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Escrow # 56161279
C15048CAC

When Recorded Mail To:

ISAACSON, ROSENBAUM, WOODS & LEVY, P.C.
633 17th Street, Suite 2200
Denver, Colorado 80202
Attn: Teresa N. England, Esq.

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

Dated as of November 25, 1996

in the amount of \$6,000,000.00

**THE GOLF CLUB AT GENOA LAKES, LTD.,
a Nevada limited-liability company
having its principal office at 1 Genoa Lakes Drive
Genoa, Nevada 89411
Attention: Eduardo A. Calvo**

("Grantor");

**WESTERN TITLE COMPANY, INC.,
a Nevada corporation**

("Trustee"); and

**DORFINCO CORPORATION, a Delaware corporation,
having an office at c/o Textron Financial Corporation,
5901-A Peachtree-Dunwoody Road, Suite 300
Atlanta, Georgia 30328
Attention: Vice President Golf Finance**

("Beneficiary")

**LOCATION OF PREMISES
Genoa,
Douglas County, Nevada**

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

NOTICE: THE OBLIGATIONS SECURED HEREBY PROVIDE FOR INCREASES AND/OR DECREASES IN THE APPLICABLE INTEREST RATE

THIS DEED OF TRUST, ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND FIXTURE FILING ("Deed of Trust") is made and entered into as of 25th day of November, 1996, by and among THE GOLF CLUB AT GENOA LAKES, LTD., a Nevada limited-liability company, having as a mailing address 1 Genoa Lakes Drive, Genoa, Nevada 89411, Attention: Eduardo A. Calvo (hereinafter referred to as "Grantor"), WESTERN TITLE COMPANY, INC., a Nevada corporation, having as a mailing address P.O. Box 3745 Stateline, Nevada 89449 (hereinafter referred to as "Trustee"), and DORFINCO CORPORATION, a Delaware corporation, having a mailing address of c/o Textron Financial Corporation, 5901-A Peachtree-Dunwoody Road, Suite 300, Atlanta, Georgia 30328, Attention: Vice President - Golf Finance (hereinafter referred to as "Beneficiary").

In order to secure the payment, performance and observance of the indebtedness and other obligations of Grantor hereinafter set forth, Grantor has granted, bargained, sold and conveyed, and does by these presents does hereby grant, bargain, sell and convey, unto Trustee, **IN TRUST, WITH POWER OF SALE**, all of the following described land and interests in land, estates, easements, rights, improvements, property, fixtures, equipment, furniture, furnishings, appliances and appurtenances (hereinafter collectively referred to as the "Premises"):

- (a) All those certain tracts, or parcels of land in Douglas County, Nevada, which are described in Exhibit "A" attached hereto and by this reference made a part hereof (hereinafter referred to as the "Land").
- (b) All buildings, structures, improvements and fixtures of every nature whatsoever now or hereafter situated on the Land (hereinafter referred to as the "Improvements").
- (c) All construction materials, vaults, gas, electric and other utility fixtures, radiators, heaters, engines, machinery, boilers, ranges, elevators, plumbing and heating fixtures, draperies, carpeting and other floor coverings, fire extinguishers and any other safety equipment, washers, dryers, water heaters, water fountains, mirrors, mantels, air conditioning apparatus, refrigerating plants, refrigerators, cooking apparatus and appurtenances, office equipment, office machines, office furnishings, snack bar equipment, furnishings, fixtures, machines, inventory and supplies, club house and pro shop equipment, furnishings, fixtures, inventory and supplies, golf equipment, inventory and supplies, golf clubs and other golf equipment, golf carts, landscaping equipment, tools and supplies, tennis equipment, inventory and supplies, swimming pool equipment, furnishings, fixtures, inventory and supplies, all other recreational equipment, supplies and inventory, exercise equipment, mowers, sprinkler and irrigation systems, facilities

and equipment, valves, rotors, computer or other control systems, window screens, awnings and storm sashes, which are or shall be attached to said buildings, structures or improvements and all other furnishings, furniture, goods which are or are to become fixtures, machinery, equipment, inventory, supplies, appliances and tangible personal property of every kind and nature whatsoever now or hereafter owned by Grantor and located in, on or about, or used or intended to be used with or in connection with the use, operation or enjoyment of the Land or the Improvements, and all attachments, additions, improvements, after-acquired property, renewals, proceeds and replacements of any of the foregoing and all the right, title and interest of Grantor in any of the foregoing property which is subject to or covered by any conditional sales contract, chattel mortgage or similar lien or claim, together with the benefit of any deposits or payments now or hereafter made by Grantor or on behalf of Grantor.

- (d) All now owned or hereafter acquired easements (including specifically and without limitation those easements, licenses and/or permits now owned or hereinafter acquired pertaining to the construction and operation of those certain pedestrian bridges constructed on the Land), rights-of-way, strips, gores of land, streets, ways, alleys, passages, sewer rights, waters, water courses, water and riparian rights and powers (including specifically and without limitation the water rights (collectively, the "Water Rights") described in the attached Exhibit "C" which by this reference is made a part hereof), all estates, rights, titles, interests, privileges, liberties, tenements, hereditaments and appurtenances whatsoever, in any way belonging, relating or appertaining to the Land or the Improvements or any part thereof, or any business or other activity conducted thereon, or which hereafter shall in any way belong, relate or be appurtenant thereto, and the reversions, remainders, rents, issues, profits, revenues, accounts, contract rights and general intangibles (and all Accounts, Equipment, General Intangibles and Inventory as those terms are defined in Article 9 of the Uniform Commercial Code as enacted in the State of Nevada) of or arising from the Land or the Improvements (including without limitation all payments under all leases or tenancies, proceeds of insurance, prepaid insurance premiums, condemnation payments, golf club initiation fees, greens fees, golf cart and golf club rental fees, tennis fees, golf and other membership fees, membership dues, accounts receivable arising from the use or operation of each pro shop, snack bar, restaurant, club house and bar located on or about the Land and all other payments received or due from members or other users of the golf course, snack bar, pro shop and related facilities located on the Land the parties hereto hereby agreeing that any and all payments described in this parenthetical clause are to be regarded as "proceeds, product, offspring, rents or profits" as defined in and for purposes of Section 552(b) of the United States Bankruptcy Code, as amended (the "Bankruptcy Code")), all contracts and contract rights, membership agreements and contracts, plans and specifications, licenses, causes of action, claims, condemnation proceeds, profits, concessions, fees, lease guaranties, utility contracts, maintenance contracts and agreements, management contracts and agreements, service contracts, negotiable instruments, instruments, letters of

credit, policies and proceeds of insurance, cash, bank accounts, escrow funds and accounts, construction funds and refunds of taxes or insurance premiums, and all the estate, right, title, interest, property, possession, claim and demand whatsoever at law, as well as in equity, of Grantor of, in and to the same.

- (e) Any and all leases, subleases, rental agreements, occupancy agreements, licenses, concessions, entry fees and other agreements which grant a possessory interest in all or any part of the Land or the Improvements, or any right to use or operate all or any part of the Land or the Improvements, together with all rents, issues, profits, revenues, proceeds, awards, accounts, security deposits and other benefits now or hereafter arising from the use and enjoyment of the Land or the Improvements or any part thereof, or any business or other activity conducted thereon; the parties hereto hereby agreeing that such rents, issues, profits, revenues, proceeds, awards, accounts, security deposits and other benefits are to be regarded as "proceeds, product, offspring, rents or profits" as defined in and for purposes of Section 552(b) of the Bankruptcy Code.
- (f) All development rights or credits, oil, gas and mineral rights and air rights applicable or appurtenant to the Land.
- (g) All of Grantor's right, title and interest in and to all trade names, trademarks, service marks, logos and goodwill related thereto which in any way now or hereafter belong, relate or appertain to the Land or the Improvements or any part thereof, or are now or hereafter acquired by Grantor including, without limitation, the use of the name "The Golf Club at Genoa Lakes" and all other name(s) used in connection with the Land or the Improvements.
- (h) All revenues received by Grantor from the ownership and operation of the Premises, regardless of what such revenues may be called, including without limitation, all proceeds, product, offspring, sales or profits of the Premises; the parties hereto hereby agreeing that such revenues are to be regarded as "proceeds, product, offspring, rents or profits" as defined in and for purposes of Section 552(b) of the Bankruptcy Code.
- (i) Any and all present and future attachments, accessions, replacements, additions, products and proceeds of any of the property listed in subparagraphs (b) through (h) above.

TO HAVE AND TO HOLD the Premises, with all privileges and appurtenances thereunto belonging, unto Trustee, forever. Grantor covenants that Grantor is lawfully seized and possessed of the Premises as aforesaid, and has all requisite right and authority to convey the same, that the same is unencumbered except for those matters expressly set forth in Exhibit "B" attached hereto and by this reference made a part hereof (collectively, the "Permitted Encumbrances"). Grantor does hereby bind itself, its successors and assigns, to warrant and forever defend the title to the Premises unto Trustee and Beneficiary against the claims of all persons whomsoever, except as to the Permitted Encumbrances.

401709

This Deed of Trust is given to secure the following described indebtedness (collectively the "Indebtedness"):

- (a) All sums evidenced by that certain Promissory Note ("Note") dated of even date herewith, made by Grantor, payable to the order of Beneficiary in the principal face amount of **SIX MILLION AND NO/100 U.S. DOLLARS (\$6,000,000.00)**, together with interest thereon, with the final payment being due on December 1, 2001 ("Maturity Date") (the foregoing Note together with any and all modifications, renewals and/or extensions thereof is hereinafter called the "Note"); provided, however, that pursuant to the terms of the Loan Agreement, as hereinafter defined, the Maturity Date of the Note may be extended until December 1, 2006 ("Extended Maturity Date").
- (b) Any and all additional advances made by Beneficiary to protect or preserve the Premises or the lien hereof on the Premises, or for taxes, assessments or insurance premiums as hereinafter provided (whether or not the original Grantor remains the owner of the Premises at the time of such advances); provided, however, that Beneficiary shall not in any event be required to make any such additional advances; and
- (c) Any and all other sums owed by Grantor to Beneficiary hereunder, under the Note, or any and all other indebtedness, liabilities, or obligations of Grantor to Beneficiary, of any nature whatsoever, whether now existing or hereafter created, whether direct, indirect or secondary, and any and all modifications, extensions or renewals thereof, including without limitation sums owed under any other instrument evidencing, securing or in any way concerning the debt evidenced by the Note.

The Deed of Trust and the following instruments which evidence, secure and/or relate to the loan evidenced by the Note are hereinafter referred to as the "Security Documents":

- (a) Loan Agreement dated of even date herewith by and between Grantor and Beneficiary;
- (b) Assignment of Leases and Rents dated of even date herewith by Grantor as assignor in favor of Beneficiary as assignee;
- (c) Security Agreement dated of even date herewith by Grantor as debtor in favor of Beneficiary as secured party;
- (d) Collateral Assignment of Contracts dated of even date herewith by Grantor, as assignor, in favor of Beneficiary, as assignee;
- (e) Environmental Indemnity Agreement dated of even date herewith by Grantor, as indemnitor, and Beneficiary, as indemnitee; and

- (f) All other documents, instruments or agreements now or hereafter securing, evidencing and/or relating to the debt secured by the Note.

Notwithstanding any other provision contained in this Deed of Trust or any of the other Security Documents to the contrary, this Deed of Trust and the other Security Documents shall not secure the obligations of Grantor under Paragraph 1.18 of this Deed of Trust or the Environmental Indemnity.

Should the Indebtedness be paid according to the tenor and effect thereof when the same shall become due and payable, and should Grantor perform all covenants, terms and conditions herein contained in a timely manner, then this conveyance shall be null and void and shall be reconveyed of record at the request of Grantor and at Grantor's sole cost and expense.

Grantor hereby further covenants and agrees as follows:

ARTICLE I

1.01 Payment of Indebtedness.

Grantor will pay the Note according to the tenor thereof and all other sums now or hereafter secured hereby promptly as the same shall become due.

1.02 Taxes, Liens and Other Charges.

- (a) In the event of the passage of any state, federal, municipal or other governmental law, order, rule or regulation, subsequent to the date hereof, in any manner changing or modifying the laws now in force governing the taxation of the Indebtedness or this Deed of Trust or the manner of collecting taxes so as to adversely affect Beneficiary (exclusive of any tax of Beneficiary's net income), Grantor will promptly pay any such tax, subject, however, to Grantor's right to contest such tax in accordance with Paragraph 1.02(d) below. If Grantor fails to make any such payment when due or if, in the opinion of Beneficiary, any such state, federal, municipal or other governmental law, order, rule or regulation prohibits Grantor from making such payment or would penalize Beneficiary if Grantor makes such payment or if, in the opinion of Beneficiary, the making of such payment might result in the imposition of interest beyond the maximum amount permitted by applicable law, then the entire balance of the principal sum secured by this Deed of Trust and all interest accrued thereon shall, at the option of Beneficiary, become immediately due and payable.
- (b) Grantor will pay (to the extent the same are not paid from the escrowed funds provided for in Paragraph 1.04), before the same become delinquent, all taxes, liens, assessments and charges of every character including all utility and sewer charges, now or hereafter be levied or assessed upon the Premises; and upon demand will furnish Beneficiary with receipted bills evidencing such payment.

- (c) Grantor will not suffer or permit any mechanic's, materialman's, laborer's, statutory or other lien to remain outstanding upon all or any part of the Premises.
- (d) Grantor, at its expense, may contest, after prior written notice to Beneficiary, by appropriate legal proceedings conducted in good faith and with due diligence, the amount, validity or application, in whole or in part, of any taxes, liens, assessments or charges levied or assessed upon the Premises or any mechanic's, materialman's, laborer's, statutory or other lien filed against the Premises, so long as such proceedings operate to prevent the collection or other realization thereon and the sale or forfeiture of the Premises or any part thereof to satisfy the same or the impairment of Beneficiary's lien; provided that (i) during such contest Grantor shall, at the option of Beneficiary, provide Beneficiary with security satisfactory to Beneficiary, assuring the payment of the Indebtedness and of any additional interest, charge, penalty or expense arising from or incurred as a result of such contest, and (ii) if at any time Beneficiary determines that payment of any obligation imposed upon Grantor under this Paragraph 1.02 shall become necessary to prevent either the sale or forfeiture of the Premises or any part thereof to satisfy the same or the imposition of any liability on Beneficiary, then Grantor shall immediately pay the same.

