

2. APN'S 11-090-09 11-232-36 41-010-11  
41-010-01 41-010-07 42-010-12  
41-010-02 41-010-08  
41-010-21 41-010-09  
42-010-11 41-010-10

74886 TCC  
(Heavenly Valley, NV)

AMENDED, RESTATED AND CONSOLIDATED  
FEE AND LEASEHOLD DEED OF TRUST,  
ASSIGNMENT OF LEASES AND RENTS, FIXTURE FILING  
AND SECURITY AGREEMENT

This Amended, Restated and Consolidated Fee and Leasehold Deed of Trust, Assignment of Leases and Rents, Fixture Filing and Security Agreement (the "Deed of Trust") is made as of October 12, 1999, by and among Heavenly Valley, Limited Partnership, a Nevada limited partnership having a place of business at c/o American Skiing Company, P.O. Box 450, Bethel, Maine 04217 ("Trustor"), Lawyers Title Insurance Corporation, having a place of business at 225 Franklin Street, Boston, Massachusetts 02110 ("Trustee") and BankBoston, N.A., as Agent for itself and the other Lenders party to the Credit Agreement (as defined below) having a place of business at 100 Federal Street, Boston, MA 02210 ("Beneficiary"). All capitalized terms used herein without definition shall have the meanings ascribed to them in the Credit Agreement.

WHEREAS, Trustor granted a certain Fee and Leasehold Deed of Trust, Assignment of Leases and Rents, Fixture Filing and Security Agreement dated as of November 12, 1997 (the "Original Deed of Trust") for the benefit of the Beneficiary to secure obligations under a certain Credit Agreement dated as of November 12, 1997 between Beneficiary and Trustor and other parties named therein (the "Original Credit Agreement");

WHEREAS, the parties desire to amend, restate and consolidate the Original Credit Agreement; and

WHEREAS, the Original Deed of Trust was recorded in the Official Records of Douglas County in Book 1197, Page 3087.

NOW, THEREFORE, for good and valuable consideration, the parties hereby amend, restate and consolidate the Original Deed of Trust to read as follows:

1. Grant. For consideration paid, the Trustor, to secure:

(a) The full and prompt payment and performance when due, whether by acceleration or otherwise, with such interest, commitment fees, prepayment fees and other charges as may accrue thereon, either before or after maturity thereof, by Trustor, its successors or assigns, and/or American Skiing Company and the other Borrowers named in the Credit Agreement and their respective successors or assigns (together with the Trustor, are collectively referred to herein as the "Borrowers") of

0482259

BK 1299PG 1546

that certain Amended, Restated and Consolidated Credit Agreement dated as of the date hereof, together with any and all restatements, renewals, amendments, modifications, consolidations and extensions thereof (the "Credit Agreement"), TOGETHER WITH accompanying Term Notes, Revolving Credit Notes and Swing Line Notes dated as of the date hereof in the principal face amount of up to ONE HUNDRED SIXTY FIVE MILLION DOLLARS (\$165,000,000.00), all together with any amendments renewals, modifications, consolidations and extensions of the foregoing (all collectively the "Notes");

(b) Any and all future advances made by Beneficiary to or for the benefit of the Trustor, Borrowers, or any one or more of them, whether jointly or severally liable, direct or indirect, up to a maximum principal amount outstanding from time to time (exclusive of costs and amounts advanced to protect the security) of up to TWO HUNDRED SIXTY MILLION DOLLARS (\$260,000,000.00) together with interest, fees, costs, prepayment fees, and other amounts now existing or hereafter arising.

(c) The full and prompt payment and performance of all of the provisions, agreements, covenants and obligations set forth in this Deed of Trust, or in any other Lender Agreements (as defined in the Credit Agreement);

(d) Any and all additional advances made to preserve, enforce and protect the Property (as hereinafter defined), the security interest created hereby on the Property, or this Deed of Trust and the Lender Agreements, including, without limitation, taxes, assessments or insurance premiums or for performance of any of the Borrowers obligations under the Lender Agreements (whether or not the original Borrower remains the owner of the Property at the time of such advances); and

(e) Any and all other indebtedness, however incurred, which may now or hereafter be due and owing from Borrowers or any one or more of them, whether joint or several, to Beneficiary, now existing or hereafter coming into existence, however and whenever incurred or evidenced, whether expressed or implied, direct or indirect, absolute or contingent, or due or to become due, and all renewals, modifications, consolidations and extensions thereof.

(all collectively the "Secured Obligations")

Does hereby GIVE, GRANT, BARGAIN, SELL, TRANSFER, ASSIGN and CONVEY unto Trustee, in Trust, for the benefit and security of Beneficiary as beneficiary in trust, its successors and assigns, forever, WITH POWER OF SALE AND RIGHT OF ENTRY AND RIGHT OF POSSESSION, under and subject to the terms and conditions

hereinafter set forth, all of Trustor's right, title and interest in the following described property (hereinafter collectively referred to as the "Property"):

I. All real estate owned by Trustor located in the County of Douglas, State of Nevada, whether now owned or hereafter acquired, including, without limitation, the following described parcels of real estate with the buildings and improvements now or hereafter situated thereon (the "Owned Property"):

II. All property leased by Trustor, including, without limitation, the property leased by Trustor pursuant to the following leases:

(i) Lease by and among Trustor and the County of Douglas, by and through the Douglas County Board of Commissioners dated September 1, 1988, relating to certain premises located at in the County of Douglas on the Airport;

(ii) Lease by and among Trustor and Ellen and David Rothman dated as of March 1, 1996, relating to certain premises located at 295 Highway 50, Suites 17 and 19, at the location commonly known as the Lake Village Professional Building;

(iii) Lease dated November 1, 1984 by and among Trustor and Norman Quigley and Joyce Quigley, Trustors and Trustees of the Inter-Vivos Trust dated January 5 relating to certain premises located at 192, 194, 196, 198, 200 and 202 of Shady Lane, Stateline, Douglas County, Nevada,

All relating to real estate located in Douglas County, Nevada with the buildings and improvements now or hereafter situated thereon:

Together with all easements and rights relating, arising out of or appurtenant thereto, including any and all extensions or renewals of the leases, or substitutions or replacements thereof, and

All rights, privileges and benefits now existing or hereafter arising under the leases, including, without limitation all rights to exercise options to extend or renew the leases or to purchase the fee title to the leasehold estates and appurtenances thereto, and all rights to insurance proceeds, eminent domain awards or payments in lieu thereof, and

All rights of Trustor in and to the premises described in Exhibit A and the buildings, fixtures, improvements, alterations, or additions now or hereafter acquired or erected on the leased premises

(individually, as amended to date, a "Lease", all collectively the "Leasehold Estate," or the "Leases" and together with the Owned Property the "Real Property")

SEE EXHIBIT A ATTACHED HERETO AND MADE A PART HEREOF FOR A DESCRIPTION OF SAID OWNED AND LEASED REAL ESTATE

III. Together with:

(a) All right, title and interest of Trustor, including, without limitation, any after-acquired fee title or reversion in and to the said Real Property and the rights-of-ways, streets and easements adjacent or appurtenant thereto, and all easements, rights-of-way, licenses, operating agreements, condominium rights, abutting strips and gores of land, streets, ways, passages, rights, waters, water courses, water and flowage rights and powers, stock in water companies, minerals and soil, plants, and standing and fallen timber and other emblements now or hereafter located on the Real Property or under or above same, and all other appurtenances whatsoever belonging or relating to said Real Property or any part thereof, or which hereafter shall in any way belong, relate or be appurtenant thereto, whether now owned or hereafter acquired by Trustor and the reversion and reversions, remainder and remainders, and all the estate, right, title, interest, property, possession, claim and demand whatsoever at law, as well as in equity, of the Trustor of, in and to the same (all hereinafter referred to as the "Land"); and

(b) All buildings, structures, parking areas, landscaping, and other improvements of every nature now or hereafter situated, erected or placed on the Land or appurtenant thereto, including, without limitation, all plumbing, electrical, heating, ventilating, air conditioning, and all other building components, (the "Improvements"), and all materials intended for construction, reconstruction, alteration and repairs of the Improvements now or hereafter erected, all of which materials shall be deemed to be included within the Improvements immediately upon the delivery thereof to the Land; and

(c) All fixtures, machinery, equipment, furniture, inventory, building supplies, ski lifts, snowmaking equipment, appliances and other articles of personal property (the "Personal Property") and all other fixtures and equipment now or hereafter owned by Trustor and located in, on or about, or used or intended to be used with or in connection with the Land or the Improvements, whether installed in such a way as to become a part thereof or not, including all additions, improvements, betterments, renewals and replacements of any of the foregoing, whether now owned or hereafter acquired by Trustor; and

0482259

BK1299PG1549

(d) All right, title and interest of Trustor in and to all policies of insurance, licenses, franchises, development rights, snowmaking and water rights, permits, leases, approvals, service and maintenance contracts, property management agreements, equipment leases, trade names, trademarks, service marks, computer programs, information and data, logos, goodwill, accounts, chattel paper and general intangibles as defined in the Uniform Commercial Code as enacted in the State of Nevada, which in any way now or hereafter belong, relate or appertain to the Land, the Improvements or the Personal Property or any part thereof, all whether now owned or hereafter acquired by Trustor, including, without limitation, all condemnation payments, insurance proceeds, accounts and escrow funds and all other property of Trustor deposited with Beneficiary or held by Beneficiary pursuant to the Credit Agreement or the Lender Agreements (the "Intangible Property"); and

(e) All present and future leases, tenancies, occupancies and licenses, whether written or oral, of the Land, the Improvements, the Personal Property and the Intangible Property, or any combination or part thereof (the "Rental Leases"), and all income, revenues, receipts, rents, issues, royalties, profits, rent rolls, security deposits and other benefits of the Land, the Improvements, the Personal Property and the Intangible Property, from time to time accruing, and all payments under the Rental Leases (the "Revenues");

(f) All the right, title, interest of Trustor in and to all engineering, survey and architectural specifications, plans and data, all other records, plans and specifications relating to the Improvements on the Land and Personal Property (hereinafter collectively referred to as the "Plans"); and

(g) All proceeds, products, substitutions and accessions of the foregoing of every type, all whether now owned or hereafter acquired.

(h) All judgments, awards of damages and settlements hereafter made as a result or in lieu of any taking of the Property under the power of eminent domain, or for any damage to the Property.

TO HAVE AND TO HOLD the Property, with all the privileges and appurtenances to the same belonging, to Trustee, in trust, for the benefit and security of Beneficiary, its respective successors and assigns, to Trustee, in trust, for the benefit and security of Beneficiary, and its use and behoof forever;

Advances secured hereby may be made to or for the benefit of the Trustor, any Borrower or any one or more of them.



Trustor COVENANTS and AGREES with Beneficiary and Trustee as follows:

2. Secured Obligations. Trustor shall promptly pay and perform the Secured Obligations. The parties may from time to time extend, renew, alter, restate, and amend the Secured Obligations secured hereby. All provisions of this Deed of Trust shall apply to each further advance as well as to all other Secured Obligations secured hereby regardless of whether the advance is designated as being secured hereby. Nothing herein contained, however, shall limit the amount secured by this Deed of Trust if such amount is increased by accrued interest, advances made by Beneficiary, as herein elsewhere provided for to protect the security or is increased by costs of collection and foreclosure.

3. Representations. The Trustor warrants and represents that (i) this Deed of Trust has been duly authorized, executed and delivered by and on behalf of the Trustor, (ii) the Trustor is duly existing and in good standing with all power, authority and legal right to engage in the transaction contemplated by this Deed of Trust and the Lender Agreements, (iii) the execution and delivery of this Deed of Trust and the Lender Agreements and the carrying out of the transaction contemplated thereby will not conflict with or result in a breach of the terms of any agreement or law or order of any court or governmental body, (iv) there are no material actions, suits or proceedings, including, without limitation, eminent domain proceedings pending, or to the knowledge of the Trustor, threatened before any court or other governmental body or agency which would have a material adverse effect on the Property or the Trustor or the Trustor's ability to perform its obligations under this Deed of Trust or under the other Lender Agreements, (v) the Land is in material compliance with applicable zoning, building, environmental and all other laws, ordinances and regulations relating to the use and occupancy thereof and the Trustor has no knowledge of any claim of violation of any such legal requirements, (vi) all material licenses and permits necessary for the use and occupancy of the Land have been issued and are in full force and effect, (vii) the material improvements on the Land and the tangible Personal Property are in good working order and free from structural defects, (viii) the Trustor has no knowledge of any claim challenging the Trustor's title to the Real Property, and (ix) the Trustor has no knowledge of any existing default, or claim thereof, under any leases or other arrangements for the use of the Real Property, either on the part of the Trustor or any other party thereto.

