessary to protect its security interest in the Personal Property, including, without limitation, paying, purchasing, contesting or compromising any encumbrance, charge or lien which is prior or superior to the security interest granted hereunder, and in exercising any such powers or authority, to pay all expenses incurred in connection therewith;

(iii) require Trustor to assemble the Personal Property or any portion thereof at a place designated by Beneficiary and promptly to deliver such Personal Property to Beneficiary or an agent or representative designated by it. Beneficiary, its agent and representatives, shall have the right to enter upon any or all of the Trustor's premises and property to exercise the Beneficiary's rights hereunder; and

(iv) sell, lease or otherwise dispose of the Personal Property at public sale, with or without having the Personal Property at the place of sale, and upon such terms and in such manner as Beneficiary may determine, and Beneficiary may be a purchaser at any such sale. Beneficiary shall not be deemed to have accepted any property other than cash in satisfaction of any Secured Obligation unless Beneficiary shall

make an express written election of said remedy under UCC §9505 or other applicable law.

(d) Elect to sell by power of sale the Property which is Land, Appurtenant Rights and Easements, and Improvements or which Beneficiary has elected under the UCC to treat as Land, Appurtenant Rights and Easements, and Improvements and, upon such election, such notice of default and election to sell shall be given as may then be required by law. Thereafter, upon the expiration of such time and the giving of such notice of sale as may then be required by law, at the time and place specified in the notice of sale, Trustee shall sell such Property, or any portion thereof specified by Beneficiary, at public auction to the highest bidder for cash in lawful money of the United States. Trustee may, and upon request of Beneficiary shall, from time to time, postpone the sale by public announcement thereof at the time and place noticed therefor. If the Property consists of several lots, parcels or interests, Beneficiary may designate the order in which the same shall be offered for sale or sold. Should Beneficiary desire that more than one such sale or other disposition be conducted, Beneficiary may, at its option, cause the same to be conducted simultaneously, or successively on the same day, or at such different days or times and in such order as Beneficiary may deem to be in its best interest. Any person, including Trustor, Trustee or Beneficiary, may purchase at the sale. Upon any sale, Trustee shall execute and deliver to the purchaser or purchasers a deed or deeds conveying the Property so sold, but without any covenants or warranty whatsoever, express or implied, whereupon such purchaser or purchasers shall be let into immediate possession.

(e) Exercise each of its other rights and remedies under this Deed of Trust and each of the other documents.

(f) Except as otherwise required by law, apply the proceeds of any foreclosure or disposition hereunder to payment of the following: (i) the expense of such foreclosure or disposition, (ii) the cost of any search or other evidence of title procured in connection therewith and revenue stamps on any deed or conveyance, (iii) all sums expended under the terms hereof, not then repaid, with accrued interest in the amount provided herein, (iv) all other sums secured hereby and (v) the remainder, if any, to the person or persons legally entitled.

(g) Upon any sale or sales made under or by virtue of this section, whether made under the power of sale or by virtue of judicial proceedings or of a judgment or decree of foreclosure and sale, Beneficiary may bid for and acquire the Property or any part thereof. In lieu of paying cash for the Property, Beneficiary may make settlement for the purchase price by crediting the Secured Obligations, or any portion thereof, against the sales price of the Property.

(h) Trustor agrees to pay any deficiency arising from any cause after application of the proceeds of the sale held in accordance with applicable law and the provisions hereof.

(i) Covenants 1, 3, 4 (interest at the Note rate), 5, 6, 7 (reasonable counsel fees), 8 and 9 of NRS 107.030 are hereby adopted by reference and made a part hereof to the extent not inconsistent with any other provisions contained herein.

21. Subrogation. Beneficiary shall be subrogated to any mechanic's or vendor's lien, superior titles, mortgages, deeds of trust, liens, encumbrances, rights, equities and charges of all kinds heretofore or hereafter existing on the Property, notwithstanding their release of record, to the extent that the same are paid or discharged from the proceeds of the loan evidenced by the Note, or are otherwise paid by Beneficiary.