1.03 Insurance.

- (a) Grantor shall deliver to and maintain for the benefit of Beneficiary during the term of this Deed of Trust, original paid up insurance coverage policies (or certified copies thereof) in amounts, in form and in substance, and with expiration dates all acceptable to Beneficiary, with co-insurance clauses (if any) approved by Beneficiary, and containing a waiver of subrogation rights by the insuring company, non-contributory standard mortgagee benefit clause, or their equivalents, and a mortgagee loss payable endorsement in favor of and satisfactory to Beneficiary, providing the following types of insurance on the Premises:
- (i) insurance against loss or damage by fire, lightning, hurricane, tornado, wind damage, vandalism and malicious mischief, and such other hazards as are presently included in so-called "all risk extended coverage" insurance policies, and insuring against other such insurable hazards as, under good insurance practices, from time to time are insured against for properties of similar character and location. The amount of the foregoing insurance shall not be less than the full replacement value of the Premises including all improvements and personal property thereon; and said policy or policies of insurance shall provide for a deductible acceptable to Beneficiary, breach of warranty coverage, and replacement cost endorsements, and shall name Beneficiary as mortgagee with respect to the Land and Improvements and any fixtures attached thereto, and as loss payee with respect to all personal property

included as a part of the Premises, all of which must be in form and content satisfactory to Beneficiary;

- (ii) business interruption insurance insuring against loss of income arising out of damage or destruction by fire, lightning, hurricane, tornado, wind damage, vandalism, malicious mischief, and such other hazards as are presently included in so-called "all risk extended coverage" insurance policy, naming Beneficiary as loss payee, with a deductible acceptable to Beneficiary and in an amount not less than one hundred percent (100%) of twelve (12) months gross income for the Premises;
 - (iii) tees and greens insurance in the amount of \$10,000.00 for all tees on each hole and \$10,000.00 per green, naming Beneficiary as loss payee mortgagee and otherwise in form and content acceptable to Beneficiary;
 - (iv) comprehensive general liability insurance insuring against loss of or damage to property and injury to or death of persons in an amount acceptable to Beneficiary, naming Beneficiary as additional insured, and otherwise in form and content acceptable to Beneficiary; and
 - (v) such other insurance on the Premises or any replacements or substitutions therefor, including public liability and property damage insurance in an amount satisfactory to Beneficiary, and flood insurance (if the Premises are or become located in an area which is considered a flood risk by the U.S. Department of Housing and Urban Development), and in such amounts as may from time to time be reasonably required by Beneficiary for the purpose of insuring against other insurable casualties which at the time are commonly insured against in the case of premises similarly situated, due regard being given to the height and type of the improvements on the Premises, their construction, location, use and occupancy, or any replacements or substitutions therefor.
- (b) Beneficiary is hereby authorized and empowered, at its option, to adjust or compromise any loss under any insurance policies maintained pursuant to this Paragraph 1.03, and to collect and receive the proceeds from any such policies. Each insurance company is hereby authorized and directed to make payment for all such losses directly to Beneficiary, instead of to Grantor and Beneficiary jointly. In the event any insurance company fails to disburse directly and solely to Beneficiary but disburses instead either solely to Grantor or to Grantor and Beneficiary jointly, Grantor agrees immediately to endorse and transfer such proceeds to Beneficiary. Upon the failure of Grantor to endorse and transfer such proceeds as aforesaid, Beneficiary may execute such endorsements or transfers

for and in the name of Grantor and Grantor hereby unconditionally and irrevocably appoints Beneficiary as Grantor's agent and attorney-in-fact, coupled with an interest, to endorse and transfer such proceeds to Beneficiary. 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 option (i) to the payment of the Indebtedness, whether or not due and in whatever order Beneficiary elects, (ii) to the repair/replacement and/or restoration of the Premises 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. Any net proceeds to be disbursed by Beneficiary pursuant to this Paragraph 1.03 shall be disbursed in a manner acceptable to Beneficiary as the repair and/or replacement work proceeds. Beneficiary 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) All insurance policies required pursuant to this Deed of Trust shall provide that the coverage afforded thereby shall not expire or be amended, canceled or otherwise terminated without at least thirty (30) days prior written notice to Beneficiary. At least thirty (30) days prior to the expiration date of each policy maintained pursuant to this Paragraph 1.03, a renewal or replacement thereof satisfactory to Beneficiary shall be delivered to Beneficiary. Grantor shall deliver to Beneficiary receipts evidencing the payment for all such insurance policies and renewals or replacements. The delivery of any insurance policies hereunder shall constitute an assignment of all unearned premiums as further security hereunder. In the event of the foreclosure of this Deed of Trust or any other transfer of title to the Premises in full or partial extinguishment of the Indebtedness, all right, title and interest of Grantor in and to all insurance policies then in force shall pass to the purchaser or grantee.

1.04 Monthly Deposits.

- (a) To further secure the payment of the taxes and assessments against the Premises, Grantor will deposit with Beneficiary, on the due date of each monthly installment under the Note, a sum which, in the estimation of Beneficiary, shall be equal to one-twelfth (1/12) of the annual taxes and assessments on or with respect to the Premises; provided, however, that with respect to the calendar year in which the first advance of the Indebtedness is made by Beneficiary, Grantor will deposit with Beneficiary such greater monthly amount as may be estimated by Beneficiary to be necessary to provide for the payment in full of the taxes and assessments on or with respect to the Premises for such year prior to the date on which such taxes and assessments become due. Beneficiary shall from time to time provide Grantor with written notice of the amounts payable by Grantor pursuant to this Paragraph 1.04, but no such estimates shall release Grantor from liability for the payment of all of the annual taxes and assessments on or with respect to the Premises. Said deposits shall be held by Beneficiary, free of any liens or claims on the part of creditors of Grantor and as part of the security of Beneficiary, and shall be used by Beneficiary to pay current taxes and assessments on the

Premises as the same are due. Said deposits shall not be trust funds but may be commingled with the general funds of Beneficiary. If said deposits are insufficient to pay the taxes and assessments in full as the same become due, Grantor will, subject to NRS 100.091 and NRS 106.105, deposit with Beneficiary such additional sum or sums as may be required in order for Beneficiary to pay such taxes and assessments in full. Upon the occurrence of any default or Event of Default at any time when Beneficiary is in possession of such deposits, Beneficiary may, at its option, apply any of said deposits to the payment of the Indebtedness in such manner and order as it may elect.

(b) After the occurrence of an Event of Default (as hereinafter defined), to secure the payment of the premiums on the insurance policies required hereunder, upon demand by Beneficiary, Grantor shall deposit with Beneficiary, on the due date of each monthly installment under the Note, a sum which, in the estimation of Beneficiary, shall be equal to one-twelfth (1/12th) of the annual insurance premiums due with respect to the insurance policies required hereunder; provided, however, that with respect to the calendar year in which Grantor is first required to deposit insurance premiums with Beneficiary pursuant to this Paragraph 1.04(b), Grantor shall deposit with Beneficiary such greater monthly amount as may be estimated by Beneficiary to be necessary to pay all insurance premiums payable with respect to such year. The premiums paid pursuant to this Paragraph 1.04(b) shall be held by Beneficiary in accordance with Paragraph 1.04(a) above, and shall be used by Beneficiary to pay insurance premiums which become due with respect to the insurance policies required hereunder. Said deposits shall not be trust funds, but may be commingled with the general funds of Beneficiary. If said deposits are insufficient to pay the insurance premiums in full as they become due, Grantor will deposit with Beneficiary such additional sum or sums as may be required in order for Beneficiary to pay such insurance premiums in full. Upon the occurrence of any default or Event of Default at any time when Beneficiary is in possession of such deposits, Beneficiary may, at its option, apply any of said deposits to the payment of the Indebtedness in such manner as it may elect.

1.05 Condemnation.

(a) If all or any material portion of the Premises, subject to Landlord's determination in its sole discretion, shall be damaged or taken through condemnation (which term when used in this Deed of Trust shall include any damage or taking by any governmental authority and any transfer by private sale in lieu thereof), either temporarily or permanently, then the entire Indebtedness shall, at the option of Beneficiary, become immediately due and payable, if Beneficiary determines, in its sole discretion, that such damage or taking will reduce the value of the Premises as collateral for the Indebtedness or result in the reduction of the revenues generated by the present uses of the Premises. Beneficiary shall be entitled to receive all compensation, awards and other payments or relief payable with respect to any condemnation.

Beneficiary is hereby authorized, at its option, to commence, appear in and prosecute, in its own or in Grantor's name, any action or proceeding relating to any condemnation, and to settle or compromise any claim in connection therewith. All such compensation awards, damages, claims, rights of action and proceeds and the right thereto are hereby assigned by Grantor to Beneficiary. After deducting from said condemnation proceeds all of its expenses incurred in the collection and administration of such sums, including attorneys' fees, Beneficiary may apply

the net condemnation proceeds or any part thereof, at its option, (i) to the payment of the Indebtedness, whether or not due and in whatever order Beneficiary elects, (ii) to the repair and/or replacement of the Premises 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. All net condemnation proceeds to be disbursed by Beneficiary pursuant to this Paragraph 1.05 shall be disbursed in a manner acceptable to Beneficiary as the repair and/or replacement work proceeds. Beneficiary shall not be held responsible for any failure to collect any condemnation proceeds regardless of the reason for such failure. Grantor agrees to execute such further assignment of any compensation, awards, damages, claims, rights of action and proceeds as Beneficiary may require.

(b) Provided, however, in the event that a portion of the Premises is damaged or taken through condemnation and Beneficiary determines in its sole discretion that (i) such damage or taking does not materially adversely affect the type or scope of improvements or golf operation existing prior to the damage or taking of such portion of the Premises or the net operating income from the Premises and (ii) the amount of condemnation proceeds arising from such damage or taking is less than \$50,000, then Grantor shall be entitled to said condemnation proceeds.

1.06 Care of Premises.

- (a) Grantor will keep the buildings, parking areas, roads and walkways, recreational facilities, landscaping and all other improvements of any kind now or hereafter erected on the Land or any part thereof (including, without limitation, the eighteen (18) existing holes of golf, the practice range, chipping and putting practice greens, the clubhouse and related facilities, the snack bar and the pro shop), and the fixtures, furnishings and equipment therein and thereon, in good condition and repair, will not commit or suffer any waste and will not do or suffer to be done anything which will increase the risk of fire or other hazard to the Premises or any part thereof.
- (b) Grantor will not remove or demolish or alter the structural character of any material improvement located on the Land without the written consent of Beneficiary.
- (c) If the Premises or any part thereof is damaged by fire or any other cause, Grantor will give immediate written notice thereof to Beneficiary.
- (d) Beneficiary, Trustee or their respective representatives are hereby authorized to enter upon and inspect the Premises at any time during normal business hours.
- (e) Grantor will promptly comply with all present and future laws, ordinances, rules and regulations of any governmental authority affecting the Premises or any part thereof. Grantor will deliver to Beneficiary, within ten (10) days after Grantor's receipt thereof, copies of any additional governmental permits or approvals or disapprovals or notices issued with regard to the Premises or any portion thereof.

- (f) If all or any material part of the Premises shall be damaged by fire or other casualty, Grantor will promptly restore the Premises to the equivalent of its original condition, normal wear and tear excepted; and if a part of the Premises shall be damaged through condemnation, Grantor will promptly restore, repair or alter the remaining portions of the Premises in a manner satisfactory to Beneficiary, and the unavailability or insufficiency of any such insurance or condemnation proceeds to defray the entire expense of restoration shall in no way relieve Grantor of its obligation to restore. In the event all or any portion of the Premises shall be damaged or destroyed by fire or other casualty or by condemnation, Grantor shall promptly deposit with Beneficiary, as provided in Section 1.03(c), a sum equal to the amount by which an architect's estimate (acceptable to Beneficiary) of the cost of the restoration of the Premises exceeds the actual net insurance or condemnation proceeds received by Beneficiary in connection with such damage or destruction and which Beneficiary has agreed to make available to Grantor in accordance with the provisions of Section 1.03(c). Provided, however, in the event a portion of the Premises is damaged by fire or other casualty and Beneficiary determines in its sole discretion that (i) such damage does not materially adversely affect the type or scope of improvements or golf course operation existing prior to the damage of such portion of the Premises or the net operating income from the Premises and (ii) the cost of repairing such damage is less than \$50,000, then Grantor shall be entitled to such insurance proceeds for purposes of the restoring and repair of the Premises.

1.07 Leases, Other Agreements Affecting Property; Assignment of Rents.

(a) Grantor will duly and punctually perform all terms, covenants, conditions and agreements binding upon it under any lease, sublease, rental agreement, license, concession, occupancy agreement, easement, maintenance agreement, covenants, conditions and restrictions or any other agreement of any nature whatsoever which involves or affects the Premises or any part thereof. Grantor will furnish Beneficiary with executed copies of all leases, subleases, rental agreements or occupancy agreements now or hereafter created upon the Premises or any part thereof. Grantor will not without the express written consent of Beneficiary, enter into any lease, sublease or occupancy agreement with respect to the Premises or any portion thereof. In addition, Grantor will not, without the express written consent of Beneficiary, modify either orally or in writing, any lease, sublease, rental agreement or occupancy agreement now existing or hereafter created upon the Premises or any part thereof, or permit any assignment or a subletting by any Tenant. Grantor will not terminate any lease, sublease, rental agreement or occupancy agreement, or accept payment of rent more than one (1) month in advance without the prior express written consent of Beneficiary. In order to further secure payment of the Note and the observance, performance and discharge of Grantor's obligations, Grantor hereby absolutely assigns, transfers and sets over unto Beneficiary, and, subject to the foregoing absolute assignment, grants Beneficiary a security interest in, all of Grantor's right, title and interest in, to and under all leases, subleases, rental agreements, occupancy agreements, licenses, concessions, entry fees, other agreements which grant a possessory interest and other contracts now or hereafter affecting the Premises or any part thereof and in and to all of the rents, issues, profits, revenues, proceeds, awards and other benefits now or hereafter arising from the use and

enjoyment of the Premises or any part thereof; provided, however, that Beneficiary hereby licenses back to Grantor the right to collect the same so long as Grantor is not in default hereunder.

(b) So long as any Indebtedness remains outstanding, Grantor shall neither enter into any new contracts, leases or other obligations nor renew any existing contracts, leases or other obligations with respect to the Premises which have a term of twelve (12) months or longer, or which require the payment by either party of aggregate consideration of \$25,000.00 or more, without Beneficiary's prior written approval, which approval shall not be unreasonably withheld. Beneficiary shall have ten (10) days from the delivery of any of said contracts, leases or obligations by Grantor to Beneficiary to approve or disapprove the same (the "Approval Period"). If Beneficiary does not respond to Grantor within the Approval Period, Beneficiary will be deemed to have approved the applicable contract, lease or other obligation submitted by Grantor to Beneficiary.

(c) Exclusive of the first sentence of Section 1.07(a), it is agreed that Sections 107(a) and 107(b) do not apply to golf membership agreements entered into by Grantor in the normal course of business and which do not create in the holder of such membership a possessory interest in the Premises.

1.08 Security Agreement and Fixture Filing.

Insofar as (i) any of the property listed in paragraphs (b) through (i) of the second paragraph of this Deed of Trust and, (ii) all other personal property either referred to or described in this Deed of Trust, or in any way connected with the use or enjoyment of the Premises (hereinafter all property defined in the foregoing clauses (i) and (ii) of this Paragraph 1.08 shall be collectively referred to as "Collateral"), this Deed of Trust, in compliance with the provisions of Article 9 of the Nevada Uniform Commercial Code, as it may be amended from time to time (the "UCC"), is hereby made and declared to be: (x) a security agreement, encumbering the Collateral and (y) a fixture filing. Grantor does hereby grant to Beneficiary a continuing lien and security interest in and to all of said Collateral and all replacements, substitutions, additions and proceeds thereof and all after-acquired property relating thereto, subject only to the Permitted Encumbrances and to those matters set forth in Schedule 3 of that certain Security Agreement of even date herewith given by Grantor, as debtor, to Beneficiary, as secured party (the "Security Agreement"). A financing statement or statements describing the Collateral shall be executed by Grantor and appropriately filed. Grantor covenants and agrees that, prior to changing its name, identity or structure, it will so notify Beneficiary and will promptly execute any financing statements or other instruments deemed necessary by Beneficiary to prevent any filed financing statement from becoming seriously misleading or losing its perfected status. The remedies for any violation of the covenants, terms and conditions of the security agreement herein contained shall be (i) as prescribed herein, or (ii) as prescribed by general law, or (iii) as prescribed by the UCC, all at Beneficiary's sole election. Grantor and Beneficiary agree that the filing of such financing statement(s) in the records normally having to do with personal property shall never be construed in anywise derogating from or impairing this declaration and hereby stated intention of Grantor and Beneficiary that everything used in connection with the production of income from the Premises, adapted for

use therein, and/or which is described 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 irrespective of whether (a) any such item is physically attached to the improvements, (b) serial numbers are used for the better identification of certain items capable of being thus identified in a recital contained herein, or (c) any such item is referred to or reflected in any such financing statement(s) so filed at any time. Similarly, the mention in any such financing statement(s) of the rights in and to (aa) the proceeds of any insurance policy relating to the Premises, or (bb) any award in eminent domain proceedings for a taking or for loss of value, or (cc) Grantor's interest as lessor in any present or future lease, sublease, or rights to income growing out of the use and/or occupancy of the Premises, or any business or other activity conducted thereon, whether pursuant to lease, sublease, or otherwise, shall never be construed as in anywise altering any of the rights of Beneficiary as determined by this Deed of Trust or impugning the priority of Beneficiary's lien granted hereby or by any other recorded document, but such mention in such financing statement(s) is declared to be for the protection of Beneficiary in the event any court shall at any time hold with respect to the foregoing (aa), (bb) or (cc), that notice of Beneficiary's priority of interest to be effective against a particular class of persons, must be filed in the UCC records. The information contained herein is provided in order that this Deed of Trust shall comply with the requirements of the UCC for instruments to be filed as financing statements or fixture filings. The "Debtor" is Grantor; the "Secured Party" is Beneficiary herein, the principal place of business of the "Debtor" is set forth on the Cover Page of this Deed of Trust, the mailing addresses of the "Debtor and "Secured Party" are as set forth on Page 1 of this Deed of Trust, and the types or items of collateral are as described hereinabove in this Paragraph 1.08.