4. Title. Except as disclosed or referred to in Exhibit B, Trustor has good, record and marketable title to an indefeasible estate in fee simple in the Owned Property and good title to the Personal Property, free and clear of all liens and encumbrances, except as expressly permitted under the Credit Agreement. Trustor has good right and power to convey the Real Property, Land, Personal Property and Improvements to Trustee to hold as aforesaid, that this Deed of Trust is and will remain a valid and enforceable first lien and security interest on the

0482259

BK1299PG1551

aforesaid property, and that Trustor shall and will warrant and defend the same to Trustee and to Beneficiary forever against the claims and demands of all persons except as aforesaid.

5. Leasehold Estate. Trustor holds a valid and binding leasehold interest in the Leasehold Estate, which Leasehold Estate is subject to no prior liens, conveyances or encumbrances except as set forth on Exhibit B hereto; Trustor may lawfully convey, mortgage and assign the same in the manner and form herein done or intended hereafter to be done and this Deed of Trust does not violate any other agreement by which the Trustor is bound. Trustor shall not hereafter assign, sublease, encumber or transfer any interest in or under the Leasehold Estate or consent to any subordination of the Leasehold Estate while the Secured Obligations remain outstanding or committed for, except with the prior written consent of the Beneficiary.

Each Lease is in full force and effect in accordance with its terms and there have been no changes, alterations or amendments to the Leases. Trustor will make no material, adverse changes, alterations or amendments to the Leases without prior written consent of Beneficiary, its successors or assigns; any such changes to be void and of no effect without such consent. Except as disclosed in writing to Beneficiary, all rents and payments under the Leases have been paid to the extent payable to date; and no defaults exist under the Leases, and no event has occurred or is occurring which, with the passage of time or service of notice, or both, would constitute an event of default thereunder.

Trustor will well and truly perform, or cause to be performed, all its obligations and agreements as lessee under the Leases, and under any renewals or extensions thereof and will not do or suffer anything which will impair any Lease or which would be an event of default thereunder. Trustor shall exercise all renewals of the term of any Lease while the obligations secured hereby remain outstanding or committed for, except where the failure to so renew would not constitute a Material Adverse Effect (as defined in the Credit Agreement). Trustor, for itself, its successors and assigns, acknowledges that Beneficiary, its successors and assigns, shall have no obligation to perform the responsibilities of the lessee under any Lease, such responsibilities being those of Trustor.

Upon reasonable request of the Beneficiary, Trustor shall use its best efforts to procure from each Landlord to any Lease a certificate stating that the Lease is in good standing. Trustor shall promptly notify Beneficiary of any default under the Lease or the occurrence of any event under any Lease, which with the passage of time or service of notice or both, would constitute an event of default, and of any oral or written claim or notice of default received from a Landlord under any Lease; and in addition to any other rights contained herein Trustor shall permit the Beneficiary, its agents and employees to enter upon and inspect the premises subject to such Lease at all reasonable times and upon reasonable notice.

6. Taxes and Assessments. Trustor shall promptly pay and discharge, when due, all taxes and assessments of every type or nature levied or assessed against the Real Property, all water and sewerage charges, and any other governmental claim, obligation or encumbrance against the Real Property which may be or become superior to this Deed of Trust (collectively, the "Impositions") except as permitted in accordance with the provisions of the Credit Agreement. Subject to the provisions of the Credit Agreement, if at any time the Beneficiary does not require the escrow of payments pursuant to Paragraph 7 herein, Trustor shall deliver to Beneficiary receipts evidencing payments of such taxes, assessments, charges and encumbrances not later than twenty days after the final date for payment without interest or penalty.

7. Monthly Reserve Payments. Upon the occurrence of an Event of Default which has not been waived in writing by Beneficiary and the Required Lenders, Beneficiary may require that the Trustor pay to Beneficiary monthly, on the first day of each month, a sum reasonably determined by Beneficiary to be sufficient to provide in the aggregate a fund adequate to pay each Imposition at least thirty (30) days before it becomes delinquent, and, in addition, shall pay to Beneficiary on demand any balance necessary to pay in full each Imposition at least thirty (30) days before the date on which it becomes due and payable. Such sums shall not bear interest and may be commingled with the general assets of Beneficiary. The Trustor shall furnish to Beneficiary all original bills relating to any Imposition promptly upon issuance. Trustor agrees that should there be insufficient funds so deposited with Beneficiary for said taxes, assessments, charges and premiums when due, it will upon demand by Beneficiary promptly pay to Beneficiary amounts necessary to make such payments in full; any surplus of such reserve funds may be applied toward the payment of the Secured Obligations or credited toward such taxes, assessments charges and premiums. Upon the occurrence of an Event of Default, Beneficiary may apply such funds toward the payment of the Secured Obligations without causing thereby a waiver of any rights, statutory or otherwise, and specifically such application shall not constitute a waiver of the right of foreclosure hereunder. Trustor hereby pledges to Beneficiary all the foregoing sums so held hereunder for such purposes. Subject to the above, Beneficiary and/or Trustee may discharge taxes, liens, security interests, or other encumbrances at any time levied against or placed on the Property except as noted herein and except those which are permitted or are being contested in accordance with the provisions of the Credit Agreement, pay any premiums on any insurance to be carried by Trustor, or provide for the maintenance and preservation of the Real Property and add the expense thereof to the Secured Obligations secured hereby and charge interest thereon as provided hereinafter without waiving any default.

The Trustor shall have the right, after giving written notice to Beneficiary and subject to the conditions stated below, to contest by appropriate legal proceedings the amount or validity of any Imposition. In no event shall the Trustor be entitled to delay payment of any



Imposition if the delay in payment could subject any portion of the Property to possible foreclosure or in any event unless the Trustor deposits with Beneficiary a sum of money or such other security as Beneficiary deems reasonable to cover the amount of such Imposition plus any interest or penalty that may become due as a result of such contest.

8. Insurance.

(a) Trustor shall keep the Real Property, Personal Property and Improvements insured against loss or damage by fire, the perils against which insurance is afforded by the extended coverage endorsement, and such other risks and perils as Beneficiary may reasonably require from time to time, including, without limitation, insurance against flood damage if the Improvements are located in a flood hazard area or required by federal law or regulation (to the minimum amount required by federal law or regulation) and insurance against loss of rental income.

Such policy or policies of such insurance shall be in such form and shall be in such amounts as Beneficiary may reasonably require. Whenever requested by Beneficiary, such policies shall be delivered immediately to Beneficiary. Any and all amounts received by Beneficiary under any of such policies may be applied by Beneficiary to the Secured Obligations secured hereby in such manner as Beneficiary may elect, or, at the option of Beneficiary, the entire amount so received or any part thereof may be released. Upon foreclosure of this Deed of Trust or other acquisition of the Property or any part thereof by Beneficiary, such policies shall become the absolute property of Beneficiary, but receipt of any insurance proceeds and any disposition of the same by Beneficiary shall not constitute a waiver of any rights of Beneficiary or Trustee, statutory or otherwise, and specifically shall not constitute a waiver of the right of foreclosure by Beneficiary or Trustee upon an Event of Default.

(b) Trustor shall pay all premiums on insurance policies, and at Beneficiary's option, shall pay in the manner provided under Section 7. The liability insurance policies shall name Beneficiary as an "additional insured." The property insurance policies shall name Beneficiary as "mortgagee and loss payee" shall be first payable in case of loss to Beneficiary, and shall contain mortgage clauses and lender's loss payable endorsements in form and substance reasonably acceptable to Beneficiary. Trustor shall deliver proof of all such insurance to Beneficiary, and upon request, Trustor shall promptly furnish to Beneficiary all renewal notices and all receipts of paid premiums.

(c) All policies of insurance required by this Deed of Trust shall contain clauses or endorsements to the effect that (i) no act or omission of either Trustor or

anyone acting for Trustor (including, without limitation, any representations made by Trustor in the procurement of such insurance), which might otherwise result in a forfeiture of such insurance or any part thereof, no occupancy or use of the Property for purposes more hazardous than permitted by the terms of the policy, and no foreclosure or any other change in title to the Property or any part thereof, shall affect the validity or enforceability of such insurance insofar as Beneficiary is concerned, (ii) the insurer waives any right of setoff, counterclaim, subrogation, or any deduction in respect of any liability of Trustor and Beneficiary, (iii) such insurance is primary and without right of contribution from any other insurance which may be available, (iv) such policies shall not be modified, canceled or terminated without the insurer thereunder giving at least thirty (30) days prior written notice to Beneficiary by certified or registered mail, and (v) that Beneficiary shall not be liable for any premiums thereon or subject to any assessments thereunder, and shall in all events be in amounts sufficient to avoid any coinsurance liability.

(d) All policies of insurance required by this Deed of Trust shall be issued by companies licensed to do business in the State of Nevada and shall be reasonably acceptable to Beneficiary.

(e) In the event of any loss or damage to the Real Property, Improvements or Personal Property in excess of One Hundred Thousand dollars (\$100,000.00), Trustor shall give immediate written notice to the insurance carrier and Beneficiary and shall promptly proceed to satisfy all conditions to the receipt of insurance proceeds. Upon an Event of Default which has not been waived in writing by the Beneficiary and the Required Lenders, Trustor hereby irrevocably authorizes and empowers Beneficiary, at Beneficiary's option and in Beneficiary's sole discretion, as attorney in fact for Trustor, to make proof of such loss, to adjust and compromise any claim under insurance policies, to appear in and prosecute any action arising from such insurance policies, to collect and receive insurance proceeds, and to deduct therefrom Beneficiary's reasonable expenses incurred in the collection of such proceeds. Subject to the foregoing conditions, Trustor further authorizes Beneficiary, at Beneficiary's option, to (i) apply the balance of such proceeds to the payment of the Secured Obligations whether or not then due, or (ii) if Beneficiary shall require the reconstruction or repair of the Property, to hold the balance of such proceeds to be used to pay Impositions and the Secured Obligations as they become due during the course of reconstruction or repair of the Property and to reimburse Trustor, in accordance with such terms and conditions as Beneficiary may prescribe, for the costs of reconstruction or repair of the Property, and upon completion of such reconstruction or repair to apply any excess to the payment of the Secured Obligations. If the Property is sold or the Property is acquired by Beneficiary or Trustee, all right, title and interest of Trustor in

0482259

BK1299PG1555

and to any insurance policies and unearned premiums thereon and in and to the proceeds thereof resulting from loss or damage to the Property prior to the sale or acquisition shall pass to Beneficiary or any other successor in interest to Trustor or purchaser or grantor of the Property but receipt of any insurance proceeds and any disposition of the same by Beneficiary shall not constitute a waiver of any rights of Beneficiary or Trustee, statutory or otherwise, and specifically shall not constitute a waiver of the right of foreclosure by Trustee or Beneficiary upon an Event of Default or failure of performance by Trustor of any of the Secured Obligations.

In the event any loss or damage to the Real Property, Improvements or Personal Property is less than One Hundred Thousand dollars (\$100,000.00), the Trustor shall promptly restore the damaged property to its condition prior to such damage.

9. Preservation and Maintenance of the Property.

(a) Trustor shall not permit or commit waste, impairment, or deterioration of the Property or abandon the Property; shall restore or repair promptly and in a good and workmanlike manner all or any part of the Property in the event of any material damage, injury or loss thereto, to the substantial equivalent of its condition prior to such damage, injury or loss, or such other condition as Beneficiary may approve in writing (provided, however, the insufficiency of such proceeds shall not relieve Trustor of its obligations to restore hereunder), shall keep the Property, including the Improvements and the Personal Property, in good order, repair and working condition and shall replace fixtures, equipment, machinery and appliances on the Property when necessary to keep such items in good order, repair, and working condition and in accordance with the requirements of all fire underwriters and licensing boards, and shall comply with all laws, ordinances, regulations and requirements of any governmental body applicable to the Property unless such non-compliance does not have a Material Adverse Effect.

(b) Trustor covenants and agrees that Trustor and the Property shall at all times comply with the requirements of all present and future federal, state, and local land use and zoning statutes, regulations, ordinances, licenses, permits, agreements and orders; except as would not constitute a Material Adverse Effect.

(c) Trustor covenants and agrees to give Beneficiary prompt notice of any non-compliance with such laws, ordinances, regulations or requirements and of any notice of non-compliance therewith which it receives or any threatened or pending proceedings in respect thereto or with respect to the Property (including, without

limitation, material changes in zoning classifications or land use requirements) which, if adversely determined, would result in a Material Adverse Effect.

