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Submitted for Recordation  
By and Return to:

BANK OF AMERICA NT & SA  
REID LASU #6617  
Two Embarcadero Center  
28th Floor  
San Francisco, CA 94111  
Attn: Colleen P. King

----- SPACE ABOVE THIS LINE FOR RECORDER'S USE -----

**ADDITIONAL DEED OF TRUST  
WITH ASSIGNMENT OF RENTS,  
SECURITY AGREEMENT AND FIXTURE FILING**

This Additional Deed of Trust with Assignment of Rents, Security Agreement and Fixture Filing, made this 1st day of May, 1993, between HART ESTATE INVESTMENT COMPANY, a California general partnership ("Hart Investment"), and HART ESTATE DEVELOPMENT COMPANY, a California general partnership ("Hart Development"), whose mailing address is 1695 Meadow Wood Lane, Suite 200, Reno, Nevada 89502, as TRUSTOR ("Trustor" to be interpreted as "Trustors" where context requires), EQUITABLE DEED COMPANY, a California corporation, whose mailing address is 3800 W. Chapman Avenue, Orange, California 92668, as TRUSTEE, and BANK OF AMERICA NATIONAL TRUST & SAVINGS ASSOCIATION, a national banking association, whose mailing address is Two Embarcadero Center, 28th Floor, San Francisco, California 94111, Attn: Colleen P. King, as BENEFICIARY, as agent for itself and for any other subsidiary or affiliate of BankAmerica Corporation which has extended or may hereafter extend credit to the Trustor (the "Lending Banks").

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WITNESSETH: That Trustor IRREVOCABLY CONVEYS, GRANTS, BARGAINS, SELLS, TRANSFERS and ASSIGNS to TRUSTEE, IN TRUST, WITH POWER OF SALE, the following described property situate in the City of Gardnerville, County of Douglas, State of Nevada, to-wit:

ALL THAT CERTAIN LOT, PIECE OR PARCEL OF LAND SITUATE IN THE COUNTY OF DOUGLAS, STATE OF NEVADA, DESCRIBED AS FOLLOWS:

All that certain real property being a portion of the Northeast 1/4 of Section 4, Township 12 North, Range 20 East, M.D.B. & M., Douglas County, Nevada, more particularly described as follows:

Commencing at a point on the Easterly right-of-way line of Nevada State Highway 395, said point being the Southwesterly corner of that certain parcel of land shown on that Grant Deed to Thorobred Photo Service, Inc., File No. 29420, Douglas County, Records, from which point the Northeast corner of said Section 4, bears North 30°43'28" East, 2116.56 feet; thence along said Easterly right-of-way line North 51°02'32" West, 166.00 feet to the TRUE POINT OF BEGINNING; thence continuing along said Easterly right-of-way line North 51°02'32" West, 634.00 feet to the Southerly right-of-way line of Waterloo Lane, being a 100 foot right-of-way; thence along said Southerly line North 44°54'36" East, 701.78 feet; thence leaving said Southerly right-of-way, South 29°39'15" East, 741.00 feet; thence South 60°20'45" West, 196.00 feet; thence North 89°39'15" West 44.24 feet; thence South 44°54'36" West, 218.83 feet to the TRUE POINT OF BEGINNING.

Assessor's Parcel No. 25-143-14

TOGETHER WITH an easement as Deeded to Hart Estate Investment Company, a General Partnership, by Document recorded November 7, 1989, in Book 1189, Page 933, Document No. 214299.

ALSO TOGETHER WITH an easement as Deeded to Hart Estate Investment Company, a General Partnership, by Document recorded November 7, 1989, in Book 1189, Page 936, Document No. 214300.

including, but not limited to, the entire right, title and interest of Hart Development in that ground lease agreement dated November

7, 1989 (together with any renewals, replacements, amendments and modifications, the "Ground Lease"), between Hart Investment, as lessor, and Hart Development, as lessee, and also including all buildings and improvements thereon and any estate, right, title or interest Trustor may hereafter acquire therein, all appurtenances and easements used in connection therewith, all water and water rights (whether riparian, appropriative, or otherwise, and whether or not appurtenant) used in connection therewith, all shares of stock evidencing the same, pumping stations, engines, machinery, pipes and ditches, including also all gas, electric, cooking, heating, cooling, air conditioning, refrigeration and plumbing fixtures and equipment which have been or may hereafter be attached in any manner to any building now or hereafter on the said property, or to the said property, and also the rents, issues and profits thereof, SUBJECT, HOWEVER, to the right, power and authority hereinafter given to and conferred upon the Beneficiary to collect and apply such rents, issues and profits (collectively, the "Property"). This Deed of Trust constitutes a financing statement filed as a fixture filing under Nev. Rev. Stat. Sections 104.9313 and 104.9402 covering any Property which now is or later may become fixtures attached to the real property covered by this Deed of Trust.