1.09 Further Assurances; After Acquired Property.

At any time, and from time to time, upon request by Beneficiary, Grantor will make, execute and deliver or cause to be made, executed and delivered, to Beneficiary and, where appropriate, cause to be recorded and/or filed and from time to time thereafter to be re-recorded and/or refiled at such time and in such offices and places as shall be deemed desirable by Beneficiary, any and all such other and further deeds of trust, security agreements, financing statements, continuation statements, instruments of further assurance, 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 (a) the obligations of Grantor under this Deed of Trust, and (b) the lien of this Deed of Trust as a lien upon and security interest in and to all of the Premises, whether now owned or hereafter acquired by Grantor. Upon any failure by Grantor so to do Beneficiary may make, execute, record, file, re-record and/or refile any and all such deeds of trust, security agreements, financing statements, continuation statements, instruments, certificates, and documents for and in the name of Grantor and Grantor hereby irrevocably appoints Beneficiary the agent and attorney-in-fact of Grantor so to do. The lien hereof will automatically attach, without further act, to all after acquired property attached to and/or used in the operation of the Premises or any part thereof.

1.10 Expenses.

- (a) If any action or proceeding is commenced to which action or proceeding Beneficiary or the Trustee is made a party or in which it becomes necessary to defend or uphold the lien of this Deed of Trust, Grantor shall, on demand, reimburse Beneficiary and the Trustee for all expenses (including, without limitation, reasonable attorneys' fees and appellate attorneys' fees) incurred by Beneficiary and/or the Trustee in any such action or proceeding. In any action or proceeding to foreclose this Deed of Trust or to recover or collect all or any portion of the Indebtedness, the provisions of law relating to the recovering of costs, disbursements and allowances shall remain unaffected by this covenant.
- (b) Subject to the provisions of Section 1.02(d), Grantor shall pay when due all payments and charges on all liens, encumbrances, ground and other leases, easements, maintenance agreements, covenants, conditions and restrictions and security interests which may be or become superior or inferior to the lien of this Deed of Trust, and if Grantor shall not make any such payments, Beneficiary, after giving Grantor written notice and ten (10) days to make such payments (unless immediate payment is deemed necessary by Beneficiary, in which case no prior notice must be given to Grantor), shall have the right, but shall not be obligated, to pay such payments and charges and Grantor shall, on demand, reimburse Beneficiary for amounts so paid. In addition, upon default of Grantor in the performance of any other terms, covenants, conditions or obligations by it to be performed under any such prior or subordinate lien, encumbrance, lease or security interest, Beneficiary shall have the right, but shall not be obligated, to cure such default in the name and on behalf of Grantor. All sums advanced and reasonable expenses incurred at any time by Beneficiary pursuant to this Paragraph 1.10 or pursuant to any of the other terms and provisions of this Deed of Trust or under applicable law shall bear interest from the date that such sum is advanced or expense incurred, to and including the date of reimbursement, computed at an interest rate equal to the lesser of the Default Rate under the Note or the Highest Lawful Rate (as defined in Paragraph 1.14).
- (c) Grantor agrees to bear and pay all expenses (including attorneys' fees and appellate attorneys' fees actually incurred) of or incidental to the enforcement of any provision hereof, or the enforcement, compromise or settlement of this Deed of Trust or the Indebtedness, and for the curing thereof, or for defending or asserting the rights and claims of Beneficiary in respect thereof, by litigation or otherwise.

1.11 Estoppel Affidavits.

Grantor, upon fifteen (15) days prior written notice, shall furnish to Beneficiary a written statement, duly acknowledged, setting forth the unpaid principal of, and interest on, the Indebtedness and whether or not any offsets or defenses are claimed to exist against such principal and interest, and such other information as may be requested by Beneficiary.

401709

Beneficiary, upon fifteen (15) days prior written notice, shall furnish to Grantor a written statement, duly acknowledged, setting forth the unpaid principal of, and interest on, the Indebtedness.

1.12 Subrogation.

Beneficiary shall be subrogated to the claims and liens of all parties whose claims or liens are discharged or paid with the proceeds of the Indebtedness.

1.13 Books, Records, Accounts and Annual Reports; Notices of Claims.

- (a) Grantor will keep and maintain or will cause to be kept and maintained proper and accurate books, records and accounts reflecting all items of income and expense in connection with the operation of the Premises or in connection with any services, equipment or furnishings provided in connection with the operation of the Premises. Beneficiary shall have the right from time to time to examine such books, records and accounts at the office of Grantor or such other person or entity maintaining such books, records and accounts and to make copies or extracts thereof as Beneficiary shall desire. Grantor will furnish to Beneficiary annually, on or before the date which is ninety (90) days following the expiration of each fiscal year of Grantor, audited income statements and balance sheets for the Premises and the operation thereof and for Grantor, as of the end of such fiscal year and for the twelve (12) months then ended, prepared in accordance with generally accepted accounting principles consistently applied with prior accounting periods, in form, with content, and certified by an accounting firm acceptable to Beneficiary, setting out in detail to the satisfaction of Beneficiary, all income and expenditures from the operation of the Premises (including a statement as to the number of rounds of golf played on the Premises during such twelve (12) month period). In addition to the audited annual financial statements described above, within ninety (90) days following the expiration of each fiscal year of Grantor, Grantor shall cause Eduardo A. Calvo and Genoa Lakes Venture, a Nevada joint venture (each hereinafter the "Guarantor") to furnish to Beneficiary financial statements dated as of the most recently concluded calendar year and certified by the Guarantor to be true, correct and complete.
- (b) Within thirty (30) days following the end of each month, Grantor shall deliver to Beneficiary copies of the monthly operating statements with respect to the Property certified by Grantor to be true, correct and complete, and containing, at a minimum, information as to the total number of rounds of golf played at the Premises and the revenue and expense items for such month, all of which must be in form and substance satisfactory to Beneficiary.
- (c) In the event that the substance of the foregoing financial information required pursuant to the foregoing Paragraphs 1.13(a) and (b) is not acceptable to Beneficiary in its discretion, Beneficiary may have Grantor's income statements and balance sheets audited and certified by a different certified public accountant

chosen by Beneficiary and prepared in accordance with generally accepted accounting principles applied on a consistent basis with prior accounting periods (the "Second Audit"). If the figures for the total revenues and operating expenses of the Premises (as defined in accordance with generally accepted accounting principles) in the Second Audit do not vary more than five percent (5%) from the figures in the annual statements previously submitted to Beneficiary pursuant to Paragraph 1.13(a) above, then Beneficiary shall bear the reasonable cost of the Second Audit. If, however, such figures vary more than five percent (5%), the Grantor shall pay for the cost of the Second Audit, and such amount shall be secured by this Deed of Trust.

- (d) In addition to the information discussed in Paragraphs 1.13(a), (b) and (c) above, Grantor shall supply to Beneficiary from time to time upon request by Beneficiary all information relating to Grantor, the Guarantor and the Premises as Beneficiary may request.
- (e) Grantor shall provide Beneficiary with immediate written notice of any pending or threatened dispute with any person or entity which might adversely effect Grantor or the Premises.

1.14 Limit of Validity.

Grantor and Beneficiary intend to comply with the applicable Nevada law governing the rate of interest or maximum amount of interest payable on or in connection with the Note and the loan transaction evidenced thereby (or applicable United States federal law to the extent that it permits the Beneficiary to contract for, charge, take, reserve or receive a greater amount of interest than under Nevada law) (the "Highest Lawful Rate"). If the applicable law is ever judicially interpreted so as to render usurious any amount called for under the Note, this Deed of Trust or any of the Security Documents or contracted for, charged, taken, reserved or received with respect to the loan transaction evidenced by the Note, or if acceleration of the maturity of the Note or if any prepayment by Grantor results in Grantor having paid or demand having been made on Grantor to pay, any interest in excess of that permitted by applicable law, then all excess amounts theretofore collected by Beneficiary shall be credited on the principal balance of the Note (or, if the Note has been or would thereby be paid in full, such excess amounts shall be refunded to Grantor), and the provisions of the Note, this Deed of Trust, the Security Documents and any demand on Grantor shall immediately be deemed reformed and the amounts thereafter collectible under the Note, this Deed of Trust and under the Security Documents shall be reduced, without the necessity of the execution of any new document, so as to comply with the applicable law, but so as to permit the recovery of the fullest amount otherwise called for under the Note, this Deed of Trust and under the Security Documents. The right to accelerate the maturity of the Note does not include the right to accelerate any interest which has not otherwise accrued on the date of such acceleration, and Beneficiary does not intend to collect any unearned interest in the event of acceleration. All sums paid or agreed to be paid to Beneficiary for the use, forbearance or detention of the indebtedness evidenced by the Note shall, to the extent permitted by applicable law, be amortized, prorated, allocated and

spread throughout the full term of such indebtedness until payment in full so that the rate or amount of interest on account of such indebtedness does not exceed the Highest Lawful Rate.

1.15 No Further Encumbrances.

Except for (i) purchases of Equipment described in Paragraph 1.21 and (ii) purchase money financing or consignment of inventory in the ordinary course of Grantor's business, Grantor shall not without the prior written consent of Beneficiary, directly or indirectly (including, without limitation, by equipment leasing or similar arrangements, or by pledging or hypothecation of any of the member's interests of Grantor), further encumber the Premises, or any part thereof, it being understood by Grantor that the Premises, and all parts thereof, shall remain free and clear of any and all debt instruments or other obligations for repayment of money except those given in connection with the loan evidenced by the Note, the Permitted Encumbrances and the matters set forth in Schedule 3 to the Security Agreement.

1.16 Restrictions on Transfers, Distributions.

- (a) Grantor shall not, without first obtaining the prior written consent of Beneficiary (which may be given or withheld by Beneficiary in Beneficiary's sole discretion), whether voluntarily or involuntarily by operation of law or otherwise (i) transfer, sell, convey or assign all or any portion of the Premises, other than inventory in the ordinary course of business, or contract to do any of the foregoing, including, without limitation, pursuant to options to purchase and installment sales contracts, land contracts, real estate contracts or contracts for deed, (ii) lease all or any portion of the Premises or change the legal possession or use thereof, (iii) permit the dilution, transfer, pledge, hypothecation or encumbrance of any of the member's interests, stock, partnership or other equity interests in Grantor, or (iv) permit the assignment, transfer, delegation, diminution or termination of the duties of Managing Agent (as defined in Paragraph 1.19 hereof) with respect to the Premises. Without limiting the generality of the preceding sentence, the prior written consent of Beneficiary shall be required for (i) any transfer of all or any portion of the Premises or interest therein made to a subsidiary or affiliate entity of Grantor, (ii) any transfer of all or any portion of the Premises or interest therein by Grantor to its members, stockholders, partners or other owners or vice versa, (iii) any change in the limited liability manager or management agreement and (iv) any merger or consolidation. In the event that Beneficiary, in Beneficiary's sole discretion, is willing to consent to a transfer which would otherwise be prohibited by this Paragraph 1.16(a), Beneficiary may condition its consent on such terms as it desires, including, without limitation, an increase in the interest rate of the Note (and recalculation of the amortization provisions thereof), and the requirement that Grantor pay a transfer fee, together with any expenses incurred by Beneficiary in connection with the granting of such consent (including, without limitation, attorneys' fees). Grantor specifically acknowledges and agrees that Beneficiary may, pursuant to the provisions of this Paragraph 1.16(a), exercise its discretion in determining its satisfaction with respect to certain terms and conditions hereof.

- (b) If Grantor violates the terms of Paragraph 1.16(a) or (b) hereof, in addition to any other rights or remedies which Beneficiary may have herein, in any of the Security Documents, or at law or in equity, Beneficiary may increase the interest rate charged on the Indebtedness up to the Default Rate, and such interest shall be due on demand and being secured by this Deed of Trust.

1.17 Representations and Warranties.

As a special inducement to Beneficiary to make the loan evidenced by the Note, and with knowledge that Beneficiary will rely thereon, Grantor represents and warrants to Beneficiary as follows:

- (a) There exist no leases or subleases, occupancy agreements or similar arrangements affecting all or any portion of the Premises except as previously disclosed to Beneficiary by Grantor in writing.
- (b) There are no license, concession, franchise, commission, management, service, maintenance, or other contracts or agreements in existence affecting in any way the operation, maintenance or conduct of business at the Premises, except as previously disclosed to Beneficiary by Grantor in writing.
- (c) There are no equipment leases, rental agreements or similar arrangements affecting in any way the operation, maintenance or conduct of business at the Premises except as previously disclosed to Beneficiary by Grantor in writing.
- (d) All licenses, permits and other approvals necessary or appropriate for conduct of the business carried out at the Premises have been obtained by Grantor and same are current and in full force and effect.
- (e) All sales and payroll tax obligations of Grantor which are due and payable have been satisfied.
- (f) There are no UCC Financing Statements which affect or encumber any portion of the Premises or any other security for the Indebtedness other than those in favor of Beneficiary.
- (g) Grantor will at all times maintain and operate (or cause to be maintained and operated in accordance with this Deed of Trust) a first class and well maintained golf club and related improvements and facilities (including an eighteen (18) hole golf course operation) on the Premises, and including related amenities such as the pro shop, restaurant, snack bar, golf cart rentals and the like so as to maximize gross revenues from the operation of the Premises.
- (h) Grantor will not change the golf course operation located on the Premises to any other type of operation at any time prior to payment of the Indebtedness secured by this Deed of Trust in full without the prior written approval of Beneficiary.