(d) Neither Trustor nor any tenant or other person shall remove, demolish or alter any Improvements now existing or hereafter erected on the Property or any Personal Property in or on the Property except when incident to the replacement of Personal Property with items of like kind and value. Except as specifically provided in the Credit Agreement, Trustor further covenants and agrees that, without the prior written consent of Beneficiary, herein, no additional part of the Property shall be declared, or become the subject of, a condominium under any applicable Nevada law, as it may be amended or supplemented, Trustor shall not operate the Property or permit the Property to be operated as a cooperative or condominium or otherwise such that the tenants or occupants participate in ownership, control, or management of the Property, nor shall any part of the Property become the subject of any covenants or restrictions, or any planned unit development, or any other type of development that would control or restrict the uses to which the Land and Improvements may be put or the scheme or arrangement or its development or the design, location or character of its buildings or improvements, or which would impose Impositions or assessments of any type upon any owners or tenants of the Property, or upon any other parties who may use or enjoy the Property.

(e) If at any time the then existing structure located on or use or occupancy of the Property shall be permitted pursuant to any zoning or other law, ordinance or regulation, only so long as such use or occupancy shall continue, that Trustor shall not cause or permit such use or occupancy to be discontinued without the prior written consent of the Beneficiary, unless such discontinuance would not result in a Material Adverse Effect.

10. Inspection. Subject to the provisions of the Credit Agreement, Beneficiary shall have the right to visit and inspect the Property and any other of the properties of the Trustor, to examine the records and books of account of the Trustor, and to discuss the affairs, finances and accounts of the Trustor with and to be advised as to the same by its and their officers, all at such reasonable times and intervals as the Beneficiary may desire. Trustor shall permit the Beneficiary and its representatives to examine said books and records and all supporting vouchers and data any time and from time to time upon request by the Beneficiary at the Property or at such other place as such books and records are customarily kept; and Trustor hereby agrees to furnish to Beneficiary financial statements in such form and detail as required by the Credit Agreement.

0482259

BK 1299PG 1557



11. Releases, Amendments, Etc. At any time, or from time to time, without liability therefor and without notice, upon written request of Beneficiary and presentation of this Deed of Trust and the Notes secured hereby for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby or the effect of this Deed of Trust upon the remainder of said Property, Trustee may (i) reconvey any part of said Property, (ii) consent in writing to the making of any map or plat thereof, (iii) join in granting any easement thereon, (iv) or join in any extension agreement or any agreement subordinating the lien or charge hereof.

Without affecting the liability of Trustor or any other person (except any person expressly released in writing) for payment or for performance of any of the Secured Obligations contained herein, and without affecting the rights of Beneficiary or Trustee with respect to any other security not expressly released in writing, and without impairing the validity or priority of this Deed of Trust, Beneficiary may at any time and from time to time, either before or after the maturity of the Secured Obligations without notice or consent:

- (i) Release in whole or part the liability of any person or of any other security for payment or performance of all or any part of the Secured Obligations,
- (ii) Extend the time or otherwise alter, increase or decrease the terms of payment or interest rate subject to the terms of the Credit Agreement of all or any part of the Secured Obligations or modify or waive any Secured Obligations, or subordinate, release, modify or otherwise deal with the lien or charge hereof,
- (iii) Exercise or refrain from exercising or waive any right Beneficiary or Trustee may have, including, without limitation, the declaration of default under and foreclosure of this Deed of Trust without first exhausting other remedies or collateral or taking any other action against any other person,
- (iv) Accept additional security of any kind, or
- (v) Release or otherwise deal with any property, real or personal, securing the Secured Obligations, including all or any part of the Property.

No delay by Beneficiary in exercising any right or remedy hereunder, or otherwise afforded by law, shall operate as a waiver thereof or preclude the exercise thereof during the continuance of any default hereunder.

Without limiting the generality of the foregoing, Trustor agrees to the provisions of any instrument evidencing, securing or otherwise executed in connection with the Secured Obligations, and agrees that the obligations of any Borrower hereunder shall not be released or discharged, in whole or in part, or otherwise affected by (i) the failure of the Beneficiary to assert any claim or demand or to enforce any right or remedy against any other Borrower; (ii) any extensions or renewals of the Secured Obligations; (iii) any rescissions, waivers, amendments or modifications of any of the terms or provisions of the Secured Obligations, the Credit Agreement or of the Lender Agreements or any other agreement evidencing, securing or otherwise executed in connection with this Secured Obligations or the Credit Agreement; (iv) the substitution or release of any entity primarily or secondarily liable for the Secured Obligations or Credit Agreement or the Lender Agreements; (v) the adequacy of any rights the Beneficiary may have against any collateral or other means of obtaining repayment of the Secured Obligations and the Credit Agreement; (vi) the impairment of any collateral securing the Secured Obligations and the Credit Agreement, including, without limitation, the failure to perfect or preserve any rights the Beneficiary might have in such collateral or the substitution, exchange, surrender, release, loss or destruction of any such collateral; or (vii) any other act or omission which might in any manner or to any extent vary the risk of the Trustor or otherwise operate as a release or discharge of any Borrower, all of which may be done without notice to the Trustor.

Any agreement hereafter made by Trustor and Beneficiary pursuant to or amending this Deed of Trust and the Secured Obligations shall be superior to the rights of the holder of any intervening lien or encumbrance to the extent allowed by law.

12. Further Assurances. Trustor at Trustor's expense will do, execute, acknowledge and deliver to or for the benefit of Beneficiary such further deeds, acts, conveyances, deeds of trust, mortgages, assignments, transfers and assurances as Beneficiary in its discretion may reasonably require from time to time to better establish and perfect the property and rights created or intended by Beneficiary to be created hereunder or to facilitate the Trustor's performance hereunder, including, without limitation, the execution and delivery, recording and/or filing and from time to time thereafter at such time and in such offices and places as shall be deemed desirable by Beneficiary, any and all such other and further assignments, mortgages, 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 Trustor under this Deed of Trust, and (b) the lien and security interest created by this Deed of Trust upon the Property.

13. Transfers, Etc. Except as expressly permitted in the Credit Agreement, the Trustor herein shall not sell, convey, assign, option, mortgage, encumber, hypothecate or

0482259

BK 1299PG 1559

otherwise dispose of the Property or any portion thereof or interest therein, whether legal or equitable, either voluntarily or involuntarily, by any means whatsoever, or create or suffer to exist any lien, encumbrance, security interest, pledge, restriction, mechanics lien, attachment or other charge upon the Real Property, Personal Property or Improvements, including, without limitation, any lease with an option to purchase, bond for deed, purchase and sale contract coupled with transfer of possession or lease with a term of more than two (2) years not approved hereunder. This condition shall continue until all Secured Obligations secured hereby are satisfied, and permission given or election not to foreclose or accelerate said Secured Obligations by Beneficiary, its successors or assigns, as to any one such transfer, shall not constitute a waiver of any rights as to any subsequent such transfer of title as to which this condition shall fully remain in force and effect.

14. Events of Default. This Deed of Trust and the Secured Obligations shall at the option of the Beneficiary herein become immediately due and payable upon each of the following (an "Event of Default"):

- (a) An Event of Default under the Credit Agreement;
- (b) Breach of any covenant contained in Sections 6, 7, 8 or 13 herein.
- (c) Trustor fails to duly observe or perform any other term, covenant, condition or agreement contained in this Deed of Trust, and the continuance of such failure for a period of twenty (20) days after written notice thereof from Beneficiary, except as otherwise provided herein;
- (d) any representation or warranty made in writing by or on behalf of Trustor or any Borrower herein or in connection with any of the transactions contemplated hereby shall prove to have been false or incorrect in any material respect on the date as of which made; or
- (e) Trustor shall fail to pay within five (5) days of the date when due any part of the indebtedness evidenced by the Notes (including, without limitation, any prepayment charges due thereunder) and all other amounts due from Trustor to Beneficiary in connection with the Secured Obligations (the "Indebtedness"), plus interest on all such amounts as provided in the Notes and the Credit Agreement.

15. Remedies. If an Event of Default has occurred which has not been waived in writing by the Beneficiary and the Required Lenders, Beneficiary (and/or Trustee, as applicable) may, at its option, without notice of its election and without demand, do any one or more of the following, all of which are authorized by Trustor:

(a) To the extent not otherwise provided in the Credit Agreement, declare the Secured Obligations whether evidenced by any instrument or agreement and whether or not secured hereby, and the underlying agreements of other parties securing the Secured Obligations, immediately due and payable, and the same shall thereupon become immediately due and payable, together with all payments due in accordance with the terms of the Notes, without any further presentment, demand, protest or notice of any kind.

(b) To the extent not otherwise provided in the Credit Agreement, cease advancing money or extending credit to or for the benefit of the Trustor under any agreement, whether or not secured hereby without need for the expiration of any applicable cure period.

(c) As a matter of strict right and without notice to Trustor or anyone claiming under Trustor, and without regard to the then value of the Property, apply ex parte to any court having jurisdiction to appoint a trustee, receiver, custodian, fiscal agent, liquidator or similar officer (a "Receiver") to enter upon and take possession of the Property, and Trustor hereby waives notice of any application therefor, provided a hearing to confirm such appointment with notice to Trustor is set within the time required by law (any such Receiver shall have all the 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, unless such Receivership is sooner terminated.

(d) Foreclose this Deed of Trust in any manner provided by law for the foreclosure of deeds of trust of real property. Such foreclosure may be against the entire Property or such portions thereof in such order and at such times as Beneficiary may determine all in its discretion, and the deferral or delay in foreclosure against any portion of the Property shall not impair the right of Beneficiary or Trustee to subsequently foreclose.

(e) Deliver to Trustee a written declaration of default and demand for sale, and a written notice of default and election to cause Trustor's interest in the Property 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 Property is located.

(f) To the extent not otherwise provided in the Credit Agreement, exercise all of the remedies of a secured party under the Uniform Commercial Code as now in effect in the State of Nevada, and such further remedies as may from time to time hereafter be provided in the State of Nevada for a secured party or creditor. Trustor

0482259  
BK1299PG1561



agrees that all rights of Beneficiary as to Personal Property, Intangible Property and Plans as to the Land, Improvements and Revenues, and rights and interest appurtenant thereto, may be exercised together or separately and in such order as the Beneficiary may elect. Trustor further agrees that in exercising the power of sale as to the Property constituting personal property and/or fixtures and rights and interest appurtenant thereto, the Beneficiary and/or Trustee may sell said collateral or any part thereof, either separately from or together with the said real estate, rights and interests appurtenant thereto, or any part thereof as permitted by Section 9501(4) of the Uniform Commercial Code, all as the Beneficiary may in its discretion elect. In particular, the Beneficiary may proceed to enforce rights against, seek the replevin of, and/or sell personal property collateral prior to or during the pendency of any real estate foreclosure proceeding, redemption period, or foreclosure sale without waiving said foreclosure.

(g) In person, by agent or by a receiver, without regard to the adequacy of the security, the solvency of the Trustor, or the condition of the Property, and without notice to or demand upon Trustor, enter upon and take possession of the Property or any part thereof, either directly, by an agent, or through a receiver, and, to the extent permitted by law, exclude the Trustor, its agents, managers and servants, and to perform any acts Beneficiary deems necessary or proper to conserve the value and marketability of the security, and to collect and receive all Revenues, General Intangibles, proceeds and profits thereof, including those past due as well as those accruing thereafter, and use, manage, operate and control the Property. Beneficiary, its agents, or a receiver may also take possession of, and for these purposes use, any and all Property used by Trustor in the operation, rental or leasing thereof or any part thereof. The expense (including receiver's fees, counsel fees, costs and agent's compensation) incurred pursuant to the powers herein contained shall be secured hereby. Beneficiary shall (after payment of all costs and expenses incurred) apply such Revenues received by it on the Secured Obligations in such order as Beneficiary determines; and Trustor agrees that exercise of such rights and disposition of such funds shall not constitute a waiver of any foreclosure once commenced nor preclude the later commencement of foreclosure for breach hereof. The right to enter and take possession of said property, to manage and operate the same, and to collect the income, rents, issues and profits thereof, whether by a receiver or otherwise, shall be cumulative to any other right or remedy hereunder or afforded by law, and may be exercised concurrently therewith or independent thereof. Beneficiary shall be liable to account only for such income, rents, security deposits, proceeds and profits actually received by Beneficiary.