**TOGETHER WITH:**

(i) All improvements, equipment, furnishings, fixtures, construction materials, tools, books and records and all other property, tangible and intangible, of every kind and character now

or hereafter owned by the Trustor and now or hereafter (a) located or erected on the Property or (b) used in connection with the Property, any construction undertaken thereon, any trade, business or other activity for which the Property is used, the maintenance of the Property or the convenience of any tenants, guests, licensees or invitees of Trustor;

(ii) Any and all architectural and engineering plans, specifications and drawings, including without limitation as-built drawings, relating to the construction of any improvements on the Property and any and all surveys of the Property;

(iii) Any and all rights to payment from sale of any part of the Property (including without limitation all earnest money sales deposits) and all deposits made by Trustor with third parties in connection with the Property (including without limitation all utility deposits);

(iv) To the extent permitted by law, any and all contract rights, development and use rights, governmental permits and licenses, applications, chattel paper, instruments, documents, notes, drafts and letters of credit (other than letters of credit in favor of Beneficiary), which arise from or relate to the Property or to any business now or later to be conducted on it; and any and all payment or performance bonds issued to Trustor as obligee in connection with the construction of any improvements on the Property; and

(v) All proceeds (including insurance and tort claims) and products of any of the foregoing (all of the property and

interests covered by this Deed of Trust, including the Property, are collectively referred to as the "Trust Property").

To the extent any property covered by this Deed of Trust consists of rights in action or personal property governed by the Nevada Uniform Commercial Code, this Deed of Trust constitutes a security agreement and is intended to create a security interest in such property in favor of Beneficiary. This Deed of Trust shall be self-operative with respect to such property, but Trustor agrees to execute and deliver on demand such security agreements, financing statements and other instruments as Beneficiary may request in order to impose the lien hereof more specifically upon any of such property.

It is the express intention of the parties that this Deed of Trust encumber the interest of (a) Hart Investment in the fee title to the Trust Property and (b) Hart Development in (i) the Ground Lease and (ii) the Trust Property. By its execution of this Deed of Trust, Hart Investment consents to the encumbrance of the leasehold estate of Hart Development and acknowledges notice of this Deed of Trust for all purposes under the Ground Lease. Hart Investment waives all rights it may have under the Ground Lease to any additional cure periods given to it regarding defaults by Hart Development under this Deed of Trust. The provisions of this Deed of Trust shall control over any conflicting provisions of the Ground Lease.

FOR THE PURPOSE OF SECURING: (1) Payment of the sum of One Million Dollars (\$1,000,000.00) with interest thereon according to



the terms of a promissory note dated of even date with this Deed of Trust (the "Note"), made by Trustor, payable to the order of the Beneficiary, and extensions, modifications or renewals thereof; (2) performance of Trustor's obligations under that certain Non-Revolving Credit Agreement (Secured) of even date herewith (the "Credit Agreement"), provided, however, this Deed of Trust does not secure any obligations which are stated in the Credit Agreement to be unsecured; (3) payment of any and all obligations and liabilities, whatsoever, whether primary, secondary, direct, indirect, fixed or contingent, which are now due or may hereafter become due from Trustor (or any of them or any successor in interest to Trustor or any of them) to Beneficiary or to any Lending Bank, whether created directly or acquired by assignment if the document evidencing any such other obligation or liability or any other writing signed by Trustor (or any of them or any successor in interest to Trustor or any of them) specifically provides that said obligation is secured by this Deed of Trust; (4) performance of each agreement of Trustor herein contained; and (5) payment of all sums to be made by Trustor pursuant to the terms hereof.