22. Releases, Extensions, Modifications and Additional Security. Without notice to or the consent, approval or agreement of Trustor, any subsequent owner of any part of the Property, any maker, surety, guarantor, or endorser of this Deed of Trust or any Secured Obligation, or any holder of a lien or other claim on all or any part of the Property, whether senior or subordinate hereto, Beneficiary may, from time to time, do one or more of the following: release any person's liability for the payment of any Secured Obligation, take any action or make any agreement extending the maturity or otherwise modifying the terms of any Secured Obligation, or accept additional security or release all or any portion of the Property and other security for any Secured Obligation. No such release of liability, taking of additional security, release of security, or change in terms of any Secured Obligation, or other action shall release or reduce the personal liability of Trustor, subsequent purchasers of all or any part of the Property, or makers, sureties, guarantors or endorsers of this Deed of Trust or any Secured Obligation, under any covenant of this Deed of Trust or any Secured Obligation, or release or impair the priority of the lien of this Deed of Trust upon any of the Property.

23. No Waiver. Any failure by Beneficiary to insist upon the strict performance by Trustor of any of the terms and provisions of any of the Documents shall not be deemed to be a waiver of any of the terms and provisions of any of the Documents; and Beneficiary, notwithstanding any such failure, shall have the right thereafter to insist upon the strict performance by Trustor of any and all of the terms and provisions of each of the Documents. The acceptance by Beneficiary of any sum after any Default shall not constitute a waiver of the right to require prompt performance of all of the covenants and conditions contained in any of the Documents. The acceptance by Beneficiary of any sum less than the sum then due shall be deemed an acceptance on account only and shall not constitute a waiver of the obligation of Trustor to pay the entire sum then due. Trustor's failure to pay said entire sum due shall be and continue to be a Default notwithstanding such acceptance of such lesser amount on account. Beneficiary shall be entitled to exercise all rights conferred upon it following a Default notwithstanding such acceptance.

24. Stamps. If at any time the United States of America, any state thereof or any governmental subdivision of such state shall require revenue stamps to be affixed to the Note or any of the other Documents, or the payment of any other tax paid on or in connection therewith, Trustor shall pay the same with any interest or penalties imposed in connection therewith if Trustor is permitted by law to pay such amount and, if not so permitted, then the Secured Obligations shall immediately be due and payable.

25. Cumulative. The rights of Beneficiary arising under this Deed of Trust and the other Documents shall be separate, distinct and cumulative, and none of them shall be in exclusion of the others. No act of Beneficiary shall be construed as an election to proceed under any one provision to the exclusion of any other provision, notwithstanding anything herein or otherwise to the contrary. Any specific enumeration of powers of Beneficiary, or of acts to be done or not to be done by Trustor, shall not be deemed to exclude or limit the general.

26. Statement of Condition. Beneficiary shall furnish any statement required by law regarding the obligations secured hereby or regarding the amounts held in any trust or reserve fund hereunder. For any such statement, Beneficiary may charge a reasonable fee, not to exceed the maximum amount permitted by law at the time of the request therefor.

27. Reconveyance. Upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed of Trust and the Note to Trustee for cancellation, and upon payment of its fees, Trustee shall reconvey, without warranty, the Property then held hereunder. The recitals in any such reconveyance of any matters or facts shall be conclusive proof of the truth thereof. The grantee in such reconveyance may be described as "the person or persons legally entitled thereto". Such request and reconveyance shall operate as a re-assignment of the rents, issues and profits herein assigned to Beneficiary.

28. Substitution. Beneficiary may substitute Trustee hereunder in any manner now or hereafter provided by law or, in lieu thereof, Beneficiary may from time to time, by an instrument in writing, substitute a successor or successors to any Trustee named herein or acting hereunder, which instrument, executed and acknowledged by Beneficiary and recorded in the office of the recorder of the county or counties in which the Land and Improvements are situated, shall be conclusive proof of proper substitution of such successor Trustee, who shall thereupon and without conveyance from the predecessor Trustee, succeed to all its title, estate, rights, powers and duties.

29. Law. Trustor acknowledges and agrees that this Deed of Trust and the other Documents, including provisions with respect to the making of any disbursements, the creation of any monetary obligations and the rights accruing and compensation payable to Beneficiary in connection therewith, shall be governed by and construed in accordance with the laws of the State of Nevada; provided, however, in all instances, Federal Law shall apply to the extent that Beneficiary may have greater rights thereunder, and to the extent Federal law pre-empts state law.

30. Severable. If any provision of this Deed of Trust or its application to any person or circumstances is held invalid, the other provisions hereof or the application of the provisions to other persons or circumstances shall not be affected.

31. Successors and Assigns. Each of the covenants and obligations of Trustor set forth in this Deed of Trust and each of the other Documents shall run with the land and shall bind Trustor, the heirs, personal representatives, successors and assigns of Trustor and all subsequent encumbrancers and tenants of the Property and shall inure to the benefit of Beneficiary and their respective successors and assigns.