0482259

BK 1299 PG 1562

(h) Prevent or cure any defaults under the Leases as Beneficiary deems necessary or desirable in order to preserve the Leases, without awaiting the expiration of any grace period, including any default specified in a notice of default from any of the landlords under the Leases;

(i) In the name of the Trustor or otherwise perform the Trustor's obligations under the Leases and exercise all rights, options, powers and privileges of the Trustor granted under the Leases without notice to the Trustor and with full power to renew, amend or alter the Leases or disclaim any subleases;

(j) Reassign any part or all of the Trustor's right, title and interest in and to the Leases with notice to the Trustor, but without liability on the part of the Trustor to cure defaults or to pay damages relating to the default;

(k) Sell or otherwise dispose of the Property (in its then condition or after further construction and preparation thereof, utilizing in connection therewith any of Trustor's assets, without charge or liability therefor), at foreclosure or secured party's sale (which sale Beneficiary may postpone from time to time to the extent permitted by law), all as Beneficiary deems advisable, for cash or credit; provided, however, that Trustor shall be credited with the net proceeds of such sale only when such proceeds are finally collected by Beneficiary and the Trustor shall pay any deficiency on demand. Beneficiary may become the purchaser at any such sale.

(l) Use or transfer, without charge or liability to Beneficiary therefore, any of Trustor's General Intangibles, Plans, trade names, service marks, trademarks, licenses, certificates of authority or advertising materials in advertising for the operation, sale and selling of the Property.

(m) Trustor recognizes that in the event Trustor defaults, no remedy of law will provide adequate relief to Beneficiary, therefore, Trustor agrees that Beneficiary shall be entitled to temporary and permanent injunctive relief to cure such default in any such case without the necessity of proving actual damages.

(n) Exercise all other rights and remedies provided herein, in any other Lender Agreement or other document or agreement now or hereafter securing all or any portion of the Secured Obligations.

Trustor shall pay to Beneficiary, immediately and without demand, all sums of money advanced by Beneficiary, together with interest on each such advancement at a rate of interest at the highest interest rate per annum required by the Credit Agreement secured hereby, and all

such sums and interest thereon shall be secured hereby. Beneficiary in its discretion, after the payment of expenses and the costs of protection, preservation and sale of the Property, may apply the net proceeds of the Property to the Secured Obligations. If an Event of Default shall have occurred which has not been waived in writing by the Beneficiary and the Required Lenders, Beneficiary, upon application to a court of competent jurisdiction, shall be entitled as a matter of strict right and without regard to the asserted value of any security for the Secured Obligations to the appointment of a receiver to take possession of and to operate the Property and to collect and apply the Revenues. The receiver shall have all of the rights and powers permitted under the laws of the State of Nevada. Trustor will pay to Beneficiary upon demand, all expenses, including receiver's fees, reasonable attorneys' fees, costs and agent's compensation, incurred pursuant to such appointment and all such expenses shall be a portion of the Secured Obligations. The entering upon and taking possession of and maintaining of control of the Property by Beneficiary, its agents, or the receiver and the application of Revenues as provided herein shall not cure or waive any Event of Default or invalidate any other right or remedy of Beneficiary or Trustee hereunder.

All remedies provided in this Deed of Trust are distinct and cumulative to any other right or remedy under this Deed of Trust, the Notes, the Credit Agreement or under the other Lender Agreements or afforded by law or equity, and may be exercised concurrently, independently or successively against Trustor or any Borrower or any other collateral for the Secured Obligations, without waiving or impairing this Deed of Trust. All of Trustee's and Beneficiary's rights and remedies are cumulative and non-exclusive, may be exercised, concurrently or independently, from time to time and as often as may be deemed expedient by Trustee or Beneficiary and either of them may pursue inconsistent remedies.

16. 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 Notes 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 Trustor such notice of default and notice of sale as then required by law and by this Deed of Trust. Trustee shall, without demand on Trustor, after lapse of such time as may then be required by law and after recordation of such notice of default and after notice of sale having been given as required by law, sell the Property 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 Beneficiary 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

0482259

BK 1299PG 1564

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, Trustor, Trustee or Beneficiary, may purchase at such sale and Trustor hereby covenants to warrant and defend the title of such purchaser or purchasers.

(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 in the following priority, to payment of: (i) first, all sums expended under the terms hereof, not then repaid, with accrued interest at the highest interest rate per annum required by the Credit Agreement; (ii) second, all other sums then secured hereby; and (iii) the remainder, if any, to the person or persons legally entitled thereto.

(c) Subject to applicable law, Trustee may postpone sale of all or any portion of the Property 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.

(d) Request for Notice. Trustor hereby requests a copy of any notice of default and that any notice of sale hereunder be mailed to it in the manner provided in Section 22 of this Deed of Trust.

17. Expenses. The Trustor shall pay to or reimburse the Beneficiary and Trustee on demand and as a part of the Secured Obligations secured hereby any and all reasonable expenses, including, without limitation, reasonable counsel fees and expenses and/or receiver's expenses, incurred or paid by the Beneficiary and/or Trustee in connection with the preparation, execution, administration, preservation, collection or enforcement of this Deed of Trust, the Property or the Secured Obligations, or such expenses to be paid include without limitation those incurred in any litigation, contest, dispute, suit or proceeding (whether instituted by Beneficiary, Trustee, Trustor, any Borrowers or any other party) to protect, collect, enforce, sell, take possession of or liquidate any of the Property, to enforce any rights of Beneficiary and/or Trustee against Trustor, any Borrowers or against any other person and those expenses incurred by Beneficiary in defending, settling or satisfying any claim, action or demand asserted by any receiver, trustee, creditor's committee or debtor-in-possession in any bankruptcy or reorganization, any assignee or assignee for the benefit of creditors, creditor, stockholder, or by any other person, whether in connection with the Trustor, any Borrowers, the Secured Obligations or any documents, transaction or Collateral related thereto, or any alleged theory of preference, fraudulent conveyance, subordination, usury, ultra vires,

0482259

BK1299PG1565



invalidity, interference, control, misrepresentation, conspiracy, or similar theory, or otherwise.

18. Survival. All representations and warranties of Trustor, and all terms, provisions, conditions and agreements to be performed by Trustor contained herein, and in any of the other agreements shall be true and satisfied at the time of the execution of this Deed of Trust, and shall survive the closing hereof and the execution and delivery of this Deed of Trust.

19. Governing Law. With respect to matters of construction and performance of the Secured Obligations hereunder, this Deed of Trust shall be governed by, and construed in accordance with, the laws of the State of Nevada. With respect to matters which relate to realizing upon the real property collateral represented by the Property, including the effects on the Secured Obligations of the exercise of any remedies, this Deed of Trust shall be governed by the laws of the State of Nevada. Wherever possible, each provision of this Deed of Trust shall be interpreted in such manner as to be effective and valid under applicable law, but if any provisions of this Deed of Trust shall conflict with, be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Deed of Trust. In the event that any provision or clause of this Deed of Trust or the other Lender Agreements conflicts with applicable law, such conflict shall not affect other provisions which can be given effect without the conflicting provision, and to this end, the provisions of this Deed of Trust are declared to be severable.

20. Payments. Trustor irrevocably waives the right to direct the application of any and all payments at any time or times hereafter received by Beneficiary from Trustor, and Trustor does hereby irrevocably agree that Beneficiary shall have the continuing exclusive right to apply and reapply any and all payments received at any time or times hereafter against the Secured Obligations hereunder in such manner as Beneficiary may deem advisable.

21. Binding Effect Etc. The covenants and agreements herein contained shall bind, and the benefits and advantages thereof shall inure to, the respective heirs, executors, administrators, successors and assigns of the Trustor, Trustee and Beneficiary. Wherever used, the singular number shall include the plural, the plural the singular, the use of any gender shall be applicable to all genders.

22. Notices. Except as otherwise specified in this Deed of Trust, any and all notices, demands, elections or requests provided for or permitted to be given pursuant to this Deed of Trust (hereinafter in this Section referred to as "Notice") shall be in writing to the

parties at the addresses provided in the introductory paragraph and shall otherwise be given in accordance with the provisions of the Credit Agreement.

23. Collateral Agent/Administration. The Lenders have authorized Beneficiary to act as Agent as attorney in fact for the Lenders in order to represent and act on behalf of the Lenders in the administration, enforcement, collection, and foreclosure of this Deed of Trust and the Lender Agreements, with the specific right and authority to execute or cause to be executed reconveyances, releases, discharges, partial reconveyances, partial releases, joinders, and consents hereunder in the name of and on behalf of the Lenders. This power of attorney and the authority conferred thereby shall remain in effect until written notice to the contrary is recorded in the Registry in which this Deed of Trust is recorded. No person dealing with Beneficiary shall be required to inquire further as to the scope of said authority until and unless such notice is recorded.

The relationship between Beneficiary in its capacity as collateral agent to the Lenders is and shall be that of agent and principal only, and nothing contained in this Deed of Trust or any of the other Lender Agreements shall be construed to constitute a trust for or to establish any confidential or fiduciary relationship with respect to any Lender or Trustor.

24. Waivers. No delay or omission of Beneficiary or of any holder of the Notes to exercise any right, power or remedy accruing upon any Event of 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 Trustee and/or to Beneficiary may be exercised from time to time and as often as may be deemed expedient by Beneficiary. No consent or waiver, expressed or implied, by Beneficiary to or of any Event of Default shall be deemed or construed to be a consent or waiver to or of any other Event of Default. Failure on the part of Beneficiary to complain of any act or failure to act which constitutes an Event of Default, irrespective of how long such failure continues, shall not constitute a waiver by Beneficiary of Beneficiary's or Trustee's rights hereunder or impair any rights, powers or remedies consequent on any Event of Default. No act or omission of Beneficiary shall preclude Beneficiary or Trustee from exercising any right, power or privilege herein granted or intended to be granted in the event of any Event of Default then made or of any subsequent Event of 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. No acceptance of partial payment or performance shall waive, affect or diminish any right of Beneficiary or of Trustee or Trustor's duty of compliance and performance therewith. Any Secured Obligation which this Deed of Trust secures is a separate instrument and may be negotiated, extended or renewed by Beneficiary without releasing Trustor or any Borrower. In the event of the sale or transfer by operation of law or otherwise of all or any part of the Property, Beneficiary and Trustee, without notice, are hereby

0482259

BK1299PG1567

authorized and empowered to deal with any such vendee or transferee with reference to the Property or the Secured Obligations or with reference to any of the terms, covenants, conditions or agreements hereof, as fully and to the same extent as they might deal with the original parties hereto and without in any way releasing or discharging any liabilities, obligations or undertakings.

25. Time of the Essence. Time is of the essence with respect to each and every covenant, agreement and obligation of Trustor under this Deed of Trust, the Note, the Credit Agreement and any and all other Lender Agreements.

26. Indemnification; Subrogation; Waiver of Offset.

(a) Trustor shall indemnify, defend and hold Trustee and Beneficiary harmless against: (i) any and all claims for brokerage, leasing, finders or similar fees which may be made relating to the Property or the Secured Obligations, and (ii) any and all liability, obligations, losses, damages, penalties, claims, actions, suits, costs and expenses (including Trustee's and Beneficiary's reasonable attorneys' fees, together with reasonable appellate counsel fees, if any) of whatever kind or nature which may be asserted against, imposed on or incurred by Trustee or Beneficiary in connection with this Deed of Trust, the Property, or any part thereof, or the exercise by Trustee and/or Beneficiary of any rights or remedies granted to them under this Deed of Trust; provided, however, that nothing herein shall be construed to obligate Trustor to indemnify, defend and hold harmless Trustee or Beneficiary from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs and expenses enacted against, imposed on or incurred by Trustee or Beneficiary by reason of their willful misconduct or gross negligence.

(b) If Trustee and/or Beneficiary is made a party defendant to any litigation or any claim is threatened or brought against Trustee and/or Beneficiary concerning the Secured Obligations, this Deed of Trust, the Property, or any part thereof, or any interest therein, or the maintenance, operation or occupancy or use thereof, then Trustor shall indemnify, defend and hold Trustee and Beneficiary harmless from and against all liability by reason of said litigation or claims, including reasonable attorneys' fees (together with reasonable appellate counsel fees, if any) and expenses incurred by Trustee and/or Beneficiary in any such litigation or claim, whether or not any such litigation or claim is prosecuted to judgment excepting claims arising from the willful misconduct or gross negligence of Beneficiary. If Beneficiary and/or Trustee commences an action against Trustor to enforce any of the terms hereof or to prosecute any breach by Trustor of any of the terms hereof or to recover any sum secured hereby, Trustor shall pay to Beneficiary and Trustee their reasonable attorneys' fees (together

0482259

BK1299PG1568

with reasonable appellate counsel, fees, if any) and expenses. The right to such attorneys' fees (together with reasonable appellate counsel fees, if any) and expenses shall be deemed to have accrued on the commencement of such action, and shall be enforceable whether or not such action is prosecuted to judgment. If Trustor breaches any term of this Deed of Trust, Beneficiary and/or Trustee may engage the services of an attorney or attorneys to protect their rights hereunder, and in the event of such engagement following any breach by Trustor, Trustor shall pay Beneficiary and Trustee reasonable attorneys' fees (together with reasonable appellate counsel fees, if any) and expenses incurred by Beneficiary and/or Trustee, whether or not an action is actually commenced against Trustor by reason of such breach. All references to "attorneys" in this Subsection and elsewhere in this Deed of Trust shall include without limitation any attorney or law firm engaged by Beneficiary and/or Trustee and Beneficiary's and Trustee's in-house counsel, and all references to "fees and expenses" in this Subsection and elsewhere in this Deed of Trust shall include without limitation any fees of such attorney or law firm and any allocation charges and allocation costs of Beneficiary's and Trustee's in-house counsel.