TO PROTECT THE TRUST PROPERTY AND SECURITY GRANTED BY THIS DEED OF TRUST, TRUSTOR AGREES:

(a) Properly to care for and keep the Trust Property and buildings and improvements situate thereon in good condition and repair; to underpin and support, when necessary, any building or other improvement situate thereon, and otherwise to protect and

preserve same; not to remove or demolish any building or improvement situate thereon; to complete or restore promptly, and in good and workmanlike manner, any building or improvement which may be constructed, damaged or destroyed thereon, and pay in full all costs incurred therefor; not to commit or permit waste of the Trust Property; to comply with all laws, covenants, conditions or restrictions affecting the Trust Property; in the case of a leasehold estate, to observe and perform all obligations of each Trustor under the Ground Lease and to take any action required and to refrain from taking any action prohibited, as necessary, to preserve and protect the leasehold estate and the value thereof; to provide and maintain fire (and if required by Beneficiary, earthquake, mortgage guaranty and other) insurance satisfactory to and with loss payable solely to Beneficiary, and to deliver all policies to Beneficiary, which delivery shall constitute assignment to Beneficiary of all return premiums; to appear in and defend, without cost to Beneficiary or Trustee, any action or proceeding purporting to affect the security hereunder, or the rights or powers of Beneficiary or Trustee, and, when required by Trustee or Beneficiary, to commence and maintain any action or proceeding necessary to protect such security and such rights or powers; and should Trustee or Beneficiary elect to appear in, defend, or commence and maintain any such action or proceeding, (including any proceedings under law relating to insolvency or bankruptcy) to pay all their costs and expenses, including attorneys' fees; to pay before delinquency, all taxes, assessments and charges affecting

the Trust Property, including assessments on appurtenant water stock; to pay when due all encumbrances, charges and liens affecting or purporting to affect title to the Trust Property; to pay all costs, fees and expenses of this trust; if the Trust Property be agricultural, to farm said land in an approved and husbandlike manner, and to keep all trees, vines and crops on said land properly cultivated, irrigated, fertilized, sprayed and fumigated; to replace all dead or unproductive vines or trees with new ones; and to keep all buildings, fences, ditches, canals, wells and other farming improvements on the Trust Property in first class condition, order and repair. At the request of Beneficiary, Trustor will monthly pay to Beneficiary an amount equal to one-twelfth (1/12th) of the annual cost of taxes and assessments on the Trust Property together with an amount equal to the estimated next fire or fire and earthquake and other required insurance premiums divided by the number of months between the date of computation and the date of payment of the said insurance premium; said accumulated funds will be released to Trustor for payment of taxes, assessments and insurance premiums, or may be so directly applied by Beneficiary, if Beneficiary so elects.

(b) Should Trustor fail to make any payment or do any act as herein provided, then Beneficiary or Trustee, upon Beneficiary's determination that such actions are reasonably necessary to protect the validity, priority or value of Beneficiary's security, (but without obligation so to do, and without notice to or demand upon Trustor, and without releasing Trustor from any obligation



hereunder) may make or do the same, and may pay, purchase, contest or compromise any encumbrance, charge or lien, which in the judgment of either appears to affect the Trust Property; and in exercising any such powers, incur any liability and expend whatever amounts in its absolute discretion it may deem necessary therefor. All sums so incurred or expended by Beneficiary or Trustee shall be secured hereby and, without demand, shall be immediately due and payable by Trustor and shall bear interest at the same rate as the indebtedness secured hereby; provided, however, that at the option of Beneficiary or Trustee such sums may be added to the principal balance of any indebtedness secured hereby and shall bear interest at the same rate as the indebtedness secured hereby and be payable ratably over the remaining term thereof.

IT IS MUTUALLY AGREED THAT:

1. Should the Trust Property or any part thereof be taken or damaged by reason of any public improvement or condemnation proceeding, or damaged by fire or earthquake, or in any other manner, Beneficiary shall be entitled, at its option, to commence, appear in and prosecute in its own name, any action or proceeding, or to make any compromise or settlement, in connection with such taking or damage, and to obtain all compensation, awards or other relief therefor. All such compensation, awards, damages, rights of action and proceeds, including the proceeds of any policies of insurance affecting the Trust Property, are hereby assigned to Beneficiary, who may release any money so received by it, or apply the same on any indebtedness secured hereby. In the event that

anyone shall establish and exercise any right to develop, bore for or mine for any water, gas, oil or mineral on or under the surface of the Trust Property, any sums that may thereafter become due and payable to the Trustor as bonus or royalty shall be considered rent hereunder, and such sums, together with damages and other compensation payable to the Trustor by reason of the exercise of such rights are hereby made subject to this Deed of Trust and shall be applied in accordance with the provisions hereof. Trustor agrees to execute such further assignments of any compensation, award, damages and rights of action and proceeds, as Beneficiary or Trustee may require. The Trustee or Beneficiary may enter upon the Trust Property at any time during the existence of this trust for the purpose of inspection, or for the accomplishment of any of the purposes hereof.