32. Captions. The captions or headings at the beginning of each section hereof are for the convenience of the parties and are not a part of this Deed of Trust.

33. Notice. Except as otherwise provided by law, any notice, request, demand, consent, approval or other communication ("Notice") provided or permitted under this Deed of Trust, or any other instrument contemplated hereby, shall be in writing, signed by the party giving such Notice, and shall be given by personal delivery to the other party or by United States certified or registered mail, postage prepaid, return receipt requested, addressed to the party for whom it is intended at its address as set forth at page 1 hereof. Unless otherwise specified, Notice shall be

deemed given when received, but if delivery is not accepted, on the earlier of the date delivery is refused or the third day after same is deposited in any official United States Postal Depository. Any party from time to time, by Notice to the other parties given as above set forth, may change its address from purposes of receipt of any such communication.

34. No Third Party Beneficiaries. This Deed of Trust is made and entered into for the sole protection and benefit of the parties hereto, and the assignees of Beneficiary and no other person or entity shall be a direct or indirect beneficiary of, or shall have any direct or indirect cause of action or claim in connection with this Deed of Trust or any of the other Documents.

35. No Offset. Under no circumstances shall Trustor fail or delay to perform (or resist the enforcement of) any of its obligations in connection with any of the Documents because of any alleged offsetting claim or cause of action against Beneficiary (or any indebtedness or obligation of Beneficiary) which has not been confirmed in a final judgment of a court of competent jurisdiction (sustained on appeal, if any) against Beneficiary, and Trustor hereby waives any such rights of setoff (or offset) which it might otherwise have with respect to any such claims or causes of action against Beneficiary), unless and until such right of setoff is confirmed and liquidated by such a final judgment. Trustor further waives any right that it might otherwise have to require a marshalling of any security of Beneficiary or to direct the order in which Beneficiary pursues its rights or remedies with respect to any of its security.

36. Amendments. This Deed of Trust contains (or incorporates) the entire agreement of the parties hereto with respect to the matters discussed herein, and this Deed of Trust may only be modified or amended by a written instrument executed by each of the parties hereto.

37. Survival of Warranties. All representations, warranties, covenants and agreements of Trustor hereunder shall survive the delivery of this Deed of Trust and shall continue in full force and effect until the full and final payment and performance of all of the Secured Obligations.

38. Time. Time is of the essence of each provision of this Deed of Trust.

39. Continuation of Payments. Notwithstanding any taking by eminent domain or other governmental action causing injury to, or decrease in value of, the Property and creating a right to compensation therefor, Trustor shall continue to make the required payments of principal and interest on the Note. If, prior to the receipt by Beneficiary of such award or compensation, the Property shall have been sold in any action or proceeding to foreclose this Deed of Trust, Beneficiary shall have the right to receive said award or compensation to the extent of any deficiency found to be due upon such sale, with interest thereon, whether or not a deficiency judgment on this Deed of Trust shall have been sought or recovered, together with reasonable counsel fees and the costs and disbursements incurred by Beneficiary in connection with the collection of such award or compensation.

40. Specific Performance. At any time, Beneficiary may commence and maintain an action in any court of competent jurisdiction for specific performance of any of the covenants and agreements contained herein, and may obtain the aid and direction of the court in the performance of any of the covenants and agreements contained herein, and may obtain orders or decrees directing the execution of the same and, in

case of any sale hereunder, directing, confirming or approving its or Trustee's acts and granting it such relief as may be warranted in the circumstances.

41. Transfers. In the event that Trustor, or any successor in interest to Trustor in the real property hereby encumbered, either voluntarily or by operation of law, shall sell, transfer, further encumber, mortgage, or convey, or contract to sell, transfer, further encumber, mortgage, or convey, any or all of the Property which is not Personal Property, or any portion thereof, or any interest therein, at the option of Beneficiary, the obligation secured by this Deed of Trust shall forthwith become due and payable although the time of maturity as expressed therein shall not have arrived. If Trustor is a corporation, partnership, trust or other entity, the transfer, encumbrance or other disposition of the voting control of such entity or of the ownership of more than fifty percent (50%) of the financial interest in Trustor shall be deemed to be a transfer for purposes of this paragraph. If this Deed of Trust or any Note secured hereby contains any provision conferring on Beneficiary the right to demand any prepayment fee or sum of money for prepayment of any indebtedness secured hereby, Trustor agrees to pay the maximum amount of such fee or sum of money which Beneficiary would have been entitled to demand pursuant to such provision. If Beneficiary has accelerated the debt in accordance with any of the provisions herein, Beneficiary shall nevertheless be entitled to any prepayment fee which may be provided in this Deed of Trust or in the Note which this Deed of Trust secures. Consent to one such transaction shall not be deemed to be a waiver of the right to require consent to future or successive transactions.