- (i) Except for the above ground storage tanks described in Section 3.6 of the Phase I Environmental Site Assessment dated July 25, 1996, prepared by SECOR International Incorporated, there are no underground or above ground storage tanks at the Premises.
- (j) The proceeds of the first advance of the Note will be used and applied by Grantor (together with Grantor's funds) solely for the following purposes:
- (i) First, to the payment of all costs incurred by Grantor and Beneficiary in connection with the Loan, including, but not limited to, all taxes and assessments, recording fees, title insurance premiums and other title insurance costs, attorneys' fees, document binding costs, appraisal fees, lien and judgment search costs, fees of architects, engineers, surveyors and any special consultants, construction and inspection fees, escrow fees, and any other costs and expenses incurred in connection with the loan evidenced by the Note; and
 - (ii) Then to the payment of any prior and subordinate liens encumbering the Premises.
- (k) The proceeds of any Subsequent Advances of the Note (as defined therein) after the first advance will be used and applied by Grantor solely as set forth in the Loan Agreement.
- (l) Prior to any Subsequent Advance of the Note after the first thereunder, the lien hereof will constitute a first and prior deed of trust and mortgage lien upon the Premises, and Grantor, prior to any further advances of the Note shall obtain and deliver to Beneficiary an endorsement to the mortgagee policy of title insurance issued to Beneficiary concurrently with the recording of this Deed of Trust (the "Title Policy"), which endorsement shall be dated as of the date of such first Subsequent Advance, shall contain no additional exceptions to coverage which were not included in the Title Policy, and unless, coverage was included in the Title Policy, shall increase the face amount of the Title Policy to the total aggregate amount advanced to Grantor and, in addition, prior to the first Subsequent Advance, shall provide Beneficiary with evidence that this Deed of Trust constitutes a first and prior lien on the Premises and that any reference to any prior deed of trust and mortgage liens permitted at the time this Deed of Trust was recorded is removed.
- (m) Prior to any extension of the Maturity Date of the Note, as provided therein, the lien hereof will constitute a first and prior deed of trust and mortgage lien upon the Premises, and Grantor, prior to any such extension, shall obtain and deliver to Beneficiary an endorsement to the Title Policy, as endorsed for each of the Subsequent Advances, which endorsement shall be dated as of the date of the initial Maturity Date to date, shall contain no additional exceptions to coverage which were not included in the Title Policy, shall remove any exception for

mechanic's liens or other similar liens attributable to the Improvements from the Title Policy, and shall provide Beneficiary with evidence satisfactory to Beneficiary that the Deed of Trust constitutes and remains a first and prior lien upon the Premises.

1.18 Environmental Matters.

Grantor represents and warrants that (a) except for fertilizers, pesticides, herbicides and gasoline and petroleum products used in the ordinary course of operating a golf course and related facilities, which fertilizers, pesticides, herbicides and gasoline and petroleum products are at all times used, applied, stored, transported and disposed of in accordance with all Environmental Laws (as hereinafter defined) the Premises do not contain any Hazardous Material (as hereinafter defined), (b) Grantor has not received any notice from any governmental agency, entity or other person with regard to Hazardous Materials on or affecting the Premises, and (c) neither Grantor nor the Premises, or any portion thereof are in violation of any applicable Environmental Laws relating to or affecting the Premises or Grantor. Grantor hereby indemnifies and agrees to defend and hold Beneficiary harmless from and against any and all liens, damages, losses, liabilities, obligations, fines, penalties, claims, litigation, demands, judgments, suits, proceedings, costs, disbursements, response costs, or expenses of any kind or nature whatsoever (including, without limitation, attorneys', consultants' and experts' fees and expenses) which may at any time (whether prior to or after foreclosure of this Deed of Trust and whether prior to or after payment of the Note) be imposed upon, incurred by or asserted or awarded against Grantor, Beneficiary or the Premises and arising directly or indirectly from or out of (i) the presence of any Hazardous Materials at any time on, in, under or affecting all or any portion of the Premises, regardless of whether or not caused by or within the control of Grantor, (ii) the violation or alleged violation of any Environmental Law with respect to the Premises or any portion thereof, and (iii) any attempts by Beneficiary to enforce the foregoing rights. The foregoing rights shall include, without limitation (x) the cost of removal of any and all Hazardous Materials from all or any portion of the Premises or any surrounding areas, (y) any additional costs required to take necessary precautions to protect against the discharge, spillage, emission, leakage, seepage or release of Hazardous Materials on, in, under or affecting the Premises or into the air, water, or soil, and (z) any costs incurred to comply with Environmental Laws in connection with all or any portion of the Premises or any surrounding areas. For purposes of this Deed of Trust, "Hazardous Material" or "Hazardous Materials" means and includes petroleum products, flammable explosives, radioactive materials, asbestos or any material containing asbestos, polychlorinated biphenyls, and/or any hazardous, toxic or dangerous waste, substance, element, compound, mixture, solution, pollutant, or material now or hereafter defined as such, or as a hazardous substance, or any similar term, by or in any Environmental Law. For purposes of this Deed of Trust, "Environmental Law" or "Environmental Laws" shall mean any law commonly referred to or generally known as "Superfund" or "Super Lien" law, or any other federal, state or local statute, law, ordinance, code, rule, regulation, order or decree, regulating, relating to or imposing liability or standards of conduct concerning, any Hazardous Materials as may now or at any time hereafter be in effect, including without limitation, the following as the same may be amended or replaced from time to time, and all regulations promulgated thereunder or in connection therewith: the Super Fund Amendments and Reauthorization Act of 1986; the Comprehensive Environmental

401709

Response, Compensation and Liability Act of 1980; the Clean Air Act; the Clean Water Act; the Toxic Substances Control Act; the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act; the Safe Drinking Water Act; the Emergency Planning and Community Right to Know Act of 1986; the Hazardous Materials Transportation Act; the Endangered Species Act; the Hazardous Waste Management System, and the Occupational Safety and Health Act of 1970.

1.19 Management of the Premises.

Grantor agrees that so long as this Deed of Trust is in effect, the Premises shall not be managed by any entity other than Grantor, unless Beneficiary has given its prior written approval to a professional manager (the "Managing Agent") and the applicable management contract (a "Management Contract"). In such event, Grantor shall collaterally assign its rights under the Management Contract to Beneficiary. Additionally, the Managing Agent shall enter into Beneficiary's then-current "Consent to Collateral Assignment of Management Agreement" which shall provide, inter alia, that (i) the Management Contract may not be modified or terminated so long as the Deed of Trust is in effect without the prior written consent of Beneficiary, (ii) that if an Event of Default shall occur hereunder, all amounts due and payable to the Managing Agent by Grantor under the Management Contract shall be subordinate to the Indebtedness, and (iii) that in the event of any default by Grantor under the Management Contract, the Managing Agent shall provide Beneficiary with prompt written notice of such default, and Beneficiary shall have the right, but not the obligation, to cure such default within a reasonable period of time.

Prior to the occurrence of an Event of Default, any and all amounts in excess of four (4%) percent of annual gross revenues payable to the Managing Agent for management fees, commissions or other compensation in connection with the management and/or operation of the Premises shall be subordinated to the Indebtedness, and all such amounts which are payable to the Managing Agent will be paid from time to time only after Beneficiary has been paid all amounts then due and owing to Beneficiary by Grantor; upon, after and during the existence of an Event of Default, any and all amounts payable to the Managing Agent for management fees, commissions or other compensation in connection with the management and/or operation of the Premises shall be subordinated to the Indebtedness and, in such event, no amounts which are payable to the Managing Agent shall be paid until Beneficiary has been paid all amounts due and owing to Beneficiary by Grantor or, if applicable, the Event of Default has been cured.

1.20 Use of Premises.

Grantor represents and warrants that as of the date of this Deed of Trust, the Premises are used only as a golf course with pro shop, clubhouse, food, beverage and other attendant facilities. Grantor covenants that Grantor will not allow any other uses on the Premises unless Beneficiary has given its prior written consent thereto.

1.21 Equipment Purchases.

Grantor agrees that so long as the Indebtedness remains outstanding, in the event Grantor elects to purchase any equipment, furniture or fixtures of a type manufactured and/or distributed

by the E-Z-GO division of Textron Inc. ("E-Z-GO"), or the Jacobsen Division of Textron, Inc. ("Jacobsen") (such equipment, furniture and equipment being collectively called "Equipment"), E-Z-GO and Jacobsen shall be given the opportunity to bid on such purchases. If E-Z-GO or Jacobsen (as the case may be) is not the low bidder (in terms of prices and finance rates) on any proposed purchase by Grantor of any Equipment, then Grantor shall give E-Z-GO or Jacobsen (as applicable) written notice thereof, and E-Z-GO or Jacobsen (as applicable) shall have the opportunity to match the bid of the low bidder. Grantor shall be obligated to purchase Equipment from E-Z-GO or Jacobsen if E-Z-GO or Jacobsen (as the case may be) is the low bidder or matches the bid of any third party on any proposed purchase of Equipment in accordance with the terms of the immediately preceding sentence; provided, however, that Grantor shall not be obligated to purchase Equipment from E-Z-GO or Jacobsen if the quality, servicing and parts availability of such Equipment is not the same or better than the quality offered by the third party.

1.22 Indemnity.

Grantor hereby indemnifies Beneficiary and agrees to protect, defend and hold Beneficiary harmless from and against any and all liens, damages, losses, liabilities, obligations, penalties, claims, litigation, demands, judgments, suits, proceedings, costs, disbursements or expenses of any kind or nature whatsoever (including, without limitation, attorneys' fees and expenses and experts' fees and expenses) which may at any time (whether prior to or after payment of the Note in full) be imposed upon, incurred by or asserted or awarded against Grantor, Beneficiary or the Premises and arising directly or indirectly from or out of or in connection with the operation of the Premises as a golf course and related facilities including, without limitation, any and all personal injury or property damage claims and trespass claims caused by or attributable to golfers and golf equipment. The provisions of this Paragraph 1.22 shall survive the repayment of the Indebtedness and the reconveyance or enforcement (or any conveyance in lieu thereof) of this Deed of Trust.

1.23 Inspection.

So long as the Indebtedness remains outstanding, Grantor shall cause the Land to be inspected on an annual basis (with the date of inspection being on or about the annual anniversary of the date hereof or such other time as Beneficiary may approve) by the USGA Turf Advisory Service (or by another entity satisfactory to Beneficiary) at Grantor's sole cost and expense. Grantor shall cause a written report to be prepared in connection therewith within thirty (30) days following the completion of each such inspection (an "Inspection Report"). Grantor shall supply Beneficiary with a copy of each Inspection Report within ten (10) days after the completion thereof. Grantor shall pay all costs of each such inspection and the report issued as a result thereof.

1.24 Capital Improvements.

Grantor represents and covenants that as long as the Indebtedness is outstanding, during each and every fiscal year, it shall either spend annually as capital improvements to the Premises or, to the extent that it does not, fund a capital improvement reserve account in the amount of

two percent (2%) of the annual gross revenues of the Premises. Grantor shall not commingle funds in the capital improvement reserve account with other funds of Grantor, and shall evidence such account on the financial statements provided to Beneficiary pursuant to Paragraph 1.13 of this Deed of Trust. Such capital improvements or capital improvement reserve escrow account requirement shall be calculated on a non-cumulative basis (i.e., without giving consideration to amounts expended or incurred during prior years).

1.25 Debt Service Coverage Ratio.

As long as the Indebtedness, or any portion thereof, remains outstanding, Grantor represents and covenants that it shall provide the Beneficiary with evidence (based upon evidence submitted by Grantor which shall be in the form of the financial information to be provided by Grantor pursuant to Paragraph 1.13 hereof) that Grantor's combined revenues from the Premises for each and every consecutive fiscal four quarters is sufficient to meet a Debt Service Coverage Ratio of at least 1.20. For the purpose of this Deed of Trust, the term "Debt Service Coverage Ratio" shall mean the ratio of Net Operating Income to Annual Debt Service. The term "Net Operating Income" shall mean Grantor's income from the operation and management of the Premises after deducting all operating expenses, but prior to the deduction of income taxes, depreciation and Annual Debt Service; provided, however, that Net Operating Income shall not include income due to the sale of new memberships, except that Net Operating Income shall include income from new memberships to the extent of membership terminations for the same period not to exceed a standard attrition percentage to be determined by Beneficiary. The term "Annual Debt Service" shall mean all principal, interest and other payments due by Grantor on all secured indebtedness of Grantor (including, without limitation, the Loan and the requested Subsequent Advance) and, with respect to the Loan, shall be calculated based on the remaining term of the Loan, the remainder of the period over which the Loan is amortized pursuant to the Note, and the rate of interest which the Note bears as of the date of each such Subsequent Advance. For purposes of calculating the Debt Service Coverage Ratio, operating expenses shall be deemed to include (i) capital improvements (or a reserve therefor) in the amount of two percent (2%) of annual gross revenue from the Premises and (ii) management compensation in an amount equal to the greater of management compensation actually paid or four percent (4%) of annual gross revenue from the Premises. Failure to maintain the Debt Service Coverage Ratio required by this Paragraph shall be an Event of Default under this Deed of Trust and shall entitle Beneficiary to the remedies set forth in Article 2 hereof.

ARTICLE II

2.01 Events of Default.

The terms "Event of Default" or "Events of Default", wherever used in this Deed of Trust, shall mean any one or more of the following events:

- (a) Failure by Grantor to pay as and when due and payable, any sum due under the Note, this Deed of Trust, or any payment of tax or insurance premium when due;
or

- (b) Failure by Grantor to duly observe, comply with or perform any other term, covenant, condition or agreement of this Deed of Trust, except Paragraphs 1.15, 1.16 and 1.25, and the continuance of such failure for thirty (30) days after Beneficiary delivers written notice of such failure to Grantor; or
- (c) The occurrence of an Event of Default or the occurrence of a default or any failure by Grantor to perform any of its obligations under any of the Security Documents and, if applicable, the expiration of any applicable cure period under such Security Document; or
- (d) If any warranty, representation or certification of Grantor contained in this Deed of Trust or in any other instrument, document, transfer, conveyance, assignment, certificate, loan agreement or financial statement given by Grantor or the Guarantor with respect to the Indebtedness, is incomplete, untrue or misleading in any material respect; or
- (e) The filing by Grantor or the Guarantor of a voluntary petition in bankruptcy or adjudication of Grantor or the Guarantor or as a bankrupt or insolvent, or the filing by Grantor or the Guarantor of any petition or answer seeking or acquiescing in any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief for itself under any present or future federal, state or other law or regulation relating to bankruptcy, insolvency or other relief for debtors, or the seeking or consenting to or acquiescing in the appointment of any trustee, receiver or liquidator of Grantor or the Guarantor, or of all or any substantial part of the Premises, or of any or all of the rents, issues, profits or revenues thereof, or the making by Grantor or the Guarantor of any general assignment for the benefit of creditors, or the admission in writing by Grantor or the Guarantor of its inability to pay its debts generally as they become due; or
- (f) The entry by a court of competent jurisdiction of an order, judgment or decree approving a petition, filed against Grantor or the Guarantor seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or other relief under any present or future federal, state or other law or regulation relating to bankruptcy, insolvency or other relief for debtors, which order, judgment or decree remains unvacated and unstayed for an aggregate of sixty (60) days (whether or not consecutive) from the date of entry thereof, or the appointment of any trustee, receiver or liquidator of Grantor or the Guarantor, of all or any substantial part of the Premises, or of any or all of the rents, issues, profits, revenues or other income thereof, without the consent or acquiescence of Grantor or the Guarantor (as the case may be), which appointment shall remain unvacated and unstayed for an aggregate of sixty (60) days (whether or not consecutive); or
- (g) Any failure by Grantor to comply with the terms of Paragraphs 1.15, 1.16 or 1.25 hereof; or

- (h) The termination, liquidation or dissolution of Grantor; or
- (i) Any failure to maintain any license, permit, or contract necessary or appropriate for the conduct of any business now or hereafter being operated at the Premises within thirty (30) days following the termination, revocation or expiration thereof, or the failure timely to pay any sales, employment or similar tax imposed on Grantor or the Premises, provided, however, that in the case of a termination, revocation or expiration of a license, permit or contract which does not materially affect Grantor's ability to operate its business in the same manner as operated on the date hereof, Grantor shall not be in default under this provision with respect to any license, permit or contract which can be reinstated if Grantor commences to cure such termination, revocation or expiration within such thirty (30) day period, and thereafter so long as Grantor diligently attempts to reinstate such license, permit or contract; or
- (j) Once established, if any Management Contract shall be terminated by either party thereto, or if Grantor shall default in any of its obligations under any Management Contract; or
- (k) If any default shall occur by Grantor under any other loan or extension of credit (including, without limitation, equipment leases and including without limitation any deed of trust described in Exhibit "B") for which Grantor is responsible for making payments; or
- (l) Any default under any note, deed of trust or security agreement evidencing or securing indebtedness of Grantor to Beneficiary or any affiliate of Beneficiary and, if applicable, the failure to cure such default within the applicable cure period; or
- (m) The occurrence of an Event of Default or the occurrence of a default or any failure by Debtor to perform any of its obligations under the Loan Agreement and, if applicable, the expiration of any applicable cure period under the Loan Agreement; or
- (n) The revocation, in whole or in part, of the guaranty given by Guarantor.