2. By accepting payment of any sum hereby secured after its due date, or after the recording of a notice of breach and election to sell, Beneficiary shall not waive its right to require prompt payment when due of all other sums so secured, or to declare default for failure so to pay, or to proceed with the sale under any such notice of breach and election to sell, for any unpaid balance of said indebtedness. If Beneficiary or any Lending Bank holds any additional security for any obligation secured hereby, it may enforce the sale thereof at its option, either before, contemporaneously with, or after the sale is made hereunder, and on any default of Trustor, Beneficiary and any Lending Bank may, at its option, offset against any indebtedness owing by it to

Trustor, the whole or any part of the indebtedness secured hereby.

3. Without affecting the liability of any person, including Trustor, for the payment of any indebtedness secured hereby, or the lien of this Deed of Trust on the remainder of the Trust Property for the full amount of any indebtedness unpaid, Beneficiary, Lending Banks and Trustee are respectively empowered as follows: Beneficiary and Lending Banks may from time to time and without notice (a) release any person liable for the payment of any of the indebtedness, (b) extend the time or otherwise alter the terms of payment of any of the indebtedness, (c) accept additional security therefor of any kind, including deeds of trust or mortgages, or (d) alter, substitute or release any property securing the indebtedness.

4. Trustee may, at any time and from time to time, upon the written request of Beneficiary (a) consent to the making of any map or plat of the Property, (b) join in granting any easement or creating any restriction thereon, (c) join in any subordination or other agreement affecting this Deed of Trust or the lien or charge thereof, or (d) reconvey, without any warranty, all or any part of the Trust Property.

5. Upon payment in full of all sums secured hereby, and performance of all obligations of the Trustor hereunder, the Trustee shall reconvey, without warranty, the estate vested in it hereby. The grantee in any reconveyance made pursuant to this Deed of Trust may be described as "the person or persons legally entitled thereto," and the recitals therein of any matters or facts

shall be conclusive proof of the truthfulness thereof.

6. In the event that (a) Trustor fails to make any payment due under this Deed of Trust within fifteen (15) days after the date due or demanded by Beneficiary or Trustee, or (b) a default is made in the performance of any term, covenant or condition contained herein other than that referred to in clause (a) that is not cured within thirty (30) days after written notice from Beneficiary or, if the default cannot be cured in thirty (30) days, Trustor does not commence to cure such a default within thirty (30) days and proceed with diligence and continuity to effect such a cure, or (c) a default is made in the performance of any term, covenant or condition contained in the Credit Agreement, the Note or in any instrument or obligation secured hereby, or (d) except as otherwise provided below, Trustor or any successor in interest to Trustor in the Trust Property mortgages, hypothecates, pledges, encumbers, sells, conveys, alienates, assigns or transfers the Trust Property, or any part thereof, or any interest therein, including any interest in the Ground Lease, or drills or extracts or enters into any lease for the drilling or extraction of oil, gas, or other hydrocarbon substances or any mineral of any kind or character therefrom or from any part thereof, or becomes divested of his title or any interest therein in any manner or way, whether voluntary or involuntary, or (e) at any time after anyone establishes and exercises any right to develop, bore for or mine for any water, gas, oil or mineral on or under the surface of the Trust Property, then Beneficiary and Lending Banks shall have the

right, at their option, to declare the Note and any other indebtedness or obligation secured hereby, irrespective of the maturity date specified in the Note or other written agreement evidencing the same, immediately due and payable without notice or demand, and no waiver, of this right shall be effective unless in writing and signed by Beneficiary or the affected Lending Bank. For purposes of this Paragraph 6, if Trustor is anything other than a natural person, any mortgage, hypothecation, pledge, encumbrance, charging, sale, assignment or transfer, whether voluntary or involuntary, of more than fifty percent (50%) of the direct or indirect beneficial ownership or voting power of Trustor, or the removal of or other change in its managing general partner, if Trustor is a partnership, its chief executive officer, if Trustor is a corporation, or its trustee, if Trustor is a trust, shall be deemed to be a transfer of the Trust Property, entitling Beneficiary to accelerate the obligations secured hereby as set forth above. Notwithstanding the above, the following events are not considered a conveyance, alienation, assignment or transfer in violation of this Deed of Trust:

(i) Upon the death of any partner of Trustor, a transfer vesting title in that partner's partnership interest in Trustor to that partner's estate, or

(ii) A transfer vesting title to a partner's partnership interest in Trustor into a living trust in which the transferring partner is the trustee of that trust and the remaining partners of Trustor are the beneficiaries, or



(iii) A transfer vesting title to a partner's partnership interest in Trustor to another partner of Trustor.