42. Further Assurances; After-Acquired Property. At any time, and from time to time, upon request by Beneficiary, Trustor shall make, execute and deliver or cause to be made, executed and delivered, to Beneficiary and, where appropriate, cause to be recorded and/or re-filed at such time and in such offices and places as shall be deemed desirable by Beneficiary, any and all such other and further deeds to secure debt, mortgages, deeds of trust, security agreements, financing statements, continuation statements, instruments of further assurances, certificates and other documents as may, in the opinion of Beneficiary, be necessary or desirable in order to effectuate, complete or perfect, or to continue and preserve, (i) the obligations of Trustor described in the Note and under this Deed of Trust, and (ii) the lien of this Deed of Trust as a first and prior lien upon and security title in and to all of the Property, whether now owned or hereafter acquired by Trustor, except as otherwise provided in the Loan Agreement. Upon any failure by Trustor so to do, Beneficiary may make, execute, record, file, re-record and/or re-file any and all such deeds to secure debt, mortgages, deeds of trust, security agreements, financing statements, continuation statements, instruments, certificates and documents for and in the name of Trustor, and Trustor hereby irrevocably appoints Beneficiary the agent and attorney-in-fact of Trustor so to do. The lien and security title hereof shall automatically attach, without further act, to all after-acquired property attached to and/or used in the operation of the Property or any part thereof, to the extent permitted by law.

43. Hazardous Materials.

(a) Trustor represents and warrants that no Hazardous Materials (as defined below) exist on, under or about the Property or, to the best of Trustor's knowledge after diligent inquiry, have been transported to or from the Property or used, generated, manufactured, stored or disposed of on, under or about the Property, and the Property is not in violation of any federal, state or local law, ordinance or regulation relating to industrial hygiene or

the environmental conditions on, under or about the Property, including, without limitation, soil and groundwater conditions. Hazardous Materials shall include: (i) oil, flammable substances, explosives, radioactive materials, hazardous wastes or substances, toxic wastes or substances or any other materials or pollutants which pose a hazard to the Property or to persons on or about the Property, cause the Property to be in violation of any local, state or federal law or regulation, or are defined as or included in the definition of "hazardous substances", "hazardous wastes", "hazardous materials", or "toxic or words of similar import under any applicable local, state or federal law or under the regulations adopted or publications promulgated pursuant thereto, including, but not limited to: (A) the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. §9601, et seq.; (B) the Hazardous Materials Transportation Act, as amended, 49 U.S.C. §1801, et seq.; (C) the Resource Conservation and Recovery Act, as amended, 42 U.S.C. §6901, et. seq.; and (D) regulations adopted and publications Promulgated pursuant to the aforesaid laws; (ii) asbestos in any form which is or could become friable, urea formaldehyde foam insulation, transformers or other equipment which contain dielectric fluid containing levels of polychlorinated biphenyls in excess of fifty (50) parts per million; and (iii) any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any governmental authority or may or could pose a hazard to the health and safety of the occupants of the Property or the owners and/or occupants of property adjacent to or surrounding the Property.

(b) Trustor shall, at its sole cost and expense, prevent the imposition of any lien against the Property for the cleanup of any Hazardous Material, and shall comply and cause (i) all tenants under any lease or occupancy agreement affecting any portion of the Property, and (ii) any other person or entity on or occupying the Property, to comply with all federal, state and local laws, regulations, rules, ordinances and policies concerning the environment, health and safety and relating to the use, handling, production, disposal, discharge and storage of Hazardous Materials in, on or about the Property. Without limiting the generality of the foregoing, Trustor represents, covenants and agrees that the Property does not and will not contain any Hazardous Materials. Trustor hereby grants to Beneficiary, its agents, employees, consultants and contractors an irrevocable license to enter upon the Property and to perform such tests on the Property as are reasonably necessary to conduct an investigation and/or review.