(c) All sums payable by Trustor hereunder shall be paid without notice (except as may otherwise be provided herein or in the Credit Agreement), demand, counterclaim, setoff, deduction or defense and without abatement, suspension, deferment, diminution or reduction, and the obligations and liabilities of Trustor hereunder shall in no way be released, discharged or otherwise affected by reason of: (i) any damage to or destruction of or any condemnation or similar taking of the Property or any part thereof; (ii) any restriction or prevention of or interference with any use of the Property or any part thereof; (iii) any title defect or encumbrance or any eviction from the Land or the Improvements on the Land or any part thereof by title paramount or otherwise; (iv) any bankruptcy, insolvency, reorganization, composition, adjustment, dissolution, liquidation, or other like proceeding relating to Trustee or Beneficiary, or any action taken with respect to this Deed of Trust by any trustee or receiver of Beneficiary or of Trustee, or by any court, in such proceeding; (v) any claim which Trustor has, or might have, against Beneficiary and/or Trustee; (vi) any default or failure on the part of Trustee or Beneficiary to perform or comply with any of the terms hereof or of any other agreement with Trustor; or (vii) any other occurrence whatsoever, whether similar or dissimilar to the foregoing, whether or not Trustor shall have notice or knowledge of any of the foregoing. Trustor waives all rights now or hereafter conferred by statute or otherwise to any abatement, suspension, deferment, diminution, or reduction of any sum secured hereby and payable by Trustor.

27. Future Advances by Beneficiary. Beneficiary may from time to time, at its sole option, make further advances to Trustor and/or any other Borrower, or any one or more of



them, to be secured hereby; provided, however, that the total principal secured hereby and remaining unpaid, including any such advances, shall not at any time exceed the sum of TWO HUNDRED SIXTY MILLION DOLLARS (\$260,000,000.00). Trustor and/or such other Borrower shall execute and deliver to Beneficiary a note or other agreement evidencing each and every such further advance which Beneficiary may make, which note or agreement shall contain such terms and conditions as Beneficiary may require. Trustor and/or such other Borrower shall pay when due all such further advances with interest and other charges thereon, as applicable, and the same, and each note and agreement evidencing the same, shall be fully secured hereby. All provisions of this Deed of Trust shall apply to each such further advance as well as to any other indebtedness secured hereby. Nothing herein contained, however, shall limit the amount secured by this Deed of Trust if such amount is increased by advances made by Beneficiary and/or Trustee to protect or preserve the Property as provided elsewhere herein. Any future advances made hereunder may be made to Trustor or to any successor to Trustor in ownership of the Property and/or to any other Borrower.

28. The Trustee.

(a) Acceptance by Trustee. Trustee accepts this Trust when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law.

(b) Certain Rights. Trustee shall have the right to take any and all of the following actions: (a) to select, employ and consult with counsel (who may be, but need not be, counsel for Beneficiary) upon any matters arising hereunder, including the preparation, execution and interpretation of the Loan Documents, and shall be fully protected in relying as to legal matters on the advice of counsel; (b) to execute any of the trusts and powers hereof and to perform any duty hereunder either directly or through its agents or attorneys; (c) to select and employ, in and about the execution of its duties hereunder, suitable accountants, engineers and other experts, agents and attorneys-in-fact, either corporate or individual, not regularly in the employ of Trustee, and Trustee shall not be answerable for any act, default or misconduct of any such accountant, engineer or other expert, agent or attorney-in-fact, if selected with reasonable care, or be otherwise responsible or accountable under any circumstances whatsoever, except for Trustee's gross negligence or bad faith; and (d) to take any and all other lawful action as Beneficiary may instruct Trustee to take to protect or enforce Beneficiary's rights hereunder. Trustee shall not be personally liable, except for its gross negligence or wilful misconduct, in case of entry by it, or anyone entering by virtue of the powers herein granted to it, upon the Property for debts contracted or liability or damages incurred in the management or operation of the Property. 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, believed by it in good faith to be genuine. Trustee shall be entitled to reimbursement for reasonable expenses incurred by it in the performance of its

0482259

BK1299PG1570

duties hereunder and to reasonable compensation for such of its services hereunder as shall be rendered. Trustor will, from time to time, pay the reasonable compensation due to Trustee hereunder and reimburse Trustee for, and save it harmless against, any and all liability and expenses which may be incurred by it in the performance of its duties.

(c) Retention of Moneys. All moneys 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 moneys (except to the extent required by law) and Trustee shall be under no liability for interest on any moneys received by it hereunder.

(d) Successor Trustees. Trustee may resign by the giving of written notice of such resignation in recordable form to Beneficiary. If Trustee shall die, resign or become disqualified from acting in the execution of this Trust, or shall fail or refuse to execute the same when requested by Beneficiary so to do, or if, for any reason, Beneficiary shall determine that it is prudent to appoint a substitute trustee or trustees to act instead of the forenamed Trustee, Beneficiary shall (after reasonable notice to Trustor) have full power to appoint a substitute trustee or trustees and, if preferred, several substitute trustees in succession who shall succeed to all the estates, properties, rights, powers and duties of the forenamed Trustee. Such appointment may be executed by any authorized agent or officer of Beneficiary, and if such Beneficiary be a corporation and such appointment be executed in its behalf by any officer of such corporation, such appointment shall be conclusively presumed to be executed with authority and shall be valid and sufficient without proof of any action by the Board of Directors or any superior officer of the corporation. Such appointment shall be duly recorded in the appropriate real estate records at any time before or, if permitted by applicable law, upon sale of the Property by the successor appointed thereby. Trustor hereby ratifies and confirms any and all acts which the aforementioned Trustee, or its successor or successors in this Trust, lawfully does by virtue hereof. Trustor shall reimburse Beneficiary and/or Trustee for any reasonable expenses incurred pursuant to the provisions of this section.

(e) Perfection of Appointment. Should any deed, conveyance or instrument of any nature be required from Trustor by any successor Trustee to more fully and certainly vest in and confirm to such new Trustee such estates, rights, powers and duties, then, upon request by such Trustee, any and all such deeds, conveyances and instruments shall be made, executed, acknowledged and delivered and shall be caused to be recorded and/or filed by Trustor and Trustor shall pay for any expenses incurred by Trustee pursuant to this section.

(f) Succession Instruments. 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 its predecessor in the rights

hereunder with like effect as if originally named as Trustee herein; but nevertheless, upon the written request of Beneficiary or of the successor Trustee, the Trustee ceasing to act shall execute and deliver an instrument in recordable form transferring to such successor Trustee, upon the trusts herein expressed, all the estates, properties, rights, powers and trusts of the Trustee so ceasing to act, and shall duly assign, transfer and deliver any of the property and moneys held by such Trustee to the successor Trustee so appointed in its place.

29. References to Foreclosure. References in this Deed of Trust to foreclosure and related phrases are references to the appropriate procedure in connection with Trustee's private power of sale, any judicial foreclosure proceeding, and any deed given in lieu of foreclosure.

30. Joinder of Foreclosure. If Beneficiary holds any other or additional security for the payment of and performance of any Secured Obligation, its sale or foreclosure, on any default in the payment or performance, in Beneficiary's sole discretion, may be prior to, subsequent to, or joined or otherwise contemporaneous with any sale or foreclosure. In addition to the rights in this Deed of Trust specifically conferred, Beneficiary, at any time and from time to time, may exercise any right or remedy now or later given by law to beneficiaries under deeds of trust generally, or to the holders of any obligations of the kind secured.

31. Mortgage with Power of Sale. To the extent that the grant to the Trustee shall be ineffective, this Deed of Trust is a mortgage with power of sale, with Trustor being the mortgagor and Beneficiary being the mortgagee, and Beneficiary shall be entitled to all of the rights of the Trustee hereunder with respect to the enforcement of this instrument and the power of sale granted hereunder.

32. Reconveyance by Trustee. Upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed of Trust and the Notes to Trustee for cancellation and retention and upon payment by Trustor of Trustee's fees, Trustee shall reconvey to Trustor, or to the person or persons legally entitled thereto, without warranty, any portion of the Property then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in any reconveyance may be described as "the person or persons legally entitled thereto."

33. Condemnation Proceeds. Trustor, immediately upon obtaining knowledge of the commencement of any proceedings for the condemnation of the entire Real Property or any material part thereof, will notify Trustee and the Beneficiary of the pendency of such proceedings. Trustee and Beneficiary may participate in any such proceedings and Trustor from time to time will deliver to Beneficiary all instruments requested by Beneficiary to permit such participation. In the event of such condemnation proceedings, the award or compensation payable is hereby assigned to and shall be paid to Beneficiary. Beneficiary shall be under no

0482259

BK 1299PG 1572

obligation to question the amount of any such award or compensation and may accept the same in the amount in which the same shall be paid. In any such condemnation proceedings the Beneficiary may be represented by counsel selected by the Beneficiary, the cost of such counsel to be borne by Trustor. The proceeds of any award or compensation so received shall, at the option of Beneficiary, either be applied to the prepayment of the Indebtedness evidenced by the Notes (including, without limitation, any prepayment charges de thereunder) and all other amounts due from Trustor to Beneficiary in connection with the Secured Obligations, plus interest on all such amounts as provided in the Credit Agreement and the notes, or satisfaction of any Secured obligation or be paid over to the Trustor for restoration of the Improvements in accordance with the provisions of Paragraph 8. Trustor hereby unconditionally and irrevocably waives all rights of a property owner under Nevada Revised Statutes Section 37.115 or any successor statute providing for the allocation of condemnation proceeds between a property owner and a lien holder.

34. Security Agreement and Fixture Filing

(a) Grant of Security Interest. Trustor hereby grants to Beneficiary a security interest in and to all Trustor's right, title and interest now owned or hereafter acquired in and to the Personal Property and Trustor's trade fixtures located on the Real Property (collectively, the "Collateral").

(b) Remedies. This Deed of Trust constitutes a security agreement with respect to the Collateral in which Beneficiary is hereby granted a security interest. In addition to the rights and remedies provided under this Deed of Trust, Beneficiary shall have all of the rights and remedies provided under this Deed of Trust, Beneficiary shall have all of the rights and remedies of a secured party under the Nevada Uniform Commercial Code as well as all other rights and remedies available at law or in equity. Trustor hereby agrees to execute and deliver on demand and irrevocably constitutes and appoints Beneficiary the attorney-in-fact of Trustor to, at Trustor's expense, execute, deliver and, if appropriate, to file with the appropriate filing officer or office such instruments as Beneficiary may request or require in order to impose, perfect or continue the perfection of the lien or security interest created hereby. Upon the occurrence of any Even of Default, Beneficiary shall have (i) the right to cause any of the Collateral which is personal property to be sold at any one or more public or private sales as permitted by applicable law and to apply the proceeds thereof to the Indebtedness or the satisfaction of any Obligation and (ii) the right to apply to the Indebtedness or the satisfaction of any Obligation any Collateral which is cash, negotiable documents or chattel paper. Any such disposition may be conducted by an employee or agent of Beneficiary or Trustee. Any person, including both of Trustor and Beneficiary, shall be eligible to purchase any part or all of such Personal Property at any such disposition.

0482259

BK1299PG1573



(c) Expenses. Expenses of retaking, holding, preparing for sale, selling or the like pertaining to the Collateral shall be borne by Trustor and shall include Beneficiary's and Trustee's reasonable attorneys' fees and legal expenses (including, without limitation, court costs, expert witness fees, document reproduction expenses, costs of exhibit preparation, courier charges, postage and communication expenses). Trustor, upon demand of Beneficiary shall assemble the Collateral and make it available to Beneficiary at the Property, a place which is hereby deemed to be reasonably convenient to Beneficiary and Trustor. Beneficiary shall give Trustor at least ten (10) days' prior written notice of the time and place of any public sale or other disposition of the Collateral or of the time after which any private sale or any other intended disposition is to be made. Any such notice sent to Trustor in the manner provided for the mailing of notices herein is hereby deemed to be reasonable notice to Trustor.