7. Waiver of a right granted to Beneficiary hereunder as to one transaction or occurrence shall not be deemed to be a waiver of the right as to any subsequent transaction or occurrence. Reinstatement of a default shall not constitute a waiver of any default then existing or subsequently occurring, nor impair the right of Beneficiary to declare other defaults or the right to cause Trustee to record a Notice of Breach, nor otherwise affect this Deed of Trust or any other instrument or document relating to the obligations secured by this Deed of Trust, or any of the rights, obligations or remedies of Beneficiary or Trustee in this Deed of Trust or any other instrument or document relating to the obligations secured by this Deed of Trust.

8. In the event of a default by Trustor, Beneficiary may exercise any and all of its rights hereunder or by law. Without limiting the generality of the foregoing, Beneficiary may elect to cause the Trust Property or any part thereof to be sold as follows:

(a) Beneficiary may proceed as if all of the Trust Property were real property, as permitted by Nev. Rev. Stat. Section 104.9501(4). Trustor agrees that such a sale of personal property together with real property constitutes a commercially reasonable sale of the personal property. Alternatively, Beneficiary may elect to treat any of the Trust Property which consists of a right in action or which is property that can be severed from the Property without causing structural damage as if

the same were personal property, and dispose of the same in accordance with subparagraph (b) below, separate and apart from the sale of real property, the remainder of the Trust Property being treated as real property.

(b) Should Beneficiary elect to cause any of the Trust Property to be disposed of as personal property as permitted by subparagraph (a) above, it may dispose of any part thereof in any manner now or hereafter permitted by Article 9 of the Nevada Uniform Commercial Code or in accordance with any other remedy provided by law. Both Trustor and Beneficiary shall be eligible to purchase any part or all of such property at any such disposition. Any such disposition may be either public or private as Beneficiary may elect, subject to the provisions of the Nevada Uniform Commercial Code. Beneficiary shall give Trustor at least ten (10) days' prior written notice of the time and place of any public sale or other disposition of such property, or of the time at or after which any private sale or any other intended disposition is to be made, and if such notice is sent to Trustor at the address last given to Beneficiary by Trustor for the purpose of notice, it shall constitute reasonable notice to Trustor.

9. Before any Trustee's sale, Beneficiary or Trustee shall give such notice of breach as may then be required by applicable law. When all time periods then legally mandated have expired, and after such notice of sale as may then be legally required has been given, Trustee shall sell the Trust Property being sold at a public auction to be held at the time and place designated in the notice

of sale. Neither Trustee nor Beneficiary shall have any obligation to make demand on Trustor before any Trustee's sale. From time to time in accordance with then applicable law, Trustee may, and in any event at Beneficiary's request shall, postpone or continue any Trustee's sale, or change the place of a Trustee's sale, by public declaration at the time and place noticed for that Trustee's sale, unless otherwise required by applicable law. At any Trustee's sale, Trustee shall sell to the highest bidder at public auction for cash, in lawful money of the United States, or such other form of payment satisfactory to Trustee. At any Trustee's sale, any person, including Trustor, Trustee, Beneficiary or any Lending Bank, may bid for and acquire the Trust Property or any part of it to the extent permitted by then applicable law. Instead of paying cash for that property, Beneficiary and each Lending Bank shall have the benefit of any law permitting credit bids. Trustee shall execute and deliver to the purchaser or purchasers a deed or deeds conveying the Trust Property being sold without any covenant or warranty whatsoever, express or implied. Any such deed shall be conclusive evidence in favor of purchasers or encumbrances for value and without actual notice, that all requirements of law were met relating to the exercise of the power of sale and the Trustee's sale of the property conveyed by such deed. Knowledge of the Trustee shall not be imputed to the Beneficiary. Beneficiary and Trustee shall apply the proceeds of any Trustee's sale in the following manner: (a) to pay the reasonable expenses of taking possession, maintaining, protecting and leasing the Trust Property,

the costs and fees of the foreclosure sale, including reasonable trustee's fees, applicable taxes and the cost of title insurance, and all other costs and expenses of exercising the power of sale and of sale, including, but not limited to, Trustee's fees and reasonable attorneys' fees actually incurred; (b) to pay the obligations secured by this Deed of Trust in any order and proportions as Beneficiary in its sole discretion may choose; (c) to pay the obligations secured by any junior deeds of trust or liens on the Trust Property, in their order of priority; and (d) to remit the remainder, if any, to Trustor or its successor in interest.