(c) Trustor shall promptly take any and all necessary remedial action in response to the presence, storage, use, disposal, transportation or discharge of any Hazardous Materials on, under or about the Property; provided, however that Trustor shall not, without Beneficiary's prior written consent, take any remedial action in response to the presence of any Hazardous Materials on, under, or about the Property, nor enter into any settlement agreement, consent decree, or other compromise in respect to any claims, proceedings, lawsuits or actions, completed or threatened pursuant to any Hazardous Materials laws or in connection with any third party, if such remedial action, settlement, consent or compromise might, in Beneficiary's sole determination, impair the value of Beneficiary's security hereunder; Beneficiary's prior consent shall not, however, be necessary in the event that the presence of Hazardous Materials on, under, or about the Property either (i) poses an immediate threat to the health, safety or welfare of any individual, or (ii)

is of such a nature that an immediate remedial response is necessary and it is not possible to obtain Beneficiary's consent prior to undertaking such action. In the event Trustor undertakes any remedial action with respect to any Hazardous Materials on, under or about the Property, Trustor shall immediately notify Beneficiary of any such remedial action, and shall conduct and complete such remedial action (A) in compliance with all applicable federal, state and local laws, regulations, rules, ordinances and policies, (B) to the satisfaction of Beneficiary, and (C) in accordance with the orders and directives of all federal, state and local governmental authorities.

(d) Trustor shall protect, indemnify and hold Beneficiary, its directors, officers, employees and agents, and any successors to Beneficiary's interest in the Property, and any other person or entity who acquires any portion of the Property at a foreclosure sale, by the receipt of a deed in lieu of foreclosure, or otherwise through the exercise of Beneficiary's rights and remedies under the Loan Documents, and any successors to any such other person or entity, and all directors, officers, employees and agents of all of the aforementioned indemnified parties, harmless from and against any and all claims, proceedings, lawsuits, liabilities, damages, losses, fines, penalties, judgments, awards, costs and expenses (including, without limitation, attorneys' fees and costs and expenses of investigation) which arise out of or relate in any way to any use, handling, production, transportation, disposal or storage of any Hazardous Materials in, on or about the Property whether by Trustor or any Tenant or any other person or entity, including, without limitation: (i) all foreseeable and all unforeseeable consequential damages directly or indirectly arising out of (A) the use, generation, storage, discharge or disposal of Hazardous Materials by Trustor, any prior owner or operator of the Property, or any person or entity on or about the Property, or (B) any residual contamination affecting any natural resource or the environment, and (ii) the costs of any required or necessary repair, cleanup, or detoxification of the Property and the preparation of any closure or other required Plans (all such costs, damages, and expenses referred to in this Paragraph 43(d) hereafter referred to as "Expenses"). In addition, Trustor agrees that in the event any Hazardous Material is caused to be removed from the Property by Trustor, Beneficiary, or any other person or entity, the number assigned by the Environmental Protection Agency to such Hazardous Material shall be solely in the name of Trustor and Trustor shall assume any and all liability for such removed Hazardous Material. In the event Beneficiary pays any Expenses, such Expenses shall be additional Indebtedness secured hereby and shall become immediately due and payable without notice and with interest thereon at the default rate specified in the Note.

(e) In the event that Trustor shall fail to timely comply with the provisions of this Paragraph 43, Beneficiary may either (i) declare that an event of default shall have occurred, and/or (ii) in addition to any rights granted to Beneficiary hereunder, do or cause to be done whatever is necessary to cause the Property to comply with the applicable law, rule, regulation or order, and the cost thereof shall be additional Indebtedness secured hereby, and shall become immediately due and payable without notice and with interest thereon at the default rate specified in the Note. Trustor shall give Beneficiary and its agents and employees access to the Property for the purpose of effecting such compliance and hereby specifically grants to Beneficiary an irrevocable license, effective (x) immediately if, in the opinion of Beneficiary, irreparable harm to the environment, the Property, or persons or

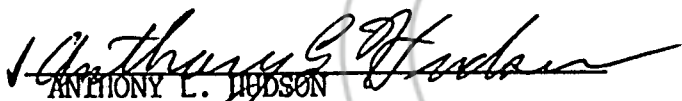
material amounts of property is imminent, or (y) otherwise, upon expiration of the applicable cure period, to do whatever necessary to cause the Property to so comply, including, without limitation, to enter the Property and remove therefrom any Hazardous Materials. Trustor shall pay or reimburse Beneficiary for any and all loss, cost, damage and expense (including, without limitation, attorneys' fees and costs incurred in the investigation, defense and settlement of claims) that Beneficiary may incur as a result of or in connection with the assertion against Beneficiary of any claims relating to the presence or removal of any Hazardous Material, or compliance with any federal, state or local laws, rules, regulations or order relating thereto, and the amount(s) thereof shall be additional Indebtedness secured hereby and shall become immediately due and payable without notice and with interest thereon at the default rate specified in the Note.