(d) Fixture Filing. This Deed of Trust covers certain goods which are or are to become fixtures related to the Land and constitutes a fixture filing with respect to such goods executed by Trustor as debtor in favor of Beneficiary as secured party.

(e) Waivers. Trustor waives (a) any right to require Beneficiary to (i) proceed against any Person, (ii) proceed against or exhaust any Collateral or (iii) pursue any other remedy in its power; and (b) any defense arising by reason of any disability or other defense of Trustor or any other Person, or by reason of the cessation from any cause whatsoever of the liability of Trustor or any other Person. Until the Indebtedness shall have been paid in full, Trustor shall not have any right to subrogation, and Trustor waives any right to enforce any remedy which Beneficiary now has or may hereafter have against Trustor or against any other Person and waives any benefit of and any right to participate in any Collateral or security whatsoever now or hereafter held by Beneficiary.

35. Assignment of Rents and Proceeds and Agreements

(a) Assignment of Rents and Proceeds. Trustor absolutely and unconditionally assigns and transfers the rents, royalties, revenues, issues, profits, proceeds and other income from the Property ("Rents and Proceeds") to Beneficiary, whether now due, part due or to become due, and gives to and confers upon Beneficiary the right, power and authority to collect such Rents and Proceeds, and apply the same to the Indebtedness or the satisfaction of any Secured Obligation. Trustor irrevocably appoints Beneficiary its agent to, at any time, demand, receive and enforce payment, to give receipts, releases and satisfactions, and to sue, either in the name of Trustor or in the name of Beneficiary, for all such Rents and Proceeds. Neither the foregoing assignment of Rents and Proceeds to Beneficiary or the exercise by Beneficiary of any of its rights or remedies under this Deed of Trust shall be deemed to make Beneficiary a "mortgagee-in-possession" or otherwise responsible or liable in any manner with respect to the Property or the use, occupancy, enjoyment or operation of all

0482259

BK 1299PG 1574

or any part thereof, unless and until Beneficiary, in person or by its own agent, assumes actual possession thereof, nor shall appointment of a Receiver for the Property by any court at the request of Beneficiary or by agreement with Trustor or the entering into possession of the Property by such Receiver be deemed to make Beneficiary a "mortgagee-in-possession" or otherwise responsible or liable in any manner with respect to the Property or the use, occupancy, enjoyment or operation thereof. Concurrently with the execution of this Deed of Trust, Trustor has executed, delivered and recorded the Assignment of Leases in favor of Beneficiary. In the event of any inconsistency between the terms and provisions of this Paragraph 35, and the terms and provisions of the Assignment of Leases, the latter shall control.

(b) Assignment of Leases. Trustor hereby sells, assigns, transfers, sets over and delivers to Beneficiary all of Trustor's right, title and interest in and to any and all leases in connection with the Property as the same may be amended or otherwise modified from time to time (collectively, the "Leases"). The foregoing assignment encompasses the right of Trustor to (i) terminate any of the Leases, (ii) perform or compel performance and otherwise exercise all remedies under the Leases, and (iii) collect and receive all sums which may become due Trustor or which Trustor may now or shall hereafter become entitled to demand or claim, under the Leases.

(c) Revocable License. Notwithstanding anything to the contrary contained herein or in the Note, so long as no Event of Default shall have occurred, Trustor shall have a license to collect all Rents and Proceeds and all other sums which may become payable to Trustor under the Leases, and to first apply the same to the payment or performance of the Obligations as and when due. Upon the occurrence of an Event of Default, Beneficiary shall have the right, on written notice to Trustor, to terminate and revoke the license herein granted to Trustor and shall have the right and authority then or thereafter to exercise and enforce any and all of its rights and remedies provided in this Paragraph 37 or by law or at equity.

(d) Nonresponsibility. The acceptance by Beneficiary of the assignments with all the rights, powers, privileges and authority so granted shall not obligate Beneficiary to assume any obligations in respect of the Rents and Proceeds or under the Leases or take any action thereunder or to expend any money or incur any expense or perform or discharge any obligation, duty or liability in respect of the Rents and Proceeds or under the Leases or to assume any obligation or responsibility for the nonperformance of the provisions thereof by Trustor.

TRUSTOR PLEASE NOTE: UPON THE OCCURRENCE OF A DEFAULT, Nevada PROCEDURE PERMITS THE TRUSTEE TO SELL THE PROPERTY AT A SALE HELD WITHOUT SUPERVISION BY ANY COURT AFTER EXPIRATION OF A PERIOD

0482259

BK1299PG1575

PRESCRIBED BY LAW. UNLESS YOU PROVIDE AN ADDRESS FOR THE GIVING OF NOTICE, YOU MAY NOT BE ENTITLED TO NOTICE OF THE COMMENCEMENT OF SALE PROCEEDINGS. BY EXECUTION OF THIS DEED OF TRUST, YOU CONSENT TO SUCH PROCEDURE. BENEFICIARY URGES YOU TO GIVE PROMPT NOTICE OF ANY CHANGE IN YOUR ADDRESS SO THAT YOU MAY RECEIVE PROMPTLY ANY NOTICE GIVEN PURSUANT TO THIS DEED OF TRUST.

[Remainder of Page Intentionally Left Blank]

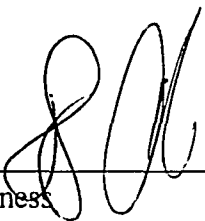
COPY

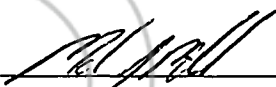
IN WITNESS WHEREOF, the said authorized officer of Heavenly Valley, Limited Partnership has signed this Deed of Trust as of the date first set forth above.

SIGNED, SEALED & DELIVERED  
in the presence of:

HEAVENLY VALLEY, LIMITED  
PARTNERSHIP

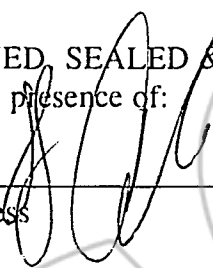
By: Heavenly Corporation, a Delaware  
corporation, General Partner

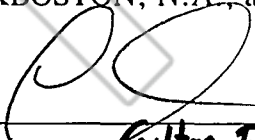
  
\_\_\_\_\_  
Witness

By:   
\_\_\_\_\_  
Mark J. Miller  
Senior Vice President

SIGNED, SEALED & DELIVERED  
in the presence of:

BANKBOSTON, N.A., as agent

  
\_\_\_\_\_  
Witness

By:   
\_\_\_\_\_  
Name: Carlton F. Williams  
Title: Director

0482259

BK1299PG1577



COMMONWEALTH OF MASSACHUSETTS )  
COUNTY OF SUFFOLK )

On this 12<sup>th</sup> day of October 12, 1999, before me, a Notary Public in and for said County and State, personally appeared Mark J. Miller, Senior Vice President of Heavenly Corporation, the general partner of Heavenly Valley, Limited Partnership, [personally known to me] proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity and that by his signature on the instrument the person of the entity on behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Signature *[Signature]* [SEAL]

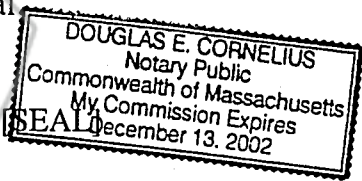
My commission expires: 5-26-00

COMMONWEALTH OF MASSACHUSETTS )  
COUNTY OF SUFFOLK )

On this \_\_\_ day of October 12, 1999, before me, a Notary Public in and for said County and State, personally appeared *Curtis F. Williams Director*, [personally known to me,] proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity and that by his signature on the instrument the person of the entity on behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Signature *[Signature]*



My commission expires: \_\_\_\_\_

SEAL

DESCRIPTION

That certain lot, piece or parcel of land situate in the County of Douglas, State of Nevada, described as follows:

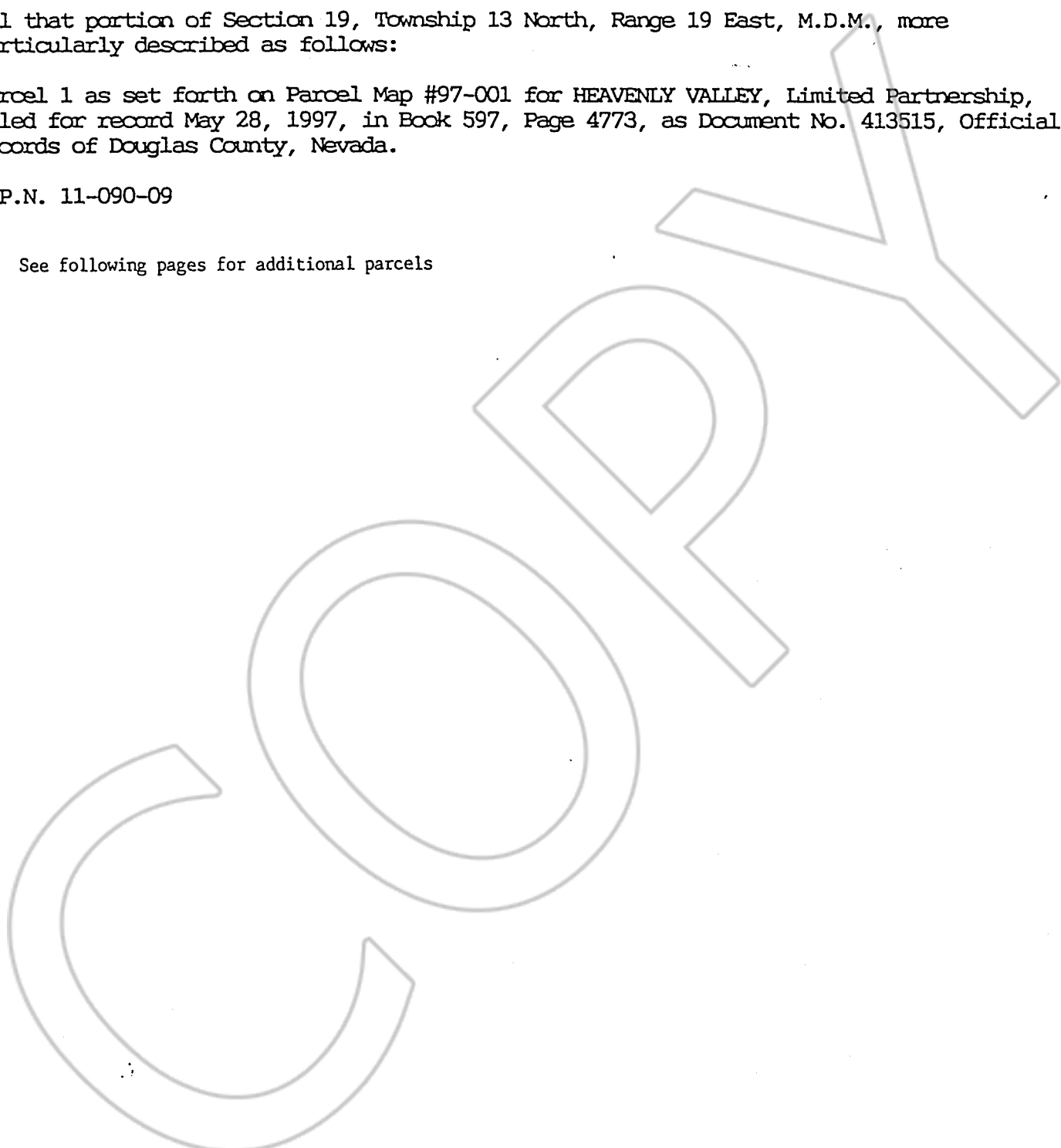
PARCEL 1:

All that portion of Section 19, Township 13 North, Range 19 East, M.D.M., more particularly described as follows:

Parcel 1 as set forth on Parcel Map #97-001 for HEAVENLY VALLEY, Limited Partnership, filed for record May 28, 1997, in Book 597, Page 4773, as Document No. 413515, Official Records of Douglas County, Nevada.

A.P.N. 11-090-09

See following pages for additional parcels



0482259

BK 1299 PG 1579

PARCEL 2:

All that real property situate in the County of Douglas, State of Nevada, described as follows:

All that portion of Section 19, Township 13 North, Range 19 East, M.D.M., more particularly described as follows:

Beginning at a point which bears North 55°39'30" West 1801.62 feet from the Southeast corner of said Section 19; thence North 02°12'49" East 117.04 feet; thence Southeasterly along a curve concave to the Southwest with a radius of 530.00 feet, a central angle of 54°43'43", and an arc length of 506.25 feet; thence South 56°56'32" West 160.00 feet; thence Northwesterly along a curve concave to the Southwest with a radius of 370.00 feet, a central angle of 14°24'36" and an arc length of 93.06 feet; thence North 00°27'09" East 58.75 feet; thence North 40°42'51" West 50.00 feet; thence North 55°52'36" West 50.00 feet; thence North 77°01'36" West 50.00 feet; thence North 87°54'51" West 111.98 feet to the True Point of Beginning.