10. Trustor hereby gives to and confers upon Beneficiary the right, power and authority during the continuance of these trusts to collect the rents, issues and profits of the Trust Property and of any personal property located thereon with or without taking possession of the property affected hereby, and hereby absolutely and unconditionally assigns all such rents, issues and profits to Beneficiary; provided, however, that Beneficiary hereby consents to the collection and retention of such rents, issues and profits as they accrue and become payable only if Trustor is not, at such times, in default with respect to payment of any indebtedness secured hereby or in the performance of any agreement hereunder. Upon any such default, Beneficiary may at any time, after complying with applicable state law, without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby

secured, enter upon and take possession of the Trust Property or any part thereof, to the extent permitted by law, and in its own name sue for or otherwise collect such rents, issues and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorneys' fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine; also perform such acts of repair, cultivation, irrigation or protection, as may be necessary or proper to conserve the value of the Trust Property; also lease the same or any part thereof for such rental, term, and upon such conditions as its judgment may dictate; also prepare for harvest, harvest, remove, and sell any crops that may be growing upon the Trust Property, and apply the proceeds thereof upon the indebtedness secured hereby. The entering upon and taking possession of the Trust Property, the collection of such rents, issues and profits, and the application thereof as aforesaid, shall not waive or cure any default or notice of sale hereunder, or invalidate any act done pursuant to such notice. Trustor also assigns to Trustee, as further security for the performance of the obligations secured hereby, all prepaid rents and all monies which may have been or may hereafter be deposited with Trustor by any lessee of the Trust Property, to secure the payment of any rent, and upon default in the performance of any of the provisions hereof, Trustor agrees to deliver such rents and deposits to the Trustee.



11. All persons who may have or acquire an interest in all or any part of the Property will be considered to have notice of, and will be bound by, the terms of the obligations secured by this Deed of Trust. These terms include any provisions which provide that the interest rate on one or more of the obligations may vary from time to time.

12.1 As used in this Deed of Trust, "Third Party Secured Obligation" means:

(a) any obligation secured by this Deed of Trust ("Secured Obligation") which is required to be performed by any person or entity other than Trustor; and

(b) If there is more than one person or entity signing this Deed of Trust as Trustor, any Secured Obligation which is required to be performed by some but not all of such persons or entities.

As used in this Deed of Trust, "Borrower" means the person or entity obligated to perform any Third Party Secured Obligation.

12.2 Trustor authorizes Beneficiary to perform any or all of the following acts at any time in its sole discretion, all without notice to Trustor and without affecting Beneficiary's rights or Trustor's obligations under this Deed of Trust:

(a) Beneficiary may alter any terms of the Third Party Secured Obligation or any part of it, including renewing, compromising, extending or accelerating, or otherwise changing the time for payment of, or increasing or decreasing the rate of interest on, the Third Party Secured Obligation or any part of it.

(b) Beneficiary may take and hold security for the Third Party Secured Obligation, accept additional or substituted security for either, and subordinate, exchange, enforce, waive, release, compromise, fail to perfect and sell or otherwise dispose of any such security.

(c) Beneficiary may apply any security now or later to be held for the Third Party Secured Obligation in any order that Beneficiary in its sole discretion may choose, and may direct the order and manner of any sale or all or any part of it and bid at any such sale.

(d) Beneficiary may release Borrower of its liability for the Third Party Secured Obligation or any part of it.

(e) Beneficiary may substitute, add or release any one or more guarantors or endorsers.

12.3 Trustor expressly agrees that until each and every term, covenant and condition of this Deed of Trust is fully performed, Trustor shall not be released by any act or event which, except for this Deed of Trust, might be deemed a legal or equitable discharge of a surety, or because of any waiver, extension, modification, forbearance or delay or other act or omission of Beneficiary or its failure to proceed promptly or otherwise as against Borrower or Trustor, or because of any action taken or omitted or circumstance which might vary the risk or affect the rights or remedies of Trustor as against Borrower, or because of any further dealings between Borrower and Beneficiary, whether relating to the Third Party Secured Obligation or otherwise.