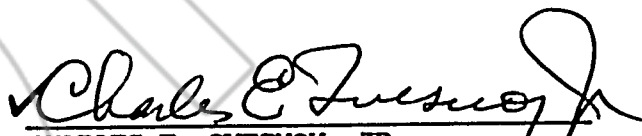
(f) The covenants and obligations of Trustor in this paragraph 43 shall inure to the benefit of and may be enforced by Beneficiary or any subsequent holder of the note(s) secured hereby. Such covenants and obligations shall survive the termination of this Deed of Trust whether by a foreclosure sale (either judicial or non-judicial) held hereunder or by a conveyance in lieu of foreclosure in the event Beneficiary or other holder of the note(s) secured hereby acquires title to the Property by such foreclosure sale or conveyance in lieu of foreclosure; provided, however, that the obligations of Trustor set forth herein shall not apply to Hazardous Materials which are initially placed on, in, or under all or any portion of the Property after the date Beneficiary or other holder of the note(s) secured hereby so takes title to the Property.

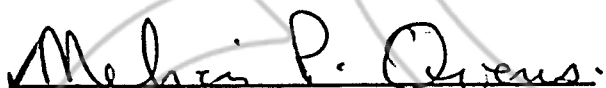
IN WITNESS WHEREOF, this Deed of Trust has been duly executed and acknowledged by Trustor as of the day and year first above written.

Signature of Trustor:

Signature of Beneficiary:

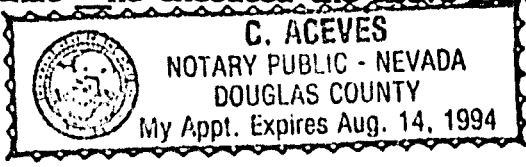

ANTHONY L. HUDSON


CHARLES E. QUESNOY, JR.


MELVIN P. OWENS

STATE OF NEVADA)
) ss.
COUNTY OF DOUGLAS)

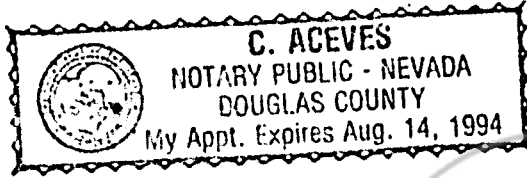
On this 27th day of February, 1991, personally appeared before me, a Notary Public, ANTHONY L. HUDSON, personally known or proved to me to be the person whose name is subscribed to the above instrument, who acknowledged that he executed the above instrument.



[Signature]
NOTARY PUBLIC

STATE OF NEVADA)
) ss.
COUNTY OF DOUGLAS)

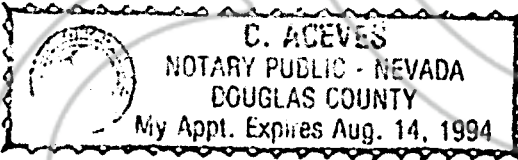
On this 27th day of February, 1991, personally appeared before me, a Notary Public, MELVIN P. OWENS, personally known or proved to me to be the person whose name is subscribed to the above instrument, who acknowledged that he executed the above instrument.



[Signature]
NOTARY PUBLIC

STATE OF NEVADA)
) ss.
COUNTY OF DOUGLAS)

On this 27th day of February, 1991, personally appeared before me, a Notary Public, CHARLES E. QUESNOY, JR., personally known or proved to me to be the person whose name is subscribed to the above instrument, who acknowledged that he executed the above instrument.



[Signature]
NOTARY PUBLIC

EXHIBIT "A"

LEGAL DESCRIPTION

Lot 114, in Block A, as set forth on the FINAL MAP OF WILDHORSE UNIT NO. 4, A PLANNED UNIT DEVELOPMENT, filed for record in the office of the County Recorder of Douglas County, State of Nevada, on December 31, 1990, in Book 1290, Page 3944, as Document No. 241974.

PORTION OF A.P.N. 21-090-29

COPY

REQUESTED BY
WESTERN TITLE COMPANY, INC.
IN OFFICIAL RECORDS OF
DOUGLAS CO., NEVADA

91 FEB 27 AM 1:47

-25-

SUZANNE BEAUDREAU
RECORDER
2900 PAID 245587
DEPUTY
BOOK 291 PAGE 3214