2.02 Remedies.

If an Event of Default shall occur, Beneficiary may, at Beneficiary's election, exercise any or all of the following rights, remedies and recourses set forth in this Article II, in addition to any other remedy which Beneficiary may have, whether hereunder, under any Security Document or by law.

2.03 Acceleration of Maturity.

Beneficiary may declare the entire Indebtedness, including the then unpaid principal balance on the Note, the accrued but unpaid interest thereon, court costs and attorney's fees hereunder immediately due and payable, without notice, presentment, protest, demand or action of any nature whatsoever (each of which hereby is expressly waived by Grantor), whereupon the same shall become immediately due and payable. Additionally, upon the occurrence of an Event of Default or an event which, with the giving of notice or passing of time, would constitute an Event of Default, Beneficiary shall not be required to make any further advances on the Note or under the Loan Agreement or the Security Documents.

2.04 Entry on Premises.

Beneficiary itself, or by such officers or agents as it may appoint, may enter upon the Premises and take exclusive possession thereof and of all books, records and accounts relating thereto without notice and without being guilty of trespass and also provided that, in dealing with the Premises or any portion thereof, Beneficiary shall not be deemed to be a mortgagee in possession, except at its option, and Beneficiary shall be without any liability, charge or obligation to Grantor with respect to such dealing, except for liability for willful misconduct and gross negligence, and all net losses, costs and expenses incurred shall be secured hereby and payable by advancements reimbursed by Grantor to Beneficiary upon demand. If Grantor remains in possession of all or any part of the Premises after an Event of Default and without Beneficiary's prior written consent thereto, Beneficiary may, without notice to Grantor, invoke any and all legal remedies to dispossess Grantor, including specifically one or more actions for unlawful detainer and writ of restitution. Nothing contained in the foregoing sentence shall, however, be construed to impose any greater obligation or any prerequisites to acquiring possession of the Premises after an Event of Default than would have existed in the absence of such sentence.

2.05 Operation of Premises.

Beneficiary may hold, lease, manage, operate or otherwise use or permit the use of the Premises, either itself or by other persons, firms or entities, in such manner, for such time and upon such other terms as Beneficiary may deem to be prudent and reasonable under the circumstances (making such repairs, alterations, additions and improvements thereto and taking any and all other action with reference thereto, from time to time, as Beneficiary in its sole discretion shall deem necessary or desirable), and apply all rents and other amounts collected in connection therewith in accordance with the provisions of Paragraph 2.16 herein. Grantor hereby irrevocably appoints Beneficiary as the agent and attorney-in-fact of Grantor, with full power of substitution, and in the name of Grantor, if Beneficiary elects to do so, to (a) endorse the name of Grantor on any checks or drafts representing proceeds of the insurance policies, or other checks or instruments payable to Grantor with respect to the Premises, (b) prosecute or defend any action or proceeding incident to the Premises, and (c) take any action with respect to the Premises that Beneficiary may at any time and from time to time deem necessary or appropriate. Beneficiary shall have no obligation to undertake any of the foregoing actions, and if Beneficiary should do so, it shall have no liability to Grantor for the sufficiency or adequacy

of any such actions taken by Beneficiary, except for liability for willful misconduct and gross negligence.

2.06 Foreclosure and Sale. Upon the occurrence of an Event of Default, Beneficiary may:

- (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 its security, enter upon and take possession of the Premises, or any part thereof, in its own name or in the name of Trustee, and do any acts which it deems necessary or desirable to preserve the value, marketability or rentability of the Premises, or any part thereof or interest therein, increase the income therefrom or protect the security hereof and, with or without taking possession of the Premises, sue for or otherwise collect the rents, issues, profits, revenues and other income thereof, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection including, without limitation, attorneys' fees and expenses, upon any Indebtedness secured hereby, all in such order as Beneficiary may determine. The entering upon and taking possession of the Premises, the collection of such rents, issues, profits, revenues or other income and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done in response to such default or pursuant to such notice of default and, notwithstanding the continuance in possession of all or any portion of the Premises or the collection, receipt and application of rents, issues, profits, revenues and other income, Trustee or Beneficiary shall be entitled to exercise every right provided for in any of the Security Documents or by law upon occurrence of any Event of Default, including the right to exercise the power of sale;
- (b) Commence an action to foreclose this Deed of Trust as a mortgage, appoint a receiver or specifically enforce any of the covenants hereof;
- (c) Deliver to Trustee a written declaration of default and demand for sale, and a written notice of breach and election to cause Grantor's interest in the Premises to be sold, which notice Trustee or Beneficiary shall cause to be duly filed for record in the Official Records of the County in which the Land is located; or
- (d) Exercise all other rights and remedies provided herein, in any other Security Document or other document or instrument now or hereafter securing all or any portion of the obligations secured hereby, or by law.

2.07 Foreclosure by Power of Sale. Should Beneficiary elect to foreclose by exercise of the power of sale herein contained, Beneficiary shall notify Trustee and shall deposit with Trustee this Deed of Trust and the Note and such receipts and evidence of expenditures made and secured hereby as Trustee may require.

- (a) Upon receipt of such notice from Beneficiary, Trustee shall cause to be recorded, published and delivered to Grantor such Notice of Default and Election to Sell,

and the giving of any Notice to Sale or other notices in the time and manner then required by law and by this Deed of Trust. Trustee shall, without demand on Grantor, after lapse of such time as may then be required by law, sell the Premises at the time and place of sale fixed by it in said Notice of Sale, either as a whole, or in separate lots or parcels or items, as set forth in Paragraph 2.11, as Trustee shall deem expedient, and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States payable at the time of sale. Trustee shall deliver to such purchaser or purchasers thereof its good and sufficient deed or deeds conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including, without limitation, Beneficiary, may purchase at such sale.

- (b) After deducting all costs, fees and expenses of Trustee and of this trust, including costs of evidence of title in connection with sale, Trustee shall apply the proceeds of sale as provided in Paragraph 2.16.
- (c) Trustee may postpone sale of all or any portion of the Premises by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement or subsequently noticed sale, and without further notice make such sale at the time fixed by the last postponement, or may, in its discretion, give a new notice of sale.

2.08 Personal Property. As to any personal property interests subject to Article 9 of the UCC, Beneficiary, upon an Event of Default, may proceed under the UCC or may proceed as to both real and personal property interests in accordance with the provisions of this Deed of Trust and its rights and remedies in respect to real property, as specifically permitted under Section 9501(4) of the UCC, and treat both real and personal property interests as one parcel or package of security.

2.09 Appointment of Receiver. Upon the occurrence and during the continuation of an Event of Default hereunder or any of the Security Documents, Beneficiary, as a matter of right and without notice to Grantor or anyone claiming under Grantor, and without regard to the then value of the Premises or the interest of Grantor therein, shall have the right to apply to any court having jurisdiction to appoint a receiver or receivers of the Premises. Any such receiver or receivers shall have all the usual powers and duties of receivers in like or similar cases and all the powers and duties of Beneficiary in case of entry as provided herein and shall continue as such and exercise all such powers until the date of confirmation of sale of the Premises unless such receivership is sooner terminated. Without limiting the generality of the foregoing, such receiver shall have power (a) to collect the rents, issues, profits, income and other revenues during the pendency of any foreclosure proceedings and any statutory period of redemption; (b) to extend or modify any then existing leases and to make new leases, which extensions, modifications and new leases may provide for terms to expire, or for options to tenants to extend or renew terms to expire, beyond the maturity date of the Note and beyond the date of the issuance of a deed or deeds to a purchaser or purchasers at a foreclosure or trustee's sale, it being understood and agreed that any such leases, and the options or other such provisions to

be contained therein, shall be binding upon Grantor and all persons whose interests in the Premises are subject to the lien hereof and upon the purchaser or purchasers at any foreclosure or trustee's sale; and (c) all other powers which may be necessary or are usual in such cases for the protection, possession, control, management and operation of the Premises during the whole of said period. The court from time to time may authorize the receiver to apply the net income in its hands in payment in whole or in part of: (a) the Indebtedness secured hereby, or any tax, special assessment or other lien which may be or become superior to the lien hereof; (b) if this is a leasehold mortgage, all rents due or which may become due under the underlying lease; (c) the deficiency in case of a sale and deficiency.

2.10 Divestment of Rights; Tenant at Sufferance.

Any such sale or sales made under or by virtue of this Article II, whether made under the power of sale herein granted or under or by virtue of judicial proceedings or of a judgment or decree of foreclosure and sale, shall operate to divest all of the estate, right, title, interest, claim and demand whatsoever, whether at law or in equity, of Grantor in and to the properties and rights so sold, and shall be a perpetual bar, both at law and in equity, against Grantor and any and all persons claiming or who may claim the same, or any part thereof, from, through or under Grantor. Additionally, after a sale of all or any portion of the Premises, Grantor will be considered a tenant at sufferance of the purchaser of the same, and said purchaser shall be entitled to immediate possession thereof, and if Grantor shall fail to vacate the Premises immediately, the purchaser may and shall have the right, without further notice to Grantor, to go into any court of competent jurisdiction in any county in which the Premises is located and file an action in unlawful entry and detainer, which action shall lie against Grantor or its assigns or legal representatives, as a tenant at sufferance. This remedy is cumulative of any and all remedies the purchaser may have hereunder or otherwise.

2.11 Separate Sales.

Trustee may sell all of the Premises together or may sell portions thereof separately from the remainder thereof and in such manner and order as Trustee, in its sole discretion, may elect. The sale or sales by Trustee of less than the whole of the Premises shall not exhaust the power of sale herein granted, and Trustee is specifically empowered to make successive sale or sales under such power until the whole of the Premises shall be sold; and if the proceeds of such sale or sales of less than the whole of such Premises shall be less than the aggregate of the Indebtedness and the expense of executing this trust, this Deed of Trust and the lien, security interest and assignment hereof shall remain in full force and effect as to the unsold portion of the Premises just as though no sale or sales had been made; provided, however, that Grantor shall never have any right to require the sale or sales of less than the whole of the Premises, but Beneficiary shall have the right, at its sole election, to request Trustee to sell less than the whole of the Premises. If an Event of Default occurs hereunder, the holder of the Indebtedness or any part thereof on which the payment is delinquent shall have the option to proceed as if under a full foreclosure, conducting the sale as herein provided without declaring the entire Indebtedness due, and if sale is made because of default of an installment, or a part of an installment, such sale may be made subject to the unmatured part of the Note and the Indebtedness; and such sale, if so made, shall not in any manner affect the unmatured part of the Indebtedness but as to such

unmatured part, this Deed of Trust shall remain in full force and effect as though no sale had been made under the provisions of this paragraph. Any number of sales may be made hereunder without exhausting the right of sale for any unmatured part of the Indebtedness secured hereby.

2.12 Remedies Cumulative, Concurrent and Nonexclusive.

Trustee and Beneficiary shall have all rights, remedies and recourses granted in the Security Documents and available at law or equity (including specifically those granted by the UCC) and same (a) shall be cumulative and concurrent; (b) may be pursued separately, successively or concurrently against Grantor, Guarantors or others obligated under the Note, or against the Premises, or against any one or more of them at the sole discretion of Beneficiary; (c) may be exercised as often as occasion therefor shall arise, it being agreed by Grantor that the exercise or failure to exercise any of the same shall in no event be construed as a waiver or release thereof or of any other right, remedy or recourse; and (d) are intended to be, and shall be, nonexclusive.

2.13 Release of and Resort to Collateral.

Any part of the Premises may be released by Beneficiary without affecting, subordinating or releasing the lien, security interest and assignment hereof against the remainder. The lien, security interest and other rights granted hereby shall not affect or be affected by any other security taken for the same indebtedness or any part thereof. The taking of additional security, or the rearrangement, extension or renewal of the Indebtedness, or any part thereof, shall not release or impair the lien, security interest and other rights granted hereby or affect the liability of Grantor or Guarantor of any other endorser, guarantor or surety, or improve the right of any permitted junior lienholder; and this Deed of Trust, as well as any instrument given to secure any rearrangement, renewal or extension of the Indebtedness secured hereby, or any part thereof, shall be and remain a first and prior lien, except as otherwise provided herein, on all of the Premises not expressly released until the Indebtedness is completely paid.

2.14 Waiver of Redemption, Notice and Marshalling of Assets.

To the fullest extent permitted by law, Grantor hereby irrevocably and unconditionally waives and releases (a) all benefits that might accrue to Grantor by any present or future laws exempting the Premises from attachment, levy or sale on execution or providing for any appraisal, valuation, stay of execution, exemption from civil process, redemption or extension of time for payment; (b) all notices of any Event of Default (except as may be specifically provided for under the terms hereof), presentment, demand, notice of intent to accelerate, notice of acceleration and any other notice of Beneficiary's or Trustee's election to exercise or the actual exercise of any right, remedy or recourse provided for under the Security Documents; (c) any right to appraisal or marshalling of assets or a sale herein or in inverse order of alienation; (d) the exemption of homestead; and (e) the administration of estates of decedents, or other matter to defeat, reduce or affect the right of Beneficiary under the terms of this Deed of Trust to sell the Premises for the collection of the Indebtedness secured hereby (without any prior or different resort for collection) or the right of Beneficiary, under the terms of this Deed of Trust, to the payment of the Indebtedness out of the proceeds of sale of the

Premises in preference to every other person and claimant whatever (only reasonable expenses of such sale being first deducted). To the fullest extent permitted by law, Grantor expressly waives and relinquishes any right or remedy which it may have or be able to assert by reason of the provisions of NRS Chapter 40 pertaining to the rights and remedies of sureties.

2.15 Discontinuance of Proceedings.

In case Beneficiary shall have proceeded to invoke any right, remedy or recourse permitted under this Deed of Trust or under the Security Documents and shall thereafter elect to discontinue or abandon the same for any reason, Beneficiary shall have the unqualified right so to do and, in such event, Grantor and Beneficiary shall be restored to their former positions with respect to the Indebtedness, the Security Documents, the Premises and otherwise, and the rights, remedies, recourses and power of Beneficiary shall continue as if the same had never been invoked.

2.16 Application of Proceeds; Deficiency Obligation.

To the extent not otherwise required by NRS 40.462, the proceeds of any sale of, and the rents and other income generated by the holding, leasing, operating or other use of the Premises shall be applied by Beneficiary (or the receiver, if one is appointed) to the extent that funds are so available therefrom in the following orders of priority: (a) first, to the payment of the costs and expenses of taking possession of the Premises and of holding, using, leasing, maintaining, repairing, improving and selling the same, including, without limitation, (i) reasonable Trustee's fees and receiver's fees; (ii) costs of advertisement; (iii) attorneys' and accountants' fees; and (iv) court costs, if any; (b) second, to the payment of all amounts, other than the principal amount and accrued but unpaid interest on the Note which may be due to Beneficiary under this Deed of Trust or the Security Documents, including all indebtedness and obligations, together with interest thereon as provided therein, in such order and manner as Beneficiary may determine; (c) third, to the payment of all accrued but unpaid interest due on the Note in such order and manner as Beneficiary may determine; (d) fourth, to the payment of the principal amount outstanding on the Note in such order and manner as Beneficiary may determine and all other Indebtedness; and (e) fifth, to Grantor. Grantor, Guarantor and any other party liable on the Indebtedness and the Obligations shall be liable for any deficiency remaining in the Indebtedness and Obligations subsequent to the sale referenced in this Paragraph 2.16.