Trustor hereby expressly waives and surrenders any defense to its liability under this Deed of Trust based upon any of the foregoing acts, omissions, things, agreements, waivers or any of them. It is the purpose and intent of this Deed of Trust that the obligations of Trustor under it shall be absolute and unconditional under any and all circumstances.

12.4 Trustor waives:

(a) All statutes of limitations as a defense to any action or proceeding brought against Trustor by Beneficiary, to the fullest extent permitted by law;

(b) Any right it may have to require Beneficiary to proceed against Borrower, proceed against or exhaust any security held from Borrower, or pursue any other remedy in Beneficiary's power to pursue;

(c) Any defense based on any legal disability of Borrower, any discharge or limitation of the liability of Borrower to Beneficiary, whether consensual or arising by operation of law or any bankruptcy, reorganization, receivership, insolvency, or debtor-relief proceeding, or from any other cause, or any claim that Trustor's obligations exceed or are more burdensome than those of Borrower;

(d) All presentments, demands for performance, notices of nonperformance, protests, notices of protest, notices of dishonor, notices of acceptance of this Deed of Trust and of the existence, creation, or incurring of new or additional indebtedness, and demands and notices of every kind;

(e) Any defense based on or arising out of any defense that Borrower may have to the payment or performance of the Third Party Secured Obligation or any part of it; and

(f) Until the Third Party Secured Obligation has been paid and performed in full, all rights of subrogation, all rights to enforce any remedy that the Beneficiary may have against Borrower, and all rights to participate in any security now or later to be held by Beneficiary for the Third Party Secured Obligation.

12.5 Upon a default by Borrower, Beneficiary in its sole discretion, without prior notice to or consent of Trustor, may elect to foreclose either judicially or nonjudicially against any real or personal property security it may hold for the Third Party Secured Obligation, or accept an assignment of any such security in lieu of foreclosure, or compromise or adjust the Third Party Secured Obligation or any part of it or make any other accommodation with Borrower or Trustor, or exercise any other remedy against Borrower or any security. No such action by Beneficiary shall release or otherwise affect this Deed of Trust, which shall remain in full force and effect after the action, even if the effect of the action is to deprive Trustor of the right to collect reimbursement from Borrower for any sums paid to Beneficiary. Trustor expressly agrees that under no circumstances shall it be deemed to have any right, title, interest or claim in or to any real or personal property to be held by Beneficiary or any third party after any foreclosure or assignment in lieu of foreclosure of any security for the Third Party Secured Obligation.

12.6 Trustor assumes full responsibility for keeping informed of Borrower's financial condition and business operations and all other circumstances affecting Borrower's ability to pay and perform its obligations to Beneficiary, and agrees that Beneficiary shall have not duty to disclose to Trustor any information which Beneficiary may receive about Borrower's financial condition, business operations, or any other circumstances bearing on its ability to perform.

13. Upon written request by Trustor, Beneficiary will cause Trustee to execute, deliver and record partial reconveyances, releasing the undeveloped pad sites that comprise a portion of the Trust Property from the lien of this Deed of Trust upon the satisfaction of all of the following conditions:

(a) No default or no event which, with the passage of time, the giving of notice or both would constitute a default, shall exist under this Deed of Trust, the Note or the Credit Agreement;

(b) Beneficiary shall have received from Trustor a written request for a partial reconveyance adequately identifying the undeveloped pad sites to be released;

(c) The Debt Service Coverage (as defined in the Credit Agreement) shall not, after giving effect to such reconveyance, be less than 1.30;

(d) Such release shall not in any manner impair the validity, perfection or priority of this Deed of Trust as to the remaining Trust Property;



(e) Trustor shall deliver or cause to be delivered to Beneficiary, at Trustor's expense, such title endorsements or other documents or instruments that Beneficiary may reasonably request to confirm the continuing validity, perfection or priority of this Deed of Trust as to the remaining Trust Property; and

(f) Trustor shall pay and indemnify and hold Beneficiary and Trustee harmless from any costs, expenses, liabilities, premiums and fees (including reasonable attorney's fees) reasonably incurred by Beneficiary or Trustee in connection with such partial reconveyance.