A.P.N. 11-232-36

PARCEL 3:

All that real property situate in the County of Douglas, State of Nevada, described as follows:

All that portion of Section 30, Township 13 North, Range 19 East, M.D.M., more particularly described as follows:

Beginning at a point which bears South 15°57'24" West 234.90 feet from the North 1/4 corner of said Section 30; thence South 00°23'02" East 72.21 feet; thence North 47°44'35" West 180.12 feet; thence North 85°27'24" West 52.20 feet; thence South 48°26'50" West 256.20 feet; thence South 02°57'48" East 145.73 feet; thence South 32°30'00" West 185.49 feet; thence along a tangent curve to the left with a radius of 170.00 feet, a central angle of 47°00'00" and an arc length of 139.45 feet; thence South 14°30'00" East 130.00 feet; thence North 79°22'36" East 118.50 feet; thence North 57°21'21" East 158.00 feet; thence North 21°29'21" East 212.07 feet; thence North 71°39'10" East 129.72 feet; thence South 67°33'10" East 11.63 feet; thence South 00°23'02" East 51.12 feet; thence South 14°42'36" West 620.65 feet; thence South 89°47'10" West 437.73 feet; thence North 48°49'49" East 208.84 feet; thence South 41°10'11" East 20.00 feet; thence North 48°49'49" East 100.00 feet; thence North 41°10'11" West 80.00 feet; thence South 48°49'49" West 100.00 feet; thence South 41°10'11" East 20.00 feet; thence South 48°49'49" West 254.92 feet; thence South 89°47'10" West 577.79 feet; thence North 00°17'42" West 886.60 feet; thence North 72°00'11" East 387.94 feet; thence South 88°39'49" East 158.04 feet; thence North 56°41'11" East 492.63 feet; thence South 52°12'48" East 226.79 feet; thence South 69°43'49" East 118.97 feet to the True Point of Beginning.

A.P.N. 41-010-01

PARCEL 3-A:

Together with a Ski Facilities Easement described as follows:

All that real property situate in the County of Douglas, State of Nevada, described as follows:

All that portion of Sections 19 and 30, Township 13 North, Range 19 East, M.D.M., and being a portion of the "Common Area" of Tahoe Village Unit No. 2, filed for record on January 22, 1973, File No. 63804, more particularly described as follows:

Beginning at the Southwesterly corner of Parcel A of said Tahoe Village Unit No.2; thence along the Southerly line of Parcel A, South 67°46'07" East 245.01 feet; thence leaving the Southerly line South 08°59'38" West 1968.92

0482259  
BK 1299PG 1580

feet to a point on the Southerly line of said "Common Area"; thence along a curve concave to the Southeast with a radius of 320 feet, a central angle of 28°38'09" and an arc length of 159.93 feet, the chord of said curve bears South 60°11'11" West 158.27 feet; thence South 45°52'06" West 505.39 feet; thence North 00°20'53" West 37.28 feet; thence North 14°42'36" East 16.24 feet; thence North 00°13'00" West 497.75 feet; thence North 00°17'56" West 1315.38 feet; thence North 89°47'10" East 428.31 feet; thence North 14°42'36" East 620.65 feet to the Point of Beginning.

PARCEL 4:

All that real property situate in the County of Douglas, State of Nevada, described as follows:

All that portion of Section 30, Township 13 North, Range 19 East, M.D.M., more particularly described as follows:

Beginning at a point which bears South 15°31'14" West 729.89 feet from the North 1/4 corner of said Section 30; thence South 21°29'21" West 212.07 feet; thence South 57°21'21" West 158.00 feet; thence South 79°22'36" West 118.50 feet; thence North 14°30'00" West 130.00 feet; thence along a tangent curve to the left with a radius of 170.00 feet, a central angle of 47°00'00" and an arc length of 139.45 feet; thence North 32°30'00" East 116.14 feet; thence South 81°32'57" East 120.05 feet; thence South 39°29'14" East 89.41 feet; thence North 71°39'10" East 105.92 feet to the True Point of Beginning:

A.P.N. 41-010-02

PARCEL 5:

All that certain lot, piece or parcel of land situate in the County of Douglas, State of Nevada, described as follows:

All that portion of Section 30, Township 13 North, Range 19 East, M.D.M., more particularly described as follows:

Beginning at a point which bears South 0°18'12" East 358.15 feet from the North 1/4 corner of said Section 30; thence South 0°18'12" East 86.10 feet; thence North 89°36'58" East 122.80 feet; thence South 11°00'56" East 271.88 feet; thence South 03°24'42" West 97.38 feet; thence North 67°46'07" West 245.01 feet; thence North 0°23'02" West 51.12 feet; thence North 67°33'10" West 11.63 feet; thence South 71°39'10" West 235.64 feet; thence North 39°29'14" West 89.41 feet; thence North 81°32'57" West 120.05 feet; thence North 32°30'00" East 69.35 feet; thence North 02°57'48" West 245.73 feet; thence North 48°26'50" East 256.20 feet; thence South 85°27'24" East 52.20 feet; thence South 47°44'35" East 269.28 feet to the True Point of Beginning.

Reference is made to Record of Survey recorded September 11, 1991 in Book 991, at Page 1538, as Document No. 260002.

PARCEL 5-A:

0482259

BK 1299PG 1581



Together with a parking lot easement as described in Deed from Lake Tahoe Land to Heavenly Valley recorded August 22, 1975, in Book 875, Page 941, as Document No. 82577 and re-recorded December 30, 1976, in Book 1276, Page 1953, as Document No. 05787

A parcel of land situate in Section 30, Township 13 North, Range 19 East, M.D.B.&M., more particularly described as follows:

COMMENCING at the North 1/4 corner of Section 30; thence South 14°11'07" East 732.28 feet to the True Point of Beginning; thence continuing South 78°59'04" West 84.93 feet; thence North 67°33'10" West 175.33 feet; thence South 71°39'10" West 235.64 feet; thence North 39°29'14" West 89.41 feet; thence North 81°32'57" West 120.05 feet; thence North 32°30'00" East 69.35 feet; thence North 02°57'48" West 245.73 feet; thence North 48°26'50" East 256.20 feet; thence South 85°27'24" East 52.20 feet; thence South 47°44'35" East 274.26 feet; thence South 56°06'19" East 146.28 feet; thence South 11°00'56" East 271.89 feet to the True Point of Beginning.

Excepting therefrom that portion lying within the greenbelt area of Tahoe Village Unit No. 2, according to the amended map thereof filed in the Office of the County Recorder of Douglas County, Nevada, on March 29, 1974, as Document No. 72495.

A.P.N. 41-010-21

PARCEL 6:

All that real property situate in the County of Douglas, State of Nevada, described as follows:

All that portion of Section 30, Township 13 North; Range 19 East, M.D.M., more particularly described as follows:

Beginning at the West 1/16 corner which bears North 89°40'50" East 1246.07 feet from the West 1/4 corner of said Section 30; thence North 00°17'42" West 1316.57 feet; thence North 89°47'10" East 577.79 feet; thence South 48°49'49" West 169.48 feet; thence North 41°10'11" West 20.00 feet; thence South 48°49'49" West 100.00 feet; thence South 41°10'11" East 80.00 feet; thence North 48°49'49" East 100.00 feet; thence North 41°10'11" West 20.00 feet; thence North 48°49'49" East 215.56 feet; thence North 89°47'10" East 9.42 feet; thence South 00°17'56" East 1315.38 feet; thence South 89°40'50" West 648.33 feet to the Point of Beginning.

A.P.N. 41-010-07

PARCEL 7:

All that real property situate in the County of Douglas, State of Nevada, described as follows:

All that portion of Section 30, Township 13 North, Range 19 East, M.D.M., more particularly described as follows:

(Continued)

0482259

BK 1299PG 1582

Beginning at the West 1/16 corner which bears North 89°40'50" East 1246.07 feet from the West 1/4 corner of said Section 30; thence North 89°40'50" East 648.32 feet; thence South 00°13'00" East 497.75 feet; thence South 14°42'36" West 16.24 feet; thence South 00°20'53" East 136.09 feet; thence South 89°46'18" West 645.44 feet; thence North 00°07'44" West 648.50 feet to the True Point of Beginning.

A.P.N. 41-010-08

PARCEL 7-A:

Together with a access and utility easement, described as follows:

All that real property situate in the County of Douglas, State of Nevada, described as follows:

All that portion of Section 30, Township 13 North, Range 19 East, M.D.M., being 60 feet in width, the centerline of which is described as follows:

Beginning at the Westerly end of Tramway Drive as shown on the map of Tahoe Village Unit No. 2, filed for record on January 22 1973, file No. 63804; thence South 79°36'30" West 190.19 feet; thence South 74°30'15" West 101.76 feet; thence along a tangent curve to the left with a radius of 350 feet, a central angle of 28°38'09" and an arc length of 174.92 feet; thence South 45°52'06" West 473.58 feet, more or less, to a point on the Westerly boundary of said Tahoe Village Unit No. 2, and the Westerly terminus of this easement description.

PARCEL 8:

All that real property situate in the County of Douglas, State of Nevada, described as follows:

All that portion of Section 30, Township 13 North, Range 19 East, M.D.M., more particularly described as follows:

Beginning at a point which bears South 23°11'43" West 1162.08 feet from the North 1/4 corner of said Section 30; thence South 48°49'49" West 100.00 feet; thence South 41°10'11" East 20.00 feet; thence South 48°49'49" West 424.40 feet; thence North 41°10'11" West 20.00 feet; thence South 48°49'49" West 100.00 feet; thence South 41°10'11" East 80.00 feet; thence North 48°49'49" East 100.00 feet; thence North 41°10'11" West 20.00 feet; thence North 48°49'49" East 424.40 feet; thence South 41°10'11" East 20.00 feet; thence North 48°49'49" East 100.00 feet; thence North 41°10'11" West 80.00 feet to the True Point of Beginning.

A.P.N. 41-010-09

(Continued)

0482259

BK 1299PG 1583

PARCEL 8-A:

Together with a ski lift easement described as follows:

A parcel of land situate in Section 30, Township 13 North, Range 19 East, M.D.B.&M., being 40.00 feet in width except the first and last 100 feet which is 80 feet in width the centerline of which is described as follows:

Commencing at Point "F" as shown on the Record Survey filed as Document No. 64394 on February 22, 1973 Official Records, Douglas County, Nevada; thence North 64°29'57" West 110.00 feet to the True Point of Beginning; thence South 48°49'49" West 624.40 feet to a point, said point being the end of this description, said point bears South 57°25'45" West 675.56 feet from Point "F" as shown on the aforementioned Record of Survey.

PARCEL 8-B:

Together with a ski run easement described as follows:

A parcel of land situate in Section 30, Township 13 North, Range 19 East, M.D.B.&M., the centerline of which is described as follows:

Commencing at the North 1/4 corner of Section 30; thence South 14°07'01" West 684.59 feet; thence South 18°22'10" West 822.14 feet to the True Point of Beginning; thence South 77°16'44" West 310.34 feet; thence North 87°47'38" West 166.41 feet to a point, said point bears South 57°25'45" West 675.56 feet of Point "F" on the Record of Survey, Heavenly Valley Ski Run Traverse Map, recorded as Document No. 64394, February 22, 1973, Official Records, Douglas County, Nevada.

PARCEL 9:

All that real property situate in the County of Douglas, State of Nevada, described as follows:

All that portion of Section 30, Township 13 North, Range 19 East, M.D.M., more particularly described as follows:

Beginning at a point which bears South 70°23'12" East 1904.78 feet from the West 1/4 corner of said Section 30; thence North 89°46'18" East 62.10 feet; thence South 14°42'36" West 671.90 feet; thence South 89°51'46" West 62.08 feet; thence North 14°42'36" East 671.80 feet to the Point of Beginning.

A.P.N. 41-010-10

(Continued)

0482259

BK1299PG1584

PARCEL 9-A:

Together with an exclusive ski facilities easement described as follows:

A parcel of land situate in Section 30, Township 13 North, Range 19 East, M.D.B.&M., the centerline of which is described as follows:

Commencing at the North 1/4 corner of Section 30; thence South 14°07'01" West 684.59 feet to the True Point of Beginning; thence South 18°22'10" West 822.14 feet; thence South 01°20'17" West 507.21 feet; thence South 01°20'17" West 600.00 feet; thence South 10°30'31" West 182.73 feet; thence South 31°22'14" West 498.40 feet; thence South 36°51'44" West 585.85 feet; thence South 48°40'36" West 227.88 feet; thence South 24°34'06" West 115 feet more or less to a point on the U.S. Forestry boundary, said point being 80 feet more or less Northerly, along the 1/16 section line of the center 1/16 corner of the Southwest 1/4 of Section 30, excepting therefrom land under the ownership of Heavenly Valley, Inc. lying in the Northwest 1/4 of the Northeast 1/4 of the Southwest 1/4 of Section 30.