2.17 Purchase by Beneficiary.

Beneficiary shall have the right to become the purchaser at any sale of the Premises hereunder and shall have the right to be credited on the amount of its bid therefor all of the Indebtedness due and owing as of the date of such sale.

2.18 Disaffirmation of Contracts.

The purchaser at any trustee's or foreclosure sale hereunder may disaffirm any easement granted, or rental, lease, covenant, condition, restriction or other contract made in violation of any provisions of this Deed of Trust and may take immediate possession of the Premises free from, and despite the terms of, any such grant of easement, rental, lease covenant, condition, restriction or other contract.

2.19 Performance by Beneficiary After Occurrence of Events of Default.

If Grantor shall default in the payment, performance or observance of any term, covenant or condition of this Deed of Trust, Beneficiary may, at its option, without waiving the right to accelerate the maturity of the Indebtedness, pay, perform or observe the same. Beneficiary shall be the sole judge of the necessity for any such actions and of the amounts to be paid. Beneficiary is hereby empowered to enter and to authorize others to enter upon the Premises or any part thereof for the purpose of performing or observing any such defaulted term, covenant or condition without thereby becoming liable to Grantor or any person in possession holding under Grantor.

2.20 Interest After an Event of Default.

If any payment due hereunder is not paid when due, then and in such event, Grantor shall pay interest thereon from and after the date on which such payment first becomes due at a rate equal to the lesser of (i) the Default Rate provided in the Note or (ii) the Highest Lawful Rate, and such interest shall be due and payable, on demand, whether or not any action shall have been taken or proceeding commenced to recover the same or to foreclose this Deed of Trust. Nothing in this Paragraph 2.20 or in any other provision of this Deed of Trust shall constitute an extension of the time of payment of the Indebtedness.

2.21 Control by Beneficiary After Event of Default.

Notwithstanding the appointment of any receiver, liquidator or trustee of Grantor, or of any of its property, or of the Premises or any part thereof, after the occurrence of an Event of Default, Beneficiary shall be entitled to retain possession and control of all property now and hereafter covered by this Deed of Trust.

2.22 Remedies Cumulative.

No right, power or remedy conferred upon or reserved to Beneficiary by this Deed of Trust is intended to be exclusive of any other right, power or remedy, but each and every right, power and remedy shall be cumulative and concurrent and shall be in addition to any other right, power and remedy given hereunder now or hereafter existing at law or in equity or by statute.

401709

2.23 Waiver.

- (a) No delay or omission of Beneficiary or of any holder of the Note to exercise any right, power, or remedy accruing upon any default shall exhaust or impair any such right, power or remedy or shall be construed to be a waiver of any such default, or acquiescence therein, and every right, power, and remedy given by this Deed of Trust to Beneficiary may be exercised from time to time and as often as may be deemed expedient by Beneficiary. No consent or waiver, express or implied, by Beneficiary to or of any breach or default by Grantor in the performance of the obligations hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance of the same or any other obligations of Grantor hereunder. Failure on the part of Beneficiary to complain of any act or failure to act or to declare an Event of Default, irrespective of how long such failure continues, shall not constitute a waiver by Beneficiary of its rights hereunder or impair any rights, powers or remedies arising by virtue of any breach or default by Grantor.
- (b) If Beneficiary (i) grants forbearance or an extension of time for the payment of any sums secured hereby; (ii) takes other or additional security for the payment of any sums secured hereby; (iii) waives or does not exercise any right granted herein or in the Note; (iv) releases any part of the Premises from the lien of this Deed of Trust or otherwise changes any of the terms, covenants, conditions or agreements of the Note or this Deed of Trust; (v) consents to the filing of any map, plat or replat affecting the Premises; (vi) consents to the granting of any easement or other right affecting the Premises; or (vii) makes or consents to any agreement subordinating the lien hereof, any such act or omission shall not release, discharge, modify, change or affect the original liability under the Note, this Deed of Trust or any other obligation of Grantor or Guarantor or any subsequent purchaser of the Premises or any part thereof, or any other maker, co-signer, endorser, surety or guarantor; nor shall any such act or omission preclude Beneficiary from exercising any right, power or privilege herein granted or intended to be granted in the event of any default then made or of any subsequent default; nor, except as otherwise expressly provided in an instrument or instruments executed by Beneficiary, shall the lien of this Deed of Trust be altered thereby. In the event of the sale or transfer by operation of law or otherwise of all or any part of the Premises, Beneficiary, without notice, is hereby authorized and empowered to deal with any such vendee or transferee with reference to the Premises or the Indebtedness, or with reference to any of the terms, covenants, conditions or agreements hereof, as fully and to the same extent as it might deal with the original parties hereto and without in any way releasing or discharging any liabilities or obligations of such parties.
- (c) The acceptance by Beneficiary of any sum in payment, or part payment, of any Indebtedness, after the same is due or after the giving of any notice of default, or the recording of any notice of breach or default, or after giving of any notice of sale, shall not constitute a waiver of the right to require prompt payment, when

due, of all other sums so secured, nor shall such acceptance cure or waive any remaining Event of Default or invalidate any sale held pursuant to such notice for any such remaining Event of Default, or prejudice any of the rights of Beneficiary under this Deed of Trust. Notwithstanding anything to the contrary contained in this Deed of Trust or in any other agreement securing the Note and without limiting the generality of this Paragraph 2.23(c), in the case of any Event of Default, Beneficiary may accept payments of any sums due hereunder without thereby waiving the existence of such Event of Default if the payment is not sufficient to completely cure such Event of Default.

- (d) All rights and remedies of Beneficiary shall be cumulative and may be exercised singly or concurrently. Notwithstanding anything herein contained to the contrary, Grantor, being an experienced developer and participant in sophisticated real estate ventures, and having consulted with counsel of its choosing, to the fullest extent permitted by applicable law: (a) agrees that it will not (i) at any time insist upon, or plead, or in any manner whatever claim or take any benefit or advantage of any stay or extension or moratorium law, any exemption from execution or sale of the Premises or any part thereof, wherever enacted, now or at any time hereafter in force, which may affect the covenants and terms of performance of this Deed of Trust, (ii) claim, take or insist upon any benefit or advantage of any law now or hereafter in force providing for the valuation or appraisal of the Premises, or any part thereof, prior to any sale or sales thereof which may be made pursuant to any provision herein, or pursuant to the decree, judgment or order of any court of competent jurisdiction, or (iii) after any such sale or sales, claim or exercise any right under any statute heretofore or hereafter enacted to redeem the property so sold or any part thereof; (b) hereby expressly waives all benefit or advantage of any such law or laws; and (c) covenants not to hinder, delay or impede the execution of any power herein granted or delegated to Beneficiary, but to suffer and permit the execution of every power as though no such law or laws had been made or enacted. Grantor, for itself and all who may claim under it, waives, to the extent that it lawfully may, all right to have the Premises marshalled upon any foreclosure hereof.

2.24 Suits to Protect the Premises.

Beneficiary shall have the power:

- (a) to institute and maintain such suits and proceedings as it may deem expedient to prevent any impairment of the Premises by any acts which may be unlawful or in violation of this Deed of Trust,
- (b) to preserve or protect its interests in the Premises and in the rents, issues, profits, revenues and other income arising therefrom, and
- (c) to restrain the enforcement of or compliance with any legislation or other governmental enactment, rule or order that may be unconstitutional or otherwise

invalid, if the enforcement of or compliance with such enactment, rule or order would impair the security hereunder or be prejudicial to the interest of Beneficiary.

2.25 Beneficiary May File Proofs of Claim.

In the case of any receivership, insolvency, bankruptcy, reorganization, arrangement, adjustment, composition or other proceedings affecting Grantor, Guarantor or any of their creditors or property, Beneficiary, to the extent permitted by law, shall be entitled to file such proofs of claim and other documents as may be necessary or advisable in order to have the claims of Beneficiary allowed in such proceedings for the entire amount due and payable by Grantor under this Deed of Trust at the date of the institution of such proceedings and for any additional amount which may become due and payable by Grantor hereunder after such date.

2.26 Prepayment.

If Beneficiary shall accelerate the Indebtedness following the occurrence of an Event of Default, any payments received by Beneficiary following such acceleration (including voluntary payments made by Grantor and payments received by Beneficiary as a result of the sale of the Premises at foreclosure) shall be deemed voluntary prepayments of the Note and accordingly, the prepayment fee required under the Note shall also be payable by Grantor; provided, however, that the obligation of Grantor to pay the prepayment fee imposed by this Paragraph 2.26 is expressly subject to Paragraph 1.14 of this Deed of Trust.

ARTICLE III

3.01 Credits Waived.

Grantor will not claim nor demand nor be entitled to any credit or credits against the Indebtedness for the taxes assessed against the Premises or any part thereof, and no deductions shall otherwise be made or claimed from the taxable value of the Premises or any part thereof by reason of this Deed of Trust or the Indebtedness.

3.02 No Release.

Grantor agrees that in the event the Premises are sold and Beneficiary enters into any agreement with the then owner of the Premises extending the time of payment of the Indebtedness, or otherwise modifying the terms hereof, the Grantor shall continue to be liable to pay the Indebtedness according to the tenor of any such agreement unless expressly released and discharged in writing by Beneficiary. Nothing in this Paragraph 3.02 shall be deemed to be a waiver of Paragraph 1.16 hereof.

3.03 Successors and Assigns.

The provisions and covenants of this Deed of Trust shall run with the land, shall be binding on Grantor, and shall inure to the benefit of and be binding upon Grantor and Beneficiary and their respective heirs, executors, legal representatives, successors and permitted assigns. Whenever a reference is made in this Deed of Trust to the Guarantor, the Trustee, Grantor or Beneficiary such reference shall be deemed to include a reference to the heirs, executors, legal representatives, successors and permitted assigns thereof.

3.04 Terminology.

All personal pronouns used in this Deed of Trust whether used in the masculine, feminine or neuter gender, shall include all other genders; the singular shall include the plural, and vice versa. Titles and Articles are for convenience only and neither limit nor amplify the provisions of this Deed of Trust itself.

3.05 Severability.

If any provision of this Deed of Trust or the application thereof to any person or circumstance shall be invalid or unenforceable to any extent, the remainder of this Deed of Trust and the application of such provisions to other persons or circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

3.06 Applicable Law.

Grantor agrees that this Deed of Trust shall be construed, interpreted and enforced in accordance with the laws of the State of Nevada. Notwithstanding any provision of this Deed of Trust, Note or any other agreement between Grantor or Beneficiary, nothing in this Deed of Trust shall require the Grantor to pay, or Beneficiary to accept, interest in an amount which would subject Beneficiary to any penalty under applicable law. In the event that the payment of any interest due hereunder would subject Beneficiary to any penalty under applicable law, then ipso facto the obligations of the Grantor to make payment shall be reduced to the Highest Lawful Rate.

3.07 Notices, Demands and Requests.

All notices, requests and other communications to either party hereunder shall be in writing and shall be given to such party at its address set forth on the first page hereof or at such other address as such party may hereafter specify for the purpose of notice to Grantor or Beneficiary. Each such notice, request or other communication shall be effective (a) if given by mail, three (3) business days after the date the date of mailing, when such notice is deposited in the United States Mail with first class postage prepaid, addressed as aforesaid, provided that such mailing is by registered or certified mail, return receipt requested, (b) if given by overnight delivery, when deposited with a nationally recognized overnight delivery service such as Federal Express or Airborne with all fees and charges prepaid, addressed as provided on the first page hereof, or (c) if given by any other means, when delivered at the address specified in this

Paragraph 3.07. The addresses set forth above may be changed as to any party by such party delivering written notice to the other parties in accordance with this Paragraph 3.07 at least thirty (30) days prior to such change of address.

3.08 Time of the Essence.

Time is of the essence with respect to each and every covenant, agreement and obligation of Grantor under this Deed of Trust.

3.09 Provisions Relating to Trustee.

- (a) At any time upon written request of Beneficiary, payment of its fees and presentation of this Deed of Trust and the Note for endorsement (in case of full reconveyance, for cancellation and retention) without affecting the liability of any person for the payment of the Indebtedness, Trustee may (a) consent to the making of any map or plat of the Premises, (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, (d) reconvey, without warranty, all or any part of the Premises. The grantee in any reconveyance may be described as the "person or persons legally entitled thereto", and the recitals therein of any matters of facts shall be presumptive proof of the truthfulness thereof. Grantor agrees to pay a reasonable Trustee's fee for full or partial reconveyance, together with a recording fee if Trustee, at its option, elects to record said reconveyance.
- (b) Trustee shall not be liable for any error of judgment or act done by Trustee, or be otherwise responsible or accountable under any circumstances whatsoever. Trustee shall not be personally liable in case of entry by it or anyone acting by virtue of the powers herein granted Trustee upon the Premises for debts contracted or liability or damages incurred in the management or operation of the Premises. Trustee shall have the right to rely on any instrument, document or signature authorizing or supporting any action taken or proposed to be taken by it hereunder or believed by it in good faith to be genuine. Trustee shall be entitled to reimbursement for expenses incurred by it in the performance of its duties hereunder and to reasonable compensation for such of his services hereunder as shall be rendered. Grantor will, from time to time, pay compensation due Trustee hereunder and reimburse Trustee for and save and hold it harmless from and against any and all loss, cost, liability, damage and expense whatsoever incurred by it in the performance of its duties.
- (c) All monies received by Trustee shall, until used or applied as herein provided, be held in trust for the purposes for which they were received, but need not be segregated in any manner from any other monies (except to the extent required by law) and Trustee shall be under no liability for interest on any monies received by it hereunder.

- (d) Trustee may resign by giving of notice of such resignation in writing to Beneficiary. If Trustee shall die, resign or become disqualified from acting in the execution of this Trust or shall fail or refuse to exercise the same when requested by Beneficiary so to do or if for any reason and without cause Beneficiary shall prefer to appoint a substitute trustee to act instead of the original Trustee named herein, or any prior successor or substitute trustee, Beneficiary shall have full power to appoint a substitute trustee and, if preferred, several substitute trustees in succession who shall succeed to all the estate, rights, powers and duties of the aforementioned Trustee.
- (e) Any new Trustee appointed pursuant to any of the provisions hereof shall, without any further act, deed or conveyance, become vested with all the estates, properties, rights, powers and trusts of its or his predecessor in the rights hereunder with like effect as if originally named as Trustee herein; but, nevertheless, upon the written request of Beneficiary or its successor trustee, Trustee ceasing to act shall execute and deliver an instrument transferring to such successor trustee, upon the trusts herein expressed, all the estates, properties, rights, powers and trusts of Trustee so ceasing to act, and shall duly assign, transfer and deliver any of the property and monies held by Trustee to the successor trustee so appointed in its place.
- (f) Trustee may authorize one or more parties to act on its behalf to perform the ministerial functions required of it hereunder, including, without limitation, the transmittal and posting of any notices.
- (g) Trustee is not obligated to notify any party hereto of any pending sale under any other deed of trust or of any action or proceeding in which Grantor, Beneficiary, or Trustee shall be a party unless brought by Trustee and relating to the Premises or unless otherwise required by law.