Nothing in this paragraph 13 shall obligate Bank to reconvey any portion of the Trust Property other than those pad sites that are not improved as of the date of this Deed of Trust.

14. Any Trustor who is a married person hereby expressly agrees that recourse may be had against his or her separate property and community property for any deficiency after the sale of the Trust Property hereunder, to the extent permitted by law.

15. Beneficiary may bring an action in any court of competent jurisdiction to foreclose this Deed of Trust in the manner provided by law for the foreclosure of mortgages on real property or to obtain specific enforcement of any of the covenants or agreements contained in this Deed of Trust. If Beneficiary brings such an action, Trustor agrees to pay Beneficiary's reasonable attorneys' fees (including allocated costs of Beneficiary's in-house counsel) as set by the court (and not a jury) and court costs.

16. From time to time, Beneficiary may remove Trustee and appoint a successor Trustee to any Trustee appointed hereunder. A Notice of Substitution of Trustee shall be executed and recorded in accordance with applicable law.

17. This Deed of Trust shall inure to and bind the heirs, personal representatives, successors and assigns of the parties hereto. All obligations of each Trustor hereunder are joint and several. The rights or remedies granted hereunder, or by law, shall not be exclusive, but shall be concurrent and cumulative.

18. This Deed of Trust shall be governed by Nevada law.

19. Where not inconsistent with the above, the following covenants, Nos. 1; 2 (full replacement value); 3; 4 (default rate provided in the Note); 5; 6; 7 (a reasonable percentage); 8 and 9 of Nev. Rev. Stat. Section 107.030 are hereby adopted and made a part of this Deed of Trust.

20. This Deed of Trust is expressly subject and subordinate to the lien of the First Deed of Trust (as defined in the Credit Agreement).

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

"Trustor"

HART ESTATE INVESTMENT COMPANY, a California general partnership

HART ESTATE DEVELOPMENT COMPANY, a California general partnership

By: [Signature]  
Name: Eric Gabrielsen  
Title: General Partner

By: [Signature]  
Name: Donlon Gabrielsen  
Title: General Partner

By: [Signature]  
Name: Eve Gabrielsen  
Title: General Partner

By: [Signature]  
Name: Agnes Gabrielsen  
Title: General Partner

By: [Signature]  
Name: Eric Gabrielsen  
Title: General Partner

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )

ss:

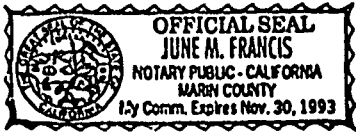
On this 30 day of May, 1993, personally appeared before, me, a notary public, Eric Gabrielsen, (personally known) (proven) to me to be the person whose name is subscribed to the above instrument who acknowledged that he executed the instrument.



Jeffery C. Fairbanks  
NOTARY PUBLIC  
my Commission Expires  
02-5-97

STATE OF California )  
 )  
COUNTY OF Marin ) ss:

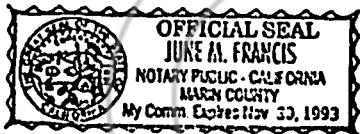
On this 21<sup>st</sup> day of May, 1993, personally appeared before, me, a notary public, Eve Gabrielsen, (personally known) (proven) to me to be the person whose name is subscribed to the above instrument who acknowledged that she executed the instrument.



June M. Francis  
NOTARY PUBLIC

STATE OF California )  
 )  
COUNTY OF Marin ) ss:

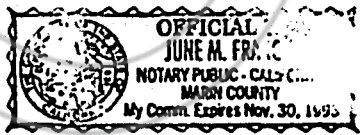
On this 21<sup>st</sup> day of May, 1993, personally appeared before, me, a notary public, Donlon Gabrielsen, (personally known) (proven) to me to be the person whose name is subscribed to the above instrument who acknowledged that he executed the instrument.



June M. Francis  
NOTARY PUBLIC

STATE OF California )  
 )  
COUNTY OF Marin ) ss:

On this 21<sup>st</sup> day of May, 1993, personally appeared before, me, a notary public, Agnes Gabrielsen, (personally known) (proven) to me to be the person whose name is subscribed to the above instrument who acknowledged that she executed the instrument.



June M. Francis  
NOTARY PUBLIC

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COPY

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

93 MAY 25 AM 1:49

307962

BK 0593 PG 4752

SUZANNE BEAUDREAU  
RECORDER

240 PAID 20 DEPUTY