PARCEL 9-B:

Together with a chair lift easement described as follows:

A parcel of land situate in Section 30, Township 13 North, Range 19 East, M.D.B.&M., being 20.00 feet in width except the first 100 feet which is 60 feet in width, the centerline of which is described as follows:

Commencing at the North 1/4 corner of Section 30; thence South 02°35'25" West 745.24 feet to the True Point of Beginning; thence South 14°42'36" West 3345 feet more or less to a point on the U.S. Forest Boundary, said point being 110 feet more or less Easterly of the center of the Southwest 1/4 of Section 30, said point also being the end of this description.

PARCEL 9-C:

Together with a connector ski lift and ski run easement described as follows:

CONNECTOR SKI LIFT

A parcel of land situate in Section 30, Township 13 North, Range 19 East, M.D.B.&M., being 40.00 feet in width except the first and last 100 feet which are 100 feet in width, the centerline of which is described as follows:

COMMENCING at the North 1/4 corner of Section 30; thence South 07°00'00" East 768.00 feet to the True Point of Beginning; thence South 16°50'00" East 1410.00 feet to a point, said point being the end of this description.

CONNECTOR SKI RUN

A parcel of land situate in Section 30, Township 13 North, Range 19 East, M.D.B.&M., being 200 feet in width, the centerline of which is described as follows:

COMMENCING at the North 1/4 corner of Section 30; thence South 07°00'00" East 768.00 feet to the True Point of Beginning; thence South 16°50'00" East 1410.00 feet to a point, said point being the end of this description.

PARCEL 9-D:

0482259

BK 1299PG 1585



Together with a ski run easement described as follows:

A parcel of land situate in Section 29 and 30, Township 13 North, Range 19 East, M.D.B.&M., the centerline of which is described as follows:

BEGINNING at Point "D" as shown on the Record of survey filed as Document No 64394 on February 22, 1973, Official Records, Douglas County, Nevada; said point being the True Point of Beginning; thence South 03°27'08" West 215.25 feet; thence North 68°46'56" East 309.99 feet; thence North 78°49'30" East 526.53 feet; thence North 36°29'38" East 125.92 feet; thence North 44°44'06" East 249.96 feet; thence North 60°13'05" East 442.91 feet; thence South 59°06'52" East 282.60 feet; thence South 64°43'25" East 723.80 feet; thence North 69°05'32" East 1424.94 feet; thence North 29°34'02" East 561.57 feet; thence North 44°38'08" East 252.14 feet; thence North 61°45'37" East 256.93 feet; thence North 25°56'13" East 322.89 feet; thence North 20°29'47" East 225.90 feet; thence North 74°00'17" East 189.24 feet; thence North 85°30'12" East 175.00 feet more or less to a point on the Westerly U.S. Forest Boundary, said point being 275 feet more or less Northerly of the center of Section 29 on the centerline of Section 29; said point also being the end of this description excepting therefrom those two parcels designated "A" and "B" being within the U.S. Forest Boundary and the centerlines of which are described as follows:

A) COMMENCING at Point "D" as shown on the Record of Survey filed as Document No. 64394 on February 22, 1973, Official Records, Douglas County, Nevada, said point being the True Point of Beginning; thence South 03°27'08" East 215.25 feet; thence North 68°46'56" East 309.99 feet; thence North 78°49'30" East 526.53 feet; thence North 36°29'38" East 125.92 feet; thence North 44°44'06" East 249.96 feet; thence North 60°13'05" East 75 feet more or less to a point on the Northerly U.S. Forest Boundary, said point being the end of this description.

B) COMMENCING at Point "D" as shown on the Record of Survey filed as Document No. 64394 on February 22, 1973, Official Records, Douglas County, Nevada; thence South 03°27'08" West 215.35 feet; thence North 68°46'56" East 309.99 feet; thence North 78°49'30" East 526.53 feet; thence North 36°29'38" East 125.92 feet; thence North 44°44'06" East 249.96 feet; thence North 60°13'05" East 442.91 feet; thence South 59°06'52" East 282.60 feet; thence South 64°43'25" East 85 feet more or less to a point on the Northerly U.S. Forest Boundary, said point being the True Point of Beginning; thence continuing South 64°43'25" East 638.80 feet more or less; thence North 69°05'32" East 800 feet more or less to a point on the Northerly U.S. Forest Boundary, said point being the end of this description.

PARCEL 9-E:

Together with a ski run easement described as follows:

A parcel of land situate in Section 30, Township 13 North, Range 19 East, M.D.B.&M. the centerline of which is described as follows:

Commencing at the North 1/4 corner of Section 30; thence South 14°07'01" West 684.59 feet to the True Point of Beginning; thence South 18°22'10" West 822.14 feet; thence South 01°20'17" West 507.21 feet; thence South 01°20'17" West 600.00 feet; thence South 10°30'31" West 182.73 feet; thence South 31°22'14" West 498.40 feet; thence South 36°51'44" West 585.85 feet; thence South 48°40'36" West 227.88 feet; thence South 24°34'06" West 115 feet more or less to a point on the U.S. Forestry boundary, said point being 80 feet more or less Northerly, along the 1/16 section line of the center 1/16 corner of the Southwest 1/4 of Section 30, excepting therefrom land under the ownership of Heavenly Valley, Inc. lying in the Northwest 1/4 of the Northeast 1/4 of the Southwest 1/4 of Section 30.

PARCEL 9-F:

Together with a cross-over ski trail easement, described as follows:

0482259

BK1299PG1586

A twelve foot wide ski trail easement lying wholly within the Northeast 1/4 of the Northeast 1/4 of the Southwest 1/4 of Section 30, Township 13 North, Range 19 East, M.D.M., Douglas County, Nevada, the centerline of which is more particularly described as follows: Commencing at the center 1/4 corner of said Section 30: thence along the north-south centerline South 00°23'02" East 581.46 feet to the centerline of an unimproved road and the TRUE POINT OF BEGINNING; thence along the centerline of said unimproved road and centerline of said 12 foot wide ski trail easement North 28°10'20" East 4.10 feet; thence North 33°12'39" East 132.40 feet; thence North 42°28'15" East 228.11 feet; thence North 24°52'58" East 56.67 feet to a point on a curve lying 6 feet within the right of way of Quaking Aspen Drive as shown on the recorded map of Tahoe Village Unit 1 and from which point the center of said curve bears South 56°23'11" West 66.00 feet; thence along said curve and a line 6 feet Easterly from, and parallel with, the Westerly right of way of said Quaking Aspen Drive an arc distance of 7.13 feet; thence continuing along said "six foot offset line" North 38°48'07" West 48.65 feet to a tangent curve to the right with a central angle of 12°45'28" and a radius of 164.00 feet; thence along said curve an arc distance of 36.52 feet; thence tangent to curve North 26°02'39" West 80.13 feet; thence along a tangent curve to the right with a central angle of 19°35'46" and a radius of 114.00 feet; thence along said curve an arc distance of 38.99 feet to a tangent reverse curve to the left with a central angle of 78°43'40" and a radius of 26.00 feet; thence along said curve an arc distance of 35.72 feet; thence tangent to said curve North 85°10'33" West 31.50 feet; thence North 55°00'00 West 100.00 feet to the Northerly terminous of this description, excepting therefrom any portion lying within lands owned by John B. Pordon, also known as Tito Pordon, Barbara A. Pordon, Nye Sbragia and Mary Sbragia.

PARCEL 10:

All that real property situate in the County of Douglas, State of Nevada, described as follows:

All that portion of Section 30, Township 13 North, Range 19 East, M.D.M., more particularly described as follows:

Beginning at a point which bears South 70°23'12" East 1904.78 feet from the West 1/4 corner of said Section 30; thence South 14°42'36" West 671.80 feet; thence South 89°51'46" West 374.69 feet; thence North 00°07'45" West 648.51 feet; thence North 89°46'18" East 546.75 feet to the True Point of Beginning

A.P.N. 41-010-11

0482259

BK1299PG1587

PARCEL 11 :

All that real property situate in the County of Douglas, State of Nevada, described as follows:

All that portion of Sections 19, 20, 29 and 30, Township 13 North, Range 19 East, M.D.M., more particularly described as follows:

Beginning at a point on the North line of Section 30 which bears South 89°53'31" West 330.00 feet from the Section corner common to said Sections 19, 20, 29 and 30; thence North 89°53'31" East 16.27 feet; thence North 00°11'47" East 70.58 feet; thence South 84°42'27" East 180.15 feet; thence North 63°29'48" East 179.75 feet; thence North 39°27'33" East 229.35 feet; thence North 78°23'48" East 359.17 feet; thence South 84°31'27" East 178.18 feet; thence South 15°18'58" East 370.73 feet; thence South 15°18'58" East 206.78 feet; thence North 89°24'10" East 457.78 feet; thence North 00°24'58" West 200.00 feet; thence North 89°24'10" East 1310.63 feet; thence South 00°20'54" East 3938.37 feet; thence South 89°37'32" West 2611.97 feet; thence South 89°51'44" West 330.00 feet; thence North 00°29'03" West 3928.36 feet to the True Point of Beginning.

A.P.N. 42-010-11

Excepting therefrom all of the following described parcel that lies within the boundaries of the above described parcel.

A parcel of land situate in Section 29 & 30, Township 13 North, Range 19 East, M.D.B.&M., being 60.00 feet in width except the first and last 100 feet which is 100 feet in width, the centerline of which is described as follows:

COMMENCING at Point "O" as shown on the Record of Survey filed as Document No. 64394 on February 22, 1973, Official Records, Douglas County, Nevada; thence South 46°32'15" East 209.62 feet to the True Point of Beginning; thence North 74°54'32" East 3824.35 feet to a point, said point being the end of this description.

PARCEL 11 -A:

Together with an Aerial Tram and Gondola Easement described as follows:

All that real property situate in the County of Douglas, State of Nevada, described as follows:

All that portion of Section 30, Township 13 North, Range 19 East, M.D.M., and being a portion of Parcel A "Common Area" of Tahoe Village Unit No. 3, filed for record on January 22, 1973, file No. 63804, more particularly described

0482259

BK 1299PG 1588

as follows:

Beginning at a point on the East Boundary of said Tahoe Village Unit No. 3 which bears North 00°29'03" West 792.37 feet from the Southeast corner of Tahoe Village Unit No. 3, said point being on the centerline of this 40 foot wide easement; thence along the centerline South 65°26'19" West 1683.0 feet to the Westerly terminus of this easement description.

PARCEL 12:

A parcel of land situate in Section 29 & 30, Township 13 North, Range 19 East, M.D.B.&M., being 60.00 feet in width except the first and last 100 feet which is 100 feet in width, the centerline of which is described as follows:

COMMENCING at Point "O" as shown on the Record of Survey filed as Document No. 64394 on February 22, 1973, Official Records, Douglas County, Nevada; thence South 46°32'15" East 209.62 feet to the True Point of Beginning; thence North 74°54'32" East 3824.35 feet to a point, said point being the end of this description.

Excepting therefrom all that portion lying, situate and being within the greenbelt area of Tahoe Village, a planned unit development, according to the maps thereof filed in the Office of the Douglas County Recorder of Douglas County, Nevada.

A.P.N. 42-010-12

PARCEL 12-A :

Together with a ski lift easement described as follows:

A parcel of land situate in Section 29 & 30, Township 13 North, Range 19 East, M.D.B.&M. being 20.00 feet in width except the first and last 100 feet which is 60 feet in width, the centerline of which is described as follows:

Commencing at Point "O" as shown on the Record of Survey filed as Document No. 64394 on February 22, 1973, Official Records, Douglas County, Nevada; thence South 46°32'15" East 209.62 feet to the True Point of Beginning; thence North 74°54'32" East 3724.35 feet to a point, said point bears North 33°22'31" East 854.92 feet from Point "U" as shown on the aforementioned Record of Survey; thence continuing North 74°54'32" East 800 feet to a Point on the U.S. Forest Boundary, said point being the end of this description.

REQUESTED BY

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

1999 DEC -9 PM 12: 31

LINDA SLATER  
RECORDER

\$50 PAID *K* DEPUTY

0482259

BK 1299PG 1589