3.10 Assignment by Beneficiary.

- (a) Beneficiary shall have the right in its sole discretion at any time during the term of the loan evidenced by the Note to sell, assign, syndicate or otherwise transfer and/or dispose of all or any portion of its interest in the loan evidenced by the Note, and Grantor agrees that Beneficiary may submit to Beneficiary's assignees the financial data and all other information furnished or to be furnished by or on behalf of Grantor to Beneficiary, whether pursuant to the application or the commitment for the loan evidenced by the Note, any other document evidencing, securing or setting forth the terms of the loan evidenced by the Note, or otherwise. To the extent of any assignment by Beneficiary in good faith and for value, Beneficiary shall be fully relieved of any and all liability of any nature whatsoever to Grantor, or its successors or assigns, in any way relating to the loan evidenced by the Note.

(b) In the event Grantor, or its successors or assigns, asserts any claim (including, without limitation, counterclaims and third party claims) or seeks any relief in any way relating or pertaining to the loan evidenced by the Note, including any such claim relating to any act or omission by Beneficiary, or its successors or assigns, or the officers, directors, shareholders, employees, agents or attorneys of any of the foregoing, (i) such claim or relief may be sought or asserted only against the then-holder and owner of the Note and this Deed of Trust, (ii) Grantor, for Grantor and its successors and assigns, expressly covenants not to sue, make claim or seek relief against any prior holder of the Note or this Deed of Trust, or any officer, director, shareholder, employee, agent or attorney of any past, present or future holder of the Note or this Deed of Trust, and (iii) Grantor shall not seek to recover in connection with any such claim, and Grantor hereby waives its right to seek or recover, any nominal, consequential, punitive or exemplary damages, it being agreed that any damage award shall be limited to actual damages proved by Grantor. Those parties other than Beneficiary which are described in this subparagraph are intended beneficiaries hereof. Notwithstanding anything in this Deed of Trust, the Note, or any other document evidencing, securing or setting forth the terms of the loan evidenced by the Note, the terms of this subparagraph shall survive indefinitely, notwithstanding any payment of the Indebtedness secured hereby or any satisfaction, cancellation or release of this Deed of Trust and shall not be subject to any term or provision any such document limiting the liability of Grantor.

(c) IN ANY ACTION OR PROCEEDING BETWEEN GRANTOR AND THE BENEFICIARY OR THEIR RESPECTIVE SUCCESSORS AND ASSIGNS TO ENFORCE OR DEFEND ANY RIGHTS OR REMEDIES IN ANY WAY RELATING TO THE PREMISES, THE LOAN EVIDENCED BY THE NOTE OR ANY ACT OR OMISSION OF ANY PERSON OR ENTITY RELATING TO SUCH LOAN, OR THE DOCUMENTATION FOR THE LOAN EVIDENCED BY THE NOTE, GRANTOR AND ITS SUCCESSORS AND ASSIGNS HEREBY WAIVE ANY RIGHT THEY MAY HAVE TO JURY TRIAL. GRANTOR WILL NOT SEEK TO CONSOLIDATE ANY SUCH ACTION, IN WHICH A JURY TRIAL HAS BEEN WAIVED, WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT OR HAS NOT BEEN WAIVED. THE PROVISIONS OF THIS SECTION HAVE BEEN FULLY DISCUSSED BY THE PARTIES HERETO, AND THESE PROVISIONS SHALL BE SUBJECT TO NO EXCEPTIONS. GRANTOR ACKNOWLEDGES THAT BENEFICIARY HAS NOT IN ANY WAY AGREED WITH OR REPRESENTED TO ANY OTHER PARTY THAT THE PROVISIONS OF THIS SECTION WILL NOT BE FULLY ENFORCED IN ALL INSTANCES.

3.11 No Partnership or Joint Venture.

Nothing contained herein or in the Note or any other document relating to the loan evidenced by the Note, nor the acts or omissions of the parties hereto, shall be construed to create a partnership or joint venture between Grantor and Beneficiary. The relationship between

Grantor and Beneficiary is the relationship of "debtor" and "creditor." Grantor shall protect, defend, indemnify and hold Beneficiary harmless from and against any and all suits, actions, claims, proceedings (including third party proceedings), damages, losses, liabilities and expenses (including, without limitation, reasonable attorneys' fees) which may be incurred by or asserted against Beneficiary with respect to any claim or assertion which, if true, would be inconsistent with or contradict the statements made in the preceding two sentences. The provisions of this Paragraph 3.11 shall survive the repayment of the Indebtedness and the reconveyance or enforcement (or any conveyance in lieu thereof) of this Deed of Trust.

3.12 Acknowledgments by Grantor.

Grantor acknowledges that the information set forth on the cover hereof is incorporated herein by reference and that Grantor has received a true copy of this Deed of Trust.

3.13 Form and Substance.

All documents, certificates, insurance policies, and other items required under this Deed of Trust to be executed and/or delivered to Beneficiary shall be in form and substance satisfactory to Beneficiary.

[Signature on following page.]

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

THE GOLF CLUB AT GENOA LAKES, LTD.,
a Nevada limited-liability company

By: [Signature]
Name: Eduardo A. Calvo
Its: Manager

TERRITORY OF GUAM)
CITY OF Agana) ss.

On this 21st day of November, 1996, before me, a notary public in and for the Territory of Guam, personally appeared EDUARDO A. CALVO, known to me or proved to me on the basis of satisfactory evidence to be the person who executed the within instrument.

[Signature]
Notary Public
JENNIFER M. CRUZ
Notary Public
655 S. Marine Drive, Suite 202
Tamuning, Guam 96911
In and for the Territory of Guam
My Commission Expires Mar. 20, 2000

SEAL

EXHIBIT "A"

LEGAL DESCRIPTION

PARCEL 1 (Adjusted Parcel 5 of Map Doc. No. 337621):

A parcel of land located within Section 3, Township 13 North, Range 19 East, MDM, Douglas County, Nevada, being more particularly described as follows:

BEGINNING at the Southwesterly corner of Lot 1 Block A as shown on the Final Map for Genoa Lakes Planned Unit Development Phase 1B, Document No. 311009 of the Douglas County Recorder's Office, said point bears N. 28°05'57" W., 4441.15 feet from the Southwest corner of said Section 3;

thence along the Westerly line of Block A and Block B of said Final Map the following 13 courses:

1. S. 73°01'14" E., 106.04 feet;
2. S. 43°51'45" E., 62.04 feet;
3. N. 72°05'21" E., 87.07 feet;
4. 12.15 feet along the arc of a curve to the left having a central angle of 15°27'58" and a radius of 45.00 feet, (chord bears S. 10°10'40" E., 12.11 feet);
5. S. 72°05'21" W., 79.60 feet;
6. S. 19°52'58" E., 115.42 feet;
7. S. 05°04'56" E., 427.65 feet;
8. S. 09°01'28" W., 105.64 feet;
9. S. 71°05'19" E., 110.44 feet;
10. S. 18°54'41" W., 246.52 feet;
11. S. 88°21'43" W., 111.62 feet;
12. S. 24°07'51" W., 231.08 feet;
13. S. 05°42'18" E., 102.31 feet to the Northwesterly corner of Block B as shown on the Final Map for Genoa Lakes Planned Unit Development Phase 1, Document No. 302137 of the Douglas County Recorder's Office;

thence along the Westerly line of Block B of said Genoa Lakes Planned Unit Development Phase 1 the following 3 courses:

1. S. 05°42'18" E., 151.53 feet;
2. S. 22°07'10" E., 55.09 feet;
3. N. 88°08'53" E., 140.05 feet to a point on the Westerly line of Genoa Aspen Drive as shown on said Final Map for Genoa Lakes Planned Unit Development Phase 1;

thence 66.84 feet along the Westerly line of said Genoa Aspen Drive and the arc of a curve to the right having a central angle of $06^{\circ}29'41''$ and a radius of 589.69 feet, (chord bears S. $10^{\circ}15'23''$ W., 66.81 feet), to the Northerly line of Block C as shown on said Final Map for Genoa Lakes Planned Unit Development Phase 1;

thence along the Westerly line of said Block C the following 8 courses:

1. S. $13^{\circ}30'13''$ W., 5.81 feet;
2. S. $83^{\circ}30'06''$ W., 129.60 feet;
3. S. $07^{\circ}39'10''$ W., 95.68 feet;
4. S. $12^{\circ}59'34''$ W., 121.45 feet;
5. S. $12^{\circ}59'39''$ W., 132.83 feet;
6. S. $08^{\circ}01'12''$ W., 59.68 feet;
7. S. $34^{\circ}42'32''$ E., 207.93 feet;
8. S. $47^{\circ}07'41''$ E., 256.81 feet to a point on the Northerly line of said Genoa Aspen Drive;

thence 22.67 feet along the Northerly line of said Genoa Aspen Drive and the arc of a curve to the right having a central angle of $09^{\circ}24'38''$ and a radius of 138.00 feet, (chord bears S. $54^{\circ}39'21''$ W., 22.64 feet);

thence S. $59^{\circ}21'40''$ W., continuing along the Northerly line of said Genoa Aspen Drive, 29.03 feet to the Southeasterly corner of Block D of said Final Map for Genoa Lakes Planned Unit Development Phase 1;

thence N. $47^{\circ}07'41''$ W., along the Easterly line of said Block D, 310.02 feet to the Northeasterly corner thereof;

thence S. $42^{\circ}52'19''$ W., along the Northerly line of said Block D, 147.50 feet to a point on the Northerly line of said Genoa Aspen Drive;

thence N. $47^{\circ}07'41''$ W., along the Northerly line of said Genoa Aspen Drive, 30.00 feet to the Southwesterly corner of Block E as shown on said Final Map for Genoa Lakes Planned Unit Development Phase 1;

thence N. $42^{\circ}52'19''$ E., along the Southerly line of said Block E, 118.05 feet to the Southeasterly corner thereof;

thence along the Easterly line of said Block E the following 8 courses:

1. N. $04^{\circ}56'12''$ W., 34.29 feet;
2. N. $47^{\circ}07'41''$ W., 144.12 feet;
3. N. $12^{\circ}39'51''$ E., 114.65 feet;
4. N. $17^{\circ}39'32''$ W., 23.63 feet;
5. N. $72^{\circ}30'37''$ W., 61.50 feet;
6. N. $12^{\circ}54'07''$ E., 62.46 feet;
7. N. $74^{\circ}01'34''$ W., 82.53 feet;
8. S. $59^{\circ}57'58''$ W., 28.53 feet to a point on the Northerly line of Genoa Aspen Court as shown on said Final Map for Genoa Lakes Planned Unit Development Phase 1;

thence 41.46 feet along the Northerly line of said Genoa Aspen Court and the arc of a curve to the left having a central angle of $52^{\circ}47'30''$ and a radius of 45.00 feet, (chord bears N. $56^{\circ}25'47''$ W., 40.01 feet), to a point on the Westerly line of Block F of said Final Map for Genoa Lakes Planned Unit Development Phase 1;

thence along the Westerly, Northerly and Easterly lines of said Block F the following 5 courses:

1. N. $23^{\circ}02'09''$ W., 41.32 feet;
2. N. $07^{\circ}16'16''$ W., 31.55 feet;
3. N. $02^{\circ}29'36''$ E., 92.04 feet;
4. N. $86^{\circ}10'07''$ W., 82.18 feet;
5. S. $29^{\circ}53'54''$ W., 469.89 feet to a point on the Northerly line of said Genoa Aspen Drive;

thence along the Northerly line of said Genoa Aspen Drive the following 4 courses:

1. S. $77^{\circ}34'39''$ W., 38.70 feet;
2. 117.79 feet along the arc of a curve to the right having a central angle of $21^{\circ}33'45''$ and a radius of 313.00 feet, (chord bears S. $88^{\circ}21'32''$ W., 117.10 feet);
3. N. $80^{\circ}51'35''$ W., 78.09 feet;
4. 82.08 feet along the arc of a curve to the left having a central angle of $28^{\circ}28'47''$ and a radius of 165.14 feet, (chord bears S. $84^{\circ}54'01''$ W., 81.24 feet), to the Southeasterly corner of Adjusted Parcel 1-B of Record of Survey #5 to Accompany a Lot Line Adjustment for Genoa Lakes Venture, Document No. 337621 of the Douglas County Recorder's Office;

thence along the Easterly line of said Adjusted Parcel 1-B the following 4 courses:

1. N. $27^{\circ}07'07''$ E., 101.29 feet;
2. N. $16^{\circ}58'52''$ E., 383.52 feet;
3. N. $43^{\circ}01'30''$ E., 626.30 feet;
4. N. $16^{\circ}58'45''$ E., 1164.38 feet to the POINT OF BEGINNING.

Containing 23.339 acres more or less.

APN 17-130-64

PARCEL 2 (Parcel 6 of Map Doc. No. 302137)

A parcel of land located within the South one-half of Section 3 and the North one-half of Section 10, Township 13 North, Range 19 East, MDM, Douglas County, Nevada, being more particularly described as follows:

BEGINNING at the Southwesterly corner of Parcel 7 as shown on the Final Map for Genoa Lakes Planned Unit Development Phase 1, Document No. 302137 of the Douglas County Recorder's Office, said point bears S. 63°05'00" W., 2904.99 feet from the Southwest corner of said Section 3;

thence N. 70°43'27" W., 748.68 to the Southeasterly corner of Tract 2 of said Final Map;

thence N. 19°16'34" E., 105.14 feet;

thence N. 45°16'27" E., 146.07 feet;

thence N. 16°01'00" E., 69.07 feet;

thence N. 06°54'00" E., 188.19 feet;

thence N. 01°21'38" E., 55.16 feet;

thence N. 67°39'11" W., 171.24 feet;

thence S. 86°25'24" W., 88.90 feet;

thence N. 74°04'38" W., 192.33 feet;

thence N. 60°52'28" W., 81.42 feet;

thence N. 47°11'01" W., 131.09 feet;

thence N. 02°00'09" W., 100.00 feet;

thence N. 22°27'36" W., 106.73 feet;

thence N. 34°11'43" W., 104.62 feet;

thence N. 26°10'24" W., 100.00 feet;

thence S. 63°49'36" W., 100.00 feet to a point on the Easterly line of a 24' Private Road Easement as shown on said Final Map;

thence N. 26°10'24" W., along said Private Road Easement, 293.67 feet;

thence continuing along said Private Road Easement, 211.43 feet along the arc of a curve to the right having a central angle of 18°26'28" and a radius of 656.92 feet, (chord bears N. 16°57'10" W., 210.52 feet);

thence N. 82°16'04" E., 100.00 feet;

thence N. 05°22'24" E., 266.32 feet;

thence N. 13°38'46" E., 100.00 feet;

thence N. 19°43'30" E., 595.64 feet;

thence N. 45°48'53" E., 166.13 feet;

thence N. 76°46'18" E., 484.98 feet to the Northeasterly corner of said Tract 2;

thence S. 77°44'57" E., 222.09 feet to a point on the Westerly line of Genoa Lakes Drive as shown on said Final Map;

thence S. 22°07'52" E., along said Westerly line, 89.25 feet;

thence continuing along said Westerly line 79.41 feet along the arc of a curve to the right having a central angle of $08^{\circ}35'04''$ and a radius of 530.00 feet, (chord bears S. 17 50 20 E. 79.33 feet);

thence S. $13^{\circ}32'49''$ E., continuing along said Westerly line, 62.21 feet to the Northeasterly corner of Tract 3 as shown on said Final Map;

thence along the Westerly, Southerly and Easterly boundaries of said Tract 3 the following 17 courses:

1. S. $76^{\circ}46'18''$ W., 569.98 feet;
2. S. $53^{\circ}42'45''$ W., 139.89 feet;
3. S. $10^{\circ}07'28''$ W., 628.41 feet;
4. S. $10^{\circ}40'51''$ E., 268.72 feet;
5. S. $37^{\circ}46'47''$ E., 350.00 feet;
6. S. $76^{\circ}30'34''$ E., 162.46 feet;
7. S. $77^{\circ}51'47''$ E., 138.41 feet;
8. N. $73^{\circ}42'11''$ E., 60.62 feet;
9. N. $24^{\circ}26'34''$ E., 168.84 feet;
10. N. $68^{\circ}41'59''$ E., 129.93 feet;
11. N. $69^{\circ}02'05''$ E., 109.79 feet;
12. N. $12^{\circ}10'38''$ E., 64.43 feet;
13. N. $16^{\circ}59'02''$ W., 61.44 feet;
14. N. $37^{\circ}25'33''$ W., 279.92 feet;
15. N. $21^{\circ}56'18''$ W., 62.57 feet;
16. N. $14^{\circ}08'56''$ E., 61.65 feet;
17. N. $33^{\circ}25'18''$ E., 367.96 feet to the Westerly line of said Genoa Lakes

Drive;

thence 232.26 feet along said Westerly line of Genoa Lakes Drive and the arc of a curve to the left having a central angle of $26^{\circ}36'52''$ and a radius of 500.00 feet, (chord bears S. $52^{\circ}40'33''$ E., 230.17 feet);

thence S. $65^{\circ}58'59''$ E., continuing along said Westerly line of Genoa Lakes Drive, 519.86 feet;

thence continuing along said Westerly line of Genoa Lakes Drive 155.41 feet along the arc of a curve to the right having a central angle of $44^{\circ}31'20''$ and a radius of 200.00 feet, (chord bears S. $43^{\circ}43'19''$ E., 151.53 feet) to a point on the Westerly line of said Parcel 7;

thence S. $18^{\circ}00'00''$ W., along the Westerly line of said Parcel 7, 1911.20 feet to the POINT OF BEGINNING.

Containing 60.289 acres more or less.

APN 17-130-55

401709

PARCEL 3 (Adjusted Parcel 7 of Map Doc. No. 338627)

A parcel of land located within Section 3 and the North one-half of Section 10, Township 13 North, Range 19 East, MDM, Douglas County, Nevada, being more particularly described as follows:

BEGINNING at a point on the Easterly line of Parcel 7 as shown on the Record of Survey #4 to Accompany a Lot Line Adjustment for Genoa Lakes Venture, Document No. 338627 of the Douglas County Recorder's Office, which bears S. 00°06'05" E., 1136.42 feet from the Northeast corner of said Section 10, as shown on said map;

thence N. 78°25'26" W., along the Easterly line of said Parcel 7, 419.06 feet;

thence S. 10°22'34" W., continuing along said Easterly line of Parcel 7, 980.06 feet to the Southeasterly corner thereof;

thence N. 70°43'26" W., along the Southerly line of said Parcel 7, 2124.33 feet to the Southeasterly corner of Parcel 6 as shown on the Final Map for Genoa Lakes Planned Unit Development Phase 1, Document No. 302137 of the Douglas County Recorder's Office;

thence N. 18°00'00" E., along the Easterly line of said Parcel 6, 1911.20 feet to a point on the centerline of a 59' Private Road Easement as shown on said Final Map;

thence 155.41 feet along said centerline and the arc of a curve to the left having a central angle of 44°31'20" and a radius of 200.00 feet, (chord bears N. 43°43'19" W., 151.53 feet), to the Southeasterly corner of Tract 4 as shown on said Record of Survey #4;

thence along the Easterly line of said Tract 4 the following 7 courses:

1. N. 18°59'16" W., 97.26 feet;
2. N. 54°28'53" E., 133.71 feet;
3. N. 24°44'35" E., 274.28 feet;
4. N. 62°19'31" W., 109.47 feet;
5. N. 65°27'06" W., 24.00 feet;
6. N. 31°28'43" W., 90.17 feet;
7. N. 24°30'19" E., 173.97 feet to a point on the Southerly line of Phase 1 as shown on said Final Map;

thence along the Southerly and Easterly lines of said Phase 1 the following 18 courses:

1. N. 83°00'13" E., 100.00 feet;
2. S. 56°42'14" E., 73.07 feet;
3. S. 36°08'15" E., 43.30 feet;
4. N. 49°12'22" E., 106.40 feet;

5. N. 33°17'46" E., 98.30 feet;
6. N. 29°18'54" E., 99.38 feet;
7. N. 56°42'14" W., 138.14 feet;
8. 99.73 along the arc of a curve to the left having a central angle of 35°16'20" and a radius of 162.00 feet, (chord bears N. 22°59'13" E., 98.16 feet);
9. S. 84°39'12" E., 124.16 feet;
10. N. 21°44'18" E., 122.38 feet;
11. N. 32°07'08" W., 100.76 feet;
12. N. 39°10'16" W., 209.06 feet;
13. N. 21°27'50" W., 157.40 feet;
14. N. 11°50'54" E., 78.66 feet;
15. N. 29°28'34" E., 106.66 feet;
16. N. 73°25'19" E., 62.97 feet;
17. N. 04°20'48" E., 98.10 feet;
18. N. 10°30'57" E., 143.51 feet to the Southeasterly corner of Block J as shown on the Final Map for Genoa Lakes Venture Planned Unit Development Phase 1B, Document No. 311009 of the Douglas County Recorder's Office;

thence along the Easterly and Northerly lines of said Block J the following 16 courses:

1. N. 10°30'57" E., 115.13 feet;
2. N. 26°05'35" W., 105.13 feet;
3. N. 35°14'27" W., 60.48 feet;
4. N. 16°18'04" W., 45.63 feet;
5. N. 02°48'38" W., 22.73 feet;
6. N. 18°33'31" E., 51.16 feet;
7. N. 31°57'10" E., 101.53 feet;
8. N. 17°59'53" E., 105.60 feet;
9. N. 03°48'45" E., 222.76 feet;
10. N. 05°56'44" W., 100.01 feet;
11. N. 14°11'08" W., 101.28 feet;
12. N. 11°56'19" W., 102.04 feet;
13. N. 05°46'40" W., 103.28 feet;
14. N. 24°58'31" E., 98.05 feet;
15. N. 71°20'06" W., 144.39 feet;
16. S. 63°54'19" W., 38.54 feet to a point on the Northerly line of Genoa Aspen Drive as shown on said Final Map for Genoa Lakes Planned Unit Development Phase 1B;

401709

thence 62.82 feet along said Northerly line of Genoa Aspen Drive and the arc of a curve to the left having a central angle of $79^{\circ}58'55''$ and a radius of 45.00 feet, (chord bears N. $66^{\circ}05'08''$ W., 57.84 feet), to the Easterly line of Block A of said Genoa Lakes Planned Unit Development Phase 1B;

thence N. $16^{\circ}04'36''$ W., along the Easterly line of said Block A, 75.27 feet to the Northwest corner of said Parcel 7;

thence S. $71^{\circ}20'06''$ E., 2354.01 feet to the Carson River as shown on said Record of Survey #4;

thence along the Carson River the following 5 courses:

1. S. $47^{\circ}56'34''$ W., 166.81 feet;
2. S. $17^{\circ}28'27''$ W., 231.99 feet;
3. S. $14^{\circ}02'41''$ E., 656.11 feet;
4. S. $30^{\circ}48'32''$ W., 286.59 feet;
5. S. $67^{\circ}43'29''$ W., 329.62 feet;

thence S. $22^{\circ}42'33''$ E., 210.65 feet;

thence S. $00^{\circ}53'02''$ W., 824.67 feet;

thence S. $32^{\circ}00'35''$ W., 1355.39 feet;

thence S. $27^{\circ}27'35''$ E., 642.56 feet;

thence S. $57^{\circ}59'07''$ E., 547.62 feet to the POINT OF BEGINNING.

Containing 224 acres more or less (Gross).

Excepting therefrom the area of the Carson River located between the Average High Water Marks, which is under the ownership of the State of Nevada, and containing approximately 13.95 acres.

Containing approximately 210.1 acres (Net).

APN's 17-130-71 and 17-130-72

Together with those access rights created under document entitled "Ingress and Egress Easement Agreement," dated as of November 25, 1996, recorded in the Official Records of Douglas County, Nevada. *11-25-96 AS document*

Number 401708

401709

EXHIBIT B

Order No. S61617T0

At the date hereof exceptions to coverage in addition to the printed Exceptions and Exclusions contained in said Policy form would be as follows:

1. Taxes for the fiscal year July 1, 1996 to July 1, 1997, Parcel No. 17-130-55, in the total amount of \$12,221.52. Installments due as follows:

1st installment	\$3,055.38	PAID
2nd installment	\$3,055.38	PAID
3rd installment	\$3,055.38	January 6, 1997
4th installment	\$3,055.38	March 3, 1997

2. Taxes for the fiscal year July 1, 1996 to July 1, 1997, Parcel No. 17-130-64, in the total amount of \$4,472.58. Installments due as follows:

1st installment	\$1,118.14	PAID
2nd installment	\$1,118.14	PAID
3rd installment	\$1,118.14	January 6, 1997
4th installment	\$1,118.16	March 3, 1997

3. Taxes for the fiscal year July 1, 1996 to July 1, 1997, Parcel No. 17-130-71, in the total amount of \$43,810.33. Installments due as follows:

1st installment	\$10,952.58	PAID
2nd installment	\$10,952.58	PAID
3rd installment	\$10,952.58	January 6, 1997
4th installment	\$10,952.59	March 3, 1997

4. Taxes for the fiscal year July 1, 1996 to July 1, 1997, Parcel No. 17-130-72, in the total amount of \$7,289.74. Installments due as follows:

1st installment	\$1,822.43	PAID
2nd installment	\$1,822.43	PAID
3rd installment	\$1,822.43	January 6, 1997
4th installment	\$1,822.45	March 3, 1997

5. Subject property lies within the boundaries of the GENOA LAKES GENERAL IMPROVEMENT DISTRICT. (PAID CURRENT)

6. Subject property lies within the boundaries of the INDIAN HILLS GENERAL IMPROVEMENT DISTRICT. (PAID CURRENT)

7. Subject property lies within the boundaries of the DOUGLAS COUNTY UTILITY DISTRICT. (PAID CURRENT)

8. Subject property lies within the boundaries of the GENOA LAKES ASSOCIATION. (PAID CURRENT)

9. Water rights, claims or title to water whether or not recorded.

10. Any adverse claim based upon the assertion that:

- 1) "Said land or any part thereof is now, or at any time has been below the ordinary high water mark of the Carson River."

(Continued)

401709

BK 1196 PG 4303

- 2) "Some portion of said land has been created by artificial means or has accreted to such portions so created."
- 3) "Some portion of said land has been brought within the boundaries thereof by an avulsive movement of the Carson River or has been formed by accretion to any such portion."

11. Any easement or claim of easement based on prescription by or implied dedication to the public over said land of any part thereof for access to the adjoining Carson River or for recreational purposes.

12. Reservations of pumping station and power station with incidental rights as reserved in Deed

Recorded: September 17, 1924
Book: R of Deeds
Page: 506
Document No.: 239 of Official Records of Douglas County, Nevada, and amended reservations and new covenants as contained in deed

Recorded: March 22, 1943
Book: W of Deeds
Page: 413
Document No.: 100 of Official Records of Douglas County, Nevada

13. An easement granted to SIERRA PACIFIC POWER COMPANY for Public Utilities and incidental rights thereto

Recorded: October 10, 1931
Book: F of Agreements
Page: 255
Document No.: 341 of Official Records of Douglas County, Nevada

14. An easement granted to SIERRA PACIFIC POWER COMPANY for Public Utilities and incidental rights thereto

Recorded: October 10, 1931
Book: F of Agreements
Page: 257
Document No.: 342 of Official Records of Douglas County, Nevada

15. A right-of-way granted to Sierra Pacific Power Company, a Corporation, their successors and assigns, for Public Utilities and incidental rights thereto

Recorded: November 18, 1955
Book: H of Agreements
Page: 239
Document No.: 11022 Douglas County, Nevada Records

16. A right-of-way granted to Sierra Pacific Power Company, a Nevada corporation, and Continental Telephone Company of Nevada, a corporation, their successors and assigns, for Public Utilities and incidental rights thereto

Recorded: July 10, 1973

(Continued)

401709

BK 1196PG4304

Book: 773
Page: 226
Document No.: 67407 of Official Records of Douglas County, Nevada

17. A 50 foot roadway granted to Janet Davis Hollister as shown in Deed executed by Sierra Creek Ranch Inc.

Recorded: April 26, 1988
Book: 488
Page: 2878
Document No.: 176807 of Official Records of Douglas County, Nevada

18. The effect of that certain Assignment of Rights executed by Little Mondeaux Limousin Corporation, Inc., in favor of Genoa Lakes Venture, a Nevada General Partnership

Recorded: September 26, 1991
Book: 991
Page: 4136
Document No.: 261181 of Official Records of Douglas County, Nevada

19. Stipulations, easements, conditions of acceptance and other map matters for Genoa Lakes Subdivision Phase 1, recorded March 16, 1993 as Document No. 302137 and Genoa Lakes Phase 3, Unit 2, recorded January 5, 1995, as Document No. 361251, as fully set forth on Alta Survey by Resource Concepts, Inc., Dated November 19, 1996

20. Covenants, conditions and restrictions as set forth in the instrument

Recorded: March 16, 1993
Book: 393
Page: 3261
Document No: 302138 of Official Records of Douglas County, Nevada.

Amended covenants, conditions and restrictions,

Recorded: March 22, 1993
Book: 393
Page: 4001
Document No.: 302423 of Official Records of Douglas County, Nevada

Amended covenants, conditions and restrictions,

Recorded: February 13, 1995
Book: 295
Page: 1838
Document No: 356108 of Official Records of Douglas County, Nevada.

Said covenants, conditions and restrictions provide that a violation thereof shall not defeat the lien of any Mortgage or Deed of Trust made in good faith and for value.

Covenants recorded as shown above, but omitting any covenant or restriction based on race, color, religion, sex, handicap, familial status, or national origin unless and only to the extent that said covenant (a) is exempt under Chapter 42, Section 3607 of the United States Code or (b) relates to handicap but does not discriminate against handicapped persons.

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401709

BK 1196 PG 4305

21. Final Assessment Roll for Genoa Lakes Improvement District

Recorded: April 5, 1995
 Book: 495
 Page: 548
 Document No.: 359465 of Official Records of Douglas County, Nevada

Special Assessment levied by the GENOA LAKES IMPROVEMENT DISTRICT,

A.P.N. No.: 17-130-55
 Original Amount: \$87,000.00
 Current Balance: \$84,302.96
 Installment No.: 4, Principal: \$1,042.95, Interest: \$3,329.97
 Date Due: March 1, 1997

Special Assessment levied by the GENOA LAKES IMPROVEMENT DISTRICT,

A.P.N. No.: 17-130-64
 Original Amount: \$5,360.00
 Current Balance: \$5,181.93
 Installment No.: 4, Principal: \$64.11, Interest: \$204.69
 Date Due: March 1, 1997

Special Assessment levied by the GENOA LAKES IMPROVEMENT DISTRICT,

A.P.N. No.S: 17-130-71 and 17-130-72 (ORIGINALLY 17-13-62)
 Original Amount: \$443,502.50
 Current Balance: \$428,768.04
 Installment No.: 4, Principal: \$5,304.51, Interest: \$16,936.34
 Date Due: March 1, 1997

22. Matters as disclosed on Alta Survey by Resource Concepts, Inc. Dated November 19, 1996.

Encroachment of Club House onto Public Utility Easement of varying width.

Encroachment of Maintenance Building onto 20 foot Water, Sewer and Utility Easement

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

'96 NOV 25 P4:16

LINDA SLATER
 RECORDER

\$6.00 PAID *KJ* DEPUTY

401709

BK 1196 PG 4306